

HOUSE FINANCE COMMITTEE
April 9, 2005
11:12 A.M.

CALL TO ORDER

Co-Chair Meyer called the House Finance Committee meeting to order at [11:12:29 AM](#).

MEMBERS PRESENT

Representative Kevin Meyer, Co-Chair
Representative Richard Foster
Representative Mike Hawker
Representative Jim Holm (teleconferenced)
Representative Reggie Joule
Representative Mike Kelly
Representative Carl Moses
Representative Bruce Weyhrauch

MEMBERS ABSENT

Representative Mike Chenault, Co-Chair
Representative Bill Stoltze, Vice-Chair
Representative Eric Croft

ALSO PRESENT

Representative Jay Ramas; Representative Gabrielle Le Doux; Dick Mylius, Deputy Director, Division of Mining Land and Water, Department of Natural Resources; Pete Kelly, Director, State Relations, University of Alaska; Ron Schonenbach, Juneau; Jennifer Price, Warm Springs Bay, Sitka; Joan Brodie, Kodiak; Melinda Hofstand, Baranoff Warm Springs Homeowners Association, Petersburg; Kristen Dunlap, Environmental Planner, Douglas Indian Association, Juneau; Arthur Bloom, Tenakee Springs; Mary Irvine, Juneau; Daniel Trail, Thoms Place, Wrangell; Matt Davidson, Legislative Director, Alaska Conservation Voters; Brett Carlson, Coldfoot Camp, Fairbanks

PRESENT VIA TELECONFERENCE

Joe Beedle, Vice-President for Finance, Chief Financial Officer and Treasurer Trustee for the Land Grant Endowment Fund, University of Alaska; Jason Esler, McCarthy; Ted Smith, Mayor of Petersburg, Petersburg; Julie Hursey, Petersburg; Al Pagh, Four Star Lumber, Fairbanks; Margaret Clabby, Ketchikan; Larry Edwards, Sitka; Garvin Bucaria, Wasilla; Deb Spencer, Pelican; Jon Billing, Craig; Jack Reakoff, Wiseman; Neil Darish, McCarthy; Andy, Snider, McCarthy; Kelly Bay, McCarthy; Ed LaChappel, McCarthy; Dan Ellsberg, McCarthy; Paul Anderson, Vice Mayor, Petersburg

City Council, Petersburg; Michelle Niland, McCarthy; Paul Johnson, Elfin Cove; RJ Kopchak, Elfin Cove; Lovey Brock, Wrangell; Rick Kenyon, McCarthy; Michelle Casey, McCarthy; Gayle Gross, Wrangell; Valery McCandless, Mayor, City of Wrangell; Wilma Stokes, WCA President for Tribe, Wrangell; Mary Montgomery, University of Anchorage, Anchorage; Rachel Colvard, Anchorage; Thor Stacey, Wiseman

SUMMARY

HB 130 An Act granting certain state land to the University of Alaska and establishing the university research forest; and providing for an effective date.

HB 130 was HEARD & HELD in Committee for further consideration.

#HB130

HOUSE BILL NO. 130

An Act granting certain state land to the University of Alaska and establishing the university research forest; and providing for an effective date.

[11:13:49 AM](#)

Representative Foster MOVED to ADOPT work draft #24-GH1034\L, Bullock, 4/08/05, as the version of the bill before the Committee. There being NO OBJECTION, it was adopted.

JOE BEEDLE, (TESTIFIED VIA TELECONFERENCE), VICE PRESIDENT FOR FINANCE, CHIEF FINANCIAL OFFICER AND TREASURER TRUSTEE FOR THE LAND GRANT ENDOWMENT FUND, UNIVERSITY OF ALASKA, offered to answer questions of the Committee.

PETE KELLY, DIRECTOR, STATE RELATIONS, UNIVERSITY OF ALASKA, noted the University objects to the committee substitute. The legislation does not meet the needs that the University lands bill intended. The University of Alaska is a lands grant institution, founded with the intent that it would supplement its operating expenses with the establishment of a lands grant trust. Currently, the University uses earnings from the trust for their day-to-day facility operations.

At statehood, it was anticipated that the University would receive a much larger grant than it actually did. The University received approximately 140,000 acres. The University of Alaska land grant ranked 48th out of the 50 states.

Mr. Kelly noted that when SB 7 was passed and vetoed by the Governor, it ended up in Supreme Court. The Legislature prevailed in that suit and it became law. HB 130 would be phase two of that and actually transfers the land.

