

MINUTES
SENATE FINANCE COMMITTEE
May 3, 2006
9:13 a.m.

CALL TO ORDER

Co-Chair Lyda Green convened the meeting at approximately [9:13:13 AM](#).

PRESENT

Senator Lyda Green, Co-Chair
Senator Gary Wilken, Co-Chair
Senator Con Bunde, Vice Chair
Senator Fred Dyson
Senator Bert Stedman
Senator Lyman Hoffman
Senator Donny Olson

Also Attending: REPRESENTATIVE NORMAN ROKEBERG; REPRESENTATIVE REGGIE JOULE; HEATHER NOBREGA, Staff to Representative Rokeberg; SUSAN PARKES, Deputy Attorney General, Criminal Division, Department of Law; BEN MULLIGAN, Staff to Representative Bill Stoltze; IAN FISK, Staff to Representative Bill Thomas; LINDA MILLER, Staff to Representative Peggy Wilson; FRANK HOMAN, Commercial Fisheries Entry Commission; LINDA HALL, Director, Division of Insurance, Department of Commerce, Community and Economic Development;

Attending via Teleconference: From Anchorage: MIKE ERICKSON, Alaska ATV Club; ERIC UHDE, Alaska Center for the Environment; TODD CLARK, Alaska Outdoor Access Alliance; From an offnet location: CARRIE GRAY-WOLFE; BRITT LIVELY, Butte Area Residents Civic Organization; DICK MYLIUS, Acting Director, Division of Mining, Land and Water, Department of Natural Resources; MARTY FREEMAN, Forest Resources Program Manager, Division of Forestry, Department of Natural Resources; GLEN JUDAY, Professor of Forestry, School of Natural Resources, University of Alaska, Fairbanks; BOB SWENSON, Acting Director, Division of Geological and Geophysical Surveys, Department of Natural Resources; MARK FOSTER, Registered Professional Engineer; From Mat-Su: CLIFF JUDKINS, Alaska Boating Association; CECILY FRITZ, Knik River Watershed Group; ROD ARNO, Executive Director, Alaska Outdoor

Council; LYNN WOODS, Assembly Member, Mat-Su Borough; GENE KISSEE; From Sitka: PETER ESQUIRO, General Manager, Northern Southeast Regional Aquaculture Association

SUMMARY INFORMATION

HB 441-THERAPEUTIC COURT FOR DUI

The Committee heard from the sponsor. An amendment was adopted and the bill was reported from Committee.

HB 307-KNIK RIVER PUBLIC USE AREA

The Committee heard from the sponsor, user organizations, area residents and other members of the public. The bill was held in Committee.

HB 218-PRIVATE HATCHERY COST RECOVERY FISHERIES

The Committee heard from the sponsor and an industry organization. Two amendments were adopted and the bill was reported from Committee.

HB 420-FOREST RESOURCES & PRACTICES STANDARDS

The Committee heard from the Department of Natural Resources and the bill was reported from Committee.

HB 484-FISHERY ASSOCIATION REIMBURSEMENT

The Committee heard from the sponsor and the Commercial Fisheries Entry Commission. The bill was held in Committee.

HCR 30-AK CLIMATE IMPACT ASSESSMENT COMMISSION

The Committee heard from the sponsor, the Department of Natural Resources, a scientific expert, and a professional engineer. An amendment was adopted and the resolution was held in Committee.

#HB441

[9:13:36 AM](#)

SENATE CS FOR CS FOR HOUSE BILL NO. 441(JUD)

"An Act relating to criminal sentencing; relating to operating or driving a motor vehicle, aircraft, or watercraft while under the influence; relating to court-ordered treatment programs for certain offenders and offenses; amending Rule 35, Alaska Rules of Criminal Procedure; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

REPRESENTATIVE NORMAN ROKEBURG, sponsor of this bill, characterized it as a compilation of the therapeutic court program.

[9:14:57 AM](#)

Amendment #1: This amendment inserts "as defined in AS 28.35.028(h)" to AS 12.55.155(d)(17), amended in Section 1, on page 1, line 11. The amended language reads as follows.

(17) except in the case of an offense defined by AS 11.41 or AS 11.46.100, the [OR A] defendant [WHO] has [PREVIOUSLY] been convicted of a class B or C felony, and [THE DEFENDANT], at the time of sentencing, [IS ACTIVELY PARTICIPATING IN OR] has successfully completed a court-ordered [STATE-APPROVED] treatment program as defined in AS 28.35.028(h) that [IS RELEVANT TO THE OFFENSE AND THAT] was begun after the offense was committed;

New Text Underlined [DELETED TEXT BRACKETED]

Co-Chair Green moved for adoption.

HEATHER NOBREGA, Staff to Representative Rokeberg, explained this amendment provides a technical reference to the program definition.

Without objection the amendment was ADOPTED.

[9:15:56 AM](#)

Senator Bunde assumed that the fiscal note indicating this legislation would incur no additional cost to the State is based on the premise that those participating in the therapeutic court

program would have otherwise been processed in the regular court system.

