

**ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE**

March 7, 2018

1:02 p.m.

MEMBERS PRESENT

Representative Andy Josephson, Co-Chair
Representative Geran Tarr, Co-Chair
Representative John Lincoln
Representative Harriet Drummond
Representative Justin Parish
Representative Chris Birch
Representative DeLena Johnson
Representative George Rauscher
Representative David Talerico

MEMBERS ABSENT

Representative Mike Chenault (alternate)
Representative Chris Tuck (alternate)

OTHER LEGISLATORS PRESENT

Representative Jonathan Kreiss-Tomkins

COMMITTEE CALENDAR

PRESENTATION(S): ECONOMIC BENEFITS OF PUBLIC LANDS IN ALASKA

- HEARD

HOUSE BILL NO. 272

"An Act establishing the Tangle Lakes State Game Refuge; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 272

SHORT TITLE: TANGLE LAKES STATE GAME REFUGE

SPONSOR(S): REPRESENTATIVE(S) JOSEPHSON

01/12/18	(H)	PREFILE RELEASED 1/12/18
01/16/18	(H)	READ THE FIRST TIME - REFERRALS
01/16/18	(H)	FSH, RES

02/13/18 (H) FSH AT 11:00 AM GRUENBERG 120
02/13/18 (H) Heard & Held
02/13/18 (H) MINUTE(FSH)
02/27/18 (H) FSH AT 10:00 AM GRUENBERG 120
02/27/18 (H) Moved HB 272 Out of Committee
02/27/18 (H) MINUTE(FSH)
02/28/18 (H) FSH RPT 4DP 2DNP 1NR
02/28/18 (H) DP: EDGMON, TARR, KREISS-TOMKINS,
STUTES
02/28/18 (H) DNP: EASTMAN, NEUMAN
02/28/18 (H) NR: CHENAULT
03/07/18 (H) RES AT 1:00 PM BARNES 124

WITNESS REGISTER

LEE HART, Executive Director
Valdez Adventure Alliance (VAA); Founder,
Confluence: Summit on the Outdoors
Valdez, Alaska

POSITION STATEMENT: Participated in the presentation on the economic benefits of public lands in Alaska.

THOR STACEY, Director of Government Affairs
Alaska Professional Hunters Association (APHA)
Juneau, Alaska

POSITION STATEMENT: Participated in the presentation on the economic benefits of public lands in Alaska.

ERICA CARROLL, Alaska Field Representative
National Parks Conservation Association (NPCA)
Anchorage, Alaska

POSITION STATEMENT: Participated in the presentation on the economic benefits of public lands in Alaska.

EJ REISER, Store Manager
The North Face
Anchorage, Alaska

POSITION STATEMENT: Participated in the presentation on the economic benefits of public lands in Alaska.

CHRIS BECK, AICP, Principal/Founder
Agnew::Beck Consulting
Anchorage, Alaska

POSITION STATEMENT: Participated in the presentation on the economic benefits of public lands in Alaska.

DAN BLANCHARD, Owner

UnCruise Adventures
Juneau, Alaska

POSITION STATEMENT: Participated in the presentation on the economic benefits of public lands in Alaska.

CAILIN O'BRIEN-FEENEY, State and Local Policy Manager
Outdoor Industry Association (OIA)
Boulder, Colorado

POSITION STATEMENT: Participated in the presentation on the economic benefits of public lands in Alaska.

LISA DELANEY, Staff
Representative Andy Josephson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 272 on behalf of the sponsor, Representative Andy Josephson.

BRENT GOODRUM, Director
Central Office
Division of Mining, Land and Water
Department of Natural Resources (DNR)
Anchorage, Alaska

POSITION STATEMENT: Answered questions related to HB 272.

ACTION NARRATIVE

[1:02:4PM](#)

CO-CHAIR GERAN TARR called the House Resources Standing Committee meeting to order at 1:02 p.m. Representatives Tarr, Josephson, Parish, Talerico, Rauscher, and Lincoln were present at the call to order. Representatives Johnson, Drummond, and Birch arrived as the meeting was in progress.

PRESENTATION(S): ECONOMIC BENEFITS OF PUBLIC LANDS IN ALASKA

[1:03:15 PM](#)

CO-CHAIR TARR announced that the first order of business would be presentations related to the economic benefits of non-extractive uses of public lands in Alaska.

CO-CHAIR TARR explained the [invited] witnesses would be talking about developing outdoor recreation adventure in Alaska, which would provide new economic opportunities and jobs to the state. She said the committee has an important role to play in this

development because it has jurisdiction over the Department of Natural Resource (DNR), Division of Parks and Recreation and Division of Land, Mining, and Water.

1:05:02 PM

CO-CHAIR TARR introduced the first invited witness, Lee Hart, executive director of Valdez Adventure Alliance and founder of Confluence Alaska, two coalitions dedicated to growing Alaska's economy through the mountain sports lifestyle. She said Ms. Hart is chair pro tem of the Valdez Economic Diversification Committee and chair of the newly formed recreation subcommittee of the U.S. Bureau of Land Management (BLM) Alaska Resource Advisory Council. For nearly 20 years, Ms. Lee has conducted public relations outreach on behalf of leading brands in the outdoor, snow sports, bike, and adventure travel industries.

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LEE HART, Executive Director, Valdez Adventure Alliance (VAA) and Founder, Confluence: Summit on the Outdoors, noted she and a delegation are in the capitol building to help illuminate opportunities for the state to create jobs, diversify the economy, and stimulate rural economic development - all by playing to the state's inherent and biggest strength as the last frontier state. She said the delegation represents a cross section of stakeholders from the outdoor recreation industry and is present to talk about the economic value of the industry that many call the "sleeping giant."

MS. HART explained this all started with creation of the Valdez Adventure Alliance two years ago. The alliance's mission is to diversify the economy in Valdez through the development and promotion of activities and projects that support a mountain sports lifestyle. To that end, VAA manages three different sporting events - an ice climbing festival, a fat bike festival, and a rock and yoga festival. The alliance also manages four state park units, which would have been closed had VAA not responded to a request for proposals (RFP). About 100,000 visitors a year come through the area for the three events, she reported. This led to the creation of Confluence Alaska, which held its first conference in June 2016. The rationale was that she and VAA could be more successful if there was more fertile ground around the state. A gathering was hosted of diverse voices with a stake in Alaska's great outdoors - winter, summer, motorized, nonmotorized, hunters, anglers, snowboarders, kayakers, climbers, bikers, academia, manufacturing, government,

nonprofit, retail, military, and public health. Participants in the meeting confirmed there was a depth and breadth of political will to join forces to convince elected officials to empower and enable the overlooked industry so that it could reach its full potential. She said Alaska has an opportunity to diversify its economy and accelerate its growth with a coordinated effort to boost recreation activity on public lands.

MS. HART highlighted how the outdoor recreation sector fits into the state's [2017-2022] economic development strategy plan ["Northern Opportunity: Alaska's Economic Strategy," prepared by the Department of Commerce, Community, and Economic Development (DCCED)]. This plan is the trail map for creating a stable and sustainable economy, she said, yet there is no reference to outdoor recreation.

