

**ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE**

February 5, 2003

3:32 p.m.

MEMBERS PRESENT

Senator Scott Ogan, Chair
Senator Thomas Wagoner, Vice Chair
Senator Fred Dyson
Senator Ralph Seekins
Senator Ben Stevens
Senator Kim Elton
Senator Georgianna Lincoln

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

Confirmation Hearings:

Commissioner, Department of Environmental Conservation
- Ernesta Ballard
Board of Game - Pete Buist, Michael R. Fleagle, Cliff
Judkins, Sharon McLeod-Everette, Ron Somerville, Ted
Spraker

WITNESS REGISTER

Mr. Mike Fleagle
PO Box 33
McGrath, AK 99627
POSITION STATEMENT: Answered questions.

Mr. Ted Spraker
33350 Skyline Drive
Soldotna, AK 99669
POSITION STATEMENT: Answered questions.

Mr. Clifford P. Judkins
PO Box 874124
Wasilla, AK 99687
POSITION STATEMENT: Answered questions.

Ms. Sharon McLeod-Everette

Box 81213
Fairbanks, AK 99708
POSITION STATEMENT: Answered questions.

Mr. Pete Buist
PO Box 71561
Fairbanks, AK 99707
POSITION STATEMENT: Answered questions.

Mr. Ronald Somerville
4506 Robbie Road
Juneau, AK 99801
POSITION STATEMENT: Answered questions.

Commissioner-designee Ernesta Ballard
Department of Environmental Conservation
410 Willoughby
Juneau, AK 99801-1795
POSITION STATEMENT: Answered questions.

Mr. Paul Joslin
Alaska Wildlife Alliance
PO Box 202671
Anchorage, AK 99520
POSITION STATEMENT: Expressed concern that the nominees to the Board of Game do not represent diverse viewpoints.

ACTION NARRATIVE

TAPE 03-2, SIDE A

CHAIR SCOTT OGAN called the Senate Resources Standing Committee meeting to order at 3:32 p.m. Senators Wagoner, Stevens, Dyson, Seekins, Elton and Chair Ogan were present. Senator Lincoln arrived momentarily. Chair Ogan called a brief at-ease while teleconference connections were made.

CHAIR OGAN asked Mr. Fleagle to testify and asked him why he wants to serve on the Board of Game.

MR. MIKE FLEAGLE, Board of Game nominee, told members that he has had a vested interest in wildlife resources most of his life, being a rural resident and a user of wildlife resources. He recently served two terms on the Board of Game. He was appointed by former Governor Knowles and confirmed by the House and Senate.

MR. FLEAGLE said he looks forward to being actively involved in making wildlife policy in Alaska, particularly since the change of administration might bring about some needed reforms in wildlife management practices. He told members he believes the board process is a good one. The board was making sound decisions but those decisions were not being carried out. He said it appears this time around the board will have a chance to see the effect of its decisions on wildlife management.

CHAIR OGAN took questions.

SENATOR LINCOLN said she was surprised to see Mr. Fleagle accept the board nomination at this time since he decided against reappointment. She asked Mr. Fleagle to tell members whether his frustration from his previous board experience went beyond the predator control issue.

MR. FLEAGLE said he would like to clarify why he announced his retirement and decided not to seek reappointment to the board when he did. He said that former Governor Knowles was carrying out an overhaul of the board. The board members who voted against bird or wildlife watching programs, such as the Denali buffer zone, were being replaced in a disrespectful manner in his opinion. Those members lost their seats a few days prior to a big meeting they had spent a lot of time preparing for. He anticipated that he would not be selected for reappointment and did not want to have to prepare for a meeting that he might not attend. For that reason, he took the upper hand and announced that he was retiring from the board.

MR. FLEAGLE said, regarding Senator Lincoln's question about whether predator control was the only issue he was frustrated about, a number of administrative things happened in the Alaska Department of Fish and Game (ADF&G) that board members were frustrated with. First and foremost was the lack of any predator management; and second was too much deference given to the animal rights and watchable wildlife communities. In addition, department staff was required to withhold biological opinions on issues that would have been beneficial to the public. They were not allowed to participate in the public discussions even on their own time. Often the positions on wildlife conservation presented to the board were not from the Division of Wildlife Conservation but were from the Office of the Commissioner. For those reasons, he decided to retire.

CHAIR OGAN said he has heard anecdotal reports from around the state that the moose and caribou populations are not doing well.