[9:16:28 AM](#)

Representative Rokeberg clarified that the State would receive an additional \$669,000 in federal "highway funding", as a result of passed legislation sponsored by Senator Bunde relating to seatbelt use. This funding has been allocated to the establishment of therapeutic courts located in Ketchikan and Fairbanks, and to expand capacity of the Juneau program and others in the state.

Representative Rokeberg spoke to the fiscal benefits of this program. Outside consultants have testified to the legislature about the one-to-ten ratio of savings for each dollar invested in this program. The benefits of this program are reduced recidivism and "actually rescuing people's lives."

[9:18:43 AM](#)

SUSAN PARKES, Deputy Attorney General, Criminal Division, Department of Law, was available to respond to questions.

[9:18:59 AM](#)

Co-Chair Green asked the effect of this legislation; whether it would expand the therapeutic court program, codify certain practices, or have other impacts.

Representative Rokeberg replied that this bill conforms the provisions of two separate statutes. The first statute pertains to the initial pilot program addressing felony driving under the influence (DUI) charges. The other statute was enacted making the program permanent. The differing language in the two statutes inadvertently created a two-tier system. This bill would make the necessary technical changes for the program to be consistent.

[9:20:05 AM](#)

Ms. Nobrega noted that the pilot program was established in uncodified law.

[9:20:30 AM](#)

Co-Chair Green verified this legislation would make the program consistent.

Representative Rokeberg affirmed.

Co-Chair Green asked if this legislation would have the effect of increasing the number of offenders participating in the therapeutic court system.

Representative Rokeberg answered it would not. He explained that the Public Defenders Agency (PDA) and the prosecutor must agree whether an offender could enter the program. This legislation would ensure smoother operation of the program and that all positions were funded.

[9:22:05 AM](#)

Co-Chair Wilken offered a motion to report CS HB 441 (FIN), as amended, from Committee with individual recommendations and accompanying fiscal notes.

There was no objection and SCS CS HB 441(FIN) was MOVED from Committee with zero fiscal notes: #1 from the Department of Administration, Office of Public Advocacy; #2 from the Alaska Court System; #3 from the Department of Law; #4 from the Department of Administration, PDA; #5 from the Department of Corrections; #6 from the Department of Health and Social Services; and #7 from the Department of Public Safety.

#HB307

[9:22:25 AM](#)

CS FOR HOUSE BILL NO. 307(RES)

"An Act creating the Knik River Public Use Area."

This was the first hearing for this bill in the Senate Finance Committee.

Co-Chair Green announced that the Committee was operating on a limited time schedule. She directed those present at the Mat-Su Legislative Information Office to select amongst themselves

three people to testify in support of this bill and three to speak in opposition.

[9:24:07 AM](#)

BEN MULLIGAN, Staff to Representative Bill Stoltze, testified that this bill was introduced the previous year to allow the public an extended period in which to speak on the issue. Two hearings were held at a school located near the affected public use area and extensive public comments were given.

Mr. Mulligan explained that this legislation would establish a public use area, which would enact specific guidelines for the management of the area. Management would address fish and game habitat, allowable uses and incompatible uses.

Mr. Mulligan noted the House Resources Committee amended the bill to insert language pertaining to enforcement of the rules established for the public use area by the Department of Natural Resources.

[9:25:33 AM](#)

Senator Hoffman asked the number of acres and location of the proposed public use area.

Mr. Mulligan responded the public use area would contain approximately 262,000 acres.

Co-Chair Green stated the land is located in the "Butte area" of the Matanuska and Susitna valleys.

Mr. Mulligan furthered the location is the valley to the east of the butte area and the boundary would include a riverbed, the mountains to the north, to the glacier, and to the edge of the Chugiak State Park to the south.

[9:26:15 AM](#)

Senator Bunde noted the cost to establish and manage the public use area is over one-half million dollars annually. User fees have been considered to offset these costs at other State-owned parks. He asked if user fees were considered for this site.

[9:26:56 AM](#)

Mr. Mulligan answered that user fees were not considered. Public use areas are usually managed "openly for everyone to use". User fees are normally established for State recreation areas to restrict and regulate heavy use. The intent of this bill is to allow for multiple uses in the public use area. Further consideration of a user fee would be given by the Department of Natural Resources in its management of the area if deemed necessary.

[9:27:22 AM](#)

Co-Chair Green remarked that the amount of activity in this region has increased to a "crisis level" with much of the use from residents outside the local vicinity. The area is vast with abandoned vehicles, discharge of firearms and other nuisances resulting in enforcement and liability disputes. The intent of this bill is to provide an emphasis on education of proper uses rather than armed enforcement.

Co-Chair Green acknowledged a successful solution is unknown, but that this represents an attempt to address the problems. She would not oppose user fees and would support the inclusion of a letter of intent by the Committee to direct the Department to research the feasibility.

