

**ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE**

March 25, 2015

1:01 p.m.

MEMBERS PRESENT

Representative Benjamin Nageak, Co-Chair
Representative David Talerico, Co-Chair
Representative Bob Herron
Representative Craig Johnson
Representative Kurt Olson
Representative Paul Seaton
Representative Andy Josephson

MEMBERS ABSENT

Representative Mike Hawker, Vice Chair
Representative Geran Tarr

OTHER LEGISLATORS PRESENT

Representative Jim Colver

COMMITTEE CALENDAR

HOUSE BILL NO. 100

"An Act establishing a credit against the net income tax for an in-state processing facility that manufactures urea or ammonia; and providing for an effective date."

- MOVED CSHB 100(RES) OUT OF COMMITTEE

HOUSE BILL NO. 128

"An Act establishing August 10 of each year as Alaska Wild Salmon Day."

- MOVED HB 128 OUT OF COMMITTEE

CONFIRMATION HEARING(S):

Board of Game

Teresa Sager Albaugh - Fairbanks

Kip Fanning - Yakutat

- CONFIRMATION(S) ADVANCED

PREVIOUS COMMITTEE ACTION

BILL: HB 100

SHORT TITLE: UREA/AMMONIA FACILITY TAX CREDIT
SPONSOR(S): REPRESENTATIVE(S) CHENAULT

02/09/15	(H)	READ THE FIRST TIME - REFERRALS
02/09/15	(H)	RES, FIN
03/11/15	(H)	RES AT 1:00 PM BARNES 124
03/11/15	(H)	Heard & Held
03/11/15	(H)	MINUTE(RES)
03/25/15	(H)	RES AT 1:00 PM BARNES 124

BILL: HB 128

SHORT TITLE: ALASKA WILD SALMON DAY
SPONSOR(S): REPRESENTATIVE(S) EDGMON

02/27/15	(H)	READ THE FIRST TIME - REFERRALS
02/27/15	(H)	FSH, RES
03/12/15	(H)	FSH RPT 4DP
03/12/15	(H)	DP: HERRON, FOSTER, MILLETT, STUTES
03/12/15	(H)	FSH AT 10:00 AM CAPITOL 120
03/12/15	(H)	Moved HB 128 Out of Committee
03/12/15	(H)	MINUTE(FSH)
03/25/15	(H)	RES AT 1:00 PM BARNES 124

WITNESS REGISTER

DONALD BULLOCK, House Majority Staff
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: During the hearing on HB 100, explained the purpose of Amendment 2.

REPRESENTATIVE BRYCE EDGMON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified as prime sponsor of HB 128.

THERESA SAGER ALBAUGH, Appointee
Board of Game
Mentasta Pass, Alaska

POSITION STATEMENT: As appointee to the position of the Board of Game, discussed her qualifications and answered questions.

KIP FANNING, Appointee
Board of Game
Yakutat, Alaska

POSITION STATEMENT: As appointee to the position of the Board of Game, discussed his qualifications and answered questions.

GARY STEVENS
Chugiak, Alaska

POSITION STATEMENT: Testified in support of the appointments of Ms. Albaugh and Mr. Fanning to the Board of Game.

AL BARRETTE
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of the appointment of Ms. Albaugh to the Board of Game.

MIKE TINKER
Alaska Wildlife Conservation Association
Ester, Alaska

POSITION STATEMENT: Testified in support of the appointments of Ms. Albaugh and Mr. Fanning to the Board of Game.

JAMES KOWALSKY
Fairbanks, Alaska

POSITION STATEMENT: Testified in opposition to the appointments of Ms. Albaugh and Mr. Fanning to the Board of Game.

THOR STACEY, Lobbyist
Alaska Professional Hunters Association (APHA)

POSITION STATEMENT: Testified in support of the appointments of Ms. Albaugh and Mr. Fanning to the Board of Game.

ACTION NARRATIVE

[1:01:05 PM](#)

CO-CHAIR BENJAMIN NAGEAK called the House Resources Standing Committee meeting to order at 1:01 p.m. Representatives Johnson, Josephson, Herron, Olson, Seaton, Talerico, and Nageak. Representative Tarr arrived as the meeting was in progress. Representative Colver was also present.