He said he quit hunting in Area 13 about 10 years ago because there were so few bulls and lots of cows with no calves. The calf survival rate was about zero. He said the reports he is hearing are that hunters are coming out empty handed from areas they have been hunting in for years. He asked if the board is hearing the same reports.

MR. FLEAGLE said the board is hearing those reports too. He noted that the caribou population has a boom and bust cycle from overgrazing and predation, which is what is occurring in Unit 9. The people in that area would still like to see predator control so that humans can harvest the surviving caribou rather than predators. Regarding the moose population, he said several units have problems. He felt that pressure from the Fairbanks urban area switched from Unit 25 down to Units 20, 21 and 24. He doesn't believe that predation has been determined to be an issue in Units 21 and 24 yet, but the local people seem to believe there is an increased amount of predation.

MR. FLEAGLE said he agrees that predation management would be beneficial in some areas but he is not sure how to get there. He said a lot of the local people oppose a state run program. They would prefer a program that puts local people into the fix and makes certain [hunting] methods legal again.

CHAIR OGAN commented that he believes the state has lost a lot of good biologists. He knows of one who retired because he was sick of not being able to express his opinions on some of these issues and had to walk a politically correct line. He said he looks forward to getting Alaska's game populations back to the constitutionally mandated sustained yield level. He thanked Mr. Fleagle for his time.

CHAIR OGAN asked Mr. Buist to tell members why he wants to serve on the Board of Game.

MR. PETE BUIST told members that he sees his appointment to the Board of Game as an opportunity to get Alaska's wildlife policy back on track. He sees a change in attitude on the part of the Governor's Office, which will allow management based on science rather than emotional issues. He said he respects and can support non-consumptive uses of wildlife, which is how he uses the resources 11 1/2 months out of the year. While he has no problem managing wildlife for non-consumptive use, he believes that putting wildlife on the table trumps non-consumptive use. He is looking forward to the rejuvenation of an ADF&G where

biologists are able to give their professional opinions and not just submit to political opinions.

3:52 p.m.

SENATOR LINCOLN asked Mr. Buist his opinion of a constitutional amendment to bring the State of Alaska into compliance with ANILCA. She then asked him, as a former guide board member, if he has any other ideas about how to better regulate guides. She also asked him to provide his views on hunting regulations along new roads, since the Murkowski Administration is talking about opening up new corridors.

MR. BUIST said he cannot support any of the proposed constitutional amendments he has seen. He would rather see the legal finagling worked out to determine what the bottom line is before Alaska changes its Constitution to make Alaskans unequal. Regarding ways to regulate guides, he said the Owischek decision had a very detrimental effect on people in rural areas. State land is now inundated with guides and, worse yet, the unguided hunters are a worse problem. Guides are limited to three areas, while the air taxi industry commonly puts hundreds of hunters into areas where they compete with rural people. He said that ties into Senator Lincoln's last question about hunting along new transportation corridors. If the state gets back to managing game for sustained yield, the state shouldn't have the same allocation problem of feeding 80 percent of the game population to wolves while the citizens fight over 2 or 3 percent of the ungulates.

SENATOR SEEKINS asked if humans harvest about 7,000 moose on an annual basis in Alaska.

MR. BUIST said that is a fair number.

SENATOR SEEKINS asked how many moose are harvested in Sweden on an annual basis.

MR. BUIST said probably 20 to 30 times that number in a much smaller area. He said one of the big differences, aside from predator control, is that habitat manipulation favors the moose population as well because Sweden practices active forestry over much of that country.

SENATOR SEEKINS asked whether giving urban hunters a reasonable chance to harvest close to home through active management would relieve pressure on the rural areas.

MR. BUIST said he believes it would. People would not pay a lot to travel long distances to hunt in a remote area if they have reasonable hunting opportunities close to home. He said he hates to make it sound that simple but it just might be.

SENATOR SEEKINS said he recently read an editorial in the Homer newspaper that said only 15 percent of hunters are interested in harvesting game for the purpose of putting food on the family table. He asked Mr. Buist to comment on that statement.

MR. BUIST said he believes that is a misleading figure that has been spun well by folks who want a different outcome. He said the fact of the matter is that [one reason] for the lower percentage is that, often, only one member of a family of six or seven has a hunting license. If that scenario is projected statewide, many people want moose meat on the table.