[9:29:35 AM](#)

Senator Bunde surmised the educational emphasis would be somewhat feeble and that armed enforcement personnel would be necessary. He understood the apprehension an official would have in approaching a large party to inform the people were in violation of the law. Those who do recreate in the area should bear partial responsibility for the cost of management and enforcement. He would draft a letter of intent for the implementation of user fees.

Co-Chair Green asked if this issue had been discussed in other committees hearing the bill.

Mr. Mulligan answered it had not. He would need to discuss the matter with the bill's sponsor, Representative Stoltze before offering a position.

Senator Bunde predicted the sponsor would support limited government spending.

Co-Chair Green agreed a solution could be reached.

Mr. Mulligan pointed out that the area has no gateway or primary access routes. The area is entered from many places along the highway. A user fee system could require the construction of parking lots and fee collection stations. This could create a burden in collection and enforcement of fees.

[9:31:58 AM](#)

Co-Chair Green stated that a letter of intent could address these concerns.

Co-Chair Green pointed out the fiscal note was updated to provide funding for three positions to provide oversight of the proposed public use area. The intent is to assure the area is safe for residing and recreating.

[9:33:06 AM](#)

Senator Bunde shared that he had received a letter dated May 5, 2006, from the chair of the Knik River Watershed Group [copy on file] expressing general support for the creation of the public use area, but also voicing some concerns. Given some past occurrences, the presence of one unarmed official would likely be ineffective.

Co-Chair Green understood this group is actively working to achieve a solution and to allow multiple uses of the area.

[9:34:15 AM](#)

Senator Olson asked the sponsor's view on the presence of an unarmed enforcement officer confronting users in violation of the law who themselves may be armed.

[9:34:27 AM](#)

Mr. Mulligan responded that the positions would not be enforcement but rather area management. These officers would have authority to issue citations. Department of Fish and Game

personnel have similar authority to issue citations for noncompliance with hunting and fishing laws and regulations.

[9:35:06 AM](#)

Co-Chair Green understood provisions in this legislation would allow the Department of Natural Resources to contract with other agencies to perform these duties.

Mr. Mulligan affirmed the Department could contract the duties to the Alaska State Troopers, Fish and Wildlife Protection, or the Division of Parks within the agency.

Co-Chair Green commented that potential offenders would be uncertain of which officials would be patrolling the area at a given time. Users would be less aware of whether personnel with enforcement authority in addition to citation authority could confront them.

AT EASE [9:36:11 AM](#)

[9:39:33 AM](#)

MIKE ERICKSON, Alaska ATV Club, testified via teleconference from Anchorage that the organization conducts annual clean-up events in the area. The Club's primary concern was that the area would be closed to motorized vehicles, given the already limited locations available. Most other areas open to off-road motorized vehicle access are restricted to one trail. The Knik location has many trails, which are mostly former timber and mining roads and their use causes no environmental damage. It has been featured in magazine articles and television programs as an all-terrain vehicle (ATV) recreational area and tourist destination.

Mr. Erickson deemed it unfair to impose a fee for ATV users simply for using a parking lot, while horseback riders would be levied no fee.

[9:44:20 AM](#)

CARRIE GRAY-WOLFE testified via teleconference from an offnet location in the Knik area, that this area is plagued with excessive vandalism and other problems. The proposed funding amount would be inadequate and an unarmed official would be unable to address all the issues arising from 3,000 weekend

recreators. Environmentalists are not attempting to "lock up" the area, but rather to ensure the environment and wildlife were not adversely impacted. She supported the creation of a state recreational area.

[9:47:00 AM](#)

BRITT LIVELY, Butte Area Residents Civic Organization, testified via teleconference from an offnet location in Butte that previous efforts to manage this area have been insufficient. This legislation would help but would not fully address the situation. She requested armed enforcement. She told of an instance in which fire and rescue crew were unable to enter the area to provide aid to injured child due to the vast shooting ongoing. She supported a user fee structure, surmising that recreators would be willing to pay a small amount and that the local community would benefit from the revenue. Users should not have the right to conduct any behavior that is not allowed elsewhere.

[9:52:24 AM](#)

ERIC UHDE, Alaska Center for the Environment, testified via teleconference from Anchorage, that the grass-roots conservation organization makes efforts to protect recreation lands in Alaska. Local residents must contend with excessive shooting, vandalism and other problems. While the language of this bill is strong, it does not provide for enforcement. Many situations are too dangerous for one unarmed official to handle. He supported the user fee proposal.

[9:54:57 AM](#)

TODD CLARK, Alaska Outdoor Access Alliance, testified via teleconference from Anchorage that the Alliance represents motorized vehicle recreators. Much of the use of the area is with ATVs. While the Alliance does not represent the vandals and other lawbreakers, it attempts to align users, clean up the area and promote lawful behavior. This legislation would further these efforts.

Mr. Clark stated that a user fee would be difficult to implement given the multiple access points. This area deserves special consideration.