MS. HART posited this omission is because the outdoor recreation industry is still being recognized as its own economic sector. She drew attention to a chart she provided the committee and noted that this new data from the U.S. Department of Commerce considers outdoor recreation as a satellite account and shows it contributes \$374 billion to the U.S. economy. The data further shows that the outdoor recreation sector accounts for 2 percent of U.S. gross domestic production (GDP) and that growth in this sector outpaces economic growth overall.

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MS. HART noted the Business Development Goal in the Northern Opportunity plan is to, "Cultivate a resilient business climate that supports growth and expansion of existing and emerging industries." She said the outdoor recreation industry would be the perfect mechanism for reaching [the goal's measurement] to increase the total number of visitors to Alaska by 5 percent annually, demonstrate an increase in rural community visitation, and increase shoulder season and winter visitation by 5 percent. This is being done in Valdez, she continued, with the festivals attracting a steady base of sports enthusiasts in otherwise "dead" seasons for Valdez.

MS. HART related that [another measurement under the Business Development goal] is increased capital investment and subsequent jobs in rural Alaska. She further noted the [action item in the strategic plan] to create new and support existing business mentorship programs in rural Alaska. She said this could include engaging in public relations programs that highlight the importance and economic impact of uniquely Alaska products and

services that have been developed and exported around the world, such as pack rafting and fat biking, and the public relations value Alaska's homegrown Olympians.

MS. HART said the plan calls for increasing sustainable growth in the emerging visitor industry segments of eco tourism, geo tourism, adventure travel, and Arctic tourism, all of which fit exactly with outdoor recreation. The plan also calls for increasing shoulder season and winter visitor capacity and infrastructure by promoting Alaska specific products, iconic features, and events to target markets. The holy trinity in the visitor industry, she continued, is northern lights, bears, and glaciers, which Alaska has in spades along with much room for growth in events. The Iditarod Trail Sled Dog Race is known around the world, she continued, and with some marketing support other things in Alaska could rise to the same level.

MS. HART addressed the strategic plan's call for continuing to assess the unmet workforce needs through business retention and expansion surveys and other outreach. She related that for the Valdez ice fest, the guides who teach the climbing and heli-skiing classes are largely from the Lower 48. There is no reason, she opined, that those jobs shouldn't be cultivated within Alaska's youth, so the state has homegrown guides. These are professional careers that require much expertise, certification, and acumen.

MS. HART spoke to the strategic plan's Finance and Investment Goal to, "Maximize the productive use of capital for Alaska business expansion." The plan calls for creation of a formal report on sources and gaps in available capital for all business investment in Alaska, she continued, and DCCED has commissioned the University of Alaska to conduct an emerging markets study of outdoor recreation. She said [VAA's] intent is to release the study's findings in conjunction with the fall [2018] Confluence conference.

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MS. HART noted [an objective of the Finance and Investment Goal] is to maximize existing sources and seek new sources of capital that spread out risk to multiple parties. For this the strategic plan references [as partners] the U.S. Bureau of Indian Affairs (BIA), U.S. Department of Agriculture (USDA), and the Small Business Administration (SBA). She suggested that through the lens of outdoor recreation, there could also be coordination with USDA's Forest Service, the BLM, the National

Park Service, and Alaska's Department of Natural Resources. Regarding the plan's action item to involve local community foundation affiliate organizations in the facilitation of organizational capacity building, she argued that, through the lens of the outdoor recreation industry, community-based trails organizations should be included in this.

MS. HART turned to the strategic plan's [Economic Development Infrastructure Goal to "Build the transportation, energy, and technological foundations for economic growth."] She pointed out that infrastructure in outdoor recreation includes such things as trails and hut-to-hut systems. The outdoor recreation industry envisions being part of a roundtable with other Alaska industries to mitigate the daunting challenges of exporting innovative Alaska-made products, she continued. The outdoor recreation industry wants to join in positioning Alaska to thrive in a technology advanced global economy and in the plan's objective to increase the pipeline of bankable startup companies in Alaska by 10 percent. Alaska's environment inspires some amazing technology, she pointed out. For example, the aviation industry and bush pilots developed the technology for short takeoffs and landings, a response to people demanding to get into Alaska's backcountry. Ms. Hart addressed the plan's action item to, "Support and expand Alaska Startups (alaskastartups.com) a central online statewide hub of startup information, events, resources, and partnerships." This is something her friends who started some of these actual industries in Alaska would have appreciated when they were starting up, she shared.

MS. HART addressed the strategic plan's [Economic Development Capacity Building Goal] to, "Strengthen the ability of Alaska organizations to execute economic development initiatives that create jobs and investment." She stated that for the outdoor recreation industry those jobs and investments would be by and for Alaskans.

MS. HART moved to the plan's Quality of Life Goal [to, "Improve the attractiveness and livability of Alaska communities to attract and to retain a quality workforce and to set the foundations for economic well-being."] She said there is no question that outdoor recreation is the shining mechanism to enhance quality of life in the state. Many of the sentences [written under this goal] could be finished with outdoor recreation. For example, she continued: improve the attractiveness and livability of Alaska communities to attract and retain quality workforces and set the foundations for

economic wellbeing - through access to outdoor recreation; utilize new metrics to inform and implement quality of life programs on a local level - with outdoor recreation programming; assess options for reducing the cost of health insurance and individual health care programs - with outdoor recreation.

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MS. HART noted that [one of the action items under the Quality of Life Goal] is the call to expand and promote recreational access to public lands. This is right in the "wheelhouse" of the outdoor recreation industry, she said.

MS. HART related the strategic plan further identifies existing industries that are fast growing and likely to remain so for the coming years, she continued. The outdoor recreation industry is not listed here because nobody knew to consider that sector. She challenged committee members to begin thinking about the outdoor recreation sector and its considerable impact on the Alaska economy - \$7.3 billion in consumer spending, 72,000 jobs, and \$2.3 billion in wages and salaries generated from those jobs. These are not minimum wage, unskilled labor, seasonal jobs, she stressed. These are people making lifestyle decisions as they pursue their careers, build families, and send their kids to college.

MS. HART further noted that the strategic plan's strengths, weaknesses, opportunities, and threats (SWOT) analysis calls out the natural beauty that attracts visitors and new residents. However, she pointed out, the opportunity section of the analysis doesn't reference what might be done to channel that. To look at something tangible in this regard, she said she reviewed National Park Service statistics and found that Denali National Park and Preserve provides \$600 million of economic output in Alaska. Kobuk Valley National Park, a park not on the road system, generates \$24.4 million in visitor spending. She urged that the state market its other parks in addition to Denali.

MS. HART said reasons to invest in the outdoor recreation sector include that it is recession resistant, grows Alaska jobs for Alaskans, and has some of the best building blocks in the U.S. She drew attention to page 32 of the strategic plan which states that Alaska has 34,000 miles of marine shoreline and 3 million lakes, marshlands, and wetlands. The state has permafrost [covering almost 10,000 square miles] and glaciers covering 28,000 square miles. Additionally, Alaska is home to some of

the biggest mountain ranges in the world. Therefore, she continued, Alaska has the building blocks to do something. Ms. Hart suggested that one way to get started doing something is to start with preserving and sustaining funding for Alaska state parks. The state's park division is there to help make the state parks more self-sustaining.

