

**ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE**

March 27, 2019

1:02 p.m.

MEMBERS PRESENT

Representative John Lincoln, Co-Chair
Representative Geran Tarr, Co-Chair
Representative Grier Hopkins, Vice Chair
Representative Sara Hannan
Representative Ivy Spohnholz
Representative Chris Tuck
Representative Dave Talerico
Representative George Rauscher
Representative Sara Rasmussen

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

PRESENTATION(S) : ALASKA MINERALS COMMISSION

- HEARD

HOUSE BILL NO. 35

"An Act relating to participation in matters before the Board of Fisheries and the Board of Game by the members of the respective boards; and providing for an effective date."

- HEARD & HELD

CONFIRMATION HEARING(S) :

Big Game Commercial Services Board

Cash Joyce - Wasilla

CONFIRMATION(S) ADVANCED

PREVIOUS COMMITTEE ACTION

BILL: HB 35

SHORT TITLE: CONFLICT OF INTEREST: BD FISHERIES/GAME

SPONSOR(S) : REPRESENTATIVE(S) STUTES

02/20/19 (H) READ THE FIRST TIME - REFERRALS
02/20/19 (H) FSH, RES
03/07/19 (H) FSH AT 10:00 AM GRUENBERG 120
03/07/19 (H) Heard & Held
03/07/19 (H) MINUTE(FSH)
03/12/19 (H) FSH AT 11:00 AM GRUENBERG 120
03/12/19 (H) Moved CSHB 35(FSH) Out of Committee
03/12/19 (H) MINUTE(FSH)
03/13/19 (H) FSH RPT CS(FSH) 6DP 1NR
03/13/19 (H) DP: VANCE, TARR, KOPP, EDGMON, KREISS-
TOMKINS, STUTES
03/13/19 (H) NR: PRUITT
03/27/19 (H) RES AT 1:00 PM BARNES 124

WITNESS REGISTER

LANCE MILLER, PhD, Chair
Alaska Minerals Commission
Division of Economic Development
Department of Commerce, Community & Economic Development
Anchorage, Alaska

POSITION STATEMENT: Co-provided a PowerPoint presentation entitled, "2019 Alaska Mineral Commission report and Social, Economic and Future demand perspectives on the mining industry," dated 3/27/19, and answered questions.

ROB RETHERFORD, Member
Alaska Minerals Commission
Division of Economic Development
Department of Commerce, Community & Economic Development
Anchorage, Alaska

POSITION STATEMENT: Co-provided a PowerPoint presentation entitled, "2019 Alaska Mineral Commission report and Social, Economic and Future demand perspectives on the mining industry," dated 3/27/19, and answered questions.

MATT GRUENING, Staff
Representative Louise Stutes
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: On behalf of Representative Stutes, Chair, House Special Committee on Fisheries, sponsor of CSHB 35(FSH), introduced the bill and answered questions.

FRANCES LEACH, Executive Director
United Fishermen of Alaska

Juneau, Alaska

POSITION STATEMENT: Testified in support during the hearing of HB 35.

JERRY MCCUNE, President

Board of Directors

Cordova District Fishermen United

Cordova, Alaska

POSITION STATEMENT: Testified in support during the hearing of HB 35.

BENJAMIN MOHR, Executive Director

Kenai River Sportfishing Association

Soldotna, Alaska

POSITION STATEMENT: Testified in opposition during the hearing of HB 35.

GLEN HAIGHT, Executive Director

Board of Fisheries

Alaska Department of Fish and Game

Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing of HB 35.

CASH JOYCE, Appointee

Big Game Commercial Services Board

Division of Corporations, Business and Professional Licensing

Department of Commerce, Community & Economic Development

Juneau, Alaska

POSITION STATEMENT: Testified as appointee to the Big Game Commercial Services Board.

MARK RICHARDS, Executive Director

Resident Hunters of Alaska

Fairbanks, Alaska

POSITION STATEMENT: Testified in opposition during the confirmation hearing of Cash Joyce.

