

ALASKA LEGISLATURE COMMITTEE FILES 2007-2008 SRFS 12670

1 the costs of any time devoted to the investigation or hearing by the commission
2 staff.

3 * Sec. 12. AS 31.05.090 is repealed and reenacted to read:

4 **Sec. 31.05.090. Permits to drill wells.** (a) A person must apply for and receive
5 a permit from the commission before drilling

6 (1) a well in search of oil or gas;

7 (2) a well in support of the recovery or production of oil or gas;

8 (3) an underground injection well for which the state has acquired
9 primary enforcement responsibility under AS 31.05.030(h).

10 (b) A person must submit a separate permit application for each well. The
11 permit application must be in the form required by the commission and include all
12 information required by the commission.

13 (c) After receiving an application under (b) of this section, the commission
14 shall promptly issue a permit to drill unless the

15 (1) proposed well is contrary to law or an order of the commission; or

16 (2) person is in violation of this chapter, a regulation adopted under
17 this chapter, or a commission order.

18 * Sec. 13. AS 31.05.093(c) is amended to read:

19 (c) The commission shall determine the regulatory cost charges levied under
20 this section so that the total amount to be collected approximately equals the
21 appropriations made for the operating costs of the commission under this chapter for
22 the fiscal year [, LESS THE ESTIMATED TOTAL OF THE FEES TO BE
23 COLLECTED UNDER AS 31.05.090. IF THE AMOUNT THE COMMISSION
24 EXPECTS TO COLLECT UNDER THIS SECTION AND UNDER AS 31.05.090
25 EXCEEDS THE APPROPRIATIONS MADE FOR THE OPERATING COSTS OF
26 THE COMMISSION UNDER THIS CHAPTER, THE COMMISSION SHALL, BY
27 ORDER, ADJUST THE REGULATORY COST CHARGES SO THAT THE TOTAL
28 AMOUNT OF THE REGULATORY COST CHARGES AND FEES THAT ARE
29 COLLECTED APPROXIMATELY EQUALS THE APPROPRIATIONS MADE
30 FOR THE OPERATING COSTS OF THE COMMISSION UNDER THIS CHAPTER
31 FOR THE FISCAL YEAR].

1 * **Sec. 14.** AS 31.05.150(a) is amended to read:

2 (a) A person who wilfully or negligently violates a provision of this chapter,
3 or a regulation or order of the commission adopted under this chapter, is liable for a
4 civil penalty of no more than \$100,000 for a single violation or, in the commission's
5 discretion, no more than \$25,000 [\$5,000] a day for each day of violation [,
6 UNLESS THE PENALTY FOR VIOLATION IS OTHERWISE PROVIDED FOR
7 AND MADE EXCLUSIVE IN THIS CHAPTER].

8 * **Sec. 15.** AS 31.05.150(d) is amended to read:

9 (d) The civil penalties provided in this section may be assessed by the
10 commission and if not paid are recoverable by suit filed by the attorney general in
11 the name and on behalf of the commission in the superior court [OF THE JUDICIAL
12 DISTRICT IN WHICH THE DEFENDANT RESIDES OR IN WHICH ANY
13 DEFENDANT RESIDES, IF THERE IS MORE THAN ONE DEFENDANT, OR IN
14 THE SUPERIOR COURT OF THE JUDICIAL DISTRICT IN WHICH THE
15 VIOLATION OCCURS]. The payment of a penalty does not relieve a person on
16 whom the penalty is imposed from liability to any other person for damages arising
17 out of the violation.

18 * **Sec. 16.** AS 31.05.150(e) is amended to read:

19 (e) In addition to the penalties in (a) - (d) and (f) of this section, the [THE]
20 commission may impose a civil penalty payment on every 1,000 cubic feet of natural
21 gas flared, vented or otherwise determined to be waste as defined in AS 31.05.170.
22 The penalty shall be two times the fair market value of the natural gas at the point of
23 waste.

24 * **Sec. 17.** AS 31.05.150 is amended by adding a new subsection to read:

25 (g) In determining the amount of a penalty assessed under this section, the
26 commission shall consider

27 (1) whether the person committing the violation was acting in good
28 faith or bad faith;

29 (2) the extent and seriousness of the violation and the actual or
30 potential threat to public health or the environment;

31 (3) the injury to the public resulting from the violation;

- 1 (4) the benefits derived by the person from the violation;
2 (5) the history of compliance or noncompliance by the person with the
3 requirements of this chapter, a regulation under this chapter, and commission orders;
4 (6) the need to deter similar behavior by the person and others
5 similarly situated in the future;
6 (7) the effort made by the person to correct the violation and prevent
7 future violations; and
8 (8) other factors considered relevant to the assessment that are adopted
9 by the commission in regulation.

10 * **Sec. 18.** AS 31.05.080(c) and 31.05.080(d) are repealed.

11 * **Sec. 19.** The uncodified law of the State of Alaska is amended by adding a new section to
12 read:

13 REVISOR'S INSTRUCTION. The revisor of statutes is instructed to change the
14 heading of AS 31.05.080 from "Rehearings and appeals" to "Reconsiderations and appeals."

15 * **Sec. 20.** This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: SB109-DOA-AOGCC 3-7-07
 Bill Version: SB109
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title Oil and Gas Conservation Commission RDU AOGCC
 Component AOGCC
 Sponsor Rules / Leg Budget & Audit
 Requester Senate Resources Committee Component No. 2010

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
-----------------------------	-----	-----	-----	-----	-----	-----

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
1162 AOGCC Receipts	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill is not anticipated to have any fiscal impact on the AOGCC.

Most of the amendments are technical revisions involving responsibilities that are already under the purview of the Alaska Oil and Gas Conservation Commission. The bill deletes the requirement that an applicant pay a \$100 fee for a permit to drill a well. Since the Commission is fully funded through a regulatory cost charge it is more efficient to collect those costs as part of the overall regulatory cost charge rather than by subtracting an estimate of the fees that might be generated in the coming year and then collecting by individual application. This will also streamline the process for permitting as the Commission moves towards implementing e-permitting.

Prepared by: Jody J. Colombie, Special Assistant I Pphone 793-1221
 Division Alaska Oil and Gas Conservation Commission Date/Time 3/7/07 10:00 AM
 Approved by: Rachael Petro, Deputy Commissioner Date 3/7/07 2:00pm
 Agency Department of Administration



LEGISLATIVE BUDGET & AUDIT COMMITTEE

Representative Ralph Samuels, Chairman

SPONSOR STATEMENT

SENATE BILL 109

"An Act relating to the regulation and permitting of drilling and other operations by the Alaska Oil and Gas Conservation Commission, to civil penalties assessed by the commission, to reconsideration and appeal of decisions and the allocation of costs in investigations and hearings before the commission, and to information filed with and fees of the commission; and providing for an effective date."

The Alaska Oil and Gas Conservation Commission (AOGCC) requested legislation that would make several needed updates and improvements to Title 31, its governing statute.

Senate Bill 109 would accomplish the following:

1. Clarify the Commission's authority to regulate underground storage of natural gas. Gas storage is a way of dealing with seasonal variations in demand. Although the Commission clearly has statutory authority to regulate other types of underground injection related to oil & gas operations, the statute is unclear as to the Commission's authority with respect to gas storage injection.
2. Clarify that the Commission's existing authority to regulate various types of oil and gas operations, such as drilling and plugging wells and disposing of oil field wastes, may be for public health and safety purposes as well as conservation purposes. Currently, the statute uses the phrase "for conservation purposes." While this is a broad concept, there are aspects of the Commission's mission, such as preventing well blowouts or explosions that clearly impact public health and safety. There should be no question that the latter are appropriate goals of Commission oversight of oil field operations, and the bill would make this explicit.

3. Make a "mid-course correction" in a regulatory program concerning nonconventional gas, in particular, coal bed methane. One of the new requirements is for the operator of a well used for production **or production testing** of coal bed methane "to design and implement a water well testing program to provide baseline data on water quality and quantity." However, production testing is a short-term activity that would not have a significant impact on aquifers. Moreover, production testing often occurs during exploratory activities and is very low risk to the environment, before an operator has any idea whether a prospect may ultimately be developed and put in production. Requiring an operator to design and implement a water well testing program at this early stage is an unnecessary burden that will discourage exploration without providing an offsetting public benefit. The bill would therefore modify this requirement to apply only to regular production of coal bed methane, not production testing.

4. Update the reconsideration & appeals provision. There is a conflict between the judicial appeal provisions of the Alaska Oil and Gas Conservation Act, which date essentially unchanged from a territorial enactment in 1955, and the more modern and streamlined uniform appeal provisions of the judiciary statute. The Commission has taken the position that the judiciary statute superseded the earlier territorial enactment, and the Supreme Court recently upheld that position in *Allen v. Alaska Oil and Gas Conservation Commission*, 139 P3d 564 (Alaska 2006). This bill would eliminate the outmoded territorial provisions and leave appeals from Commission decisions to be governed by the uniform procedures of the judiciary statute and court rules.