The University of Alaska has an active lands department and is the most successful public entity of the State. He pointed out that the University has sold 12,000 parcels since 1986. The lands department has to act in a fiduciary position with the lands based trust. It is important that the University is able to balance those obligations taking into consideration that they are a public institution.

Mr. Kelly noted that the University engages in a high level of public process in order to meet obligations. Decisions have to pass through the Board of Regents to address issues such as land decisions and policies. Public testimony is taken to inform those decisions.

He noted the concern that SB 130 had not had enough public process and reminded the Committee that the Alaska Constitution stipulates there is no higher public process than that which happens during deliberations of the Legislature. The other complaints deal with specific parcels. The University worked with the Department of Natural Resources to determine the list.

Representative Weyhrauch pointed out concerns that the University had transferred lands to organizations such as the nature conservatory not placing the lands into a developing mode. Mr. Kelly advised that was a court decision and not something that the University would have normally chosen to do. Since there is fiduciary responsibility to the trust, it has to be sold for the highest and best value. The intention of the University is to get land into development.

Representative Weyhrauch asked if the transfer resulted from a court order. Mr. Kelly said yes. Representative Weyhrauch asked if they offered the highest value for the land. Mr. Kelly deferred that question to Mr. Beedle.

Representative Weyhrauch noted that the committee substitute attempts to provide intent that the University be required to transfer lands for development purposes.

Representative Weyhrauch understood that the 260 thousand acres proposed in the original bill was reduced to 249,000 acres and asked if it would make or break the bill with that reduction. Mr. Kelly said it would not be sufficient.

[11:23:28 AM](#)

Representative Weyhrauch asked if anything above the 250,000 threshold would be adequate. Mr. Kelly responded it would be doable as long as the value was similar to the original request.

Representative Weyhrauch mentioned on fish habitat concerns. Mr. Kelly replied that he was was not referencing specific spots.

[11:24:24 AM](#)

Co-Chair Meyer asked why the University objected to the committee substitute.

Representative Weyhrauch explained that the new committee substitute accomplished two things. It removed two sections, which had a number of findings and legislative intent. That language was placed into a draft letter of intent. It does state that the University maintains its role as a land grant institution.

[11:25:33 AM](#)

Representative Weyhrauch addressed the language taken from Sections 1 & 2 of the bill. Also, the committee substitute clarifies that if the University gets the lands, that they contribute to both the economic diversification of the State and if they do not go into non-economical purposes, they strike a balance between conservation and development. The committee substitute bill adds back the Lena Creek property.

Additionally, it affirms that the University is a lands grant institution and outlines a cooperative extension program. The most significant change occurs on Pages 6 & 7 and listed the other property changes made to that version.

[11:28:11 AM](#)

Representative Weyhrauch said that the draft totals 195,000 acres and retains parcels having Native allotments. He pointed out that the last provision adds a new Section P. There were a number of concerns around Wrangell and Petersburg. Concerns have to be balanced with a sense of policy. The provision requires that the properties contain a date-certain for formation of a borough so that the lands are not hanging out there into the future. Page 7 stipulates an offer to the municipalities, so that they can develop the land or organize a borough and they would have to pay fair market value.

[11:31:13 AM](#)

Representative Weyhrauch continued, it would be required to go to a non-profit organization that was established to

manage, develop or sell the land for historic purposes, which would accomplish two things:

- It would allow the University to determine the best use; and
- It would allow organizations that understand the property to use and develop it for historic purposes.

Representative Weyhrauch stated that the types of compromises that committee substitute intended are to:

- Insure that the University could get the lands needed to meet its educational purposes;
- Recognize the important of the lands for local organizations and peoples; and
- Offer the lands to the municipalities to form municipalities at the highest and best use of those lands.

[11:33:03 AM](#)

Mr. Kelly agreed with the spirit, however, emphasized that it is below the 250,000-acre threshold requested. He reiterated that this legislation is the Governor's bill and that the University is the beneficiary of the legislation. The University will continue to work with the Department of Natural Resources.

[11:34:31 AM](#)

DICK MYLIUS, DEPUTY DIRECTOR, DIVISION OF MINING LAND AND WATER, DEPARTMENT OF NATURAL RESOURCES, noted the handout in Committee member's file. (Copy on File). He provided a brief background of the bill, pointing out that it is the Governor's sentiment that the University receives more land.

