ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE
March 15, 2017
3:30 p.m.

MEMBERS PRESENT

Senator Cathy Giessel, Chair
Senator John Coghill, Vice Chair
Senator Bert Stedman
Senator Shelley Hughes
Senator Kevin Meyer
Senator Bill Wielechowski

MEMBERS ABSENT

Senator Natasha von Imhof

COMMITTEE CALENDAR

CONFIRMATION HEARINGS

Big Game Commercial Services Board
Tom Sullivan - Anchorage
James Atkins - Anchorage

- CONFIRMATIONS ADVANCED

Commissioner, Department Of Natural Resources
Andy Mack

- CONFIRMATION ADVANCED

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

TOM SULLIVAN, Appointee Anchorage, Alaska
POSITION STATEMENT: Testified as appointee to the Big Game Commercial Services Board.

JAMES ATKINS, representing himself
Anchorage, Alaska

POSITION STATEMENT: Big Game Commercial Services Board.

ANDY MACK, Commissioner-designee
Department of Natural Resources (DNR)
Juneau, Alaska
POSITION STATEMENT: Provided comments on becoming DNR Commissioner.

WAYNE KUBAT, Vice President
Alaska Hunters Association
Wasilla, Alaska
POSITION STATEMENT: Supported James Atkins' appointment to the Big Game Commercial Services Board.

THOR STACY, lobbyist and Contract Director
Government Affairs
Alaska Professional Hunters Association
Juneau, Alaska
POSITION STATEMENT: Supported Mr. Atkins' and Mr. Sullivan's appointments to the Big Game Commercial Services Board.

ACTION NARRATIVE

3:30:15 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 Stedman, Coghill, and Chair Giessel. Senators Hughes and Meyer arrived shortly thereafter.

Confirmation Hearings: Big Game Commercial Services Board

3:31:00 PM
CHAIR GIESSEL announced confirmation hearings for the Big Game Commercial Service Board and noted that it oversees the licensing and regulation activities of providers of commercial services to big game hunters in the interests of the state's wildlife resources. They regulate hunting guides, assistants, and transporters. There were two appointees and she started out by welcoming Thomas Sullivan, a new appointee to the board.

TOM SULLIVAN, representing himself, Anchorage, Alaska, said he plans to retire this year or next and is interested in doing public service. This is one of the boards that he is interested in serving on, along with the Board of Game and the Board of Fisheries. Those resources are why he came to Alaska in the first place and he is happy to contribute to them if he can.

3:32:52 PM
CHAIR GIESSEL asked him to talk about his experience with the state's hunting sports.

MR. SULLIVAN answered that he has had a love of hunting since he was small boy growing up in Alabama. Hunting and fishing is what brought him to Alaska originally. He has hunted bear, moose, and caribou in Alaska, but today he hunts more in Wyoming, because he doesn't have enough time to hunt otherwise, but that will be remedied when he retires. He has years of experience hunting in different states. He worked as a volunteer instructor for fish and game teaching a bow hunter certification course. He was a wildlife conservation officer at Eielson Air Force Base for 26 years and has done a lot of competitive shooting. Guns, hunting, and fishing are things he loves and wants to continue doing.

3:34:32 PM
SENATOR STEDMAN asked his opinion on privatization of big game animals in Alaska and of collective ownership of natural resources including game animals relative to Alaska's Constitution.

MR. SULLIVAN replied the he didn't understand what he meant by "privatization," but the state's fish and game resources are here for everyone to share and take care of.

SENATOR STEDMAN explained that there is always an interest in Alaska's natural resources whether it be oil, gas, fish, or sheep. Whoever is in the particular business of harvesting it would like to own it and reap the value of ownership. But in Alaska the resources are owned in common, unlike other states, and he wanted to know Mr. Sullivan's position on that issue.

MR. SULLIVAN said he didn't like the idea of a few people owning any of the fish and game resources. Those resources should be shared equally among all the people of Alaska.

SENATOR STEDMAN said he understands the sharing, but his concern is that industry is trying to privatize those resources much like what was done with the fisheries, particularly with halibut IFQs [Individual Fishing Quotas] on the federal side, which are handled a little bit differently than the state's fisheries permit system.

3:37:10 PM

MR. SULLIVAN responded that he understands what Senator Stedman is saying and he wouldn't like to see that. Personally, that is not in the best interests of all Alaskans.

