

MEMORANDUM

Department of Natural Resources

State of Alaska

Division of Mining, Land & Water
Southcentral Region

TO: Marty Parsons, Director

DATE: 5/22/2019

THRU: Clark Cox, NRM III
Sam Carroll, Easements NRM II

FILE: ADL 233359 and ADL 233379

FROM: Stuart Greenfield, Easements NRS II

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SUBJECT: ADL 233359 and ADL 233379 – AS 38.05.850(b) fee waiver request

Copper Valley Telephone Association (CVTA) and Copper Valley Electrical Association (CVEA) have requested a waiver of all land use fees in accordance with AS 38.05.850(b)¹ for proposed utility easements for a communication line (ADL 233359) and electrical line (ADL 233379) in Thompson Pass. The project meets the first two requirements of the statute in that CVEA and CVTA are qualifying nonprofit cooperative associations and the purpose of the infrastructure is to provide power and telephone service. The statutory authority under AS 38.05.850(b) is delegated to the DMLW Director.

SCRO staff advise that this waiver not be considered in the interest of the State. While DNR supports the development of infrastructure that serves the public, such as this proposed fiber-optic line and electrical line, state support is reflected in the low one-time fee charged for public utility easements², as well as associated interim fees³. These fees represent a significant cost reduction to the applicant when compared to the annual fee for private non-exclusive easements for similar projects. These fees are also an interest of the State as they offsets some of DMLW's administrative costs to issue and manage such easements. Therefore, we recommend that the waiver not be approved.


This memorandum will be incorporated by reference into the Regional Manager's Decision (RMD) for ADL 233359 and ADL 233379. This RMD will be the division's appealable record of decision for the consideration of this waiver request.

_____ I do not concur with this recommendation X I concur with this recommendation



Marty Parsons, Director

DNR, Division of Mining, Land and Water



Date

¹ AS 38.05.850(b): "the fee charged for a right-of-way approved under (a) of this section shall be waived by the commissioner if the right-of-way is for transmission or distribution line established by a nonprofit cooperative association organized under AS 10.25 for the purpose of supplying electric energy and power, or telephone service, to its members, and the waiver is considered by the commissioner to be in the best interest of the state."

² 11 AAC 05.070(d)(2)(C): A one-time fee of \$0.56 per linear foot for a public utility easement issued under AS 38.05.850. Each applicant is estimated to owe \$32,732 in one-time land use fees.

³ 11 AAC 05.070(d)(2)(I): An annual fee of \$120 per acre for each year of entry authorization. Each applicant is estimated to owe \$8,640 in annual interim land use fees.