

**ALASKA STATE LEGISLATURE  
HOUSE RESOURCES STANDING COMMITTEE**

March 4, 2005

1:07 p.m.

**MEMBERS PRESENT**

Representative Jay Ramras, Co-Chair  
Representative Ralph Samuels, Co-Chair  
Representative Jim Elkins  
Representative Carl Gatto  
Representative Gabrielle LeDoux  
Representative Paul Seaton  
Representative Harry Crawford  
Representative Mary Kapsner

**MEMBERS ABSENT**

Representative Kurt Olson

**COMMITTEE CALENDAR**

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."

- MOVED CSHB 130 (RES) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HB 130

SHORT TITLE: UNIVERSITY LAND GRANT/STATE FOREST

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

02/07/05	(H)	READ THE FIRST TIME - REFERRALS
02/07/05	(H)	RES, FIN
02/09/05	(H)	RES AT 1:00 PM CAPITOL 124
02/09/05	(H)	Heard & Held
02/09/05	(H)	MINUTE(RES)
02/14/05	(H)	RES AT 1:00 PM CAPITOL 124
02/14/05	(H)	Heard & Held
02/14/05	(H)	MINUTE(RES)
02/16/05	(H)	RES AT 1:00 PM CAPITOL 124
02/16/05	(H)	Heard & Held
02/16/05	(H)	MINUTE(RES)
03/02/05	(H)	RES AT 1:00 PM CAPITOL 124
03/02/05	(H)	Heard & Held

03/02/05 (H) MINUTE(RES)  
03/04/05 (H) RES AT 1:00 PM CAPITOL 124

**WITNESS REGISTER**

DORIS BAILEY, Assembly Member  
City and Borough of Sitka  
Sitka, Alaska  
POSITION STATEMENT: Testified in opposition to HB 130.

VALERY MCCANDLESS, Mayor  
Wrangell, Alaska  
POSITION STATEMENT: Testified in opposition to HB 130.

STACEY FRITZ, Student  
University of Alaska  
Fairbanks, Alaska  
POSITION STATEMENT: Testified in opposition to HB 130.

DEB SPENCER, Co-owner and Manager  
Shoreline, Inc.  
Pelican, Alaska  
POSITION STATEMENT: Testified in opposition to HB 130.

JOHN BURKE, General Manager  
Southern Southeast Regional Aquaculture Association (SSRAA)  
Ketchikan, Alaska  
POSITION STATEMENT: Testified in favor of removing Neets Bay  
from HB 130.

STACY STUDEBAKER  
Kodiak, Alaska  
POSITION STATEMENT: Testified in opposition to HB 130.

TED SMITH, Mayor  
Petersburg, Alaska  
POSITION STATEMENT: Testified in opposition to HB 130.

MARK VINSEL, Executive Director  
United Fishermen of Alaska  
Juneau, Alaska  
POSITION STATEMENT: Testified in opposition to HB 130.

RON SCHONENBACH, Retired Employee  
Division of Mining, Land and Water  
Department of Natural Resources  
Juneau, Alaska

POSITION STATEMENT: Testified in opposition to HB 130.

JOE BEEDLE, Vice President for Finance  
Chief Financial Officer and Treasurer Trustee  
Land Grant Endowment Fund  
University of Alaska  
Fairbanks, Alaska

POSITION STATEMENT: Testified in favor of HB 130 and against the changes in the committee substitute (CS).

REBECCA MCGUIRE, Graduate Student  
University of Alaska  
Fairbanks, Alaska

POSITION STATEMENT: Testified in opposition to HB 130.

ROSEMARY MCGUIRE  
Fairbanks, Alaska

POSITION STATEMENT: Testified in opposition to HB 130.

MIKE REEVES  
Hollis, Alaska

POSITION STATEMENT: Testified on problems with HB 130.

ROBERT LOEFFLER, Director  
Division of Mining, Land and Water  
Department of Natural Resources (DNR)  
Juneau, Alaska

POSITION STATEMENT: Answered questions regarding HB 130.

LORI MASTRELLA  
Port Alexander, Alaska

POSITION STATEMENT: Testified in opposition to HB 130.

MONA CHRISTIAN  
Petersburg, Alaska

POSITION STATEMENT: Testified in opposition to HB 130.

STEVE JOHNSON  
Kiksadi Tribal Clan  
Sitka, Alaska

POSITION STATEMENT: Testified in opposition to HB 130.

