

ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE

April 4, 2011

3:31 p.m.

MEMBERS PRESENT

D R A F T

Senator Joe Paskvan, Co-Chair
Senator Thomas Wagoner, Co-Chair
Senator Bill Wielechowski, Vice Chair
Senator Bert Stedman
Senator Lesil McGuire
Senator Hollis French
Senator Gary Stevens

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Senate Cathy Giessel

COMMITTEE CALENDAR

SENATE BILL NO. 85

"An Act providing for a tax credit applicable to the oil and gas production tax based on the cost of developing new oil and gas production; and providing for an effective date."

- HEARD & HELD

CONFIRMATION HEARINGS

Alaska Oil and Gas Conservation Commission

Dan Seamount

- CONFIRMATION ADVANCED

Commercial Fisheries Entry Commission

Ben Brown

- CONFIRMATION ADVANCED

Board of Fisheries

William Brown

Susan Jeffrey

John Jensen
Michael Smith

- CONFIRMATIONS ADVANCED

PREVIOUS COMMITTEE ACTION

BILL: SB 85

SHORT TITLE: TAX CREDIT FOR NEW OIL & GAS DEVELOPMENT

SPONSOR(s): SENATOR(s) WAGONER

02/07/11	(S)	READ THE FIRST TIME - REFERRALS
02/07/11	(S)	RES, FIN
02/25/11	(S)	RES AT 3:30 PM BUTROVICH 205
02/25/11	(S)	Heard & Held
02/25/11	(S)	MINUTE(RES)
02/28/11	(S)	RES AT 3:30 PM BUTROVICH 205
02/28/11	(S)	Heard & Held
02/28/11	(S)	MINUTE(RES)
03/07/11	(S)	RES AT 3:30 PM BUTROVICH 205
03/07/11	(S)	Heard & Held
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03/30/11	(S)	RES AT 3:30 PM BUTROVICH 205
03/30/11	(S)	Heard & Held
03/30/11	(S)	MINUTE(RES)
04/01/11	(S)	RES AT 3:30 PM BUTROVICH 205
04/01/11	(S)	<Above Item Removed from Agenda>
04/01/11	(S)	MINUTE(RES)
04/04/11	(S)	RES AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

MICHAEL PAWLOWSKI, Staff
Senator Lesil McGuire
Alaska State Legislature
Juneau, AK

POSITION STATEMENT: Described changes to CSSB 85, version X on behalf of the sponsor.

DAN SEAMOUNT, nominee

Alaska Oil and Gas Conservation Commission
Anchorage, AK

POSITION STATEMENT: Testified as nominee to the Alaska Oil and Gas Conservation Commission

JOHN JENSEN, nominee

Board of Fisheries
Petersburg, AK

POSITION STATEMENT: Testified as nominee to the .

BENJAMIN BROWN, nominee

Commercial Fisheries Entry Commission
Juneau, AK

POSITION STATEMENT: Testified as nominee to the Commercial Fisheries Entry Commission.

WILLIAM S. BROWN, nominee

Board of Fisheries
Juneau, AK

POSITION STATEMENT: Testified as nominee to the Board of Fisheries.

SUSAN JEFFREY, nominee

Board of Fisheries
Juneau, AK

POSITION STATEMENT: Testified as nominee to the Board of Fisheries.

MICHAEL E. SMITH, nominee

Board of Fisheries
Newlato, AK

POSITION STATEMENT: Testified as nominee to the Board of Fisheries.

KARL JOHNSTONE, representing himself

POSITION STATEMENT: Testified in support of the appointments of John Jensen, William Brown, and Michael Smith to the Board of Fisheries.

JULIANNE CURRY, Executive Director
Petersburg Vessel Owners Association
Petersburg, AK

POSITION STATEMENT: Testified in support of the appointment of John Jensen to the Board of Fisheries.

KENNY WILSON, representing himself
Dillingham, AK

POSITION STATEMENT: Testified in opposition to the appointment of John Jensen to the Board of Fisheries.

DON FOX, representing himself
Kodiak, AK

POSITION STATEMENT: Testified in support of the appointment of William Brown, Susan Jeffrey, John Jensen and Michael Smith to the Board of Fisheries.

