

**ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE**

April 4, 2003

1:10 p.m.

MEMBERS PRESENT

Representative Hugh Fate, Chair
Representative Beverly Masek, Vice Chair
Representative Carl Gatto
Representative Bob Lynn
Representative Carl Morgan
Representative Kelly Wolf
Representative David Guttenberg
Representative Beth Kerttula

MEMBERS ABSENT

Representative Cheryll Heinze

OTHER LEGISLATORS PRESENT

Representative Eric Croft

COMMITTEE CALENDAR

HOUSE BILL NO. 210

"An Act relating to the Chitina dip net fishery; and providing for an effective date."

- MOVED CSHB 210(RES) OUT OF COMMITTEE

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 86

"An Act relating to permits issued by the state; and amending Rules 65, 79, and 82, Alaska Rules of Civil Procedure."

- MOVED SSHB 86 OUT OF COMMITTEE

HOUSE BILL NO. 163

"An Act relating to an annual wildlife conservation pass and the fee for that pass; relating to nonresident and nonresident alien big game tag fees; and providing for an effective date."

- HEARD AND HELD

PREVIOUS ACTION

BILL: HB 210

SHORT TITLE:CHITINA DIP NET FISHERY
SPONSOR(S): REPRESENTATIVE(S)COGHILL

Jrn-Date	Jrn-Page		Action
03/24/03	0618	(H)	READ THE FIRST TIME - REFERRALS
03/24/03	0618	(H)	RES, FIN
03/28/03	0689	(H)	COSPONSOR(S): STOLTZE
04/04/03		(H)	RES AT 1:00 PM CAPITOL 124

BILL: HB 86

SHORT TITLE:INJUNCTIONS AGAINST PERMITTED PROJECTS
SPONSOR(S): REPRESENTATIVE(S)FATE

Jrn-Date	Jrn-Page		Action
02/10/03	0169	(H)	READ THE FIRST TIME - REFERRALS
02/10/03	0169	(H)	RES, JUD
02/21/03		(H)	RES AT 1:00 PM CAPITOL 124
02/21/03		(H)	Failed To Move Out Of Committee
02/21/03		(H)	MINUTE(RES)
02/24/03		(H)	RES AT 1:00 PM CAPITOL 124
02/24/03		(H)	<Bill Hearing Postponed>
03/07/03		(H)	RES AT 1:00 PM CAPITOL 124
03/07/03		(H)	Heard & Held
03/07/03		(H)	MINUTE(RES)
04/02/03	0738	(H)	SPONSOR SUBSTITUTE INTRODUCED
04/02/03	0738	(H)	READ THE FIRST TIME - REFERRALS
04/02/03	0738	(H)	RES, JUD
04/02/03		(H)	RES AT 1:00 PM CAPITOL 124
04/02/03		(H)	Heard & Held
04/02/03		(H)	MINUTE(RES)
04/04/03	0798	(H)	COSPONSOR(S): FOSTER, ROKEBERG, HOLM,
04/04/03	0798	(H)	KOTT, LYNN, CHENAULT, DAHLSTROM, WILSON
04/04/03		(H)	RES AT 1:00 PM CAPITOL 124

BILL: HB 163

SHORT TITLE:NONRES.GAME TAG FEES/WILDLIFE TOUR PASS
SPONSOR(S): RLS BY REQUEST OF THE GOVERNOR

Jrn-Date	Jrn-Page		Action
03/05/03	0433	(H)	READ THE FIRST TIME -

			REFERRALS
03/05/03	0433	(H)	RES, FIN
03/05/03	0433	(H)	FN1: (DFG)
03/05/03	0433	(H)	FN2: (DFG)
03/05/03	0434	(H)	GOVERNOR'S TRANSMITTAL LETTER
03/14/03		(H)	RES AT 1:00 PM CAPITOL 124
03/14/03		(H)	Heard & Held
03/14/03		(H)	MINUTE(RES)
03/17/03		(H)	RES AT 1:00 PM CAPITOL 124
03/17/03		(H)	Heard & Held
03/17/03		(H)	MINUTE(RES)
04/04/03		(H)	RES AT 1:00 PM CAPITOL 124

WITNESS REGISTER

REPRESENTATIVE JOHN COGHILL

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Testified as sponsor of HB 210.

RYNNIEVA MOSS, Staff

to Representative John Coghill

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Explained map on behalf of Representative Coghill, sponsor of HB 210.

BYRON WHALEY, Trustee Vice-Chair

Board of Directors

Alaska Outdoor Council (AOC);

President, Chitina Dipnetters Association

Fairbanks, Alaska

POSITION STATEMENT: On behalf of AOC, stated strong support for HB 210; as president of Chitina Dipnetters Association, answered a question, saying he'd support a mutually beneficial land trade between the state and Ahtna, Incorporated, that would eliminate the access problem.

PAUL C. HOLLAND, Member

Alaska Outdoor Council;

Member, Chitina Dipnetters Association;

Member, Fairness for Chitina Dipnetters

Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HB 210 insofar as the trespass fee should be ended, but requested a long-term solution of perhaps putting it into the state's hands.

STAN BLOOM, Vice President
Chitina Dipnetters Association;
Member, Alaska Outdoor Council
Fairbanks, Alaska

POSITION STATEMENT: During hearing on HB 210, testified in support of repealing the fee for access, but provided other suggestions for dealing with services; proposed the need for a an agreed-upon management plan and appropriate user fees.

AUSTIN MAHALKEY
Glennallen, Alaska

POSITION STATEMENT: During hearing on HB 210, suggested one-quarter mile on either side should belong to the state already and hence any fees paid should be refunded.

SHARON DANIELS, Business Administrator
Copper Basin Sanitation
Glennallen, Alaska

POSITION STATEMENT: During hearing on HB 210, discussed the garbage and human waste created by those using the fishery.

GORDY WILLIAMS, Legislative Liaison
Office of the Commissioner
Alaska Department of Fish & Game
Juneau, Alaska

POSITION STATEMENT: Testified on HB 210 and answered questions.

KELLY HEPLER, Director
Division of Sport Fish
Alaska Department of Fish & Game
Anchorage, Alaska

POSITION STATEMENT: Answered question on HB 210.

JIM POUND, Staff
to Representative Hugh Fate
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Explained changes in SSHB 86 and answered questions; explained changes in HB 163, Version D.

BRIAN PETERSON, Licensed Master Guide and Outfitter
Girdwood, Alaska

POSITION STATEMENT: Testified in support of HB 163; proposed amendment to increase the bison tag fee to correlate with the musk ox tag fee; spoke in favor of funding, but emphasized the need for support for the industry and enforcement of Title 8.

BRAD PHILLIPS, Owner and Operator
Phillips' Cruises & Tours
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to HB 163, saying it would be a nightmare to administer.