The 250,000 acres comes from SB 7 and is envisioned as a match for a federal bill. That legislation initially did not pass but has been reintroduced by Senator Lisa Murkowski and would grant the University of Alaska 250,000 acres of federal land. The 250,000 acres is a magic number for two reasons as it was the commitment made in SB 7 and it is the match if the federal legislation passes.

[11:36:14 AM](#)

Mr. Mylius noted that SB 7 established a process for transferring lands to the University and was a ten-year, expensive process. That legislation carried a \$1.7 million dollar fiscal note per year for ten years. HB 130 has an

\$800,000 dollar fiscal note for three years. He believed that HB 130 would provide a more efficient process.

Mr. Mylius stated that the committee substitute carves 62 parcels, amounting to approximately 250,000 acres. The parcels fall into three categories of lands.

- Educational properties, which will serve the University's educational intent and amount to approximately 80,000 acres of the package;
- One track of 90,000 acres near the Nenana River, which has good possibility of discovery of natural gas; and
- Investment properties in the amount of 80,000 acres. Those are the properties the University would sell. About ½ of those properties are in SE Alaska.

[11:39:53 AM](#)

Mr. Mylius referenced the maps on display in the Committee room indicating how they relate to the lands discussed. He mentioned access restrictions and University management. He noted, the properties in SE Alaska have been the most controversial.

Mr. Mylius explained how the parcels had been identified. Most were parcels that the Department of Natural Resources would eventually sell and/or develop. The Department's restrictions go away when the land is transferred. The Department did not let the University select lands managed for forestry. Lands were withdrawn intended by the Department for land sales in the next five years and ones those municipalities had natural selection upon. There has been concern brought up by municipalities that plan future expansion of their boroughs.

Representative Kelly referenced the Coldfoot area concerns and asked if there had been discussion with that area. Mr. Mylius said his office had not been contacted, but he was aware of concerns. He noted that the University of Alaska offers a public testimony process and it would be better for them to address those situations.

[11:47:02 AM](#)

Representative Kelly commended Representative Weyrauch for the work done on the committee substitute, noting that he still did have concerns, which he hoped the University could address.

Representative Hawker referenced Page 3, Section 3, the three categories of land and asked for a breakout of the property by those categories. Mr. Mylius replied that

Section © properties do not show up because when the federal government transfers land to the State, if there are existing claims on that land, they will not transfer it. That land would be excluded in the transfer to the State. If the claim ever went away, then the lands could be transferred. Those lands are kept in the State's "top filing", waiting for selection. The reason that the provision is included is that the law states that the lands should be transferred by 2005 with the understanding that there is no outstanding obligation.

[11:51:02 AM](#)

In response to Representative Hawker, Mr. Mylius did not think that there were many of that land type. The transfers to the University are subject to any valid existing rights. The primary "in-holdings" would be federal reservations or State land already transferred to other parties.

[11:52:02 AM](#)

Representative Weyhrauch thanked Mr. Mylius for the work he had done.

[11:52:55 AM](#)

AL PAGH, (TESTIFIED VIA TELECONFERENCE), FOUR STAR LUMBER, FAIRBANKS, commented that he was involved in the timber industry, one of the few industries that uses renewal resources. HB 130 would reduce the amount of timber available throughout the State. It is difficult to manufacture anything in Alaska that cannot be consumed in the State because of transportation costs and that lumber was the one thing that can be used here. Mr. Pagh voiced strong opposition to the proposed bill.

[11:56:36 AM](#)

LARRY EDWARDS, (TESTIFIED VIA TELECONFERENCE), SITKA, noted that he did not like the legislation and recommended it be "killed". He indicated that Sitka opposes all parcels included in the bill except the one adjacent to the University of Alaska-Sitka campus. He reiterated the strong opposition to the bill throughout the State.

Mr. Edwards mentioned the matching legislation currently in the U.S. Congress and thought that legislation too would create many problems statewide. Clear cutting should not be funding the price for higher education and that the University system should be funded up front.

[11:58:55 AM](#)

TED SMITH, (TESTIFIED VIA TELECONFERENCE), MAYOR OF PETERSBURG, PETERSBURG, highlighted a drafting error in the committee substitute, Page 4, Section 3, with the date listed as "2055".