5. Delete the requirement that an applicant pay a \$1 00 fee for a permit to drill a well in this state. For some years the Commission has been fully funded by the regulated industry through a regulatory cost charge. The costs associated with permitting are more efficiently collected as part of the overall regulatory cost charge rather than by subtracting an **estimate** of the fees that might be generated in the coming year.

6. Specify that only data from "exploratory" and "stratigraphic test" wells is subject to a 24-month period of confidentiality. This change is consistent with the regulatory practice in most other oil and gas producing states that does not afford confidentiality well data in established oil and gas fields. The Commission recognizes that some wells that are drilled within the boundaries of an existing oil and gas field would be entitled to confidentiality because they are drilled to delineate a pool or are drilled near a lease boundary. The Commission believes that protection can be provided through regulation.

Sponsor Statement

Page 3

Senate Bill 109

7. Add a new subsection that makes clear that information submitted in connection with a petition for a Commission order or in connection with a hearing will not be held confidential solely on the claim that it is being provided "voluntarily" to the Commission. This amendment is consistent with Commission practice which requires the applicant to make a showing that the information is entitled to confidentiality under another provision of law or as one would, for example, for proprietary information or trade secrets.

8. Update the penalty section by increasing the penalty amounts available to the Commission and adds a specific list of criteria for the Commission to consider in determining the amount of a penalty. The bill would change the maximum amount of a penalty from \$5,000 a day for each day of violation, to provide for a civil penalty of ***no more than \$1 00,000 for a single violation, or in the Commission's discretion, no more than \$25,000 a day for each day of violation***. It also increases the civil penalty for gas that is flared, vented or otherwise determined to be waste from the fair market value to two times the fair market value. This amendment essentially shifts the penalty previously imposed by the Department of Revenue for flared gas to the Commission. Prior to the recent legislative changes to the oil and gas tax laws, the Department of Revenue also imposed a penalty equal to the fair market value of the flared gas whenever the Commission determined it was waste.

9. Make a few housekeeping changes like substituting the Commission for an outdated reference to the Department of Natural Resources (the Department of Natural Resources has independent authority in Title 38), updating the classification of wells, and substituting ***for which a permit to drill has been issued by the commission*** where it is more efficient than listing each type of well subject to the Commission's authority.



LEGISLATIVE BUDGET & AUDIT COMMITTEE

Representative Ralph Samuels, Chairman

SECTIONAL ANALYSIS

Senate Bill 109

Section 1. Statement of intent

(a) Confirms that AS 22.1 0.020(d), or court rules, have superseded inconsistent appeal provisions of AS 31.05.080; and

(b) Confirms that civil penalties may be administratively assessed by the Commission.

Section 2. Substitutes the language "for which a permit to drill has been issued by the commission" to capture all wells under the commission's regulatory authority rather than listing each type of well in (d)(2) and substitutes the word commission for an outdated reference to the Department of Natural Resources in (d) (7).

Section 3. Clarifies that the commission may regulate drilling and other oil and gas operations not only for conservation purposes but, as in the case of preventing blowouts or explosions, for public health and safety purposes under (e) (I).

(e)(I)(B) substitutes more precise terminology for the term "shooting"

(e)(I)(G) clarifies the commission's authority to regulate underground natural gas storage.

Section 4. Updates the various classifications of wells regulated by the commission.

Section 5. Slightly narrows a requirement enacted in 2004 relating to coal bed methane operations. The 2004 enactment requires a water well testing program whenever a well is drilled for production *or production testing* of coal bed methane. Production testing is a short-term operation that may occur during the exploration phase and is very low risk to the environment. Requiring a water well testing program in such circumstances may discourage exploration with no significant offsetting benefit to the public. The bill therefore would modify the requirement to apply only where a well will be used for regular production of coal bed methane.

Sectional Analysis

Senate Bill 109

Page 2

Section 6. Substitutes the language "for which a permit to drill has been issued by the commission" to capture all wells under the commission's regulatory authority rather than listing each type of well.

Section 7. Narrows the data that would be subject to a 24-month period of confidentiality to only the data from "exploratory" and "stratigraphic test" wells. This change is consistent with the regulatory practice in most other oil and gas producing states that does not afford confidentiality to well data in established oil and gas fields.

Section 8. Adds a new subsection (f) to clarify that information "voluntarily" provided under subsection (d) of this section does not apply to information submitted in connection with a petition for a Commission order or in connection with a hearing. This is consistent with Commission practice which requires the applicant to make a showing that the information is entitled to confidentiality under another provision of law as one would, for example, for proprietary information or trade secrets.

Section 9. The current statute uses the term "rehearing" and in accordance with more modern usage, the bill substitutes the term "reconsideration" for "rehearing."

Section 10. Clarifies that a person who has applied for reconsideration and who is dissatisfied with the disposition of the application for reconsideration may appeal to the Superior Court. The questions reviewed on appeal are limited to the questions presented to the Commission by the application for reconsideration. This section and section 19 update the appeal provisions of the existing statute by eliminating outmoded procedures that were enacted before statehood and clarifying that appeals from the Commission decisions are subject to the uniform procedures established in the judiciary statute, AS 22.10.020(d), and the Rules of Appellate Procedure.

Section 11. Allows the commission to allocate costs incurred by Commission staff for investigation or hearings.

Section 12. Deletes the requirement that an applicant pay a \$100 fee for a permit to drill a well in this state. The Commission has been fully funded by the regulated industry through a regulatory cost charge. The costs associated with permitting are more efficiently collected as part of the overall regulatory cost charge rather than by subtracting an estimate of the fees that might be generated in the coming year.

Section 13. Deletes the reference to the \$100 fee for the permit to drill from the regulatory cost charge formula.

Section 14. Updates the penalty section by increasing the penalty amounts available to the Commission. This section would change the penalty from \$5,000 a day for each day of violation to ***no more than a \$1 00,000 for a single violation, or in the commission's discretion, no more than \$25,000 a day for each day of violation.***

Section 15. Makes clear that civil penalties may be administratively assessed by the Commission and if not paid are recoverable by a lawsuit filed by the attorney general on behalf of the Commission.

Section 16. Increases the civil penalties for gas that is flared, vented, or otherwise determined to be waste from the fair market value to two times the fair market value. This amendment essentially shifts the penalty previously imposed by the Department of Revenue for flared gas to the Commission.

Section 17. Adds a new subsection setting out the factors to be used in determining the amount of a penalty.

Section 18. AS 31.05.080(c), and AS 31.05.080(d) are repealed to eliminate outmoded procedures that were enacted before statehood.

Section 19. Adds a revisors' instruction to change the heading of AS 31.05.080 from "Rehearings and appeals" to "Reconsiderations and appeals."

Section 20. Provides for an immediate effective date under AS 01 .01.070(c).

Alaska Oil and Gas Conservation Commission

Mission

- To protect the public interest in oil and gas resources and prevent contamination of underground fresh water.

Core Services

- Approve and monitor plans for reservoir development and enhanced oil recovery.
- Issue pooling rules and conservation orders.
- Adjudicate permit applications for drilling, completion, and remedial well operations which includes evaluation and adjudication of proposed designs for drilling, well control, casing, cementing and other well completion operations.
- Monitor and enforce well spacing rules, production rates, injection well pattern, gas/oil/water ratios, and pressure maintenance efforts.
- Order the unitized management and operation of underground reservoirs of oil and gas when necessary to substantially increase recovery.
- Evaluate and regulate gas flaring for waste determinations.
- Administer Alaska's Underground Injection Control (UIC) program and the annular waste disposal program.
- Inspect drill rigs and wells to insure compliance with AOGCC regulations.
- Witness safety valve, mechanical integrity, blowout preventer and diverter tests.
- Witness meter-proving, calibration, and oil quality tests.
- Collect and maintain all well history files and well log records.
- Collect and maintain all oil and gas production records.
- Provide information to the public and other governmental agencies.
- Provide technical analysis to other state agencies.



MAR 15 2007

March 12, 2007

Senator Charlie Huggins
State Capitol, Room 119
Juneau, AK 99801-1182

RE: SB 109 – Alaska Oil and Gas Conservation Commission

Dear Senator Huggins,

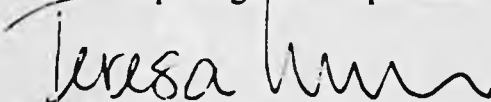
Arctic Slope Regional Corporation (“ASRC”) supports those provisions in SB 109 that clarify the regulatory and jurisdictional issues of the Alaska Oil and Gas Conservation Commission (“Commission”). We do not agree, however, with the raising of fees for violations from \$5,000 per day to \$100,000 per day.