LEIGH GERBER, Member  
Ketchikan Chamber of Commerce  
Ketchikan, Alaska

POSITION STATEMENT: Testified in opposition to HB 130.

CHARLIE PIERCY

Ketchikan, Alaska

POSITION STATEMENT: Testified in favor of removing Neets Bay from HB 130.

DEEDIE PEARSON

Kodiak, Alaska

POSITION STATEMENT: Testified in opposition to HB 130.

JULIE HURSEY

Petersburg, Alaska

POSITION STATEMENT: Testified in opposition to HB 130.

MIKE LITZOW

Kodiak, Alaska

POSITION STATEMENT: Testified in opposition to HB 130.

DENNIS ROGERS

Petersburg, Alaska

POSITION STATEMENT: Testified in opposition to HB 130.

BOB LESHER

Pelican, Alaska

POSITION STATEMENT: Testified in opposition to HB 130.

NORM CARSON

Pelican, Alaska

POSITION STATEMENT: Testified in opposition to HB 130.

MIKE SALLEE

Ketchikan, Alaska

POSITION STATEMENT: Testified in opposition to HB 130.

MIKE ROUND

Ketchikan, Alaska

POSITION STATEMENT: Testified in favor of removing Neets Bay from HB 130.

KEN DUCKETT

United Southeast Alaska Gill Netters

Juneau, Alaska

POSITION STATEMENT: Testified in favor of removing Neets Bay from HB 130.

JIM SLATER

Pelican, Alaska

POSITION STATEMENT: Testified in opposition to HB 130.

CHRIS HOWARD

Pelican, Alaska

POSITION STATEMENT: Testified in favor of HB 130.

MYRL THOMPSON

Susitna Valley, Alaska

POSITION STATEMENT: Testified in opposition to HB 130.

JIM POUND, Staff

to Representative Jay Ramras

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Answered questions regarding an amendment offered by Representative Ramras.

#### **ACTION NARRATIVE**

**CO-CHAIR RAMRAS** called the House Resources Standing Committee meeting to order at [1:07:06 PM](#). Representatives Samuels, Seaton, Elkins, Ramras, Gatto, Crawford, and Kapsner were present at the call to order. Representative LeDoux arrived as the meeting was in progress. Representatives Bill Thomas and Peggy Wilson were also present.

#### HB 130-UNIVERSITY LAND GRANT/STATE FOREST

CO-CHAIR RAMRAS announced that the only order of business would be 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."

CO-CHAIR SAMUELS moved to adopt committee substitute (CS) HB 130 labeled 24-GH1034\G, Bullock, 3/4/05, as a work draft. [No objection was stated, and the committee treated Version G as before it.]

CO-CHAIR RAMRAS said the committee will take public testimony in increments of two minutes, and try to vote the bill out today.

REPRESENTATIVE CRAWFORD objected for purposes of discussion. He said he was told that the land selections were set in stone, and he wanted to know how the changes in the CS came about.

REPRESENTATIVE ELKINS said he fought long and hard on HB 130 and is pleased that the committee is close to moving it. He said he is supportive of Representative Crawford, and now that he and

some others have what they want, he is embarrassed that Representative Crawford's concerns were not addressed.

CO-CHAIR SAMUELS said most public complaints are taken care of. He added that he thought the community of Kodiak should buy the rocket launch site. He opined that the committee essentially made parks out of all the lands that were removed from HB 130. He said he agrees with the watershed-related changes. He thinks the committee "listened to the public process," including personal attacks directed at Co-Chair Ramras.

REPRESENTATIVE LEDOUX thanked the co-chairs for eliminating the Kodiak parcel from HB 130.

REPRESENTATIVE ELKINS said he did not remember any testimony on Lena Point.

REPRESENTATIVE CRAWFORD noted there was a lot of testimony by the public, the committee, and other members of the legislature. This CS came from somewhere, but he said he did not know how it was negotiated. Representative Wilson's concerns weren't addressed in it, he said, and he would like to know how the CS came about.

REPRESENTATIVE SEATON said there is nothing that puts any lands into a park status--they are fully developable by DNR through a public process. "We have not put any restriction on this land," he added.