SENATOR COGHILL said that goes to the heart of the question being debated in Juneau, which is about giving concessions to guides as a management tool.

MR. SULLIVAN said he didn't know of any circumstances where that is being pushed on the board, and furthermore, he is against it.

SENATOR COGHILL thanked him for his military service and his willingness to serve in Alaska. He said allocation is a really tough issue and asked if he had talked to anyone about how this board would operate in some of those areas.

MR. SULLIVAN replied that didn't come up at all in their first three-day meeting.

3:39:56 PM
SENATOR COGHILL said access into hunting and fishing areas is one of the things Alaskans hold very dear, but they are having to compete for them on a national and international basis. He asked if Mr. Sullivan could look out for the citizens of Alaska when it comes to access to its game and fishing resources.

MR. SULLIVAN replied that he shares frustrations with not having access to some lands, too, and would do all that he could for all Alaskans.

CHAIR GIESSEL asked if he heard anything about the board's large outstanding budget shortfall.

MR. SULLIVAN answered yes; it is a significant deficit that needs to be addressed, and they have a plan to eliminate it in the next three years. Using his financial experience, he did an initial analysis and is waiting for information from the department before deciding if they are on the right track or not. They believe an accounting mistake created the problem in the first place and they really want to clear it up.

CHAIR GIESSEL said it was more than $1 million at one time, more than an accounting error. It pertains to the amount of litigation this board has had to deal with mostly over concession areas. She thanked him for agreeing to serve on this board if he is confirmed.

3:44:47 PM
CHAIR GIESSEL invited James Atkins to comment on his re-appointment to the Big Game Commercial Services Board. He sits in the seat of a transporter and has served one four-year term already.

3:45:10 PM
JAMES ATKINS, representing himself, Anchorage, Alaska, responded that he goes by "Tom Atkins" and has lived in Alaska for 45 years and has been involved in the guiding and flying business for 35 years. Now, as a retired construction worker, he mostly flies hunters in Bush Alaska. He knows a lot of the people in the industry and it's his pleasure to serve on the board.

SENATOR COGHILL thanked him for serving and said privatization of guide concession areas has come up and asked him to explain what some of the safeguards are for making sure people are both lawful and handled properly in the transporter business.

3:46:55 PM
SENATOR WIELECHOWSKI joined the committee.

MR. ATKINS answered that he is involved with people on both sides of the fence when it comes to concession areas. He flies for guides, and for the public that wants to go hunting, but most of his business is from flying guided hunters. Years ago, there were private concessions on state land and there still is on federal land. He flies for guides who have concessions on federal land and he may also fly a resident hunter in at the same time. Guides compete to provide a good hunt. Mr. Atkins said he would never put a client, guided or unguided, on top of another camp; he doesn't care who it is.

He said a [state] guide concession program would not be bad, but there is strong competition amongst the guides. Some would be left out and certain areas would have huge conflicts. He is a transporter; he works for both sides and that is what he will continue doing - with the legislature's permission.

SENATOR COGHILL said the legislature will debate how a concession is done, but maybe he could help resolve one of the big complaints over places where transporters quite often put campers on top of each other. When Senator Coghill was a youngster he was told he had the right to do that, but it was a matter of respect. Now rights and respect for areas are being misused and he asked if there is a methodology within this board

to discipline people - guide or transporter - who are showing huge disrespect that results in tension for the whole industry.

3:51:30 PM
MR. ATKINS answered that the "guide board" just tasked its investigative force with reviewing its ethics laws and putting teeth into them so they will be obeyed. He said there are a few bad guides, but a whole lot of good ones who want to take care of the land. When guides had use areas, they would manage the game on it like a game warden. Now, a lot of people out there transport clients and don't have a license to do it and it's an enforcement issue.

SENATOR COGHILL said he hoped they could find a mechanism for dealing those who don't abide by any rules. He asked if the board is talking about how to work with the different private land owners on tensions arising from federal and state management.

MR. ATKINS replied that he didn't understand the question, but Native Corporations are represented on the board, and as a transporter, he is very careful to have permission to be on a piece of land. Unlicensed people don't have that restriction, but those who are invested in making a living out of it are trying to make sure people are on the right land and have permission to be there. A lot of Native Corporations allow access; sometimes there is a charge and sometimes just a permission slip. "Everybody is trying to get along. That's the main thing."