LINDA KOZAK, Consultant
Bering Sea fisheries

POSITION STATEMENT: Testified in support of the appointment of William Brown, Susan Jeffrey, John Jensen and Michael Smith to the Board of Fisheries.

RICKY GEASE, Executive Director
Kenai River Sportfishing Association

POSITION STATEMENT: Testified in support of the appointment of William Brown, Susan Jeffrey, John Jensen and Michael Smith to the Board of Fisheries; Dan Seamount to the AOGCC; and Benjamin Brown to the Commercial Fisheries Entry Commission.

ACTION NARRATIVE

[3:31:41 PM](#)

CO-CHAIR JOE PASKVAN called the Senate Resources Standing Committee meeting to order at 3:31 p.m. Present at the call to order were Senators Stevens, Stedman, French, McGuire, Paskvan, and Wagoner. Senator Giessel was also present.

SB 85-TAX CREDIT FOR NEW OIL & GAS DEVELOPMENT

CO-CHAIR WAGONER announced the consideration of SB 85. [Version 27-LS0484\E was before the committee.]

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CO-CHAIR PASKVAN moved to withdraw version E and adopt CSSB 85, labeled 27-LS0484\X ("version X"), as the working document.

CO-CHAIR WAGONER objected for discussion purposes.

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MICHAEL PAWLOWSKI, staff to Senator McGuire, stated that CSSB 85, version X, makes two substantive changes. The first is in Section 2, page 2, lines 2-4. The timeframe for the Sec.

43.55.026 development cost credit was changed to within 24 months after completion of the first development well for a qualifying pool, lease or property. This responds to the earlier concern that the way the credit was established could have incentivized producers to delay the beginning of production.

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The second substantive change is the addition of new sections 3 and 4. Section 3 amends AS 43.55.160(a), on page 3, lines 17-18, by referring to a new subsection (f) in AS 43.55.160.

Section 4, [page 5, line 31 through page 6, lines 1-5,] adds the new subsection (f). It increases the production tax value by the value of the development cost credit under Sec 43.55.026. This addresses the concern that qualified development expenditures could be deducted from a person's tax liability, which would essentially overcome the sponsor's intent of a 100 percent limit on the credit.

MR. PAWLOWSKI said the other changes are largely conforming, and based on moderate language suggestions by the Department of Revenue (DOR). One of the most important is on page 2, line 16. The development cost credit under Sec. 43.55.026 is 100 percent of the qualified capital expenditures less other credits that a producer would get under the current tax system. Now the exploration credits under Sec 43.55.025 are included in the calculation. If there is delineation work after the first development well is drilled, this ensures that credit, too, will be subtracted in determining the 100 percent.

Sections 6, 7, and 8 were renumbered to accommodate the new sections.

SENATOR FRENCH asked if he had an estimate on the fiscal impact of the changes.

MR. PAWLOWSKI answered no, but subsection (g), on page 3, lines 2-7, tightens the allocation language to clarify that the credit earned under Sec. 43.55.026 can offset a person's tax liability proportional to the volume of oil and gas produced that is attributable to the pool or lease from which the credit was earned. The goal is that the tax credit is only usable on revenue the state isn't getting under current production.

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SENATOR WIELECHOWSKI joined the committee.

SENATOR FRENCH mused that this does a good job of ring-fencing the credit, and he appreciates the focus.

CO-CHAIR WAGONER asked Senator McGuire to discuss Section 6.

SENATOR MCGUIRE asked the members to review the bill in detail to better prepare to respond to those people who believe that modification of the fiscal system is in order. She noted that the Senate version of the bill does not have a progressivity element, but it could be added. She emphasized that the Senate is listening and that her goal is to ensure that Alaska remains the number one oil and gas province in the nation. Tweaking the tax code isn't difficult for her to accept, and this should be the committee that is expert at doing that.

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SENATOR MCGUIRE explained that the proposal in Section 6 is to establish an "Oil and Gas Competitiveness Review Board" to maintain focus on the single largest revenue source that supports the state. This board will consist of nine members: one senator appointed by the president of the Senate; one representative appointed by the speaker of the House of Representatives; five public members appointed by the governor, including one petroleum engineer, one geologist, one economist, and one who is a member of an environmental or conservation group; the commissioner of natural resources or their designee; and the commissioner of revenue or their designee.