ASRC feels that these proposed fees are excessive for the following reasons:

- It would add an undue burden on operators who are judged to have violated statutes by the Commission, even if they acted in good faith;
- This will be viewed as yet another barrier to entry for new oil and gas explorers and operators;
- It will have the effect of lowering the value of land for private landowners who desire to develop their oil and gas interests.

It has been our experience that operators plan and execute their activities in good faith. This includes compliance with all state statutes and regulations. If the current violation fee has not kept pace with inflation then it should be adjusted accordingly. As proposed, the fee increase appears to be both excessive and unwarranted.

Respectfully,
Arctic Slope Regional Corporation



Teresa Imm
Director – Resource Development

cc: AOGCC

Mission

[Oil and Gas Conservation Commission](#) > [Who We Are](#) - Welcome > [Mission](#): Updated 15 May 2006

The mission of the Alaska Oil and Gas Conservation Commission (AOGCC) is to protect the public interest in exploration and development of oil and gas resources, ensuring conservation practices, and increasing ultimate recovery, while protecting health, safety, the environment, and property rights.

The Commission functions as the regulatory agency overseeing the underground operation of the Alaska oil industry on private and public lands and waters. Its responsibilities include regulating drilling and production of oil and gas to ensure that physical waste does not occur, protecting correlative rights of mineral interest owners, ensuring greater ultimate resource recovery and managing the Class II Underground Injection Control (UIC) program for oil and gas wells in Alaska as authorized by the U.S. Environmental Protection Agency on June 19, 1986.

[Home](#) [Orders](#) [Staff](#) [Calendar](#) [Contact Us](#) [Webmaster](#)

History

Oil and Gas Conservation Commission > Who We Are - Welcome > History: Updated 15 May 2006

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

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

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

With the advent of production from Prudhoe Bay in 1977, the Legislature became concerned with the potential conflict between the state's revenue interest in high production rates on state leases and the state's conservation interest in protecting total ultimate recovery. To obviate its concern, the Legislature amended AS 31.05 by Chapter 158, SLA 1978 to create a new Commission, effective January 1, 1979, as an independent quasi-judicial agency within the executive branch of the state. Initially, the new Commission was housed within the Department of Natural Resources, but in 1980 it was transferred to the Department of Commerce and Economic Development. More recently, Governor Hickel transferred the Commission to the Department of Administration on February 17, 1994.

[Home](#) [Orders](#) [Staff](#) [Calendar](#) [Contact Us](#) [Webmaster](#)

Contents
SRES 3/12/07

1

Governor's Appointments

- A. Big Game Commercial Services Board
Leif Wilson – **Reappointment** - term expires 3/1/2011
- B. Department of Fish and Game
Denby Lloyd
- C. Comments regarding Mr. Lloyds nomination: **For & Against**

2

SB 109 – Oil & Gas Conservation Commission (AOGCC)

3

-
- A. Fiscal Note
 - B. Sectional Analysis

4

Sponsor Statement - Rep. Ralph Samuels, Chair LB&A Committee

5

AOGCC Mission and Core services

Alaska Oil and Gas Conservation Commission

Mission

- To protect the public interest in oil and gas resources and prevent contamination of underground fresh water.

Core Services

- Approve and monitor plans for reservoir development and enhanced oil recovery.
- Issue pooling rules and conservation orders.
- Adjudicate permit applications for drilling, completion, and remedial well operations which includes evaluation and adjudication of proposed designs for drilling, well control, casing, cementing and other well completion operations.
- Monitor and enforce well spacing rules, production rates, injection well pattern, gas/oil/water ratios, and pressure maintenance efforts.
- Order the unitized management and operation of underground reservoirs of oil and gas when necessary to substantially increase recovery.
- Evaluate and regulate gas flaring for waste determinations.
- Administer Alaska's Underground Injection Control (UIC) program and the annular waste disposal program.
- Inspect drill rigs and wells to insure compliance with AOGCC regulations.
- Witness safety valve, mechanical integrity, blowout preventer and diverter tests.
- Witness meter-proving, calibration, and oil quality tests.
- Collect and maintain all well history files and well log records.
- Collect and maintain all oil and gas production records.
- Provide information to the public and other governmental agencies.
- Provide technical analysis to other state agencies.

Sharon Long

From: Sen. Charlie Huggins
Sent: Monday, March 12, 2007 11:44 AM
To: Sharon Long
Subject: FW: New Pom:Oil & Gas

-----Original Message-----

From: POMS@legis.state.ak.us [mailto:POMS@legis.state.ak.us]
Sent: Monday, March 12, 2007 7:23 AM
To: Sen. Charlie Huggins
Subject: New Pom:Oil & Gas

Thomas Wood
Po Box 770014
PO Box 14
Eagle River 99577-0014, akbucket
akbucket@alaska.com
907.227.8844

How long are you going to waste our money and diddle around with nonsense such as ethics.

Where's our gas line - too busy fiddling like Nero?

No more Californication of Alaska!!!!

Alaska needs development - not warm and fuzzy feel good nonsense.

WITNESS LIST – SENATE BILL 109

Commissioner John Norman, Alaska Oil and Gas Conservation Commission

Judy Brady, Alaska Oil & Gas Association

Cheryl Sutton, Staff, Legislative Budget and Audit Committee – 465-2705

SB

111

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 3/12/07

FURTHER: Finance

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

DATE TURNED
IN TO OFFICE: _____

Resources Committee considered SENATE BILL NO. 111

SB 111 KODIAK NARROW CAPE PUBLIC USE AREA

"An Act creating the Kodiak Narrow Cape Public Use Area."

and recommends:

- be replaced with SCS or CS SB 111 (RES)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:
 Same Title
 New Title

HOUSE BILL:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	No REC	AMEND
	Brent Johnson	✓			
	Lydia Green			✓	
	STEVEN Wielechowski	X			
	McEll	✓			
	Chair	X			

ALASKA STATE LEGISLATURE



SESSION ADDRESS
Alaska State Capitol
Juneau, AK 99801-1182
(907) 465-4925
Fax (907) 465-3517

INTERIM ADDRESS
112 Mill Bay Road
Kodiak, AK 99615
(907) 486-4925
Fax (907) 486-5264

Senator Gary Stevens
Senate Majority Leader

Memo

To: Senator Charlie Huggins, Chair, Senate Resources Committee
From: Senator Gary Stevens 
Date: April 11, 2007
Re: SB 111 Hearing Request

I respectfully request a Senate Resources Committee hearing on SB 111: "An Act creating the Kodiak Narrow Cape Public Use Area" at your earliest convenience.

In the enclosed packet are the sponsor statement, copy of the current version of the bill, a proposed committee substitute to align the bill with the House version (SB 203) a sectional analysis, a map the Departments of Natural Resources, comments from DNR, resolutions of support from the Kodiak Island Borough and City of Kodiak, as well as an e-mail in support of the bill from a constituent..

Also included is a teleconference request form for the Kodiak Legislative Information Office. I also expect testimony to come from DNR and the Alaska Aerospace Development Corporation through the off-net teleconference line.

At this time, I do not anticipate the need for any special audio or video equipment.

Thank you for your consideration of this request. Please contact myself, or my aide Doug Letch at extension 1283 with any questions you may have.

ALASKA STATE LEGISLATURE

Sen. Charlie Huggins, Chair
Sen. Bert Stedman, Vice Chair
Sen. Lyda Green
Sen. Gary Stevens
Sen. Lesil McGuire
Sen. Bill Wielachowski
Sen. Thomas Wagoner



State Capitol, Room 119
Juneau AK 99801-1182
907-465-3878
Fax: 907-465-3265
800-862-3878

Senate Resources Committee Butrovich – Room 205

Monday, April 23, 2007
3:30 p.m. – 5:30 p.m.

AGENDA

- **SB 111 -- KODIAK NARROW CAPE PUBLIC USE AREA**
 - Senator Gary Stevens, Sponsor
 - Doug Letch, Legislative Aide to Sen. Stevens

- **HB 186 – SPORT FISHING GUIDE RECORDS**
 - Tom Wright, Legislative Aide to Speaker John Harris, Sponsor
 - Doug Vincent-Lang, Alaska Department of Fish and Game
 - Steve Daugherty, Department of Law

ALASKA STATE LEGISLATURE

Sen. Charlie Huggins, Chair
Sen. Bert Stedman, Vice Chair
Sen. Lyda Green
Sen. Gary Stevens
Sen. Lasil McGuire
Sen. Bill Wielechowski
Sen. Thomas Wagoner



State Capitol, Room 119
Juneau AK 99801-1182
907-465-3878
Fax: 907-465-3265
800-862-3878

Senate Resources Committee

Butrovich – Room 205

Friday, April 20, 2007

3:30 p.m. – 5:30 p.m.