CHAIR GIESSEL finding no further questions, thanked him for joining them.

Confirmation Hearing: Commissioner, Department of Natural Resources

CHAIR GIESSEL introduced Andy Mack, the Commissioner of the Department of Natural Resources (DNR). She said the mission of this department is to develop, conserve, and maximize the use of Alaska's natural resources consistent with the public interest. DNR manages all the state-owned land, water, and natural resources, except for fish and game, on behalf of the people of Alaska. That is approximately 100 million acres. Approximately 60 million acres of that is tidelands, shorelands, and submerged lands with 40,000 miles of coast land; it also has 40 percent of the entire nation's fresh water flow.

3:58:17 PM
ANDY MACK, Commissioner-designee, Department of Natural Resources (DNR), Anchorage, Alaska, said his parents met as Jesuit missionaries at Copper Center in the late 50s and eventually moved to Soldotna where he was born in 1954. He is a proud graduate of the Soldotna High School Class of '82. He went to college in Minnesota and came back to Alaska to work at various jobs: in the Nikiski Agrium Plant, as a commercial fisherman, eventually finding his way to law school.

He said over the past decade-plus he has been working on natural resource issues on the North Slope, in particular, including development in what is state-owned land on the North Slope (NPRA), the OCS, and the 1002 area. After working both as a public employee for the North Slope Borough, he moved into the private sector. Most recently he worked as a resource development consultant and a managing director at a private equity firm.

He explained that four or five years before taking this job he was a "land man." His principal role was to understand how federal and state law worked, what the options were for the land owner, how they could maximize the benefits of the use of their land, and potentially access more land. He worked with federal agencies, state government, local municipalities, and with Alaska Native Corporations, both regional and villages. He found himself working on many interesting issues on the North Slope and eventually the Governor asked him to apply his skill set at DNR. He accepted the position and began on July 1, 2016. He said, "It's been an interesting seven months."

4:01:48 PM
He said one of the first things he dealt with was the on-going transition in the AKLNG Project, which this committee is extremely well-versed in especially the state's responsibilities. Most of those responsibilities are memorialized in SB 138. When he took this job, he was faced with the fact that having an equity participation in this project had become very difficult and the parties generally agreed that something different was needed. So, they embarked on a transition where the state would take the lead and the producer partners would (although they have differing opinions) all come to this project and see how they could support it. He came on board during the transition and helped the state realizing was how it would take over doing what the companies were doing. In other words, ExxonMobil was the lead for the AKLNG Project and they had about 200 employees putting together resource reports

moving through the pre-FEED process. As they got to the end of that process, they were determining how they would ramp that team down and the department was doing the same thing.

COMMISSIONER MACK said one of the first things he had to do was consider both the historical context, what the department's responsibilities were going forward, and what the department needed to make sure that in the event some really important decisions had to be made for Alaska - any decision involving taking the gas royalty in kind (RIK) or royalty in value (RIV), gas balancing issues, CO2 disposition, field cost allowances, and commercial issues - they could very quickly start the process of analyzing the options.

He said the department retained some very important talent: Black & Veatch as a commercial consultant, the services of Mr. Steve Wright who was on the AKLNG Project team and was the upstream lead, and they were very lucky to get Ed King who used to work at the Department of Revenue (DOR), Department of Natural Resources (DNR), and the Division of Oil and Gas (DOG). They retained some of their core capabilities at a much lower cost while keeping in mind that at any point if there is an event that requires analysis, they can ramp back up very quickly.

He said the other thing he faced was the fact that the department had to consolidate its budget, and it is an amazing testament to the 900 employees at DNR that they proposed about a 5 percent reduction in the Governor's budget while still being able to meet all of the state's obligations and not just clear the bar, but going beyond.

4:06:49 PM
He stated that the third thing he stepped into was a process at the end of a particular federal administration, and as the months ticked by in late 2016, he started to notice that the pace of decision-making by several federal agencies was accelerating as well as the departure from historical process and the increased willingness of federal agencies to try to set markers in the public policy arena. He spent a lot of his time engaged in "policy combat" conversations trying to understand and position the state's administration in the strongest spot.

