

**Estimate of Costs to the State of Alaska for the Implementation of the Bristol  
Bay Forever Initiative - AS 15.45.090 (a) (4)**  
**Prepared by the Alaska Department of Natural Resources and the Alaska  
Department of Law**

As required by AS 15.45.090(a) (4), the Alaska Departments of Natural Resources and Law have prepared the following statement of costs to the State of Alaska to implement the law proposed by this ballot initiative.

The ballot initiative would require legislative approval of any proposed large scale metallic sulfide mining operations "that would directly disturb 640 acres or more of land" where those proposed projects are located within the watershed of the Bristol Bay Fisheries Reserve. Any authorization by the Legislature "shall take the form of a duly enacted law finding that the proposed large-scale metallic sulfide mining operation will not constitute danger to the fishery within the Bristol Bay Fisheries Reserve."

If the initiative is approved by the voters, a legislative process and passing a law that has a specific finding will be additional requirements to the current permitting regime for a specific type of mining operation in the watershed of the Bristol Bay Fisheries Reserve. The additional requirements would apply retroactively to large-scale metallic sulfide mining operations that have not received all necessary authorizations, licenses, permits, or approved plans of operation before the effective date of the initiative.

There is insufficient detail in the initiative to identify all costs that may be associated with implementing this step to the permitting regime. This represents an estimate of the State's costs and the actual costs are likely to be different. The estimates are as of December 2012 and do not reflect inflationary increases that are likely to occur during the number of years it may take for a large scale mine to complete the current state permitting regime and then be submitted to the Legislature for review and approval.

The estimate excludes litigation expenses; expenses that the legislature may or may not incur associated with additional items of examination outside of existing permits or authorizations, and potential revenue impacts to the State from delayed or lost taxes and royalties.

The Alaska Department of Natural Resources (DNR) Office of Project Management and Permitting (OPMP) coordinates the review of larger scale projects in the State. It is assumed that a potential project as defined by the initiative would benefit from a single primary point of contact and would utilize OPMP.

Assuming that the initiative does not require additional findings, standards, or requirements in addition to those already in place under State permitting regulations, there would be no additional costs to state agencies associated with permitting a project of the scope and scale as described in the initiative. However, in the year in which a final authorization for a project would come before a legislature, it is assumed that there would be legislative hearings, and that DNR and other permitting agencies would be asked to provide their expertise on pertinent subjects or the permitting process in general. It is assumed that the role of the State agencies would be to explain their permitting decisions, not to advise the Legislature, to ensure proper separation of powers.

In anticipation of legislative hearings, agencies would prepare and package pertinent documents and the OPMP project coordinator would compile and coordinate documents and staff presentations that encompass all relevant permitting decisions. The OPMP coordinator would represent DNR at the legislative hearings and serve as the lead liaison between the legislature and state agencies. Compiling the pertinent materials and coordination of the effort during the legislative session is estimated to cost a minimum of \$70,000. Those costs are broken down as follows: personal services \$52,000; travel \$14,000; and supplies and materials \$4,000.

The Department of Law (Law) estimates the costs associated with the legislative process to be a minimum of \$50,000, associated with advising agencies in the following areas: processing public records requests; legislative review; process and hearing documents; and agency regulations review and revisions.

The above cost estimates represent a minimum cost given the numerous uncertainties regarding the timing of the legislative review, the lack of criteria in the initiative upon which a legislative determination is to be made, and the potential impact to State revenue should the legislature deny a permit for a large scale mine.

**Estimate of Costs to the State of Alaska for the Implementation of the  
Bristol Bay Forever Initiative - AS 15.45.090 (a) (4)  
Prepared by the Office of the Lieutenant Governor and the  
Division of Elections**

**Division of Elections Cost Statement:**

The minimum cost to the Division of Elections associated with certification of the initiative application and review of the initiative petition, excluding legal costs to

the state and the costs to the state of any challenge to the validity of the petition, is estimated to be \$71,257. This statement is required under AS 15.45.090(a) (3).

Elections estimate by category

Total	\$71,257
Personal Services	\$69,957
Expenses associated with certification of the initiative application and review of the initiative petition:	
Three full-time employees at 522 hours is \$29,200	
8 temporary employees at 2520 hours is \$40,757	
Services	\$ 1,300
Printing of booklets is \$1,300	

**Lt. Governor's Office Cost statement**

Assuming the initiative is placed on the ballot, the minimum cost to conduct public hearings concerning the initiative in two communities in each of four judicial districts is estimated to be \$9,000. This statement is required under 15.45.195.

Lt. Governor's Office estimate by category

Total	\$ 9,000
Travel	\$ 9,000
Estimated costs include round-trip air transportation, per diem and other associated travel costs for the Lieutenant Governor and staff to travel to seven communities in Alaska: It is assumed one of the hearings would be in Anchorage which would not involve travel costs.	