THOR STACEY, Director

Government Affairs

Alaska Professional Hunters Association

Anchorage, Alaska

POSITION STATEMENT: Testified in support during the confirmation hearing of Cash Joyce.

ACTION NARRATIVE

[1:02:39 PM](#)

CO-CHAIR JOHN LINCOLN called the House Resources Standing Committee meeting to order at 1:02 p.m. Representatives Tuck, Hannan, Talerico, Spohnholz, Rauscher, Tarr, and Lincoln were present at the call to order. Representatives Hopkins and Rasmussen arrived as the meeting was in progress.

PRESENTATION(S): ALASKA MINERALS COMMISSION

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CO-CHAIR LINCOLN announced the first order of business would be a presentation by the Alaska Minerals Commission.

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LANCE MILLER, PhD, Chair, Alaska Minerals Commission (AMC), Division of Economic Development, Department of Commerce, Community and Economic Development, informed the committee AMC is composed of 11 volunteers who are appointed by the governor and the presiding officers of the Senate and the House of Representatives. The commission was created in 1986 and its goal is to identify barriers of entry - or mitigate constraints - to mineral development at state and federal levels (slide 2). Dr. Miller said although Alaska is "an attractive place" for the mining industry, to make improvements, AMC's first state priority is to support the Division of Geological and Geophysical Surveys (DGGS), Department of Natural Resources (DNR), in order to support basic science, research, and data gathering for records available for public use. Another state priority is to address key state regulations governing water use, such as proposed legislation related to Tier 3 waterways. Dr. Miller explained [the Environmental Protection Agency's antidegradation regulation policy] is a program the state must assume from the federal government thus state policies and procedures must be in place; the proposed legislation states approval of Tier 3 waterways should be by the legislature with vetting by DNR, the Department of Environmental Conservation (DEC), and the Alaska Department of Fish and Game (slide 3).

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REPRESENTATIVE SPOHNHOLZ asked for a description of Tier 3 waterways.

DR. MILLER explained Tier 3 is a national designation of the highest level of water quality in that there cannot be any degradation unless temporary. For example, a wastewater plant or two-cycle engines can degrade a Tier 3 waterway thus subsistence or community use of the waterway may be affected. In further response to Representative Spohnholz, he said Tier 1 would be a multiple-use, urban waterway.

REPRESENTATIVE TUCK asked whether the tiers are set by the federal government.

DR. MILLER restated the tiers are determined by the state thus the proposed legislation directs that the legislature would approve the standards with direction from state agencies. In further response to Representative Tuck, he said there currently are no [Alaska state] regulations in this regard.

REPRESENTATIVE HANNAN related the federal [Clean Water Act as amended in 1972 and through EPA regulations] mandated that each state have a process to determine waterway status; however, until two to three years ago there had not been an application to designate a Tier 3 waterway filed in Alaska, so the process was not established.

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ROB RETHERFORD, Member, AMC, Division of Economic Development, DCCED, directed attention to AMC's federal priorities, the first of which is to maintain Alaska's right related to navigable waters and access corridors. He related the recent U.S. Supreme Court decision in favor of John Sturgeon will help ensure Alaska has access along navigable rivers for multiple use. The Public Access Assertion and Defense (PAAD) program, Division of Mining, Land and Water, DNR, is a watchdog for many federal programs with regard to water and land access and he urged for its support. The second item AMC seeks to address are public land orders (PLOs) which have closed areas to mineral exploration and other activities; the Bureau of Land Management (BLM), U.S. Department of the Interior, has begun to lift some PLOs and the state should encourage BLM to ensure more are lifted. Mr. Retherford suggested the legislature recommend to Alaska's congressional delegation to maintain the mandate of multiple use as directed within the original intent of the Alaska National Interest Lands Conservation Act (ANILCA) (slide 4).