MS. HART concluded by urging the committee to consider outdoor recreation and how it might play a role as the committee plans programs and invests in initiatives today that will pay dividends for the economy, health, and lifestyle of the state for generations to come.

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REPRESENTATIVE DRUMMOND offered her appreciation for the information provided and inquired whether the strategic plan is available to the committee.

MS. HART replied that the plan, "Northern Opportunity: Alaska's Economic Development Strategy," is a product of the Department of Commerce, Community, and Economic Development (DCCED).

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CO-CHAIR TARR asked about how to attract more winter visitors and where winter visitors come from.

MS. HART responded that the recently concluded ice climbing festival is the biggest festival and one of the biggest ice fests in the world. Most people attending the recent ice festival were from Anchorage and Fairbanks, she said, but visitors also came from 12 states and the countries of Mexico and the Czech Republic. The ice climbing community is willing to travel to enjoy the sport in other places and the Valdez area has a reputation for iconic and ridiculous natural ice features.

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REPRESENTATIVE JOHNSON remarked that there is no question as to the value of outdoor recreation in Alaska and that her own daughter attended the recent ice festival.

REPRESENTATIVE RAUSCHER offered his appreciation for the information. Outside of questions about the jobs, he said he realizes the market needs to be improved and is already one of the main drivers in the state.

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CO-CHAIR TARR stated that rural development is something that should be studied and thought about more. She asked whether Ms. Hart's group is working with smaller communities.

MS. HART answered that she and Chris Beck gave a sold-out presentation about a year ago to a statewide convention of city planners, and there was lots of interaction from people working with cities and boroughs for recreation planning. She said many of the jobs, guide services, and lodges are essentially small businesses, but small businesses are the backbone of the American economy. Thanks to internet technology people can more readily choose which communities they want to live in. Access to outdoor recreation is an important consideration for people who are looking into starting their careers. So, there is plenty of opportunity to talk about how some of Alaska's rural communities and villages could benefit.

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REPRESENTATIVE LINCOLN asked whether Ms. Hart is aware of the decrease in state spending on statewide tourism marketing as well as aware of the bill that is being considered.

MS. HART confirmed she is aware and that when budgets are cut it is imperative for the agencies to deliver the numbers and refine their targets. She related that for small parks there is a downturn in visitor spending that parallels the decline of marketing revenues for the Alaska Travel Industry Association (ATIA). In further response, she said she would provide a link to where that information can be found.

[1:32:45 PM](#)

CO-CHAIR TARR introduced the next invited witness, Thor Stacey, a lifelong Alaskan born in a cabin in Indian, Alaska. She said Mr. Stacey has guided hunters in Alaska for 19 years and that he grew up with a passion for hunting, fishing, and wilderness adventure. His family made a living operating a small placer mine in the Arctic seven miles north of Wiseman, she noted. In 1988 while serving in the U.S. Marine Corps Reserve, Mr. Stacy was employed in the guide industry as a packer. He became a licensed assistant guide in 2000 while still serving in the reserve. She further noted that Mr. Stacey has also worked as a miner, commercial fisherman, trapper, and timber feller.

Currently he has a federal hunting guide concession in the Arctic National Wildlife Refuge (ANWR) where he guides hunts for sheep, caribou, grizzly bear, and wolves. Additionally, he has represented the Alaska Professional Hunters Association (APHA) before the legislature since 2012.

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THOR STACEY, Director of Government Affairs, Alaska Professional Hunters Association (APHA), stated he is before the committee on behalf of the APHA and its president Mr. Sam Rohrer of Kodiak. While much will be heard about new opportunities, he noted, guided hunting is probably the oldest outdoor recreational industry in the state, beginning in the 1920's or earlier.

MR. STACEY turned to his PowerPoint presentation entitled, "Guided Hunting in Alaska," dated 3/6/18, and defined "hunting guide" as a licensed professional in the state who conducts guide activities. He pointed out that there is no school or vocational program to become a licensed hunting guide; it is only done through on-the-job training, usually coming up as a packer. The opportunity is open to many rural Alaskans and even some non-Alaskans, he said. Hunting guides accompany their visiting clients in the field, provide a safe adventure, identify the desirable animals to pursue, cook for the clients, care for physical ailments, cheer on the clients, pack heavy gear, answer questions, and provide logistics support, but most importantly a solid interpretive experience. There is no guarantee that a client will harvest an animal, he added.

MR. STACEY noted that visiting hunters wishing to hunt Dall sheep, brown bear, or mountain goats are required [by Alaska law] to hire a guide. However, he continued, visiting hunters do choose to hire guides for animals such as moose, caribou, or deer, species which do not require a guide.

MR. STACEY addressed the economics of the guide industry by referencing two McDowell reports in the committee packet, one finished in 2016 but based on 2015 numbers, and the other more detailed report completed in 2012. In 2015, he related, there was a total of \$87.2 million of economic activity in the state, of which \$52.5 million was new dollars to the state economy. There was a total of 3,240 guided trips in the state, which represents about 3 percent of the allocation. Another way to say it, he continued, is that 3 percent of the total hunting effort in the state was by customers of hunting guides.

MR. STACEY said Alaska's guide businesses are small businesses. Most contracting guides, about 80 percent, serve 15 or fewer clients each year. Therefore, hunting guides represent a low volume, but high margin, type of small business.

MR. STACEY pointed out that hunting guides use State of Alaska public lands, U.S. Fish & Wildlife Service wildlife refuges, U.S. Forest Service national forests, and National Park Service preserves. He added that there is increasing use of Native corporation lands as regional corporations understand the sustainable business opportunity that guiding hunters offers.

MR. STACEY reported that 89 percent of the 575 registered guides in the state in 2012 were Alaska residents. The rate of Alaska ownership in Alaska hunting guide business is among the highest, if not the highest, of the resource dependent industries in the state. He said [APHA] has worked hard to maintain that Alaska ownership and it isn't easy. At one time 100 percent of the Alaska guide businesses were Alaska owned and that number continues to slowly slip. Mr. Stacey stated that registered hunting guides live everywhere across the state, although the majority live in the major urban centers. Slightly more than 50 percent of the economic impact of the hunting guide industry is felt in rural Alaska, he added, which is spending, employment, and goods and services.

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MR. STACEY pointed out there is more than the economics as hunting guides are using valuable food animals and guides share much of this valuable food source. An individual guide can provide much more meat and sustenance than he/she needs for his family, he said. Therefore, the tradition of sharing meat and supporting local communities and elders across the state is very strong with the Alaska guide community. Because all game meat is wanted and sharing it is something of value, he said he uses the word "share" rather than the word "donate." Hunting guides shared 230,000 pounds of game meat in 2015.

MR. STACEY recognized Representative Talerico's hard work during the last legislature to raise the state's hunting license and tag fees by sponsoring House Bill 137. The hunting license and tag fee is the public/private partnership that the hunting guide industry participates in, he said. About 72 percent of Division of Wildlife funds for managing the state's wildlife are attributed to non-local, visiting hunters. The hunting guide industry's customers are almost 100 percent non-resident,

visiting hunters, so the hunting guide industry supports the state and all the management for everyone's enjoyment of the state's wildlife.

