

ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE

March 12, 2007

3:34 p.m.

MEMBERS PRESENT

Senator Charlie Huggins, Chair
Senator Lyda Green
Senator Gary Stevens
Senator Bill Wielechowski

MEMBERS ABSENT

Senator Bert Stedman, Vice Chair
Senator Lesil McGuire
Senator Thomas Wagoner

COMMITTEE CALENDAR

Confirmation Hearings:

Big Game Commercial Services Board

Leif Wilson

CONFIRMATION ADVANCED

Department of Fish and Game

Denby Lloyd - Commissioner

HEARD AND HELD

SENATE BILL NO. 109

"An Act relating to the regulation and permitting of drilling and other operations by the Alaska Oil and Gas Conservation Commission, to civil penalties assessed by the commission, to reconsideration and appeal of decisions and the allocation of costs in investigations and hearings before the commission, and to information filed with and fees of the commission; and providing for an effective date."

SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record.

WITNESS REGISTER

Leif Wilson, designee

Big Game Commercial Services Board
POSITION STATEMENT: Nominee to the Board

Denby Lloyd, Commissioner designee
Alaska Department of Fish and Game (ADF&G)
POSITION STATEMENT: Nominee as Commissioner of ADF&G.

Dave Crowley, representing himself
Cordova, AK
POSITION STATEMENT: Commented on confirmation

Dave Otness, representing himself
Seward, AK
POSITION STATEMENT: Commented on confirmation

Steve Flory, representing himself
Anchorage, AK
POSITION STATEMENT: Commented on confirmation

Tom Harris, representing himself
Juneau, AK
POSITION STATEMENT: Commented on confirmation

David Martin, representing himself
Kenai, AK
POSITION STATEMENT: Commented on confirmation

Steve Vanik, representing himself
Ninilchik, AK
POSITION STATEMENT: Commented on confirmation

Jeff Burger, owner
Deep Creek Custom Packing
Ninilchik, AK
POSITION STATEMENT: Commented on confirmation

Ace Calloway, representing himself
Fox, AK
POSITION STATEMENT: Commented on confirmation

Lynn Levensgood
Alaska Wildlife Conservation Association
Fairbanks, AK
POSITION STATEMENT: Commented on confirmation

Mike Tinker, representing himself
Fairbanks, AK

POSITION STATEMENT: Commented on confirmation

Tom Scarborough, representing himself
Fairbanks, AK

POSITION STATEMENT: Commented on confirmation

Bob Thorstenson, President
United Fisherman of Alaska
Juneau, AK

POSITION STATEMENT: Commented on confirmation

ACTION NARRATIVE

CHAIR CHARLIE HUGGINS called the Senate Resources Standing Committee meeting to order at [3:34:26 PM](#). Present at the call to order were Senators Green, Stevens, Wielechowski and Huggins.

CONFIRMATION HEARINGS

[3:34:59 PM](#)

CHAIR HUGGINS announced the first order of business to be confirmation hearings.

LEIF WILSON, nominee to the Big Game Commercial Services Board, said he has served on the board already and is honored to be reappointed. He said most of the problems facing the industry do not have easy solutions; he then explained his work history.

[3:37:17 PM](#)

CHAIR HUGGINS asked Mr. Wilson to remind him when the board came back into existence.

MR. WILSON replied that it had done so two years prior. He was originally appointed about eight months after it was recreated.

CHAIR HUGGINS asked him to share some board success stories.

MR. WILSON answered that the board had enacted a whole lot of ethics legislation. He thought they were going in the right direction, but he mentioned that a big problem is overcrowding in the field; it's not so easy to get a guide license now. A person must pass a test and have experience guiding. The board may need help from the legislature to deal with some of its issues.

[3:40:41 PM](#)

CHAIR HUGGINS asked what is done when a guide lands on federal land in another guide's area.

MR. WILSON replied that that he would talk to them as another individual and attempt to mediate.

CHAIR HUGGINS asked him to answer as a board member.

MR. WILSON replied that the board can't do anything with private individuals on private lands. The guides currently can have three guide-use areas apiece, but they can be swapped around. This issue is one of the biggest problems facing the industry; there should be a firmer system for limiting the number of transporters in a certain area.

[3:43:53 PM](#)

CHAIR HUGGINS asked how the board would respond to a hypothetical situation.

MR. WILSON replied in explaining how prosecution in such a situation would work.

CHAIR HUGGINS asked if any negative situations have transpired that the committee should know about.

MR. WILSON answered no.

CHAIR HUGGINS read a statement outlining the process for confirmation.

SENATOR STEVENS moved to forward his name. There were no objections.

[3:46:29 PM](#)

CHAIR HUGGINS called an at-ease.