HB 100-UREA/AMMONIA FACILITY TAX CREDIT

1:03:08 PM

CO-CHAIR NAGEAK announced that the first order of business is HOUSE BILL NO. 100, "An Act establishing a credit against the net income tax for an in-state processing facility that manufactures urea or ammonia; and providing for an effective date."

1:03:23 PM

REPRESENTATIVE SEATON moved to adopt Amendment 1, labeled 29-LS0423\H.3, Nauman, 3/18/15, which read:

Page 1, line 10, following "delivered":

Insert "in the taxable year of the taxpayer"

Page 1, line 13, following "zero.":

Insert "An unused tax credit or portion of a tax credit received under this section may not be carried forward for use in a taxable year of the taxpayer after the taxable year in which the credit is earned."

CO-CHAIR TALERICO objected for the purpose of discussion.

1:04:28 PM

REPRESENTATIVE SEATON explained Amendment 1 would ensure that the credits are available for that year in that if the royalty credits are greater than the corporate tax credit it cannot be carried on for future years. He explained this is a 10-year program that is available and those credits each year are available, but must be used in that year.

CO-CHAIR TALERICO removed his objection. There being no further objection, Amendment 1 passed.

1:05:58 PM

REPRESENTATIVE SEATON moved to adopt Amendment 2, labeled 29-LS0423\H.6, Nauman, 3/24/15, which read:

Page 1, line 10, following "to":

Insert "the in-state processing facility owned by"

REPRESENTATIVE JOHNSON objected for the purpose of discussion.

1:06:20 PM

REPRESENTATIVE SEATON indicated that Amendment 2 clarifies language and asked the sponsor to address the amendment.

DONALD BULLOCK, House Majority Staff, Alaska State Legislature, explained that the purpose of Amendment 2 is in response to a concern expressed by the Department of Revenue to narrow the credit to the gas delivered to a taxpayer for the processing into urea of ammonia. He offered the scenario that an owner of a plant bought gas to heat another facility and they bought the gas to be used in the processing plant, only the gas delivered to the processing plant owned by that taxpayer would be eligible to generate the credit.

1:07:45 PM

REPRESENTATIVE JOHNSON removed his objection. There being no further objection, Amendment 2 passed.

1:08:08 PM

REPRESENTATIVE SEATON moved to adopt Amendment 3, labeled 29-LS0423\H.7, Nauman, 3/24/15, which read:

Page 1, line 2, following "**ammonia;**":

Insert "**relating to establishing the value of the state's royalty share of gas production based on contracts with certain in-state processing facilities that manufacture urea or ammonia;**"

Page 1, following line 3:

Insert a new bill section to read:

"* **Section 1.** AS 38.05.180 is amended by adding a new subsection to read:

(11) For a contract that is entered into on or after the effective date of this subsection, within 90 days after the written request of a lessee of a lease issued under this section, in order to establish the value of the state's royalty share of gas production sold by the lessee under the contract, the commissioner may enter into an agreement with the lessee to use or accept as a price for the gas an amount that is not less than the price established in the contract between the lessee and an in-state processing facility whose primary function is the

manufacturing and sale of urea or ammonia to third parties in arm's length transactions, not to exceed the amount that would otherwise be due under the lease. The commissioner may enter into an agreement under this subsection if

(1) the commissioner makes a written finding that

(A) it is in the best interest of the state; and

(B) based on clear and convincing evidence, the contract price is not unreasonably low; and

(2) the primary function of the in-state processing facility is to engage in the production of urea or ammonia, and the owner of the in-state processing facility with which the lessee has entered into the contract is not affiliated with the lessee or with a subsequent purchaser of more than 10 percent of the urea or ammonia produced; for purposes of this paragraph, the parties to a contract or purchase are affiliated if, in the judgment of the commissioner, one of the parties to the contract or purchase exercises substantial influence over the policies and actions of the other as evidenced by relationship based on common ownership or family interest or by action taken in concert without regard to whether that influence is based on stockholdings, stockholders, officers, or directors."

Page 1, line 4:

Delete "**Section 1**"

Insert "**Sec. 2**"

Renumber the following bill sections accordingly.

Page 1, following line 13:

Insert a new subsection to read:

"(c) To claim a credit under this section, the taxpayer shall report to the department the name of each lessee delivering natural gas to the in-state processing facility, the identification and quantity of natural gas from each state lease that is the source of the natural gas, and the price for the natural gas established in a contract between the owner of the in-state processing facility and the lessee delivering the natural gas."