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CO-CHAIR TARR asked for an explanation of the proposed mining statute change indicated on slide 3.

DR. MILLER explained [item number 4 on slide 3] addresses an issue of [mining] claims that have been declared null and void due to clerical errors on recording affidavits for labor.

DR. MILLER turned to slide 5 which illustrated the social and economic factor on health as identified by a study by the National Academy of Medicine. He pointed out one's physical environment is only 10 percent of the health factor; however, social and economic factors are 40 percent. Further, slide 6 illustrated a change in life expectancy in Alaska may be linked to jobs, income, and access to health care. Slide 7 pictured children from Northwest Alaska who may live longer [because of social and economic factors].

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MR. RETHERFORD gave brief background information on the miners pictured on slides 8 and 9 and discussed the opportunities mining provides to residents in rural areas.

DR. MILLER presented slide 10, which was a map of mining activity in Alaska that illustrated mines, advanced exploration projects and communities with mining industry employees. He noted two of the mines have been operating for 30 years; in fact, there has been mining in Juneau and Fairbanks for over 140 years. Dr. Miller stressed that mining operations in the state must be good operations in order to be economic in Alaska. Slide 11 listed economic statistics of mining: 4,000 direct jobs and 9,000 indirect jobs related to mining; wages average over \$107,000 per year; mines are large taxpayers in Juneau, the Northwest Arctic Borough, and the Fairbanks North Star Borough; \$1.2 billion has been distributed to Alaska Native Corporations from Red Dog mine. A perception study by the Fraser Institute Global Ranking Survey placed Alaska 5/83 overall in the world of mining (slide 11).

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REPRESENTATIVE SPOHNHOLZ asked how many of the 4,000 direct jobs in the mining industry are held by Alaskans.

DR. MILLER estimated 75 percent overall. He added that exploration projects support local, entry-level jobs.

CO-CHAIR TARR recalled mining taxes have not been changed since before statehood and questioned the basis of the Fraser Institute policy perception ranking of Alaska.

DR. MILLER agreed mining taxation has not changed. The perception is related to regulatory issues about [the proposed Pebble Partnership project] and state fiscal issues.

MR. RETHERFORD opined the mining industry has uncertainty with regard to the permitting process.

REPRESENTATIVE HANNAN asked Mr. Retherford to identify the uncertainty within Alaska's permitting process.

MR. RETHERFORD stated usurpation of the permitting process through litigation or other means creates hurdles and increases the timeframe of development.

DR. MILLER referred to a "big push" for an environmental assessment (EA) prior to exploration/drilling permitting, and recalled that a recent Alaska ballot initiative was noted by the minerals industry.

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REPRESENTATIVE HANNAN pointed out Alaska cannot stop citizens from exercising their civil rights and in every state [development projects] may face potential lawsuits. She observed Alaska has been governed by pro-development executive branches that continue to have consistent permitting processes; in fact, the attempt to require an EA prior to exploration/drilling was a protocol to preempt litigation. She questioned whether global markets would respond to one ballot initiative.

DR. MILLER agreed litigation should not be limited; however, there are frivolous lawsuits. He opined many drill holes are needed during exploration to find a deposit thus completion of an EA at exploration "would be a leap." Dr. Miller acknowledged "the state has some good things in play ... [and could] do a little bit better job of publicizing the things the state is doing."

REPRESENTATIVE HANNAN asked whether the state has made major changes in its permitting process in the last decade.

DR. MILLER said no; however, AMC's past top priority has been to ensure there is staff funding for DNR and DEC, so the agencies have technical competency to issue permits within an acceptable timeline.

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MR. RETHERFORD gave an example of an appeal process and related there was a lack of support from "the commissioner's office" to pursue appeals, resulting in long delays to projects.

REPRESENTATIVE HANNAN urged industry to recognize that the state's resource agencies that have legal oversight should be adequately funded and staffed; cuts to staffing may slow a project and restrict a project's momentum, not from opposition or changing laws, but from the state's lack of investment in its resource agencies, which is perceived by industry incorrectly.