AGENDA

- **SB 111 -- KODIAK NARROW CAPE PUBLIC USE AREA**
 - Senator Gary Stevens, Sponsor
 - Doug Letch, Legislative Aide to Sen. Stevens

- **SB 80 – OIL & GAS PRODUCTION TAX: EXPENDITURES**
 - John Norman, Commissioner/Chair, AOGCC
 - Commissioner Pat Galvin, Department of Revenue
 - Kevin Banks, Director, Division of Oil & Gas

- **HB 186 – SPORT FISHING GUIDE RECORDS**
 - Tom Wright, Legislative Aide to Speaker John Harris, Sponsor
 - Doug Vincent-Lang, Alaska Department of Fish and Game

(LIMITED RUN SHOWING ALL ADDITIONAL SPONSORSHIPS)

CS FOR SENATE BILL NO. 111(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE SENATE RESOURCES COMMITTEE**Offered: 4/25/07****Referred: Finance****Sponsor(s): SENATOR STEVENS****REPRESENTATIVE LeDoux****A BILL****FOR AN ACT ENTITLED**1 **"An Act creating the Kodiak Narrow Cape Public Use Area."**2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**3 *** Section 1.** AS 41.23 is amended by adding new sections to article 1 to read:4 **Sec. 41.23.240. Purpose of AS 41.23.240 - 41.23.270.** The purpose of
5 AS 41.23.240 - 41.23.270 is to protect, maintain, enhance, and perpetuate the present
6 use of the area described in AS 41.23.270 as the Kodiak Narrow Cape Public Use
7 Area. The Kodiak Narrow Cape Public Use Area is established to8 (1) protect, maintain, perpetuate, and enhance year-round general
9 public recreation;10 (2) protect, maintain, perpetuate, and enhance public enjoyment and
11 use of fish and wildlife;12 (3) allow for continued use of the area for grazing and other purposes
13 authorized in a land use plan adopted by the commissioner or by law;14 (4) allow additional public uses of the area in a manner compatible
15 with the purposes specified in (1), (2), and (3) of this section.

1 **Sec. 41.23.250. Management.** (a) The commissioner is responsible for the
2 management of the surface and subsurface estate of the Kodiak Narrow Cape Public
3 Use Area. After adequate public hearings, the commissioner may adopt and may
4 revise a management plan for the Kodiak Narrow Cape Public Use Area. The
5 commissioner shall provide a copy of the management plan and each revision to the
6 chairs of the resource committees of the legislature within 30 days after its adoption or
7 revision. The commissioner shall consult with the Department of Fish and Game in the
8 adoption and revision of the management plan.

9 (b) Subject to valid existing rights, including existing rights for grazing leases
10 and operations and the interagency land management agreement between the
11 department and the Alaska Aerospace Development Corporation for the Kodiak
12 Launch Complex, the commissioner may not dispose of the surface estate in state land
13 within the Kodiak Narrow Cape Public Use Area.

14 (c) Grazing and missile launch activity are allowable uses within the Kodiak
15 Narrow Cape Public Use Area. Consistent with the purposes of AS 41.23.240(1) and
16 (2), the commissioner shall allow additional uses within the Kodiak Narrow Cape
17 Public Use Area, including horseback riding, hiking, picnicking, berry picking, fossil
18 collecting, tide pooling, all terrain and road vehicle driving, bicycling, dog sledding,
19 cross-country skiing, skijoring, snow machining, camping, surfing, beachcombing,
20 and other traditional public uses of fish and wildlife populations such as fishing,
21 hunting, viewing, and photographing of gray whales and waterfowl.

22 (d) The state may not acquire by eminent domain privately owned land within
23 the boundaries described in AS 41.23.270 but may acquire privately owned land
24 located within the boundaries described in AS 41.23.270 by purchase, exchange, or
25 otherwise for inclusion in the Kodiak Narrow Cape Public Use Area.

26 (e) The commissioner may not manage the Kodiak Narrow Cape Public Use
27 Area as a unit of the state park system.

28 **Sec. 41.23.260. Incompatible uses.** (a) Except as provided in this section, the
29 commissioner may prohibit or restrict uses determined to be incompatible with the
30 purposes of the Kodiak Narrow Cape Public Use Area under AS 41.23.240(1) and (2)
31 within the state-owned land and water described in AS 41.23.270.

1 (b) Consistent with AS 41.23.240 - 41.23.270, the Department of Fish and
2 Game may engage in rehabilitation, enhancement, and development of fish and
3 wildlife habitat within the area described in AS 41.23.270.

4 (c) The commissioner may not restrict fishing, hunting, or trapping rights
5 allowed under a regulation of the Board of Fisheries or the Board of Game within the
6 Kodiak Narrow Cape Public Use Area.

7 (d) The commissioner shall allow access to the Kodiak Narrow Cape Public
8 Use Area by motorized or nonmotorized means of transportation to private land, to
9 interests in private land, and for hunting, fishing, trapping, mining, and recreational
10 purposes in a manner that is compatible with purposes specified in AS 41.23.240(1)
11 and (2). Existing trails remain open to public use.

12 (e) The Department of Public Safety and the Department of Fish and Game
13 may have necessary access for fish and game management, research, and enforcement
14 purposes.

15 (f) If the commissioner determines that a use is incompatible with one or more
16 other uses in a portion of the Kodiak Narrow Cape Public Use Area, the commissioner
17 shall state in the management plan adopted or revised under AS 41.23.250

18 (1) each determination of incompatibility;

19 (2) the specific area where the incompatibility is determined to exist;

20 (3) the time within which the incompatibility is determined to exist;

21 and

22 (4) the reasons for each determination of incompatibility.

23 **Sec. 41.23.270. Kodiak Narrow Cape Public Use Area.** Subject to valid
24 existing rights, the vacant and unappropriated state-owned land, tidelands, and
25 submerged lands and the state land, tidelands, and submerged lands acquired in the
26 future that lie within the boundaries described in this section are designated as the
27 Kodiak Narrow Cape Public Use Area. are reserved for all uses compatible with their
28 primary function as public use land, and are assigned to the department for control and
29 management:

30 (1) Township 30 South, Range 20 West, Seward Meridian

31 Section 25

- 1 Section 36
- 2 (2) Township 30 South, Range 18 West, Seward Meridian
- 3 Section 19
- 4 Sections 30 - 31
- 5 (3) Township 30 South, Range 19 West, Seward Meridian
- 6 Section 15
- 7 Sections 19 - 36
- 8 (4) Township 31 South, Range 19 West, Seward Meridian
- 9 Sections 1 - 11
- 10 Sections 15 - 22
- 11 Sections 27 - 34
- 12 (5) Township 31 South, Range 20 West, Seward Meridian
- 13 Section 1
- 14 Section 2: all land lying east of Pasagshak Bay Road
- 15 Section 12: E 1/2
- 16 Section 13
- 17 Section 23: SE 1/4
- 18 Sections 24 - 25
- 19 Section 26: Lot 1
- 20 Sections 34 - 36
- 21 (6) Township 32 South, Range 19 West, Seward Meridian
- 22 Sections 3 - 6
- 23 Sections 8 - 10
- 24 (7) Township 32 South, Range 20 West, Seward Meridian
- 25 Sections 1 - 3
- 26 Section 4: SE 1/4
- 27 Sections 9 - 11

SENATE BILL NO. 111

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY SENATOR STEVENS

Introduced: 3/12/07

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act creating the Kodiak Narrow Cape Public Use Area."**

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

3 *** Section 1.** AS 41.23 is amended by adding new sections to article 1 to read:

4 **Sec. 41.23.240. Purpose of AS 41.23.240 - 41.23.270.** The purpose of
5 AS 41.23.240 - 41.23.270 is to protect, maintain, enhance, and perpetuate the present
6 use of the area described in AS 41.23.270 as the Kodiak Narrow Cape Public Use
7 Area. The Kodiak Narrow Cape Public Use Area is established to

8 (1) protect, maintain, perpetuate, and enhance year-round general
9 public recreation;

10 (2) protect, maintain, perpetuate, and enhance public enjoyment and
11 use of fish and wildlife;

12 (3) allow additional public uses of the area in a manner compatible
13 with the purposes specified in (1) and (2) of this section.

14 **Sec. 41.23.250. Management.** (a) The commissioner is responsible for the
15 management of the surface and subsurface estate of the Kodiak Narrow Cape Public

1 Use Area. After adequate public hearings, the commissioner shall adopt and may
2 revise a management plan for the Kodiak Narrow Cape Public Use Area. The
3 commissioner shall provide a copy of the management plan and each revision to the
4 chairs of the resource committees of the legislature within 30 days after its adoption or
5 revision. The commissioner shall consult with the Department of Fish and Game in the
6 adoption and revision of the management plan.