9:59:11 AM

CLIFF JUDKINS, Alaska Boating Association, testified via teleconference from Mat-Su that two years ago several motorized vehicle organizations formed the Alaska Outdoor Access Alliance to address efforts to restrict motorized use. Motorized users are blamed for many things, including vandalism. The Alliance cleans up areas. This area traditionally has had few non-motorized users. Trash is a major problem in the area and group tries to clean it up, but needs assistance. The additional enforcement would be appreciated whether armed or not.

Mr. Judkins reported that the swan population has increased four-to-five fold in the past several years. Boaters avoid them and observe their activities. Salmon, sheep and other wildlife are not harmed by the human presence.

10:03:10 AM

CECILY FRITZ, Knik River Watershed Group, testified via teleconference from Mat-Su in appreciation of the additional management oversight. This legislation could be successful and she requested input from public safety officials on the projected results. She supported the concept of user fees.

Ms. Fritz suggested adding a subparagraph to subsection (d) of Sec. 41.23.200. Incompatible uses., added in Section 1 of the bill on page 3, following line 12 to read as follows.

(2) as compatible with the purposes identified in AS 41.23.180, the commissioner shall recognize existing off-road motor vehicle trails and the access those trails provide, and maximize off-road motor vehicle options and general public recreation opportunities in the Knik River Public Use Area."

Ms. Fritz stated this language would provide a better compromise.

10:05:26 AM

ROD ARNO, Executive Director, Alaska Outdoor Council, testified via teleconference from Mat-Su in support of the committee substitute as written. The sponsors of this legislation would be considered heroes for their efforts to establish this personal

use area for hunting, fishing and recreating. Vandals, arsonists and drunks could be levied fines, but other uses should not be assessed fees.

[10:07:33 AM](#)

CHARLOTTE SARTOR testified via teleconference from Mat-Su that this legislation is good compromise. She requested a citizens advisory group be established to provide input on the management of the area. She appreciated the funding to increase oversight to three positions but remained concerned that the officials would be unarmed. From her home she regularly hears shooting and motorized vehicles. She participates in many cleanup efforts. She did not oppose user fees. She disputed the statement that off-road vehicles are only used on logging and mining roads, remarking that many new ATV trails have been "blazed". While Alaska State Troopers would have the authority to patrol the area, too few officers are stationed in the region and are overworked.

[10:10:12 AM](#)

LYNN WOODS, Assembly Member, Mat-Su Borough, testified via teleconference from Mat-Su, that she holds the seat representing the Knik area. She supported an immediate management plan. A dire need exists for sanitation and rest room facilities. Alaska State Troopers are busy and have several competing demands on their time. More officers are needed in the Borough.

[10:11:43 AM](#)

GENE KISSEE testified via teleconference from Mat-Su and expressed concern that most uses of this area are motorized. Fewer areas are available in the Anchorage area for motorized recreation. Development has reduced the ability to backpack into areas for camping necessitating off road vehicle use. He acknowledged that a few users cause many problems and predicted this legislation would address those issues.

[10:13:14 AM](#)

DICK MYLIUS, Acting Director, Division of Mining, Land and Water, Department of Natural Resources, testified via teleconference from an offnet location. He defined "public use area" as an area retained for multiple public uses and not

disposed to private individuals or municipalities. This legislation would require the Department to develop a management plan for the area and would include a public process to do so. The Department would be granted enforcement authority for regulations it could adopt pertaining to lawful use of the area.

Mr. Mylius told of an existing regulation limiting overnight camping in any one area to 14 days. Currently, the Department has no authority to enforce this rule and officials must photograph the campsite of a violator, submit the information to the Attorney General who mails a notification of the infraction to the offender. This legislation would permit a Department of Natural Resources official to issue a citation on-site.

Mr. Mylius assured that the officials would not be armed or trained for enforcement of regulations other than those of the Department of Natural Resources. Education efforts would include identifying private property boundaries, as many users are unaware they are trespassing.

[10:17:45 AM](#)

Mr. Mulligan requested that Mr. Mylius address the user fee proposal.

Mr. Mylius informed that the Division of Parks assesses fees for campground use, but that the Division of Mining, Land and Water, which would manage the proposed public use area has no structure for such activities. Collecting fees in this area would be difficult because of the many access points. If the State were to later provide parking, campgrounds and other infrastructure, a fee could be assessed. However, these fees rarely cover the maintenance and operation costs.

[10:19:29 AM](#)

Senator Dyson asked how this bill was modified to have a negative impact on ATV users as suggested in testimony.

[10:19:49 AM](#)

Mr. Mulligan explained that language in the House Resources committee substitute before this Committee includes language intended to maintain ATV use in the area while also addressing habitat degradation. As an example of how this would be

implemented, he stated that if a trail crossed a stream or otherwise harmed habitat, the Department would be responsible for providing an alternative route. Such remediation would not negatively impact ATV use, but rather ensure that activities could continue.

[10:20:59 AM](#)

Senator Dyson understood from public testimony that the bill was amended and that the original version was preferable.