SENATOR SEEKINS asked Mr. Buist if he could be characterized as a person who is in favor of active management of wildlife for the purpose of putting food on the table for Alaskan families versus monitoring wildlife to keep track of the number of moose killed by predators.

MR. BUIST said he thinks that is a fair characterization.

CHAIR OGAN asked Mr. Buist what his profession is.

MR. BUIST said he works for the Division of Forestry as a certified forester.

CHAIR OGAN asked Mr. Buist if Sweden's active forestry management practices create better habitat for moose by providing more brush to feed on.

MR. BUIST said Sweden practices silviculture, which keeps more acres in the early stages of succession. Those early stages provide the type of vegetation that moose use for food.

CHAIR OGAN asked if cutting down trees lets more light onto the forest floor and allows brush to grow, which provides better moose habitat.

MR. BUIST replied that letting more sunlight reach the ground is a time-honored way of creating more pounds of browse per acre.

CHAIR OGAN commented that the Habitat Division in the Alaska Department of Fish and Game (ADF&G) denied a road-building permit to a developer in the Matanuska-Susitna Valley because the road would adversely affect the moose habitat. He thought the reason for the denial was to stop road building rather than protect moose.

MR. BUIST said he can see reasons to not have moose along the roads. For example, willow sprouts along the roadways will lure moose and vehicles could hit the moose.

CHAIR OGAN said this particular road would have been gated and had limited access. He then said he would not belabor the point and thanked Mr. Buist for his testimony. He called Sharon McLeod-Everette to testify and asked her why she wants to subject herself to a process in which she will be loved and hated and possibly have to deal with death threats.

4:03 p.m.

MS. SHARON MCLEOD-EVERETTE said people have questioned her sanity when she told them she wanted to serve on the board of game so she finds Chair Ogan's question to be appropriate. She said she sees her nomination as an honor. She is a long time user of the resources and grew up hunting in Units 13A and B. She is encouraged by the direction this Administration wants to take - basing management decisions on science rather than politics. She believes there may be an opportunity to reinstitute some of the predator management controls that were enforced in the past.

SENATOR SEEKINS asked Ms. McLeod-Everette if she would classify herself as an active or passive manager in terms of her overall philosophy.

MS. MCLEOD-EVERETTE said she sees herself as more of an active manager.

SENATOR SEEKINS asked her if she is committed to the constitutional principle of maximum sustained yields for the benefit of all Alaskans, including wildlife photographers. He noted that most hunters are wildlife watchers, except for that one moment when they need to provide food for the table.

MS. MCLEOD-EVERETTE said that is correct. She remarked that hunters have the greatest opportunity to watch wildlife because they are out in wildlife habitat more often. She hopes that good

management work based on a sustained yield principle will increase the wildlife population.

SENATOR SEEKINS noted that Ms. McLeod-Everette has a long history of interacting with active hunters. He asked her if she considers hunters to be conservationists.

MS. MCLEOD-EVERETTE said she believes that all hunters, by virtue of what they do, try to be conservationists. Some people have given hunters a bad reputation by engaging in certain activities but, in general, she believes hunters are good at conserving. One reason she is interested in serving on the board is to work on conservation of the prey population. She would like to see the low moose populations in certain areas increase.

SENATOR LINCOLN said she is a subsistence hunter from Rampart who sees hundreds and hundreds of boats traveling down the Yukon River each year, knowing that the Rampart villagers will have a difficult time competing with those people to kill a moose within a set time. She asked Ms. McLeod-Everette how she would work to address the concern of rural Alaskans about competing in a small area in a short timeframe.

MS. MCLEOD-EVERETTE said Mr. Buist alluded to the fact that getting back to managing for sustained yield, and creating more opportunities for people to hunt closer to home, will alleviate a lot of the pressure on rural communities during hunting season.

SENATOR LINCOLN said she has seen a decrease over the years of the number of "brown shirts" at the Yukon River bridge in the Rampart area. At one time she counted 437 boat trailers parked at the bridge with no brown shirt to be seen. She recalled incidences in the past when Rampart residents had to tow boats back upriver that had mechanical problems. The condition of the meat on those boats was so poor that a brown shirt would never have allowed wanton waste of the meat. She asked Ms. McLeod-Everette what she would do to help enforcement efforts when the Legislature is looking at further department budget cuts.

MS. MCLEOD-EVERETTE said she wonders if the Village Public Safety Officers (VPSOs) could help with enforcement efforts. She also suggested talking to legislators and the Governor about the budget cuts. She said she knows the Governor is concerned about wildlife management in general. She noted that part of management is enforcement so that may provide an opportunity as well.