CO-CHAIR RAMRAS said that Lena Point was in the original bill and was deleted because of ingress and egress problems. "We approached Representative Weyhrauch, and our intention in the resource committee was to get a bill that we thought would be able to move out of resources and through finance, and make it to the house floor." He said that Representative Weyhrauch sits on finance and wanted his concerns on behalf of his constituents in Southeast. DNR's letter dated March 3, 2005, references Lisianski Point and Biorka Island, he added. He said he didn't want the finance committee to "listen to constituents and try to extract land parcels." He said the resource committee listened to two constituent groups, the public who called in, and the members of the committee. He said he got together with the co-chair and staff to make it work, and "we will deliver 97.12 percent of the land the university requested." If there is a suggestion of chicanery or anything less than sunshine, he will stand by the bill, and he anticipates getting some heat from the administration and the university. He said he wants to get on

with the people's business and not clog up the committee with HB 130 for another two or three weeks.

REPRESENTATIVE CRAWFORD said he would have liked to have input, but "the minority is the minority." He removed his objection.

CO-CHAIR RAMRAS explained that in the CS, page 5, lines 27-28, covers the issue of access and it allows DNR to protect trails, easements, and miscellaneous errors. He said page 7, lines 21-24, corrects omissions and errors like were found in Hollis and "perhaps Tenakee." On pages 7-8, lines 28-31, acreage is extracted from the bill based on concerns by the public and Representatives Wilson, LeDoux, and Elkins. He said that on page 8, lines 11-29, the CS addresses an amendment for public notice and process, and on page 10, lines 16-22, the municipal entitlement process is addressed.

[1:24:24 PM](#)

CO-CHAIR RAMRAS said he will offer an amendment for logging interests in his district.

[1:25:17 PM](#)

DORIS BAILEY, Assembly Member, City and Borough of Sitka, said the assembly had an emergency meeting to unanimously oppose the transfer of HB 130 parcels that are within the borough, with the exception of the Japonski Island parcel. She said that using the term "not in my back yard," is an excuse not to "consider the very strong and loud protests you have heard from Southeast Alaska." She noted that the bill is intended to transfer "viable commercial property" appropriate for development, which would provide funds to the university. She explained that the university already controls 680 acres in Sitka, and the Alaska Mental Health Trust controls substantial acreage, so she said the community is "already shouldering more than its share" of trust lands. She questioned whether the university will accept local land-use controls. Biorka Island is 16 miles into the Pacific Ocean and impossible to get to for days at a time, and it is near a heavily used fishery. The possibility of a lodge could put pressure on that fishery and on Goddard Hot Springs.

[1:28:25 PM](#)

MS. BAILEY said that Biorka Island contains navigational aids, including two radars and other communication equipment, and she asked if the Federal Aviation Administration has been contacted.

She said that she is "amazed" that the university would want land that has a specific encumbrance. Middle Island now has many homes and cabins, and "the entire developable beachfront of Middle Island is targeted for residential and recreational uses and has already been selected. The university would acquire two beachfront areas, one which is very steep and one that that runs dry at low tide. The center of the island is steep and rocky...

CO-CHAIR RAMRAS asked Ms. Bailey to "wind it up."

MS. BAILEY concluded that development is not appropriate on the parcels in HB 130. She said the city needs land for building residential units, and the university owns a large parcel that the city "has coveted for residential-building use for many years." She mentioned the cost of utilities, and her testimony was cut off.

[1:30:57 PM](#)

REPRESENTATIVE CRAWFORD said he tried to give Ms. Bailey's concerns "a voice," but decisions were made without it.

[1:31:16 PM](#)

VALERY MCCANDLESS, Mayor, Wrangell, said the Wrangell city council has not taken an official position on HB 130. She added that the city will make its position on Olive Cove, Thoms Place, and Earl West Cove known in a few weeks.

[1:32:02 PM](#)

STACEY FRITZ, Student, University of Alaska, Fairbanks, said that it was wonderful that the concerns of the public regarding Narrow Cape on Kodiak Island were considered. She added that funding the university is important and she feels terrible opposing support, but "this type of support" has conflicts and provides little funding. She noted that it is a land grant university, but the land grant act was passed about 150 years ago and she questions how applicable it is in today's world. The land transfer could provide only 2.5 percent of the university's annual funding, but only if it is managed perfectly with no problems. She questions whether the potential environmental degradation and stress to small communities is worth it.

[1:34:24 PM](#)

DEB SPENCER, Co-owner and Manager, Shoreline Inc, Pelican, said she compared land selections in Lisianski Inlet with the parcels identified in DNR's Northern Southeast Area Plan, and she said that the parcels in HB 130 are categorized as recreational: not to be sold to individuals and to remain in their current state. The areas designated in the area plan for settlement are only for residential and private use. The university will not have to follow the plan. People worked very hard on the area plan...