Page 2, line 3:

Delete "sec. 1"
Insert "sec. 2"

Page 2, line 6:
Delete "Sections 1 and 3"
Insert "Sections 1, 2, and 4"

Page 2, line 7:
Delete "Section 2"
Insert "Section 3"

[1:08:23 PM](#)

REPRESENTATIVE JOHNSON objected for the purpose of discussion.

[1:08:45 PM](#)

MR. BULLOCK described Amendment 3 as an interesting credit as unlike an investment tax credit, where the taxpayer buys something and they know what they paid for it and can figure out what the credit is. This credit is based upon the royalty due on the leases that produce the gas that the taxpayer will use in the processing plant. He advised this is similar to existing law in the oil & gas leasing statute. Currently, the statute addresses gas that is sold and contracts for sale to certain electric utilities, and there is another provision allowing the contract to set the price for agricultural chemicals. Amendment 3, he noted, parallels the existing language in that the lessee first of all negotiate with the processing plant, which he describes as an arm's length transaction with the goal to set a reasonable market price, or a price the state would otherwise use to value the gas royalty purposes. By doing this ahead of time, the lessee selling the gas to the processing facility submits the contract to the commissioner of the Department of Natural Resources (DNR). The commission then would review it and determine whether it is a reasonable contract with no games being played, the parties aren't too close, and with the goal to get it to the price that would have resulted if the gas was later audited for royalty purposes. He described it as a check in determining that it is a legitimate price. He explained that by doing it this way, rather than subjecting the royalty to a later audit, the taxpayer knows what the credits will be as there is a contract price and a percentage of the contract price represents the royalty. The taxpayer knows that the producer, the lessee, has some stability in knowing what their royalty will be on that gas and the commissioner would have reviewed it and determined it is the price that makes sense. He opined it

is better than the alternative to try and say that the taxpayer takes a credit and then down the road, it turns out that the gas wasn't worth as much, or worth more. He opined that raises the question of, what should be done with the credits since the credit is based on the royalty, and the royalty has changed. He commented that Amendment 3, deals with that issue upfront as everyone know what the credit is and the lessee selling the gas knows what their royalty is.

[1:11:48 PM](#)

[The committee treated the objection as removed.] There being no further objection, Amendment 3 passed.

[1:12:37 PM](#)

CO-CHAIR TALERICO moved to report HB 100, labeled 29-LS0423\H, as amended, out of committee with individual recommendations and the accompanying fiscal notes from committee.

[1:13:09 PM](#)

REPRESENTATIVE SEATON objected for the purpose of discussion, and offered that there is discomfort with credits across the industry. He pointed out that this is fairly small, targeted specifically to the amount of corporate income tax offset by gas that would be purchased for instate use. He noted it has a 10-year window and if not used within 10-years, or any portion of that 10-years, it is not a rolling 10-years so he is comfortable that sideboards are tight enough that it would be a benefit to the state to get the additional work done and add to the benefits of restarting an industry. He expressed his general feeling is that broad tax credits are a problem to the state, and this bill is not as it is based on actual profitability. He described the bill as a well-crafted tax credit as opposed to those that could put the state at risk as being very broad based, based upon the amount of investment someone makes.

[1:15:10 PM](#)

REPRESENTATIVE JOSEPHSON said he fully associates himself with Representative Seaton's comments, and added he doesn't understand why the applicant says they will spend \$275 million and want just a few million dollars of assistance in the form of a credit. He opined the case made is compelling and will not object to the bill leaving committee.

[1:15:55 PM](#)

REPRESENTATIVE TARR said she shares in the comments of Representative Josephson and appreciates how the bill is targeted. She recalled in previous budgets there was a consideration of funds to help support the plant when it was having difficult times. She researched the issue, and in 2007 the legislature gave the plant a \$5 million capital project to help the company continue when there was a natural gas shortage. She opined that the investments being made sound substantial and other issues have been resolved so going forward the committee will not have to consider some of the same options again should they find themselves in trouble. She said she looks forward to a number of jobs and the \$275 million of investment in Alaska. She expressed her hope that the legislature plans better in the future for potential gas shortages and it won't have to come back on this issue.

[1:17:18 PM](#)

REPRESENTATIVE SEATON removed his objection. There being no further objection, HB 100, as amended, with individual recommendations and the accompanying fiscal notes was reported from the House Resources Standing Committee.