CHAIR OGAN noted that he saw eyes roll in the audience when he mentioned death threats, but the reality is every time the wolf issue surfaces, death threats are made to the Governor and or board members. He asked her if she has any anxiety about that happening.

MS. MCLEOD-EVERETTE said she does not. She recounted that she worked for the Department of Transportation and Public Facilities (DOTPF) for 30 plus years and one of her first professional jobs was to relocate people out of their homes.

CHAIR OGAN thanked Ms. McLeod-Everette and asked Mr. Ted Spraker to testify.

4:14 p.m.

MR. TED SPRAKER told members he is interested in serving on the board because he recently retired as a wildlife biologist from ADF&G and watched this process for a long time. He has had good luck with board issues but experienced a high level of frustration with the lack of active management and particularly with predator management. Mr. Spraker said he is currently participating in the Central Kuskokwim moose management planning efforts in Aniak. He has been getting firsthand information on the problems in that area, including the influx of hunters and transporters, and the increased number of local guides. The local people feel their frustrations have fallen on deaf ears. He said he is excited about the new administration and the possibility of making some changes. He hopes that the efforts toward predator management are directed toward the big picture, not just wolves.

MR. SPRAKER said he has been a 30 year resident of Alaska and is extremely excited to serve on the board.

SENATOR DYSON said he has heard a lot of concern expressed by rural Alaskans about the messes left at remote areas by irresponsible hunters. He asked Mr. Spraker if he has any suggestions on how to curtail hunters from leaving waste in those areas.

MR. SPRAKER said he does not. He noted he has been involved in hunter education for children for the last 15 years and that education stresses the need to leave camps clean. He suggested providing more education on the need to do a better job and present a better image.

SENATOR WAGONER thanked Mr. Spraker for offering to serve on the board and asked him to comment on the amount of moose being taken on the Kenai Peninsula by predators now as opposed to 15 years ago.

MR. SPRAKER said that area has a particular problem in that most of the land on the Kenai Peninsula is federal. The board does not have the opportunity to do extensive habitat management or predator management. Hunters harvest more than 300 black bears each year in that area. Studies have shown that black bears take a high percentage of the moose calves each year and that the Kenai Peninsula has a high number of brown bears and wolves. The wolves are infested with an exotic louse, which discourages trapping. When ranking those predators on the Kenai Peninsula, the black bears take the highest number of calves but he believes wolves have a higher impact because wolves take anywhere from 600 to 800 adults. Comparatively, the hunters, under selective harvest, take about 350 to 650 small and large bulls and protect the middle-aged bulls. Road kills account for as many as 356 moose. He said many issues on the Kenai Peninsula need to be addressed. He believes the board can address them without bias and try to rebuild the wildlife populations so that they are available for all users.

SENATOR LINCOLN noted that Mr. Spraker has been involved with local advisory committees and communities. She asked him to tell the committee whether he would support co-management of game.

TAPE 03-2, SIDE B

MR. SPRAKER said he thinks co-management is something the state will see in the future and that it has to work. However, he does not believe co-management of the same areas for the same species by the state and federal governments will work. He said he would like to see state management returned in the worst way, but he does not believe the Alaska Constitution should be changed to give some Alaskans privileges. He said he agrees with Senator Seekins that Alaska has a great opportunity to increase the moose and caribou populations so that hunting does not need to be restricted. He expressed concern about Senator Lincoln's statement that she counted 437 boat trailers at the bridge. He believes the board needs to take a close look at the number of people that hunt in certain areas until populations are higher and can meet demand.

Regarding co-management, MR. SPRAKER said that he is very interested in what he is doing now, sitting in on meetings and listening to advisory chairs from different villages. They have heartfelt complaints and reasons why they need things done. He said those meetings have been very meaningful to him and he is glad to have heard villagers' concerns. He said he believes more emphasis needs to be put on the local advisory committees for management decisions.

SENATOR SEEKINS asked Mr. Spraker if the local advisory system, along with biological information from ADF&G, provides a good overall base for what should happen in the various parts of the state.

MR. SPRAKER said he thinks it provides the scientific information and the local knowledge necessary to make a good decision.

CHAIR OGAN thanked Mr. Spraker for his willingness to serve and asked Mr. Judkins to testify.