DR. MILLER agreed with the need for funding of state agencies and gave an example of an appeal process. He then directed attention to slide 12 which illustrated mineral development timelines and investment for two projects that failed, four projects in development, and five operating metal mines. The average timeline was 16 years and \$300 million was spent to reach a final feasibility decision. Slide 13 illustrated the detailed technical work necessary for a typical project.

REPRESENTATIVE RAUSCHER questioned the meaning of the unknown timeline for permitting/design [illustrated on slide 13].

DR. MILLER explained the timeline for permitting/design can be affected by many factors and is unknown. In further response to Representative Rauscher, he said the federal [government] is harder to work with than the state.

MR. RETHERFORD added exploration on state land is easier and less expensive; however, industry has a perception that it is harder to work in Alaska.

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REPRESENTATIVE RAUSCHER asked whether projects are deterred.

DR. MILLER opined industry reviews the progress of other projects, although Alaska is having "a little bit of resurgence right now"

REPRESENTATIVE RASMUSSEN asked whether state and federal permitting overlap.

DR. MILLER said no. He related it is incumbent on the project to provide good baseline data to all; often local government processes are similar to that of the state. He turned to the topic of demographics and stated with the growth of the world population there will be increased demand for natural resources (slide 14). Global organizations are recognizing the importance of metals and mining to renewable [energy], climate change, and lower carbon (slide 15). A forecast for the world demand for copper assumed 7 pounds of copper per capita and 4 pounds of zinc per capita (slide 16). Dr. Miller said the challenge for mining is the volatility of commodity prices and observed when prices decrease, investment in Alaska decreases. Slide 17 was a chart illustrating spikes in the price of zinc since 1970, which can affect the success of a new mine, and he gave examples.

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MR. RETHERFORD stressed the importance of long-term goals and consistency from state agencies.

DR. MILLER summarized: mining is important; projects take a long time; metals will be needed; Alaska has human and natural resources (slide 18).

CO-CHAIR TARR returned attention to slide 10 and reviewed the products mined from the five metal mines in Alaska.

DR. MILLER confirmed Greens Creek also mines lead, zinc, copper, and gold; Red Dog mines 80 percent zinc and also lead and germanium.

CO-CHAIR TARR recalled past interest in rare earth minerals.

DR. MILLER advised there is interest in rare earth elements from Bokan Mountain and elsewhere in Alaska; the challenge of rare earth elements is that they are industrial minerals and are not on the spot market. Limited amounts of rare earth elements are important, but China has flooded the market.

CO-CHAIR TARR asked about other minerals that are currently produced or may be produced by potential mines in Alaska.

DR. MILLER said Alaska does not have the geology for lithium; the Upper Kobuk Mineral Project has cobalt.

REPRESENTATIVE TALERICO requested a map locating significant potential deposits.

DR. MILLER offered to provide the requested map.

HB 35-CONFLICT OF INTEREST: BD FISHERIES/GAME

[1:56:20 PM](#)

CO-CHAIR LINCOLN announced the next order of business would be HOUSE BILL NO. 35, "An Act relating to participation in matters before the Board of Fisheries and the Board of Game by the members of the respective boards; and providing for an effective date."

[Before the committee was the committee substitute (CS) for HB 35(FSH), reported out of the House Special Committee on Fisheries on 3/13/19.]