The committee took an at-ease from 1:17 to 1:20 p.m.

HB 128-ALASKA WILD SALMON DAY

[1:20:24 PM](#)

CO-CHAIR TALERICO announced that the next order of business is HOUSE BILL NO. 128, "An Act establishing August 10 of each year as Alaska Wild Salmon Day."

[1:20:42 PM](#)

REPRESENTATIVE BRYCE EDGMON, Alaska State Legislature, as prime sponsor, introduced HB 128 and advised it sets aside August 10 each year to celebrate the Alaska Wild Salmon. He advised that the bill creates an opportunity for all Alaskans to celebrate [wild king, sockeye, coho, and pink] salmon from any standpoint they so desire. Research indicates that the creation of a wild salmon day also offers those in the tourism industry, and marketers of all things Alaska, an opportunity to have the cache of Alaska Wild Salmon Day, he offered. In drafting the bill, he said, they worked with tourism industry entities and chose

August 10 as it was a date unoccupied by any other Alaska day, and it wasn't in the month of July which is stacked with a number of celebrations.

[1:23:11 PM](#)

REPRESENTATIVE HERRON asked whether August 10 is Representative Edgmon's birthday.

REPRESENTATIVE EDGMON replied it is not his birthday and is an arbitrary date. He advised that those in the tourism industry believe August 10 is still during the height of the tourist season, and that it would be appropriate to set one day aside for those coming into the state as tourists as well as Alaskans to celebrate Alaska Salmon Day.

REPRESENTATIVE HERRON asked whether the sponsor would support an amendment offered by United Fishermen of Alaska to change "chum" to "keta."

REPRESENTATIVE EDGMON responded that "chum" is the more accepted term, but he would defer to the committee's will. He pointed out that most people know "dog salmon" as "chum salmon."

CO-CHAIR TALERICO opened public testimony then closed it after ascertaining no one wished to testify.

[1:25:47 PM](#)

REPRESENTATIVE SEATON said he is unsure the date is right because two weeks ago, 259 king salmon were caught in Homer during the tournament, and a February date may be better. Salmon are ubiquitous around Alaska and are very valued by everyone, he stated, and he supports the bill.

REPRESENTATIVE HERRON concurred that salmon is Alaska's way of life and recognizing wild salmon is a great honor for Alaska.

REPRESENTATIVE TARR supported the bill and asked whether there would be an Alaska Wild Salmon Day song to help celebrate.

CO-CHAIR NAGEAK advised it is appropriate that wild salmon are celebrated on August 10.

[1:27:25 PM](#)

REPRESENTATIVE SEATON moved to report HB 128, labeled 29-LS0563\W, out of committee with individual recommendations and the accompanying zero fiscal notes. There being no objection, HB 128 was reported from the House Resources Standing Committee.

The committee took an at-ease from 1:27 to 1:31 p.m.

CONFIRMATION HEARING(S): Board of Game

[1:31:57 PM](#)

CO-CHAIR TALERICO brought before the committee the appointments of Teresa Sager Albaugh and Kip Fanning to a position on the Board of Game. [The committee packets contained biographical information on both appointees.]

[1:32:11 PM](#)

THERESA SAGER ALBAUGH, Appointee, Board of Game, said she is a life-long Alaskan, raised within a hunting and fishing family, lives at Mentasta Pass with her husband, cuts wood, hauls water, and learns of news events through their radio and internet as they do not have network or satellite television. She explained that the common thread running through all of her experiences is hunting and fishing, and she enjoys sharing those traditions with younger members of the family. In terms of her professional background, currently she works for a consulting company designing and managing community improvement construction projects in the rural areas of Alaska, and she gained experience with the statutory and regulatory process by working for members of the Interior Delegation in the Alaska State Legislature. She opined that her contribution to the Board of Game is primarily from the perspective and position of a resident Alaskan who has lived in both urban and rural environments. She expressed her appreciation of serving on the board for the past six years.

[1:35:30 PM](#)

REPRESENTATIVE JOSEPHSON noted that the only data he has seen on the subject of visitors able to view wolves at the Denali National Park and Preserve was 44 percent in 2010, and currently 4 percent of the visitors see them. He asked whether that is a consideration the Board of Game should keep in mind when making decisions regarding buffer zones.

