TRANSCRIPT OF MEETING of STATE LANDS COMMISSION

LOS ANGELES, CALIFORNIA
September 27, 1962

PARTICIPANTS:

THE COMMISSION:

Hon. Alan Cranston, Controller, Chairman
Hon. Glenn M. Anderson, Lieutenant Governor
Hon. Hale Champion, Director of Finance

Mr. F. J. Hortig, Executive Officer

DURING A PORTION OF THE MEETING, THE SENATE INTERIM FACT FINDING COMMITTEE ON NATURAL RESOURCES WAS REPRESENTED BY:

Senator Charles Brown, Chairman

Senator Virgil O'Sullivan

Senator Aaron W. Quick

APPEARANCE BY: Senator Charles Brown

I N D E X

(IN ACCORDANCE WITH CALENDAR SUMMARY)

ITEM	CLASSIFICATION	ITEM ON CALENDAR	PAGE OF CALENDAR	PAGE OF TRANSCRIPT
1	Call to order.			
2	PERMITS, EASEMENTS, RIGHTS-OF-WAY, NO FEE:			
	(a) State of California, Dept. Water Resources	4	1	7
	(b) State of California, Dept. Water Resources	5	2	7
	(c) Sanitary District No. 1, Marin County	19	3	8
	(d) Univ. of the Pacific	12	4	8
	MOTION ON CLASSIFICATION 2 ----------			8
3	PERMITS, EASEMENTS, LEASES, RIGHTS-OF-WAY, FEE:			
	(a) Del Monte Properties	18	5	8
	(b) Tidewater Oil Company	22	6	9
	(c) Fibreboard Pap.Products	7	7	9
	(d) " " "	8	8	9
	(e) Pacific Gas & Electric	1	9	9
	(f) " " "	11	10	9
	(g) " " "	15	11	9
	(h) Wilber C. Sandholdt and Lucille Ferguson	25	12	9
	(i) Teachers Beach Assn.	26	13	10 (off cal.)
	(j) George L. Thompson	13	15	10
	(k) Cerutti & Thompson Transp.	14	16	10
	(l) Great Basins Petrol.Co.	17	17	10

continued

I N D E X
(IN ACCORDANCE WITH CALENDAR SUMMARY)
Continued

ITEM CLASSIFICATION		ITEM ON CALENDAR	PAGE OF CALENDAR	PAGE OF TRANSCRIPT
3	PERMITS, EASEMENTS, LEASES, RIGHTS-OF-WAY, FEE: continued			
	(m) Phillips Petroleum Co.	16	18	11
	(n) Standard Oil Co.of Calif.	20	19	11
	(o) Standard Oil Co. of Calif. and Shell Oil Company	21	20	12
	MOTION ON CLASSIFICATION 3 ----------			13
4	CITY OF LONG BEACH			
	(a) Pier B, Whs.No.2 Reloc.	9	21	13
	(b) Approval of and auth. for Ex. Officer to certify approval Supplement to Crude Oil Sale Contract July 16, 1940	10	23	13
5	LAND ITEMS			
	(a) Selection vacant Federal lands on behalf of State:			
	(1) 80 ac.San Bernardino Co. (applic.Robt.Glennon Barnes	3	25	14
	(2) 120.93 ac.San Bern.Co. (appl. Paul P. Cohen)	2	26	14
6	Proposed Oil and Gas Lease Santa Barbara Co.,Parcel 11	24	27	15
7	Report on Land Management and Sales Program	28	28	1
8	Confirmation of transactions of Executive Officer:	6		16
	Richfield Oil Corp.		33	
	Standard Oil Co.		32	
	Texaco Inc.		32	