[1:56:49 PM](#)

MATT GRUENING, Staff, Representative Louise Stutes, Alaska State Legislature, on behalf of Representative Stutes, sponsor, introduced HB 35. He read from the following written sponsor statement [original punctuation provided]:

This legislation changes the manner in which the Board of Fisheries and Board of Game function by allowing members to deliberate on subjects for which they have a declared personal or financial interest according to AS 39.52, the Executive Branch Ethics Act. Members are selected based on their "knowledge and ability in the field of action of the board, and with a view to providing diversity of interest and points of view in membership"; however, Title 39 prohibits a member from "taking or withholding official action in order to affect a matter in which the member has a personal or financial interest." (AS 39.52.120(b)(4)). "Official action" is defined as "advice, participation, or assistance, including for example, a recommendation, decision, approval, disapproval, vote, or other similar action, including inaction by a public officer." (AS 39.52.960(14)). Currently, board members are required to divulge a conflict of interest if they, or their immediate family members, are involved in the subject being deliberated on. The conflicted

member can then no longer offer their input on the process and cannot vote on the matter at hand. Often in the fishing world, a financial or personal interest corresponds with someone's knowledge of that particular fishery. This bill allows the conflicted member to offer remarks and input, but still precludes them from voting on the issue at hand or on whether they have a conflict of interest. Allowing members with expertise in particular fields to deliberate will help the boards make more informed decisions, lead to stronger resource management statewide, and align process with intent as far as the boards benefiting from members' knowledge and diversity of viewpoints. Thank you for your support of this legislation.

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MR. GRUENING advised sound resource management should be based on all available information. However, in the fishing industry, financial or personal interests may be tied to the knowledge of a fishery; for example, a board member with a close relative who owns a certain permit may be the only board member with an understanding of a proposal. Similarly, guides or lodge owners may be the only board member with an understanding of a hunt. Especially in rural Alaska, an entire family may be engaged in one manner of work such as commercial fishing, guiding, or hunting, thus the current policy discourages qualified applicants because a board member would be unable to speak on many proposals. Mr. Gruening described how members are excluded from board discussions and provided examples. He explained another concern with the current conflict of interest policy is one of transparency and trust in the public process; board members who disclose a conflict sometimes share their opinions off the record and outside of the public view, which is discouraged by the aforementioned ethics act. He pointed out the bill would allow a board member who has disclosed a conflict "to impart their knowledge before they recuse themselves from the vote." Mr. Gruening restated the importance for Board of Game (BOG) and Board of Fisheries (BOF) members to have all available information on hand, and on the record, prior to making a decision. He cautioned the selection process for BOG and BOF members is contentious in order to populate boards that are balanced and acceptable to the public, the legislature and the governor; therefore, silencing voices during deliberations erodes the integrity of the public process. Mr. Gruening closed, pointing out 11 letters and 19 emailed messages of support included in the committee packet, and noting no letters

of opposition were received. He urged for the committee to review a document entitled, "Background Information on the Alaska Boards of Game and Fisheries Ethics Act Process," also included in the committee packet.

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REPRESENTATIVE RAUSCHER asked whether there are differences between the bill and a similar bill that was proposed last year.

MR. GRUENING explained the only difference with the bill proposed last year is that the redefinition of an immediate family member - that affected voting and thereby the ethics disclosure process - was removed.

[2:05:30 PM](#)

FRANCES LEACH, Executive Director, United Fishermen of Alaska (UFA), informed the committee UFA represents 35 commercial fishing organizations and hundreds of commercial fisherman and crewmembers, throughout the state, fishing in state and federal waters. Ms. Leach said UFA has supported this important legislation for some time because BOG and BOF members are chosen for their expertise, within their region or fishery, or for their local hunting and game knowledge; however, at this time, board members who have expertise in a certain subject are not allowed to participate in deliberations. She gave her personal experience with BOF under these circumstances and advised allowing knowledgeable board members to fully participate in deliberations will result in a better record to assist board members, and all of the information will be established on the record. Although members with expertise are encouraged to serve on the boards, the current policy discourages some. Ms. Leach urged the committee to pass the bill.

[2:08:07 PM](#)

JERRY MCCUNE, President, Board of Directors, Cordova District Fishermen United (CDFU), informed the committee CDFU represents about 1,000 fishermen. He provided examples of board members who were unable to deliberate under various circumstances. Mr. McCune opined the statute is unfair and creates frustration. Further, a familial relationship does not always equate to financial gain, and board members rely on each other for advice.