MS. SAGER ALBAUGH replied it is one of many considerations. On this issue she has attempted to keep in mind the additional consideration of allowing visitors to Alaska to observe and experience what the "real Alaska" has to offer. Sometimes that involved abundant wildlife where many animals can be seen from a vehicle or bus, and sometimes it means that wildlife is not abundant and, therefore, not available to view. She opined that the reduction in the view ability of wolves mention within the percentage figure is a case in point and described her comments as the perspective she tries to give to that issue.

REPRESENTATIVE JOSEPHSON observed that Ms. Albaugh's resume referred to "Slana Alaskans Unite," and asked her to explain the group.

MS. SAGER ALBAUGH responded she no longer serves on the board of Slana Alaskans Unite, but is a member of the organization. She explained that Slana Alaskans Unite was formed when parks and preserves were created under Alaska National Interest Lands Conservation Act (ANILCA). At the time, chapters of Alaskans Unite were all over the state which basically were citizen organizations formed to protect the uses and enjoyment of Alaska's lands drawn into Park and Wilderness regulations, and Slana Alaskans Unite was one of many. Slana Alaskans Unite, she opined, is the only remaining chapter in the state and it continues to watchdog the regulations and activities of the National Park Service, and its impact on Alaskans and people who use those lands.

[1:38:55 PM](#)

REPRESENTATIVE JOSEPHSON referred to an article from two years ago regarding the "buffer zone" issue, and noted that the press could be incorrect. He read, "She supported removing the buffer because, in her view the state shouldn't be managing its lands to meet a federal purpose." He questioned whether there would ever be a circumstance where a state and federal purpose might be the same in a given area.

MS. SAGER ALBAUGH answered "Yes," there are probably instances wherein the state and federal purposes are aligned in various areas of the state.

[1:40:00 PM](#)

REPRESENTATIVE HERRON asked what has surprised and disappointed her in the six years she served on the Board of Game.

MS. SAGER ALBAUGH replied that her greatest disappointment is the need for greater support of the advisory committee system across the state, because it is so broad and expansive. She opined it is very valuable to the board process and advisory committees are limited in their travel expenses and the number of meetings it can hold. The advisory committee system is [important] for the Board of Game, and she finds it unfortunate it is not able to have a significantly greater measure of participation in advising the Board of Game. She understands that the budget constraints Alaska is currently under are significant and the legislature must struggle with that, but in terms of significant disappointment she has witnessed over the past six years, that is a primary disappointment. Her greatest surprise is the number of proposals submitted to the board, and the amount of time the board has to process and deal with all of the proposals. Her first meeting was 2009, and the board met for 10-11 days and had 243 proposals and, she advised, she had not anticipated the intense schedule and that the intensity would be as significant as it was. It remains a challenge for her, but she does appreciate the opportunity.

[1:43:16 PM](#)

REPRESENTATIVE TARR, regarding state and federal purpose, asked her to elaborate on the state and the federal government, and game management.

MS. SAGER ALBAUGH responded that the current relationship between the state and federal government is rather rocky due to federal overreach. She pointed specifically to the provisions of ANILCA in which protections were basically guaranteed to Alaskans when many federal lands were established. Currently, there have been many moves and maneuvers by the federal side that basically side-step or abandon some of the provisions of ANILCA and, she stated, she is protective of state interests in that respect and is concerned regarding the trajectory of the federal presence in Alaska.

[1:44:47 PM](#)

REPRESENTATIVE TARR requested Ms. Sager Albaugh to email specific examples from her experience on the Board of Game as it would be educational. She asked whether the appointee had been following HB 137, which increases hunting and fishing licensing fees with regard to resident versus non-resident. This bill is in consideration of the federal funds available for the three-

to-one match with regard to the Pittman-Robertson Federal Aid in the Wildlife Restoration Act, she explained.

MS. SAGER ALBAUGH said she will forward an email to the committee, together with letters from the Board of Game. Her personal recommendation is that it is advisable to revisit license fees, particularly considering increases for non-residents. She opined that the time is right to consider resident license fee increases ... she urged the legislature to move cautiously in establishing resident tag fees because many of these species are directly tied to the harvest of animals basically harvested for food. She pointed out that while Alaskans are looking for food security and the economy being what it is, she urged caution in adopting tag fees for residents. In looking toward the species primarily considered trophy species, such as Doll Sheep and Brown Bear, she advised the committee that they are the more coveted harvest opportunities primarily for trophy purposes. Residents would be more inclined and would probably be willing to pay for resident tags for those trophy species, she posited.

