

**ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE**

February 10, 2003

1:05 p.m.

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair
Representative Hugh Fate, Co-Chair
Representative Beverly Masek, Vice Chair
Representative Carl Gatto
Representative Cheryll Heinze
Representative Bob Lynn
Representative Kelly Wolf
Representative David Guttenberg
Representative Beth Kerttula

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

OVERVIEW: DEPARTMENT OF FISH AND GAME

TAPES

03-4, SIDE(S) A & B

CO-CHAIR MIKE CHENAULT convened the meeting of the House Resources Standing Committee at 1:05 p.m. Representatives Chenault, Fate, Masek, Gatto, Heinze, Lynn, Wolf, and Guttenberg were present at the call to order. Representative Kerttula arrived as the meeting was in progress.

SUMMARY OF INFORMATION

Number 0144

KEVIN BROOKS, Director, Division of Administrative Services, Alaska Department of Fish and Game (ADF&G), gave a breakdown of the six divisions within the department. He indicated the department has an operating budget of [\$135] million, with very little coming from the general fund: about \$30 million comes from the general fund; \$50 million comes from federal funds; \$25 million comes from ADF&G, with some user fees from sport fishing and commercial fishing; and ADF&G collects fees on guns,

ammunition, tackle, et cetera, and fees for the sale of fishing and hunting licenses. One strength of the program is that it's on-site and available in more than 40 communities across the state to help manage the resource. He further discussed the administrative services of the department and indicated that there are 1,800 positions, which double in the summer months.

Number 0813

REPRESENTATIVE GATTO expressed disappointment in not having Kevin Duffy, acting commissioner of ADF&G, available to speak to the committee and address his expectation for the department to manage things more efficiently.

MR. BROOKS apologized on behalf of Mr. Duffy and explained that the commissioners were called to a conference with the governor.

Number 1003

REPRESENTATIVE MASEK expressed interest in knowing what amount of revenue the state made on the king salmon stamp.

MR. BROOKS said he would provide a spreadsheet for 2002.

REPRESENTATIVE MASEK said she'd be interested in information specifically for the Upper Susitna drainage area and for an update on the Pittman-Robertson funds.

Number 1133

REPRESENTATIVE WOLF asked about the efficiencies of ADF&G and said at present they were less than acceptable. He requested a copy of the department's social and economic impact study on the Kenai king salmon run, which cost the state \$40,000. He was interested in knowing when the study would be made public and indicated the study should be made available to the Board of Fisheries and not try to circumvent the public process.

Number 1263

KELLY HEPLER, Director, Division of Sport Fish, Alaska Department of Fish and Game, said the division planned to provide two bodies of science, and that the contract to the board item was not in the budget survey due this week.

Number 1420

REPRESENTATIVE GUTTENBERG said it was a static overview without the budget and a view of where the new administration is going.

REPRESENTATIVE GATTO talked about Project WILD and the educational program goals for children in kindergarten through 12th grade. He expressed reservations about the department's going into schools with a particular philosophy, as opposed to presenting information that is scientifically based.

Number 1735

REPRESENTATIVE CHENAULT said this meeting was an overview to hear about the department's responsibilities and an opportunity to ask questions. He suggested the committee work to correct problems at a later time.

REPRESENTATIVE GATTO indicated that he felt obligated to put forth questions and get some answers regarding his concerns.

REPRESENTATIVE WOLF stated his understanding that the department will work under the new governor's direction. He mentioned maximum sustained yield and protecting the environment.

Number 1990

DOUG MECUM, Director, Division of Commercial Fisheries, Alaska Department of Fish and Game, provided a handout of the 2003 overview and key accomplishments for the division. He highlighted areas of personal use; subsistence management; management of waters and research up to 200 miles out; shellfish and groundfish; and the salmon treaty negotiations. He indicated the division's budget is \$124 million, with 80 percent coming from the general fund. He said biologists have seen a decline of a billion-dollar salmon industry over the last several years. He indicated that the halibut [population] went from 130 million to 140 million fish, and currently, it's at its lowest value, which is half of recent 5-year values. He spoke on the subsistence issue, navigable waters, and the future of mariculture. He indicated passage of HB 208 required DNR [Department of Natural Resources] to have [80] sites but that it nominated 190 sites.

REPRESENTATIVE HEINZE inquired about current sites for geoduck farming and asked how successful they have been.