He noted that the bill undermines existing statewide management direction. Through a very public process, the State has worked in consort with citizens, public organizations and federal agencies to development a management plan for the State. That effort was done with good will, which would be eliminated through passage of SB 130. He concluded that the legislation was insulting.

[12:02:18 PM](#)

Representative Weyhrauch noted that the 225 days had been listed in the original bill. He inquired the last borough formation vote in Petersburg. Mayor Smith replied that the vote has not yet been established; however there have been discussions with Wrangell. Representative Weyhrauch asked the last time that Wrangell had a vote on borough formation. Mayor Smith understood that the process for filing the petition had occurred and declined by the Department of Commerce, Community & Economic Development.

[12:03:39 PM](#)

JULIE HURSEY, (TESTIFIED VIA TELECONFERENCE), PETERSBURG, echoed concerns voiced by Mayor Smith. She noted her opposition to HB 130 mentioning the about work done on the South East (SE) Lands Management plan, produced with the Department of Natural Resources. Once the University takes the lands listed in HB 130, the land designations would no longer be binding. The University would take lands designated in the plan and sell it off to private owners who would develop it as they want and private ownership precludes public use. Ms. Hursey stressed that years of research and expense went into developing those plans. She urged that the RU designated lands be removed from the bill. She asserted that there are other ways to raise money for the University, recommending raising the taxes on oil or implementing an income tax. The lands grant system was developed in the 1880's. She urged that the bill not be passed out of Committee or that it be altered to remove the lands of concern.

[12:06:28 PM](#)

MICHELLE NILAND, (TESTIFIED VIA TELECONFERENCE), MCCARTHY, testified against the legislation. She did not believe that the lands proposed for the University could benefit them and that the loss of those lands would completely devastate McCarthy. The amount of revenue expected to be generated by the bill is relatively small. The proposed lands are being

used for subsistence lifestyles and act as a buffer zone between McCarthy and the local park service. It is imperative that the lands stay available. She believed that the bill would increase the local population and decrease resources and through the transfer, the McCarthy lifestyle would be eliminated. She emphasized that McCarthy should be removed from the land transfer. Ms. Niland recommended a possible solution would be amending the federal bill.

[12:11:07 PM](#)

JASON ESLER, (TESTIFIED VIA TELECONFERENCE), CULTURNAL ANTHROPOLOGIST, MCCARTHY, voiced concern with the legislation and the effect that the law would have on the resources, the community and the existing "terrible" relationship that already exists with the park service and the people of McCarthy. The community does not have a formal government. Within the community, there are limited places that the residents can go to collect wood and/or hunt that not on federal lands. The zones indicated are an important buffer zone. The proposed 12,000 acres is a huge amount of land for the size of McCarthy. He urged that the McCarthy land be removed from the land transfer to the University.

[12:13:35 PM](#)

GARVIN BUCARIA, (TESTIFIED VIA TELECONFERENCE), WASILLA, spoke against HB 130. He urged that other programs be added to provide the support requested by the University. He emphasized that public lands should not be transferred out of public ownership. The full public oversight would be reduced to the University's Board of Regents. They do not have the same attitude in managing the lands. He encouraged that the Legislature fund University programs directly. Research and education projects could be conducted on State and federal lands without an ownership change.

[12:18:43 PM](#)

DEB SPENCER, (TESTIFIED VIA TELECONFERENCE), PELICAN, represented other residents in Pelican and testified against portions of the legislation. She pointed out that previous University actions indicate that they are not consistent when working with local communities. Pelican is economically depressed and suffering and that the proposed legislation would only make it worse.

[12:23:09 PM](#)

JON BILLING, (TESTIFIED VIA TELECONFERENCE), CRAIG, testified in opposition to portions of the proposed legislation. He maintained that there are areas within the bill, which should be removed and maintained as State

ownership. The Thorne Bay area will affect opportunities for logging and employment for Alaskans. He referred to the Alaska Mental Health Trust Authority (AMHTA) land settlements as a model.

[12:26:08 PM](#)

JACK REAKOFF, (TESTIFIED VIA TELECONFERENCE), expressed concern that there are no provisions for pipeline crossings and no considerations of year around service at Coldfoot.

THOR STACEY, (TESTIFIED VIA TELECONFERENCE), WISEMAN, echoed concerns voiced by Mr. Reakoff. He added comments regarding year around service in Coldfoot and asked if it that would be withdrawn.

