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ALASKA NATURAL GAS TRANSPORTATION SYSTEM
(MISCELLANEOUS DOCUMENTS)

FERC - COMMENTS OF ALASKA ON RESPONSE TO
DRAFT SYSTEM DESIGN INQUIRY

FERC - 3-16-79 NOTICE OF APPLICATION

FERC - PIPELINE DESIGN AND CAPACITY -
COMMENTS OF STATE 4-5-79

FERC - DESIGN AND CAPACITY ASPECTS OF NORTHWEST
NATURAL GAS

FERC - ANNGTC SEGMENT DESIGN SPECIFICATIONS AND
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FERC - REVIEW OF ALASKA NATURAL GAS
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FERC - ORDER SETTING VALUES FOR INCENTIVE RATE
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HOUSE RESOURCES 1979-80 Eleventh Legislature

BILLS IN COMMITTEE

Sign-In Master List

Bill Number	Title	Date Received	Date Out
HJR 9	Urging U.S. withdrawal	1/25	2/6/79
HB 1	Maximum Seine Length	1/25	
HB 14	Title and Submerged Land	1/25	
HB 16	Homestead Entry Lands	1/25	Returned to clerk for SS 1/17/80
HB 26	Commercial Fishing Area	1/25	2/9/79
HB 30	Limited Entry Permit	1/25	2/20 - back to Clerk's office
HB 31	Delta Creation	1/25	
HB 33	Homesite Entry	1/25	
HB 36	Fisheries Taxation	1/25	2/2/79
HB 39	Office of Ombudsman	1/25	Reassigned 2/9/79
HB 40	Undesirable Fish	1/25	
HB 41	Coastal Management	1/25	2/8/79
HB 45	Unpermitted Fish Species	1/25	
HB 48	Special Harvest	1/25	
HB 49	Fishermen's Fund	1/25	2/20/79
HB 61	Tideland Lease	"	
HB 71	Wildlife Sanct. Reserve	"	
HB 72	Steering Council	"	
HB 82	Clipping License	"	2/13/79
HB 83	Land Title Tax	"	
SSHB 33	State Land	"	
SJR 44		+/-	
HB 87	Forestry Investment	1/29	2/6/79
HB 88	Pipeline Tariff	1/29	
HCR 1	Pacific Coastal Fisheries	1/29	2/6/79

Alaska Moreau

PARKS, TIMBER & LAND SUBCOMMITTEE
HOUSE RESOURCES
BILLS IN COMMITTEE

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Master List

Bill Number	Title	Date Received	Date Out
SSHB 31	Delta Junction	2/2/79	
HB 118	Stream Flows	2/2/79	
HB 119	Game Mgmt	2/2/79	
HB 120	Agriculture Comp	2/2/79	
HB 114	Airport Act		
HB 122	Alaska Homestead	2/5/79	Blade to Chapter 04 for SS
HB 123	Oil & gas exploration	2/5/79	
HB 128	Supp Approp to F&G	2/6/79	2/13/79 to Subcommittee
HB 133	Approp. student fisheries biologist	2/6/79	2/15/79
HB 134	Approp Sonar fish counter	2/6/79	2/15/79
HB 141	[illegible]		3/15/79
HB 142	[illegible]		3/15/79
HR 1	Tongass Natl Forest	2/7/79	
HB 148	Seizure of items used in viol of fish & game violation	2/8/79	2/26/79
HB 159	Approp. for purchase of Comfish [illegible]	2/8/79	2/20/79
HJR 15	Remote sensing mapping of Alaska	2/8/79	
HCR 3	Enforcing of Antiquities Act	2/8/79	
HCR 4	Urging repeal of Antiquities Act	2/9/79	Returned to Comm 2/16/80
HB 173	Veteran Rural purchase	2/12/79	
HB 186	Water Use Act	2/13/79	
HB 187	Oil & Gas tax	2/13/79	
HB 193	Fish & Game	2/13/79	3/15/79
HB 128	Supp approp to F&G	2/14/79	
CSSB 28	[illegible]	2/14/79	
HB 167	Substance [illegible]	2/14/79	
HB 202	Oil & Gas inventory	2/14/79	

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HOUSE RESOURCES

BILLS IN COMMITTEE

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Bill Number	Title	Date Received	Date Out
Miles HB 205	Prevention and control of oil pollution	2/14/79	
Miles HB 209	Oil and gas taxes	2/14/79	
Miles HB 232	Leasing & exploration of state land for oil & gas	2/15/79	
HB 227	Fisheries business licenses	2/15/79	
X HB 229	Tax permit for king salmon & steelhead	2/15/79	2/22/79
Miles HJR 21	N.W. Alaskan Pipeline Co.	2/16/79	
Miles HB 239	Nec liquefied gas feasibility study	2/16/79	
Miles HB 237	Approp. for Iditarod Trail Race	2/16/79	To State Affairs
Miles HB 244	Bonds for improvement of Mat-Su Valley	2/19/79	
Miles HB 247	Car insurance tax	2/19/79	
SHB 30	Comm. fishing & Ag Bank	2/20/79	3/9/79
HB 199	Div. of Subsistence hunting & trapping	2/20/79	3/9/79
HB 256	Transporter Law	2/20/79	
HB 259	Permissable Class for Scallops	2/20/79	
Miles SHB 122	Alaska Homestead Act	2/21/79	
Miles HB 268	Special D-2 Approp.	2/21/79	
Miles HB 270	Reclass of state land	2/22/79	
HB 271	Creamers Fields Mgt. Water Plant Repair	2/22/79	3/13/79
Miles HB 274	Establishing a Dept. of Agriculture	2/22/79	
Miles HB 275	Approp. to Ag. Development Fund	2/22/79	
Miles HB 123	Property Assessment appeals	2/23/79	
Miles HB 283	Use Class as state land	2/23/79	
Miles HB 284	Income tax credit for conservation	2/23/79	
HB 290	Limited Entry Permit Appeals	2/03/79	3/15/79
Miles HB 303	Approp. Delta River Erosion Control	2/27/79	
HB 304	Fish & Game Regionalization (Gov)	2/27/79	

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BILLS IN COMMITTEE

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Bill Number	Title	Date Received	Date Out
HB306	Fisheries Taxes	2/27/79	
HCR10	Marine Industry Fair for Alaska	2/27/79	Returned to Clerk 1/16/80
Mikes CS for 2nd SS HB31	Delta Opportunities Bureau	3/1/79	
HB314			
HB315	Fish & Game: Guides	3/1/79	
HB340	Fisheries Business Licenses	3/5/79	
HB336	Approp. to study limited entry in Seward	Pen. 3/5/79	
HB335	Approp. for hatchery feasibility study-Seward	Pen. 3/5/79	
HB350	Limited entry for hand trollers	3/7/79	
Miles HB351	Gov. Pipeline Comm	3/7/79	
Miles HB353	Natl Pollution Discharge Elim. Sys	3/7/79	
HB359	Salmon Enhancement	3/7/79	3/15/79
HB360	Late limited entry permits	3/7/79	
HB338	Approp to Dept for walrus + whale	3/7/79	
Miles HB363	Approp to D of F for coal research	3/8/79	
Miles HB364	State energy policy	3/8/79	
Miles HB372	Spec. Approp to Dept Ag. Station	3/10/79	
HB344	Fish Area Markers	3/7/79	replaced w/ SS
SS HB193	An Act relating to Fish + Game	3/13/79	
HB390	An Act relating to boating safety	3/15/79	1/25/80 returned to clerk for SS
Miles HB378	State Control of Artificial Coal of State	3/14/79	
Miles HB399	Wood-Tikchik St. Park Mgt Board	3/14/79	
HB405	Arctic Guide Licenses	3/16/79	
Miles HB410	Fissionable Material on state land	3/19/79	
HB413	Alt State Climate Control Board	3/20/79	
HB416	Allowing Sale of Unpatented Tideland	3/29/79	

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SB BILLS IN COMMITTEE

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Bill Number	Title	Date Received	Date Out
HCS SB 57	Float Homes	1/26	2/1/79
~~HCS SB 62~~	" " "	~~2/2/79~~	~~2/2/79~~
Miles SJR 5	Fed Policy concern Alaska Land	2/6/79	
Miles SJR 13	Encouragin Ak Compact Amd Act	2/6/79	
(HCS) SJR 13	" " " " "	2/9/79	
SJR 13 am	" "	2/12/79	
Miles HCR 4	Commemorate Statehood	2/13/79	
HCR 9	Oppose Creation Foreign Affiliate	2/15/79	3/8/79
Miles SJR 7	Carter Disapproval	2/23/79	Returned to Clerk 1/16/80
CSSB 101	Disciplining a licensed guide	2/23/79	
Miles SJR 9	Susitna Hydroelec Proj	2/26/79	Returned to Clerk 1/16/80
Miles HJR 24	Hydroelectric Potential	2/26/79	Returned to Clerk 1/16/80
Miles SB 63	Sp approp to APA for Susit.	2/26/79	
~~HJR 26~~	~~Exclusion of AK from Fed. gun controls~~	~~3/5/79~~	~~3/13/79~~
HJR 27	Exclusion of AK from Fed. gun controls	3/5/79	3/13/79
Miles HJR 28	Mandate re Fed. Govmt Land Withdrawals	3/2/79	Returned to Clerk 1/16/80
SB 71 am	free recreational licenses for Sr. Citizens	3/8/79	3/15/79
SJR 18	Urging passage of 1916 Shipping Act	3/9/79	4/5/79
Miles CSSB 62(Fin) am	Delta Ag. Development project	3/19/79	
Miles CSSB 5	Ag. loans under AK Ag Loan Act	3/19/79	
Miles SJR 27	States rights to regulate mines	3/19/79	Returned to Clerk 1/16/80
SCR 22	Limited Convention	3/28/79	4/26/79
Miles HCR 18	Federal Lands & fish & wildlife	4/2/79	Returned to Clerk 1/16/80
Miles HB 449	Recording of states interests conveyed in public land	4/6	
Miles HJR 4	Extinguishment of Federal Land Claims	4/11/79	
HJR 23	State of Alaska Natural Resource Bonds	4/11/79	Returned to Clerk 1/16/80
SCR 24	Sawmill		Ret. to Clerk 1/16

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Bill Number	Title	Date Received	Date Out
Mtg SCR 36	Wood-Tikchik Park		1/16 Clerk
HB437	Land sale & subject to lease	4/3/79	
Miles HR 5	Tax Cap #1 tidelands sale	4/24/79	
[redacted]			
[redacted]			
Miles HB478	McClintra River Private Mineral Area	4/25/79	
HR6	Fed. use Forest w/ Wilderness Review	4/26/79	Returned to Clerk 1/16/80
HCR29	Prohibit purse seine fishing	4/25/79	Returned to Clerk 1/17/80
HR7	Geothermal Resources	4/26/79	Returned to Clerk 1/16/80
SJR28	Railroad to lower 48	5/1/79	Returned to Clerks 1/16/80
Miles HB495	Oil and gas competitive contract	5/4/79	
[redacted]			
Miles HB511	Disposal of hazardous waste	1/16/80	
Miles HB515	Energy Conservation	1/16/80	
HB516	Estab. office of fisheries dev.	1/16/80	Returned to Clerk for SS
HB517	Approp. for grants to AK fisheries Dev. Fdtn.	1/16/80	
HB518	Estab. Fisheries Dev. Committee	1/16/80	
HB519	Approps. to Fisheries Dev. Comm.	1/16/80	
Miles HB523	Closing land as remote parcels - placing in rec. areas	1/16/80	
Miles HB524	Approp. to fire suppression fund	1/16/80	
Miles HB531	Approp. for petroleum industry coverage	1/16/80	
Miles HCR34	Urging support of Nevada's challenge to fed. jurisdiction	1/16/80	Replaced w/ CSHCR34 1/29/80
Miles SSHB16	Sale of state Land	1/17/80	
Miles HB541	Exemptions from motor fuel tax	1/17/80	
Miles HB543	Financing natural gas development	1/17/80	
HB544	Categories of fishing	1/17/80	
HCR36	Req. Gov. mandate coherent h. fish planning process	1/17/80	

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Bill Number	Title	Date Received	Date Out
HCR 37	Req. commerce to determine appropriate organizational forms for b-fish marketing, etc	1/17/80	
HCR 38	Req. estab. practical fisheries education	1/17/80	
Miles HJR 51	To repeal limiting claims of state to its public land	1/17/80	
HJR 53	Req. NPFM to reconsider yield levels of foreign allocations of ground fish	1/17/80	
HB 553	Bristol Bay Salmon Marketing	1/17/80	
Miles HB 554	Repealing AK Net Income Tax Act and Oil and Gas Corp. Income Tax	1/17/80	
Miles HB 557	scheduling oil & gas lease sales	1/18/80	
Miles HB 559	Unitization of oil & gas leases	1/18/80	
Miles HB 560	Bonds for energy conservation in state facilities	1/18/80	
HB 566	Cantwell research station reindeer project	1/18/80	
Miles HB 568	Delta Genetics Bison Range area	1/18/80	
Miles HB 570	Susitna hydroelectric project studies	1/18/80	
Miles SB 313am	Exempting freight carriers from oil & gas tax	1/18/80	
Miles HR 15	Opposing HR 39 & Sen. Energy & Nat. Resources Committee Substitute for HR 39	1/21/80	
Miles HB 579	Approp. to U of AK Ag. School	1/21/80	
HB 590	Removal of herring from the state	1/22/80	
Miles HJR 55	Nevada test of right of Feds. to control land	1/22/80	
HB 592	Delta bison range game management	1/22/80	
Miles HB 595	Construction of ag. access roads & bridges	1/22/80	
Miles HB 597	Approp. for Iditarod Trail Race	1/23/80	
HB 599	Musk ox & buffalo - Definition of "Game"	1/23/80	
Miles HB 600	Forest Fire Suppression	1/23/80	
Miles HB 601	Pilgrim Hot Springs access road	1/23/80	

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Bill Number	Title	Date Received	Date Out
SS390	Boating Safety	~~Boating~~ 1/25/80	
Miles HB624	AK Royalty Oil & Gas Dev. Advisory Board	1/28/80	
Miles CSHCR34	Nevada's challenge of fed. control	1/29/80	(with draft?)
HB630	Taking & sale of fish w/out entry permit	1/29/80	SS HB630 came in 2/19
HB631	Requiring identification on entry permits	1/29/80	
Miles HB652	Alternative Technology & Utility Loan Fund	1/31/80	
Miles HB653	Bulk Fuel	1/31/80	
Miles HB654	Appropriations for bulk fuel matters	1/31/80	
Miles HB655	Residential fuel conservation credits	1/31/80	
Miles HB656	Tuxedni & Delarof critical habitat areas	2/1/80	
Miles HB659	AK Pipeline Commission	2/1/80	
Miles HB660	Approp. to O.O.C.E.D. AK Pipeline Comm.	2/1/80	
HB665	Relative approp. for limited entry permits	2/4/80	
Miles HB666	Grants to Nushagak & Naknek - waste heat utilization	2/4/80	
HB673	[illegible]	2/6/80	
Miles HB688	Authorizing Y&G to acquire certain timber cutting rights	2/7/80	
Miles HB687	Establishing the AK Energy Center	2/7/80	
SSHB516	Estab. Office of Fisheries Dev.	2/8/80	
HB691	G.O. Bonds Cap. Improvements fisheries protection & enhancement facilities	2/8/80	
HB692	Highway Construction Trees for Forests	2/8/80	
Miles HB693	Approp. for prospector's revolv. loan fund	2/8/80	
Miles HB694	Estab. prospectors revolving loan fund	2/8/80	
HB697	Fisheries education steering committee	2/8/80	
HB699	Issuance, renewal, transfer of lim. entry permits	2/11/80	
Miles HB724	Photovoltaic demo project	2/12/80	
Miles HB725	Photovoltaic " " - Approp.	2/12/80	

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Bill Number	Title	Date Received	Date Out
HB 728	Village Appointing & ag. projects	2/12/80	
HB731	Approp. to Dept. of Education for Ag. Educ.	2/13/80	
Miles HJR61	Jurisdiction of Fed. Energy Regul. Comm.	2/13/80	
Miles HB754	Power Project Revolving Fund	2/14/80	
Miles HB753	Approp. to power project revolv. fund	2/14/80	
Miles HB754	Approp. to AK Power Authority	2/14/80	
Miles HB758	Power production cost assistance	2/14/80	Retained for Clerk for S.S.
miles SSHB557	Scheduling oil & gas lease sales	2/14/80	
Miles HB740	Approp. for development of ag.	2/14/80	
Miles HB739	Approp. AK Power Authority Desistrop Hydroelect.	2/14/80	
Miles HB745	Repealing Motor fuel tax	2/14/80	
HB735	Approp. Susitna Reg. Aquaculture Corp.	2/14/80	
Miles HB738	Susitna River Hydroelectric project	2/14/80	
Miles HB755	Uncommitted state royalty oil	2/14/80	
Miles HB736	Land use	2/14/80	
Miles HB761	Oil & gas well info & reports	2/18/80	
HB767	Disclosure of alien business affiliates	2/18/80	
Miles HB769	Approp. for Kenai Corp. forestry study	2/18/80	
HCR 50	Req. appr. to suspend fisheries enhancement loans & grants	2/18/80	
Miles HJR68	Golden Valley Elect. Assoc. waste heat power	2/19/80	
HJR 69	Marine construction requirement	2/19/80	
SSHB 630	Taking & sale of fish w/out entry permit	2/19/80	
HB 773	Rep. Dept. to compute average wholesale salmon prices	2/19/80	
Miles HB774	Terror Lake Hydroelect. Project	2/19/80	
Miles HB779	Geothermal resources	2/19/80	Clerk recalled it 3/4/80
HB784	Max. length of salmon net vessels	2/19/80	

PARKS, TIMBER & LAND SUBCOMMITTEE

HOUSE RESOURCES

BILLS IN COMMITTEE

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Bill Number	Title	Date Received	Date Out
HB791	Prohibit use of drum or net in purse seine	2/19/80	
Miles HB800	Limitation of oil & gas leases	2/19/80	
Miles HB801	Oil production tax	2/19/80	
HB807	Entry permits	2/19/80	
HB808	Lim. entry permits to those who fished to qualify	2/19/80	
HB809	Shooting & firearm safety	2/19/80	
HB810	Approp. for shooting & firearm safety	2/19/80	
HB811	Price disputes betw. fishermen & processors	2/19/80	
Miles HB834	Media campaign re d-2	2/19/80	
HB835	Nonresident big game tag fees	2/19/80	
HB836	Alien & nonresident hunting	2/19/80	Returned to clerks for SS
Miles HB839	Improvements to AK State Fair grounds	2/19/80	
Miles HB843	Approp. Matanuska-Susitna fire protection	2/19/80	
Miles HB851	Energy Conservation	2/19/80	
HCR54	B. of Fisheries to limit seine vessel length in Shumagins	2/19/80	
Miles HB875	Energy Conservation	2/19/80	Rec'd 1 to clerks for SS
Miles HJR72	Golden Valley Elect. Assoc.	2/19/80	
Miles HB871	Land selected by municipalities	2/19/80	
Miles HB855	Land disposal program advisory committee	2/19/80	
Miles H.S.570	Emergency fuel allocation program	2/19/80	
HB879	Limited entry permits	2/19/80	
HB878	Fees for hunting guide licenses	2/19/80	Back to clerks 3/18/80 for SS
HB876	Taking of brown & grizzly bears	2/19/80	
HB885	Approp. to Div. of Agriculture	2/19/80	
HB889	Inspection of ag. products by DNR	2/20/80	
Miles HB890	Real property ownership by nonresident aliens	2/20/80	

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Bill Number	Title	Date Received	Date Out
HB 891	Ag. development	2/20/80	
HB893	AK Ag Products Quality & Marketing Bd.	2/20/80	
HB895	Approp. for road to Homer's bay Exhibition	2/20/80	
Miles HB896	Classification of land	2/20/80	
Miles HJR75	Homer Electric Assoc.	2/21/80	
Miles HJR76	Naknek Elect. Assoc	2/21/80	
Miles HJR77	Matanuska Elect. Assoc	2/21/80	
Miles HJR78	Glacier ~~Highway~~ Highway Elect.	2/21/80	
Miles HJR79	Cordova Elect Coop	2/21/80	
SSHB350	Lim. Entry for hand trolling	2/21/80	
HB849	Approp. - Small grain storage	2/22/80	
Miles HB900	Sale of ag land	2/22/80	
Miles HB904	Audit of oil & gas royalty	2/22/80	
HB915	Marine Mammal Management	2/28/80	
HCR58	Corp. disclosure of alien affiliates	2/28/80	
Miles HB919	Survey & improvement of pub. land	2/29/80	
Miles HB923	Approp: "d-2 lands"	2/29/80	
CSSB332	Hunting in the pipeline corridor	3/3/80	
Miles HB933	Advisory vote (relative to fans) on amend. to statehood Act	3/4/80	
Miles SSHB779	Development of geothermal resources	3/4/80	
Miles HJR81	Dec. control of oil produced in Upper Cook Inlet	3/4/80	
Miles HB946	Disposal of state land	3/7/80	
Miles HB941	Approp. for geophysical explor. - Umiak & Manokotak	3/7/80	
Miles CSSB438	Exempting exchanges of gas from Alaska Pub. Utilities Comm. regulation	3/12/80	
Miles HCR61	Licensing for dev. of small scale hydro projects	3/12/80	

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Bill Number	Title	Date Received	Date Out
SSHB878	Fees for hunting musk oxen	3/18/80	
HB 962	Credits against fisheries taxes	3/18/80	
SSHB836	Alien & non-resident hunters	3/18/80	
HR 18	Spec. seasons for bow & arrow hunting	3/18/80	
Miles SSHB875	State ... conservation ...	3/19/80	
SJR 60	Req. USDA ... plant ...	3/19/80	
SSHB346	Fish ...	3/19/80	
Miles SSHB552	Cat ...	3/21/80	
HJR 84	Eliminate ...	3/19/80	
HB963	...	3/19/80	
HB1008	...	3/19/80	
Miles HB967	...	3/21/80	
HB 979	...	3/21/80	
HJR 85	Endorsing ...	3/26/80	
Miles HB976	Appropriating ...	3/26/80	
SJR 54	Marine ...	3/26/80	
SB358am	Composition of Bd of Fisheries	3/26/80	
HB 980	Sales of milk & cream	3/28/80	
HB 985	Authority of State Bd over domestic animals	3/31/80	
Miles HB982	Sale & inspection of petroleum products	3/31/80	
Miles HB981	Right of state to own/control public land	3/31/80	
Miles HJR 86	Energy Dept to review & revise gas conservation guidel	3/31/80	
Miles HB 437	Sale of state land - competitive lease	4/8/80	
CSSB 477am	Shooting & firearm safety	4/9/80	
Miles HB1014	Gustavus State Game Refuge	4/21/80	
HB1015	Recovery Entry Permits	4/21/80	

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Master List

Bill Number	Title	Date Received	Date Out
Miles HB1020	Energy	4/22	
Miles HR19	Goose Bay / Ft. Mackenzie Rel	4/22	
Miles HB1023	AK Renewable Resources Corp	4/23	
Miles HB1022	ARRC - Schwabl	AK Timber Corp Lumber Co	4/23
Miles SB481	Denali Recreational Area Commission	4/25	
Miles SB482	Approp. - Denali Rec. Area Comm.	4/28	
HCR 69	Admin. area for Tim. Entry in Aleutians	4/30	
SB 519	Use of tim. entry permits as collateral	4/30	
Miles SB223 am	Homestead Entry	5/2	
SCR 67	NEFCO Bankruptcy	5/13	
HR 22	U.S.S.R. Regional Aquaculture Assoc.	5/13	
Miles HCR 71	Royalty gas - Munic. of Anch.	5/13	
Miles HR21	State-fed. land exchange near Haines	5/13	
Miles SB334am	Acquisition of land by U.S.	5/15	
CSSB543	Amends AK Small Loans Act	5/19	
Miles HB1034	State Royalty gas to Munic. of Anch.	5/20	
Miles SB335am	Lease or Disposal of state land	5/20	

SUNSET GUIDE BOARD

AGO 126004

Hearing 2/14/80
Discussion 2/19/80
Letter of Intent to Speaker passed 3/11/80
Printed in journal for 3/13/

(See CSHB 1032 - House Resources bill for continuation of Guide Board)

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

~~BILL~~	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
Sunset Review of Guide Licensing and Control Board	2/5/80	2535	Commerce Dept. - Div. of Occupational Licensing: Ann Greggs to attend hearing	2/14/80
	2/5/80	In person	Marc Jensen, Chairman of Guide Board He and other Board members to attend and testify	2/14/80
	2/5/80	243-3977	Proffessional Hunters Assoc. Pres. Phil Driver to testify	2/14/80
	2/5/80	3746	Senate Commerce Committee (sen. Bradley) (Having review in senate side)	
	2/5/80	3830	Legislative Audit - to provide performance review of Guide Board	

Interior Wildlife Association of Alaska

Conservation Wise USE of Resources

PHONE (907) 452-3788 • BOX 60255 • FAIRBANKS, ALASKA 99701

BOARD OF DIRECTORS:

Dr. P. B. Haggland, Chairman
H. C. "Bud" Wiese, Treas.
William G. Stroecker
Richard A. Burley
William I. Waugaman
Charles L. Gray

March 20, 1980

Representative Alvin Osterback
Co-Chairman, Resources Committee
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Osterback and Committee Members,

As a former member of the Guide Board, I have an abiding interest in its success. Any objective study or audit of the Board will show that a lot has been accomplished in the face of adversity. The Board, through its dedicated chairman, has accomplished the near-impossible in straightening out and bringing some degree of professionalism to the guiding business.

Because of this, we are distressed that a more positive report regarding the sunset review did not come out of your committee (House Journal, No. 29, 3-13-80). We are particularly concerned about paragraphs 5 and 5a. Surely the clean bill given the Board by the Division of Legislative Audit and by the Senate Commerce Committee this year warrant better than a one year extension by your committee! What long range plans can be carried out with a restriction like that? What further miracles must the Board perform to be given a pat on the back and encouraged rather than have additional road blocks thrown in the way?

Judging from Represenative Rick Halford's request to the AG's office for a legal review of the Board, he may have had an adverse affect on your committee's report. It would appear to us, based on wording in Halford's request, that his personal and family problems with the Board may be coloring his views.

It is rumored in Fairbanks that Representative Halford has had lucrative summer flying contracts for the Game Department. Until this is checked out, we can only question the propriety of such practices by a legislator and wonder about conflict of interest problems--moral, if not legal. Maybe the AG should be asked about this?

The Guide Board needs assistance and encouragement, not unnecessary impediments. Much has been accomplished and much more can be accomplished if the Board is given a chance. It doesn't appear your committee is giving it that chance.

Sincerely,
Interior Wildlife Assoc.

Bud Wiese
Director

cc: Committee Members

Provided by:
Div. of Occupational
Licensing

STATE OF ALASKA
Guide Licensing and Control Board
May, 1979

Findings

The Guide Licensing and Control Board functions to establish guiding areas, limit the number of guides in areas, and assure that a guide is competent enough to care for himself and others in the remote setting. Guides are also concerned with environmental conservation and animal husbandry. Regulation of this profession is in the best interests of the State and should be continued. The Board is carrying out its duties in a responsible manner and appears to be meeting needs and demands reasonably; therefore, we believe the Board also should be continued. Guides and their clients are also subject to Alaska Department of Fish and Game hunting regulations.

Section 1, ch. 106, SLA 1976, provides: "Purpose. It is the purpose of this Act to protect the safety of the citizens of the state and better manage and protect its resources by licensing persons who transport hunters for hire so that reasonable standards and guidelines will be met and activities affecting the state's game resources will be more accurately monitored and assessed."

I. General Information

A. Regulated Parties

1. Master Guides
2. Registered Guides
3. Class-A Assistant Guides
4. Assistant Guides
5. Transporters

B. Definitions

"(2) 'guide,' 'guides' or 'guiding' means assisting another person to take game with the intent of receiving monetary or material remuneration for the services, by accompanying and directing that person personally or through a licensed assistant guide for the duration of a hunt, and not solely for the purpose of providing transportation services;

(5) 'transporting' or the 'activity of transporting' means conveying a person by any lawful means to an area for remuneration or material benefit in excess of normal operating costs, when the primary purpose of the person being conveyed is the taking of big game and the associated removing of big game meat and parts of big game after big game has been taken; big game as used in this paragraph means game which, if taken by a nonresident, would require a big game tag." (AS 08.54.240)

C. Nature and Composition of Board

1. Board members and terms:

Three-year term (no restrictions regarding consecutive terms or number of terms).

Marcus F. Jensen (Chairman)	ends June 15, 1980
Clark Engle	ends June 15, 1981
Glen Glenzer	ends June 15, 1980
Charles Keim	ends June 15, 1979
Hubert Weise	ends June 15, 1979
Norman Sutliff	ends June 15, 1979
Donald Harris	ends June 15, 1981

2. Representation:

Profession - 3
Public = 4

3. Qualifications:

"...No more than three members of the board shall have a guide license. The other members shall have a general knowledge of the game resources of the state. A minimum of 10 years residence in the state is required for all members of the board." AS 08.5..010

D. Licensing Data

Current licenses (effective May, 1979)

Master guides	=	35
Registered guides	=	268
Class-A assistants	=	95
Assistant guides	=	413
Transporters	=	47
Total		858

All licentiates in this profession are in-State.

E. Fees

1.	master guide license, annual	$75.00
2.	registered guide license, annual	75.00
3.	class-A assistant guide, annual	15.00
4.	assistant guide license, annual	10.00
5.	transporter license	10.00
6.	examination fee	25.00

(Also subject to Fish and Game fees under AS 16.05.340(e).)

F. Board Revenues and Expenditures

	FY '76	FY '77	FY '78	FY '79
Receipts	$39,054.64	$39,025.50	$41,882.00	$41,601.00
- refunds	254.64	330.00	265.00	605.00
Total	$38,800.00	$38,695.50	$41,617.00	$40,996.00
Expenditures				
Transportation	2,913.37	2,607.63	3,457.12	3,042.11
Per Diem	5,213.88	5,057.75	8,840.68	6,672.80
Phone	382.99	569.68	815.01	813.13
Printing, Adver. & Postage	966.17	1,592.27	2,584.38	626.51
Fees & Services	300.00	430.00	362.00	
Rents, Leases & Other	293.90	-	768.98	3,094.70
Total	$10,070.31	$10,257.33	$16,828.17	$14,249.25
Surplus	$28,729.69	$28,438.17	$24,788.83	$26,746.75
Deficit	-	-	-	-

(EXCLUDES DIVISION OF OCCUPATIONAL LICENSING ADMINISTRATIVE OVERHEAD)

G. Complaints

Enforcement of Guide Licensing and Control statutes and regulations is the responsibility of the Department of Public Safety, Division of Fish and Wildlife Protection. An Anchorage based Assistant Attorney General is specifically designated for the Board. Sixty-

one investigations were reported to have been conducted by the Division of Fish and Wildlife Protection during the period from April, 1977 through April, 1979. During this same period 35 accusations were filed for disciplinary hearings before the Board.

II. Analysis

A. To what extent has the Guide Licensing and Control Board operated in the public interest?

The Board operates to protect the public interests by controlling hunting activity, promoting hunter safety, and protecting wildlife resources. Accordingly, the Board has statutory responsibility for: (1) preparation, grading and administration of examinations; (2) passing on applicant qualifications; (3) regulation of guide activity and performance standards; (4) maintaining a current register; (5) maintaining and publishing a list of active registered or master guides; (6) regulating guide activities and conduct; (7) revocation, denial and suspension of licenses; (8) establishing geographical guiding quotas; and (9) adoption of procedural and substantive regulations concerning guiding.

Special permit provisions exist for qualified applicants who are limited by language barriers. Candidates for examination who may not fully understand the English language may be given the examination orally in their native language. The Board has recently concentrated a great deal of effort in recruiting qualified guides from remote bush and coastal areas. A separate guiding district has been created (making a total of 27) which includes all western, northwestern and northern Alaska coastal areas north of latitude 50° north for the purpose of regulating marine mammal hunting. Board members have traveled to outlying villages to educate the populace on guide qualifications and to take applications for licensure. Meetings in Nome and/or Kotzebue are planned in 1979 assuming an Arctic guide program is started.

Examinations given by the Guide Licensing and Control Board are Board constructed. Only applicants for registered guide status must take a written examination. Oral examinations are administered by the Board to candidates for both registered and master guide. A passing score of 80% must be achieved. Even though the Board has failed applicants on the basis of the oral examination, it has not made or kept a record of these proceedings. The Board should record all oral examinations in support of its determinations and should ensure that its reasons for denial of applications and licenses are cited in meeting minutes and in notices to the applicant. Review indicated that this procedure is not always followed.

State licensure constitutes exclusive permission to engage in an activity that would otherwise be unlawful. Board procedures are designed to assure that those persons so licensed and engaged are qualified by virtue of past experience and demonstrated competence.

The Anchorage office of the Division of Fish and Wildlife Protection maintains records and files on all enforcement activities and on all guides. These records are complete and up to date. Individual guide files contain all relevant information from initial licensure to latest renewal. A transfer of the Board and regulation to the Division of Fish and Wildlife Protection should be given consideration, particularly in view of the fact that the division has responsibility for enforcement of guiding laws. In a memorandum dated November 8, 1978, to the Office of the Governor, an official of the Department of Public Safety indicated that such a transfer would be favorable. The Board also has indicated support for this proposal.

The Guide Licensing and Control Board is active in disciplinary proceedings concerning the profession. A number of hearings have been held by the Board and subsequent action taken. Viability of enforcement is

largely due to authorization of investigation, administrative support services and Department of Law assistance assigned particularly to guide activities.

AS 08.54.190(a) provides that all licenses expire every year on December 31. As of May, 1979, 858 licenses were in effect and the number increases every year. A statutory amendment should be considered which would allow for biennial renewal.

AS 08.54.200(c)(3) makes revocation of a guide license mandatory upon conviction of two violations of federal or State sport fish, game or guide statutes or regulations. The Board is presently given no discretion or latitude by which it may consider the seriousness of offenses or lesser disciplinary action such as suspension; the most minor violations must result in license revocation. SB 101, with which the board is in agreement, was introduced during the 1979 session of the Legislature (see Appendix A). Passage of this bill would allow the Board to take disciplinary action commensurate with the nature of offenses.

Transporters are required by AS 02.05.040 (the Alaska Air Commerce Act of 1960) to have "in force a certificate issued by the commission [Alaska Transportation Commission] authorizing that person to engage in air commerce as a certificated carrier, contract carrier, or air taxi operator." Title 02, § 170(f), also requires filing of game transporter reports with the Department of Fish and Game. The Alaska Business Act (43.70) requires that transporters maintain a current business license. An abundance of regulations covering this subject also exists under AS 16.05, Fish and Game Code. Licensed guides are exempt from license requirements for transporters. In view of the enforcement and regulatory difficulties encountered in this area, and the fact that transporters are otherwise regulated, it is suggested that appropriate revisions be made to Guide Licensing statutes.

12 AAC 38.055 provides for a limited time waiver of guide area use requirements in case of death of a permit holder. During this period "an heir may apply to the board for a reassignment of the permit to a person designated by the heir" (emphasis added). In case of mental incompetence, a guardian may, during this same limited period "apply to the board for a reassignment of the permit to a person designated by the guardian" (emphasis added). It is questionable whether designation of permit holders should be done by heirs and guardians and whether preference should be given by the Board to persons so designated. It should not be a function of a State board to protect the monetary interests of a licentiate. Rather, the Board should consider the qualifications of all applicants, as is done in other instances, and grant permits on that basis alone.

B. To what extent has the operation of the Guide Licensing and Control Board been impeded or enhanced by existing statutes, procedures and practices which it has adopted, or any other matter, including budgetary, resource and personnel matters?

Resources and services provided for this Board far exceed those provided for other boards and commissions under Title 8. As previously noted, enforcement and investigation of its statutes and regulations is adequately handled by the Department of Public Safety. The Board has been assigned an Assistant Attorney General, located in Anchorage, and issues have been pursued actively, both by the Department of Law and by the Board. Other support staff is provided by the Division of Occupational Licensing and is presently adequate. Employee turnover has impeded to some extent continuity and follow through on Board requests.

The Board has not been particularly impeded by budgetary constraints. Meetings and/or hearings have been scheduled as necessary. A special appropriation in the amount of $10,000 was made by the Legislature in 1979 to allow the Board to conduct hearings and formulate procedures

related to hunting of marine mammals. Fees and revenues for all boards and commissions under the jurisdiction of the Division of Occupational Licensing are collected through the Division and are deposited into a general fund. Monies deposited and withdrawn are identified by codes so that direct board revenues and expenses may be determined.

The Board has expressed a desire to repeal statutes in Title 8 concerning transporters (§§ 142, 144 and 146). Interpretation of AS 08.54.130(2) has apparently caused some confusion in that it is not clear whether the supervisor of a Class-A assistant should be in the guide unit or merely giving direction from any location in the State. AS 08.54.190(a) should be amended to allow for biennial rather than annual renewal of licenses. SB 101, introduced in 1979, would give the Board some latitude in disciplinary actions where guide have been convicted of federal or State sport fish, game or guide laws.

Examinations for registered and master guides are given once a year in November or December, in Anchorage. Control and security of testing materials is maintained by the Department of Public Safety. Board regulations state that applicants who fail either the written or oral test may not be reexamined for six months. An annual examination procedure means that an applicant who fails will miss an entire subsequent hunting season before he can take the next examination. It is suggested that consideration be given to scheduling two examinations each year in two areas of the State to coincide with regular Board meetings.

Public members are included in the composition of the Board. Total membership of seven is felt to be adequate. Terms of membership are three years, however, at least two members have served since the Board was established in 1973.

C. To what extent has the Guide Licensing and Control Board recommended statutory changes which are generally of benefit to the public interest?

In 1976 statutory amendments concerned regulation of transporters and "housekeeping" items. One significant 1976 amendment mandated that the Board "establish a quota of licensed operating guides who may operate within designated geographical game units or subunits of the state and provide for an equitable and reasonable procedure for limiting the number of guides to that quota" (AS 08.54.040(a)(8)). The Board has recently accomplished this directive.

Statutory recommendations made by the Board have been cited previously.

D. To what extent has the Guide Licensing and Control Board encouraged interested persons to participate in and report to it concerning the making and effect of its regulations and decisions, or to report to it concerning the effectiveness, economy, and availability of service which it has provided?

Guide Board meetings and hearings are well attended by interested parties. Petitioners before the Board will not even have their petitions considered unless they or their representative(s) are present. Any party possibly affected by a petition is also notified that the matter will be discussed so they may participate.

There is evidence to indicate that Board members have made themselves visible and available to members of the public and the industry. Some members have spent a considerable amount of time on personal correspondence and even personal visits with interested parties in some cases. For instance, members have traveled to Nunivak to meet with and recruit potential guides.

Public interests are felt to be furthered by the presence of public members on professional boards. "In recent years a number of states have added one or more public members (citizens with no particular interest in the occupation or profession governed by the board) to licensing boards in an effort to ensure that the interests of the public would be represented in decisionmaking."[1] The State of California, which provides for a one-third public membership on health care boards and a public majority on others, has indicated that its experience with public members has been highly rewarding.

E. How efficiently are public inquiries or complaints regarding the Guide Licensing and Control Board processed and resolved?

Routine correspondence regarding Board activities may be responded to by the Division of Fish & Wildlife Protection, the Division of Occupational Licensing or by individual Board members. Review of Board files indicates that responses generally are made in an appropriate and timely manner.

Sixty-one investigations were reported to have been conducted by the Division of Fish and Wildlife Protection during the period from April, 1977 through April, 1979. Thirty-five Accusations for Disciplinary Hearings before the Board were filed during this time.

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[1] Shimberg, B. and Roederer, D., Occupational Licensing: Questions a Legislator Should Ask, The Council of State Governments, Lexington, Kentucky, March, 1978, pg. 20.

At least one complaint regarding the examination was filed with the Office of the Ombudsman and was determined by that office to have been partially justified.

F. To what extent does the Guide Licensing and Control Board present qualified applicants to serve the public?

Individuals seeking licensure must submit fees and qualifying documents to the administrative agency for consideration by the Board. Examinations for registered and master guides are given annually. Applicants who are qualified and/or demonstrate a specified level of knowledge and proficiency are issued a license.

Licensure does not, however, guarantee assignment of hunting units. This is also determined by past use, animal resources and number of guides already in the area, and compatibility with present users and facilities. Current policy limits the number of hunting units that a guide may be certified for; past assignments in excess of the general limit were not rescinded but once lost or forfeited are usually reassigned to another qualified applicant. These procedures are intended to comply with § 040(a)(8).

G. To what extent have State personnel practices, including affirmative action requirements, been complied with by the Guide Licensing and Control Board in its own activities, and in its area of activity or interest?

Board staff consists of the support services of a licensing examiner employed by the Division of Occupational Licensing (also responsible for

two other boards) who is hired through the State Personnel System and is subject to affirmative action.

Licenses are issued on the basis of specific criteria. Affirmative action requirements are not applicable to these licensure qualifications.

H. To what extent are statutory, regulatory, budgetary, or other changes necessary to enable the Guide Licensing and Control Board to better serve the interests of the public?

Transfer of licensing and record keeping functions to the Department of Public Safety would contribute to continuity and centralization of Board operations. Enforcement and investigative services provided by that Department, and the services of the Department of Law, have proved satisfactory.

AS 08.54.190(a) should be amended to allow for biennial renewals. § 200(c)(3) should be amended to vest some disciplinary discretion with the Board in instances concerning convictions of minor violations. §§ 142, 144 and 146, concerning transporters, should be repealed. This intent was also expressed by the Board by resolution at its April 3, 1979 meeting.

The Board should review its regulations with respect to implications that heirs and guardians of permit holders may designate successors. The Board should also consider regulatory clarification of "supervision" as cited in § 130(2).

The Board should reconsider its policy of scheduling examinations only annually and only in Anchorage.

Article 1. Guide Licensing and Control Board.

Section
10. Creation and membership of board
20. Appointment and term of office
30. Chairman of board
40. Powers and duties
45. Special guiding permit
50. Board regulations
60. Board hearing
70. Compensation and expenses

Sec. 08.54.010. Creation and membership of board. There is created the Guide Licensing and Control Board consisting of seven members. No more than three members of the board shall have a guide license. The other members shall have a general knowledge of the game resources of the state. A minimum of 10 years residence in the state is required for all members of the board. (§ 1 ch 17 SLA 1973)

Sec. 08.54.020. Appointment and term of office. The members of the board shall be appointed by the governor and confirmed by the legislature for staggered terms of three years or until their successors are appointed. Initial terms are as follows: three members for one year, two members for two years, and two members for three years. A member may be removed at the pleasure of the governor. (§ 1 ch 17 SLA 1973)

Sec. 08.54.030. Chairman of board. The board shall elect one of its members as chairman. (§ 1 ch 17 SLA 1973)

Sec. 08.54.040. Powers and duties. (a) Except as provided in § 45 of this chapter, the board shall

(1) prepare, grade and administer examinations;

(2) determine and pass on qualifications of applicants for licenses and authorize the issuance of licenses to those who qualify;

(3) establish guide performance standards and regulate activity;

(4) compile, maintain and publish a guide register of guides who have not been convicted of a violation of a federal or state sport fish, game, or guiding statute or regulation; a guide listed in the register whose license is revoked or suspended shall be removed from the register while his license is revoked or suspended;

(5) compile, maintain and publish a record of registered or master guides who have completed a contract hunt in any of three years immediately preceding the publishing of the record;

(6) prohibit guiding activities which are unsportsmanlike, unethical, unsafe, against principles of conservation, degrading to the guiding profession, or which adversely affect the natural resources;

(7) after a hearing, revoke, suspend or deny renewal of a license in accordance with § 200 of this chapter;

(8) establish a quota of licensed operating guides who may operate within designated geographical game units or subunits of the state and provide for an equitable and reasonable procedure for limiting the number of guides to that quota; preference shall be given to qualified available and willing licensed guides who reside within the designated game unit or subunit.

(b) If a person is unable to competently understand the written portion of an examination given under (a)(1) of this section, he shall be given the complete examination orally in a language which he understands. (§ 1 ch 17 SLA 1973; am § 1 ch 133 SLA 1976)

Sec. 08.54.045. Special guiding permit. This chapter does not limit the power of the board or its authorized designee, to issue a special guiding permit, in place of a guide license, to a person to guide in a specifically designated area, if the person is considered sufficiently experienced to perform the services of a guide and is limited solely by language barriers from securing a regular guide license. (§ 1 ch 17 SLA 1973)

Sec. 08.54.050. Board regulations. The board shall adopt procedural and substantive regulations, under the Administrative Procedure Act (AS 44.62), required by this chapter or reasonably necessary for its administration. (§ 1 ch 17 SLA 1973)

Sec. 08.54.060. Board hearing. The Administrative Procedure Act (AS 44.62) applies to proceedings and hearings under this chapter. (§ 1 ch 17 SLA 1973)

Sec. 08.54.070. Compensation and expenses. Members of the board receive no salary, but are entitled to per diem and travel expenses authorized by law for other boards. (§ 1 ch 17 SLA 1973)

Article 2. Licensing.

Section
100. Qualifications for a master guide license
110. Qualifications for registered guide license
120. Qualifications for a class-A assistant guide license
130. Privileges and limitations of class-A assistant guides
140. Qualifications for assistant guide license
142. Qualifications for transporter license

144. Restriction to transportation
146. Transporter report
150. Responsibility of registered or master guide for violations
170. License fees
180. Examination fee
185. Additional fees
190. Expiration and renewal
200. Grounds for disciplining a licensee
210. Unlawful acts
220. Injunction against unlawful action

Sec. 08.54.100. Qualifications for a master guide license. A person is entitled to be licensed as a master guide if he

(1) has legally hunted in the state for a part of each of 10 years during which time a substantial source of his income was from guiding or related activities directly contributing to his experience and competency as a guide;

(2) meets all the requirements of a registered guide and has been actively engaged in licensed guiding activities in the state for at least five years preceding application;

(3) has not been convicted of a violation of federal or state sport fishing, game or guiding laws or regulations within the preceding five years;

(4) has consistently performed in a superior manner as evidenced by required reports submitted to the board and by inquiries made by the board to at least two of the guide's clients of record; and

(5) meets additional qualifications which the board may require. (§ 1 ch 17 SLA 1973)

Sec. 08.54.110. Qualifications for registered guide license. A person is entitled to be licensed as a registered guide if he

(1) is 21 years of age or more;

(2) is a resident of the state and maintains a permanent place of abode in the state;

(3) has practical field experience in the handling of firearms, hunting, judging trophies, field preparation of trophies, first aid and photography;

(4) is familiar with the terrain and transportation problems in the district for which the license is requested;

(5) has passed the qualification examination prepared and administered by the board;

(6) has demonstrated to the board sufficient standards of competence and ethical conduct and has not been convicted of a crime involving moral turpitude;

(7) has legally hunted in the state for all or part of each of five years in a manner directly contributing to his experience and competency as a guide;

(8) has been licensed as and performed the services of an assistant guide in the state for a part of each of three years;

(9) submits a written recommendation to the board from a registered guide for whom the applicant has worked;

(10) is capable of performing the physical duties associated with guiding activities;

(11) has been favorably recommended in writing by two hunters that he has guided or assisted in guiding during each year of his three years as an assistant guide, whose recommendations have been solicited by the board from a list provided by the applicant;

(12) meets additional qualifications which the board may require. (§ 1 ch 17 SLA 1973)

Sec. 08.54.120. Qualifications for a class-A assistant guide license. A person is entitled to be licensed as a class-A assistant guide if he

(1) has been employed for at least one season as a licensed assistant guide;

(2) has had at least 20 years experience in the guide district in which he is to be employed; for the purposes of this paragraph physical presence at some time of the year during each of the 20 years constitutes adequate evidence of experience, and military service outside the state for no more than six years shall be accepted as part of the required 20 years experience;

(3) has been recommended in writing as qualified by a registered or master guide to the board. (§ 1 ch 17 SLA 1973)

Sec. 08.54.130. Privilgeges and limiations of class-A assistant guides. A class-A assistant guide

(1) may not contract for hunts;

(2) shall be under the supervision of a registered or master guide who has contracted with the client for whom the class-A assistant guide is conducting the hunt;

(3) may take charge of a camp and conduct hunts from it without the registered or master guide necessarily being present in the area if the registered or master guide is physically present in the state and is actively supervising in guiding activities. (§ 1 ch 17 SLA 1973)

Sec. 08.54.140. Qualifications for assistant guide license. A person is entitled to be licensed as an assistant guide if he

(1) is 19 years of age or more;

(2) is a resident of the state;

(3) is favorably recommended to the board, in writing, by a registered guide;

(4) meets additional qualifications which the board may require;

(5) is in sound physical condition. (§ 1 ch 17 SLA 1973)

Sec. 08.54.142. Qualification for transporter license. (a) No person may engage in the activity of transporting unless he is licensed as a transporter under this chapter. A person may be licensed as a transporter if he

(1) is a resident of the state;

(2) is familiar with the terrain and transportation problems in the district or districts for which the license is requested;

(3) obtains a business license to do business as a transporter under AS 43.70.030.

(b) No person may engage in the activity of transporting by air without an air commerce certificate as required by AS 02.05.040. (§ 2 ch 106 SLA 1976)

Sec. 08.54.144. Restriction to transportation. (a) A licensed transporter may transport persons whose primary purpose is the taking of big game or the associated removing of big game meat and parts of big game, with the intent of receiving monetary or material remuneration for the transportation.

(b) Air carriers who transport person between airports, landing strips or other landing areas officially listed in the United States government Flight Information Publication, Alaska Supplement, as revised, or the United States government Sectional Aeronautical Charts, as revised, are exempted from the license requirements for transporters under this chapter but shall comply with the reporting provisions as prescribed in AS 02.05.170(f).

(c) Master guides, registered guides, class-A assistant guides or assistant guides are exempted from the license requirements for transporter under this chapter but shall comply with the reporting provisions as prescribed in AS 02.05.170(f). (§ 2 ch 106 SLA 1976)

Sec. 08.54.146. Transporter report. A transporter shall maintain a record of (1) the names and addresses of all persons he transports; (2) the type of game transported; (3) an estimate of the quantity of meat transported; (4) the date of transporting; and(5) if known, the locality where the game was taken. The report shall be submitted to the Department of Fish and Game within 90 days after transporting the game. After receiving a report required under this section, the Department of Fish and Game shall send a copy of it to the Department of Public Safety. (§ 2 ch 106 SLA 1976; am § 4 ch 133 SLA 1976)

Sec. 08.54.150. Responsibility of registered or master guide for violations. A registered or master guide contracting for a hunt is equally responsible under § 200 of this chapter for a violation of a federal or state sport fish, game or guide statute or regulation committed by a class-A assistant guide or assistant guide while in the course of his employment. (§ 1 ch 17 SLA 1973)

Sec. 08.54.170. License fees. (a) License fees for engaging in the profession of guiding are:

(1)	master guide license, annual.....	$75
(2)	registered guide license, annual.....	75
(3)	class-A assistant guide, annual.....	15
(4)	assistant guide license, annual.....	10

(b) The license fee for a master guide, registered guide, class-A assistant guide or assistant guide license is in addition to the fee required for a hunting or fishing license.

(c) The license fee for a transporter is $10. (§ 1 ch 17 SLA 1973; am § 3 ch 106 SLA 1976)

Sec. 08.54.180. Examination fee. An applicant for a guide examination shall pay a fee of $25. (§ 1 ch 17 SLA 1973)

Sec. 08.54.185. Additional fees. In addition to the license and examination fees provided for under this chapter, master guides and registered guides are subject to fees imposed under AS 16.05.340(e). (§ 4 ch 268 SLA 1976)

Sec. 08.54.190. Expiration and renewal. (a) A master guide, registered guide, class-A assistant guide, assistant guide or transporter license expires on December 31, following issuance.

(b) No license may be issued to a class-A assistant guide or assistant guide who has failed to renew his license for two consecutive years unless he again meets the qualifications for initial issuance of the license.

(c) A master or registered guide who fails to renew a license is not required to requalify under § 100(2) or § 110(8) of this chapter, respectively. (§ 1 ch 17 SLA 1973; am § 12 ch 127 SLA 1974; am § 4 ch 106 SLA 1976)

Sec. 08.54.200. Grounds for disciplining a licensee. (a) The board shall hold a hearing to determine if disciplinary action is necessary if

(1) complaints concerning the licensee have been filed with the board from three or more clients of separate parties; or

(2) a licensee has been charged with a violation of federal or state sport fish, game or guide statutes or regulations; or

(3) a licensee has been convicted of a violation of federal or state sport fish, game or guide statute or regulation.

(b) After a hearing, the board may revoke, suspend, or deny renewal of a license if the board finds that the licensee

(1) engaged in unethical activity, unsafe activity, or activity which adversely affects the natural resources of the state when such activity is unrelated to the legal and legitimate purposes of the contract hunt; or

(2) violated a provision of a federal or state sport fish, game or guide statute or regulation.

(c) After a hearing, the board shall revoke a license if the board finds that the licensee

(1) does not meet the qualifications specified by statute or regulation for the class of license held;

(2) is incompetent as a master guide, registered guide, class-A assistant guide, or assistant guide;

(3) has been convicted of two violations of federal or state sport fish, game or guide statutes or regulations.

(d) No person who is disciplined under this section may engage in any guiding or transporting activity during the period of license revocation or disciplinary action. No person licensed under this chapter may hire or work for a guide whose license is suspended or revoked under this section.

(e) If the board revokes a license it shall notify the Department of Revenue, and the person whose license has been revoked shall return the license to the Department of Commerce and Economic Development. (§ 1 ch 17 SLA 1973; am § ch 43 SLA 1975; am § 5 ch 106 SLA 1976; am § 47 ch 218 SLA 1976)

Sec. 08.54.210. Unlawful acts. (a) It is unlawful for

(1) a master guide, registered guidge, class-A assistant guide, assistant guide or transporter to fail to timely report to the Department of Public Safety, division of fish and wildlife protection, and in no event later than 30 days, violations by a client of a state fish, game or guiding statute or regulation;

(2) a master guide, registered guide, class-A assistant guide, assistant guide or transporter to aid the commission of a violation of this chapter or of AS 16.05 or a regulation promulgated under either chapter, or permit the commission of a violation in his sight without attempting to prevent it, short of using force, and without reporting it;

(3) a person to guide or transport as defined in this chapter without being licensed under this chapter and without having the license in his actual possession; however, for purposes of transporting by air, in the case of a corporation, company, partnership or other business entity, the license may remain at the principal place of business of the business entity;

(4) a person to advertise as or represent himself to be a licensed master guide, registered guide, class-A assistant guide, assistant guide or transporter without being currently licensed, or to falsely advertise services;

(5) a person to guide as defined in this chapter without having a current valid hunting and fishing license in his possession.

(6) a master or registered guide to employ or have under his supervision more than three assistant guides at the same time.

(7) a person to guide as defined in this chapter without paying a fee as prescribed in AS 16.05.340(e).

(b) A person who violates (a)(1)-(6) of this section is guilty of a misdemeanor and upon conviction is punishable by a fine of not more than $1,000 or by imprisonment for not more than one year, or by both, and may have his license revoked for a period up to five years. However, a person who engages in guiding or transporting activity during the period his license is suspended or revoked under this chapter is guilty of a felony punishable, upon conviction, by a fine of not more than $5,000 and by imprisonment for not less than one year nor more than three years. In addition to punishment for a felony, all guns, fishing tackle, boats, aircraft, automobiles or other vehicles, camping gear and other equipment and paraphernalia used in, or in aid of, guiding or transporting activity engaged in during the period of suspension or revocation shall be confiscated by persons authorized to enforce this chapter. A person who violates (a)(7) of this section, upon conviction, is subject to the same license revocation provision as for a violation of (a)(1)-(6) of this section and, in addition, is punishable by a fine of not more than $5,000, or by imprisonment for not more than one year, or by both. (§ 1 ch 17 SLA 1973; am §§ 3, 4 ch 43 SLA 1975; am § 6 ch 106 SLA 1976; am § 3 ch 133 SLA 1976; am §§ 5, 6 ch 268 SLA 1976)

Sec. 08.54.220. Injunction against unlawful action. When in the judgment of the board a person or corporation or other entity has engaged in an act in violation of § 130 and §§ 200-210 of this chapter or the regulations promulgated under them, the board may apply to the appropriate court for an order enjoining the act. Upon a showing by the board that the person is engaging in the act, the court shall grant injunctive relief or other appropriate order without bond. (§ 1 ch 17 SLA 1973; am § 5 ch 43 SLA 1975)

Article 3. General Provisions.

Section
240. Definitions

Sec. 08.54.240. Definitions. In this chapter

(1) "board" means the Guide Licensing and Control Board;

(2) "guide", "guides" or "guiding" menas assisting another person to take game with the intent of receiving monetary or material remuneration for the services, by accompanying and directing that person personally or through a licensed assistant guide for the duration of a hunt, and not solely for the purpose of providing transportation services;

(3) "resident" means a person who maintains a place of residence within the state; has not claimed residency in another state for

the immediately preceding 12 months; shows by all attending circumstances that his intent is to make this state his permanent residence;

(4) "unethical activity" means

(A) deception in any degree involving prospective or actual clients either before, during, or following contract hunts;

(B) misrepresentation either through private communication or public advertising of the nature, type, duration, cost, or other conditions of contract hunts.

(C) making a guaranty that a species or certain number of species of game will be taken on a contract hunt.

(5) "transporting" or the "activity of transporting" means conveying a person by any lawful means to an area for remuneration or material benefit in excess of normal operating costs, when the primary purpose of the person being conveyed is the taking of big game and the associated removing of big game meat and parts of big game after big game has been taken; big game as used in this paragraph means game which, if taken by a nonresident, would require a big game tag. (§ 1 ch 17 SLA 1973; am §§ 7, 8 ch 106 SLA 1976; am § 2 ch 33 SLA 1976)

CHAPTER 38. GUIDE LICENSING

Article
1. Examinations (12 AAC 38.010)
2. Guide Register (12 AAC 38.020)
3. General Provisions (12 AAC 38.030–12 AAC 38.190)

ARTICLE 1. EXAMINATIONS

Section
10. Examinations

12 AAC 38.010. EXAMINATIONS. (a) The application for a guide examination must be made at least five months before the examination date on a form provided by the board. The application for examination shall include a listing of all hunters the applicant has guided or assisted in guiding during his apprenticeship and a letter of recommendation from any registered or master guide for whom he has worked.

(b) Guide examinations will be administered by the board or its authorized representatives at times and places as announced by the board.

(c) The registered guide examination will be composed of written and oral portions designed to reveal the actual qualifications of the candidate to practice guiding in the district or districts of his choice. However, a prospective guide unable to competently understand the written portion of the examination may be granted a guide license based on the outcome of the oral examination augmented by his experience. A score lower than 80 percent on either the written or oral portion of the test shall indicate inadequate qualifications. A person failing to achieve 80 percent or more on either the written or oral portion of the examination may not be reexamined for six months.

(d) A person contesting the results of any portion of the registered guide examination shall direct his appeal and the grounds therefor in writing to the chairman of the Guide Licensing and Control Board, Department of Commerce, Division of Occupational Licensing, Pouch D, Juneau, Alaska 99811, at least 30 days before the board meeting following the examination. (Eff. 6/28/74, Reg. 50)

Authority: AS 08.54.050

ARTICLE 2. GUIDE REGISTER

Section
20. Guide register

12 AAC 38.020. GUIDE REGISTER. (a) On December 31 of the register year, the names of all persons holding a master guide or registered guide license shall be entered by the board, on a register maintained by the board and shall be published for distribution to the public.

(b) All guides shall advise the board of their current address and all changes of address. (Eff. 6/28/74, Reg. 50; am 2/25/77, Reg. 61)

Authority: AS 08.54.040(a)(4) and (5)
AS 08.54.050

ARTICLE 3. GENERAL PROVISIONS

Section
30. Licenses
40. Restriction to districts
50. (Repealed)
51. Guiding area permits
52. Guide prohibited from using a guiding area not assigned to him or her
53. Application and qualification for guiding area permit
54. Reassignment of guiding area permit
55. Death or mental incapacity of guiding area permit holder
56. Changes to guiding area permi
57. Minimum use of guiding area
58. Grounds for revocation or suspension of a guiding area permit
60. Statement of financial remuneration
70. Responsibility of guide to his client
80. Survival gear
90. Presence of guide required
100. Taking of game by guides
110. Transporting meat
120. Cooperation with officials
130. (Repealed)
140. Requirements for a registered guide license
150. Requirements for a master guide
160. Improper certification
170. Improper reporting
180. Guiding ethics
190. Definitions

12 AAC 38.030. LICENSES. (a) A person must purchase his registered guide license within one year of passing the guiding examination or his eligibility lapses.

(b) An application for a guide license shall be made to the Division of Occupational Licensing, Department of Commerce, Pouch D, Juneau, Alaska 99811. (Eff. 6/28/74, Reg. 50)

Authority. AS 08.54.050

12 AAC 38.040. RESTRICTION TO DISTRICTS. (a) A guide may conduct guiding activities only in districts for which he is certified.

(b) Twenty-six guide districts are established and defined as being identical to those areas described as game management units by the Board of Fish and Game in 5 AAC 90.010, as of January 1, 1974, with the addition of two subdistricts

(1) 18A – Nunivak Island and all waters within one mile of that island;

(2) repealed 6/6/79;

(3) 27 – Marine Mammals, including all the area between the western boundaries of districts 17, 18, 22, 23 and 26, except that area included in 18A, north of latitude 50 degrees north and east of the Convention Line of 1867 between the United States and the Union of Soviet Socialist Republics and south of latitude 75 degrees north.

(c) A guide licensed under AS 08.54 as of the effective date of this section is restricted to certification to guide in those districts for which he is certified on that date.

(d) After the effective date of this section, all guides applying for new certification are limited to a total of three districts including those districts for which they were certified as of that date.

(e) A master guide or registered guide may serve as a class A assistant guide in districts for which he is not certified.

(f) Notwithstanding any provision of this section, a guide may petition the board for a transfer of certification to another district if he demonstrates to the satisfaction of the board

(1) that he will incur substantial hardship if a transfer is not permitted as evidenced by

(A) substantial land withdrawals from hunting within his district;

(B) significant reclassifications of land within his district;

(C) depletion of game as evidenced by actions of the Department of Fish and Game; or

(D) other demonstrations of hardship; and

(2) that he is qualified to guide in the district to which he wishes to be transferred. (Eff. 6/28/74, Reg. 50; am 2/25/77, Reg. 61; am 6/6/79, Reg. 70)

Authority: AS 08.54.040(a)(3) and (6)
AS 08.54.050

12 AAC 38.050. REGISTRATION OF MAIN CAMP. Repealed 5/12/78.

12 AAC 38.051. GUIDING AREA PERMITS. (a) Guiding area permits will be issued by the board to guides qualifying under secs. 53 and 54 of this chapter for exclusive or joint use of a specified area in order to limit the number of guides allowed to guide for big game animals in that area.

(b) The board will determine the size, boundaries and number of guiding areas assigned to a master or registered guide and is not limited by number or boundaries of guide districts which may be included.

(c) Each guiding area will be assigned a unique identification code. (Eff. 5/12/78, Reg. 66)

Authority: AS 08.54.040(a)(3),(6) and (8)
AS 08.54.050

12 AAC 38.052. GUIDE PROHIBITED FROM USING A GUIDING AREA NOT ASSIGNED TO HIM OR HER. No guide may contract guided big game hunts in an exclusive guiding area not assigned to him or her unless written permission to do so is obtained from the guide

to whom the guiding area is assigned. If more than one guide holds a permit for joint use of the guiding area, written permission must be obtained from each holder of a permit. The written permission must include the effective and expiration dates of use and the identity and number of the big game species to be hunted,

and must be dated and signed by all of the persons holding a permit for the guiding area. This written permission must be on the person of the guide conducting the hunt or in the base camp from which the hunt is conducted. (Eff. 5/12/78, Reg. 66)

Authority: AS 08.54.040(a)(3),(6) and (8)
AS 08.54.050

12 AAC 38.053. APPLICATION AND QUALIFICATION FOR GUIDING AREA PERMIT. (a) An applicant for initial issuance of a guiding area permit must, at the time of application and at the time the application is reviewed by the board, be a registered or master guide in good standing and must be certified in the district or districts in which the applied-for guiding area is located.

(b) In order to be considered, an applicant must submit to the board, on or before the published deadline, an application which describes the proposed geographic boundaries of the guiding area being applied for and a 1:250,000 scale map showing the proposed boundaries.

(c) Each application must include satisfactory documentation of the applicant's past use, occupancy, or financial investment in the guiding area applied for. The application may include other relevant information if it is substantiated by satisfactory documentation.

(d) The board will, in its discretion, issue a permanent guiding area permit to a qualified applicant who can substantiate his or her use, occupancy, or financial investment in the guiding area for at least three of the five years immediately preceding the published deadline for filing the application for that particular unit. The board will, in its discretion, issue a temporary guiding area permit to a qualified applicant who can substantiate his or her use, occupancy or financial investment in the guiding area for at least two of the five years immediately preceding the published deadline for filing the application for that particular unit.

(e) The holder of a temporary guiding area permit may apply for a permanent permit after one additional year of use, in the temporary guiding area. (Eff. 5/12/78, Reg. 66)

Authority: AS 08.54.040(a)(3),(6) and (8)
AS 08.54.050

12 AAC 38.054. REASSIGNMENT OF GUIDING AREA PERMIT. (a) Guiding area permits are not transferable by the permit holder. The board will, in its discretion, reassign a guiding area permit

(1) upon the death of the permit holder or upon a judicial determination that the permit holder is mentally incompetent;

(2) upon revocation or suspension of a guiding area permit;

(3) if the permit holder voluntarily relinquishes the guiding area permit; and

(4) upon application for reassignment.

(b) Under (a)(4) of this section, a permit holder may apply to the board for reassignment of his or her guiding area permit to a designated master or registered guide; the application must be made jointly by the permit holder and the designated master or registered guide. Approval of the reassignment will be given only upon a finding by the board, after notice and opportunity for a hearing, that the designated registered or master guide is qualified to guide in the area, is certified in the district or districts in which the applied-for guiding area is located, and that the reassignment is consistent with the public interest. The board will consider the designated master or registered guide's past use, occupancy, or financial investment in the guiding area and other relevant and reliable information in determining whether the designated master or registered guide is qualified.

(c) Except as otherwise provided in this chapter, an applicant for a guiding area permit which is to be reassigned must meet the requirements of sec. 53(a) of this chapter and make application in the manner prescribed for initial issuance of a guiding area permit.

(d) If an applicant cannot establish past use of the guiding area to be transferred or is not certified in the district or districts in which the guiding area is located, the board will consider experience and current use in another area of similar terrain if the applicant can establish to the satisfaction of the board that he or she is competent because of other relevant factors to conduct guiding activities in the guiding area.

(e) The board will consider the recommendations of the prior holder of the guiding area permit to be reassigned and will, in areas of joint use, consider the recommendations of the other holders of permits for the guiding area. (Eff. 5/12/78, Reg. 66)

Authority: AS 08.54.040(a)(3),(6) and (8) AS 08.54.050

12 AAC 38.055. DEATH OR MENTAL INCAPACITY OF GUIDING AREA PERMIT HOLDER. (a) Upon the death of a holder of a guiding area permit, the board will, in its discretion, grant a waiver, for a time specified by the board, of the requirements of sec. 57 of this chapter if application is made by the estate within 90 days after death. Failure to make application within 90 days is considered a voluntary relinquishment of the permit. At any time during the period of the waiver, an heir may apply to the board for a reassignment of the permit to a person designated by the heir.

(b) Upon a judicial determination that a guiding area permit holder is mentally incompetent, the board will, in its discretion, grant a waiver, for a time specified by the board, of the requirements of sec. 57 of this chapter if application is made by the permit holder's guardian within 90 days after a judicial determination of the permit holder's mental incompetency. Failure to make application within 90 days is considered a voluntary relinquishment of the permit. At any time during the period of the waiver the guardian may apply to the board for a reassignment of the permit to a person designated by the guardian. (Eff. 5/12/78, Reg. 66)

Authority: AS 08.54.040(a)(3),(6) and (8) AS 08.54.050

12 AAC 38.056. CHANGES TO GUIDING AREA PERMIT. Petitions for changes to the size or boundary of a guiding area, for reassignment of a guiding area permit, or for any other changes affecting the guiding area, will be accepted for all guide districts and will be reviewed at a regularly scheduled meeting of the board. Each petitioner will be advised of the date and place of the meeting when his or her petition is scheduled for review. A petition will not be reviewed by the board if the petitioner or a person authorized in writing by the petitioner as his or her designee fails to appear at the time of the scheduled review. If the petition concerns a joint use guiding area permit, each holder of a permit for that guiding area will be furnished a copy of the petition and advised of the date and place when the petition is scheduled to be reviewed and may appear before the board and present testimony relevant to the petition. (Eff. 5/12/78, Reg. 66)

Authority: AS 08.54.040(a)(3),(6) and (8) AS 08.54.050

12 AAC 38.057. MINIMUM USE OF GUIDING AREA. Each holder of a guiding area permit must conduct at least two contracted hunts within two consecutive calendar years in the guiding area as evidenced by statements of financial remuneration filed in accordance with sec. 60 of this chapter. Failure to do so for any two consecutive calendar years may result in revocation of the guiding area permit unless the permit holder can demonstrate to the satisfaction of the board that circumstances beyond his control precluded conducting the required hunts. (Eff. 5/12/78, Reg. 66)

Authority: AS 08.54.040(a)(3),(6) and (8) AS 08.54.050

12 AAC 38.058. GROUNDS FOR REVOCATION OR SUSPENSION OF A GUIDING AREA PERMIT. The board will, in its discretion, revoke or suspend a guiding area permit or permits if the permit holder

(1) violates a federal or state sport fish, game or guiding statute or regulation, which violation occurred while guiding;

(2) has his guide license revoked or suspended or is denied renewal of a license for violation of a federal or state sport fish or game or guiding statute or regulation other than for nonpayment of current license fees;

(3) is found by the board to have misused a guiding area. (Eff. 5/12/78, Reg. 66)

Authority: AS 08.54.040(a)(3),(6) and (8) AS 08.54.050

12 AAC 38.060 STATEMENT OF FINANCIAL REMUNERATION. (a) Before hunting with his or her client, a guide shall complete or have completed a statement of financial remuneration in triplicate on a form provided by the board for this purpose and shall state

(1) that he received financial or material remuneration for his services;

(2) the dates of the contract hunt;

(3) the species to be hunted for;

(4) the legal signature of the guide and his client;

(5) the typed or printed name and address of the guide and his client;

(6) the guiding area permit unique identifying code assigned under sec. 51(c) of this chapter.

(b) The original of the statement required in (a) of this section shall be sent to the Department of Public Safety, Division of Fish and Wildlife Protection, Records Section, P.O. Box 6188 Annex, Anchorage, Alaska 99502, within 21 days after completion of the hunt.

(c) The guide is responsible for furnishing one copy of the statement to his client.

(d) One copy of the statement shall be filed in camp for the duration of the hunt and thereafter at the guide's regular place of business for four years, and shall be produced for inspection upon request by an agent of the Department of Public Safety. (Eff. 6/28/74, Reg. 50; am 5/12/78, Reg. 66)

Authority: AS 08.54.050

12 AAC 38.070. RESPONSIBILITY OF GUIDE TO HIS CLIENT. (a) It is the responsibility of a guide to ascertain that a client has a proper license and appropriate tags and harvest reports, in his possession, for the big game species being hunted before hunting. The guide is responsible for attaching appropriate tags to any game taken by his client and is responsible for having all game sealed or marked as required by Alaska Department of Fish and Game regulations.

(b) A guide shall take every reasonable measure to assure the safety and comfort of his clients. He is responsible for having available the following:

(1) adequate first aid supplies;

(2) sufficient food to provide for emergencies that might render the party immobile;

(3) shelter which is normally considered satisfactory and comfortable under field conditions;

(4) transportation or communications or arrangements to obtain them without hardship or unreasonable delay. (Eff. 6/28/74, Reg. 50)

Authority: AS 08.54.050

12 AAC 38.080. SURVIVAL GEAR. A guide is responsible for assuring that each aircraft operated by him, and used in any phase of a hunt conducted by him, carries survival gear as required by AS 02.35.110. (Eff. 6/28/74, Reg. 50)

Authority: AS 08.54.050

12 AAC 38.090. PRESENCE OF GUIDE REQUIRED. A master, registered or class A assistant guide must be in the field and participating in the conduct of the guided hunt whenever assistant guides are guiding. (Eff. 6/28/74, Reg. 50; am 11/2/75, Reg. 56)

Authority: AS 08.54.050

12 AAC 38.100. TAKING OF GAME BY GUIDES. (a) No guide may take big game animals or marine mammals while acting as a guide, except in cases of actual emergency when a bear or other animal is attacking or when a bear or other animal is about to escape after being wounded. It is then the duty of the guide to take such actions as he considers necessary.

(b) It is unlawful for a master guide, registered guide, class A assistant guide or assistant guide guiding a hunter for walrus to take or assist in taking any walrus other than the animal taken by the client he is guiding; however, one crewman other than the guide may take one single cow walrus and its calf if this taking does not exceed the bag limit as prescribed by regulations of the Board of Game. (Eff. 6/28/74, Reg. 50; am 6/12/77, Reg. 62)

Authority: AS 08.54.050

12 AAC 38.110. TRANSPORTING MEAT. A guide is responsible for transporting the meat of big game animals, except bear, wolves, and wolverine, taken by his client from the site of the kill to its destination or to a common carrier

for shipping to its destination for the purpose of human consumption. If the meat is delivered to a person other than the person who took the animal, a signed and dated statement or receipt stating the kind and quantity of meat received in approximate pounds or named portions of the carcass must be obtained from the recipient and presented upon request to any officer authorized to enforce this chapter. (Eff. 6/28/74, Reg. 50)

Authority: AS 08.54.050

12 AAC 38.120. COOPERATION WITH OFFICIALS. Failure on the part of a guide to assist the Departments of Fish and Game and Public Safety in determining the truth of any statements reported in accordance with secs. 30 – 180 of this chapter is considered a violation of ethical conduct. (Eff. 6/28/74, Reg. 50)

Authority: AS 08.54.050

12 AAC 38.130. REQUIREMENTS FOR AN ASSISTANT GUIDE LICENSE. Repealed 5/12/79.

12 AAC 38.140. REQUIREMENTS FOR A REGISTERED GUIDE LICENSE. In addition to the requirements of AS 08.54.110, to be qualified for a registered guide license, a person must

(1) demonstrate to the board that he has spent 90 days in the field acting as an assistant guide as certified by the master or registered guides who employed him;

(2) not have violated a federal or state sport fish, game or guide statute or regulation or engaged in unethical activity, unsafe activity or activity which adversely affects the natural resources of the state for the preceding five years. (Eff. 6/28/74, Reg. 50)

Authority: AS 08.54.050
AS 08.54.110(12)

12 AAC 38.150. REQUIREMENTS FOR A MASTER GUIDE. In addition to the requirements of AS 08.54.100, to be qualified for a master guide license a person must have acted as a registered guide for 12 consecutive years. (Eff. 6/28/74, Reg. 50)

Authority: AS 08.54.050
AS 08.54.100(5)

12 AAC 38.160. IMPROPER CERTIFICATION. No master or registered guide may improperly certify that a person has met the qualifications for a guide license. (Eff. 6/28/74, Reg. 50)

Authority: AS 08.54.050

12 AAC 38.170. IMPROPER REPORTING. No guide may knowingly falsify any information required to be set out on any form required by the Alaska Department of Fish and Game or the Guide Licensing and Control Board. (Eff. 6/28/74, Reg. 50)

Authority: AS 08.54.050

12 AAC 38.180. GUIDING ETHICS. Unethical activity includes, but is not limited to

(1) not fully cooperating with state and federal wildlife officials or not abiding by and advising clients and personnel of all applicable conservation and game laws and regulations or condoning their violation;

(2) misrepresenting or not clearly defining rates, accommodations and services to prospective clients prior to booking and acceptance of deposit, or otherwise misleading prospective clients through false or fictitious advertising;

(3) being unwilling or incapable of making financial restitution to a client for any breach of contract by the guide or his employees, owing to no fault of the client;

(4) not advising clients of game population to the best of the guide's ability based on past performances in hunting areas and advising him of his chances of encountering the species he desires in the time allotted;

(5) making "guarantees" as to the success of a hunt or the number of pieces of game to be collected;

(6) not maintaining and providing stock,

mechanical equipment, gear, food supplies and facilities to a quality and condition to provide services equal to or better than described in the guide's advertising, correspondence, verbal declaration or contractual agreements;

(7) not maintaining a neat, orderly and sanitary camp at all times, or not providing reasonably well-prepared, palatable and balanced camp meals for clients and personnel in keeping with the conditions of the hunt;

(8) contracting for more hunts or for more hunters at any one time than the guide or his employees can adequately facilitate rendering services for;

(9) hiring guides that are improperly licensed, or ill trained in the arts of woodsmanship, judging trophies, cooking, first aid, photography, firearms, trophy preparation and caring for clients;

(10) failing, while guiding a client, to take all precautions if an animal is wounded;

(11) failing to use every means at his disposal to bag any wounded animal while it is in danger of escaping, or if in a serious emergency, human life or well-being is endangered;

(12) filling a client's game tag or bag limit;

(13) failing, barring unforeseen conditions, to properly prepare, according to generally accepted procedures, all antlers, horn, hides and capes to be delivered to the taxidermist or to the client at the conclusion of a hunt in a satisfactory and unspoiled condition;

(14) failing to endeavor to salvage all meats of trophies taken by his client, in accordance with existing state law;

(15) promoting hunting or the taking of trophies by means other than fair chase: specifically, the pursuit of a trophy in an illegal or unsportsmanlike manner, by herding, driving or chasing of animals with the use of any mechanically powered equipment;

(16) failing to practice sound wildlife conservation or failing to create an awareness of conservation needs and practices during his associations with the public. (Eff. 6/28/74, Reg. 50)

Authority: AS 08.54.040(6)
AS 08.54.050

12 AAC 38.190. DEFINITIONS. Unless otherwise indicated, in this chapter

(1) "competence" means a professional standard of conduct which satisfactorily implements, under field conditions, the knowledge and qualifications of a guide;

(2) "transport" means shipping, carrying, importing, exporting, or receiving or delivering for shipment, carriage or export;

(3) "board" means the Alaska Guide Licensing and Control Board. (Eff. 6/28/74, Reg. 50)

Authority: AS 08.54.050

Original sponsor: Bradley

Offered: 2/16/79
Referred: Rules

IN THE SENATE BY THE JUDICIARY COMMITTEE

CS FOR SENATE BILL NO. 101

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the disciplining of a licensed guide."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 08.54.200(c)(3) is repealed.

STATE OF ALASKA

A PERFORMANCE REVIEW
OF THE
GUIDE LICENSING AND CONTROL BOARD

July 17, 1979

DIVISION OF LEGISLATIVE AUDIT
Juneau, Alaska

A PERFORMANCE REVIEW
OF THE
GUIDE LICENSING AND CONTROL BOARD

July 17, 1979

Commissioner of the Department of Commerce and Economic Development	Charles R. Webber
Commissioner of the Department of Public Safety	William R. Nix
Commissioner of the Department of Revenue	Thomas K. Williams

Members of the
Guide Licensing and Control Board

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Member	Charles Keim
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POUCH W ALASKA STATE BUILDING

THE LEGISLATURE
BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
POUCH W STATE CAPITOL
JUNEAU, ALASKA 99811

July 17, 1979

Members of the
Legislative Budget and Audit Committee:

In accordance with the intent of Title 24 and 44 of the Alaska Statutes, the attached report is submitted for your review.