[1:36:00 PM](#)

CO-CHAIR RAMRAS told her that her two minutes were up.

MS. SPENCER continued to note that her business has a tideland permit to anchor her scow off lands in HB 130. The business has held the permit for over 20 years, and the land transfer will displace her business which buys fish from over 100 vessels. She speculated that the parcels that were removed from HB 130 were in the district from a house resource member or had a high proportion of testimony, and she pointed out that only one person was allowed to testify from Pelican in spite of many attempting to.

[1:37:27 PM](#)

REPRESENTATIVE KAPSNER asked how the land transfer will hurt Ms. Spencer's business.

MS. SPENCER said she has a fish-buying scow anchored three months each year, and after the university owns the adjacent land, she will not have any right to be there.

REPRESENTATIVE KAPSNER asked what her family would do.

MS. SPENCER said it was her family's main source of income so they would scramble to find another place to anchor the scow.

[1:38:51 PM](#)

JOHN BURKE, General Manager, Southern Southeast Regional Aquaculture Association (SSRAA), said he is against transferring Neets Creek to the university, so he supports the amended version of HB 130. He told the committee that conversations with the university that were designed to lessen SSRAA's concerns about the land transfer have only heightened the organization's concern. The university told him that the sole

purpose of owning the property would be to generate revenue. He said SSRAA agrees with the principle of privatization of public lands but the cost may be too great with this land. SSRAA programs generate approximately \$30 million in the local economy annually, he added.

[1:40:41 PM](#)

STACY STUDEBAKER, Kodiak, thanked the committee for being responsive to Kodiak's concerns and eliminating the rocket launch site from HB 130. She supports the university and is an adjunct faculty, but she is "having trouble with this bill." It is not a good way to fund the university for more reasons than she says she has time to discuss. She said the original bill would have given the university a bad name. She added that Kodiak has very little public land for recreation and that Narrow Cape is the choicest accessible recreational land. She concluded that the bill was on a fast track with no input from affected communities.

[1:43:22 PM](#)

CO-CHAIR RAMRAS said, "We are not funding the university...we are fulfilling a contract between the State of Alaska and the university...the lands have to come from somewhere and they have to have some value...we can't simply transfer over frozen tundra."

[1:44:11 PM](#)

TED SMITH, Mayor, Petersburg, is disturbed that HB 130 disregards DNR's Central Southern Southeast Area Plan that was a product of over two years of hard work by the state, federal agencies, local governments, interest groups, and the public. Fast-tracking HB 130 does not allow people to analyze the impacts of the land transfers, he said, and the affected public should have ample opportunity to review and comment on it. He added that the Sitka Access Study identifies the Warm Springs Bay parcel as a ferry terminal site. State agencies, such as the Department of Transportation & Public Facilities, were not involved in the land selections. He added that Petersburg is getting pressure to form a borough, and one of the few remaining enticements for forming a borough is the ability to acquire unencumbered land. "There's virtually no remaining unencumbered state land that could be transferred to a borough," he said, and the City of Petersburg will send a resolution and letter in opposition to HB 130.

[1:46:25 PM](#)

MARK VINSEL, Executive Director, United Fishermen of Alaska, said his organization has strong concerns regarding the Neets Creek parcel, and he appreciates the CS.

RON SCHONENBACH, retiree, Division of Mining, Land and Water, Department of Natural Resources, said that he was involved in land selections in Southeast for many years. He said it is shocking that such a vast majority of the HB 130 land selections are in Southeast, affecting 13 different communities, when there is such a large land base throughout the state. He opposes conveying wildlife habitat, settlement lands, and public recreation lands to the university. He noted that all witnesses commented that DNR did a tremendous job on the area plans, and the plans should be honored by retaining wildlife and recreation lands in state hands. He believes it is short sighted to convey the settlement lands to the university, which should be sold in a land disposal program to the public. He said that once DNR issues a quitclaim deed, the area plan has no meaning or relevance to the university, and the public is betrayed. It "paints a very ugly picture for DNR because they lose trust in DNR," he said. He concluded that there is nothing magical about the number of acres in HB 130, it could be any number, and the legislature can fix SB 7 and include fewer acres. There is a "terrible misconception" that the university will obtain long-term revenue from these lands, because the best state lands have already been conveyed to others.