The legislative members will be co-chairs and each member will serve for the duration of the Legislature during which he or she is appointed. Each public member will serve three years and may be reappointed. Vacancies will be filled in the manner of the original appointment. Board members may be replaced at the discretion of the person appointing that member. Public members will not be compensated, but will receive per diem and travel expenses, as authorized for boards and commissions under AS 39.20.180. The board may contract for professional services and may hire administrative support staff.

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SENATOR MCGUIRE said the duties of the board set out in Sec. 44.99.610 are based on what the Province of Alberta did, when it assessed the competitiveness of the province in terms of its fiscal and regulatory regime. The board will be tasked with reviewing the historical, current, and potential levels of investment in the state's oil and gas sector on an ongoing

basis. Alaska currently does not have the necessary data in one readily accessible location.

The board will also identify factors that affect investment in oil and gas exploration, development, and production in this state, including the tax structure, rates, and credits; royalty requirements; infrastructure; workforce availability; and regulatory requirements. She explained that this is meant to compliment Alaska's Clear and Equitable Share (ACES), and to highlight the need to have a board that is continually tracking the state's overall competitiveness. The board will review the competitive position of the state to attract and maintain investment in the oil and gas sector as compared to the competitive position of other regions with oil and gas resources. She referenced the Wood Mackenzie report and emphasized that members should be continually tracking the updates to see how Alaska compares on a worldwide basis.

Another duty of the board will be to establish procedures to accept and keep confidential information that is beneficial to the work of the board. This includes creating a secure data room and confidentiality agreements that will be signed by individuals that have access to the confidential information.

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The board will make written findings, recommendations and suggest legislation before December 1 of each year regarding: changes to the state's regulatory environment that would encourage investment while protecting the interests of the people and the environment; changes to the state's fiscal regime to encourage new and ongoing long-term investment and development of the state's oil and gas resources; and alternative means for increasing the state's ability to attract and maintain investment and development of the state's oil and gas resources.

SENATOR MCGUIRE said Sec. 44.99.620 states that all commissioners who are responsible for information related to oil and gas investment and activity in this state shall provide any information that the board requires to carry out its duties. She noted that legislation passed last year that directed the Department of Natural Resources (DNR) to give a license on the instate line returned great dividends. Except for information that is confidential under AS43.05.230, a commissioner may disclose information to the board that is otherwise confidential.

SENATOR MCGUIRE welcomed suggestions with regard to Section 6 and opined that regardless of the viewpoint, Alaska is well behind the times in adopting some sort of board to assess the its competitiveness. She directed attention to a March 2011 report by Commonwealth North urging a competitiveness review.

CO-CHAIR WAGONER announced he would hold SB 85 in committee.

[3:53:34 PM](#)

CONFIRMATION HEARINGS
Alaska Oil and Gas Conservation Commission

CO-CHAIR WAGONER announced the next order of business would be confirmation hearings. He asked Dan Seamount to give his statement.

DAN SEAMOUNT, nominee, Alaska Oil and Gas Conservation Commission (AOGCC), said it has been satisfying to serve on the AOGCC for the past 11 years, and he'd like to continue. He holds the petroleum geologist seat, and for three years he served as chair. The mission of the AOGCC, in part, is to protect the public interest in exploration and development of oil, gas, and geothermal resources throughout the state. This includes protection of groundwater. AOGCC primarily regulates underground drilling and reservoir development operations.

MR. SEAMOUNT informed the committee that for 27 years prior to working on the commission he worked in exploration and development geology for Chevron, Marathon, and Unocal. He has a master's degree in geology with an emphasis in geothermal development and exploration, and holds a professional license in Alaska.

He pointed out that ongoing issues include Cook Inlet energy challenges; decreasing natural gas; natural gas storage issues; the LNG plant closure; and the potential arrival of jack up drilling rigs. The AOGCC is also reexamining the offshore and extended-reach drilling regulation in light of the Gulf of Mexico blowout, has taken over geothermal and other nontraditional drilling, and is trying to educate the public about hydraulic fracturing.

