

**HOUSE RESOURCES STANDING COMMITTEE  
ALASKA STATE LEGISLATURE**

March 28, 2001

1:10 p.m.

**MEMBERS PRESENT**

Representative Drew Scalzi, Co-Chair  
Representative Hugh Fate, Vice Chair  
Representative Joe Green  
Representative Mike Chenault  
Representative Lesil McGuire  
Representative Gary Stevens  
Representative Beth Kerttula

**MEMBERS ABSENT**

Representative Beverly Masek, Co-Chair  
Representative Mary Kapsner

**COMMITTEE CALENDAR**

CS FOR SENATE BILL NO. 72(FIN)

"An Act relating to 'take-a-child-hunting' seasons for big game."

- MOVED HCS CSSB 72(RES) OUT OF COMMITTEE

HOUSE JOINT RESOLUTION NO. 19

Urging the United States Congress to pass legislation to fund the acquisition of high-resolution digital orthoimagery and digital elevation data for the entire state of Alaska.

- MOVED HJR 19 OUT OF COMMITTEE

HOUSE BILL NO. 194

"An Act relating to fees for commercial fishing licenses and permits; and providing for an effective date."

- MOVED HB 194 OUT OF COMMITTEE

**PREVIOUS ACTION**

BILL: SB 72

SHORT TITLE: TAKE A CHILD HUNTING SEASON

SPONSOR(S): SENATOR(S) KELLY

Jrn-Date	Jrn-Page		Action
02/06/01	0288	(S)	READ THE FIRST TIME - REFERRALS
02/06/01	0288	(S)	RES, FIN
02/07/01	0301	(S)	COSPONSOR(S): WILKEN, TERRIAULT
02/12/01		(S)	RES AT 3:30 PM BUTROVICH 205
02/12/01		(S)	Moved CS(RES) Out of Committee
02/12/01		(S)	MINUTE(RES)
02/13/01	0354	(S)	RES RPT CS 3DP 3NR SAME TITLE
02/13/01	0354	(S)	DP: TORGERSON, TAYLOR, KELLY;
02/13/01	0354	(S)	NR: PEARCE, LINCOLN, ELTON
02/13/01	0354	(S)	FN1: ZERO(DFG)
02/23/01		(S)	FIN AT 9:00 AM SENATE FINANCE 532
02/23/01		(S)	-- Meeting Postponed to 2/26/01--
02/26/01		(S)	FIN AT 9:00 AM SENATE FINANCE 532
02/26/01		(S)	Moved CSSB 72(FIN) Out of Committee
			MINUTE(FIN)
02/26/01	0500	(S)	FIN RPT CS 7DP 2NR SAME TITLE
02/26/01	0500	(S)	DP: DONLEY, KELLY, GREEN, AUSTERMAN,
02/26/01	0500	(S)	WILKEN, WARD, LEMAN; NR: HOFFMAN, OLSON
02/26/01	0500	(S)	FN1: ZERO(DFG)
02/28/01		(S)	RLS AT 10:30 AM FAHRENKAMP 203
02/28/01	0535	(S)	RULES TO CALENDAR 2OR 2/28/01
02/28/01	0539	(S)	READ THE SECOND TIME
02/28/01	0539	(S)	FIN CS ADOPTED UNAN CONSENT
02/28/01	0539	(S)	ADVANCED TO THIRD READING UNAN CONSENT
02/28/01	0539	(S)	READ THE THIRD TIME CSSB 72(FIN)
02/28/01	0539	(S)	PASSED Y16 N2 A1 E1
02/28/01	0539	(S)	LINCOLN NOTICE OF RECONSIDERATION
02/28/01		(S)	MINUTE(RLS)
03/01/01	0560	(S)	RECON TAKEN UP - IN THIRD READING
03/01/01	0560	(S)	RETURN TO SECOND FOR AM 1 UNAN CONSENT
03/01/01	0561	(S)	AM NO 1 FAILED Y5 N10 E4 A1

03/01/01	0561	(S)	AUTOMATICALLY IN THIRD READING
03/01/01	0561	(S)	PASSED ON RECONSIDERATION Y14 N1 E4 A1
03/01/01	0562	(S)	TRANSMITTED TO (H)
03/01/01	0562	(S)	VERSION: CSSB 72(FIN)
03/07/01		(H)	RES AT 2:00 PM CAPITOL 124
03/07/01		(H)	<Bill Rescheduled to 3/12/01>
03/09/01	0508	(H)	READ THE FIRST TIME - REFERRALS
03/09/01	0508	(H)	RES
03/12/01		(H)	RES AT 1:00 PM CAPITOL 124
03/12/01		(H)	Heard & Held
03/12/01		(H)	MINUTE(RES)
03/19/01		(H)	RES AT 1:00 PM CAPITOL 124
03/19/01		(H)	Failed To Move Out Of Committee
03/19/01		(H)	MINUTE(RES)
03/28/01		(H)	RES AT 1:00 PM CAPITOL 124

BILL: HJR 19

SHORT TITLE: DIGITAL ORTHOIMAGERY AND ELEVATION DATA  
SPONSOR(S): RESOURCES

Jrn-Date	Jrn-Page		Action
03/09/01	0514	(H)	READ THE FIRST TIME - REFERRALS
03/09/01	0514	(H)	RES
03/21/01		(H)	RES AT 1:00 PM CAPITOL 124
03/21/01		(H)	-- Meeting Canceled --
03/28/01		(H)	RES AT 1:00 PM CAPITOL 124

BILL: HB 194

SHORT TITLE: ENTRY PERMIT FEES  
SPONSOR(S): REPRESENTATIVE(S) STEVENS

Jrn-Date	Jrn-Page		Action
03/19/01	0648	(H)	READ THE FIRST TIME - REFERRALS
03/19/01	0648	(H)	FSH, RES, FIN
03/26/01		(H)	FSH AT 5:00 PM CAPITOL 124
03/26/01		(H)	Moved Out of Committee MINUTE(FSH)
03/27/01	0741	(H)	FSH RPT 6DP
03/27/01	0741	(H)	DP: DYSON, COGHILL, SCALZI, KERTTULA,
03/27/01	0741	(H)	WILSON, STEVENS

03/27/01	0741	(H)	FN1: (DFG)
03/27/01	0747	(H)	COSPONSOR(S): KERTTULA
03/28/01		(H)	RES AT 1:00 PM CAPITOL 124

#### **WITNESS REGISTER**

KRISTOPHER KNAUSS, Staff  
to Senator Pete Kelly  
Alaska State Legislature  
Capitol Building, Room 518  
Juneau, Alaska 99801  
POSITION STATEMENT: Spoke on behalf of the sponsor of SB 72.