[2:10:34 PM](#)

CO-CHAIR LINCOLN opened public testimony on HB 35.

2:11:13 PM

BENJAMIN MOHR, Executive Director, Kenai River Sportfishing Association (KRSA), expressed KRSA's opposition to HB 35. Mr. Mohr informed the committee there is no need to modify the ethical guidelines that now apply to BOF. Current conflict of interest procedure provides four opportunities for "conflicted" board members to participate in the public process to a greater degree than the general public: public comment, committee of the whole, board deliberations, and voting. During committee of the whole procedures board members, including conflicted members, interact with the public, the Department of Law (DOL), and the Alaska Department of Fish & Game (ADFG), and board members can interact with state agencies, proponents and opponents of proposals, and others, which is an advantage the public does not have. Following its committee work, conflicted board members are recused, and BOF begins formal deliberations. Mr. Mohr opined HB 35 expands the influence of board members who have a direct financial interest in a matter under consideration, even though conflicted board members already have an opportunity in formal and informal settings to ensure their opinion and expertise is known. He advised current "conflict procedures" are not unknown, or untested, and have been reasonably effective; KRSA believes loosening the ethical guidelines for BOF and BOG is not in the public interest.

REPRESENTATIVE SPOHNHOLZ asked for clarification on the opportunities conflicted board members have to participate in addition to the committee of the whole discussion.

MR. MOHR said conflicted board members participate as members of the public during public comment. In further response to Representative Spohnholz, he said there are currently sportfishing interests serving on BOF.

2:14:38 PM

REPRESENTATIVE HANNAN asked whether a board member who holds a sportfishing license would be "conflicted out" of making allocative decisions about sportfishing.

MR. MOHR expressed his understanding the chairman of BOF or BOG is the ethics officer who would make a final decision about a conflict; however, there must be a direct financial interest, and holding a sportfishing license would not establish a direct

financial interest in the management of the sportfishing fishery.

REPRESENTATIVE HANNAN observed the BOF ethics disclosure statement does not define a threshold for a direct financial interest. She asked for the point at which one has a financial interest in the sportfishing fishery.

MR. MOHR restated the decision on an unethical conflict is up to the chairman of BOF and BOG, and DOL.

[2:16:55 PM](#)

GLEN HAIGHT, Executive Director, BOF, ADFG, explained matters of subsistence, personal use, and sportfish affect everyone equally thus there is no effort to assess personal financial benefit to those matters; a board member who holds a sportfish license or who engages in a subsistence fishery is not conflicted out. However, a guide operator may be affected; according to DOL, the threshold is \$5,000, and a conflict may arise at that point.

REPRESENTATIVE HANNAN questioned whether the guide's threshold of economic return is based on the value of the sportfishing day trip or on the value of the fish [caught].

MR. HAIGHT said, "It's to the operator, the commercial operator, it doesn't apply to their client."

REPRESENTATIVE HANNAN asked whether sportfishing lodge operators would be conflicted out of all sportfishing decisions.

MR. HAIGHT gave the example of a lodge owner whose lodge operates in an affected area and who would benefit from a board action; this would be a specific instance.

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CO-CHAIR LINCOLN, after ascertaining no one further wished to testify, closed public testimony on HB 35.

REPRESENTATIVE HANNAN returned attention to the BOF ethics disclosure and observed the definition of family differs from that of the legislature's ethics law.