Representative Kelly questioned if by not removing that parcel, could a plan be arranged to accommodate those concerns. Mr. Stacey expressed concern that the University of Alaska's management policy tends to be uncertain. They want the most money possible for the lands and that could preclude any public input.

[12:32:10 PM](#)

NEIL DARISH, (TESTIFIED VIA TELECONFERENCE), MCCARTHY, expressed concern over the Department of Natural Resources control over partials in McCarthy. He stressed the importance of harvesting firewood and use of the gravel pit. He mentioned the difficulty of accessing federal lands and voiced concern that the University would sell land to the National Park Service. He reiterated that the National Park Service is not willing to work with the community and that the Department was.

[12:34:32 PM](#)

KELLY BAY, (TESTIFIED VIA TELECONFERENCE), MCCARTHY, echoed the remarks by Mr. Darish and stressed the importance and need of harvesting wood. He stressed that much of the land in question is not appropriate for development and rests over swampy grounds.

ED LACHAPPEL, (TESTIFIED VIA TELECONFERENCE), MCCARTHY, spoke in opposition to the legislation. He pointed out how little opportunity there had been for public input. He urged that the McCarthy parcel be removed from the land transfer proposal.

DAN ELLSBERG, (TESTIFIED VIA TELECONFERENCE), MCCARTHY, testified in opposition to the inclusion of the McCarthy parcel in the legislation. He stressed his dependence on local lands and the difficulty of obtaining access to

federal lands. He thought that the transfer would create conflicts within the community.

[12:44:29 PM](#)

ANDY SNIDER, (TESTIFIED VIA TELECONFERENCE), MCCARTHY, urged that the McCarthy land area be deleted from the bill. He stated that developing another 12,500 acres of land in McCarthy would be "frightening" as there is already a stressful demand on local resources. He warned about significant issues that would result and recommended creating a University endowment in other ways.

[12:48:24 PM](#)

PAUL ANDERSON, (TESTIFIED VIA TELECONFERENCE), VICE MAYOR, PETERSBURG CITY COUNCIL, PETERSBURG, testified against HB 130. He claimed that the municipalities were being "held hostage" by the Legislature. He added his support creating an endowment from the Permanent Fund for the University of Alaska.

[12:51:23 PM](#)

MELINDA HOFSTAND, BARANOFF WARM SPRINGS HOMEOWNERS ASSOCIATION, PETERSBURG, voiced appreciation to Representative Weyhrauch for excluding Baranoff Warm Springs from the legislation. The watershed in that area is the only water source for the community and they would no longer have a water supply source if it remained in the bill.

[12:53:47 PM](#)

PAUL JOHNSON, (TESTIFIED VIA TELECONFERENCE), ELFIN COVE, testified against the legislation, noting how "dramatically" that land sale would impact Elfin Cove. It would affect Elfin Cove's economic future. Mr. Johnson pointed out that the proposed bill was the largest piece of legislation since statehood or Alaska National Interest Lands Conservation Act (ANLICA).

Representative Kelly asked about the situation existing in Elfin Cove and hoped that Representative Weyhrauch had addressed it.

[12:56:56 PM](#)

RJ KOPCHAK, (TESTIFIED VIA TELECONFERENCE), ELFIN COVE, indicated that he would fax testimony for Mr. Beedle and Mr. Kenyon from Elfin Cove with comments against the proposed legislation and land transfer.

[12:58:06 PM](#)

LOVEY BROCK, (TESTIFIED VIA TELECONFERENCE), ALASKA NATIVE SISTERHOOD (ANS), WRANGELL, spoke against any use of traditional lands. These lands are still being used for a traditional way of life for Alaska Natives in that area. She stated that there has to be another way to help the University than taking traditional lands.

[12:59:01 PM](#)

RICK KENYON, (TESTIFIED VIA TELECONFERENCE), MCCARTHY, spoke against inclusion of the parcel referenced in SB 130 for the McCarthy area as it is an important resource to that community. He strongly urged that the Committee reconsider the legislation.

[1:00:49 PM](#)

MICHELLE CASEY, (TESTIFIED VIA TELECONFERENCE), MCCARTHY, spoke against the land listed around the community of McCarthy. If the land is transferred and the Park Service has access, they will impose fees for usage. The community of McCarthy is an asset to the State of Alaska. She pointed out that they had gather 60 signatures in one and half days, which is a huge number for the size of McCarthy. She urged reconsideration of the legislation.