MR. STACEY noted there are other users, including federally qualified rural subsistence hunters, Alaska resident hunters, other guides, and other commercial recreation users. He said APHA is very cognizant of the potential for conflicts with other wildlife users. The APHA supports all types of policies, he continued, and has many ideas on how to prevent conflicts and to keep its industry up-to-date and in line with conflict mitigation, whether it be state or between private parties.

MR. STACEY addressed the future. He said the hunting guide industry relies on the opportunity to harvest animals and charges a fee to do so. The APHA realizes those are loaded things in the discussion over wildlife and people's values of wildlife. The APHA's priority, he stated, is a sustainable harvest through the support of wildlife conservation and stepping forward to support things like paying more for hunting licenses and APHA customers' nonresident tags. These are important, he continued, because without the wildlife resource and a sustainable management strategy, [hunting guides] don't exist. He pointed out that [professional hunting guides] have the lowest priority to allocation of any of the users that rely on wildlife.

MR. STACEY, regarding the social perceptions of hunting, said APHA realizes it must stay up-to-date and must be sensitive to the perception of wildlife take by other groups, both hunters and nonhunters alike. The APHA works on that, he noted, and hopes to interact with the legislature and other policy makers to keep policy up-to-date with society's expectations.

MR. STACEY, regarding land management policy, said the APHA works hard with federal land managers and attempts to work with Alaska's Department of Natural Resources on wise land management policies that are good for APHA members as well as other users and ensures a future for guides in the state.

[1:46:25 PM](#)

CO-CHAIR TARR introduced the next invited witness, Ms. Erica Carroll of the National Parks Conservation Association (NPCA). She related that Ms. Carroll moved to Alaska with the U.S. Air Force where she was the program administrator for the Nordic Ski Club of Fairbanks. She said Ms. Carroll is now a member of the

National Guard, lives in Anchorage, and advocates for Alaska's 16 national parks and the \$1.7 billion in economic benefits contributed by visitors to the national parks.

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ERICA CARROLL, Alaska Field Representative, National Parks Conservation Association (NPCA), stated that NPCA is nationwide nonprofit with members across the U.S., including 2,000 within the state of Alaska. She said NPCA was established in 1919 as a nonpartisan independent voice to protect and enhance the natural resources and cultural areas in the U.S. for future generations.

MS. CARROLL said public lands are plentiful in Alaska, with the state's 16 national parks containing 54 million acres of unparalleled wilderness, fish, and wildlife. This acreage comprises 60 percent of the national park acreage in the U.S., she continued. While access to some of Alaska's national parks is difficult, it is also an opportunity for recreation. In 2016 Alaska's national parks attracted 2.7 million visitors and this number is expected to be higher in 2017. The national parks in Alaska contribute \$1.7 billion in economic benefits to the state's economy. Additionally, they have created over 17,600 jobs within the local communities, many of which are not on the road system and are small gateway communities.

MS. CARROLL stated she came to Alaska on active U.S. Air Force duty in 2009. When she separated from active duty she became the director of the Nordic Ski Club of Fairbanks where she lived for five years. Winter recreation is a huge opportunity, she said, and the Olympics show that Nordic skiing is a big part of Alaska's outdoor recreation; visitors come to Alaska to enjoy the snow. She added that she and her husband joined the Alaska Air National Guard and moved to Anchorage where he works in aerial search and rescue.

MS. CARROLL advised that access into Alaska's national parks is where local businesses come in. Her first trip to Gates of the Arctic National Park and Preserve, a park not on the road system, entailed a long drive, a stay at a hotel, eating at a restaurant, and bush transportation. These local businesses support hunters as well as outdoor recreationists in getting into the state's national parks.

MS. CARROLL related that with its partners, NPCA has a national constituency of 1.3 million members nationwide. With these partners, NPCA markets the visiting of Alaska. She noted the

states of Colorado and Utah have offices of outdoor recreation programs, which is a place for having a common voice and for outdoor recreation advocates and businesses. While advocating for visiting Alaska is happening, she said, it is hard to get everyone together, and [a state program] would provide one solid voice and representation at the state level, especially for the national parks side of it.

[1:54:35 PM](#)

CO-CHAIR TARR introduced the next invited witness, EJ Reiser, store manager for The North Face in Anchorage. She noted that Mr. Reiser is on the corporate steering committee with The North Face, the premier leader in outdoor products; is a member of the Alaska Mountain Rescue Group where he chairs the public search and rescue; and serves on the health subcommittee of the Anchorage Trails Initiative.

[1:55:04 PM](#)

EJ REISER, Store Manager, The North Face, introduced what he called a "hidden element" to the idea of outdoor recreation and its economic impact. He said the straight-line idea of this money driving force is guides, lodging, and flights in and out, and North Face represents the outfitting and enabling thereof. He related that his company has been in its Anchorage location for three years and a big question was, Why is North Face going to Alaska? But, he continued, the more appropriate question was, Why did it take North Face so long to get to Alaska?

MR. REISER said other stores are now opening in Anchorage. The outdoor recreation retail specialty alone, excluding hunting and fishing, represents about \$50 million a year and employs over 200 people. Adding hunting and fishing, he continued, would easily double both these numbers.

MR. REISER said [his industry] makes it easier for people to participate in outdoor recreation. There is the duality of what outdoor recreation can do for the state and that it improves quality of life and health, making Alaska a more marketable place for people to live and raise family. By living in Alaska, he continued, Alaskans become engrained with outdoor recreation or outdoor activities. These are common every day activities to Alaskans and are what visitors are doing and his business is fully promoting exactly this. Anything that increases activity, participation, or visitation is going to expand and benefit his

business, he said, and allow an increase in hiring staff and driving the economy.

MR. REISER said the people in outdoor recreation are energetic, passionate, and driven. It is a very communal feeling. He stressed it is a family of outdoor recreationists, and whether winter or summer recreationists, everyone is beneficial to the others. [People in the outdoor recreation industry] are striving to make Alaska marketable, accessible, and finding how to extend trips one more day.

[1:58:48 PM](#)

REPRESENTATIVE BIRCH requested Mr. Reiser's perspective on a brick-and-mortar retailer versus a retailer that uses a post office box to deliver goods.

MR. REISER replied that e-commerce is an undeniable force and some people say brick-and-mortar is a dying art. The nuances of e-commerce are clear, and it is a competitor, he allowed, but the ability of his shop or any shop is the uniqueness of being local and of being the tour guide and the concierge to Alaska. Anecdotes and personalities still win, and brick-and-mortar is still a large market that can exist.

[2:00:13 PM](#)

CO-CHAIR TARR asked whether Mr. Reiser is working with any Alaska manufacturers and whether Mr. Reiser sees opportunities for local folks for new product development.

MR. REISER responded, "Absolutely." As far as product manufacturing, he said his company is 90 percent North Face only, but that it is always open to outside vendors. From a corporate perspective, he said it's easy to look at the powerful big red logo, but that as the operator he runs an Anchorage, Alaska, North Face.

REPRESENTATIVE RAUSCHER quipped that as a wearer of outdoor apparel he knows all larges are not large and all mediums are not medium, and unless a person goes in to try them on, it is unknown what will be received in the mail.