CHAIR GIESSEL said brought up the Public Access Defense Unit and the RS-2477 issue and asked how DNR has been involved in the Klutina Road lawsuit effort.

COMMISSIONER MACK explained that the department has historically utilized a four-person group of employees to understand what the options are and to assert access where it benefits Alaska: for example, building the 11-mile Izembek Road in a refuge, it focused on what the claims might be in order to fully appreciate the options. A hydrologist position was added, because navigability is another big access issue.

COMMISSIONER MACK explained that at statehood, all navigable waters were conveyed to the state. It has resulted in endless meetings, conversations, and letters, and many times in court pushing back and forth with the Bureau of Land Management (BLM).

He said about a year ago the state actually won the Mosquito Fork case, which answered the question of whether the Mosquito Fork River was navigable. The state thought it was "painfully obvious," and asked the BLM to disclaim their interest in the water body. They didn't do so. They went to trial and spent a tremendous amount of money, and at the 11th hour the BLM did disclaim their interest in the water body. After that decision was made, the federal district court found that they had acted in bad faith and subsequently awarded the state almost $600,000 in attorney's fees.

4:12:17 PM
He noted that this is not unusual. The state has argued over the Yukon River and some other what he thinks are plainly navigable waterways. He is still trying to understand how the state has ended up in the position of having to assert it owns the water body, because it was all conveyed to the state at statehood. So, the hydrologist position was added to deal with all the navigability issues. He is optimistic that it will save the state some money in court costs.

He said the RS-2477 issue is incredibly important to the state, and in the late 90s there was legislation to identify these historical rights-of-way (RS-2477). DNR appreciates that it is an important tool. There are also [Alaska Native Claims Settlement Act] 17(b) access issues, access over Alaska Native Corporation land where the state has land on the other side and it's very difficult to get to. Most recently, the state successfully discussed, negotiated, and agreed to a deal with the Eklutna Corporation in the Knik River area.

He said the department realized the Klutina issue was a very strong case for the State of Alaska as an historical right-of-way (RS-2477). They also realized from the confluence of the

Klutina Lake and the Klutina River another four miles of access was needed to get to state land (on the southwest end of the lake).

COMMISSIONER MACK said the department had a very thorough discussion with the Attorney General and her staff about options and they understood the concerns, the historical context the department operates in, what the RS-2477 means to the state, and with an eye towards the future. The department is very happy with the representation it is getting.

CHAIR GIESSEL reiterated that DNR is the client of the Attorney General in this case, and asked what his opinion is about the Attorney General and her proposed settlement to the Klutina issue.

COMMISSIONER MACK answered he identified it as a priority early on and talked with the Department of Law (DOL) about what the objectives and principles are, and what is needed to get a good result in this case, as well as protect the RS-2477 process. His opinion is that they are getting very good representation right now, but nothing has been resolved. The trial date has been vacated while a proposed settlement is being worked out.

4:18:00 PM
CHAIR GIESSEL asked what his opinion would be of a settlement that relinquished the 100-foot RS-2477 right-of-way and diminished it to 60-foot 17(b) easement.

COMMISSIONER MACK related that two principals are at stake: one is the longer-term interest of the State of Alaska. For example, the Izembek has a three-fold strategy: solve the issue by getting a road built through the political process in which Congress approves a land exchange. The second option is an ANILCA [Alaska National Interest Lands Conservation Act] Title 11 claim; the third option is to establish an RS-2477.

He said first, they are going to make sure that they protect the process for identifying and perfecting other RS-2477s. Second, he wants a good result in this particular case that recognizes that first principle.

SENATOR STEDMAN shifted the same topic from the frozen north to the tropical south of Alaska and said the Tongass is about the size of West Virginia, but West Virginia has about 30,000 timber jobs. Alaska has not more than 300. They have been dealing with the roadless rule with utility corridors (4407 easements), but

there seems to be a reluctance from the United States Forest Service to convey these to the state. They are trying to clean up these easements, so Alaska can have a transportation system in the power corridor.

COMMISSIONER MACK he would characterize it as more than just "reluctance" to perfect these easements. They just went through the process of protesting the final Tongass plan and it was particularly unsatisfying. Alaska was forced into a process - even though they requested to be distinct and separate as a sovereign in dealing with the federal government - of sitting in a room with every other protestor including groups that are not based in Alaska and very thoroughly discussed the state's objections to that particular Forest Service plan that included those easements. But they may have only achieved the ability for the state to take that plan to court, because it didn't get any relief. At the very least, Alaska preserved its legal options for remedy, through the options are thin.