Continued

FORM APO

I N D E X
(IN ACCORDANCE WITH CALENDAR SUMMARY)
continued

ITEM CLASSIFICATION	ITEM ON CALENDAR	PAGE OF CALENDAR	PAGE OF TRANSCRIPT
9 INFORMATIVE ONLY:			
(a) Proposed ocean-floor oil-well completion Oil & Gas Lease P.R.C. 2920.1	23	34	16
(b) Report on major litig.	27	35	17
10 NEXT MEETING			18
UNCALENDARED:			
Bids on Parcel 8			17

****

80698 8/62 20M SPO

INDEX
(IN ACCORDANCE WITH ITEM NUMBERS IN CALENDAR)

CALENDAR ITEM	PAGE OF CALENDAR	PAGE OF TRANSCRIPT	CALENDAR ITEM	PAGE OF CALENDAR	PAGE OF TRANSCRIPT
1	9	9	23	34	16
2	26	14	24	27	15
3	25	14	25	12	9
4	1	7	26	13	10
5	2	7	27	35	17
6	[illegible]	16	28	28	1
7	[illegible]	9			
8	8	9	NEXT MEETING		17
9	21	13			
10	23	13	UNCALENDARED ITEM:		
11	10	9	Bids on Parcel 8		17
12	4	8			
13	15	10			
14	16	10			
15	11	9			
16	18	11			
17	17	10			
18	5	8			
19	3	8			
20	19	11			
21	20	12			
22	6	9			

60833 3-62 20M GPO

MR. CRANSTON: The meeting will please come to order. I'd like to welcome members of the Senate Interim Fact Finding Committee on Natural Resources. Senator Charles Brown, who is its Chairman, Senator Aaron Quick, and Senator Virgil O'Sullivan are with us and perhaps other members will be here later.

In view of the fact the Senators have some other things they would like to do before a hearing of their committee this afternoon, I would like to suggest that we take up now, out of order, Item Number 7, which is a report on land management and sales program for all public lands other than sovereign.

We held a public hearing on this matter in Sacramento some time ago and due to a request expressed in a resolution adopted by the Senate, we have withheld final action pending an opportunity for this appropriate Senate Committee to gather together its own thoughts on the proposed revision of land policy.

So at this time I would like first, if there is no objection to this procedure, to call on Frank Hortig to make a brief statement outlining where we stand on this matter at the moment, and then we would like very much to hear from Senator Charles Brown, who has some remarks to make on this.

MR. HORTIG: Mr. Chairman, while slightly repetitious it might expedite matters if I were to read, for the benefit of the Committee and the Commission, the review of the

presentations made heretofore to the State Lands Commission on this matter, to serve as background for Committee consideration at its meeting this afternoon.

As you have already indicated in part, Mr. Chairman, the Commission at its meeting of May 24, 1960 directed the staff to undertake a study for the purpose of inventorying and classifying theunsold public lands granted to the State by Congress. There has been delivered to the Commission a "Report to State Lands Commission including Inventory and Classification of State Public Lands under its Jurisdiction," including a comprehensive statistical report.

Briefly, the report and recommendations provide for the establishment of a land management and sales program. Under the recommended program, all lands are proposed to be classified as to their highest and best potential use, whereupon those lands suitable for retention under Commission jurisdiction would be set up under a lease list and the remainder would be placed upon a sales list. These lists, through staff classification, will determine those lands subject to Commission retention and those which will be available for sale as demand exists. The report contains recommendations for suggested changes to existing statutes and to the Commission's rules for the purpose of simplifying the Commission's administration of these lands. Also included are suggestions for administrative solution of the problems posed by conflicts of interest between private applicants and public

agencies.

In accordance with this summary which I have just read, the staff had heretofore recommended to the State Lands Commission the authorization which would be required and the modifications of rules and regulations to implement the program, and these are detailed in the recommendations on the next three pages of the agenda item, being Recommendations I through 11.