MR. CLIFF JUDKINS reviewed his background on the Mat-Su Fish and Game Advisory Committee and said he has been testifying before the Board of Game for three years.

SENATOR SEEKINS asked Mr. Judkins if he considers himself to be an advocate of active or passive management.

MR. JUDKINS said he would classify himself as an active management advocate.

CHAIR OGAN said he has always been confused by the objections to certain appointments to the board based on the argument that the board needs to represent diverse interests, watchable wildlife being one of them. He said he believes that when managing wildlife, the sustained yield principle would provide more wildlife and more viewing opportunities. He asked Mr. Judkins to comment.

MR. JUDKINS replied the key is managing for maximum abundance. He said that he hunts for 20 days of the year and watches wildlife the rest of the time.

CHAIR OGAN said he does not shoot every moose he sees and enjoys wildlife watching himself. He repeated that he does not understand the logic behind the philosophy that managing for maximum sustained yield is detrimental to wildlife watching.

Chair Ogan thanked Mr. Judkins and asked Mr. Somerville to testify.

4:32 p.m.

MR. RON SOMERVILLE told members he was raised in Craig in a family of subsistence users. His 24 years as a fisheries biologist with ADF&G has given him statewide experience. He worked under the Hickel Administration, and as a legislative consultant. He is an active member of the Territorial Sportsmen in Juneau, the National Rifle Association and the Alaska Outdoor Council. He has served on various committees since his retirement and has worked on a wide variety of species. He said he worked on the Murkowski transition team and made recommendations to the Governor for the Boards of Game and Fish. However, his name was not on the list of recommended nominees and he did not actively pursue a seat on the board. Governor Murkowski personally called him and asked him to submit his name so he feels exceptionally honored.

SENATOR SEEKINS asked Mr. Somerville how many people purchased a moose tag on their hunting licenses last year.

MR. SOMERVILLE said he did not know.

SENATOR SEEKINS said he was curious because he was told that about 75,000 moose harvest tickets were purchased, but the actual harvest was 7,000 or less. Therefore, one out of every 10 people who wanted to harvest a moose was able to do so. He asked if that is a good percentage.

MR. SOMERVILLE replied that a previous speaker pointed out that the harvest in Alaska is proportionally very small compared to other places. All of Alaska's wildlife species are subject to cyclical conditions, exacerbated by predation in some cases. The production per acre in Alaska does not compare to the lower Canadian provinces or the Midwest. In addition, according to the history of wildlife management in Alaska, the harvest is five times lower than what it was.

SENATOR SEEKINS asked if that change can be attributed to the loss in the reproductive base or in low survival rates in the first fall season.

MR. SOMERVILLE said both, in most cases, but there is no simple answer. He noted as a supervisor in the Nelchina area, he found the problem was calf survival. The major predator was brown

bears. He said in some areas, the bull moose rate was so low that the cows were going into a second estrus and breeding so that calves were born in late June and went into the fall in a weaker condition.

SENATOR SEEKINS asked Mr. Somerville if he believes that using proper scientific methods will enable the board to make policy decisions that will increase the harvest possibilities for humans.

MR. SOMERVILLE replied, "Absolutely. It's been proven. I don't think that's really a contested matter. It's just the degree of what pain we're willing to go through to get there."

SENATOR ELTON asked Mr. Somerville if he sees a role for the Boards of Game or Fish in reorganization decisions, such as the Governor's decision to transfer the habitat division.

MR. SOMERVILLE said the boards are free to make recommendations but they do not set policy. The legislature sets policy. He does not believe the board should step into that arena too aggressively.

SENATOR LINCOLN said she knows Mr. Somerville's position on a constitutional amendment so will not ask him about it. She noted the board works with the advisory boards of game throughout Alaska, which she finds to be very useful. However, Mr. Somerville spoke about circumventing the will of the legislature; she believes the board should not circumvent the will of the people as well. She pointed out that Alaska Natives in rural Alaska have long battled with Mr. Somerville about his firm stand on subsistence. She said as a seated board member, he will be representing all Alaskans. She asked how he proposes, since his relationship with rural Alaska Natives has been so tainted over time, to win back the confidence of those people so that they believe he will listen to them.

MR. SOMERVILLE thanked Senator Lincoln for the question and said he would like to sit down with her and talk because he does not believe they are so far apart on the subsistence issue. Mr. Somerville said he is not a racist and he has not lobbied against Alaska Natives. He said one of the reasons he got into trouble with part of the Native community is because he has been a strong advocate for those Natives who would be disenfranchised if the federal law in its present form were extended to state law.