[10:21:15 AM](#)

Mr. Mulligan stated that the original version would have "grandfathered" all existing trails. The user organizations reached consensus with the amended language.

[10:21:44 AM](#)

Co-Chair Green announced that a letter of intent relating to user fees was being drafted.

[10:21:51 AM](#)

Senator Stedman clarified that the bill itself would contain no requirement for user fees. He did not support the implementation of user fees and intended to discuss the issue when the letter of intent was brought forth for consideration.

Co-Chair Green commented that if revenues from the proposed fees were used for no other purpose than cleaning up the area, she would still support their implementation. Local residents are not the primary users of the area; however, they are impacted.

The bill was HELD in Committee.

#HB218

[10:22:54 AM](#)

AT EASE to [10:24:26 AM](#)

SENATE CS FOR CS FOR HOUSE BILL NO. 218(RES)

"An Act relating to cost recovery fisheries for private nonprofit hatchery facilities."

This was the second hearing for this bill in the Senate Finance Committee.

IAN FISK, Staff to Representative Bill Thomas, noted the bill was heard in this Committee then returned to the Senate body with a recommendation for a Senate Resources Committee referral. That Committee held hearings and amended the bill. The changes improved the language and the sponsor maintains his support of the legislation.

Mr. Fisk testified that hatcheries contract with a small number of fishing vessels to harvest salmon returning to the site of the hatchery. The revenue generated from these contracts is used to offset maintenance and operation expenses. This legislation would provide an alternative that would allow all permit holders in the area access to this resource with 50 percent of the sale of these fish paid to the hatcheries. The hatchery program would remain financially user-supported.

[10:26:36 AM](#)

[Note Amendment #1 was not distributed]

Amendment #2: This amendment deletes "annually" and inserts "by a majority vote of the membership of the hatchery permit holder's board," to subsection (b) of Sec 16.10.455. Cost of recovery fisheries., added in Section 1 of the committee substitute on page 1, line 11. The amended language reads as follows.

(b) A hatchery permit holder may by a majority vote of the membership of the hatchery permit holder's board, elect to harvest surplus salmon produced at a facility in a terminal harvest area established for that facility through the common property fishery. ...

This amendment also inserts language following "area" in subsection (b) on page 2, line 7 to read as follows.

Following adoption of regulations by the department, each year before March 1, the hatchery permit holder's board, by a majority vote of the board's membership, may determine whether the hatchery will operate under the regulations

adopted under this subsection during the current calendar year, and shall notify the department if the hatchery intends to operate under the regulations adopted under this subsection.

Senator Stedman moved for adoption and objected to provide an explanation.

Senator Stedman stated this amendment clarifies that a majority vote of the hatchery permit holder's board would be required to implement this option.

Senator Stedman pointed out that this cost recovery methodology is significantly different than the current funding mechanism for the hatcheries and has different risks associated with it. The provisions of this amendment would ensure that the board had considered these risks and the anticipated recovery.

Senator Stedman removed his objection to the adoption of the amendment.

There being no further objection the amendment was ADOPTED.

[10:29:17 AM](#)

PETER ESQUIRO, General Manager, Northern Southeast Regional Aquaculture Association, testified via teleconference from Sitka in appreciation of the adoption of the amendment, which addresses concerns of the Association. He informed that the Association meetings normally are held within the first ten days of each March in accordance with the bylaws. The March 1 deadline to select this option would require the board to reach a decision before the meetings. He requested that date be changed to March 10.

[10:30:59 AM](#)

Amendment #3: This conceptual amendment changes the deadline in which a determination must be made regarding this program from March 1, as stipulated in Amendment #1, to March 10.

Senator Stedman moved for adoption.

The amendment was ADOPTED without objection.

10:31:29 AM

Co-Chair Wilken offered a motion to report SCS CS HB 218(RES), as amended, from Committee with individual recommendations and new fiscal notes.

There was no objection and SCS CS HB 218 (FIN) was MOVED from Committee with zero fiscal notes from the Department of Commerce, Community and Economic Development dated 4/3/06, the Department of Fish and Game dated 4/4/06, and the Department of Public Safety dated 4/6/06 and an indeterminate fiscal note from the Department of Revenue dated 4/4/06.

#HB420

10:31:46 AM

CS FOR HOUSE BILL NO. 420(FSH)

"An Act relating to riparian protection standards for forest resources and practices; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

MARTY FREEMAN, Forest Resources Program Manager, Division of Forestry, Department of Natural Resources, testified via teleconference from an offnet location reading a statement as follows.

I was the co-chair of the Science and Technical Committee and the Implementation Group that developed this bill, and I serve as the Division's liaison to the Board of Forestry.

...

This is the third and last piece of an effort to review and update the Riparian Management Standards, the standards for forest management along streams throughout the state. We previously completed reviews, which cumulated in amendments to the Forestry Resources and Practices Act for Region I, which is Coastal Alaska, in 1999 and for Region III, Interior Alaska, in 2003.