[1:50:33 PM](#)

MR. SCHONENBACH said it is appropriate that the university gets some land, but the committee needs to sit back and look at what the public is saying and not rubber stamp what the governor has proposed. There is no urgency, he said, and he is happy to see the CS, but there are additional changes needed.

[1:51:37 PM](#)

JOE BEEDLE, Vice President for Finance, Chief Financial Officer and Treasurer Trustee, Land Grant Endowment Fund, University of Alaska, Fairbanks, said that he hopes there is land to replace the land parcels removed from HB 130 or else that there will be an opportunity to put the parcels back in the bill. He is concerned that the trend is for removal of land that witnesses have concerns about.

REPRESENTATIVE ELKINS has a conceptual amendment to add a parcel to HB 130 that was in SB 7: 3,000 acres north of Tok near the Canadian border.

MR. BEEDLE said that the property did not have an income value as good as others.

REPRESENTATIVE ELKINS said he won't introduce it.

[1:54:43 PM](#)

REBECCA MCGUIRE, Graduate Student, University of Alaska, Fairbanks, said she wants a well-funded university system but she is concerned with HB 130 because it is removing public involvement and gives the university a bad name. People are cut off after two minutes, when they obviously have more to say, she said.

ROSEMARY MCGUIRE, Fairbanks, said she is speaking for a large number of families that are involved in the university as faculty, staff, or students, and they are united in the belief that the university lands bill is bad for the state and for the university. The bill will not generate much income for the university, she said, but it may keep the state from granting future funds. The bill treats Alaska's people unethically, because communities are given very little time to respond to a bill that has been in preparation for over a year. Many communities may be affected strongly and adversely, she said, and her primary concern is losing the right to public process. She said she heard Mary Montgomery attempting to assuage the fears of the loss of the public process, but it is disingenuous because the bill specifically eliminates the process. The bill is not so much a plan to fund the university but it is a transparent plan to develop public lands without public sanction.

[1:57:36 PM](#)

REPRESENTATIVE SEATON told Ms. McGuire to look at the CS on page 8, line 10, which addresses the public notification process. He said that he is comfortable that it has been addressed.

MS. MCGUIRE said that her group has been looking at that, and it doesn't solve the problem.

MIKE REEVES asked the status of the Hollis area mapping error.

ROBERT LOEFFLER, Director, Division of Mining, Land and Water, Department of Natural Resources, Juneau, said the CS allows DNR to fix mapping errors.

[1:59:39 PM](#)

LORI MASTRELLA, Port Alexander, said she has been listening to all the hearings on SB 130, and this is the first time she has been able to speak, and she knows that there are more people who might not get that opportunity. She noted that there is so much overwhelming negative testimony, and the amendments are not enough. The bill goes too far too fast, and a couple of band-aids will not make bad legislation good legislation.

[2:00:51 PM](#)

MONA CHRISTIAN, Petersburg, Alaska, said she owns property that is in SB 130. Although DNR told her it would get fixed, she said property owners elsewhere encountered a similar problem and it took several years to clarify. She noted that SB 130's map shows the conveyance of beachfront land, and that is already privately owned. Most of land actually being offered is 1,200 feet off the beach in swampy habitat. The parcel is 27 miles by water from Petersburg, and there are no building codes, zoning, utilities, or fire protection. Land was recently offered in that area, she said, only 13 parcels of 40 were even bid on, and last year there were 28 parcels offered by the university and only two were bid on, she said. Dumping volumes of property on the market depresses land values and takes away from future borough selections. Most importantly, she said, the state needs to responsibly fund education in Alaskan.

[2:03:12 PM](#)

CO-CHAIR RAMRAS told her to look at section 9 of the CS, which takes unorganized boroughs into account.

STEVE JOHNSON, Kiksadi Tribal Clan, Sitka, said that Lisianski Peninsula is adjacent to a Native allotment and a fish camp where children learn cultural traditions. The land to be given to the university has house pits and significant cultural sites, he added. Mr. Johnson said Biorka Island was owned by a famous man in Tlingit history, and his house is still there. His land was taken by the military with a promise to give it back, and that promise is yet to be fulfilled. Next to that allotment was

Mr. Johnson's great grandfather's house, and his grave is still there, he said. The Kiksadi clan is opposed to HB 130.