MR. SOMERVILLE asked to provide some background on his stance. He volunteered for Governor Hammond on the D-2 task force in 1974. He and Don Harris traveled to the villages and talked to the residents about subsistence, which resulted in S 7, introduced by Senators Stevens, Gravel, and Congressman Young and supported by Governor Hammond. Governor Hammond said his main concern was that the state not lose any jurisdiction in the process. He said in 1978, two years before ANILCA passed, the Department of Law wrote a memo that said [he read]:

It is not difficult to envision a situation that the Secretary, under Title VIII, might require the state to adopt or change elements of the state's subsistence management program which would be unconstitutional and thus impossible to implement and enforce under state law. The penalty would be involuntary removal of management authority from the state or forced amendment of Alaska's Constitution.

He said in 1978 the attorneys he talked to were convinced that Title VIII, if passed, would result in violation of Alaska's Constitution. That is where his problems with the Alaska Federation of Natives (AFN) began. He took the position the Governor told him to and became an advocate for that path. He told the Boards of Fish and Game we were headed down that road and the problems have just gotten worse. He said he is not against subsistence. He has problems with the federal law in its present form. He said regarding implementation, as a board member he will implement whatever subsistence policy is adopted. He does not believe it is appropriate for board members to voice their political opinions. Their function is to implement the law. He said he does not know of anyone on this board more sympathetic to uses of fish and wildlife by people, particularly rural Alaskans, than himself. He said he believes there is a difference between his stand on the details of subsistence and whether he can do his job as a board member. As a former biologist in Alaska, he has lived in a lot of communities and has worked from Ketchikan to Point Hope. He said he does not want to be on the opposite side of the Native community and would like to work with them. He pledged to try his best.

SENATOR LINCOLN asked Mr. Somerville if he would support co-management of game between the local governments and the state.

MR. SOMERVILLE said it depends on how co-management is defined. If it means the state entering into a co-management agreement with a tribe, entering into a government-to-government

relationship will be problematic and may be unconstitutional. The Legislature and the Governor will decide what the relationship between the tribes and government should be. Regarding his opinion of cooperative management with local people, he believes in it wholeheartedly.

SENATOR SEEKINS asked Mr. Somerville whether his personal views on a relationship between the federal and state governments will have any effect on how he might suggest the Board of Game manage the resource - the methods and means for harvest.

MR. SOMERVILLE said he admits to being a strong advocate for state's rights, but he is a realist and knows we will not get rid of ANILCA in the near future. He would like to see the state be more aggressive in dealing with its statutory and constitutional responsibilities. That will require support from the Governor and may require litigation. He believes the Board of Game has rolled over and played dead when trying to resolve conflicts.

There being no further questions, CHAIR OGAN thanked Mr. Somerville and took public testimony.

MR. PAUL JOSLIN, a conservation biologist with the Alaska Wildlife Alliance, asked all appointees their extent of involvement with the Alaska Outdoor Council (AOC), which describes itself as one of the top lobbying organizations in the state. He said the AOC is not a science based organization but a political activist organization. The AOC is extremely anti-predator and has a bias against giving consideration to the wildlife viewing community even though wildlife viewing brings in about \$.5 million per year. The AOC is also against giving any subsistence preferences on the basis of culture, ethnic background or rural needs. They staunchly oppose the people's right to allow [wildlife] initiatives and efforts to ban land and shoot hunting of wolves, which passed overwhelmingly. The AOC spends much of its efforts on selection of political candidates for office and spends about \$10,000 per year on lobbying. This single interest group has taken over the Board of Game. At least four of the new nominees belong to the AOC. Ron Somerville is the founder of the AOC and is well known for his anti-rural subsistence views. The former president of the AOC has been appointed to the fisheries board, and the vice president of the AOC, who is the head of its political action committee, is being considered as the deputy commissioner of ADF&G. For the first time in the history of the Board of Game,

not one member is from the Anchorage area even though half of the people in the state live there.

MR. JOSLIN said that the Alaska Constitution states that wildlife is intended for the common use. It does not say that it belongs to a single, narrowly defined political activist organization. His hope is that the Senate Resources Committee will insist on a diverse membership on the Board of Game. Without diversity, there cannot be a balanced decision-making process.

