

**ALASKA STATE LEGISLATURE
CONFERENCE COMMITTEE ON HB 130**

May 13, 2005
10:09 AM

MEMBERS PRESENT

Senator Tom Wagoner, Chair
Senator Gary Wilken

Representative Jay Ramras, Chair
Representative Woodie Salmon
Representative Bruce Weyhrauch

MEMBERS ABSENT

Senator Johnny Ellis

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 CCS HB 130 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
03/04/05	(H)	Moved CSHB 130(RES) Out of Committee
03/04/05	(H)	MINUTE(RES)
03/09/05	(H)	RES RPT CS(RES) NT 4DP 3NR
03/09/05	(H)	DP: LEDOUX, CRAWFORD, SEATON, RAMRAS;
03/09/05	(H)	NR: GATTO, ELKINS, SAMUELS
04/09/05	(H)	FIN AT 11:00 AM HOUSE FINANCE 519
04/09/05	(H)	Bills Previously Heard/Scheduled
04/12/05	(H)	FIN AT 1:30 PM HOUSE FINANCE 519
04/12/05	(H)	Moved CSHB 130(FIN) Out of Committee
04/12/05	(H)	MINUTE(FIN)
04/13/05	(H)	FIN RPT CS(FIN) NT 4DP 5NR
04/13/05	(H)	DP: HAWKER, WEYHRAUCH, KELLY, FOSTER;
04/13/05	(H)	NR: HOLM, STOLTZE, MOSES, MEYER, CHENAULT
04/13/05	(H)	LETTER OF INTENT WITH FIN REPORT
04/20/05	(H)	BEFORE THE HOUSE
04/21/05	(H)	BEFORE THE HOUSE
04/21/05	(H)	BEFORE THE HOUSE
04/22/05	(H)	TRANSMITTED TO (S)
04/22/05	(H)	VERSION: CSHB 130(FIN) AM
04/25/05	(S)	READ THE FIRST TIME - REFERRALS
04/25/05	(S)	FIN
04/28/05	(S)	FIN AT 9:00 AM SENATE FINANCE 532
04/28/05	(S)	Heard & Held
04/28/05	(S)	MINUTE(FIN)
05/02/05	(S)	FIN AT 6:00 PM SENATE FINANCE 532
05/02/05	(S)	Public testimony may be limited to 3 min.
05/08/05	(S)	FIN AT 0:00 AM
05/08/05	(S)	Moved SCS CSHB 130(FIN) Out of Committee
05/08/05	(S)	MINUTE(FIN)
05/09/05	(S)	FIN RPT SCS 2DP 1DNP 3NR SAME TITLE
05/09/05	(S)	HOUSE LETTER OF INTENT WITH FIN REPORT
05/09/05	(S)	DP: WILKEN, GREEN
05/09/05	(S)	DNP: STEDMAN
05/09/05	(S)	NR: HOFFMAN, OLSON, DYSON
05/10/05	(S)	VERSION: SCS CSHB 130(FIN)
05/11/05	(H)	CONFERENCE COMMITTEE APPOINTED
05/11/05	(H)	RAMRAS (CHAIR), WEYHRAUCH, SALMON
05/11/05	(S)	RECEDE MESSAGE READ
05/11/05	(S)	CONFERENCE COMMITTEE APPOINTED
05/11/05	(S)	WAGONER (CHAIR), WILKEN, ELLIS
05/11/05	(H)	SPECIAL SESSION BILL - SEE H. JOURNAL P. 1962

05/11/05	(S)	SPECIAL SESSION BILL - SEE S. JOURNAL P. 1606
05/12/05	(S)	LIMITED POWERS FREE CONFERENCE GRANTED
05/12/05	(H)	LIMITED POWERS FREE CONFERENCE GRANTED
05/12/05	(H)	UAL AT 3:00 PM CAPITOL 124
05/12/05	(H)	Heard & Held
05/12/05	(H)	MINUTE(UAL)
05/13/05	(H)	UAL AT 10:00 AM CAPITOL 124

WITNESS REGISTER

DICK MYLIUS, Deputy Director
Division of Mining, Land and Water
Department of Natural Resources (DNR)
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the discussion of
HB 130.

ACTION NARRATIVE

CHAIR JAY RAMRAS reconvened the May 12, 2005, recessed meeting
at [10:09:12 AM](#). Representatives Salmon, Ramras, and Weyhrauch
and Senators Wilken and Wagoner were present at the call to
order.

HB 130-UNIVERSITY LAND GRANT/STATE FOREST

[10:09:23 AM](#)

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." [Before the
committee were CSHB 130(FIN)am and SCS CSHB 130(FIN).]

[10:09:37 AM](#)

REPRESENTATIVE WEYHRAUCH moved to adopt SCS CSHB 130(FIN) as the
working document.

SENATOR WILKEN objected for an explanation.

REPRESENTATIVE WEYHRAUCH explained:

We've adopted the Senate version and then these
differences between the Senate and the House ...
yesterday we adopted the Senate language on [indisc.]

matrix, Senate language [items] 1, 2, 4, 5, and reserved today to talk about the remaining three items. So it seemed best, for purposes of discussion, and moving the conference committee forward is if we adopt the Senate version and then talk about the remaining differences.