GUST PANOS, Chairperson  
Digital Orthoimagery Subcommittee  
Alaska Geographic Data Committee  
4230 University Drive, Room 230  
Anchorage, Alaska 99508  
POSITION STATEMENT: Spoke in support of HJR 19.

JOHN ELLIS  
AeroMap U.S., Inc.  
(No address provided)  
Anchorage, Alaska 99501  
POSITION STATEMENT: Spoke regarding HJR 19 and 3-D imagery.

MARY McDOWELL, Commissioner  
Commercial Fisheries Entry Commission (CFEC)  
Alaska Department of Fish & Game (ADF&G)  
8800 Glacier Highway, Suite 109  
Juneau, Alaska 99801-8079  
POSITION STATEMENT: Spoke in support of HB 194.

STEPHEN WHITE, Assistant Attorney General  
Natural Resources Section  
Civil Division (Juneau)  
Department of Law  
PO Box 110300  
Juneau, Alaska 99811-0300  
POSITION STATEMENT: Spoke on behalf of the Department of Law in support of HB 194.

JERRY McCUNE  
United Fishermen of Alaska (UFA)  
211 4th Street  
Juneau, Alaska 99801  
POSITION STATEMENT: Testified in support of HB 194.

KEVIN BROOKS, Director  
Division of Administrative Services  
Alaska Department of Fish & Game (ADF&G)  
PO Box 25526  
Juneau, Alaska 99811-5526

POSITION STATEMENT: Testified on behalf of the ADF&G on HB 194.

**ACTION NARRATIVE**

TAPE 01-24, SIDE A  
Number 0001

CO-CHAIR DREW SCALZI called the House Resources Standing Committee meeting to order at 1:10 p.m. Representatives Fate, McGuire, Chenault, Stevens, Kerttula, and Scalzi were present at the call to order. Representative Green arrived as the meeting was in progress.

SB 72-TAKE A CHILD HUNTING SEASON

CO-CHAIR SCALZI announced that the first order of business would be CS FOR SENATE BILL NO. 72(FIN), "An Act relating to 'take-a-child-hunting' seasons for big game."

Number 0138

REPRESENTATIVE FATE made a motion to adopt the proposed House committee substitute (HCS), Version T [22-LS0084\T, Utermohle, 3/27/01], with Senator Pete Kelly's letter of intent, for purposes of discussion. There being no objection, Version T was before the committee.

Number 0233

KRISTOPHER KNAUSS, Staff to Senator Pete Kelly, Alaska State Legislature, came forth on behalf of Senator Kelly, sponsor of SB 72, to explain the changes in Version T. He pointed out that page 1, lines 11-13, now reads: "A big game animal taken under this subsection must be counted against the bag limits of both the child and the adult, parent, stepparent, or legal guardian who accompanies the child."

Number 0295

REPRESENTATIVE FATE said he was glad that issue had been addressed, because it had been a concern of the committee.

REPRESENTATIVE STEVENS asked Mr. Knauss to confirm that the intent of the added language is that there not be an opportunity for the adult to [take a second animal during the regular season].

MR. KNAUSS confirmed that.

Number 0350

REPRESENTATIVE KERTTULA thanked the sponsor [Senator Pete Kelly] for the letter of intent.

Number 0362

REPRESENTATIVE McGUIRE moved to report HCS CSSB 72 [version 22-LS0084\T, Utermohle, 3/27/01] out of committee with the attached letter of intent, individual recommendations, and the accompanying zero fiscal note. There being no objection, HCS CSSB 72(RES) was moved out of the House Resources Standing Committee.

HJR 19-DIGITAL ORTHOIMAGERY AND ELEVATION DATA

CO-CHAIR SCALZI announced that the next order of business would be HOUSE JOINT RESOLUTION NO. 19, Urging the United States Congress to pass legislation to fund the acquisition of high-resolution digital orthoimagery and digital elevation data for the entire state of Alaska. [The resolution was sponsored by the House Resources Standing Committee.]

Number 0441

CO-CHAIR SCALZI explained that the technology being introduced in HJR 19 is "three-dimensional [3-D] mapping." The majority of Alaska maps were produced between the 1950s and the 1980s. The resolution asks the U.S. Congress to provide Alaska the funding for the same technological benefits provided to all other states.

GUST PANOS, Chairperson, Digital Orthoimagery Subcommittee, Alaska Geographic Data Committee (AGDC), gave a PowerPoint presentation on the Alaska Orthoimagery Initiative, compiled by the AGDC. He explained that the goal of HJR 19 is to obtain funding from Congress to acquire digital orthoimagery and digital elevation data for Alaska, to be made available on the Internet for all the agencies and the public to use. [Mr. Panos

followed the format of the spiral-bound booklet found in the committee packet. He also provided a map and 3-D glasses.]

MR. PANOS defined "digital orthoimagery" (DO) as an aerial photograph that shows everything on the earth's surface at a moment in time, with map-like features that allow for accurate measurement and depiction of township and range, or latitude and longitude. He listed the DO specifications for five-meter resolution: statewide coverage; quarter-quad format, like maps in the Lower 48 with 1:24,000 scale; color-infrared imagery; national map accuracy standards; and North American 1983 data that is being adopted nationwide. He also described the DO specifications for one-meter resolution: urbanized areas, 227 federally recognized Native villages, major transportation corridors and the trans-Alaska pipeline; color-infrared imagery; quarter-quad format; national map accuracy standards; and North American 1983 data.

MR. PANOS next described digital elevation data (DED) as an array of [elevation values] representing the shape of the earth's surface. He explained that existing elevation data for Alaska, which was derived from USGS [United States Geological Survey] maps, is not very accurate. He cited the specifications for DED: 30-meter postings, which show a latitude and longitude point every 30 meters; 7-meter vertical accuracy; and 1983 North American data. Mr. Panos stated that the uses of DED are to make geometric corrections for orthoimagery and to derive topographical information for calculating aspects, drainage, watersheds, solar insolation, slopes, and landforms, for example, and for generating contours.

MR. PANOS provided an overview of the AGDC. Formed in 1993, the AGDC currently has 40 members representing State of Alaska departments, federal agencies, municipalities, boroughs, Native organizations, private enterprise, and the University of Alaska. Its purpose is to provide statewide leadership for surveying, mapping, and related spatial data coordination. Mr. Panos specified AGDC's overall objectives: to build geographic information partnerships in Alaska; to leverage resources; to promote the visions and goals of the National Spatial Data Infrastructure; and to serve as the technical advisory committee to the Alaska Land Managers Forum. Mr. Panos added that the reason AGDC was given approximately \$8 million from the federal government was because it leveraged its resources by forming a partnership with those other groups.