[1:49:39 PM](#)

REPRESENTATIVE JOSEPHSON referred to a story in the paper a week ago today regarding the proposal to prohibit traps and snares within 200 feet of trails on the Kenai Peninsula. He opined that Ms. Albaugh's view was that people walking their dogs should have them on a leash at all times, essentially, stating it was their problem.

MS. SAGER ALBAUGH replied that Representative Josephson's statement is pretty close, as the bottom line is that pet owners who encountered problems with traps are those who had their pets off leash and were basically not conforming to leash laws and not controlling their pets.

[1:51:33 PM](#)

CO-CHAIR TALERICO advised that the committee will be taking public testimony on both appointees.

[1:52:02 PM](#)

KIP FANNING, Appointee, Board of Game, said he was born in Fairbanks, lives in Yakutat, was born into a commercial guiding family, and grew up with a subsistence lifestyle. He stated he

would like to do what he can to help preserve the industry for future generations.

[1:53:04 PM](#)

REPRESENTATIVE JOSEPHSON asked whether he is willing to listen to people from a non-consumptive perspective who prefer watchable wildlife.

MR. FANNING replied "Certainly," in that he takes pride in listening to various opinions while attempting to make the best decisions on the board. Obviously, he pointed out, moose, caribou, and sheep hunting provides food for many families, but there are also people who would like to view these animals without fear of being shot, hunted, or trapped. He offered that he doesn't have a problem with that, but there needs to be a balance in that people must understand that many people survive from that food. "If they want to go see them, maybe don't go see them during hunting season, go see them some other time," but there definitely needs to be a balance, he said.

[1:54:57 PM](#)

REPRESENTATIVE TARR observed that Mr. Fanning's application states he is interested in the Aviation Advisory Board, the Board of Game, or the Permanent Fund Corporation, which is a diverse group of boards. She asked whether Mr. Fanning has previous board experience coming into what is described by the previous appointee as a complex process with hundreds of proposals.

MR. FANNING responded he does not have previous experience with boards, but will do the best job he can and will keep an open mind, ask many questions of witnesses, and make the best decisions he can.

[1:56:09 PM](#)

REPRESENTATIVE TARR asked whether the Board of Game was Mr. Fanning's second choice priority of the boards he requested.

MR. FANNING answered he has equal interest in the three boards, but his first choice was the Board of Game.

CO-CHAIR TALERICO opened public testimony regarding the two Board of Game appointees.

[1:57:25 PM](#)

GARY STEVENS said he has lived in Alaska for almost 45-years, enjoys hunting and fishing, and has been a wildlife photographer in Denali National Park and Preserve since the late 1970s. He referred to the issue of wolves and advised he has not seen more or less wolves since he began as a wildlife photographer and believes it is a cyclic issue. He advised he is on the board of the Alaska Outdoor Council and said it strongly supports re-confirmation for Ms. Sager Albaugh as she is probably the most respected person on the board from a broad base of Alaskan users. Ms. Albaugh is extremely intelligent, and aware of many of the issues affecting the activities of the board. He advised he has not met Kip Fanning, but very much respects his father and opined that the council supports his confirmation based purely upon the fact he lives the life style that represents the Alaska Outdoor Council.

[1:59:46 PM](#)

AL BARRETTE said he has participated in the Board of Game process and advisory council process for many years. He offered his support to Ms. Albaugh's re-confirmation to the Board of Game as she is a subsistence user, protects the subsistence way of life and its priority, is well-educated pertaining to wildlife management, well prepared for each board meeting, attends advisory council meetings in Fairbanks, Glennallen, Tok, Mat-Su, and Anchorage of which not all members attend or have the ability to visit and listen to issues the advisory councils take up. In that regard, not only does Ms. Albaugh read the proposals, suggestions, or comments, she also attends these meetings to getting the feel of what the various areas are discussing. She has a background using the codified findings, statutes, and regulations, and educates herself with the interpretations of those statutes and regulations and statewide issues, he expressed.

MR. BARRETTE replied to Representative Tarr that he supports Kip Fanning as, based upon his statement, he will listen to all consumptive and non-consumptive users, educate himself, including his background, which proves that he can be on the Board of Game.