10:10:46 AM

CHAIR RAMRAS clarified that [under discussion] is Section 3(n), Section 3(q), and Section 4(c)(2).

10:11:24 AM

SENATOR WILKEN removed his objection.

There being no objection, SCS CSHB 130(FIN) was adopted.

10:11:32 AM

REPRESENTATIVE WEYHRAUCH referred to a document entitled, "University Lands HB 130 Differences Between House and Senate Versions - May 12, 2005". He then moved that the committee adopt the Senate language on line 7 of the aforementioned document [which refers to page 7, lines 29-31].

REPRESENTATIVE WEYHRAUCH explained:

One of the things that came out of [House Finance Committee] that was also adopted by the [Senate Resources Standing Committee] was a letter of intent. And part of the reason the letter of intent was adopted ... is because there had been some property that had been leased by DNR at Cold Foot Node to an individual who was under the impression at the time of the lease that the property around his would not have businesses who would compete with his. And instead of putting any language related to the competitive issues of that business, it was the legislature's desire and the desire of DNR and this individual to enter into some sort of agreement where there would not be a similar competing business that would have interfered with this individual's ability to run a business because it's marginal at best now. And if the competing business had gone in the same location, it could have driven him out of business. And there was no understanding or any good faith reliance that any

property in the area [near] that business at Cold Foot Node was going to be leased out to any businesses at the time the lease was entered into between the business at Cold Foot Node and DNR. And that was the intent of the legislature to ensure that that ... is viable so that no competitor comes in to replace him.

[10:13:22 AM](#)

SENATOR WILKEN requested that the representative from DNR confirm this information.

DICK MYLIUS, Deputy Director, Division of Mining, Land and Water, Department of Natural Resources (DNR), clarified that the verbal agreement is actually between the university and the individual at Cold Foot Node.

[10:13:57 AM](#)

CHAIR WAGONER asked if it is true that the individual is required by lease to stay open 24 hours, seven days a week, and therefore it is critical that the integrity of the lease be maintained.

MR. MYLIUS stated that this was correct. He explained, "That is an unusual lease stipulation that was actually worked out between the BLM [Bureau of Land Management] and the lessee because he's the only operator on that long stretch of the Dalton Highway."

[10:14:28 AM](#)

CHAIR RAMRAS asked if there was any objection to adopting the Senate language for point number 7. There being no objection, number 7 was adopted.

[10:14:39 AM](#)

REPRESENTATIVE WEYHRAUCH moved to adopt Amendment 1, labeled 24-GH1034\P.1.A, which read [original punctuation provided]:

Page 5, line 31-Page 6, line 1-9

(n) Notwithstanding (a) of this section, the following state land described in the document entitled "University of Alaska Land Grant List 2005," dated

January 12, 2005, may not be conveyed to the University of Alaska under this section:

- (1) Parcel Number CS.DI.1001, Duke Island;
- (2) Parcel Number MF.1002, Idaho Inlet;**
- (3)**[(2)] Parcel Number CS.KI.1001, Kelp Island;
- (4)**[(3)] Parcel Number HS.CH.1001, Haines-Chilkoot
- (5)**[(4)] Parcel Number KT.1004, Neets Creek;
- (6)**[(5)] Parcel Number MA.KR.1001, Kodiak Rocket Range;
- (7) Parcel Number ST.1002, Pelican**
- (8)** (6) Parcel Number PA.1001, Port Alexander; and
- (9)** (7) Parcel Number ST.1002, Warm Springs Bay.

CHAIR RAMRAS objected for discussion purposes.

REPRESENTATIVE WEYHRAUCH explained that Amendment 1 would withdraw two additional parcels of land from the "University of Alaska Land Grant List 2005." He stated:

The reason Idaho Inlet and Pelican are added into and deleted out of the next amendment that will be coming out but leaving Mite Cove in that portion is because ... there's a tension here between what's going on over by Pelican. The City of Pelican has been in a unique situation over the past decade. With the advent of IFQs, Individual Fishing Quotas, and the closure of Glacier Bay by the National Park Service to commercial fishing, the economic base of Pelican has been shaken to its core. And there has been an attempt to develop alternative sources of economic revenue for that area. And one the things that the community is doing is ... attempting to maintain Pelican Seafoods as a viable organization, owned by Kake Tribal. Fishing and hunting opportunities, guide services, remote activities such as tourism.... And to attempt to also develop unutilized fisheries and develop small ... vessel marketing of fresh seafood to fly out. They use many of these areas, such as Idaho Inlet, Mite Cove, and Pelican parcels to do those kinds of economic development opportunities. And so, with the permission of the administration and working with the other stakeholders in Southeast Alaska, this amendment was offered to add back in Idaho Inlet and Pelican to this.... And so, that's where ... the genesis of this has come from.

10:18:12 AM

SENATOR WILKEN asked Mr. Mylius if DNR supports Amendment 1.