This bill is focused just at Region II, Southcentral Alaska. [Witness indicates location on a map, a copy of which is on file.] This bill is designed to meet the goals of the Forestry Resources and Practices Act to provide adequate protection of fish habitat and water quality and to support healthy timber and fishing industries.

It also helps to ensure that the Forestry [Resources and] Practices Act continues to satisfy federal Clean Water Act and Coastal Zone Management Act requirements so that it provides one-stop shopping for the timber industry with respect to State and federal non-point source pollution and coastal management standards.

To develop this bill, we first worked with a science and technical committee that recommended changes needed to provide adequate protection for fish habitat and water quality. Their recommendations were then reviewed by an implementation group, which represented affected interests. That group was charged with determining how to make the scientists' recommendations work on the ground in a practical way. That group's recommendations were incorporated into this bill and reviewed with the Board of Forestry.

This bill classifies water bodies that have anadromous or high-value resident fish: those high value resident fish populations that people are actually using and catching. [Indiscernible] classifies those water bodies into four types and it sets riparian management standards for each type.

These standards are tailored to the specific conditions in Region II. Compared to other areas, Region II has more large dynamic rivers where they have shifting channels, like the Susitna River and the Copper River - more of those dynamic rivers in areas that are forested and could be harvested. There are also lower timber volumes per acre compared to either of the other regions and there is a higher proportion of deciduous trees. These deciduous trees, when they fall into a river and provide large woody debris for fish habitat, don't last as long in the river. They decay faster.

There is also a wider distribution of anadromous and high value resident fish in Region II and a disproportionately high-use of fish and value from that fishery, particularly for sport fishing. For example, Region II is only about 11 percent of the land area in the state but it makes up 30 to 50 percent of the recreational fishing in the state.

The buffers that are recommended in this bill for the large dynamic rivers are wider than the [indiscernible] standards that we've been working under and narrower for the small streams. There are many of these small streams; they're often unnamed and unmapped, but there are many of them throughout the forested area in Region II. There is similar width for the other streams, which include stable rivers and lakes.

This process was based on the best available scientific information. It was open to the public and it involved a wide range of interests: scientists, the timber and fishing industries, Native corporations, municipalities, State trust land managers, environmental interests, the Board of Forestry and experienced field staff and State agencies. We are pleased to report that this bill has broad support and there is a zero fiscal note attached to the bill.

[10:35:51 AM](#)

Co-Chair Green asked the length of time taken in the process to develop these recommendations.

Ms. Freeman replied that determination of the science findings, the implementation group activities, and consideration by the Board of Forestry took about two years to complete. The project began with scientific review of all available information relevant to the topic. This portion consisted of a significant portion of the total time spent.

[10:36:17 AM](#)

Co-Chair Green asked if all parties generally reached agreement on the provisions contained in this legislation.

Ms. Freeman answered in the affirmative.

[10:37:25 AM](#)

Senator Hoffman asked how the no harvest buffer zone of 300 feet was determined.

Ms. Freeman clarified the no harvest zone is not actually that distance. Large dynamic rivers would have a basis buffer zone of 150 feet with a provision for a wider zone in places with an actively eroding bank. Stable rivers, smaller dynamic rivers and lakes would have a no harvest buffer zone of 100 feet. Smaller streams would have a 50-foot buffer zone.

[10:37:52 AM](#)

Senator Hoffman asked if the standards would be the same for timber harvesting activities on private as well as public lands.

Ms. Freeman responded that in "this case" the standards would be the same. Additional provisions would apply to a "special management zone" on public lands. This would not apply to private lands.

[10:38:06 AM](#)

Co-Chair Green asked where Senator Hoffman obtained information indicating a 300-foot buffer zone requirement.

Senator Hoffman cited the sectional analysis provided by the Department of Natural Resources [copy on file]. The explanation of Section 3 of the bill reads as follows.

Section 3: AS 41.17.118 - State land. Section sets riparian standards for state land along water bodies with anadromous or high-value resident fish in Region II. The no-harvest buffers would be the same as those set for private land. In addition, on state land only, harvesting from the landward boundary of the no-harvest buffer to 300 feet from the water body may occur by must be consistent wit the maintenance or enhancement of wildlife habitat.

[10:38:33 AM](#)

Ms. Freeman explained the 300-foot zone referenced in the sectional analysis pertains to a special management zone provided for in the Forest Resources and Practices Act and unchanged in this legislation. Consideration must be given on

State-owned land for important wildlife habitat concerns as well as fish habitat concerns. This legislation would clarify support for habitat enhancement activities in these zones. It would not classify the areas as a no-harvest zone.

[10:39:12 AM](#)

Co-Chair Green asked if this is addressed in the proposed amendment to AS 41.17.118(a)(1)(B) contained in Section 3 of the bill.

Ms. Freeman affirmed.

[10:39:20 AM](#)

Senator Stedman commented on the differences of terrain and river patterns between the coastal regions of Southeast Alaska, the areas including Anchorage and Palmer of Region II, and Interior Alaska.