ALAN LeMASTER, Owner
Gakona Junction Village
Gakona, Alaska

POSITION STATEMENT: Concurred with testimony of Brad Phillips in opposition to HB 163.

LEN LAURENCE
Mariner Inc.

Ketchikan, Alaska

POSITION STATEMENT: During hearing on HB 163, concurred with comments of Brad Phillips and said he opposes a targeted tax but wouldn't oppose a broad-based tax to raise money for the state budget and tourism marketing, in particular.

ROD ARNO
Palmer, Alaska

POSITION STATEMENT: Testified in support of HB 163, but said it needs amendments and deletions; offered suggestions.

ACTION NARRATIVE

TAPE 03-23, SIDE A

Number 0001

CHAIR HUGH FATE called the House Resources Standing Committee meeting to order at 1:10 p.m. Representatives Fate, Masek, Gatto, Lynn, Wolf and Guttenberg were present during the call to order. Representatives Morgan and Kerttula arrived shortly thereafter. Representative Heinze was excused. Also present was Representative Croft.

HB 210-CHITINA DIP NET FISHERY

Number 0206

CHAIR FATE announced that the first order of business would be HOUSE BILL NO. 210, "An Act relating to the Chitina dip net fishery; and providing for an effective date."

Number 0257

REPRESENTATIVE JOHN COGHILL, Alaska State Legislature, sponsor, explained that HB 210 would eliminate the Chitina dip net fee permit, which now costs \$25. He credited then-Senator Pete Kelly with obtaining funding for a recent survey with regard to the public right-of-way relating to the fishery; this survey found about 60 percent of the land between the pavilion and O'Brien Creek has public access and thus requires no trespass fee. Part of the fee has been used as a trespass fee [paid to two Native corporations], and part has been used for [waste management services and to pay for administration of the permit program and services]. He referred to a color-coded map and asked his staff to explain it.

Number 0401

RYNNIEVA MOSS, Staff to Representative John Coghill, Alaska State Legislature, explained that orange and dark orange show private lands owned by Native corporations; purple shows a Native allotment; brown is the right-of-way; and blue shows bodies of water.

REPRESENTATIVE COGHILL noted that the latter is the Copper River. He offered his belief that the board changed that from a subsistence to a personal-use fishery; he surmised the license fee would be sufficient [to offset costs]. He asked consideration of that when looking at the fiscal note, which shows \$2 [of the \$25 has been] used for administration of the permit program, \$5 for contractual waste management, and \$18 for contractual agreements with [Chitina Native Corporation and Ahtna, Incorporated, the two Native corporations].

Number 0568

REPRESENTATIVE COGHILL began discussion of Amendment 1, which read [original punctuation provided]:

Page 2, Line 3

DELETE:

(a)

Page 2, line 9

DELETE

Lines 9 through 20

REPRESENTATIVE COGHILL referred to [Section 2] on page 2, subsections (b) and (c). Noting that the matter had just been called to his attention, he suggested those subsections don't

need to be included and are due to inadvertent drafting error. Pointing out that subsection (a) says the department [shall prepare a publication showing public access routes to fishing sites on public land], Representative Coghill said he didn't necessarily want to add another burden of posting.

Number 0633

REPRESENTATIVE COGHILL characterized the bill as straightforward, saying no other fishery in Alaska would have this type of charge and he believes it is a matter of equity. He acknowledged issues relating to cleanup, but said he believes that issue is separate from this particular fee setup.

CHAIR FATE noted that available on teleconference to answer questions were personnel from the Department of Transportation & Public Facilities (DOT&PF) and the Department of Natural Resources (DNR).

Number 0713

REPRESENTATIVE GUTTENBERG informed members that this was a project he and then-Representative John Davies worked on, on the House side, with regard to determining boundary lines and so forth, since both are avid Chitina fishermen.

REPRESENTATIVE COGHILL expressed appreciation for that.

Number 0842

MS. MOSS, in response to Representative Masek, explained the genesis of Amendment 1. Through discussions with John Bennett, DOT&PF right-of-way officer in the Northern Region - who she said probably has more knowledge than anyone else with regard to this survey - Ms. Moss said it became apparent that perhaps too much wording was being included in the bill. The departments had been under the impression they might be expected to put up more signs than they'd originally planned. Ms. Moss added:

They conducted a survey. There are survey markers - monuments - every 0.2 of a mile on the road. And the brochure would refer to these 0.2 monuments, so there would be no question as to where the public land is and where the private land is.

There's about \$54,000 remaining in that appropriation. They feel they can design the brochure, print the

brochure, and have additional money to maybe put up two larger informational signs, one at the pavilion and one at O'Brien Creek.

Number 0927

REPRESENTATIVE WOLF noted that the Kenai Peninsula dip net fishery has a "disaster cleanup issue" associated with it. He requested advice on how [the Chitina fishery] takes care of this problem.

REPRESENTATIVE COGHILL surmised that it will be a question in almost every area that has public access to fisheries. He expressed concern that a single fishery not be singled out, and suggested it should be looked at more broadly.

Number 1015

REPRESENTATIVE GATTO asked whether this bill indicates people have been charged for something they shouldn't have had to pay for, for a number of years.

REPRESENTATIVE COGHILL answered:

The land settlement was ... an open discussion. And ... up until last year, when ... Representative Davies and Senator Kelly began the discussion, they did not know exactly where those boundaries were. So it's a work in progress. And the answer is yes, but there was an agreement that there could be trespass, and therefore I think it was appropriate [to have the fee]. At this point, I think, we've settled that issue.

Number 1075

REPRESENTATIVE GUTTENBERG expressed appreciation that Representative Coghill has brought this forward, saying this needs to be "cleaned up and taken care of in a lot of ways." He offered his understanding that the point of doing the marking was to give people guidance as to where public access exists. He expressed concern about where that stands now. He also agreed that there should be no permit fee, but said there should be some allocation to pay for campground facilities and cleaning up, and he noted the impact is fairly severe there at times.

REPRESENTATIVE COGHILL responded, "Certainly, last year we did give the parks some receipt authority, and I think that would fall within this area." He added that the biggest access areas need to be the most clearly defined. He indicated that it is his responsibility to put signs up on his own private property, for example, and offered his expectation of a cooperative effort on both sides.

CHAIR FATE noted that although Representative Coghill had to leave the meeting, Ms. Moss would remain to answer questions. He also informed members that someone from Alaska Department of Fish & Game (ADF&G) was available to answer questions.

Number 1336

BYRON WHALEY, Trustee Vice-Chair, Board of Directors, Alaska Outdoor Council (AOC); President, Chitina Dipnetters Association, testified on behalf of AOC in strong support of HB 210, noting that executive director Jessee Vander-Zanden was unable to testify. Mr. Whaley also noted that he is president of the Chitina Dipnetters Association, but said vice president Stan Bloom would testify on behalf of that organization.