[2:05:09 PM](#)

CO-CHAIR SAMUELS said that he thought those issues have been taken care of, and that it is in the Bureau of Land Management's hands.

CO-CHAIR RAMRAS said that Mr. Loeffler is "nodding his head."

REPRESENTATIVE WILSON said she is uncomfortable because the federal government moves so slowly and cultural effects could be destroyed by then. She asked DNR if it will wait before conveying the land.

MR. LOEFFLER said the "potential conflict for Native allotments are for Biorka Island. That area has been excluded from our TA [the land tentatively approved to the state]. If Mr. Walton reinstates a portion of his allotment which was denied by BLM, and they approve it, it is automatically excluded from our TA." Regarding developing it with that cloud on title, he said, "The answer is we would probably try to work with BLM so they get their answer before we convey it to the university. Should that not be possible, we would probably convey it with the exclusion." He said the land is not developable until the cloud on a title is lifted, which could take three or four years or more.

REPRESENTATIVE WILSON said there were a lot of *ifs*.

MR. LOEFFLER noted that there is other state land where the state knows there is a Native allotment, and DNR knows it is not ethical to sell land with a cloud on the title, so it doesn't. "I have no doubt that the university would be the same way," he said. He added that if the state gives the land to the university, it will have no affect on whether Mr. Walton gets his land from BLM.

REPRESENTATIVE WILSON asked if the university will be under the same rules as the state.

MR. LOEFFLER replied, yes, Mr. Walton's ownership is excluded from the title. If Mr. Walton's claim prevails, whatever land is included will be his.

CO-CHAIR SAMUELS suggested the bill could be worded to say the land will be conveyed to the university when the title is clear.

MR. LOEFFLER said, "It wouldn't matter one way or the other because we can't convey what we don't own."

REPRESENTATIVE WILSON said she is satisfied.

LEIGH GERBER, Ketchikan Chamber of Commerce, said the chamber supports the removal of Neets Bay from HB 130, and it passed a resolution on it.

[2:11:35 PM](#)

CHARLIE PIERCY, Commercial Fisherman, Ketchikan, stated that he supports removing Neets Bay from SB 130 because a third of his income comes from that hatchery. He said that he has two children at the University of Alaska, and, "I would much rather catch a fish and pay their way than have them come steal my livelihood."

DEEDIE PEARSON, Kodiak, said, "I hope you hear the sigh of relief from Kodiak to have the rocket launch area removed." She said she came to Kodiak in 1941, and there is a lack of recreational area for the people of Kodiak; Narrow Cape is "about the only open land for recreating." She cautioned that the committee's decisions "have a very long-reaching effect for generations to come." She said there is a viable cattle ranch at Narrow Cape. She thanked the committee.

[2:13:33 PM](#)

JULIE HURSEY, Petersburg, stated that she was very glad to hear about the exemptions in the CS, but she is still concerned about remote sites that were designated as "R.U." in DNR's area plans, including Sanford Cove, Endicott Arm, Whitney Island, Reed Island, and Mite Cove. It took several years to develop the plans, and those areas should be removed, and she asked the committee not to rush the bill out.

CO-CHAIR RAMRAS reminded Ms. Hursey that the resource committee "is only the first stop," for the bill.

[2:15:38 PM](#)

MIKE LITZOW, Kodiak, said he is part of a group of residents who have been circulating a petition for continued public access to

Narrow Cape. After Co-Chair Ramras told him he had succeeded, Mr. Litzow said he would continue circulating the petition because that is what the group told people they would do, and he wants to show the local support for continued access to that parcel in the future.

DENNIS ROGERS, Petersburg, said he applauds the committee for removing the Warm Spring Bay parcel. He suggested the process for land selections be reviewed, and it should have involved the public more in the beginning.

[2:18:00 PM](#)

BOB LESHNER, Pelican, questioned why this land grant proposal became the funding source for the university. He said that the lack of public hearings suggests that another agenda was being served. There are \$30 billion in the state's permanent fund, and he asked why that money wasn't considered. He added that HB 130 is a statewide issue, and the solution should be shared by everyone. He stated "the best solution means a contribution from our Permanent Fund Dividends. This income is a great windfall we did not earn. What better way to demonstrate our direct support for such a worthy program? If we do not accept this reasoning, why should we direct a land-grant solution to targeted regions to solve this issue?" He said according to Mr. Beedle, the university would realize \$5 million annually; "our average permanent fund dividends could be reduced by less than one percent and would match that amount." He concluded that his region wants "the right to determine paths to a vision of our area's development."