[2:01:38 PM](#)

CO-CHAIR TARR introduced the next invited witness, Chris Beck, principal and founding partner of Agnew::Beck Consulting. She

said Mr. Beck has over 30 years of planning experience and specializes in the areas of community planning, economic development, and tourism and recreation. He came to Alaska in 1979 to work for the Department of Natural Resources setting up DNR's regional land planning process. In 1993, she continued, Mr. Beck started his own consulting business focusing on tourism and small Alaska towns. Mr. Beck's 20 employees are currently working on projects that include helping the City of Aspen expand winter recreation and tourism activities, developing master plans for recreation combined with residential development in Anchorage and the Matanuska-Susitna Valley, and land use economic development plans for the Denali and Kenai Peninsula boroughs.

[2:02:27 PM](#)

CHRIS BECK, AICP, Principal/Founder, Agnew::Beck Consulting, drew attention to the two-page document he provided in the committee packet and said the heart of it is that Alaska has a long way to go. The opportunities for outdoor recreation in Alaska have barely been tapped, he advised, and Alaska's competition - other states - are making the investment while Alaska is not. Other places have partnerships embracing outdoor recreation by business and agencies in a way that Alaska hasn't fully gotten traction on. Much of what [his company] is about is how to create those partnerships, how to start to invest in Alaska in a way that makes it competitive and provides the many benefits listed at the top of his document.

MR. BECK said one of the methods to reach those goals is trails. There are three subsets of kinds of trails. One is world-class destination adventure - things that cause people to say, "I won't stay in California, Sierra's, or in the Cascades, I'll go to Alaska because that thing is so unique." It is a small market and not many people go off to those adventures. The second kind, he said, is much more likely to get people using them are destination towns - places that are a great place to stay and a great place to get out of town easily. The third kind, he continued, is the missing middle. The big category lacking in Alaska is not extreme adventure of which there is a vast quantity. Alaska does a really good job at the larger volume tourism, with Juneau being an example of a town that handles over 1 million people a year. What people are looking for, he advised, is the kind of adventure that gives a great day and at the end of the day there are the comforts of bed, beer, shower, and good internet. That is where the market is these

days - less people are going out less often on nine-day trips. This middle market is where Alaska could really invest.

MR. BECK reviewed examples on how to reach those goals, one being the beautiful walk between Girdwood and Eagle River through the heart of the Chugach. The trail is very hard to follow, people must pick their way through the rocks, and the culmination is wading through a deep icy river, making the trail sketchy. Lots of people would love to do that trip, he continued, and maybe there could be a bridge, which is a costly thing. Perhaps local engineers from the two military bases could partner with Chugach State Park to find a way to build a bridge so people could enjoy this spectacular hike that is close to the road system and to Anchorage. Another example, he said, is the Alaska Mountain and Wilderness Huts Association (Alaska Huts), which has proposed a Whistle Stop System up the Spencer Glacier and is a project that has been making slow progress for 20 years. For many people, he advised, the difference between having a great time in Alaska or not is a cabin. When looking to attract more people, say kayaking through Kodiak or Prince William Sound, the ability to go cabin to cabin means the market goes from a handful of folks to a whole lot. Many places around the world have [hut systems] and people [people wanting huts] will choose to go to those other places instead of Alaska.

[2:07:14 PM](#)

MR. BECK said Alaska Long Trails is another concept that has caught fire. Examples include the proposed 800-mile-long Trans-Alaska Pipeline Long Trail, Iditarod Long Trail, Cross-Kenai Long Trail, and Copper River Long Trail along the former path of the copper railroad. Regional snow machine trails are another idea being discussed where many communities would receive spending by the travelers.

MR. BECK stated Bend, Oregon, is a successful example of destination town. The formula, he explained, is a concentrated downtown where brew pubs, lodging, restaurants, and rentals are located. There must be trails that seamlessly link to places nearby, and there needs to be a state that markets that destination and businesses. Southeast Alaska does a pretty good job of that with concentrated and walkable towns, but the rest of Alaska is less so. Mr. Beck pointed out that, in the end, convenience is what drives much of the decisions people make about where to spend their time and money. A wonderful place where a person can have a job and get out of town easily, or a place that can be visited without having to haggle with friends

over whose car to use. In Bend a visitor can get out of bed and walk a few feet to eat breakfast or go to a brew pub or walk a little further to a trail leading out of town. Another concept, he added, is more activities on the edge of a park and less inside, Denali National Park and Preserve being an example.

MR. BECK noted that a huge number of folks are investing lots of time and energy in doing all of this. He said the document he provided to the committee addresses how to create a better outdoor infrastructure and experiences, how to build a stronger outdoor recreation industry. Alaska has competition and is under-investing in the outdoor recreation industry. Other places are investing a lot of time and effort developing towns that are good places to live, great places to start a business, and great places to visit while Alaska has lagged. Spending 2-3 percent of what Alaska spent on other major economic development processes, such as grain, bridges, and fish processing, would have had much impact. But the state has chosen not to do so, and the hope is to begin changing that tide.

MR. BECK said three things could specifically be done to harness Alaska's undeveloped outdoor recreation opportunities, generate new jobs, and encourage new business to stay and move to Alaska. The first is strategic state investments in trails and related outdoor recreation resources. The second is thoughtful evaluation of comparative benefits of the different things. It cannot be said that if something is built they are going to come, it must be strategic and smart. The third, he continued, is stronger state leadership - the notion of a state level designated outdoor recreation advocate to help get things from stuck to unstuck and moving forward.

[2:12:29 PM](#)

CO-CHAIR JOSEPHSON noted he has backpacked the Crow Pass trail discussed by Mr. Beck and said the river crossing is something that some people look forward to because it is an adventure. The Seven Falls area in Eagle River, he continued, is a classic place where more infrastructure is needed. Regarding Bend, Oregon, he recalled seeing signs in Walla Walla, Washington, stating, "Don't Bend Walla Walla," meaning don't make Walla Walla too trendy. He suggested that some people want the rugged experience without a bridge and asked how to go about addressing those disparate interests.

MR. BECK replied Alaska has a long way before it encounters that as a problem and he is willing to risk that downside because

Alaska is in first grade and Bend is in graduate school. For Alaskans, he said, being outside is not a special thing, it is what Alaskans do and with that comes a little bit of "snobbishness," such as saying there is no need for signs on the trails. While he personally is comfortable with the Crow Pass trail and river as they are, improvement of some areas would be a good decision to harness the potential of Alaska's natural resources environment for the large percentage of people who are uncomfortable due to fears of bears or getting lost. Where those should be is a good question, he continued, but with 365 million acres of land he is not worried. California has 100 million acres. He said [his company] has done marketing plans for Cordova, Sitka, and Homer and only some of the bays are marketed while the others aren't mentioned, which keeps it nice for Alaskans and attractive for visitors.

2:15:40 PM

REPRESENTATIVE BIRCH remarked that the Treadwell Ditch Trail of Juneau is phenomenal. He said the presentation's ideas are wonderful and he has discussed with others how a hut-to-hut system in the Chugach would be a great opportunity. He complimented the effort to increase the opportunity in Alaska. He presumed the "old school" marketing method of sending packages of brochures to prospective visitors has been replaced by the internet and inquired how Mr. Beck would do marketing.

