

**Division of Geological and Geophysical Surveys Federal
Grants Projects**

**FY2004 Request: \$1,100,400
Reference No: 38144**

AP/AL: Appropriation
Category: Development
Location: Statewide
House District: Statewide (HD 1-40)
Estimated Project Dates: 07/01/2003 - 06/30/2006

Project Type: Planning
Contact: Nico Bus
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Brief Summary and Statement of Need:

The Alaska Mineral & Energy Inventory (AMEI) project comprises a group of mineral and energy inventory data generation, organization, and public data delivery tasks that are directly tied to mineral and energy inventory mandates in AS 41.08, the Legislatively designated outcome measures for DGGs. This project provides receipt authority for Federal funds specifically directed towards making Alaska mineral and Energy data more widely available and more easily accessible.

Funding:	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	Total
Fed Rcpts	\$1,100,400	\$1,000,000	\$1,000,000				\$3,100,400
Total:	\$1,100,400	\$1,000,000	\$1,000,000	\$0	\$0	\$0	\$3,100,400

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	0	0

Additional Information / Prior Funding History:

DGGs has received federal grants in prior years through the operating budget. These projects are better reflected in the capital budget as they cross fiscal years and are for specific projects.

Project Description/Justification:

Alaska Statute AS 41.08.020 mandates that the Alaska Division of Geological & Geophysical Surveys (DGGs):

"...Determine the potential of Alaskan land for production of metals, mineral, fuels, and geothermal resources, the locations and supplies of groundwater and construction material; and the potential geologic hazards to buildings, roads, bridges, and other installations and structures."

The Alaska Legislature has identified the following outcome as a high priority goal for DGGs:

"Encourage private-sector investment in ventures that will develop Alaska's mineral, oil and gas, coal, and construction materials."

DGGs accomplishes these mandates by generating and disseminating high quality, peer reviewed, objective geologic data and information. DGGs is the primary source for comprehensive geologic data pertaining to the state's energy and mineral resources. The Division's data and information is effective in catalyzing private sector investment in direct proportion to its data quality, data relevance, data organization, public awareness of DGGs data and its ease of access.

These federal funds will allow the Division to make marked improvements in data quality assurance, organization, and widespread public availability.

Contingent upon Federal funding receipts provided for by this CIP request:

- ? DGGGS will complete the construction of a Division-wide digital geologic database management system so that DGGGS can reduce its cycle time for responding to geologic resource and engineering geology queries, for completing its mineral and energy inventory studies in frontier areas, and make Alaska geologic resource data universally available statewide via the Internet.
- ? DGGGS will conduct quality assurance reviews and compile a georeferenced database of all publicly available isotope-derived geologic age determinations for rocks in Alaska. These data are often key parameters for identifying prospective mineralized systems. The resulting database will include the sample's analytical history, laboratory, vintage, and range of reliability.
- ? DGGGS will create a metadata database for all DGGGS geologic maps produced with Geographic Information System (GIS) technology since 1992. Geologic maps produced with GIS technology are composites of many separate computer files. Metadata documents the content of these files and provides the information needed to locate the files within the database system and allows for future map modifications or reconstruction. Metadata is the fundamental structure upon which the Division's geologic data management system is built.
- ? DGGGS will publish two geologic maps of prospective mineralized areas totaling about 2250 square miles. These areas are a 2000 square mile tract in Southeast Alaska near Haines and a 250 square mile tract near Nome Alaska on the Seward Peninsula.
- ? DGGGS will work with the U.S. Bureau of Land Management and the U.S. Geological Survey to initiate a program to generate a more accurate inventory of recoverable onshore Alaska North Slope natural gas hydrate and free-gas accumulations. DGGGS work will concentrate on identifying and mapping the distribution of gas-hydrate/free-gas accumulations and characterizing the reservoir properties of the North Slope accumulations.
- ? DGGGS will conduct quality assurance reviews and compile a georeferenced database of major oxide analyses of Alaska igneous rock systems associated with gold, tin, and platinum group metal mineral deposit formation.

By catalyzing new exploration and development ventures in the mining and energy sectors of Alaska's economy, this project will generate both state revenue and create high quality employment opportunities in rural Alaska. By lowering the risk of entry into frontier exploration areas this project leverages private sector investment dollars and concentrates them on the most prospective terrains.

The funds provided by this project all come from Federal sources and directly furnish the operational funds required to complete a large portion of the body of work outlined in the Division's General Fund Operating budget. That work can be linked to this project and the Operating Budget's Federal Receipts category by noting those tasks denoted as "Contingent upon receipt of Federal funds..." In general, the Federal funds sought are not used to fund new permanent positions. The Division does fund high school, college, and graduate student interns with these funds, as well as contractors, and partially funds some existing permanent staff. When project working conditions preclude using contractors because of State collective bargaining restrictions, the Division will use limited non-permanent hires for the period of the Federal contract award. The Division has a consistent record of adhering to a policy of maintaining a constant core staff and using Federal funds implement critical operations rather than to increase in size as demonstrated by the consistent number of permanent positions in the Division over the past 10 years (33 permanent staff in 1993, 28 permanent in 1996, 29 permanent staff in 2002).

If not secured from a federal receipts CIP, the current level of productive work completed by the division could only be sustained by either receiving an increment to the division's general fund operating budget, or a yearly appropriation obtained through an annual general fund CIP appropriation equal to the amount requested in this federal receipts CIP.

Why is this Project Needed Now:

This project provides the Division with funding to support geologic resource data generation and delivery products needed to sustain and catalyze private sector investment in Alaska's mineral and energy resource industries. Successful private sector ventures based upon newly generated data take several years to bring to production. If there is not a steady supply of new information to catalyze geologic resource ventures, new development ceases. Products from these federally supported projects will help to sustain geologic resource development over the next 5-10 years.

Specific Spending Detail:

71000	388,100.00
72000	40,600.00
73000	497,800.00
74000	38,100.00
75000	135,800.00
TOTAL	\$1,100,400.00

Project Support: Broad support is provided by mineral and energy exploration firms, Native Corporations, the general mining community, and many support services sectors that work with the mining and energy industries.

Project Opposition: No opposition is anticipated for this CIP.

State Match Required:

Most of these projects require no match funds. Where a match is required, the Division uses an "in-kind" matching formula that identifies expenses that would normally be applied to the kind of work included in the grant or contract. The Division does not go looking for work to do for the federal government, but rather goes looking for federal funds to support work that is already identified as needed to meet Alaska statutory and legislatively mandated objectives.