MR. PANOS mentioned aviation safety and infrastructure development, put together by the FAA [Federal Aviation Administration], the "Capstone project folks," and Raytheon. He explained that presently the FAA is trying to provide leadership to improve aviation safety, air traffic control, and infrastructure development. He described eight "hot button" uses of orthoimagery: first, to increase safety via Capstone technology, utilizing more accurate data; second, to more accurately chart publications for both VFR [visual flight rules] and IFR [instrument flight rules] flights; third, to lower the instrument-approach minimums, resulting in more arrivals and departures; fourth, to augment planning information for airport location and development; fifth, to aid in managing airspace and creating 3-D traffic modeling; sixth, to plan and zone to protect existing and future arrival and departure routes; seventh, to accurately locate towers, power lines, and other aircraft obstructions; and eighth, to provide military area charting and routes for military and civilian traffic "deconfliction."

Number 1240

MR. PANOS informed members that the Alaska Fire Service has compiled reported uses of orthoimagery in disaster response and hazard prevention. He said fire is a natural part of the Alaskan ecosystem, and fire management is fundamental to the protection and enhancement of human values, wildlife, habitat, and ecosystem integrity; wildfires burn approximately one million acres a year, and suppression response is based on statewide fire management plans. Mr. Panos also mentioned prescribed fire plans for fuel hazard reduction. He listed the following uses by Alaska Fire Service for orthoimagery: to assess fuel types and changes in surface features; to identify resource habitat to assess the level of [fire] suppression efforts necessary; to strategically plan prescribed burns; to locate natural fire barriers, which helps in crew placement; to pinpoint ingress and egress routes; and to plan relocation of village landfills for fire prevention.

MR. PANOS discussed the Alaska Land Transfer Program. He said, "The state and federal government and Native corporations are in partnership to execute the largest surveying effort in U.S. history and a huge adjudication effort." The transfer will shift 104 million acres to the state and 44 million acres to the Native corporations. Mr. Panos stated that he had worked with the cadastral surveyors at BLM [Bureau of Land Management] "to put this together." He listed the following ways that

orthoimagery serves as a reference source: to validate Native allotment locations with accuracy, thereby spending less money to do so; to develop survey plans for ANCSA [Alaska Native Claims Settlement Act] and state selections; to identify field [survey] transportation needs for four-wheeled vehicles, fixed-wing [aircraft], boats, or helicopters; to preview the landscape and estimate labor [costs], which are currently between \$8-10 million a year; to determine what technology and techniques to use by previewing the landscape; and to delineate bodies of water that are 50 acres or more in size.

Number 1559

MR. PANOS stated that everyone knows [development of Alaska's] natural resources is key to [the state's] economic vitality; consequently, [the state] must work with the best data available. He mentioned receiving help from Phillips [Alaska, Inc.], Minerals Management Service, and BLM to create the example in the committee packet. Mr. Panos highlighted some uses of orthoimagery in oil field development: to determine lease boundary locations, by projecting the lease boundaries over the orthophoto; to delineate hydrologic basins and the effect that oil development will have on them; to plan the routing of ice roads; to evaluate water sources for ice-road construction; to determine locations for infrastructure development; to locate ecological monitoring stations; to serve as the base material for [sensitive habitat locations]; and to use as a communication tool for public meetings.

MR. PANOS turned to the issue of public safety and "Legal Access," a report compiled by an easement management team composed of state and federal employees as well as representatives from the Native corporations. He said many easements in Alaska give access to major waterways on state federal and municipality lands; there are approximately 3,000 easements in Alaska, many of which cross Native land. Mr. Panos told the committee that easements are not in good shape right now. He pointed out some color-coded lines on a map that indicated disputed easements and proposed easements. He listed the uses for orthoimagery regarding legal access and public safety: to identify conflicts between easements and land ownership; to reroute existing easements because of public safety concerns; to improve, maintain, and mark easements; to avoid placing easements in [environmentally sensitive areas]; and to identify discrepancies among [locations of reserved] easements to actual trails.

Number 1838

MR. PANOS next pointed to Resource Assessment [and Public Use]. He read, "Public access to Alaska's natural resources is essential to meet increasing tourism, recreation, [and] development demands." He stated that good land-use planning and environmental assessment are necessary to ensure public access while meeting environmental considerations. Mr. Panos indicated an orthoimagery map [located in the committee packet] that shows a before-and-after picture of "the old Sourdough Campground" on the Richardson Highway, which was a mosquito-infested area prior to the application of orthoimagery technology.

MR. PANOS listed the following uses for orthoimagery regarding resource assessment, compiled by the people in the Glennallen district and the park service: to locate existing ATV trails and assess their impact on land, water, and living resources; to inventory overused public access trails, in order to determine whether they should be shut down or rehabilitated; to plan for optimal location of new public access trails; to locate [publicly established] camping sites; to identify which camping sites are in need of restoration; and to plan for optimal locations for camping sites, so that people can get the best use out of them, while still maintaining the environment.

Number 1980

MR. PANOS told the committee that according to the Department of Community & Economic Development, [more than] 35 percent of the communities in rural Alaska don't have flush toilets or running water; he added that he believed that figure had dropped to 30 percent. Many [federal, state, and local] initiatives are in progress to improve [conditions] in the rural communities, with a focus to improve the infrastructure in terms of sanitation, water, power, and transportation. Mr. Panos listed the following ways that orthoimagery could be used for community and economic development: to identify culturally and environmentally sensitive areas, such as salmon-fishing and berry-picking locales; to identify communities' existing and future land uses by mapping out trails, buildings, and roads; to identify the boundaries of ANCSA [section 14(c)] land claims; to verify the boundaries of the major landowners; to figure out hazards, such as flood plains; and to serve as an aid to communication with the people of the communities.

Number 2085

MR. PANOS defined "Base Map Data Framework" as "layers of information" for which Alaska has a need. The framework is depicted on a graph [shown in the committee packet] consisting of the following elements: elevation; geodetic control; [digital] hydrography; bathymetry, which shows the depth of the coastline; cadastral [surveying], which essentially is showing the location of all survey boundaries; transportation, which involves getting coordinates on roads; government units, which shows who has administrative jurisdiction over which land; land-cover information, which shows land, water, and vegetation types; elevation [data]; and digital orthoimagery.

MR. PANOS explained that elevation, geodetic control, and hydrography maps are complete, while bathymetry, cadastral, transportation, governmental units, and land-cover map work is still in progress. In contrast, (accurate) elevation maps and digital orthoimagery maps [for Alaska] do not exist. He said, as an example, that digital orthoimagery could supply such information such as the exact dates during which a pilot should not fly through a certain area, in order to avoid disturbing moose or caribou calving.

