



121 W. FIREWEED SUITE 120 | ANCHORAGE, ALASKA | 99503 | 907.563.9229 | ALASKAMINERS.ORG

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Molly Benson
Alaska Department of Natural Resources
550 W 7th Ave Suite 1070
Anchorage, AK 99501-3577
Submitted via email: dnr.mining.regulation@alaska.gov

Re: Scoping for DNR Mining Regulations Revisions

Dear Ms. Benson:

The Alaska Miners Association writes to provide comments on the Notice of Public Scoping for Possible DNR Regulations Revisions to 11 AAC 86 to implement Senate Bill 155.

AMA is a professional membership trade organization established in 1939 to represent the mining industry in Alaska. We are composed of more than 1,400 members that come from eight statewide branches: Anchorage, Denali, Fairbanks, Haines, Juneau, Kenai, Ketchikan/Prince of Wales, and Nome. Our members include individual prospectors, geologists, engineers, suction dredge miners, small family mines, junior mining companies, major mining companies, Alaska Native Corporations, and the contracting sector that supports Alaska's mining industry.

AMA offers the following comments for consideration for revisions to regulations, per section of law updated by SB155:

AS 38.05.210(b):

Issues with essential facts on Affidavits of Annual Labor were certainly the most common and frequent issues with the previous statute. SB155 clarified the essential facts and most importantly, created a cure mechanism. Information (*essential facts*) to be included in statement of annual labor is now defined in the new statute, therefore, regulations should be updated for consistency. AMA suggests removing essential facts from regulation and referencing the statute.

AS 38.05.190(a):

Regulations should be updated to clarify eligibility of trusts. Notably, qualifications to hold mining claims are not included in the existing Chapter 86 mining regulations, rather, they are in Chapter 82 alongside regulations regarding entities qualified to hold oil and gas interests (point to 11 AAC 82). This should be analyzed to ensure consistency and implementation of the revised statute. In addition, the existing regulations indicate that qualification documents should be submitted to the department. These provisions should be clarified to indicate that no documents need be submitted to DNR before locating mining claims. In addition, it has not been DNR's practice to require that qualification documents be submitted by permit applicants.

The effect of curing a historic qualifications flaw should be clarified by including the following language in the regulations: “Once a defect in qualifications has been cured, whether before or after the effective date of this Act, the interest is not void or voidable based on the defect in qualification.”

AS 38.05.210(a):

Statute states that “labor shall be performed annually.” Regulations should address, perhaps in definition, that annually means the mining year as is described in 11 AAC 86.220.

AS 38.05.210(g, h):

In SB155, requirements and procedures for giving notice were added to the statute, requiring the Department to send a notice to correct a deficient statement of annual labor. DNR cannot declare a claim invalid unless no cure is effected within 90 days following the date of the notice. An automatic abandonment system of any kind is of grave concern, and how the Department manages this notice system, and claim holders access to notice, must be very carefully considered.

AS 38.05.195(b):

SB155 states that “locator may locate a claim based on quarter or quarter-quarter section on a rectangular survey system approved by the Commissioner.” We understand that surveyors use standard practices and policies to interpret this language. It would be helpful to the industry for the regulations to clarify what surveys have been approved by the Commissioner. Perhaps this can be addressed by defining what constitutes “rectangular survey system approved by the Commissioner.”

Opportunities to cure under multiple sections:

The new cure provisions in SB155 do not require payment of a penalty when curative actions are taken. The existing regulations requiring penalties for curing under AS 38.05.265 need to be clarified that they apply only after an abandonment under AS 38.05.265 has occurred. The regulations should also clarify that the penalty is a payment in the amount of the current year’s annual rental.

AMA looks forward to working with the Department moving forward as regulations are considered. Thank you for the opportunity to provide comment on DNR mining regulations.

Sincerely,



Deantha Crockett
Executive Director