MR. SEAMOUNT asked the committee to support his reappointment.

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SENATOR FRENCH stated that Mr. Seamount keeps in touch with legislators when he comes to Juneau, and is exactly the kind of person that the commission needs.

SENATOR PASKVAN asked what role he sees technology playing, now compared to five years ago, in the recovery of oil in the legacy fields.

MR. SEAMOUNT replied the obvious things are viscous oil, ultra-extended-reach drilling, and continuing enhanced oil recovery. Geologic horizons that have been proven elsewhere may be coming to the state including deep basin-centered gas on both the North Slope and the Cook Inlet, and shale oil and shale gas. He said Alaska has the foremost conventional and nonconventional oil and gas potential of all the basins he's worked throughout the country.

CO-CHAIR WAGONER asked his opinion of the Ormat Mount Spurr Geothermal Project.

MR. SEAMOUNT replied he hasn't seen any results, but he believes the project has a fairly good chance for success.

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CO-CHAIR PASKVAN asked him to talk about well workovers and the number that are currently ongoing on the North Slope.

MR. SEAMOUNT responded well workovers are the number one way to maintain, and sometimes increase, an oilfield's productivity. It's done by perforating new zones and doing stimulations. The data indicates that the numbers of well workovers have been constant since 2003.

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CO-CHAIR PASKVAN asked if technology advances have helped well workovers compared to 5-10 years ago.

MR. SEAMOUNT replied there have been modifications on well workovers; hydraulic frac sizes are bigger and stimulations have been tweaked so they are more effective.

CO-CHAIR WAGONER thanked Mr. Seamount, and stated that committee action would be held until all the nominees were heard. He then asked John Jensen to give his statement.

Board of Fisheries

[4:02:27 PM](#)

JOHN JENSEN, nominee, Board of Fisheries, said he has served on the Board of Fisheries for nine years and would like to serve another three-year term. He was born in Petersburg, and continues to live there and work as a commercial fisherman.

SENATOR FRENCH asked what parts of the job he likes, what parts he doesn't like, and which issues are the most difficult.

MR. JENSEN replied allocations are by far the most difficult part of the job, but allocations for conservation aren't as difficult as for different user groups. It is rewarding that fisheries in the state are, for the most part, sustainable, he said.

CO-CHAIR WAGONER asked what should be done to mitigate the impact on the resource of having about 100,000 king salmon intercepted in federal fisheries off the west coast and in the Gulf of Alaska.

MR. JENSEN responded the king salmon issue along the entire coast of Alaska is one of his biggest concerns, and those areas are the most problematic. The board did write a letter to the federal government about better management in the Bering Sea fishery, and intended to write one this year about the Gulf. The federal government has more observer coverage, particularly in the Gulf of Alaska, and hopefully that will help. It will probably be discussed at the meeting that's going on right now in Anchorage, he said.

CO-CHAIR WAGONER asked what would be wrong with a mitigation program where they put one back if they take one.

MR. JENSEN replied that sounds fair; the current methods for keeping away from the king salmon don't seem to be working.

CO-CHAIR WAGONER urged him to continue to think about it, because he and other legislators are ready to take some action. It's been going on a long time with no improvement.

Commercial Fisheries Entry Commission

[4:06:11 PM](#)

CO-CHAIR WAGONER asked Ben Brown to tell the committee why he should be endorsed as the newest member of the Commercial Fisheries Entry Commission.

BENJAMIN BROWN, nominee, Commercial Fisheries Entry Commission, Juneau, said he began service on March 1 and enjoys it very much. He informed the committee that he is a life-long Alaskan who worked in the Legislature before going to law school. In addition to being a law clerk, he has been an administrative law judge, a lobbyist, and now works in private practice. He reminded the committee that the Limited Entry Act was adopted in 1973 after the voters amended the state constitution to allow for limited entry. Up to that time it was clearly unconstitutional. The amendment passed by a more than 3:1 margin, even in Kodiak. It was more popular than the constitutional amendment that year that eliminated discrimination against women in Alaska, and it was more popular than the amendment creating the right to privacy.