7 (b) Subject to valid existing rights, including existing rights for grazing leases
8 and operations and the interagency land management agreement between the
9 department and the Alaska Aerospace Development Corporation for the Kodiak
10 Launch Complex, the commissioner may not dispose of the surface estate in state land
11 within the Kodiak Narrow Cape Public Use Area.

12 (c) Grazing and missile launch activity are allowable uses within the Kodiak
13 Narrow Cape Public Use Area. Consistent with the purposes of AS 41.23.240(1) and
14 (2), the commissioner shall allow additional uses within the Kodiak Narrow Cape
15 Public Use Area, including horseback riding, hiking, picnicking, berry picking, fossil
16 collecting, tide pooling, all terrain and road vehicle driving, bicycling, dog sledding,
17 cross-country skiing, skijoring, snow machining, camping, surfing, beachcombing,
18 and other traditional public uses of fish and wildlife populations such as fishing,
19 hunting, viewing, and photographing of gray whales and waterfowl.

20 (d) The state may not acquire by eminent domain privately owned land within
21 the boundaries described in AS 41.23.270 but may acquire privately owned land
22 located within the boundaries described in AS 41.23.270 by purchase, exchange, or
23 otherwise for inclusion in the Kodiak Narrow Cape Public Use Area.

24 (e) The commissioner may not manage the Kodiak Narrow Cape Public Use
25 Area as a unit of the state park system.

26 **Sec. 41.23.260. Incompatible uses.** (a) Except as provided in this section, the
27 commissioner may prohibit or restrict uses determined to be incompatible with the
28 purposes of the Kodiak Narrow Cape Public Use Area under AS 41.23.240(1) and (2)
29 within the state-owned land and water described in AS 41.23.270.

30 (b) Consistent with AS 41.23.240 - 41.23.270, the Department of Fish and
31 Game may engage in rehabilitation, enhancement, and development of fish and

1 wildlife habitat within the area described in AS 41.23.270.

2 (c) The commissioner may not restrict fishing, hunting, or trapping rights
3 allowed under a regulation of the Board of Fisheries or the Board of Game within the
4 Kodiak Narrow Cape Public Use Area.

5 (d) The commissioner shall allow access to the Kodiak Narrow Cape Public
6 Use Area by motorized or nonmotorized means of transportation to private land, to
7 interests in private land, and for hunting, fishing, trapping, mining, and recreational
8 purposes in a manner that is compatible with purposes specified in AS 41.23.240(1)
9 and (2). Existing trails remain open to public use.

10 (e) The Department of Public Safety and the Department of Fish and Game
11 may have necessary access for fish and game management, research, and enforcement
12 purposes.

13 (f) If the commissioner determines that a use is incompatible with one or more
14 other uses in a portion of the Kodiak Narrow Cape Public Use Area, the commissioner
15 shall state in the management plan adopted or revised under AS 41.23.250

16 (1) each determination of incompatibility;

17 (2) the specific area where the incompatibility is determined to exist;

18 (3) the time within which the incompatibility is determined to exist;

19 and

20 (4) the reasons for each determination of incompatibility.

21 **Sec. 41.23.270. Kodiak Narrow Cape Public Use Area.** Subject to valid
22 existing rights, the vacant and unappropriated state-owned land and water and the state
23 land and water acquired in the future that lie within the boundaries described in this
24 section are designated as the Kodiak Narrow Cape Public Use Area, are reserved for
25 all uses compatible with their primary function as public use land, and are assigned to
26 the department for control and management:

27 Township 30 South, Range 18 West, Seward Meridian

28 Section 19

29 Sections 30 - 31 and all tidelands and submerged lands 1,320 feet
30 seaward of mean high water

31 Township 30 South, Range 19 West, Seward Meridian

- 1 Section 15
- 2 Sections 19 - 35
- 3 Section 36 and all tidelands and submerged lands 1,320 feet seaward of
- 4 mean high water
- 5 Township 30 South, Range 20 West, Seward Meridian
- 6 Section 25
- 7 Section 36
- 8 Township 31 South, Range 19 West, Seward Meridian
- 9 Section 2 and all tidelands and submerged lands 1,320 feet seaward of
- 10 mean high water
- 11 Sections 3 - 9
- 12 Section 10 - 11 and all tidelands and submerged lands 1,320 feet
- 13 seaward of mean high water
- 14 Section 15 and all tidelands and submerged lands 1,320 feet seaward of
- 15 mean high water
- 16 Sections 16 - 21
- 17 Section 22 and all tidelands and submerged lands 1,320 feet seaward of
- 18 mean high water
- 19 Sections 23 - 26
- 20 Section 27 and all tidelands and submerged lands 1,320 feet seaward of
- 21 mean high water
- 22 Sections 28 - 32
- 23 Sections 33 - 34
- 24 Township 31 South, Range 20 West, Seward Meridian
- 25 Section 1
- 26 Section 2: all lands lying east of Pasagshak Bay Road
- 27 Section 12: E1/2
- 28 Section 13
- 29 Section 23: SE1/4
- 30 Sections 24 - 25
- 31 Section 26: Lot 1 and all tidelands and submerged lands 1,320 feet

- 1 seaward of mean high water
- 2 Sections 35 - 36 and all tidelands and submerged lands 1,320 feet
- 3 seaward of mean high water
- 4 Township 32 South, Range 19 West, Seward Meridian
- 5 Sections 3 - 6 and all tidelands and submerged lands 1,320 feet seaward
- 6 of mean high water
- 7 Sections 8 - 10 and all tidelands and submerged lands 1,320 feet
- 8 seaward of mean high water
- 9 Township 32 South, Range 20 West, Seward Meridian
- 10 Sections 1 - 4 and all tidelands and submerged lands 1,320 feet seaward
- 11 of mean high water
- 12 Sections 9 - 11 and all tidelands and submerged lands 1,320 feet
- 13 seaward of mean high water

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: CSSB111-DNR-MLW-04-24-07
 Bill Version: CSSB111(RES)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Natural Resources
 Title: Kodiak Narrow Cape Public Use Area RDU: Resource Development
 Component: Claims, Permits and Leases
 Sponsor: Sen. Stevens
 Requester: Senate Resources Component No. 2460

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
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						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
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 (FY2007) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill establishes the Kodiak Narrow Cape Public Use Area. The legislation provides that DNR may prepare and adopt a land management plan under the department existing authority (AS 38.04.065) and manage the area consistent with the purposes established in the legislation.

However, DNR believes that the existing Kodiak Area Plan for State Lands adopted in 2004, in coordination with this legislation, is sufficient to address the current public land use issues in the area. Therefore, a new detailed management plan for the Narrow Cape area will not be required at this time.

Because DNR has no plans to prepare a new management plan specifically for the Kodiak Narrow Cape Public Use Area in the near future it is submitting this "zero" fiscal note.

Prepared by: Dick Mylius, Acting Director Phone 269-8600
 Division: Mining, Land & Water Date/Time 4/24/2007
 Approved by: Tom Irwin, Commissioner Date 4/24/2007
 Agency: Natural Resources

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: SB111-DNR-CPL-04-17-07
 Bill Version: SB111
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Natural Resources
 Title Kodiak Narrow Cape Public Use Area RDU Resource Development
 Component Claims, Permits and Leases
 Sponsor Sen. Stevens
 Requester Senate Resources Component No. 2460

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	60.3	60.3				
Travel	3.0	1.0				
Contractual	10.2	8.2				
Supplies	2.0	2.0				
Equipment	9.5	0.0				
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	85.0	71.5	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	85.0	71.5	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	85.0	71.5	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time	1	1				
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill establishes the Kodiak Narrow Cape Public Use Area. The legislation requires DNR to prepare and adopt a land management plan, and manage the area consistent with the purposes established in the legislation and the plan. However, DNR believes that the existing Kodiak Area Plan for State Lands adopted in 2004, in coordination with this legislation, is sufficient to address the current public land use issues in the area. Therefore, a new detailed management plan for the Narrow Cape area may not be required at this time.

Furthermore, the department already has the authority under AS 38.04.065 to develop a separate management plan for Narrow Cape should DNR determine there is a need.

Prepared by: Dick Mylius, Director Phone 269-8600
 Division: Mining, Land & Water Date/Time 4/17/2007
 Approved by: Tom Irwin, Commissioner Date 4/17/2007
 Agency: Natural Resources

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

BILL NO. SB111

ANALYSIS CONTINUATION

This fiscal note addresses the cost for the department to prepare a land management plan, public notice and review, and adoption and printing of the plan.

Plan Preparation and Adoption

(We have assumed that this process will take 18 months to complete.)

PERSONAL SERVICES COST - \$120.6 total (for 18 months)

One Natural Resource Specialist (NRS) III (range 18C) - 9 Mo. FY08 (\$60.3), 9 Mo. FY09 (\$60.3) - total 18 months at \$6.7/month* = \$120.6 - for plan preparation, review and adoption.