MR. PANOS told the committee that the average map of Alaska is over 40 years old; many of the maps are over 50 years old. He added that there are no plans on the horizon by the U.S. Geological Survey (USGS) to update them. He indicated the last statewide base [survey] for imagery was in 1978, for Fairbanks; he showed the committee two maps of Fairbanks [in the committee packet] and pointed out the changes in the area [over a 21-year-period], which are highlighted by the use of digital orthoimagery.

MR. PANOS mentioned approaching the "Commerce Business Daily (indisc.)" with an RFI (request for information), to determine [data acquisition] costs. He called this the "sticker shock page." He said the collection of the digital information data would take approximately four years, at a cost of approximately \$60 million. Regarding data accessing, Mr. Panos said that the information has no licensing restriction on it like many data; consequently, it would be put on the Internet as it became available. The information would be available on the Internet through the Alaska Geospatial Clearinghouse and could be ordered, either from the University of Alaska Fairbanks [a potential in-state repository] or the USGS EROS [Earth Resources Observation System] Data Center. He stated that the fee charged to the consumer would only be the cost of the compact disk.

Number 2338

MR. PANOS spoke next regarding letters of endorsement. He told the committee that so far, [AGDC] has 55 letters of endorsement from the following groups: the federal government, including the National Digital Orthophoto Program, the U.S. Air Force, the U.S. Census Bureau, and the Bureau of Land Management, among others; industry and advocacy groups, including the Resource Development Council [for Alaska, Inc.], the Alaska Land Managers Forum (ph), Arctic Power, Institute of the North, the Alaska Airmen's Association, Inc.; private industry, including oil companies, engineering firms, and mining companies; conservancy groups, such as the Nature Conservancy and Ducks Unlimited; Native corporations, including the Association of ANCSA Regional Corporation Presidents/CEOs, Inc.; local government, including municipalities and boroughs; several State of Alaska agencies, with the help of Senator Phillips; and professional mapping companies, including "three of the more prominent ones."

Number 2443

MR. PANOS showed a map of digital "orthoquads" currently for sale in Alaska "on what we call the 'National Aerial Photography Program' desktop," comprising basically the area from the Kenai peninsula to the Wasilla area. He noted that Alaska is the only state that does not belong to the National Digital Orthophoto Program.

MR. PANOS explained that the National Aerial Photography Program takes aerial photography, which the National Digital Orthophoto Program turns into orthophotos. Referring to "the archive," he showed another graph depicting, in color, everything "covered" to date, which does not include Alaska. He mentioned a seven-year plan that spans from 1997-2003, in which Alaska is not included. Mr. Panos noted that recently the NASA [National Aeronautics and Space Administration] shuttle project - a photographic mapping mission - covered an area from 60 degrees north to 60 degrees south, which did not include [most of] Alaska.

MR. PANOS told members that spatial data is essential for planning, developing, and managing assets, improving living conditions, and protecting the environment. It increases knowledge and reduces uncertainties, allowing for better decisions from which "we" will reap savings. Mr. Panos indicated the value of spatial data used in "a good decision support program" is worth 1 to 4 percent of the total value of

the resources being managed; for example, if Alaska had \$1 trillion worth of resources, 1 percent would be \$10 billion. Thus good infrastructure information would pay off considerably.

MR. PANOS noted that the next point was procured from Australia: When there is good spatial data infrastructure, the cost-benefit is about a 1:9 ratio. He said some people at Ducks Unlimited figured out a 1:7 ratio on their return. He stated that the benefits of spatial data increase; more organizations have access to the data, which means that everyone is using good information on which to base decisions. Mr. Panos said that is the reason [AGDC] is putting the information on the Internet.

Number 2625

CO-CHAIR SCALZI commented that the list of endorsements was impressive.

Number 2650

REPRESENTATIVE FATE pointed out that a [pilot] could not file an instrument flight plan without a published navigational aid, and asked how the initiative would increase the number of published navigational aids in small villages.

MR. PANOS said he would have to ask the people at the FAA. He added:

The point they were making, to me, on this is that they don't have good terrain data out in the Bush, and so their approaches have to be very ... long coming in. They said if they had better terrain data, they could lower their approaches and get more people in and out.

REPRESENTATIVE FATE responded, "Well, I'm a flier, and that doesn't quite add up to ... how it's done. But that's all right; we'll let it pass."

MR. PANOS reported that actual products, developed with AeroMap and the Alaska Science and Technology Foundation, would "come out of this program"; a variety of projects can be generated with orthophoto and with digital elevation data. He indicated some examples on the wall of the committee room and mentioned additional 3-D material. In response to a comment by Co-Chair Scalzi about the effects of wearing the 3-D glasses, Mr. Panos said the digital elevation data makes it possible to perform 3-D

"fly-throughs" of an area. The U.S. Air Force is very interested in this technology, for example, because it allows using a simulator to practice air operations.

Number 2770

CO-CHAIR SCALZI asked Mr. Panos why Alaska was not up to speed with the Lower 48 regarding this technology.

MR. PANOS replied that the Alaska is too big, and covering an area of its size would be expensive. He said for years he has brought up the subject to the USGS, which is hesitant to deal with Alaska because of the amount of money that would be involved. He recounted that someone in North Carolina had suggested Alaska's "counties" could help pay, but he'd informed the person that the North Slope Borough, for example, is as big as North Carolina, but with only 10,000 people.

Number 2845

JOHN ELLIS, AeroMap U.S., Inc., came before the committee to explain the purpose of the 3-D glasses that he provided. He said the digital elevation model is a 3-D model, which is accurate horizontally and to 2.5 meters; the 3-D glasses aid in seeing the model. Mr. Ellis added that land-cover information and other information can be draped over the model, producing "a whole new world - almost like something you can pick up." Mr. Ellis pointed out that this technology is not new; almost all image-processing software available today can automate these types of maps. For example, children could get on the Internet and download an image of their favorite campground to see what the elevation differences are. He mentioned software such as "Photoshop."

Number 2969

REPRESENTATIVE GREEN moved to report HJR 19 out of committee with individual recommendations and the attached fiscal notes. There being no objection, HJR 19 moved from the House Resources Standing Committee.

HB 194-ENTRY PERMIT FEES

TAPE 01-24, SIDE B

Number 2995

CO-CHAIR SCALZI announced that the next order of business would be HOUSE BILL NO. 194, "An Act relating to fees for commercial fishing licenses and permits; and providing for an effective date."

[There was a motion to adopt HB 194 for discussion purposes, but it was already before the committee.]