MR. WHALEY told members that AOC represents the collective membership of about 12,000 Alaskans, many who participate in the Chitina dip net fishery. He said HB 210 is one of AOC's top priorities, and called it timely because a survey of the affected land, completed in 2001, shows that 60 percent of the area utilized is public land and also identifies corridors for access to fishing sites. Suggesting the \$25 fee is no longer necessary, he referred to letters in members' packets, one from then-Governor Knowles [to] Chitina Native Corporation dated April 25, 2002, which said ADF&G was considering a proposal to repeal [or reduce] this access fee.

MR. WHALEY, still speaking on behalf of AOC, noted that the bill doesn't prohibit private owners from charging for access across their lands. He called this "win-win legislation" and suggested that any funds for services such as outhouses, garbage, and so forth should come from DNR or DOT&PF, as would be expected for other public lands in Alaska. If there is a fee, it should be for those services, he said, not for a personal-use fishing permit fee. He said dipnetters have to buy a sports license; any funds from the sports fishing budget must be used for the sports division, research, and management, rather than for public [services], and that includes the Chitina dip net fishery.

Number 1602

REPRESENTATIVE GUTTENBERG asked Mr. Whaley, as president of the Chitina Dipnetters Association, whether he would support a land trade between the state and Ahtna, Incorporated, to eliminate any access issues.

MR. WHALEY answered yes, it would be wonderful to have a land trade in kind, depending upon what sort of trade it was, in order to get rid of the access problem. He expressed the need to make sure it would benefit both parties, however.

Number 1676

PAUL C. HOLLAND, Member, Alaska Outdoor Council; Member, Chitina Dipnetters Association; Member, Fairness for Chitina Dipnetters, expressed support for the bill insofar as wanting the trespass fee to end. However, he had a difference of opinion on how to handle to private-property issues there. He expressed concern that marking would slow things down, and suggested it should be a separate issue. He also suggested that it has been somewhat of a mistake in the past for the state to represent private [landowners] by collecting the fee and then having to identify where that private land is for the landowner. He suggested those should be separated, but said the main thing is to end the fee.

MR. HOLLAND noted that he'd talked with [now-Representative] Guttenberg the previous year, and Representative Guttenberg and Representative Davies had been very sensitive to the private landowners. He then pointed out that the road is closed about one-half mile past O'Brien Creek and that most people walking down to the river cannot get there [that way]: it requires taking a charter down the river and staying below the high-water mark; therefore, it is state land. He also estimated that most dipnetters reach the river through state land, because it is those nearby areas that people will walk down to; he said there are big pieces [of private land] between the road and the river, without paths.

MR. HOLLAND, as far as the state's representing private landowners with regard to marking the land, said he didn't know whether that is done in Kenai, where there are private-property issues as well. He suggested to some extent it is incumbent upon private landowners to know where their land is, and if they want no crossing of their land, to put up a fence. He mentioned

having a long-term solution, and estimated that this private land is largely worthless in that it is on the side of a cliff and isolated. He therefore agreed that if there would be a fair deal, it should be put into the state's hands. Mr. Holland also asked a DOT&PF representative to comment on short- and long-term ideas about opening up that road.

Number 1973

STAN BLOOM, Vice President, Chitina Dipnetters Association; Member, Alaska Outdoor Council, saying is a member of other "sporting clubs" around town as well, informed the committee that this isn't a simple problem with a simple answer. He said [Mr. Whaley] and he have been trying to solve this since the 1970s, attending meetings with the state and Native organizations, for example. He said as long as ADF&G lets 80,000 people fish for free, he can't sympathize, since that number of fishing licenses would bring in \$1.2 million. However, he suggested ADF&G shouldn't be in the business of providing outhouses, for example.

MR. BLOOM expressed dismay at actions of ADF&G including those relating to repealing the fee; refusing to take "sport" out of the resident license regulation, and instead having a general fishing license; lowering dipnetters' take; spending high amounts of money for less access; and not retaining enough money to monitor its contracts, including those for access and outhouses. He said a subsistence hunter must have a hunting license - even the federal government requires that - and asked why a subsistence user doesn't need a fishing license. He offered to send photographs of "our great services." He also accused [ADF&G's Division of Sport Fish] of not realizing Alaskans don't want to do catch-and-release fishing, but want to eat the fish they catch.

Number 2153

MR. BLOOM stated support for repealing the trespass fee, but said there is a better way to resolve the service-fee issue. He offered specific suggestions as follows:

If you have to have a service fee, it should go to DNR and let them run the upland area. You should repeal the requirement for a sport [license] for dipnetters and replace it with a personal use/subsistence license for \$15. Let [the Division of Sport Fish] do what they want with a sport license.

You should require [ADF&G], DNR, and [DOT&PF], along with Native groups and representatives from the ... dipnetters, to come up with a management plan and a plan for making the area some kind of a dip net park [run] by DNR, with appropriate user fees. Dipnetters are going to hate me for this, but the Natives and commercial [users] already do, so what's 10,000 more?

You should sunset any change to be in two years, at which [time] the plan must be ready from DNR, [ADF&G, and DOT&PF]. In the meantime, you should keep the \$25 fee, but not pay it to the Natives [for access]. Use it to force DNR to build toilets that meet state standards; keep the \$25 fee for two years, and that would bring in ... \$250,000 a year, and they ought to be able to build toilets and fix the road and do a lot of things with that much money. Have ... DNR build and maintain a boat launch and charge for its use like they do other places.

Have [DOT&PF] finish the survey and mark the survey so the dumbest dipnetter easily can tell where he is, at any time. Those little posts at every 0.2 of a mile ain't going to tell you [anything] if you have to measure 936 feet past this post and that's where you can access the river; that's ridiculous. The maps must be of such scale and clarity that even I can tell ... if I am trespassing, without the use of a GPS [Global Positioning System].

Have the state pay a share of the dumpster fee that is caused by the Chitina residents' saving all their trash till the dumpsters come in the summer and then loading them up.

Number 2265

MR. BLOOM predicted what might happen if the foregoing suggestions aren't acted upon:

We will have to pay ... to buy a sport license, and it'll be about a hundred bucks. We will have to pay a fee for services, and it will be about a hundred bucks. [ADF&G] will be furnishing two outhouses, and they will be the same wooden ones with the doors hanging off now. The legislature will have forgotten

us. [ADF&G] will spend our money on sports-fish projects and ignore us. We will war with the Natives on trespass. Troopers will spend their time solving trespass problems and writing tickets for the high crime, if not cutting fish sales off. We will have a poorly marked trail that long ago was abandoned by [DOT&PF] and a 20-year-old brochure nobody can read.