The Limited Entry Act calls for three members with a broad range of professional experience and no vested economic interest in any limited fishery. Mr. Brown offered his belief that that his resume and experience shows that he has a broad range of professional experience, and he does not have any vested interest in a commercial fishery. When he became aware that Frank Holman was going to retire after many years of service, he contacted Judge Larry Weeks, Judge Peter Froehlich and others to ascertain whether or not they thought he had the necessary skill set and aptitude for the job. When he submitted his name, the Governor saw fit to appoint him. He reiterated that he's enjoyed serving and would like the committee to support his appointment.

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SENATOR STEVENS asked if he'd had any surprises, or if the job is exactly as he'd expected.

MR. BROWN replied it's a unique institution within state government, and he tried not to bring preconceived notions. He's listened to the other commissioners and 26 hard-working staff to figure out their vision of how to be successful in the mission, and he's tried to familiarize himself with the jurisprudence of the cases.

CO-CHAIR WAGONER thanked Mr. Brown.

Board of Fisheries

CO-CHAIR WAGONER asked William Brown to give his statement.

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WILLIAM S. BROWN, nominee, Board of Fisheries, Juneau, said he has lived in Alaska for 20 years, and has served on the Board of Fisheries for one three-year term. The reason he'd like to serve a second term is a continuing desire to help preserve the fishery resource for Alaska's children, grandchildren, and great grandchildren. The fish will last forever, only if they are managed correctly. He explained that he holds a Doctorate in Economics, and has provided training in statistical methods, population dynamics and economic rationale for fishery regulation. A background in statistics made it possible, during his first term, to understand and analyze the models used to estimate optimal sustained yield and other key parameters for designing fishing regulations. Training in economics is also helpful in understanding and calculating the economic impact of various fisheries statewide. Biology and social issues do matter, but so does the economic impact of communities.

MR. BROWN said he was surprised that board members were expected to read so much. For example, there were 8,000 pages of material to read for the Upper Cook Inlet meeting. As a board member he made many tough and unpopular decisions, but his voting was always based on logic and careful consideration. He said he recognizes the importance of the job and has a desire to improve the fisheries.

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SENATOR FRENCH asked him to talk about one of the more difficult decisions he had to make while serving on the board.

MR. BROWN responded one of the most recent was in the Cook Inlet. That is a mixed stock fishery making it perhaps the most complex fishery in the state. Cook Inlet has a large commercial fishery for sockeye salmon and just north is the largest sport fishery in the state for king and silver salmon. The board had to make a decision to get the optimal sustainable yield on sockeye salmon for commercial fisheries, while also allowing sufficient numbers of king and silver salmon for the sport fisheries. Because there are several stocks of concern farther north, it was necessary to make serious cuts in commercial fishing. What complicated the matter was that it is not possible to manage for maximum sustained yield with a mixed stock fishery, because maximizing sustained yield for one species may devastate another species. It was a difficult decision.

SENATOR FRENCH asked him to explain the article he wrote in 1994 called, "The Alaska Permanent Fund: good sense or political expediency?"

MR. BROWN responded the main argument was that the Alaskan economy needs to be diversified, and one solution would be to use some of the Permanent Fund monies to stimulate a variety of other industries across the state. He opined that spending that money differently might result in better education and better allocation of resources in the state.

CO-CHAIR WAGONER commented that it seems that there would be fewer problems allocating fish to user groups, if there was a better mitigation process for the high seas catch of king salmon. He asked Mr. Brown to respond.

MR. BROWN said he would recommend salmon excluders on pollock nets, and require them in both the Bering Sea and Gulf of Alaska. That might exclude half the current king salmon catch. It's also a good idea to put observers on the pollock boats, but many of the king salmon that are caught in those nets are juveniles and it's difficult to tell them from the pollock when there are thousands of fish in the net. He added that drastic measures are needed, and he'd consider a hard cap.

CO-CHAIR WAGONER said with enough practice it's not difficult to differentiate between the two, and he would again ask what the board can do to mitigate the salmon catch.