A PERFORMANCE REVIEW
OF THE
GUIDE LICENSING AND CONTROL BOARD

July 17, 1979

Gerald L. Kohler, CPA
Legislative Auditor
Division of Audit

GLK

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PURPOSE AND SCOPE OF THE REVIEW

Purpose

In accordance with the intent of Alaska Statutes 24.20.271(1) and 44.66.050 (sunset legislation), an audit of the Guide Licensing and Control Board was conducted to review Board activities and accomplishments to determine if the Board has been operating in an effective, efficient and economical manner.

As required by legislative intent, this report shall be considered during the legislative oversight function in determining whether the Guide Licensing and Control Board should be reestablished. The law currently specifies that this Board will terminate on June 30, 1980 but will continue until June 30, 1981 for the purpose of concluding its affairs.

Scope

The major areas reviewed were the Board's operations and its licensing, administration, complaint, examination and affirmative action functions. Our review consisted of analyzing and evaluating the following:

(1) Applicable statutes and Board regulations;

(2) discussion with the Board and questionnaires sent to Board members;

(3) tests of records and documents of the Board, the Division of Occupational Licensing (OL), Department of Commerce and Economic Development and the Division of Fish and Wildlife Protection - Investigation Section, Department of Public Safety;

(4) interviews with OL employees, Fish and Wildlife Protection employees, Division of Game employees, Department of Revenue employees, employees in the Office of the Governor and employees in the Attorney General's Office;

(5) complaints filed with the Division of Fish and Wildlife Protection, the Ombudsman's Office, the Attorney General's Office, the Equal Employment Opportunity Office and the Human Rights Commission;

(6) questionnaires sent to 180 State licensed Registered and Master Guides.

Scope Constraint

This review was hampered by the Board not having established and reported financial and program plans as required by AS 37.07.050 nor has it developed and reported performance information required by AS 37.07.090.

ORGANIZATION AND FUNCTION

The Guide Licensing and Control Board was established by the 1973 Session Laws of Alaska and succeeds the Board of Fish and Game, Department of Fish and Game, which previously regulated the guiding industry. The seven member Board is appointed by the Governor with confirmation by the Legislature and is restricted to having no more than three members as licensed guides. Board members serve staggered terms of three years or until their successors are appointed.

The Board is organized under the Department of Commerce and Economic Development, Division of Occupational Licensing. Two budgeted positions, a Guide Investigator and Administrative Assistant, in the Department of Public Safety, Division of Fish and Wildlife Protection, have been provided to assist in the licensure and investigations of guides.

The function of the Board is primarily regulatory, mandated by AS 08.54.040. Accordingly, the Board has the capacity to administer examinations; determine qualifications of guides; establish performance standards and regulate activities; maintain guide registers; prohibit harmful guiding activities; conduct hearings regarding licensure; and establish quotas of guides for specified geographical areas (exclusive guiding areas). The Board through the assignment of exclusive guiding areas limits hunting pressure by guides within a specific geographical area.

In addition, the Board licenses "transporters", a licensed "transporter" is a person who transports hunters for hire.

REPORT CONCLUSION

Policy Issues

This review contains policy issues raised as a result of our evaluation of various Board practices. The final policy decisions affecting these practices are not within the scope of this review but require legislative consideration. In debating these issues, the legislative oversight committees should consider the findings and alternatives presented in this report in reaching their decision.

Report Conclusion

In our opinion, the Guide Licensing and Control Board should be continued. For the following reasons, we believe the regulation and licensing of guides is needed to protect the public's health, safety and welfare:

A. This profession involves contracting for hunting game that could result in severe physical harm if practiced by incompetent persons. Potential harmful results include injury or death to the hunter due to neglect or carelessness on the part of the guide.

B. Other users of game resources, such as the general public and subsistance hunter, can be directly or indirectly affected by guiding activities. For example, overhunting by guides in an area not only depletes the game resources available to the general public but also adversely affects the subsistance hunters in that area.

C. In order to protect the public without unduly restricting individual rights, AS 16.05.407(a) exempts Alaskan residents from requiring the services of a guide.

While the reasons above indicate that the Board should continue to license and regulate guides, certain changes need to be implemented in order for the Board to more effectively serve the public.

The Board should seek legislation to have the guide licensing function transferred to the Department of Public Safety. Currently, staff support for the Board is being provided by two departments - the Department of Public Safety and the Department of Commerce and Economic Development. Personnel in both Departments believe that the licensing function as well as enforcement would be enhanced by consolidation of the two functions in one department (see Recommendation No. 1).

The Board should seek legislation to have the transporter laws (Alaska Statutes 08.54.142, 144, 146 and 08.54.170(c)) repealed, as they are confusing and of little value (see Recommendation No. 2).

The Board should continue its efforts to make the statutes and regulations more relevant and workable (see Recommendation No. 3).

The Department of Revenue should collect fees from guides as required by statute (see Recommendation No. 4).

The Board should establish formal goals, objectives and quantifiable measures (see Recommendation No. 5).

FINDINGS AND RECOMMENDATIONS

Findings and Recommendations No. 1 through No. 3 are addressed to the Guide Licensing and Control Board, No. 4 is addressed to the Department of Revenue, No. 5 is addressed to the Division of Occupational Licensing (OL) and should be read in conjunction with "A Performance Review of the Division of Occupational Licensing, Department of Commerce and Economic Development, October 30, 1978".

Recommendation No. 1

The Guide Licensing and Control Board should seek legislation to have the guide licensing function transferred to the Department of Public Safety.

Staff support for the Guide Licensing and Control Board is currently being provided by two departments - the Department of Commerce and Economic Development (DCED), Division of Occupational Licensing (OL) and the Department of Public Safety (DPS), Division of Fish and Wildlife Protection (F&WP).

Applications for guide licenses are required by Alaska Statute 08.01.060 to be sent to DCED. A licensing examiner in the Division of Occupational Licensing (OL) in Juneau receives the application and fees and, upon authorization from the Board, issues the license. The licensing examiner also provides other administrative and clerical support to the Board. In addition, the licensing examiner maintains files on each individual licensee, and copies of the material in the files are sent to the Division of Fish and Wildlife Protection in Anchorage.

The Division of Fish and Wildlife Protection (F&WP), Investigation Section in Anchorage has two budgeted positions, a Guide Investigator and an Administrative Assistant, assigned to provide assistance in the licensure and investigation of guides. F&WP is also responsible for the enforcement of guide related statutes and regulations. In addition, F&WP maintains current and complete history files on all licensed guides as well as maintaining files on all the exclusive/joint use guiding areas.

Personnel in both OL and F&WP have stated that the licensing and investigative services provided to the Guide Licensing and Control Board should be consolidated within one agency. OL personnel have stated that public convenience, and staff availability would be enhanced by the consolidated effort. F&WP personnel believe that the licensing function as well

as enforcement would be enhanced by consolidation of the two functions. A reduction in operating costs should result to OL, based on the reduced work load of the licensing examiner, who estimates that she spends approximately 2/3 of her time on Guide Board related matters.

Recommendation No. 2

The Guide Licensing and Control Board should seek legislation to have the "transporter laws" repealed.

The purpose of the "transporter laws" (Alaska Statutes 08.54.142,.144.,146 and 08.54.170(c)) is to protect the safety of the citizens of the State and better manage and protect its resources by licensing persons who transport hunters for hire so that reasonable standards and guidelines would be met and activities affecting the State's game resources would be more accurately monitored and assessed.

In our opinion, the "transporter laws" are not needed to protect the safety of the public or manage the game resources.

Personnel in the Department of Public of Safety, Division of Fish and Wildlife Protection, consider the "transporter laws" confusing and difficult to enforce. In addition, we found the information and reports that transporters are required to file are not being used and are not needed to manage the game resources of the State. Furthermore, air transporters' flying safety qualifications and aircraft safety are regulated by the Federal Aviation Administration.

Recommendation No. 3

The Board should continue its efforts to make the statutes more clear, relevant and workable.

Over the past several years the Board has been adopting regulations to make the statutes more clear, relevant and workable. However, we noted several statutes which need further consideration. For example:

A. AS 08.54.142.144, .146 and 08.54.170(c) as discussed in Recommendation No. 2, the Board should seek legislation to have the "transporter laws" repealed.

B. AS 08.54.190(a) requires an annual renewal of guide licenses. This conflicts with AS 08.01.100(a) which requires biennial renewal of occupational licenses. It also creates additional administrative effort for both the Division of Occupational Licensing and the licensee, with no demonstrable benefit to the public.

C. AS 08.54.110(6) pertaining to moral turpitude is considered to be vague and should be repealed as the regulation (12 AAC 38.180) defining unethical activity provides sufficient public protection in this area.

D. AS 08. 54.200(c)(3) is considered to be unduly restrictive because it requires the Board to revoke a guide's license upon two convictions of federal or State sport fish, game or guide violations regardless of how minor the violations may have been or how long ago they may have occurred.

E. AS 08.54.130(2) requiring a Class-A assistant guide to be under the supervision of a registered or master guide is considered vague. The term "supervision" should be clarified to indicate exactly what constitutes supervision during the conduct of a hunt.

Recommendation No. 4

The Department of Revenue should collect fees from guides as required by statute.

Alaska Statute 16.05.340(e) effective January 1, 1977 requires licensed master and registered guides to pay a fee in the following amounts for each caribou, sheep, moose, brown or polar bear taken on a guided hunt over a specified number:

1) over 5 up to a total of 10 per season - $20;

2) over 10 up to a total of 25 per season - $100;

3) over 25 per season - $500.

Executive Order No. 17 requires the Department of Revenue to collect and account for all revenues incidental to the regulation and management of Alaska's fish and game resources. The Department has not developed forms and procedures necessary to collect and account for revenue under AS 16.05. 340(e).

Recommendation No. 5

The Board should establish formal goals, objectives and quantifiable measures which should be included in the Division of Occupational Licensing's (OL's) budget document.

Objectives describe what an agency or Board is seeking to accomplish during a specific year. Well formulated objectives are capable of measurement and should include numerical targets so that actual accomplishments can be compared with stated targets. Without goals and objectives, the Board's performance cannot be adequately evaluated and analyzed.

OL establishes its own budget goals and objectives. The budget documents do not include any goals or measures for individual boards. Without the Board's goals and measures being identified or measured, neither the Governor's Office nor the Legislature can evaluate the Board's performance.

ANALYSIS OF PUBLIC NEED

Limited Analysis

The following analysis of Board activities relate to the public need factors defined in the "sunset" law. This analysis is not intended to be all inclusive, but addresses those areas we were able to cover within the scope of our review.

I. The extent to which the board, commission or program has operated in the public interest.

1. The Board has adopted regulations defining unethical conduct which clarify and strengthen the professional's responsibility to the public.

II. The extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices which it has adopted, and any other matter, including budgetary, resource, and personnel matters.

1. The Division of Fish and Wildlife Protection, Department of Public Safety, has handled investigations of complaints in a timely and effective manner.

2. The Board is required to license and regulate transporters under AS 08.54.142, .44, .146 and AS 08.54.170(c). Board members, personnel in the Departments of Public Safety and Fish and Game consider these statutes to be confusing and of little value (see Recommendation No. 2).

III. The extent to which the board, commission or agency has recommended statutory changes which are generally of benefit to the public interest.

1. Although the statutes and regulations governing Board activities should be subjected to further review, the Board has adopted revisions to its regulations that significantly improve their clarity and applicability (see Recommendation No. 3)

IV. The extent to which the board, commission or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service which it has provided.

1. The public is invited to attend Board meetings and to give their input about the workings of the Board. Notices of meetings are advertised in each of three newspapers throughout the State. In addition, guides are notified by registered mail of meetings that might affect them.

V. The extent to which the board, commission or agency has encouraged public participation in the making of its regulations and decisions.

1. As stated under criteria IV, the public is invited, by published notices in newspapers, to attend Board meetings to give their input about Board regulations or submit written testimony.

VI. The efficiency with which public inquiries or complaints regarding the activities of the board, commission or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of the ombudsman have been processed and resolved.

1. Since 1977, five complaints have been filed with the Ombudsman's Office concerning guides and/or the Board. All five cases were relatively minor and were all resolved satisfactorily.

2. During the period between April 1977 and April 1979, the Investigative Support Unit of the Division of Fish and Wildlife Protection, Department of Public Safety conducted 61

investigations involving all classifications of guides. During this same period, 35 accusations were filed for Disciplinary Hearings before the Board. Many of the Disciplinary Hearings resulted in the Board taking action such as suspending or revoking a guide's license.

VII. The extent to which a board or commission which regulated entry into an occupation or profession has presented qualified applicants to serve the public.

1. As of June, 19, 1979 approximately 39 Master Guides, 289 Registered Guides, 116 Class-A Assistant Guides, 468 Assistant Guides and 48 Transporters are licensed in Alaska.

VIII. The extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission or agency to its own activities and the area of activity or interest.

1. The applications pertaining to licensing of guides and transporters contain requests for information such as birthdate, birthplace, marital status, sex and whether the applicant is a citizen of the United States. These requests may be violations of the Equal Employment Opportunity requirements. However, some of this information may be necessary to confirm an applicant's qualifications. We recommend that the requirements for licensure be analyzed to determine if a valid need for the information exists (see the OL Performance Audit Report).

2. Although the Board does not have a formal affirmative action plan, it has been making an effort to increase the participation of Native Alaskans in the guiding industry. For example, in August 1979, two Board members, a Fish and Game Biologist and the Chairman of the Interim Subsistence Committee in the State House of Representatives went to several native villages along the Arctic coast for the purpose of explaining the guiding business and how the natives along the Arctic coast can become licensed to guide for marine mammals such as walrus. In addition, a

Board meeting has been scheduled to be held in Nome at the end of November 1979, in order to orally examine native applicants for guide licenses. We recommend that the Board continue its efforts to include more Native Alaskans in the guiding industry.

IX. The extent to which statutory, regulatory, budgeting or other changes are necessary to enable the agency, board or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

1. Staff support for the Guide Licensing and Control Board is currently being provided by two departments. In our opinion, consolidation of the licensing and investigation functions would result in a more efficient, economical and effective performance of both functions (see Recommendation No. 1).

2. Please refer also to the previous section of this report, Findings and Recommendations.

APPENDIXES

APPENDIX A

GUIDE LICENSING AND CONTROL BOARD
REVENUES COMPARED WITH EXPENDITURES
Fiscal Year 1978
(UNAUDITED)

Average Revenue (Schedule 1, Note 1 and Note 2)		$ 40,157
Expenditures-OL (Note 3)	$38,843	
Expenditures-F&WP (Note 3)	77,24_	116,086
Excess of Expenditures over Revenues		$(75,929)

Schedule 1
Types of Revenues

Revenues	Amount	Collection Time
Master Guide License	$75	Annually
Registered Guide License	$75	Annually
Class-A Assistant Guide License	$15	Annually
Assistant Guide License	$10	Annually
Transporter License	$10	Annually
Application For A Guide Examination	$25	With Application
Late Renewal Penalty	$10	With Late Payment

Note 1

Although guide and transporter licenses are renewed annually, we calculated and reported an average of the revenues collected in Fiscal Years 1977 and 1978 in order to present a fair representation of collected revenues.

Note 2

The average revenue amount reported does not include revenue obtained from the sale of game tags or hunting licenses. It only includes revenue obtained from fees required to obtain and/or renew guide licenses.

Note 3

Expenditures include those made by Board members, such as travel and per diem, and an allocated percentage (estimated) of total administrative expenses of OL. Also included were expenditures which were charged to the Board by the Department of Public Safety, Division of Fish and Wildlife Protection - Investigation Section. The amount reported does not include expenditures for efforts of other departments, such as the Department of Law, that may be assisting the Board, OL and the Division of Fish and Wildlife Protection.

APPENDIX B

ADMINISTRATIVE STATISTICS

Currently Licensed	As of June 19, 1979
Master Guides	39
Registered Guides	289
Class-A Assistant Guides	116
Assistant Guides	468
Transporters	48

Board Meetings Between October 14, 1977 and June 20, 1979

December 03 - 09, 1977

February 18 - 21, 1978

March 27 - 30, 1978

November 25 - December 01, 1979

January 29 - February 01, 1979

April 03 - 06, 1979

Note: The examinations (written and oral) for a Registered Guide license are given once a year in late November or during December.

APPENDIX C

QUESTIONNAIRE SENT TO BOARD MEMBERS

1. What do you believe to be the goals and objectives of the Guide Licensing and Contol Board?

Description	Number of Board Members' Responses (See Notes 1, 2 and 3)
A. To establish a viable guiding industry.	2
B. To assure public protection by allowing adequate entrance of qualified guides into the guiding business.	1
C. To establish a conservation program for game management through the use of exclusive guiding areas.	1
D. To set standards of conduct such as a Code of Ethics.	1

2. How does the Board measure its progress in meeting its goals and objectives? Please specify.

Description	Number of Board Members' Responses
A. By the establishment of exclusive guiding areas by game management units.	3
B. Proposed regulations are scheduled for hearings.	1
C. Guide exams are scheduled and given.	2
D. Hearings on accounts are scheduled and handled.	1
E. Monitor political issues that affect the guides and/or the guiding industry.	1
F. Progress is measured by the support of the majority of ethical guides/businessmen even while they remain as the Board's constant critic/mentor.	1

3. What evidence exists demonstrating that the absence of guide regulations and/or the Board would be detrimental to the public's best interest? Please explain.

Description	Number of Board Members' Responses
A. The Guide Board has the power to act against the license of an errant guide. This power appears to be the greatest deterrent the guides willingly recognize.	2
B. Because the Board has spread out the guiding pressure, the public now has a better chance at a good hunting trip. Guides themselves have endorsed the program of exclusive guide areas as a way to conserve game.	2
C. Prior to the Board's existence, unqualified people set themselves up as "guides" to an unknowing public--particularly those outside Alaska. This resulted in hunters leaving the State bitterly disappointed.	1
D. Through the use of Regulations - Code of Ethics, qualifications and tests, exclusive guiding areas, etc., society is starting to recognize and respect the guide as a professional.	1

4. A. Is the staff from the Department of Commerce and Economic Development and/or the Department of Public Safety adequate to perform and enforce all laws and regulations relating to the Guide Licensing and Control Board?

Description	Number of Board Members' Responses
A. Yes. A workable staff has been established. Complaints (founded and unfounded) have dropped over 60% since the Board has been established according to a Public Safety spokesman.	1
B. Yes. All staff personnel are doing a good job. There is some delay and confusion in handling inquiries and license	

4. (Cont'd.)

	Number of Board Members' Responses
research due to the support staff being split into two departments.	1
C. *More support for the enforcement end of the guiding industry is needed.*	1

4. B. What staff support services are provided adequately/inadequately?

Description

A. *Guides, Guide Board files and exclusive guide area maps are handled very well. Support from the AG's Office is good at this time.*	1
B. *Staff support now is the best it has ever been.*	1
C. *The Board needs more travel and per diem so it can meet in other places in the State besides Anchorage, Fairbanks, and very seldom Juneau.*	1

4. C. Are investigations performed adequately/inadequately?

Description

A. *Yes. Present investigations are very thorough.*	1
B. *Yes. The biggest improvement in the last year is in the timeliness of investigations and hearings. This is mainly due to the fact the Attorney General's Office has assigned a special attorney to handle our cases.*	2

5. Are the Board functions and activities and/or the guiding industry hampered by any statutes or regulations which you believe to be obsolete, vague or unduly restrictive? Please list and explain.

Description	Number of Board Members' Responses
A. Yes. Some statutes and regulations are obsolete, vague and unduly restrictive. The Board and an advisory committee appointed by the Board are reviewing this. Statutes and regulations are a part of each Board meeting, and only with input from the public and the AG's Office can these be evaluated and changed when needed.	1
B. The Guide Board set up a joint committee with the professional guides to examine problems concerning regulations or statutes. The joint committee has made recommendations to the Board concerning changes needed in the regulations and statutes.	2

6. Has the Board recommended any statutory changes which are generally in the public's best interest? Please list and explain.

Description	Number of Board Members' Responses
A. Believe the Board has recommended changes in the statutes, but without researching, can not list.	1
B. The Board just passed a regulation establishing an Arctic Coast guide unit, which would be called Guide Unit 27. In future programs we will be assigning guides for the taking of marine mammals.	1
C. 1) Establishment of Exclusive Guiding areas;	1
2) placing more emphasis upon the guides' recommendations for assistant guides;	1

7. What changes could be made to the Board which would improve its service to the public and guiding industry? Please discuss.

Description	Number of Board Members' Responses
A. Believe the Board has served the public interests and the guiding industry very well.	1
B. Have enough funds to pay for a public address system at our meetings.	1
C. My experience on the Board has finally convinced me that the mere increase in numbers would make it more efficient, more fair. I believe that with a couple more meetings each year, the Board would have more time before each meeting for discussion.	1

8. In your opinion, what effect have exclusive and joint use guiding areas had on the guiding profession and the game resources of the State? Are exclusive and joint use guiding areas beneficial to the Alaskan public? Please discuss.

Description	Number of Board Members' Responses
A. Exclusive and Joint Use Guiding Areas have given guides an incentive to better manage the game resources in their areas.	1
B. They have provided the public the following benefits; 1) less guide pressure in areas of high game count; 2) better guide service; 3) more game available to the hunter; 4) over all better public acceptance of hunting as a sport, not a slaughter as some special interest groups would like the public to believe.	1
C. With the help of Exclusive Guiding Areas, the Board has largely brought illegal guiding activities under control.	1

9. Any other comments?

Description	Number of Board Members' Responses
A. Believe the news media has to be used to better inform the public of guiding and/or hunting.	1
B. Fees from guides and guiding activity should reimburse the State for the costs of the Guide Board and related activity of other Departments. The Board should be kept active for a minimum of another four years so that the effect of its performance can be adequately measured.	1
C. The Board has passed a regulation setting forth an offshore guide area in the Arctic. This area could offer guided hunts for walrus, seal, whales, and polar bear. There are many non-residents who are interested in these types of hunts. If the Native hunters become interested in the guiding profession it could add a great deal to their economy. Our Board is going to try to make a personal survey with the Arctic villages to see if they are interested in a guide program. I feel that the Guide Board is working fairly with the Attorney General's Office, Public Safety, Commerce Department and the professional guides. Our program is pretty well understood by the guides and we have made every effort to be as fair as possible. D-2 land settlement might cause the Board to re-evaluate what could be done for those guides put out of business. We would ask for public input and information from the Dept. of Game as to what possibilities are open to us.	1
D. The exclusive guiding areas (EGA) are starting to work for the good of all. The removal of the EGA system now would be chaotic. The greatest losses would be to the game populations, the Alaska general public and the industry itself.	1

Note 1

Number of Board Members 7

Number of Board Members' Responses 4

Note 2

Some Board Members responded to each question with several answers. Therefore, total responses to a question may exceed the number of Board members.

Note 3

Comments were all reviewed and considered in the performance of our audit, and are briefly summarized in this appendix.

APPENDIX D

QUESTIONNAIRE SENT TO LICENSED MASTER GUIDES AND LICENSED REGISTERED GUIDES

The following questionnaire was sent to licensed master and registered guides (see Note 1). For each question on the questionnaire we have noted the percentage of yes and no responses. We have also shown the most typical written comments for each question as compiled from the questionnaire (see Note 2).

		% of Responses (See Note 1)		
		Yes	No	No Opinion
1.	Do you believe the Guide Licensing and Control Board has operated in the public's and guiding industry's best interest?			
	Comments:	72%	26%	2%
	Yes. Competition for hunting areas has been reduced tremendously since assigned areas were implemented by the Board. Action by the Board against unethical operations has had a good effect on the industry.			
2.	Would the absence of the Board be detrimental to the public's best interest?			
	Comments:	68%	29%	3%
	Yes. The Board is necessary if we are to regulate the guiding profession.			
3.	Are there any statutes or regulations which you believe to be obsolete, vague or unduly restrictive?			
	Comments:	51%	35%	14%
	Yes. The three assistant guide limit is unduly restrictive. The transporter law should be deleted, as all it does is legalize a bunch of $10 guides who are not restricted to area, ethics.			

		% of Responses		
		Yes	No	No Opinion
4.	Are you aware of any discriminatory practices by the Board with regard to an individual's race, religion, color, national origin, age or sex?			
	Comments:	*10%*	*88%*	*2%*
	Yes. No comments were received for the 10% yes responses.			
	No. In fact they go overboard to be fair.			
5.	Do you believe that Alaska's licensing requirements (for assistant guide, Class-A assistant guide, registered guide and master guide) are adequate and effective in ensuring that the public is protected?			
	Comments:	*72%*	*24%*	*4%*
	Yes. The requirements are adequate.			
	No. Tests should be much more rigid and cover broader areas.			
6.	Are there any additional statutes, regulations or licensing requirements needed to ensure the public is adequately protected?			
	Comments:	*30%*	*59%*	*11%*
	Yes. There should be a legal limit placed on the number of guides because there is a limited amount of game.			
	No. We have too many statutes and regulations on the books now.			
7.	Do you have any complaints concerning the service provided by the staff support of the:			
	1) Department of Commerce and Economic Development, Division of Occupational Licensing?	*13%*	*[illegible]*	*[illegible]*
	2) Department of Public Safety, Division of Fish and Wildlife Protection?	*30%*	*59%*	*11%*

	% of Responses		
	Yes	No	No Opinion

7. (Cont'd.)

Comments:

Yes. The Department of Commerce and Economic Development is too slow in getting licenses issued.

No. Staff support has been good.

Yes. Protection officers seem to tend to be more interested in making cases than working to prevent offenses. By the same token, they spend time checking sport fishermen for licenses rather than work on more important offenses.

Favoritism. Harassment of some well meaning and hardworking guides.

No. They have been doing a good job.

8. Do you believe that the examination given by the Board for a registered guide license is a fair and reasonable test of a guide's professional knowledge and ability? 79% 14% 7%

Comments:

Yes. Between the written and oral exams an applicant gets adequate testing.

No. Some emphasis should be placed on contracts, civil rights and legal rights. A guide should also be required to attend a First Aid course or an adequate substitute.

9. Do you feel that the issuance of exclusive and joint use guiding area permits is in the best interests of the public and the guiding industry? 83% 14% 3%

Comments:

Yes. It is the only way to preserve our industry and maintain a healthy game population.

No. Areas are unfairly proportioned with little or no standardization. The big money operators were given huge tracts,

	% of Responses		
	Yes	No	No Opinion

9. (Cont'd.)

much of which they seldom if ever use. This has eliminated the opportunity for many newer and smaller guide operations to have any area at all.

10. Do you believe that there is a need for licensure of all transporters in the State? — 42% | 51% | 7%

Comments:

Yes. One of the biggest abuses of the wildlife resource in Interior Alaska has been by transporters (pilots without guide licenses) who act, for all practical purposes as guides.

No. A so called transporter does the same job as a guide and should be qualified as a guide. It's a way around the guide law, and has been abused by many Air Taxi operators and residents.

11. Any other comment, to assist us in evaluating the public need for the Board and/or its performance:

The Guide Board has worked very hard for the guiding industry. I believe that should the Guide Board be dissolved, the guiding industry would die. There is evidence that guiding brings a lot of money into the State that stays here. I strongly recommend the Guide Board be retained.

I believe the Guide Board should be abolished. They have been given too much power. If you aren't friends or have the money you are out. Who needs them!

Note 1

Number of questionnaires sent to licensed master guides and licensed registered guides.	180
Number of responses.	91
Response Rate.	51%

Note 2

Comments were all reviewed and considered in the performance of our audit, and are briefly summarized in this appendix.

GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

SEP 28 1979
LEGISLATIVE AUDIT

September 28, 1979

Mr. Gerald Wilkerson
Legislative Auditor
Division of Legislative Audit
Pouch W
Juneau, Alaska 99811

Dear Mr. Wilkerson:

We have reviewed the enclosed Department of Commerce and Economic Development response to your preliminary report entitled:

"A Performance Review of the Guide Licensing and Control Board -July 17, 1979"

Additionally, we have reviewed the interim response data submitted by the Departments of Revenue and Public Safety and are forwarding them to you.

You will note that the Department of Revenue is consulting with the Department of Law concerning Recommendation No. 4 and that they plan to make an official response within ten days. Also, the Department of Public Safety has indicated that there have been no changes of substance since their response to your interim letter. Accordingly, they and we feel that the original response is adequate and self-explanatory.

Sincerely,

Richard A. Smith
State Internal Auditor

RAS/PJA/mjc
Enclosures

08-H2LH

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER / POUCH D – JUNEAU 99811

September 27, 1979

RECEIVED
SEP 28 1979
LEGISLATIVE AUDIT

Mr. Gerald Wilkerson, C.P.A.
Division of Legislative Audit
Pouch W
Juneau, Alaska 99811

Dear Mr. Wilkerson:

The following comments are in response to the Performance Review of the Guide Licensing and Control Board, as submitted by the Division of Legislative Audit.

Recommendation No. 1: Agree. We believe that consolidation of guide licensing and control into one agency would enhance efficiency of operations, avoid duplication, and be less confusing. Transfer of licensing to the Department of Public Safety would not, however, have a significant effect in reducing Division of Occupational Licensing operating costs. We still would maintain equipment, overhead expenses, and the licensing examiner who is also currently responsible for two other boards. The reducation in workload would result in rea.location of duties from other high volume areas.

Recommendation No. 2: Agree. The division and the board are in agreement with this recommendation and will be preparing appropriate statutory amendments for consideration during the 1980 legislative session.

Recommendation No. 3: Agree. The board works on a continual basis to make its statutes and regulations comprehensible and relevant. The division will assist the board in these efforts.

Recommendation No. 4: N/A

Recommendation No. 5: Agree. All boards and commissions were requested to submit this information fc inclusion in the FY '81 budget document. The Guide Licensing and Control Board has complied with that request.

Thank you for the opportunity to respond to this report and for the time and effort expended by you and your staff.

Sincerely,

Bertram L. Wagnon
Acting Commissioner

BLW/kb

Gerald Wilkerson, Director
Legislative Auditor
Division of Legislative Audit

August 10, 1979

William R. Nix, Commissioner
Department of Public Safety

Interim Letter No. 1
Guide Licensing and
Control Board

Having reviewed the Interim Letter No. 1 concerning the sunset audit conducted by your agency of the Guide Licensing and Control Board, I offer the following comments:

Recommendation No. 1

The Guide Licensing and Control Board should seek legislation to have the guide licensing function transferred to the Department of Public Safety.

This department endorses this recommendation. The duplicated efforts currently practiced by two departments will be eliminated and all guide licensing functions placed under one authority. This will greatly simplify the citizens involvement with guide licensing functions. Additionally, it will eliminate the need to correct numerous errors that currently occur due to a split in the duties and responsibilities.

Recommendation No. 2

The Guide Licensing and Control Board should seek legislation to have the "transporter laws" repealed.

Again the department endorses this recommendation. As written the transporter laws do not serve a useful purpose in enforcement, game management, or protection of the resources. Some discussion between the Department of Fish and Game and the Department of Public Safety on this subject last year indicated that they share our opinion. To a large degree, our functions with the transporter laws overlaps that of the Federal Aviation Administration.

Recommendation No. 3

The Board should continue its efforts to make the statutes more clear, relevant and workable.

In general, many of the statutes and regulations are confusing to the public and our protection officers. It does little good to have statutes on the book and regulations

promulgated if the public doesn't understand them. In response to the examples you cited I offer the following:

A. This was covered in our response to recommendation number 2. This law is not only unworkable, but does not serve the purpose for which it was intended.

B. This may not be as confusing as it sounds because all fish and game licenses are renewed annually. If the guide licensing functions are placed under one authority (recommendation #1) it may eliminate the problems.

C. We admit that the term moral turpitude is vague; yet, ethical conduct or ethical activity, as recommended by the auditor, only applies to persons acting in the guide profession after a license is secured. Section 08.54.110(6) speaks to the qualifications for a registered guide license and the wording "has not been convicted of a crime involving moral turpitude" gives us a court established precedent for requesting applicants fingerprints and for conducting background investigations. If "moral turpitude" is repealed, some substitute qualification should be found that continues to give us the ability to eliminate applicants with serious criminal backgrounds.

D. The department agrees with the auditor that this section is very restrictive. The same intent could probably be accomplished by changing the word shall to may. Other statutes such as AS 08.54.200(b) and AS 08.54.200(c) give the board the authority to revoke licenses for other types of violations.

E. We would like to caution trying to define "supervision" as it could end up in the same category as "participate in a hunt" (AS 38.090) or "cooperate with officials" (AS 38.120). For purposes of enforcement, we feel that the current wording is sufficient.

Recommendation No. 4

The Board should establish formal goals, objectives and quantifiable measures which should be included in the in the Division of Occupational Licensings' budget document.

I feel that the board does have definate objectives and would have no reluctance to stating those objectives.

If you have additional questions or need a comment clarified, please feel free to contact me.

WRN/lsb

OF ALASKA

SEP 28 19

LEGISLATIVE AUDIT

TO Richard Smith, Director
Internal Audit Division
Department of Administration

DATE: September 28, 1979

FILE NO

TELEPHONE NO

FROM Thomas K. Williams, Commissioner
Department of Revenue JKD for

SUBJECT Legislative Audit's Performance Review of the Guide Licensing & Control Board

RECOMMENDATION NO. 4 - THE DEPARTMENT OF REVENUE SHOULD COLLECT FEES FROM GUIDES, AS REQUIRED BY STATUTE.

This law requires the participation of several State agencies. In 1976, the Department of Revenue met with the Departments of Law, Fish and Game, Commerce, Public Protection, and the Guide Licensing and Control Board.

The determination at that time was that the Guide Board, working with the Department of Commerce, was the only State agency that could effectively collect fees. The Guide Board and the Department of Law were to resolve the various problems and formulate the policy and procedures.

In the first week of October, the Department of Law is to release a memorandum which will set the guidelines and recommend appropriate action by each participating agency.

The Department of Revenue would like to defer an official response to Recommendation No. 4 until the Department of Law's memorandum has been reviewed. We request a ten-day postponement.

memo RECEIVED

from the desk of

9/22/79

SEP [illegible]

LEGI[illegible]E

Mr. Gerald L. Wilkerson, CPA
Legislative Auditor

Dear Mr. Wilkerson:

Thanks for the copy of the preliminary audit of the Guide Board. Pine caught up with me in Port Angeles a couple of days ago. I notice that the chairman of the Board is requested to provide you with a response within 20 days. The last communication I received from Marcus Jensen via a copy of a letter to someone else indicated that he would not be back in Alaska until the latter part of October. He then will be in Juneau for a time until he goes to deer camp. My reaction to the audit is that it is both thorough and perceptive.

Sincerely,

Charles D. Kamm
Member
G[illegible]&C[illegible]

cc

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

February 14, 1980

The Speaker has referred to House Resources for consideration for confirmations to the Guide Licensing and Control Board:

*Mr. Norman Sutliff, Kodiak
Term expiring 06/15/85

*Mr. Charles Keim, College
Term expiring 06/15/82

Mr. William Stroecker, Fairbanks
Term expiring 06/15/82

*Reappointed

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)
VICE CHAIRMAN
REP. FRED ZHAROFF
REP. PAT CARNEY • REP. C.V. CHAT CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Article 1. Guide Licensing and Control Board.

Section	Section
10. Creation and membership of board	45. Special guiding permit
20. Appointment and term of office	50. Board regulations
30. Chairman of board	60. Board hearing
40. Powers and duties	70. Compensation and expenses

Sec. 08.54.010. Creation and membership of board. There is created the Guide Licensing and Control Board consisting of seven members. No more than three members of the board shall have a guide license. The other members shall have a general knowledge of the game resources of the state. A minimum of 10 years residence in the state is required for all members of the board. (§ 1 ch 17 SLA 1973)

Sec. 08.54.020. Appointment and term of office. The members of the board shall be appointed by the governor and confirmed by the legislature for staggered terms of three years or until their successors are appointed. Initial terms are as follows: three members for one year, two members for two years, and two members for three years. A member may be removed at the pleasure of the governor. (§ 1 ch 17 SLA 1973)

Sec. 08.54.030. Chairman of board. The board shall elect one of its members as chairman. (§ 1 ch 17 SLA 1973)

Sec. 08.54.040. Powers and duties. (a) Except as provided in § 45 of this chapter, the board shall

(1) prepare, grade and administer examinations;

(2) determine and pass on qualifications of applicants for licenses and authorize the issuance of licenses to those who qualify;

(3) establish guide performance standards and regulate activity;

(4) compile, maintain and publish a guide register of guides who have not been convicted of a violation of a federal or state sport fish, game, or guiding statute or regulation; a guide listed in the register whose license is revoked or suspended shall be removed from the register while his license is revoked or suspended;

(5) compile, maintain and publish a record of registered or master guides who have completed a contract hunt in any of three years immediately preceding the publishing of the record;

(6) prohibit guiding activities which are unsportsmanlike, unethical, unsafe, against principles of conservation, degrading to the guiding profession, or which adversely affect the natural resources;

(7) after a hearing, revoke, suspend or deny renewal of a license in accordance with § 200 of this chapter;

(8) establish a quota of licensed operating guides who may operate within designated geographical game units or subunits of the state and provide for an equitable and reasonable procedure for limiting the number of guides to that quota; preference shall be given to qualified

available and willing licensed guides who reside within the designated game unit or subunit.

(b) If a person is unable to competently understand the written portion of an examination given under (a)(1) of this section, he shall be given the complete examination orally in a language which he understands. (§ 1 ch 17 SLA 1973; am § 1 ch 133 SLA 1976)

Effect of amendment. — The 1976 amendment added paragraph (8) of subsection (a).

Sec. 08.54.045. Special guiding permit. This chapter does not limit the power of the board or its authorized designee, to issue a special guiding permit, in place of a guide license, to a person to guide in a specifically designated area, if the person is considered sufficiently experienced to perform the services of a guide and is limited solely by language barriers from securing a regular guide license. (§ 1 ch 17 SLA 1973)

Sec. 08.54.050. Board regulations. The board shall adopt procedural and substantive regulations, under the Administrative Procedure Act (AS 44.62), required by this chapter or reasonably necessary for its administration. (§ 1 ch 17 SLA 1973)

Editor's note. — Section 6, ch. 17, SLA 1973, provides: "A regulation promulgated by the Guide Licensing and Control Board in effect before March 14, 1973 remains in effect after that date until revoked or modified by the Guide Licensing and Control Board created by this Act."

Sec. 08.54.060. Board hearing. The Administrative Procedure Act (AS 44.62) applies to proceedings and hearings under this chapter. (§ 1 ch 17 SLA 1973)

Sec. 08.54.070. Compensation and expenses. Members of the board receive no salary, but are entitled to per diem and travel expenses authorized by law for other boards. (§ 1 ch 17 SLA 1973)

Article 2. Licensing.

Section		Section	
100.	Qualifications for a master guide license	144.	Restriction to transportation
110.	Qualifications for registered guide license	146.	Transporter report
120.	Qualifications for a class-A assistant guide license	150.	Responsibility of registered or master guide for violations
130.	Privileges and limitations of class-A assistant guides	170.	License fees
140.	Qualifications for assistant guide license	180.	Examination fee
142.	Qualification for transporter license	185.	Additional fees
		190.	Expiration and renewal
		200.	Grounds for disciplining a licensee
		210.	Unlawful acts
		220.	Injunction against unlawful action

Sec. 08.03.010. Termination, continuation and reestablishment of regulatory boards. (a) Boards listed in this subsection have a termination date of June 30, 1979:

(1) Board of Chiropractic Examiners (AS 08.20.010);
(2) Board of Dental Examiners (AS 08.36.010);
(3) State Medical Board (AS 08.64.010);
(4) Board of Nursing (AS 08.68.010);
(5) Board of Dispensing Opticians (AS 08.71.010);
(6) Board of Examiners in Optometry (AS 08.72.010);
(7) Board of Pharmacy (AS 08.80.010);
(8) Board of Veterinary Examiners (AS 08.98.010);
(9) Board of Psychologist and Psychological Associate Examiners (AS 08.86.010);
(10) Board of Nursing Home Administrators (AS 08.70.010);
(11) Physical Therapy Board (AS 08.84.010).

(b) Boards listed in this subsection have a termination date of June 30, 1980:

(1) Board of Public Accountancy (AS 08.04.010);
(2) Board of Barber Examiners (AS 08.12.010);
(3) Collection Agency Board (AS 08.24.011);
(4) Board of Hairdressing and Beauty Culture Examiners (AS 08.28.010);
(5) Board of Electrical Examiners (AS 08.40.010);
(6) State Board of Registration for Architects, Engineers and Land Surveyors (AS 08.48.011);
(7) Guide Licensing and Control Board (AS 08.54.010);
(8) Board of Marine Pilots (AS 08.62.010);
(9) Real Estate Commission (AS 08.88.011);
(10) Board of Welding Examiners (AS 08.99.010);
(11) Board of Governors of the Alaska Bar Association (AS 08.08.040).

(c) Upon termination, each board listed in (a) and (b) of this section shall continue in existence until June 30 of the next succeeding year for the purpose of concluding its affairs. During this period, termination does not reduce or otherwise limit the powers or authority of each board. One year after the date of termination, a board not continued shall cease all activities.

(d) The termination, dissolution, continuation or reestablishment of a regulatory board shall be governed by the legislative oversight procedures of AS 44.66.050.

(e) A board scheduled for termination under this chapter may be continued or reestablished by the legislature for a period not to exceed four years. (§ 2 ch 149 SLA 1977)

Sec. 44.66.050. Legislative oversight. (a) Before the termination, dissolution, continuation or reestablishment of a board or commission under AS 08.03.010 or § 10 of this chapter, or of an agency program under §§ 20 and 30 of this chapter, a committee of reference of each house, which shall be the standing committee of legislative jurisdiction as provided in the Uniform Rules of the Legislature, shall hold one or more hearings to receive testimony from the public, the commissioner of the department having administrative responsibility for each named board, commission, or agency program, and the members of the board or commission involved. The hearings may be joint hearings. The committee shall also consider the proposed budget of the board, commission, or agency program, prepared in accordance with AS 37.07.050(f), and the performance audit of the activities of the board, commission, or agency program, prepared by the legislative audit division as prescribed in AS 24.20.271(1). The committee may consider any other report of the activities of the board, commission or program, including but not limited to annual reports, summaries prepared by the Legislative Affairs Agency, and any evaluation or general report of the manner of conduct of activities of the board, commission, or agency program prepared by the office of the ombudsman.

(b) During a public hearing, the board, commission or agency shall have the burden of demonstrating a public need for its continued existence or the continuation of the program, and the extent to which any change in the manner of exercise of its functions or activities may increase efficiency of administration or operation consistent with the public interest.

(c) A determination as to whether a board or commission or agency program has demonstrated a public need for its continued existence shall take into consideration the following factors:

(1) the extent to which the board, commission or program has operated in the public interest;

(2) the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices which it has adopted, and any other matter, including budgetary, resource, and personnel matters;

(3) the extent to which the board, commission or agency has recommended statutory changes which are generally of benefit to the public interest;

(4) the extent to which the board, commission or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service which it has provided;

(5) the extent to which the board, commission or agency has encouraged public participation in the making of its regulations and decisions;

(6) the efficiency with which public inquiries or complaints regarding the activities of the board, commission or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of the ombudsman have been processed and resolved;

(7) the extent to which a board or commission which regulates entry into an occupation or profession has presented qualified applicants to serve the public;

(8) the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission or agency to its own activities and the area of activity or interest; and

(9) the extent to which statutory, regulatory, budgeting or other changes are necessary to enable the agency, board or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

(d) As to each board, commission, or agency program assigned to it for purposes of review, the committee of reference shall, not later than the 60th day of the legislative session, submit a report to the presiding officer of the house. The report shall contain a summary of the findings of the committee as to the compliance of the board, commission or program with the factors enumerated in (c) of this section, together with a summary or recommendations of the committee as to each of the following:

(1) an identification of the problems or the needs that the programs and activities of the board, commission or agency are intended to address;

(2) a statement, to the extent practicable, of the objectives of the program of the board, commission, or agency program, and its anticipated accomplishments;

(3) an identification of any other programs having similar, conflicting or duplicate objectives;

(4) an assessment of alternative methods of achieving the purposes of the program;

(5) an assessment of the consequences of eliminating the board, commission or program and consolidating its activities with another program, or of funding it at a lower level;

(6) a justification for the recommended continuation or extension of the board, commission or program, and an explanation of the manner in which it avoids duplication of or conflict with other efforts; and

(7) any other information which, in the opinion of the committee, would improve the performance of the board, commission or agency with respect to its representation of and responsiveness to the public interest.

(e) The committee of reference may introduce a bill providing for the reorganization or continuation of the board, commission or agency program. No more than one board, commission, or agency program shall be continued or reestablished in any legislative bill, and the board,

DRAFT - adopted

March 11,1980

The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. Speaker:

Your House Resources Committee has had under consideration for "Sunset" review the Guide Licensing and Control Board persuant to your referral under AS 44.66.050 and AS 08.03.010.

In accordance with statuatory requirements a public hearing was held on the review of this board at which testimony was taken from members of the board and of the profession as well as from the administrative agencies dealing with the operation and enforcement of Guide Board functions.

Directed, in part, by the report prepared by the Division of Legislative Audit the Committee took into consideration the factors required to be evaluated under AS 44.66.050(c).

Your Resources Committee thereby makes the following findings:

1. That the licensing of Guides is needed to protect the safety and welfare of the public and to protect the Resources of the State of Alaska.

2. That the licensing function as it applies to guides should be transferred from Occupational Licensing to Public Safety.

3. That the "Transporter Laws" should be repealed as unworkable.

4. That certain other statututs changes primarily those listed in the audit report be included in the "Sunset" legislation to be introduced by this committee.

5. That the Guide Licensing and Control Board be continued for one year during ich time....

   a. the Department of Law is requested to perform a complete legal audit of the minutes and records of the Board to determine whether their procedures and actions have been in full compliance with the Alaska Constitution and all applicable statutes.

   b. ~~a legislative committee~~ a legislatively directed study can evaluate and recommend specific statuatory changes under which rural residents can enter the guiding profession and receive the maximum benefits from local guiding activities.

~~A bill will be introduced by the Resources Committee reflecting the findings and recommendations in the letter.~~

Respectfully submitted,

Rep. Alvin Osterback
Co-Chairman
House Resources Committee

Members

Alaska State Legislature

REPRESENTATIVE
Rick Halford
District 8

P.O. BOX 66
CHUGIAK, ALASKA 99567
Phone 907-688-2470

While in Juneau
POUCH V
JUNEAU, ALASKA 99811

House of Representatives

To: Office of the Attorney General

From: Representative Rick Halford

Date: March 10, 1980

Request: Legal Review of the Powers, Duties and Performance of the State Guide Licensing and Control Board

The House Resources Committee is considering the merits of continuation or termination of the Guide Licensing and Control Board under the Sunset review process. Because the Guide Board's mandate and procedures have been the subject of numerous legal questions, it seems appropriate to request that your department review certain issues which are beyond the expertise of Legislative audit.

A substantial portion of the Guide Board's time, since its creation, has been devoted to the development and implementation of a limited entry system under the terminology of "exclusive guide areas". Specific questions include:

1) Does the exclusive guide area system comply with the provisions of Article I, Section I of the State Constitution and the further provisions of Article VIII, Section 17 in concept (if carried out properly).

2) If the system is conceptually within Constitutional bounds, does the method of implementation used by the Guide Licensing and Control Board comply with all applicable Consititutional and Statuatory provisions.

These two questions are basic to the entire area system which has been in place for several years:

1) If guide A is cited for guiding in an area assigned to guide B, and guide A is willing to go through the entire legal appeal process, will he win if he is in every other way legal to guide in the area in question?

2) Do the broad protections applied to a guide's license in the Herscher case logically extend to the exclusion from using that license under the exclusive areas?

It would also be useful to have copies of all past correspondence between your office and the Department of Public Safety or the Guide Board on this subject.

(2) employ a person whose duties require expertise in determining or reducing the hazards of radiation.

(b) As used in this section, "state agency" or "agency of the state" means a state department or agency, whether in the legislative, judicial, or executive branch, including such entities as the Alaska State Housing Authority; "state agency" or "agency of the state" does not include the University of Alaska, a municipality, or an agency of a municipality.

(c) As used in this section, "radiation" does not mean radiation emitted from a Federal Communications Commission licensed facility emitting radiation of a wave length longer than one centimeter and an average power output not exceeding two kilowatts. (§ 2 ch 172 SLA 1978)

Cross reference. — As to radiation protection, see AS 18.60.475.

Chapter 66. Review of the Activities of Agencies, Boards and Commissions.

Section		Section	
10.	Termination of state boards and commissions	30.	Program identification
20.	Agency programs	50.	Legislative oversight
		60.	Existing claims

Cross reference. — As to the termination, continuation and reestablishment of regulatory boards, see AS 08.03.010.

Editor's note. — Section 1, ch. 149, SLA 1977, provides: "The legislature finds that the substantial increase in the number of state agencies, boards and commissions, and the proliferation of rules and regulations which each has adopted have contributed to a public disenchantment with the operation of state government, and that there is need for an effective and regular system of scrutiny of the programs and activities of all agencies, boards and commissions. The legislature further finds that the establishment of a system for periodic review by the public and the executive and legislative branches of certain state agencies, boards and commissions will help the governor and the legislature to determine the need for the continued existence of each of the agencies, boards and commissions."

Sec. 44.66.010. Termination of state boards and commissions. (a) Boards and commissions listed in this subsection expire on the date set out after each:

(1) Alcoholic Beverage Control Board (AS 04.05.010) — June 30, 1979;

(2) Alaska Transportation Commission (AS 42.07.011) — June 30, 1979;

(3) State Board of Parole (AS 33.15.010) — June 30, 1980;

(4) Alaska Public Utilities Commission (AS 42.05.010) — June 30, 1980;

(5) Alaska Pipeline Commission (AS 42.06.010) — June 30, 1981;

(6) Alaska Council on Science and Technology (AS 44.19.181) — June 30, 1983;

(7) Alaska Renewable Resources Corporation (AS 37.12.010) — June 30, 1982.

(b) Upon termination, a commission listed in (a) of this section shall continue in existence until June 30 of the next succeeding year for the purpose of concluding its affairs.

(c) A commission scheduled for termination under this chapter may be continued or reestablished by the legislature for a period not to exceed four years. (§ 3 ch 149 SLA 1977; am § 3 ch 101 SLA 1978; am § 10 ch 1979 SLA 1978)

Effect of amendments. — The first 1978 amendment added paragraph (6) of subsection (a). The second 1978 amendment added paragraph (7) of subsection (a).

Sec. 44.66.020. Agency programs. (a) Agency programs and activities listed in this subsection which are specifically designated as provided in § 30 of this chapter are subject to termination during the regular legislative session convening in the month and year set out after each:

(1) programs in the budget categories of general government, public protection, and administration of justice — January, 1980;

(2) programs in the budget categories of education and the University of Alaska — January, 1981;

(3) programs in the budget categories of health and social services — January, 1982;

(4) programs in the budget categories of natural resources management, development and transportation — January, 1983.

(b) An agency program or activity designated in (a) of this section shall be subject to termination during the regular legislative session convening four years after the preceding review and may be subject to termination at any time upon the recommendation of the Legislative Budget and Audit Committee and the concurrence of the legislature as if under § 30 of this chapter. (§ 3 ch 149 SLA 1977)

Sec. 44.66.030. Program identification. During the legislative session preceding each of the years set out in § 20 of this chapter, the Legislative Budget and Audit Committee shall designate, not later than March 1 of those years, the programs and activities within each program category which shall be subject to termination in the next fiscal year. The recommendations of the Legislative Budget and Audit Committee shall be submitted to the respective houses of the legislature in the form of a bill which, if enacted into law, would terminate those designated programs and activities on or before July 1 of the following year. (§ 3 ch 149 SLA 1977)

Sec. 44.66.050. Legislative dissolution, continuation or r under AS 08.03.010 or § 10 c under §§ 20 and 30 of this c house, which shall be the star as provided in the Uniform R more hearings to receive test of the department having adn board, commission, or agency or commission involved. The committee shall also consid commission, or agency prog 37.07.050(f), and the perform commission, or agency prog division as prescribed in AS 2 any other report of the activit including but not limited to an Legislative Affairs Agency, ar manner of conduct of activiti program prepared by the offi

(b) During a public hearing have the burden of demonst existence or the continuation any change in the manner of increase efficiency of adminis public interest.

(c) A determination as to w program has demonstrated a pu take into consideration the fo

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(2) the extent to which the agency program has been imp procedures, and practices whi including budgetary, resource

(3) the extent to which th recommended statutory chang public interest;

(4) the extent to which th encouraged interested persons regulations and decisions on th service, and availability of ser

(5) the extent to which th encouraged public participatio decisions;

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ld terminate those designated
y 1 of the following year. (§ 3

Sec. 44.66.050. Legislative oversight. (a) Before the termination, dissolution, continuation or reestablishment of a board or commission under AS 08.03.010 or § 10 of this chapter, or of an agency program under §§ 20 and 30 of this chapter, a committee of reference of each house, which shall be the standing committee of legislative jurisdiction as provided in the Uniform Rules of the Legislature, shall hold one or more hearings to receive testimony from the public, the commissioner of the department having administrative responsibility for each named board, commission, or agency program, and the members of the board or commission involved. The hearings may be joint hearings. The committee shall also consider the proposed budget of the board, commission, or agency program, prepared in accordance with AS 37.07.050(f), and the performance audit of the activities of the board, commission, or agency program, prepared by the legislative audit division as prescribed in AS 24.20.271(1). The committee may consider any other report of the activities of the board, commission or program, including but not limited to annual reports, summaries prepared by the Legislative Affairs Agency, and any evaluation or general report of the manner of conduct of activities of the board, commission, or agency program prepared by the office of the ombudsman.

(b) During a public hearing, the board, commission or agency shall have the burden of demonstrating a public need for its continued existence or the continuation of the program, and the extent to which any change in the manner of exercise of its functions or activities may increase efficiency of administration or operation consistent with the public interest.

(c) A determination as to whether a board or commission or agency program has demonstrated a public need for its continued existence shall take into consideration the following factors:

(1) the extent to which the board, commission or program has operated in the public interest;

(2) the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices which it has adopted, and any other matter, including budgetary, resource, and personnel matters;

(3) the extent to which the board, commission or agency has recommended statutory changes which are generally of benefit to the public interest;

(4) the extent to which the board, commission or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service which it has provided;

(5) the extent to which the board, commission or agency has encouraged public participation in the making of its regulations and decisions;

(6) the efficiency with which public inquiries or complaints regarding the activities of the board, commission or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of the ombudsman have been processed and resolved;

(7) the extent to which a board or commission which regulates entry into an occupation or profession has presented qualified applicants to serve the public;

(8) the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission or agency to its own activities and the area of activity or interest; and

(9) the extent to which statutory, regulatory, budgeting or other changes are necessary to enable the agency, board or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

(d) As to each board, commission, or agency program assigned to it for purposes of review, the committee of reference shall, not later than the 60th day of the legislative session, submit a report to the presiding officer of the house. The report shall contain a summary of the findings of the committee as to the compliance of the board, commission or program with the factors enumerated in (c) of this section, together with a summary or recommendations of the committee as to each of the following:

(1) an identification of the problems or the needs that the programs and activities of the board, commission or agency are intended to address;

(2) a statement, to the extent practicable, of the objectives of the program of the board, commission, or agency program, and its anticipated accomplishments;

(3) an identification of any other programs having similar, conflicting or duplicate objectives;

(4) an assessment of alternative methods of achieving the purposes of the program;

(5) an assessment of the consequences of eliminating the board, commission or program and consolidating its activities with another program, or of funding it at a lower level;

(6) a justification for the recommended continuation or extension of the board, commission or program, and an explanation of the manner in which it avoids duplication of or conflict with other efforts; and

(7) any other information which, in the opinion of the committee, would improve the performance of the board, commission or agency with respect to its representation of and responsiveness to the public interest.

(e) The committee of reference may introduce a bill providing for the reorganization or continuation of the board, commission or agency program. No more than one board, commission, or agency program shall be continued or reestablished in any legislative bill, and the board,

commission, or agency progra
(§ 3 ch 149 SLA 1977)

Sec. 44.66.060. Existing cl
termination or dismissal of a c
commission or program of a
which is subject to litigation. (
department to which the boa
chapter was attached for admi

Part 8. Cla

Chapter 77. Cl

Sec. 44.77.010. Presentatio

Legislative history of section. –
State v. ZIA, Inc., Sup. Ct. Op. No.
(File No. 2518), 556 P.2d 1257 (1976).

This section is only applicable aft
claimant has pursued an administr
remedy. State v. ZIA, Inc., Sup. Ct. O
1337 (File No. 2518), 556 P.2d 1257 (

The word "given" serves only to m
the word "services." State v. ZIA,
St Ct. Op. No. 1337 (File No. 2518
d 1257 (1976).

It is apparent that if "given" mo
"money," "labor," "materials"
"supplies," each term would have a d
modifier and the statute would be s
to construction not contemplated b
legislature. State v. ZIA, Inc., Sup. C
No. 1337 (File No. 2518), 556 P.2d
(1976).

For the purposes of the filin
contract claims, "promptly" is
defined in calendar terms. State v.
Inc., Sup. Ct. Op. No. 1337 (File No.
556 P.2d 1257 (1976).

If the legislature had intended to
"promptly" for other claims (incl
contract claims) and had a period of ti

Chapter 80.

Article 3. Sp

Section
70. Special use of highways and
areas

Sec. 44.80.070. Special use
state, or a department or age
highway or vehicular way or

MARCUS F. JENSEN
P. O. BOX 2220
JUNEAU, ALASKA 99803

April 22, 1980

Representative Alvin Osterback
Alaska State Legislature
Resources Committee of the House of Representatives
Juneau, Alaska

Dear Representative Osterback:

I have just received copy of a letter sent to you by the Alaska Professional Hunters Association. I would be surprised if you would give credence to an unsigned letter. Unsigned letters are often from "mad letter writers".

The contents of the letter surprises me, as it would appear to have been written by someone who is not registered to guide in Unit 4, which is Southeastern Alaska.

Notification of the meeting in Fairbanks was handled the same way every meeting is handled when petitions are to be presented. All guides involved were sent a letter personally. Some of these guides answered by letter, and some testified in person.

I have guided in Unit 4 for over 30 years, and until last year the Southeastern guides honored their word in respect to not guiding in my particular area. The reason for their sudden change is the fact that the Game Board has a closure on what they call the "inside" and left the fringe on the "outside" open ten days longer. I have been very conservative in the number of contracts I take because of the public hunting pressure in the area as well.

No guide in Southeastern Alaska would object to my area if he would agree to an exclusive area for himself which would automatically reduce his number of contracts from eight or ten to three or four at the most. This is really what the controversy is all about. There has been too much guiding pressure on the "inside". Too many guides still have the attitude that the will shoot the last cub bear for a dollar. I am enclosing copy of a letter from the Game Biologist in Unit 4. He estimated at that time only 25 bear should be taken and since the guides and the public split the total take that would mean only 12 bear for the guides and their assistants. He has probably increased that 25 figure to 40 since the letter was written, which would allow in the neighborhood of 20 bear for the guides. The guides' success ratio for the number of contracts is very low - around 50%. If trophy bear were taken the percentage would be considerably lower than 50% because most of the takable bear have been shot.

To give you a better example of what is happening in Unit 4 I refer you to contracts of a guide named John Erickson. He had 10 hunters contracts in spring of 1979. Of those ten, four got no bear, and four took bear under five feet. I am enclosing some of the sealing certificates to give you an idea of what I mean. When the going rate for a hunt is four to five thousand dollars I think it behooves the guiding profession to give the hunter more chance for a trophy bear.

I do not think the action of the Guide Licensing and Control Board should be criticized for trying to save a small area from being totally raped. The petitions that guides from Unit 4 are putting in now will be handled in an orderly manner by the staff and the Board.

As chairman of the Guide Licensing and Control Board, and as an Alaska resident for over 50 years, and as a registered guide for some 35 years, I have been criticized by some guides for my strong stand against guides who want to rape the game resources. A stand like this doesn't necessarily make everyone love you. A situation happened last spring where two guides took over 30 grizzlies in Unit 23. I was very upset over this and wanted to bring the guides before our Board for a hearing. I am now in the process of scheduling a meeting with the Kotzebue Native Corporation on this subject of game resource. I have made every effort to work with the Natives and intend to continue to do so in the future. Some guides criticize me for this.

I would hope that the House Resource Committee appreciate what most of our Board members are trying to do for the State of Alaska, and that is weed out the "bandits" who are raping our resource, and develop exclusive guide areas for the protection of the resource and improved game management.

Respectfully yours,

Mark Jensen

Marcus F. Jensen, Master Guide

Alaska
Professional Hunters Association, Inc.

P. O. BOX 4-1932
ANCHORAGE, ALASKA 99509

Phone (907) 243-3977

April 17, 1980

OFFICERS
PHIL DRIVER
President

KIRK GAY
Vice President

VERNON HUMBLE
Secretary/Treasurer

BOARD OF DIRECTORS
LYNN CASTLE
PHIL DRIVER
STAN FROST
KIRK GAY
HANK HANKARD
VERNON HUMBLE

EXECUTIVE SECRETARY
PAMELA R WILSON

Representative Alvin Osterback
Pouch V
Juneau, Alaska 99811

Dear Representative Osterback:

We have had a situation that came up during the recent Guide Board meeting that was held in Fairbanks, Alaska that may be worthy of some consideration by your committee in evulating the conduct of the Board under Sunset review. These tapes and the transcript of the meeting should be available to your committee at the Department of Commerce.

Mark Jensen, the Chairman of the Guide Board, was awarded the only exclusive guide area in Units 1 thru 4 in Southeastern Alaska. The area awarded was the total outside coast of Chichasof Island. This was done over the objections of all Southeastern guides, who testified in person or by letter, who had joint use of this area. Their right to hunt this area has been taken away and given to one man without the consideration of the other twenty guides.

We would like to point out that APHA has no objection to Mr. Jensen having an exclusive guide area but it was the manner in which this was done. This was, in the eyes of the guiding industry, a flagrant abuse of power by the Chairman to serve his own personal financial interests.

APHA believes that this action by the Board should be revoked and an opportunity given to all guides in Southeastern Alaska to apply to the Board for an exclusive area.

The next Guide Board meeting should be held in Juneau, not in Fairbanks, so that all petitions to be considered would allow maximum participation by the Southeastern guides.

Sincerely,

THE BOARD OF APHA

P.S. IT is interesting to note that the only Board Member, wh could see how unfair this action was and voted against i was a full-time guide. We believe at least three full-time guides should be on the Board.

cc: TO ALL GUIDE LICENSING AND CONTROL BOARD MEMBERS

STATE OF ALASKA

DEPARTMENT OF FISH & GAME

JAY S. HAMMOND, Governor
P.O. Box 499
Sitka, AK 99835

April 9, 1979

Mr. Marcus Jensen
P.O. Box 2220
Juneau, AK 99803

Dear Marc:

The Alaska Board of Game has now met and taken action on the Unit 4 brown bear situation. I am writing you at this earliest possible moment so that you can adjust your schedule to conform to the Board's action.

The Board adopted a substantially shortened season which will go into effect at the start of the new regulatory year, July 1. The season the Board adopted is as follows: September 15-May 20 for Admiralty and the east side of Baranof and Chichagof and September 15-May 31 for the west side of Baranof and Chichagof. The line of division between east and west Baranof and Chichagof is shown on the enclosed map. To eliminate the possibility of an excessive harvest this coming spring season, the Board has directed the Commissioner of the Department of Fish and Game to adopt an Emergency Order, effective immediately, which implements the season outlined above. Therefore, the closing date for this spring season, 1979, will end May 20 for Admiralty and the eastern side of Baranof and Chichagof and May 31 for the western side of Baranof and Chichagof.

The Board has also directed the Department of Fish and Game to closely monitor hunting during the spring 1979 season; and if it appears the kill will exceed 25 bears on Admiralty, east Baranof, and east Chichagof, the Commissioner will close the season in these areas by Field Announcement. The season on west Baranof and west Chichagof will remain open until May 31.

Sincerely yours,

Loyal J. Johnson

Loyal J. Johnson
Area Game Biologist

Enclosure

11-KBLH

Mr. Marcus F. Jensen
Registered And Master Guide
Box 2220
Juneau, Alaska

15 February 1980
Juneay, Alaska

Dear Mark:

Sometimes people are apt to forget that when a person takes on a public chore and serves gratis, he doesn't give up his individual rights. Following the action of the Guide Licensing and Control Board this past week while it was reexamining the status of Unit #4 concerning Brown Bear and Exclusive and Joint Usage Guiding Areas, you no doubt are wondering if you'll ever get what you, like other guides, set out to get--an Exclusive Guiding Area, which is what you have wanted all along. I want it to be a matter of record that you put in for an EGA at the onset. Most of the guides in the Panhandle (the preponderance of whom in no way had "rights" that would measure up to yours) opted for joint usage in Units1-4. You regretfully went along with the rest, at the Board's insistence. Later, long before this recent reexamination, you again requested your EGA. The Board, still trying to make the collective Joint Usage work, felt you should withdraw the second request. It was not accepted.

This past week as the Board learned that there is a growing pressure on a fairly static resource (Brown Bear) but decided to maintain the status quo, it also learned that not all the guides who agreed at the initial meeting on this subject to respect your area of operations were doing so. The Board, therefore, encouraged you to again petition for your EGA, and the guides present pretty well agreed that they would have no objection to your doing so. There was general recognition that your rights, based on the criteria the Board has shaped over time, are on or are very close to the very foundation stone.

Times and circumstances change, as does makeup of various organizations. Memory falters and fades. I feel that because of all these factors I should put together this brief summary inasmuch as I have attended all meetings on this subject as it touches Units 1-4, and wish you well.

Fraternally,
Charles J. Keim
Charles J. Keim
Member, GL&CB

(For State Use Only)

STATE OF ALASKA
DEPARTMENT OF FISH AND GAME

Hide 48623 (Seal Numbers) TENAKEE (Place of Sealing) 5-19-79 (Date of Sealing)

Skull 48624

CERTIFICATE NUMBER 36105

SPECIES	*SEX	SEX IDENTIFIERS
Brown-Grizzly X	Male X	Penis Sheath X
Polar	Female	Vaginal Orifice
	Unknown	Testes L M S
		None

SKULL	HIDE	SPECIMENS COLLECTED
Length 10 6/8 in.	Length 3 ft 8 in.	Tooth X
Width 5 6/8 in.	Width 5 ft 0 in.	Skull
Total in.	Total ft in.	Repro
C.B.L. 10 2/8 in.	Rubbed	Cem. Age
	Unrubbed X	

TRANSPORTATION USED

Aircraft
Off road Vehicle
Boat X
Snowmachine
Dog Team
Horse
Other

Days Hunted 6 *Date of Kill 5-16-79

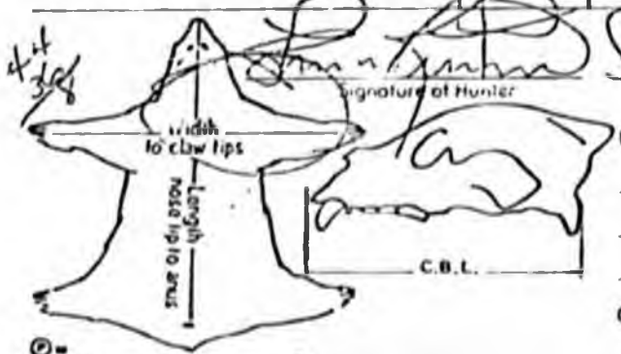
*Location of Kill Unit 4 Sub Unit
CHICHAGOF Is.
Mt. Range and Drainage TENAKEE INLET
Specific Location HEAD OF INLET

Name of Hunter JOHN W. RINEHART

P.O. Box 104 (Address) HILLSDALE (City) WY (State) 82060

License No.	Tag No.	Guided Hunt
Resident		Yes X No
Non Resident 029-35	357	Guides Name ERICKSON

4ft 3/8



(Signature of Hunter)

(Sealed by)

Remarks

Code

F-11-78A

*MUST BE FILLED OUT

For State Use Only

STATE OF ALASKA
DEPARTMENT OF FISH AND GAME

Hide 35096 (Seal Number) JUNEAU (Place of Sealing) 5/14/79 (Date of Sealing)

Skull 35097

CERTIFICATE NUMBER 40658

SPECIES	*SEX	SEX IDENTIFIERS
Brown-Grizzly X	Male	Penis Sheath
Polar	Female	Vaginal Orifice
	Unknown X	Teats-L M S
		None

SKULL	HIDE	SPECIMENS COLLECTED
Length 13 in.	Length 4 ft 11 in.	Tooth LOWER LEFT
Width 7 in.	Width 6 ft 11 in.	Skull
Total 20 in.	Total 11 ft 10 in.	Repro
C.B.L. 11 1/4 in.	Rubbed NONE	Cem. Age
	Unrubbed	

TRANSPORTATION USED

Aircraft
Off-road Vehicle
Boat X
Snowmachine
Dog Team
Horse
Other

Days Hunted 10 *Date of Kill 5/10/79

*Location of Kill: Unit 4 Sub Unit

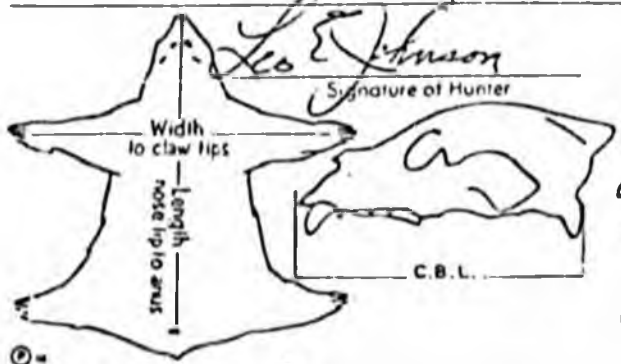
Mt. Range and Drainage HEAD TENAKEE

Specific Location INLET ON CHICHAGOF

Name of Hunter LEO E JOHNSON

17508 (Address) 184TH AVE NE (City) WOODINVILLE (State) WASH.

License No.	Tag No.	Guided Hunt*
Resident	79AAA	Yes X No
Non Resident 029416	347	Guides Name J. ERIKSON



Leo E Johnson
Signature of Hunter

M. FOX FWP
Sealed by

Remarks HUNTER SAYS IT WAS DEFINITELY MALE

Code

11-78A

*MUST BE FILLED OUT

(For State Use Only)

STATE OF ALASKA
DEPARTMENT OF FISH AND GAME

Hide 48621 (Seal Number) TENAKEE (Place of Sealing) 5-19-79 (Date of Sealing)

Skull 48622 CERTIFICATE NUMBER 36104

SPECIES	*SEX	SEX IDENTIFIERS
Brown-Grizzly X	Male X	Penis Sheath X
Polar	Female	Vaginal Orifice
	Unknown	Tears: L M S
		None

SKULL	HIDE	SPECIMENS COLLECTED
Length 12 6/8 in.	Length 5 ft 1 in.	Tooth X
Width 7 in	Width 6 ft 3 in.	Skull
Total in.	Total ft in.	Repro.
C.B.L. 11 6/8 in.	Rubbed	Cem. Age
	Unrubbed X	

TRANSPORTATION USED	
Aircraft	Days Hunted 5 Date of Kill 5-17-79
Off-road Vehicle	*Location of Kill: Unit 4 Sub Unit
Boat X	Mt. Range and Drainage CHICHAGOF
Snowmachine	Specific Location TENAKEE INLET
Dog Team	HEAD OF INLET
Horse	
Other	

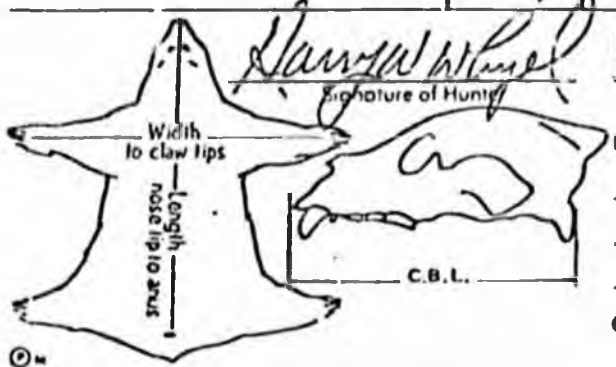
Name of Hunter HARRY W. WHYEL

Box 805 (Address) PINEDALE (City) WY (State) 82941

License No.	Tag No.	Guided Hunt
Resident	134	Yes X No
Non Resident 008170		Guides Name ERICKSON

Harry W Whyel (Signature of Hunter)

Richard Graham (Sealed by)



Remarks

Code

*MUST BE FILLED OUT

11-78A

STATE OF ALASKA

DEPARTMENT OF PUBLIC SAFETY

JAY S. HAMMOND, GOVERNOR

WILLIAM NIX
COMMISSIONER

DIVISION OF FISH AND WILDLIFE PROTECTION — POUCH N – JUNEAU 99811

P.O. Box 6188 Annex, Anchorage, Alaska 99502

April 25, 1980

Mr. Sam Harbo
Chairman of Game Board
PO Box 80522
College, Alaska 99735

Dear Sam:

I understand that your Game Board is meeting in Anchorage starting December 2, 1980. With that in mind, I am proposing to schedule our Guide Licensing and Control Board meeting for November 29 so that we wouldn't completely overlap your meeting. Would it be possible for our two boards to spend a half a day together discussing topics that should probably be identified ahead of time where we have a mutual interest. I think it might be very helpful in the long run to have both boards understand their particular role in this game resource management. If you would approve of such a meeting, I would suggest you contact our staff at the above address, Atten: Inv. William Bellingar, and make any suggestions you might think would be helpful.

Thank you.

Very truly yours,

Marcus Jensen/jan Lahl

Marcus Jensen, Chairman
Guide Licensing and Control Board

MJ/jl

cc: Mr. Ron Summerville
Mr. Phil Driver
Sen. Frank Ferguson
Rep. Jack Fuller
Rep. Al Osterback
Sen. Brad Bradley
Mr. Ed Shavings
Mr. Clark Engle
Mr. Charles Keim
Mr. William Stroecker
Mr. Norman Sutliff
Mr. Glen Glenzer
Mr. Don Harris

STATE OF ALASKA

DEPARTMENT OF PUBLIC SAFETY

J. S. HAMMOND, GOVERNOR

WILLIAM NIX
COMMISSIONER

DIVISION OF FISH AND WILDLIFE PROTECTION / POUCH N – JUNEAU 99811

P.O. Box 6188 Annex, Anchorage, Alaska 99502

April 25, 1980

Mr. Rodney Lincoln
Chairman
Kotzebue Area Fish and Game Advisory Committee
Box 686
Kotzebue, Alaska 99752

Dear Mr. Lincoln:

Thank you for your letter of February 8, 1980. I certainly appreciate your desire to meet with our board and discuss game resources. I think communication is very important as an improvement in game management. It is our understanding that the Game Board meeting will start December 2 in Anchorage. If there is no objection from our board members, I would like to start the Guide Board meeting agenda on November 29 so that we could handle some of our workload and still be able to meet with the Game Board members. On that basis, I would set a tentative agenda for November 29, in the afternoon starting at 1:00 pm. This schedule would be to hear people from your organization and some of the qualified people such as professional guides and the public, plus biologists that are acquainted with the area. I think an open meeting such as you have suggested is useful for all parties concerned. I think we would be establishing a little bit of history to sit down together and discuss all types of resource problems. It might be well to include in our agenda some comments on marine mammals, even though federal legislation is needed to commercialize this resource. I would hope that some time in the near future you can prepare a tentative agenda with a list of speakers and topics and the board will do the same from the board members and the guiding profession. If your correspondence could be addressed to the Department of Public Safety, address above, Attention: Inv. William Bellingar, the staff will keep you up to date as progress is made on the agenda.

Very truly yours,

Marcus Jensen / Jean Lobo

Marcus Jensen, Chairman
Guide Licensing and Control Board

MJ/jl

cc: Carl Gravogel, Biologist
Rep. Jack Fuller
Sen. Frank Ferguson

cc: Mr. Sam Harbo, Chairman, Game Board
Mr. Ron Sommerville, Director of Game
Rep. Al Osterback
Mr. David Johnson, Kotzebue Fish & Game Advisory Comm.
Mr. Phil Driver, President, APHA
Mr. Ed Shavings, Mayor, Nunivak
Sen. Brad Bradley
Department of Commerce
Mr. Clark Engle
Mr. Charles Keim
Mr. William Stroecker
Mr. Norman Sutliff
Mr. Glen Glenzer
Mr. Don Harris

08-H8LH

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF OCCUPATIONAL LICENSING / POUCH D – JUNEAU 99811

April 28, 1980

TO WHOM IT MAY CONCERN:

Attached hereto you will find a letter from Karl Lane, addressed to the Guide Licensing & Control Board to be used at our February meeting in Juneau, on Unit 4. I regret to say that this letter was misplaced and was not read at that meeting.

I have known Karl Lane for many years, I have worked on his boat and I have a great deal of respect for the man himself, and his operation as a guide. It is unfortunate that open friction developed on my request for a small area.

Karl's letter shows a great deal of understanding and foresight in the changes that are about to occur in this area. The constant change creates problems for the guiding industry. Conditions will not improve - they will gradually deteriorate. The exclusive guide area has been very effective in the Interior of Alaska, where most all guides are satisfied that it is the best approach. I would hope that the Board and the guides will develop some of the thoughts in Karl's letter and bring them to a conclusion.

Sincerely yours,

Marcus Jensen

Marcus F. Jensen, Chairman
Guide Licensing & Control Board

PS. A REMINDER! September 1 is the deadline for filing applications for areas! MJ.

Karl E. Lane
REGISTERED MASTER GUIDE & OUTFITTER
P.O. Box 295
Juneau, Alaska 99802
907-586-3822

February 5, 1980

Guide Licensing and Control Board
Division of Occupational Licensing
Pouch D
Juneau, Alaska 99811

Gentlemen:

Although I will not be present to give oral testimony at the Feb.13th thru 16th meeting of the Guide Board, I wish to assure you that I am still deeply concerned about the problems and future of brown bear guiding in Southeast Alaska and offer the following written testimony for consideration.

Somehow there must be found a way to reduce the guiding pressure by cutting down the number of active guide and also closing the loopholes that permit guides licensed for the area to sign contracts for guides not licensed for the area. This is being done by a few guides at the present time and it could allow an unlimited number to operate in Unit 4 and defeats any conservation measure you pass.

I would be in favor of exclusive areas if there is a proviso allowing Joint-Use if the individual guides so wish. The reason being that there is no fair way of dividing a country that is already split by different opening and closing dates for conseration reasons. There is also the problem of constant changing development in the logging industry. For example, the northern, eastern and southern coastlines of Chichagof Island will have intensive road building in '81 and full scale logging in '82. This will eliminate most of Chichagof. The northeast portion of Baranof will have the same development.

I would not be in favor of an exclusive area being transfered for any monetary value. If exclusive areas are issued to guides, they should be passed on to next qualified guide when the guide holding the area is not active for more than one season. The price of limited entry fishing permits are unfair.

If you are successful in limiting the guides to around ten or so, I have even been thinking of the possibility of cutting this number in half by guiding alternate years. For example, if you still had eight or ten guides which is still too many in my estimation, four or five guides with their clients would easily take one half of the quota of bears that the Game has set and the other half would surely be taken by the increase of resident hunting effort. A guided hunting trip would again have some quality and the bears would have a better chance of recovering.