TRAVEL, CONTRACTUAL, SUPPLIES

Travel would be minimal at \$3.0 in FY08 and \$1.0 in FY09 as most of the public meetings would be in the Kodiak Island Borough.

Contractual costs in FY08 would be for a scoping and draft plan ads, public notice printing, room rentals, and the preparation and distribution of news letters and a draft management plan (\$4.0).

Contractual costs in FY09 would be for follow up public meetings room rental, printing and distribution of the final adopted plan (\$2.0).

Other contractual costs include \$6.2 for office space, telephones, core service charges and related expenses for the new position in FY08, and \$6.2 in FY09.

Supplies are budgeted at \$2.0 per year. FY08 includes one-time start-up costs for computer and office equipment of \$9.5.

* This number reflects new Personal Services costs with the 22% PERS calculation.

Talking Points

Senate Bill No. 111/House Bill No. 203

“An Act creating the Kodiak Narrow Cape Public Use Area”

- The legislature may designate an area for special uses. There are currently four public use areas recognized in state law: (1) the Ernie Haugen Public Use Area created in 1988; (2) the Goldstream Public Use Area created in 1990; (3) the Hatcher Pass Public Use Area created in 1986; and (4) the Nelchina Public Use Area created in 1985.
- Senate Bill No. 111/House Bill No. 203 establishes a new public use area of 52,000 acres for the Narrow Cape area on Kodiak Island, which is located on the very southern end of Kodiak Island.
- It is an important public use and recreational area, used for a wide range of activities. This area is also subject to existing grazing leases and an interagency land management agreement with the Alaska Aerospace Development Corporation for the Kodiak Launch Complex.
- Creation of a public use area for Narrow Cape recognizes the special multiple use activities within this area, and increases the protection to ensure continued public use is allowed. At the same time, valid existing rights are protected.
- Additional protection is afforded under Sec. 42.23.250(b) by not allowing the commissioner of natural resources to dispose of the surface estate in state land within the public use area.
- Creation of a public use area triggers a requirement to adopt and maintain a management plan for the area, which should help to manage any use conflicts and ensure the important multiple uses are managed in an active manner.
- Recent initiatives such as the proposal a few years ago to transfer this land to the University of Alaska triggered a review of possible steps to recognize and protect the important public use values of this land. This move is a reasoned, time-tested approach to manage multi-use activities, while providing more assurance that a range of public uses will not be diminished or eliminated.

ALASKA STATE LEGISLATURE



SESSION ADDRESS
Alaska State Capitol
Juneau, AK 99801-1182
(907) 465-4925
Fax (907) 465-3517

INTERIM ADDRESS
112 Mill Bay Road
Kodiak, AK 99615
(907) 486-4925
Fax (907) 486-5264

Senator Gary Stevens Majority Leader

Sponsor Statement for Senate Bill 111 "An Act creating the Kodiak Narrow Cape Public Use Area"

SB 111 proposes the establishment of a new public use area of 46,902 acres for the Narrow Cape area on Kodiak Island.

Located at the end of the Kodiak Island Road System, Narrow Cape is an important public use and recreational area, used for a wide range of activities including hiking, picnicking, berry picking, fossil collecting, surfing, horseback riding, all terrain vehicle driving, beachcombing, and other traditional public uses of fish and wildlife populations such as fishing, hunting, viewing and photographing of gray whales and waterfowl. This area is also subject to existing grazing leases and an interagency land management agreement with the Alaska Aerospace Development Corporation for the Kodiak Launch Complex.

Creation of a public use area for Narrow Cape recognizes the special multiple use activities within this area, and increases the protection to ensure continued public use is allowed. At the same time, valid existing rights are protected. Explicit language is included in Sec. 41.23.250(c) listing grazing and missile launch activity as allowable uses.

Additional protection is afforded under Sec. 42.23.250(b) by not allowing the commissioner of natural resources to dispose of the surface estate in state land within the public use area. This provision means that any disposal of the surface estate will require approval by a future legislature.

Creation of a public use area triggers a requirement to adopt and maintain a management plan for the area, which should help to manage any use conflicts and ensure the important multiple uses are managed in an active manner.

Recent initiatives such as the proposal a few years ago to transfer this land to the University of Alaska triggered a review of possible steps to recognize and protect the important public use values of this land. This move is a reasoned, time-tested approach to manage multi-use activities, while providing more assurance that a range of public uses will not be diminished or eliminated.

I ask for your support of this important legislation.

LEGAL SERVICES

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

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

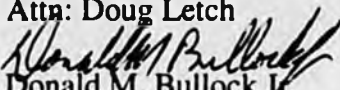
State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 16, 2007

SUBJECT: Sectional summary for SB 111 (Work Order No. 25-LS0695\C)

TO: Senator Gary Stevens
Attn: Doug Letch

FROM: 
Donald M. Bullock Jr.
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Adds four sections to AS 41.23 that create the Kodiak Narrow Cape Public Use Area.

Sec. 41.23.240. States the purpose for creating the public use area.

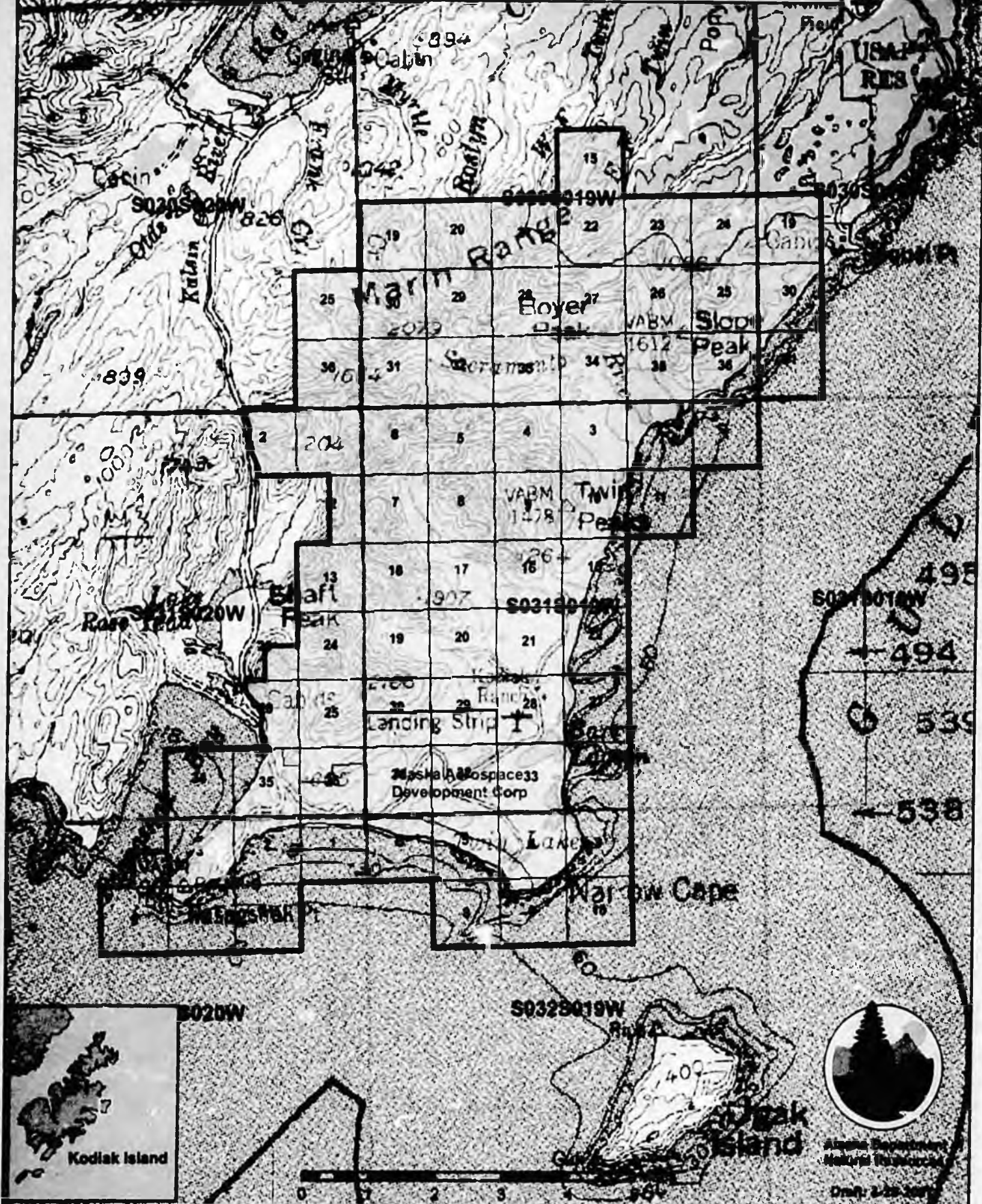
Sec. 41.23.250. Assigns the management of the public use area to the commissioner of natural resources and requires the commissioner to develop a management plan. Recognizes grazing and missile launch activity as allowable uses within the public use area. Lists specific uses that are consistent with the purpose for establishing the public use area and authorizes the commissioner to allow additional consistent uses. Prohibits the exercise of the power of eminent domain to acquire privately owned land within the boundaries described in AS 41.23.270, but authorizes the acquisition of privately owned land by purchase, exchange, or other means. Prohibits the commissioner from managing the public use area as a unit of the state park system.