MR. GRUENING explained in the executive branch ethics act immediate family member is defined in AS 39.52.960 (11) as follows [original punctuation provided]:

- (11) "immediate family member" means
- (A) the spouse of the person;
 - (B) another person cohabiting with the person in a conjugal relationship that is not a legal marriage;
 - (C) a child, including a stepchild and an adoptive child, of the person;
 - (D) a parent, sibling, grandparent, aunt, or uncle of the person; and
 - (E) a parent or sibling of the person's spouse;

MR. GRUENING pointed out the aforementioned differs from the legislative branch definition found in AS 24.60.990 (6) [original punctuation provided]:

- 6) "immediate family" means
- (A) the spouse or domestic partner of the person; or
 - (B) a parent, child, including a stepchild and an adoptive child, and sibling of a person if the parent, child, or sibling resides with the person, is financially dependent on the person, or shares a substantial financial interest with the person;

MR. GRUENING said, "That was pretty close to the definition that was in the bill before it was removed"

REPRESENTATIVE HANNAN surmised the BOF ethics disclosure states not just the immediate family, but a member of the family, and the bills narrows the definition to immediate family.

[2:23:41 PM](#)

MR. GRUENING clarified the bill makes no change to the definition of immediate family; for BOF and BOG, the statutes are AS 39.52.960 (9) and (18) [original punctuation provided]:

- (9) "financial interest" means
- (A) an interest held by a public officer or an immediate family member, which includes an involvement or ownership of an interest in a business, including a property ownership, or a professional or private relationship, that is a source of income, or from which, or as a result of which, a person has received or expects to receive a financial benefit;

- (18) "personal interest" means an interest held or involvement by a public officer, or the officer's immediate family member or parent, including membership, in any organization, whether fraternal, nonprofit, for profit,

charitable, or political, from which, or as a result of which, a person or organization receives a benefit;

[HB 35 was held over.]

CONFIRMATION HEARING(S)
Big Game Commercial Services Board

[2:25:23 PM](#)

CO-CHAIR LINCOLN announced the final order of business would be a confirmation hearing of Cash Joyce, appointee to the Big Game Commercial Services Board.

[2:25:35 PM](#)

CASH JOYCE, Appointee, Big Game Commercial Services Board (BGCSB), Division of Corporations, Business and Professional Licensing, Department of Commerce, Community & Economic Development, informed the committee he is currently seated in the transporter position on BGCSB. Mr. Joyce is a lifelong Alaskan and he and his wife co-own an air taxi service and an outfitting business.

CO-CHAIR TARR asked whether Mr. Joyce has a potential conflict of interest if his small business is engaged in business related to BGCSB licensing and regulation of providers of commercial services to big game hunters.

MR. JOYCE said his is not a designated seat such as one held on BOG.

CO-CHAIR TARR stated the membership of BGCSB is composed of the following: two members are licensed registered guide outfitters; two members are licensed transporters; one member of BOG; private landholder members; two public members.

MR. JOYCE restated he is seated in the designated transporter position and is also a big game guide.

CO-CHAIR TARR inquired as to whether a board member in the industry would recuse oneself from certain board decisions.

MR. JOYCE said he has never recused himself from a decision. He remarked:

... I didn't really read into it as a conflict of interest, I am a transporter, I'm an air taxi, so, that has a lot to do with transportation. I'm also a registered guide, and that might have some insight on how things work, which maybe some of the private landholders or some of the public people don't quite understand. I get it, from the get-go, and I have a lot invested in my air taxi, my wife and I do, and so that's pretty much the foundation of why I'm in the ... transporter position.

[2:29:28 PM](#)

CO-CHAIR TARR surmised Mr. Joyce filled out a term and is now being reappointed to a full term.

MR. JOYCE said that's correct.

REPRESENTATIVE HANNAN asked about Mr. Joyce's goals for the next term.

MR. JOYCE said he seeks to be a valuable member of the board. The board has made progress toward its fiscal goal to be self-sufficient, has written a new test, is solving problems, and strives to provide continuity.

REPRESENTATIVE TALERICO asked how long Mr. Joyce has been a transporter.

MR. JOYCE stated being a transporter requires a state license that is not required of an air taxi. He and his wife have held a single pilot operation certificate since 2015 and hope to expand to a multi-pilot multi-aircraft operation in the near future.

