

ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE

April 6, 2015

3:30 p.m.

MEMBERS PRESENT

Senator Cathy Giessel, Chair
Senator Mia Costello, Vice Chair
Senator John Coghill
Senator Peter Micciche
Senator Bill Stoltze
Senator Bill Wielechowski

MEMBERS ABSENT

Senator Bert Stedman

COMMITTEE CALENDAR

CONFIRMATION HEARING

Alaska Gasline Development Corporation (AGDC)
Rick Halford

- CONFIRMATION ADVANCED

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 70(RES)

"An Act adding land and water to the Creamer's Field Migratory Waterfowl Refuge."

- MOVED SCS CSHB 70(RES) OUT OF COMMITTEE

SENATE BILL NO. 48

"An Act relating to a reduced fee for a nonresident hunting or sport fishing license and a big game tag for qualifying former state residents; and relating to the requirements for a nonresident hunting or sport fishing license."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 70

SHORT TITLE: CREAMER'S FIELD REFUGE

SPONSOR(S): REPRESENTATIVE(S) WOOL

01/21/15 (H) READ THE FIRST TIME - REFERRALS

01/21/15 (H) RES
 02/11/15 (H) RES AT 1:00 PM BARNES 124
 02/11/15 (H) Moved CSHB 70(RES) Out of Committee
 02/11/15 (H) MINUTE(RES)
 02/13/15 (H) RES RPT CS(RES) 8DP
 02/13/15 (H) DP: JOHNSON, JOSEPHSON, HERRON, HAWKER,
 SEATON, OLSON, TARR, TALERICO
 02/23/15 (H) TRANSMITTED TO (S)
 02/23/15 (H) VERSION: CSHB 70(RES)
 02/25/15 (S) READ THE FIRST TIME - REFERRALS
 02/25/15 (S) CRA, RES
 03/17/15 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)
 03/17/15 (S) Heard & Held
 03/17/15 (S) MINUTE(CRA)
 03/19/15 (S) CRA AT 3:30 PM BELTZ 105 (TSBldg)
 03/19/15 (S) Moved CSHB 70(RES) Out of Committee
 03/19/15 (S) MINUTE(CRA)
 03/20/15 (S) CRA RPT 1DP 3NR
 03/20/15 (S) DP: BISHOP
 03/20/15 (S) NR: STEDMAN, EGAN, MACKINNON
 04/03/15 (S) RES AT 3:30 PM BUTROVICH 205
 04/03/15 (S) -- MEETING CANCELED --

BILL: SB 48

SHORT TITLE: FORMER RESIDENT HUNTING LICENSE

SPONSOR(s): SENATOR(s) STEDMAN

02/11/15 (S) READ THE FIRST TIME - REFERRALS
 02/11/15 (S) RES, FIN
 03/25/15 (S) RES AT 3:30 PM BUTROVICH 205
 03/25/15 (S) Scheduled but Not Heard
 04/03/15 (S) RES AT 3:30 PM BUTROVICH 205
 04/03/15 (S) -- MEETING CANCELED --

WITNESS REGISTER

RICK HALFORD, Appointee

Board of Directors

Alaska Gasline Development Corporation

Eagle River, Alaska

POSITION STATEMENT: Testified as an appointee to the Alaska Gasline Development Corporation Board of Directors.

REPRESENTATIVE ADAM WOOL

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Sponsor of HB 70.

ED FOGELS, Deputy Commissioner
Department of Natural Resources (DNR)
Anchorage, Alaska

POSITION STATEMENT: Explained changes in HB 70, version P compared to the original version.

GERALD JENNINGS, Chief Surveyor
Department of Natural Resources (DNR)
Anchorage, Alaska

POSITION STATEMENT: Commented on HB 70.

DAVID DUNSMORE, staff to Representative Wool
Alaska State Legislature*
Juneau, Alaska

POSITION STATEMENT: Commented on HB 70 for the sponsor.

RANDY RUARO, staff to Senator Stedman
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Commented on SB 48 for the sponsor.

ACTION NARRATIVE

[3:30:26 PM](#)

CHAIR CATHY GIESSEL called the Senate Resources Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators Costello, Stoltze, Coghill and Chair Giessel.