MR. BECK answered that Oregon's website has something like the "seven wonders of Oregon" that direct people to a handful of places. The key thing done well by Oregon but not done by Alaska, is to market destinations and experiences more so than businesses. There is an evolution towards businesses through mechanisms like TripAdvisor and Facebook. Alaska doesn't make it easy and inviting to know why it is exceptional to spend time in different destinations, such as Healy or King Salmon. In that model the marketing logic is that people go to an area and spend money, and individual businesses don't have to be marketed as much as is currently done. The ATIA and Visit Anchorage tend to market their businesses and for-pay activities and tend less to market going to Anchorage. Few visitors know the Chugach Mountains are there with hikes to be had. There are different flavors of marketing, Mr. Beck added. There are ways to take advantage of the new technologies and not send out a fat package of brochures that never get read. Someone going to Facebook or other media also sets up word of mouth. Alaska has gone from 49th in the U.S. to 47th in its state marketing budget, and this invites the state to be left behind.

[2:18:38 PM](#)

REPRESENTATIVE DRUMMOND stated she is fascinated by the proposed Trans-Alaska Pipeline Long Trail that Representative Kreiss-Tomkins is working on, but the no trespassing signs along the pipeline are off-putting. She asked how the trail promoters are getting around that.

MR. BECK replied it is seen as an opportunity with questions to be answered. He noted that [former legislator] Pat Pourchot and [former governor] Tony Knowles are actively promoting the Alaska Long Trails Initiative and the Trans-Alaska Pipeline Long Trail is one of the three trails being championed. He offered his understanding that they have discussed the proposal with Alyeska Pipeline Service Company and there are questions and concerns. In the rest of the U.S. there are trails along railroads and railroads don't often like that, citing liability issues. But, he continued, it has worked out fine in many places. It seems that the potential benefits are great enough to make it worth investing the time to see if solutions are there.

[2:20:40 PM](#)

CO-CHAIR TARR introduced the next invited witness, Captain Dan Blanchard of Juneau. She related that Mr. Blanchard earned his shipmaster's license at age 18 and worked in many roles as captain of sightseeing vessels in Alaska. Today he is the owner of UnCruise Adventures, a company that operates eight small adventure ships in Alaska and along the U.S. West Coast.

[2:21:13 PM](#)

DAN BLANCHARD, Owner, UnCruise Adventures, first shared how UnCruise Adventures has grown over its 22 years because this fits into the discussion. The concept of the "un" is right-on with who the customer is today, he said. The company started out tiny with a leased boat and he gave up everything he could to get this boat from Seattle to Alaska. In 2005 the company had four boats for small-ship cruising and it wasn't yet adventure cruising. In 2007 the company dramatically changed its model to where today it isn't in the cruise industry, it is in the adventure industry. He explained his company is called "UnCruise" because it is the antithesis of what happens on a big ship in the cruise industry. UnCruise uses state and national public lands and trails, as well as Native and other private lands. He pointed out that UnCruise is the largest day-use

permit holder in the Tongass National Forest and wants to add more of those permits.

MR. BLANCHARD said he thinks what has happened is that once the World War II generation stopped traveling, [the next generation] came into play and wasn't happy with standing on the bow of one of his boats and looking at a glacier. Now people must get on the glacier, feel the cold of it, and that is the adventure or outdoor travel industry today. It is the largest growing sector in travel. A massively growing piece of the industry, it grew 16 percent over a period of three years and that likely will be topped out in the next three-year survey.

MR. BLANCHARD described the person visiting Alaska today as being aged somewhere between his/her mid-30's and kicking the bucket and coming to Alaska because he/she wants to be active. This person has downsized from a big home to a condominium and is spending a lot of money traveling. This person is coming to Alaska because of [legislatively designated] Wilderness and [undesigned] wilderness - those are the things that make Alaska world class and important to the U.S. It is the last frontier in many ways.

MR. BLANCHARD reported that his small company had \$72 million in sales last year, of which \$45 million were earned in Southeast Alaska. Of that \$45 million, about \$14-15 million was dropped in Southeast Alaska communities. The difference between his small boats, or the adventure travel business in the outdoors, is that the money stays Alaska. From his experience speaking at the Innovation Summit, he related, he can say there are young Alaskans hot to get going on this. But, he continued, his question to legislators is whether Alaska is going to stay a sleeping giant or going to be hardly sleeping and that is why he is before the committee. Alaska has a massive business that can be taken advantage of. He said if Alaska were to lead the path through some official position, which he thinks is warranted, the sleeping giant could be made not sleeping.

[2:25:35 PM](#)

MR. BLANCHARD said he thinks there is a great opportunity in Alaska for winter business. In Southeast Alaska UnCruise is out hiking, snorkeling, standup paddle boarding, kayaking, and bushwhacking. His company is expanding its season, he said, and many businesses are starting to operate from April 14-October 1. Alaska is seeing an expanding summertime business and is also

seeing an opportunity, particularly in northern Alaska, for wintertime businesses to take place as well.

MR. BLANCHARD noted that hut-to-hut is what the rest of the world knows as trekking and tea huts and is what he does every October and November. Alaska is way behind on this, he said. He offered his belief that this is where the growth will be, and that Alaska needs to have something great.

MR. BLANCHARD discussed why he thinks [an official state] position is needed. He said the ATIA has two goals - marketing and getting a Tourism Improvement District (TID) through. He explained ATIA isn't specific enough to take on a project like this, rather ATIA is marketing the whole state. The Juneau Economic Development Council (JEDC) is working to find a way through the path of regulation. The outdoor industry and the adventure travel industry need to partake in that, he said. The JEDC is looking at how to get things through, such as a trail and more access to state or federal lands. If the state decided to support this upcoming industry and get it fired up, a lot more dollars would be seen in the state and the state would diversify. Currently the state is quite heavy on commercial tourism, which is wonderful, and he lives off the marketing that they provide as well as the state's marketing. But, Mr. Blanchard continued, if Alaska had an outdoor active adventure industry like is being seen in other states, it would bring to the state a variety of people - from the 20-year-old backpacker to the person his company is bringing today. He pointed out that most of the people he is bringing to Alaska traveled as kids to Europe on \$5-\$25 a day, but now they want to adventure and play hard all day with a Tempur-Pedic mattress at night. He reiterated his question of Alaska choosing whether to stay a sleeping giant or to hardly sleep.

[2:29:10 PM](#)

REPRESENTATIVE BIRCH quipped he would prefer to characterize it as a hibernating giant. The potential is there, he agreed, and Anchorage and Southcentral Alaska have seen explosive growth in hotel rooms. He recalled snorkeling during the winter many years ago and how clear the water was in January with no glacial [river's] running.

MR. BLANCHARD pointed out most of that business is surrounding major hubs that do well on cruise passenger traffic. Being missed is the smaller businesses in places that aren't traveled now but that could be if the outdoor adventure traveler could be

drawn in. He shared that he goes to India and does the trail between India and Nepal and he does the Machu Picchu trail. Those are the world-class things that Alaska has the mojo for but doesn't yet have.

[2:30:46 PM](#)

A video was shown from 2:30 p.m. to 2:33 p.m.

