

**ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE**

May 1, 2023

1:02 p.m.

MEMBERS PRESENT

Representative Tom McKay, Chair
Representative George Rauscher, Vice Chair
Representative Kevin McCabe
Representative Dan Saddler
Representative Stanley Wright
Representative Jennie Armstrong
Representative Donna Mears
Representative Maxine Dibert

MEMBERS ABSENT

Representative Josiah Patkotak

COMMITTEE CALENDAR

CONFIRMATION HEARING(S) :

Board of Game

Stanley Hoffman - Bethell

- CONFIRMATION(S) ADVANCED

PRESENTATION(S) : ALASKA INDUSTRIAL DEVELOPMENT EXPORT AUTHORITY
PROJECT UPDATES

HOUSE BILL NO. 20

"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

PREVIOUS COMMITTEE ACTION

BILL: HB 20

SHORT TITLE: CONFLICT OF INTEREST: BD FISHERIES/GAME

SPONSOR(S) : REPRESENTATIVE(S) STUTES

01/19/23 (H) PREFILE RELEASED 1/9/23

01/19/23 (H) READ THE FIRST TIME - REFERRALS
01/19/23 (H) RES, JUD
04/17/23 (H) JUD REFERRAL REMOVED
04/17/23 (H) BILL REPRINTED
05/01/23 (H) RES AT 1:00 PM BARNES 124

WITNESS REGISTER

STANLEY HOFFMAN, Appointee
Board of Game
Bethel, Alaska

POSITION STATEMENT: Testified as appointee to the Board of Game.

BRANDON BREFCZYNSKI, Deputy Director
Alaska Industrial Development and Export Authority
Department of Commerce, Community & Economic Development
Anchorage, Alaska

POSITION STATEMENT: Co-offered the Alaska Industrial Development Export Authority Project Updates presentation.

GEOFF JOHNS, Chief Investment Officer
Project Finance and Asset Management
Alaska Industrial Development and Export Authority
Department of Commerce, Community & Economic Development
Anchorage, Alaska

POSITION STATEMENT: Co-offered the Alaska Industrial Development Export Authority Project Updates presentation.

MARK R. DAVIS, Special Counsel
Alaska Industrial Development and Export Authority
Department of Commerce, Community & Economic Development
Anchorage, Alaska

POSITION STATEMENT: Co-offered the Alaska Industrial Development Export Authority Project Updates presentation.

JEFF SAN JUAN, Program Manager
Alaska Industrial Development and Export Authority
Department of Commerce, Community & Economic Development
Anchorage, Alaska

POSITION STATEMENT: Co-offered the Alaska Industrial Development Export Authority Project Updates presentation.

REPRESENTATIVE LOUISE STUTES
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, introduced HB 20.

DONNA PAGE, Staff
Representative Louise Stutes
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: On behalf of Representative Louise Stutes, prime sponsor, presented HB 20.

NATE ROSE, Vice President
Kodiak Seiners Association
Kodiak, Alaska

POSITION STATEMENT: Gave invited testimony in support of HB 20.

ACTION NARRATIVE

[1:02:09 PM](#)

CHAIR TOM MCKAY called the House Resources Standing Committee meeting to order at 1:02 p.m. Representatives Saddler, Mears, Dibert, McCabe, and McKay were present at the call to order. Representatives Rauscher, Wright, and Armstrong arrived as the meeting was in progress.

CONFIRMATION HEARING(S) : **Board of Game**

[1:03:17 PM](#)

CHAIR MCKAY announced that the first order of business would be the confirmation hearing on the governor's appointee to the Board of Game.

[1:03:45 PM](#)

STANLEY HOFFMAN, Appointee, Board of Game, began his testimony by explaining both his history in Alaska and his involvement in game management. He said that he was initially appointed to the Board of Game by Governor Sarah Palin in 2008 and reappointed by every governor of Alaska since, and he shared his excitement for this latest reappointment.

[1:05:38 PM](#)

REPRESENTATIVE SADDLER asked Mr. Hoffman what issues he foresees the Board of Game overseeing in his prospective term.

[1:06:07 PM](#)

MR. HOFFMAN listed the Mulchatna Caribou herd and Western Arctic Caribou herd's decline as issues that he sees coming before the Board of Game.

[1:07:24 PM](#)

REPRESENTATIVE RAUSCHER asked Mr. Hoffman if he supports the using of electric bicycles for disabled veteran hunts.

[1:07:40 PM](#)

MR. HOFFMAN responded that he would "generally support" disabled veterans in Alaska and said that it would have to meet a series of requirements and thresholds for the Board of Game to allow an electric bicycle hunt.

[1:08:47 PM](#)

CHAIR MCKAY opened public testimony on the confirmation hearing of the governor's appointee to the Board of Game. After ascertaining that there was no one who wished to testify, he closed public testimony.

[1:09:17 PM](#)

CHAIR MCKAY stated that the House Resources Standing Committee has reviewed the qualifications of the governor's appointee and recommends that the following name be forwarded to a joint session for consideration: Stanley Hoffman, Board of Game. He said that signing the report regarding appointments to boards and commissions in no way reflects an individual member's approval or disapproval of the appointee, and the nomination is merely forwarded to the full legislature for confirmation or rejection.