The reports and recommendations were considered by the Commission at its meeting of May 24, 1962. Because of the complexity of the report and the policy considerations contained therein, it was felt that additional time was needed to study the recommendations made. To this end, the Commission directed that a public workshop discussion be held on June 27, 1962 (as you have already commented, Mr. Chairman) in Sacramento, with all known interested groups and individuals to be notified in advance, in order that their views might be expressed either orally or in writing. With approximately two thousand groups and individuals notified by formal letter, the public workshop discussion was held on the date specified, during which the entire program as proposed by the staff was discussed and reviewed.

I call your attention, gentlemen of the Committee and the Commission, to the fact that this workshop was held on June 27, 1962 in Sacramento and that on June 28, 1962 Senate Resolution Number 22 of the 1962 Third Extraordinary

Session of the Legislature was adopted, resolving "That no action be taken by the State Lands Commission to adopt or otherwise effectuate the recommendations unless and until the proposed program has been reviewed by a Senate Committee and a report thereon has been filed with the State Lands Commission."

This resolution, of course, Chairman Brown, is the resolution which has been referred to your Senate Fact Finding Committee and is the subject matter of your call for a review at two p.m. this afternoon. Arrangements then were made, in view of this stage of the record, for your Committee, Senator Brown, to review the program with the State Lands Commission at its regularly scheduled meeting on September 27th, which brings us to date and to this point in time, this morning.

MR. CRANSTON: Senator Brown?

SENATOR BROWN: Thank you, Mr. Chairman. I have a prepared statement. This meeting of the Subcommittee on State lands of the Senate Fact Finding Committee on Natural Resources is being held to consider the proposals of the Division of State Lands recommending certain changes in the policy of the State regarding the management and sale of State lands. This committee was requested by the Senate Rules Committee to study these recommendations pursuant to the provisions of Senate Resolution No. 22 of the Third Extraordinary Session of 1962, which states in part:

"Resolved by the Senate of the State of California

that no action be taken by the State Lands Commission to adopt or otherwise effectuate the recommendations unless and until the proposed program has been reviewed by a Senate committee and a report thereon has been filed with the State Lands Commission."

In the interest of time, it was felt that this committee should meet with the State Lands Commission to receive the program presentation so that all the recommended policies could be adequately discussed. We appreciate the kind invitation of the Commission to proceed in this manner.

At two p.m. today this Senate Committee will continue its hearing to afford those interested in this program an opportunity to make any comments they desire. If there is insufficient time to hear everyone this afternoon, you are invited to send your comments to the Executive Secretary of the Committee at Room 408 of the State Capitol Building in Sacramento.

Thank you. That would be my statement.

MR. CRANSTON: Do you or any of your colleagues have any questions on the policy at this time, Senator?

SENATOR BROWN: No, I don't. I don't know whether the Committee has.

SENATOR O'SULLIVAN: Not at this time, no.

MR. CRANSTON: The staff will be represented at your hearing this afternoon. We will be available for any questions that may arise in your mind.

SENATOR BROWN: We appreciate that. I am sure there will be questions this afternoon and we will be very glad to have them answered.

MR. CRANSTON: Thank you very much. Does anyone here have any questions or comments on this item on the agenda?

GOV. ANDERSON: Frank, will you then present to the Senate Committee this afternoon pretty much the same type of presentation you made to us here some weeks ago in Sacramento?

MR. HORTIG: As nearly identical as the written record will permit.

GOV. ANDERSON: In other words, they will ask questions and you will be answering them? You will be there personally?

MR. HORTIG: In addition to the body public, yes sir.

MR. CRANSTON: We will now proceed with the regular agenda. The first grouping will be .....

MR. HORTIG: Mr. Chairman, excuse me; but for the record, in connection with the item just under consideration I received this morning the following telegram:

"F. J. Hortig, Executive Officer
State Lands Commission
305 State Building
Los Angeles

Place me on record with State Lands Commission as protesting any proposed elimination of preferential rights now extended to first applicants on indemnity and exchange lands now pending as valid applications, and request such pending applications be processed to completion without further delay.

Assemblyman Frank Lanterman "