4:22:21 PM
SENATOR STEDMAN thanked him and the department for helping them deal with that issue in the Tongass.

SENATOR MEYER remarked that it looks like most of his resource background work in oil and gas was for legal analysis or consulting and asked if he had prior experience in hunting and fishing before getting this job.

COMMISSIONER MACK replied that he didn't know how one can prepare to be DNR commissioner. Most people have a mining, or oil and gas background, not both. He doesn't have any financial training other than learning on the job when he was a managing director at PT Capital. He uses his training as a lawyer in both the public and private sectors.

SENATOR MEYER agreed that it would be hard to have experience in all the department issues. He asked if President Trump were to call him tomorrow and ask what's the first thing he could do for the state, what he would say.

4:27:24 PM
COMMISSIONER MACK replied that he would make a compound answer to that: one, open up access in the Arctic. That means two things: support legislation, which requires and compels the government to hold two lease sales in the 1002 area and, two, rewrite the integrated activity plan for the National Petroleum Reserve Alaska (NPRA). Doing so would provide access to hundreds

of millions, if not billions, of barrels of currently hard-to-get-at oil.

SENATOR MEYER said that was a good answer. Access to that much oil would make the commissioner's financial background useful. He asked how permitting can that be expedited at the federal level.

COMMISSIONER MACK said he just mentioned what he considers significant federal action, which in the case of the 1002 area, is required before access can be provided via lease sales - to basically create a property right in the 1002, which he thinks can be done safely and effectively.

He said in the NPRA, one of the things that happened at the beginning of the Obama administration is they took a United States Geologic Survey (USGS) estimate for the economically recoverable oil base and downgraded it from about 9.5 billion barrels to 900 million barrels. Then they followed that up with removing 50 percent of the land from the area available for leasing, although some of that is probably more valuable as caribou habitat. But some of it was just next to what people are hearing about in the news with respect to Willow.

He said he thinks the number is a little closer to the original USGS estimate on the basis that close to 30 wells are already drilled at CD-5. And gravel has been laid for GMT-1 which is estimated to be 30,000 barrels a day. A plan is in place to get a permit for and to sanction GMT-2, which is also supposed to be a 30,000-barrels a day. Willow was just announced to be a 300 million-barrel find. So, it doesn't take somebody who has a special degree or insider information to figure out very quickly they have already probably achieved 1 billion barrels of production in those four distinct projects. The rest of the NPRA has some outstanding prospects, which the state can along with the stakeholders on the North Slope devise a tremendously strong plan which gives the ability to continue to move further west into the NPRA.

COMMISSIONER MACK said a couple of things he would do immediately are to argue that Alaska has spent quite a few years perfecting its safety and efficiency crafts, particularly on the North Slope; they are "some of the most safely run, most efficiently run, projects on the globe." But on November 3, 2015, the U.S. president wrote a letter adding five agencies - the Department of Defense, the Department of Agriculture, the Environmental Protection Agency (EPA), the Department of

Interior, and a fifth agency - to the ones already required under the Clean Water Act to develop a secondary type of compensatory mitigation.

He said Alaska has never shied away from doing things safely. Companies he works with are never bashful if they think adding protections gets them to production quicker. This policy wasn't generated in Alaska, but it has significant impacts here.

4:33:56 PM
SENATOR MEYER said he was thinking more along the lines of the Armstrong Repsol discovery and the Environmental Impact Statement (EIS) and the federal permits they will probably have to get. He would like to see the oil get into the pipe faster.

COMMISSIONER MACK commented that is a good point and the Corps of Engineers is the lead agency in writing that permit, because it requires a Clean Water Act Permit. What is relevant to the Armstrong case is that the Corps has taken over primacy for Clean Water Act permits, but Armstrong has a Memorandum of Understanding (MOU) with the Environmental Protection Agency (EPA), which is designated the lead agency; however, in many cases, it was deemed that the Corps of Engineers was more relevant and better able to produce these permits.