**PRESENTATION(S): Alaska Industrial Development Export Authority
Project Updates**

[1:09:56 PM](#)

CHAIR MCKAY announced that the next order of business would be the Alaska Industrial Development and Export Authority Project Updates presentation.

[1:11:03 PM](#)

BRANDON BREFCZYNSKI, Deputy Director, Alaska Industrial Development and Export Authority (AIDEA), Department of Commerce, Community & Economic Development (DCCED), began a PowerPoint presentation [hardcopy included in the committee packet], on slide 2, which gave a background to AIDEA's history and mission as an organization.

[1:13:08 PM](#)

GEOFF JOHNS, Chief Investment Officer, Project Finance and Asset Management, Alaska Industrial Development and Export Authority, Department of Commerce, Community & Economic Development, as co-presenter of the PowerPoint, moved to slide 3, which gave further context to what AIDEA does and explained how it functions as a public/private partnership entity.

[1:15:50 PM](#)

REPRESENTATIVE RAUSCHER asked how much money AIDEA has created in economic development in Alaska.

MR. JOHNS answered that the \$3.5 billion statistic is in reference to the total amount of money that AIDEA has contributed to Alaska's economy since its inception.

[1:17:02 PM](#)

REPRESENTATIVE SADDLER asked how much of the \$3.5 billion figure could be attributed to the Red Dog Mine.

[1:17:53 PM](#)

MARK R. DAVIS, Special Counsel, Alaska Industrial Development and Export Authority, Department of Commerce, Community & Economic Development, answered that a substantial sum of the money collected by AIDEA has gone toward the Red Dog Mine.

[1:18:23 PM](#)

MR. JOHNS moved to slide 4, which described AIDEA's "finance toolbox" of different methods and sources of revenue and funding to be used for projects. He continued to slides 5 and 6, which outlined and explained AIDEA's loan participation program and its output statistics. He moved to slide 7, which underlined the AIDEA Conduit Revenue Bond Program and its use throughout different projects in Alaska.

[1:23:13 PM](#)

MR. DAVIS gave the committee context as to the application of and use of AIDEA's Conduit Revenue Bond Program. He continued to slide 8, which gave an example of how AIDEA's Conduit Revenue Bond was awarded and applied to a Tanana Chief's Conference (TCC) healthcare project.

[1:26:30 PM](#)

MR. JOHNS moved to Slide 9, which outlined AIDEA's project financing program that has been used as a method of bringing projects in Alaska to fruition. He briefly touched on slide 10, which highlighted the use of the project financing program with the creation of the FedEx hangar in Anchorage, Alaska.

[1:28:03 PM](#)

MR. DAVIS continued to slide 11, which outlined the methods that AIDEA might take with developing its public infrastructure projects. He moved to slide 12, which highlighted an AIDEA-owned road that is essential to the operation of the Red Dog Mine in Kotzebue, Alaska.

[1:31:40 PM](#)

MR. BREFCZYNSKI noted to the committee that certain information that was omitted from the presentation has since been provided to the committee for further context.

[1:32:02 PM](#)

MR. DAVIS moved to slide 14, which emphasized the importance of mining in Alaska's economy by giving statistics and highlights of resources and revenue from AIDEA-funded mining projects in Alaska.

[1:33:42 PM](#)

REPRESENTATIVE RAUSCHER asked whether Alaska's ability to obtain bonds to fund resource development projects has changed in the recent years.

MR. DAVIS answered by explaining how AIDEA obtains and applies bonds to its projects.

[1:34:26 PM](#)

MR. BREFCZYNSKI resumed the presentation on slide 15, which displayed a map of Alaska numbered with its total road miles superimposed over the contiguous United States with specific states numbered with their total road miles as a comparison. He moved to slide 16, which gave a broad overview of the West Susitna Access Road project along with a map of the project's area and proposed route. He continued to slide 17, which gave a list of possible benefits of the West Susitna Access Road project.

[1:39:48 PM](#)

JEFF SAN JUAN, Program Manager, Alaska Industrial Development and Export Authority, Department of Commerce, Community & Economic Development, resumed the presentation on slide 18, which gave a broad overview of the Ambler Access project, and he read from slide 19, which displayed a map of the Ambler Access project's general area and its surrounding land claims and classifications as of 2018. He continued to slide 20, which displayed a map of land claims and classifications surrounding the Ambler Access Road in 2021 and 2022.

[1:46:32 PM](#)

MR. SAN JUAN moved to an unnumbered slide [not included in the committee packet] that described AIDEA's Arctic mining projects and its advancement in comparison to other mining projects throughout Alaska.

[1:47:44 PM](#)

REPRESENTATIVE MEARS asked how the State of Alaska determines that a project proposed by AIDEA is a good investment and asked how the state would receive a return on its investment in any such project.

MR. SAN JUAN answered that the state determines the viability of an investment through a feasibility study and explained how those feasibility studies are conducted.