Co-Chair Green agreed the differences are interesting, if laborious to decipher and understand. Qualifiers must vary for each region and changing interests must be considered periodically as well.

[10:40:24 AM](#)

Co-Chair Wilken offered a motion to report the bill from Committee with individual recommendation and accompanying fiscal note.

Without objection CS HB 420 (FSH) was MOVED from Committee with a zero fiscal note #1 from the Department of Natural Resources.

#HB484

[10:40:41 AM](#)

CS FOR HOUSE BILL NO. 484(FSH)

"An Act allowing for revenue received from issuance of additional entry permits to be appropriated for reimbursement to salmon fishery associations."

This was the first hearing for this bill in the Senate Finance Committee.

Co-Chair Green announced that Representative Peggy Wilson, sponsor of the bill, was called to the chambers of the House of Representatives.

[10:40:58 AM](#)

LINDA MILLER, Staff to Representative Wilson, read the sponsor statement into the record as follows.

In 2002, the Alaska legislature created salmon fishery associations (AS 16.40.250) to encourage fleet reduction in the Alaska salmon fisheries. Salmon fishery associations may be formed in salmon fisheries throughout the state to facilitate a permit buyback program.

CS HB 484 is a housekeeping measure to clarify what may happen to the revenue if the Commercial Fisher[ies] Entry Commission should decide to sell (re-issue) permits that have been relinquished under the buyback program authorized under AS 16.40.250.

The state (CFEC) has the responsibility to monitor each limited entry fishery. CS HB 484 clarifies that in the event the CFEC determines more permits are needed in the same fishery in which the fleet reduction program was implemented, either through an optimum number determination or court action, the Association that paid or borrowed money to remove the permit from the market in the first place may have money returned to them if [a] permit is sold (re-issued).

Under CS HB 484 a future Legislature may appropriate revenue from the permit sale (re-issue) to the Association that paid money or incurred debt to remove the permit from the market in the first place.

[10:44:01 AM](#)

Co-Chair Green asked if this option would expire at a certain date.

[10:44:07 AM](#)

Ms. Miller replied that the language of this legislation does not stipulate an expiration date.

[10:44:12 AM](#)

Co-Chair Green was unsure if the State would be "inclined" to appropriate funds for this purpose in the future.

[10:44:31 AM](#)

Senator Stedman reported the Senate Resources Committee discussed this issue.

[10:44:45 AM](#)

FRANK HOMAN, Commercial Fisheries Entry Commission, testifying in Juneau, characterized this bill as an insurance provision of the Commission. It would only apply in the event that the Commission in the future was to sell permits back into the fishing industry. Revenue from those sales could be appropriated by the legislature to the commercial fishing association that had initially expended funds or incurred debt in the original buyback of the permits.

Mr. Homan explained the proposed option does not include an expiration date and that exercise of the option would be a one-time occurrence. The possibility of such reissuing of permits is unlikely. This legislation is necessary in the event a court ruling found that a fishery was too exclusive and directed that more permits be sold.

[10:47:43 AM](#)

Co-Chair Green ordered the bill HELD in Committee.

#HCR30

[10:47:53 AM](#)

CS FOR HOUSE CONCURRENT RESOLUTION NO. 30(FIN) am
Creating an Alaska Climate Impact Assessment Commission.

This was the first hearing for this bill in the Senate Finance Committee.

REPRESENTATIVE REGGIE JOULE, sponsor of the resolution posed the question of why an Alaska Climate Impact Assessment Commission should be formed to consider the issue of climate changes. He remarked on the reports of the changing weather patterns around the globe and within the state. These changes have been exemplified in changing ice conditions, melting sea ice, permafrost reductions and glacial movements. Spruce bark beetle infestations and other vegetation changes, lengthened wildfire seasons, eroding shorelines that threaten villages, potential impacts on wildlife and fish, as well as economic impacts on existing infrastructure, including highways, oil and gas, and a potential natural gas pipeline, are evidence of the impacts of the changing climate.

Representative Joule stated that new technologies would be required to construct infrastructure in the changing conditions, which would impact resource development. Revisions of forestry management practices could be necessary. Fish and wildlife management may need to take into account changing habitat.

Representative Joule remarked, "We may need a blueprint of possible changes to be able to adequately plan for the future." Additionally, the costs must be understood to allow for a proactive approach.

Representative Joule answered his earlier question, that a commission is necessary for the aforementioned reasons.

Representative Joule noted the 11-member commission would be comprised of Alaskan residents with four seats designated for legislators.

[10:51:17 AM](#)

GLEN JUDAY, Professor of Forestry, School of Natural Resources, University of Alaska, Fairbanks, testified via teleconference from an offnet location on his own behalf. Using 30-year averages as a standard, the temperature in Alaska is 2.5 to four degrees warmer than the previous decade. The reasons for this are being studied, although results to date support the theory that global warming is the cause. Clear evidence of human

influences has been found; pattern changes of the last 50 years could not be explained as natural processes alone.