RECESS: [1:05:36 PM](#)

RECONVENE: [1:54:36 PM](#)

[1:54:55 PM](#)

MARGARET CLABBY, (TESTIFIED VIA TELECONFERENCE), KETCHIKAN, addressed four concerns of funding for the University with parcels from Southeast Alaska, testifying in opposition to the bill.

- The parcels contradict the State's land use plan;
- There are financial issues in using the lands for the University;
- Leaving the parcels alone would help to stabilize the economy in SE Alaska; and
- There are Public access concerns.

[2:00:18 PM](#)

Ms. Clabby concluded that placing the lands into private ownership, then no one from the coast would be able to cut through to national forest lands. The federal government does not put access easements unless they are absolutely required.

[2:02:06 PM](#)

Representative Hawker asked for a formal response from the University regarding if the legislation would be fiscally irresponsible in certain timberlands.

MARY MONTGOMERY, (TESTIFIED VIA TELECONFERENCE), UNIVERSITY OF ANCHORAGE, ANCHORAGE, clarified that the University had actually received an appraisal from a local appraiser and it was determined that the property was sold above fair market value. She reminded members that the University is tax-exempt.

[2:04:28 PM](#)

GAYLE GROSS, (TESTIFIED VIA TELECONFERENCE), WRANGELL, echoed concerns regarding the land transfer, particularly the parcel at Olive Cove on Ellen Island. She emphasized the importance of the lands in question to Wrangell and that the intent of the bill provides for logging. Logging would remove stream habitats and the fish habitat would be compromised. Ms. Gross pointed out that the State's fishery management system is based on sustainable yield; it is important to protect the fish-spawning habitat.

[2:06:49 PM](#)

VALERY MCCANDLESS, (TESTIFIED VIA TELECONFERENCE), MAYOR, CITY OF WRANGELL, reiterated the importance of the Olive Cove parcel and gave a brief history of the archeological importance of that area. She maintained that the proposal contradicts the State's Land Use Plan.

[2:10:07 PM](#)

WILMA STOKES, (TESTIFIED VIA TELECONFERENCE), WCA PRESIDENT, WRANGELL, testified in opposition to the legislation, expressing concern with a number of selections. She requested that Thoms Place & Olive Cove be removed.

Ms. McCandless addressed the committee substitute, pointing out that two of the parcels of concern had been pulled and indicated her appreciation for that.

[2:12:45 PM](#)

RACHEL COLVARD, (TESTIFIED VIA TELECONFERENCE), STUDENT, ANCHORAGE, testified in opposition to the legislation. She maintained that the legislation is in opposition to State policy. She recommended creating a research board. She referred to Section AS 14.40.400(a) on Page 9, Line 4, noting the impact on the State.

[2:16:07 PM](#)

RON SCHONENBACH, JUNEAU, noted that he had worked for 25 years for the Department of Natural Resources, Division of Mining, Land, and Water. He stated that the bill was ill conceived and should have begun with a public process. He referenced the land management plans and how the guidelines went through an extensive 2-year process. What is disturbing about the land list is inclusion of a lot of settlement and wildlife habitats. The land list takes all of the settlement lands out of the Department's land base. The Department of Natural Resources would not have any lands left to sell in SE Alaska. He stressed that is a shortsighted approach for land managers.

During the planning process, the Department of Natural Resources and the public agreed on which lands would be wildlife habitat and which would be for public recreation. Once the lands are conveyed to the University, all that would vanish. The Department of Natural Resources would lose credibility and the University of Alaska will have to withstand a fight.

Mr. Schonenbach referenced the 655 acres on Middle Island in Sitka. He noted that there are only a few pieces of very exposed and marginal land left on Middle Island. He questioned inclusion of that land.

Mr. Schonenbach concluded that there are many "faults" with the legislation, but should it proceed, it would fail the intent of SB 7 (passed in 2000). He pointed out that 70% of the investment properties are in SE Alaska. He recommended that there is time remaining to recommend that the Department of Natural Resources take another look at their inventory.

[2:21:23 PM](#)

JENNIFER PRICE, WARM SPRINGS BAY, SITKA, testified in opposition to the legislation. She expressed concern with RU designated parcels. She spoke in support of the removal of parcels that will dramatically affect lifestyles.