Number 2958

REPRESENTATIVE STEVENS, speaking as the sponsor, informed members that HB 194 involves a very complex subject. It has a lot to do with the 1982 Carlson case, a class-action suit brought against the State of Alaska and the Commercial Fisheries Entry Commission (CFEC) for charging a three-to-one difference between nonresident and resident fishermen. Representative Stevens detailed the supreme court's decision: the state would not be allowed to charge three-to-one, but instead must use a differential based on the difference paid in taxes by a resident versus a nonresident. The [supreme court] still has to rule on what the state owes in the case. If the state loses the case, it may owe more than is estimated now.

REPRESENTATIVE STEVENS further explained that HB 194 would repeal the present statute regarding the 3:1 ratio and replace it with language that allows the state to charge nonresidents "the maximum amount allowed by the court". He mentioned that the state's attorney, Stephen White, argued the case in superior court, where he suggested six budget categories in which the state would be able to charge nonresidents more than residents. In June 2000, the superior court came up with a formula for what the state could charge, allowing only two out of the six categories. Representative Stevens said this could cost the state \$22.5 million; Mr. White would be appealing that decision in the state supreme court, in an attempt to get the other four categories included in the formula. He continued:

Even now, today, if you were to go down to the [CFEC] and apply for a limited [entry permit], you'd be charged ... three times more than out-of-state fishermen, ... despite what the court has ruled. So what we're doing is ... adding to that liability that we will owe at some point in the future. This bill will allow the [CFEC] to stop charging three-to-one and begin to charge this maximum amount allowed by the courts.

If the bill is passed, the CFEC will begin to use the formula the court has directed us to use, based on those two budget categories. At the same time, the Department of Law will continue trying to get those other four categories into the formula. HB 194 will help us resolve the problems we're facing right now. Hopefully, it will not create any additional problems. It gets rid of that ... three-to-one ratio. It shows that we are acting in good faith with the courts. It shows that when we realized what our liability was ... we took steps to correct things.

REPRESENTATIVE STEVENS said it doesn't "get us anywhere to stick with the present statute." He pointed out that in addition to needing a statute change when the court decides which budget categories can be listed, the state already must change it because of the court's decision against the state's use of the three-to-one ratio.

Number 2732

MARY McDOWELL, Commissioner, Commercial Fisheries Entry Commission (CFEC), Alaska Department of Fish & Game (ADF&G), spoke on behalf of CFEC in support of HB 194, saying CFEC believes the bill is a "win-win action." She said:

By adopting the provisions of this bill now, as opposed to sticking with the current statute and fixing it after the supreme court has finally ruled, we're actually ahead, whether or not the supreme court rules in our favor.

MS. McDOWELL stated that recently the Department of Law has done briefings for several legislative committees on the details of the Carlson case; therefore, most of the legislature is "fairly familiar" with the potential fiscal ramifications of having to pay these possible refunds and interest for past overcharges of nonresident fishing licenses. She referred to the sponsor's explanation and said the Carlson case raises prospective issues such as what the fee structure should be now and in the future. The subject of HB 194 is how a fee structure can be established that is "feasible to administer and will maximize our revenues from nonresidents, while avoiding possible future liability."

MS. McDOWELL explained that the "three-to-one" mandate in statute is the main issue in this bill. She said [CFEC] is continuing to use this ratio, even though the court has said it

unconstitutionally overcharges nonresidents in some of the fee categories. The three-to-one ratio has not been ruled unconstitutional, but the supreme court has said that a formula must be used to charge higher nonresident fees. At this point in court, [the state] is arguing which state expenditures can go into that formula.

MS. McDOWELL said the ratio by itself is not acceptable, unless fees for residents and nonresidents are so low that they happen to fall into the allowable differential. For example, with crewmember licenses, the state has charged three-to-one for years, but the dollar amount is so low that it happens to fall within what's allowable. For years, [CFEC] charged [residents] \$30 and [nonresidents] \$90; last year, that was changed to \$60 and \$125, respectively, but since the dollar amount is so small and it stays within the ratio, no refund will be owed. However, within higher permit fee categories, some permit fees have a differential of \$500 between residents and nonresidents. So, in regard to allowable fees by the court, she said, if "we prevail at the supreme court and we get differentials hiked, we'd be able to charge double the amount, similar to those amounts ... under the provisions of this bill. So, our revenues would ... go back up."

MS. McDOWELL remarked that until last summer's superior court decision, the state could claim that the court had not set out a specific explanation about what is acceptable and how to calculate the differential. Now, however, [CFEC] has that direction from the court. She noted that Stephen White, Department of Law, could elaborate on this.

MS. McDOWELL commented that if the superior court ruling is not overturned, what is currently being charged will accrue a debt of approximately \$2.13 million every year under the current statute. In addition to this debt, approximately 250 new members are added to the Carlson [class] each year that the current three-to-one statute is used.

MS. McDOWELL noted that HB 194 doesn't address or affect the outcome of the Carlson case, since it affects liabilities that may be ultimately found for charges in the past or the present. Those issues will have to "run their course" in court. This bill affects what [CFEC] would charge for licensing in 2002. This would happen without conceding to the court's decisions. It would support the state appeal.

MS. McDOWELL explained that HB 194 keeps the current \$60 resident fee for crewmember licenses. It also allows ADF&G, which handles crewmember licenses, to raise nonresident fees to "tack on the entire allowable differential." This will help offset the loss and [CFEC's] having to reduce the fees in some permit categories.

MS. McDOWELL pointed out that HB 194 also addresses the \$5 crewmember license for children 11 years and under - which was established by the legislature "one to two years ago" for residents and nonresidents - by authorizing ADF&G to add the allowable nonresident differential to the \$5 fee.

MS. McDOWELL referred to the annual renewal fees for the CFEC permits, including limited entry permits and interim-use permits that one needs for an unlimited fishery. Under HB 194, nonresidents would be charged the base (resident's) fee, plus "up to" the maximum allowable differential that the court will allow. Residents would be charged slightly more than what is under current statute. The fee would go from \$250 to \$300. She said this is not something "that fishermen love," but United Fishermen of Alaska (UFA) supports this increase to offset some of the loss in revenues.

MS. McDOWELL noted that this \$250 cap for residents has been in effect for 20 years with no changes. However, permits for individual fisheries move up and down within the five fee categories because they are charged for each type of license, according to the economic return in that fishery. But if the cap were set at \$300, then each of the five classes would be "proportionally hiked by about 20 percent." So, for example, under this bill, the lowest fee class would go from \$50 to \$60. In short, the resident fee affects the nonresident fee.

MS. McDOWELL suggested that the decision on the resident fee cap be revisited after a final supreme court decision, since at that point "we" will know what happens to the revenues that are generated. She said fees generated by CFEC permit fees are also used to fund the Division of Commercial Fisheries (under ADF&G). So it [resident fee cap] is a concern to fishermen as well as the legislature.