Confirmation Hearing **AGDC Board of Directors**

[3:30:40 PM](#)

CHAIR GIESSEL invited Mr. Rick Halford to the table to tell the committee about his interest in serving on the AGDC Board of Directors. She reviewed AS 31.25.020, the statute that governs his appointment to the Alaska Gasline Development Corporation (AGDC), Board of Directors, as a public member. She said his term began on February 19, 2015 and will expire in September 2016.

[3:32:34 PM](#)

RICK HALFORD, Appointee, Board of Directors, Alaska Gasline Development Corporation (AGDC), Eagle River, Alaska, reviewed his resume including education and 24 years of legislative service. He said his positions on the legislature were the best

place to learn things, because you can basically get the best education from advocates of one point of view or the other. The first huge issue he dealt with in the House Resources Committee in 1979 was the interim tariff on the Trans Alaska Pipeline System (TAPS). It was a great part of what kept him in the legislature for 24 years. The first time he was on a direct gasline issue was a governor's task force on gasline financing in the mid-90s.

He said legislators had been trying to get a pipeline going for a very long time and there are better options now than ever before, but it requires everyone to be on the same side. The chances of getting it are low, but they are much, much better if the legislative branch and the executive branch were going in the same direction, something he hoped they can figure out. He believes in the governor and the legislative branch and there may be a window where it has become in the self-interest of at least one of the majors to do something they hadn't been willing to do before.

[3:35:31 PM](#)

CHAIR GIESSEL noted that Mr. Halford had been an advocate in the past for the Gasline Port Authority and asked if he was skeptical as other Port Authority folks are about the AKLNG Project.

MR. HALFORD replied no, but they are trying to push a very difficult huge project. Skepticism isn't the right word, but this project has eluded legislators and executives for the last 40 years. His view is that generally as much as they try through the political process to make things move it's kind of like pushing on a rope. Unless something pulls on the other end, we don't get anywhere. It may be because of economic determinations about Pt. Thomson and ExxonMobil's interest, but this could be a chance to do everything possible to push it as much as possible.

[3:36:51 PM](#)

SENATOR MICCICHE joined the committee.

CHAIR GIESSEL noted that former Senate President, Drue Pearce, was in the audience.

CHAIR GIESSEL asked how his appointment came about.

MR. HALFORD responded that he was asked if he would serve and replied, "Yeah, sure." He had been serving on the Salary Commission that prohibits being on any other commissions, so he

resigned from that in January. Nothing happened until a month later when the governor made the appointment.

SENATOR COGHILL thanked him for accepting the appointment. He asked how the Alaska Stand Alone Pipeline (ASAP) Project would work with the AKLNG Project's structure.

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MR. HALFORD replied that he hadn't done anything with the Port Authority for the last decade, but instead of looking at a pipeline through Canada they are now looking at an LNG market that can move by seaborne transportation to a lot of potential destinations, a much more flexible business proposition.

SENATOR COGHILL agreed that the economics are pretty thin and said that legislators are concerned that the state is starting to compete with itself.

MR. HALFORD responded that the economics are so big that all the political pressure they can create will not make or break what the multi-billion dollar economic decisions are. If the AKLNG Project can go forward, then the amount of money spent on the backup should be minimized while still trying to be in the information realm of having something so that we're not totally unarmed. Obviously, the project with the sponsors with the money to build it is the best chance.

[3:41:42 PM](#)

CHAIR GIESSEL said the AGDC Board voted unanimously to pass a resolution to conduct further studies and cost analyses for a cost of \$180 million on enlarging the smaller ASAP that is 100 percent state-owned and asked what prompted him to vote yes.

MR. HALFORD replied that as the transcript shows, he made it very clear that he was voting on pipe strength. They had already decided it was 36 inch pipe and they were talking about changing from schedule 600 pipe to schedule 900 pipe. He thought it was a very simple, cheap option in terms of having more information. The big questions were pump stations and the gas conditioning plant (GCP). A huge amount of money was spent on the GCP and there were questions about whether the process would have to change; questions were also raised about the composition of the gas. The questions kept getting bigger and bigger, but his interest was to ask the simplest question as cheap as possible - what to do with the pipe size - because it provides the most options to change in the future.

[3:43:47 PM](#)

SENATOR WIELECHOWSKI joined the committee.