When dipnetters reach 25,000, dipnetting will be such a problem that it will be done away with. The commercial fishers who are left will celebrate more than they did when Stan Bloom died. The richest state in the Union will lament that there was nothing they could do about it. The commercial fish board will have made the limit two fish, only one of which can be a king, and you can only keep the king every one in ... four years.

CHAIR FATE reminded Mr. Bloom of time constraints.

MR. BLOOM concluded by saying DNR has come up with a \$27-million plan to put a bicycle trail there. He suggested some of that money be spent instead on fixing up the first 10 miles for dipnetters, to make a place where people are proud to go.

Number 2408

AUSTIN MAHALKEY testified that he has been trying for 10 years to get information about the original railroad land there, but has been told by both the state and the federal government that such information doesn't exist. He offered his understanding that one-quarter mile on either side of the railroad belonged to the state prior to the land-settlement Act; he suggested perhaps legislators could obtain that information. He suggested that any fees paid for trespassing on this land is for land that already belongs to the state, and said it all should be refunded. He expressed hope that somebody will get that information to him.

Number 2465

CHAIR FATE responded that he would direct staff to look into that.

Number 2496

SHARON DANIELS, Business Administrator, Copper Basin Sanitation, told members that her company either was the contractor or supported the contractors that provided sanitary services in the Chitina area for several years. She emphasized the volume of human waste and garbage from the area. For human waste, it amounted to about 5,000 gallons during the 2002 fishing season, and just shy of 6,000 gallons in 2001. For garbage, it totaled about 275 cubic yards [during the 2002 season] that was strictly from the Copper River road or "south of Chitina" road, with an additional 470 [cubic] yards from the rest of the public-use dumpsters in the area, for a total of 744 cubic yards; the total for 2001 from both areas was 642 cubic yards, of which nearly 300 cubic yards came just from the O'Brien Creek road. She asked legislators to keep in mind that this is a lot of waste that must be handled in some way.

MS. DANIELS reported that the toilet contract was for twice-a-week service and involved about 180 gallons each time; seven portable toilets were serviced every three or four days.

Number 2627

REPRESENTATIVE GUTTENBERG asked whether this contract was adequate or whether a higher frequency was needed.

MS. DANIELS answered that it was adequate, and said the toilets weren't fully used. The ones "closest to the people" were used most, whereas those 20 feet away weren't used nearly as much. At no time were all the toilets at full capacity.

Number 2669

CHAIR FATE asked whether anyone on teleconference was waiting to testify on this bill; there was no response.

Number 2693

GORDY WILLIAMS, Legislative Liaison, Office of the Commissioner, Alaska Department of Fish & Game, reported that there has been a Chitina dip net fee since 1992; it was raised to \$25 in 2000 as part of a bill that called for several other things. That was when the fishery went from being personal-use to being a subsistence fishery. That bill also called for the land status in the area to be determined. There was a survey undertaken by [DOT&PF] and direction to the department to try to work out longer-term agreements with the two corporations [Ahtna, Incorporated, and Chitina Native Corporation].

MR. WILLIAMS reported working with the corporations annually but being unable to arrive at more than an annual contract in 2000 and 2001. Last session, he noted, SB 366 was introduced and called for the permit fee to drop to \$10, with the intent that the \$10 would address waste and garbage pickup in the area; that bill was amended in the Senate Resources Standing Committee so that the fee would be zero after remaining in place for 2002, but didn't receive action by the House at the end of the session. Communications with the corporations during the [legislative] interim weren't productive with regard to arriving at long-term solutions, Mr. Williams noted, adding that discussions are ongoing with folks about those issues. Thus at this point there is no contract in place.

MR. WILLIAMS told members although the permit fee under HB 210 is zero, [ADF&G] still would issue permits because that provides discrete information about the fishery. He noted that last year there'd been discussions with [DOT&PF] about how marking would occur and brochures would be prepared, for instance. Because of the timing, the decision was made by the legislature and [ADF&G] to enter into another one-year contract. Although the Native corporations have expressed interest in entering into a three-year contract now, there was an inability to do so until [ADF&G] got some public policy direction on how to proceed. Mr. Williams noted that Mr. Hepler was on teleconference and could address other issues.

Number 2867

MR. WILLIAMS pointed out that the fiscal note shows how the \$25 fee was broken out: \$18 for the corporations, with \$10 to Chitina Native Corporation and \$8 to Ahtna, Incorporated; \$5 for cleanup; and \$2 for the department for administration. He added that the fiscal note doesn't reflect additional revenue that may come from the necessity of some people to buy sport-fishing licenses now, and suggested ADF&G will look at those numbers.

Number 2912

REPRESENTATIVE GATTO asked whether, prior to the \$25 or \$10 fee, there ever was a voluntary fee there.

MR. WILLIAMS recalled a lot of public support for the \$25 fee when it was instituted, included support by the Chitina Dipnetters Association because of the undetermined land status.

REPRESENTATIVE GUTTENBERG asked what the point is of having a contract now with the two Native corporations.

MR. WILLIAMS answered that last year, as this idea was debated, mixed comments were heard from the public, the corporations, and so forth.

TAPE 03-23, SIDE B

Number 2989

MR. WILLIAMS continued, "I think you would probably hear from them that they feel there's some obligation from the state for the contracts." He indicated ADF&G is working with the legislature and the administration currently to try to determine the public policy issue.

REPRESENTATIVE GUTTENBERG noted that there is no contract currently. If the bill is passed with a zero fee, which he said he supports, and a contract is signed later, he asked whether those contractual obligations can be met somehow with general fund dollars.

MR. WILLIAMS said yes, noting that there are restrictions and that Mr. Hepler could address what fish-and-game-type funds could be used. For example, he said, he doesn't believe federal funds can be used for a personal-use fishery. Straight general funds could certainly be used for a contract, he noted. Mr. Williams added:

We do have concerns, and we believe that the state does have some responsibilities on the cleanup issue; I think you heard about the volume of waste and whatnot there. And with the fee going to zero, I think there's a recognition that ... that would not provide the current funding source ... for cleanup in the area. And [we] certainly want the legislature to be aware that ... even in the absence of contracts with the corporations, there's going to be costs incurred in that area. And this was the funding source for those.

Number 2913

REPRESENTATIVE GUTTENBERG posed a situation in which the fee goes to zero and the contracts have to be paid out of general fund dollars. He asked what the appropriate fee is for cleanup and maintenance of the campgrounds, and who would administer it.

MR. WILLIAMS replied:

Well, those are discussions we're having amongst the administration, is which division. Last year, I believe, our fiscal note on ... Senate Bill 366 that reduced the fee to \$10 indicated that the numbers we have here - the \$70,000 or \$80,000 that would be collected at a \$10 fee, which is what that was last year that we would have "RSAed" [used a reimbursable services agreement] to the ... [Department of] Natural Resources, for them to handle that, either by contract or through their own procedures ...