Sincerely,

Karl Lane

Mr. Marcus F. Jensen
Registered And Master Guide
Box 2220
Juneau, Alaska

15 February 1980
Juneay, Alaska

Dear Mark:

Sometimes people are apt to forget that when a person takes on a public chore and serves gratis, he doesn't give up his individual rights. Following the action of the Guide Licensing and Control Board this past week while it was reexamining the status of Unit #4 concerning Brown Bear and Exclusive and Joint Usage Guiding Areas, you no doubt are wondering if you'll ever get what you, like other guides, set out to get--an Exclusive Guiding Area, which is what you have wanted all along. I want it to be a matter of record that you put in for an EGA at the onset. Most of the guides in the Panhandle (the preponderance of whom in no way had "rights" that would measure up to yours) opted for joint usage in Units1-4. You regretfully went along with the rest, at the Board's insistence. Later, long before this recent reexamination, you again requested your EGA. The Board, still trying to make the collective Joint Usage work, felt you should withdraw the second request. It was not accepted.

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Times and circumstances change, as does makeup of various organizations. Memory falters and fades. I feel that because of all these factors I should put together this brief summary inasmuch as I have attended all meetings on this subject as it touches Units 1-4, and wish you well.

Fraternally,
Charles J. Keim
Charles J. Keim
Member, GL&CB

Alaska
Professional Hunters Association, Inc.

P. O. BOX 4-1932
ANCHORAGE, ALASKA 99509

Phone (907) 243-3977

April 28, 1980

OFFICERS
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President

KIRK GAY
Vice President

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EXECUTIVE SECRETARY
PAMELA R WILSON

The Honorable Jay S. Hammond
Governor of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

A certain decision during the last meeting of the Guide Licensing and Control Board has caused a not insignificant consternation among the active licensed game guides of our industry. On a 3-1 vote of the four Board members present, an exclusive guide area was permitted to Mr. Marcus Jensen, Chairman of this board.

This questionable decision comes at a time when this very Board and the policies adopted to administer the professional game guiding industry are being reviewed by this legislature. One of our concerns is that this action could bring about unfavorable reaction from the reviewing committee, which might jeopardize a basically sound Board and the concept of exclusive guide areas developed over the last several years. To negate the compromise, made by some 253 permit holders, who gave rather than gained, in order to allow a maximum number of licensed guides to participate in the limited game resources of Alaska would be disasterous. The Board and the exclusive or joint-use guiding areas has and is working to protect one of Alaska's most significant natural renewable resources, and should be continued.

Equally important, have the rights of other joint permit holders in Game Management Unit Four been safe guarded and considered during deliberation on the Jensen decision?

A closer look and re-evaluation would be in order. Of course, all interested parties should be allowed to participate so the facts can be aired and evaluated.

Sincerely,

ALASKA PROFESSIONAL HUNTERS ASSOCIATION, INC.

Phil Driver

Phil Driver
President

PD/sgn

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JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 11, 1980

Mr. Mark Jensen
Chairman
Guide Licensing and
Control Board
P.O. Box 2220
Juneau, Alaska 99803

Dear Mark:

This is in response to your request that I consider making changes in the membership of the Guide Licensing and Control Board. I appreciate your concerns in this matter and am sympathetic to the problems you have recently had to shoulder.

Even so, given the extreme sensitivity of the situation currently facing the Board and its members, I feel it would be inappropriate to force any changes in the Board composition until the larger issue before the State Senate has been resolved.

Your task, though a difficult one, is one you have handled with your characteristic tact and I am confident of your abilities to weather the current storms. If I can be of any assistance to you, please do not hesitate to ask.

Sincerely,

Jay S. Hammond
Governor

12 AAC 38.030. LICENSES. (a) A person must purchase his registered guide license within one year of passing the guiding examination or his eligibility lapses.

(b) An application for a guide license shall be made to the Division of Occupational Licensing, Department of Commerce, Pouch D, Juneau, Alaska 99811. (Eff. 6/28/74, Reg. 50)

Authority: AS 08.54.050

12 AAC 38.040. RESTRICTION TO DISTRICTS. (a) A guide may conduct guiding activities only in districts for which he is certified.

(b) Twenty-six guide districts are established and defined as being identical to those areas described as game management units by the Board of Fish and Game in 5 AAC 90.010, as of January 1, 1974, with the addition of two subdistricts

(1) 18A – Nunivak Island and all waters within one mile of that island;

(2) repealed 6/6/79;

(3) 27 – Marine Mammals, including all the area between the western boundaries of districts 17, 18, 22, 23 and 26, except that area included in 18A, north of latitude 50 degrees north and east of the Convention Line of 1867 between the United States and the Union of Soviet Socialist Republics and south of latitude 75 degrees north.

(c) A guide licensed under AS 08.54 as of the effective date of this section is restricted to certification to guide in those districts for which he is certified on that date.

(d) After the effective date of this section, all guides applying for new certification are limited to a total of three districts including those districts for which they were certified as of that date.

(e) A master guide or registered guide may serve as a class A assistant guide in districts for which he is not certified.

(f) Notwithstanding any provision of this section, a guide may petition the board for a transfer of certification to another district if he demonstrates to the satisfaction of the board

(1) that he will incur substantial hardship if a transfer is not permitted as evidenced by

(A) substantial land withdrawals from hunting within his district;

(B) significant reclassifications of land within his district;

(C) depletion of game as evidenced by actions of the Department of Fish and Game; or

(D) other demonstrations of hardship; and

(2) that he is qualified to guide in the district to which he wishes to be transferred. (Eff. 6/28/74, Reg. 50; am 2/25/77, Reg. 61; am 6/6/79, Reg. 70)

Authority: AS 08.54.040(a)(3) and (6)
AS 08.54.050

12 AAC 38.050. REGISTRATION OF MAIN CAMP. Repealed 5/12/78.

12 AAC 38.051. GUIDING AREA PERMITS. (a) Guiding area permits will be issued by the board to guides qualifying under secs. 53 and 54 of this chapter for exclusive or joint use of a specified area in order to limit the number of guides allowed to guide for big game animals in that area.

(b) The board will determine the size, boundaries and number of guiding areas assigned to a master or registered guide and is not limited by number or boundaries of guide districts which may be included.

(c) Each guiding area will be assigned a unique identification code. (Eff. 5/12/78, Reg. 66)

Authority: AS 08.54.040(a)(3),(6) and (8)
AS 08.54.050

12 AAC 38.052. GUIDE PROHIBITED FROM USING A GUIDING AREA NOT ASSIGNED TO HIM OR HER. No guide may contract guided big game hunts in an exclusive guiding area not assigned to him or her unless written permission to do so is obtained from the guide

to whom the guiding area is assigned. If more than one guide holds a permit for joint use of the guiding area, written permission must be obtained from each holder of a permit. The written permission must include the effective and expiration dates of use and the identity and number of the big game species to be hunted,

and must be dated and signed by all of the persons holding a permit for the guiding area. This written permission must be on the person of the guide conducting the hunt or in the base camp from which the hunt is conducted. (Eff. 5/12/78, Reg. 66)

Authority: AS 08.54.040(a)(3),(6) and (8)
AS 08.54.050

12 AAC 38.053. APPLICATION AND QUALIFICATION FOR GUIDING AREA PERMIT. (a) An applicant for initial issuance of a guiding area permit must, at the time of application and at the time the application is reviewed by the board, be a registered or master guide in good standing and must be certified in the district or districts in which the applied-for guiding area is located.

(b) In order to be considered, an applicant must submit to the board, on or before the published deadline, an application which describes the proposed geographic boundaries of the guiding area being applied for and a 1:250,000 scale map showing the proposed boundaries.

(c) Each application must include satisfactory documentation of the applicant's past use, occupancy, or financial investment in the guiding area applied for. The application may include other relevant information if it is substantiated by satisfactory documentation.

(d) The board will, in its discretion, issue a permanent guiding area permit to a qualified applicant who can substantiate his or her use, occupancy, or financial investment in the guiding area for at least three of the five years immediately preceding the published deadline for filing the application for that particular unit. The board will, in its discretion, issue a temporary guiding area permit to a qualified applicant who can substantiate his or her use, occupancy or financial investment in the guiding area for at least two of the five years immediately preceding the published deadline for filing the application for that particular unit.

(e) The holder of a temporary guiding area permit may apply for a permanent permit after one additional year of use, in the temporary guiding area. (Eff. 5/12/78, Reg. 66)

Authority: AS 08.54.040(a)(3),(6) and (8)
AS 08.54.050

12 AAC 38.054. REASSIGNMENT OF GUIDING AREA PERMIT. (a) Guiding area permits are not transferable by the permit holder. The board will, in its discretion, reassign a guiding area permit

(1) upon the death of the permit holder or upon a judicial determination that the permit holder is mentally incompetent;

(2) upon revocation or suspension of a guiding area permit;

(3) if the permit holder voluntarily relinquishes the guiding area permit; and

(4) upon application for reassignment.

(b) Under (a)(4) of this section, a permit holder may apply to the board for reassignment of his or her guiding area permit to a designated master or registered guide; the application must be made jointly by the permit holder and the designated master or registered guide. Approval of the reassignment will be given only upon a finding by the board, after notice and opportunity for a hearing, that the designated registered or master guide is qualified to guide in the area, is certified in the district or districts in which the applied-for guiding area is located, and that the reassignment is consistent with the public interest. The board will consider the designated master or registered guide's past use, occupancy, or financial investment in the guiding area and other relevant and reliable information in determining whether the designated master or registered guide is qualified.

(c) Except as otherwise provided in this chapter, an applicant for a guiding area permit which is to be reassigned must meet the requirements of sec. 53(a) of this chapter and make application in the manner prescribed for initial issuance of a guiding area permit.

(d) If an applicant cannot establish past use of the guiding area to be transferred or is not certified in the district or districts in which the guiding area is located, the board will consider experience and current use in another area of similar terrain if the applicant can establish to the satisfaction of the board that he or she is competent because of other relevant factors to conduct guiding activities in the guiding area.

(e) The board will consider the recommendations of the prior holder of the guiding area permit to be reassigned and will, in areas of joint use, consider the recommendations of the other holders of permits for the guiding area. (Eff. 5/12/78, Reg. 66)

Authority: AS 08.54.040(a)(3),(6) and (8) AS 08.54.050

12 AAC 38.055. DEATH OR MENTAL INCAPACITY OF GUIDING AREA PERMIT HOLDER. (a) Upon the death of a holder of a guiding area permit, the board will, in its discretion, grant a waiver, for a time specified by the board, of the requirements of sec. 57 of this chapter if application is made by the estate within 90 days after death. Failure to make application within 90 days is considered a voluntary relinquishment of the permit. At any time during the period of the waiver, an heir may apply to the board for a reassignment of the permit to a person designated by the heir.

(b) Upon a judicial determination that a guiding area permit holder is mentally incompetent, the board will, in its discretion, grant a waiver, for a time specified by the board, of the requirements of sec. 57 of this chapter if application is made by the permit holder's guardian within 90 days after a judicial determination of the permit holder's mental incompetency. Failure to make application within 90 days is considered a voluntary relinquishment of the permit. At any time during the period of the waiver the guardian may apply to the board for a reassignment of the permit to a person designated by the guardian. (Eff. 5/12/78, Reg. 66)

Authority: AS 08.54.040(a)(3),(6) and (8) AS 08.54.050

12 AAC 38.056. CHANGES TO GUIDING AREA PERMIT. Petitions for changes to the size or boundary of a guiding area, for reassignment of a guiding area permit, or for any other changes affecting the guiding area, will be accepted for all guide districts and will be reviewed at a regularly scheduled meeting of the board. Each petitioner will be advised of the date and place of the meeting when his or her petition is scheduled for review. A petition will not be reviewed by the board if the petitioner or a person authorized in writing by the petitioner as his or her designee fails to appear at the time of the scheduled review. If the petition concerns a joint use guiding area permit, each holder of a permit for that guiding area will be furnished a copy of the petition and advised of the date and place when the petition is scheduled to be reviewed and may appear before the board and present testimony relevant to the petition. (Eff. 5/12/78, Reg. 66)

Authority: AS 08.54.040(a)(3),(6) and (8) AS 08.54.050

12 AAC 38.057. MINIMUM USE OF GUIDING AREA. Each holder of a guiding area permit must conduct at least two contracted hunts within two consecutive calendar years in the guiding area as evidenced by statements of financial remuneration filed in accordance with sec. 60 of this chapter. Failure to do so for any two consecutive calendar years may result in revocation of the guiding area permit unless the permit holder can demonstrate to the satisfaction of the board that circumstances beyond his control precluded conducting the required hunts. (Eff. 5/12/78, Reg. 66)

Authority: AS 08.54.040(a)(3),(6) and (8) AS 08.54.050

12 AAC 38.058. GROUNDS FOR REVOCATION OR SUSPENSION OF A GUIDING AREA PERMIT. The board will, in its discretion, revoke or suspend a guiding area permit or permits if the permit holder

(1) violates a federal or state sport fish, game or guiding statute or regulation, which violation occurred while guiding;

(2) has his guide license revoked or suspended or is denied renewal of a license for violation of a federal or state sport fish or game or guiding statute or regulation other than for nonpayment of current license fees;

(3) is found by the board to have misused a guiding area. (Eff. 5/12/78, Reg. 66)

Authority: AS 08.54.040(a)(3),(6) and (8) AS 08.54.050

12 AAC 38.060. STATEMENT OF FINANCIAL REMUNERATION. (a) Before hunting with his or her client, a guide shall complete or have completed a statement of financial remuneration in triplicate on a form provided by the board for this purpose and shall state

accounting for and custody of state revenues which are only incidental to the Department's regulation and management of the fish and game resources of the State of Alaska,

"THEREFORE IT IS ORDERED

"1. All duties, functions and powers relative to the collection, accounting for and custody of state revenues, which are only incidental to the regulation and management of the fish and game resources of the State of Alaska, at present performed by the Department of Fish and Game, are transferred to the Department of Revenue.

"2. The Department of Revenue shall be deemed and held to constitute a continuation of the Department of Fish and Game with the same force and effect, as to the transferred functions, powers and duties as if the functions, powers and duties had not been transferred.

"3. All funds appropriated to the Department of Fish and Game prior to the transfer of those functions, powers and duties attributable to the transferred functions, powers and duties are transferred to appropriate line items in the appropriation of the Department of Revenue.

"4. This order shall become effective at a date hereafter to be designated.

"Dated November 24, 1961"

Alaska's fish and game laws are applicable as federal law on military reservations. 1964 Op. Att'y Gen., No. 2.

Hunting or fishing at a military reservation must be in accord with Alaska laws regulating seasons, bag limits, methods of taking, etc. 1964 Op. Att'y Gen., No. 2.

But military personnel are not required to comply with licensing requirements while on reservation. 1964 Op. Att'y Gen., No. 2.

Since AS 16.05.940(14) does not grant special resident privileges to military personnel, which is a requisite for requiring them to purchase licenses for use on military reservations under 10 U.S.C. 2671(a)(2), they cannot be required to do so. 1964 Op. Att'y Gen., No. 2.

ALR reference. — Applicability of state fishing license laws or other public regulations to fishing in private lake or pond, 15 ALR2d 754

Sec. 16.05.335. Complimentary licenses. The commissioner of revenue shall annually, at the request of the governor, provide him with not to exceed 50 complimentary fishing and hunting licenses and appropriate big game tags which the governor may distribute to distinguished visitors to Alaska at his discretion for their use in any one season during their visits to the state. The complimentary license for sport fishing or hunting or both shall be inscribed by the governor with the inclusive dates for its authorized use. The governor shall advise the Department of Fish and Game on any complimentary issuances, which information shall be available to the public. (§ 1 art II ch 94 SLA 1959; am § 1 ch 61 SLA 1962; am § 1 ch 31 SLA 1963; am § 1 ch 6 SLA 1965)

Sec. 16.05.340. License and tag fees. (a) Fees for licenses and tags are as follows:

(1) Resident sport fishing license $10

However, the fee is 25 cents for a resident who is blind.

(2) Resident hunting license 12

(3) (A) Resident hunting and trapping license 15

(B) Resident trapping license 3

(4) Resident hunting and sport fishing license 22

(5) Resident hunting, trapping, and sport fishing license 25

However, the fee is 25 cents for the head of a family or a dependent member of his family or one solely dependent upon himself for support upon proof presented by the applicant that the applicant (A) is obtaining or has obtained assistance during the preceding six

months under any state or federal welfare program t aid the indigent, or (B) has an annual family gross income of less than $3,600 for the year preceding application.

(6) Visitor's special sport fishing license — valid for the period inscribed on the license

(A) For 10-day license	15
(B) For one-day license	5
(7) Nonresident sport fishing license	30
(8) Nonresident hunting license	60
(9) Nonresident hunting and sport fishing license	90

A nonresident may not take a big game animal without previously purchasing a numbered, nontransferable, appropriate tag, issued to him as provided in (16) of this subsection. The tag shall be affixed to the animal immediately upon capture and shall remain affixed until the animal is prepared for storage, consumed, or exported.

(10) Nonresident hunting and trapping license	200
(11) Repealed by § 2 ch 32 SLA 1968.	
(12) Repealed by § 2 ch 32 SLA 1968.	
(13) Fur dealers:	
(A) Resident fur dealer license	50
(B) Nonresident fur dealer license	200
(14) Taxidermists:	
(A) Resident taxidermy license	75
(B) Nonresident taxidermy license	200
(15) Fish, fur or game farming license	100
(16) Nonresident big game tags:	
(A) Bear, black, each	100
(B) [deleted]	
(C) Bear, brown or grizzly, each	250
(D) Bear, polar, each	250
(E) Bison, each	250
(F) Caribou, each	200
(G) Deer, each	35
(H) Elk, each	125
(I) Goat, each	125
(J) Moose, each	200
(K) Sheep, each	250
(L) Walrus, each	250
(M) Wolf, each	50
(N) Wolverine, each	50
(17) Repealed by § 2 ch 32 SLA 1968.	
(18) Resident tags for bear, brown or grizzly, each	25
(19) Resident or nonresident permit application fee (all species for which a limited drawing is conducted, except musk oxen)	5

(b) The commissioner of fish and game may issue without cost a permit to collect fish and game, including fur animals, subject to the

limitations and provisions he considers appropriate, for scientific, propagative, or educational purpose. In addition, the commissioner may issue a permit for (1) the collecting of wild fur animals for fur farming, or (2) the recapturing of fur animals that have escaped from fur farms. The annual fee for a permit for collecting fur animals for fur farming purposes is $100. A tag issued but not used for an animal may be used to satisfy the tagging requirement for any other animal of the species named for which the tag fee is of equal or less value.

(c) The commissioner of revenue may issue a duplicate license or a duplicate tag as a replacement for a license or tag issued under (a) of this section. A fee of $2 shall be charged for each duplicate license or tag and the duplicate shall not be issued unless the commissioner of revenue or his delegate is satisfied that the original has been lost or destroyed. This subsection does not apply to a 25-cent license issued under (a) (5) of this section.

(d) Members of the military service on active duty who are permanently stationed in the state, and their dependents, who do not qualify as residents under § 940(14) of this chapter, may obtain special nonresident military small game and sport fishing licenses at the rates for resident hunting and sport fishing licenses, but may not take a big game animal without previously purchasing a regular nonresident hunting license and a numbered, nontransferable appropriate tag, issued at the nonresident rate, under (a)(16) of this section.

(e) Each master guide licensed under AS 08.54.100 and each registered guide licensed under AS 08.54.110 shall pay a fee in the following amount for each caribou, sheep, moose, brown or grizzly bear and polar bear taken on a hunt guided by or under the active supervision of the guide:

(1) polar, brown or grizzly bear:

(A) for each polar, brown or grizzly bear taken over a total of 5 polar, brown or grizzly bear per season and up to a total of 10 polar, brown or grizzly bear — $20;

(B) for each polar, brown or grizzly bear taken over a total of 10 polar, brown or grizzly bear per season and up to a total of 25 polar, brown or grizzly bear — $100;

(C) for each polar, brown or grizzly bear taken over a total of 25 polar, brown or grizzly bear per season — $500;

(2) moose:

(A) for each moose taken over a total of 5 and up to a total of 10 per season — $20;

(B) for each moose taken over 10 and up to a total of 25 per season — $100;

(C) for each moose taken over 25 per season — $500;

(3) sheep:

Chapter 01. Centralized Licensing.

Section		Section	
10.	Applicability of chapter	80.	Department regulations
20.	Board organization	87.	Powers and duties of department
25.	Public members	90.	Applicability of the Administrative Procedure Act
30.	Quorum	100.	License renewal, lapse and reinstatement
40.	Transportation and per diem	105.	Penalty for improper payment
50.	Administrative duties of department	110.	Definitions
60.	Application for license		
70.	Administrative duties of boards		

Sec. 08.01.010. Applicability of chapter. This chapter applies to the

(1) Board of Public Accountancy;

(2) Board of Barber Examiners;

(3) Repealed by § 6 ch 32 SLA 1971.

(4) Board of Chiropractic Examiners;

(5) Board of Hairdressing and Beauty Culture Examiners;

(6) Board of Dental Examiners;

(7) Board of Electrical Examiners;

(8) State Board of Registration for Architects, Engineers and Land Surveyors;

(9) State Medical Board;

(10) Board of Nursing;

(11) Board of Examiners in Optometry;

(12) Board of Pharmacy;

(13) Real Estate Commission;

(14) Board of Veterinary Examiners;

(15) Board of Psychologist and Psychological Associate Examiners;

(16) Collection Agency Board;

(17) Board of Welding Examiners;

(18) Board of Marine Pilots;

(19) Board of Dispensing Opticians;

(20) Guide Licensing and Control Board;

(21) State Physical Therapy Board. (§ 1 ch 59 SLA 1966; am § 2 ch 136 SLA 1967; am § 2 ch 101 SLA 1968; am § 2 ch 143 SLA 1968; am § 2 ch 151 SLA 1968; am § 1 ch 106 SLA 1970; am § 6 ch 32 SLA 1971; am § 4 ch 179 SLA 1972; am § 2 ch 45 SLA 1973; am § 14 ch 65 SLA 1973; am § 1 ch 43 SLA 1975; am § 1 ch 43 SLA 1977)

Effect of amendments. — The first 1973 amendment added paragraph (19).

The second 1973 amendment inserted "and Psychological Associate" in paragraph (15).

The 1975 amendment added paragraph (20).

The 1977 amendment added paragraph (21).

Editor's note. — Section 2, ch. 59, SLA 1966, provides: "The Department of Commerce shall provide for the orderly transfer of the service functions which are to be performed by the department under this chapter."

Section 4, ch. 59, SLA 1966, provides: "A provision in existing law which conflicts with this Act is superseded by this Act."

Legislative committee reports. — For report on ch. 143, SLA 1968 (HB 707), see 1968 House Journal, p. 836. For report on ch. 32, SLA 1971 (HB 111 am), see 1971 House Journal, p. 138.

Sec. 08.03.010. Termination, continuation and reestablishment of regulatory boards. (a) Boards listed in this subsection have a termination date of June 30, 1979:

(1) Board of Chiropractic Examiners (AS 08.20.010);

(2) Board of Dental Examiners (AS 08.36.010);

(3) State Medical Board (AS 08.64.010);

(4) Board of Nursing (AS 08.68.010);

(5) Board of Dispensing Opticians (AS 08.71.010);

(6) Board of Examiners in Optometry (AS 08.72.010);

(7) Board of Pharmacy (AS 08.80.010);

(8) Board of Veterinary Examiners (AS 08.98.010);

(9) Board of Psychologist and Psychological Associate Examiners (AS 08.86.010);

(10) Board of Nursing Home Administrators (AS 08.70.010);

(11) Physical Therapy Board (AS 08.84.010).

(b) Boar[illegible]ted in this subsection have a termination date of June 30, 1980:

(1) Board o[illegible]blic Accountancy (AS 08.04.010);

(2) Board of Barber Examiners (AS 08.12.010);

(3) Collection Agency Board (AS 08.24.011);

(4) Board of Hairdressing and Beauty Culture Examiners (AS 08.28.010);

(5) Board of Electrical Examiners (AS 08.40.010);

(6) State Board of Registration for Architects, Engineers and Land Surveyors (AS 08.48.011);

(7) Guide Licensing and Control Board (AS 08.54.010);

(8) Board of Marine Pilots (AS 08.62.010);

(9) Real Estate Commission (AS 08.88.011);

(10) Board of Welding Examiners (AS 08.99.010);

(11) Board of Governors of the Alaska Bar Association (AS 08.08.040).

(c) Upon termination, each board listed in (a) and (b) of this section shall continue in existence until June 30 of the next succeeding year for the purpose of concluding its affairs. During this period, termination does not reduce or otherwise limit the powers or authority of each board. One year after the date of termination, a board not continued shall cease all activities.

(d) The termination, dissolution, continuation or reestablishment of a regulatory board shall be governed by the legislative oversight procedures of AS 44.66.050.

(e) A board scheduled for termination under this chapter may be continued or reestablished by the legislature for a period not to exceed four years. (§ 2 ch 149 SLA 1977)

Sec. 08.54.100. Qualifications for a master guide license. A person is entitled to be licensed as a master guide if he

(1) has legally hunted in the state for a part of each of 10 years during which time a substantial source of his income was from guiding or related activities directly contributing to his experience and competency as a guide;

(2) meets all the requirements of a registered guide and has been actively engaged in licensed guiding activities in the state for at least five years preceding application;

(3) has not been convicted of a violation of federal or state sport fishing, game or guiding laws or regulations within the preceding five years;

(4) has consistently performed in a superior manner as evidenced by required reports submitted to the board and by inquiries made by the board to at least two of the guide's clients of record; and

(5) meets additional qualifications which the board may require. (§ 1 ch 17 SLA 1973)

Editor's note. — Section 3, ch. 17, SLA 1973, provides: "A person licensed as a registered or master guide, class-A assistant guide or assistant guide as of March 14, 1973 shall, upon application, be issued a registered guide license, master guide license, class-A assistant guide license or assistant guide license, respectively."

Sec. 08.54.110. Qualifications for registered guide license. A person is entitled to be licensed as a registered guide if he

(1) is 21 years of age or more;

(2) is a resident of the state and maintains a permanent place of abode in the state;

(3) has practical field experience in the handling of firearms, hunting, judging trophies, field preparation of trophies, first aid and photography;

(4) is familiar with the terrain and transportation problems in the district for which the license is requested;

(5) has passed the qualification examination prepared and administered by the board;

(6) has demonstrated to the board sufficient standards of competence and ethical conduct and has not been convicted of a crime involving moral turpitude;

(7) has legally hunted in the state for all or part of each of five years in a manner directly contributing to his experience and competency as a guide;

(8) has been licensed as and performed the services of an assistant guide in the state for a part of each of three years;

(9) submits a written recommendation to the board from a registered guide for whom the applicant has worked;

(10) is capable of performing the physical duties associated with guiding activities;

(11) has been favorably recommended in writing by two hunters that he has guided or assisted in guiding during each year of his three years as an assistant guide, whose recommendations have been solicited by the board from a list provided by the applicant;

(12) meets additional qualifications which the board may require. (§ 1 ch 17 SLA 1973)

Cross reference. — See editor's note under AS 08.54.100.

Sec. 08.54.120. Qualifications for a class-A assistant guide license. A person is entitled to be licensed as a class-A assistant guide if he

(1) has been employed for at least one season as a licensed assistant guide;

(2) has had at least 20 years experience in the guide district in which he is to be employed; for the purposes of this paragraph physical presence at some time of the year during each of the 20 years constitutes adequate evidence of experience, and military service outside the state for no more than six years shall be accepted as part of the required 20 years experience;

(3) has been recommended in writing as qualified by a registered or master guide to the board. (§ 1 ch 17 SLA 1973)

Cross reference. — See editor's note under AS 08.54.100.

Sec. 08.54.130. Privileges and limitations of class-A assistant guides. A class-A assistant guide

(1) may not contract for hunts;

(2) shall be under the supervision of a registered or master guide who has contracted with the client for whom the class-A assistant guide is conducting the hunt;

(3) may take charge of a camp and conduct hunts from it without the registered or master guide necessarily being present in the area if the registered or master guide is physically present in the state and is actively supervising in guiding activities. (§ 1 ch 17 SLA 1973)

Sec. 08.54.140. Qualifications for assistant guide license. A person is entitled to be licensed as an assistant guide if he

(1) is 19 years of age or more;

(2) is a resident of the state;

(3) is favorably recommended to the board, in writing, by a registered guide;

(4) meets additional qualifications which the board may require;

(5) is in sound physical condition. (§ 1 ch 17 SLA 1973)

Cross reference. — See editor's note under AS 08.54.100.

Sec. 08.54.142. Qualification for transporter license. (a) No person may engage in the activity of transporting unless he is licensed as a transporter under this chapter A person may be licensed as a transporter if he

(1) is a resident of the state;

(2) is familiar with the terrain and transportation problems in the district or districts for which the license is requested;

(3) obtains a business license to do business as a transporter under AS 43.70.030.

(b) No person may engage in the activity of transporting by air without an air commerce certificate as required by AS 02.05.040. (§ 2 ch 106 SLA 1976)

Editor's note. — Section 1, ch. 106, SLA 1976, provides: "**Purpose.** It is the purpose of this Act to protect the safety of the citizens of the state and better manage and protect its resources by licensing persons who transport hunters for hire so that reasonable standards and guidelines will be met and activities affecting the state's game resources will be more accurately monitored and assessed."

Section 10, ch. 106, SLA 1976, provides: "Nothing in this Act gives a person licensed as a transporter a right as an air carrier which he does not otherwise hold under law."

Sec. 08.54.144. Restriction to transportation. (a) A licensed transporter may transport persons whose primary purpose is the taking of big game or the associated removing of big game meat and parts of big game, with the intent of receiving monetary or material remuneration for the transportation.

(b) Air carriers who transport persons between airports, landing strips or other landing areas officially listed in the United States government Flight Information Publication, Alaska Supplement, as revised, or the United States government Sectional Aeronautical Charts, as revised, are exempted from the license requirements for transporters under this chapter but shall comply with the reporting provisions as prescribed in AS 02.05.170(f).

(c) Master guides, registered guides, class-A assistant guides or assistant guides are exempted from the license requirements for transporters under this chapter but shall comply with the reporting provisions as prescribed in AS 02.05.170(f). (§ 2 ch 106 SLA 1976)

Editor's note. — Section 10, ch. 106, SLA 1976, provides: "Nothing in this Act gives a person licensed as a transporter a right as an air carrier which he does not otherwise hold under law."

Sec. 08.54.146. Transporter report. A transporter shall maintain a record of (1) the names and addresses of all persons he transports; (2) the type of game transported; (3) an estimate of the quantity of meat

transported; (4) the date of transporting; and (5) if known, the locality where the game was taken. The report shall be submitted to the Department of Fish and Game within 90 days after transporting the game. After receiving a report required under this section, the Department of Fish and Game shall send a copy of it to the Department of Public Safety. (§ 2 ch 106 SLA 1976; am § 4 ch 133 SLA 1976)

Revisor's note (1976). — AS 08.54.146 was added by § 2, ch. 106, SLA 1976, and amended by § 4, ch. 133, SLA 1976. Since the two acts appear to be inconsistent, and ch. 106 is superseded by ch. 133, only the later enactment has been given effect here.

Effect of amendment. — Section 4, ch. 133, SLA 1976, substituted "ninety days" for "thirty days" in the second sentence.

Editor's note. — Section 10, ch. 106, SLA 1976, provides: "Nothing in this Act gives a person licensed as a transporter a right as an air carrier which he does not otherwise hold under law."

Sec. 08.54.150. Responsibility of registered or master guide for violations. A registered or master guide contracting for a hunt is equally responsible under § 200 of this chapter for a violation of a federal or state sport fish, game or guide statute or regulation committed by a class-A assistant guide or assistant guide while in the course of his employment. (§ 1 ch 17 SLA 1973)

Sec. 08.54.170. License fees. (a) License fees for engaging in the profession of guiding are:

(1) master guide license, annual	$75
(2) registered guide license, annual	75
(3) class-A assistant guide, annual	15
(4) assistant guide license, annual	10

(b) The license fee for a master guide, registered guide, class-A assistant guide or assistant guide license is in addition to the fee required for a hunting or fishing license.

(c) The license fee for a transporter is $10. (§ 1 ch 17 SLA 1973; am § 3 ch 106 SLA 1976)

Effect of amendment. — The 1976 amendment added subsection (c).

Editor's note. — Section 10, ch. 106, SLA 1976, provides: "Nothing in this Act gives a person licensed as a transporter a right as an air carrier which he does not otherwise hold under law."

Sec. 08.54.180. Examination fee. An applicant for a guide examination shall pay a fee of $25. (§ 1 ch 17 SLA 1973)

Sec. 08.54.185. Additional fees. In addition to the license and examination fees provided for under this chapter, master guides and registered guides are subject to fees imposed under AS 16.05.340(e). (§ 4 ch 268 SLA 1976)

Legislative committee report. — For report on ch. 268, SLA 1976 (FCCS HCS CSSSSB 335), see 1976 House Journal, p. 910.

Article 3. General Provisions.

Section
240. Definitions

Sec. 08.54.240. Definitions. In this chapter

(1) "board" means the Guide Licensing and Control Board;

(2) "guide", "guides" or "guiding" means assisting another person to take game with the intent of receiving monetary or material remuneration for the services, by accompanying and directing that person personally or through a licensed assistant guide for the duration of a hunt, and not solely for the purpose of providing transportation services;

(3) "resident" means a person who maintains a place of residence within the state; has not claimed residency in another state for the immediately preceding 12 months; shows by all attending circumstances that his intent is to make this state his permanent residence;

(4) "unethical activity" means

(A) deception in any degree involving prospective or actual clients either before, during, or following contract hunts;

(B) misrepresentation either through private communication or public advertising of the nature, type, duration, cost, or other conditions of contract hunts.

(C) making a guarantee that a species or certain number of species of game will be taken on a contract hunt.

(5) "transporting" or the "activity of transporting" means conveying a person by any lawful means to an area for remuneration or material benefit in excess of normal operating costs, when the primary purpose of the person being conveyed is the taking of big game and the associated removing of big game meat and parts of big game after big game has been taken; big game as used in this paragraph means game which, if taken by a nonresident, would require a big game tag. (§ 1 ch 17 SLA 1973; am §§ 7, 8 ch 106 SLA 1976; am § 2 ch 107 SLA 1976)

Effect of amendments. — The first 1976 amendment deleted "accompanying, guiding, or" preceding "assisting another person" near the beginning of paragraph (2), added the language beginning "by accompanying and directing that person" to the end of that paragraph, and added paragraph (5).

The second 1976 amendment added paragraph (4)(C).

Editor's note. — Section 10, ch. 106, SLA 1976, provides: "Nothing in this Act gives a person licensed as a transporter a right as an air carrier which he does not otherwise hold under law."

Chapter 56. Hotels and Boardinghouses.

Section
10. Registration of travelers
20. Effect of refusal to register
30. Penalty for noncompliance
40. Disposition of fines
50. Liability for valuables
60. Baggage liability
70. Definitions

KILLED ON SENATE FLOOR

Original sponsor: Commerce Committee

Offered: 4/25/80
Referred: Rules

IN THE SENATE BY THE COMMERCE COMMITTEE

CS FOR SENATE BILL NO. 574

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act continuing the existence of the Guide Licensing and Control Board and amending the law relating to its powers and responsibilities; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 08.54.010 is amended to read:

Sec. 08.54.010. CREATION AND MEMBERSHIP OF BOARD. There is created in the division of fish and wildlife protection, Department of Public Safety, the Guide Licensing and Control Board consisting of seven members. Three [NO MORE THAN THREE] members of the board shall be actively involved in guiding [HAVE A GUIDE LICENSE]. The other members shall have a general knowledge of the game resources of the state but may not (1) be engaged in guiding; (2) be associated by legal contract with a guide except as a consumer of the services provided by the guide; or (3) have a direct financial interest in a guide business. A minimum of 10 years residence in the state is required for all members of the board.

* Sec. 2. AS 08.540.020 is amended to read:

Sec. 08.54.020. APPOINTMENT AND TERM OF OFFICE. The members of the board shall be appointed by the governor and confirmed by the legislature for staggered terms of three years or until their successors are appointed. Initial terms are as follows: three members for one year, two members for two years, and two members for three years. A member may be removed at the pleasure of the governor. A person may not be appointed to the board for more than two consecutive terms.

* Sec. 3. AS 08.54.030 is amended to read:

Sec. 08.54.030. CHAIRMAN OF BOARD. The board shall annually elect one of its members as chairman and one of its members as vice-chairman. A person elected as chairman may not serve for more than two consecutive years.

* Sec. 4. AS 08.54.170(a) is amended to read:

(a) License fees for engaging in the profession of guiding are:

(1) master guide license, biennial [ANNUAL]. . . $200 [$75]

(2) registered guide license, biennial [ANNUAL]. $200 [75]

(3) class-A assistant guide, biennial [ANNUAL] . $ 50 [15]

(4) assistant guide license, biennial [ANNUAL] . $ 30 [10]

* Sec. 5. AS 08.54 is amended by adding a new section to read:

Sec. 08.54.182. EXAMINATION. The qualification examination required to be passed by persons seeking licensure under AS 08.54.100 and 08.54.110 shall be administered twice a year in both Juneau and Anchorage.

* Sec. 6. AS 08.54.190(a) is amended to read:

(a) A master guide, registered guide, class-A assistant guide, or assistant guide [OR TRANSPORTER] license expires on December 31 of the calendar year following the calendar year in which the license was issued [FOLLOWING ISSUANCE].

* Sec. 7. AS 08.54.190(b) is amended to read:

(b) No license may be issued to a class-A assistant guide or assistant guide who has failed to renew his license for four [TWO] consecutive years unless he again meets the qualifications for initial issuance of the license.

* Sec. 8. AS 08.54.200(a) is amended to read:

(a) The board shall hold a hearing to determine if disciplinary action is necessary if

(1) complaints concerning the licensee have been filed with the board from three or more clients of separate parties within the past five years; or

(2) [A LICENSEE HAS BEEN CHARGED WITH A VIOLATION OF FEDERAL OR STATE SPORT FISH, GAME OR GUIDE STATUTES OR REGULATIONS; OR]

(3) a licensee has been convicted of a violation of federal or state sport fish, game or guide statute or regulation.

* Sec. 9. AS 08.54.200(c) is amended to read:

(c) After a hearing, the board shall revoke, suspend, or deny renewal of a license if the board finds that the licensee

(1) does not meet the qualifications specified by statute or regulation for the class of license held;

(2) is incompetent as a master guide, registered guide, class-A assistant guide, or assistant guide;

(3) has been convicted of two violations of federal or state sport fish, game or guide statutes or regulations within the past five years.

* Sec. 10. AS 08.54.210(a)(1) is amended to read:

(1) a master guide, registered guide, class-A assistant guide, or assistant guide [OR TRANSPORTER] to fail to timely report to the Department of Public Safety, division of fish and wildlife protection, and in no event later than 30 days, violations by a client of a state fish, game or guiding statute or regulation;

* Sec. 11. AS 08.54.210(a)(2) is amended to read:

(2) a master guide, registered guide, class A assistant guide, or assistant guide [OR TRANSPORTER] to aid the commission of a violation of this chapter or of AS 16.05 or a regulation adopted [PROMULGATED] under either chapter, or permit the commission of a violation in his sight without attempting to prevent it, short of using force, and

without reporting it;

* Sec. 12. AS 08.54.210(a)(4) is amended to read:

(4) a person to advertise as or represent himself to be a licensed master guide, registered guide, class-A assistant guide, or assistant guide [OR TRANSPORTER] without being currently licensed, or to falsely advertise services;

* Sec. 13. AS 44.41.020 is amended to read:

Sec. 44.41.020. DUTIES OF DEPARTMENT. (a) The Department of Public Safety shall administer functions relative to the protection of life and property.

(b) The Department of Public Safety shall administer the Guide Licensing and Control Board established under AS 08.54.010.

* Sec. 14. AS 08.03.010(c) is amended by adding a new paragraph to read:

(2) Guide Licensing and Control Board (AS 08.54.010) -- June 30, 1984.

* Sec. 15. AS 08.01.010(20); AS 08.03.010(b)(7); AS 08.54.100(5), 08.54.110(12), 08.54.142, 08.54.144, 08.54.146, 08.54.170(c), 08.54.240(5); and AS 16.05.340(e) are repealed.

* Sec. 16. This Act takes effect immediately in accordance with AS 01.10.070(c).

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K-STATE CAPITOL
JUNEAU, ALASKA 99811

April 29,. 1980 465-3600

Guide Licensing and Control Board
Department of Commerce and
Economic Development
Pouch D
Juneau, Alaska 99811

Gentlemen:

At the April 1980 Guide Board meeting in Fairbanks, the board granted a petition from Chairman Mark Jensen requesting he be granted exclusive use of a portion of Chicagof Island. At the time the board action occurred, Assistant Attorney General Liza Fussner advised you that the board's action was illegal. The board nonetheless granted the petition.

I have enclosed a copy of a memorandum from Ms. Fussner to Tom Koester, head of the Resources Division in my office. Because of the sensitive nature of this action involving as it does the Chairman of the Guide Board, I reviewed the matter personally and I believe that Ms. Fussner's advice to you is sound. The action of the board cannot be supported by law.

I have been advised that litigation will be commenced immediately to contest the board's action. Since we have already advised you the action is illegal, we will be forced to concede that illegality in court. Moreover, since we have advised you of the impropriety of your action and the board has nonetheless taken the action, there is a very real possibility that individual members of the board may be liable for damages, court costs, and possible attorney fees of any successful litigant.

I realize this is a difficult situation, but it is only going to get more difficult if nothing is done promptly. I strongly urge the board to immediately convene, by phone if necessary, to reconsider its action and rescind the decision. Full notice should be given to Mr. Jensen who will be free to contest the matter if he so chooses.

I would be happy to discuss this with you by phone or in person at your earliest convenience. Obviously, it is not pleasant for me to suggest this type of action to a state board, but my responsibilities under the laws of the state simply afford me no room for latitude.

Yours very truly,

Avrum M. Gross
Attorney General

AMG:chw

Enclosure

cc: Bill Bellingar
% Liza Fussner

FROST GUIDE SERVICE, INC.

STAR RT. A, BOX 395-C
ANCHORAGE, ALASKA 99507

FAREWELL LAKE
VIA MCGRATH, ALASKA 99627

FAREWELL LAKE

PHONE (907) 344-5482

STAN FROST, REGISTERED GUIDE #17

March 26, 1980

COPY

Bud Wiese
Interior Wildlife Association of Alaska
Box 60255
Fairbanks, Alaska 99701

Dear Bud:

I was very disappointed to see your name at the bottom of the letter of March 20th to Representative Osterback.

Bud, I have always had great respect for you, and still believe that you were one of the best Guide Board members we ever had. You never pre-judged anyone and always tryed to get both sides of a problem BEFORE you made a decision. Your stabilizing influence on the board is sincerely missed by the guiding industry.

I can not help but believe that you have been missled by, Mark's personal ammosity towards me in making the unsubstanuated statements you made in this letter. --- When you, unfairly attack one of my family, and insinuate that the personal integrity of Rick is questionable, by inudendo and not having the balls to come right out with factual charges is something I can not understand.

You ,yourself, as a member of the guide board, REQUIRED facts and did not condemm a man on the emotional outburst of someone who may have an ax to grind.

You made a lot of decisions which affected the lives of many guides when you were on the Board. some guides disagreed with your decisions, You were not always right, but you made a judgement believing you made the best one. and in most cases I think you made good decisions.
You expected the guides to accept your actions, right or wrong, and would be very upset if you received a letter claiming that your personal and family problems entered into your decision. ---------- That statement you made was strictly uncalled for. --- I believe you owe both Rick & I an explaination of that statement----

You, as one who was on the Board during the formative years, I would like to remind you of a few FACTS:

(1) During the first years of the Guide Board, I was President of the Alaska Professional Hunters Assocc. and was always-(and still am) in favor of a Guide Board for the good of the guiding industry. Both you and I differed with Rick's ideas many times, but that does not mean he did not also have some good ideas also.

(2) Rick Halford has always been against the way the guide board has allocated areas, and A.P.H.A. has also complained about the way area's were given out because you had no set criteria and changed it from area to area.....BUT basicly the Guide Board has been a stabilizing influence on the guiding industry. But even you must agree,--If what the guide board is doing will not hold up in Law, The board must be given the chance to correct it. The Board should not be afraid of a Legal review of the regulations. If they are, something is very wrong!!!!

The next to the last para. of your letter really disturbes me. This is nothing but a muck racking attempt to discredit a Representative who differs with your thinking. Some of you take any criticism of the board as a personal insult, which is totally wrong.....I have differed with Rick many times, and he with me, and will contuinue to do so, but I don't try to discredit him.

....Do you really know what you are saying ???

You are insinuating that Rick has used his position as a State Representative for personal profit.....Bud I'm suprised at you....and dissapointed.. Rick flew for the Game Department, Before he was a State Representative. Just think about it,---you are in the trucking business,--if you were elected to the House, would you turn down the State contract you had for the past few years, and go out of business, because you were elected ?????? I hope you don't try to kid yourself when you answer that question.

Bud, you should listen to Mark, just like you listened to the guides when they testified before you----with an open mind----then get the other side of the story .... Don't go off half cocked. Its not like you to get involved in, gossip, muck-racking, or dwelving into the personal, and family life of anyone in an attempt to rationalize your position, especially when you don't know what you are talking about.

Take Chuck Grays letter to Rep. Osterback, it was excellant and was, to the point, concize, & factual with no bullshit about anyone. He put his points of disagreement across very well.

We should all learn something when we compare these two letters complaining about the same things. I know I sure have. We all get carried away at times and Bud, I think that you owe Rick an apology as soon as possibly.

Looking forward to hearing from you.

Stan Frost

CHARLES GRAY
311 Slater Street
FAIRBANKS, ALASKA 99701

March 21, 1980

Representative Alvin Osterback
Co-Chairman, Resources Committee
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Osterback,

As one of 10 guides who spontaneously appeared in Fairbanks for the recent Senate Commerce Committee teleconference on the sunset provision for the Guide Board, I want to tell you that we are all disappointed in the lukewarm endorsement for the Board that came out of your committee. When I say "we", I assume the others will be, too, for they all spoke highly of the Board's accomplishments.

Thanks to the Board, a guide can now concentrate on producing a quality hunt instead of trying to out-fox other guides that are vying for the same area. I would also call your attention to the fact that two of the five biggest vacuum cleaning outlaws have been put out of business by the Board.

I particularly feel it is unfair to only recommend a temporary one year extension of the Board while the Department of Law looks for problems. Instead of causing the Board trouble, you should be praising them for accomplishing the near-impossible.

As for paragraph 5b of your report to the House Speaker, it appears your committee is suggesting a special class of citizen be created to accommodate rural residents. While I won't attempt to probe the constitutionality of this, I would remind you that the function of the Board is to upgrade the guiding profession. Guides have to handle a lot of correspondence, contracts and other business functions that cannot be neglected in a profession.

Now having said that, I would point out that the Board bends over backwards to accommodate native people that genuinely want to get into guiding. Examples would be some of the walrus hunters on St. Lawrence Island and muskoxen guides on Nunivak. At the Board's request, I am presently assisting a native guide from Arctic Village to prepare his case for a guiding area. This fellow, whom I helped into the guiding business many years ago, has failed to show up at Board meetings on several occasions when contenders for the area have been greatly inconvenienced by this fact. Still the Board has kept his application open long after it would

have been closed for any white guide. I don't object to this; I think it is good that the Board goes the extra mile, but I fail to see how you can expect them to do more, by any stretch of the imagination.

I sincerely hope you will take these comments as constructive and informative and see your way clear to give the Board greater assistance, for none of the guides I know want to return to the chaos we had prior to the formation of the Guide Board.

Sincerely,

Chuck Gray

Charles L. Gray

cc: Resource Committee Members

ALASKA HUNT

Clark Engle
4129 Lana Court
Anchorage, Alaska 99504
Phone (907) 333-5214

March 27, 1980

Rep. Al Osterback, Chairman
Puoch V
Juneau, Alaska 99811

Dear Mr. Chairman,

This letter is in regards to the Sunset Review of the Guide License and Control Board. As a member of said board, I feel I must comment on the review and a copy of a letter of a request by Rep. Rick Halford, to attorney general's office about a legal audit.

First, I would like to comment on Rep. Halford. It has come to my attention that certain people have made accusations against him. They say he has a conflict of interest, he is letting his family get in his way of making good judgement, etc. I want you to understand I am not a fan of Rep. Halford's, in fact, we very seldom agree on most facts. However, I do think Rep. Halford is an honest legislator and his integrety, as far as I am concerned, has never been in doubt. To say he has a conflict of interest is ridiculous and the family problem is even more ridiculous.

I feel this attack on him was due to him asking for a legal audit. As one of the board members, I say it is about time and I welcome a legal audit. I cannot understand anyone not wishing to adhere to the constitution, and after all, that is what is expected of us.

Now, I would like to comment on the review finding by the House Resources.

No. 1 I am happy to see you find need for the board, for safety and welfare of the public. I feel you have left out one important thing, that is, the great need by the industry, for a board, to better the guiding industry.

No. 2 I disagree with finding in this case. The board should not be under public safety. A seperation of the police and the board should be distinct. The reason given me for putting it under protection is commerce does not do its job. If this is true and I believe it is, the legislator should shape the bureaucracy up, not transfer the problem.

No. 3 The transporter law, like many laws, was designed to correct a problem. And like many other laws, it failed miserably,

in fact it caused more problems. All this law did was to license a $10.00 guide.

No. 4 This finding has much merit. For years we have been trying to change some simple statutes. I shall list them, these will not be in there order of importance.

(a) Repeal of the guide head tax (Alaska Statute Sec. 16.05.340). This head tax is the most unfair, and I believe, it is a discriminatory tax. It sets the guide aside and taxes him and does not tax any other user of the natural resources, such as resident hunter, timber people, commerical fishermen, sports fishermen, miner, subsistance hunter and fishermen. You must remember, we do not shoot the game, all we do is provide a service for a hunter. The hunter has already paid for the right to hunt by buying a license and tags. I take note of the lack of tax on bird watchers who takes pictures, etc. I encourage you to repeal this law.

(b) In the guide law (Sec. 08.54.200) grounds for disciplining a licensee. According to this statute, the board must have a hearing, if a licensee has had 3 or more complaint letters from Clients. There is no time element on this, these complaints could be 10 or 15 years apart. I suggest the mandatory section be removed. Leave it up to the board, there are times when one complaint should be heard. All complaints should be investigated and the results should be presented to the board.

(c) Sec. 08.54.200 grounds for disciplining a license Section (C) No. (3) It is mandatory the board revoke a license if a licensee is convicted of two violations. This manadatory section should be removed also. Some convictions do not merit revoking a license. Example (a guide is convicted of forgetting his license one year, 10 years later he is convicted of not having proper survival gear in the aircraft, the guide claims the gear was stolen. It would be mandatory for the board to revoke his license for 5 years. I say leave this decision to the board, do not make it mandatory.

(d) New sections to be added. The board will advertise to the public for proposals to change guide regulation and will consider them and take action at least once a year. At this time the public has no way to submit a proposed change of regulation unless the board chairman O.K.'s them or one of the board members submit them. This should be set up simular to Game Board.

(e) New section to be added. Annual election of chairman and vice chairman. Chairman and vice chairman will only serve 2 consecutive years. Mark Jenson has been Chairman for 6 years and he has been a very dedicated chairman, however, I think it is healthy for a board to have a new chairman every two years for new thinking, new ideas, a new outlook on matters.

(f) New section. Guide Board members must attend at least 3/4th of the meetings each year, and registered guide members of the board must be active. To prove activity they must have at least 5 financial renumeration statements on file, per year. It does no no good to have a guide on the board that is not active, he is out of the main stream of the industry.

No. 5 I hope the legislators do not hamstring the board by continuing the board for just one year. We are only allowed 3 meetings a year, by the commerce dept. They tell us they have no more funds. There is only a certain amount one can expect from a board that will be in session for 15 days a year. Possibly the answer to that, if you do continue us for just one year is, set asside a special appropriation for more meetings and longer meetings.

(5b) Last but not least this deals with rural resident guides. I am happy to see our rural resident s taken care of. However, let me caution you, make dam sure that all guides, whether they be rural or urban, be treated equal. Do not make the la double standard.

I realize I have been long winded, as I usually am, but I feel you should get as much imput from all segment of the guiding industry. Only then can you make workable laws.

Sincerely,

Clark L. Engle

cc:Reps: Pat Carney
Bill Miles
Chat Chatterton
Fred Zharoff
Jack Fuller
Sam Cotten
Rick Halford
Joe Hayes
Sens: Brad Bradley
Ed Dankworth
Arliss Sturgulewski
All Guide Board Members
Bill Bellinger

REPRESENTATIVE PHILLIP GUY

COMMITTEES:
HOUSE FINANCE

Alaska State Legislature

POUCH V
JUNEAU, ALASKA 99811

DISTRICT 17

A.V.C.P., INC.
KUSKOKWIM - YUKON

AKIACHAK
AKIAK
ALAKANUK
ANDREAFSKY
ANIAK
ATMAUTLUAK
BETHEL
CHEFORNAK
CHEVAK
CROOKED CREEK
EEK
EMMONAK
GEORGETOWN (K)
GOODNEWS BAY
HAMILTON
HOLITNA
HOOPER BAY
KASIGLOOK
KIPNUK
KONGIGANAK
KOTLIK
KWETHLUK
KWIGILLINGOK
LIME VILLAGE
LOWER KALSKAG
FORTUNA LEDGE
(MARSHALL)
MEKORYUK
MOUNTAIN VILLAGE
NAPAIMUTE
NAPAKIAK
NAPASKIAK
NEWTOK
NIGHTMUTE
NUNAPITCHUK
NYAC
OHOGAMIUT
OSCARVILLE
PILOT STATION
PITKAS POINT
PLATINUM
RUSSIAN MISSION (K)
RUSSIAN MISSION (Y)
RED DEVIL
SCAMMON BAY
SHELDON'S POINT
SLEETMUTE
ST. MARY'S
STONY RIVER
TOKSOOK BAY
TULUKSAK
TUNTUTULIAK
TUNUNAK
UPPER KALSKAG

AKIACHAK
AKIAK
ANIAK
ATMAUTLUAK
BETHEL
CHEFORNAK
EEK
KALSKAG
KASIGLU
KWETHLL .
LOWER KALSKAG
MEKORYUK
NAPAKIAK
NAPASKIAK
NEWTOK
NIGHTMUTE
NUNAPITCHUK
NYAC
OSCARVILLE
TOKSOOK BAY
TULUKSAK
TUNTUTULIAK
TUNUNAK

TO: Senator George Hohman, Chairman
Legislative Council

FROM: Representative Phillip Guy, Chairman
Guide Licensing Study

RE: Summary of activities and recommendations
INTERIM GUIDE LICENSING STUDY

February 6, 1980

In 1979, the legislature appropriated funds to study problems experienced by Native Alaskans in becoming licensed guides. Although I chaired the committee, Representative Fuller took responsibility for carrying out the study and preparing the final report. Rep. Fuller's committee on subsistence was active during the interim, and the activities of the guide licensing committee seemed sufficiently compatible for a concurrent effort.

Representative Fuller and Mr. Marcus Jensen (Chairman of the Guide Licensing and Control Board) traveled to Gambell, Savoonga and Shismaref. Meetings were held in each village to discuss HB 405, a bill which would change the guide licensing requirements in the newly created game management unit #27 (Arctic coast). The state of Alaska remanded management authority for the walrus to the federal government during the summer, and when future walrus hunting may occur under state auspices is uncertain. Representative Fuller met with the Commissioners and staff of the Eskimo Walrus Commission and will be kept current on the changing situation with walrus.

The committee's efforts then focused on Nunivak and Nelson Islands, to review the effects of the musk ox herds on local residents. The final report of the Guide Licensing Committee contains a thoroughly documented chronology of events leading to the establishment of a permit hunt for musk ox, and how the residents of Nunivak Island have participated in those hunts. A brief synopsis of significant events is appended to this summary.

The report's findings may be summarized as follows:

- Residents of Nelson Island have been unequivocal in their opposition to the institution of permit hunts for musk ox. Native land ownership patterns on Nelson Island could effectively preclude such a hunt even if one were established, but the management policy adopted by the Board of Game in 1976 does accord village wishes considerable respect. Due to the limited food resources on the island, residents have indicated a desire to harvest musk oxen for food.

- Unlike the residents of Nelson Island, Nunivak Islanders support the permit hunt for musk ox. This support is based on the abundance of alternative subsistence resources available on the island, the economic benefits of the biannual hunt, and a cultural orientation that is more comfortable with the intrusion of non-Natives into the area.

Memo re: Guide Licensing Study

- Acrimony on the part of Mekoryuk residents towards the guide from Fairbanks who contracts for many of the permit hunts is considerable. The lack of coordination between ADF&G, the U.S. Fish and Wildlife Service, the Game Board and other entities involved prior to the establishment of the hunt is the basis for the ill-feeling. The tension caused by a years'-long chain of misunderstandings and misrepresentations will not abate quickly.

- A system of local control over the permit hunts, coupled with a probationary period before being licensed as a registered guide, would have encouraged higher performance standards by Native guides than have been attained under the present system.

- A separate "special outfitter" guide classification, such as allowed in Montana statutes (RCM 87-4-129), allows the holder to contract for particular services in limited locations. Careful review of Alaska's practice of granting exclusive guiding areas would be necessary to determine the feasibility of this proposal.

- A subsistence hunt for both bulls and cows on Nelson Island would enable residents to obtain a needed supply of fresh meat and would enhance management efforts. The $500. resident tag fee for either sex is a major impediment to the initiation of a cow hunt. Local residents cannot afford the fee, and sport hunters balk at spending the several thousand dollars in

tage, travel and associated costs to harvest an animal of less than trophy quality.

- Passage of HB 167, which would allow an open season for subsistence hunting of musk ox on the basis of a permit drawing in the local villages, is recommended. The bill also waives the game tag fee for such hunts.

Both Representative Fuller and I have complete copies of the final report and all other documentation regarding the interim study in our files. If you or any members of the Legislative Council would like copies of these materials, please contact one of us.

Thank you.

INDIAN REORGANIZATION ACT COUNCIL

NUNIVAK ISLAND
MEKORYUK, ALASKA 99630

PAST PRESIDENTS
MOSES NAYIRUK
PETER L. SMITH
TOM DOTOMAIN
JESSE MOSES
WALTER AMOS

PAST PRESIDENTS
GEORGE K. WHITMAN, SR.
EDWARD J. SHAVINGS, SR.
GEORGE KING, SR.
HENRY J. SHAVINGS, SR.
JOSEPH DAVID, SR.

RESOLUTION #
79-04

WHEREAS, Village of Mekoryuk has big game hunting (musk-ox, walrus) and

WHEREAS, There are no guides required by law for residents of Alaska to hunt: and

WHEREAS, Only few non-residents come to hunt: and

WHEREAS, There is local registered guide that can co-sign contract for non-resident hunters: and

WHEREAS, The master guide working is not keeping his word in spring of 1979, as far as helping assistant guides to obtain credit for their registered guide licenses; and

WHEREAS, He has shown disrespect to the native village of Mekoryuk in a public meeting: and

THEREFORE BE IT RESOLVED, that said guide board and involved agencies take necessary action and comply with the request of Native Village of Mekoryuk; and

THEREFORE BE IT FURTHER RESOLVED, That the resolution 79-12-01 submitted by AVCP to the Govenor of Alaska, regarding exclusive guiding rights for Nunivak Islanders be adhered to.

CHAIRMAN, IRA

SECRETARY/TREASURER

March 19 1979
Date

RECEIVED
3-27-79

We, the people of Mekoryuk, petition the State of Alaska, guide board, the legislature and other agencies involved to remove Lynn Castle, master guide, from Nunivak Island and its surrounding waters for being an undesireable in our community. Said person has showed no respect for the citizens of Nunivak Island in the business sense and has created hard feelings among the citizens of Nunivak. Neither does he keep his business promises. We would like to include all of the outsider guides from Alaska, that conduct hunts here on Nunivak Island. The citizens would like to conduct their own hunts. The people are also petitioning the state of Alaska to work out a viable solution to solve existing problem of guiding since it is now an impossibility to obtain a guide license with the present situation. The men were licensed without required apprenticeship time as the animal involved, in this case is the musk-ox and was politically oriented. The people of Nunivak feel that the musk-ox hunts were initiated for the benefits of all not just a couple of persons, and since these licenses were issued for purpose to hunt on Nunivak Only, which is game management unit eighteen (18) with the present law it is required that an assistant guide take out or help with at least two (2) clients per year and some here have not taken anyone out inside the required time. The men are grateful of the guide board to have issued the licenses but are unable to utilize same.

NAME	OCCUPATION	HOME ADDRESS
Lee Blanc		Mekoryuk
R. David	Assist Guide	Mekoryuk
William K.	Headman	Mekoryuk
Fultman Kokrok	Project Leader IRA Council	Mekoryuk
Isaac Kin	asst guide	Mekoryuk
Elmer Williams		
Larry Lloyd	Chief Guide (WCD)	Mekoryuk
Jack W Williams S.	asst Guide	Mekoryuk
Martin C Kapsatum	Clerk Treasurer	Mekoryuk
Samuel Smith	Vice Mayor	Mekoryuk
Fred Lon	asst Guide	Mekoryuk

NAME	OCCUPATION	HOME ADDRESS
James Whitman		Mekoryuk
Mary M. Whitman, Jr.		Mekoryuk
Wm Ward		Mekoryuk
Ed Shavinga Jr.		Mekoryuk
Elmer Henrickson		Mekoryuk
Ishmael A. Smith		Mekoryuk
Tom G. Hines	(inactive) Asst. Guide	Mekoryuk, Alaska 99630
Richard Davis	Asst Guide	Mekoryuk Alaska 99630
Jerry Hunt	Asst Guide	Mekoryuk Alaska 99630
John P. Jones		Mekoryuk 99630
Abe Davis		
Timothy Weston		Mekoryuk 99630
Robert Kokrok		Mekoryuk
Paul F. Jabi		"
Jesse Weston	Asst Guide	Mekoryuk
Linda Weston		"
Ben Whitman	Asst Guide	"

08-H8LH

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF OCCUPATIONAL LICENSING / POUCH D – JUNEAU 99811

October 26, 1979

Mr. Edward J. Shavings, Sr.
P.O.Box 31
Mekoryuk, Alaska 99630

Dear Ed:

I just got back to Alaska and have had a chance to read your letter of Sept. 26, addressed to Mr. Bellingar.

I called Mekoryuk Wednesday and talked to a chap by the nameof Joe who said that you were not available. I relayed the message to him to have you contact Mr. Bellingar's office if you wanted to be heard on the musk ox hunt at our December 1st meeting in Anchorage.

Last winter petition from the village was sent to me in regard to Lynn Castle's guiding on the island. Lynn Castle has a very good reputation as a guide and outfitter and I was sorry to see that a complaint would be filed against him by the village.

The Guide Licensing and Control Board is anxious to hear testimony from both sides when problems arise. If it is impossible to attend the December meeting I might say that we will have a spring meeting, sometime in March, in either Anchorage or Fairbanks.

Mr. Bellingar's phone number in Anchorage is 264-5675, if you would like to call him.

With kindest regards,

Sincerely yours,

Marcus

Marcus F. Jensen, Chairman
Guide Licensing and Control Board

cc: Board members
Lynn Castle
Wm. Bellingar, F & G.
Representative Philip Guy

Chronology of events

Nunivak Island Musk Oxen Herd

1927 The Territorial Legislature asks Congress for funds to re-establish the musk oxen in Alaska.

1929 President Hoover withdraws Nunivak Island as a wildlife refuge. No comment or input was sought from the island's residents.

1930 Congress appropriates $40,000 for the musk oxen project. 34 animals were captured in Greenland and brought to Alaska, where they are held in Fairbanks.

1935 Two bulls and two cows were moved to Nunivak Island.

1936 The other musk oxen in Fairbanks were moved to Nunivak Island.

1962 A cooperative management agreement was signed between U.S. Fish and Wildlife Service and the Alaska Department of Fish and Game regarding musk oxen describing herd uses:

1) transplant programs
2) domestication programs
3) public permit and/or subsistence hunting to take place when herd size reached 500 animals.

1968 ADF&G Commissioner Nelson writes to Governor Hickel "it should also be noted that this hunt could be of important economic benefit to the Eskimo people of Nunivak Island. They could provide housing, food, transportation and guiding services."

1968/
1973 Each year the Board of Game recommends institution of bull musk oxen hunt, but recommendation is vetoed either by the state of federal authorities.

1968/
1971 Date uncertain. First petition from Mekoryuk villagers supporting the establishment of a sport hunt received by the state government.

1969 Alaska Legislature enacts AS 16.05.345, authorizing ADF&G to issue big game tags for musk oxen hunts authorized by the Board of Game.

1971 ADF&G Commissioner Noerenberg writes to Governor Egan "Natives of Nunivak Island have never voiced any desire to harvest musk oxen, but have petitioned the Board of Game to establish a sport hunting season. Guide fees, and money spent for food, lodging and native crafts by hunters would contribute much more to these peoples economy than just the value of the musk oxen meat, hides and other by-products.

1973 ADF&G publishes musk oxen management policy stating recreational use most important and that " the Department does not consider the taking of musk oxen primarily for food a wise use."

1973 ADF&G biologist travels to Mekoryuk touting economic benefits to be derived from village participation in sport hunts and encouraging villagers to send another petition. He gave instructions to villagers regarding the particulars of the petition--what to say, where to send, what to include in a cover letter to the Governor

1973 September 13, Governor Egan receives a petition signed by 68 Mekoryuk residents asking for the establishment of a sport hunt.

1975 The Board of Game passes two resolutions relating to musk oxen management.

1) opposing the transplant of 40 head to the Soviet Union, and;
2) establishing a "Provisional Muskox Policy" which included a requirement that management proposals be submitted to affected residents for their input.

1975 Fish and Wildlife Service releases environmental impact statement which estimates the population of the Nunivak herd at 600 and promugates regulations for a permit bull hunt. Regulations required that planes land in the village, but did not require employment of local guides or local purchase of food or lodging.

1975 ADF&G regional supervisor travels to Mekoryuk and meets with villagers about the hunt. He gives the impression that all participating hunters will be required to hire a resident to accompany them during the hunt.

1975 ADF&G regional supervisor meets with Guide Licensing Board to request special guiding permits under their authority to grant such under AS 8.54.045 for Mekoryuk residents. Guide Board denies request based on rationale that applicants had not been prevented from securing a registered guide license through the normal channels solely because of language difficulties, but rather because they did not have the requisite history as assistant guides.

1975 On the eve of the hunt, ADF&G regional supervisor travels to Mekoryuk with non-Native registered guide from Fairbanks who will run the hunt. Villagers are extremely unhappy, as for years state and federal officials and their own regional corporation had been encouraging support of sport musk oxen hunting for the economic and employment opportunities that would accrue to the residents of Nunivak Island.

1976 The Chairman of the Guide Licensing and Control Board meets with Mekoryuk villagers and accepts $10. from each of the 40 men to enroll them as assistant guides, even though he is well aware that for that number to be employed 14 licensed guides would have to be guiding musk oxen hunts.

1976 The Mayor of Mekoryuk wri es a letter following the fall hunt expressing dissatisfaction that so few residents were being employed as assistant guides, that thos: who were being employed were causing disruption in the village, and that meat was being wasted by the hunters.

1977 Prior to fall 1977 hunt, "without exception the hunters were extremely pleased with their hunting experience," according to the ADF&G biologist responsible for checking permit holders upon their return to Bethel. However, during the fall hunt the biologist noted that considerable dissatisfaction was expressed by hunters concerning the performance of the Native guides in the field. Most of the complaints involved field activities such as judging trophies, boning out meat,etc.

1977 FWS and ADF&G sign a new agreement for the management of the musk oxen herd:

1) herd to be maintained at 500 animals
2) permit hunts to be reviewed annually by both agencies **
3) permit hunting system to be developed jointly by both agencies

**Review process has not taken place

1979 Only one licensed Native guide in Mekoryuk

1979 Musk oxen herd estimated at 572 animals. The cows are not hunted due to unsuitability as trophy animals (small size, small horns). Resident fee for either sex animal is $500. Sport hunters are not willing to invest large sums of money for a cow hunt. The local residents are unable to afford the tag fee.

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

April 28, 1980

Avrum M. Gross
Attorney General
State of Alaska
Pouch K
Juneau, AK 99811

Dear Attorney General Gross:

It has come to my attention that there appears to be a serious controversy brewing in the Guide Industry that may well require your attention. According to some registered Guide, the Guide Licensing and Control Board violated the "spirit," if not the intent of the law by granting Board Chairman, Marcus Jensen, exclusive guiding privileges in Southeast Alaska, along the outer coast of Chichagof Island. The action was taken at the February meeting of the Guide Board, held in Fairbanks, and recently reaffirmed by the Board on a 3-1 vote.

Since the Guide Board action, myself and other legislators have received numerous complaints from some Guides insisting that the action was unwarranted, unethical and perhaps illegal. I can readily understand jealousy and competition might be the motivating factor for these complaints, but it would seem that an investigation may well be appropriate to determine if there has been any wrong-doing.

I'm enclosing copies of letters which I have received that pertain to this matter. I feel that an investigation by the properly constituted legal authorities of the State of Alaska is in order. Thank you in advance.

Sincerely,

Alvin Osterback

Alvin Osterback
Chairman
House Resources Committee

Enclosures

AO:ss

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)
VICE-CHAIRMAN
REP. FRED ZHAROFF
REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

MARCUS F. JENSEN
P. O. BOX 2220
JUNEAU, ALASKA 99803

April 22, 1980

Representative Alvin Osterback
Alaska State Legislature
Resources Committee of the House of Representatives
Juneau, Alaska

Dear Representative Osterback:

I have just received copy of a letter sent to you by the Alaska Professional Hunters Association. I would be surprised if you would give credence to an unsigned letter. Unsigned letters are often from "mad letter writers".

The contents of the letter surprises me, as it would appear to have been written by someone who is not registered to guide in Unit 4, which is Southeastern Alaska.

Notification of the meeting in Fairbanks was handled the same way every meeting is handled when petitions are to be presented. All guides involved were sent a letter personally. Some of these guides answered by letter, and some testified in person.

I have guided in Unit 4 for over 30 years, and until last year the Southeastern guides honored their word in respect to not guiding in my particular area. The reason for their sudden change is the fact that the Game Board has a closure on what they call the "inside" and left the fringe on the "outside" open ten days longer. I have been very conservative in the number of contracts I take because of the public hunting pressure in the area as well.

No guide in Southeastern Alaska would object to my area if he would agree to an exclusive area for himself which would automatically reduce his number of contracts from eight or ten to three or four at the most. This is really what the controversy is all about. There has been too much guiding pressure on the "inside". Too many guides still have the attitude that they will shoot the last cub bear for a dollar. I am enclosing copy of a letter from the Game Biologist in Unit 4. He estimated at that time only 25 bear should be taken and since the guides and the public split the total take that would mean only 12 bear for the guides and their assistants. He has probably increased that 25 figure to 40 since the letter was written, which would allow in the neighborhood of 20 bear for the guides. The guides' success ratio for the number of contracts is very low - around 50%. If trophy bear were taken the percentage would be considerably lower than 50% because most of the takable bear have been shot.

To give you a better example of what is happening in Unit 4 I refer you to contracts of a guide named John Erickson. He had 10 hunters contracts in spring of 1979. Of those ten, four got no bear, and four took bear under five feet. I am enclosing some of the sealing certificates to give you an idea of what I mean. When the going rate for a hunt is four to five thousand dollars I think it behooves the guiding profession to give the hunter more chance for a trophy bear.

I do not think the action of the Guide Licensing and Control Board should be criticized for trying to save a small area from being totally raped. The petitions that guides from Unit 4 are putting in now will be handled in an orderly manner by the staff and the Board.

As chairman of the Guide Licensing and Control Board, and as an Alaska resident for over 50 years, and as a registered guide for some 35 years, I have been criticized by some guides for my strong stand against guides who want to rape the game resources. A stand like this doesn't necessarily make everyone love you. A situation happened last spring where two guides took over 30 grizzlies in Unit 23. I was very upset over this and wanted to bring the guides before our Board for a hearing. I am now in the process of scheduling a meeting with the Kotzebue Native Corporation on this subject of game resource. I have made every effort to work with the Natives and intend to continue to do so in the future. Some guides criticize me for this.

I would hope that the House Resource Committee appreciate what most of our Board members are trying to do for the State of Alaska, and that is weed out the "bandits" who are raping our resource, and develop exclusive guide areas for the protection of the resource and improved game management.

Respectfully yours,

Mark Jensen

Marcus F. Jensen, Master Guide

HUNT

Clark Engle
4129 Lana Court
Anchorage, Alaska 99504
Phone (907) 333-5214

May 2, 1980

Jay S. Hammond, Governor
Capitol Building
Juneau, Alaska 99811

Dear Jay,

In reference to the problems of Guide License and Control Board in the last month, I reluctantly feel I must put my thought on paper to you.

It was quite a shock to see the Senate not wish to continue the Guide License and Control Board under the sunset review. I guess it should not have been, politics being politics, but after being on the Board for seven (7) years and attempting to get some sensible regulation through to protect the industry and the people of the state, I find all was for naught. As I said it was quite a shock to find I apparently did everything wrong for seven (7) years or was it that the Board did not bow to political powers in Juneau or was it, we did not bow to native interest over and above the white man's interest or was it internal problems?

I don't know the answers to these questions, possibly it's a combination of all. However, I do know one thing and that is, we must at all cost, continue the guide law, guide area and the guide Board. If any or all three of these are thrown out the chaos will destroy a still viable industry.

I have had twenty or thirty phone calls a day since the Senate took action and all but one was against doing away with the Guide Board. One other point I learned, in the vote of the Senate, four (4) Senators voted negative, because they wished to remove the chairman of the Board, Marc Jensen. I can not buy that Marc is the basic problem. I believe they are using him as an excuse to sunset the Guide Board. You know Marc and I have many scars from the battles on this Board, some still healing from the last meeting. The Board, Marc, myself and every member on the Board have made mistakes, we are not fortunate enough to have a direct line to the Gods as some politication in Juneau apparently have.

However, the mistakes tne Board have made as a whole or individually are not irreversible. The action of the Senate could be irreversible if something isn't done quickl Certainly the Senate action would abrogate the mistakes but it would also do away with a of the sound regulation needed to bring the guiding industry into prospective.

I can not emphasize enough the urgency in acting now on this matter. I suggest you remove all current members of the Board and replace them with new blood. I also encourage you to push as hard as possible to have the House pass legislation to continue the Guide Board.

With this done, the continuation of the Board will allow us to return to our prime concern and this is going hunting.

I appricate all you have done in the past in backing the Board and its members and can only hope you extend that extra push now, that we all need so much.

Sincerely

Clark L. Engle

cc: Reps. Osterback
Halford
Miller
Chatterton
Zharoff
Carney
Cotten
Sens. Bradley
Bennett
Sumner
Hackney
Ray
Ferguson
Hohman
Sackett
Kerttula
Fahrenkamp
All Guide Board Members
William Billenger
Liza Fussner
Avrum M. Gross, Attorney General
Randy Smith

T138
U N ZZZYYRYYR
904
BC-GUIDE INVESTIGATION;450
JUNEAU (AP) - A STATE LAWMAKER HAS ASKED THE ATTORNEY GENERAL TO INVESTIGATE A DECISION BY THE STATE GUIDE LICENSING AND CONTROW BOARD TO GRANT ITS CHAIRMAN AN EXCLUSIVE GUIDING AREA.
REP. ALVIN OSTERBACK, D-SAND POINT, WHO IS CO-CHAIRMANH OF THE HOUSE RESOURCES COMMITTEE, SENT A LETTER TO ATTORNEY GENERAL AVRUM GROSS ON MONDAY REQUESTING AN INVESTIGATION TO DETERMINE IF THE BOARD VIOLATED EITHER THE INTENT OR THE ''SPIRIT'' OF STATE LAW.
THE BOARD GRANTED CHAIRMAN MARCUS JENSEN EXCLUSIVE GUIDING PRIVILEGES ALONG THE OUTER COAST OF CHICHAGOF ISLAND, A PRIME HUNTING AREA IN SOUTHEAST ALASKA. THE BOARD TOOK THE ACTION AT A FEBRUARY MEETING IN FAIRBANKS, AND RECENTLY REAFFIRMED THE DECISION.
IN HIS LETTER TO GROSS, OSTERBACK SAID HE AND OTHER LEGISLATORS ''HAVE RECEIVED NUMEROUS COMPLAINTS FROM SOME GUIDES INSISTING THAT THE ACTION WAS UNWARRANTED, UNETHICAL AND PERHAPS ILLEGAL.''
OSTERBACK SAID HE CAN ''READILY UNDERSTAND JEALOUSY AND COMPETITION MIGHT BE THE MOTIVATING FACTOR FOR THESE COMPLAINTS, BUT IT WOULD SEEM THAT AN INVESTIGATION MAY WELL BE APPROPRIATE TO DETERMINE IF THERE HAS BEEN ANY WRONGDOING.''
OSTERBACK SAID HE RECEIVD A

HUNTERS' ASSOCIATION PRESIDENT'S LETTER FROM PHIL DRIVER REQUESTING AN IN-
VESTIGATION.

THE LETTER STATES THAT THE DE-
CISION TO GIVE JENSEN AN EX-
CLUSIVE GUIDE AREA ''COULD JEOP-
ARDIZE A BASICALLY SOUND BOARD
AND THE CONCEPT OF EXCLUSIVE
GUIDE AREAS DEVELOPED OVER THE
LAST SEVERAL YEARS.''

DRIVER SAID THE ''BOARD AND
THE EXCLUSIVE OR JOINT-USE GUID-
ING AREAS HAS AND IS WORKING TO
PROTECT ONE OF ALASKA'S MOST
SIGNIFICANT NATURAL RENEWBLE RE-
SOURCES; AND SHOUD BE CONTIN-
UED.''

BUT HE QUESTIONED WHETHER
THE RIGHTS OF ''OTHER JOINT PER-
MIT HOLDERS IN GAME MANAGE-
MENT UNIT 4 HAVE BEEN SAFE-
GUARDED AND CONSIDERED DURING
DELIBERATION ON THE JENSEN DECI-
SION.''

JENSEN SAID HE HAS GUIDED IN
UNIT 4, WHICH INCLUDES CHICHA-
GOF ISLAND, FOR MORE THAN 30
YEARS.

''UNTIL LAST YEAR THE SOUTH-
EASTERN GUIDES HONORED THEIR
WORD IN RESPECT TO NOT GUIDING
IN MY PARTICULAR AREA,'' JENSEN
SAID IN A LETTER TO USTERBACK.
''THE REASON FOR THEIR SUDDEN
CHANGE IS THE FACT THAT THE
GAME BOARD HAS A CLOSURE ON
WHAT THEY CALL THE ''INSIDE'' AND
LEFT THE FRINGE ON THE ''OUTSIDE''
OPEN 10 DAYS LONGER.''

JENSEN SAID HE HAS ''BEEN
VERY CONSERVATIVE IN THE NUM-
BER OF CONTRACTS I TAKE BECAUSE
OF THE PUBLIC HUNTING PRESSURE
IN THE AREA AS WELL.''