[3:47:14 PM](#)

CHAIR HUGGINS called the meeting back to order and announced that the committee would be considering the nomination of Denby Lloyd for the position of Alaska Department of Fish and Game (ADF&G) commissioner.

DENBY LLYOD, Commissioner designee for the ADF&G, gave a brief overview of his work background.

3:51:12 PM

SENATOR STEVENS commended him on his service, and said that it will be interesting to have him in the position. He asked for him to comment on the federal decision to allow fish farming in Washington.

MR. LLOYD replied that the ADF&G is very concerned that the governors don't have enough decision-making authority about what can be grown on their shores; states should have an opt-in position. There is the potential for disease and competition for wild Alaska fish. The ADF&G doesn't want it outlawed, but the state should be able to make the decision to allow it.

3:53:08 PM

SENATOR GREEN asked what the current statute says about fish farming.

MR. LLOYD replied that the state doesn't allow fish farming, but it allows aquaculture.

3:53:47 PM

SENATOR WIELECHOWSKI asked him to comment on how his name was forwarded to the governor for appointment.

MR. LLOYD replied that advertisements soliciting applications for the job were placed in local papers for two weeks. He didn't know how many applicants the administration received, but he heard that it was quite a few. A board went through them and decided on a short list to interview that same day. The joint board met in executive session and they voted on the name to forward to the governor.

SENATOR WIELECHOWSKI asked for him to comment on how the statute regarding nominations has been interpreted.

MR. LLOYD replied that an assistant attorney general advised the committee on making the list, which could contain one or more names.

SENATOR WIELECHOWSKI asked if he is willing to base his wildlife management on science.

MR. LLOYD replied yes.

SENATOR WIELECHOWSKI asked if he is committed to fairness and equitability between commercial and sport fishing.

MR. LLOYD replied that he is, and he has and will carry himself in a neutral fashion regarding allocation issues.

[3:57:31 PM](#)

CHAIR HUGGINS asked how many employees the ADF&G has.

MR. LLOYD replied that there are approximately 1,700.

CHAIR HUGGINS asked for the mission statement of ADF&G.

MR. LLOYD replied that he didn't have the exact wording, but it's essentially to maintain and improve the wildlife resources in the state of Alaska.

CHAIR HUGGINS asked if he intended to continue with performance measures in the department.

MR. LLOYD said that that exercise will continue.

CHAIR HUGGINS asked for his top four goals as commissioner.

MR. LLOYD replied he hoped to leave the department stronger in terms of staff motivation, operating condition, abundance management, and equitable distribution of benefits.

CHAIR HUGGINS asked for comment on the issue of subsistence.

MR. LLOYD replied the ADF&G is in a dual management situation, and it must make sure the federal agencies don't exceed their mandate. In more global terms, the department's approach isn't to reduce subsistence opportunity, but to make sure people are acting according to the law.

CHAIR HUGGINS said that there have been issues with the state sockeye salmon fishery and asked where the parameters lie for escapement studies.

[4:00:58 PM](#)

MR. LLOYD replied that the objective of the recent study was to find the best way of determining sockeye escapement. He explained how the department uses sonar stations, and discussed the history of escapement figures and the study, the findings of which will be valuable in planning future allocations.

CHAIR HUGGINS asked for clarification on fish studies.

MR. LLOYD replied in explaining study locations.

CHAIR HUGGINS said that some people don't agree with him on estimation of escapement numbers.

MR. LLOYD explained how the former sonar counter didn't represent fish numbers accurately. He added that surveys in Cook Inlet streams have shown relatively high numbers of fish.

CHAIR HUGGINS said that some habitats need escapement improvement, and asked how the numbers of fish can be increased.

MR. LLOYD replied the harvest could be restricted, and habitat improvement and enhancement opportunities could be considered. The main factor is the harvest rate of the fishery leading into the system. He mentioned a study to measure the Cook Inlet stock numbers which could be useful in designing fishery openings and closures.

CHAIR HUGGINS asked if he was confident with the approach and results of that study.

MR. LLOYD replied that he was, and mentioned previous types of studies that were not as discerning.

[4:09:07 PM](#)

SENATOR STEVENS asked how Mr. Lloyd would work with the North Pacific Fisheries Management Council.

MR. LLOYD replied that he plans to fill a seat on the council himself, and said that on the council the ADF&G is not neutral; it represents Alaska against potential opposing interests. He gave an example of past work with the council.

[4:11:28 PM](#)

SENATOR MCGUIRE commented that Mr. Lloyd's appointment had generated a lot of constituent comments, and said that her

concern is regarding his knowledge of game management. She said that Governor Palin wants to manage for abundance, and asked how he will implement that strategy.