MR. HALFORD agreed that spending money to study things the state won't do is an outcome that he didn't like, but keeping the Alaska Project as a reserve at minimal cost was worthwhile. A subsequent motion kind of added those things back in.

CHAIR GIESSEL asked if he or others on the board asked what would be done with the additional gas and the cost of an export component.

MR. HALFORD replied there was recognition of all those things but not a lot of discussion about them. The problem with some of the questions was based on their complexity that they became hugely expensive to answer.

CHAIR GIESSEL said she read the transcript and her concern was that they were newly appointed board members deciding to spend more money. She asked who made the motion on that resolution.

MR. HALFORD answered that he didn't, but it was in the transcript.

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SENATOR MICCICHE said one project is an integrated system, well head to foreign point of delivery, and the other project obviously isn't. Alaskans are excited about a project that exposes only 25 percent of the investment total to the state. He is fairly comfortable with the ultimate cost of the AKLNG Project, because he knows how "tight" the involved companies are on risk. They don't like risk and are well equipped to deal with it. But perhaps the state isn't as experienced in that level of risk and why would it consider a project that wouldn't have those partners? Why would take that level of risk at this time and why would other Alaskans assume it is an appropriate thing to do?

[3:49:09 PM](#)

MR. HALFORD replied that he always wanted to see the private sector investment in front of the state's investment and risk, because they are better at it than the state is. The state decides things politically and the private sector decide things based on the downstream economics. Yes, they want their share, but the state tends to change its mind way too often and isn't as good at business as they are.

SENATOR MICCICHE followed up saying everyone backs mistakes, but those companies have a way of making up mistakes. But the state doesn't have a way of making up mistakes, especially now. We are challenged on revenue and have a limited amount of savings. The state can't tap into another project or another product line. "We sort of have a one shot at this." How do you feel about that?"

MR. HALFORD agreed that it's true. He said whenever the state deals with multinational corporations with fantastic careers and huge rewards, the state has relatively short term players and the people it hires are short term, also. A lot the consultants the state hires are going to get their next job from the other side of the table. The only advantage the state has is the ability of the sovereign to change some of the rules after the fact if it does too poorly. Just in general, the state has not done very well on some of the ownership decisions, and it has been criticized for changing some of the tax decisions after the fact. It's an ongoing relationship. Alaska is a lot safer and better than it was before the TAPS was built, it's just not as friendly as it used to be.

[3:52:07 PM](#)

SENATOR MICCICHE asked him to talk about the top level of spending he considered for expanding the ASAP. Someone said \$180 million isn't enough to build a pipeline, but he was convinced it's enough to cancel one.

MR. HALFORD replied that hoped they wouldn't spend even 10 percent. It shouldn't be spent in this short timeframe until they find out what other players are going to do with the primary project.

SENATOR COSTELLO asked if he thought the market can be predicted.

MR. HALFORD said he certainly can't; and he wasn't sure the state or industry could either.

[3:55:00 PM](#)

SENATOR COSTELLO agreed, but he said earlier that AKLNG chances are low and we have to not put all our eggs in one basket. So, ASAP gets resurrected. She didn't understand why we would confuse the markets if we are going to get to the FEED stage fairly soon. The priority should be clarity for the market. Why the rush on ASAP?

[3:57:13 PM](#)

MR. HALFORD replied that the state's best chance is the big producer project. That doesn't mean low cost reasonable backup information shouldn't be available. It's not to supplant the AKLNG in a very short timeframe.

CHAIR GIESSEL asked if the AGDC set a spending cap for the new studies or was it left ill-defined.

MR. HALFORD replied that it is left ill defined, but if he could do it again he would go back and say he thought the pipe question was going to be the only question. He thought it could be easily done without a lot of cost. The question of going back and reengineering the gas conditioning plant to make it four or five times bigger, when it cost a fortune to engineer as it is, was one that he wasn't interested in.

[3:59:26 PM](#)

CHAIR GIESSEL said she was glad he was asking the question, but unfortunately it's in retrospect. She said the governor talked about wanting majority ownership in whatever pipeline goes forward and she asked if the board had had discussions or read transcripts about the state being an owner builder or owner builder operator.

MR. HALFORD responded that he hadn't been in that level of discussion. It's nice to think about how big a percentage the state should own, but in looking at a \$60-70 billion project and the state's assets and concentrating something that is now very broadly based and bringing money into the state - the Permanent Fund - and concentrating it into all your eggs in one basket, he worries. That's the balance he would take if he were in that discussion. The numbers just to get estimates are astronomical. The state does this periodically on major projects and ends up with nothing but studies.