MR. MYLIUS stated:

The department doesn't object to the amendment because ... those two parcels are fairly small, so we still save our 250,000 acre figure. The only thing I will point out though: it was my understanding that the Haines-Chilkoot parcel was still going to be retained on the drop list, and the wording on this section doesn't have that in it.

10:18:55 AM

REPRESENTATIVE WEYHRAUCH clarified that Amendment 1 does keep the Haines-Chilkoot parcel on the drop list.

MR. MYLIUS commented that he'd seen an earlier version of the amendment.

10:19:16 AM

SENATOR WILKEN commented:

I'll support this amendment, but I do it with some reservations. As you know, the Glacier Bay Model Borough Boundary encompasses Idaho Inlet [and] Pelican. I would like to keep these on the list just for some incentive for them to organize a borough. They have ... the capacity to have local governance, and that would be the Glacier Bay model borough; it sits atop the borough of Sitka and wraps itself up around Gustavus.

I wouldn't want anybody to think that Pelican is in dire straits. If you look in Alaska Taxable, the community of Pelican is the fourth most wealthy city in the unorganized borough with a per capita of somewhere around \$125,000 per capita in full and true value. They're in the absolute upper layer of those communities in that unorganized borough. Gustavus, which just ... organized into a second class city, has like wealth, and those two communities could be, very much, the basis for the Glacier Bay borough. So, I

want to put that on the record, and ... I appreciate having Mite Cove in because I understand that ... has the ability to generate economic activity for a borough.

So, with that, I'll be supporting the amendment, but in no way, shape, or form would I want to think that we shouldn't encourage, as a legislature, those folks to take on their own responsibilities of local governance, and the responsibilities and the benefit that that will bring with generations to come.

[10:21:02 AM](#)

CHAIR RAMRAS said that he shared Senator Wilken's sentiments.

[10:21:09 AM](#)

There being no objection, Amendment 1 was adopted.

[10:22:01 AM](#)

REPRESENTATIVE WEYHRAUCH moved to adopt Amendment 2, labeled 24-GH1034\P.1, which read [original punctuation provided]:

Page 7, line 3-15
Delete Line 13 & 15

(q) Notwithstanding (a) of this section, the state land identified in this subsection and described in the document entitled "University of Alaska Land Grant List 2005," dated January 12, 2005, may not be conveyed to the University of Alaska under this section if the land is included in a borough formed before July 1, 2009. If a borough is not formed before July 1, 2009, the land described in this subsection shall be conveyed to the University of Alaska on July 1, 2009. If a borough is formed before July 1, 2009, and the borough does not select land described in this subsection before January 1, 2013, the land not selected by the borough shall be conveyed to the University of Alaska on June 30, 2013. The following land is subject to the provisions of this subsection:

- [(1) Parcel Number MF.1002, Idaho Inlet;]**
- (2) Parcel Number PA.1002, Mite Cove; and**
- [(3) Parcel Number ST.1002, Pelican.]**

renumber accordingly

SENATOR WILKEN objected for discussion purposes.

REPRESENTATIVE WEYHRAUCH said that Mite Cove has an economic generation potential and is highly valued by the local residents, and therefore by leaving it in the bill, it would provide incentive to [residents] to form a local borough.

[10:23:35 AM](#)

SENATOR WILKEN inquired as to DNR's opinion.

MR. MYLIUS answered that the department has no problem with Amendment 2.

[10:23:49 AM](#)

SENATOR WILKEN removed his objection.

REPRESENTATIVE SALMON asked how many acres the Idaho Inlet and Pelican parcels cover.

MR. MYLIUS replied that they total almost 1,400 acres.

[10:24:21 AM](#)

There being no objection, Amendment 2 was adopted.

[10:24:38 AM](#)

REPRESENTATIVE WEYHRAUCH [moved to adopt] conceptual amendment, which would add to [Section 3] subsection (n) the Sumdum parcel number SD.1001, [which would place the parcel on the "drop list."] He explained that he had received requests to [not allow the Sumdum parcel to be a parcel that could be conveyed to the university] due to its great archaeological significance.

CHAIR RAMRAS objected.

SENATOR WILKEN remarked that he had also looked at this parcel. He noted that there are provisions in the bill to protect the archaeological sites at this location. He said, "I see no reason to take it out; if indeed it has to be taken out, reasonable minds will do that at a future time."

[10:26:01 AM](#)

CHAIR WAGONER asked how many acres the parcel contains.

CHAIR RAMRAS responded that it is a five acre parcel. He maintained his objection.

[10:26:13 AM](#)

REPRESENTATIVE WEYHRAUCH withdrew his conceptual amendment.

[10:26:31 AM](#)

REPRESENTATIVE WEYHRAUCH, noting that the committee had received limited powers of free conference, [moved to report] SCS CSHB 130(FIN), as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CCS HB 130 was reported from the Conference Committee on HB 130.

ADJOURNMENT

There being no further business before the committee, the Conference Committee on HB 130 meeting was adjourned at [10:27:15 AM](#).