

**Alaska Mineral, Energy and Geohazards Inventory
Federally Funded Projects**

**FY2006 Request: \$2,247,500
Reference No: AMD 38144**

AP/AL: Appropriation

Project Type: Planning

Category: Development

Location: Statewide

Contact: Rod Combellick

House District: Statewide (HD 1-40)

Contact Phone: (907)451-5007

Estimated Project Dates: 07/01/2005 - 06/30/2008

Brief Summary and Statement of Need:

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

Funding:	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	Total
Fed Rcpts	\$2,247,500	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$12,247,500
Total:	\$2,247,500	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$12,247,500

<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 checked="" 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	0
Totals:	0	0

Additional Information / Prior Funding History:

SLA04/CH159 - \$2,410,000

SLA03/CH82 - \$1,100,400

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 and geologic hazards. The Division's data and information are 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:

- ? Airborne Geophysics - Bristol Bay. In early FY04 DGGGS secured a cooperative agreement with the US Bureau of Land Management to procure and manage an airborne geophysical survey of land in the Bristol Bay area in southwestern Alaska. This survey will expand the data base available to government agencies and the public with respect to the mineral potential of Native, Federal, and State-selected lands in Alaska. As a result of this survey, BLM's upcoming mineral assessment of the Bristol Bay Mining District will be greatly enhanced, and the inventory of mineral resources on public lands will be supplemented substantially.
- ? Geologic Materials Center sample inventory. The objective of the proposed work is to create an online searchable electronic inventory of DGGGS surface samples and minerals industry drill cores stored at the GMC and to integrate the inventory with locality and analysis information in the DGGGS database. The computer interfaces created during this project will ensure that future material submittals to the GMC are properly inventoried, and that the inventory can be searched online using locality information in the DGGGS database.
- ? Geologic Data Management and Delivery System. DGGGS will complete the construction of a Division-wide digital geologic database management and delivery 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 to the public via the Internet.
- ? Scanning Project. DGGGS will complete the high-resolution scanning of US Geological Survey Open-File Reports and folio geologic maps for Alaska. The publications will be integrated with the DGGGS enterprise database so that they can be made accessible to the public via Internet and CD-ROM.
- ? National Science Foundation. DGGGS is participating in a cooperative 3-year project with the University of Alaska Fairbanks and University of Wisconsin Madison to develop methods of conveying knowledge and skills in geospatial information (e.g., geology, geography, remote sensing) to residents in rural communities. These skills will provide the tools they need and want to support informed decision-making and the use of state-of-the-art tools for managing local natural resources. The project is supported by many partner organizations in interior and western Alaska.
- ? Governor's Amended for additional project (\$850,000) - Airborne Geophysics in Southern NPRA. The US Bureau of Land Management (BLM) is preparing a cooperative agreement for the DGGGS to procure and manage an airborne geophysical survey of land in the southern National Petroleum Reserve, Alaska (NPRA) in northwestern Alaska. This survey will expand the database available to government agencies and the public with respect to the mineral potential in the South NPRA. As a result of this survey, BLM's upcoming land use plan will be greatly enhanced, and the inventory of mineral resources on public lands will be supplemented substantially.

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. 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 to 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.

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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. To date, the Division has not received permission to request an Operating Budget increment of this magnitude or additional General Fund CIP appropriations.

Why is this Project Needed Now:

This project provides the Division with funding to support geologic resource data generation, delivery products, and information transfer needed to sustain and catalyze private sector investment in Alaska's mineral and energy resource industries, and to aid in mitigating geologic hazards. 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, Alaska becomes less attractive for exploration. Products from these Federally supported projects will help to sustain geologic resource development over the next 5-10 years.

Specific Spending Detail:

71000	335,000
72000	37,500
73000	1,830,000
74000	45,000

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.