[4:01:33 PM](#)

SENATOR MICCICHE said this seems more like an exercise in increasing state ownership versus having a backup plan, and he couldn't find a single situation where lowering the economy of scale had made a project more economic. He asked Mr. Halford why he voted yes and if he thought there was any chance for a smaller scale project to be more economic than the AKLNG Project.

MR. HALFORD replied that he was interested in looking at the cost difference of upsizing the pipe was and then it was brought

back with a further motion to look at pump stations and gas conditioning. There was discussion about not letting the engineering team go, but the simple resolution before them was just pipe size - and he thought it could be done "pretty cheap" to get into a better economic situation, if the price were low enough. That is still an open question. He explained that his vote was on pipe size and why, because he didn't want to spend a lot of money finding out things that may not be used.

[4:04:28 PM](#)

SENATOR MICCICHE asked why he thinks he is the right guy for this job and what limitations he sees about what he might potentially have to learn before he becomes the right guy for the job.

MR. HALFORD answered that there is no "right person." Different people learn different things. The biggest obstacle he sees right now is the trust between appropriators and the administrators. The legislature is the checkbook without the arms and legs of administration; it's intended that way. If they are going to be successful in getting this project, he would be interested in being a part of rebuilding the trust between the two branches, so that the state can go forward "on the same sheet of music." The state has had 40 years of failure and that could go on "if we're divided."

SENATOR MICCICHE asked what some of the gaps he would want to fill in to be a better guy for the job.

MR. HALFORD answered that there is lots of information he doesn't have, so he would have to do a lot of homework. There is the question of confidentiality agreements and what one needs to know. He didn't know if he was the best person, and it's not always the best person; it's the best person they can get at the time. He always needs more education.

[4:08:24 PM](#)

CHAIR GIESSEL went back to the trust issue and said SB 138 was extensively discussed last year: 51 committee hearings and countless testimony and consultants with expertise. The legislature is concerned that the law it passed after that extensive work continues to be followed. They will be at the FEED decision in about a year and then have some idea whether this project is economic and if not, why. A tremendous amount of information will be gained by waiting and just letting the law proceed.

The legislature found itself in having to pass HB 132, which underscores what was passed last year, and the governor is saying it is binding his hands. Mr. Halford is saying that actually all AGDC passed was a minor expanded backup and she asked him what he thought.

MR. HALFORD answered that when read the underlying legislation he felt it was the broadest grant of authority he had ever seen to an executive branch. The desire to get something done passed a huge amount of authority to the executive branch, which he would have had to get comfortable with. But the second part of it is that he believes that the principle negotiators need to keep negotiating however long it takes to get everyone on the same side of the equation. He didn't like the fact that the bigger the project is the harder it is and the more all have negative power. Unless they are together they won't get anything.

[4:11:30 PM](#)

He didn't distrust the legislative branch or the governor; the governor's intentions are right. The conflict has got to be worked out between the players. The corporation is a small player, because it is viewed as the instrument of the executive branch to accomplish whatever. Negotiations need to continue between the legislative branch and executive branch at the governor's level until they get to a solution.

SENATOR WIELECHOWSKI agreed with Senator Micciche that a smaller gasline is never more economical than a bigger line. The reason AGDC was constrained to a smaller gasline was because the Alaska Gasline Inducement Act (AGIA) was in place. It was the law; they couldn't build a 500 mmcf gasline. When SB 138 passed, the differences with TransCanada were resolved, the difference was being able to build a bigger gasline. The legislature never wanted a 500 mmcf limit on the backup plan. So, SB 138 freed them up to build a backup plan that is economical. Is the reason you go to a bigger line is to try to get a gasline that is more economical for the state in case for some reason SB 138 doesn't work out?

MR. HALFORD answered if you're losing per unit, you can't make it up in volume. But someplace they have 90 percent of the economy of scale and maybe a size, but the numbers of all the projects are so far beyond our capacity that he would have to be convinced the state has the capacity to build something that was economic - and he hadn't go there yet. He is still listening, though.

CHAIR GIESSEL asked how he felt about confidentiality agreements.