[2:33:45 PM](#)

CO-CHAIR TARR introduced the final invited witness, Cailin O'Brien-Feeney, state and local policy manager for the Outdoor Industry Association (OIA) based in Boulder, Colorado. She explained that OIA unites and serves over 1,200 manufacturers, suppliers, sales representatives, and retailer members through its focus on trade and recreation policy and industry trends. She noted Mr. O'Brien-Feeney has over 15 years' experience in the outdoor industry serving in leadership positions for the Winter Wildlands Alliance, the Outdoor Alliance, and the Idaho Outdoor Business Council, and has worked as an outdoor educator and guide across the West. She also noted he holds a Master's in natural resource management from the University of Idaho.

[2:34:35 PM](#)

CAILIN O'BRIEN-FEENEY, State and Local Policy Manager, Outdoor Industry Association (OIA), said he will provide a recipe for what he has seen work in other states that have endeavored to support their outdoor recreation economy to grow opportunities for residents, for visitors, for businesses. Five years ago, he noted, there wasn't anyone in any state whose job it was to think about how to improve opportunities or jobs for outdoor recreation. While there are land managers who do that in part, economic development folks who do that in part, people engaged in public health and wellness, and conservation advocates, states weren't yet thinking about turning outdoor recreation from a nice-to-have [to need-to-have]. Alaska wins in terms of outdoor recreation participation, he continued. It has more residents by percent who participate in outdoor recreation - 81 percent of Alaskans as compared to 49 percent of Americans. But, there is more to be done in intentionally nurturing and growing this sector of the economy.

MR. O'BRIEN-FEENEY discussed the recipe. He said 10 states now have a construct where the governor has set up a commission and established a formal stakeholder group to think about this topic

or has hired someone to think about how to grow this industry and bring folks together. The first piece is simply a recognition that outdoor recreation is a need-to-have that is part of the core economic future of the state. That can be as simple as putting it into the state's economic plan to ensure the state invests appropriately and engages in conversations alongside those other industries that make up a state. What is being talked about here is additive, he noted, and not trying to take the place of anything else. There are many ways to do that, whether it is official or not. The hope for today is to share information in that spirit to help build awareness about the economic impact and other benefits of outdoor recreation so that when legislators are working there is a shared agreement or official declaration that outdoor recreation is as important as anything else and really matters.

[2:39:07 PM](#)

MR. O'BRIEN-FEENEY said the second piece is convening the many stakeholders in Alaska - figuring out where that shared common ground is. All of Alaska's communities are different and all the different stakeholders are different, whether they own outfitting companies or are retailers or land managers. These stakeholders don't talk to each other enough.

MR. O'BRIEN-FEENEY said the third piece has to do with removing barriers. While good work is happening with existing programs, small business innovation funds, workforce development training, and existing marketing materials, much of that needs to get together and have an outdoor recreation focus. For example, he continued, in the 10 states the outfitter communities have worked together to make some real changes with the U.S. Forest Service (USFS) about how the agency approaches and implements outfitter and guide permitting. Outfitters and guides are a huge part of this economy and it doesn't make sense for an outfitter not to have the opportunity to provide facilitated access simply because the expertise or the person to process that permit application doesn't exist within the relevant land management agency. They have collaborated to figure out a better process for doing that work in a way that still protects the environment but is cheaper and easier with the goal of getting more people outside.

MR. O'BRIEN-FEENEY stated the last piece is that the outdoors themselves, the landscapes, are the infrastructure itself. The baseline underwriting all of this is a need to invest in the toilets, roads, and campgrounds so that people continue to have

high quality visitor experiences. Budgets are tough, he allowed, but clever ideas are out there and there are people in Alaska with great ideas, as well as people trying ideas across the country. He said he is willing to share many of the things he has seen that are clever.

[2:42:40 PM](#)

REPRESENTATIVE RAUSCHER thanked all the witnesses and offered his appreciation for the ideas, vision, and information that they shared.

[2:43:11 PM](#)

REPRESENTATIVE DRUMMOND extended her thanks and asked what Mr. O'Brien-Feeney's experience has been in other states. She further asked what his suggestion would be to the committee regarding how it could help implement, hold hands with, and move forward in opening Alaska's outdoor resources to the world and to Alaskans.

MR. O'BRIEN-FEENEY replied there is some pending legislation that is probably relevant to today's conversation. He suggested that a good first step would be for the committee to ask [today's group of witnesses] for help, ideas, and support for the good ideas that the committee works on. There is no perfect "silver bullet" policy prescription, he continued, so he won't pretend to know what that answer is for the committee. He urged the committee to think of today's witnesses as allies in getting towards this vision.

REPRESENTATIVE DRUMMOND pointed out the challenge of Alaska's great geographic scale even for people living in the state, and that the state's small population makes it difficult to provide the infrastructure.

MR. O'BRIEN-FEENEY responded that the way this industry has coalesced most successfully is by holding two significant meetings a year, one in the capital and the other roving around to rural communities that have direct connections to the outdoors. In some ways, he continued, this is how Lee has set up the Confluence effort from which there has been a lot of benefit. Modern technology makes it easy to stay in close relevant communication and enables people to work from wherever they are. Overall spending in terms of outdoor recreation across the country mostly happens close to home, he advised, it happens in a person's backyard. About two-thirds of the total

spending in the entire country happens within 30 minutes of someone's home. Thinking about those opportunities in one's own backyard is a great place to start and it is easy to get people excited about projects that they can see from their porch.

[2:47:30 PM](#)

CO-CHAIR TARR thanked the witnesses for their time and effort in providing the presentations. She suggested that one area [the committee] might like to spend time talking is public lands access, which might be the next follow-up for this because that is a big part of the limitation in terms of what we can do right now - thinking about how we might open some of Alaska's vast areas to more people.

[2:48:23 PM](#)

CO-CHAIR TARR passed the gavel to Co-Chair Josephson.

HB 272-TANGLE LAKES STATE GAME REFUGE

[2:48:48 PM](#)

CO-CHAIR JOSEPHSON announced that the final order of business would be HOUSE BILL NO. 272, "An Act establishing the Tangle Lakes State Game Refuge; and providing for an effective date."

[2:50:56 PM](#)

LISA DELANEY, Staff, Representative Andy Josephson, Alaska State Legislature, presented HB 272 on behalf of Representative Andy Josephson, sponsor. Turning to her PowerPoint presentation entitled, "HB 272, Tangle Lakes Game Refuge," she noted the importance of outdoor recreation, marketing, and protecting the state's renewable resources, and said she hopes to demonstrate the value in establishing protected areas like game refuges. A perk of refuge designation, she explained, means that effort goes into accommodating the users of the area, which is done through trail maintenance, outhouses, and so forth. She moved to slide 2 and said the motivation for refuge designation is that the Tangle Lakes area is very important to Alaskans for recreation, hunting, and fishing.

MS. DELANEY addressed slides 3-4. She said Alaska has four main categories of places of note: state range areas; anadromous waters; controlled use areas, one of which already exists within the proposed refuge boundaries; and state refuges, sanctuaries,

and critical habitat areas. The sponsor chose a refuge because this category doesn't restrict recreation, hunting, or access, whereas some of the other categories have certain restrictions. The Board of Game and the Board of Fisheries regulate hunting and fishing, she explained, so there would be no impact by the establishment of a refuge. Refuge management plans go through public comment, which provides the public with say in what goes on within a refuge area.