CHAIR OGAN announced that with no further public testimony, he would close the hearing on the confirmations to the Board of Game.

SENATOR DYSON moved to report the names of the nominees to the full body for a confirmation vote and to note that the committee has found no reason to disqualify any of them.

CHAIR OGAN objected and asked that Senator Dyson make the motion neutral regarding the disqualification provision.

SENATOR DYSON moved that the Senate Resources Committee move the names of the nominees forward to a joint session for consideration.

There being no objection, CHAIR OGAN announced the motion carried. He then announced the committee would hear from Commissioner-designee Ernesta Ballard.

4:55 p.m.

ERNESTA BALLARD, Commissioner-designee of the Department of Environmental Conservation (DEC), told members she has served in many public capacities but has never had the honor of serving in a governor's cabinet before. She worked for the federal government as the Region X administrator of the Environmental Protection Agency (EPA). She worked for local government at the Municipality of Metropolitan Seattle, a federated wastewater utility. She has served on the Board of Governors for the United States Postal Service, which took her to Washington, D.C. on a regular basis to represent the interests of rural America. She has worked for the private sector in banking and as the CEO of the Cape Fox Corporation. Finally, she has been the proprietor of a small business. She said she brings to DEC a broad wealth of experience and she hopes her appointment is considered favorably.

SENATOR ELTON thanked Commissioner-designee Ballard for attending and said he had several questions. The first involves challenges to the seafood industry - the marketing challenge and whether Alaska needs to assure people that Alaska seafood comes from pristine waters and the issue of wastewater and air discharges. The second question is her opinion on the need for a new laboratory and whether she has given any thought to using the facilities paid for by the state (the ASI facility).

COMMISSIONER-DESIGNEE BALLARD answered that DEC is proudly sponsoring ongoing research on the tissue of Alaska seafood in order to assure the world market that Alaska's seafood is safe from some of the contaminants discovered in other commercial seafood around the world. Her hope is to support the seafood industry with the results of that study and that if the results demonstrate anything to be concerned about, DEC would be able to implement protective programs.

Regarding waste discharges from seafood processing plants and air emissions from their diesel generators, COMMISSIONER-DESIGNEE BALLARD said that both of those waste streams are subject to permitting by DEC. She believes the biggest permitting challenge in the seafood industry is the waste piles that can accumulate at the end of the outfall. DEC is working with EPA and the industry. She hopes to determine the best way to regulate and manage those piles by the end of this summer to ensure that the state's water quality standards can be met and that the industry can continue to manage its waste in a competitive manner.

SENATOR ELTON said that some of the air quality issues, especially in the Aleutian Chain, have also been problematic for the processing industry.

COMMISSIONER-DESIGNEE BALLARD said she is not as familiar with the air quality issues related to the seafood industry in the Aleutians, so she asked to provide Senator Elton with an answer at a later date. She then addressed Senator Elton's question about the lab and said that DEC provides an important service to a number of industry segments at the Palmer lab. The lab lease expires in 2006. The Legislature has taken a series of actions over recent years and provided DEC with funds to do a thorough analysis both of the requirements for a lab to test food, seafood, and for paralytic shellfish poisoning, and of the available alternatives for relocation. She said she believes DEC has investigated all of the alternatives and found none adequate

to meet DEC's needs. DEC has completed both a site analysis and facility design. DEC feels a certain amount of urgency, particularly with the growing success of the geoduck industry and the shipment of live product.

CHAIR OGAN asked the cost of the new lab.

COMMISSIONER-DESIGNEE BALLARD said the cost to construct the lab would be \$14 million.

CHAIR OGAN asked if the lab has less than 14 employees.

COMMISSIONER-DESIGNEE BALLARD believed that to be correct. She also noted she appreciates Chair Ogan's concern for the Palmer employees and the dilemma of locating a lab in an area that provides for a rapid turnaround. She offered to provide any member with information on the cost and noted the largest expense is the ventilation system.

CHAIR OGAN and SENATOR ELTON asked Commissioner-Designee Ballard to provide the specifications for the lab.

SENATOR SEEKINS asked Commissioner-Designee Ballard if she has looked into a joint venture with the University of Alaska for the lab.

COMMISSIONER-DESIGNEE BALLARD said she cannot provide a complete answer to that question but she clarified that the DEC lab will not primarily be a research lab. It will be a lab that serves the regulatory needs and requirements of DEC's ongoing program to protect public health and the environment.