Number 2875

REPRESENTATIVE GUTTENBERG asked whether that would cover the same thing as a contract with a firm such as Copper River Sanitation.

MR. WILLIAMS said he guessed that was right. He added that testimony would be heard that the level of services thus far has been at the low end of what some consider to be required. He offered the belief that perhaps additional dollars should be spent toward that end.

Number 2852

CHAIR FATE asked Mr. Williams where the belief comes from that cleanup costs will escalate.

MR. WILLIAMS replied that DNR, DOT&PF, and ADF&G talked recently via teleconference about these issues. He said that he hadn't personally been there at the fishery [at Chitina], but that people on teleconference could offer their knowledge of how the level of service could be improved with respect to garbage and human waste.

CHAIR FATE asked if anyone on teleconference wanted to weigh in. [There was no audible response.]

Number 2807

REPRESENTATIVE MASEK asked whether a board has been put together for this area.

MR. WILLIAMS noted that the Chitina Dipnetters Association is a private association of people who fish in the area.

REPRESENTATIVE MASEK queried, if the bill passed, whether that association or users who fish there would put together a task force to take care of maintenance and operations.

Number 2743

MR. WHALEY responded that although his organization could put something together and work on it, he believes it is up to the state - DNR, for example. He expressed concern that if his organization starts doing something like this, it will set a precedent for the rest of the state and force others into the same deal.

REPRESENTATIVE MASEK remarked that she'd thought it might be a way to compromise.

Number 2715

REPRESENTATIVE WOLF asked whether a person is required to have a sport-fishing license in order to participate in the Chitina dip net fishery.

MR. WILLIAMS answered, "You will be this year. The last three years, the fishery has been a subsistence fishery in which a sport-fish license wasn't required." He noted that in either December or January the Board of Fisheries returned it to being a personal-use fishery. Thus a sport-fish license is required.

REPRESENTATIVE WOLF recalled that in 2000 and 2001, to his belief, the receipts for sport-fish licenses in Alaska totaled almost \$24 million to ADF&G. He asked whether those receipts can go towards the costs of trash and the thousands of gallons of human waste.

MR. WILLIAMS deferred to Mr. Hepler.

Number 2646

KELLY HEPLER, Director, Division of Sport Fish, Alaska Department of Fish & Game, responded:

Fish and game dollars ... can be used that way. We haven't done that in the past. ... There's a number of places that we've actually provided some services to

some fisheries, like ... along the road system ... out of Susitna, like at Willow Creek, Caswell, some places like that; these are fairly small fisheries, but they're done more with federal-aid dollars, which means you need to actually have a rod and reel, not a dip net, in your hand. ... And some of the fish and game dollars we used initially to help out, Representative Wolf, in your district down at the mouth of the Kenai, until the City of Kenai took that over and started charging people \$10 there; ... then they're on their own at that point.

We typically, when we try to help fisheries out, ... it's where we have a land interest or are in partnership with the Department of Natural Resources, Division of Parks [and Outdoor Recreation]. ... It's not done on this kind of a large scale where we don't have a land interest ourselves.

I'm not aware, though, technically, of any reason we couldn't use our fish and game dollars. It's not something I like to do, because, obviously, those dollars go to the management and ... what are core functions ... in our division - that's for the research and management of the fisheries. ... We could do it, though.

Number 2581

CHAIR FATE asked whether anyone else wished to testify; he then closed public testimony.

Number 2530

REPRESENTATIVE MASEK moved to adopt Amendment 1 [text provided previously]; she requested unanimous consent.

Number 2516

REPRESENTATIVE KERTTULA requested an explanation from Ms. Moss.

CHAIR FATE announced that he would treat that as an objection [for discussion purposes].

MS. MOSS explained that it derived from a conversation with John Bennett. She said there'd seemed to be a misunderstanding of what was expected of [DOT&PF], which conducted the survey and

was designing a brochure to adequately notify people of where the public access is so that they'd also know where the private access is and could avoid trespassing. She added:

They just felt we had too much verbiage in there and preferred [that] the first paragraph would clearly state that what we expect is for them to continue on the road that they're going on, without any new demands. However, they have said, if money is left over, they will put a couple of larger informational signs up, one at [the] pavilion and one at O'Brien Creek.

Number 2468

REPRESENTATIVE MASEK noted that money had been appropriated by the 2001 legislation. She asked whether the belief is that the money already appropriated isn't going to be enough for signage.

MS. MOSS replied that the money was appropriated for surveying and placing brochures. She indicated the survey monuments will serve to mark where the public land is. She added that [DOT&PF], on its own, has said that if there is extra money, it will go to the further effort of putting up informational signs with maps so that people will have no doubt where the public access is.

Number 2419

REPRESENTATIVE MASEK renewed her motion to adopt Amendment 1.

Number 2409

REPRESENTATIVE KERTTULA removed her objection.

REPRESENTATIVE GUTTENBERG surmised that the whole issue will go away if a successful land swap is negotiated [between the state and the two Native corporations].

CHAIR FATE agreed that it would be a whole new scenario.

Number 2387

CHAIR FATE asked whether there was any further objection to adopting Amendment 1. There being no objection, it was so ordered.

Number 2378

REPRESENTATIVE MASEK emphasized that the bill doesn't preclude private landowners from charging for access across their lands, should the public wish to use that method of access to the river.

Number 2318

REPRESENTATIVE GUTTENBERG announced that he would be working on an amendment to be considered in the House Finance Committee with regard to a fee to cover maintenance of the facilities and campgrounds, which isn't addressed currently.

MS. MOSS indicated the sponsor would be working on that as well, and suggested doing so together.

Number 2286

REPRESENTATIVE MASEK moved to report HB 210, as amended, out of committee with individual recommendations and the accompanying fiscal notes; she requested unanimous consent. There being no objection, CS HB 210(RES) was reported from the House Resources Standing Committee.

The committee took an at-ease from 2:15 p.m. to 2:23 p.m.

HB 86-INJUNCTIONS AGAINST PERMITTED PROJECTS

CHAIR FATE announced that the next order of business would be SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 86, "An Act relating to permits issued by the state; and amending Rules 65, 79, and 82, Alaska Rules of Civil Procedure."

Number 2185

CHAIR FATE, sponsor, asked that his staff person present the sponsor substitute.

REPRESENTATIVE MASEK moved to adopt SSHB 86. [No objection was stated.]

Number 2164

JIM POUND, Staff to Representative Hugh Fate, Alaska State Legislature, explained that SSHB 86 was a rewrite of the original bill in order to pass "constitutional muster." It

relates to asking for and receiving injunctions that delay work on already permitted projects. Under current law, a plaintiff who files for an injunction against a project and ultimately loses in court is responsible for part of the costs, including court costs and attorney fees of the defendant. This language will give guidance to the judiciary, but will leave determinations to the discretion of the [courts]. Thus SSHB 86 makes those who improperly seek and cause an injunction responsible for full court costs and attorney fees. It also adds statutory language to require that damages or costs incurred as a result of the delay will be paid for by the responsible party.