[2:53:31 PM](#)

MS. DELANEY displayed slide 5 depicting a map of the proposed refuge area, which encompasses about 156,000 acres. She said no mining claims currently exist in the area, but that the map shows where mines have been in the past and where areas of interest have been but added that there hasn't been enough interest to warrant pursuing these. She noted the deposits include nickel, copper, cobalt, and platinum, but as far as she knows they are low grade and generate a lot of waste, which is probably why the metals haven't been pursued.

CO-CHAIR JOSEPHSON stated he has a better map provided by the Department of Natural Resources (DNR). He pointed out that the Alpha Claims Block, depicted in purple, has a lot of interest, but the proposed refuge is south of this block.

MS. DELANEY confirmed the majority of [mining] interest is north of the proposed refuge boundary.

MS. DELANEY turned to slide 7 and reviewed the four special and managed areas existing within the proposed refuge boundaries. She said Game Management Unit (GMU) [13B] is popular for subsistence hunting. Clearwater Creek Controlled Use Area is currently closed to motorized vehicles, although the Board of Game is revisiting that. Moose and caribou are abundant in this area, she continued, and it is popular for the walk-in hunters. The Delta National Wild and Scenic River corridor is managed by the U.S. Bureau of Land Management (BLM) and is focused on bird species. The Tangle Lakes Archaeological District Special Use Area takes up a sizeable portion of the proposed refuge area, with many valuable cultural resources having been found there. These four areas will keep doing what they do with or without the refuge designation, she explained, and refuge designation will help to regulate more destructive development on otherwise renewable hunting and fishing grounds.

[2:56:08 PM](#)

MS. DELANEY moved to the map on slide 8 depicting the locations of Alaska's caribou herds. She said [the proposed Tangle Lakes Refuge] is home to the Nelchina Caribou Herd, the sixth largest herd in Alaska. She noted 5,000 caribou tags were issued in the GMU 13 Nelchina herd subsistence hunt.

MS. DELANEY displayed slide 9 and reported the proposed refuge designation has overwhelming support, including support from 713 individuals and 108 organizations that have signed a letter to the legislature. She pointed out that this proposal has been an ongoing process for over a decade.

CO-CHAIR JOSEPHSON offered his understanding that Robert Tobey, a supporter listed on the slide, worked for who was then newly elected Governor Murkowski, whose administration supported the creation of a refuge. He further noted that Cliff Judkins, another supporter listed on slide 9, was chairman of the Board of Game in the Palin Administration and the Board of Game recommended the same thing.

MS. DELANEY confirmed the aforementioned is correct.

[2:57:51 PM](#)

REPRESENTATIVE BIRCH stated he struggles with this as being another land grab. As a mining person he is looking at this with concerns about the initiative behind the proposal and the timing. He urged there be opportunity for public engagement and recognition that there can be shared use within the area. He ascertained that committee members were familiar with the Denali Highway and this area.

[2:58:45 PM](#)

MS. DELANEY provided a brief section-by-section analysis of the bill. She said Section 1(a) [slide 11] describes the proposed refuge boundaries which mostly follow the geography, but that parcel boundaries are used in the legal description for purposes of easy mapping. She noted Section 1(b) [slide 12] describes the purpose of the refuge, which is to protect subsistence uses, hunting, fishing, and recreational, scientific, aesthetic, and educational purposes, all of which utilize the area's renewable resources, ecology, and land upon which these resources depend. The designation would benefit all Alaskans, she added. She said Section 1 (c-f) [slide 13]: provides land use restrictions on mining and potentially oil and gas development, unless the

commissioner deems it compatible with the refuge; addresses access corridors to this land; gives DNR and Alaska Department of Fish & Game (ADF&G) authority to enter into leases, provided the leases/uses are compatible with the refuge; and prohibits the sale of [state] land within the refuge boundary. Section 3 [slide 14], she stated, provides an effective date of 1/1/19.

[3:00:32 PM](#)

CO-CHAIR JOSEPHSON asked whether Ms. Delaney has spoken with the Division of Mining, Land and Water about currently active interests in mining.

MS. DELANEY confirmed she spoke with the division and learned there are no mining claims within the proposed refuge boundary at this time.

CO-CHAIR JOSEPHSON further asked whether claims are being actively explored and pursued, or whether they are technically claims but dormant.

MS. DELANEY offered her understanding that there are no claims and currently nothing is being actively pursued in the area.

[3:01:14 PM](#)

REPRESENTATIVE JOHNSON expressed her concern about [the large amount of] public land in Alaska and prohibiting the sale of these lands. She asked how much state land is in this area and how much would potentially not be sold into private ownership. She noted private landowners pay property taxes to boroughs and said that as state revenues decline, private land ownership and property taxes are important. She asked what the potential revenue decrease would be if a refuge was designated. She noted that at statehood the state land was intended to be transferred into private ownership

MS. DELANEY replied she is unsure and will get that information to the representative.

[3:03:07 PM](#)

REPRESENTATIVE RAUSCHER pointed out that the Matanuska-Susitna Borough encompasses only a small part [of the proposed refuge] and the rest is unorganized borough. He offered his belief that there are nonoperational mining claims [in the proposed refuge area] that have been returned to the state. But, he added, this

doesn't mean they cannot be sold again; it just means they are presently not being mined and controlled by a lease agreement.

CO-CHAIR JOSEPHSON stated that most of the claims are in the southeast corner of the [proposed] area and are located close to the Denali Highway. He requested Mr. Brent Goodrum of DNR to address the status of these claims.

[3:05:07 PM](#)

BRENT GOODRUM, Director, Central Office, Division of Mining, Land and Water, Department of Natural Resources (DNR), offered his understanding that the last time the division checked there weren't any active state mining claims within the proposed refuge boundary. Previously there may have been claims that may have been active that miners had let expire or essentially abandoned the claims. However, he continued, the staking of mining claims is such that a miner, upon discovery, can stake it and record it and it is a self-actuating right. Thus, an individual can stake claims and then the division may find out after the fact that this has happened.

[3:06:11 PM](#)

REPRESENTATIVE RAUSCHER asked whether the state could lease previously active mining claims to someone else in the future.

MR. GOODRUM answered that an individual, party, or group could come into acquiring rights to minerals in those areas through staking or through some type of lease with the state. That could happen in the future and is not prohibited at this time. All Alaska state lands are open to mineral entry unless they are otherwise closed, he continued. There has been exploration in this area previously and so that could happen yet in the future unless there were something else that prohibited it.

REPRESENTATIVE RAUSCHER asked whether HB 272 would stop that.

CO-CHAIR JOSEPHSON responded that HB 272 would prohibit future mining claims. He asked Mr. Goodrum whether, under this bill, someone could re-invigorate what had been a claim.

MR. GOODRUM answered that a miner could stake a mining claim and then record that mining claim and at that time the miner would secure rights to those minerals. Section 1(c) of the bill states, "Except for valid rights and interests in mineral claims existing on January 1, 2019," he noted. So, theoretically, if

the bill was signed into law and someone had staked a mining claim prior to that date, they would acquire that right and be able to utilize that right going into the future.

[3:09:21 PM](#)

CO-CHAIR JOSEPHSON held over HB 272.

[3:10:19 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 3:10 p.m.