4:14:55 PM

MR. HALFORD replied that he hadn't signed one yet, but he had signed them in the past. He signed one when he chaired the committee that went against the state's position on the BP ARCO merger, which resulted in ConocoPhillips. Anyone in a public review position has to sign a confidentiality agreement and end up with information they can't explain to their constituents; that is always hard and should always be taken seriously. It is important to know information that companies don't want to share with each other. He would take the advice of the attorneys and if a confidentiality agreement were necessary he would try to sign the minimum necessary for the information he was trying to get.

4:16:53 PM

CHAIR GIESSEL said she was glad to hear that as the AGDC has significant fiduciary responsibility and many in the room have served on boards of directors and understand that is the primary responsibility of a board member.

She asked who Sterling Gallagher is and what role he has played in this pipeline.

MR. HALFORD answered that he was Governor Hammond's Department of Revenue commissioner. He was around during the transition, but he didn't know what his role was.

4:18:40 PM

SENATOR MICCICHE clarified that he was not talking about the economy of scale of pipelines earlier; it was the economy of scale of the entire project. If an integrated model from wellhead to import terminal is not economic, a relatively piecemeal project where the state owns the pipeline and others presumably come in and save the day with the other models of liquefaction and gas treatment - three different projects - that's the part that doesn't take advantage of the economy of scale. The beauty of AKLNG is the integrated model with four partners. He asked him why there seems to be a lack of value for that integrated aligned model.

MR. HALFORD replied that the pipeline is the cheapest of the three pieces of the AKLNG Project. The gas conditioning plant and the liquefaction plant are the biggest numbers and the

question of steel strength is easily calculated compared to the others. Every component combined has to be economic to every participant or the project won't come together.

He said it's easy to separate the pipeline and to wish someone would build it and then get somebody else to do everything else. The ability to be able to do that and get something that works is very limited. Part of his education in this is to learn a lot of things that may make his preconceived notions not work. Whenever one doesn't have the responsibility to actually decide something, there are all kinds of opinions. He said:

We're in the profession where we decided without information on a lot of stuff. And, we do our best and we go on. Once you actually have the ability to influence something, then you've got the responsibility to know what the choices really are. And I'm not satisfied that I know all the choices, but asking a question on pipe strength didn't seem like a problem to me. But there are a lot of other things that are involved in making something - you can't turn a \$10 billion project into a \$60 billion project without an awful lot of difference.

CHAIR GIESSEL acknowledged and expressed sincere respect for the decades of experience he has in this body, the knowledge he gained from it and the expertise. Just for the record, there were three people in the three seats that had more than 100 years of hands-on experience in building pipelines and planning large projects like this around the world. The difficulty they have is knowing that had that resolution come forward to that group, they would have said "Wait a minute; just increasing the strength of a pipeline means X, Y, Z, as well." So that is why they have concerns.

MR. HALFORD said he appreciated their role in the process, but the bottom line is that it is going to take agreement. "Together, maybe, we can get a gasline; divided, I don't think there's a chance."

CHAIR GIESSEL said in accordance with AS 39.05.080, the Resources Committee reviewed the following and recommends the appointment be forwarded to a joint session for consideration: Richard Halford to the AGDC Board of Directors. This does not reflect an intent by any of the members to vote for or against the confirmation of the individuals during any further sessions.

[4:25:50 PM](#)

At ease

HB 70-CREAMER'S FIELD REFUGE

[4:26:55 PM](#)

CHAIR GIESSEL announced the consideration of HB 70 [CSHB 70(RES) was before the committee].

SENATOR COSTELLO moved to adopt SCS CSHB 70 (), version 29-LS0372\P, as the working document.

CHAIR GIESSEL objected for discussion purposes.

[4:27:51 PM](#)

REPRESENTATIVE ADAM WOOL, sponsor of HB 70, Alaska State Legislature, Juneau, Alaska, introduced himself.

[4:28:08 PM](#)

ED FOGELS, Deputy Commissioner, Department of Natural Resources (DNR), Anchorage, Alaska, explained the changes in version P. He said he had the survey staff do one more top-to-bottom scrub for accuracy of the legal locations and they made three corrections. The first is on page 2, line 1, where "instruction" was deleted and replaced with "instrument". That was primarily due to the fact that the original documents for this tract were very hard to read. The survey staff realized that they had been misread in the original bill.