JENSEN SAID THE EXTENT OF
HUNTING PRESSURE IN CERTAIN
AREAS IS AT THE CENTER OF THE

[redacted]

CONTROVERSY.

''THERE HAS BEEN TOO MUCH GUIDING PRESSURE ON THE ''INSIDE.'' TOO MANY GUIDES STILL HAVE THE ATITUDE THAT THEY WILL SHOOT THE LAST CUB BEAR FOR A DOLLAR;'' JENSEN SAID. ''I DO NOT THINK THE ACTION OF THE GUIDE LICENSING AND CONTROL BOARD SHOULD BE CRITICIZED FOR TRYING TO SAVE A SMALL AREA FROM BEING TOTALLY RAPED.''

--8888888

04-29-80 11.29APS

Alaska
Professional Hunters Association, Inc.

P. O. BOX 4-1932
ANCHORAGE, ALASKA 99509

Phone (907) 243-3977

April 17, 1980

OFFICERS
PHIL DRIVER
President

KIRK GAY
Vice President

VERNON HUMBLE
Secretary/Treasurer

BOARD OF DIRECTORS
LYNN CASTLE
PHIL DRIVER
STAN FROST
KIRK GAY
HANK HANKARD
VERNON HUMBLE

EXECUTIVE SECRETARY
PAMELA R WILSON

Representative Alvin Osterback
Pouch V
Juneau, Alaska 99811

Dear Representative Osterback:

We have had a situation that came up during the recent Guide Board meeting that was held in Fairbanks, Alaska that may be worthy of some consideration by your committee in evulating the conduct of the Board under Sunset review. These tapes and the transcript of the meeting should be available to your committee at the Department of Commerce.

Mark Jensen, the Chairman of the Guide Board, was awarded the only exclusive guide area in Units 1 thru 4 in Southeastern Alaska. The area awarded was the total outside coast of Chichasof Island. This was done over the objections of all Southeastern guides, who testified in person or by letter, who had joint use of this area. Their right to hunt this area has been taken away and given to one man without the consideration of the other twenty guides.

We would like to point out that APHA has no objection to Mr. Jensen having an exclusive guide area but it was the manner in which this was done.. This was, in the eyes of the guiding industry, a flagrant abuse of power by the Chairman to serve his own personal financial interests.

APHA believes that this action by the Board should be revoked and an opportunity given to all guides in Southeastern Alaska to apply to the Board for an exclusive area.

The next Guide Board meeting should be held in Juneau, not in Fairbanks, so that all petitions to be considered would allow maximum participation by the Southeastern guides.

Sincerely,

THE BOARD OF APHA

P.S. IT is interesting to note that the only Board Member, wl could see how unfair this action was and voted against was a full-time guide. We believe at least three full-time guides should be on the Board.

cc: TO ALL GUIDE LICENSING AND CONTROL BOARD MEMBERS

08-H8LH

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF OCCUPATIONAL LICENSING / POUCH D – JUNEAU 99811

April 28, 1980

TO WHOM IT MAY CONCERN:

Attached hereto you will find a letter from Karl Lane, addressed to the Guide Licensing & Control Board to be used at our February meeting in Juneau, on Unit 4. I regret to say that this letter was misplaced and was not read at that meeting.

I have known Karl Lane for many years, I have worked on his boat and I have a great deal of respect for the man himself, and his operation as a guide. It is unfortunate that open friction developed on my request for a small area.

Karl's letter shows a great deal of understanding and foresight in the changes that are about to occur in this area. The constant change creates problems for the guiding industry. Conditions will not improve - they will gradually deteriorate. The exclusive guide area has been very effective in the Interior of Alaska, where most all guides are satisfied that it is the best approach. I would hope that the Board and the guides will develop some of the thoughts in Karl's letter and bring them to a conclusion.

Sincerely yours,

Marcus Jensen

Marcus F. Jensen, Chairman
Guide Licensing & Control Board

PS. A REMINDER! September 1 is the deadline for filing applications for areas! MJ.

Karl E. Lane
REGISTERED MASTER GUIDE & OUTFITTER
P.O. Box 295
Juneau, Alaska 99802
907-586-3822

February 5, 1980

Guide Licensing and Control Board
Division of Occupational Licensing
Pouch D
Juneau, Alaska 99811

Gentlemen:

Although I will not be present to give oral testimony at the Feb.13th thru 16th meeting of the Guide Board, I wish to assure you that I am still deeply concerned about the problems and future of brown bear guiding in Southeast Alaska and offer the following written testimony for consideration.

Somehow there must be found a way to reduce the guiding pressure by cutting down the number of active guide and also closing the loopholes that permit guides licensed for the area to sign contracts for guides not licensed for the area. This is being done by a few guides at the present time and it could allow an unlimited number to operate in Unit 4 and defeats any conservation measure you pass.

I would be in favor of exclusive areas if there is a proviso allowing Joint-Use if the individual guides so wish. The reason being that there is no fair way of dividing a country that is already split by different opening and closing dates for conseration reasons. There is also the problem of constant changing development in the logging industry. For example, the northern, eastern and southern coastlines of Chichagof Island will have intensive road building in '81 and full scale logging in '82. This will eliminate most of Chichagof. The northeast portion of Baranof will have the same development.

I would not be in favor of an exclusive area being transfered for any monetary value. If exclusive areas are issued to guides, they should be passed on to next qualified guide when the guide holding the area is not active for more than one season. The price of limited entry fishing permits are unfair.

If you are successful in liriting the guides to around ten or so, I have even been thinking of the possibility of cutting this number in half by guiding alternate years. For example, if you still had eight or ten guides which is still too many in my estimation, four or five guides with their clients would easily take one half of the quota of bears that the Game has set and the other half would surely be taken by the increase of resident hunting effort. A guided hunting trip would again have some quality and the bears would have a better chance of recovering.

Sincerely,

Karl Lane

STATE OF ALASKA

DEPARTMENT OF FISH & GAME

JAY S. HAMMOND, Governor
P.O. Box 499
Sitka, AK 99835

April 9, 1979

Mr. Marcus Jensen
P.O. Box 2220
Juneau, AK 99803

Dear Marc:

The Alaska Board of Game has now met and taken action on the Unit 4 brown bear situation. I am writing you at this earliest possible moment so that you can adjust your schedule to conform to the Board's action.

The Board adopted a substantially shortened season which will go into effect at the start of the new regulatory year, July 1. The season the Board adopted is as follows: September 15-May 20 for Admiralty and the east side of Baranof and Chichagof and September 15-May 31 for the west side of Baranof and Chichagof. The line of division between east and west Baranof and Chichagof is shown on the enclosed map. To eliminate the possibility of an excessive harvest this coming spring season, the Board has directed the Commissioner of the Department of Fish and Game to adopt an Emergency Order, effective immediately, which implements the season outlined above. Therefore, the closing date for this spring season, 1979, will end May 20 for Admiralty and the eastern side of Baranof and Chichagof and May 31 for the western side of Baranof and Chichagof.

The Board has also directed the Department of Fish and Game to closely monitor hunting during the spring 1979 season; and if it appears the kill will exceed 25 bears on Admiralty, east Baranof, and east Chichagof, the Commissioner will close the season in these areas by Field Announcement. The season on west Baranof and west Chichagof will remain open until May 31.

Sincerely yours,

Loyal J. Johnson

Loyal J. Johnson
Area Game Biologist

Enclosure

11-K8LH

Mr. Marcus F. Jensen
Registered And Master Guide
Box 2220
Juneau, Alaska

15 February 1980
Juneay, Alaska

Dear Mark:

Sometimes people are apt to forget that when a person takes on a public chore and serves gratis, he doesn't give up his individual rights. Following the action of the Guide Licensing and Control Board this past week while it was reexamining the status of Unit #4 concerning Brown Bear and Exclusive and Joint Usage Guiding Areas, you no doubt are wondering if you'll ever get what you, like other guides, set out to get--an Exclusive Guiding Area, which is what you have wanted all along. I want it to be a matter of record that you put in for an EGA at the onset. Most of the guides in the Panhandle (the preponderance of whom in no way had "rights" that would measure up to yours) opted for joint usage in Units1-4. You regretfully went along with the rest, at the Board's insistence. Later, long before this recent reexamination, you again requested your EGA. The Board, still trying to make the collective Joint Usage work, felt you should withdraw the second request. It was not accepted.

This past week as the Board learned that there is a growing pressure on a fairly static resource (Brown Bear) but decided to maintain the status quo, it also learned that not all the guides who agreed at the initial meeting on this subject to respect your area of operations were doing so. The Board, therefore, encouraged you to again petition for your EGA, and the guides present pretty well agreed that they would have no objection to your doing so. There was general recognition that your rights, based on the criteria the Board has shaped over time, are on or are very close to the very foundation stone.

Times and circumstances change, as does makeup of various organizations. Memory falters and fades. I feel that because of all these factors I should put together this brief summary inasmuch as I have attended all meetings on this subject as it touches Units 1-4, and wish you well.

Fraternally,
Charles J. Keim
Member, GL&CB

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STATE OF ALASKA
DEPARTMENT OF FISH AND GAME

Hide 48623 (Seal Numbers) TENAKEE (Place of Sealing) 5-19-79 (Date of Sealing)

Skull 48624

CERTIFICATE NUMBER 36105

SPECIES	*SEX	SEX IDENTIFIERS
Brown-Grizzly X	Male X	Penis Sheath X
Polar	Female	Vaginal Orifice
	Unknown	Teats-L ___ M ___ S ___
		None

SKULL	HIDE	SPECIMENS COLLECTED
Length 10 7/8 in.	Length 3 ft 8 in.	Tooth X
Width 5 6/8 in	Width 5 ft 0 in.	Skull
Total ___ in.	Total ___ ft ___ in.	Repro
C.B.L. 10 2/8 in.	Rubbed	Cem. Age
	Unrubbed X	

TRANSPORTATION USED

Aircraft
Off-road Vehicle
Boat X
Snowmachine
Dog Team
Horse
Other

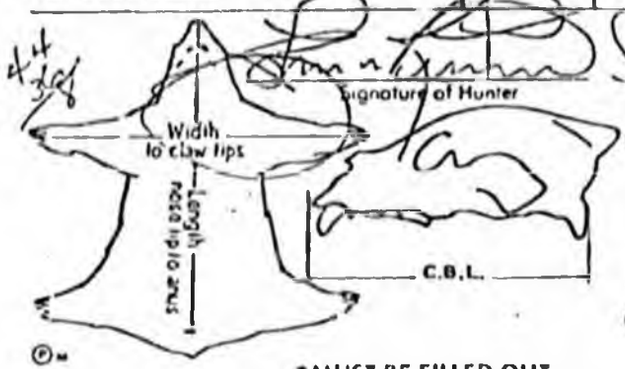
Days Hunted 6 *Date of Kill 5-16-79

*Location of Kill: Unit 4 Sub Unit
Mt. Range and Drainage CHICHAGOF Is. TENAKEE INLET
Specific Location HEAD OF INLET

Name of Hunter JOHN W. RINEHART

P.O. Box 104 (Address) HILLSDALE (City) WY. 82060 (State)

License No.	Tag No.	Guided Hunt
Resident		Yes X No
Non-Resident 029785	357	Guides Name ERICKSON



Signature of Hunter

(Sealed by)

Remarks

Code

*MUST BE FILLED OUT

For State Use Only

STATE OF ALASKA
DEPARTMENT OF FISH AND GAME

Hide 35096 (Seal Numbers) JUNEAU (Place of Sealing) 5/14/79 (Date of Sealing)

Skull 35097 CERTIFICATE NUMBER 40658

SPECIES	*SEX	SEX IDENTIFIERS
Brown-Grizzly X	Male	Penis Sheath
Polar	Female	Vaginal Orifice
	Unknown X	Testes L M S
		None

SKULL	HIDE	SPECIMENS COLLECTED
Length 13 in.	Length 4 ft. 11 in.	Tooth LOWER LEFT
Width 7 in.	Width 6 ft. 11 in.	Skull
Total 20 in.	Total 11 ft. 10 in.	Repro.
C.B.L. 11 1/4 in.	Rubbed NONE	Cem. Age
	Unrubbed	

TRANSPORTATION USED

Aircraft
Off-road Vehicle
Boat X
Snowmachine
Dog Team
Horse
Other

Days Hunted 10 *Date of Kill 5/10/79

*Location of Kill: Unit 4 Sub Unit

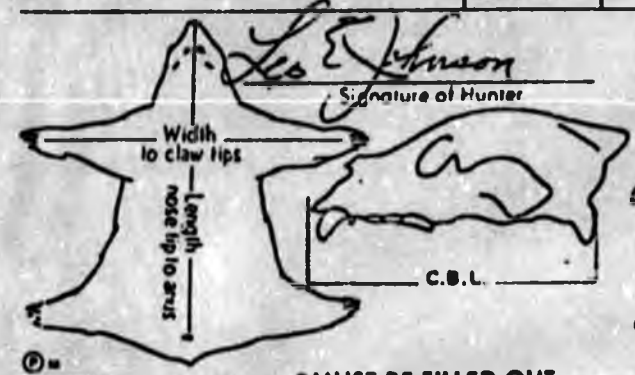
Mt. Range and Drainage HEAD TENAKEE

Specific Location INLET ON CHICHAGOF

Name of Hunter LEO E JOHNSON

17508 184TH AVE NE (Address) WOODINVILLE (City) WASH. (State)

License No.	Tag No.	Guided Hunt
Resident	79AAA	Yes X No
Non-Resident 029116	347	Guides Name J. ERIKSON



Leo E Johnson
Signature of Hunter

M. Fox F&WP
Sealed by

Remarks HUNTER SAYS IT WAS DEFINITELY MALE

Code

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11-78A

Outdoors

Juneau Empire 4/25/80

Controversy looms for Southeast guides

By CRAIG MEDRED
Empire Staff Reporter

Like brown bears fighting to the death to protect their territory, Southeast Alaska guides appear headed for a bitter struggle with the chairman of the state's Guide Licensing and Control Board — himself a Southeast guide.

A board decision granting chairman Marcus Jensen of Juneau exclusive guiding rights on the outer coast of Chichagof Island, about 80 miles west of here, has other guides hopping mad.

"We're going to go all the way to the Supreme Court on it if we have to (to take the exclusive privilege away from Jensen)," said Karl Lane, one of the most highly respected guides in Southeast.

"Historically, we've all hunted the outside of Chichagof. I'm going to hunt it this year, regardless,..." the Juneau-based guide said.

"It's a real rotten thing to do."

"I think it was the crummiest, lousiest thing I ever saw," said John Erikson, a Tok-based guide who hunts Southeast brown bears in the spring.

By granting Jensen an exclusive guiding area, the board effectively closed the outer coast of Chichagof to 17 other Southeast brown bear guides and raised a host of questions as to board conduct.

"In the past, the board has always accommodated the guides," said board member Clark Engle, the only board member to vote against Jensen's special area. "...A majority of the guides in Southeast didn't want it.

"I don't know (why the board did it). I've tried to analyze it myself.

"There's an awful lot of people who are unhappy," he said, including the state's largest guide organization.

An "abuse of power?"

"This was, in the eyes of the guiding industry, a flagrant abuse of power by the chairman to serve his own personal financial interests," the Alaska Professional Hunters Association, Inc., charged in a letter to state Rep. Al Osterback, D-Sand Point, co-chairman of the House Resources Committee.

"We would like to point out that the APHA has no objection to Mr. Jensen having an exclusive guide area, but it was the manner in which this was done.

"The area awarded was the total outside coast of Chichagof Island. This was done over the objections of all Southeastern guides, who testified in person or by letter, who had joint use of this area. Their right to hunt this area has been taken away and given to one man without the consideration of the other 20 guides," the letter said.

The vote granting Jensen the exclusive area was taken in a public meeting in Fairbanks after considerable discussion, also in a public meeting, about what the board should do.

The action was reaffirmed on a 3-1 vote during a conference call among board members Thursday.

No earlier action "probably a mistake"

Charles Keim, a member of the board, a guide, a former journalism professor at the University of Alaska and a respected Alaska outdoors writer, defends the board's action, saying there may be too many guides now working in Southeast.

Keim contends the board "probably made a mistake" years ago when it combined all Southeast hunting districts into one exclusive guiding area and gave all guides the right to roam that area.

"Jensen did not go along with that. We probably made a mistake," Keim said. "It might be a good idea to re-examine the whole guiding system in Southeast Alaska.

"What we did for Jensen will probably have to be done for the rest of the guides," Keim said.

Too many guides and too few bears

He suggested restricting all to separate, small portions of Southeast which would support limited hunting. He also suggested eliminating some guides — comparing the bear-guide problem to the salmon-fishermen crisis which sparked limited entry.

It was for just that reason Jensen says he pushed for his exclusive guiding area, something the guide board refused four times before.

"I have been very conservative in the number of contracts I take because of the public hunting pressure in the area...," Jensen said in a letter to Osterback.

"No guide in Southeastern Alaska could object to my area if he would agree to an exclusive area for himself which would automatically reduce his number of contracts from eight to 10, to three or four at most. This is really what the controversy is all about. There has been too much guiding pressure on the 'inside.' Too many guides still have the attitude that they will shoot the last cub bear for a dollar," Jensen said.

Alaska Department of Fish and Game records would tend to support that contention.

"Quality" of the hunt suffers

Those records show guided hunters shooting increasing numbers of bears under 6 feet from the nose to the tail. A 6-foot brown bear is considered a "respectable" trophy. State law requires all nonresident hunters to hire a guide when hunting brown bear.

Lane, one of the few Southeast guides whose hunters did not take a bear under 6 feet last year, says the quality of guided bear hunting here has definitely been deteriorating.

Lane points no fingers, but Jensen has singled out Erikson. Erikson says he needs guiding to survive, but "to Jensen, it's a game." Jensen works as a lobbyist when he isn't guiding.

Hunters guided by Erikson, according to Fish and Game records, last spring took brown bears 3 feet 8 inches, 4 feet 11 inches and 6 feet 1 inch, in addition to three bears over 6 feet.

A bear is a bear is a bear

Erikson, who said he guided eight hunters last spring, pointed to a success rate of 75 percent, not counting one missed bear.

"I have no trouble finding bear," he said. "Maybe somebody wants size; somebody else wants quality.

"If you wanted to kill a big brown bear, you wouldn't go Southeast anyway. The whole thing of it is, if the hunter's happy, that's the whole thing.

"Like I said, I don't give a damn about the bear size," Erikson said.

He defends the small bears by adding a salted hide can shrink 3 feet. A 4-foot hide would probably come from a bear about 6 feet, he said.

Lane, one of the main advocates of "quality hunting" over the years, said a 9-foot bear taken on the first day of a 14-day hunt can "shrink over 8 inches."

"There's never been a hide shrunk 3 feet," he countered.

More small bears taken in 1979

Still, Erikson said, "I don't think there's too many bears being taken. I see lot of bear."

To that, Fish and Game biologists have mixed reactions. They say bear numbers appear to be healthy, although nowhere near as high as the mid-1970s, but they note the population does appear to be heavy with young bears.

A comparison between 1975 and 1979, when the brown bear season was drastically shortened, does show a marked difference in the bears taken. In 1975, 53 percent of the bears taken on guided hunts were over 6 feet. They had an average age of 8.3 years.

In contrast, only about 40 percent of the bears taken by guided hunters in 1979 were over 6 feet. Their average age was 7.1 years. Remove Lane — whose hunters took six bears, all over six feet — from the sample and 50 percent of the bears taken on guided hunts were under 6 feet.

That, Keim says, raises serious questions as to the quality of a Southeast hunt.

Is a 4-foot brown bear a quality hunt?

"I'm absolutely, totally opposed to an assembly-line use of our resource. It's totally demeaning to the hunt," Keim said.

"I think a thorough investigation into this matter will probably disclose some guides are more interested in the money than the resource," he said.

Keim contends something has to be done.

"We simply can't have a true wilderness experience if guides are going to have their hunters take home 3-foot-8-inch bear," he said.

Lane said he would like to see the number of Southeast guides reduced to five or six. "That's not possible," he added. Limited entry is the perfect parallel, "but they won't do it," Lane said.

He said there is too much political pressure.

"There was nobody in favor of it (Jensen's exclusive guide area), because this joint-use thing was working as good as can be expected," Erikson said.

Residents hunters shoot small bears, too

Half the problem, he added, is an increase in resident hunters.

"You're not going to stop the residents," Erikson said. "You're overpopulated with government employees, and the first thing they want to do when they come to Alaska is shoot a bear."

Fish and Game figures show resident hunters, who are not required to have a guide, took 18 brown bears last year, of which five — or about 29 percent — were under 6 feet. Guided hunters in 1979 took 34 bears, of which 14 — or about 41 percent — were under 6 feet.

In fact, figures indicate resident hunters appear to have been getting more selective, while guides have been getting less. In 1975, when resident hunters took 43 bears and guided hunters 41, 53 percent of the bears shot by residents were under 6 feet.

"Weed out the 'bandits'"

"As chairman of the Guide Licensing and Control board, and as an Alaska resident for over 50 years, and as a registered guide for some 35 years, I have been criticized by some guides for my strong stand against guides who want to rape the game resources," Jensen said in the letter to Osterback.

"I would hope that the House Resource Committee appreciates what most of our board members are trying to do for the state of Alaska, and that is weed out the 'bandits' who are raping our resource and develop exclusive guide areas for the protection of the resource and improved game management."

As it gets harder and harder to find a big bear, though, not even Jensen is immune to the pressure from guided hunters who want a brown bear no matter what size.

A hunter guided by Jensen last year took a 5-foot-6-inch bear, and another hunter, guided by an assistant guide working for Jensen, took a 4-foot-7-inch bear.

"The older bears don't come to the beach anymore," Erikson said. "A bear is a bear whether he's an 8-foot, a 6-foot or a 10-foot."

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STATE OF ALASKA
DEPARTMENT OF FISH AND GAME

Hide 48621 (Seal Numbers) TENAKEE (Place of Sealing) 5-19-79 (Date of Sealing)

Skull 48622 CERTIFICATE NUMBER 36104

SPECIES	*SEX	SEX IDENTIFIERS
Brown-Grizzly X	Male X	Penis Sheath X
Polar	Female	Vaginal Orifice
	Unknown	Teats: L M S
		None

SKULL	HIDE	SPECIMENS COLLECTED
Length 12 6/8 in.	Length 5 ft. 1 in.	Tooth X
Width 7 in.	Width 6 ft. 3 in.	Skull
Total in.	Total ft. in.	Repro.
C.B.L. 11 6/8 in.	Rubbed	Cem. Age
	Unrubbed X	

TRANSPORTATION USED

Aircraft
Off-road Vehicle
Boat X
Snowmachine
Dog Team
Horse
Other

Days Hunted 5 *Date of Kill 5-17-79

*Location of Kill: Unit 4 Sub Unit

Mt. Range and Drainage CHICHAGOF

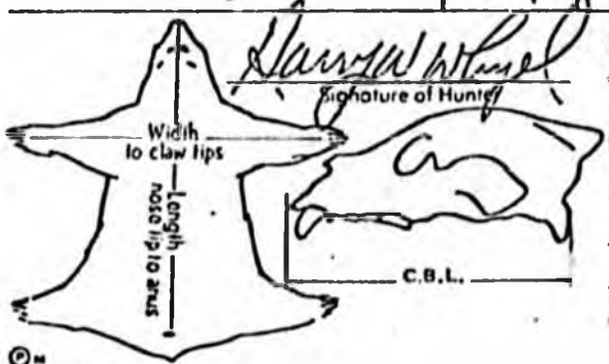
Specific Location TENAKEE INLET

HEAD OF INLET

Name of Hunter HARRY W. WHYEL

Box 805 (Address) PINEDALE (City) Wy (State) 82941

License No.	Tag No.	Guided Hunt
Resident	134	Yes X No
Non-Resident 068170		Guides Name ERICKSON



Harry W Whyel
Signature of Hunter

Richard Erickson
(Sealed by)

Remarks

Code

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11-78A

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

Department of Law
Juneau, Alaska

APR 25 1980

AM 7,8,9,10,11,12,1,2,3,4,5,6 PM

MEMORANDUM State of Alaska

TO: Tom Koester
Assistant Attorney General
Juneau

DATE: April 23, 1980

FILE NO:

TELEPHONE NO: 276-3550

FROM: AVRUM M. GROSS
ATTORNEY GENERAL

By:
Sarah Elizabeth Fuhrmeister
Assistant Attorney General

SUBJECT: Petition of Marcus Jensen For Exclusive Guide Area In Southeast Alaska

At the March 1980 Guide Licensing and Control Board meeting in Fairbanks, the board heard and considered a "petition" from Chairman Mark Jensen requesting that he be granted exclusive use of a portion of Chichagof Island, in Southeast Alaska. Mr. Jensen did not participate as a board member during the consideration of his petition. The basis for his bringing a petition was 12 AAC 38.056 "Changes to Guiding Area Permit" which authorizes the board to hear petitions for changes that will affect a guiding area and requires that if an area is held in joint use, each holder of the permit for the guiding area must be furnished a copy of the petition and notified of the date and place where he can present testimony on the petition. There are no other regulations that set standards by which a board will decide whether to grant or deny petitions.

The board has a procedure for granting exclusive guide areas. This is set out in regulations 12 AAC 38.051 - .058. In essence, the regulatory scheme provides that the board set a deadline for applications for a given game management unit, it receives applications that indicate a guide's desired exclusive guide area, including a map of proposed geographic boundaries, and the board will in its discretion issue a permit if a guide has demonstrated his "use, occupancy or financial investment" in the area for the requisite number of years as provided in 12 AAC 38.053(d). The board has construed this to mean if a guide can substantiate his use of an area by means of statements of financial remuneration for two years he is entitled to a temporary area.

In considering Mark Jensen's "petition", the board did not follow the normal procedure for granting exclusive guide areas as described above. The board had not set a deadline for applications from all Southeast guides for exclusive guide areas. In fact, when the board initially decided to initiate a program of exclusive guiding areas in

1975-76, the board at the urging of the approximately 20 active guides in Southeast, decided to leave all of game management units 1 - 4 as one large joint use area, so all guides would have an opportunity to hunt the area rather than attempt to carve it into small exclusive guide areas and assign them as has been done in the interior. One reason for this difference is the manner of hunting in Southeast Alaska, primarily by using boats, mooring them in small bays and inlets.

The board's administrative arm, the Guide Investigation Office at Department of Public Safety, Anchorage, complied with the provisions of 12 AAC 38.036 by notifying other Southeast guides that Mr. Jensen intended to seek an exclusive area in the area already assigned to all the guides in joint use. Virtually all the Southeast guides objected to granting Mark Jensen an area. To my knowledge the board has never in the past used the petition mechanism as a vehicle for granting exclusive guide areas, nor ever carved out an exclusive guiding area within an area already assigned in joint use.

It is my opinion that the board's action in granting Mark Jensen an exclusive guide area in unit 4, when the board had not solicited applications from all Southeast guides, was not consistent with statutory or constitutional standards for the following reasons:

1. Granting Mark Jensen an exclusive guide area denied other Southeast guides the Constitutional right of equal protection, since other Southeast guides are similarly situated in joint use of the entire Southeast panhandle, and were not provided an equal opportunity to come before the board with their own petitions or applications for exclusive guiding areas.

2. The board's action violated principles of due process notice, in that the board had not taken action to set a deadline for applications from all guides in joint use for them to seek exclusive guide areas, and therefore had not given adequate notice to all guides that they could submit similar petitions or applications for an exclusive guide area.

3. The board's action does not comply with AS 08.54.040 which allows the board to "establish a quota of licensed operating guides who may operate within designated geographical units or subunits of the state and provide for [illegible] equitable and reasonable procedure

for limiting the number of guides to that quota; preference shall be given to qualified, available and willing licensed guides who reside within the designated unit or subunit." The board had not established a procedure for limiting the number of guides to the quota under the mechanism of the petition procedure. The petition procedure in essence singled out one guide for consideration for an exclusive guide area without considering other guides who may wish to have exclusive guiding areas in Southeast.

To my knowledge, the board has never granted an exclusive guide area within a joint use area by means of a petition. It had been my advice to the board that such action should not be taken until sufficient criteria are established for this procedure by regulation. The board had rejected the petition initially during the board meeting, but reconsidered it late in the afternoon on Friday after I had had to leave the meeting in order to attend to another matter in Anchorage. At my request the board convened a conference call on April 24 to consider a telegram from F. W. Ingledue, an affected guide, who objected to the board's action and requested reconsideration; I again reiterated that it was my opinion that the board's action was not legally defensible, was not based on sufficient standards for handling petitions, and should be rescinded.

In retrospect, I think that probably where a petition such as the one Mr. Jensen brought before the board is contested by other affected guides, the matter should be heard as a formal APA hearing, with a hearing officer appointed, rather than treated as day to day business of the board and not as a formal hearing. You may wish to consult with Bruce Botelho, with whom I have already spoken about this problem. Thank you for your assistance.

SEF:ln

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K-STATE CAPITOL
JUNEAU, ALASKA 99811

April 29,. 1980 465-3600

Guide Licensing and Control Board
Department of Commerce and
Economic Development
Pouch D
Juneau, Alaska 99811

Gentlemen:

At the April 1980 Guide Board meeting in Fairbanks, the board granted a petition from Chairman Mark Jensen requesting he be granted exclusive use of a portion of Chicagof Island. At the time the board action occurred, Assistant Attorney General Liza Fussner advised you that the board's action was illegal. The board nonetheless granted the petition.

I have enclosed a copy of a memorandum from Ms. Fussner to Tom Koester, head of the Resources Division in my office. Because of the sensitive nature of this action involving as it does the Chairman of the Guide Board, I reviewed the matter personally and I believe that Ms. Fussner's advice to you is sound. The action of the board cannot be supported by law.

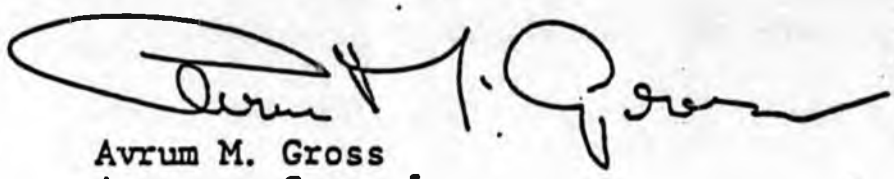
I have been advised that litigation will be commenced immediately to contest the board's action. Since we have already advised you the action is illegal, we will be forced to concede that illegality in court. Moreover, since we have advised you of the impropriety of your action and the board has nonetheless taken the action, there is a very real possibility that individual members of the board may be liable for damages, court costs, and possible attorney fees of any successful litigant.

I realize this is a difficult situation, but it is only going to get more difficult if nothing is done promptly. I strongly urge the board to immediately convene, by phone if necessary, to reconsider its action and rescind the decision. Full notice should be given to Mr. Jensen who will be free to contest the matter if he so chooses.

03-C3LM

I would be happy to discuss this with you by phone or in person at your earliest convenience. Obviously, it is not pleasant for me to suggest this type of action to a state board, but my responsibilities under the laws of the state simply afford me no room for latitude.

Yours very truly,



Avrum M. Gross
Attorney General

AMG:chw

Enclosure

cc: Bill Bellingar
% Liza Fussner

Representative Osterback April 28, 1980

PRESS RELEASE File

Representative Osterback, Chairman of the House Resources Committee has been requested by the Alaska Professional Hunters Ass Inc. to investigate actions of the Guide Licensing and Control Board which gives an exclusive guide area to Mr. Marcus Jensen, Chairman of the Board. The letter was signed by Mr. Phil Driver, President of the Hunter's Assn. This letter further alledges that the action (giving Jensen an exclusive guide area) could bring about unfavorable reactions from the reviewing committee which might jeopardize a basically sound board and the concept of exclusive guide areas developed over the last several years. The Alaska Professional Hunters Assn., Inc. further questions -- "have the rights of other joint permit holders in Game Management Unit Four been safe guarded and considered during deliberation on the Jensen decision"?

File

Representative Osterback today further stated, that the entire controversy which has surrounded the Guide Licensing and Control Board causes a serious credibility gap. I, personally, do not want to be involved with this controversy. However, since the issue of exclusive guide areas came to the attention of the Legislature by Senator Frank Ferguson in 1977 much controversy has existed.

I have by letter toda, requested the Attorney General to investigate the complaints I have received from guides insisting that the action was unwarranted, unethical and perhaps illegal.

"Personally", Osterback further contended, "I do not want to be involved, but since 1977 nothing has emerged but problems, accusations and serious credibility

has shaded the Guide Licensing and Control Board.

"I'm personally sick and tired of it and plan on getting to the root problem of this entire controversy before I leave Juneau this session."

Alaska
Professional Hunters Association, Inc.

P. O. BOX 4-1932
ANCHORAGE, ALASKA 99509

Phone (907) 243-3977

April 28, 1980

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PHIL DRIVER
STAN FROST
KIRK GAY
HANK HANKARD
VERNON HUMBLE

EXECUTIVE SECRETARY
PAMELA R WILSON

The Honorable Jay S. Hammond
Governor of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

A certain decision during the last meeting of the Guide Licensing and Control Board has caused a not insignificant consternation among the active licensed game guides of our industry. On a 3-1 vote of the four Board members present, an exclusive guide area was permitted to Mr. Marcus Jensen, Chairman of this board.

This questionable decision comes at a time when this very Board and the policies adopted to administer the professional game guiding industry are being reviewed by this legislature. One of our concerns is that this action could bring about unfavorable reaction from the reviewing committee, which might jeopardize a basically sound Board and the concept of exclusive guide areas developed over the last several years. To negate the compromise, made by some 253 permit holders, who gave rather than gained, in order to allow a maximum number of licensed guides to participate in the limited game resources of Alaska would be disasterous. The Board and the exclusive or joint-use guiding areas has and is working to protect one of Alaska's most significant natural renewable resources, and should be continued.

Equally important, have the rights of other joint permit holders in Game Management Unit Four been safe guarded and considered during deliberation on the Jensen decision?

A closer look and re-evaluation would be in order. Of course, all interested parties should be allowed to participate so the facts can be aired and evaluated.

Sincerely,

ALASKA PROFESSIONAL HUNTERS ASSOCIATION, INC.

Phil Driver

Phil Driver
President

PD/sgn

TELEGRAM

ALASCOM INC.
PHONE: 58[illegible]442
JUNEAU, AK [illegible]

02217 NL ANCHORAGE AK 50 05-02 400P ADT

PMS REP ALVIN OSTER BACK

JUNEAU [illegible]

RESPECTFULLY REQUEST THAT THE GUIDE LAW, EXCLUSIVE GUIDE AREAS, AND GUIDE BOARD BE CONTINUED. IF IT IS NECESSARY TO REPLACE ONE OR ALL GUIDE BOARD MEMBERS, PLEASE DO SO, BUT DO NOT ALLOW THE GUIDE BOARD CONCEPT TO BE ELIMINATED.

DARRELL FARMEN SR^ BOX 1592 ANCHORAGE 99507

'80 MAY 2 PM 4 23

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K—STATE CAPITOL
JUNEAU, ALASKA 99811

April 30, 1980

The Honorable Alvin Osterback
Chairman, House Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: Guide Licensing and Control Board

Dear Al:

Thank you for your letter of April 28th. Without commenting in detail on your letter, I am enclosing a copy of a letter sent yesterday to all the members of the Guide Board. It addresses itself to the concerns you raised in your letter.

If you would like to discuss this further, please don't hesitate to contact me.

Yours very truly,

Avrum M. Gross
Attorney General

AMG:chw

Enclosure

03-C&LH

April 29, 1980 465-3600

Guide Licensing and Control Board
Department of Commerce and
Economic Development
Pouch D
Juneau, Alaska 99811

Gentlemen:

At the April 1980 Guide Board meeting in Fairbanks, the board granted a petition from Chairman Mark Jensen requesting he be granted exclusive use of a portion of Chicagof Island. At the time the board action occurred, Assistant Attorney General Liza Fussner advised you that the board's action was illegal. The board nonetheless granted the petition.

I have enclosed a copy of a memorandum from Ms. Fussner to Tom Koester, head of the Resources Division in my office. Because of the sensitive nature of this action involving as it does the Chairman of the Guide Board, I reviewed the matter personally and I believe that Ms. Fussner's advice to you is sound. The action of the board cannot be supported by law.

I have been advised that litigation will be commenced immediately to contest the board's action. Since we have already advised you the action is illegal, we will be forced to concede that illegality in court. Moreover, since we have advised you of the impropriety of your action and the board has nonetheless taken the action, there is a very real possibility that individual members of the board may be liable for damages, court costs, and possible attorney fees of any successful litigant.

I realize this is a difficult situation, but it is only going to get more difficult if nothing is done promptly. I strongly urge the board to immediately convene, by phone if necessary, to reconsider its action and rescind the decision. Full notice should be given to Mr. Jensen who will be free to contest the matter if he so chooses.

I would be happy to discuss this with you by phone or in person at your earliest convenience. Obviously, it is not pleasant for me to suggest this type of action to a state board, but my responsibilities under the laws of the state simply afford me no room for latitude.

Yours very truly,

Avrum M. Gross
Attorney General

AMG:chw

Enclosure

cc: Bill Bellingar
% Liza Fussner

CONFIRM-
ATIONS

STATE OF ALASKA
THE LEGISLATURE

POUCH V, STATE CAPITOL
JUNEAU, ALASKA 99811

HOUSE OF REPRESENTATIVES

TO RESOURCES COMMITTEE

REMARKS:

Attached you will find a copy of the Governor's letter adding Mr. Nick Szabo for confirmation to the Board of Fisheries.

FROM Chief Clerk's Office DATE 5/5/80

LAA 25-M

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 29, 1980

The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. Speaker:

Please add to your list of Alaskans to be confirmed for appointment to boards and commissions the following:

BOARD OF FISHERIES

*Mr. Nick Szabo, Kodiak, term expiring 07/01/82

ALASKA PUBLIC OFFICES COMMISSION

Mr. George White, Kotzebue, term expiring 02/01/85

Sincerely,

Jay S. Hammond
Governor

*Reappointed

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

May 9, 1980

The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. Speaker:

Please add to your list of Alaskans to be confirmed for appointment to boards and commissions the following:

COLLECTION AGENCY BOARD

*Mr. Allan D. Shepard, Anchorage, term expiring 03/01/83

COMMERCIAL FISHERIES ENTRY COMMISSION

*Mr. Robert J. Simon, Juneau, term expiring 07/01/84

BOARD OF GAME

*Mr. Samuel J. Harbo, Jr., College, term expiring 07/01/82

OCCUPATIONAL SAFETY AND HEALTH REVIEW BOARD

Mr. Lew McFerren, Anchorage, term expiring 08/01/81

BOARD OF PSYCHOLOGISTS AND PSYCHOLOGICAL ASSOCIATE EXAMINERS

Dr. Charles C. Bovee, Sitka, term expiring 07/01/81

Sincerely,

Jay S. Hammond
Governor

Enclosures
*Reappoint

Alaska State Legislature

House of Representatives

Office of the Chief Clerk

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

THE RESOURCES COMMITTEE

The Speaker has referred the following boards and commissions to your committee for consideration:

COMMERCIAL FISHERIES ENTRY COMMISSION

Mr. Burke Riley, Anchorage, term expiring 07/01/81
John Williams

BOARD OF FISHERIES

Mr. Griffin Quinton, Anchorage, term expiring 07/01/80

GUIDE LICENSING AND CONTROL BOARD

*Mr. Norman Sutliff, Kodiak, term expiring 06/15/85
*Mr. Charles Keim, College, term expiring 06/15/82
Mr. William Stroecker, Fairbanks, term expiring 06/15/82

ALASKA KING CRAB MARKETING AND QUALITY CONTROL BOARD

Mr. Edwin Van Fleet, Kodiak, term expiring 08/26/82
*Mr. Charles Knapp, Kodiak, term expiring 08/26/8_

BOARD OF MARINE PILOTS

*Mr. Marvin Taylor, Skagway, term expiring 06/01/83
Mr. David George, Juneau, term expiring 06/01/80
*Mr. Jack Maroni, Ketchikan, term expiring 06/01/83

Referred to Commerce

*Reappointed

SCHEDULE CONFIRMATION HEARINGS

Alaska State Legislature

House of Representatives

Office of the Chief Clerk

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

Mr. Osterback
Chairman
Resources Committee

The Speaker has appointed the following Governor's appointment to your committee for confirmation hearings:

COMMERCIAL FISHERIES ENTRY COMMISSION

*Mr. John Williams, Juneau, term expiring 07/01/83

*Reappointed

Irene Cashen
Chief Clerk

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

May 8, 1980

The Honorable Terry Gardiner, Speaker
House of Representatives

Dear Mr. Speaker:

The House Resources Committee gives the following individual recommendations on the reappointment of Mr. Nicholas Szabo, Kodiak, to the Board of Fisheries.

Confirm	No Recommendation	Rejection
John B. Jackson		
Rick Halford		
Fred H. Zharoff		
Pat Carney		
Alvin Osterback		

Sincerely,

Alvin Osterback

Alvin Osterback, Co-Chairman
House Resources Committee

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)
VICE-CHAIRMAN
REP. FRED ZHAROFF
REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL / *POUCH K – STATE CAPITOL JUNEAU 99811*

February 3, 1977

Honorable Jay S. Hammond
Governor
State of Alaska
Pouch A
Juneau, Alaska 99811

Re: Confirmation of Members
of Boards and Commissions

Dear Governor Hammond:

You have asked us for an opinion as to the propriety under the State Constitution of the Legislature's confirming your appointments to State Boards and Commissions.

Under the Constitution, Article 3, Sections 25 and 26, the Legislature's power to confirm your appointments to executive positions is limited to those positions specified by the Constitution, that is, heads of the principal departments and the members of boards and commissions which are at the head of principal departments or quasi-judicial or regulatory agencies. Bradner vs. Hammond, 553 P.2d 1 (Alaska 1976).

We have accordingly prepared an alphabetical listing of all the State boards and commissions in Alaska and have indicated for each the statute under which its members are appointed, whether that statute requires legislative confirmation, and whether the Constitution requires or permits legislative confirmation. The list follows:

Administration of Justice, Governor's Commission on the.
AS 44.19.746. Confirmation is not required by statute or the Constitution.

Aging, Governor's Advisory Committee on.
There is no statute on this one and no confirmation would be required by statute or Constitution.

Alcoholic Beverage Control Board.
AS 4.05.010 and 39.05.060. This is a regulatory board and requires confirmation under the statutes and the Constitution.

Alcoholism, Advisory Board on.
AS 47.37.070. Confirmation is not required under either statute or the Constitution.

Architect, Engineer & Land Surveyors, State Board of Reg. for
Arts, Alaska State Council on the.
AS 44.19.900. This board is made expressly not subject to legislative confirmation under the statute, and of course, is not subject to confirmation under the Constitution.

Assessment Review Board, State.
AS 43.56.040. This is a quasi-judicial agency and must be confirmed under both the statute and the Constitution.

Athletic Commission.
AS 05.05.010. This is a regulatory board and is subject to confirmation under both the statute and the Constitution.

Barber Examiners, Board of.
AS 08.12.010. This is a regulatory board and must be confirmed under the Constitution, even though not required by statute.

Bristol Bay Regional Development Council.
Chapter 4, SSSLA 1974, and Chapter 209, SLA 1976. No confirmation is required under either the statute or the Constitution.

Capital Site Selection Committee.
AS 44.06.110. Confirmation is not required under either the statute or the Constitution.

Chiropractic Examiners, Board of.
AS 08.20.010. This is a regulatory board and confirmation is required under the Constitution, even though not required under the statute.

Code Revision Commission.
AS 24.20.075. Confirmation is not required by either the statute or the Constitution.

Collection Agency Board.
AS 08.24.011. This is a regulatory board and confirmation is required under the Constitution, even though not required by the statute.

Commercial Fisheries Entry Commission.
AS 16.43.020. This is a regulatory commission and confirmation is required under both the statute and the Constitution.

Comprehensive Health Advisory Council.
AS 18.07.020. Confirmation is required by the statute; however, this is not a quasi-judicial or regulatory agency, and confirmation is not permissible under the Constitution.

Commission for Northern Operations of Rail Transportation and Highways.
AS 44.19.704 and 39.05.060. Confirmation is required under the latter statute but cannot be required under the Constitution.

Dental Examiners, Board of.
AS 8.36.010. This is a regulatory board, and confirmation is required under both the statute and the Constitution.

Developmental Disability Planning and Advisory Council.
This is created under federal law and confirmation is not required.

Development Corporation, Alaska State.
AS 44.59.010. Confirmation is required by the statute; however it cannot be required under the Constitution.

Dispensing Opticians, Board of.
AS 08.71.010. This is a regulatory board, and while not required by statute, confirmation is required under Constitution.

Drug Abuse, Advisory Board on.
AS 44.29.030. Confirmation is not required under either the statute or the Constitution.

Education, Board of.
AS 14.07.075. This is head of a principal department, and confirmation is required under both the statute and the Constitution.

Educational Broadcasting Commission, Alaska.
AS 14.40.700. Confirmation is not required under either the statute or the Constitution.

Electrical Examiners, Board of.
AS 08.40.010. This is a regulatory board, and confirmation is required under the statute and the Constitution.

Employment of the Physically Handicapped, Governor's Committee on.
AS 23.15.220. Confirmation is not required under either the statute or the Constitution.

Environmental Advisory Board.
AS 44.46.030. Confirmation is not required under either the statute or the Constitution.

Equal Employment Opportunity Committee.
This board is created by administrative order, and confirmation is not required.

Fisheries, Board of.
AS 16.05.221(a). This is a regulatory board and confirmation is required by both the statute and the Constitution.

Fisheries Council.
This board was created by administrative order, and confirmation is not required.

Fishermen's Fund Advisory and Appeals Council.
AS 23.35.010. Confirmation is not required by the statute or the Constitution.

Game, Board of.
AS 16.05.221(b). This is a regulatory board, and confirmation is required by the statute and the Constitution.

Geographic Board, State.
AS 44.19.360. Confirmation is not required by the statute or the Constitution.

Growth Policy Council, Alaska.
This board was created by administrative order and confirmation is not required by statute or the Constitution.

Guide Licensing and Control Board.
AS 08.54.010. This is a regulatory board, and confirmation is required by both the statute and the Constitution.

Hair Dressing and Beauty Cultural Examiners, Board of.
AS 08.28.010. This is a regulatory board, and while confirmation is not required by the statute, it is required by the Constitution.

Historical Commission, Alaska.
AS 41.19.461. Confirmation is not required by the statute or by the Constitution.

Historic Site Advisory Committee.
AS 41.35.110. Confirmation is required by the statute; however, confirmation is not permissible under the Constitution.

Housing Authority, Alaska State
AS 18.55.020; 39.05.060. Confirmation is not required by the former statute but it is by the latter. Confirmation is not permissible under the Constitution.

Housing Finance Corporation, Alaska.
AS 18.56.010. Confirmation is not required by the statute or by the Constitution.

Human Rights, State Commission for.
AS 18.80.010 This is a quasi-judicial agency, and confirmation is required by the statute and by the Constitution.

International Development Commission, Alaska.
AS 44.19.400. Confirmation is not required by the statute or by the Constitution.

Investment Advisory Committee.
AS 37.10.010(f). Confirmation is not required by the statute or the Constitution. (The presence of legislators on this committee is probably not permissible under the constitutional prohibition against dual office holding. Alaska Constitution, Art. 2, Sec. 5).

Judicial Council.
Alaska Constitution, Art. 4, Sec. 8. The non-attorney members, and solely the non-attorney members, are subject to legislative confirmation.

Judicial Qualificiations, Commission on.
Alaska Constitution Art 4. Sec. 10. The two members who are non-lawyers and non-judges are subject to legislative confirmation.

Juvenile Justice and Delinquency Commission.
This board is created under federal law and no confirmation is required.

King Crab Marketing and Quality Control Board, Alaska.
AS 18.90.040. This board has regulatory powers and confirmation is required by the statute and the Constitution.

Land Use Planning Commission, Joint Federal-State.
AS 41.40.020. Confirmation is not required by statute or by the Constitution.

Law of the Sea, Commission on the Conference of the.
AS 44.19.789. Confirmation is not required by the statute or by the Constitution.

Libraries, Advisory Council on.
This board is the creature of federal law, and no confirmation is required.

Local Boundary Commission.
AS 44.19.250; 39.05.060. The former law does not require confirmation, but the latter does; however, that is not permissible under the Constitution.

Manpower Planning Council, State.
This is also a creature of federal law, and no confirmation is required.

Manpower Services Council, State.
This group is also a creature of federal law and no confirmation is required.

Marine Pilots, Board of.
AS 08.62.010. This is a regulatory board and confirmation is required by the statute and the Constitution.

Medical Board, State.
AS 08.64.100. This is a regulatory board and confirmation is required by the statute and the Constitution.

Medical Indemnity Corporation of Alaska (MICA).
AS 21.88.030. Confirmation is required by statute but is not permissible under the Constitution.

Mental Health Advisory Council.
AS 47.30.605. Confirmation is not required by statute or the Constitution.

Municipal Bond Bank Board.
AS 44.58.010. Confirmation is required by statute; however, confirmation is not permissible under the Constitution.

Nursing, Board of.
AS 08.68.010. This is a regulatory board, and while not required by statute, confirmation is required by the Constitution.

Nursing Home Administrators, Board of.
AS 08.70.010. This is a regulatory board, and while not required by statute, confirmation is required by the Constitution.

Occupational Safety and Health Review Board.
AS 18.60.057. This is a quasi-judicial board, and confirmation is required by the statute and the Constitution.

Oil and Gas Conservation Commission

Optometry, Board of Examiners in.
AS 08.72.010. This is a regulatory board, and while not required by statute, confirmation is required by the Constitution.

Pacific Marine Fisheries Commission.
AS 16.45.020. Confirmation is required by the statute; however, confirmation is not permissible under the Constitution.

Parole, State Board of.
AS 33.15.010. Confirmation is required by the statute; however, confirmation is not permissible under the Constitution.

Personnel Board (also acts as Public Employees Retirement Board and Labor Relations Board).
AS 39.25.060. This is a regulatory board and also a quasi-judicial agency, and confirmation is required by the statute and the Constitution.

Pharmacy, Board of.
AS 08.88.010. This is a regulatory board, and confirmation is required by the statute and the Constitution.

Physical Therapy Board, State.
AS 08.84.010. This is a regulatory board, and while not required by statute, confirmation is required by the Constitution.

Pioneers Home Advisory Board, Alaska.
AS 44.21.100. Confirmation is not required by the statute or the Constitution.

Pipeline Commission, Alaska.
AS 46.06.020. This is a regulatory board and confirmation is required by the statute and the Constitution.

Police Standards Council, Alaska.
AS 18.65.140. Confirmation is not required by the statute or by the Constitution.

Post-Secondary Education, Alaska Commission on.
AS 14.40.903. Confirmation is required by the statute; however, confirmation is not permissible under the Constitution. (The presence of legislators on this Commission is highly questionable under the separation of powers doctrine and the prohibition against dual office holding).

Professional Teaching Practices Commission.
AS 14.20.380. This commission has quasi-judicial powers, and confirmation is required by the statute and by the Constitution.

Psychologist and Psychological Associate Examiners, Board of.
AS 08.86.010. This is a regulatory board, and confirmation is required by the statute and by the Constitution.

Public Accountancy, Alaska State Board of.
AS 08.04.010. This is a regulatory board, and while not required by the statute, confirmation is required by the Constitution.

Public Offices Commission, Alaska.
AS 15.13.020(b). This is a quasi-judicial commission, and while not required by statute, confirmation is required by the Constitution. (The method of appointment to this commission is highly suspect under the Constitution Art 2. Secs. 25 and 26).

Public Offices Salary Commission.
AS 39.23.010. Confirmation is not required by statute or by the Constitution.

Public Utilities Commission, Alaska.
AS 42.05.010. This is a regulatory board, and confirmation is required by the statute and by the Constitution.

Real Estate Commission.
AS 08.88.011. This is a regulatory board, and confirmation is required by the statute and the Constitution.

Regents Board, University of Alaska.
Alaska Constitution. Art. 7 Sec. 3; AS 14.40.120.
Confirmation is required by the Constitution.

Royalty Oil and Gas Development Advisory Board.
AS 38.06.010. Confirmation is required by the statute; however, confirmation is not constitutionally permissible.

Rural Affairs Commission.
AS 44.19.720. Confirmation is not required by the statute or by the Constitution.

Small Business Corporation of Alaska.
AS 44.60.020. Confirmation is not required by the statute or by the Constitution.

Soil Conservation Board, Alaska.
AS 41.10.040. Confirmation is required by the statute; however, confirmation is not permissible under the Constitution.

Teacher's Retirement Board, Alaska.
AS 14.25.035. Confirmation is not required by the statute or by the Constitution.

Tourism Advisory Board.
AS 44.33.190; 39.05.060. Confirmation is not required by the former, but it is required by the latter. However, confirmation is not permissible under the Constitution.

Transportation Commission, Alaska.
AS 42.07.011. This is a regulatory board, and confirmation is required by the statute and the Constitution.

Transportation Planning Committee.
Administrative Order No. 33. No confirmation is required by statute or the Constitution.

Veterinary Examiners, Board of.
AS 8.98.010. This is a regulatory board, and confirmation is required by the statute and by the Constitution.

Violent Crimes Compensation Board.
AS 18.67.020. This is a quasi-judicial agency, and while not required by the statute, confirmation is required by the Constitution.

Vocational Education Advisory Council, Alaska State.
This is a creature of federal law, and confirmation is not required by statute or by the Constitution.

Water Resources Board.
AS. 46.15.190. Confirmation is required by the statute; however, confirmation is not permissible under the Constitution.

Welding Examiners, Board of.
AS 8.99.101. This is a regulatory board, and while not required by the statute, confirmation is required by the Constitution.

Western Interstate Commission for Higher Education.
AS 14.40.690. Confirmation is required by the statute; however, confirmation is not permissible under the Constitution.

Workman's Compensation Board, Alaska.
AS 23.30.005. This is a quasi-judicial agency, and confirmation is required by the statute and by the Constitution.

Yukon-Taiya Commission.
AS 44.20.010. Confirmation is not required by the statute or by the Constitution.

Summarizing the above, there are 41 boards which do not require confirmation under the applicable statutes and the Constitution. There are 27 boards that require confirmation under both the applicable statutes and the Constitution. There are 13 regulatory or quasi-judicial boards which must be confirmed by the legislature under the Constitution but which are not required to be by the applicable statutes. There are 14 boards which require confirmation under the applicable statutes, but which are not subject to confirmation under the Constitution.

It is our opinion that you should submit the names of your appointees to the boards and commissions which are subject to confirmation under the Constitution. You need not submit appointees for confirmation that under the Constitution are not subject to that requirement. You are, of course, free to do so as an advisory matter relying upon the legislative vote as an indication of the legislature's views on the appointment, but under the Constitution, if the appointee is not required to be confirmed, a legislative decision not to confirm the appointee would be of no legal effect. The appointment would be valid in any event.

Yours very truly,

Avrum M. Gross
Attorney General

Copies of letters of confirmations by House Resources.

1980

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

May 8, 1980

The Honorable Terry Gardiner, Spcaker
House of Representatives

Dear Mr. Speaker:

The House Resources Committee gives the following individual recommendations on the reappointment of Mr. Nicholas Szabo, Kodiak, to the Board of Fisheries.

Confirm	No Recommendation	Rejection
John B Jacobs		
Ruth Holland		
Fred H Zharoff		
Patrick Carney		
Alvin Osterback		

Sincerely,

Alvin Osterback

Alvin Osterback, Co-Chairman
House Resources Committee

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)

VICE-CHAIRMAN
REP. FRED ZHAROFF

REP. PAT CARNEY • REP. C.V. CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

April 17, 1980

The Hon. rable Terry Gardiner, Speaker
House of Representatives

Dear Mr. Speaker:

The House Resources Committee gives the following individual recommendations on the reappointment of Mr. Jack Maroni, Ketchikan, to the Board of Marine Pilots.

Confirm	No Recommendation	Rejection
P Miles		
Bob Logan		
Pat Carney		
John G. Fuller		
Fred H. Zharoff		
Alvin Osterback		

Sincerely,

Alvin Osterback

Alvin Osterback, Co-Chairman
House Resources Committee

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)

VICE-CHAIRMAN
REP. FRED ZHAROFF

REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

May 13, 1980

The Honorable Terry Gardiner, Speaker
House of Representatives

Dear Mr. Speaker:

The House Resources Committee gives the following individual recommendations on the reappointment of Mr. Samuel Harbo, Jr., College, to the Board of Game.

CONFIRM	NO RECOMMENDATION	REJECTION

Sincerely,

Alvin Osterback

Alvin Osterback, Co-Chairman
House Resources Committee

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)
VICE-CHAIRMAN
REP. FRED ZHAROFF
REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

May 13, 1980

The Honorable Terry Gardiner, Speaker
House of Representatives

Dear Mr. Speaker:

The House Resources Committee gives the following individual recommendations on the reappointment of Mr. Robert J. Simon, Juneau, to the Commercial Fisheries Entry Commission.

CONFIRM	NO RECOMMENDATION	REJECTION
Dick Gathercoal		
Al Ellason		
Fred F. Zharoff		
Alvin Osterback		
Sam Cotten		
Rick Halford		

Sincerely,

Alvin Osterback

Alvin Osterback, Co-Chairman
House Resources Committee

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3778)
VICE-CHAIRMAN
REP. FRED ZHAROFF
REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

February 14, 1980

The Honorable Terry Gardiner, Speaker
House of Representatives

Dear Mr. Speaker,

The House Resources Committee gives the following individual recommendations on the appointment of Mr. Norman Sutliff, Kodiak, to the Guide Licensing and Control Board.

Confirm	No Recommendation	Rejection
Alvin Osterback		
Fred Zharoff		
Rick Halford		
Chat Chatterton		
Fred Zharoff		

Sincerely,

Alvin Osterback

Representative Alvin Osterback, Co-Chairman
House Resources Committee

AO:lp

CO CHAIRMEN
REP ALVIN OSTERBACK (465 3715) • REP BILL MILES (465 3779)
VICE CHAIRMAN
REP FRED ZHAROFF
REP PAT CARNEY • REP C V CHAT CHATTERTON • REP SAM COTTEN
REP DICK ELIASON • REP JACK FULLER • REP RICK HALFORD

Alaska House of Representatives

4/10/80

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

The Honorable Terry Gardiner, Speaker
House of Representatives

Dear Mr. Speaker,

The House Resources Committee gives the following individual recommendations on the reappointment of Mr. Charles Knapp, Kodiak, to the Alaska King Crab Marketing and Quality Control Board.

Confirm	No Recommendation	Rejection
Rick Halford		
C.V. Chatterton		
Pat Carney		
Sam Cotten		
Alvin Osterback		

Sincerely,

Alvin Osterback

Alvin Osterback, Co-Chairman
House Resources Committee

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)

VICE-CHAIRMAN
REP. FRED ZHAROFF

REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Alaska House of Representatives

4/10/80

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

The Honorable Terry Gardiner, Speaker
House of Representatives

Dear Mr. Speaker,

The House Resources Committee gives the following individual recommendations on the appointment of Mr. Edwin Van Fleet, Kodiak, to the Alaska King Crab Marketing and Quality Control Board.

Confirm	No Recommendation	Rejection
Rick Halford		
Walt Hickel		
Sam Cotten		
Pat Carney		
Alvin Osterback		

Sincerely,

Alvin Osterback

Alvin Osterback, Co-Chairman
House Resources Committee

CO-CHAIRMEN
REP ALVIN OSTERBACK (465-3715) • REP BILL MILES (465-3779)

VICE-CHAIRMAN
REP FRED ZHAROFF

REP PAT CARNEY • REP C.V. "CHAT" CHATTERTON • REP SAM COTTEN
REP DICK ELIASON • REP JACK FULLER • REP RICK HALFORD

Alaska House of Representatives

4/10/80

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

The Honorable Terry Gardiner, Speaker
House of Representatives

Dear Mr. Speaker:

The House Resources Committee gives the following individual recommendations on the reappointment of Mr. Marvin Taylor, Skagway, to the Board of Marine Pilots.

Confirm	No Recommendation	Rejection
Rick Halford		
Pat Carney		
Chat Chatterton		
Sam Cotten		
Fred Zharoff		
Alvin Osterback		

Sincerely,

Alvin Osterback

Alvin Osterback, Co-Chairman
House Resources Committee

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)

VICE-CHAIRMAN
REP. FRED ZHAROFF

REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Alaska House of Representatives

4/10/80

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

The Honorable Terry Gardiner, Speaker
House of Representatives

Dear Mr. Speaker,

The House Resources Committee gives the following individual recommendations on the appointment of Mr. John Williams, Juneau, to the Commercial Fisheries Entry Commission.

Confirm	No Recommendation	Rejection
Rick Halford		
Dick Eliason		
Chat Chatterton		
Sam Cotten		
Fred Zharoff		
Alvin Osterback		

Sincerely,

Alvin Osterback

Alvin Osterback, Co-Chairman
House Resources Committee

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)

VICE-CHAIRMAN
REP. FRED ZHAROFF

REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Alaska House of Representatives

4/10/80

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

The Honorable Terry Gardiner, Speaker
House of Representatives

Dear Mr. Speaker,

The House Resources Committee gives the following individual recommendations on the appointment of Mr. Burke Riley, Anchorage, to the Commercial Fisheries Entry Commission.

Confirm	No Recommendation	Rejection
Rick Halford		
[illegible]		
Chat Chatterton		
[illegible]		
[illegible]		
Alvin Osterback		

Sincerely,

Alvin Osterback

Alvin Osterback, Co-Chairman
House Resources Committee

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)
VICE-CHAIRMAN
REP. FRED ZHAROFF
REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Alaska House of Representatives

4/10/80

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

The Honorable Terry Gardiner, Speaker
House of Representatives

Dear Mr. Speaker,

The House Resources Committee gives the following individual recommendations on the appointment of Mr. Griffin Quinton, Anchorage, to the Board of Fisheries.

Confirm	No Recommendation	Rejection
Rick Halford		
Alvin Osterback		

Sincerely,

Alvin Osterback

Alvin Osterback, Co-Chairman
House Resources Committee

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)

VICE-CHAIRMAN
REP. FRED ZHAROFF

REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

February 14, 1980

The Honorable Terry Gardiner, Speaker
House of Representatives

Dear Mr. Speaker,

The House Resources Committee gives the following individual recommendations on the appointment of Mr. Norman Sutliff, Kodiak, to the Guide Licensing and Control Board.

Confirm	No Recommendation	Rejection
Alvin Osterback		
F. Miles		
Rick Halford		
Chat Chatterton		
Sam Cotten		
Fred Zharoff		

Sincerely,

Alvin Osterback

Representative Alvin Osterback, Co-Chairman
House Resources Committee

AO:lp

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)
VICE CHAIRMAN
REP. FRED ZHAROFF
REP. PAT CARNEY • REP. C.V. CHAT CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

February 14, 1980

The Honorable Terry Gardiner, Speaker
House of Representatives

Dear Mr. Speaker,

The House Resources Committee gives the following individual recommendations on the appointment of Mr. Charles Keim, College, to the Guide Licensing and Control Board.

Confirm	No Recommendation	Rejection
P. Miles		
Rick Halford		
Pat Chatterton		
Pat Carney		
Fred Zharoff		
Alvin Osterback		

Sincerely,

Alvin Osterback

Representative Alvin Osterback, Co-Chairman
House Resources Committee

AO:lp

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)
VICE-CHAIRMAN
REP. FRED ZHAROFF
REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

February 14, 1980

The Honorable Terry Gardiner, Speaker
House of Representatives

Dear Mr. Speaker,

The House Resources Committee gives the following individual recommendations on the appointment of Mr. Charles Keim, College, to the Guide Licensing and Control Board.

Confirm	No Recommendation	Rejection
P. Davis		
Rick Halford		
Chat Chatterton		
Pat Carney		
Fred Zharoff		
Alvin Osterback		

Sincerely,

Alvin Osterback

Representative Alvin Osterback, Co-Chairman
House Resources Committee

AO:lp

CO CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)
VICE-CHAIRMAN
REP. FRED ZHAROFF
REP. PAT CARNEY • REP. C.V. CHAT CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

February 14, 1980

The Honorable Terry Gardiner, Speaker
House of Representatives

Dear Mr. Speaker,

The House Resources Committee gives the following individual recommendations on the appointment of Mr. William Stroecker, Fairbanks, to the Guide Licensing and Control Board.

Confirm	No Recommendation	Rejection
Alvin Osterback		
Bill Miles		
Rick Halford		
Chat Chatterton		
Pat Carney		
Fred Zharoff		

Sincerely,

Alvin Osterback

Representative Alvin Osterback, Co-Chairman
House Resources Committee

AO:lp

CO CHAIRMEN
REP ALVIN OSTERBACK (465-3715) • REP BILL MILES (465-3779)
VICE-CHAIRMAN
REP FRED ZHAROFF
REP PAT CARNEY • REP C.V. CHAT CHATTERTON • REP SAM COTTEN
REP DICK ELIASON • REP JACK FULLER • REP RICK HALFORD

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

February 14, 1980

The Honorable Terry Gardiner, Speaker
House of Representatives

Dear Mr. Speaker,

The House Resources Committee gives the following individual recommendations on the appointment of Mr. William Stroecker, Fairbanks, to the Guide Licensing and Control Board.

Confirm	No Recommendation	Rejection
Alvin Osterback		
Bill Miles		
Pete Kott		
Chat Chatterton		
Pat Carney		
Fred Zharoff		

Sincerely,

Alvin Osterback

Representative Alvin Osterback, Co-Chairman
House Resources Committee

AO:lp

CO CHAIRMEN
REP ALVIN OSTERBACK (465 3715) • REP BILL MILES (465 3779)
VICE-CHAIRMAN
REP FRED ZHAROFF
REP PAT CARNEY • REP C V CHAT CHATTERTON • REP SAM COTTEN
REP DICK ELIASON • REP JACK FULLER • REP RICK HALFORD

Resumés
for 1980
confirmation
hearings

Resume of Robert J. Simon

1. Born: September 17, 1925, Valentine, Nebraska
2. Graduated from highschool 1943
3. US. Navy, October 1943 - June 1946
4. Bachelor of Science in Fisheries, University of Washington 1953
5. Territory of Alaska, Department of Fisheries and Department of Fish and Game, sport fish biologist 1953-1958, Fairbanks and Kodiak
6. State of Alaska, Department of Fish and Game, commercial fisheries biologist, Kodiak 1959-61; Regional Supervisor 1961-1972
7. National Marine Fisheries Service, Chief, State/Federal Relationships 1972-1976; Chief of Management Operations 1977 (resigned in July)
8. Commissioner, Alaska Commercial Fisheries Entry Commission, July 17, 1977 - July 1, 1980

I realize this is quite brief - there should be a more complete one in my personnel file.

BJS

PROFESSIONAL VITAE

Name: Samuel James Harbo, Jr.

Birthdate: March 3, 1929

Education:

B.S. University of Nebraska, 1951
-- University of California (Berkeley), Sept. 1954 - Jan. 1956
M.S. University of Alaska, 1958
Ph.D. North Carolina State University, Raleigh, 1972

Employment:

University of Alaska, Chairman, Wildlife and Fisheries Program, current; Associate Professor, 1971-current; Assistant Professor, 1965-1971; Instructor of Biometrics, 1964-1965; Acting Head, Department of Wildlife Management, 1968-1969.

North Carolina State College, U.S. Public Health Service, Biomath Fellowship, 1963-1964.

North Carolina State College, Cooperative Wildlife Statistics Project, Research Assistant, 1961-1964.

Alaska Department of Fish and Game, Nome, Alaska, Research Biologist, 1959-1961.

U.S. Fish and Wildlife Service, Cold Bay, Alaska, Biologist, May-Dec., 1958.

Publications:

1958. An investigation of mink in interior and southeastern Alaska. Unpubl. M.S. thesis, University of Alaska.

1969. Revision of the sailfish genus Istiophorus. Copeia, 1969(1): 34-44 (with J. E. Morrow).

1972. An aerial census of ringed seals, Phoca (Pusa) hispida Schriber, along the Northern Coast of Alaska. Arctic 25(4): 280-90 (with J. Burns).

1972. Modeling forest succession. Ph.D. dissertation. North Carolina State University, Raleigh.

1973. Discussion of Environmental Planning and Ecological Possibilities by S. A. Bella and W. S. Overton. J. of Envir. Eng. Div. Proc. of Am-Soc. Civil Eng. 99: 385-87 (with F. C. Dean).

1977. Surveys of Spotted Seals, Phoca vitulina Largha, in the ice front of Bering Sea. Presented at Second Conference on the Biology of Marine Mammals (with J. Burns).

1978. Moose Survey Techniques. Presented to No. Amer. Moose Conference (with W. C. Casaway and S. D. DuBois).

Paper Presented: Statistical Considerations in Bird Censuses and Indices. 1974 Northern Bird Resources Workshop.

Various Unpublished Papers and Completion Reports Dealing with Marine Mammals:

1959. A study of the walrus and the King Island economy. Alaska Dept. of Fish and Game. 47 pp.

1960. Walrus Biology and Status: Annual Project Report, Federal Aid in Wildlife Restoration Act, Project W-6-R-1. 3 pp.

1960. Walrus Harvest and Utilization. Annual Project Report, Federal Aid in Wildlife Restoration Act, Project W-6-R-1. 13 pp.

1960. Seals, Magnitude and Characteristics of Harvest. Annual Project Report, Federal Aid in Wildlife Restoration Act, Project W-6-R-1. 12 pp.

1961. Walrus Biology and Population Status. Annual Project Report, Federal Aid in Wildlife Restoration Act, Project W-6-R-2. 27 pp.

1961. Walrus Harvest and Utilization. Annual Project Report, Federal Aid in Wildlife Restoration Act, Project W-6-R-2. 25 pp.

1961. Seals, Magnitude and Characteristics of Harvest. Annual Project Report, Federal Aid in Wildlife Restoration Act, Project W-6-R-2. 2 pp.

Additional Duties: Statistical consulting regarding fisheries and wildlife problems with numerous federal and State agencies and private groups (since 1963).

Chairman, Alaska Board of Game (since 1976).

Resume of Robert J. Simon

1. Born: September 17, 1925, Valentine, Nebraska
2. Graduated from highschool 1943
3. US. Navy, October 1943 - June 1946
4. Bachelor of Science in Fisheries, University of Washington 1953
5. Territory of Alaska, Department of Fisheries and Department of Fish and Game, sportfish biologist 1953-1958, Fairbanks and Kodiak
6. State of Alaska, Department of Fish and Game, commercial fisheries biologist, Kodiak 1959-61; Regional Supervisor 1961-1972
7. National Marine Fisheries Service, Chief, State/Federal Relationships 1972-1976; Chief of Management Operations 1977 (resigned in July)
8. Commissioner, Alaska Commercial Fisheries Entry Commission, July 17, 1977 - July 1, 1980

I realize this is quite brief - there should be a more complete one in my personnel file.

BJS

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

BOARD OF FISHERIES/BOARD OF GAME
DEPARTMENT OF FISH AND GAME

SUBPORT BUILDING
JUNEAU, ALASKA 99801

May 5, 1980

Dear Members of the Alaska State Legislature:

I just learned that a recent interpretation of Alaska's Statutes on Boards and Commissions requires my reappointment to the Alaska Board of Fisheries and confirmation by the Legislature during this session. I am scheduled to leave May 6 to begin my fishing season and request that, under the circumstances, I be permitted to submit this written statement instead of appearing personally before you for a confirmation hearing.

Having served five years on the Fisheries Board, I find its primary function has been resolving allocation decisions for the various user groups, gear types, and geographic areas that compete for Alaska's fisheries resources. The Board also has served as a buffer between the public and the professional staff of the Alaska Department of Fish and Game.

I feel that all Alaskans should have an opportunity to share in our fisheries resource wealth. Unfortunately, those resources are not always abundant enough to completely satisfy the desires of all potential users. The burden then is upon the Board to decide the most beneficial uses among competing alternatives. Hopefully, through the intensive and extensive public participation process the Board has developed, a rational approach to distributing our fisheries resources has resulted.

I feel that it is desirable to have various geographic areas and user groups represented on the Board. I do not feel that a member should be an advocate of a particular user group or geographic area, but that he should bring to the Board his special expertise, knowledge, and experience with the group or area. Because of Alaska's vastness and the complexity of our fisheries resource management problems, it is impossible for each member to be an expert on all issues. We must of necessity depend on each other. However, in bringing our own special knowledge to the work of the Board, we must be motivated by a primary interest in the general good of the State and its resources.

With another term on the Board, I would like to work toward accomplishing two things which could be considered outside the Board's usual sphere:

1) There needs to be a strengthening of communication between the Board and the Legislature. The Legislature created the Board to carry

out certain responsibilities involving the State's fisheries resources and the people's use of them. Unfortunately, because of lack of understanding, the Board and Legislature have at times worked at cross-purposes. Issues have arisen about which the Board has received literally days of testimony and that the Board has debated at length. The Board's solutions have been in the best interest of the State's resources but have not always been politically popular. On several of these issues the Legislature has subsequently taken action in a way that negated the Board's decisions. I feel that if better communication had existed between the Board and the Legislature, the Legislature would have been aware of the reasons for the Board's actions and the Board and Legislature would have been able to work in concert instead of in conflicting directions. This improved communication would also give the Board a clearer view of the direction the Legislature wishes to go in management of the State's fisheries resources.

2) Even though a recent survey showed most Alaskans favored reducing the level of state government, I don't believe the survey reflected the true attitudes of the users of fish and game resources toward resource management. During Board meetings over the last five years, countless people have attended to vent their frustrations about the inadequate research, management, and protection that Alaska gives its fish and game resources. Too often inadequate information has resulted in either an over-harvest or an under-harvest, neither of which is in the State's best interest. Inadequate protection continues to jeopardize the entire future of the resources. One of our State's primary industries, our greatest renewable resource, generating millions of dollars into Alaska's economy, surely deserves more financial support. Every dollar appropriated is an investment that will return many-fold to the State's citizens.

Thank you for your consideration and for allowing me to present my views in written form. I have found membership on the Board of Fisheries to be a great challenge, and I hope I will be allowed to serve Alaska and its resources for another term.

Sincerely,

Nich Szabo

Nicholas G. Szabo, Chairman
Alaska Board of Fisheries
(907) 465-4110

RESUMÉ

Nicholas G. Szabo
Box 1633
Kodiak, Alaska 99615

May 6, 1980

PHONE:	(907) 486-3853
OCCUPATION:	Commercial Fisherman
DATE OF BIRTH:	October 13, 1943
ALASKA RESIDENCY:	Anchorage September 1965 - May 1966 Kodiak May 1966 - Present
EDUCATION:	University of Florida 1961 - 1964 St. Leo College 1965 Anchorage Community College 1966 Kodiak Community College 1974, 1976

COMMERCIAL FISHING EXPERIENCE:

May 1966 - July 1967	Halibut and king crab - Kodiak Area
July 1967 - October 1967	Salmon - Southeastern and Puget Sound
October 1967 - June 1969	King crab, Tanner crab, salmon - Kodiak Area
June 1969 - July 1969	Salmon - Bristol Bay
August 1969 - August 1977	Salmon, King crab, Tanner crab, Dungeness crab, shrimp - Kodiak Area
August 1977 - December 1977	King crab - Bering Sea
1978	King crab and Tanner crab - Kodiak Area
June 1979 - July 1979	Salmon - Bristol Bay
1972, 1975, 1977, 1978	Operated salmon tender in Kodiak Area
August 1979 - November 1979	Operated charter boat for sport fishing in Kodiak Area

RECREATIONAL PURSUITS:	Hunting, sport fishing, clam digging

ORGANIZATIONS:

1969 - Present	United Fishermen's Marketing Association
1972 - 1976	Kodiak Shrimp Trawler's Association
1972 - 1974	Treasurer
1975 - 1977	Alaska Fisheries Safety Advisory Council

BOARDS AND PANELS:

March 1975 - July 1975	Alaska Board of Fish and Game
July 1975 - Present	Alaska Board of Fisheries
December 1975 - December 1977	Vice Chairman
December 1977 - Present	Chairman
December 1976 - September 1979	Advisory Panel to North Pacific Fishery Management Council
December 1976 - December 1978	Vice Chairman
1972 - 1978	Kodiak Fisheries Institute Steering Committee
1978	Coordinator

AWARDS AND CERTIFICATES:

1976	Outstanding Young Man of America Award U.S.C.G. Masters License for Uninspected Vessels not over 1000 Gross Tons and 500 Miles Offshore U.S.C.G. Ocean Operators License for Passenger Vessel not over 1000 Gross Tons

MARINE PILOTING

Telephone: (907) 225-9696
(907) 225-9697

Southeastern Alaska Pilots' Association

CABLE ADDRESS: SEAPILOTS

P. O. BOX 6100
KETCHIKAN, ALASKA 99901

R E S U M E

Objective: Reappointment to Board of Marine Pilots

Personal:

Capt. Jack Maroni
P. O. Box 6100
Ketchikan, Alaska 99910

Telephone: 907-225-9696 (business)
907-225-5331 (home)

Date of Birth: Nov. 27, 1926

Education:

High School - Santa Rosa, California (1947)
Jr. College - Santa Rosa Jr. College (1948)
U. S. Maritime School/ Alameda, Calif.

Employment:

1969 - present
Marine Pilot in Southeastern Alaska

1967 - 1969
Deck officer on coastwise oil tankers
(Primarily U.S. west coast)

1964 - 1967
Deck Officer on various ships owned
by Alaska Steamship Company

1961 - 1964
Partner and Captain of refrigerated
fish processing vessel operated in
various areas of Alaska

1956 - 1961
Deck officer on various oil tankers
owned by Keystone Shipping Co.
(Primarily U.S. west coast)

Employment:

1952 - 1956
Deck Officer on various oil tankers
Pacific Tanker Corp. (Persian Gulf)

1949 - 1952
Able Seaman and Boatswain on various
U.S. vessel operated in world trade

1943 - 1946
U.S. Navy

I have served on the Alaska Board of Marine Pilots since 1970.

Respectfully,

Capt. Jack Maroni

JM/cjp

ALASKA PACKERS ASSOCIATION, INC.

P. O. BOX 646
KODIAK, AK. 99615
(907) 486-3266

April 3, 1980

Mr. Alvin Osterback
Committee on Natural Resources
Pouch V
Juneau, Alaska 99811

Dear Mr. Osterback:

In response to your letter dated March 17, you will find enclosed my resumé for your review. I will be unable to attend the hearing on April 10, as I will be attending the Alaska King Crab Marketing and Quality Control Board meeting in Anchorage at that time.

In January I was notified by Governor Hammond of my appointment to the Board and last month was sworn in before a judge here in Kodiak.

If there are any questions as to my qualifications, please do not hesitate to call me at my office (486-3266) or write.

Sincerely,

Ed Van Fleet/cmk

Ed Van Fleet
Superintendent
APA Kodiak

cmk
Enclosures (2)

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 11, 1980

Mr. Edwin L. Van Fleet
P. O. Box 1848
Kodiak, Alaska 99615

Dear Mr. Van Fleet:

I am pleased to inform you of your appointment to the Alaska King Crab Marketing and Quality Control Board, with a term ending August 26, 1981. I appreciate your willingness to serve your State.

You are now accepting important responsibilities on behalf of Alaska. Alaska will be a greater place in which to live because of the willingness of citizens such as yourself to devcte time and talent in service to our State.