MR. POUND listed included costs: wages and salary for employees working on the project, material costs, and penalties and interest on contracts associated with the project. He said when a project is permitted before a contractor goes to work, hiring employees and purchasing materials are commitments that a contractor makes. Improper delay of a project costs more than just attorney fees and court costs; it disrupts the lives of the contractor, his or her employees, and those other companies that have subcontracted to do the work. Mr. Pound offered the belief that it is unreasonable for someone to have an effect on that many lives without being responsible for the true costs.

Number 2064

CHAIR FATE turned attention to page 2, line 12, the language "bad faith litigant". Saying this is the meat of the legislation, he asked Mr. Pound to define it. He also asked whether there are problems in the court system and whether present codes are unclear as to what a bad faith litigant is.

MR. POUND, in response, said "bad faith litigant" precedence has already been set by the Alaska Court System on several cases and occasions.

Number 2001

REPRESENTATIVE KERTTULA posed a situation in which a party seeks an injunction but won't substantially prevail in a challenge. She asked if it would have to be proved that it was a bad faith challenge.

MR. POUND responded that essentially, that's correct. He said if somebody comes in with misinformation, incorrect information, or exaggerated information and succeeds in getting an

injunction, and then through the process it is determined those [allegations are based on] incorrect information and [the plaintiff] loses as a result [and it is determined to be] a bad-faith suit, then it becomes a case wherein the judge is to determine damages.

Number 1938

REPRESENTATIVE KERTTULA mentioned penalties for bad faith litigation in everything from punishment during a case to severe discipline [by the bar association]. She said it is a bit confusing because it seemingly mixes the bad-faith idea with the [attorney fees under Rule 82 of the Alaska Rules of Civil Procedure] with regard to the one who doesn't substantially prevail. She asked if the idea is to put the two together.

MR. POUND conveyed his understanding that this only applies to the court process, not the administrative process, so it certainly covers that part of it. He relayed his belief that [the bill] gives the courts guidance, rather than directing them. He said the intent is that [the courts] look beyond just court costs and attorney fees when [considering] damages for bad faith.

REPRESENTATIVE KERTTULA expressed concern about mixing the two standards and adding new things as well. She noted that normally someone has to prove damages as part of a case in order to receive [a monetary award for those damages] and that this isn't done as punishment; she said it is an odd way to do it. Representative Kerttula also expressed concern that there are some really fine lines on what "substantially prevailing" is. She explained, "You could prevail on four out of six causes, but that means you still haven't substantially prevailed, and ... it just seems to open up for some close calls there, too."

MR. POUND offered his belief that that's why the bill is written this way, to give guidance, not direction, to the [courts]. Traditionally, he said, in the type of suits being discussed, for the most part there has only been a determination [that a losing plaintiff would] pay part of the attorney fees and court costs; however, this bill provides for full attorney fees, full court costs, and damages.

Number 1748

REPRESENTATIVE KERTTULA suggested that the court costs and attorney fees have been the court's decision, and that it would

not necessarily change because of this [bill]. She asked, "They could seek it; they might not get it, right?"

MR. POUND turned attention to page 2, line 4, paragraph (4), which read in part, "actual litigation cost related to the disruption, including full attorney fees and court costs". He said he thought the aforementioned would be full costs and fees.

REPRESENTATIVE KERTTULA told Mr. Pound he may be right, but that it could be a problem. She posed a situation in which someone win fours out of six causes of action; she questioned having that person [be responsible] for full court [costs] and attorney fees, as well as tying the court's hands that way.

Number 1690

CHAIR FATE specified that the intent is to allow discretion of the court to make that determination. He told Representative Kerttula [the situation she posed] brings up an interesting point. Chair Fate remarked:

If the four points ... that the defendant lost out of the six were of minor consequence, and the other two are a major consequence to the disruption of a project, I think the court would be obliged to take that under consideration; that would be that court's determination.

And so, as we thought this over, in trying to make it the kind of legislation ... that allows the system, without any obstacles to ... recourse to an injunctive process, which this doesn't stop - to any type of litigation, [which] this doesn't stop, which was a complaint [about] the former version of this HB 86 - we have, in the attempt to make this absolutely fair [in] the legal procedure as it is today, ... given some discretion to the courts to determine these things.

But we've also given notice legally that there is a liability attached to ... an injunction that was filed and granted in bad faith. So, that liability is what people have to take note of; it's still up to the court to determine what that liability is. So, we're not stopping any type ... of a civil process at all.

Number 1558

REPRESENTATIVE GATTO posed an example in which he sues someone who has done such a bad job working on his car that he sues the mechanic for \$10,000 and wins; under Rule 82 currently, he can recover a portion of his attorney fees. He asked if Rule 82 would go away [under the bill]. He noted that it talks about changing Rule 82.

MR. POUND offered his belief that it wouldn't eliminate [Rule 82], but could possibly be interpreted to mean that someone would have to pay full attorney fees and court costs.

REPRESENTATIVE GATTO asked if Mr. Pound was saying it enhances Rule 82, then, rather than diminishing it.

MR. POUND offered his belief that it would, but said he didn't think this bill was particularly aimed at that type of civil case. He added that he wasn't sure how the courts would interpret that language to cover a case such as Representative Gatto had mentioned.

Number 1464

REPRESENTATIVE KERTTULA referred to page 2, paragraph (4), lines 4-5, and to Rule 82. She surmised that this applies on the counts on which the person doesn't prevail.

CHAIR FATE said the intent was not to modify it, but to make it a higher standard and "bump it up."

REPRESENTATIVE KERTTULA asked if it was even less under Rule 82.

AN UNIDENTIFIED SPEAKER answered, "Yes."

REPRESENTATIVE KERTTULA offered her understanding that the bill bumps up Rule 82 because there is a fixed fee. She said right now awards of fees are limited because attorney fees can get pretty high. Representative Kerttula suggested this bill might encourage some high attorney fees.

MR. POUND said he wouldn't know anything about that.

Number 1277

REPRESENTATIVE WOLF posed a situation in which a permitted high-risk tree-cleaning project is stopped [and a fire results that destroys a public school]. He asked if SSHB 86 would allow for

a bad faith public litigant to be held accountable for public property loss.

CHAIR FATE offered his understanding that the determination would be made by the court, and that other mitigating circumstances would have to be taken into consideration before a [determination could be made].

REPRESENTATIVE WOLF remarked:

When they ... look at high-risk management, it's one of those things that's been ... determined that it's a high risk to public property or public safety. And ... a project needs to be moved forward; it goes through the public process; permits are issued. And because there's a bad faith litigant, they go to court to try to stop it anyway.