The second change on page 3, line 2, was for the same reason: the year "1976" was deleted and replaced with "1978". A third change was on page 3, lines 13-14, where the word "and" was deleted; and Mr. Jennings would explain why.

[4:30:16 PM](#)

GERALD JENNINGS, Chief Surveyor, Department of Natural Resources (DNR), Anchorage, Alaska, explained that the changes on lines 13 and 14 related to protecting the state's right-of-way for Farmer's Loop Road in the event that a future survey reveals a couple of the aliquant parts actually encroach slightly into the right-of-way. Originally the description listed two of the four aliquant parts as lines south of the right-of-way and two did not address the right-of-way. This version now addresses all four aliquant parcels lying south of the Farmer's Loop Road right-of-way.

CHAIR GIESSEL removed her objection and finding no further objections said that the Senate CS for HB 70, version P, was adopted.

SENATOR STOLTZE asked if this would change the odds in the Crane Classic.

REPRESENTATIVE WOOL answered no.

DAVID DUNSMORE, staff to Representative Wool, added that this wouldn't change any land uses in these parcels, because they are already managed consistent with the management plan.

SENATOR MICCICHE asked if anyone has a problem with this bill or is worried about land in that area going into permanent conservation.

REPRESENTATIVE WOOL answered no; they have had a few hearings and the only comments have been about support.

CHAIR GIESSEL said that Senator Micciche asked why they were passing this again (it was passed last year), and she had appreciated Deputy Commissioner Fogels quadruple checking of the property descriptions, because last year's bill had to be vetoed because of errors in the property descriptions.

CHAIR GIESSEL said she had walked many of these trails; the Creamer's Field was a dairy where her family used to get milk. Finding no further discussion, she closed public testimony.

SENATOR COSTELLO moved to report SCS CSHB 70, version P, from committee with individual recommendations and attached fiscal note. There were no objections and SCS CSHB 70(RES) was reported from the Senate Resources Standing Committee.

[4:34:42 PM](#)

At ease

SB 48-FORMER RESIDENT HUNTING LICENSE

[4:36:10 PM](#)

CHAIR GIESSEL announced the consideration of SB 48.

[4:36:14 PM](#)

RANDY RUARO, staff to Senator Stedman, sponsor of SB 48, Alaska State Legislature, Juneau, Alaska, explained that it encourages former Alaskans to return to Alaska to hunt or fish with family

members. The qualifying former Alaskan would be allowed to pay the reduced resident rate for their hunting or fishing license. This former Alaskan must be U.S. citizen, have been an Alaska resident in the past, have held a resident license for that activity, have paid the fee for the resident license, and be sponsored by an Alaskan resident family member whom they will hunt or fish with when they return. The number of these licenses is capped at 1,000. Fish and Game officials from Montana, which has a similar program, said it took a while to build up in popularity, so they are not anticipating reaching the cap in the first year.

SENATOR STOLTZE asked if this makes any other substantive changes to non-resident requirements.

MR. RUARO answered that a provision in the bill exempts these non-residents from being required to hunt with a registered guide.

SENATOR WIELECHOWSKI asked if this would allow non-residents to dip net.

MR. RUARO replied that it reduces the rate paid for their licenses. The bill does not distinguish by type of fishing activity.

SENATOR WIELECHOWSKI asked if they would gain other rights that residents have, for instance, access to personal use fisheries.

[4:39:17 PM](#)

MR. RUARO answered if a right exists for a resident and a person qualifies under this bill for that resident license, they would have the right a resident has now. So, it could expand that universe.

SENATOR WIELECHOWSKI said that he wouldn't support that. He asked if this would apply to king stamps.

MR. RUARO answered that he didn't know if there was a difference for non-residents and residents for king stamps, but it would if that individual qualified under the expanded term.

CHAIR GIESSEL remarked that there is no fee for personal use and it automatically goes with the resident fishing license, so it would go with that as well for the non-resident.

SENATOR WIELECHOWSKI asked on page 2, line 3, how to define "may not hunt or fish unless personally accompanied by non-resident sponsor."

MR. RUARO answered that it is not a defined term; the intent is that the family member that is the sponsor would be on the same trip in the vicinity with the family member that has qualified for the reduced fee license. But there is no definition for physical presence proximity.