In order to complete your appointment, it will be necessary to fill out the enclosed forms, each of which should be notarized and then returned to me as soon as possible. Upon completion of these forms, you will possess the authority to exercise the powers and perform the duties of your office pending confirmation by the Legislature. A formal certificate of appointment will be sent to you upon legislative confirmation of your appointment. Alaska Statutes also require the filing of a conflict of interest form within 30 days of this appointment. The Alaska Public Offices Commission will send copies of the necessary forms to you.

Finally, it is my strong belief that serving on any of Alaska's boards and commissions is both a privilege and a responsibility. Therefore, I expect each appointee to attend at least 75 percent of the meetings. If circumstances arise preventing that, I ask you to request replacement so the board will be able to continue to function efficiently.

Again, I am pleased to be able to appoint you and thank you for your willingness to serve your State.

Sincerely,

Jay S. Hammond
Governor

Enclosures

RESUMÉ

Edwin Lewis Van Fleet
P.O. Box 1848
Kodiak, Alaska 99615

PERSONAL DATA:

Date of Birth:	December 15, 1951
Age:	28
Height and Weight:	6'0", 195 lbs.
Marital Status:	Married, wife Judy, 2 children
Special Interests:	Mariculture, SCUBA Diving
Hobbies:	Fishing, Swimming, Karate
Memberships:	World Mariculture Society International Oceanographic Foundation Kodiak Seafoods Processors Assn., Secretary/Treasurer Kodiak Overall Economic Development Committee King Crab Marketing and Quality Control Board

EDUCATION:

1975 Attended "Better Process Control", a Food and Drug Course sponsored by the University of Alaska. Received Retort Operators Certificate.

1972-1974 Attended California Polytechnic State University, San Luis Obispo, California. Graduated December 1974 with B.S. Degree in Biological Sciences, concentrating in the field of Marine Biology. Activities: Involved in soft-ball, football, handball, karate, and SCUBA diving.

Important Courses In Which I Have Received Credit

Zoology (2 years)	Marine Microbiology
Botany (1 year)	Marine Biology
Inorganic Chemistry (1 year)	Marine Resources
Organic Chemistry	Biology of Fishes
Biochemistry	Mariculture Engineering (1 yr.)
Estuary Studies	Welding
Bacteriology	Physiology
Entomology	Genetics

Report Writing: The Feasibility of Lobster Mariculture
Senior Thesis: The Effects of Temperature and Salinity on Ocean Shrimp.

1970-1972 Attended Cuesta College, San Luis Obispo, California. A.A. Degree in Biology.
Activities: Active member of the "Special Estuary Studies" Program. Participated in Karate and SCUBA Diving.

1966-1970 Attended Atascadero High School, Atascadero, California. Graduated in June 1970.
Awards and Activities: Bank of America Award for Foreign Languages (Spanish).
Track Team (2 yrs.), Swimming Team, (4 yrs.).

Employment:

1975-present Del Monte Corporation.
I am currently the Superintendent for Alaska Packers Association, a subsidiary of Del Monte Corporation, in Kodiak, Alaska. To date, I am the youngest person holding this position within the corporation. My promotion record and job experience is as follows:

June 1975-December 1975
"Production-Management Trainee" in Kodiak, Alaska.

January 1976-April 1977
"Process Supervisor" tranferring to Chignik, Alaska.

May 1977-July 1977
"General Plant Supervisor" in Chignik, Alaska.

August 1977-present
"Plant Superintendent" transferring back to Kodiak.

While in Chignik, I was responsible for all aspects of Crustacea (shrimp, king crab, and tanner crab) and frozen salmon and halibut processing. This included: organizing an average of 50 employees into 5 crews to unload vessels and maintain line production, calculating hourly production efficiency, equating raw and finished product data, performing minor "in line" repairs, and keeping inventory of all production materials and rate of consumption.

I was also in charge of all "in plant" labor relations and bunkhouse regulations. Upon the Superintendent's absence, I was in charge of the entire operation.

As Superintendent, I am responsible for maintaining optimum production within or below projected costs. Reporting to me are the Office Manager/Accountant, three Secretaries, the Quality Control Supervisor, and the General Plant Supervisor with his two Process Supervisors and combined crews of 75 processors.

Daily procedures include raw product scheduling via Single Side Band radio with a fleet of 10 shrimp and 7 crab vessels, production inspections, various office procedures, and public relations. Currently, I am compiling budget proposals and cost estimates for the next fiscal year.

1966-1975 Van Fleet Roofing, San Luis Obispo, California.
I worked with my father in the roofing business and purchased the company from him in 1972. I operated the company while attending college, thus enabling me to pay all my college expenses. I was a Roofing Contractor responsible for locating and bidding jobs, supervising and working with my crew in the roof application, billing, and collecting.

1972-1973 Capen-Van Fleet Commercial Fishing, San Luis Obispo, California. In November 1972, I, along with my partner, purchased a 35 ft. commercial fishing boat. After overhauling the vessel, it was used for salmon trolling and cod fishing out of Morro Bay, Calif.

1970-1972 Bekins Van Line.
I was a relief driver for trancontinental drivers during the summer months.

ADDITIONAL SKILLS AND EXPERIENCES:

1959-1970 Agriculture related experiences--Creston, California. From ages 8-18 I resided on a small ranch with my parents and two younger brothers. During this time I acquired many skills including:

Animal Husbandry--owned and operated cow/calf operation

Dry land farming	General Carpentry
Gardening	Fence Building
Pest Control	Chain saw operation
Controlled burning	Cement finishing

1966 Travel-Mexico
I lived in central Mexico, near Guadalaraja, for 3 months and attended daily Spanish lessons.

1975-1977 Additional Skills-Alaska Packers Assn., Chignik, Alaska. I gained skills in welding all types of metals, grinder overhaul, and conveyor fabrication while working with the maintenance crew during off seasons. While in Chignik, I was responsible for maintaining the refrigeration compressors and diesel generators in the engineer's absence.

REFERENCES

Mr. James Huffman
Alaska Packers Association, Inc.
Redmond, Washington
Chignik, Alaska 99564

Mr. Christopher Hulmes
7100 Atascadero Avenue
Atascadero, California 93422

Mr. Jerry Boisvert
155 NE 17th Street #5
Newport, Oregon 97365

Mr. Bruce Jepsen
Alaska Packers Association, Inc.
Bellevue, Washington 98009

Mr. Allan McKibben
1648 12th Street
Los Osos, California 93402

M.P. TAYLOR & ASSOC.
CONSULTANT
&
AGENCY SERVICES

"SERVICE WITH EXPERIENCE"

P.O. BOX 436
SKAGWAY, ALASKA 99840
PHONE (907) 983-2500
(907) 983-2501
TELEX

MARCH 31, 1980

HONORABLE ALVIN OSTERBACK,
CHAIRMAN
HOUSE RESOURCES COMMITTEE
POUCH V
JUNEAU, ALASKA 99811

DEAR SIR:

IN RESPONSE TO YOUR MARCH 18, 1980 REQUEST TO APPEAR AT 3:00 PM ON APRIL 10, 1980 AT A HEARING FOR CONFIRMATION TO THE BOARD OF MARINE PILOTS.

AS REQUESTED I ATTACH A COPY OF MY RESUME FOR YOUR PLEASURE.

I DO PLAN TO ATTEND THE HEARING UNLESS THE PRESS OF MY PERSONAL BUSINESS PREVENTS IT

SINCERELY,

RESUME

PERSONAL

Name:	Marvin P. Taylor
Address:	P. O. Box 436 Skagway, Alaska 99840
Telephone:	Business (907) 983-2500 Residence (907) 983-2501
Birth:	September 26, 1921
Marital:	Married

EDUCATION

High School - Elkins, West Virginia
Business College - West Virginia
University of Alaska - Fairbanks
Fed. Government Industrial Training Courses
University of Wisconsin - Industrial Safety
(No Degrees)

CAREER DEVELOPMENT

1974 to Present - Self Employed, Consultant and Agency Services

1971 to 1974 - Vice President Operations
White Pass & Yukon Corporation

Duties - Directed the activities of the following divisions:

Railway - U. S. and Canadian
Highway - 125 Tractors
Petroleum - Wholesale Distribution
Freight Terminal - Whitehorse
Pipeline - Skagway to Whitehorse
Loiselle Ltd. - Highway Transport
Skagway - Bulk and General Cargo Terminals

Operation had approximately 800 employees. Participated in the planning of the first integrated containerization system.

CAREER DEVELOPMENT - Continued

1969 - 1971	Manager, Northern Operations
1960 - 1969	Superintendent, Rail Division
1957 - 1960	Assistant Superintendent, Rail Division
1953 - 1957	General Agent, Skagway Port Operations
1951 - 1953	Skagway Wharf Agent
1949 - 1951	City Passenger Agent
1948 - 1949	Joined White Pass - Ticket Agent
1947 - 1948	City Clerk & Treasurer City of Skagway, Alaska
1946 - 1947	Naval Petroleum Reserve Number Four Point Barrow, Alaska
1942 - 1945	U. S. Army - Transportation Corps

OTHER ACTIVITIES

Present	Chairman, Alaska Transportation Council Member, Alaska Board of Marine Pilots Chairman, Skagway Port Authority (advisory) Member, Skagway City Council Member, Skagway Chamber of Commerce Member, Yukon Research & Development Institute
Past	Mayor of Skagway, Alaska President, Skagway School Board President, Skagway Chamber of Commerce Yukon Transportation Association American Association of Rail Superintendents Alaska Visitors Association Alaska Manpower Advisory Committee

REFERENCES

Available upon Request

STATE OF ALASKA

COMMERCIAL FISHERIES ENTRY COMMISSION

JAY S. HAMMOND, GOVERNOR

POUCH KB
JUNEAU, ALASKA 99811

April 7, 1980

The Honorable Alvin Osterback, Chairman
Committee on Natural Resources
Alaska House of Representatives
Juneau, Alaska 99811

Dear Mr. Chairman:

Enclosed is written resume' responsive to your request of March 28.

It is current but for its not showing my appointment to the Commercial Fisheries Entry Commission effective October 26, 1979.

I will be pleased to appear before the Committee at 3:00 p.m. on Thursday, April 10, the time indicated for Committee consideration of confirmation.

Sincerely,

Burke Riley

Enclosure

01-A6LH

SUMMARY OF EXPERIENCE

BURKE RILEY
2549 Discovery Court
Anchorage, Alaska 99503

Home Phone: 907-586-6111
Office : 907-586-9577

Education:

Yakima High School, Yakima, Washington
Yakima Valley Junior College
University of Washington
Member, Alaska Bar

Employment:

9/61 to date	U.S. Department of the Interior	
	Regional Coordinator of Interior's ten bureaus in Alaska (office now entitled Secretary's Special Assistant in Alaska).	1/
	Assigned Washington, D. C., August, 1969. There served as Chief, Alaska Pipeline Staff, (BLM) on detail to Department. IGPA detail to State 8/77.	2/
12/58 - 9/61	Executive Assistant to Governor William A. Egan	3/
4/53 - 12/58	Private practice of law including engagements with POL pipeline contractors (Haines-Fairbanks) and as executive vice president D. J. Belcher & Associates, Ithaca, New York	4/
1/55 - 1/59	Member, Alaska Legislature (House) Majority Leader Chairman, Rules Committee, Member, Ways & Means Committee Member, Interim Legislative Council	
11/55-2/56	Delegate, Alaska Constitutional Convention Chairman, Rules Committee Secretary, Natural Resources Committee	5/
12/47 - 4/53	Administrative Assistant to Governor Ernest Gruening	
	Secretary of Alaska (Presidential appointment)	6/
4/46 - 12/47	Attorney General's Office, Territory of Alaska; Director, Alaska Office of Vocational Rehabilitation; Lands Consultant, Alaska Development Board.	7/

1/42 - 4/46	Army of the United States - Alaska, Pacific, U. S.
1/39 - 1/42	U. S. Department of Justice U. S. Attorney's Office, Fairbanks, Alaska
Other:	Placer mining Timber Cruising Fairbanks City Assessor
Publications:	"Vocational Rehabilitation in Alaska" (1947).
	"Federal Land Policy - Its Effect on Development and Settlement of Alaska (1947)
	"Alaska" - Colliers' Yearbook (various years)
	"Native Alaska's Needs" - Alaska Methodist University series (1966).
	"Momentum for the Claims Issue" - 5/27/68 ANCHORAGE DAILY NEWS
	"The National Interest - and the Department of the Interior - in Alaska" (1969) (with technical assistance).
	"Land - Bridge to Community", a paper delivered before the Alaska Humanities Forum, University of Alaska, November 1974.
	Numerous executive messages, committee reports, position papers and statements for use before Legislative and Congressional committees.
	Legislative drafting including:
	1953 amendment to 48 USC 353 to permit the mineral leasing of Alaska school sections under provisions of the Mineral Leasing Act.
	1953 bill which created the Territorial Department of Lands, forerunner of Alaska Department of Natural Resources.
	Chapter 9, Session Laws of Alaska 1957 which provided for condemnation for oil and gas pipelines and related facilities.
	Proposed concept and format for "Federal Withdrawal and Reservation Atlas of Alaska" and accompanying 147-page key; published 1958.

Contributor to:

Alaska Native Affairs (1962) a report to the Secretary of Interior

Westward Alaska (1965)

Report to President's Review Committee (1965)

Alaska Natives and the Land (1968)

Transportation and Economic Development in Alaska (1968)

(The last four above were publications of the Federal Field Committee for Development Planning in Alaska created by E.O. 11182).

Land Resource Development in the Developing Countries (1971).

Assigned primary responsibility by Under Secretary (USDI) for preparation of Vol. 5 (Alternatives), Final Environmental Impact Statement, Proposed Trans-Alaska Pipeline. While a contributor to text, primary function was to enlist competent assistance in a host of disciplines, organize the effort and oversee performance and scheduling to completion. Role resembled that earlier occupied with respect to preparation of the three volume Rampart Project Field Report, although was performed in a far more rigorous time frame.

Awards:

Distinguished Service Award, Department of the Interior, 1968.

Secretarial Commendation for "outstanding services in support of the development of the Alaska Oil Pipeline Program," 1974.

Footnotes (Representative activities):

1/ Coordinated preparation of Interior's field report on proposed Rampart Dam Project compiled under leadership of Bureau of Reclamation. Reference: Henry P. Caulfield, Jr., Colorado State University, Fort Collins, Colorado.

Formed first interagency environmental group in government to develop working relationships with North Slope oil industry. Group was formed for better meeting Interior's responsibilities on North Slope and was nucleus of that later charged with field responsibility for developing pipeline standards and stipulations.

Member, Federal Field Committee for Development Planning in Alaska representing ten Interior bureaus (1964-69). Earlier, had drafted joint letter to the President from Alaska's Governor and Congressional delegation proposing executive creation of such Committee. Examples of policy fields treated: Native Land Claims, Resource Development, Power, Transport, Socio/Economic/Ethnic relationships.

Following 1964 Alaska earthquake chaired field extension of the "Anderson Commission", the Presidentially appointed Washington based interdepartmental group charged with earthquake reconstruction. Reference: Dwight Ink, College of Public Affairs, American University, Washington, D. C.

Twice represented U. S. in negotiating international highways matters in Ottawa. Reference: Canadian Desk, U. S. Department of State.

Advisor to Secretary's Alaska Native Task Force (1962); advisor to Governor's Pribilof Commission (1965); member of Advisory Committee, Federal Power Commission's "Alaska Power Survey" (1966-68).

2/ Assigned responsibility 1971 for preparation Alternatives section, Vol. 5, Final Environmental Impact Statement, Trans-Alaska Pipeline, (an engagement subsequently shared widely).

3/ Policy, legislative and administrative assistance to first elected Governor of Alaska during transition to Statehood (1958-1961). Under Executive Succession Act by designation of Governor, with Legislative confirmation, named first in non-elective succession.

4/ Pipeline engagement featured government and labor relations. Assignment with D. J. Belcher & Associates (an engineering/ natural resources/photogrammetry firm) arose from its planned expansion into Alaska and Yukon Territory to conduct a comprehensive natural resource inventory.

5/ Only lawyer on Committee and key draftsman of Article VIII - Natural Resources.

6/ As acting Governor led Territorial participation in negotiations leading to settlement of last major West Coast maritime strike affecting Alaska between years 1952-1971.

7/ Successive engagements immediately following separation from military service. Inaugurated vocational rehabilitation for the handicapped in Alaska under appointment of Alaska Board of Education.

ALASKA PACKERS ASSOCIATION, INC.

P. O. BOX 848
KODIAK, AK. 99615
(907) 486-3266

April 3, 1980

Mr. Alvin Osterback
Committee on Natural Resources
Pouch V
Juneau, Alaska 99811

Dear Mr. Osterback:

In response to your letter dated March 17, you will find enclosed my resumé for your review. I will be unable to attend the hearing on April 10, as I will be attending the Alaska King Crab Marketing and Quality Control Board meeting in Anchorage at that time.

In January I was notified by Governor Hammond of my appointment to the Board and last month was sworn in before a judge here in Kodiak.

If there are any questions as to my qualifications, please do not hesitate to call me at my office (486-3266) or write.

Sincerely,

Ed Van Fleet

Ed Van Fleet
Superintendent
APA Kodiak

cmk
Enclosures (2)

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 11, 1980

Mr. Edwin L. Van Fleet
P. O. Box 1848
Kodiak, Alaska 99615

Dear Mr. Van Fleet:

I am pleased to inform you of your appointment to the Alaska King Crab Marketing and Quality Control Board, with a term ending August 26, 1981. I appreciate your willingness to serve your State.

You are now accepting important responsibilities on behalf of Alaska. Alaska will be a greater place in which to live because of the willingness of citizens such as yourself to devote time and talent in service to our State.

In order to complete your appointment, it will be necessary to fill out the enclosed forms, each of which should be notarized and then returned to me as soon as possible. Upon completion of these forms, you will possess the authority to exercise the powers and perform the duties of your office pending confirmation by the Legislature. A formal certificate of appointment will be sent to you upon legislative confirmation of your appointment. Alaska Statutes also require the filing of a conflict of interest form within 30 days of this appointment. The Alaska Public Offices Commission will send copies of the necessary forms to you.

Finally, it is my strong belief that serving on any of Alaska's boards and commissions is both a privilege and a responsibility. Therefore, I expect each appointee to attend at least 75 percent of the meetings. If circumstances arise preventing that, I ask you to request replacement so the board will be able to continue to function efficiently.

Again, I am pleased to be able to appoint you and thank you for your willingness to serve your State.

Sincerely,

Jay S. Hammond
Governor

Enclosures

RESUME

Edwin Lewis Van Fleet
P.O. Box 1848
Kodiak, Alaska 99615

PERSONAL DATA:

Date of Birth:	December 15, 1951
Age:	28
Height and Weight:	6'0", 195 lbs.
Marital Status:	Married, wife Judy, 2 children
Special Interests:	Mariculture, SCUBA Diving
Hobbies:	Fishing, Swimming, Karate
Memberships:	World Mariculture Society International Oceanographic Foundation Kodiak Seafoods Processors Assn., Secretary/Treasurer Kodiak Overall Economic Development Committee King Crab Marketing and Quality Control Board

EDUCATION:

1975 Attended "Better Process Control", a Food and Drug Course sponsored by the University of Alaska. Received Retort Operators Certificate.

1972-1974 Attended California Polytechnic State University, San Luis Obispo, California. Graduated December 1974 with B.S. Degree in Biological Sciences, concentrating in the field of Marine Biology. Activities: Involved in soft-ball, football, handball, karate, and SCUBA diving.

Important Courses In Which I Have Received Credit

Zoology (2 years)	Marine Microbiology
Botany (1 year)	Marine Biology
Inorganic Chemistry (1 year)	Marine Resources
Organic Chemistry	Biology of Fishes
Biochemistry	Mariculture Engineering (1 yr.)
Estuary Studies	Welding
Bacteriology	Physiology
Entomology	Genetics

Report Writing: The Feasibility of Lobster Mariculture
Senior Thesis: The Effects of Temperature and Salinity on Ocean Shrimp.

1970-1972 Attended Cuesta College, San Luis Obispo, California. A.A. Degree in Biology.
Activities: Active member of the "Special Estuary Studies" Program. Participated in Karate and SCUBA Diving.

1966-1970 Attended Atascadero High School, Atascadero, California. Graduated in June 1970.
Awards and Activities: Bank of America Award for Foreign Languages (Spanish).
Track Team (2 yrs.), Swimming Team, (4 yrs.).

Employment:

1975-present Del Monte Corporation.
I am currently the Superintendent for Alaska Packers Association, a subsidiary of Del Monte Corporation, in Kodiak, Alaska. To date, I am the youngest person holding this position within the corporation. My promotion record and job experience is as follows:

June 1975-December 1975
"Production-Management Trainee" in Kodiak, Alaska.

January 1976-April 1977
"Process Supervisor" tranferring to Chignik, Alaska.

May 1977-July 1977
"General Plant Supervisor" in Chignik, Alaska.

August 1977-present
"Plant Superintendent" transferring back to Kodiak.

While in Chignik, I was responsible for all aspects of Crustacea (shrimp, king crab, and tanner crab) and frozen salmon and halibut processing. This included: organizing an average of 50 employees into 5 crews to unload vessels and maintain line production, calculating hourly production efficiency, equating raw and finished product data, performing minor "in line" repairs, and keeping inventory of all production materials and rate of consumption.

I was also in charge of all "in plant" labor relations and bunkhouse regulations. Upon the Superintendent's absence, I was in charge of the entire operation.

As Superintendent, I am responsible for maintaining optimum production within or below projected costs. Reporting to me are the Office Manager/Accountant, three Secretaries, the Quality Control Supervisor, and the General Plant Supervisor with his two Process Supervisor and combined crews of 75 processors.

Daily procedures include raw product scheduling via Single Side Band radio with a fleet of 10 shrimp and 7 crab vessels, production inspections, various office procedures, and public relations. Currently, I am compiling budget proposals and cost estimates for the next fiscal year.

1966-1975 Van Fleet Roofing, San Luis Obispo, California.
I worked with my father in the roofing business and purchased the company from him in 1972. I operated the company while attending college, thus enabling me to pay all my college expenses. I was a Roofing Contractor responsible for locating and bidding jobs, supervising and working with my crew in the roof application, billing, and collecting.

1972-1973 Capen-Van Fleet Commercial Fishing, San Luis Obispo, California. In November 1972, I, along with my partner, purchased a 35 ft. commercial fishing boat. After overhauling the vessel, it was used for salmon trolling and cod fishing out of Morro Bay, Calif.

1970-1972 Bekins Van Line.
I was a relief driver for trancontinental drives during the summer months.

ADDITIONAL SKILLS AND EXPERIENCES:

1959-1970 Agriculture related experiences--Creston, California. From ages 8-18 I resided on a small ranch with my parents and two younger brothers. During this time I acquired many skills including:

Animal Husbandry--owned and operated cow/calf operation

Dry land farming	General Carpentry
Gardening	Fence Building
Pest Control	Chain saw operation
Controlled burning	Cement finishing

1966 Travel-Mexico
I lived in central Mexico, near Guadalaraja, for 3 months and attended daily Spanish lessons.

1975-1977 Additional Skills-Alaska Packers Assn., Chignik, Alaska. I gained skills in welding all types of metals, grinder overhaul, and conveyor fabrication while working with the maintenance crew during off seasons. While in Chignik, I was responsible for maintaining the refrigeration compressors and diesel generators in the engineer's absence.

REFERENCES

Mr. James Huffman
Alaska Packers Association, Inc.
Redmond, Washington
Chignik, Alaska 99564

Mr. Christopher Hulmes
7100 Atascadero Avenue
Atascadero, California 93422

Mr. Jerry Boisvert
155 NE 17th Street #5
Newport, Oregon 97365

Mr. Bruce Jepsen
Alaska Packers Association, Inc.
Bellevue, Washington 98009

Mr. Allan McKibben
1648 12th Street
Los Osos, California 93402

RESUME

NAME:

Williams, John Daniel, Jr.

Commissioner
Commercial Fisheries Entry Commission

BIRTHDATE:

March 1, 1950

EDUCATION:

B.S. University of Nebraska, 1972

M.S. University of California/Davis, 1973

POSITIONS:

March 1979-Present - Commissioner, Commercial Fisheries Entry Commission

1976-79 - Policy Analyst, Legislative Affairs Agency, Alaska State Legislature

1976 - Assistant Professor, Marine Resources, University of Alaska

1975 - (July to December); Assistant Professor, Seafood Science, University of Alaska

1975 - (January to June); (On leave from University), Staff Assistant, Alaska State Legislature, Senate Committee on Natural Resources

1974 - Instructor of Seafood Technology, University of Alaska

1972-73 - Research Assistant, University of California, Institute of Marine Resources

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

March 27, 1980

TO: House Resources Committee Members

FROM: Co-Chairman Alvin Osterback al Osterback

RE: Confirmation Hearings for Governor's Appointments to Boards and Commissions

The appointments of the following people have been referred to the House Resources Committee for consideration:

Commercial Fisheries Entry Commission

Mr. Burke Riley, Juneau, term expiring 07-01-81
Mr. John Williams, Juneau, term expiring 07-01-83

Board of Fisheries

Mr. Griffin Quinton, Anchorage, term expiring 07-01-80

Alaska King Crab Marketing and Quality Control Board

Mr. Edwin Van Fleet, Kodiak, term expiring 08-26-82
*Mr. Charles Knapp, Kodiak, term expiring 08-26-82

Board of Marine Pilots

*Mr. Marvin Taylor, Skagway, term expiring 06-01-83
Mr. David George, Juneau, term expiring 06-01-80
*Mr. Jack Maroni, Ketchikan, term expiring 06-01-83

*Reappointed

We have scheduled a hearing to consider several of these appointments on April 10, but have already received responses from two of the individuals saying they are unable to attend. Before trying to schedule another time, I want to establish whether it is necessary to request attendance by all or any of these appointees. If you have strong feelings about any of these individuals, and believe it is necessary or desireable to require their presence, please let me know by April 2. I will request resume's for our consideration from those individuals the committee does not express desire to interview in person. Resume's sent by the 2 who are unable to attend on April 10th are attached for your consideration.

CO CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)
VICE CHAIRMAN
REP. FRED ZHAROFF
REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Pan-Alaska Fisheries, Inc.
A SUBSIDIARY OF CASTLE & COOKE, INC.
CASTLE & COOKE BUILDING, FISHERMEN'S TERMINAL
P.O. BOX 17705 / SEATTLE, WASHINGTON 98107 / 206 284-0900
TELEX 32 9439 PAN AKFISH SEA
Barge Magellan / P.O. Box 847 / Kodiak, AK.
907 486-5788

March 21, 1980

The Honorable Alvin Osterback, Chairman
House Resources Committee
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Osterback:

A conflict in schedule prevents me from attending my reappointment hearing to the Alaska King Crab Marketing and Quality Control Board being held by your committee in Juneau on April 10.

I will be in Anchorage attending the Alaska King Crab Marketing and Quality Control Board Meeting scheduled April 8 through April 10 and also the "Tell It Like It Is" Meeting April 11 and 12.

Enclosed is a brief resume' requested for use by the committee.

Please let me know if I can be of further assistance to your committee.

Sincerely,

Charles R. Knapp

Charles R. Knapp
Superintendent

Enclosure

CHARLES R. KNAPP
P.O. Box 2383
Kodiak, Alaska 99615
(907) 486-5952

Alaska King Crab Marketing And Quality Control Board Experience:

1978-1979	Chairman of the Board
1977-1978	Vice-Chairman of the Board
1976-1977	Member of the Board

Work Experience in Alaska:

1975- Present — Superintendent
Barge Magellan
Pan-Alaska Fisheries, Inc.
Kodiak, Alaska

- Make all major policy decisions affecting the day-to-day operations of this seafood processing plant, employing 75 to 80 workers.
- Establish, develop and maintain close relations with Kodiak-area fishermen.
- Designed and supervised installation of a more efficient processing line, which increased production 75 percent while reducing production costs.
- Formulate and submit for approval annual plant improvement budget to Main Office Budget Committee.

Fishing Experience in Alaska:

1966-1975 — Skipper

- M/V Eris Y
- M/V Aleut
- M/V Charger
- M/V Endeavor
- M/V Pacific Pride
- Fished King Crab, Shrimp, Scallop, Bottom Fish for Bait.
- Area fished
  - Chignik
  - Kodiak
  - Shimigans

- Dutch Harbor
- Bering Sea
- Adak
- Valdez

Cannery Experience in Alaska:

1963-1966 Foreman
- East Point Cannery

Cannery Worker
- King Crab, Inc.
- Alaska Ice & Cold Storage

Other Work Experience:

1952-1963 Contract Miner
Relief Superintendent

Personal Background:

Married
Homeowner, Kodiak, Alaska
Honorable Discharge, U.S. Navy 12-14-48.

March 21, 1980

Alaska House of Representatives
Committee of Natural Resources
Pouch V
Juneau, Alaska 9811

Gentlemen:

I am in receipt of your letter dated March 18, 1980 requesting my presence at a hearing scheduled for April 10 to answer questions and to present my views and background with regards to my recent appointment as a member to the Alaska Board of Fisheries. I sincerely regret to inform you that I will be unable to attend the hearing at the time scheduled as I will be engaged in very important business that affects my future to a large degree. I will be in town again April 18-20. I plan to participate in the Herring Fishery at Togiak which will commence about May 1, so that does not give either of us much time to schedule another hearing if you desire to do so. I did, however, participate in the full hearings of the Board of Fisheries during Dec. 79 and Jan. 80 and my voting record is a matter of public record. I do want to emphasize though, my thoughts regarding any action I may take, and that is Prudent & Intelligent management of the resource first and foremost.

Senator Bill Sumner requested a resume from me in February which I sent to him. As I did not keep a copy of it, perhaps you could request a copy from him and if that will suffice, Great.

Again, I am deeply regret not being able to meet with your committee at this time. However I am

Respectfully Yours,

Griffin Quinton

Griffin Quinton
1514 Primrose Street
Anchorage, Alaska 99504

February 29,1980

Bill Sumner
Alaska State Senator
Juneau, Alaska

Dear Senator,

In answer to your February 20th letter requesting a resume regarding my gubernatorial appointment to the Alaska Board of Fish, I submit the following.

I was born in Anchorage, Alaska May 18, 1924 and have been a lifelong resident of the Territory and State. I am married (32) years) and have three children.

My primary interests are; Commercial Fish (20) years experience from which I derive a major portion of my income, Sports Fish; my major form of recreation, also hunting and skiing both downhill and crosscountry. I am also interested in placer gold mining and have several properties which I am developing.

In 1942 I went to Rainy Pass and with Bud Branham built Ra[illegible] Pass Lodge which is still in operation. I however severed all interests in it in 1947 due to operations and policy differences. Iam a veteran (1943-1945) and was a bomber pilot with the 8th Air Force in Europe. I was employed by the Department of Army at Fort Richardson from 1952 until I retired in 1975. During that time I was General Foreman of the Roads, Grounds and Land Management Branch of the Facilities Engineer. One of my responsiblities was Fort Richardson wild-life management and planning and operational management of the Fort Richardson Fish hatchery until its transfer to the State of Alaska in 1974. During the winter 1975-1976 I worked on the Trans-Alaska Pipeline as a lowboy driver. In January 1977 I was employed by the State of Alaska as Chief of Airport operations. When the Department of Public Works merged with the Department of Highways to become the Department of Transportation I became Maintenance and Operations Manager for the Central Division. I resigned in February 1978 due to a salary dispute. From May 1978 through November 1978 I was employed by Taylor Enterprises, a pipeline construction company as Superintendent of construction.

Hoping this resume will provide the information you request, I am

Respectfully Yours,

Griffin E. Quinton
1514 Primrose Street
Anchorage,Alaska

RESUME

NAME:

Williams, John Daniel, Jr.

Commissioner
Commercial Fisheries Entry Commission

BIRTHDATE:

March 1, 1950

EDUCATION:

B.S. University of Nebraska, 1972

M.S. University of California/Davis, 1973

POSITIONS:

March 1979-Present - Commissioner, Commercial Fisheries Entry Commission

1976-79 - Policy Analyst, Legislative Affairs Agency, Alaska State Legislature

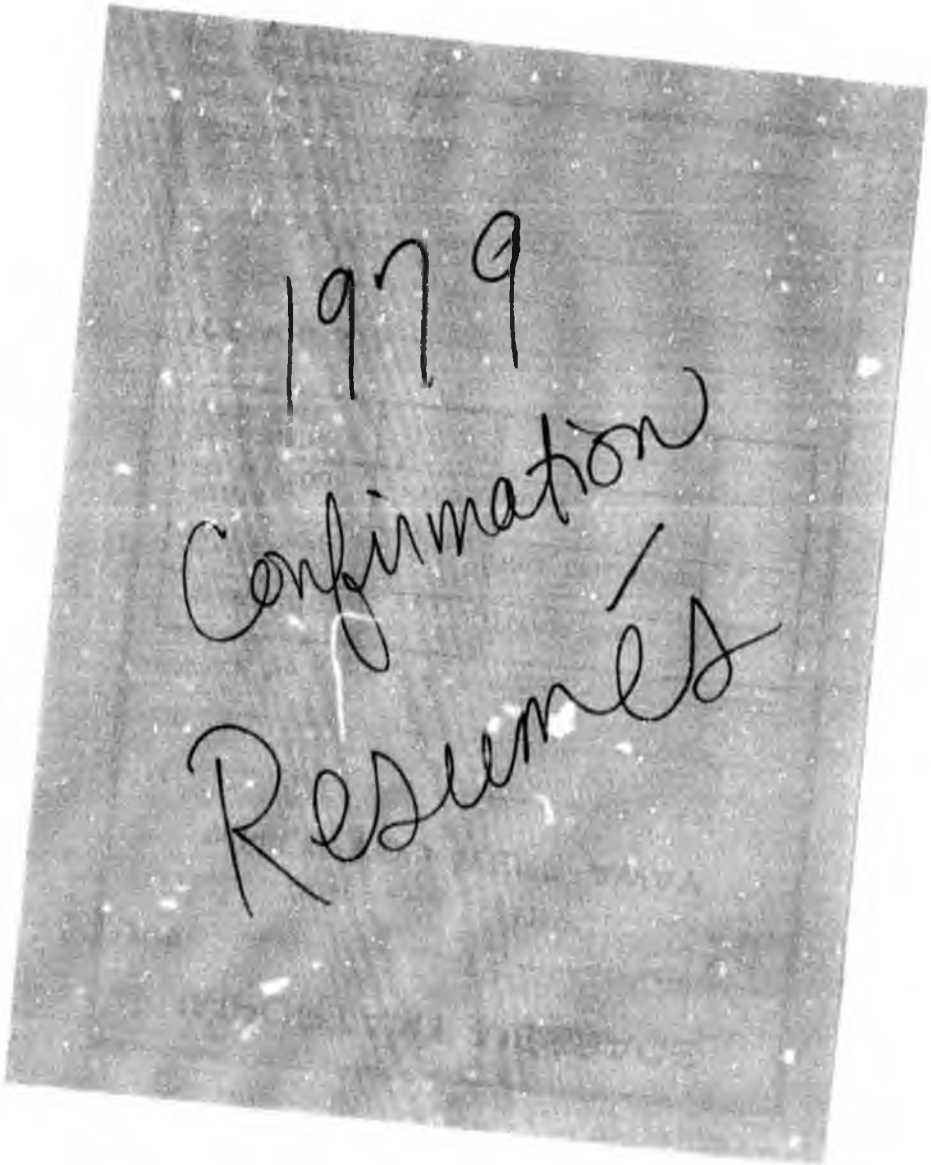
1976 - Assistant Professor, Marine Resources, University of Alaska

1975 - (July to December); Assistant Professor, Seafood Science, University of Alaska

1975 - (January to June); (On leave from University), Staff Assistant, Alaska State Legislature, Senate Committee on Natural Resources

1974 - Instructor of Seafood Technology, University of Alaska

1972-73 - Research Assistant, University of California, Institute of Marine Resources


1979
Confirmation
Resumés

RESUME

Joel Bennett
114 W. 6th St.
Juneau, Alaska 99801
March 16, 1979

Age: 35
Residence in Alaska: Juneau, 10 years, 8 months
Education: BA, Washington and Lee University, 1965
LLB, Washington and Lee School of Law, 1968
Bar Admittance: Virgina, 1968
Alaska, 1976
Employment: Legislative Affairs Agency, 1968-1976
Staff Attorney specializing in natural resources and fish and game law

Film Production, 1975-1979, specializing in wildlife and natural history
Nationally distributed films for television:

Admiralty Island: Fortress of the Bears, 1977, writer, director, photographer; film was winner of Silver Medal, New York Film Festival; Finalist Award, Hollywood Informational Film Producers Ass'n; Certificate of Merit, Chicago International Film Festival;

Caribou: The Incredible Journey, 1978, NBC hour special, 2nd Unit camera, sound;

Alaska: The Closing Frontier, NOVA special, WGBH-TV, 1978, contributing wildlife photography;

Currently producing half-hour television special, The Dall Sheep, for Survival Anglia, Anglia Television, London, England, 1978-79, and The Bald Eagle in Alaska, half-hour film and television special, National Audubon Society, 1979-80.

JIM REARDEN
BOX 313
HOMER, ALASKA 99603
PHONE: (907) 235-8543

Resume', March, 1979

4-22-25 - Born Petaluma, California. Father taught agriculture in high school.

1950 to date - Resident of Alaska: resident of Homer since 1955.

1943-45 - USNR, served as sonar operator on a destroyer escort in the Central Pacific. Saw 30 months of active duty.

1947 - Summer, Fishery Patrol Agent, U.S. Fish and Wildlife Service, at Chignik, Alaska. Four months employment.

1948 - Awarded a Bachelor of Science degree in Fish and Game Management by Oregon State College, Corvallis.

1950 - Awarded a Master of Science degree in Wildlife Conservation by the University of Maine, Orono.

1950-54 - Head, Department of Wildlife Management, University of Alaska, and Assistant Leader, Alaska Cooperative Wildlife Research Unit, College.

1954-1959 - Free-lance outdoors writer-photographer and registered big game guide. Guided in the Brooks Range, on the Alaska Peninsula, on the Kenai Peninsula. Helped to organize,and served as a member on, the Homer-Seldovia Advisory Committee to the Territorial Board of Fisheries

1959-1969 - Fisheries biologist, Alaska Dept. Fish and Game, including 9 years as Area Biologist in charge of the Cook Inlet commercial fishery.

1970 to date - Outdoors Editor, ALASKA magazine.

1970, and 1973 to date - Member, Alaska Board of Fish and Game and Member, Alaska Board of Game, appointed by Governors Miller, Egan, Hammond.

1976-77 - Member, National Advisory Committee on Oceans and Atmosphere, appointed by President Gerald Ford.

1976 to date - Alaska Field Editor, OUTDOOR LIFE magazine.

In addition I have commercial fished for salmon in Cook Inlet with my own boat, seining and gillnetting (1970-77); worked as a section hand on the Alaska Railroad (1950); as a carpenter, a construction laborer; and as a clerk in a trading post (1955-58); and I hunted seals for their hides and the $3 bounty (1957-58).

I am married to the former Audrey Roberts, who was born in Dillingham, Alaska. We have in the past 13 years raised three adopted Native children. I have five children by a former marriage, of which three live in Alaska - Mary Bookman, Anchorage; Michael Rearden, Kodiak; and Nancy Kleine, Perryville.

###

PERSONAL RESUME

Name:	Sidney C. Huntington
Address:	Box 49; Galena, AK 99741
Telephone:	656-1212
Date of Birth:	May 10, 1915
Marital Status:	Married with 14 children
Education:	Grade 4
Work Experience:	Carpenter for U. S. Air Force from 1964 to 1975
	Trapper from 1927 to 1963
	Self-employed from 1975 to present (commercial fisherman, fish buyer, sno-go & outboard motor sales & service, and rental units)
Other:	Alaska Board of Fish and Game, 7 years
	Alaska State Board of Education, 2 years
	Huslia School Board and Galena School Board, 18 years

Note:

I serve on the Game Board because I am dedicated to the welfare of the people and the resources of the State of Alaska, being born and raised in Alaska off of Alaska's resources.

RESUME

HERMAN SCHROEDER, SR.
P.O. Box 216
Dillingham, Alaska 99576

Date of Birth: January 5, 1916

1916-Present Lifetime resident of Dillingham, Alaska.

1949-Present Owner, Schroeder Transporation Service. School bus contractors to Dillingham public schools.

1931-Present Involved in salmon fishery in Bristol Bay.

BOARDS, COMMITTEES, AND COUNCILS

1969-Present President, Dillingham Village Council

1971-1976 President and employee of Choggiung Ltd. (Village corporation)

1975-Present President, Bristol Bay Housing Authority

1973-1978 Member - 1973-1976
President - 1976-1978
Bristol Bay Native Association, Inc., Board of Directors

1972-1974 Member, Bristol Bay Area Health Corporation, Board of Directors

1974-Present Member, Bristol Bay Native Corporation, Inc., Board of Directors
Instrumental in placing financial investments.
Presently in Second Term.

1974 Member, State of Alaska, Alcoholism Board

1975-Present Member, State Board of Fisheries
Presently in Second Term.

RESUME

Name: Gordon Jensen

Position: Nominee for membership on Alaska State Board of Fisheries

Address: Box 264
Petersburg, Alaska 99833
Telephone: 772-4705

Occupation: Commercial fisherman since 1937

Previous Experience on State and National Boards, etc.:

First appointed in 1961 to the Alaska State Board of Fish and Game. Have served continuously since then. Elected Chairman of the Board three times. Currently Vice-Chairman of the Board of Fisheries. When the Board of Fisheries and Board of Game meets in joint session, serve as Chairman of that group.

Have been an Advisor to the American Section of the International Pacific Fisheries Commission since the early sixties.

Member of the North Pacific Fisheries Management Council since 1977.

Member of the Petersburg Vessel Owners Association.

Resume for HOUSE RESOURCES COMMITTEE of EMIL NORTON for appointment to the ALASKA KING CRAB MARKETING and QUALITY CONTROL BOARD

Name.....Emil Norton

Date of birth.....November 16, 1922

Ethnic origin..... Native of Kodiak

Marital status.....Married to Frieda R. Lorenson for 26 years. Four Children, Cathy a schoolteacher, Felecia a college student in second year, Emil R. II a college student first year, and Vicki a sophomore in high school.

Occupation.....Started work for Kadiak Fisheries Company in 1937. In 1949 was appointed to Cannery Foreman. In 1958 started crab (king) operations for same company. Have been superintendent of the Kodiak plant since then. In 1968 COLUMBIA-WARDS FISHERIES purchased all of Kadiak Fisheries Company holdings in Alaska. I have been with CWF since that date. I have been assooiated with king crab since 1941 when Island SeaFoods a local plant started to experiment with canning this product. I helped Pete DeVeau with the mechanical part of his operations.

When the King Crab Board was first conceived there were 3 of us from Kodiak appointed. I declined to the other two so another person from another area could participate. In 1962 I was appointed again and I have been a part of this board since then. I have been a part of the technical committee since 1960 forming the rules and regulations for all the king crab operators to process by.

I have been active in Community affairs in Kodiak for many years. Serving on various committees and boards and organizations with a good record of attendance. Also have military service of two years.

After over 40 years in the fishing industry with salmon, halibut, king and tanner crab being the most important species I've been associated with I just can't list all the qualificationsI might possess.

RESUME

Name: Gordon Jensen

Position: Nominee for membership on Alaska State Board of Fisheries

Address: Box 264
Petersburg, Alaska 99833
Telephone: 772-4705

Occupation: Commercial fisherman since 1937

Previous Experience on State and National Boards, etc.:

First appointed in 1961 to the Alaska State Board of Fish and Game. Have served continuously since then. Elected Chairman of the Board three times. Currently Vice-Chairman of the Board of Fisheries. When the Board of Fisheries and Board of Game meets in joint session, serve as Chairman of that group.

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Member of the Petersburg Vessel Owners Association.

RESUME

HERMAN SCHROEDER, SR.
P.O. Box 216
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1973-1978 Member - 1973-1976
President - 1976-1978
Bristol Bay Native Association, Inc., Board of Directors

1972-1974 Member, Bristol Bay Area Health Corporation, Board of Directors

1974-Present Member, Bristol Bay Native Corporation, Inc., Board of Directors
Instrumental in placing financial investments.
Presently in Second Term.

1974 Member, State of Alaska, Alcoholism Board

1975-Present Member, State Board of Fisheries
Presently in Second Term.

Resume

Jim Beaton

42 years old Born Dec 9, 1936
Roseburg, Ore

Education — B. S. Science
University of Oregon 1960

Background — Junior Exec White
able System RCA anchorage

1961 — 1979

Comm. Fisherman and Vessel owner
operator

Bristol Bay Gillnet
Cook Inlet Gillnet & Crab
Price William Sound Seined
Kodiak Herring Crabbed
Prachnak Bay Shrimped
South Eastern — Seined Salmon Gillnetted Salmon
Herring, Tanner Crabbed, Halibut & Black Cod, Herring
Seined Both Winter and Sac Roe
Pot & Trolled 1967, Gillnetted Herring Sac Roe

Presently Tanner Crab Fishing
53 foot F.V. Kathryne S.
Between Cape Spencer & Juneau.

FOR REFERENCE

OLD LETTERS OF INTENT & CONFIRMATION COMMITTEE REPORTS

Alaska State Legislature

House of Representatives

Committee on Resources

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

14 February 1978

CHAIRMAN'S LETTER OF INTENT

The Honorable Hugh Malone, Speaker
House of Representatives

Dear Mr. Speaker:

The House Resources Committee held confirmation hearings on the appointment of Ronald Skoog to the position of Commissioner of the Department of Fish and Game today. I have indicated that I support the appointment of Mr. Skoog. My support is based on his assurances to the committee that he intends to travel extensively in rural Alaska to meet with the Advisory Boards of Fisheries and Game to be informed of local problems. I believe that this local contact between citizens of the state and the Commissioner of Fish and Game is extremely important.

Sincerely,

Alvin Osterback, Chairman
House Resources Committee

Alaska State Legislature

House of Representatives

Committee on Resources

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

6 February 1978

The Honorable Hugh Malone, Speaker
House of Representatives

Dear Mr. Speaker,

The House Resources Committee gives the following individual recommendations on the appointment of Calvin M. Fair, Soldotna, to the Board of Fisheries.

Confirm	No Recommendation	Rejection
	Merle A. Smiley	

Sincerely,

Alvin Osterback, Chairman
House Resources Committee

AO/sh

Alaska State Legislature

House of Representatives

Committee on Resources

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

6 February 1978

The Honorable Hugh Malone, Speaker
House of Representatives

Dear Mr. Speaker,

The House Resources Committee gives the following individual recommendations on the appointment of John Garner as Commissioner to the Commercial Fisheries Entry Commission.

Confirm	No Recommendation	Rejection
Alvin Osterback		
M. Miller		
Mark A. Snider		
John Rennell		
[illegible]		
Sally Smith		
[illegible]		
Wm. Ayers		

Sincerely,

Alvin Osterback

Alvin Osterback, Chairman
House Resources Committee

AO/sh

Alaska State Legislature

House of Representatives

Committee on Resources

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

6 February 1978

The Honorable Hugh Malone, Speaker
House of Representatives

Dear Mr. Speaker,

The House Resources Committee gives the following individual recommendations on the appointment of Robert Simon as Commissioner to the Commercial Fisheries Entry Commission.

Confirm	No Recommendation	Rejection
M. Thomas		
Alvin Osterback		
Merle D. Snider		
Tom Fink		
Pete Connors		
R. L. Ulmer		
Sally Smith		
Wm. Ahers		

Sincerely,

Alvin Osterback

Alvin Osterback, Chairman
House Resources Committee

AO/sh

Alaska State Legislature

House of Representatives

Committee on Resources

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

6 February 1978

The Honorable Hugh Malone, Speaker
House of Representatives

Dear Mr. Speaker,

The House Resources Committee gives the following individual recommendations on the appointment of Ronald O. Skoog as Commissioner of the Department of Fish and Game.

Confirm	No Recommendation	Rejection
Alvin Osterback		
Merle K. Snider		
[signature]		
[signature]		
[signature]		
Sally Smith		
[signature]		
Wm. Ackers		

Sincerely,

Alvin Osterback

Alvin Osterback, Chairman
House Resources Committee

AO/sh

Taylor
PO Box 436
Skagway 99840

George
RR5, Box 5575-A
Fernean 99803

Maroni
PO Box 6100
Ketchikan 99901

Sutliff
PO Box 1157
Kodiak, 99615

Keim
Box 80-242
College 99701

Stoecker
PO Box 1230
Fbx 99701

Van Fleet
PO Box 1848
Kodiak 99615

Knapp
Box 2383
Kodiak 99615

Quinton
1514 Primrose
Anch 99504

279-4137

Riley
PO Box 192
Anch 99510

John Williams
Pouch Y
Juneau, Alaska 99811

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

March 18, 1980

Mr. Jack Maroni 225-5331 hm.
P.O. Box 6100
Ketchikan, Ak 99901 office 225-9696

Dear Mr. Maroni:

The Speaker of the House of Representatives has referred your reappointment to the Board of Marine Pilots to the House Resources Committee for consideration. We have scheduled a hearing to consider your confirmation on Thursday, April 10, at 3:00 p.m. in room 118 in the Capitol building in Juneau. We request that you attend that meeting to answer any questions that the committee has and to present your views and background. Please bring with you a brief resume' for the committee to review.

It is important for the committee to have a chance to meet and talk with you but, if it is impossible for you to attend, please send a resume' before the meeting date. The committee will consider it to see if that would be sufficient to take action on your appointment.

Please let us know soon if you will be able to attend the hearing.

Sincerely,

Alvin Osterback

Alvin Osterback, Chairman
House Resources Committee

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)
VICE-CHAIRMAN
REP. FRED ZHAROFF
REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

March 28, 1980

Mr. John Williams
Pouch Y
Juneau, Ak 99811

Dear Mr. Williams:

The Speaker of the House of Representatives has referred your appointment to the Commercial Fisheries Entry Commission to the House Resources Committee for consideration. We have scheduled a hearing to consider your confirmation on Thursday, April 10, at 3:00 p.m. in room 118 in the Capitol building in Juneau.

It will not be necessary for you to appear before the committee, however, you are welcome to appear if you would like. Please submit a written resume' before the 10th for the committee's consideration.

Sincerely,

Alvin Osterback

Alvin Osterback, Chairman
House Resources Committee

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)
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REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

March 28, 1980

Mr. Burke Riley
P.O. Box 192
Anchorage, Ak 99510

Dear Mr. Riley:

The Speaker of the House of Representatives has referred your appointment to the Commercial Fisheries Entry Commission to the House Resources Committee for consideration. We have scheduled a hearing to consider your confirmation on Thursday, April 10, at 3:00 p.m. in Room 118 in the Capitol building in Juneau.

It will not be necessary for you to appear before the committee, however, you are welcome to appear if you would like. Please submit a written resume' before the 10th for the committee's consideration.

Sincerely,

Alvin Osterback

Alvin Osterback, Chairman
House Resources Committee

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)
VICE CHAIRMAN
REP. FRED ZHAROFF
REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

March 18, 1980

Sent resume' 3-31-80

Mr. Marvin Taylor
P.O. Box 436
Skagway, Ak 99840

983-2500

Dear Mr. Taylor:

The Speaker of the House of Representatives has referred your reappointment to the Board of Marine Pilots to the House Resources Committee for consideration. We have scheduled a hearing to consider your confirmation on Thursday, April 10, at 3:00 p.m. in room 118 in the Capitol building in Juneau. We request that you attend that meeting to answer any questions that the committee has and to present your views and background. Please bring with you a brief resume' for the committee to review.

It is important for the committee to have a chance to meet and talk with you but, if it is impossible for you to attend, please send a resume' before the meeting date. The committee will consider it to see if that would be sufficient to take action on your appointment.

Please let us know soon if you will be able to attend the hearing.

Sincerely,

Alvin Osterback

Alvin Osterback, Chairman
House Resources Committee

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)
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REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

March 17, 1980

Mr. Edwin Van Fleet
PO Box 1848
Kodiak, Ak 99615

486-5676 hm.
486-3266 ofc.

Dear Mr. Van Fleet:

The Speaker of the House of Representatives has referred your appointment to the Alaska King Crab Marketing and Quality Control Board to the House Resources Committee for consideration. We have scheduled a hearing to consider your confirmation on Thursday, April 10, at 3:00 p.m. in room 118 in the Capitol building in Juneau. We request that you attend that meeting to answer any questions that the committee has and to present your views and background. Please bring with you a brief resume' for the committee to review.

It is important for the committee to have a chance to meet and talk with you but if it is impossible for you to attend, please send a resume' before the meeting date. The committee will consider it to see if that would be sufficient to take action on your appointment.

Please let us know soon if you will be able to attend the hearing.

Sincerely,

Alvin Osterback

Alvin Osterback, Chairman
House Resources Committee

ofc. 486-1881 - Kodiak

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)
VICE-CHAIRMAN
REP. FRED ZHAROFF
REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

March 18, 1980

Mr. Charles Knapp
Box 2383
Kodiak, Ak 99615

Dear Mr. Knapp:

The Speaker of the House of Representatives has referred your reappointment to the Alaska King Crab Marketing and Quality Control Board to the House Resources Committee for consideration. We have scheduled a hearing to consider your confirmation on Thursday, April 10, at 3:00 p.m. in room 118 in the Capitol building in Juneau. We request that you attend that meeting to answer any questions that the committee has and to present your views and background. Please bring with you a brief resume' for the committee to review.

It is important for the committee to have a chance to meet and talk with you but if it is impossible for you to attend, please send a resume' before the meeting date. The committee will consider it to see if that would be sufficient to take action on your appointment.

Please let us know soon if you will be able to attend the hearing.

Sincerely,

Alvin Osterback

Alvin Osterback, Chairman
House Resources Committee

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)
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Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

March 18, 1980

Mr. Griffin Quinton
1514 Primrose
Anchorage, Ak 99504

Dear Mr. Quinton:

The Speaker of the House of Representatives has referred your appointment to the Board of Fisheries to the House Resources Committee for consideration. We have scheduled a hearing to consider your confirmation on Thursday, April 10, at 3:00 p.m. in room 118 in the Capitol building in Juneau. We request that you attend that meeting to answer any questions that the committee has and to present your views and background. Please bring with you a brief resume' for the committee to review.

It is important for the committee to have a chance to meet and talk with you but, if it is impossible for you to attend, please send a resume' before the meeting date. The committee will consider it to see if that would be sufficient to take action on your appointment.

Please let us know soon if you will be able to attend the hearing.

Sincerely,

Alvin Osterback

Alvin Osterback, Chairman
House Resources Committee

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3719) • REP. BILL MILES (465-3779)
VICE-CHAIRMAN
REP. FRED ZHAROFF
REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

BOARD OF FISHERIES/BOARD OF GAME
DEPARTMENT OF FISH AND GAME

SUBPORT BUILDING
JUNEAU, ALASKA 99801

April 11, 1980

House Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Gentlemen:

During my confirmation hearing before the Committee yesterday, one of the questions asked of me was the adequacy of our support staff, to which I answered that it was doing an excellent job as far as I was concerned. I, however, neglected to address one very important support activity we look to in Board deliberations.

The local Advisory Committee and Regional Council participation is becoming increasingly important to our hearings--there is nothing like on-site information. I believe that more interfacing between Advisory Committees and Regional Councils throughout the year on issues of mutual interest and their decisions conveyed to the Boards of Fisheries and Game at the public hearings conducted by the Boards is vital in the decision-making process. These activities, however, require adequate funding for travel and per diem to promote and ensure those meetings.

I wish I had remembered to address this matter eyeball to eyeball. I didn't, so am writing this letter to express my concern in the matter.

Sincerely,

Griffin E. Quinton
Alaska Board of Fisheries

11-K13LH

Alaska House of Representatives

Fill

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

TO: The Honorable Governor Hammond
Alaska State Governor

DATE: May 15, 1980

FROM: Alvin Osterback
Chairman
Hou e Resources

SUBJECT: Illegal Boards

Our records reflect that the following names have not come down and must be confirmed:

Game Board	Fish Board
Clint Buchmaster	Chris Goll
Joel Bennett	Jim Huntington
Darrell Farmen	

It has come to my attention that the following Guide Board members have been serving illegally for a year:

Charles Keim - ends 6/15/79
Norman Sutliff - ends 6/15/79
William Stoecker - ends 6/15/79

It is my contention that actions of this board has been illegal since last June. Since the above three individuals have been serving without confirmation for one year.

The following name of Marcus F. Jensen, Chairman, Guide Board ends June 15, 1980. That name should have been sent down to this legislative session as well as Glenn Glenzer. I also contest that these two Board members cannot legally serve after June 15, 1980 unless confirmed by this Eleventh Legislative Session.

Your prompt action in this regard is requested.

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)
VICE-CHAIRMAN
REP. FRED ZHAROFF
REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
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Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

April 30, 1980

Jay S. Hammond
Governor of Alaska
Office of the Governor
Pouch A
Juneau, AK. 99811

Dear Governor Hammond:

I am concerned that this session may adjourn very soon and I do not have the list of names to be confirmed by the Boards of Fish and Game, namely seven.

My staff informed your office last week and Mr. Waldrop very rudely informed us you were in the process of getting the names down to the Resources Committee.

I am concerned that Sec. 39.05.080 be followed as legally no one can serve on any Board or Commission without the approval of the Legislature.

Those names are:

Game Board	Fish Board
Sam Harbo	Nick Szabo
Clint Buchmaster	Chris Goll
Joel Bennett	Jim Huntington
Darrell Farmen	

Your concern is appreciated. Please see letter attached from our legal counsel Billy Berrier.

Thank you.

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)
VICE-CHAIRMAN
REP. FRED ZHAROFF
REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Sincerely,

Alvin Osterback
Chairman
House Resources Committee

Attachment: 1

cc: House Members
Senate Members

AO:ss

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM April 29, 1980

SUBJECT: Confirmation requirements

TO: Representative Alvin Osterback

FROM: Billy G. Berrier
Director
Division of Legal Services

You have asked whether the governor is required this session to submit to the legislature for confirmation names of appointees to vacancies which require confirmation if the vacancy occurs July 1, 1980 or before.

AS 39.05.080(1)(C) explicitly requires this submission providing:

> Sec. 39.05.080. PROCEDURE FOR ALL APPOINTMENTS. Appointments shall be made in the following manner:
>
> (1) The appointing authority shall, within 30 days of the convening of the legislature in regular session, present to the legislature for confirmation the names of the following persons: (A) persons appointed to a position or membership who have not previously been confirmed by the legislature or either house of it; (B) persons appointed by him subject to confirmation to fill an existing position or membership vacancy; (C) persons to be appointed subject to confirmation to fill a position or membership the term of which shall expire before July 2, following the session of the legislature. If an appointment is made after the deadline but while the legislature is in session, the appointing authority shall, within five calendar days after the appointment is made, present to the legislature for confirmation the name of the person appointed. The deadline may be extended by the legislature by the approval of a concurrent resolution.

This is within the purpose of the statute setting out confirmation procedure. AS 39.05.070 provides:

> Sec. 39.05.070. PURPOSE. It is the purpose of §§ 70 - 110 of this chapter to provide procedural uniformity in the exercise of appointive powers conferred by the legislature to eliminate, insofar as possible, recess or interim appointments except in the event of death, resignation, inability to act or other removal from office and the exercise, insofar as possible, of appointive powers only when the legislature is in session.

The confirmation power is part of the appointing power of the executive and is limited to the power expressly granted to the legislature (Bradner v. Hammond, 553 P.2d 1 (Alaska 1976)). The confirmation process is not prescribed or referred to in the constitution and an orderly process to carry out constitutional mandates is allowable even though the substantive power is circumscribed.

In my opinion, the confirmation requirement in (C) is procedural. It does not affect the scope of the confirmation power since all persons who fall under it are otherwise required to be confirmed.

In my opinion the submission is required.

BGB:jdn

MT6S
with
ARRC

Department Commissioners - Range 28
$ 54,480 — $63,120

ARRC Commissioners - Range 30
$ 58,656 — $70,068

Questions:

Sec. 37.12.090 requires annual report to legislature — is that available?

Sec. 37.12.100 Annual audit
Is that available?

Why aren't Commissioners here when were asked well in advance and they told Chairman Osterback at 5:00 yesterday afternoon that 2 of the Commissioners would be here for this meeting??

Sec. 37.12.120 Requires Public access to information. How is that requirement met?

consultation with the Department of Fish and Game, shall determine which communities are economically impacted fishing communities.

(b) If the economic disaster is due to a fisheries failure based on consideration of need, the legislature may appropriate to the Alaska economic disaster impact fund from the renewable resource fund (ch. 130, SLA 1974). If there is an insufficient balance in the renewable resource fund to meet emergency needs that may be determined under the provisions of AS 44.33.285, the legislature may appropriate from the general fund. The Alaska economic disaster impact fund balance may not exceed $5,000,000. The commissioner of revenue, after determining that there is in the Alaska economic disaster impact fund a surplus above an amount sufficient to meet anticipated demands, may invest the surplus as provided in ch. 10 of this title. Interest derived from investment of these surplus funds shall be deposited to the renewable resource fund. If the economic disaster is due to other than a fisheries failure, the legislature may appropriate from the general fund to the Alaska economic disaster fund to meet emergency needs.

(c) Unappropriated or otherwise unencumbered balances remaining in the Alaska economic disaster impact fund at the close of each fiscal year shall not lapse as provided in AS 37.25.010 but shall be available in perpetuity for fund purposes.

(d) Within the first 10 days of each legislative session the commissioner of commerce and economic development shall submit to the legislature a detailed report of all expenditures from the fund and all actions taken under AS 44.33.285. (§ 9 ch 277 SLA 1976)

Chapter 12. Alaska Renewable Resources Corporation.

Section

10. Alaska renewable resources corporation created
15. Purposes
20. Allocation
25. Board of trustees
30. Composition of the board of trustees
35. Term of office
40. Removal and vacancies
45. Qualifications of board members
50. Quorum
55. Compensation of board members
60. Employment of personnel
65. Conflicts of interest
70. Powers
75. Duties
80. Financial assistance
85. Eligibility for financial assistance
90. Reports and publications
95. Budget and appropriations
100. Annual audit
105. Cooperation with other agencies
110. Tax exemption
115. Technical assistance
120. Public access to information
125. Definitions

Cross references. — As to the Alaska Renewable Resources Investment Fund, see AS 37.11.050 et seq. As to termination of the Alaska Renewable Resources Corporation, see AS 44.66.010.

Editor's note. — Section 1, ch. 179, SLA 1978, provides: DECLARATION OF POLICY. It is the policy of the state to

"(1) rehabilitate, enhance, and develop its renewable resources and, insofar as is consistent with sound resource management policies, develop its human resources by providing maximum opportunities for employment and a higher standard of living for its citizens; and

"(2) utilize the funds set aside under ch. 11 of this title to further the (A) development of renewable resources that will contribute to a stable self-sustaining state economy, employment opportunities, and lifestyle alternatives for its citizens, and (B) commercial, traditional, and common uses of the state's renewable resources."

Section 2, ch. 179, SLA 1978, provides: FINDINGS. (a) The legislature finds that Alaska has renewable resources that are not being utilized to their full potential. Many problems which confront the state, including high unemployment and unstable economy, could be mitigated by the expanded use and development of its renewable resources.

"(b) It is further found that Alaska's economy has historically depended upon sporadic and non-stable development.

"(c) It is further found that several key factors have contributed to the slow development of renewable resource industries, including,

"(1) insufficiency of research and development financing and venture capital financing;

"(2) a lack of knowledge within the business and financial communities about conditions affecting renewable resource industrial development in the state and a lack of scientific information concerning many resources; and

"(3) a lack of technology appropriate to Alaska.

"(d) It is further found that the state's policy of assisting the development of viable industries is best accomplished by providing assistance to the private sector to identify and demonstrate new products, markets, and technologies."

Legislative history report. — For report on ch. 179, SLA 1978 (HB 682), see 1978 House Journal, p. 830.

Sec. 37.12.010. Alaska Renewable Resources Corporation created. There is created the Alaska Renewable Resources Corporation to carry out the purposes of this chapter. The corporation is a public corporation of the state and an instrumentality of the state within the Department of Revenue, but has a legal existence independent of and separate from the state. The exercise by the corporation of the powers conferred by this chapter is considered an essential function of the state. (§ 3 ch 179 SLA 1978)

Sec. 37.12.015. Purposes. The purposes of the corporation are to

(1) facilitate the rehabilitation, enhancement, and development of the state's renewable resources so as to strengthen the self-sustaining sectors of the state economy;

(2) sponsor research and development of technologies and innovations for the rehabilitation and enhancement of the state's renewable resources to achieve an appropriate use of the resources;

(3) identify new products, markets, and technologies for renewable resource industries in the state which will constitute an appropriate use of the resources; stimulate the research and development of these products, markets, and technologies; assist in the demonstration of their technical and economic feasibility; and assist in their introduction into commercial markets. (§ 3 ch 179 SLA 1978)

Sec. 37.12.020. Allocation. (a) There shall be allocated to the corporation from the receipts described in AS 37.11.020 five per cent of the total receipts paid the state from mineral lease bonuses and rentals for state land and royalties derived from minerals produced on state land. Payments of the amount allocated by this section shall be made to the corporation by the Department of Revenue on a monthly basis.

(b) Fifty per cent of all actual receipts of the corporation, from whatever source except receipts from the corporation's investments, shall be deposited into the renewable resources investment fund (AS 37.11.050). (§ 3 ch 179 SLA 1978)

Sec. 37.12.025. Board of trustees. A board of trustees of the corporation is established as its governing body. (§ 3 ch 179 SLA 1978)

Sec. 37.12.030. Composition of the board of trustees. The board of trustees consists of three members appointed by the governor and confirmed by a majority of the members of the legislature in joint session. The board shall annually elect a chairman from among its members. A chairman may not succeed himself. (§ 3 ch 179 SLA 1978)

Sec. 37.12.035. Term of office. The members of the board of trustees shall be appointed for terms of four years, and they may be reappointed. Terms shall be staggered. The initial terms shall be one member serving for two years, one member serving for three years, and one member serving for four years. (§ 3 ch 179 SLA 1978)

Sec. 37.12.040. Removal and vacancies. (a) The governor may remove a board member from office by and with the consent of a majority of the members of the legislature in joint session. A removal by the governor shall be in writing and state the reason for removal. If the legislature is not in session, the governor may suspend a member of the board. Upon suspension, a board member may not participate in board business and may not be counted for the purpose of establishing a quorum. A suspended member shall continue to receive his salary as a board member until the legislature in joint session consents to his removal. The joint session shall be held within 30 days from the date of removal if the removal occurs while the legislature is in session or within 30 days of convening of the legislature if the legislature is not in session. If the legislature refuses to consent to his removal, the board member shall be reinstated to his position.

(b) A vacancy on the board shall be promptly filled by appointment by the governor and confirmation by a majority of members of the legislature in joint session. An appointee to fill a vacancy shall hold office for the balance of the term for which his predecessor on the board was appointed. If a vacancy arises on the board while the legislature is not in session, the governor may appoint an interim board member until such time as the legislature in joint session fails to confirm the interim member's appointment.

(c) A vacancy on the board does not impair the authority of a quorum of the board to exercise all the powers and perform all the duties of the board. (§ 3 ch 179 SLA 1978)

Sec. 37.12.045. Qualifications of board members. (a) No person may be appointed to the board who has not been a resident of the state for at least three years.

(b) No member of the board may hold any other state or federal office, position, or employment, whether elective or appointive, except as a member of the armed forces of the United States or the state. (§ 3 ch 179 SLA 1978)

Sec. 37.12.050. Quorum. Two members of the board constitute a quorum for the transaction of business and the exercise of the powers and duties of the board. (§ 3 ch 179 SLA 1978)

Sec. 37.12.055. Compensation of board members. Board members are in the exempt service under AS 39.25 and receive an annual salary within Range 30 of the salary schedule for state employees established by AS 39.27.011. (§ 3 ch 179 SLA 1978)

Sec. 37.12.060. Employment of personnel. The board may employ and determine the salary of an executive director. The executive director may, with the approval of the board, select and employ additional staff as necessary. The executive director and all employees of the board are in the exempt service under AS 39.25. (§ 3 ch 179 SLA 1978)

Sec. 37.12.065. Conflicts of interest. (a) Members of the board of trustees are subject to the provisions of AS 39.50.

(b) No member or employee of the board may acquire an interest, direct or indirect, in a corporation, company, association, or project owned, controlled, or invested in by the corporation. If a member or employee owns or controls such an interest, he shall immediately disclose the interest in writing to the board and refrain from participating in any manner in any activity relating to that interest. (§ 3 ch 179 SLA 1978)

Sec. 37.12.070. Powers. In carrying out the corporate powers of the corporation, the board may

(1) adopt, alter, and use a corporate seal;

(2) prescribe, adopt, amend, and repeal bylaws;

(3) sue and be sued in the name of the corporation;

(4) enter into any agreements necessary to the exercise of its powers and functions;

(5) accept grants from and contract with the federal government and the state or its political subdivisions and to that end comply with the provisions of federal, state, or local programs where necessary, except that it may not enter into any agreements whereby any permanent state

or local government position is funded or partially funded in connection with a project;

(6) accept grants and loans from other sources than those in (5) of this section to be held and used for the purposes of the corporation;

(7) appear in behalf of the corporation before boards, commissions, departments, or other agencies of municipal, state, or federal government;

(8) acquire, hold, use, lease, sell, or otherwise dispose of property of any kind, real, personal, or mixed, or any interest in it;

(9) hold, as a means of securing the providing of financial assistance, patents, copyrights, trademarks, royalties, or any other evidences of protection or exclusivity issued under the laws of the United States or any state or nation;

(10) prepare, publish, and distribute technical studies, reports, bulletins and other materials it considers appropriate;

(11) invest, in such form as it considers appropriate, in projects which are economically viable and income-producing;

(12) provide grants for projects having broad public application which do not have direct income-producing potential;

(13) adopt regulations governing the exercise of its corporate powers;

(14) deposit funds, or invest surplus funds through the treasury division of the Department of Revenue which may invest in any investments authorized in AS 39.35.110 so long as its investment policy is consistent with the prudent-man rule;

(15) do all acts and things necessary or desirable to carry out the purposes of the corporation. (§ 3 ch 179 SLA 1978)

Sec. 37.12.075. Duties. In carrying out the purposes of this chapter, the board shall

(1) seek to maintain the productivity of healthy renewable resources and expand the productivity of depleted or underutilized renewable resources;

(2) provide financial assistance for projects which the board finds will accomplish the purposes of the corporation as set out in § 15 of this chapter;

(3) promote the utilization of the state's renewable resources in the state and the development of import substitution and export markets;

(4) annually prepare long-range operating and financial plans and the budget for the forthcoming year;

(5) monitor approved projects for compliance with this chapter and provide operational and performance evaluations (post-audits) of projects receiving financial assistance and an overall assessment, expressed in qualitative and quantitative terms, of the degree to which the purposes of the corporation, as set out in § 15 of this chapter, have been achieved; and

(6) attempt to fund activities which will tend to maximize returns to the state and local governments and its citizens in such forms as tax revenues and resident employment and income. (§ 3 ch 179 SLA 1978)

Sec. 37.12.080. Financial assistance. (a) In providing financial assistance, the board shall

(1) consider the proposals of qualified applicants only after the applicant has submitted a detailed proposal in the form prescribed by the board; no assistance may be approved by the board unless it finds, in writing, that

(A) the proposed project, if successful, will further the purposes of the corporation as set out in § 15 of this chapter;

(B) the application contains an adequate plan for project implementation, including, when applicable, a complete business, financial and marketing plan for commercial activities;

(C) sufficient capital is not available from other sources on reasonable terms;

(D) the applicant has agreed that if new renewable resource industrial activity results from the proposed project, his best efforts will be employed to keep that activity in the state for a minimum period of time specified by the board;

(E) the applicant demonstrates that sufficient technical and business expertise to accomplish the objectives of the proposed project is available;

(F) all costs, including additional governmental cost, associated with and ancillary to the project and future obligations generated by the project have been identified, including any necessary operating, maintenance, or other support costs for the life of the project;

(G) potential resource use conflicts that may result from the proposed project are identified and evaluated, and when necessary, plans to mitigate or resolve those conflicts and to preserve for the future options for the use of the state's renewable resources are included in the application;

(2) use the financial mechanism most appropriate to the conditions of the applicant and the proposed project and which will most effectively utilize the funds available; grants may be made by the board of up to 90 per cent of the total project costs for the following purposes:

(A) projects for the applied research and development of products, technologies, or innovations for the rehabilitation, enhancement, or development of the state's renewable resources;

(B) projects for the demonstration, on a one-time basis, of the economic or technical feasibility of a new product, market, or technology involving a renewable resource; or

(C) projects for the rehabilitation, enhancement, or development of a common-property resource where the benefits from the project cannot be captured by any single economic unit;

(3) in evaluating projects, consider the preferences and priorities of the residents of the region in which the project is to be located;

(4) require investments made by the corporation to be secured by means determined to be appropriate by the board.

(b) The board may not

(1) invest or otherwise provide assistance of more than five per cent of the resources of the corporation or $1,500,000, whichever is less, in a single project or applicant unless the legislature has approved the investment by concurrent resolution;

(2) invest in more than 49 per cent of the outstanding corporate stock or other corporate obligations issued by an applicant unless the legislature has approved the investment by concurrent resolution;

(3) make a loan for a period in excess of 30 years unless the legislature has approved the loan by concurrent resolution;

(4) assume the responsibility for management of any project in which it has invested and may not exercise voting rights for that purpose or for any other purpose which is within the scope of managerial control; or

(5) provide funds to any state agency unless that expenditure is included in the corporation's annual budget;

(6) allocate to grants more than 10 per cent of the annual appropriation of the corporation.

(c) Nothing in this section prevents the board from taking such action and exercising such rights as it considers necessary for the protection of its financial interests in the event of

(1) actual or threatened default on any of the board's investments;

(2) actual or threatened insolvency of a project in which the board has made an investment; or

(3) any other immediate or actual circumstance or event which jeopardizes an investment made by the board.

(d) Projects for which financial assistance is granted shall comply with all applicable provisions of law. (§ 3 ch 179 SLA 1978)

Sec. 37.12.085. Eligibility for financial assistance. The board may provide financial assistance if it finds that an applicant is qualified to receive assistance. An applicant is qualified if

(1) he has submitted a proposal to the board in accordance with § 80(a)(1) of this chapter

(2) he is a resident of the state for three years or, if the applicant is a partnership, corporation, or other association, the majority interest is beneficially owned by residents of the state and a majority of the owners are residents of the state; and

(3) his projects which have previously received financial assistance from the corporation, if any, have complied with all requirements of that assistance and have performed with sufficient success or promise to warrant further aid. (§ 3 ch 179 SLA 1978)

Sec. 37.12.090. Reports and publications. (a) The board shall prepare and distribute in non-technical language meterials describing the purposes and activities of the corporation.

(b) The board shall publish an annual report for the governor, the legislature, and the public at the time of submitting its annual budget request. Each annual report shall include financial statements and audit reports, a statement detailing the sources from which the corporation received money, a statement detailing the investments made by the corporation, a summary and evaluation of the data required by § 75(5) and (6) of this chapter, a list of public facilities required by or complementary to the corporation's investment activity, and any other information that the board of trustees believe would be of interest to the recipients of the report. (§ 3 ch 179 SLA 1978)

Sec. 37.12.095. Budget and appropriations. (a) The corporation may expend money only as appropriated by the legislature. The corporation is subject to the Executive Budget Act (AS 37.07) except as provided in (b) and (c) of this section.

(b) The budget of the corporation shall include the categories and amounts of proposed financial assistance broken down by financing mechanism and resource sector affected and all funds received by the corporation whether through allocations made by this chapter, appropriation, or otherwise. The total amount of the corporation's operating budget shall be specified separately in its budget and be appropriated from the general fund.

(c) The unexpended and unobligated portion of the appropriations, other than appropriations for operating expenses, does not lapse into the general fund at the end of a fiscal year, but remains available for appropriation as provided in this section in subsequent fiscal years. (§ 3 ch 179 SLA 1978)

Sec. 37.12.100. Annual audit. The corporation shall have its financial record audited annually by an independent outside auditor. The legislative auditor may prescribe the form and content of the financial record of the corporation and shall have access to these records at any time. (§ 3 ch 179 SLA 1978)

Sec. 37.12.105. Cooperation with other agencies. All departments, agencies, and public corporations of the state shall provide information, services and facilities to the corporation on its request. The corporation shall reimburse the department, agency, or corporation for expenses reasonably incurred on the corporation's behalf. (§ 3 ch 179 SLA 1978)

Sec. 37.12.110. Tax exemption. The corporation is exempt from all taxes and assessments in the state. All security instruments issued by the corporation, their transfer, and their income are exempt from all taxes and assessments in the state. (§ 3 ch 179 SLA 1978)

Sec. 37.12.115. Technical assistance. (a) The corporation may provide financing for pre-investment activities including feasibility studies, when, in its opinion, the proposed project is of high priority and the financing is not available from other sources on reasonable terms and conditions. Amounts so advanced may form a part of a later investment if the enterprise or project is financed by the corporation.

(b) The corporation may provide funding for technical and management advice and assistance to qualified applicants as it considers necessary in the circumstances. (§ 3 ch 179 SLA 1978)

Sec. 37.12.120. Public access to information. Information in the possession of the corporation is a public record, except that information which discloses the particulars of the business or affairs of a private enterprise or investor is confidential and is not a public record. Confidential information may be disclosed only for the purposes of an official law enforcement investigation or when its production is required in a court proceeding. These restrictions do not prohibit the publication of statistics presented in a manner that prevents the identification of reports, items, persons, or enterprises. (§ 3 ch 179 SLA 1978)

Sec. 37.12.125. Definitions. In this chapter, unless the context otherwise requires,

(1) "applicant" means a person making application to the corporation for financial assistance;

(2) "board" means the Board of Trustees of the Alaska Renewable Resources Corporation;

(3) "corporation" means the Alaska Renewable Resources Corporation;

(4) "project" means products, markets, innovation, or technological developments for the rehabilitation, enhancement, or development of renewable resources and includes applied research for those products, markets, or technological developments;

(5) "rehabilitation, enhancement, and development" means any activity or program which improves the health and well-being of a renewable resource or renewable resource population leading to an increase in the quality or productivity of the resource and to an increase in the benefits derived from the resource to the citizens of the state;

(6) "renewable resource" means non-human living organisms; natural components of the environment, including the air, land, and water; and energy systems which are naturally recurring or replenished. (§ 3 ch 179 SLA 1978)

Chapter 14. Trust Funds.

Article

1. Mental Health Fund (§§ 37.14.010 — 37.14.050)
2. University Fund (§§ 37.14.060 — 37.14.100)
3. Public School Fund (§§ 37.14.110 — 37.14.150)
4. Custody and Investment of Trust Funds (§§ 37.14.160 — 37.14.170)

(3) should the Legislative Budget and Audit Committee recommend within the 45-day period that the state not initiate the additional activity, the governor shall again review the revised program and if he determines to authorize the expenditure, he shall provide the Legislative Budget and Audit Committee with a statement of his reasons before commencement of expenditures under the revised program.
(am §§ 4, 5 ch 60 SLA 1979)

Effect of amendments.
The 1979 amendment, effective May 19, 1979, substituted "an act making the transfers between appropriations" for "(h) of this section" at the end of the second sentence of subsection (e) and rewrote subsection (h).

As the rest of the section was not affected by the amendment, it is not set out.