[2:19:55 PM](#)

CO-CHAIR RAMRAS said the land grant commitment precedes statehood and the permanent fund.

MR. LESHNER asked why that should be set in stone. "If it is a matter of money, shouldn't other sources be investigated?"

[2:20:33 PM](#)

NORM CARSON, Pelican, said that SB 130 is a tragic bill; it takes large parcels out of his community. He said the South Lisianski parcel is 280 acres, and DNR lots that have been sold in the past have been three acres. He added that he knows the parcel well, and there are less than eight buildable lots on it. He suggested that either DNR is misleading the university or the

university has plans to sell huge parcels that only speculators or land barons can buy. The average Alaskan will not be able to participate. Trust and respect for the university and DNR has been tarnished, he said. More effort should be spent looking at other ways to fund the university. He stressed that the development of HB 130 should have involved communities; instead, people got maps on a web site three days before the first hearing. "This bill is heavy-handed and demonstrates why the public rightfully suspects bureaucratic institutions." He concluded that the bill should be dropped, or else DNR should start over and involve the public "on day one--not at the end."

[2:22:50 PM](#)

MIKE SALLEE, Ketchikan, thanked Representative Elkins for getting Neets Bay extracted from HB 130; however, the bill was ill conceived from the start. He said he has doubts that the university deserves the land especially since federal lands will combine to produce close to 3/4 million acres. He is concerned with the Moser Bay parcel which will likely be an unsightly timber harvest. The committee has made some valuable amendments to HB 130, but it needs to go back to a public process. He said he spent many, many hours on the DNR area plans, and that process is not perfect but it has the HB 130 process beat by far.

[2:24:46 PM](#)

MIKE ROUND, Ketchikan, said he commends Representative Elkins for taking Neets Creek out of HB 130.

KEN DUCKETT, Executive Director, United Southeast Alaska Gill Netters, said he echoes Mike Round's comments.

[2:25:54 PM](#)

JIM SLATER, Pelican, said the community has sent several letters, and the majority of the town signed a petition. They are concerned "that such a huge percentage of land is being transferred related to the amount of existing private land." The impact of transferring 1,000 acres in Lisianski Inlet is significant. He added that Mite Cove should be removed from the bill and the parcel at Sunnyside should be reduced.

[2:27:03 PM](#)

CHRIS HOWARD, Pelican, said that the university will be a good steward of the Mite Cove land. He said there are two schools that are boarded up, and HB 130 will help the economy.

MR. JOHNSON offered a follow-up comment from his previous testimony. He said that Biorka Island has high levels of military contamination including PCB, lead, and diesel. He said that Middle Island has petroglyphs and it is one of the few areas that subsistence harvesters can go to get herring eggs.

MYRL THOMPSON, Susitna Valley, said he spoke to people in the Willow area, and no one is against land for settlement, but they are against land going to the timber industry which is currently clear cutting, chipping trees, and barging it all to Korea. He said there is a lot of opposition. He ended by saying that politics breaks down into two words: poly, which means many, and tics, which means bloodsuckers.

[2:29:55 PM](#)

CO-CHAIR RAMRAS closed public testimony. He said the committee has heard every single person who wanted to testify today.

The committee took an at-ease from 2:30 p.m. to 2:34 p.m.

[2:34:17 PM](#)

CO-CHAIR SAMUELS moved to adopt Conceptual Amendment 1 as follows: Lisianski Peninsula and Biorka Island lands will not be conveyed from DNR until titles are clear. Hearing no objection, Amendment 1 was adopted.

[2:35:11 PM](#)

CO-CHAIR RAMRAS said he would like to offer Amendment 2, which read [with oral changes]:

Page 10, line 13:  
Delete "and"

Page 10, line 14, following "(4)":  
Insert "has determined, following notice and any public comment, that the land is not considered by local businesses to be commercially viable for future timber harvest resource development and that disposal of the land will not interfere with that future development; and

(5)"

CO-CHAIR SAMUELS objected and asked for an explanation.

CO-CHAIR RAMRAS read Amendment 2, and said that the committee heard concerns from "lumber interests in the Fairbanks area who harvest timber and use it locally, not for export, and they don't want to be circumvented from being able to have access to the boreal forest and any surrounding areas."

REPRESENTATIVE SEATON asked if a local business can it halt the university's transaction even if it doesn't commit to harvesting the associated timber.