MS. McDOWELL turned attention to reduced "poverty fees." These fees are set in statute for people who can show they are below poverty level; the fees have been \$15 for residents and \$45 for nonresidents for years. Ms. McDowell noted that those fees are not high enough to cover what [CFEC] is required to submit for

insurance under the fishermen's fund. She explained that HB 194 would set poverty fees at half of the normal fee a person would pay for the annual renewal of a permit.

MS. McDOWELL said this is a modest change for most people, since most poverty permits are at the lowest fee category. She reported that 700 out of 895 poverty fee permits in 2000 were in the \$50 resident fee class; under this bill, the fee would increase to \$30 from \$15. For the few people in higher categories who apply for poverty fees, their permits would increase more substantially; for example, in 2000 there were 83 [poverty] permits in the \$100 [fee] class, and those fees would increase to \$60 under this bill. She went on to say that the few people in the highest fee class would see a tenfold increase, from \$15 to \$150, but it is still a savings of \$150 [over the full fee].

MS. McDOWELL referred to the fiscal note. She said HB 194 would save \$1.13 million a year in refunds and interest if the superior court decision stands, or more if the plaintiff wins. She said even though the fiscal note shows a \$470,000 loss of revenue that [CFEC's] fees generated, it is a little misleading because it would be more than offset by "other things that the bill does." The first offset would be the way refunds are calculated under the Carlson case. There is a stipulation with the plaintiff's attorney that credit is given if a fisherman over time has held permits above or below the allowed differential. [CFEC] can use a year in which [fishermen] paid less than what was charged to them in order to offset an overpayment. So, if [CFEC] wins in supreme court, and during this "intervening time" CFEC has undercharged, it can deduct that amount from the refund owed.

MS. McDOWELL went on to say that since this does not come back in the form of a fee receipt, there is still concern that fees that would normally go to the Division of Commercial Fisheries wouldn't go there. But as far as the state's fiscal situation, the money "comes back" in the form of reducing those refunds.

MS. McDOWELL noted that if the state does not prevail in the supreme court, there would be refunds plus interest; thus there is a savings by not charging it upfront. In the meantime, since this bill allows [ADF&G] to hike nonresident crew member fees right away - which could offset a substantial portion of the decline in fees while [CFEC] is having to redo some of the permit fees - [CFEC] can be increasing the crewmember nonresident fee, which would help offset it as well. If the

plaintiffs win the aspects that they're appealing to the supreme court, what [CFEC] would save in this bill wouldn't fully cover the additional debt, but it would reduce what [CFEC] owes by \$1.13 million a year.

MS. McDOWELL concluded by saying HB 194 contains legally and financially responsible actions for the legislature to take. It protects the best interests of the state by "minimizing our potential accrual of more debt while seeking to maintain state revenues." It contains language that is "flexible enough to fulfill this purpose on into the future regardless of the outcome in the high court." This bill also "concedes nothing in the Carlson case; it can't be construed in any way to concede what the state is arguing, and it actually could help us avoid the risk of punitive action by the court." It provides a tool for remaining in compliance to avoid further legal liability.

Number 1962

REPRESENTATIVE FATE asked if the poverty fee is based on the amount of income derived from the fishing enterprise or the total.

MS. McDOWELL replied that it is derived from total family income.

Number 1962

REPRESENTATIVE FATE said even though he intends to support this bill, he wants to look into the issue of crewmember permits. Most of [the bill] emphasizes deep-sea offshore fishing. However, there is an inland-waterway fishery in Alaska; for some fisheries [in Western Alaska], people couldn't even feed themselves, and yet this is an increase for crewmembers. He added that these fisheries can't have crewmembers anymore, since they sold no fish last year. Most of those family enterprises consist of a "man and a wife going out on the boat together," with only one having a limited entry permit.

MS. McDOWELL remarked that this bill does not propose an increase in resident crewmember licenses.

REPRESENTATIVE FATE said he realizes that, since he obtains a license every year.

MS. McDOWELL noted that for a fishery that does not open, the permit fees for the year are waived by CFEC for the permit

holder. However, there is still a hardship [fee] for fisheries that open and have a poor season.

Number 1858

REPRESENTATIVE GREEN asked about the numbers if the state prevails or loses [in the Carlson case].

MS. McDOWELL answered that [CFEC] had to calculate and submit this under the court ruling by March 15. She went on to say there are 11,000 plaintiffs in the [Carlson] class, and the total refund calculated, with interest, was \$22.5 million up to March 15, 2001; this amount increases a little each day. The plaintiffs contend that no differentials at all would be allowable; if they win, the number hasn't been calculated, but it would be much higher than \$22.5 million. She mentioned that she could obtain those numbers. She went on to say, "If the state prevailed on everything that it's arguing, there would be no refund - we would have no liability."

CO-CHAIR SCALZI asked: If Alaska implemented an income tax in the next few years, on both residents and nonresidents in Alaska, and the differential was revisited, would it be a part of the differential consideration?

STEPHEN WHITE, Assistant Attorney General, Natural Resources Section, Civil Division (Juneau), Department of Law, explained that the state does not get any credit in terms of how much more a nonresident is charged for taxes that both residents and nonresidents pay. It only receives benefits from taxes that residents pay for service which nonresidents do not also pay. This is how [Alaska] can take its oil revenues, for example, which pay for services [for] Alaskans. If a tax is imposed equally on residents and nonresidents, it doesn't come into the formula at all.

REPRESENTATIVE STEVENS asked Mr. White to comment on plans regarding the [Carlson] court case and what he estimates the outcome will be.

Number 1640

MR. WHITE replied that the [Department of Law] filed a notice of appeal before the supreme court several weeks ago. The state is appealing the four budget categories that Representative Stevens mentioned earlier. These are legitimate costs of the state for commercial fishing which, if put into a formula, would

substantially increase the amount of differential that could be charged nonresidents. Furthermore, [CFEC] is appealing the issue about whether any refunds of permit payments need to be paid to nonresidents; it is also appealing whether [the state] needs to pay interest on this. [The state] has also argued other technical legal questions such as whether this is an appropriate class action or if it should be limited to only the six people whose names are on the complaint.

MR. WHITE explained that altogether 11 points are being appealed. He is confident that at least some budget categories will be included [in the formula]. The superior court included only [the state's] direct operational costs of managing commercial fisheries, such as salaries for people in CFEC and the Division of Commercial Fisheries. The superior court did include some overhead costs for the department [ADF&G], but did not allow [the state] to include capital costs for constructing fish hatcheries, harbors, general state infrastructure attributed to the population because of commercial fisheries, or the subsidy to hatcheries that principally support commercial fisheries. He expressed hope that some of these categories will be included.