[2:24:35 PM](#)

BRETT CARLSON, COLDFOOT CAMP, testified in opposition to the inclusion of the Coldfoot land selection. He gave a brief history of the Coldfoot parcel. He believed that the intent was to support the oil industry. Their lease requires them to be open year round to provide services to the public. He provided members with written remarks regarding the Coldfoot Land Transfer. (Copy on File).

Mr. Carlson proposed that the State go through a public planning process, which he maintained had not occurred. He asked for a fair and rational public process.

[2:30:24 PM](#)

JOAN BRODIE, KODIAK, testified in opposition to the legislation. She spoke in support of maintaining public access to the narrow cape area. She pointed out that there is only 70 miles of roads on the Kodiak Island & encouraged that the area remain off the map for the University. She urged reconsideration of the bill.

[2:32:20 PM](#)

KRISTEN DUNLAP, ENVIRONMENTAL PLANNER, DOUGLAS INDIAN ASSOCIATION, JUNEAU, spoke on behalf of the Taku Quan people. She stated that they are strongly opposed to the public land conveyance contained in HB 130. She referred to the Sum Dum Plot, a five-acre plot in Sanford Cove. She pointed out the historical and cultural importance to these people. Ms. Dunlap voiced concern over the University of Alaska's poor history of land management. There are concerns over public access and development. She believed that the land acquisition would result in a reduction of State support for the University.

[2:35:11 PM](#)

Representative Kelly asked for examples of the University's failures. Ms. Dunlap provided examples of poor land management. She pointed out unsafe logging practices in University lands near Ketchikan, declared a contaminated site by the Department of Environmental Conservation. In the past, the University has not followed State and federal land standards in developing their lands.

[2:37:27 PM](#)

ARTHUR BLOOM, CITY OF TENAKEE SPRINGS, TENAKEE, spoke in opposition to the legislation. He commented that there are two major problems with the lands selected around Tenakee. There was a court order stipulation resulting between the State and the City of Tenakee in 1981, which would be breeched. He spoke to the zoning regulations currently in place in Tenakee and that the zoning would not permit the types of uses proposed by the University.

[2:40:22 PM](#)

MARY IRVINE, JUNEAU testified in opposition to the legislation and provided members with written remarks and maps. (Copy on File.) She spoke to the importance of the archeological sites on State lands. She maintained that

these sites should be red flagged for their protection. Forest service land is adjacent to the majority of these parcels. She observed that the parcel in reference is only 5 acres. Tourism is a thriving business in the Tracy Arm area. She noted that major archeological finds have been made in that area.

Ms. Irvine referenced Page 5, Line 12, of the committee substitute. She maintained that language would only postponed the problems.

Ms. Irvine addressed the fiscal notes, which she felt were unrealistic given the testimony over the last several months. This is the biggest lands bill since the Alaska Natives Settlement Act. She urged that the notes be revisited.

REPRESENTATIVE JAY RAMRAS pointed out that these lands could attract research dollars as archeological sites. Ms. Irvine responded that the University currently has access to these lands and that scholars are working with the parcels. She maintained that if the parcel is part of the lands bill, there is a greater risk that it would be alienated.

[2:54:13 PM](#)

DANIEL TRAIL, THOMS PLACE, WRANGELL, spoke in opposition to the legislation. He read a Resolution against the transfer of the Thoms Place parcel. (Copy on File.) He maintained that the University could be funded by the State if the State desired. The only reason for giving the land is to remove the public process. He referred to the committee substitute and asked for the removal of Thoms Place parcel. The parcel being proposed for transfer is three times the size of the community. It encompasses areas used by locals and areas that have historic importance. Mr. Trail referred to Page 7, Line 15. He concluded that the Thoms Place Association would be included in the provision.

[3:02:30 PM](#)

MATT DAVIDSON, LEGISLATIVE DIRECTOR, ALASKA CONSERVATION VOTERS (ACV), JUNEAU, testified in opposition to the legislation. He clarified that there is no trigger that the State must meet in terms of the land transfer. The federal provision would match lands transferred to the University on an acre-by-acre basis. He commented that non-public purposes are not appropriate and expressed concern that the lands would be sold for private ownership. He noted that many of the lands were selected for their public purpose. He referred to the fiscal aspect of the transfer. He maintained that the purpose is not to fully fund the University. He spoke strongly against the liquidation of State lands as contained in HB 130.

HB 130 was HELD in Committee for further consideration.
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[3:08:00 PM](#)

ADJOURNMENT

The meeting was adjourned at 3:08 P.M.