Chapter 12. Alaska Renewable Resources Corporation.

Section
70. Powers

Sec. 37.12.070. Powers. In carrying out the corporate powers of the corporation, the board may

(16) [**Terminates June 30, 1984**] provide funds to the Alaska Council on Science and Technology, to be awarded and administered in the manner prescribed by AS 44.19.181 — 44.19.189 when the funds are to be expended to accomplish a corporate purpose under AS 37.12.015.
(am § 2 ch 56 SLA 1979)

Effect of amendment. — The 1979 amendment, effective July 1, 1979, added paragraph (16).

As the rest of the section was not affected by the amendment, it is not set out.

Editor's note. — Section 1, ch. 56, SLA 1979, effective July 1, 1979, provides: "FINDINGS. The legislature finds that there is a need for development of small-scale and low-cost alternatives for Alaskans in regard to building design, food production, recycling, transportation, energy generation, waste disposal, and small-scale residential and industrial enterprise. Therefore, the legislature finds that the development and wider use of low-cost and small-scale technologies appropriate to Alaska should be encouraged."

Section 8, ch. 56, SLA 1979, effective July 1, 1979, provides for the termination of the act relating to northern technology on June 30, 1984. As part of that act, AS 37.12.070(16) will terminate on that date.

Chapter 15. State Bonding Act.

Article 3. International Airports Revenue Bonds.

Section
410. Bond authorization

Sec. 37.15.410. Bond authorization. For the purpose of providing part or all of the money to be used, with or without any grants or other money which may become available, the issuance and sale of revenue

INVESTMENTS

TEPA, Inc. Anchorage	Chemical treatment of fish waste for protein production	$550.0
SeaWard Shipyard Ketchikan	Repair and maintenance marine facility for servicing forestry and fishing industry	$500.0

LOANS

Kokechek Corp. Chevak, Hooper Bay and Scammon Bay	Direct loan to joint venture corporation for catching and marketing herring (49% ARRC ownership)	$300.0
Solar Homes Anchorage	Partial guarantee ($20 risk) of construction loan for energy efficient, solar assisted house	$120.0
Pacific Barge and Boat Works Eagle River	Materials loan for construction of fishing boats	$ 97.0
Flying Fish and Crab Anchorage	Partially refundable ($5 at risk) escrow deposit for demonstration of innovative crab machine technology	$ 25.0
The Wood Yard Juneau	Logging and firewood production equipment and working capital	$ 65.0
Southern Southeast Regional Aquaculture Ketchikan	Working capital for fall egg-take, spring release and related requirements	$382.0
Fisherman's Supply Manufacturing Homer	Working capital and supplier line of credit	$ 50.0
Sea Fisher Products Petersburg	Working capital and pack loan for processor	$200.0
Steik Sawmill Soldotna	Working capital and equipment loan	$ 20.0
Anchor Renewable Farms Anchorage	Controlled environment agricultural project	$ 93.0
American Eagle Juneau	Working capital and pack loan for floating processor	$150.0
Alyeska Candy Kitchen Anchorage	Working capital and equipment for wild berry processor	$ 37.6
Alaska Seafood Marketing Anchorage	Underwriting of organization for the promotion of Alaska seafood products	$ 74.0

TEPA, Inc. TA 80-01 Anchorage	Business planning assistance, deal negotiations and legal costs leading to investment ($15.0 capitalized)	$ 3.0
SeaWard Shipyard TA 80-02 Ketchikan	Management and financial and financial controls, marketing analysis and development of business plan	$ 25.0
Schnabel Lumber Company TA 80-03 Haines	Complete evaluation of economic feasibility engineering estimate, business plan, financial structuring and capital requirements Request: $3,000.0	$ 25.0
Kokechek Corp. TA 80-04 Chevak, Hooper Bay and Scammon Bay	Expedite materials shipment and prepare for boat building in villages; legal work creating corporation and preparing contracts	$ 15.0
Interior Villages Association TA 80-05 Fairbanks	Assistance in developing application to ARRC for sub-regional development plan	$ 8.0
Alaska Bait Producers TA 80-06 Juneau	Business planning, markets analysis and capital requirements Request: $500.0	$ 5.0
Alaska Timber Corporation TA 80-07 Ketchikan	Preliminary financial feasibility evaluation and structuring Request: $1,600	$ 6.7
Alka Processors TA 80-08 Anchorage	Business plan evaluation and analysis of capital requirements, markets and overall feasibility Request: $550	$ 15.0
Sea Fisher Products, Inc. TA 80-09 Petersburg	Preliminary economic feasibility and business plan evaluation Request: $200.0	$ 3.0
Kenai Harbor Development Corp. TA 80-10 Kenai	Limited determination of economic feasibility for boat harbor Request: $550.0	$ 2.0
Pacific Barge and Boat Works TA 80-11 Eagle River	Business planning, management analysis and capital requirements Request: $280.0	$ 5.0
Mastercraft TA 80-12 Anchorage	Financial control analysis, business planning and market strategy development Request: Open	$ 20.0
Stoknavik Co-op TA 80-13 Chevak, Hooper Bay and Scammon Bay	Organization implementation, strategic planning and start-up assistance	$ 15.0

TA 80-14 Palmer	business environment for milk production in Alaska Request: Open	$ .8
Fisherman's Supply and Manufacturing TA 80-15 Homer	Business planning and management analysis Request: Open	$ 5.7
Totem Air TA 80-16 Anchorage	Business planning analysis, evaluation of markets, and capital requirements Request: $550.0	$ 3.0
Yeager Processing TA 80-17 Bethel	Business planning assistance and evaluation of capital requirements Request. Open	$ 10.0
Sea Catch, Inc. TA 80-18 Kenai	Business assessment and analysis of markets, costs of production, capital requirements and overall operations evaluation Request: $550	$ 8.0
Steik Sawmill TA 80-19 Soldotna	Economic feasibility of very small logging operation Request: $20.	$ 1.0
Pine TA 80- 0 Tok	Business plan review and market evaluation Request: $30.	$ 1.5
Alyeska Candy Kitchen TA 80-21 Anchorage	Business planning guidance and finarcial planning Request: $250.	$ 2.0
Danielson TA 80-22 Juneau	Business planning, marketing evaluation and financial structuring Request: $60.	$ 5.0
Southern Southeast Regional Aquaculture TA 80-23 Ketchikan	Assistance in defining financial plan and capital requirements	$?.2
Cape Romanzoff TA 80-24 Bethel	Organization planning preparation of application and financial structuring	$ 15.0
Flying Fish and Crab TA 80-25 Anchorage	Assist in structuring approach to demonstration of new technology	$ 3.0
Choquette Project TA 80-26 Juneau	Assistance in evaluation of conceptual approach to fishery project	$ .7
The Wood Yard TA 80-27 Juneau	Assist in financial planning and analysis of fire wood enterprise	$ 1.7

GRANTS

Future Farmers of America Palmer, Nome, Delta Junction	Travel Assistance for representatives attending national Conference	$ 6.0
Alternative Energy Conference Anchorage	Partial sponsorship of first annual conference on alternative energy sources	$ 2.5

OTHEP APP'.ICANTS/VENTURES PANDING

Seward Fisheries: Homer	Seeking $400.0 participation in processing plant
Anderson:	Seeking undisclosed amount for crab processing machine distribution rights
Blaine:	Seeking undisclosed amount for processing facility
Nash:	Seeking $900. to develop a gashol plant
Mulligan:	Seeking $300.0 to establish business growing foundation seed for winter hardy grass
Owens:	Seeking $100-350 to expand marine sales and service business
Haney:	Seeking $200.0 to convert and operate small vessel floating maintenance facility
Countrymen:	Seeking $300.0 to expand food processing and retail outlet for wild berries products
Woelker:	Seeking $100.0 for bison and cattle raising operation
Robinson:	Seeking $550.0 as equity investment in marine repair facility
Metzner:	Seeking $375.0 for a mushroom growing operation
Dahl:	Seeking undisclosed amount for Yakutat Fish Company shore based freezer facility
Roggasch:	Seeking $200.0 to expand business of construction of super insulated houses
Hill:	Seeking $550.0 to expand firewood harvesting and sales business
McMahon:	Seeking $100-200.0 to expand aluminum skiff manufacturing business
Kruckenberg:	Seeking undetermined amount to help finance $2.5 million pulp mill
Eager:	In process of developing business of raising seed potatoes

Willis:	Conceptual process for developing business plan of harvesting and processing Alaska birch
Seward Fisheries:	Seeking $400.0 loan for processing plant
Sheldon Jackson:	Seeking $8.0 for feasibility study of seedling nursaries in Southeast
Northern Southeast Regional Aquaculture	Seeking $200.0 for continuing administration and initiation of two construction projects
Miller:	Seeking feasibility study for forest products specialty manufacturing process
Valdez Fisheries Development Association	Seeking financial assistance for hatchery
Fitzsimmons:	Seeking financial assistance for firewood business
Waterer:	Seeking information regarding investment capital for fish processing
Kerber:	Seeking financial assistance for fish marketing
Ball Brothers:	Seeking capital availability information for fish processing
Kurka:	Seeking financial assistance for fish processing
St. George-Tanaq:	Interested in future relationship regarding bottomfish processing

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

MEMORANDUM

TO: The Honorable Terry Gardiner
Speaker of the House

DATE: May 5, 1980

FROM: Alvin Osterback, Chairman
House Resources Committee

SUBJECT: ~~"TEPPA" Files~~ in Renewable Resources

Terry please see the attached information regarding "TEPPA". I feel it is necessary to subpoena these records.

Sec. 24.25.010 (b) refers to subpoena powers. I will ask my committee to sign in favor of the subpoena.

Sufficient time has passed for Renewable Resources to get the records. I have not put out any press releases to date on this issue.

Attachments (2)

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)
VICE-CHAIRMAN
REP. FRED ZHAROFF
REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Alaska
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313 "E" Street
Anchorage, Alaska
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May 1, 1980

The Honorable Alvin Osterback, Chairman
House Resources Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Osterback:

I have requested that the public record information in the possession of the Corporation be forwarded to Juneau. I expect the courier service to deliver the files later this morning.

I am enclosing for your information a copy of that portion of the ARRC statute regarding the confidentiality of its files relating to the particulars of an applicant's proprietry business and commercial information. This same provision is accorded all other loan application files in the possession of state agencies. The obvious rationale is identical to that of the privacy provisions for personal and business income tax returns.

Enclosed is a recent letter regarding the subject of confidentiality of ARRC's files which may be of interest to you.

To reiterate again, the trustees of ARRC would be pleased for an opportunity to meet with you or the Committee on Natural Resources to discuss any activities of interest and concern to the committee. Particularly, we would be pleased to review the circumstances leading up to and including the negotiations regarding the award of financial assistance to TEPA, Inc.

Yours truly,

Phil Hubbard

cc: Representative Terry Gardiner
Representative Bill Miles
Senator Bill Sumner

Sec. 37.12.115. TECHNICAL ASSISTANCE. (a) The corporation may provide financing for pre-investment activities including feasibility studies, when, in its opinion, the proposed project is of high priority and the financing is not available from other sources on reasonable terms and conditions. Amounts so advanced may form a part of a later investment if the enterprise or project is financed by the corporation.

(b) The corporation may provide funding for technical and management advice and assistance to qualified applicants as it considers necessary in the circumstances.

Sec. 37.12.120. PUBLIC ACCESS TO INFORMATION. Information in the possession of the corporation is a public record, except that information which discloses the particulars of the business or affairs of a private enterprise or investor is confidential and is not a public record. Confidential information may be disclosed only for the purposes of an official law enforcement investigation or when its production is required in a court proceeding. These restrictions do not prohibit the publication of statistics presented in a manner that prevents the identification of reports, items, persons, or enterprises.

Sec. 37.12.125. DEFINITIONS. In this chapter, unless the context otherwise requires,

(1) "applicant" means a person making application to the corporation for financial assistance;

(2) "board" means the board of Trustees of the Alaska Renewable Resources Corporation;

(3) "corporation" means the Alaska Renewable Resources Corporation;

(4) "project" means products, markets, innovation, or technological developments for the rehabilitation, enhancement, or development of renewable resources and includes applied research for those products, markets, or technological developments;

(5) "rehabilitation, enhancement, and development" means any activity or program which improves the health and well-being of a renewable resource or renewable resource population leading to an increase in the quality or productivity of the resource and to an increase in the benefits derived from the resource to the citizens of the state;

(6) "renewable resource" means non-human living organisms; natural components of the environment, including the air, land, and water; and energy systems which are naturally recurring or replenished.

* Sec. 4. AS 37.11.040 is amended to read:

Sec. 37.11.040. FUND BALANCES. Unappropriated or otherwise unencumbered balances remaining in the Alaska renewable resources development fund at the close of each fiscal year shall be transferred to the Alaska renewable resources investment fund.

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

April 30, 1980

Alaska Renewable Resources
P.O. Box 1647
Juneau, AK. 99802

Dear Commissioner Hubbard:

I am concerned about the "TEPPA" transaction. Please send my office your full and complete records on all information regarding this transaction.

I would like this material tomorrow, Thursday, May 1.

Sincerely,

Alvin Osterback

Alvin Osterback
Chairman
House Resources Committee

AO:ss

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-[illegible]) • REP. BILL MILES (465-3779)
VICE-CHAIRMAN
REP. FRED ZHAROFF
REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

May 1, 1980

Alaska Renewable Resources
P.O. Box 1647
Juneau, AK. 99802

Dear Commissioner Hubbard:

I was somewhat dismayed at your telephone call to me on April 30, 1980 at 5:00 p.m. I specifically requested the "TEPPA" file - not a meeting with you. You informed me that you could not give me a copy of the file regarding the "TEPPA" transaction.

I ask you under what authority you refuse me the file? Public funds were used in the transaction and I believe I have access to that information?

Your response is requested as I asked for the file by today, May 1, 1980.

Cordially yours,

Alvin Osterback

Alvin Osterback
Chairman
House Resources Committee

AO:ss

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)

VICE-CHAIRMAN
REP. FRED ZHAROFF

REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

May 1, 1980

Alaska Renewable Resources
P.O. Box 1647
Juneau, AK. 99802

Dear Commissioner Hubbard:

I was somewhat dismayed at your telephone call to me on April 30, 1980 at 5:00 p.m. I specifically requested the "TEPPA" file - not a meeting with you. You informed me that you could not give me a copy of the file regarding the "TEPPA" transaction.

I ask you under what authority you refuse me the file? Public funds were used in the transaction and I believe I have access to that information?

Your response is requested as I asked for the file by today, May 1, 1980.

Cordially yours,

Alvin Osterback
Chairman
House Resources Committee

AO:ss

bcc: Senator Ferguson
Senator Sumner

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)
VICE-CHAIRMAN
REP. FRED ZHAROFF
REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

CARPENETI & COUNCIL
ATTORNEYS AT LAW
319 SEWARD STREET, SUITE 203
JUNEAU, ALASKA 99801

WILLIAM T. COUNCIL
WALTER L. CARPENETI

(907) 586-1786

We don't need to discuss this

April 11, 1980

Wilson L. Condon
Deputy Attorney General
Pouch K
Juneau, AK 99811

Re: Alaska Renewable Resources Corporation; audits by Attorney General and Legislative audit

Dear Wil:

This is to confirm the understanding we reached on Tuesday, April 8, 1980, respecting the audits of the Alaska Renewable Resources Corporation to be conducted by the Office of the Attorney General and by the Division of Legislative Audit.

There is a controversy over whether the investigative powers of those two state agencies include the right of access to the records of the Alaska Renewable Resources Corporation. The Office of the Attorney General and the Division of Legislative Audit maintain that their power to examine corporation records is without limitation. The corporation maintains that it owes a fiduciary duty to applicants to preserve the confidentiality of information which discloses the particulars of the business or affairs of a private enterprise or investor. The basis of this duty is found in the Legislature's directive to the corporation in Alaska Statute 37.12.120. The corporation maintains that it is bound to preserve the confidentiality of such information, and that it can be required to release that information only in extraordinary ~~circumstances~~, as provided by the statute. The interpretation given to that statute by the Office of the Attorney General and the Division of Legislative Audit is that, while the statute may prevent access by a member of the general public to confidential information, the corporation must nevertheless give those two state agencies access to any and all corporate files as they may request.

While there remains a dispute as to the meaning of Alaska Statute 37.12.120, the corporation has concluded that at least in the peculiar circumstances of this controversy,

compliance with the conditions set out below will enable it to meet its obligations under the statute. In reaching this agreement the corporation has placed substantial reliance on the position of the Office of the Attorney General that it and the Division of Legislative Audit have plenary power to examine the records of the corporation.

It is understood that the Office of the Attorney General is conducting an investigation of the records of the corporation for the limited purpose of examining the basis for the corporation's providing financial assistance to Tepa, Inc. The specific question to be addressed in the course of that investigation is the legality of the use by Tepa, Inc., of a portion of that financial assistance to locate, at least initially, part of its physical plant outside of the state of Alaska. All of the corporation's records relating to providing financial assistance to Tepa, Inc., will be made available to the Office of the Attorney General. It is understood that any files which disclose the particulars of the business or affairs of a private enterprise or investor, unless having some relevance to the objective of the investigation, will not be examined. A trustee or other representative of the corporation will be permitted to inspect any notes taken or copies of corporate records made in the course of the investigation before those notes or copies are removed from the corporation's offices. Finally, in view of the fact that the corporation is placing substantial reliance on the interpretation of Alaska Statute 37.12.120 made by the Office of the Attorney General, that office agrees to indemnify and hold harmless the corporation and its trustees and employees against any claims arising from the release of corporation records in connection with the investigation.

It is understood that the Division of Legislative Audit will conduct an investigation of all records of the corporation relating to providing financial assistance to applicants. The purpose of the audit is to determine if the corporation's performance in the course of providing financial assistance to applicants conforms to law and to the directives of the Legislature as found in the corporation's enabling legislation, the legislative history of that legislation and the appropriations to the corporation. All records of the corporation relating to providing financial assistance to applicants will be provided. It is understood that any files which

disclose the particulars of the business or affairs of a private enterprise or investor will not be examined where they do not relate to the object of the audit. A trustee or other representative of the corporation will be permitted to inspect any notes taken or copies of corporate records made in the course of the investigation before those notes or copies are removed from the corporation's offices. Finally, the Office of the Attorney General agrees to indemnify and hold harmless the corporation and its trustees and employees against any claims arising from the release of corporation records in connection with the investigation.

Unless I hear from you otherwise, I will assume that this letter correctly sets out the substance of our agreement.

Sincerely yours,

William T. Council

WTC/bl
cc: Alaska Renewable Resources Corporation

Cross reference. — As to fiscal notes on bills effecting state retirement systems, see AS 24.80.036.

Effect of amendment. — The 1978 amendment rewrote this section.

Editor's note. — Section 5, ch. 121, SLA 1978, provides: "It is the intent of the legislature that the report required under AS 24.20.540 (d) not be submitted until the First Session of the Eleventh Legislature."

Sec. 24.20.560. Staff for the board. The board, with the approval of the Legislative Council, may employ a full-time executive secretary and actuaries as necessary for the completion of its responsibilities. The Legislative Affairs Agency shall provide the board with office space and additional professional and clerical assistance as necessary under the auspices of the Legislative Council. (§ 1 ch 130 SLA 1977; am § 3 ch 121 SLA 1978)

Effect of amendment. — The 1978 amendment rewrote this section.

Sec. 24.20.570. Definitions. In §§ 500 — 560 of this chapter "board" means the Legislative Board of Retirement Benefits. (§ 4 ch 121 SLA 1978)

Chapter 25. Witnesses.

Section
10. Issuance and form of subpoena
20. Service of subpoena
30. Disobeying subpoena or refusing to testify
40. Arrest for disobedience to subpoena
50. Witness fees and mileage
60. Oath and penalty for violation of oath
70. Grant of immunity on claim of privilege of self-incrimination
80. Punishment for disobedience to subpoena or refusal to testify

Sec. 24.25.010. Issuance and form of subpoena. (a) A subpoena requiring the attendance of a witness before either house of the legislature may be issued by the president or the speaker.

(b) A subpoena requiring the attendance of a witness before a standing or special committee of the legislature may be issued by the chairman of a committee when authorized to do so by a majority of the membership of the committee and with the concurrence of the president or the speaker, or with the concurrence of the house or the senate.

(c) A subpoena requiring the attendance of a witness before an interim committee established by either house of the legislature, or by both, may be issued by the chairman of a committee when authorized to do so by a majority of the membership of the committee and with the concurrence of the president or the speaker.

(d) The subpoena is sufficient if

(1) it states before whom the proceeding is held;

(2) it is addressed to the witness;

(3) it requires the attendance of the witness at a time and place certain;

(4) it is signed

(A) by the president or the speaker under (a) of this section, or

(B) by the committee chairman with the concurrence of the president or the speaker under (b) and (c) of this section.

(e) This section does not apply to the Legislative Council nor to the Legislative Budget and Audit Committee. (§ 4-4-1 ACLA 1949; am § 1 ch 94 SLA 1975)

Cross references. — For legislative council's power to issue subpoenas, see AS 24.20.060(2). For legislative budget and audit committee's power to issue subpoenas, see AS 24.20.201(a) (2).

Effect of amendment. — The 1975 amendment rewrote this section.

Am. Jur. and ALR references. — 49 Am. Jur., States, Territories and Dependencies, §§ 40 to 44; 58 Am. Jur., Witnesses, § 15.

Power of legislative body to compel attendance of witnesses, 50 ALR 21; 65 ALR 1518.

Testing validity or scope of command of subpoena duces tecum in proceeding before legislative committee, 130 ALR 339.

Sec. 24.25.020. Service of subpoena. A person over the age of 19 years who is competent as a witness in the state courts may serve the subpoena. His affidavit that he delivered a copy to the witness is evidence of service. (§ 4-4-2 ACLA 1949; am § 8 ch 245 SLA 1970)

Legislative committee report. — Chapter 245, SLA 1970 (HCSSB 399 am H), was identical to CSHB 406 (Jud.). For report on CSHB 406 (Jud.), see 1970 House Journal Supplement No. 6.

Sec. 24.25.030. Disobeying subpoena or refusing to testify. If a witness neglects or refuses to obey a subpoena, or neglects or refuses to testify or to produce upon reasonable notice any material and proper books, papers or documents in his possession or under his control, the senate or house of representatives may by resolution entered on its journal commit him for contempt. If contempt is committed before a committee, the committee shall report the contempt to the senate or house of representatives, as the case may be, for such action as may be considered necessary. (§ 4-4-3 ACLA 1949)

Am. Jur. and ALR references. — 12 Am. Jur., Contempt, § 54; 49 Am. Jur., States, Territories and Dependencies, § 39.

Perjury or false swearing as contempt, 11 ALR 343; 73 ALR 817.

Sec. 24.25.040. Arrest for disobedience to subpoena. A witness who neglects or refuses to attend in obedience to subpoena may be arrested by the sergeant-at-arms and brought before the senate or house of representatives, as the case may be. The only warrant or authority necessary authorizing arrest is a copy of a resolution of the senate or house of representatives signed by the president of the senate or speaker of the house of representatives, as the case may be, and countersigned by the secretary of the senate or the clerk of the house of representatives, as the case may be. (§ 4-4-4 ACLA 1949)

Sec. 24.25.050. Witness fees and mileage. A person appearing before

either house, or both, or a legislative committee in response to a subpoena is entitled to $20 for each day's attendance, and for the time necessary in coming and returning to his place of residence and mileage at the rate of 15 cents a mile for the distance traveled in going to and returning from the place of attendance. The witness fee and mileage fee shall be paid out of the state treasury upon presentation of a certificate of attendance and mileage due, signed by the presiding officer of the house which authorized issuance of subpoena. (§ 4-4-5 ACLA 1949; am § ch 31 SLA 1951)

Sec. 24.25.060. Oath and penalty for violation of oath. The president of the senate and speaker of the house of representatives and the chairman of every committee of either body may administer an oath to a witness appearing before the respective bodies. A person who wilfully swears or affirms falsely concerning any matter material to the subject under investigation or inquiry is guilty of perjury and upon conviction is punishable by imprisonment for not less than one year nor more than five years. (§ 4-4-6 ACLA 1949)

Am. Jur. and ALR references. — 41 AM. Jur., Perjury, § 1 et seq.

Perjury or false swearing as contempt, 11 ALR 342; 73 ALR 817.

Sec. 24.25.070. Grant of immunity on claim of privilege of self-incrimination. (a) A person called as a witness before the senate, house of representatives, or a committee of either or both, who refuses to answer any question or to produce any book, paper or document relating to the matter under inquiry, on the ground that the answer or the production may tend to incriminate him, may be granted immunity from punishment for the offense to which the question or evidence relates by resolution of the house which is conducting the inquiry. The resolution shall be entered upon its journal, and the witness may then be compelled to answer the question or produce the evidence.

(b) If a witness is granted immunity and compelled to testify or produce evidence after claiming the privilege of self-incrimination, he may not thereafter be prosecuted in any court for the offense to which the question or evidence relates. (§ 4-4-7 ACLA 1949)

Am. Jur. and ALR references. — 58 Am. Jur., Witnesses, §§ 46, 434.

Privilege against self incrimination, 120 ALR 1102.

Waiver of privilege, 144 ALR 1007.

Sec. 24.25.080. Punishment for disobedience to subpoena or refusal to testify. A person subpoenaed as provided in this chapter who fails, neglects or refuses to attend at the time and place where his presence is required, or fails, neglects or refuses to produce the books, papers, or instruments or other evidence designated in the subpoena, or who having attended in response to the subpoena, or having appeared voluntarily, refuses to testify as to any material and proper matter

RESOURCES COMMITTEE
HOUSE OF REPRESENTATIVES
ALASKA STATE LEGISLATURE

In the Matter of the Investigation)
of Certain Matters Concerning the)
Alaska Renewable Resources Corporation)

SUBPOENA DUCES TECUM

TO: Philip Hubbard, Trustee
Dean Olson, Trustee
William Spear, Trustee
Alaska Renewable Resources Corp.
2nd Floor, Madsen Building
Juneau, Alaska 99801

Under the authority of art. II of the Alaska Constitution, and in accordance with AS 24.25.010(b), the Resources Committee of the Alaska House of Representatives directs you to appear at Room 116 of the State Capitol Bldg Building, Juneau, Alaska, on May 8, 1980, at [redacted] o'clock to give testimony on:

1. The reasons for the resignation of Jack Milnes as a trustee of the Alaska Renewable Resources Corporation (ARRC).

2. The recent financial assistance agreement between ARRC and TEPA, Inc.

3. Major problems currently facing ARRC.

In addition, you are to produce at that time and place all correspondence, applications, and other records pertaining to items 1 and 2 above.

Information made confidential by AS 37.12.120, and which is required by this subpoena to be produced, must be identified as such by ARRC. The House Resources Committee and all other legislators and staff participating in this investigation will keep that information confidential.

DATED: May 5, 1980
Juneau, Alaska

Alvin Osterback, Co-chairman
Resources Committee
House of Representatives
Alaska State Legislature

Bill Miles, Co-chairman
Resources Committee
House of Representatives
Alaska State Legislature

CONCUR:

Terry Gardiner
Speaker of the House
Alaska State Legislature

RESUME

NORMAN EWELL STATON, JR.

ADDRESS

R.R. 6 - Box 68098
Juneau, Alaska 99803

Telephone: (907) 789-2656

PERSONAL

Date of Birth:	June 16, 1951
Place of Birth:	Ketchikan, Alaska
Health:	Excellent
	6'1" - 175 lbs.
Marital Status:	Single

PROFESSIONAL LICENSE

Admitted to Alaska Bar Association
October 1978

LAW SCHOOL

University of Oregon School of Law
Eugene, Oregon

Doctorate of Jurisprudence
May 1976

Clinical Experience: Corrections Clinic
Trial Practice Lab

UNDERGRADUATE EDUCATION

Gonzaga University
Spokane, Washington

B.A., Political Science
May 1973

Sitka High School
Sitka, Alaska
Graduated June 1969

WORK EXPERIENCE

Assistant Attorney General
to Avrum M. Gross

Division of Transportation
August 1979 to present

Division of Business Regulation & Taxation
February 1979 to August 1979

Manager, Staton's, Inc., Sitka, Alaska
Family-owned business
January 1977 to June 1978

Consultant for Alaska Native Foundation
Anchorage, Alaska
June 1976 to September 1976

Corrections Clinic: Federal habeas corpus petitions for inmates of Oregon State Penitentiary
September 1975 to June 1976

PUBLIC SERVICE

Advisory Committee on Minority Sentencing Practices
Appointed by Honorable Jay Hammond

Addressed:

Alaska Native Brotherhood Convention 1980

Rural Community Action Program Convention 1980

Governor's Commission on the Administration of Justice 1980

Board of Governors Legal Educational Opportunities Committee
Alaska Bar Association

REFERENCES

Wilson Condon, Deputy Attorney General
State of Alaska - Juneau, Alaska

Byron Mallot, Chairman
Board of Directors
Sealaska Corporation - Juneau, Alaska

Michael Rubenstein, Executive Director
Alaska Judicial Council
Anchorage, Alaska

consultation with the Department of Fish and Game, shall determine which communities are economically impacted fishing communities.

(b) If the economic disaster is due to a fisheries failure based on consideration of need, the legislature may appropriate to the Alaska economic disaster impact fund from the renewable resource fund (ch. 130, SLA 1974). If there is an insufficient balance in the renewable resource fund to meet emergency needs that may be determined under the provisions of AS 44.33.285, the legislature may appropriate from the general fund. The Alaska economic disaster impact fund balance may not exceed $5,000,000. The commissioner of revenue, after determining that there is in the Alaska economic disaster impact fund a surplus above an amount sufficient to meet anticipated demands, may invest the surplus as provided in ch. 10 of this title. Interest derived from investment of these surplus funds shall be deposited to the renewable resource fund. If the economic disaster is due to other than a fisheries failure, the legislature may appropriate from the general fund to the Alaska economic disaster fund to meet emergency needs.

(c) Unappropriated or otherwise unencumbered balances remaining in the Alaska economic disaster impact fund at the close of each fiscal year shall not lapse as provided in AS 37.25.010 but shall be available in perpetuity for fund purposes.

(d) Within the first 10 days of each legislative session the commissioner of commerce and economic development shall submit to the legislature a detailed report of all expenditures from the fund and all actions taken under AS 44.33.285. (§ 9 ch 277 SLA 1976)

Chapter 12. Alaska Renewable Resources Corporation.

Section

10. Alaska renewable resources corporation created
15. Purposes
20. Allocation
25. Board of trustees
30. Composition of the board of trustees
35. Term of office
40. Removal and vacancies
45. Qualifications of board members
50. Quorum
55. Compensation of board members
60. Employment of personnel
65. Conflicts of interest
70. Powers
75. Duties
80. Financial assistance
85. Eligibility for financial assistance
90. Reports and publications
95. Budget and appropriations
100. Annual audit
105. Cooperation with other agencies
110. Tax exemption
115. Technical assistance
120. Public access to information
125. Definitions

Cross references. — As to the Alaska Renewable Resources Investment Fund, see AS 37.11.050 et seq. As to termination of the Alaska Renewable Resources Corporation, see AS 44.66.010.

Editor's note. — Section 1, ch. 179, SLA 1978, provides: DECLARATION OF POLICY. It is the policy of the state to

"(1) rehabilitate, enhance, and develop its renewable resources and, insofar as is consistent with sound resource management policies, develop its human resources by providing maximum opportunities for employment and a higher standard of living for its citizens; and

"(2) utilize the funds set aside under ch. 11 of this title to further the (A) development of renewable resources that will contribute to a stable self-sustaining state economy, employment opportunities, and lifestyle alternatives for its citizens, and (B) commercial, traditional, and common uses of the state's renewable resources."

Section 2, ch. 179, SLA 1978, provides: FINDINGS. (a) The legislature finds that Alaska has renewable resources that are not being utilized to their full potential. Many problems which confront the state, including high unemployment and unstable economy, could be mitigated by the expanded use and development of its renewable resources.

"(b) It is further found that Alaska's economy has historically depended upon sporadic and non-stable development.

"(c) It is further found that several key factors have contributed to the slow development of renewable resource industries, including,

"(1) insufficiency of research and development financing and venture capital financing;

"(2) a lack of knowledge within the business and financial communities about conditions affecting renewable resource industrial development in the state and a lack of scientific information concerning many resources; and

"(3) a lack of technology appropriate to Alaska.

"(d) It is further found that the state's policy of assisting the development of viable industries is best accomplished by providing assistance to the private sector to identify and demonstrate new products, markets, and technologies."

Legislative history report. — For report on ch. 179, SLA 1978 (HB 682), see 1978 House Journal, p. 830.

Sec. 37.12.010. Alaska Renewable Resources Corporation created. There is created the Alaska Renewable Resources Corporation to carry out the purposes of this chapter. The corporation is a public corporation of the state and an instrumentality of the state within the Department of Revenue, but has a legal existence independent of and separate from the state. The exercise by the corporation of the powers conferred by this chapter is considered an essential function of the state. (§ 3 ch 179 SLA 1978)

Sec. 37.12.015. Purposes. The purposes of the corporation are to

(1) facilitate the rehabilitation, enhancement, and development of the state's renewable resources so as to strengthen the self-sustaining sectors of the state economy;

(2) sponsor research and development of technologies and innovations for the rehabilitation and enhancement of the state's renewable resources to achieve an appropriate use of the resources;

(3) identify new products, markets, and technologies for renewable resource industries in the state which will constitute an appropriate use of the resources; stimulate the research and development of these products, markets, and technologies; assist in the demonstration of their technical and economic feasibility; and assist in their introduction into commercial markets. (§ 3 ch 179 SLA 1978)

Sec. 37.12.020. Allocation. (a) There shall be allocated to the corporation from the receipts described in AS 37.11.020 five per cent of the total receipts paid the state from mineral lease bonuses and rentals for state land and royalties derived from minerals produced on state land. Payments of the amount allocated by this section shall be made to the corporation by the Department of Revenue on a monthly basis.

(b) Fifty per cent of all actual receipts of the corporation, from whatever source except receipts from the corporation's investments, shall be deposited into the renewable resources investment fund (AS 37.11.050). (§ 3 ch 179 SLA 1978)

Sec. 37.12.025. Board of trustees. A board of trustees of the corporation is established as its governing body. (§ 3 ch 179 SLA 1978)

Sec. 37.12.030. Composition of the board of trustees. The board of trustees consists of three members appointed by the governor and confirmed by a majority of the members of the legislature in joint session. The board shall annually elect a chairman from among its members. A chairman may not succeed himself. (§ 3 ch 179 SLA 1978)

Sec. 37.12.035. Term of office. The members of the board of trustees shall be appointed for terms of four years, and they may be reappointed. Terms shall be staggered. The initial terms shall be one member serving for two years, one member serving for three years, and one member serving for four years. (§ 3 ch 179 SLA 1978)

Sec. 37.12.040. Removal and vacancies. (a) The governor may remove a board member from office by and with the consent of a majority of the members of the legislature in joint session. A removal by the governor shall be in writing and state the reason for removal. If the legislature is not in session, the governor may suspend a member of the board. Upon suspension, a board member may not participate in board business and may not be counted for the purpose of establishing a quorum. A suspended member shall continue to receive his salary as a board member until the legislature in joint session consents to his removal. The joint session shall be held within 30 days from the date of removal if the removal occurs while the legislature is in session or within 30 days of convening of the legislature if the legislature is not in session. If the legislature refuses to consent to his removal, the board member shall be reinstated to his position.

(b) A vacancy on the board shall be promptly filled by appointment by the governor and confirmation by a majority of members of the legislature in joint session. An appointee to fill a vacancy shall hold office for the balance of the term for which his predecessor on the board was appointed. If a vacancy arises on the board while the legislature is not in session, the governor may appoint an interim board member until such time as the legislature in joint session fails to confirm the interim member's appointment.

(c) A vacancy on the board does not impair the authority of a quorum of the board to exercise all the powers and perform all the duties of the board. (§ 3 ch 179 SLA 1978)

Sec. 37.12.045. Qualifications of board members. (a) No person may be appointed to the board who has not been a resident of the state for at least three years.

(b) No member of the board may hold any other state or federal office, position, or employment, whether elective or appointive, except as a member of the armed forces of the United States or the state. (§ 3 ch 179 SLA 1978)

Sec. 37.12.050. Quorum. Two members of the board constitute a quorum for the transaction of business and the exercise of the powers and duties of the board. (§ 3 ch 179 SLA 1978)

Sec. 37.12.055. Compensation of board members. Board members are in the exempt service under AS 39.25 and receive an annual salary within Range 30 of the salary schedule for state employees established by AS 39.27.011. (§ 3 ch 179 SLA 1978)

Sec. 37.12.060. Employment of personnel. The board may employ and determine the salary of an executive director. The executive director may, with the approval of the board, select and employ additional staff as necessary. The executive director and all employees of the board are in the exempt service under AS 39.25. (§ 3 ch 179 SLA 1978)

Sec. 37.12.065. Conflicts of interest. (a) Members of the board of trustees are subject to the provisions of AS 39.50.

(b) No member or employee of the board may acquire an interest, direct or indirect, in a corporation, company, association, or project owned, controlled, or invested in by the corporation. If a member or employee owns or controls such an interest, he shall immediately disclose the interest in writing to the board and refrain from participating in any manner in any activity relating to that interest. (§ 3 ch 179 SLA 1978)

Sec. 37.12.070. Powers. In carrying out the corporate powers of the corporation, the board may

(1) adopt, alter, and use a corporate seal;

(2) prescribe, adopt, amend, and repeal bylaws;

(3) sue and be sued in the name of the corporation;

(4) enter into any agreements necessary to the exercise of its powers and functions;

(5) accept grants from and contract with the federal government and the state or its political subdivisions and to that end comply with the provisions of federal, state, or local programs where necessary, except that it may not enter into any agreements whereby any permanent state

or local government position is funded or partially funded in connection with a project;

(6) accept grants and loans from other sources than those in (5) of this section to be held and used for the purposes of the corporation;

(7) appear in behalf of the corporation before boards, commissions, departments, or other agencies of municipal, state, or federal government;

(8) acquire, hold, use, lease, sell, or otherwise dispose of property of any kind, real, personal, or mixed, or any interest in it;

(9) hold, as a means of securing the providing of financial assistance, patents, copyrights, trademarks, royalties, or any other evidences of protection or exclusivity issued under the laws of the United States or any state or nation;

(10) prepare, publish, and distribute technical studies, reports, bulletins and other materials it considers appropriate;

(11) invest, in such form as it considers appropriate, in projects which are economically viable and income-producing;

(12) provide grants for projects having broad public application which do not have direct income-producing potential;

(13) adopt regulations governing the exercise of its corporate powers;

(14) deposit funds, or invest surplus funds through the treasury division of the Department of Revenue which may invest in any investments authorized in AS 39.35.110 so long as its investment policy is consistent with the prudent-man rule;

(15) do all acts and things necessary or desirable to carry out the purposes of the corporation. (§ 3 ch 179 SLA 1978)

Sec. 37.12.075. Duties. In carrying out the purposes of this chapter, the board shall

(1) seek to maintain the productivity of healthy renewable resources and expand the productivity of depleted or underutilized renewable resources;

(2) provide financial assistance for projects which the board finds will accomplish the purposes of the corporation as set out in § 15 of this chapter;

(3) promote the utilization of the state's renewable resources in the state and the development of import substitution and export markets;

(4) annually prepare long-range operating and financial plans and the budget for the forthcoming year;

(5) monitor approved projects for compliance with this chapter and provide operational and performance evaluations (post-audits) of projects receiving financial assistance and an overall assessment, expressed in qualitative and quantitative terms, of the degree to which the purposes of the corporation, as set out in § 15 of this chapter, have been achieved; and

(6) attempt to fund activities which will tend to maximize returns to the state and local governments and its citizens in such forms as tax revenues and resident employment and income. (§ 3 ch 179 SLA 1978)

Sec. 37.12.080. Financial assistance. (a) In providing financial assistance, the board shall

(1) consider the proposals of qualified applicants only after the applicant has submitted a detailed proposal in the form prescribed by the board; no assistance may be approved by the board unless it finds, in writing, that

(A) the proposed project, if successful, will further the purposes of the corporation as set out in § 15 of this chapter;

(B) the application contains an adequate plan for project implementation, including, when applicable, a complete business, financial and marketing plan for commercial activities;

(C) sufficient capital is not available from other sources on reasonable terms;

(D) the applicant has agreed that if new renewable resource industrial activity results from the proposed project, his best efforts will be employed to keep that activity in the state for a minimum period of time specified by the board;

(E) the applicant demonstrates that sufficient technical and business expertise to accomplish the objectives of the proposed project is available;

(F) all costs, including additional governmental cost, associated with and ancillary to the project and future obligations generated by the project have been identified, including any necessary operating, maintenance, or other support costs for the life of the project;

(G) potential resource use conflicts that may result from the proposed project are identified and evaluated, and when necessary, plans to mitigate or resolve those conflicts and to preserve for the future options for the use of the state's renewable resources are included in the application;

(2) use the financial mechanism most appropriate to the conditions of the applicant and the proposed project and which will most effectively utilize the funds available; grants may be made by the board of up to 90 per cent of the total project costs for the following purposes:

(A) projects for the applied research and development of products, technologies, or innovations for the rehabilitation, enhancement, or development of the state's renewable resources;

(B) projects for the demonstration, on a one-time basis, of the economic or technical feasibility of a new product, market, or technology involving a renewable resource; or

(C) projects for the rehabilitation, enhancement, or development of a common-property resource where the benefits from the project cannot be captured by any single economic unit;

(3) in evaluating projects, consider the preferences and priorities of the residents of the region in which the project is to be located;

(4) require investments made by the corporation to be secured by means determined to be appropriate by the board.

(b) The board may not

(1) invest or otherwise provide assistance of more than five per cent of the resources of the corporation or $1,500,000, whichever is less, in a single project or applicant unless the legislature has approved the investment by concurrent resolution;

(2) invest in more than 49 per cent of the outstanding corporate stock or other corporate obligations issued by an applicant unless the legislature has approved the investment by concurrent resolution;

(3) make a loan for a period in excess of 30 years unless the legislature has approved the loan by concurrent resolution;

(4) assume the responsibility for management of any project in which it has invested and may not exercise voting rights for that purpose or for any other purpose which is within the scope of managerial control; or

(5) provide funds to any state agency unless that expenditure is included in the corporation's annual budget;

(6) allocate to grants more than 10 per cent of the annual appropriation of the corporation.

(c) Nothing in this section prevents the board from taking such action and exercising such rights as it considers necessary for the protection of its financial interests in the event of

(1) actual or threatened default on any of the board's investments;

(2) actual or threatened insolvency of a project in which the board has made an investment; or

(3) any other immediate or actual circumstance or event which jeopardizes an investment made by the board.

(d) Projects for which financial assistance is granted shall comply with all applicable provisions of law. (§ 3 ch 179 SLA 1978)

Sec. 37.12.085. Eligibility for financial assistance. The board may provide financial assistance if it finds that an applicant is qualified to receive assistance. An applicant is qualified if

(1) he has submitted a proposal to the board in accordance with § 80(a)(1) of this chapter;

(2) he is a resident of the state for three years or, if the applicant is a partnership, corporation, or other association, the majority interest is beneficially owned by residents of the state and a majority of the owners are residents of the state; and

(3) his projects which have previously received financial assistance from the corporation, if any, have complied with all requirements of that assistance and have performed with sufficient success or promise to warrant further aid. (§ 3 ch 179 SLA 1978)

Sec. 37.12.090. Reports and publications. (a) The board shall prepare and distribute in non-technical language meterials describing the purposes and activities of the corporation.

(b) The board shall publish an annual report for the governor, the legislature, and the public at the time of submitting its annual budget request. Each annual report shall include financial statements and audit reports, a statement detailing the sources from which the corporation received money, a statement detailing the investments made by the corporation, a summary and evaluation of the data required by § 75(5) and (6) of this chapter, a list of public facilities required by or complementary to the corporation's investment activity, and any other information that the board of trustees believes would be of interest to the recipients of the report. (§ 3 ch 179 SLA 1978)

Sec. 37.12.095. Budget and appropriations. (a) The corporation may expend money only as appropriated by the legislature. The corporation is subject to the Executive Budget Act (AS 37.07) except as provided in (b) and (c) of this section.

(b) The budget of the corporation shall include the categories and amounts of proposed financial assistance broken down by financing mechanism and resource sector affected and all funds received by the corporation whether through allocations made by this chapter, appropriation, or otherwise. The total amount of the corporation's operating budget shall be specified separately in its budget and be appropriated from the general fund.

(c) The unexpended and unobligated portion of the appropriations, other than appropriations for operating expenses, does not lapse into the general fund at the end of a fiscal year, but remains available for appropriation as provided in this section in subsequent fiscal years. (§ 3 ch 179 SLA 1978)

Sec. 37.12.100. Annual audit. The corporation shall have its financial record audited annually by an independent outside auditor. The legislative auditor may prescribe the form and content of the financial record of the corporation and shall have access to these records at any time. (§ 3 ch 179 SLA 1978)

Sec. 37.12.105. Cooperation with other agencies. All departments, agencies, and public corporations of the state shall provide information, services and facilities to the corporation on its request. The corporation shall reimburse the department, agency, or corporation for expenses reasonably incurred on the corporation's behalf. (§ 3 ch 179 SLA 1978)

Sec. 37.12.110. Tax exemption. The corporation is exempt from all taxes and assessments in the state. All security instruments issued by the corporation, their transfer, and their income are exempt from all taxes and assessments in the state. (§ 3 ch 179 SLA 1978)

Sec. 37.12.115. Technical assistance. (a) The corporation may provide financing for pre-investment activities including feasibility studies, when, in its opinion, the proposed project is of high priority and the financing is not available from other sources on reasonable terms and conditions. Amounts so advanced may form a part of a later investment if the enterprise or project is financed by the corporation.

(b) The corporation may provide funding for technical and management advice and assistance to qualified applicants as it considers necessary in the circumstances. (§ 3 ch 179 SLA 1978)

Sec. 37.12.120. Public access to information. Information in the possession of the corporation is a public record, except that information which discloses the particulars of the business or affairs of a private enterprise or investor is confidential and is not a public record. Confidential information may be disclosed only for the purposes of an official law enforcement investigation or when its production is required in a court proceeding. These restrictions do not prohibit the publication of statistics presented in a manner that prevents the identification of reports, items, persons or enterprises. (§ 3 ch 179 SLA 1978)

Sec. 37.12.125. Definitions. In this chapter, unless the context otherwise requires,

(1) "applicant" means a person making application to the corporation for financial assistance;

(2) "board" means the Board of Trustees of the Alaska Renewable Resources Corporation;

(3) "corporation" means the Alaska Renewable Resources Corporation;

(4) "project" means products, markets, innovation, or technological developments for the rehabilitation, enhancement, or development of renewable resources and includes applied research for those products, markets, or technological developments;

(5) "rehabilitation, enhancement, and development" means any activity or program which improves the health and well-being of a renewable resource or renewable resource population leading to an increase in the quality or productivity of the resource and to an increase in the benefits derived from the resource to the citizens of the state;

(6) "renewable resource" means non-human living organisms; natural components of the environment, including the air, land, and water; and energy systems which are naturally recurring or replenished. (§ 3 ch 179 SLA 1978)

Chapter 14. Trust Funds.

Article

1. Mental Health Fund (§§ 37.14.010 — 37.14.050)
2. University Fund (§§ 37.14.060 — 37.14.100)
3. Public School Fund (§§ 37.14.110 — 37.14.150)
4. Custody and Investment of Trust Funds (§§ 37.14.160 — 37.14.170)

(3) should the Legislative Budget and Audit Committee recommend within the 45-day period that the state not initiate the additional activity, the governor shall again review the revised program and if he determines to authorize the expenditure, he shall provide the Legislative Budget and Audit Committee with a statement of his reasons before commencement of expenditures under the revised program.
(am §§ 4, 5 ch 60 SLA 1979)

Effect of amendments.
The 1979 amendment, effective May 19, 1979, substituted "an act making the transfers between appropriations" for "(h) of this section" at the end of the second sentence of subsection (e) and rewrote subsection (h).

As the rest of the section was not affected by the amendment, it is not set out.

Chapter 12. Alaska Renewable Resources Corporation.

Section
70. Powers

Sec. 37.12.070. Powers. In carrying out the corporate powers of the corporation, the board may

(16) [**Terminates June 30, 1984**] provide funds to the Alaska Council on Science and Technology, to be awarded and administered in the manner prescribed by AS 44.19.181 — 44.19.189 when the funds are to be expended to accomplish a corporate purpose under AS 37.12.015.
(am § 2 ch 56 SLA 1979)

Effect of amendment. — The 1979 amendment, effective July 1, 1979, added paragraph (16).

As the rest of the section was not affected by the amendment, it is not set out.

Editor's note. — Section 1 ch. 56, SLA 1979, effective July 1, 1979, provides: "FINDINGS. The legislature finds that there is a need for development of small-scale and low-cost alternatives for Alaskans in regard to building design, food production, recycling, transportation, energy generation, waste disposal, and small-scale residential and industrial enterprise. Therefore, the legislature finds that the development and wider use of low-cost and small-scale technologies appropriate to Alaska should be encouraged."

Section 3 ch. 56, SLA 1979, effective July 1, 1979, provides for the termination of the act relating to northern technology on June 30, 1984. As part of that act, AS 37.12.070(16) will terminate on that date.

Chapter 15. State Bonding Act.

Article 3. International Airports Revenue Bonds.

Section
410. Bond authorization

Sec. 37.15.410. Bond authorization. For the purpose of providing part or all of the money to be used, with or without any grants or other money which may become available, the issuance and sale of revenue

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K—ST CAPITOL
JUNEAU, AL A 99811
465-3664

May 5, 1980

The Honorable Alvin Osterback
Co-chairman
House Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: Alaska Renewable Resources Corporation Subpoena

Dear Representative Osterback:

As requested by your committee's assistant, Diane Morrison, you will find the following documents attached for your use:

- a subpoena duces tecum for the three trustees of the Alaska Renewable Resources Corporation;

- an affidavit of service.

In order to make this subpoena valid, you must have the authorization of a majority of your committee and get Speaker Gardiner's concurrence, in accordance with AS 24.25.010(b). Also it must be served in accordance with AS 24.25.020.

Yours truly,

AVRUM M. GROSS
ATTORNEY GENERAL

By: Arthur H. Peterson
Arthur H. Peterson
Assistant Attorney General

AHP:jal
Enclosures

03-C6LH

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K-STATE CAPITOL
JUNEAU, ALASKA 99811
465-3664

May 6, 1980

The Honorable Alvin Osterback
Co-chairman
House Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: Alaska Renewable Resources Corporation Subpoena

Dear Representative Osterback:

My note of yesterday did not expressly mention that each of the individuals named in the subpoena should be individually served, and the affidavit of service should make clear that each individual was served.

Yours truly,

AVRUM M. GROSS
ATTORNEY GENERAL

By: Arthur H. Peterson
Arthur H. Peterson
Assistant Attorney General

AHP:jal

03-C&LH

AK. NAT.
GAS TRANS.
misc DOCS.

Gas Pipeline

95th Congress
1st Session

COMMITTEE PRINT

DECISION AND REPORT TO CONGRESS ON THE ALASKA NATURAL GAS TRANSPORTATION SYSTEM

SELECTED MATERIALS

PRINTED AT THE REQUEST OF

HENRY M. JACKSON, *Chairman*

COMMITTEE ON ENERGY AND NATURAL RESOURCES

UNITED STATES SENATE

Publication No. 95–56

OCTOBER 1977

Printed for the use of the
Committee on Energy and Natural Resources

U.S. GOVERNMENT PRINTING OFFICE

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WASHINGTON : 1977

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MEMORANDUM OF THE CHAIRMAN

To Members of the Senate Committee on Energy and Natural Resources:

The Alaska Natural Gas Transportation Act (Public Law 94–586), passed by Congress on October 1, 1976, and signed by the President on October 22, 1976, established a special decisionmaking process for the selection of a transportation system to move natural gas from the North Slope of Alaska to United States markets. The act was designed to expedite the selection of such a transportation system and to provide for the participation of the President and Congress in the final decision. Ordinarily, the Federal Power Commission has the final authority to approve proposed natural gas transmission systems.

As mandated by the act, the FPC reported its recommendations to the President on May 2, 1977, and other Federal departments and agencies submitted their comments and responses to the FPC report on July 1, 1977. The President is directed by the act to issue a decision as to whether or not a transportation system for the delivery of Alaska natural gas should be approved and, if so, to designate such a system.

Pursuant to the act, the President's decision designating an approved transportation system for the delivery of Alaska natural gas shall take effect upon the enactment of a joint resolution of Congress. Beginning on the date after the receipt of such decision, the Congress has 60 calendar days of continuous session to enact a joint resolution. If not approved within 60 days, the act allows the President an additional 30 days to propose a new decision.

In order to provide members of the committee, the Congress, and the public with access to the various reports and comments submitted by the FPC and other Federal departments and agencies, I have asked that the President's decision transmitted to the Congress on September 22, 1977, and selected summaries of relevant documents be assembled in a committee print and made available.

HENRY M. JACKSON, *Chairman.*

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DECISION OF THE PRESIDENT

DECISION ON AN ALASKA

NATURAL GAS TRANSPORTATION

SYSTEM

PREFACE - STATUTORY REQUIREMENTS FOR A DECISION ON AN ALASKA NATURAL GAS TRANSPORTATION SYSTEM

Section 7(a)(4) of the Alaska Natural Gas Transportation Act of 1976 (ANGTA) states:

> If the President determines to designate for approval a transportation system for delivery of Alaska natural gas to the contiguous States, he shall in such decision-
>
> (A) describe the nature and route of the system designated for approval;
>
> (B) designate a person to construct and operate such a system, which person shall be the applicant, if any, which filed for a certificate of public convenience and necessity to construct and operate such system;
>
> (C) identify those facilities, the construction of which, and those operations, the conduct of which, shall be encompassed within the term "construction and initial operation" for purposes of defining the scope of the directions contained in Section 9 of this Act, taking into consideration any recommendation of the Commission with respect thereto; and
>
> (D) identify those provisions of law, relating to any determination of a Federal officer or agency as to whether a certificate, permit, right-of-way, lease, or other authorization shall be issued or be granted, which provisions he finds (i) involve determinations which are subsumed in his decision and (ii) require waiver pursuant to Section 8(g) in order to permit the expeditious construction and initial operation of the transportation system.

As part of these determinations, an Agreement on Principles concluded with the Government of Canada prescribes various terms and conditions applicable to the construction and operation of the pipeline. The Agreement on Principles is attached hereto as Section 7 of this Decision and made an integral part of the Decision by this reference.

With the incorporation of the aforesaid Agreement, and the finding that it is in the national interest to expeditiously undertake to construct an Alaska Natural Gas Transportation System, the system designation and related statutory determinations are as follows:

SECTION 1 - DESIGNATION OF PERSON TO CONSTRUCT AND OPERATE THE SYSTEM

The Alcan Pipeline Company, now a wholly owned subsidiary of Northwest Pipeline Corporation[1/], or its successor, is hereby designated to construct and operate the portion of the system within the State of Alaska.

The Northern Border Pipeline Company, a partnership consisting of subsidiaries or affiliates of Columbia Gas Transmission Corporation, Michigan-Wisconsin Pipeline Company, Natural Gas Pipeline Company of America, Northern Natural Gas Company, Panhandle Eastern Pipe Line Company, and Texas Eastern Transmission Corporation, or its successor, is hereby designated to construct and operate the portion of the system from the United States-Canada border near Monchy, Saskatchewan, to a point near Dwight, Illinois.

The Alcan Pipeline Company, or its successor, and the Northern Border Pipeline, or its successor, shall be publicly held corporations or general or limited partnerships, open to ownership participation by all persons

---

1/ Northwest Pipeline owns and operates a 4,300-mile pipeline system for transporting gas in the states of Colorado, Idaho, Nevada, Oregon, Utah, Washington, and Wyoming. Northwest Pipeline is a wholly-owned subsidiary of Northwest Energy Company, a holding company whose principal asset is all the outstanding common stock of Northwest Pipeline.

without discrimination, except producers of Alaskan natural gas.

The Pacific Gas Transmission Company is hereby designated to construct and operate the portion of the system from the United States/Canada border near Kingsgate, British Columbia, to the border between the States of California and Oregon.

The Pacific Gas and Electric Company is hereby designated to construct and operate the portion of the system from the border between the States of California and Oregon through the State of California.

SECTION 2 - DESCRIPTION OF THE NATURE AND ROUTE OF THE APPROVED SYSTEM

The Alcan system is an overland pipeline system to transport natural gas from the Prudhoe Bay area of Northern Alaska through Alaska and Canada into the Midwest and Western sections of the contiguous United States. See Exhibit 1.

The expected volume of gas to be available initially from the Prudhoe Bay field is 2.0 to 2.5 billion cubic feet per day (bcfd). The system described herein is designed to handle this througnput volume. The capacity of the system could be increased in the future to accommodate additional volume throughput by construction of additional facilities.

Alcan Pipeline Route in Alaska

The proposed Alcan pipeline will commence at the discharge side of the gas plant facilities in the Prudhoe Bay field. The pipeline will parallel the Alyeska oil pipeline southward from the North Slope of Alaska, cross the Brooks Range through the Atigun Pass, and continue on to Delta Junction.

At Delta Junction, the Alcan Pipeline will diverge fro the Alyeska oil pipeline and follow the Alaska Highway and the Haines oil products pipeline right-of-way, passing near the towns of Tanacross, Tok, and Northway Junction

Whitehorse
El Paso Project
Dwight
Antioch
Los Angeles
System Map of the
ALCAN Project
and
El Paso Alaska Project

in Alaska. The right-of-way of the Haines oil products pipeline is at present approximately fifty feet wide and is closely parallel to the Alaska Highway. The Alcan pipeline will then connect with the proposed new facilities of Foothills Pipe Lines (South Yukon) Ltd. at the Alaska/Yukon Territory border.

From Prudhoe Bay to Delta Junction, Alcan expects to construct its line approximately eighty feet from the Alyeska oil pipeline. As proposed by Alcan, construction will be carried out by extending the existing Alyeska work pads. However, Alyeska advised Alcan that its "preliminary general guidelines" indicate that the Alyeska and Alcan lines must be separated by 100 to 200 feet where blasting to build the pipeline trench would occur (approximately 350 miles of pipeline length). Additional studies will determine the minimum distance between the Alyeska oil pipeline and the Alcan line that is necessary to permit safe construction and operation.

Alcan Pipeline Route Through Canada

The Canadian portion of the Alcan Project will commence at the Alaska/Yukon border in the vicinity of the towns of Border City, Alaska and Boundary, Yukon.

From the Alaska/Yukon border, the Foothills Pipe Lines (South Yukon) Ltd. pipeline will proceed south until it

reaches the White River (milepost 44), where it will take a more eastward course across the Yukon Territory. The pipeline will cross the Territory generally parallel to the Alaska Highway. Along most of the pipeline route through the Yukon, the separation between the pipeline route and highway route will be approximately one mile. There will be several points, however, where the pipeline route will divert substantially from the route of the Alaska Highway. These departures from the Alaska Highway route will permit the pipeline to continue on a more direct course than if it were to follow the Alaska Highway.

At approximately milepost 246, the pipeline will be routed north of Whitehorse and cross the Yukon River near the intersection of the Alaska and Klondike Highways. Near this intersection, approximately 9 miles northwest of Whitehorse, the pipeline will be constructed to permit a later connection with the proposed Dempster Line from the Mackenzie Delta, if and when the Dempster Line is constructed.

After it crosses the Yukon River north of Whitehorse, the pipeline will turn southeast and again travel parallel to the Alaska Highway, entering British Columbia at approximately milepost 397 and reentering the Yukon Territory at approximately milepost 435. The pipeline will continue

to follow the Alaska Highway eastward through the Yukon Territory and again cross the border into British Columbia, approximately twelve miles southwest of Watson Lake, Yukon. At this point, the Foothills Pipe Lines (South Yukon) Ltd. pipeline will terminate, and the Foothills Pipe Line (North B.C.) Ltd. interconnecting pipeline will commence.

After it passes the British Columbia border, the pipeline will proceed generally southeast across the northeastern part of the Province to the British Columbia/ Alberta border, crossing the existing Westcoast Transmission Company Ltd. main line some 35 miles south of Fort Nelson. At Boundary Lake on the British Columbia-Alberta border, the pipeline would connect with the Foothills Pipe Lines (Alta.) Ltd. pipeline. In Alberta, the Foothills Pipe Lines (Alta.) Ltd. pipeline will proceed generally southeast from Boundary Lake to Gold Creek Junction. After Gold Creek Junction, the pipeline will follow the existing Alberta Gas Trunkline Co., Ltd. (AGTL) pipeline right-of-way to James River Station.

From James River Station, the western leg of the pipeline will proceed separately to the south, approximately following the existing AGTL right-of-way to the Alberta/ British Columbia border near Coleman, Alberta. It will then connect with the Foothills Pipelines (South B.C.)

Ltd. pipeline, continue to the southwest across British Columbia, and finally connect with the Pacific Gas Transmission (PGT) pipeline at the United States/Canada border near Kingsgate, British Columbia. The pipeline route through southern British Columbia will generally parallel the existing pipeline route of Alberta Natural Gas Company Ltd.

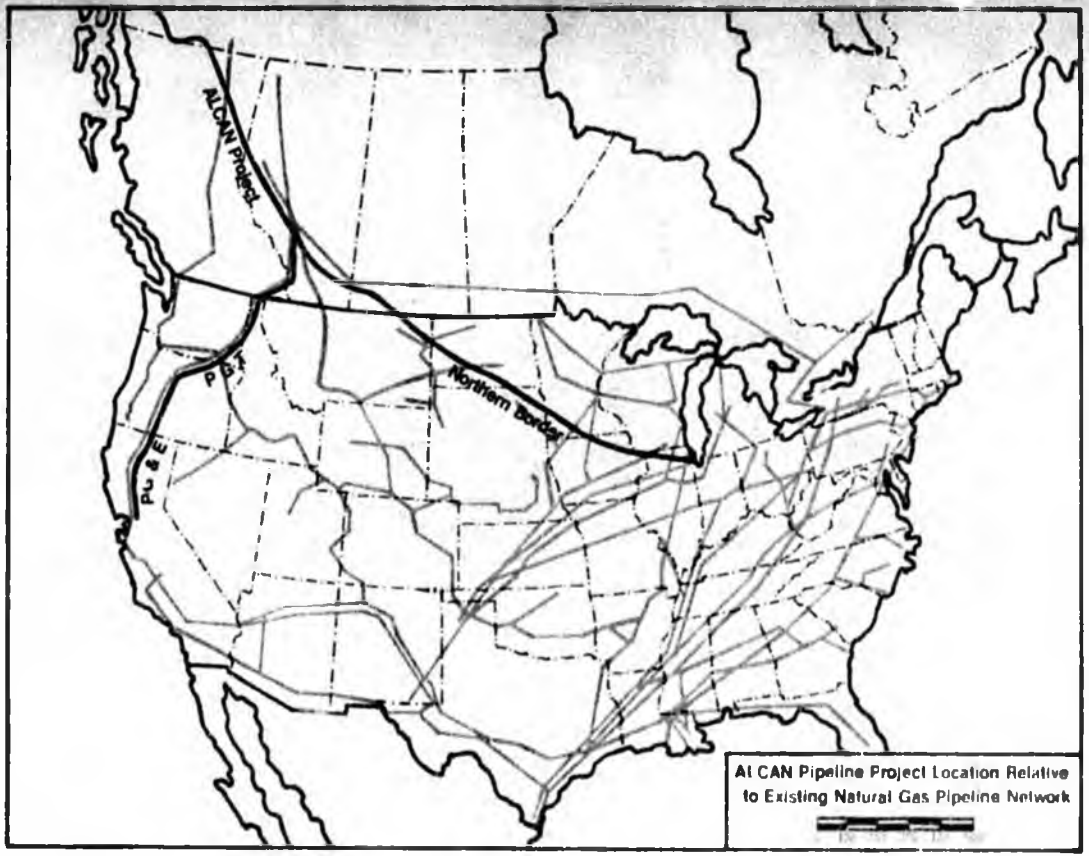
For the eastern leg from the James River Station, the pipeline will proceed generally to the southeast until it reaches the Alberta/Saskatchewan border near Empress, Alberta. The eastern leg will then connect with the Foothills Pipe Lines (Sask.) Ltd. pipeline. The pipeline will then continue to the southeast across Saskatchewan and join with the Northern Border Pipeline system at the United States/Canada border near Monchy, Saskatchewan.

Alcan Pipeline Route in the Contiguous United States

On the western leg, the Alaska gas will be transferred at the United States-Canada border near Kingsgate, British Columbia, to the PGT system. The PGT system will transport the gas through northern Idaho, southeast Washington, and central Oregon. At the Oregon/California border, the gas will be transferred to enter the Pacific Gas and Electric Company (PG&E) system and will then be transported throughout California.

On the eastern leg the Alaska gas will be transferred at the Saskatchewan/Montana border from the Canadian-owned portion of the Alcan system to the Northern Border Pipeline system. The Northern Border Pipeline system will then transport the gas across the northeast corner of Montana, the southwest section of North Dakota, the northeast section of South Dakota, the southwest corner of Minnesota, and the northeast section of Iowa, and finally bring the gas just south of Chicago to Dwight, Illinois.

Exhibit 2 on the following page illustrates the respective routes of the eastern and western legs of the Alcan system and their relationship to the existing gas pipeline network in the United States.


ALCAN Project
Northern Border
Pacific Gas & E
Pacific Gas & E
Alcan Pipeline Project Location Relative
to Existing Natural Gas Pipeline Network

SECTION 3 - IDENTIFICATION OF FACILITIES INCLUDED WITHIN "CONSTRUCTION AND INITIAL OPERATION"

General Project Description

This section identifies the facilities for the Alcan project which will be entitled to the expedited authorization process prescribed in Section 9 of ANGTA. The facilities which are to be covered are those in the U.S. which are adequate for a throughput of up to 2.4 bcfd and are included in the revised Alcan filing submitted to the Federal Power Commission (FPC) in March 8, 1977. If any modifications to those facilities are required by the Agreement on Principles between the U.S. and Canada, those modified facilities will also be entitled to the expedited authorization process in Section 9.

Uncertainties remain as to the future level of gas exports from Canada's historical gas supply sources. The actual division of Alaska gas among the various regions of the contiguous United States awaits conclusion of gas sales contracts. Routing and design work should be sufficiently complete to allow final certification in late 1978 or early 1979. The final design and location of the facilities, however, will be within the general description set forth.

The gas transportation system will utilize a 48-inch diameter pipeline from Prudhoe Bay to James River, Alberta.

From James River, gas destined for the midwestern and eastern states will be transported through a 42-inch diameter pipeline to Monchy, Saskatchewan, and gas destined for the western states will be transported through a 36-inch pipeline to Kingsgate, British Columbia. PGT and PG&E will complete looping[2/] as necessary of their existing pipeline systems from the Idaho-British Columbia border to Antioch, California (near San Francisco) with a 36-inch diameter pipeline.

All of the pipeline in Alaska and the first forty-one miles of pipeline in the Yukon lie in the continuous and discontinuous permafrost region.[3/] This section will be operated in a chilled state (i.e., below 32°F.) to prevent degradation of the permafrost regime. Gas chilling

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2/ "Looping" is construction of a pipeline parallel to and interconnected with an existing pipeline. Looping may extend to part or all of an existing line.

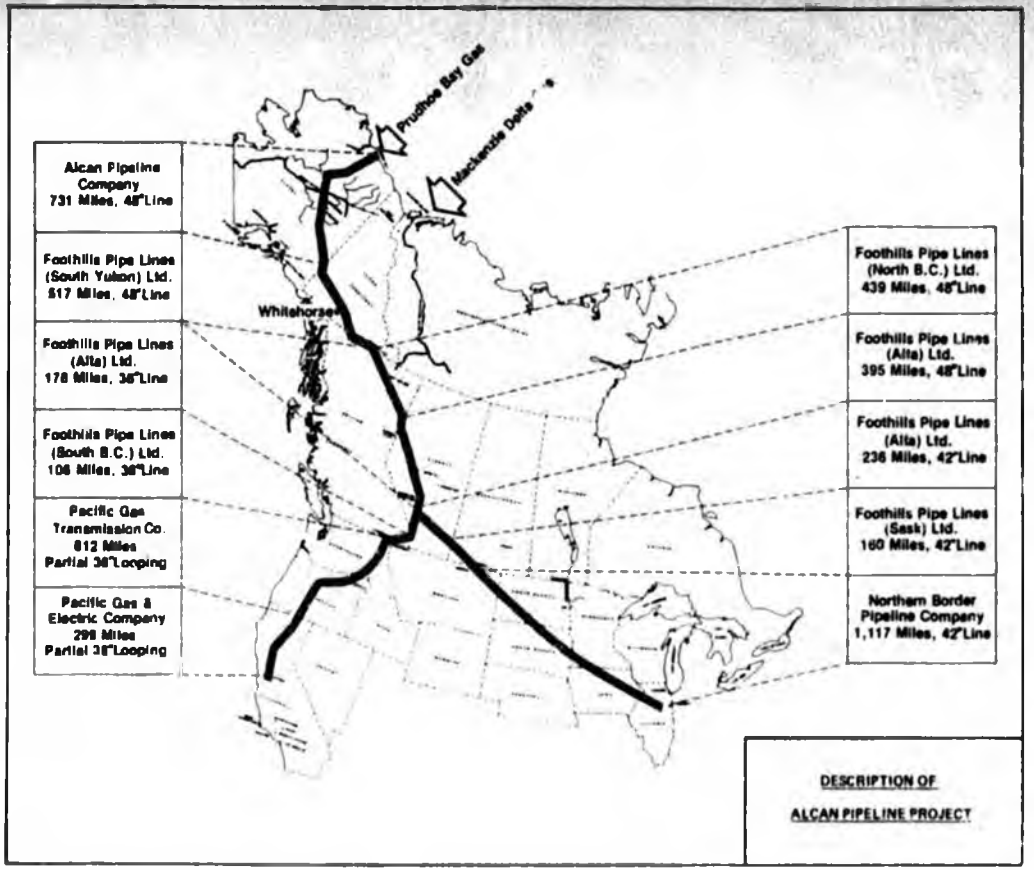
3/ By definition, permafrost consists of soil, rock, or other earth material, the temperature of which remains at or below 32°F. (0°C) continuously for two or more years. Its distribution is not uniform. Factors controlling the distribution of permafrost include the glacial and climatic history of the area, thermal properties of the earth material, ambient temperature, insulation properties of overburden, and amount of exposure to sun (e.g., shading caused by orientation of topographic features). The permafrost would be continuous along approximately the first 240 miles of the pipeline (to near the South Fork of the Koyohuk River). Along the remaining pipeline route to the Yukon border, the permafrost would be discontinuous.

will be accomplished by propane refrigeration systems at all compressor stations in Alaska.

The length of the various pipeline segments will be as follows:

Company	Location	Length (Miles)
Alcan Pipeline Company	Alaska	731
Foothills Pipe Lines (South Yukon) Ltd.	Yukon	517
Foothills Pipe Lines (Sask.) Ltd.	Saskatchewan	160
Foothills Pipe Lines (North B.C.) Ltd.	Yukon/B.C. Border to B.C./Alberta Border	439
Foothills Pipe Lines (South B C.) Ltd.	Coleman to Kingsgate	106
Foothills Pipe Lines (Alta.) Ltd.	B.C./Alberta to James River	395
	James River to Colemen	176
	James River to Empress	235
Total Alaska and Canada		2,759
Pacific Gas Transmission Co.	Kingsgate to Malin	612
Pacific Gas & Electric Co.	Malin to Antioch	299
Northern Border Pipeline Co.	Monchy to Dwight	1,117
Total Contiguous States		2,028
Total System Length		4,787

Exhibit 3 on the next page identifies and locates the various pipeline segments.


Prudhoe Bay Gas
Mackenzie Delta Gas
Alcan Pipeline Company 731 Miles, 48"Line
Foothills Pipe Lines (South Yukon) Ltd. 517 Miles, 48"Line
Foothills Pipe Lines (Alta) Ltd. 178 Miles, 36"Line
Foothills Pipe Lines (South B.C.) Ltd. 106 Miles, 36"Line
Pacific Gas Transmission Co. 612 Miles Partial 36"Looping
Pacific Gas & Electric Company 298 Miles Partial 36"Looping
Whitehorse
Foothills Pipe Lines (North B.C.) Ltd. 439 Miles, 48"Line
Foothills Pipe Lines (Alta) Ltd. 395 Miles, 48"Line
Foothills Pipe Lines (Alta) Ltd. 236 Miles, 42"Line
Foothills Pipe Lines (Sask) Ltd. 160 Miles, 42"Line
Northern Border Pipeline Company 1,117 Miles, 42"Line
DESCRIPTION OF
ALCAN PIPELINE PROJECT

Peak-day capacity utilizing nine compressor stations (see item 4 below) will be 2.6 bcfd, with an average daily volume of 2.4 bcfd. By installation of intermediate compressor stations, the system could be increased to 3.4 bcfd peak capacity, with an average day capacity of 3.2 bcfd. The system capacity could be further increased by addition to the compressor horsepower at each station.

Alcan Compressor Stations and Refrigeration Facilities in Alaska

Centrifugal compressors, powered by natural gas-fueled turbine engines, will be used on the Alcan system. In order to minimize thawing of the permafrost soil, the discharge gas at each compressor station in Alaska will be chilled by a propane refrigeration plant. The following describes the required compression and refrigeration facilities. All of these facilities are required for construction and initial operation.

Station	Milepost	Number of Gas Compressors	Total Installed Horsepower (ISO) Gas Compression	Gas Refrigeration
AL-1	75.0	1	26,500	7,660
AL-2	133.0	1	26,500	7,660
AL-3	242.3	1	26,500	13,830
AL-4	331.8	1	26,500	13,830
AL-5	418.8	1	26,500	13,830
AL-6	504.7	1	26,500	13,830
AL-7	589.9	1	26,500	13,830
AL-8	673.4	1	26,500	13,830
	TOTAL	8	212,000	98,300

Other Alcan Pipeline Facilities in Alaska

Metering facilities for the measurement of gas flow and gas quality will be required in Alaska at the Prudhoe Bay receipt point, at the Fairbanks sales point, and at the transfer point on the Alaska-Yukon border.

A central operating center, located in Fairbanks, will monitor and control all compressor station operations.[4/]

Alcan will utilize staging areas established for the Alyeska oil pipeline at Prudhoe Bay, Fairbanks, and Valdez. Material storage sites will be located at Anchorage, Seward, and Whittier, and at selected locations along the pipeline route.

Existing transportation and communication facilities will be utilized to the fullest extent practicable. Short lateral roads will be constructed to pipeline facilities as required.

Permanent bases for operating and maintaining the system will be selected and located after defining areas in which common problems may occur due to similarities of terrain and

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4/ The compressor stations will be automated for remote control of all normal functions, including discharge gas temperature.

climate. The bases will be located at or near compressor stations to avoid duplication of permanent above-ground facilities. Materials and various spare parts will be located at the bases to facilitate maintenance and repair operations.

All of these facilities will be required for construction and initial operation.

Lower 48 Facilities

For purposes of this part of the Decision, the facilities described generally below are deemed necessary for construction and initial operation, and will be entitled to expedited issuance of authorizations pursuant to Section 9 of ANGTA, provided that the final certification of such facilities shall be determined by reference to the size necessary to provide the transportation capacity certified to the FPC[5/] by the Secretary of Energy, as set forth in the terms and conditions section.

5/ The final certification function currently resides with the Federal Power Commission under the Natural Gas Act. On October 1, 1977, the Department of Energy will be activated pursuant to the Department of Energy Organization Act, Public Law 95-91, and the functions of the FPC under the Natural Gas Act will be transferred in part to the Federal Energy Regulatory Commission (FERC). Therefore, where reference is made herein to future actions of the FPC, they will be carried out by either the Secretary or the FERC, as the case may be, as of October 1, 1977.

In order to deliver gas contemporaneously to points both east and west of the Rocky Mountains in the lower continental United States, the Alcan system will bifurcate at James River, Alberta and form a Western Leg and an Eastern Leg. First, the Western Leg is described below, and then the Eastern Leg.

Western Leg

Alaskan gas will be transferred at the Canada/United States border near Kingsgate, British Columbia, to Pacific Gas Transmission Company (PGT). PGT will transport the gas through Idaho, Washington, and Oregon. At the Oregon/California border, the gas will enter the intrastate facilities of Pacific Gas and Electric Company (PG&E). The gas will be transported throughout much of California through existing and expanded intrastate gas pipelines.

The additional Western Leg facilities which are part of the Alcan project are those covered by the "1580 Design." The major component of this expansion will add approximately 873 miles of looping and result in complete looping of the 917-mile PGT/PG&E system from the Canada/United States border to Antioch, California (near San Francisco). The two parallel lines will be operated as a single system. Various modifications to the existing compression facilities will be required. However, the increase in system

capacity of 659 mmcfd could be achieved without installation of additional compression horsepower or increase of compression fuel usage. A minor addition of facilities south of Antioch may be made at a later date, depending on conditions prevailing at that time. All Western Leg facilities which are part of the Alcan project are subject to Section 9 of ANGTA.

The Eastern Leg

The Alcan system will transport Alaskan gas for delivery to Midwestern and Eastern markets in the lower continental United States through an Eastern Leg. The Eastern Leg will commence at the bifurcation point of the main express line at James River, Alberta and terminate at Dwight, Illinois (near Chicago). Total length of the Eastern Leg will be 1,352 miles, including 235 miles in Canada and 1,117 miles in the United States. All pipeline for the Eastern Leg will be 42 inches in diameter.

Alaskan gas will be transferred at the Saskatchewan/Montana border from the Canadian-owned portion of the Alcan system to the Northern Border Pipeline system (Northern Border). The Northern Border system will travel diagonally across Montana, North Dakota, South Dakota, Minnesota, and Iowa, and terminate near Chicago, Illinois. Along this

route, direct deliveries of gas will be made by Northern Border into the systems which cross the pipeline: Natural Gas Pipeline Company of America, Northern Natural Gas Company, and Michigan-Wisconsin Pipeline Company. Other purchasers will receive Alaska gas by displacement.[6/]

The specific facilities that will be required to interconnect the various pipelines to receive gas from the Northern Border system, either by direct delivery or by displacement, will be determined when gas sales contracts have been executed. Final design of the required facilities will depend upon the division of Alaskan gas among the various pipeline companies and various regions of the contiguous States. Final design will be complete at the time of final system certification in late 1978 or early 1979. All facilities which are part of the Northern Border system are necessary for construction and initial operation, and all facilities which are part of the Northern Border system as finally certified by the FPC are subject to Section 9 of ANGTA.

6/ "Displacement" of gas is a method by which gas may be supplied to a purchaser from close by in exchange for gas sold to the purchaser elsewhere. Displacement, which is a commonly used method in the gas industry, eliminates the cost of physically transferring gas between markets.

SECTION 4 - DELINEATION OF PROVISIONS OF LAW THAT ARE SUBSUMED IN THIS DECISION AND REQUIRE WAIVER

Under Section 7(a)(4)(D) of ANGTA, the President shall

> identify those provisions of law, relating to any determination of a Federal officer or agency as to whether a certificate, permit, right-of-way, lease, or other authorization shall be issued or be granted, which provisions the President finds (i) involve determinations which are subsumed in his decision and (ii) require waiver pursuant to section 8(g) in order to permit the expeditious construction and initial operation of the transportation system.