Sec. 41.23.260. Authorizes the commissioner of natural resources to prohibit or restrict uses determined to be incompatible with the purposes of the public use area. Allows the Department of Public Safety and the Department of Fish and Game access to the public use area for management of fish and wildlife and for enforcement purposes. Prohibits the restriction of fishing, hunting, or trapping rights. Requires the commissioner of natural resources to allow the use of motorized and non motorized means of transportation. Requires the commissioner of natural resources to explain the basis for finding an incompatible use.

Sec. 41.23.270. Describes the boundaries within which the public use area is created and designates the state land within those boundaries as the Kodiak Narrow Cape Public Use Area.

DMB:ljw
07-142.ljw

Kodiak Narrow Cape Public Use Area

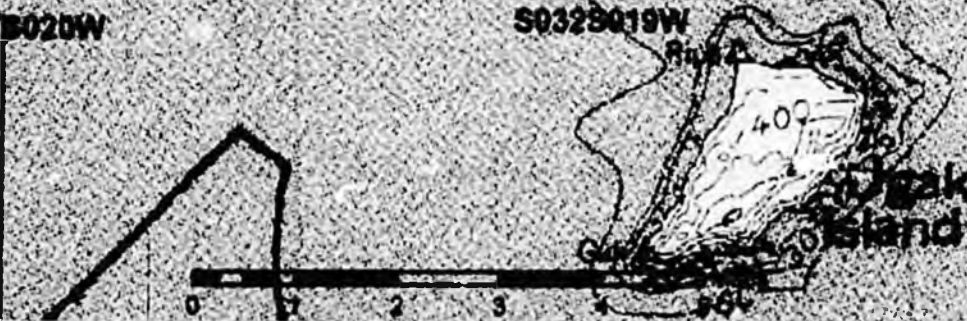


15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46

2	3	4	5	6	7	8	9	10	11	12
---	---	---	---	---	---	---	---	----	----	----

13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
----	----	----	----	----	----	----	----	----	----	----	----	----	----	----	----

29	30	31	32	33	34	35
----	----	----	----	----	----	----



Alaska Department of Natural Resources
Date: 2-28-2007

**CITY OF KODIAK
RESOLUTION NUMBER 07-11**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK URGING
THE ALASKA STATE LEGISLATURE TO CREATE THE KODIAK NARROW CAPE
PUBLIC USE AREA**

WHEREAS, the purpose of proposed AS 41.23.240-41.23.270 is to protect, maintain, enhance, and perpetuate the present use of the area described as the Kodiak Narrow Cape Public Use Area; and

WHEREAS, the Kodiak Narrow Cape Public Use Area, if established, will:

1. protect, maintain, perpetuate, and enhance year-round general public recreation; and
2. protect, maintain, perpetuate, and enhance public enjoyment and use of fish and wild-life; and
3. allow additional public uses of the area in a manner compatible with the purposes specified in (1) and (2); and

WHEREAS, the Alaska Department of Natural Resources currently maintains control of State-owned land at Narrow Cape on Kodiak Island; and

WHEREAS, 2,486 Kodiak Island Borough residents signed a petition in 2005 that opposed closure of public access to state lands at Narrow Cape; and

WHEREAS, residents value the Narrow Cape area and there is a high level of interest in access to this important area being maintained; and

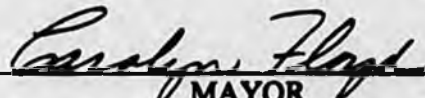
WHEREAS, the State of Alaska should retain ownership of this area and maintain the public use of the area's trails, beaches, and natural resources as a permanently designated public and recreational use area; and

WHEREAS, similarly, areas in Hatcher Pass and Nelchina regions have been designated public use areas by the Alaska State Legislature.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the Alaska State Legislature designate the State-owned land on Narrow Cape as a permanent public use area administered by the Department of Natural Resources that prevents it from being sold or closed to public use.



CITY OF KODIAK


MAYOR

ATTEST:


CITY CLERK

Adopted: March 29, 2007

Introduced by:
Requested by:
Drafted by:
Introduced:
Adopted:

Manager Gifford
Manager Gifford
Manager Gifford
03/15/2007
03/15/2007

**KODIAK ISLAND BOROUGH
RESOLUTION NO. FY2007-30**

**A RESOLUTION OF THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH
URGING THE ALASKA STATE LEGISLATURE TO CREATE
THE KODIAK NARROW CAPE PUBLIC USE AREA**

WHEREAS, the purpose of AS 41.23.240-41.23.270 is to protect, maintain, enhance and perpetuate the present use of the area described in AS 41.23.270 as the Kodiak Narrow Cape Public Use Area; and

WHEREAS, the Kodiak Narrow Cape Public Use Area is established to:

1. protect, maintain, perpetuate, and enhance year-round general public recreation;
2. protect, maintain, perpetuate, and enhance public enjoyment and use of fish and wildlife and existing grazing rights;
3. allow additional public uses of the area in a manner compatible with the purposes specified in (1) and (2); and

WHEREAS, the Alaska Department of Natural Resources (DNR) currently maintains control of State owned land at Narrow Cape on Kodiak Island; and

WHEREAS, 2,486 Kodiak Island Borough residents signed a petition in 2005 that opposed closure of public access to state lands at Narrow Cape; and

WHEREAS, Kodiak Island Borough residents value the Narrow Cape area and there is a high level of concern that access to this important area be maintained; and


WHEREAS, the Kodiak Island Borough is desirous that this land can never be sold and that public use of the area's trails, beaches, and natural resources are to be maintained as a permanently designated public use and recreational use areas; and

WHEREAS, the Hatcher Pass area and the Nelchina area have been designated public use areas by the Alaska State Legislature; and

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH that the Alaska State Legislature designate the state owned land on Narrow Cape as a permanent public use area administered by DNR that prevents it from being sold or closed to public use.

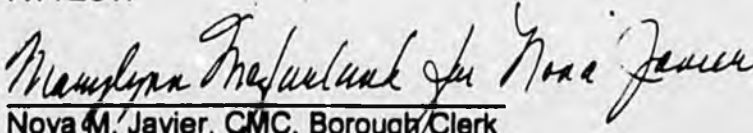
**ADOPTED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH
THIS FIFTEENTH DAY OF MARCH 2007**

KODIAK ISLAND BOROUGH



Jerome M. Selby, Borough Mayor

ATTEST:



Nova M. Javier, CMC, Borough Clerk

Doug Letch

From: Hans-Ulrich Tschersich [xrayhans@yahoo.com]
Sent: Thursday, March 15, 2007 12:29 PM
To: Sen. Gary Stevens
Subject: Re: HB 203/SB 111

Dear Senator Dr. Stevens,

I strongly support the provisions of SB 111, regarding the lands at Narrow Cape in Kodiak. I have hiked along the beautiful bluffs many times and enjoyed the interesting beach with the spectacular fossil cliffs. I led several hikes during the whale migration, an annual event enjoyed by many local residents and visitors to the island. It is very important to preserve this land for public use since it is one of the most popular recreational areas on the Kodiak road system.

Sincerely,

Hans Tschersich
Kodiak, Alaska

Get your own web address.
Have a HUGE year through Yahoo! Small Business.
<http://smallbusiness.yahoo.com/domains/?p=BESTDEAL>



Alaska State Legislature

Please enter into the record my testimony to the Senate Resource
committee name

committee on Senate Bill III , dated 4/20/07
bill/subject

We thank Senator Stevens very much for introducing this bill. We support Senate Bill III and the creation of the Narrow Cape Public Use Area. Narrow Cape and Fossil Beach are recreational gems that offer residents and tourists opportunities for superlative recreation. Our very popular publication "Kodiak Audubon's Hiking & Birding Guide" describes several popular trails and birding places in the Narrow Cape Area. This week our community is celebrating Kodiak Whale Fest, an annual event that focuses on the peak of the Gray Whale migration past Kodiak Island. Narrow Cape is one of the very best locations to view gray whales ~~en~~ along their entire 10,000 mile migration route.