MR. LLOYD said that he agrees with the governor's stance on abundance, and that habitat improvement and hunting restrictions should be imposed. There are areas where predators are taking what humans could harvest, and where science shows that a reduction in predator populations would result in an increased harvest for humans, predators should be controlled.

[4:14:28 PM](#)

SENATOR MCGUIRE said the decision to appoint Kenton Taylor as deputy commissioner is also controversial, and asked if his philosophy is in line with that of the ADF&G.

MR. LLOYD replied the ADF&G sorted through a number of candidates for the position, and saw that there were competing interests. Mr. Taylor has wide recognition of his high standards of professional ethics; some people think he is not strong in predator control, but that's not the case.

[4:16:28 PM](#)

SENATOR MCGUIRE asked him to elaborate on his conversations with Mr. Taylor regarding predator control.

MR. LLOYD replied that Mr. Taylor does think predator control is important, but they hadn't yet spoken of when, where, or how it will be done.

[4:18:47 PM](#)

CHAIR HUGGINS said that a number of sports fishing organizations supported Mr. Lloyd's nomination, and also were interested in who he would choose as his deputy. He asked who else had a say in hiring Mr. Taylor.

MR. LLOYD replied that he consulted with the governor and her chief advisors.

CHAIR HUGGINS asked him to describe his hiring process, and commented that some people didn't get an opportunity to express their preferences for the deputy position.

MR. LLOYD acknowledged that there were competing recommendations for the position.

CHAIR HUGGINS pointed out that Mr. Taylor's name was not on the public list of recommendations.

MR. LLOYD acknowledged that Mr. Taylor's name wasn't widely circulated, and said he could understand surprise at the appointment.

[4:22:15 PM](#)

SENATOR GREEN asked how many deputy commissioners there are.

MR. LLOYD replied that there are two deputy commissioners; one dealing with commercial fishery issues, and the other dealing with sport fishing and wildlife issues.

SENATOR WIELECHOWSKI asked if there is any precedent for hiring methods of deputy commissioners, and asked for comment on Mr. Taylor's background.

MR. LLOYD replied that he's unaware of any previous process for selecting commissioners, and that it is an exempt position. He explained how Mr. Taylor has had a long and distinguished career in the department and other arenas.

[4:26:25 PM](#)

CHAIR HUGGINS said that his constituents had voiced concerns about a lack of say in the ADF&G appointments.

SENATOR MCGUIRE asked Mr. Lloyd to explain why he's qualified for game management.

MR. LLOYD replied that he does have resource management experience, albeit not necessarily focused on game.

SENATOR GREEN said she is concerned that there is an absence of sport fishing experience between the commissioner and his deputies, and asked if the ADF&G has considered having a separate commissioner for sport fishing.

MR. LLOYD replied that it has, but that the department does have a strong director of sport fisheries. It is talking about the possibility of adding another position.

4:30:26 PM

DAVE CROWLEY, representing himself, said that he supported Senator Wielechowski's comments on statute interpretation, and that he supports separate commissioners for fish and game, the latter of which lacks representation.

MR. LLOYD commented on a recent Board of Game meeting.

CHAIR HUGGINS asked for his position on sheep hunts.

MR. LLOYD replied that he didn't have a position on that issue.

BOB LINVILLE, representing himself, explained his commercial fishing background and said that he was hoping for more transparency in the ADF&G hiring process. He expressed concern about Mr. Lloyd's position on geoduck farming, and mentioned the importance of his seat on the North Pacific Fisheries Council and his opinions on some particular fisheries.

MR. LLOYD agreed that representation on the council is very important, but said that he didn't agree with some of its positions. He discussed crab and cod fisheries, and said that he wants to look for opportunities that don't include privatization. He does want to institute changes for coastal fishing communities.

SENATOR MCGUIRE asked for Mr. Lloyd's comments on geoduck farming.

MR. LLOYD replied that he hasn't testified on the issue on question, but explained that the department has concerns about introducing the shellfish in certain parts of the state; the department would support farming in certain additional areas.

SENATOR MCGUIRE requested that a representative from the ADF&G attend the Administrative Regulatory Review committee meeting the following day.

4:42:21 PM

SENATOR STEVENS mentioned the need to keep ownership of resources in Alaska and the need to provide the opportunity for younger Alaskans to get into the industry, and asked how control can be gotten back.

MR. LLOYD replied that the ADF&G won't be planning to make any public ownership more privatized. It's a matter of limiting access to fisheries; there can be a reasonable management regime without giving up public ownership.

[4:44:26 PM](#)

CHAIR HUGGINS asked for comment on charter boat halibut fishing limits.