MR. BROWN said a first step would be to require salmon excluders. He explained that the monitoring is electronic and the camera can't tell the difference between pollock and juvenile king salmon, so perhaps better monitoring is in order. A hard cap is another step. Cooperation with federal fisheries is necessary and that's difficult for the board to do on its own, he said.

CO-CHAIR WAGONER said he understands that, but he wants him to hold that thought.

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CO-CHAIR WAGONER asked Susan Jeffrey to give her statement.

SUSAN JEFFREY, nominee, Board of Fisheries, said the Alaska Constitution wisely mandates that resources will be managed for sustainability and the maximum benefit of the people. She understands that the Board of Fisheries is charged with conserving and developing the state's fisheries for all users. It is also up to the board to make decisions about allocations among the fisheries, which requires thoughtful analysis, based

on science and socio-economic factors. She said she also understands that the deliberative public process can sometimes be contentious. While it's not a process for the faint of heart, she said she would be honored to serve, and help conserve the fisheries resource for future generations. The Board of Fisheries process plays a vital role.

MS. JEFFREY said that for nearly 40 years she has participated in Alaska's subsistence, sport, and commercial fisheries. Working as a fisheries writer and editor for many years, she developed a keen understanding of the complexities involved in managing Alaska's renewable fisheries resources. Currently she is serving a second term on the Kodiak Island Borough Assembly and this has helped her develop a deep appreciation for the public process. She understands the importance of studying the issues and carefully listening to all parties before deliberating on matters.

MS. JEFFREY said she will be a newcomer on the board, and therefore has a lot to learn. She promised to do her best to ensure the sustainability of Alaska's fisheries for all user groups, now and in the future.

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SENATOR STEVENS said he's known Ms. Jeffrey for many years, and he'd like her to tell those who don't know her why she thinks she is tough enough to do the job.

MS. JEFFREY responded she is both approachable and open-minded. In the past she has had to report or vote on issues that put her at odds with friends and acquaintances, but she's not uncomfortable doing so because she does the homework.

CO-CHAIR WAGONER thanked Ms. Jeffrey and asked Michael Smith to give his statement.

[4:30:36 PM](#)

MICHAEL E. SMITH, nominee, Board of Fisheries, said he is a Koyukon Athabascan and his family is from Newlato on the Yukon River. He's been a subsistence advocate for about 25 years and has focused on fishery issues for the past 10 years, primarily along the Yukon River. He said he's been involved in the Yukon River treaty processes and has served on the king salmon bycatch committee of the North Pacific Fishery Management Council. Currently he's working on the chum bycatch issues and looking at the king salmon bycatch issue in the Gulf of Alaska. He said

he's also worked in the Western Alaska Salmon Stock Identification Program.

MR. SMITH said he's pleased to have been nominated. He's served on the board for one meeting cycle, and found it very interesting.

CO-CHAIR PASKVAN asked what his priorities would be.

MR. SMITH replied low abundance of king salmon is probably one of the biggest priorities. Reduced returns all over Alaska are hampering both personal and subsistence users.

CO-CHAIR WAGONER asked how he feels about mitigation of king salmon due to interception on the high seas.

MR. SMITH replied the board is somewhat limited in its ability to address actual mitigation, but it will continue to keep the bycatch limits as low as possible. The North Pacific Fishery Management Council didn't implement the 32,000 cap on king salmon bycatch that the board advocated for, but for the first time a cap is in place. Additionally, the 100 observer coverage will have a positive effect on reporting and sampling.

CO-CHAIR WAGONER asked what the board discussed with regard to king salmon escapement in the upper district of Cook Inlet. He said he doesn't believe the commercial fleet has anything to do with the reduction in those numbers because the kings generally go through the central district much earlier than the fleet is fishing on them.

MR. SMITH replied the board looked at action plans for six or seven streams in that upper region, and each one had management concerns about king salmon stocks. In-river restrictions were put in place and some of the fisheries were shifted around. He said that was his first upper Cook Inlet meeting and while the issue is complex, he feels the board came up with a fairly balanced approach to try to get more fish to the spawning grounds.