MR. WHITE explained that if all the budget categories had been included at the superior court level, the differential would have been \$570 - more than any of the current ranges for limited entry permits. [The state] would have been "home free." He pointed out if [the state] wins on the interest argument, he believes the [amount owed] would be cut from one-half to two-thirds because [the state] has accrued 10.5 [percent] interest on payments back to 1982. Although it is hard to say what the state's opportunities to win on those issues are, the more the state wins, the more the [amount owed] will go down proportionately, "to the possibility of not being at all."

REPRESENTATIVE STEVENS commented that Mr. White has said he "will see this through to the end."

Number 1425

REPRESENTATIVE GREEN stated, "I take an issue with the courts." He went on to say that the state passes laws, and the courts should be there to determine whether or not the laws are reasonable and legal. He expressed concern about being in a "defensive mode" and wondered if this is the best legal approach. He suggested that [the state] be in an offensive mode and adopt what the attorney general used in arguments. He

added, "We're talking about saving about \$1.1 million for another year until that determination is made, versus either 22.5 million or perhaps significantly higher." He said this seems to be "pretty reasonable," and said perhaps it would be worthwhile to "arm you with the support of the legislature." He indicated this would provide a reason for the difference between permit prices, and then [Mr. White] could argue a stronger case, that "at least it's Alaska's total; it's not just a legal battle, but it's the will of the people who are elected by the people."

Number 1336

MR. WHITE commented that it wouldn't affect the court's decision if this legislation names and includes all six budget categories. The court will determine on its own what the state's fisheries budget is, and will use it based on principles of public budgeting processes. He mentioned that a Ph.D. economist, who is also a legislator from the state of Washington, had come to help present the case.

MR. WHITE said, "That's the kind of economic theory that the courts are going to be looking at to determine what budget expenditures should be, and should not be, in this formula." Therefore, what the legislature says is going to be irrelevant for the court's interpretation. In fact, if [the legislature] includes all six budget categories, and "we don't get all six of them," then the statute will have to be changed once again. The language in HB 194 enables [the state], in very generic terms, to charge the most that the law allows. This will become a differential in which, each year, the amount will change. In short, he thinks this is the most efficient way to deal with this case and still be able to charge nonresidents the most that is possible.

REPRESENTATIVE GREEN again expressed dissatisfaction with taking a defensive posture and "back-peddling" while awaiting the court's decision. He said that is the wrong way to use the court.

MR. WHITE replied that the court is interpreting the U.S. Constitution, not a state statute. It is beyond "our" power to affect what [the court] is actually looking at. Passing this bill will show the Alaska Supreme Court that the state took corrective action as soon as the superior court ruled that there was some possible liability. This will be helpful because the other side's argument is that the state has known for 18 years

that it has been charging nonresidents higher fees. He indicated that the other side believes that the state should pay back all money received from the three-to-one ratio, plus interest, to all nonresidents, including those that can't be located.

MR. WHITE reiterated that his argument to this would be that as soon as it became clear that there was some liability to the state, the legislature took the appropriate steps to adopt a basic formula into statute. In addition, steps have been taken to notify all the nonresidents so they can continue to keep [the state] informed of their whereabouts, in case [the state] has to pay them back. The bill, a good-faith effort, demonstrates that the state is acting responsibly. He noted that the U.S. Constitution says all residents and nonresidents have to be treated substantially the same when pursuing a vocation in terms of license fees and so forth; the exception is, the state can charge more for those services it provides that are based upon taxes that only residents are paying.

MR. WHITE added that the formula says this. He remarked that it won't help his argument to go into the supreme court and say: "The legislature thinks the fisheries budget is composed of these factors, because the supreme court is not looking at what the legislature does in terms of its definitions of the fisheries budget," because it is a U.S. constitutional issue. "We are being aggressive in terms of attacking it in every way that we can," he concluded.

Number 0947

REPRESENTATIVE GREEN requested clarification about the purpose of the bill in relation to the legal case.

MR. WHITE explained that the bill stops interest from running on potential future refunds, and shows the court that the state is acting responsibly in terms of "pounding the argument that the state should pay not only all the nonresidents out there, but also all the nonresidents that we can find." The [Carlson] class is arguing that the State of Alaska has ignored this situation for 18 years. He said many of these class members have "disappeared": some addresses cannot be found and some of these people are deceased. He reiterated that the other side believes the State of Alaska should pay "all the people we can find, all the people we can't find, ... [and] also pay that money into a fund or distribute it amongst all the rest of the nonresidents." This is an argument he will face in court. This

bill will help [the state] defeat this argument and help to keep the money that otherwise might have to be paid for people [in the Carlson class] who can't be contacted.

Number 0790

REPRESENTATIVE STEVENS commented that there are two major issues here. First, the state must move away from the three-to-one ratio and find a way to begin charging the right amount or the most that can possibly be charged to nonresidents, since liability is accruing. He noted that he also likes the idea of sending a message to the court saying, "By the way, we think all of these things should count." He mentioned that Mr. White would say this bill does not weaken this case and does not admit any guilt on [the state's] part.

REPRESENTATIVE STEVENS pointed out that many people, including himself and Co-Chair Scalzi, believe [the legislature] should send a stronger statement to the court. However, this statement should not be included in HB 194. The bill is an attempt to current the current situation. He proposed, therefore, that the House Resources Standing Committee come up with a separate resolution, to say that the legislature opposes actions the courts have taken, and believes all six budget categories should be included [in the formula].

Number 0564

CO-CHAIR SCALZI called an at-ease at 2:38 p.m. The meeting was called back to order at 2:44 p.m.

CO-CHAIR SCALZI asked Mr. White to comment on the difference between commercial and sport licenses.

MR. WHITE responded that the difference is that pursuit of a livelihood or having a license for a vocation, such as commercial fishing, brings the privileges and immunities clause from the U.S. Constitution into consideration; this clause says there must be substantial equality in the way that one licenses or treat residents and nonresidents. This is what has driven this case from the beginning.

MR. WHITE pointed out that recreational pursuits such as hunting and fishing, and college tuition charges in regard to residents and nonresidents, are not included in this clause. It is more permissive for states to charge more [for nonresidents] for those pursuing non-vocational activities. There was a challenge

in the courts a few years ago concerning the higher allocation, by percentage, of moose to residents. The concern was that this was unconstitutional. However, the courts said since it was recreational and the state constitution gives a higher value of resources to residents, these discriminations in favor of residents can be made. So, different parts of the constitution are involved when dealing with recreation as opposed to vocation.