MR. LLOYD replied that there are short term, mid-term and long term proposals for the issue; the state wants to maintain control of allocation decisions, and reducing the quota immediately would unduly affect the charter boat business. A mid-term proposal is a moratorium on new entry into the halibut fleet which would stabilize participants in the industry. The long-term solution is in how to allocate privileges within the moratorium; there are many various proposals for doing so that will be considered.

[4:48:22 PM](#)

DAVE OTNESS, representing himself, said he served on Governor Palin's ADF&G transition team, and shared his strong concerns about how the joint boards let Alaskans down; he wants the appointment process investigated, but looks forward to the new administration.

MR. LLOYD commented that a one-name list was forwarded in 1995 as well; it's not a new issue.

CHAIR HUGGINS mentioned that the committee had heard from several people who voted on the nominations.

[4:52:34 PM](#)

STEVE FLORY, representing himself, said that his concern is over a statute that says the joint boards shall meet together in the midst of the nomination process, and more than one name should be recommended; the governor should not misinterpret the statute.

MR. LLOYD said that the governor has had plenty of opportunity to question him on his policies.

[4:56:33 PM](#)

TOM HARRIS, representing himself, said that the nomination process should be reviewed. He commented on decreasing wildlife populations in Alaska, and how ADF&G is not helping the problem. He added that he supports Mr. Lloyd's nomination.

[4:59:32 PM](#)

DAVID MARTIN, representing himself, said he disagreed with only one name being forwarded for recommendation; the lack of transparency erodes public support for government. There haven't been any much-needed personnel or policy changes in the ADF&G.

[5:02:55 PM](#)

MR. LLOYD said that the upper Cook Inlet salmon fishery issue is very detailed, but boils down to conflicting mandates from the fisheries board; more clarity is needed before the department can act.

CHAIR HUGGINS asked for comment on the management of fisheries.

MR. LLOYD discussed escapement and catch issues, and said that the department needs clear direction on those issues.

CHAIR HUGGINS asked if he saw any correlation in management techniques between Kenai, Susitna, and Yentna drainage points.

MR. LLOYD replied that ongoing studies may provide information on that issue.

CHAIR HUGGINS asked if fishing groups could use different sides of Cook Inlet.

MR. LLOYD replied that that cannot yet be verified.

[5:09:32 PM](#)

STEVE VANIK, representing himself, said that he's opposed to the appointment because of the unclear process, and is disappointed in Governor Palin. He asked why Mr. Lloyd is hiring retired people rather than new employees or those in line for promotions. He commented on the over-escapement in recent years, and said that management should be conservative. He mentioned a petition asking for clarification on the process.

[5:12:35 PM](#)

MR. LLOYD said that the department has acknowledged that there has been excessive escapement in the past; the board can choose consider the problem outside the regulatory process.

[5:13:27 PM](#)

JEFF BURGER, owner of Deep Creek Custom Packing, said that people are having a hard time economically in Cook Inlet. He objected to having a single appointment rather than a selection from a list, and said that over-escapement is absolutely detrimental to the fish run. He said he supported another candidate who wasn't on the final list, who is qualified and honorable as opposed to Mr. Lloyd.

[5:15:37 PM](#)

ACE CALLOWAY, representing himself, said that he agreed with previous statements about the nomination process; he thanked Mr. Lloyd for his service, but said that he has concerns about the attitude of the ADF&G administration. He talked about the emergency order to close captain and crew fishing, and complained that he had not received a response on the issue to various emails.

MR. LLOYD said that he would give Mr. Calloway his email address, and said that a proposal regarding sport fishing was only an option.

LYNN LEVENGOOD, with the Alaska Wildlife Conservation Association, opined that Mr. Lloyd did not have a plan to manage for abundance or know how to succeed with such a plan; the organization opposes his nomination, also because of the nomination process. He added that the ADF&G should manage on a biological basis and not one of personal feelings.

MR. LLOYD decline to respond.

MIKE TINKER, representing himself, said that Mr. Lloyd is not fully qualified to be commissioner; ADF&G game management is atrocious. The appointment should not be approved.

[5:26:34 PM](#)

TOM SCARBOROUGH, representing himself, said that Governor Palin promised changes in the ADF&G, and Mr. Lloyd's nomination is not in line with that promise, nor Mr. Taylor's.

5:28:25 PM

BOB THORSTENSON, president of United Fisherman of Alaska, said he supports Mr. Lloyd as the highest caliber person for the job; it's not his fault that his was the only name forwarded to the governor, and people should take issue with her or the boards.

5:31:24 PM

CHAIR HUGGINS said he has further questions for Mr. Lloyd that will need to be answered; he thanked Mr. Lloyd, and, there being no further business to come before the committee, he adjourned the meeting at 5:32:26 PM.