JIM POUND, Staff to Representative Ramras, Alaska State Legislature, responded, "What this has to do with, is that there's a clause in the bill that allows for land swaps, and there was concern in the boreal in particular up on the Nenana Ridge, an area...that is considered relatively prime timber for that part of the state for the local mills. There was a concern that the university may decide to land swap that out for something else, and they wanted to make sure that that could be maintained for timber harvest before a swap was done with other land, and its just part of the public process--they're allowed to chime in and keep our mills open, unlike what's happening in Southeast."

REPRESENTATIVE SEATON asked if it is possible to just veto the swap or disposal and not actually harvest the timber.

MR. POUND said, "As I understand it...it has to do with swapping land, and part of the public process that they will have, yes they probably will have a little more say if that land is being harvested for timber than other stakeholders may."

REPRESENTATIVE SEATON asked for Mr. Loeffler's comments.

MR. LOEFFLER said he has not seen the amendment.

[2:40:10 PM](#)

The committee took an at-ease from 2:40 p.m. to 2:44 p.m.

[2:44:14 PM](#)

CO-CHAIR RAMRAS withdrew Amendment 2 and made it into Conceptual Amendment 2, and he said, "On page 10, line 14, that we insert

"has determined following notice and any public comment that the land is not viable for timber harvest or that disposal of the land will not interfere with that development, and concludes that it is in the best interest of the university to disestablish some or all of that research forest."

REPRESENTATIVE LEDOUX objected for discussion purposes, and she asked what the future development is that won't be interfered with.

CO-CHAIR RAMRAS asked Mr. Pound to help him.

MR. POUND said he believes that the word future is being deleted, and the development "would reference back to timber harvest development."

REPRESENTATIVE LEDOUX said, "So if it's determined that the land is not commercially viable, and that its disposal will not interfere with timber harvest development, then the land can be sold off, is that the idea?"

MR. POUND said yes, and he suggested Co-Chair Ramras leave the word "commercially" in the amendment because there are two types of timber--commercial and not.

REPRESENTATIVE SEATON suggested changing the wording so it says "will not interfere with commercial timber harvest."

REPRESENTATIVE GATTO asked if there is an official definition of "commercial."

MR. POUND said Mr. Loeffler believes DNR has a definition.

REPRESENTATIVE GATTO said that since Amendment 2 is conceptual, the committee does not need the language.

REPRESENTATIVE LEDOUX withdrew her objection, and thereby, conceptual Amendment 2 carried.

[2:50:01 PM](#)

CO-CHAIR SAMUELS said Co-Chair Ramras has done an excellent job, with a lot of grace in spite of people being "overwhelmingly abusive." He said he believes HB 130 helps the university and gets more lands into private hands. He said lands will remain controversial, and gas rights will likely be argued as well.

[2:50:59 PM](#)

REPRESENTATIVE LEDOUX seconded Co-Chair Samuel's remarks about Co-Chair Ramras, and she said she views HB 130 as an example of the public process working. She said, "There were two very controversial pieces of land, the public let us know where they stood on that." Everyone was heard and the end result was that several controversial parcels were taken out of the bill. It is an example of how this legislature works, she said.

REPRESENTATIVE ELKINS said this CS addresses most of the problems, and it is a far better bill. He concluded that he wants to wait until Monday to move the bill because the committee has already been accused of fast tracking it, and the committee did say it was going to move the bill Monday.

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REPRESENTATIVE SEATON said he appreciated clearing up the right-of-way and public notice provisions of HB 130.

CO-CHAIR RAMRAS responded that he appreciates the kind words and he feels bad "we didn't have time to give the public as much time as they want to unwind on this." He noted that the committee had thought it could agree on 250,000 acres of the 260,000-acre list. "With Amendment 1, we have withdrawn 9,000 acres." He added that since public testimony is closed and the public will be able to continue commenting while the bill is in house finance and on the floor, he doesn't feel the committee is violating the public trust by passing HB 130 today. The CS meets much of the public concern, he said, and he feels comfortable moving the bill today.

[2:54:55 PM](#)

REPRESENTATIVE SEATON moved to report CSHB 130, labeled 24-GH1034\G, Bullock, 3/4/05, as amended, out of committee with individual recommendations and the accompanying fiscal notes. Hearing no objection, CSHB 130(RES) was moved out of committee.

[2:55:24 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 2:55 p.m.