[2:03:33 PM](#)

MIKE TINKER, Alaska Wildlife Conservation Association, spoke in support of Ms. Albaugh as follows:

The Alaska Wildlife Conservation Association is a 35-year old organization based in the Interior that works on resource issues, especially fish and game. I personally have worked with the Board of Game for 25-years representing the Fairbanks Advisory Committee, the AWCA, and my family. I am here to ask you to support Teresa Sager Albaugh for confirmation for another term on the Board of Game. Throughout her service on the board, Ms. Sager Albaugh has been a caretaker of the constitutional and statutory obligations the board should, but does not, always follow. She comes prepared for every agenda, usually having had several meetings with the public and advisory committees. She has read the hundreds of pages of information that are required for each meeting. She has lived in more ... in the more urban Alaskan environment in Fairbanks, but now lives and has lived for many years in the Bush. Her experience gives her a unique perspective. Her background as a hunter and fisher living in a subsistence area give her the experience to understand and appreciate the passion of those coming before the board. Her calm attention to detail amidst the emotion and turmoil that accompany some issues before the board is not matched by any other member. She brings the perspective following the statutes and procedures and not leaving those guidelines during heated debates or question and answer sessions. She is the board member who is looking out for a compliance to the process, regulations, and contradictions in purpose. I want to thank Governor Walker for discussing her re-appointment with the AWCA and then making that appointment. I want to thank you for the opportunity to support her.

[2:05:24 PM](#)

MR. TINKER continued, speaking in support of Mr. Fanning as follows:

With regard to Mr. Fanning, we ask you to recommend the confirmation for Mr. Fanning as a member of the Game. As a new-comer to the regulatory process, Mr. Fanning fits the intent of the Alaska state's men and women who drafted the sideboards for Board of Game members. They did not intend the Boards of Fish and

Game to be made up of hunting and fishing experts or professionals. The language is clear that an applicant for the board should be knowledgeable and have experience with hunting, habitat, and issues that provide a base for making informed decisions on hunting and trapping regulatory manners. The implication those guidelines is at the relatively short term of service is an opportunity to select new members with new questions and new ideas. The AWCA finds that Kip Fanning has exactly the qualifications needed. His life experience and professional experience have given him a detailed background to understand wildlife issues and make good conservation decisions. He is not a registered guide, but as he said, has worked with hunters his entire life. Mr. Fanning recognizes the steep learning curve that lies ahead of him moving into the regulatory, decision-making arena. He is up to that challenge. We believe his common sense, experience, living in a subsistence oriented coastal community will serve him well as a member of the Board of Game and we thank you, Mr. Chairman, for the opportunity to testify.

2:07:30 PM

JAMES KOWALSKY said he is a 45-year resident, and testified that neither the current Board of Game nor the appointees represent non-consumptive users. He pointed out that a large segment of the population are non-consumptive users, and over the decades the Board of Game, by its makeup, made decisions that do not represent the larger Alaska public. He urged the committee to consider the possibility that this board should have a broader representation through balance the scales of individual members. He referred to Ms. Sager Albaugh, and stated it is not personal, but it is fair to think about the fact that the larger segment of this population are not hunters or trappers. It is only fair to consider the possibility that there should be [non-consumptive] representation also on this board, he stressed. Having said that, he asked the committee to consider his statements in that he is opposed to the appointment of Ms. Sager Albaugh and Mr. Fanning. He stated he does not know Mr. Fanning, but knew his father well in the 1970s. He is a long-time resident of the state and pays attention to what goes on, and he requested the committee to consider his statements before taking action.

REPRESENTATIVE TARR said she appreciates Mr. Kowalsky's comments in having a broad representation on the board, and asked whether he has had a personal experience with the board, or tried to make comments reflecting a different user group and his comments were not well received.

MR. KOWALSKY responded that listening to all sides is good, but that is not representation. His experience with the Board of Game goes to his seven years as Wildlife and Parks Director for the Tanana Chiefs Conference, and directly pointed out that his testimony is purely his own. Many years ago, he essentially attended seven years of board meetings and paid close attention to how the board functions. He opined that his plea was to consider the large segment of Alaskans who are non-consumption and are not represented in the Board of Game. Non-consumptive users may be listened to and their thoughts considered, but it is not the same as representation. He asked that the committee factor that into how it considers the future of the Board of Game.