MR. MECUM responded that three permits had been issued out of the several that have been applied for. He anticipated that up to 20 will be permitted, but they are in the initial stage.

REPRESENTATIVE HEINZE brought up a lawsuit pending over a denial of a permit. She indicated the estimated cost is \$4 to \$5 million. She offered her belief that common stock was transferred with the permits and indicated the issue is in the Alaska Supreme Court.

REPRESENTATIVE FATE discussed the subsistence board's decision on subsistence use for cash for the [Yukon-Kuskokwim] Region and the need to implement more commercial fisheries.

MR. MECUM said the board has not finalized it's position on the rule, but he thinks they should appeal the decision.

REPRESENTATIVE WOLF asked who develops the division's missions. He indicated that the board should work very closely with the legislature.

REPRESENTATIVE KERTTULA asked about developing test fisheries in Southeast Alaska for geoducks, sea cucumbers, and sea urchins.

REPRESENTATIVE MASEK brought up the tax relief issue for those fishermen who are not able to make their tax payments.

MR. MECUM offered to speak with the Department of Revenue and noted that there are 14 pieces of current legislation that address this issue, such as the "buy-back" tax relief.

REPRESENTATIVE GATTO stated that he would have questions for Kevin Duffy regarding the guiding principles and scientific integrity he has worked under for the last 21 years.

MR. HEPLER spoke about the division's \$30-million budget [and indicated] that no general funds are used; the division employs 21 field officers; oversees three hatcheries, which combine both private and nonprivate entities; and is looking to develop more sites and have more boat launches.

REPRESENTATIVE WOLF asked if they are also responsible for training [Fish & Wildlife Protection troopers] and inquired about the survey or study that was done.

REPRESENTATIVE LYNN mentioned resident and nonresident fishing licenses and asked about the fees collected.

MR. HEPLER answered that it was nearly impossible to break out the fee amount on the different types of licenses. Some are for one to three days, and some people purchase a king salmon stamp; the revenues are three to one.

REPRESENTATIVE WOLF mentioned the Chris Strauss (ph) informal program and [indicated the program] is not being funded.

REPRESENTATIVE HEINZE talked about training public safety officers on fish protection and regulations regarding violations.

CO-CHAIR FATE asked if the numbers are cut, how would it affect the enforcement program because it doesn't entail management and science.

REPRESENTATIVE WOLF asked if they had seen the white paper that referenced the survey and staying away from catch-and-release fishing for early-run king salmon, with field notes for Mary [Petel].

MR. MECUM indicated he would provide numbers on licensing to all members.

Number 2749

MARY PETE, Director, Division of Subsistence, Alaska Department of Fish and Game, discussed various aspects of the division and indicated that it contains a research division, which makes recommendations to the Board of Fisheries and Board of Game. She said a technical paper series covering baseline studies, complete with social and economic issues, and the information is available from the 1980s. The division's staff consists of 28 full-time employees and 60 to 70 part-time employees. It monitors harvests across the state. She indicated the budget consists of \$224,000 out of the general fund, \$1 million in [Alaska Industrial Development and Export Authority (AIDEA)] receipts, \$100,000 from inter-agencies, \$70,000 from (indisc.), and \$2.2 million in federal dollars; the division acts as a pass-through to the community for contract dollars.

REPRESENTATIVE GUTTENBERG asked about personal-use issues, specifically, the dipnet fishery in Chitna and meeting criteria for traditional use, using the definition of "customary long-term" and not commercial, which meets the state's criteria. He indicated information was collected in 1984; over 500 permit

holders in Chitna and Glennallen were interviewed; and the report was submitted to the board and had to meet pretty high criteria. He asked if there is new information to reconsider the finding.

MS. PETE said yes, a 2000 survey and interview defined the criteria under "Sections 1, 3, and 8," with Section 1 being "customary," Section 3 being intergenerational knowledge, and Section 8 allowing for diversity of uses. She discussed whether the pattern meets the established criteria and suggested the board believed the pattern did not meet the criteria for subsistence use.

REPRESENTATIVE GATTO requested further information on Project WILD.