CHAIR FATE offered his assumption that the public would get a chance to voice an opinion before any high-risk projects were permitted.

MR. POUND said that this bill is primarily aimed at the private sector and that the term "person" normally references a private individual and not a government [entity]. He said in reference to the school's burning down that he would think that wouldn't be the case.

CHAIR FATE said regardless of whether it's public or private, certain procedures have to be [followed] in any high-risk project.

Number 1084

REPRESENTATIVE KERTTULA suggested the other standard, or perhaps the main standard, is that it's a bad faith challenge. She asked for clarification of the definition or what the court [would use to make a determination].

MR. POUND said he was unsure what the court's specific language was for bad faith. He said he knows it has been used in precedent before. He indicated he would research those cases, but hadn't done so yet.

Number 1039

CHAIR FATE indicated [the courts] have dealt with bad faith cases previously and would have a better understanding of what constitutes bad faith.

REPRESENTATIVE MASEK suggested that many of the aforementioned concerns could be addressed in the next committee of referral, the House Judiciary Standing Committee.

Number 0973

REPRESENTATIVE MASEK moved to report SSHB 86 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, SSHB 86 was reported from the House Resources Standing Committee.

HB 163-NONRES. GAME TAG FEES/WILDLIFE TOUR PASS

CHAIR FATE announced that the final order of business would be HOUSE BILL NO. 163, "An Act relating to an annual wildlife conservation pass and the fee for that pass; relating to nonresident and nonresident alien big game tag fees; and providing for an effective date."

Number 0897

REPRESENTATIVE MASEK moved to adopt the proposed committee substitute (CS), version 23-GH1098\D, Utermohle, 3/18/03, as a work draft.

CHAIR FATE, hearing no objection, announced that [Version D] was adopted.

Number 0832

JIM POUND, Staff to Representative Hugh Fate, Alaska State Legislature, addressed changes from the previous version, indicating Version D consolidated several amendments. On page 1, line 11, new [paragraph] (3) reads:

(3) a large portion of the financial resources expended by the state to maintain healthy populations of wildlife directly benefits nonresidents who view wildlife;

MR. POUND noted that [paragraph] (4) reads:

(4) the \$15 fee charged to nonresidents for an annual wildlife conservation pass is less than or equal to Alaska residents' pro rata share of state revenue that is devoted to wildlife-related matters associated with nonconsumptive uses of fish and wildlife, including wildlife viewing;

MR. POUND turned attention to [paragraph] (8), language on page 2, line 12, that had been on line 5 in the original bill. In that paragraph, "individuals" is changed to "nonresidents", and on line 13 the words "a portion" have been replaced with "their fair share". Thus paragraph (8) reads:

(8) nonresidents who do not obtain a hunting or fishing license and employ a commercial provider for an opportunity to view wildlife should bear their fair share of the cost of wildlife management in this state;

Number 0736

MR. POUND explained that on page 4, line 18 [Section 6], which relates to bonding requirements for the Alaska Marine Highway System (AMHS) and the Alaska Railroad Corporation (ARRC), those entities don't have to post a bond in order to sell the wildlife viewing passes. And line 26 [Section 7] allows AMHS and ARRC to collect a fee as any private-sector vendor would. Both entities will incur costs from having to sell these passes, and should be able to keep the funds just like any other vendor in order to offset those costs.

Number 0605

MR. POUND drew attention to [Section 12, paragraphs (c)(5)-(7), beginning] on page 6, line 15. He noted that several similar amendments change "person" to "resident" in order to clarify between residents and nonresidents. The exceptions to the change to "resident" are a person under the age of 16 years [paragraph (c)(1)] and a person who is currently employed and has verifiable proof of employment in the commercial provider or transportation industry and provides direct services to tourists in Alaska [paragraph (c)(8)], which he said is individuals working on cruise ships and so forth; they wouldn't be required to have this pass.

Number 0525

MR. POUND said the only other change is on page 7, line 26 [paragraph (f)(5)], where the word "ferry" has been added to the list of transportation modes; he said this "rolls back in" with the Alaska Marine Highway System.

Number 0481

CHAIR FATE asked whether anyone wanted to testify who hadn't testified previously.

Number 0369

BRIAN PETERSON, Licensed Master Guide and Outfitter, spoke on his own behalf. He began by proposing an amendment to the bill to also increase the bison tag fee, suggesting that fee should correlate directly with the current musk ox tag fees. He explained that bison are the wildlife resource in highest demand in the state, with approximately 10,000-12,000 applicants for 100-130 permits. Presently, he said, that would be a \$500 resident tag fee, a \$1,100 nonresident tag fee, and a \$1,600 nonresident alien tag fee. The system used to harvest bison would then be incorporated by the Board of Game, he suggested, using an alternate system that is presently already used by [the Department of Fish and Game (ADF&G)] in managing some of the state's brown bear hunts and the musk ox hunt on Nunivak Island.

MR. PETERSON offered his belief that this would benefit Alaskan residents because of the need to generate revenue; he surmised there'd be no shortage of applicants, even with the tag fee. He acknowledged that the bill's title would have to be changed if this were added, but said [the bison] isn't a subsistence animal because it was introduced. Mr. Peterson said musk ox and bison have similar histories and he feels it would be very beneficial to make this change now. Offering his understanding that such a tag-fee change can only occur through statute, he told members that this [bill] is the first vehicle that has come along in the several years since nonresident tag fees were updated.

Number 0181

MR. PETERSON turned attention to the bill in general, saying he supports it. Noting that he is a member of the Alaskan hunting community and several professional hunting and other associations in the state as well as national and international ones, Mr. Peterson said the industry has a 100-year history of supporting itself. He told members:

Right now, we support 80 to 90 percent of wildlife management, harvesting approximately 8 to 12 percent of the game. And we will continue to do that because we do believe in supporting our industry.

The one thing I do want to stress is that when you compare our nonresident tag fees for some of the animals that we're looking at, relative to the Canadian provinces that we are having competition with, we are beginning to get significantly above them. And the thing you have to realize, under the present system in Title 8, the product we offer has to be better than what the Canadians are offering in order for us to compete. The last thing we want to see is a decrease in nonresident use of these resources.

MR. PETERSON, speaking for himself and not the industry, although he said he'd spoken with many members of the industry, spoke in favor of funding for the industry, but expressed the need to have support for his industry and to have enforcement.

TAPE 03-24, SIDE A

Number 0001

MR. PETERSON expressed concern that Title 8 isn't enforced anymore, and suggested the need for a new assistant attorney general to pursue wildlife-related crimes. He said a few years ago 30 to 40 violations weren't prosecuted by the Department of Law because of lack of resources. Although these are misdemeanors, Mr. Peterson indicated each carries a punishment of a year in jail and \$10,000 to \$30,000 in fines. Reiterating support for the bill and surmising that the industry supports it as well, he concluded by stating the need for "enforcement on the issues" and saying [Alaska] is getting out of whack with the international industry on these resources.