[1:50:21 PM](#)

REPRESENTATIVE SADDLER shared his understanding related to the volume of gold, silver, zinc, and copper that is extracted from mines in Alaska.

MR. SAN JUAN confirmed Representative Saddler's understanding as correct.

[1:51:02 PM](#)

MR. BREFCZYNSKI added that AIDEA would follow up with more specific statistics after the meeting.

REPRESENTATIVE SADDLER asked for definitions of the terms "indicated" and "inferred" in the context of a mining project.

[1:51:24 PM](#)

MR. SAN JUAN advised that the term "indicated" refers to a confirmed knowledge of minerals in a certain area while "inferred" refers to an assumption of minerals in a certain area based off of studies and surveys.

[1:52:56 PM](#)

MR. JOHNS concluded the presentation on slide 22, which gave an overview of the oil leases in the Arctic National Wildlife Refuge (ANWR), along with their feasibility of production and their legality.

[1:55:16 PM](#)

CHAIR MCKAY asked whether AIDEA could provide any information about a specific Chevron oil well.

[1:55:32 PM](#)

MR. BREFCZYNSKI answered that the Chevron lease information is classified.

HB 20-CONFLICT OF INTEREST: BD FISHERIES/GAME

[1:56:40 PM](#)

CHAIR MCKAY announced that the final order of business would be HOUSE BILL NO. 20, "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."

[1:57:08 PM](#)

REPRESENTATIVE LOUISE STUTES, Alaska State Legislature, as prime sponsor, presented HB 20. She read the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

House Bill 20 will improve the Board of Fisheries and the Board of Game process by allowing members to participate in deliberations on subjects for which they have a declared personal or financial interest according to AS 39.52, the Executive Branch Ethics Act.

Board of Fisheries and Board of Game members are currently required to divulge a conflict of interest if they, or their immediate family members, are involved in the subject being deliberated on. At this time, the conflicted member cannot offer input on the process and cannot vote on the matter at hand. 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, will result in stronger resource management statewide, and will align the process with the original intent of allowing boards to benefit from members' knowledge and diversity of viewpoints.

Thank you for your support of this legislation.

[1:59:54 PM](#)

DONNA PAGE, Staff, Representative Louise Stutes, Alaska State Legislature, on behalf of Representative Louise Stutes, prime sponsor, presented the sectional analysis of HB 20 [included in the committee packet], which read as follows [original punctuation provided]:

Section 1 amends AS 39.52.220(b), to allow a Board of Game or Board of Fisheries members to take official action, defined by section three of the bill, as deliberating but not voting, on a matter that they have a personal or financial interest in.

Section 2 amends AS 39.52.220(a) to exempt Board of Fisheries and Board of Game members from the provision in the Executive Branch Ethics Act that prevents them

from deliberating on matters they have a personal or financial interest in.

Section 3 amends AS 39.52.220 by adding a new section that allows Board of Fisheries and Board of Game members with a personal or financial interest in a matter to deliberate, but not vote, on that proposal or subject being considered by the board.

Section 4 establishes an immediate effective date.

[2:03:58 PM](#)

REPRESENTATIVE SADDLER asked whether members of the Alaska Board of Fisheries are currently violating Alaska Statute (AS) 39.52.220.

[2:04:28 PM](#)

REPRESENTATIVE STUTES answered that there are discussions being had by the Board of Fisheries that should be had on the public record.

[2:06:18 PM](#)

CHAIR MCKAY asked how frequently meetings behind closed doors and off-the-record are occurring.

REPRESENTATIVE STUTES explained the process that a board member must follow once they declare a conflict of interest.

[2:07:03 PM](#)

REPRESENTATIVE MCCABE asked whether the Board of Fisheries is covered under the Open Meetings Act.

REPRESENTATIVE STUTES confirmed it is.

[2:07:58 PM](#)

MS. PAGE noted that the percentage of recusals in meetings is up to 24 percent since 2005.

[2:08:50 PM](#)

NATE ROSE, Vice President, Kodiak Seiners Association, gave invited testimony in support of HB 20. He said that the high number of recusals during meetings on the Board of Fisheries is

discouraging to those who look to the meetings for policy change or new direction.

[2:12:17 PM](#)

CHAIR MCKAY asked how a conflict of interest is determined to exist and asked about the legality of HB 20.

[2:13:04 PM](#)

REPRESENTATIVE STUTES responded that she had not spoken with Legislative Legal Services regarding HB 20.

[2:13:48 PM](#)

REPRESENTATIVE RAUSCHER asked why conflict of interest regulations don't currently exist.

REPRESENTATIVE STUTES gave a history of the issue of conflict of interest on the Board of Fisheries and explained the need for HB 20.

[2:14:58 PM](#)

REPRESENTATIVE SADDLER commented that state boards have varied membership to allow for exemptions on the board if need be.

[2:16:07 PM](#)

REPRESENTATIVE STUTES noted that the Board of Fisheries and the Board of Game are the only two boards that fall under a particular statute.

[2:17:45 PM](#)

CHAIR MCKAY announced that HB 20 was held over.

[2:19:01 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 2:19 p.m.