SENATOR LINCOLN noted that she has watched Commissioner-Designee Ballard give workshops in management skills and said she is in awe of her ability and looks forward to working with her. She then referred to current research that has revealed persistent organic pollutants in ... [end of tape].

TAPE 03-3, SIDE A

SENATOR LINCOLN expressed concern about the huge increase in various cancers throughout the rural communities. In her small village of Rampart, 62 people have died of cancer. The cause could only be the water from the Yukon River that is used for drinking water in the wintertime or from the streams used in the summer. She asked how the commissioner proposes to find the

impacts of pollutants on Alaskan lives from the studies that have already been conducted.

Another issue SENATOR LINCOLN raised is that while her village is only 100 miles northwest of Fairbanks, the second-largest city in Alaska, people still use honey buckets instead of indoor toilets. Performance measures on the DEC website target increased access to running water and sewer in rural households by 4 percent a year, but in 1999 the increase was flat; in 2000 it was 2 percent; in 2001 it was 2 percent; and in 2002 a 3 percent increase occurred. She asked the commissioner to comment.

COMMISSIONER-DESIGNEE BALLARD said in response to her first question about food contamination, she hopes to secure sufficient funds to continue the studies to understand the "body-burden" in fish caught and consumed in or marketed from Alaska.

SENATOR LINCOLN interrupted to say that the contaminants were not only found in fish, but also in game and berries.

COMMISSIONER-DESIGNEE BALLARD replied:

Wherever we are aware of a source of air-borne emission or discharge into the water, we are able, with respect to that source, to understand what constitutes - what the contaminants in it might be and to apply the protective standards, which - it is our responsibility to develop to that source and issue a permit that has controlled conditions on it.

She explained that there are world and state circumstances, which are not subject to permitting by DEC, and they can only be where they have statutory authority to be. Her department regularly seeks budgetary approval to fund the permitting programs. Contaminants that move across borders require cooperative international efforts and cooperation between state departments.

The Village Safe Water Program has invested over \$1 billion in the last 25 years in designing and constructing systems that range from single point delivery sanitation facilities to in-home systems. The current unmet need in every community totals about \$650 million for at least a single point delivery system. Through her capital budget request each year, the Commissioner said she will propose incremental efforts to chip away at that

need. Her package has three major funding sources - the U.S. EPA, other federal funding sources that are appropriated directly for that program, and state funds. That combined investment has run from \$50 to \$100 million a year and has not resulted in consistent increments, but has totaled \$1.2 billion over the years.

CHAIR OGAN said he spoke with the owner of a lodge and guiding business in Southeast Alaska who said his permitting fees have increased from \$2,000 to \$12,000 in the last 10 years. The cumulative effect of the cost of all the permits on a small business is overwhelming. He asked if that business owner can expect some relief or streamlining.

COMMISSIONER-DESIGNEE BALLARD responded yes and said her actions would be guided by common sense. However, she thought the person he was talking about had tideland permits and other permits that require federal involvement. For the state, he would need drinking water and waste water system permits and to deal with air regulations depending on how many generators he has. DEC would also send a food inspector out to his restaurant.

COMMISSIONER-DESIGNEE BALLARD said the department is doing many things to make the process easier, such as making its web page searchable and interactive and providing as many opportunities as possible to do the permit work from an individual's own office on the web. The department is being organized as logically as possible so that it is user friendly and general permits that have common characteristics like wastewater and storm water will be issued [in one step]. Regulations, particularly old ones, are being reviewed to make sure they haven't been superseded by another protective program. She asked legislators to send her their constituents' concerns so that she will have specific concerns to work from.

SENATOR ELTON said he appreciated her willingness to serve and to relocate to his community. He asked her to let him know if there was anything the Juneau delegation could do. He also appreciated that she recognized programs that worked on her transition report; one of the programs being the cruise ship initiative. He asked how DEC will meet the challenge of checking on self reporting by the industry on air and water discharge issues.

COMMISSIONER-DESIGNEE BALLARD responded that last summer, staff had been added. They were maintaining pace with the necessary inspections and she didn't anticipate an implementation problem.

CHAIR OGAN thanked her for coming to the meeting and brought the confirmation hearing to a close saying the DEC would be back for an overview later in the session.

SENATOR LINCOLN moved to forward the name of the Commissioner to the full body for consideration. There were no objections and it was so ordered.

CHAIR OGAN adjourned the meeting at 5:29 p.m.