Number 0140

BRAD PHILLIPS, Owner and Operator, Phillips' Cruises & Tours, noted that his company is in Anchorage and Prince William Sound. He began by questioning whether the bill's drafter knows much about the tourism industry. Calling the bill "a deadly thing," Mr. Phillips said he has been in the industry since 1947, helping to build it and taking lots of risks. In those early days, it was considered a good year if there were 2,000 visitors

to Alaska, whereas there are more than 1.5 million visitors a year now. He said:

That just didn't happen. We've been doing most of the marketing ourselves in the industry. And the last 10 years the state hasn't helped very much, and we have slipped from number 3 of all the 50 states to number 37 in marketing ... of what we have to sell here.

We've taken it on the chin several times during ... this period of time. The 1964 earthquake was devastating, and we had no recovery on that - also, the '89 oil spill. Then when [the terrorist attacks of September 11, 2001] came along, that next 10 days we lost a quarter of a million dollars on cancellations, and ... most of our operators in Alaska were off somewhere between 20 and 25 percent last year because people ... aren't traveling. And this war that came on didn't help: I've had cancellations from overseas clients constantly 'cause they're not traveling.

And this [proposed legislation]: we've already sold three-quarters or 80 percent of our tickets, and there's no way that I can go back and ask somebody for \$15 more for their cruise. ... I'd lose all of my customers, and I'm already losing some tour operators that, when they hear about this ... -- it's going to do a lot of damage

MR. PHILLIPS questioned whether many committee members had been involved in the tourism industry, and asked them to understand the damage from the proposed \$15 fee. He concluded, "We're being targeted for something that we don't have anything to do with, on that \$15 thing. And I am absolutely opposed, and so is the rest of our industry."

Number 0370

REPRESENTATIVE GATTO asked Mr. Phillips whether his company does the glacier cruise.

MR. PHILLIPS affirmed that.

REPRESENTATIVE GATTO asked whether that is usually the only [excursion] for people visiting Alaska, or whether it may be their second, third, or fourth one.

MR. PHILLIPS said it depends on the tour operator. He added:

They ... usually have a land program, and we're part of it. If there are people that just fly up - they're independents - they may do one or two things. If there are crewmembers on, say, Alaska Airlines, that want to have a day there and they want to do something, they come down. But there isn't [one] answer to that

And I think the administration of this thing would be a nightmare. ... We don't sell all the tickets; they go through travel agents all over the world ... and tour operators, ... and there isn't any way I can know who qualifies and who doesn't

Number 0468

REPRESENTATIVE GATTO asked whether a person who buys a \$15 pass wouldn't just have it, and the person collecting the charge for the trip would see the pass and would be able to write down the number of the existing pass.

MR. PHILLIPS replied that first of all, he wouldn't sell any passes but would let somebody else worry about that. He disagreed with Representative Gatto's perception, however, and said somebody who'd booked a tour in San Diego, for example, wouldn't be seen by Mr. Phillips until they stepped aboard his boat. Not all people who go on the boat are seen in the sales office. He reiterated that it looks like a nightmare.

[Chair Fate called upon John Hall, but he wasn't available on teleconference.]

Number 0605

ALAN LeMASTER, Owner, Gakona Junction Village, noting that he'd testified the previous week, concurred with the testimony by Brad Phillips in opposition to HB 163.

Number 0663

LEN LAURENCE, Mariner Inc., testified that he is a marketing consultant in tourism in Ketchikan, representing a number of businesses; has been involved with the travel industry for 35 years; and is past president of the Alaska Visitors Association.

He specified that he was opposing not HB 167, but the \$15 wildlife conservation pass. Saying he would echo the sentiments of Brad Phillips 100 percent, Mr. Laurence said the tax poses "significant legal, administrative, and policing prohibitions."

MR. LAURENCE explained that this particular tax is highly targeted; will impact a large segment of the industry, creating adverse publicity for Alaskan tourism nationwide because no other state has a similar viewing fee; and falls on the tourist industry without putting additional revenue into tourism marketing. He concluded by adding that he, along with others in the travel industry, isn't opposed to a broad-based tax that will raise money for the state budget and, in particular, tourism marketing.

[Chair Fate called upon Brien Salazar, but was informed he wasn't available on teleconference.]

Number 0841

ROD ARNO testified that he has been a licensed wilderness tour guide since 1974 and today mainly does big-game hunting tours. He spoke in support of the bill, but said he believes it needs amendments and deletions. Referring to Section 2, page 2, he mentioned separate accounts and said he believes it is inappropriate; instead, it should say that the wildlife conservation pass fee shall be deposited into the general fund; under that, then, it would say the legislature may appropriate matching funds out of the general fund to match the federal CARA [Conservation and Reinvestment Act] money, "which is similar to the Pittman-Robertson money, which is hunter money that's come into the state before statehood to the tune of about \$170 million for wildlife management to date."

MR. ARNO explained his reasoning, saying there isn't a need for millions of additional dollars to go to ADF&G for management. He said the money that goes to management today from hunters hasn't achieved much. Asking what can be done to increase viewing, he mentioned educational programs and suggested CARA money could certainly take care of that, "but not at that expense."

MR. ARNO referred to a survey done in the summer of 1993 by the McDowell [Group]. He indicated it was entitled "Alaska Visitor Expenditures" and was done with the state's Division of Tourism in what was then called the Department of Commerce and Economic Development. Mr. Arno said the greatest impact to Alaska from

this "tourist industry that puts very little back into it" is infrastructure in rural areas. He reported that the 1993 survey showed that three-quarters of tourists who came to Alaska - 1.2 million - stayed in urban areas doing day tours and salmon bakes. By contrast, 1,200 people [surveyed] took adventures for wildlife viewing. Clearly, Mr. Arno said, there is an expense to the state: "the infrastructure, the hotels, the railroad, the airport, all of that that these tourists are using, and that there's no money back to the state to take care of these." He said he believes that is more important.

Number 1051

MR. ARNO proposed having a resident fee as well as a higher nonresident fee of perhaps \$100, for instance. As to the idea that guides who are "operators for watchable wildlife" don't have to buy the license, he indicated every [hunting] guide in Alaska has to buy a state license, and also must purchase and carry a hunting license, regardless of whether that person is hunting. Calling this bill a step in the right direction, he reiterated his concern that the tourist industry has put very little into the general fund in the last 10 years.

Number 1123

CHAIR FATE asked whether anyone else wished to testify; he then closed public testimony. He announced that HB 163 would be held over.

ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 3:09 p.m.