Number 0346

REPRESENTATIVE McGUIRE asked: If the supreme court reverses the superior court's decision and this bill is in place, what would the estimated lost revenue be?

MS. McDOWELL explained that [CFEC's] fees would decrease by \$470,000 in FY 02. But this is not "actually gone." If the state prevails at the supreme court level, it can be subtracted from what is owed to the plaintiffs. There is an offset due to the stipulation with the plaintiff's attorney. If [the state] loses at the supreme court level, a refund would be owed to [the Carlson class], in which case [the state] could subtract the undercharge.

REPRESENTATIVE McGUIRE asked what the amount would be if the state won and didn't owe a refund. She said [the legislature] is passing HB 194 because of wanting to prevent any of those future costs from being incurred during the interim while awaiting the supreme court's decision.

MS. McDOWELL answered that in this interim, crewmember fees will have been increased under provisions of this bill, which recoups most of [the loss]. She noted that ADF&G is still calculating the amount.

REPRESENTATIVE McGUIRE clarified that she has been hearing from colleagues that they don't like [the bill], and don't want to do it, "but we're gonna do it because ... it shows the court good faith and, by the way, it's going to save money in the event we have to pay out." She said she didn't "buy in" to that good-faith idea, because "if the court isn't going to listen to us if we go back in and change the policies in our statute, why are they going to listen to us when we go back and do something like this?" She questioned the validity of saying, on one hand, that the court will listen to [the legislature], while saying on the other hand that it won't.

TAPE 01-25, SIDE A

REPRESENTATIVE McGUIRE referred to the "saving money" element of the bill and said it's "an additional potential task if we lose." She wondered about the benefits and setbacks, and mentioned that under the current statute, \$1.13 million may be lost. However, this amount also has to be offset by the fact that "we're going to be losing some revenues that we would have continued to collect under the current statutory framework." She said she feels this is a "cart before the horse kind of thing." It is an unusual way of dealing with this issue, and she was not sure whether she had even seen a situation like this, except perhaps in the Kasayulie case. She continued:

I would feel much more comfortable waiting until the highest court rules and take their message, whatever it is, and reincorporate it into our statutes and make sure that we have it right. I do not believe that judges live in a box. I think that they hear, they listen, they know what's going on around them. I'm not saying it influences them one way or the other. But they certainly aren't quarantined up until the date in which the decision is made, and I wonder what message we're sending by changing this at this point. I just feel like it might be premature.

REPRESENTATIVE McGUIRE remarked that the fiscal notes were creative. She said she has never seen a zero fiscal note for something that "clearly has fiscal consequences."

CO-CHAIR SCALZI remarked that the fiscal note contains a \$470,000 change in revenue.

REPRESENTATIVE McGUIRE stated that this is an indeterminate section. She would not hold the bill, but wonders if "we're just rolling over here." She then requested the answers to her questions regarding the revenue difference.

Number 0246

JERRY McCUNE, United Fishermen of Alaska (UFA), came forward to testify. He said, "You lost some aspects of this case already." No matter what the legislature says, the three-to-one ratio portion is gone. He mentioned that he has heard many questions concerning the interest that would have to be paid out this year, under the current situation; if [the court] orders [the state] to pay back all of the nonresidents, it would be \$1.5

million for interest accrued at 10.5 percent. He reminded members that if Mr. White is successful at "knocking that interest rate down or knocking it off, then yes, you might not have to pay that \$1.5 million."

MR. McCUNE reported that after much discussion, UFA has agreed to increase the resident fees on the "high-end cap" to \$300, a 20 percent increase. United Fishermen of Alaska represents 26 groups in the state. They agreed to the bill so that some of the funding that has been taken in could be recouped. He said if "we" win the four [budget categories] in court, then all six [budget categories] will be counted to offset the fee differential, which will enable [Alaska] to charge nonresidents more. He went on to say, "So we'll be able to come close to where we were before, which is the agency usually brings in 4.8 million and [the agency] takes about 2.4 million to run." He noted that UFA's support would not insulate [the committee] from having people still call, because he couldn't make 7,500 phone calls to inform people about this case. He mentioned that UFA has also attempted to contact non-UFA members about this situation.

Number 0492

KEVIN BROOKS, Director, Division of Administrative Services, Alaska Department of Fish & Game, said in regard to the higher-end licenses for commercial crewmembers, the differential sends it "in the negative direction." Historically, crewmember licenses have been \$30 [for residents] and \$90 [for nonresidents], but now it is \$90 and \$125, respectively. This \$65 difference is less than any differential that has been contemplated. So, under the terms of HB 194 that would allow [the state] to charge this differential, more revenue could be generated on the crewmember side. This money is currently being used in the fisheries budget to "the tune of about a million."

MR. BROOKS explained that the fee-supported services generated from the limited entry permits are also in the commercial fisheries budget to the "tune" of about a \$1.4 million. He indicated reductions could be offset by an increase in nonresident crewmember licenses. He said this is "late-breaking," because they had been thinking about damage assessment, which meant considering things such as vendor compensation and contributions made to the fishermen's fund by statute out of this revenue. He noted that [ADF&G] is working on this, and said a fiscal note would be attached to show the increase of revenue "on the crew."

MR. BROOKS reiterated that currently there is a \$65 differential. Based on the formula that has been looked at, the average for the last four years would be \$111. So, potentially a nonresident crewmember could be charged \$171 instead of the current \$125 if [the state] prevailed on all six budget categories. He asked: If in one year that differential was \$570, would the crewmember be charged \$60 plus that \$570? He said, "At some point, enough's enough. Maybe \$170 is not too much. My gut tells me \$630 is probably too much to charge."

CO-CHAIR SCALZI stated that he appreciated [ADF&G's] work on the figures and attempts to make it equitable.

Number 725

REPRESENTATIVE STEVENS remarked that he would like the bill to be moved out of the House Resources Standing Committee along with Representative Green's idea concerning a resolution to accompany the bill to make a stronger statement.

REPRESENTATIVE GREEN commented that Representative Stevens has offered the fact that "they have quite a file on this," which would help in writing a resolution. He said it would be possible to have a resolution for the committee's review by Monday.

CO-CHAIR SCALZI asked Representative Stevens if he wanted to wait for the resolution to move the bill out of committee.

REPRESENTATIVE STEVENS replied that he would be comfortable passing the bill out as long as the committee is planning to have a resolution. He noted that "we" would put the resolution together and show it to Representative Green to make sure it is what he wants.

Number 846

REPRESENTATIVE MCGUIRE made a motion to move HB 194 from the committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 194 was moved from the House Resources Standing Committee.

#### **ADJOURNMENT**

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 3:00 p.m.