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KARL JOHNSTONE, representing himself, said he has served on the Board of Fisheries for the last three years and he is speaking in support of John Jensen, William Brown, and Michael Smith. John Jensen has a lot of experience and significant knowledge of Alaska's fishery resources, and the entire board benefits from

this experience. He's always available to stakeholders and the advisory committees.

William Brown has proven to be an effective and valuable member of the board. He has raised the bar and overall performance of the board. His background in economics and statistics has helped the board understand and sometimes question conclusions or science that is presented. This has helped the department as well. He assimilates data quickly, studies hard, listens to user groups, takes advisory committee comments seriously, and is an active participant in the deliberative process.

Michael Smith is a new member who adds a dimension that's been missing from the board. He provides a perspective on Interior Alaska, including the Yukon and Kuskokwim rivers, and subsistence users. He understands the resource and is already familiar with the deliberative process. He studies hard and is ready to listen to user groups.

[4:43:20 PM](#)

JULIANNE CURRY, Executive Director, Petersburg Vessel Owners Association, stated support for John Jensen. He's bright and has the institutional knowledge to be an effective board member. The resource comes first; he puts science at the forefront, he listens, and he treats people with respect. He has the institutional knowledge that is imperative to manage the fisheries, and is concerned with the issues before the North Pacific Fishery Management Council, including king and halibut bycatch.

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KENNY WILSON, representing himself, Dillingham, said he is a Bristol Bay fisherman who is speaking against the reappointment of John Jensen because in the past he hasn't taken the recommendations of the advisory committees. Mr. Jensen voted to open the outer Port Heiden area in 2010, which resulted in the interception of 5,694,479 sockeye and silver salmon that were headed to Bristol Bay and Chignik. Last summer fishing was a flop in the Egegik districts, the Arctic-Yukon-Kuskokwim (AYK) region is suffering, and the Kvichak has been identified as a river of concern. Bristol Bay has been losing ground every year, and it's time to make a change on the Board of Fisheries.

[4:50:13 PM](#)

DON FOX, representing himself, Kodiak, said he is a retired commercial fisherman who attends a lot of Board of Fisheries meetings as a representative of the Kodiak Fish and Game

Advisory Committee. He urged confirmation of all four appointments to the Board of Fisheries. He has observed that John Jensen and William Brown both come to the meetings well prepared; they work hard and are very approachable; and they always take time to fully explain their votes. Michael Smith is on a learning curve as a new member, and should be confirmed. Susan Jeffrey is on the local borough assembly and he's known her for 30 years. She works hard, looks at both sides of an issue, is open to the public, doesn't have an agenda and knows the fisheries. These qualities will serve well on the Board of Fisheries.

[4:52:10 PM](#)

LINDA KOZAK, Consultant, Bering Sea crab industry, halibut hook and line fishermen, and Pacific Cod pot and hook and line fishermen, said she is speaking for all the current applicants to the Board of Fisheries, particularly Susan Jeffery. As a reporter, Ms. Jeffery was always willing to listen to both sides of an issue. She was always fair and seemed to present the issues without a slanted opinion, and has exhibited the same qualities while serving on the local borough assembly. Susan Jeffery is highly qualified, and will be a very good member of the Board of Fisheries, she stated.

[4:53:38 PM](#)

RICKY GEASE, Executive Director, Kenai River Sportfishing Association, stated support for all the nominees under consideration. Dan Seamount served on the governor's Resources, Energy and Environment transition committee and is well informed on oil and gas issues. He should be reappointed to the AOGCC. All the Board of Fisheries candidates are strong appointments. Susan Jeffrey will serve well on the board. William Brown brings strong economic and statistical skills, and has been a good addition to the board. John Jensen has tremendous statewide experience. He brings valuable knowledge about the commercial fishery, which adds to the continuity of the board. Michael Smith brings a tremendous amount of information from Interior Alaska. He has a deep understanding and appreciation of subsistence, commercial, sport and personal-use fisheries. He commended the Governor's Office for bringing forth such a strong slate of candidates.

[There was no motion regarding the Governor's appointments, but the assumption was that the names would be forwarded to the full body for confirmation.]

[4:56:33 PM](#)

There being no further business to come before the committee, Co-Chair Wagoner adjourned the Senate Resources Standing Committee at 4:56 pm.