We especially support the section (41.23.260) of the proposed bill that allows the commissioner to periodically reevaluate the compatibility of various uses of Narrow Cape to the purposes of the Public Use Area. We can never fully envision what the future holds and we are already very concerned about the increasing →

Signed: Stacy Studebaker

Testifier

Kodiak Audubon Society

Representing (Optional)

Box 970 Kodiak AK 99615

Address

(907) 486-6498

Phone No.

impacts of unregulated 4-wheeler use on wetlands and bird habitat.

We also believe that given the history

of ADC's attempts to restrict the public

from Narrow Cape and Fossil Beach

that this bill and the creation of the

Narrow Cape Public Use Area is the

best way to ensure public access to

this beautiful area.

Thank you

Sincerely,

Erny Studabaker



Alaska State Legislature

Please enter into the record my testimony to the Senate Resource
 committee on Narrow Cape Public Use Area dated April 20, 2007
 committee name
 bill/subject

I support Senate Bill NO. 111. I do have a question regarding the interagency land management agreement between the department and the Alaska Aerospace Development Corporation (AADC). Although missile launch activity is an allowable use within the Kodiak Narrow Cape Public Use Area, I do not ~~recall~~ recall any mention of the AADC building a future 'Spaceport' at Narrow Cape. The AADC is a member of the National Coalition of Spaceport States (NCSS), which was established in 2001 in Wash. D.C by 14 states (Alaska, Alabama, California, Florida, New Mexico, Montana, Nevada, Oklahoma, S. Dakota, Texas, Utah, Virginia, Washington, Wisconsin). The Kodiak Launch Complex is now being called the 'Kodiak Spaceport'. Spaceports need runways and infrastructure and land to expand. The Kodiak Launch Complex is now expanding with another launch pad and infrastructure. I would like to see a 'Spaceport' excluded from allowable uses within the Narrow Cape Public Use Area. Thanks for the opportunity to comment

Signed: Carolyn Heitman

Testifier

Sell

Representing (Optional)

P.O. Box 2303 Kodiak, Alaska 99615

Address

(907) 486-5677

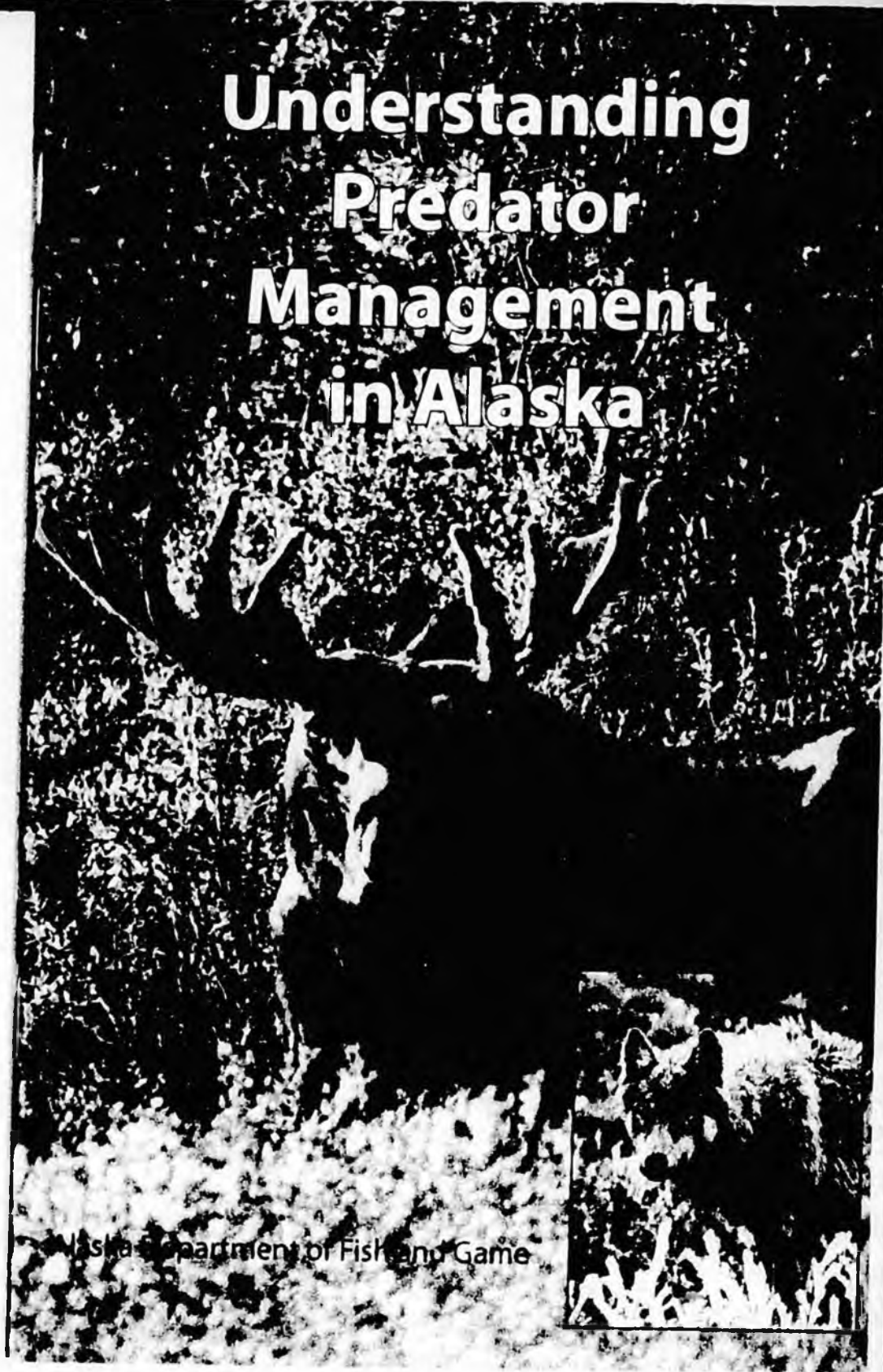
Phone No.

SB

176

**THE FOLLOWING DOCUMENT
HAS NOT BEEN FILMED BUT IS
AVAILABLE IN THE ORIGINAL FILE**

Understanding Predator Management in Alaska



Alaska Department of Fish and Game

**THE FOLLOWING DOCUMENT
HAS NOT BEEN FILMED BUT IS
AVAILABLE IN THE ORIGINAL FILE**

Understanding Intensive Management and Predator Control in Alaska



From the
Division of Wildlife Conservation
of the
**Alaska Department
of Fish & Game**



SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 5/10/07

FURTHER: Judiciary
Finance

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

DATE TURNED IN TO OFFICE: 2/19/08

Resources Committee considered SENATE BILL NO. 176

SB 176 ACTIVE GAME MANAGEMENT/AIRBORNE SHOOTING

"An Act relating to active game management and to the airborne or same day airborne taking of certain game animals; making conforming amendments; and providing for an effective date."

and recommends:

- be replaced with SCS or CS SB 176 (RES)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
FTG	1/8/08			✓	

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Wagoner			✓	
	Wielecinski				✓
	STRUB			✓	
	McGuire			✓	
	Green	✓			
	STEGMAN			✓	
CHAIR:	10/11/9123	✓			

STATE OF ALASKA

SARAH PALIN, GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

P.O. BOX 115528
JUNEAU, AK 99811-5528
PHONE: (907) 485-4100
FAX: (907) 465-2332

MEMORANDUM

TO: Senator Charlie Huggins
Chairman, Senate Resources Committee

FROM: Denby S. Lloyd, Commissioner
Alaska Department of Fish and Game

DATE: January 8, 2008

SUBJECT: Hearing Request, Senate Bill 176

I am writing to request that, at your earliest convenience, you schedule a hearing in the Resources Committee of Senate Bill 176, "Active Game Management/Airborne Shooting". I enclose the following:

- A copy of the current version of Senate Bill 176
- The Governor's Transmittal Letter for the bill
- A copy of ADF&G's zero fiscal note for the bill

I will continue to supplement the bill packet as I receive more material, such as letters of support. When a hearing has been scheduled, I can provide you with a list of witnesses to testify on behalf of the legislation.

Please feel free to contact my legislative liaison, Tim Barry, with questions or for more information. Thank you for your attention to this matter.

* * *

ALASKA STATE LEGISLATURE

Sen. Charlie Huggins, Chair
Sen. Bert Stedman, Vice Chair
Sen. Lyda Green
Sen. Gary Stevens
Sen. Lesil McGuire
Sen. Bill Wielechowski
Sen. Thomas Wagoner



State Capitol, Room 119
Juneau AK 99801-1182
907-465-3878
Fax: 907-465-3265
800-862-3878

Senate Resources Committee **Butrovich Room 205**

Monday, February 18, 2008
Happy Presidents' Day

3:30 - 5:30 p.m.

AGENDA

- SB 253 Board of Game/Adjust Term Start Date**
- HB 165 Big Game Guides and Transporters**
- SB 176 Active Game Management/Airborne Shooting**

Teleconference