[2:11:57 PM](#)

REPRESENTATIVE TARR offered that in the event a non-consumptive user was appointed, it is likely that person would still be out-voted given that member would be a minority. She asked whether Mr. Kowalsky felt a more effective form of representation is the ability to participate as a member of the public by attending meetings, or the opportunity to submit proposals for consideration.

MR. KOWALSKY advised the audio is faulty and asked that she repeat the question.

REPRESENTATIVE TARR noted that in the event one of the members on the board was a non-consumptive user, they would likely have a minority position. She asked whether Mr. Kowalsky felt being a minority member on the board would be a more effective form of representation for the non-consumptive user group as opposed to being a member of the public submitting a proposal for consideration by the board.

MR. KOWALSKY answered it would be better than what is currently there now. He reiterated that these are not personal comments, and it would certainly be closer to a representation. He submitted that in general terms, basically 80 percent of Alaska's voters do not hunt or trap which means there is a 15 percent representation for a very large public. He clarified

that he is looking for representation of the broader public, and the board does not do that as much as it may think it tries, as he is an onlooker, pays attention, has been around for a long time, and he does not see it. He pointed out that the two appointees being considered today do not make any progress in that direction.

2:15:00 PM

THOR STACEY, Lobbyist, Alaska Professional Hunters Association (APHA), said that allocation of game resource in Alaska is of critical importance to a resource based visitor industry such as Alaska. The association supports both appointments and, he advised, he personally has had the good fortune to watch over 100 hours of deliberation from Ms. Sager Albaugh. He opined that she brings a good perspective to the Board of Game, is diligent in her preparations, conscientious in the comments she puts on the record thereby building a good record, definitely is not a guide industry vote, and has a good record of deliberative process which is good for the state as a whole. He offered that the association generally supports Mr. Fanning, and that his father at one time was a president of the association. Although, Kip Fanning has no ties to any person in the association at this point that he is aware of. Mr. Fanning brings a valuable perspective to the board as a small business owner. He suggested that there are concerns regarding conservation and allocation, and that drafting regulations to address those issues as to how they are administered and acted upon have inadvertent effects on small business. Someone with a small business background may understand there are two ways to get to the same result as far as the resource goes as one way is less burdensome on small businesses while accomplishing the same conservation goal, he commented.

2:17:19 PM

REPRESENTATIVE TARR noted that general support has been offered for Mr. Fanning given people have less experience with him. In the event an individual similar to Mr. Fanning is appointed and within the meetings there are a series of unexpected questionable decisions, she asked how the APHA would respond.

MR. STACEY replied that when there is respect for the process, "you have to be careful that you take issues with votes, but you can certainly take issues with a bias or something that whether way outside of the formal process or their positions come from an activist position they are seeking appointment to a board

such as this with the goal of a ... pre-determined bias, let's just say ... it all depends on ... how those votes happen and if you feel that the process is being respected. Not so much a win or loss column on votes."

[2:18:52 PM](#)

CO-CHAIR TALERICO closed public testimony after ascertaining no one else wished to testify.

[2:19:06 PM](#)

REPRESENTATIVE JOSEPHSON stated that Ms. Sager Albaugh is very knowledgeable without having the academic experience, but is a good example of how it is not required. He stated that the decision he asked Ms. Sager Albaugh about was a 7-0 decision, so a lot is going on there. Continuing in that regard, he said, "I don't know that there is ... a constituency that is so seriously unrepresented as there is relative to the Board of Game. I can't think of anything in government like it and so I am concerned about it."

[2:20:13 PM](#)

CO-CHAIR TALERICO requested a motion to move the two appointees forward to a joint session for confirmation, held at a later date. He stated that the signing of the document today neither confirms support or opposition to either of the appointees; signing the document confirms a hearing has been held and those names will move forward. The committee members are not committed to any type of vote until the joint session of the House and Senate for confirmation.

[2:20:52 PM](#)

REPRESENTATIVE JOHNSON advised the committee has reviewed the qualifications of the Governor's appointees as shown in the attached referral and confirmation forms. He [moved] that the names be forwarded to the joint session for consideration. There being no objection, the names of Teresa Sager Albaugh and Kip Fanning were advanced from the House Resources Standing Committee.

The committee took an at-ease from 2:21 to 2:23 p.m.

[2:24:20 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 2:24 p.m.