He explained that under this MOU, one of the things that can happen is the EPA and U.S. Fish and Wildlife Service would be at the table with the Corps of Engineers in certain circumstances, and they would be pursuing their objectives under different federal acts. There is a concern that at the end of the day, even though the Corps might want to write a permit for that project, that the EPA would threaten to elevate it to Washington, D.C. for further negotiation and discussion. This is what happened with CD-5 to the point that eventually the Corps denied its permit, because of concerns based on what they were hearing from their sister agency, the EPA.

He said they are working very actively - Armstrong has actually employed OPMP [Office of Project Management and Permitting] team that is doing everything it can to work out the bugs. Again, he said Alaska has been extremely successful in developing in the Arctic safely, efficiently, and with as small a footprint as possible.

4:36:20 PM
SENATOR HUGHES went back to the access issue and said the federal government can actually vacate 17(b) easements, and

asked if it looks like the Klutina case will end up being a 17(b) easement and at what point would the department, as a defendant, proceed to litigate.

COMMISSIONER MACK answered that his ability to respond to the specifics of this settlement is zero. But he could say that there are a number of options when one is faced with these circumstances and they have to be weighed and measured very carefully. He has worked with the Eklutna Corporation to allow folks to get from the Knik Public Use Area, over Eklutna land into the valley near the Knik Glacier where there is state land.

SENATOR HUGHES asked what he thought the next "public access hot spot" might be - possibly the Rex Trail - and what he is doing to head it off.

COMMISSIONER MACK answered that the Rex Trail is definitely an issue of concern that they have tried to be very thoughtful about. In particular, he knows the Rex Trail has become a "traditional hunting access point" for a lot of Alaskans. A program limiting certain circumstances was laid out, like no vehicles above 1,500 pounds and that didn't have certain kinds of tracks. He didn't know what the next hot spot would be.

4:40:35 PM
SENATOR HUGHES said she was particularly concerned with the Rex Trail which is really the result of the Alaska Department of Fish and Game (ADF&G) doing a good job of increasing the moose population but the Department of Natural Resources (DNR) didn't provide adequate access to them. She knows of another area where ADF&G is doing a good job with active predator management west of the Susitna River, (close to a large human population), and DNR needs to do a good job of providing access there, too.

4:41:53 PM
SENATOR WIELECHOWSKI said a number of years ago, the legislature funded a boat ramp access on the Kasilof River where a sport fisherman died when a cord used in lieu of a boat ramp snapped and killed him. Now he understands that the project has slowed down and wanted to know why. It's dangerous to get drift boats out, which is important for his constituents who access that river for dip netting and fishing.

COMMISSIONER MACK replied that he would be very happy to talk about this as access around the Kenai and Kasilof Rivers are obviously big concerns. He disclosed that up to 30,000 people visit the mouth of the Kenai River annually to participate in

one of a number of fisheries: personal use, sport, or subsistence. He said the mouth of the Kasilof River is an area that is starting to draw ever-increasing numbers of visitors, close to about 10,000 people annually. It's complicated to have that many people on a river system, which is about a third the size of the Kenai River.

He explained that a large part of this issue is being driven by successful fisheries management and the types of fisheries that were created. People are going to go where the fish are and the department doesn't have any control over where they go. In response to that, the State of Alaska sought and obtained funding for a parking lot project on the north side of the river which is half-way done. They are going to do everything possible to get that completed before people show up at the mouth this summer.

Large numbers of people are also coming to the south side of the Kasilof River. The legislature initiated a two-fold appropriation in 2010/11 that was labeled in both cases simply for "boat take-out." So, the department looked at a variety of options. Significant concerns were expressed by over 100 local community members. Letters came from three organizations: Kenai River Sportfishing Association that supported it, the United Cook Inlet Association that opposed it, and the Kenai Peninsula Borough which expressed serious concerns that they had actually even started the pre-process of getting permits for the facility.

So, he decided to stop moving forward on the boat ramp project. If built as proposed it would have brought more people to an area that doesn't have a management plan or a budget to address it. He is not suggesting a huge budget, but if 10,000 people show up to recreate, it seems like they should think about how to help them with sanitary and safety issues. The City of Kenai has been able to do some things around the Kenai River, because it is within the City of Kenai. But the Kasilof has no municipal government other than the borough.

COMMISSIONER MACK said his intention is to go back and have a conversation with the stakeholders about how to best manage all of that activity around that river system. How that is done should contemplate a very popular fishery which is very important to the people who go down there; they are filling their freezers with fish for the winter and that is what they intend to do.