At this time, however, there are only two statutory provisions that involve determinations subsumed in this decision and require waiver pursuant to section 8(g) of ANGTA.7/

Under Section 3 of the Natural Gas Act (15 U.S.C. 717b), the Federal Power Commission must issue an order to authorize any export of natural gas; such an order shall

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7/ Section 8(g)(1) of ANGTA states that the President will have the opportunity at a later date to identify and seek waiver of additional provisions of law. This subsection states:

> At any time after a decision designating a transportation system is submitted to the Congress pursuant to this section, if the President finds that any provision of law applicable to actions to be taken under subsection (a) or (c) of section 9 require waiver in order to permit expeditious construction and initial operation of the approved transportation system, the President may submit such proposed waiver to both Houses of Congress.

issue unless the Commission finds that the export is not consistent with the public interest.

In addition, under Section 103 of the Energy Policy and Conservation Act, the President is required to promulgate a general rule prohibiting exports of natural gas from the U.S., except that he may permit those exports which he determines to be consistent with the national interest and with the purposes of the Act (Section 103(b)(1)). To make such a determination, Section 103(d)(1) directs the President to take into account the need to leave uninterrupted or unimpaired "exchanges in similar quantity for convenience or increased efficiency of transportation with persons or the government of a foreign state."

As a result of the recent Agreement on Principles between the United States and Canada, Alcan will be required to make available limited quantities of Alaskan gas to communities in the Yukon Territory and the western provinces, subject to provision of replacement gas downstream in Canada. This transaction will be an export requiring separate authorizations under the above mentioned two statutes.

The requirements arising under Section 3 of the Natural Gas Act and under Section 103 of the Energy Policy and Conservation Act could be met without waiver of these provisions, but additional, and unnecessary, FPC and Presidential action would be required. Accordingly, both of these statutory subsections shall be waived for the exchange of gas mentioned herein.

SECTION 5 - TERMS AND CONDITIONS AND ENFORCEMENT

To ensure the proper management and timely completion of the construction of the designated transportation system, the following general terms and conditions shall be appropriately incorporated into any certificate, right-of-way, lease, permit or authorization directed to be made by any Federal officer or agency.

As described more fully below, these terms and conditions will be followed by a set of stipulations establishing general standards of environmental and construction performance, and the procedures for the submission and approval of construction plans and environmental safeguards, and then by site specific terms and conditions issued prior to actual construction of any pipeline segment. The terms and conditions described here are not meant to limit or foreclose the adoption of such stipulations and terms and conditions but are intended to begin the process by which a set of effective and workable safeguards are evolved. There is contemplated cooperative action by the Federal and Alaska State Governments in the development and enforcement of stipulations and site specific terms and conditions. Similar cooperative action is contemplated with the governments of all affected states.

Under the proposal made at the end of this section for the organizational involvement of the Federal Government with the successful applicant, the Federal Inspector for construction of the transportation system shall have supervision authority over the enforcement of these terms and conditions subject to the ultimate authority of the Executive Policy Board described below.

Terms and Conditions

The terms and conditions proposed for inclusion into this Congressional authorization are set forth, by category, as follows:

I. Construction Costs and Schedule Management and Organization

1. Prior to the issuance of the certificate, the successful applicant shall provide a detailed overall management plan, to be approved by the Federal Inspector, for the preconstruction and the construction phases of the transportation system project. The successful applicant shall define its relationship with the execution contractors, and shall give consideration to various management approaches -- such as Fast Track, Stage Design, and other management

approaches -- that will facilitate the cost-effective, environmentally sound, and timely construction of the project.

2. The successful applicant may not use cost-plus type contracts with execution contractors, except where the Federal Inspector determines that special conditions warrant this type of contract. Otherwise, the applicant shall use fixed-price contracts, including the firm fixed-price, the fixed-price with escalation, and fixed-price incentive type of contract.

3. The successful applicant shall specify for approval of the Federal Inspector the insurance, bonding, and any other prequalification requirements for all consultants and execution contractors.

Construction Cost and Schedule Control Techniques

4. Prior to the initiation of construction, the successful applicant shall provide a detailed analysis and description of its proposed cost and schedule control techniques. The applicant shall give particular consideration to cost and manpower control and manpower estimating techniques.

5. Prior to the initiation of construction, the successful applicant shall develop and submit to the Federal Inspector a final design, design-cost estimate, and construction schedule. This design cost estimate and schedule must represent a construction design of at least 70 percent (or greater) of the total system, and the remainder may not represent any one contiguous or specific type of construction or geologic situation (e.g., river crossings, discontinuous permafrost, or elevated pipeline). The Federal Inspector may relax the above specified minimum percentage requirement, with the consent of the Executive Policy Board, if he finds there are extenuating circumstances that warrant such an action.

General Operating Strategies

6. The successful applicant shall develop and submit to the Federal Inspector cost-effective and feasible methods for supplying general and specialized equipment, as well as repair facilities and spare-part inventories, to the execution contractors. The applicant

shall give consideration to various techniques of equipment provision, including use of equipment pools, equipment leasing or buy-backs.

7. Prior to the initiation of construction, the successful applicant shall supply detailed information to the Federal Inspector on its labor relations procedures, and indicate the proposed means to address and resolve disputes arising under collective bargaining agreements.

8. In entering into contracts with execution contractors, the successful applicant shall seek to incorporate techniques for resolving disputes arising under such contracts without recourse to litigation.

Quality Assurance and Control Procedures

9. The successful applicant shall provide to the Federal Inspector a detailed description of quality assurance and control procedures that will be implemented prior to the start of construction. Such a description must at least include provisions for quality assurance and control procedures for environmental protection, corrosion, pipeline and compressor-station

welds, pipeline placement, equipment and other appropriate matters.

Procedures for Enforcement of Terms and Conditions

10. The successful applicant may not initiate activity on any aspect of the pipeline until authorization to proceed with construction, including site-specific terms and conditions for that aspect of the pipeline, has been issued and procedures for enforcement of terms and conditions have been established by the appropriate Federal officers.

Minority Business Enterprise Participation

11. The successful applicant shall develop and submit to the Federal Inspector for approval a plan for taking affirmative action to ensure that no person shall on the grounds of race, creed, color, national origin or sex be excluded from receiving or participating in contracts for management, engineering design or construction activity. The successful applicant shall require each of his contractors and subcontractors having contracts valued at $150,000 or more to develop similar plans providing the assurances specified in the preceding sentence.

II. Safety and Design

1. The successful applicant shall construct, operate, maintain and terminate the pipeline in accordance with Federal gas pipeline safety regulations. The applicant shall ensure that construction and operating specifications are in accordance with good engineering practice, both to maintain the safety and the integrity of the pipeline and to protect the health and safety of project personnel and the general public.

2. The successful applicant may not begin construction of any pipeline segment until the Federal Inspector has approved the design of that segment, including technical construction specifications, having had sufficient time to review the design.

3. The successful applicant shall establish a procedure for briefing the Federal Inspector, or his designated representative, on a regular basis concerning the status of the project during the design, construction, testing and start-up phases.

4. The successful applicant shall establish a procedure to ensure access to all project facilities by the Federal Inspector, or his designated representative, in the performance of official duties.

5. The successful applicant shall submit a plan or procedure for conducting its own inspections of project facilities during construction, to be approved by the Federal Inspector.

6. The successful applicant shall provide a seismic monitoring system, to be approved by the Federal Inspector, and shall ensure that there are adequate procedures for the safe shut-down of the project under severe seismic conditions.

III. Environment

1. The successful applicant shall construct, operate, maintain and terminate the pipeline with maximum concern for the protection of environmental values. A set of stipulations containing the general standards of environmental and construction performance, and the procedures for the

submission and approval of construction plans and environmental safeguards will be developed by the concerned government agencies and must be accepted by the applicant as a condition of his right to proceed over public lands. Additional "site-specific" terms and conditions will be incorporated in authorizations to proceed with construction issued by the appropriate Federal agency, into particular certificates, rights-of-way, permits and other authorizations to protect and enhance environmental values during the design, construction and operation of the pipeline. These additional "site specific" terms and conditions will be issued as appropriate to minimize disturbance from construction and operation of the pipeline to rivers and other water bodies and adjacent land and vegetation; to protect wildlife and endangered species and maintain forest, agricultural and other resource productivity; to control the risks of pipeline ruptures, leaks and hazards; to maintain air and water quality values; to make provision for control and disposal of sewage, garbage, wastes

and toxic substances; and take other measures necessary for protection of the environment during the design, construction and operation of the pipeline.

2. The successful applicant shall prepare a plan of operations which integrates environmental protection with the proposed schedule of construction and operations, the proposed supervisory and technical staffing, the proposed quality control programs, and the proposed quality assurance programs. In preparation and implementation of this plan, the successful applicant shall provide for timely integration of environmental mitigation and restoration practices with the activity which creates the need for the restoration or mitigation.

3. The successful applicant shall develop and submit to the Federal Inspector an effective plan for implementation of specific environmental safeguards through an educational program for field personnel prior to and during construction, operation, maintenance and termination of the pipeline.

4. The successful applicant shall establish an effective pipeline-performance monitoring system of inspection and instrumentation to insure performance in keeping with environmental concerns.

IV. Finance

1. The successful applicant shall provide for private financing of the project, and shall make the final arrangement for all debt and equity financing prior to the initiation of construction.

2. If the direct capital cost estimates excluding interest during construction for the overall project in 1975 constant dollars filed with the FPC immediately prior to certification, adjusted to reflect design changes to increase capacity that result from the Agreement on Principle between the United States and Canada, materially and unreasonably exceed the comparable capital cost estimates filed by Alcan with the Federal Power Commission on March 8, 1977, Section 6, page 2, the FPC may not issue a certificate for the project. If these final capital cost estimates are not excessive under the above standard, the FPC may use these final estimates for the U.S.

segments as the basis for fixing a variable rate of return on equity that will reward the applicant for project completion under budgeted cost and penalize the applicant for project completion above budgeted cost. The variable return shall be set to provide substantial incentives to construct the project without incurring overruns. These final capital cost estimates need not be the design-cost estimates based on the system design which must subsequently be submitted to the Federal Inspector. The applicant shall, however, submit to the FPC for approval on a timely basis all components of construction work in progress.

3. Neither the successful applicant nor any purchaser of Alaska gas for transportation through the system of the successful applicant shall be allowed to make use of any tariff by which or any other agreement by which the purchaser or ultimate consumer of Prudhoe Bay natural gas is compelled to pay a fee, surcharge, or other payment in relation to the Alaska

natural gas transportation system at any time prior to completion and commissioning of operation of the system.

4. The Alcan Pipeline Company, or its successor, and the Northern Border Pipeline, or its successor, shall be publicly held corporations or general or limited partnerships, open to ownership participation by all persons without discrimination, except producers of Alaskan natural gas.

V. Antitrust

1. The successful applicant shall exclude and prohibit producers of significant amounts of Alaska gas, or their subsidiaries and affiliates, from participating in the ownership of the Alaska natural gas transportation system, except that such producers may provide guarantees for project debt. The aforesaid producers of Alaska gas may not be equity members of the sponsoring consortium, have any voting power in the project, have any role in the management or operations of the project, have any continuing financial obligation in relation to debt guarantees associated

with initial project financing after the project is completed and the tariff is put into effect, or impose conditions on the guarantees of project debt permitted above which may give rise to competitive abuse, including power to veto pro-competitive policies.

2. All agreements for the sale of Alaska gas made between the aforesaid producers and purchasers who are shippers through the Alaska natural gas transportation system shall be fully disclosed to the Federal Power Commission, and all collateral agreements made between the same parties with respect to the sale of Alaska gas shall also be fully disclosed. All contracts for sale of Alaska gas, for all collateral agreements to these contracts, shall be submitted for approval by the Federal Power Commission.

VI. Certification of Facilities

1. Prior to the issuance of a certificate of public convenience and necessity to Northern Border Pipeline or to Pacific Gas Transmission Company, the Secretary of Energy shall certify to the Federal Power Commission whether there

has been any material change in the facts regarding future potential gas supplies for the East or West since the date of this Decision that would warrant certification of such facilities at a different rated capacity than authorized herein. If the Secretary certifies that there has been a material change in the facts, he shall instead certify to the Commission the capacity at which he has determined a certificate of public convenience and necessity should be issued and the reasons therefor, which capacity shall be determined in a manner that is as consistent as possible with the reasons for the initial authorization, as set forth in the Report submitted to the Congress pursuant to Section 7(b) of the Alaska Natural Gas Transportation Act, Public Law 94-586. The certificate issued by the FPC shall be consistent with the Secretary's determination.

Enforcement

To enforce the terms and conditions proposed above, and to carry out the duties of the office assigned and set forth by section 7(a)(5)(A)-(E) of ANGTA, an appropriate and qualified individual shall be appointed by the President

to serve as the Federal Inspector, with the advice and consent of the Senate. Upon approval of the Presidential designation of an Alaska natural gas transportation system, the Federal Inspector shall:

(A) establish a joint surveillance and monitoring agreement, approved by the President, with the State of Alaska similar to that in effect during construction of the trans-Alaska oil pipeline to monitor the construction of the approved transportation system within the State of Alaska;

(B) monitor compliance with applicable laws and the terms and conditions of any applicable certificate, rights-of-way, permit, lease, or other authorization issued or granted;

(C) monitor actions taken to assure timely completion of construction schedules and the achievement of quality of construction, cost control, safety, and environmental protection objectives and the results obtained therefrom;

(D) have the power to compel, by subpoena if necessary, submission of such information as he deems necessary to carry out his responsibilities; and

(E) keep the President and the Congress currently informed on any significant departures from compliance and issue quarterly reports to the President and the Congress concerning existing or potential failures to meet construction schedules or other factors which may delay the construction and initial operation of the system and the extent to which quality of construction, cost control, safety and environmental protection objectives have been achieved.

In addition to these duties and responsibilities, the President will submit to Congress, upon approval of the Presidential decision, a limited executive reorganization plan to transfer to the Federal Inspector field-level

supervisory authority over enforcement of terms and conditions from those Federal agencies having statutory responsibilities over various aspects of an Alaska natural gas transportation system. The respective Federal agencies would retain their existing statutory authority pursuant to section 9(a) of ANGTA, to issue on an expedited basis the necessary certificates, permits, rights-of-way and other authorizations, and to prescribe any appropriate terms and conditions that are permissible under present law. The Agency Authorized Officers would directly represent the statutory authority of the respective Federal agencies in the field on all matters pertaining to construction of the pipeline. However, the Federal Inspector would have the necessary field-level supervisory authority to overrule the enforcement action of an Agency Authorized Officer, whenever the Federal Inspector determined that such a decision was warranted.

The President's supervision of the Federal Inspector will be carried out by an Executive Policy Board. The Board would be made up of the Secretaries of the Interior, Energy, Transportation, the Administrator of the Environmental Protection Agency, and the Chief of the Army Corps of Engineers, or their Deputies (or senior officers who have

been delegated authority over gas pipeline matters), as well as the Federal Inspector, who is the non-voting Chairman of the Board. The Board will provide policy guidance to the Federal Inspector, and act as an appellate body to resolve differences among the agencies and the Federal Inspector, including differences that may arise when the Federal Inspector overrules an enforcement action of an Agency Authorized Officer. The Board shall expeditiously resolve any such appeal with a limited period of time that shall be prescribed. The President will authorize by Executive Order the creation of the Executive Policy Board pursuant to his power under Section 301 of Title 3, and will delegate the necessary authority to the Board to carry out its functions. The Board shall be paramount for policy-making purposes on all matters pertaining to construction of an Alaskan natural gas transportation system; the Federal Inspector shall shall be the agent or conduit of the Board in such matters, and shall also have the necessary supervisory power over field level decisions.

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SECTION 6 - PRICING OF ALASKA GAS

Final financing for an Alaska natural gas transportation project cannot be arranged until the producer-owners of the Prudhoe Bay gas execute sales contracts. Without such contracts, no gas can be transported, and financing consequently would be unobtainable. Producers cannot be expected to negotiate sales contracts until a price has been established with a reasonable degree of certainty. If this project is to proceed expeditiously, the field price of the gas should be established as soon as possible.

Because no contracts for gas sales in interstate commerce have been concluded and submitted to the FPC for approval, the FPC has not, to date, attempted to determine the costs of providing the gas in order to establish what might be a just and reasonable (cost-based) wellhead price. The FPC, in fact, has excluded the Alaska gas from its national rate proceedings; Alaska costs and related reserve data have been excluded from all statistics underlying FPC rate determinations.

Alaska gas is produced in association with oil; therefore, it is impossible to determine precisely the costs of finding, developing and producing only the gas. Cost allocation and, therefore, cost-based pricing is

somewhat arbitrary. Because of the difficult and arbitrary nature of the allocation problem, the FPC in recent years has priced gas on the basis of the cost of only non-associated gas in each producing area, and then allowed the same price to be paid for associated gas produced in that area as well. Were the FPC to initiate a price proceeding under the Natural Gas Act, it is expected that its procedures and subsequent litigation over cost allocation and other matters would likely exceed a period of 18 months.

The Administration's proposed National Energy Act is before the Congress. That Act provides a basis for moving from cost-based pricing to commodity-value pricing. That transition is essential to restoring the balance between natural gas supply and demand. Under the gas pricing provisions in the National Energy Plan, Alaska gas would be classified as "old gas under a new contract" subject to a $1.45 per mcf ceiling price.

If, on the other hand, proposals to deregulate natural gas prevail, serious uncertainties and delays concerning the development of any Alaskan natural gas transportation

project could result. If producers are inclined to insist on prices of $2.00 per mcf or higher, questions concerning the saleability of the gas and the financeability of the project will arise. Such price levels could result in an additional $20 billion in consumer charges, as well as the added costs of any delays in project construction.

This decision, therefore, calls for enactment of a gas pricing approach similar to that contained in the National Energy Plan. That approach also provides a mechanism for allocating the cost of more expensive supplies to lower-priority users, rather than the residential and commercial users who have less capacity to convert to other fuels. The gas pricing policies which are part of the National Energy Plan are fair and equitable, and should apply to both the production and sale of Alaska gas.

SECTION 7 - AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND CANADA ON PRINCIPLES APPLICABLE TO A NORTHERN NATURAL GAS PIPELINE

The Government of the United States of America and the Government of Canada,

Desiring to advance the national economic and energy interests and to maximize related industrial benefits of each country, through the construction and operation of a pipeline system to provide for the transportation of natural gas from Alaska and from Northern Canada,

Hereby agree to the following principles for the construction and operation of such a system:

1. Pipeline Route

The construction and operation of a pipeline for the transmission of Alaska natural gas will be along the route set forth in Annex I, such pipeline being hereinafter referred to as "the Pipeline". All necessary action will be taken to authorize the construction and operation of the Pipeline in accordance with the principles set out in this Agreement.

2. Expeditious Construction; Timetable

a) Both Governments will take measures to ensure the prompt issuance of all necessary permits, licenses, certificates, rights-of-way, leases and other authorizations

required for the expeditious construction and commencement of operation of the Pipeline, with a view to commencing construction according to the following timetable:

- Alaska - January 1, 1980
- Yukon - main line pipe laying January 1, 1981
- Other construction in Canada to provide for timely completion of the Pipeline to enable initial operation by January 1, 1983.

b) All charges for such permits, licenses, certificates, rights-of-way, leases and other authorizations will be just and reasonable and apply to the Pipeline in the same non-discriminatory manner as to any other similar pipeline.

c) Both Governments will take measures necessary to facilitate the expeditious and efficient construction of the Pipeline, consistent with the respective regulatory requirements of each country.

3. Capacity of Pipeline and Availability of Gas

a) The initial capacity of the Pipeline will be sufficient to meet, when required, the contractual requirements of United States shippers and of Canadian shippers. It is contemplated that this capacity will be 2.4 billion cubic feet per day (bcfd) for Alaska gas and 1.2 bcfd for northern Canadian gas. At such time as a lateral pipeline

transmitting Northern Canadian gas, hereinafter referred to as "the Dempster Line", is to be connected to the Pipeline or at any time additional pipeline capacity is needed to meet the contractual requirements of United States or Canadian shippers, the required authorizations will be provided, subject to regulatory requirements, to expand the capacity of the Pipeline in an efficient manner to meet those contractual requirements.

b) The shippers on the Pipeline will, upon demonstration that an amount of Canadian gas equal on a British Thermal Unit (BTU) replacement value basis will be made available for contemporaneous export to the United States, make available from Alaska gas transmitted through the Pipeline, gas to meet the needs of remote users in the Yukon and in the provinces through which the Pipeline passes. Such replacement gas will be treated as hydrocarbons in transit for purposes of the Agreement between the Government of Canada and the Government of the United States of America concerning Transit Pipelines, hereinafter referred to as "the Transit Pipeline Treaty". The shippers on the Pipeline will not incur any cost for provision of such Alaska gas except those capital costs arising from the following provisions:

i) the owner of the Pipeline in the Yukon will make arrangements to provide gas to the communities of Beaver Creek, Burwash Landing, Destruction Bay, Haines Junction, Whitehorse, Teslin, Upper Liard and Watson Lake at a total cost to the owner of the Pipeline not to exceed Canadian $2.5 million;

ii) the owner of the Pipeline in the Yukon will make arrangements to provide gas to such other remote communities in the Yukon as may request such gas within a period of two years following commencement of operation of the Pipeline at a cost to the owner not to exceed the product of Canadian $2500 and the number of customers in the communities, to a maximum total cost of Canadian $2.5 million.

4. Financing

a) It is understood that the construction of the Pipeline will be privately financed. Both Governments recognize that the companies owning the Pipeline in each country will have to demonstrate to the satisfaction of the United States or the Canadian Government, as applicable, that protections against risks of non-completion and interruption are on a basis acceptable to that Government before proof of financing is established and construction allowed to begin.

b) The two Governments recognize the importance of constructing the Pipeline in a timely way and under effective cost controls. Therefore, the return on the equity investment in the Pipeline will be based on a variable rate of return for each company owning a segment of the Pipeline, designed to provide incentives to avoid cost overruns and to minimize costs consistent with sound pipeline management. The base for the incentive program used for establishing the appropriate rate of return will be the capital costs used in measuring cost overruns as set forth in Annex III.

c) It is understood that debt instruments issued in connection with the financing of the Pipeline in Canada will not contain any provision, apart from normal trust indenture restrictions generally applicable in the pipeline industry, which would prohibit, limit or inhibit the financing of the construction of the Dempster Line; nor will the variable rate of return provisions referred to in subparagraph (b) be continued to the detriment of financing the Dempster Line.

5. Taxation and Provincial Undertakings

a) Both Governments reiterate their commitments as set forth in the Transit Pipeline Treaty with respect to

non-discriminatory taxation, and take note of th statements issued by Governments of the Provinces of British Columbia, Alberta and Saskatchewan, attached hereto as Annex V, in which those Governments undertake to ensure adherence to the provisions of the Transit Pipeline Treaty with respect to non-interference with throughput and to non-discriminatory treatment with respect to taxes, fees or other monetary charges on either the Pipeline or throughput.

b) With respect to the Yukon Property Tax imposed on or for the use of the Pipeline the following principles apply:

i) The maximum level of the property tax, and other direct taxes having an incidence exclusively, or virtually exclusively, on the Pipeline, including taxes on gas used as compressor fuel, imposed by the Government of the Yukon Territory or any public authority therein on or for the use of the Pipeline, herein referred to as "the Yukon Property Tax", will not exceed $30 million Canadian per year adjusted annually from 1983 by the Canadian Gross National Product price deflator as determined by Statistics Canada, hereinafter referred to as the GNP price deflator.

ii) For the period beginning January 1, 1980, and ending on December 31 of the year in which leave to open the Pipeline is granted by the appropriate regulatory authority, the Yukon Property Tax will not exceed the following:

1980--$5 million Canadian

1981--$10 million Canadian

1982--$20 million Canadian

Any subsequent year to which this provision applies--$25 million Canadian.

iii) The Yukon Property Tax formula described in subparagraph (b)(i) will apply from January 1 after the year in which leave to open the Pipeline is granted by the appropriate regulatory authority until the date that is the earlier of the following, hereinafter called the tax termination date:

A) December 31, 2008, or

B) December 31 of the year in which leave to open the Dempster Line is granted by the appropriate regulatory authority.

iv) Subject to subparagraph (b) (iii), if for the year ending on December 31, 1987, the percentage increase of the aggregate per capita revenue derived from all

property tax levied by any public authority in the Yukon Territory (excluding the Yukon Property Tax) and grants to municipalities and Local Improvement Districts from the Government of the Yukon Territory as compared to aggregate per capita revenue derived from such sources for 1983 is greater than the percentage increase for 1987 of the Yukon Property Tax as compared to the Yukon Property Tax for 1983, the maximum level of the Yukon Property Tax for 1987 may be increased to equal the amount it would have reached had it increased over the period at the same rate as the aggregate per capita revenue.

v) If for any year in the period commencing January 1, 1988, and ending on the tax termination date, the annual percentage increase of the aggregate per capita revenue derived from all property tax levied by any public authority in the Yukon Territory (excluding the Yukon Property Tax) and grants to municipalities and Local Improvement Districts from the Government of the Yukon Territory as compared to the aggregate per capita revenue derived from such sources for the immediately preceding year exceeds the percentage increase for that year of the Yukon Property

Tax as compared to the Yukon Property Tax for the immediately preceding year, the maximum level of the Yukon Property Tax for that year may be adjusted by the percentage increase of the aggregate per capita revenue in place of the percentage increase that otherwise might apply.

vi) The provisions of subparagraph (b)(i) will apply to the value of the Pipeline for the capacities contemplated in this Agreement. The Yukon Property Tax will increase for the additional facilities beyond the aforesaid contemplated capacity in direct proportion to the increase in the gross asset value of the Pipeline.

vii) In the event that between the date of this Agreement and January 1, 1983, the rate of the Alaska property tax on pipelines, taking into account the mill rate and the method of valuation, increases by a percentage greater than the cumulative percentage increase in the Canadian GNP deflator over the same period, there may be an adjustment on January 1, 1983, to the amount of $30 million Canadian described in subparagraph (b) (i) of the Yukon Property Tax to reflect this difference. In defining the Alaska

property tax for purposes of this Agreement, the definition of the Yukon Property Tax will apply mutatis mutandis.

viii) In the event that, for any year during the period described in subparagraph (iii), the annual rate of the Alaska property tax on or for the use of the Pipeline in Alaska increases by a percentage over that imposed for the immediate preceding year that is greater than the increase in percentage of the Yukon Property Tax for the year, as adjusted, from that applied to the immediately preceding year, the Yukon Property Tax may be increased to reflect the percentage increase of the Alaska property tax.

ix) It is understood that indirect socioeconomic costs in the Yukon Territory will not be reflected in the cost-of-service to the United States shippers other than through the Yukon Property Tax. It is further understood that no public authority will require creation of a special fund or funds in connection with construction of the Pipeline in the Yukon, financed in a manner which is reflected in the cost of service to U.S. shippers, other than through the Yukon Property Tax. However, should public authorities

in the State of Alaska require creation of a special fund or funds, financed by contributions not fully reimbursable, in connection with construction of the Pipeline in Alaska, the Governments of Canada or the Yukon Territory will have the right to take similar action.

c) The Government of Canada will use its best endeavors to ensure that the level of any property tax imposed by the Government of the Northwest Territories on or for the use of that part of the Dempster Line that is within the Northwest Territories is reasonably comparable to the level of the property tax imposed by the Government of the Yukon Territory on or for the use of that part of the Dempster Line that is in the Yukon.

6. Tariffs and Cost Allocation

It is agreed that the following principles will apply for purposes of cost allocation used in determining the cost of service applicable to each shipper on the Pipeline in Canada:

a) The Pipeline in Canada and the Dempster Line will be divided into zones as set forth in Annex II. Except for fuel and except for Zone 11 (the Dawson-Whitehorse portion of the Dempster Line), the cost of service to each

shipper in each zone will be determined on the basis of volumes as set forth in transportation contracts. The volumes used to assign these costs will reflect the original BTU content of Alaskan gas for U.S. shippers and Northern Canadian gas for Canadian shippers, and will make allowance for the change in heat content as the result of commingling. Each shipper will provide volumes for line losses and line pack in proportion to the contracted volumes transported in the zone. Each shipper will provide fuel requirements in relation to the volume of his gas being carried and to the content of the gas as it affects fuel consumption.

b) It is understood that, to avoid increased construction and operating costs for the transportation of Alaskan gas, the Pipeline will follow a southern route through the Yukon along the Alaska Highway rather than a northern route through Dawson City and along the Klondike Highway. In order to provide alternative benefits for the transportation of Canadian gas to replace those benefits that would have been provided by the northern route through Dawson City, U.S. shippers will participate in the cost of service in Zone 11. It is agreed that if cost overruns on construction of the Pipeline in Canada do not exceed filed costs set forth in Part D of Annex III by more than 35

percent, U.S. shippers will pay the full cost of service in Zone 11. U.S. shipper participation will decline if overruns on the Pipeline in Canada exceed 35 percent; however, at the minimum the U.S. shippers' share will be the greater of either two-thirds of the cost of service or the proportion of contracted Alaska gas in relation to all contracted gas carried in the Pipeline. The proportion of the cost of service borne by U.S. shippers in Zone 11 will be reduced should overruns on the cost of construction in that Zone exceed 35 pe ent after allowance for the benefits to U.S. shippers derived from Pipeline construction cost savings in other Zones. Notwithstanding the foregoing, at the minimum, the U.S. shippers' share will be the greater of either two-thirds of the cost of service or the proportion of contracted Alaska gas in relation to all contracted gas carried in the Pipeline. Details of this allocation of cost-of-service are set out in Annex III.

c) Notwithstanding the principles in subparagraphs (a) and (b), in the event that the total volume of gas offered for shipment exceeds the efficient capacity of the Pipeline, the method of cost allocation for the cost of service for shipments of Alaskan gas (minimum entitlement 2.4 bcfd) or Northern Canadian gas (minimum entitlement 1.2 bcfd) in

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excess of the efficient capacity of the Pipeline will be subject to review and subsequent agreement by both Governments; provided however that shippers of either country may transport additional volumes without such review and agreement, but subject to appropriate regulatory approval, if such transportation does not lead to a higher cost of service or share of Pipeline fuel requirements attributable to shippers of the other country.

d) It is agreed that Zone 11 costs of service allocated to U.S. shippers will not include costs additional to those attributable to a pipe size of 42 inches. It is understood that in Zones 10 and 11 the Dempster Line will be of the same gauge and diameter and similar in other respects, subject to differences in terrain. Zone 11 costs will include only facilities installed at the date of issuance of the leave to open order, or that are added within three years thereafter.

7. Supply of Goods and Services

a) Having regard to the objectives of this Agreement, each Government will endeavor to ensure that the supply of goods and services to the Pipeline project will be on generally competitive terms. Elements to be taken into account in weighing competitiveness will include price, reliability, servicing capacity and delivery schedules.

b) It is understood that through the coordination procedures in Paragraph 8 below, either Government may institute consultations with the other in particular cases where it may appear that the objectives of subparagraph (a) are not being met. Remedies to be considered would include the renegotiation of contracts or the reopening of bids.

8. Coordination and Consultation

Each Government will designate a senior official for the purpose of carrying on periodic consultations on the implementation of these principles relating to the construction and operation of the Pipeline. The designated senior officials may, in turn, designate additional representatives to carry out such consultations, which representatives, individually or as a group, may make recommendations with respect to particular disputes or other matters, and may take such other action as may be mutually agreed, for the purpose of facilitating the construction and operation of the Pipeline.

9. Regulatory Authorities: Consultation

The respective regulatory authorities of the two Governments will consult from time to time on relevant

matters arising under this Agreement, particularly on the matters referred to in paragraphs 4, 5 and 6, relating to tariffs for the transportation of gas through the Pipeline.

10. Technical Study Group on Pipe

a) The Governments will establish a technical study group for the purpose of testing and evaluating 54-inch 1120 pounds per square inch (psi), 48-inch 1260 psi, and 48-inch 1680 psi pipe or any other combination of pressure and diameter which would achieve safety, reliability and economic efficiency for operation of the Pipeline. It is understood that the decision relating to pipeline specifications remains the responsibility of the appropriate regulatory authorities.

b) It is agreed that the efficient pipe for the volumes contemplated (including reasonable provision for expansion), subject to appropriate regulatory authorization will be installed from the point of interconnection of the Pipeline with the Dempster Line near Whitehorse to the point near Caroline, Alberta, where the Pipeline bifurcates into a western and an eastern leg.

11. Direct Charges by Public Authorities

a) Consultation will take place at the request of either Government to consider direct charges by public

authorities imposed on the Pipeline where there is an element of doubt as to whether such charges should be included in the cost of service.

b) It is understood that the direct charges imposed by public authorities requiring approval by the appro riate regulatory authority for inclusion in the cost of service will be subject to all of the tests required by the appropriate legislation and will include only

i) those charges that are considered by the regulatory authority to be just and reasonable on the basis of accepted regulatory practice, and

ii) those charges of a nature that would normally be paid by a natural gas pipeline in Canada. Examples of such charges are listed in Annex IV.

12. Other Costs

It is understood that there will be no charges on the Pipeline having an effect on the cost of service other than those:

i) imposed by a public authority as contemplated in this Agreement or in accordance with the Transit Pipeline Treaty, or

ii) caused by Acts of God, other unforeseen circumstances, or

iii) normally paid by natural gas pipelines in Canada in accordance with accepted regulatory practice.

13. Compliance with Terms and Conditions

The principles applicable directly to the construction, operation and expansion of the Pipeline will be implemented through the imposition by the two Governments of appropriate terms and conditions in the granting of required authorizations. In the event of subsequent non-fulfillment of such a term or condition by an owner of the Pipeline, or by any other private person, the two Governments will not have responsibility therefor, but will take such appropriate action as is required to cause the owner to remedy or mitigate the consequences of such non-fulfillment.

14. Legislation

The two Governments recognize that legislation will be required to implement the provisions of this Agreement. In this regard, they will expeditiously seek all required legislative authority so as to facilitate the timely and efficient construction of the Pipeline and to remove any delays or impediments thereto.

15. Entry Into Force

This Agreement will become effective upon signature and shall remain in force for a period of 35 years and thereafter until terminated upon 12 months' notice given in writing by one Government to the other, provided that those provisions of the Agreement requiring legislative action will become effective upon exchange of notification that such legislative action has been completed.

IN WITNESS WHEREOF the undersigned representatives, duly authorized by their respective Governments, have signed this Agreement.

DONE in duplicate at Ottawa in the English and French languages, both versions being equally authentic, this _____ day of _____, 1977.

For the Government of the United States:

_____

For the Government of Canada:

_____

The Pipeline Route

In Alaska:

The Pipeline constructed in Alaska by Alcan will commence at the discharge side of the Prudhoe Bay Field gas plant facilities. It will parallel the Alyeska oil pipeline southward on the North Slope of Alaska, cross the Brooks Range through the Atigun Pass, and continue on to Delta Junction.

At Delta Junction, the Pipeline will diverge from the Alyeska oil pipeline and follow the Alaska Highway and Haines oil products pipeline passing near the towns of Tanacross, Tok, and Northway Junction in Alaska. The Alcan facilities will connect with the proposed new facilities of Foothills Pipe Lines (South Yukon) Ltd. at the Alaska-Yukon border.

In Canada:

In Canada the Pipeline will commence at the Boundary of the State of Alaska, and the Yukon Territory in the vicinity of the towns of Border City, Alaska and Boundary, Yukon. The following describes the general routing of the Pipeline in Canada:

From the Alaska-Yukon border, the Foothills Pipe Lines (South Yukon) Ltd. portion of the Pipeline will proceed in a southerly direction generally along the Alaska Highway to

a point near Whitehorse, Yukon, and thence to a point on the Yukon-British Columbia border near Watson Lake, Yukon, where it will join with the Foothills Pipe Lines (North B.C.) Ltd. portion of the Pipeline.

The Foothills Pipe Lines (North B.C.) Ltd. portion of the Pipeline will extend from Watson Lake in a southeasterly direction across the north eastern part of the Province of British Columbia to a point on the boundary between the Provinces of British Columbia and Alberta near Boundary Lake where it will interconnect with the Foothills Pipe Lines (Alta.) Ltd. portion of the Pipeline.

The Foothills Pipe Lines (Alta.) Ltd. portion of the Pipeline will extend from a point on the British Columbia-Alberta boundary near Boundary Lake in a southeasterly direction to Gold Creek and thence parallel to the existing right-of-way of the Alberta Gas Trunk Line Company Limited to James River near Caroline.

From James River a "western leg" will proceed in a southerly direction, generally following the existing right-of-way of the Alberta Gas Trunk Line Company Limited to a point on the Alberta-British Columbia boundary near Coleman in the Crow's Nest Pass area. At or near Coleman the Foothills Pipe Lines (Alta.) Ltd. portion of the Pipeline will interconnect with the Foothills Pipe Lines (South B.C.) Ltd. portion of the Pipeline.

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The Foothills Pipe Lines (South B.C.) Ltd. portion of the Pipeline will extend from a point on the Alberta-British Columbia boundary near Coleman in a southwesterly direction across British Columbia generally parallel to the existing pipeline facilities of Alberta N tural Gas Company Ltd. to a point on the International Boundary Line between Canada and the United States of America at or near Kingsgate in the Province of British Columbia where it will interconnect with the facilities of Pacific Gas Transmission Company.

Also, from James River, an "eastern leg" will proceed in a southeasterly direction to a point on the Alberta-Saskatchewan boundary near Empress Alberta where it will interconnect with the Foothills Pipe Lines (Sask.) Ltd. portion of the Pipeline. The Foothills Pipe Lines (Sask.) Ltd. portion of the Pipeline will extend in a southeasterly direction across Saskatchewan to a point on the International Boundary Line between Canada and the United States of America at or near Monchy, Saskatchewan where it will interconnect with the facilities of Northern Border Pipeline Company.

ANNEX II

Zones for the Pipeline and the Dempster Line in Canada

Zone 1 Foothills Pipe Lines (South Yukon) Ltd.
Alaska Boundary to point of interconnection with the Dempster Line at or near Whitehorse.

Zone 2 Foothills Pipe Lines (South Yukon) Ltd.
Whitehorse to Watson Lake.

Zone 3 Foothills Pipe Lines (North B.C.) Ltd.
Watson Lake to point of interconnection with Westcoast's main pipeline near Fort Nelson.

Zone 4 Foothills Pipe Lines (North B.C.) Ltd.
Point of interconnection with Westcoast's main pipeline near Fort Nelson to the Alberta-B.C. border.

Zone 5 Foothills Pipe Lines (Alta.) Ltd.
Alberta-B.C. border to point of bifurcation near Caroline, Alberta.

Zone 6 Foothills Pipe Lines (Alta.) Ltd.
Caroline, Alta. to Alberta-Saskatchewan border near Empress.

ANNEX II

Zone 7 Foothills Pipe Lines (Alta.) Ltd.
Caroline to Alberta-B.C. border near Coleman.

Zone 8 Foothills Pipe Lines (South B.C.) Ltd.
Alberta-B.C. border near Coleman to B.C.-U.S. border near Kingsgate.

Zone 9 Foothills Pipe Lines (Sask.) Ltd.
Alberta-Saskatchewan border near Empress to Saskatchewan-U.S. border near Monchy.

Zone 10 Foothills Pipe Lines (North Yukon) Ltd.
Mackenzie Delta Gas fields in the Mackenzie Delta, N.W.T., to a point near the junction of the Klondike and Dempster highways just west of Dawson, Yukon Territory.

Zone 11 Foothills Pipe Lines (South Yukon) Ltd.
A point near the junction of the Klondike and Dempster highways near Dawson to the connecting point with the Pipeline at or near Whitehorse.

ANNEX III

Cost Allocation in Zone 11

The cost of service in Zone 11 shall be allocated to United States shippers on the following basis:

i) There will be calculated, in accordance with (iii) below, a percentage for Zones 1 - 9 in total by dividing the actual capital costs by the filed capital costs and multiplying by 100. If actual capital costs are equal to or less than 135% of filed capital costs, then United States shippers will pay 100% of the cost of service in Zone 11. If actual capital costs in Zones 1 - 9 are between 135% and 145% of filed capital costs, then the percentage paid by United States shippers will be adjusted between 100% and 66 2/3% on a straight-line basis, except that in no case will the portion of cost of service paid by United States shippers be less than the proportion of the contracted volumes of Alaskan gas at the Alaska-Yukon border to the same volume of Alaskan gas plus the contracted volume of Northern Canadian gas. If the actual capital

costs are equal to or exceed 145% of filed capital costs, the portion of the cost of service paid by United States shippers will be not less than 66 2/3% or the proportion as calculated above, whichever is the greater.

ii) There will be calculated a percentage for the cost-overrun on the Dawson to Whitehorse lateral (Zone 11). After determining the dollar value of the overrun, there will be deducted from it:

(a) the dollar amount by which actual capital costs in zones 1,7,8 and 9 (carrying U.S. gas only) are less than 135% of filed capital costs referred to in (iii) below;

(b) in each of Zones 2, 3, 4, 5 and 6 the dollar amount by which actual capital costs are less than 135% of filed capital costs referred to in (iii) below multiplied by the proportion that the U.S. contracted volume bears to the total contracted volume in that zone.

ANNEX III

If the actual capital costs in Zone 11, after making this adjustment, are equal to or less than 135% of filed capital costs, then no adjustment is required to the percentage of tne cost of service paid by United States shippers as calculated in (i) above. If, however, after making this adjustment, the actual capital cost in Zone 11 is greater than 135% of the filed capital cost, then the proportion of the cost of service paid by United States shippers will be a fraction (not exceeding 1) of the percentage of the cost of service calculated in (i) above, where the numerator of the fraction is 135% of the filed capital cost and the denominator of the fraction is actual capital cost less the adjustments from (a) and (b) above. Notwithstanding the adjustments outlined above, in no case will the percentage of the actual cost of service borne by United States

ANNEX III

shippers be less than the greater of 66 2/3% or the proportion of the contracted volumes of Alaskan gas at the Alaska-Yukon border to the same volume of Alaskan gas plus the contracted volume of Northern Canadian gas.

iii) The "filed capital cost" to be applied to determine cost overruns for the purpose of cost allocation in (i) and (ii) above will be:

The Pipeline in Canada (Zones 1 - 9)[1/]	"Filed Capital Cost" Estimates for the Pipeline in Canada (millions of Canadian dollars)
48" - 1260 lb. pressure pipeline -	3,873
or 48" - 1680 lb. pressure pipeline -	4,418
or 54" - 1120 lb. pressure pipeline -	4,234

1/ These filed capital costs include and are based upon (a) a 1260 psi, 48-inch line from the Alaska-Yukon border to the point of possible interconnection near Whitehorse; (b) a 1260 psi, 48-inch; or 1680 psi, 48-inch; or 1120 psi 54-inch line from the point of possible interconnection near Whitehorse to Caroline Junction; (c) a 42-inch line from Caroline Junction to the Canada-U.S. border near Monchy, Saskatchewan; and (d) a 36-inch line from Caroline Junction to the Canada-U.S. border near Kingsgate, British Columbia. These costs are escalated for a date of commencement of operations of January 1, 1983.

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ANNEX III

"Filed Capital Cost" estimates for the Pipeline in Canada (millions of Canadian dollars)

Zone 11 of the Dempster Line[2/]

30" - Section of Dempster line from Whitehorse to Dawson	-	549
or 36" - Section of Dempster line from Whitehorse to Dawson	-	585
or 42" - Section of Dempster line from Whitehorse to Dawson	-	705

Details for Zones 1 - 9 are shown in the following table:

2/ The costs are escalated for a date of commencement of operations of January 1, 1985.

ANNEX III

Filed Capital Costs for the Pipeline in Canada

Zone	48" 1120 psi $ million (Canadian)	48" 1090 psi $ million (Canadian)	54" 1120 psi $ million (Canadian)
1	707	707	707
2	721	664	805
3	738	650	303
4	380	488	456
5	677	859	813
6	236	236	236
7	126	126	126
8	83	83	83
* 9	205	205	205
Total Zones 1-9	3,873	4,418	4,234

*The last compression station in Zone 9 includes facilities to provide compression up to 1440 psi.

ANNEX III

It is recognized that the above are estimates of capital costs. They do not include working capital, property taxes or the provision for road maintenance in the Yukon Territory (not to exceed $30 million Canadian).

If at the time construction is authorized, both Governments have agreed to a starting date for the operation of the Pipeline different from January 1, 1983, then the capital cost estimates shall be adjusted for the difference in time using the GNP price deflator from January 1, 1983. Similarly at the time construction is authorized for the Dempster Line, if the starting date for the operation agreed to by the Canadian Government is different from January 1, 1985, then the capital cost estimate shall be adjusted for the difference in timing using the GNP price deflator from January 1, 1985. The diameter of the pipeline in Zone 11, for purposes of cost allocation, may be 30", 36" or 42", so long as the same diameter pipe is used from the Delta to Dawson (Zone 10).

The actual capital cost, for purposes of this Annex will be the booked cost as of the date "leave to open" is granted plus amounts still outstanding to be accrued on a basis to be approved by the National Energy Board. Actual

capital costs will exclude working capital, property taxes, and direct charges for road maintenance of up to $30 million Canadian in the Yukon Territory as specifically provided herein.

For purposes of this Annex above, actual capital costs will exclude the effect of increases in cost or delays caused by actions attributable to the U.S. shippers, related U.S. pipeline companies, Alaskan producers, the Prudhoe Bay deliverability or gas conditioning plant construction and the United States or State Governments. If the appropriate regulatory bodies of the two countries are unable to agree upon the amount of such costs to be excluded, the determination shall be made in accordance with the procedures set forth in Article IX of the Transit Pipeline Treaty.

The filed capital costs of facilities in Zones 7 and 8 will be included in calculations pursuant to this Annex only to the extent that such facilities are constructed to meet the requirements of U.S. shippers.

ANNEX IV

Direct Charges by Public Authorities

*1. Crossing damages (roads, railroad crossings, etc.; this item is usually covered in the crossing permit).

*2. Road damages caused by exceeding design load limits.

*3. Required bridge reinforcements caused by exceeding design load limits.

4. Airfield and airstrip repairs.

5. Drainage maintenance.

6. Erosion control.

7. Borrow pit reclamation.

8. Powerline damage.

9. Legal liabilityfor fire damage.

10. Utility system repair (water, sewer, etc.)

11. Camp waste disposal.

12. Camp site reclamation.

13. Other items specified in enviromental stipulations.

14. Costs of surveillance and related studies as required by regulatory bodies or applicable laws.

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* In the case of these items and all other road related charges by public authorities, total charges in the Yukon Territory shall not exceed Canadian $30 million.

ANNEX V

British Columbia Statement

The Government of the Province of British Columbia agrees in principle to the provisions contained in the Canada-United States Pipeline Treaty of January 28, 1977, and furthermore British Columbia is prepared to cooperate with the Federal Government to ensure that the provisions of the Canada-United States Treaty, with respect to non-interference of throughput and non-discriminatory treatment with respect to taxes, fees or other monetary charges on either the pipeline or throughput, are adhered to. Specific details of this undertaking will be the subject of a Federal-Provincial Agreement to be negotiated at as early a date as possible. Such Agreements should guarantee that British Columbia's position expressed in its telegram of August 31 is protected.

ANNEX V

Alberta Statement

The Government of the Province of Alberta agrees in principle to the provisions contained in the Canada-United States Pipeline Treaty of January 26, 1977, and furthermore, Alberta is prepared to cooperate with the Federal Government to ensure that the provisions of the Canada-United States Treaty, with respect to non-interference of throughput and non-discriminatory treatment with respect to taxes, fees, or other monetary charges on either the Pipeline or thoughput, are adhered to. Specific details of this undertaking will be the subject of a Federal-Provincial Agreement to be negotiated when the Canada-United States protocol or understanding has been finalized.

ANNEX V

Saskatchewan Statement

The Government of Saskatchewan is willing to cooperate with the Government of Canada to facilitate construction of the Alcan Pipeline through southwestern Saskatchewan and, to that end, the Government of Saskatchewan expresses its concurrence with the principles elaborated in the Transit Pipeline Agreement signed between Canada and the United States on January 28, 1977. In so doing, it intends not to take any discriminatory action towards such pipelines in respect of throughput, reporting requirements, and environmental protection, pipeline safety, taxes, fees or monetary charges that it would not take against any similar pipeline passing through its jurisdiction. Further details relating to Canada-Saskatchewan relations regarding the Alcan Pipeline will be the subject of Federal-Provincial agreements to be negotiated after a Canada-United States understanding has been finalized.

FPC LETTER TO THE PRESIDENT

FEDERAL POWER COMMISSION,
Washington, D.C., May 2, 1977.

The President,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is the recommendation of the Federal Power Commission pursuant to Section 5 of the Alaska Natural Gas Transportation Act of 1976. We have come to the following basic conclusions:

1. It is in the best interests of the citizens of the United States that a system be built in the near future to transport natural gas from the North Slope of Alaska to the contiguous United States.

2. Three competing groups have applied for a certificate of public convenience and necessity to construct and operate such a system. They are the Alaskan Arctic Gas Pipeline Company, El Paso Alaska Company, and Alcan Pipeline Company. The first and third applicants propose overland systems, while the second is a pipeline and tanker route.

3. We recommend that an overland system through Canada be selected, if such a route is made available by the Government of Canada on acceptable terms and conditions. If appropriate, discussion could be undertaken after the completion of proceedings before their National Energy Board. Until the Canadian Government has made a decision whether a land route is available, it would be premature for this Commission to recommend a route, unconditionally.

4. In making a decision between the two overland routes, it will become obvious to the reader of this recommendation that additional information is needed as well as an understanding of the intentions of the Government of Canada. Based on today's circumstances, reasonable men can disagree on the right course of action. Under present circumstances and expectations, Chairman Dunham recommends Alcan, Commissioner Watt Alcan, Commissioner Holloman Arctic, Commissioner Smith Arctic.

Commissioners Holloman and Smith recommend that an overland system through Canada be selected. Section 5(d) of the Alaska Natural Gas Transportation Act precludes the Commission from basing its recommendation upon the fact that Canadian authorities have not at this time rendered a decision authorizing a pipeline system to transport Alaskan natural gas through Canada. They, therefore, recommend approval of the Arctic proposal, conditioned upon timely affirmative decisions by the Government of Canada to make the route available and, after development, to allow simultaneous transportation of Canadian natural gas reserves from the Mackenzie Delta. In the absence of a Canadian determination that development and transportation of Mackenzie reserves should be permitted, the Alcan project should be approved, subject to the Government of Canada's making the route available on acceptable terms and conditions. In the absence of

timely and acceptable agreements with the Canadian Government to make a route available for an overland system, a United States pipeline and tanker system can be built and can deliver gas to the contiguous United States at an economical price, and the El Paso project should be selected.

5. In the absence of agreement with the Canadian Government, a United States pipeline can be built in Alaska and a tanker system can deliver the gas to the contiguous United States at an economical price.

6. Any of the proposed systems can be financed without extraordinary risk-bearing by consumers or taxpayers, if investors are allowed the opportunity to earn an adequate return commensurate with the unusual size and degree of risk in this project. Alternatively, consumers and taxpayers could assume the risks of noncompletion of the system or interruption of service in return for a lower delivered cost of gas.

In reaching these conclusions, we have exhaustively considered the massive record compiled here and material outside the record, as directed by the Alaska Natural Gas Transportation Act. Our full recommendation covers hundreds of points. In the last analysis, we find the following items to be the most important and we recommend that you and the Congress direct your attention primarily to the confirmation or modification of these conclusions.

A. At least 20 trillion cubic feet of producible natural gas exist at Prudhoe Bay in Alaska, enough to provide about five percent of our natural gas consumption for the next 25 years. These volumes are adequate to support an economical transportation system.

B. This gas must be produced and delivered to markets both for its own value as energy and because its extraction is necessary to avoid a long-term reduction in oil production from Prudhoe Bay.

C. This gas can be delivered to the contiguous United States and successfully marketed by any one of the three competing applicant groups: Arctic, Alcan and El Paso.

D. Each system will have some adverse environmental impacts. We believe all of these impacts to be acceptable, given proper precautionary measures. Arctic would involve crossing the Arctic National Wildlife Range, and other lands now little used by man. The other projects would generally follow existing utility corridors—a distinct environmental advantage.

E. An overland route can deliver each unit of gas more cheaply than a land and water route using liquefied natural gas technology. If Canadian gas is also developed, the sharing of facilities will lower Arctic's cost of service to Americans slightly below that of Alcan.

F. Calculations of Net National Economic Benefit produce the same relative results for the three systems. El Paso has an advantage in this analysis, because all of its tax payment go to the United States, and virtually all of its wage and material payments go to Americans.

G. Using our best estimate of the likely ultimate construction cost (not the applicants' figures), El Paso's system would require the least capital, with Alcan and Arctic costing somewhat more.

H. Arctic has the greatest risk of major cost overruns beyond our estimate, primarily because of its difficult winter construction schedule. El Paso is least vulnerable to such overruns.

I. Each of the systems can be constructed basically in the manner proposed, with the qualifications and conditions contained in our report.

J. Each of the systems should operate reliably once service begins. El Paso has a slightly higher likelihood of service interruption due to its complex nature and greater seismic risk.

K. El Paso would be the easiest system to finance because of its slightly lower initial cost and because of Federal guarantees of bonds for its tankers under Title XI of the Merchant Marine Act.

L. All of the above cost conclusions assume the simultaneous development and transportation of Canadian reserves in the Mackenzie Delta. Arctic's proposed route has the advantage of passing directly through this area. Should the Canadian Government decide not to proceed with the development of those reserves at this time, the overall balance of cost advantages shifts to Alcan.

M. Should additional gas be found in the vicinity of the transportation system, expansion capability could become important. Arctic can expand to deliver up to 3.5 billion cubic feet per day (Bcfd) from Prudhoe Bay, at a small cost. Any such expansion would lower the unit cost of gas delivered. Alcan is designed to start at 2.4 Bcfd, but can expand to 3.2 Bcfd at a small additional cost. El Paso can also expand its pipeline deliveries to 3.2 Bcfd at low cost, but its costs for ships, terminal facilities, and operating expenses will rise more rapidly proportionate to increased deliveries.

N. The North Slope gas should be distributed as widely as possible throughout the United States. Wide distribution will encourage broad-based financing for the chosen project, an important consideration in an undertaking of this size. Furthermore, because there is always some threat of service interruption, no area of the country should be allowed to become too heavily dependent on the Alaskan gas.

O. A choice must be made as to who shall bear the ultimate risks of project failure, service interruption, or massive cost overruns. If investors are to bear them, they will expect a commensurate return. If they do not receive such a return, the project cannot be privately financed. If consumers or taxpayers bear the risks, their charges, in the event of success, should be lowered in return for the service they have rendered. Our recommendation outlines the dimensions of each plan and contains specific suggestions for implementing either approach.

The decision now before you, we recognize, will significantly influence this Nation's energy future. Therefore, beyond providing our best thinking in these recommendations, the commissioners and staff of the Federal Power Commission stand ready to assist you in every way.

Sincerely yours,

RICHARD L. DUNHAM,
Chairman.

JAMES G. WATT,
Vice Chairman.

DON S. SMITH,
Commissioner.

JOHN H. HOLLOMAN III,
Commissioner.

FPC NEWS RELEASE NO. 23113

FEDERAL POWER COMMISSION,
Washington, D.C., May 2, 1977.

FPC RECOMMENDS OVERLAND ROUTE FOR TRANSPORTATION OF ALASKAN NATURAL GAS

The Federal Power Commission today recommended an overland pipeline route to bring Alaskan natural gas to contiguous U.S. markets, but split on which of the two proposed overland routes to specifically recommend.

Chairman Richard L. Dunham and Commissioner James G. Watt recommend the Alcan proposal, and Commissioners Don S. Smith and John H. Holloman III recommended the Arctic Gas proposal. All three proposals are described in the accompanying fact sheet (News Release No. 23112).

The Commission found that all three proposals are technically and economically feasible and that a system should be built to bring the natural gas to the lower 48 market. It said the benefits of Alaskan gas would help meet the energy needs of our society and fully justify the costs and risks involved.

However, it found an overland route preferable because of its greater reliability, easier expansibility, greater efficiency in terms of gas consumed in route, and lesser environmental impact.

The Canadian portions of the proposed overland routes are still subject to approval of the Canadian Government. The Commission said that in deciding between the two overland routes, additional information is needed as well as an understanding of the intentions of the Government of Canada. "Based on today's circumstances, reasonable men can disagree on the right course of action," the Commission said.

Commissioners Holloman and Smith pointed out that the Alaska Natural Gas Transportation Act precludes the Commission from basing its recommendation on the fact that Canadian authorities have not at this time rendered a decision authorizing a pipeline system through Canada. They therefore recommend approval of the Arctic Gas proposal, conditioned on favorable decisions by the Canadian government to make the route available and permit Canadian natural gas reserves from the Mackenzie Delta to be transported by the same system. Absent a favorable decision concerning the Mackenzie Delta reserves, they would recommend approval of the Alcan project. If Canada disallows an overland pipeline route, they would approve the El Paso project.

Today's approximately 500-page recommendation follows over three years of hearings and consideration by the FPC, and compilation of a 45,000-page record. FPC Administrative Law Judge Nahum Litt last February 1 recommended approval of the Arctic Gas pro-

posal. The Commission heard oral argument in the proceeding the first week of April.

The Alaskan Natural Gas Transportation Act of 1976 required the FPC to make a recommendation to the President by May 1, which fell on a Sunday. The President is to make a recommendation to Congress by September 1, but may postpone his decision until up to December 1, at his discretion.

The Commission said in making today's recommendation it is acting in an advisory capacity to the President, setting forth the strengths and weaknesses of the various options.

The three competing applications are by Alaskan Arctic Gas Pipeline Company, known as the Arctic Gas Study Group, a consortium of U.S. and Canadian companies; by El Paso Alaska Company; and by Alcan Pipeline Company.

The Pruhoe Bay Field contains the largest unit of reserves yet discovered on the North American continent—virtually every estimate exceeds 20 trillion cubic feet of proven producible reserves, enough to provide about 5 percent of our gas consumption for the next 25 years. The gas can be produced for sale in four or five years.

The Commission found the system approved should be designed to carry initially 2 to 2.5 billion cubic feet daily, with expansibility in the 1 to 1.5 range. Under the three proposals, the earliest the gas could reach the lower 48 states is 1981 (under Alcan's proposal).

The cost of the three projects were estimated by the applicants in the $6.5 to $6.7 billion range, in 1975 dollars. By the time the project is built the impact of inflation undoubtedly would drive the cost in nominal dollars to $10 billion or more. There are risks of cost overruns and delays in completion, it said, but in each instance the risk is well within an acceptable range. There is virtually no chance that any system would become so costly as to be uneconomic, it stated.

The Commission recommended rolled-in pricing be used, meaning the price of the Alaskan gas would be averaged in with all other gas in the purchaser's system. This would assist in obtaining the critical financing, the FPC noted. Federal financial assistance was not recommended by the Commission. However, it said if this is to be avoided, innovative approaches will be needed to meet the greatest financing challenge ever considered by the FPC. A choice must be made, the FPC said, as to who shall bear the ultimate risk of project failure, severe interruption, or massive cost overruns—private investors or consumers. Should the former be chosen, the rate of return would have to be an adequate incentive to invest—in the 11 to 18 percent range. Should consumers and taxpayers bear the risk, their charges should be lower.

It is imperative that the price of Prudhoe Bay gas be established as soon as possible, the FPC declared, and proposed to establish in the near future a proceeding to determine that price. It will also examine pricing mechanisms other than setting a fixed price, it added, such as formula pricing. However, it said that since its authority to approve such a pricing procedure could be challenged, it urged the President to submit legislation to authorize it to determine field or wellhead rates for Prudhoe Bay gas on the basis of market factors and alternative fuel prices.

Adverse environmental impacts of all three projects can be substantially avoided or mitigated, the FPC found. All three applicants demonstrated their technical ability and determination to reduce to acceptable levels the environmental impacts.

Of the three proposed systems the Commission concluded that Alcan promises the least environmental impact, if proper mitigative actions are taken. However, it rejected Alcan's contention that alignment in an existing utility corridor is a compelling reason to choose one transportation system over another. While some construction and operation impacts would be smaller, the FPC said, the overall decrease is not substantial. Each system must be judged on its own total impact, the Commission stated.

Substantial evidence in the record supports the feasibility of winter construction, the FPC said, which Arctic Gas would use wholly and the other two would use in part. Machines can be prepared and men equipped to enable construction to proceed in all except the most severe conditions, it said. Winter construction poses greater economic risks than summer construction, the FPC stated, but it is clear that in Arctic regions winter construction is environmentally sounder.

The Commission said it intends to implement the requirements for a western leg to deliver gas directly to the U.S. west coast, but at this time does not believe it necessary to make a final decision as to what new facilities would be needed. That decision can be deferred until about two years before delivery is to begin, it said. However, the Commission found the Oxnard, Calif., site should be the first choice for a west coast ship terminal and regasification facilities should El Paso be granted a certificate.

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FPC NEWS RELEASE NO. 23112

[No. 23112 (accompanies FPC Release No. 23113)]

FEDERAL POWER COMMISSION,
Washington, D.C., May 2, 1977.

ALASKAN NATURAL GAS FACT SHEET

This Federal Power Commission proceeding involves three competing projects proposing significantly different approaches to delivering natural gas from the Prudhoe Bay Area of Alaska's North Slope to markets in the lower 48 states. The 200-square mile Prudhoe Bay Field is estimated to contain 22.5 trillion cubic feet in proven reserves of natural gas.

Under the Alaska Natural Gas Transportation Act of 1976 (Public Law No. 94–586), passed by Congress October 1, 1976, and signed into law by the President October 22, the FPC has made its recommendations to the President today on the selection of a transportation route for the gas.

The different proposals considered by the Commission are:

Alaskan Arctic Gas Pipeline Company (CP74–239, et al.).—This project involves the construction of about 3,600 miles of new pipeline and about 900 miles of looped (connected and parallel to existing lines) pipeline. The pipeline, ranging in diameter from 30 to 48 inches, would pick up United States reserves in Prudhoe Bay, Alaska, and Canadian reserves in the Mackenzie Delta, Northwest Territories, and proceed to Caroline Junction, Alberta, where the system would divide, with one leg extending into the Pacific Northwest down to California, and the other crossing the U.S. border into Montana and southeast into Illinois. Gas would move to eastern markets by displacement. This project includes transmission facilities proposed by several other Canadian and American companies—Canadian Arctic Gas Pipeline Limited, Alberta Natural Gas Company Limited, Pacific Gas Transmission Company, Pacific Gas and Electric Company, and Northern Border Pipeline Company.

The project facilities are designed to deliver at least 2.2 billion cubic feet of gas daily to U.S. markets and will cost an estimated $6.73 billion (U.S. share of total cost expressed in 1975 dollars).

El Paso Alaska Company (CP75–96).—This company would build an 809-mile 42-inch pipeline from Prudhoe Bay along the Alyeska oil pipeline corridor to a liquefaction facility at Point Gravina on the south coast of Alaska. The liquefied natural gas would be transported across water by a fleet of 8 cryogenic tankers 1,900 nautical miles to Point Conception, California, where it would be regasified. Gas would flow to midwest and east markets by displacement. The project is estimated to cost $6.57 billion (expressed in 1975 dollars) and would be capable of delivering an estimated 2.1 billion cubic feet of gas per day.

Alcan Pipeline Company (Alcan II proposal) and Northwest Pipeline Corporation, along with several Canadian companies (Foothills Pipe Lines Ltd., Westcoast Transmission Company Limited, Alberta Gas Trunk Line Limited), propose construction of about 3,900 miles of new pipeline and 900 miles of looped pipeline. A 48-inch pipeline would pick up Prudhoe Bay reserves and follow the Alyeska oil route as far as Delta Junction, Alaska, and from there would run parallel to the Alcan Highway partway to the James River Junction in Alberta. From James River, gas destined for eastern U.S. markets would be transported through a 42-inch pipeline to Monchy, Saskatchewan, and gas destined for the western United States would be transported through a 36-inch pipeline to Kingsgate, British Columbia. Alcan plans to use the same lower U.S. facilities as those proposed by Arctic Gas. The project would cost an estimated $6.76 billion (in 1975 dollars) and would deliver at least 2.2 billion cubic feet per day.

In its original application, *Alcan Pipeline Company*, Northwest Pipeline Corporation, and the Canadian companies involved proposed construction of about 3,000 miles of new pipeline and 1,600 miles of looped pipeline. The pipeline, ranging in diameter from 30 to 48 inches, would pick up Prudhoe Bay reserves and follow the Alyeska oil pipeline route as far as Delta Junction, Alaska, and from there would parallel the Alcan Highway to a connection with Canadian pipelines in British Columbia and Alberta, where the system would split the gas between western U.S. and midwest U.S. shippers. Gas would also flow to the east by displacement. This system would deliver approximately 2.0 billion cubic feet per day and would deliver gas both into the Pacific Northwest and across a route similar to the Artic Gas project extending from northeastern Montana into Illinois. The proposed project will cost an estimated $6.28 billion (as filed).

In connection with both the original and revised Alcan proposals, an associated, although independent project, Maple Leaf, is proposed to deliver Canadian reserves from the Mackenzie Delta to Southern Canadian markets.

CHRONOLOGY

March 21, 1974—Alaskan Arctic Gas Pipeline Company application filed.

September 24, 1974—El Paso Alaska Company application filed.

January 23, 1975—FPC order consolidating both applications (in Docket No. CP75-96, et al.).

April 7, 1975—Hearings began before FPC Administrative Law Judge Nahum Litt.

November 21, 1975—FPC staff Draft Environmental Impact Statement issued.

April 7, 1976—Final Environmental Impact Statement issued.

July 9, 1976—Alcan Pipeline Company and Northwest Corporation application filed.

September 1976—Supplemental Final Environmental Impact Statement issued.

November 12, 1976—Hearings concluded. (There were a total of 253 days of hearings resulting in 44,458 pages of transcript together with numerous exhibits.)

December 7, 1976--Final Position Brief of the Commission Staff issued.

December 14, 1976—FPC issued Order No. 558 prescribing procedures pursuant to the Alaska Natural Gas Transportation Act of 1976.

February 1, 1977—Initial decision issued by Judge Litt, recommending approval of Alaskan Arctic Gas Pipeline Company project.

March 1, 1977—Briefs on exceptions to the Judge's decision filed by FPC staff and parties in the proceeding.

March 8, 1977—Alcan Pipeline Company filed amended application.

March 22, 1977—Supplemental information filed by parties to the proceeding.

April 4–8, 1977—Oral argument held before Federal Power Commission.

April 8, 1977—FPC staff report on Alcan revised proposal and other supplemental information filed.

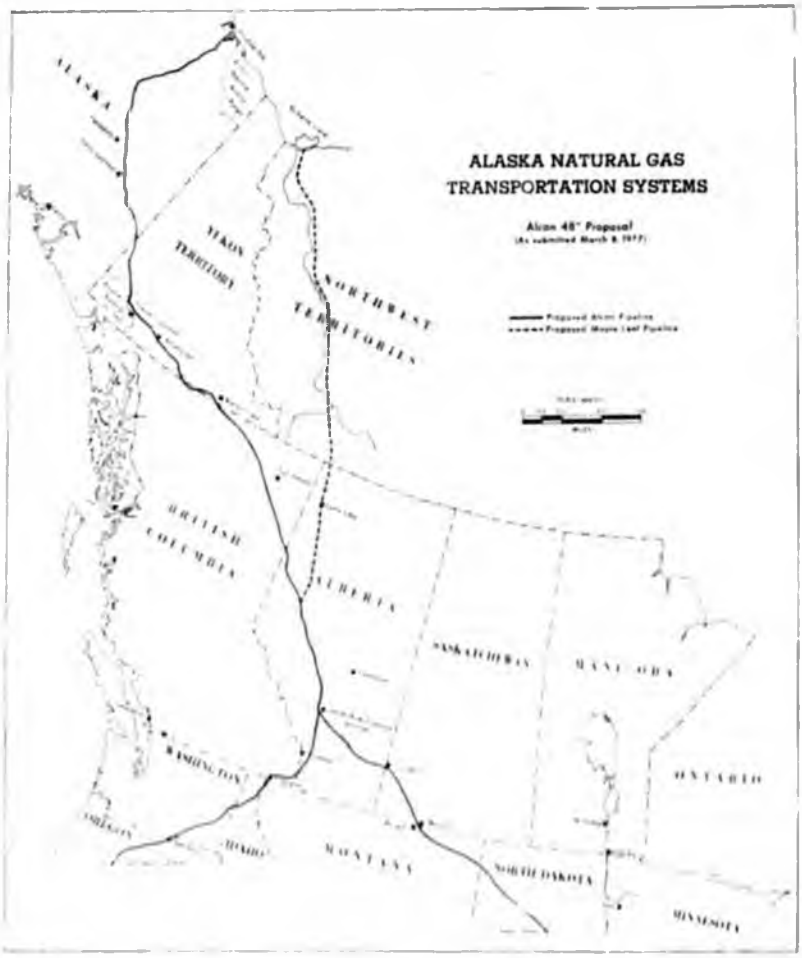
May 2, 1977—The Federal Power Commission made its recommendation to the President.

September 1, 1977—The President to make his recommendation to Congress. He may postpone his decision until up to December 1, at his discretion.

Sixty days after the President's recommendation, Congress may enact a joint resolution. The Alaskan Natural Gas Transportation Act of 1976 (in section 8) provides dates for further executive and legislative review, if necessary.

Maps of the proposed Alaskan natural gas transportation systems accompany this fact sheet.

EL PASO ALASKA PROJECT


ALASKA NATURAL GAS
TRANSPORTATION SYSTEMS
Alcan 48" Proposal
ALASKA
YUKON TERRITORY
NORTHWEST TERRITORIES
BRITISH COLUMBIA
ALBERTA
SASKATCHEWAN
MANITOBA
ONTARIO
WASHINGTON
IDAHO
MONTANA
NORTH DAKOTA
MINNESOTA

ALASKA NATURAL GAS
TRANSPORTATION SYSTEMS
Alcan 42" Proposal
ALASKA
YUKON TERRITORY
NORTHWEST TERRITORIES
BRITISH COLUMBIA
ALBERTA
SASKATCHEWAN
MANITOBA
ONTARIO
WASHINGTON
OREGON
IDAHO
MONTANA
NORTH DAKOTA
MINNESOTA

REPORT OF THE ATTORNEY GENERAL TO THE PRESIDENT

JULY 1977.

This Report is submitted to the President pursuant to Section 6 of the Alaska Natural Gas Transportation Act of 1976. Section 6 of the Act directs that any Federal officer or agency may submit written comments to the President with respect to the recommendation and report of the Federal Power Commission and alternative methods for transportation of Alaska natural gas for delivery to the contiguous states.[1] This Report is principally concerned with item (6)—the impact upon competition of the respective proposed transportation systems.

The Department of Justice has done an extensive analysis of this subject in the Report of the Attorney General submitted to the Congress pursuant to Section 19 of the Act. Rather than repeat what already has been said therein, we are appending a copy of our Report to Congress. We believe that the contents of that Report fully set forth the antitrust implications of the various proposed projects.

The remainder of this Report will summarize briefly the areas of agreement or disagreement with the Federal Power Commission's competitive analysis in its Recommendation to the President. Also, in accordance with Section 6(c) we discuss the question of waiver of law.

I. IMPACT ON COMPETITION: SUMMARY OF RECOMMENDATIONS OF THE FEDERAL POWER COMMISSION AND THE DEPARTMENT OF JUSTICE

The Federal Power Commission concludes generally that the certification of any one of the proposed systems will not have a significant impact upon competition among pipelines. The Department has reached the same overall conclusion.

The Commission has encouraged the participation of producers of substantial amounts of gas in the pipeline joint venture in order to contribute their significant financial resources to aid in the financing of the pipeline. The Department disagrees. We have recommended in the Report to Congress that an ownership interest, or participation in any form in the transportation system, by producers of significant amounts of natural gas, or their subsidiaries or affiliates, should be prohibited. The license to be issued to the selected system should contain a condition which prevents participation in any manner by such gas producers.

The Federal Power Commission has stated that it is strongly in favor of widespread distribution of Alaskan natural gas in order to limit reliance on Alaskan gas, to create incentives for participation in displacement arrangements and to provide easier private financing. The Department has stated that if, because of continued wellhead price

[1] Attorney General Bell did not participate in the preparation of this Report due to conflict of interest considerations. Responsibility for this Report was delegated by Mr. Bell to Deputy Attorney General Flaherty.

regulation, market forces are not permitted to operate to allocate gas in the most efficient manner, then the possibility of a regulatory allocation mechanism should be examined if widespread distribution of Alaskan natural gas is believed to be in the national interest.

The Commission is of the view that Section 13(a) imposes common carrier obligations upon the selected transportation system. The Commission indicates that this is a procompetitive result but may impact adversely upon the ability of the system to secure private financing. The Department disagrees. Section 13(a) of the Act provides for equal access to the gas transportation system based upon ownership or lack thereof. But it is unclear whether this provision was intended to create common carrier status for the transportation system. It is our view that common carrier status for all facilities constructed or utilized as an integral part of the system carrying gas to the lower 48 states is desirable and Section 13(a) should be clarified to unambiguously create such status. Additionally, we do not view Section 13(a) to be an impediment to private financing. Moreover, to ensure the equal access provided for by Section 13(a), Congress should consider legislation to grant the Commission, or its successor agency, the authority to order prorationing of pipeline capacity among shippers when gas is available in excess of pipeline capacity.

The Federal Power Commission approves of displacement arrangements as the most efficient mechanism for distribution of the Alaskan gas. The Commission, however, is fearful that such arrangements could create the potential for collusive market conduct. Thus the Commission would permit only those practices which are indispensable to the successful operation of the displacement procedure. The Department agrees that the efforts to work out displacement schemes may produce collusive behavior. We have recommended that if a system requiring displacement of gas is authorized, Government agencies should monitor any meetings of the transmission companies concerning reallocation. The plans for the meetings and the displacement programs resulting from the meetings should be subject to scrutiny and approval by Government agencies.

The Commission indicates that as a result of the implementation of an all-events, cost-of-service tariff, the producers may be able to exercise market power over the shippers if the producers know whatever price they charge will be passed on to the consumer. The Department, on the other hand, is concerned that the proposed pipeline capacities be evaluated carefully since the potential for adoption of an all-events cost-of-service tariff has diminished the incentives of the proponents to properly determine and propose the most efficient pipeline size.

The Commission indicates that the contracting process for the purchase of Alaskan gas has not been competitive. Among the elements the Commission points to as indicative of the noncompetitive nature of this process is the existence of side arrangements. The Commission has concluded that in the absence of full-fledged price competition, the producers have used side arrangements as a means of favoring companies which can provide other benefits. The use of a widespread distribution scheme may reduce the likelihood of such restrictive side arrangements. The Department's view is somewhat different. To minimize the distortion of Commission regulation from side arrangements for

various forms of compensation collateral to sales contracts for Alaskan gas, such arrangements should be disclosed and subjected to Commission scrutiny. As long as there is wellhead price regulation, the Commission, or its successor agency, should examine carefully each Alaskan gas purchase contract and disapprove or condition each such contract that it finds not in the public interest. In addition to the recommendations in the Report to Congress, we note further that the Commission should assess the impact of such arrangements in various producing fields because of the widespread existence of "favored-nation" clauses. Price increases which at first may appear innocuous, may have a greater impact throughout the field due to price increases in other contracts with such clauses.

In summary, while the Department agrees with the Commission's overall conclusion that certification of any of the proposed transportation systems will not have any significant impact upon competition, we have indicated our differences with other conclusions. We urge the President to consider each of these matters carefully and to append to any license the conditions we have suggested in our Congressional Report and which have been reiterated in this Report.

II. Waivers of Law

Section 6(c) of the Act directs each Federal officer or agency to report to the President actions to be taken by such officer or agency necessary or related to the construction and initial operation of the approved transportation system and to include recommendations with respect to any provision of law to be waived upon recommendation by the President to the Congress. It is the Department's view that no action must be taken by the Attorney General under section 9(a) of the Act—action which is necessary or related to the construction and initial operation of the approved transportation system. Furthermore, it is the Department's view that none of the antitrust laws should be waived by the President.

Section 14 of the Act states:

> Nothing in the Act, and no action taken hereunder, shall imply or effect an amendment to, or exemption from any provision of the antitrust laws

It is plain from this provision that Congress did not mean for the antitrust laws to be waived in any manner and intended that they remain in full force and effect.

Many of the competitive effects indicated in the accompanying Report are prospective in nature. Thus, their full impact may not be known until the transportation system is built and operating. In light of this situation, it is the Department's view that none of the antitrust laws should be waived. The transportation system and its owners ought to be subjected to the full panoply of the antitrust laws and their possible enforcement should any violations of these laws appear in the future.

III. Conclusion

I conclude that antitrust considerations do not militate against selection of any of the three proposed projects as the transportation system for moving Alaskan natural gas to the lower 48 states; nor do

competitive considerations point to selection of one of the three projects in preference of the other two. The problems we have identified in this Report and our Report to Congress may impact on any selected project and, therefore, do not make one project seem more desirable than the others.

We have proposed several conditions which ought to be appended to a license issued to any of the proposed transportation systems. These recommendations are in the Report to Congress appended to this Report and are summarized in the Conclusion of the appended Report.

Respectfully submitted.

PETER F. FLAHERTY,
Deputy Attorney General.

REPORT OF THE ATTORNEY GENERAL TO CONGRESS

(JULY 1977)

EXECUTIVE SUMMARY

This report is submitted to Congress in compliance with Section 19 of the Alaska Natural Gas Transportation Act of 1976. That provision requires the Attorney General to conduct a thorough study of the antitrust issues and problems relating to the production and transportation of Alaskan natural gas.

Based on our analysis of all information currently available, we find that antitrust considerations do not militate against selection of any of the three proposed projects as the transportation system for moving Alaskan natural gas to the Lower 48 states; nor do competitive considerations point to selection of one of the three projects in preference to the other two. Although we have identified several potential antitrust problem areas associated with the projects, these problems may impact on any project that is selected and thus do not make one project seem more desirable than the others.

This report has identified several potential competitive problem areas, which can be addressed through: (1) the imposition of tions upon the license issued to whichever project is chosen; (2) enactment of legislation; and (3) collateral action by the Federal Power Commission, or its successor agency. Since some of the identified problems are not directly associated with the transportation of natural gas but are associated with the sale of natural gas, these problems would have to be addressed in the context of the required examination of the gas purchase contracts.

The report first provides a general introduction to the three proposed projects, the methods of transportation and routes proposed and the participants in each proposed project. There are two overland pipeline projects proposed by Alcan and Arctic Gas, and a combination pipeline and liquified natural gas tanker system proposed by El Paso.

(1) The Alcan route follows the Alaska oil pipeline route to Fairbanks and then follows the Alcan Highway through Canada. Alcan has proposed two different sized pipelines. Originally Alcan proposed a 42-inch pipeline but more recently has proposed a 48-inch pipeline similar to that of Arctic Gas.

(2) The Arctic Gas route proceeds east from the North Slope to the Mackenzie Delta of Canada, where it is expected additional gas reserves will be developed. The route then proceeds south through Canada to the United States border.

(3) The El Paso project calls for a pipeline to follow the Alaska oil pipeline to Point Gravina on Prince William Sound. There the gas would be converted to liquid natural gas and shipped by tanker to the coast of California.

