

# Alaska State Legislature

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## Senator Loren Leman District G

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### **Senate Clarifies Right-of-Way Leasing Act**

(JUNEAU) – The Alaska Senate passed legislation today that clarifies Alaska’s Right-of-Way Leasing Act and assists the permitting process for a North Slope gas pipeline.

“Commercialization of North Slope gas is one of our legislative priorities,” said Sen. Loren Leman (R-Anchorage), sponsor of the bill. “This technical amendment to Alaska’s Right-of-Way Leasing Act will ensure clarity for processing right-of-way applications.”

Under the current law, any amendment to a right-of-way application constituting a “substantial change” requires the applicant to conform with all of the provisions of an original application. Because “substantial change” is not clearly defined in statute, literally all changes to a right-of-way lease application could be argued as being substantial. Requiring the Department of Natural Resources and interested parties to go through the process of determining whether each change to an application is substantial without clear guidance creates unnecessary costs and delays on both sides. And requiring the applicant and the state to duplicate their efforts on changes that are not really substantial also creates extra costs and delays.

Senate Bill 121 provides a statutory definition of “substantial change” to provide guidance to both the department and the applicants, and to help streamline the application process. SB 121 describes three changes that would be substantial enough to require restarting the entire administrative process for obtaining a right-of-way lease across state lands. The condition for substantial change would be met if the applicant proposes:

- A 10 percent net increase in state acreage beyond what was in the original application, or
- To use less effective environmental or safety mitigation measures than proposed in the original application, or
- A fundamental change in the route from that originally proposed

“This legislation will not foreclose opportunities for the public and affected agencies to review and comment on subsequent amendments to initial lease application,” said Leman. “It will, however, provide an increased measure of certainty and will minimize unnecessary challenges and delays in processing, approving and issuing right-of-way leases.”

SB 121 passed the Senate by a vote of 17-3 and now moves to the House for consideration.

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**An excerpt of Sen. Leman’s comments on the floor of the Senate is available on the Majority Actuality Line, 800-478-6540.**