CO-CHAIR LINCOLN questioned what role BGCSB holds related to guide concessions.

MR. JOYCE restated he is a big game guide. In further response to Co-Chair Lincoln, he explained if air taxi concessions are opened to all there would be conflicts that would detract from a tourist's experience. In big game guiding, there is a need to limit the number of clients in one area so as not to degrade the experience for a client. Also, regulation of concessions is good for the game.

[2:36:07 PM](#)

REPRESENTATIVE HANNAN asked for the location of Mr. Joyce's primary guiding operation and air taxi and whether he transports his and other guide's clients.

MR. JOYCE said his principal air taxi operation is based in Wasilla. In addition, he works in Southcentral; the principal base of operations for big game guiding is in Wasilla, and hunts are conducted on the Alaska Peninsula and in the Chugach range. His air taxi service carries all passengers and cargo for lodges and a variety of other services. Transporting hunters is a small portion of the air taxi service.

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CO-CHAIR LINCOLN opened public testimony.

[2:39:00 PM](#)

MARK RICHARDS, Executive Director, Resident Hunters of Alaska (RHAK), informed the committee RHAK represents over 2,000 members who support a resident hunting priority. Mr. Richards spoke in opposition to Mr. Joyce's reappointment to BGCSB due to the conflict of interest under [AS 08.545.591] between the guiding industry and the transporter industry. He referred to the BGCSB transporter subcommittee, noting guides want to limit transporters because they believe transporters fly in too many clients. The big issue with the guide concession program is that guides with individual concessions may be the only air taxi licensed to fly to a certain area and will not fly in resident hunters. Mr. Richards stated the statute creating the membership of BGCSB did not intend for a guide to also hold a transporter license and serve in the transporter seat; in fact, this sets a poor precedent for BGCSB.

REPRESENTATIVE HANNAN asked how many registered guides also hold air transporter licenses.

MR. RICHARDS was unsure, although most of the air taxis commercially authorized by the park service to fly in hunters to Wrangell-St. Elias National Park and Preserve are also guides thus it is difficult for a resident to get air transportation in to hunt.

REPRESENTATIVE HANNAN recalled it is not unusual for a transporter to also be a guide and questioned whether RHAK's concern about conflict of interest is isolated to Mr. Cash.

MR. RICHARDS clarified the statute states [the membership of BGCSB includes] two members who are licensed guides and two members who are licensed transporters. Although the Department of Law (DOL) does not see illegality in a guide member holding a transporter license, DOL has stated public members cannot hold either a guide or a transporter license. He remarked:

We're just saying that we believe it really sets a bad precedent because there's this really huge tension between the guide and transporter industry ... we want the transporter to fight for the transporter and the guide to fight for the guide.

[2:45:04 PM](#)

THOR STACEY, Director, Government Affairs, Alaska Professional Hunters Association (APHA), expressed APHA's support of Mr. Joyce's appointment to BGCSB. He said in the last three years BGCSB has faced significant challenges and has retired its deficit of over \$1 million. In addition, BGCSB has reduced its outstanding investigations, which he attributed to the efforts of the volunteer board members. Mr. Stacey pointed out a transporter or guide license allows one to sell access to Alaska's wildlife; therefore, there are important issues of wildlife, professional conduct, and obligations to the resource that BGCSB will address. He said APHA does not see an extreme amount of tension between hunting guides and transporters.

[2:47:41 PM](#)

CO-CHAIR LINCOLN, after ascertaining no one further wished to testify, closed public testimony.

CO-CHAIR TARR paraphrased from the following written statement:

The House Resources Standing Committee has reviewed the qualifications of the governor's appointee, Cash Joyce, to the Big Game Commercial Services Board and recommends that the name be forwarded to a joint session for consideration. This does not reflect intent by any of the members to vote for or against this individual during any further sessions for the purposes of confirmation.

[2:48:51 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 2:49 p.m.