Mr. Juday told of efforts underway to identify the impacts of the global warming patterns. The ultimate result of all the glaciers located in Alaska would be a change in mass of ice equivalent to 50 feet of water moving from land to sea. The rate of melting arctic sea ice set records each month during the past winter. Lakes in Interior Alaska have been drying and permafrost is warming and beginning to thaw in some areas. Several forest fire records have been set.

Mr. Juday relayed that the scientific community is interested in collaborating with policy makers and professional engineers in Alaska to determine how the State should prepare for these conditions.

10:56:00 AM

BOB SWENSON, Acting Director, Division of Geological and Geophysical Surveys, Department of Natural Resources, testified via teleconference from an offnet location that this resolution is timely. Data shows a change in climate. The creation of the proposed commission would allow Alaska to be proactive rather than reactive to the impacts.

Mr. Swenson noted the resolution does not currently specify participation of the Department. However, any recommendations of the proposed commission could involve the Department and therefore, a fiscal note in an indeterminate amount has been submitted.

10:57:39 AM

MARK FOSTER, Registered Professional Engineer, testified via teleconference from an offnet location in support of passage of the resolution. As a business consultant, he is witnessing impacts of the changing climate on the foundations of pipelines, water and wastewater facilities. These issues should be addressed and prepared for the future.

10:59:11 AM

Co-Chair Green indicated surprise at the interest in the formation of this commission.

[10:59:20 AM](#)

LINDA HALL, Director, Division of Insurance, Department of Commerce, Community and Economic Development, testified in Juneau, that she has received feedback on the issue of global warming from the regulatory insurance industry. A number of task forces have been formed within the industry to address the affects of climate change. Insurance companies are withdrawing coverage in some areas because of the increased risk. Climate change is impacting the availability of insurance.

[11:01:02 AM](#)

Co-Chair Green pointed out that the fiscal note estimates the cost of implementing this legislation based on membership of 15 seats on the proposed task force. She understood that the House Resources Committee would staff the meetings and asked if the fiscal note could be reduced from \$80,000 to \$65,000 to reflect an 11-member committee.

Representative Joule agreed to the reduction, as he was unsure the exact amount that would be required. The initial amount was calculated to fund at least four meetings.

[11:02:07 AM](#)

Amendment #1: This amendment inserts language on page 3, following line 7 of the committee substitute to read as follows.

FURTHER RESOLVED that the task force shall select a chairperson from among members of the legislature.

Senator Olson moved for adoption.

Co-Chair Green objected for an explanation.

Senator Olson stated this amendment would provide that a member of the legislature serving on the proposed task force would hold the chair position. Legislators would hold four seats.

Co-Chair Green withdrew her objection and the amendment was ADOPTED without further objection.

[11:03:01 AM](#)

Co-Chair Green referenced language on page 3, lines 8 - 11, which reads as follows.

FURTHER RESOLVED that the public members of the commission may receive compensation for per diem or reimbursement for travel and other expenses incurred in serving on the commission; ...

Co-Chair Green asked if this is standard language pertaining to compensation of public members serving on State-sponsored boards and commissions.

Co-Chair Wilken indicated it was.

[11:03:37 AM](#)

Co-Chair Wilken characterized this resolution as "feel good" legislation. The legislature does not play a role in this issue. The State already operates many boards and commissions. This task force would incur considerable expense just to gather parties together to reach an "obvious conclusion." Others are already undertaking this effort, including universities. The funds should be appropriated to those activities.

[11:05:48 AM](#)

Senator Bunde shared opposition to this resolution. He told of his past servitude on a commission, which issued a report that "sat on the Governor's shelf" and was never consulted and the recommendations never implemented. Therefore, he questioned the positive effectiveness of this task force. Instead results could include restrictions against the construction of a natural gas pipeline, use of automobiles, and increased insurance rates. Support for those efforts should not be provided in this manner.

[11:07:18 AM](#)

Senator Stedman suggested Co-Chair Wilken and Representative Joule work on an alternative.

[11:07:40 AM](#)

Representative Joule appreciated the comments. Co-Chair Wilken was correct that many experts and organizations are studying

this issue and the impacts to the state. These professionals could provide recommendations to guide the legislature in the future. The intent is not to assign blame, but rather to determine potential impacts for consideration by policy makers. Compiled data would be more beneficial than sporadic independent information.

[11:09:36 AM](#)

Senator Dyson had followed the debate on global warming and climate changes. Although the long-term consequences were debatable, the impact to the state is not. Tree lines on mountains are higher and farther north than before. Temperatures in the Bering Sea are two to four times warmer than ever recorded previously. Structural failures are occurring in high temperature permafrost areas.

Senator Dyson expressed he would support this resolution.

[11:10:42 AM](#)

Co-Chair Green ordered the resolution HELD in Committee to allow an agreement to be reached.

#

ADJOURNMENT

Co-Chair Lyda Green adjourned the meeting at [11:10:51 AM](#)