Number 2299

MATT ROBUS, Acting Director, Division of Wildlife Conservation, Alaska Department of Fish and Game, said the division has 260 employees with 23 locations around the state, including 4 main headquarters and 18 regional offices. He indicated there is a \$27-million budget: \$32,000 comes from the general fund, and the rest comes from user-paid organizations and waterfowl stamps, licenses, and fees. He indicated the regulatory system is monitored by area biologists; they oversee status of wildlife populations, work with the Board of Game to manage hunts and drawings, and work with the Tier II permits. He indicated the workload increased with federal programs, which sometimes have different rules and goals; the division also has an educational program with grants from Washington, D.C. The wildlife program includes economic opportunities, improving tourism, rural villages, and overseeing nongame research on animals like sage grouse, sea lions, black-tailed ground hog, and so forth. He indicated they receive \$6 million to \$7 million from Pittman-Robertson funds, \$4 million from WCRP [Wildlife Conservation Restoration Program], and \$4 to \$6 million from Congress in special grants.

REPRESENTATIVE FATE commented on viewing wildlife as an industry within the state and wanted to know if ADF&G was receiving any money for this.

MR. ROBUS explained that the department receives a small amount of funding for things such as the Round Island Sanctuary, McNeil River, and Pack Creek in Southeast Alaska.

REPRESENTATIVE GUTTENBERG suggested that \$300,000 comes from [ADF&G]; federal money is becoming available, and they can garner funds from nonconsumptive users that can be used to match other federal dollars.

MR. ROBUS said some funds are available with a one-to-three match, and suggested it's very complicated. He indicated some of the funding is 50:50. He said \$250,000 comes from the general fund; \$30,000 is for gathering data on the ferret, prairie dog, grouse, et cetera, - for wildlife that may not have enough information collected to be able to say they are in fair shape. For example, they are looking at harbor seals to be able to argue biological status. He indicated another issue is the governor's reorganizational move for [the Division of Habitat and Restoration] to DNR. Title 16 provides that the division will protect, maintain, restore, and enhance lands and allow for responsible use; these lands include refuges, critical habitat areas, special areas, and special projects.

REPRESENTATIVE WOLF discussed the habitat study and the methodology used for collecting data on stream bank restoration reports, and talked about the use of "319 funds".

REPRESENTATIVE HEINZE asked for background information on the Alaska Coastal Management Program (ACMP).

REPRESENTATIVE KERTTULA postulated questions regarding how the reorganizational move would be made and asked about oversight of the permitting of land and water use under Title 16.

MR. ROBUS stated that there are 35 positions moving to DNR and 21 will remain with ADF&G. The Kachemak Bay Critical Habitat Area and the EXXON Valdez settlements would be staying with the division as well. It is possible that up to as many as 50 positions will be cut.

REPRESENTATIVE WOLF expressed concerns over habitat and king salmon early runs, and wanted to know how many permits [are issued] per year and the turnaround time. He also wanted to know how many are denials.

MR. ROBUS, in response, said about 15 to 17 days on average and that he wasn't sure about the number of denials, but felt it was low.

REPRESENTATIVE WOLF indicated he thought it was only 15 or 16 denials.

REPRESENTATIVE GUTTENBERG said they are required to approve permits yearly.

REPRESENTATIVE GATTO addressed [Ms. Pete] and reiterated the need to strike a balance in Alaska. He asked about the need to grow more moose if there is a problem with too few moose or if the problem is the quality of the habitat.

DIANE COTE, Executive Director, Board of Fisheries, Board Support Section, Alaska Department of Fish and Game, explained they also have some oversight of game, but mostly deal with fish issues. She indicated the board includes administration and technical support; is responsible for public notice of board meetings, and other general duties; meets four to five times a year; and has six full-time employees that work closely with an advisory committee and provide support. There are 81 committees with about 900 seasonal persons all across the state, and the board depends on public opinion to make decisions.

REPRESENTATIVE KERTTULA mentioned the length of the board meetings and said several of her constituents would like the board to consider managing its time better.

REPRESENTATIVE GUTTENBERG asked about the makeup of the boards and suggested a broad geographical makeup would work best.

ANNOUNCEMENTS

There were no announcements.

COMMITTEE ACTION

The committee took no action.

ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee was adjourned at 2:36 p.m.

NOTE: The meeting was recorded and handwritten log notes were taken. A copy of the tape(s) and log notes may be obtained by contacting the House Records Office at State Capitol, Room 3, Juneau, Alaska 99801 (mailing address), (907) 465-2214, and after adjournment of the second session of the Twenty-Third Alaska State Legislature this information may be obtained by contacting the Legislative Reference Library at (907) 465-3808.