SENATOR WIELECHOWSKI asked what "exempt from AS 16.05.407(a)(1)" on page 2, line 4, means.

MR. RUARO answered that it goes to Senator Stoltze's previous question about non-residents being required to have a professional guide.

4:41:52 PM

SENATOR MICCICHE said a person could come to Alaska for a temporary project for a year, become a resident, and then move outside and just happen to have a relative by blood or marriage and forever have resident access to the state's hunting and fishing resource at the cost of a resident and asked if the sponsor would consider a minimum time for being in the state.

MR. RUARO answered they had looked at various options and agreed that the timeframe for becoming a resident can be fairly short. They would continue to look for a good definition.

SENATOR MICCICHE said he agreed with Senator Wielechowski that personal use is for survival of Alaskans and not necessarily to load on a plane and take somewhere else. He would like to see that amended.

SENATOR STOLTZE asked the justification for determining the non-resident had to previously hold a license.

MR. RUARO replied that they were trying to create some ties to actual participation in a fishery or hunting activity along with being a former resident.

SENATOR STOLTZE said that two months might be semi-palatable. He remembered needing to be the age of 16 to get a license and therefore would not be able to qualify if he had left the state before then.

MR. RUARO couldn't recall an age requirement for licensure.

4:45:39 PM

SENATOR COSTELLO asked if creating two classes of people - the first 1,000 and the second 1,000 - was fair.

MR. RUARO replied that it creates a first in the door dynamic, but it is important to cap the licenses in case they turned out to be overly popular in drawing in large numbers of folks who would be coming here anyway.

SENATOR COSTELLO assumed that he wouldn't want the state to lose the revenue, which would be about a half million dollars.

MR. RUARO answered that it was a revenue issue and at the same time they wanted a program in place for a few years to see how popular it was.

4:47:31 PM

SENATOR COSTELLO asked for the difference in license fees.

MR. RUARO answered that the previous fiscal note assumed 1,000 people that otherwise would not have come to Alaska and the new fiscal note was revised downward significantly to reflect the fact that the program wasn't expected to max out in the first year.

SENATOR COSTELLO asked what the license fees are now and what they would be if this bill passes.

MR. RUARO said there are different tag fees and he would have to get that information for her.

SENATOR COSTELLO asked what the department uses the proceeds from fishing and hunting licenses for.

MR. RUARO answered that he didn't know if the funds can be traced to exact functions in the department.

SENATOR WIELECHOWSKI said there are often lotteries for hunting and asked if this potentially crowds Alaskan residents out of those lotteries.

MR. RUARO answered that they hadn't thought about the lottery hunts in drafting the bill. But as written a non-resident could apply for and receive a resident license if they met these requirements. They hadn't taken it the additional step to sort

out whether that would also give them standing to apply for the lottery hunts.

[4:50:14 PM](#)

CHAIR GIESSEL asked how many vendors sell licenses in Alaska.

MR. RUARO answered in the thousands.

CHAIR GIESSEL asked if you can get a fishing license on line.

MR. RUARO answered yes.

CHAIR GIESSEL said conceivably these licenses could be gone in one hour.

MR. RUARO responded that this is an exception to getting a license on line. It will require a paper affidavit swearing that one meets the requirements.

CHAIR GIESSEL asked how many fishing licenses are issued each year.

MR. RUARO answered several hundred thousand.

CHAIR GIESSEL said that could mean that 1,000 licenses could be reached rather quickly.

MR. RUARO agreed that was a possibility.

[4:51:57 PM](#)

SENATOR STOLTZE mentioned that one of the more contentious issues for the Board of Game's last cycle was Dall sheep hunts and he couldn't imagine telling one of his constituents why he let somebody's cousin jump ahead of them. Had the sponsor thought about the mess this would create?

MR. RUARO replied that was an important issue and they hadn't chased down every potential hunt that a non-resident could be allowed into, so several could be of such importance to industry and Alaskans that the bill might not apply to that particular hunt. The intent behind the bill was more general: sport fish for king salmon and deer hunting.

CHAIR GIESSEL opened public testimony and finding no testimony said she would keep it open and held SB 48 in committee.

[4:55:06 PM](#)

CHAIR GIESSEL adjourned the Senate Resources Committee meeting
at 4:55 p.m.