4:48:09 PM
SENATOR WIELECHOWSKI commented that it concerns him that the drift fleet is getting involved in a sport river boat launch issue. The legislature, as the appropriating body, had this debate several years ago and appropriated it, and he didn't think the executive branch gets to say no. The governor could have vetoed it, but he didn't. He said, "I think you have an obligation to build it."

CHAIR GIESSEL opened public comment on all three appointees.

4:49:33 PM
WAYNE KUBAT, Vice President, Alaska Hunters Association, Wasilla, Alaska, supported James Atkins' appointment to the Big Game Commercial Services Board. He related his wide background in the hunting arena saying he first met Mr. Atkins several decades ago when he rescued Mr. Kubat and his wife's dog out of an upside-down Super Cub in a remote part of Alaska. He didn't see him again until 20 or 30 years later at a Big Game Commercial Services Board meeting in Fairbanks. A few years after that he was a transporter member on the board.

Other than being just a really nice guy, he said he appreciates Tom's experience and professionalism on the board as a transporter member. He stated that Mr. Atkins has a wealth of outdoor experience, does his homework, and is willing to listen and think things through. He said Mr. Atkins has no preset agenda to benefit himself and no axe to grind against any special interest or group. He stated that he has not heard Mr. Atkins talk bad about anyone and never met anyone that has had anything bad to say about him.

4:51:43 PM
THOR STACY, lobbyist and Contract Director, Government Affairs, Alaska Professional Hunters Association (APHA), Juneau, Alaska, supported Mr. Atkins' and Mr. Sullivan's appointments to the Big Game Commercial Services Board. He said Mr. Sullivan has an above-average background for a member of the public on the board (that has dedicated seats) as well as being a conscientious and sensitive regulator.

MR. STACY said he would caution a new board member that the board itself doesn't have the tools to directly address the drivers of the costs of litigation resulting from an unregulated guide industry on state land. Similarly, the APHA doesn't have tools to argue for the state or for the state's primacy where

regulation of their industry for land access is concerned; that is a huge developing issue in the Tongass Forest.

CHAIR GIESSEL, finding no further comments, closed public testimony and invited Mr. Mack back to the table.

4:54:28 PM
SENATOR COGHILL thanked him for the work the administration is doing on the 1002 issue. Should he get to see President Trump, the public land orders are at the top of the list and to let them know if there is any way the legislature can help. He also asked if he knew of anything they could do to help 404 permitting that has been the bane of getting things done up here.

COMMISSIONER MACK answered that he had the opportunity in Washington, D.C., during the National Governor's Association meeting to meet with then-nominee Zenke and administrator Pruitt and the consensus was that they were going to start with understanding the basis for state's concerns. The most important thing to do in his eyes is point to the "pretty strong record in Alaska" of safe and responsible resource development, talking about that consistently is important. The reality is that people are concerned about the environment and the world we live in.

4:57:11 PM
SENATOR COGHILL said he totally agrees with what is being done in the defense of submerged waters in Alaska and it is a battle that "we don't need to lighten up on at this point."

4:57:38 PM
CHAIR GIESSEL said the Department of Environmental Conservation (DEC) is holding workshops on Tier 3 waters around the state and asked how DNR is involved, if at all.

COMMISSIONER MACK replied that he didn't know how the department is involved, but he would get back to her on that. He knows they have some concerns.

CHAIR GIESSEL asked if the AKLNG Project has all the land rights-of-way it needs secured.

COMMISSIONER MACK replied he believed it does, but the access could be better. Some private land owners are on the route, but he is not an expert on it.

CHAIR GIESSEL asked him to forward any clarification on that to her and asked if the committee was okay with forwarding this nominee. Everyone nodded yes. She stated the following:

> In accordance with AS 39.05.080, the Resources Committee reviewed the following and recommends these appointments be forwarded to a joint session for consideration: Big Game Commercial Services Board: James (Tom) Atkins, Thomas Sullivan; Commissioner of Department of Natural Resources (DNR), Andy Mack.
>
> This does not reflect an intent by any of the members to vote for or against the confirmation of these individuals during any further sessions.

5:00:35 PM
CHAIR GIESSEL adjourned the Senate Resources Committee meeting at 5:00 p.m.