(a) *Arctic Gas.*—
Alaska Arctic Gas Pipeline Company
Canadian Arctic Gas Pipeline Company, Ltd.
Alberta Natural Gas Company, Ltd.
Northern Border Pipeline Company
Pacific Gas Transmission Company
Pacific Gas and Electric Company

The first two above are shell companies, formed to construct and operate the pipeline in Alaska and Canada. Owners of the two companies are:

American Members:
Columbia Gas Transmission Corporation
Michigan Wisconsin Pipe Line Company
Natural Gas Pipe Line Company of America
Northern Natural Gas Company
Pacific Gas & Electric Company
Pacific Lighting of California
Panhandle Eastern Pipe Line Company
Texas Eastern Transmission Corporation

Canadian Members:
Alberta Natural Gas Company, Ltd.
The Consumers' Gas Company
Canada Development Corporation
Gulf of Canada, Ltd.
Imperial Oil, Ltd. (a 70 percent owned subsidiary of Exxon)
Northern and Central Gas Company, Ltd.
Shell Canada, Ltd.
TransCanada PipeLines, Ltd.
Union Gas, Ltd.

(b) *Alcan.*—
Alcan Pipeline Company (a wholly-owned subsidiary of Northwest Pipeline Company)
Alberta Gas Trunk Line Company, Ltd.
Alberta Gas Trunk Line (Canada), Ltd.
Westcoast Transmission Company, Ltd.
Foothills Pipeline (Yukon), Ltd.

(c) *El Paso.*—The El Paso project is proposed by El Paso Alaska Company, a wholly owned subsidiary of El Paso Natural Gas Company.

The gas transportation and distribution industries are not highly concentrated on a national basis at this time. Although standard industry concentration measures are less meaningful in the natural gas industry because it is pervasively regulated and because pipelines are to a great extent natural monopolies; these ratios and individual company shares do give an indication of the relative industry positions of the prospective Alaskan natural gas participants.

The proponents of the El Paso project control 8.2 percent of gas supplies from all sources (as of 1974), the Alcan American proponent controls 4.3 percent and the Arctic Gas American proponents control 36 percent of gas supplies from all sources. Although there is some danger that the sponsors of the Arctic Gas project, if they were the only purchasers of Alaskan gas, could use their control of Alaskan gas in combination with their control of other gas supplies to manipulate

displacement plans to their own advantage or to affect regional competition among pipelines, regulation by the Federal Power Commission minimizes this danger.

Present Federal Power Commission regulation of city gate prices also appears to preclude an opportunity for competitive abuse by the gas producers or transmission companies provided the price ceilings set by Federal Power Commission regulation are effective. However, if the regulation of the wellhead price of gas were relaxed and the Alaskan gas producing areas were workably competitive, producer ownership or control of the transportation system could circumvent Federal Power Commission regulation of the pipeline and monopoly profits could be taken by the integrated company by transferring some or all of the profits stemming from the transportation monopoly to unregulated upstream production operations through denial of access to non-owners and restricting downstream supply. If the regulation of the wellhead price of gas were relaxed and the Alaskan gas producing areas were not workably competitive, but were instead characterized by producer market dominance, gas supplies could be restricted at the production stage without any need to derive market power from the pipeline. However, such market power is not necessarily permanent and could be reduced by discovery and development of new fields by other producers, creating a situation where an integrated producer/pipeline owner would seek to restrict access and throughput to take monopoly profits. Therefore, we recommend that an ownership interest, or participation in any form in the transportation system, by one or more gas producers of significant amounts of gas be prohibited. The license to be issued to the selected system should contain a condition that prevents participation in any manner by such gas producers.

Ownership of a transportation system by the buyers of gas will not result in any potential anticompetitive conduct as long as Federal Power Commission regulation of city gate prices continues in the present mode, which it appears likely to do. If the regulatory scheme changes, potential monopsony problems can be cured by appropriate regulatory action. Therefore, we do not oppose ownership of the transportation systems by the buyers of the gas.

During the period from 1971 to 1975 the major North Slope producers, Exxon, ARCO and BP/Sohio entered into agreements to negotiate for the sale of their natural gas with various transmission companies, all members of the Arctic Gas consortium. These agreements called for advance payments from the transmission companies to help the producers develop the North Slope fields. In December, 1975, the Federal Power Commission struck down all advance payment contracts entered into after December 28, 1973, as not in the national interest. Thus, there is currently no plan for distribution of Alaskan gas.

Collateral to these advance payment agreements, the transmission companies entered into a variety of side arrangements with the producers. The side arrangements provided for renegotiation of existing gas sale contracts in the lower 48 states to raise prices or to permit revenue sharing between producer and pipeline with respect to existing production. These side arrangements are clear evidence of evasions of wellhead price regulation and demonstrate the extreme

difficulty of holding down the price of a scarce resource. Some pipeline companies would be disadvantaged in seeking to gain access to North Slope gas if these arrangements were to continue, since not all pipeline companies have existing relationships that can be altered or other goods or services to barter in addition to paying the wellhead price. The competitive effects of this disadvantage, if any, are uncertain. It may well be that the Federal Power Commission should require disclosure of all collateral considerations in our gas purchase agreement. The Commission could then carefully examine each Alaskan gas purchase contract and disapprove or condition any such agreement that it finds not to be in the public interest.

With current Federal Power Commission regulation of wellhead gas prices, competitive forces cannot operate to distribute gas in the most efficient manner. If a wide distribution of Alaskan natural gas is deemed important, it may be necessary to create a regulatory allocation mechanism.

Competition among pipelines for existing customers and new customers may exist in regional markets. Regional competition can be an important complement to regulation and its importance has been recognized by Congress, the courts and the natural gas industry. The potential for this competition should be preserved to the greatest extent practicable. Several problems associated with the operation of an Alaskan natural gas transportation system arise because of potential effects on this regional competition.

Equal access to the transportation system, as well as other competition rules, would be required if producers are permitted to participate in the Alaskan natural gas transportation system. Moreover, even where producers are not owners, equal access to a transportation system retains some importance as a means to preserve regional competition among pipeline companies by preventing owners of the transportation systems from denying or restricting access to other pipelines that might compete in regional markets.

Section 13(a) of the Alaska Natural Gas Transportation Act provides for equal access to a proposed transportation system. Although the Federal Power Commission interprets this provision to mean that an Alaskan natural gas transportation system must be operated as a common carrier, it is not clear this was the intention of Congress. Read literally, the statute merely provides that access cannot be denied based on ownership or the lack thereof. We believe that those facilities (pipelines, LNG facilities, etc.) constructed or utilized as an integral part of the system carrying gas to the lower 48 states should be operated as common carriers, with equal access thereto available to all purchasers and shippers of Alaskan natural gas. Congress ought to clarify the ambiguous language of existing Section 13(a) to clearly state that the Alaskan natural gas transportation system be operated as a common carrier.

Section 13(a) does not require the transportation system to implement a prorationing scheme in the event the system achieves full capacity, nor does it permit or require any government agency to order such prorationing. Such prorationing during the period of construction of additional capacity is necessary to insure no shipper may be competitively disadvantaged. To insure the equal access provided for under Section 13(a), we recommend that Congress consider granting

the Federal Power Commission authority, where gas is available in excess of pipeline capacity, to order prorationing of pipeline capacity among shippers.

It has been argued that retaining Section 13(a) may prove to be an impediment to financing. We find that Section 13(a) will not be such an impediment, since pipeline companies will be willing to invest in order to insure the construction of such a system. In addition, the possibility of receiving the substantial cash flows from the system which would result from ownership is another incentive to invest in the system.

It is likely that much of the Alaskan gas will be delivered throughout the lower 48 states by displacement rather than by direct delivery. Displacement is a process that would allow Alaska gas to be supplied to conveniently located customers of other pipeline systems that, in turn, could use their "displaced" gas to serve customers of other pipelines. Such a displacement scheme provides considerable savings and ease of delivery but also creates two potential problems. First, a transmission company could thwart the displacement plan by refusing to cooperate and displace gas in its system. To remedy this problem we recommend that legislation be enacted to give the Federal Power Commission, or its successor agency, authority to order participation in displacement programs for Alaskan natural gas.

Displacement also presents potential for anticompetitive activity because implementation of a displacement program requires pipeline companies to meet to agree upon supply reallocation. Obviously, the potential for anticompetitive agreements in the implementation of such a process exists, and almost regardless of the actual risks of such agreements being made, the public perception that such possibilities exist requires some antitrust protection.

This is not an insuperable problem. If the companies do no more than is reasonably necessary to effect the displacements, no antitrust issues should be presented. A method of insuring that no anticompetitive discussions or acts take place is to have interested government agencies monitor such meetings and to have proposed allocation plans subject to government review and approval.

An all-events cost-of-service tariff has been proposed that would guarantee to the owners full reimbursement of all costs associated with the operation of the transportation system. These costs would be passed on to the consumer. These guarantees extend to all unit transportation costs, even if underutilization of the pipeline makes the unit cost excessively high. Guaranteeing these costs would eliminate incentives for the transportation system owners to prudently determine pipeline size and propose the most efficient pipeline based upon expectations of deliverability.

The deliverability of the Prudhoe Bay reserves is unsettled and highly disputed. The forecasts vary substantially; however, 2.0 Bcf/d appears to be the most likely rate of deliverability. The producers have stated their opposition to any form of deliverability guarantee and, since gas and oil production are related, may in the future restrict or eliminate gas production in order to increase the production of higher-priced oil. With the best deliverability estimate being 2.0 Bcf/d and the possibility of less gas production, there is potential for under-

utilization of the transportation system. Underutilization will mean higher unit costs of transportation and under the proposed tariff, this higher transportation cost will be borne by the consumer. Deliverability should be carefully evaluated before a system is selected, and the high cost of constructing a system is undertaken. Further, the sizing of the proposed pipelines should be carefully evaluated, since the proposed tariff guarantees may have diminished incentives on the part of the proponents to determine and propose the most efficient pipeline size.

INTERAGENCY TASK FORCE ON ENVIRONMENTAL ISSUES

(JULY 1, 1977)

EXECUTIVE SUMMARY

ENVIRONMENTAL ISSUES

The Arctic Gas route would cross the Arctic National Wildlife Range (ANWR), which was established for the purpose of preserving its specific unique wildlife, wilderness, and recreational values. Its possible inclusion into protected wilderness status is still pending. The proposed pipeline construction activity would eliminate the impacted portion of the ANWR from wilderness status consideration.

Arctic Gas has not adequately demonstrated that they would be able to construct a pipeline from Prudhoe Bay through the Mackenzie Delta area within the proposed time frames; that their proposed mitigative measures would work as effectively as predicted; or that impacts to animal species and natural ecosystems would be short term or minimal. They have not demonstrated that their unconventional technology would work adequately in minimizing impact, or that if damage should occur, mitigative measures would be capable of restoring impacted habitat or animal populations. If the integrity of the ANWR were to be violated by the Arctic Gas pipeline, there could be a diminished degree of incentive in the future to restrict additional exploration or development in the impacted areas.

There is a continuing international cooperative effort to establish an international wildlife/wilderness reserve which would encompass the ANWR and the adjacent sensitive habitat in Canada.

The El Paso route includes both overland pipeline and ocean tanker transportation systems. A liquefied natural gas (LNG) facility in Alaska and one for regasification in California present serious potential for environmental degradation.

The proposed LNG plant at Gravina Point, Alaska would lie within a zone of very high seismicity in the Chugach National Forest. It is located on the shore of Prince William Sound where abundant commercial fisheries and other marine resources are found. An acceptable solution to the heated water discharge has not yet been proposed. El Paso has not presented baseline oceanographic studies necessary to determine if the proposed sea water cooling system is environmentally acceptable. Impacts from the proposed once-through cooling system include: (1) mortality of all living organisms trapped within the cooling system; (2) thermal shock; (3) changes in migration and feeding behavior of affected marine biota; and (4) the effect of toxic substances released in the effluent. The Environmental Task Force concludes that the proposed once-through cooling system would result in

severe damage to the marine biota, but the Maritime Administration advises that alternatives exist which could permit the LNG facility to become environmentally compatible with Prince William Sound.

The final segment of the pipeline route to Prince William Sound would cross about 33 miles of potential wilderness area in the Chugach National Forest. Although this area is recognized as a defacto wilderness, it is not considered as fragile or unique as the ANWR. The Gravina Point LNG facility would destroy at least one bald eagle nest and disrupt approximately 15 other nest sites and some winter feeding ground for the Sitka black-tailed deer.

Cape Starichkof, located on Cook Inlet, has been proposed as an alternative LNG terminal site. This alternative would avoid the defacto wilderness area within the Chugach National Forest. The route to Cook Inlet would parallel the southeastern boundary of Mount McKinley National Park and cross the Kenai National Moose Range. Seismic conditions are similar to those found at Gravina Point. The Environmental Task Force believes that further investigations of the Starichkof route and site are needed before a final choice is made between the Gravina and Starichkof options.

The proposed regasification sites would be located in southern California, an area of high seismicity. El Paso's proposed site is at Point Conception, which is a rural, grazing area; while the Oxnard alternative site is in an area already zoned for industrial development.

A unique mixture of northern and southern marine species exists off Point Conception. As proposed, the cooled water discharge from the plant would cause ecological changes in the outfall area, particularly critical to this unusual marine environment. The Oxnard alternative site does not have this unique marine community.

In addition, the Oxnard plant's chilled water discharge could be used at the Ormond Beach Generating Station to bring the combined effluent to approximately ambient seawater temperature.

The pipeline needed to connect the Point Conception regasification plant to existing transportation systems would traverse approximately 250 miles, crossing unstable soils within the Los Padres National Forest. By contrast, the connecting route from Oxnard would be approximately 50 miles long, with about 95 percent of the route following existing corridors.

The task force concludes that the Oxnard alternative site is environmentally preferable. However, pending California legislation would require a remote site for safety considerations. Only Point Conception would satisfy this requirement.

Although the Alcan route does not cross such critical environmental areas, as the ANWR and Chugach National Forest, each a de facto wilderness, there are other significant environmental concerns. Alcan's summer construction could cause unnecessary permafrost degradation. The task force believes that summer construction could be accomplished in an environmentally acceptable manner if scheduled during the spring and fall months when temperatures are near or below freezing. Such scheduling is feasible since only two to five percent of Alcan's Alaska route involves critical permafrost areas.

In northern Alaska, the Alcan and El Paso routes utilize the existing trans-Alaska oil pipeline (TAPS) corridor. They would further impact the migration route of the Central Arctic Caribou Herd and

Dall sheep near Atigun Pass, which is a critical salt lick and lambing area.

In Canada, the Alcan route would parallel the Alaska Highway through the Kluane National Park at the base of Sheep Mountain (Dall sheep area) and pass near the proposed Pickhandle Lake International Biological Program Ecological Reserve (sensitive waterfowl and moose area). The route also passes through grizzly bear denning and elk overwintering areas. Construction scheduling could avoid sensitive time periods for most of these species. The data base associated with Alcan's route is generally considered to be inadequate. Additional research and data collection are needed to define site-specific problems and appropriate mitigating measures.

All routes have the potential for impacting threatened, endangered, and protected species, including the polar bear which is a special protected species under International Treaty. Impact to these species and their habitat, after specific critical locations are identified, should be minimal along any of the proposed routes with approved mitigative scheduling and routing measures. Extra consideration should be given to protected species.

Trenching activities along Alcan's and Arctic Gas' proposed North Border route across the prairie pothole area in northern U.S. and Canada may cause drainage of potholes, and thus affect waterfowl habitat. Effectiveness of proposed mitigative measures to prevent drainage and other disturbances is uncertain.

In Public Law 93–153 (amending 1920 Mineral Leasing Act), Congress found utilization of existing corridors to be in the public interest by minimizing adverse environmental impacts due to the proliferation of separate rights-of-way. The utilization of rights-of-way in common should therefore be required to the extent practical. However, the task force believes that the environmental benefits attributable to requiring the use of common corridors must be evaluated individually.

The task force concludes that the Alcan route would make the best use of existing corridors. The El Paso route would utilize the Alyeska corridor but would establish a new right-of-way through the Chugach National Forest in Alaska and along most of the route in California. Except for the portion from Prudhoe Bay through the Mackenzie Delta, including the ANWR, the Arctic Gas route generally follows existing corridors or rights-of-way.

Each route crosses areas which are designated or proposed for designation under the Wild and Scenic Rivers Act, National Trails System Act, Land and Water Conservation Fund Act, and d–2 proposals (lands proposed for Federal designation). The task force suggests site-specific alignments be reviewed and measures taken to avoid such areas or minimize impacts. Either pipeline route through Canada would impact National or Provincial designated areas and proposed International Biological Program (IBP) reserves. The Canadian government will make the decision to authorize or reject these crossings.

Water will be required by all proposals for a variety of purposes. The availability of water on the North Slope during the winter season is extremely limited. Arctic Gas and El Paso propose to work from snow roads and work pads. For this purpose alone, the task force believes that a reasonable margin of water is available. When water demands for hydrostatic testing and camp use are added, winter water

supply may be insufficient. The three applicants propose different methods for testing pipeline integrity. Arctic Gas proposes a methanol-water testing plan, Alcan proposes water testing, and El Paso proposes air testing. Among these, the potential spills of the methanol-water test medium present the greater potential for environmental threat. The task force believes that air testing would be the most preferable environmentally and should be required for all applicants where feasible.

Compressor stations, LNG and regasification facilities, and tankers will all emit air pollutants. These emissions generally appear to fall within the allowable Federal air quality standards. They will also be required to comply with State air quality degradation laws.

Numerous archaeological and historic sites may be encountered along any of the routes; therefore, a comprehensive survey/salvage program is necessary for their protection. The Arctic Gas route has the greater potential for impacting cultural resources than either the El Paso or Alcan route.

Any of the three pipelines would accelerate a perhaps inevitable change in Alaskan native lifestyles. The Alaska Native Claims Settlement Act and construction of the Alyeska pipeline have already promoted the trend toward a mixed cash and subsistence economy. The El Paso and Alcan routes would affect a greater number of native villages than the Arctic Gas route, but these are along the Alyeska corridors where native life styles have already been impacted. Although the Arctic Gas route passes near the native village of Kaktovik in an undeveloped portion of northern Alaska, the native lifestyles have already been affected by the nearby DEW line (Defense Early Warning) sites. Native lifestyles would continue to change even in the absence of any of these projects; however, construction activities would accelerate the rate of change in native villages along the route.

We concur with the conclusions reached by the FPC in their "Recommendations to the President" and with the FPC Staff that each of the three pending proposals will have some adverse environmental impacts. If the Alaska gas is distributed on an equitable basis to the 48 States, the task force does not believe that the decreased air pollution in the lower 48 States as a result of Alaska natural gas being available will offset the environmental degradation resulting from the construction of a natural gas transportation system. The task force therefore concludes that a "no action" alternative would be environmentally superior.

However, if the Alaska gas were allocated to maximize air quality benefits the construction of a gas transportation system could be environmentally preferable from the standpoint of public health. It could displace 1 quadrillion Btu's/year of coal and could concentrate air quality benefits in select air quality control regions. It should be noted that the feasibility of this allocation scheme has not been demonstrated. An analysis of the pricing and distribution aspects of this scheme would have to be conducted.

The task force also concurs with the FPC Commissioners and the FPC Staff that, of the three proposed routes, Alcan's appears to promise the least environmental impact if proper mitigative actions are taken. This conclusion is based on the Alcan route's avoidance of: (1) the undeveloped area from Prudhoe Bay through the Mackenzie

Delta, including the Arctic National Wildlife Range and (2) the Chugach National Forest, both of which are de facto wilderness areas; and (3) thermal and chemical pollution from the LNG sites in Alaska and California. In addition, Alcan makes the best use of existing transportation corridors.

The task force finds the environmental impacts which would result from the Arctic Gas and El Paso routes to be different in nature, but comparable in magnitude. It is therefore difficult to rank the two systems strictly in terms of environmental impacts. However, it is our conclusion that the El Paso route would impact the environment less, on balance, than the Arctic Gas route. This conclusion is based on: (1) El Paso's avoidance of the Arctic National Wildlife Range and the Mackenzie Delta area (although it still does cross the Chugach National Forest); (2) the assumption that thermal and chemical pollution of the marine environment at the LNG sites in Alaska and California can be properly controlled through design modifications; and (3) the utilization of existing corridors, except for the approximately 40 miles in Alaska and most of the route of California.

The task force believes that the Arctic Gas route has the greatest potential for causing adverse environmental impacts. This conclusion is based on: (1) the crossing of the Arctic National Wildlife Range and the Mackenzie Delta area (although the route does not cross the Chugach National Forest and does not have the LNG siting problems); (2) the lack of permanent access along the North Slope for making summer repairs, should they be necessary; and (3) greater risks due to the distance to be traversed in the fragile Arctic. Finally, the creation of a new transportation system or corridor through this relatively undeveloped portion of Alaska and Canada would create environmental impacts which cannot be totally mitigated. The rest of the route generally follows existing corridors and rights-of-way.

TERMS AND CONDITIONS AND FEDERAL ORGANIZATION

The Federal Power Commission's "Recommendation to the President" found that formulation of specific terms and conditions was premature until a route has been selected and more detailed resource information is available. The FPC Recommendation made some tentative suggestions on the organization to administer terms and conditions and included a number of illustrative terms and conditions.

The FPC Recommendation did not adequately address the process by which all environmental concerns and resources may be considered government-wide (Federal-State-local) during the preparation and subsequent administration of terms and conditions.

The task force proposes continuation of the previously established Federal interagency group to work on terms and conditions. It also proposes environmental guidelines and a schedule which the group (supplemented by State agencies) could use in preparation of terms and conditions and development of the organization(s) to administer them.

REPORT ON CONSTRUCTION DELAY AND COST OVERRUNS

Executive Summary

Objective

The object of this report is to review the analysis and findings of the Federal Power Commission (FPC) in their Recommendation to the President: Alaska Natural Gas Transportation Systems with respect to the potential for schedule delay and cost overrun. The Commission's Findings are not fully specified, but a reasonable interpretation is presented on the following page and contrasted with the Lead Agency Findings.

Findings

This Lead Agency Report prepared by the Department of the Interior and the Department of Transportation generally agrees with the Commission's relative ranking among the projects with regard to the possibility of cost overrun and construction delay but differs sharply with respect to the magnitude of the overruns. The Federal Power Commission examined a number of sources of overrun and delay but they seemed to consider these in isolation; they did not fully evaluate the contribution of these sources collectively and interactively to their overall cost and time requirements for completing a long-term, complex construction project.

	Arctic Gas [2]	Alcan	El Paso
FPC findings: [1]			
Direct cost [3]	[4] 6,783	5,781	5,588
Total cost (includes financing) [3]	[4] 8,147	6,761	6,571
Full gas flow realized	(5)	(7)	(8)
Potential cost overrun (percent) [6]	5	5–10	7–10
Potential delay (months) [6]	12	9	0
Net national economic benefit [9] [10]	−7,122	7,652	5,798
Cost of service (dollars per mcf) [11]	1.72	1.79	2.09
Lead agency findings: [1]			
Expected direct cost overruns [3] [12]	[4] 2,506	1,864	1,736
Percent	37	32	31
Expected direct costs [3] [12]	9,289	7,645	7,324
Expected total cost overruns [3]	[4] 4,317	3,159	2,775
Percent	53	47	42
Expected total cost [13] (includes financing) [3]	12,464	9,920	9,328
Expected schedule delay (months)	20	17	15
Expected full flow date [14]	(15)	(16)	(17)
Expected net national economic benefits [9] [10]	3,311	4,825	3,908
Expected cost of service (dollars per mcf) [11]	2.15	2.09	2.26

[1] All values in 1... prices; assumed January 1978 go-ahead.
[2] Arctic Gas costs include Canadian share.
[3] Millions of dollars.
[4] U.S. share of Arctic direct costs is $5,621,000,000; U.S. share of Arctic direct cost overruns is approximately $2,000,000,000.
[5] U.S. share of Arctic total costs is $6,729,000,000; U.S. share of Arctic total cost overruns is approximately $3,432,000,000.
[6] June 1983.
[7] January 1983.
[8] November 1983.
[9] No NNEB or cost of service calculations are available based on these values.
[10] Present value discounted at 10 percent.
[11] Includes $1 per mcf wellhead price of gas, 20 yr average.
[12] The expected value is the mean or "average" of the estimated probability distribution.
[13] An upper bound, or "worst" case, may be estimated by adding 3 standard deviations to the expected value: Arctic Gas—$14,300,000,000, Alcan—$11,200,000,000 and El Paso—$9,900,000,000. The FPC estimate may be considered a reasonable lower bound.
[14] Both El Paso and Alcan have partial, but substantial, gas flows occurring 6 to 10 mo earlier.
[15] March 1985.
[16] July 1984.
[17] February 1985.

The FPC estimates range from 5 to 10 percent cost overruns for the proposals; this Report estimates direct cost overruns for the various proposals ranging from about 30 percent to about 40 percent; moreover, this Report finds that overruns on total costs including financing (allowance for funds used during construction) may range from 40 to 55 percent. The Commissioners have estimated potential delays ranging from 0 to 12 months; this Lead Agency Report anticipates delays ranging from 15 to 17 months.

This Report indicates the Arctic Gas proposal to contain the greatest uncertainty, while the Alcan and El Paso proposals contain less. Taking expected cost overruns and construction delays into account, the report finds that the Alcan proposal has the earliest expected delivery date and the least total cost, El Paso the next earliest delivery date and higher total cost, and Arctic Gas the latest delivery date and highest total expected cost.

Procedure

These estimates were arrived at on the basis of joint estimates of expected cost overruns and schedule delays by independent analysts familiar with each of the three proposed transportation systems and the Trans-Alaska Pipeline System. The FPC estimates are plausible but optimistic engineering estimates, while those presented here recognize that few major construction projects achieve the planned performance, cost and schedule goals. These estimates should be considered "expected value" estimates. It should be noted, that the results presented here do not indicate that a natural gas transportation system is uneconomic.

Other independent analyses, including the FENCO, Inc. risk analysis of Arctic Gas and Alcan for the Canadian Ministry of Energy, Mines, and Resources, the Resource Planning Associates, Inc., risk analysis of all three proposals for the Environmental Protection Agency, and the Department of Interior Report to Congress under Public Law 93–153 have concluded that all the applicants, but particularly Arctic Gas, are quite optimistic in their proposals. The major uncertainties that the FPC failed to assess realistically are highlighted below.

Construction and Productivity

The Commission concluded that Arctic Gas and El Paso have proposed "reasonable" construction programs while questioning the Alcan estimates of productivity. This report finds that Arctic Gas has seriously underestimated the economic costs of construction during the arctic winter. El Paso has also overestimated winter pipeline construction productivity and underestimated potential problems on the complex liquefaction plant. Alcan has overestimated the productivity of its rapid summer construction program, particularly because of the difficulty in supplying the skilled manpower necessary.

Snow Roads and Work Pads

The Commission has concluded that the proposed use of snow roads and snow work pads is a "feasible" arctic construction technique. This report finds that the economic feasibility of these techniques is extremely uncertain. The FPC hearing record indicates substantial controversy over even the technical feasibility. The record further indicates less than complete agreement on the availability of adequate snow and

water, particularly on the North Slope. The economic costs of a construction program relying on snow roads and snow work pads at the scale proposed by Arctic Gas—and to a lesser extent by El Paso—are very uncertain. There is no equivalent experience available; the concept has never been tested on a comparable scale. Alcan's construction plan avoids this risk since it relies on summer and conventional winter construction.

Construction Logistics and Transportation Corridors

The Commission found no substantial logistical problems for any of the applicants, nor did it emphasize any substantial advantage for a particular system because of its corridor. This report finds, to the contrary, that logistical problems beyond those anticipated by the applicants are highly probable.

Alyeska experience indicates that it is virtualy impossible to fully predict all requirements in advance and that supporting large scale construction efforts in remote regions of the arctic is extremely difficult. It is clear that alternatives and flexibility are essential for cost and schedule control—two elements limited in the Arctic Gas logistic plan. Arctic Gas must rely on a logistics system that is very seasonally oriented—use of snow roads in the winter and shipping on the Mackenzie River in the summer. Both El Paso and Alcan propose routes having access to virtually all weather transportation systems and other existing infrastructure.

Seismic Design

The Commission found that El Paso has an incomplete seismic design but that adequate time had been provided in the pre-construction schedule to complete the design at "some increases" in cost. The conclusion of this report is that the incomplete design work for the liquefaction plant at Point Gravina leaves substantial uncertainty in both cost and schedule. The record indicates substantial controversy regarding what design factors are acceptable, and there is little experience in designing large scale LNG facilities for a high degree of seismic protection. El Paso is judged to have underestimated the complexity of meeting stringent seismic standards, while neither Arctic or Alcan have a significant seismic problem.

Frost Heave/Thaw Settlement

The Commission concluded that there is ". . . no doubt that an adequate solution can be found . . ." although with ". . . sufficient expenditure of design, time and capital". This report concludes that the applicants may well have substantially underestimated the required design, time and capital.

The exact nature of the technical solution to frost heave/thaw settlement is still an unknown; some experts believe that portions of the gas line may have to be elevated. The economics of an as yet unproven solution are extremely difficult to estimate, particularly if it involves a relatively complex technology (e.g., electrical heating or buried supports).

Project Management and Scheduling

The Federal Power Commission did not address itself specifically to the question of management and scheduling although it did conclude that Arctic Gas and El Paso had presented reasonable programs for

executing feasible projects. This report finds project management and scheduling to be a crucial element in completing any of these large, complex, and remote projects in a timely and economic manner. The Alyeska experience is replete with situations where a problem in one area spilled over into other areas. All of the proposals contain large numbers of interactive elements for which a difficulty with one activity will adversely affect progress on another—resulting in possible delays. All of the projects contain a number of techniques which are relatively unproven in regular commercial application. The projects, through sheer magnitude, will draw on both labor and vendors having limited previous experience in this work.

Institutional Uncertainties

The FPC generally concluded that the applicants had alloted sufficient time during their pre-construction and construction phases to allow for resolution of a number of institutional issues. This report finds that several institutional issues pose major problems for the applicants, with substantial probability for schedule delay and cost overrun. Joint U.S.-Canadian decisions for Arctic Gas and Alcan have the potential for causing delays. Site selection and approval for El Paso's regasification terminal in California may cause some delay. Final right-of-way determination for all applicants is currently on an uncertain schedule. Governmental stipulations, regulations, and permits during construction by any applicant could cause construction delays. Finally, resolution of Canadian Native Claims is likely to cause significant delay for Arctic Gas and, to a lesser extent, Alcan.

Other Large Scale Construction Project Experience

Studies by Professor Mead and others indicate that the ability to accurately forecast the cost of large complex construction projects is very limited. Examples of such evidence are numerous and include Trans-Alaska Oil Pipeline (TAPS), North Sea Oil production, Trans-Peru Pipeline, METRO and Canadian Olympic facilities. These studies indicate that for construction projects involving long construction periods, new technology applications, extensive geotechnical work, and activity in remote areas, costs and schedules substantially beyond those estimated have almost always occurred and are likely to occur in the future.

Probably the most comparable projects is the TAPS project. An early, reliable cost estimate is considered to be the May 1974 estimate of $4.088 billion. In June 1975, a final, detailed estimate was made at $6.375 billion and now, only two years later, the final cost is expected to be at least $7.815 billion—a 23 percent overrun, excluding financing. In comparison, this Report estimates 30 to 40 percent cost overruns, excluding financing, for projects 4 to 7 years away from completion.

Operating Risks

This Lead Agency Report finds uncertainties and their economic impact to be less significant during the operating phase than during the pre-construction and construction phase. The risks of flow interruption and cost overruns during operations is greatest for El Paso because of its complex nature and seismic risk (a major earthquake in the vicinity of the liquefaction site could cause interruption of weeks to more than a year) while both Alcan and Arctic Gas are considered low risk.

REPORT ON SAFETY AND DESIGN

I. Summary

A. Introduction

The safety and design issues in the Alaska natural gas transportation system relate primarily to how a recommended system should be designed, constructed, and operated, and to a lesser degree, where such a system should be located. This report discusses the relative safety and design merits of the three alternatives considered in the Federal Power Commission (FPC) Recommendation to the President, May 1, 1977.

Each of the three systems proposed for transportation of natural gas from Alaska presents new challenges in design, construction, and planned operation. Information in the record detailing the applicants' approaches to meeting these challenges is exhaustive and much of it has been tested for accuracy by examination, rebuttal, and argument before the FPC and by its staff. In this report, the interagency participants who analyzed the FPC Recommendation and other relevant material discuss the principal concerns which remain to be decided relative to the safety and design of an Alaska gas transportation system and make their own recommendations on these matters.

The Department of Transportation (DOT) was lead agency in preparation of this issue report. Personnel from Departments of the Interior, Commerce, Federal Energy Administration, Energy Research and Development Administration, and the Environmental Protection Agency participated in review and analysis of the safety and design issues.

B. Conclusions

The safety and design issue interagency task group concludes, as did the FPC, that each of the systems, assuming proper design and construction, can operate safely and reliably. Although there are special technical problems peculiar to each of the systems which cannot be resolved at this time, it is incumbent on those Federal officers or agencies who are responsible for assuring pipeline safety to do all that is necessary to ensure, before initial operation, that the selected gas transportation system is designed and constructed in a manner consistent with Federal safety standards. Additional attention will need to be devoted especially to potential problems which may arise from the operation of the pipelines at high pressures and transporting chilled gas in discontinuous permafrost as well as the specific technical innovations present in liquefied natural gas (LNG) processing and storage in an active seismic area.

C. Safety

1. The principal element relative to safety for each of the three proposed pipeline systems is the type and design characteristics of the

pipe used in that system. Arctic Gas and Alcan plan to use high strength X–70 grade pipe for which a reference specification is not presently incorporated in the Federal gas pipeline safety standards. El Paso's proposed X-65 grade pipe is included in the standards. Planned operating pressures for Arctic Gas (1680 psig) and El Paso (1670 psig) are high by current industry practice; Alcan plans to operate at a more conventional 1260 psig; and each pipeline would be buried in permafrost areas and carrying prechilled gas. These design proposals present the problem areas which FPC has identified, i.e., frost heave, pipe metallurgy toughness, crack arrestor installation, pressure testing, and valve design—and for which the interagency group has developed solution approaches.

2. El Paso's proposal for pipeline transmission of gas across Alaska and marine shipment to California by tanker as LNG calls for decisions to be made about location of the LNG processing and storage facilities which will assure their safety in active seismic areas. Much discussion still surrounds the specific locations of El Paso's LNG facilities in southern Alaska (Gravina Point or Cape Starichkof) and in California (Point Conception or Oxnard). There are advantages and disadvantages in each proposed site and also a recognized need for further study and refinement of design on a site specific basis. California and Alaska State officials, too, have a major role in the LNG plant siting decision. The interagency group believes that those doubts do not preclude consideration of the pipeline LNG tanker proposal, but much work remains to be done both at the Federal and State levels to facilitate LNG plant site construction.

3. There are significant differences in the approaches each of the applicants would use in solving the problem of frost heave that pipelines can experience when buried in areas of discontinuous permafrost. Each will have to be adapted for the particular conditions encountered on a site-specific basis. Given the time to finalize route survey, field testing to determine soil conditions, and engineering design capability, each of the applicants should be able to solve the problem, although costs for doing so may vary.

4. Federal pipeline safety standards require that pipeline systems be pressure tested before tested before initial operation. The three applicants propose to meet this requirement in different ways. Arctic Gas and Alcan plan to use a hydrostatic test; Arctic Gas would prevent freezing of the test water in permafrost areas by addition of methanol, and Alcan would preheat the test water for this purpose. El Paso would use air as a test medium and thus keep water out of the line. Each proposal has its advantages and disadvantages. Hydrostatic tests permit higher pressure test levels than air testing under the U.S. standards and similarly would permit higher operating pressure under the Canadian standards. Also, the higher hydrostatic test pressure increases the probability of locating pipe defects prior to placing the pipeline in service. The Arctic Gas plan to use a water-methanol mixture presents environmental concerns relating to proper disposal and the effects of spills in the event of test failures. Alcan's plan to use heated water requires precise control to prevent freezing of water in the pipe. Also, heated water could cause degradation of frozen soil surrounding the pipe. Air has environmental advantages, but has limits in providing the highest degree of safety while testing the pipeline.

5. Each of the transportation systems can be adequately maintained, although permafrost soils and remote Arctic areas will require thorough advance planning and specialized equipment. This will be particularly true for the northern-most portions in the continuous permafrost tundra areas. Seismic factors may affect the repairability of a system, but proper design for seismic effects would be the primary means of assuring the safety and reliability of the LNG facilities or a pipeline crossing active faults. Further site specific designs, based upon geotechnic survey and test data, need to be refined to complete the design of the LNG plant and sections of either the El Paso or Alcan line which cross active faults. Testing to confirm presence of bedrock at the Gravina Point site selected by El Paso would be necessary should that proposed system be recommended.

6. In the design of the all-pipeline systems, there will be a need to coordinate specific U.S. and Canadian standards to achieve compatability in construction, inspection, maintenance, and operation, and thus assure dependability of service.

D. Efficiency

We concur, in general, with the FPC view that natural gas could be delivered and successfully marketed in the U.S. by any of the three proposals. However, there is a significant difference in the efficiency of each system based upon the quantity of gas needed to operate that system. The need to convert the gas to LNG and revaporize it gives a significant efficiency advantage to an all-pipeline system.

E. Potential Service Disruption

The FPC concluded that it is highly probable that each of the three systems can be operated with a reliability acceptable to the gas consumers of the United States. There is some concern about the possibility of a major Alaska seismic event disrupting delivery through the El Paso system. While this cannot be ruled out, we believe that the risk potential for such a disruption is very low. With regard to pipelines, their continuity of service is by far the best of any mode of transportation in the United States, and we believe the Canadian experience is comparable.

F. Expansion of Systems and Design Flexibility

Given the Arctic conditions and terrain, design flexibility and capability of expansion for the proposed systems can be provided best at the initial design stage of the pipeline. This may be done by increasing the diameter of the pipe to permit greater flow capacities and/or increasing the wall thickness or strength of the steel to allow higher operating pressures. Cost of increasing capacity by looping, (placing new pipe parallel to an existing one), a standard procedure in the lower 48, would be virtually prohibitive in the Arctic.

The Arctic Gas and Alcan are all-pipeline systems, and additional capacity may be provided at lower unit capital cost than for the initial capacity. However, for the El Paso combination pipeline and LNG tanker system, cost for additional capacity would increase roughly in proportion to the original unit cost. Arctic Gas and Alcan, utilizing the large diameter pipe with excess capacity, could expand by the addition of compressor horsepower alone. However, El Paso's additional capacity would require process plant additions and additional tankers for the marine leg.

G. Capability of Transporting Other Gas Reserves

In addition to known Prudhoe Bay gas reserves, each of the systems could have future access to reserves developed in the Beaufort Sea, the National Petroleum Reserve in Alaska, or from the Arctic National Wildlife Range. Only the Arctic Gas system would have the capability to transport gas from the Mackenzie Delta or offshore in northern Canada. The El Paso and Alcan systems, with short connecting lines, could transport gas from either the central Alaskan basins, or from the Gulf of Alaska. While the central basins are not considered to have a large gas reserve potential, the Gulf of Alaska could contain considerable gas reserves.

H. FPC Summaries of Evidence and FPC Conclusions on Safety and Design

We have no disagreement with the way FPC summarized evidence and positions of interested parties as they were presented in the FPC Recommendation to the President with regard to safety, design, efficiency, and flexibility. Nor do we have significant differences or criticisms with the way the FPC developed its conclusions.

I. Other Factors for Possible Presidential Consideration

While we do not have additional details with regard to their impact, there is a possibility that reductions in existing gas pipeline system load factors could place detrimental financial effects on some existing gas pipeline systems as a result of the new Alaska natural gas transportation. This would deserve study of cost and economic elements in other issue reports to determine the possible effects upon safety and maintenance of systems already in place. Additional attention also needs to be given to effective monitoring of a gas transportation system as extensive as any of the three proposals.

J. Terms and Conditions

There are a number of significant problems identified in the Terms and Conditions as presented in the FPC Recommendation to the President which will require further definition and clarification. These include, for example, (1) applicability of Terms and Conditions to that portion of the pipeline system in the lower 48 States; (2) Federal Inspector's role in enforcing compliance with the Terms and Conditions; and (3) conflicts of jurisdiction between Federal agencies.

II. Pipeline and Marine Safety

A. Introduction

The design, construction, operation, and maintenance of any Alaska natural gas pipeline and LNG terminal facilities must meet the Federal gas pipeline safety standards contained in 49 CFR Part 192; the reporting requirements of Part 191; and with respect to the LNG facility, possibly Part 193, a new part for which an Advance Notice of Proposed Rulemaking was recently issued by the Department of Transportation.

All three applicants plant to utilize advanced technology in the design, construction, and operation of the gas transportation systems proposed, and doubts have been raised as to their ability to comply

with applicable Federal gas pipeline safety standards. In potential noncompliance situations, the operator of the proposed system must change design plans, petition DOT for rulemaking action to modify the regulations, or request a waiver from those regulations providing data to support such a waiver and assure pipeline safety. While we concur with the FPC Recommendation conclusion that "each of the systems can be constructed basically in the manner proposed with the qualifications and conditions contained in our report" . . . "and each of the systems should operate reliably once service begins" (page 4, paragraphs i and j), we have several concerns regarding system safety and design.

REPORT ON NATIONAL ECONOMIC BENEFITS

The FPC "Recommendation to the President" compared the three alternative systems against two criteria:

Net national economic benefits—a measure of the discounted benefits and costs of the projects.

Cost of service—a measure of the cost of delivering natural gas to consumers (including an assumed wellhead price of $1.00 per MCF).

All systems had substantial net benefits (from $5.8 billion to $8.2 billion) and a cost of service that was judged competitive with alternate fuels (a high of $2.26 per MCF).

Alcan and Arctic had the highest net benefits and a lower cost of service than El Paso.

This Task Force report examines the sensitivity of the FPC findings to different discount rates, cost overruns, and schedule delays and calculates new employment impacts.

The new findings using the expected values for overruns and delays indicate that all of the systems still have positive net benefits ($3.3 billion to $4.8 billion) although reduced from the FPC levels and have increased costs of service (a high of $2.50 per MCF) which are still competitive with alternative fuels.

Alcan has the highest benefits with El Paso second. The rank changes because El Paso was judged to have a lower likelihood of substantial overruns. El Paso remains with the highest cost of service.

A sensitivity analysis shows that net benefits will be reduced to zero if either of the following occurs (assuming a discount rate of 10 percent and constant real gas prices):

a construction delay greater than four years;

construction cost increases of more than 100 percent; and

a reduction in throughput from 2.4 BCFD to less than 1.2 BCFD.

El Paso has claimed large relative employment impacts for the El Paso system (730,000 person years versus 235,000 person years for Alcan). This report finds that the relative differences between systems are considerably smaller (271,000 person years for El Paso versus 240,000 person years for Alcan).

TABLE A.—EFFECT ON NNEB OF EXPECTED PROJECT COST OVERRUN AND SCHEDULE DELAY[1]

[In millions of 1975 dollars]

	Arctic			El Paso			Alcan		
	13 percent	10 percent	6 percent	13 percent	10 percent	6 percent	13 percent	10 percent	6 percent
Value of gas[2]	7,297	11,056	20,557	7,076	10,551	19,167	7,856	11,649	21,013
Less:									
Field gathering and conditioning	858	961	1,124	858	961	1,124	969	1,057	1,192
Field O. & M.	22	34	64	25	37	67	24	37	67
Transportation facilities	4,762	5,503	6,733	3,780	4,361	5,318	4,113	4,701	5,666
Working capital	13	15	19	28	34	43	23	28	36
System O. & M.	166	251	469	538	802	1,458	169	253	463
U.S. other taxes	110	154	250	325	449	716	172	235	368
Canadian income taxes	503	775	1,440	0	0	0	228	352	657
Canadian other taxes	13	53	82	0	0	0	107	162	299
NNEB	827	3,311	10,366	1,522	3,908	10,441	2,051	4,825	12,265
Base case[3]	4,125	7,298	15,379	3,056	5,800	12,859	3,968	7,113	14,974

[1] Derived from computations detailed in the report of the cost overrun task force.
[2] Assume no growth in unit value of natural gas.
[3] Working group base case as shown in table IV–1.

TABLE B.—ESTIMATES OF DELIVERED COST, NATIONAL AVERAGE

[Per million Btu in 1975 dollars including an illustrative price of $1 at Prudhoe Bay and for gas fuel]

	20-yr simple average[1]	Leveled average[1]
Arctic Gas:[2]		
Applicant costs[3]	1.72	1.87
Expected value case	2.09	2.32
Worst case	3.11	3.61
Alcan:[4]		
Applicant costs[3]	1.79	1.95
Expected value case	2.09	2.33
Worst case	2.96	3.39
El Paso:[5]		
Applicant costs[3]	2.09	2.26
Expected value case	2.26	2.50
Worst case	2.78	3.14

[1] Average calculated over 1st 20 yr of flow including years of partial flow except for "applicant cost" case. Here 1st 20 yr of full flow was used.
[2] Flows: Prudhoe Bay, 2.4 B ft³/d; Mackenzie Delta, 1 Rft³/d.
[3] Taken from submittals to the Federal Power Commission.
[4] Flow: Prudhoe Bay, 2.4 B ft³/d.
[5] Flow: Prudhoe Bay, 2.36 B ft³/d.

TABLE C.—TOTAL JOBS GENERATED BY DIRECT AND INDIRECT EXPENDITURES

	El Paso	Alcan	Arctic
1977–78	1,850	1,700	0
1979	7,150	17,450	21,350
1980	80,600	65,500	31,250
1981	100,950	92,250	62,850
1982	64,550	59,000	67,200
1983	15,550	150	22,150
1984–91	0	4,400	5,950
Total	270,650	240,450	210,750

REPORT ON SUPPLY DEMAND AND ENERGY POLICY

Executive Summary

This report combines two working group reports: one on supply of, demand for and cost of Alaska gas,[1] and a second on the relationship of an Alaska gas transportation system project to the President's proposed National Energy Plan (NEP). The first chapter presents a detailed supply-demand analysis of an Alaska gas project by itself, and is an extension of a comment on the findings of the Federal Power Commission (FPC).[2] Chapter II considers an Alaska gas project in the context of the NEP. The third chapter discusses alternative uses of the Alaska gas resource in the event that none of the proposed transportation systems is determined to be in the national interest.

The FPC found that the Prudhoe Bay Oil Pool contains 22.2 to 23.7 tcf of recoverable gas reserves (40 tcf in-place), enough to support sales of at least 2.0 bcfd.[3] They also found some possibility of increased delivery from the North Slope, and recommended that any certificated transportation system be designed to initially carry 2.0 to 2.5 bcfd, and be capable of expansion for an additional 1.0–1.5 bcfd. They also found that gas resources in Canada's Mackenzie Delta are only adequate to support deliverability of 1.0 bcfd.

In this report, the United States Geological Survey of the Department of the Interior concurs with and elaborates on the FPC findings on gas production potential for Alaska's North Slope, but concludes that a lower figure, 0.6–0.7 bcfd, is more appropriate for Mackenzie Delta deliverability. Because of the lack of field production experience, assessments of reservoir behavior involve some uncertainty. The unit production plan submitted to the State of Alaska by the Prudhoe Bay producers requests authorization for the sale of a minimum 2.0 bcfd of gas to a pipeline, on the grounds that such sales can be made without a significant reduction in oil recovery over the life of the field. The producer's plan is based on the results of the reservoir engineering studies which indicate that gas production, accompanied by water injection, will actually increase oil recovery slightly. There is a small risk that gas deliveries from the Prudhoe Bay oil pool would have to be reduced after production has begun, but that risk is considered negligible, particularly as other reserves are available to make up any possible shortfall from the main pool.

In a comparison of the effects of the three proposed transportation systems on consumption, shortages and prices, there is no overwhelming evidence that any one of the three proposed systems should be

[1] Throughout this report, the term "Alaska gas" is used to refer to natural gas from the area north of Alaska's Brooks Range, when gas production from south of the Brooks Range was intended to be included, it is specifically identified.

[2] "Recommendation to the President: Alaska Natural Gas Transportation Systems," Federal Power Commission, May 1, 1977 hereafter referred to as "the FPC recommendation."

[3] bcfd: billion cubic feet per calendar day.

either chosen or eliminated from consideration. There are differences, but they are so small when compared to the uncertainties in the specification of gas distribution and transportation costs as to prevent the selection of a particular system on this basis.

As Alaska gas will amount to approximately 5 percent of total natural gas consumption at the time it becomes available, the principal impact of Alaska gas on natural gas supply and demand will be a small increase in natural gas consumption and a relatively large reduction in natural gas shortages which are expected in the absence of any other action. By reducing the potential shortage, and thus the demand for substitute fuels, the delivery of Alaska gas will cause oil imports to be less than if no delivery system were constructed.

The delivered price of Alaska gas could be higher than the FPC's estimate of the market value price if: (1) the FPC established a field price that was greater than about $1.50 in 1985 or about $2.00 in 1990 (both in 1975 dollars); (2) project cost overruns were such that a fixed field price plus the escalated transportation costs exceeded market value; or (3) cost overruns were such that, under a formula pricing approach, the transportation cost plus the minimum field price exceeded market value. With continued price regulation and rolled-in (average cost) pricing, delivered prices in excess of market value would probably not change the basic conclusion that when significant shortages exist, Alaska gas would be accepted and would increase total consumption by satisfying the demand of industrial customers.

Under rolled-in pricing, the effect of Alaska gas on the average interstate city gate (wholesale) price can be analyzed to determine the marketability of Alaska gas. If we assume that large scale industrial fuel switching may take place only when the average price of gas reaches the price of substitute fuels, such as distillate fuel oil, Alaska gas (as a relatively small portion of total supply) could reach extremely high prices before encountering marketing problems. An analysis of the weighted average city gate price for the Nation and for FEA Region V (6 Midwestern States), which receives a large portion of the Alaska gas, suggests that the Alaska gas delivered price would have to be in excess of $10/mcf before either the national or regional average price reached parity with distillate.

Under an incremental pricing scheme, which would allocate higher priced gas to lower priority users (the industrial sector), the factor determining the maximum price of Alaska gas will be the nature of the industrial sector demand for gas. Under this pricing scheme, Alaska gas would most likely be competing with other incremental gas, such as imported LNG, in order to serve higher priority industrial customers, rather than with other fuels, such as distillate. The price of incremental LNG in 1985 has been estimated at $3.70/mcf and in 1990, $4.50/mcf. These figures probably represent the lower end of a range of prices at which Alaska gas can be marketed, with the upper bound determined by the characteristics of the industrial sector demand.

The FPC recommendation concludes that any decision as to the need for additional new facilities for delivering Alaska gas to the Western States (a Western leg) be deferred for one to two years. This deferral will not delay delivery of gas to the Western States, since the lead

time for construction of the entire pipeline is two to three years greater than that for a Western leg. Moreover, sufficient information is still not available to make an informed judgement as to the extent of idle capacity that may occur in the future on existing gas importation systems as a result of changes in the level of gas exports from Canada. This task force finds no reason to differ with the FPC recommendation on the issue of construction of a Western leg.

A method of distributing Alaska gas within the lower-48 States, known as displacement, has been proposed. By this method, natural gas from existing lower-48 deposits would be rerouted using system which are, to a large extent, already in place, thus reducing both the time required to effect delivery and the funds required to build a transportation system. Available pipeline capacities in the lower-48 appear to be sufficient to deliver Alaska gas by displacement. Actual physical capacity is not the problem, even if proposed Mexican imports are included in estimates of supply. The real issue in displacement is cost-sharing; as gas shipments change as a result of displacement, the average cost of service to customers will change depending on the magnitude of the change in shipments and other factors. The differential cost changes to customers of different pipelines create a problem of cost distribution directly related to the displacement scheme. All three proposed Alaska gas systems depend on deliveries by displacement to some degree. This report concludes that these problems are manageable; last winter's experience with emergency gas deliveries by displacement confirmed that these problems can be resolved, although not without some difficulties. Special legislative authorities, similar to those granted under the Emergency Natural Gas Act passed last winter, might be helpful to resolve cost-sharing problems during non-emergency circumstances.

The NEP does not contain proposals which directly relate to delivery of Alaska gas. It does, however, propose several actions which could affect the need for this gas or the timing of its delivery by stimulating additional domestic natural gas production and by reducing industrial and utility demand. The proposed plan would stimulate additional production by allowing higher well-head prices for new production. The plan would lower industrial and utility sector demand for natural gas by extending the current mandatory program for conversion to alternative fuels, by imposing fuel use taxes on industrial and utility consumers, and by offering rebates on these gas taxes as consumers install equipment to consume coal.

We project that, in 1985, with the implementation of the NEP, there will be a temporary alleviation of the natural gas shortage. By 1990, substantial shortages reappear. Alaska gas, to the extent that it is available in 1985, will trade off against and thus reduce the level of foreign imports. It could, therefore, serve to reduce our dependence on potentially interruptible foreign sources, regardless of its impact on the gas supply and demand balances. The elimination of a gas shortage is dependent on the achievement of the NEP's objectives in the areas of coal conversion, demand reduction through conservation, and expansion of energy supplies in the lower-48 States. Alaska gas in the mid-1980's would serve as a hedge or cushion to insure that natural gas shortages do not occur even after NEP implementation.

There are additional potential gas resources that have been considered as possible hedges against shortages in the mid 1980's. These include accelerated OCS leasing schedules, coal gasification, increased imports from Mexico, unconventional sources such as Devonian shale, Western tight sands, methane from coal seams and geopressured brines, and other technological advances in resource recovery. Implementation of all of the alternatives which are price-competitive with Alaska gas, and an Alaska gas project itself, are required to close the supply gap projected for 1990.

After 1990, gas from unconventional sources should become available in substantial quantities on the assumption that depletion of conventional gas supplies will have forced prices up to levels where unconventional sources can be competitive. Large-scale coal gasification is the source which is expected to limit the price at which competing sources can be sold. Current estimates place gas from at $4 to $5.50 per mcf wholesale (1975 dollars), including 30 cents to $1.00 per mcf to transport the gas to the city gate.

In 1990 and after, the market position of Alaska gas seems assured. Due to declining deliverability of lower-48 conventional gas reserves, an Alaska gas project would go from a position of one of the more expensive sources of gas in 1985 to one of the less expensive sources in 1990. The timing and nature of this transition presents a possible option to the President of delaying for a few years implementation of one of the competing gas transportation projects. The President, in reaching his decision, should carefully consider the benefits versus the possible consequences of delay.

In the event that implementation of one of the competing gas transportation system proposals is determined not to be in the national interest, there are alternative uses for the Alaska gas resource. Although conversion to methanol results in a substantial loss of the energy value of the gas, there is a large and growing market for that product in the lower 48 states, particularly in the industrial sector. Methanol delivered from the North Slope is not currently competitive with alternative sources, but it may well be before the end of this century.

Another possible use is conversion to ammonia and urea products. North Slope production costs are naturally quite high. However, the growth in ammonia and urea production itself could absorb all North Slope annual gas production at around the year 2000.

Other gas transportation alternatives considered include icebreaking LNG tankers. There has been recent Canadian interest in using such tankers in bringing out gas from the Arctic Islands. The cost of liquefaction on the North Slope would be higher than in South Alaska, but it is conceivable that gas might be delivered to the East Coast in this manner at a cost comparable to that for East Coast delivery under any of the 3 proposed transportation system projects considered here.

REPORT ON SOCIOECONOMIC IMPACTS

Preface

This report is one of several written by agencies of the Federal Government on various issues pertinent to the President's decision on the alternative Alaska natural gas systems. Section 6(a) of the Alaska Natural Gas Transportation Act of 1976 specifies that the Federal agencies must submit by July 1, 1977 any information useful to the President supplementing that contained in the Federal Power Commission Recommendation of May 2, 1977.

This report contains comments on the socioeconomic impact analyses submitted to the Federal Power Commission during its proceedings, and on the Commission Recommendation itself. The purpose of the analyses in the report is to present and discuss some important factors which appear to be significant enough for consideration in the President's overall decision. Given this specific purpose and the massive amount of evidence which has accumulated in the past three years, this report is not intended to be a comprehensive review or an analysis independent of previous work. Detailed questions must be referred to documents such as the Socioeconomic Briefs filed with the FPC, the Interior Department Final Environmental Impact Statement, the Berger Inquiry Report, Judge Litt's Decision, or the Commission Recommendation.

This report was prepared by Ernest S. Ting, Office of Coastal Zone Management, National Oceanic and Atmospheric Administration at the request of Dr. Edward Miller, Acting Deputy Assistant Secretary for Energy and Strategic Resource Policy.

The Commission Recommendation, May 2, 1977

The Federal Power Commission's overall conclusion was that the socioeconomic impacts of the pipeline proposals "offer little guidance for the final choice among the competing applicants." [1]

In the Commission's view the socioeconomic benefits from any of the three proposals are "overwhelming" and are largely independent of the exact route. The primary benefits which were identified by Judge Litt and quoted by the Commission are the large sums received by the State of Alaska in the form of royalty gas payments and severence taxes. Also among the benefits cited were revenues from property taxes, and personal and corporate income taxes. The Commission notes that these benefits will be accompanied by increased public expenditures, but claims that such expenditures will stimulate economic activity and improve the "general economic well-being of Alaska." [2] Nevertheless, the Commission warns that "substantial social and economic disloca-

[1] Federal Power Commission, "Recommendation to the President," May 1, 1977, p. VI-27.
[2] "Recommendation to the President," p. I-31.

tions" should be expected in the State of Alaska during the construction phase.[3]

The Commission concentrates its concern in Alaska, noting that the primary socioeconomic impacts "which are definable," especially for the United States, are in that relatively undeveloped state. For the lower 48 states and Canada increases in public revenues are cited as the principal impacts; other effects are considered minor except for the influence on the traditional lifestyle of native communities in the Yukon and Northwest Territories.

In considering the preferred route among the three systems, the Commission detailed several concerns in Alaska: population growth, employment and unemployment, cost of public services and facilities, effects on income and spending, demand for housing, public safety and recreation, and intrastate use of royalty gas. The report summary asserts that the El Paso system would create the largest impacts with "more jobs, more personal income, more property subject to tax, and more indirect economic activity . . . but would also require more social services and would probably be associated with the highest unemployment."[4] Impacts associated with the Arctic system would be "much smaller" and the Commission states that Alcan impacts would fall somewhere in between. The FPC decision also notes the possibility that lower transportation costs associated with Arctic may produce greater royalty income to Alaska, but in its final assessment the Commission finds no compelling reason to choose one system over the others on the basis of socioeconomic impacts.

Issues Discussed

Issues which have been identified by the Commission and interested parties include:

1. What will be the increase in population associated with each proposal? What will be the availability of housing in the affected communities for the additional population?

2. What are the public fiscal impacts of the various proposals, i.e., what are the effects on State and local revenues, and expenditures for public services and infrastructure? Will there be a strain on available public services and facilities?

3. How much additional employment will be provided by each proposal? What will be the effect on unemployment? Who will obtain any additional jobs: native residents, non-native Alaskans, or inmigrating job-seekers? What are the "long-term" employment possibilities associated with each proposal, as opposed to temporary construction employment?

4. What will be the effect of each proposal on personal and corporate income, on the price of goods and services?

5. What will be the effects of each proposal on native community life-styles? What social problems might be expected to arise with the rapid growth or change of the rural villages?

6. Is the intrastate use of royalty gas in Alaska a factor in the consideration of the various proposals? If it is, how does this factor affect the evaluation of each proposal?

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[3] *Ibid.*
[4] *Ibid.*, p. IV–27.

7. In terms of the distribution of benefits and costs among regions of the United States, and particularly between Alaska and the lower 48 States, where does the public interest lie? Is it in the public interest to subsidize the economic development of Alaska at the cost to lower 48 States of a higher delivered-gas price?

Summaries of Positions and Evidence of Interested Parties

APPLICANTS

1. Alaskan Arctic Gas Pipeline Company

In its extensive brief, Arctic maintains that its proposal is the most beneficial to the State of Alaska since it will provide large benefits and cause the least socioeconomic cost.[5] This assessment is based on the assertion that the major socioeconomic benefits from any pipeline project will be from severence taxes and royalties, and that such benefits are roughly equal for all three projects.[6]

Arctic further states that since its system has only a relatively short section in Alaska, and that section is in the much less accessible northern portion of the State, the impacts of the Arctic Gas System on public facilities and services will be much less than the impacts of the El Paso and Alcan systems. The magnitude of the population effects is smaller, fewer communities in the State of Alaska are affected, and prospective immigration by out-of-state job seekers is discouraged by the inaccessibility and seasonal construction schedule of the North Slope.

Arctic responds to the contention that the other two proposals provide greater benefits to the Alaskan economy because of their greater lengths in Alaska by characterizing the severance tax and royalty revenues as primary in magnitude and as long-term benefits as opposed to short-term construction employment.[7]

Excerpts from the Arctic socioeconomic brief illustrate the contentions. "Compared to severance taxes and royalties, all other benefits to the state will be transitory and miniscule. (T)he importance of gas-related employment is . . . negligible . . ." Other revenues, i.e., property tax and corporate income tax revenues, are said to be small; personal income tax revenues important only for the relatively short period of construction.

The Arctic Gas System is the only proposal which would not provide the possibility of delivering royalty gas for use in Southern Alaska. Arctic discounts any benefits claimed by the State of Alaska from industrial development induced by the intrastate availability of North Slope natural gas, alleging that the State has not been able to present any solid evidence either on the basis of past experience in Cook Inlet or firm expressions of industry interest that such industrial uses will occur. In addition, Arctic notes that possibility of an exchange agreement in which Cook Inlet gas could be provided in Southern Alaska in return for North Slope royalty gas.

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[5] Brief of Arctic Gas Project on Socioeconomic Issues, p. 2.

[6] Arctic points out that if the gas transportation costs are lowest with the Arctic system, as projected, and if wellhead prices are deregulated, severance tax and royalty income to Alaska may actually be largest with the Arctic system.

[7] Dr. David Kresge, Tr. 33,709–33,710.

[8] Brief of Arctic Gas Project on Socioeconomic Issues, pp. 12–13.

Arctic cites estimates that in the case of the Alyeska construction as many as 56,000 in-migrants may have entered Alaska in 1975 alone, and that 35 percent of the adult in-migrants had specific job waiting for them. These unemployed increased the public welfare burden in Alaska, and the entire growth in population caused a great increase in demand for public facilities and services. Arctic states that the large increase in demands for goods resulted in shortages and rapid price rises, and alleges that similar occurrences could be expected with the large impacts on the State of either the El Paso or Alcan route.

The following projections of peak construction—induced population increases in Alaska are mentioned by Arctic:[9]

	El Paso	Alcan	Arctic
FPC	24,100		3,000
DOI	33,300	33,400	4,800
State of Alaska	6,470		16,618
El Paso Alaska Co	3,900		
URSA (Arctic consultant)			2,600

The large size of the El Paso and Alcan impacts is emphasized. In addition, Arctic cites an estimate that 40 percent of the Alyeska construction workers sent their paychecks out of state, a statistic which would indicate that much of the increase in per capita income during the construction phase does not remain in the State.

Arctic criticizes the impact of El Paso on small Alaskan communities by citing the El Paso projection of the pipeline—impacted population of the Cordova-McCarthy census division:[10]

1977	2,400
1979	9,100
1982	4,100

Once again Arctic emphasizes the strain on and costs of increased but transitory demand for public services and infrastructure.

Arctic claims that its extensive planning with the citizens of Kaktovik, the principal village impacted by the Arctic System, will "maximize benefits and avoid dislocation."[11] Alcan is critized for not having yet acted on plans to carry out similar activities.

Finally, in Canada Arctic plans to locate hiring halls in larger southern metropolitan areas, thereby discouraging migration of unemployed workers to the more fragile and rural Yukon and Northwest Territories.

2. El Paso Alaska Company

After reviewing the methodology behind the projections made by various parties before the Commission, El Paso goes on to state that its projections and those of the FPC and the State of Alaska all agree that the socio-economic impacts from the El Paso proposal would be greater than the impacts from Alcan or Arctic. The key to El Paso's argument is its assertion that the greater impacts reflect greater benefits to the State of Alaska.

[9] Arctic Brief, pp. 24-26.
[10] Arctic Brief, p. 45.
[11] Ibid.

After illustrating how its proposal would provide the greatest impact in terms of population and absolute employment, El Paso also asserts that it would provide the greatest impact on aggregate personal income and in-state spending, citing the FPC FEIS projections.[12]

In regard to per capita personal income, the projections of the FPC in its FEIS show a drop after the first several years of construction and operation of the project.[13] El Paso's consultant on socioeconomic impacts alleges that this downturn can be explained as a lowering of the average as later growth in the eco..omy increases employment in the trades and services industries, which are lower-paying.

El Paso asserts that the "revenues accruing to the State and local governments as a result of the project will exceed increased public service costs throughout the life of the project," [14] and that the improvement in financial capacity will allow those governments to provide exanded services.

El Paso also cites benefits from the availability of gas to potential consumers along the Trans-Alaska route, and claims that the natural gas pipeline construction will provide employment for some of the Alyeska workers, thereby easing the severe unemployment following completion of the oil pipeline.

The endorsement of both the State of Alaska and the City of Cordova is claimed by the El Paso applicants. The State has expressed public support based on arguments quite similar to those used by El Paso. Among the benefits cited by the Alaska Commissioner of Revenue is his estimate of an additional $126 million in direct revenues to the State from the El Paso system as compared with the Arctic system.

El Paso cites statements by the City of Cordova, the City Manager and the president of the local Chamber of Commerce expressing support for the economic stimulus effects of the El Paso system. The statement by the City of Cordova indicates recognition of "significant and far-reaching effects on the economic, social and environmental well-being of the Cordova Community," but also expresses the belief that "the great majority" of these effects are "beneficial." [15]

The Cordova statement asserts that most elements of the community look forward to increased business from construction workers and "the stabilizing influence on the Cordova economy which the 300 permanent highly-skilled jobs at the LNG will provide, as well as the potential tax base which its siting on Gravina Peninsula will afford." The city also offers the following evaluation, "El Paso's Trans-Alaska Gas Project is precisely the type of controlled development needed by the Cordova community, the State of Alaska and the entire United States." [16]

An attorney for Chugach Natives, Inc. and the Eyak Corporation claims support for the Gravina Point terminus for its contribution to diversifying the Cordova economy.[17]

El Paso's final point is that since impacts will be concentrated in Alaska and particularly at Cordova, the views of the respective governments and citizens should be "determinative of the question of benefit." [18]

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[12] El Paso Brief, pp. 9–10.
[13] FPC, FEIS, p. I-C129.
[14] El Paso Initial Brief, p. 15.
[15] El Paso Initial Brief, pp. 17–18.
[16] *Ibid*, p. 18.
[17] *Ibid*, pp. 19–20.
[18] *Ibid*.

In its reply brief El Paso criticizes Arctic's suggestion that its lower cost of transportation may provide higher revenues to the State of Alaska, noting that such an outcome is possible only if Congress were to de-regulate the wellhead price of Alaskan gas for intrastate sale.

El Paso also responds by disagreeing with Arctic on the importance of benefits other than royalty payments and severance taxes. Population, employment and income effects are emphasized as substantial benefits to the State of Alaska.

3. Alcan Pipeline Company

Alcan describes the general economic impact of their proposed system as increasing the growth rate of the State of Alaska and directing that growth toward regions affected by the pipeline route. As concluded by other parties in similar statements before the Commission, Alcan says its system "would have a significantly greater economic impact on Alaska than the Arctic Gas proposal, but a somewhat lesser impact than the El Paso proposal." [19]

The following impacts are outlined in Alcan's socioeconomic brief: [20]

(*a*) Addition to Gross State Product (GSP) peaks during the construction phase in 1980 at $210 million. GSP impact is concentrated in the Fairbanks and Interior regions during construction (which is completed in 1983) and later increments shift to the Anchorage region. This regional distribution of impacts over time holds true for all of the economic impacts discussed in the brief.

(*b*) Additional employment peaks in 1980 at 20,278 and drops significantly immediately after completion of construction, rising gradually thereafter. Anchorage region employment is more stable than the Interior and Fairbanks region employment which depends heavily on the construction sector.

Real wages and salaries follow patterns similar to that of employment.

(*c*) Population impact also peaks in 1980, at 28,692, with regional distribution similar to that of employment impacts.

(*d*) Personal income peaks in 1980 and 1983. After 1983 the effect of the project is to lower real per capita income. The explanation for this effect is the same as for El Paso: later increments of employment are in lower-paying support services as compared with high-paying construction jobs.

(*e*) Impact on state revenues in 1984 and 1990,[21] ranging from $185 million to $446 million in 1984, dropping after construction and increasing thereafter to a range of $182 million to $387 million in 1990. Local revenues behave similarly, peaking in 1981, 1984, and 1990.

State revenues are largely composed of "petroleum sector taxes and charges" during construction and "direct taxes and royalties" during operations, while increased local revenues are largely from property taxes and sales taxes.[22]

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[19] Alcan Initial Brief, p. 4.

[20] *Ibid.*, pp. 2–10. Quantitative results are from an application of the MAP model by the University of Alaska ISEGR to the Alcan system, construction assumed to begin in 1978, operation in 1981.

[21] 1990 is the last year of the model simulation.

[22] Alcan Initial Brief, p. 9.

Alcan asserts that, "In the case of both state and local governments, expenditure impacts will tend to follow the same pattern as revenue impacts." [23]

Regarding negative impacts of their proposal, Alcan states that "the positive benefits to the local communities and people, as well as to the state as a whole, will far exceed any negative social impacts that may occur." [24] The claim is made that the Alcan Project will ease the post-Alyeska transition, and that most of the communities to be affected by Alcan have already made some adjustments to accommodate larger-scale development through their Alyeska experience.

It is apparent from Alcan's brief, however, that there are a few native communities along the Alaska Highway portion of the route which certainly will be significantly affected, with a "lessening of cultural traditions" and the emigration of youth in search of high wages in pipeline employment. The most significantly-impacted communities are expected to be Dot Lake, Tanacross, Tetlin and Northway.[25]

Benefits predicted by Alcan for native communities include additional employment, job training and the "awarding of construction-related contracts to native claims act corporations and other native-owned firms." [26]

Finally, in Canada Alcan says benefits will be of similar nature as those in Alaska, and socioeconomic costs are minor, in part because of the use of the established Alaska Highway corridor. Regarding native claims, Alcan expresses optimism for settlement in the Yukon while expressing severe doubts about Arctic's ability to surmount native claims disputes in the Mackenzie Valley.[27]

In its Reply Brief Alcan attacks the arguments of Arctic, asserting that (1) the benefits other than severance taxes or royalties, such as employment, personal income, other government revenues and development of the economy, are undervalued by Arctic, and (2) the transportation cost of the Alcan system is *lower* than Arctic and consequently, if there is any difference, royalties would be higher with the Alcan system.

STATE OF ALASKA

Alaska expresses its strong desire and need to develop a stable, diverse economy and "social environment," in contrast with the boom-bust cycles of previous extractive industries. The State suggests that the Commission should use as a criterion for judging the natural gas systems the "lasting contribution to Alaska's healthy growth each would make." [28] The Alaskan Statehood Act is even cited as containing Congressional intent to promote the independence and growth of the State economy.

The State also emphasizes repeatedly the necessity of having royalty gas for use within Alaska to promote industrial development.

Overall the State of Alaska favors a trans-Alaska route, and in particular the El Paso proposal, believing that the greater economic impacts will expand the economy to a more viable size and provide much greater revenues for expenditure on public facilities and services.

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[23] *Ibid.*
[24] *Ibid.*, p. 11.
[25] *Ibid.*, pp. 14–15.
[26] *Ibid.*, p. 15.
[27] *Ibid.*, p. 18.
[28] State of Alaska Initial Brief, p. 3.

Other Major Relevant Reports

INTERIOR DEPARTMENT FEIS (MARCH 1976)

In Alaska the Interior Final Environmental Impact Statement predicts beneficial effects on unemployment, but that assessment was based on the assumption that preparatory construction work would begin in 1976.

The FEIS also indicates the likelihood of "major and significant adverse impacts" from the Arctic system on the wildlife on which the native subsistence lifestyle is based. As a result the loss of traditional culture is accelerated.[29]

In Canada the economic impact of Arctic would be largely limited to a few communities (Inuvik, Norman Wells and Fort Simpson), according to the FEIS. Employment of local labor would be over 2,000 at peak construction but perhaps only 200 in operation.[30]

With regard to the native claims issue, the Interior FEIS states: [31]

> One of the constraints in the Canadian Government guidelines for northern pipelines (Department of Indian Affairs and Northern Development, 1972) is that; "Any certificate issued will be strictly conditioned in respect of . . . the protection of the rights of northern residents, . . . " Furthermore, the stated government policy is that any decisions made concerning northern pipelines will be without prejudice to Indian land claims and treaty rights.
>
> The extent to which land claim settlements and other legal prerogatives of local residents may determine the granting of the proposed pipeline construction permit is not clear. The attitude of the local residents, as interpreted from limited and subjective surveys, seems to range from full acceptance to complete rejection of the proposed pipeline project. Berger Inquiry—Canada (May 9, 1977 Report).

On May 9, 1977 the Report of Justice Thomas R. Berger on the Mackenzie Valley Pipeline Inquiry was released to the public. The report is an advisory document for the Minister of Indian and Northern Affairs on the social, economic and environmental impacts of a natural gas pipeline through the northern Yukon and Mackenzie Valley.

The major recommendations of the report are that (1) no pipeline should be constructed through the northern Yukon because of environmental impacts, and (2) any Mackenzie Valley pipeline should be postponed for at least ten years to allow for settlement of native claims. In addition, Judge Berger expresses his opinion that the evidence before the Inquiry indicates that the Alcan route may be satisfactory from an environmental viewpoint.

The report discusses the testimony of one thousand witnesses at thirty-five community hearings in the Yukon and Northwest Territories. Judge Berger explains the heavy dependence of native culture on the subsistence lifestyle, on unrestricted use of land for hunting, fishing and trapping, on sharing and strong community identity.

Quoting from the report: [32]

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[29] DOI FEIS (Alaska Volume), p. 293.
[30] DOI FEIS (Canada Volume), p. 473.
[31] *Ibid.*, p. 486.
[32] Berger Inquiry Report, pp. xxiv-xxv.

Another recent report of interest is the study of effects on the national economy, "Employment Impact of the Alternative Proposals for the Alaska Natural Gas Pipeline" by the Federal Energy Administration.

The native people insist that the settlement of native claims should be a beginning rather than an end of the recognition of native rights and native aspirations. In my opinion, a period of ten years will be required in the MacKenzie Valley and Western Arctic to settle native claims and to establish the new institutions and new programs that a settlement will entail. No pipeline should be built until these things have been achieved.

It would therefore be dishonest to try to impose an immediate settlement that we know now—and that the native people will know before the ink is dry—will not achieve their goals. They will soon realize—just as the native people on the prairies realized a century ago—that the actual course of events on the ground will deny the promises that appear on paper. The advance of the industrial system would determine the course of events, no matter what Parliament, the courts, this Inquiry or anyone else may say.

Conceptual and Substantive Deficiencies In Prior Analyses

There are several general concepts or major issues which have not been adequately addressed in most prior analyses and arguments presented before the Commission. These include:

1. *Gross "Benefits" from Employment versus Net Socioeconomic Impacts.*—In the briefs of the State of Alaska and El Paso especially, the socioeconomic impact assessments fail to account for or give sufficient weight to the costs of an expanded population in terms of cost of public services, and capital and operating costs of public facilities. In addition, the question of whether Alaskan or in-migrants fill new pipeline-related jobs is crucial to the accurate measure of net benefits from increased employment.

2. *Aggregate System Impact versus Maximum Local Impacts.*—Emphasis in some of the briefs tends to be on a comparison of the total impacts of each of the three systems. It is important to give due weight to examining the impacts on individual communities, particularly native villages. In addition, the distribution problem created when the taxable property of a project is located in one community, but the public services and facilities are needed in another needs to be examined more thoroughly for each of the proposed routes.

3. One problem concerns the tendency to view the *degree* of change (in population, for example) as the sole relevant measure of socioeconomic impact on a community. Consideration of the *rate* of change might be an important factor in assessing the severity of the impacts from each of the proposals, but little attention is given to this possibility. This point is particularly relevant to the native communities. It is often said that the native economy will undergo a transformation from a subsistence basis to a wage basis regardless of whether a pipeline is constructed. It is nevertheless important to assess the rate of change as a determinant of the magnitude of impacts.

4. *Social and Cultural Problems, Native Claims.*—The briefs filed before the FPC generally focused on the narrower implications of the pipeline systems for state and local economies. The effects of any pipeline system on social and cultural concern such as alcoholism, and the tendency toward cultural breakdown in impacted native villages has not been discussed in enough detail. The entire issue of the desires of native communities and native claims has been given a cursory treatment in several socioeconomic impact discussions.

ANALYSIS

The following discussions are intended to facilitate the evaluation of the Alaska Natural Gas Transportation Systems.

1. Each of the three proposed systems will create a large amount of additional employment during construction and a generally small amount following completion of construction. Since it is unlikely that construction on a natural gas system would start soon enough to capture a large portion of the workers laid off from the Alyeska construction, a large construction work force would tend to continue the disequilibrium characteristic of the Alaskan economy.[33] Since it has a much smaller construction workforce than the El Paso and Alcan systems, the Arctic Gas System would have less of the effect of perpetuating large unemployment than would the other two systems. El Paso has the largest long-term operation employment in Alaska with its LNG terminal, but even that number is relatively small (300 at the terminal). Many of the unemployed from Alyeska were originally immigrants who may be encouraged to extend their stay in Alaska in hopes of obtaining a construction job if either the El Paso or Alcan route is certified. In addition, more Alaskan residents and natives will be attracted into the high-wage construction market, leaving behind lower-income but more stable, longer-term livelihoods. Unemployment following the completion of either of the two longer routes is likely to be very high. The development of enough new industry in southern Alaska to absorb the unemployed is highly speculative at this time.

2. It is generally considered in the best interests of the State of Alaska to establish a stable economy, less dependent on the large and transitory disruptions of the extractive industries, particularly oil and gas development. This transformation of the economy can be attained by reducing reliance on large construction projects, diversifying the commercial and industrial base and strengthening long-term employment opportunities. The State of Alaska proposes to accomplish this transformation with a Trans-Alaska natural gas pipeline, thereby encouraging rapid development of infrastructure to support enlarged economic activity and making gas available for new industrial uses. This strategy will work if businesses indeed are willing to make major investment in southern Alaska. If successful the State will have rapid development, but in the interim will incur major socioeconomic dislocations. The El Paso proposals would probably provide the greatest stimulus to the Alaskan economy, with lesser effects attributable to Alcan and the smallest impact by the Arctic system. Combined with the massive revenues from North Slope oil production, however, any of the systems would provide Alaska with sufficient amounts of funds to greatly expand services.

The question of whether the availability of North Slope natural gas is an important ingredient in the diversification of the Alaskan economy is unsettled for at least two reasons. There is the possibility that exchange agreements could provide Southern Alaska with Cook Inlet natural gas in trade for the state's royalty gas from the North Slope,

[33] The Anchor Times of May 28, 1977 reports a rise in the state unemployment rate from 14.1 to 15.5 percent during April, attributed by State Labor Department economists to Alyeska lay-offs. Another state economist is quoted as expecting 12,000 additional lay-offs (7.5% of the total state workforce) with the completion of construction.

eliminating the need for a Trans-Alaska pipeline to provide gas for industial uses within the state. It is not clear, however, whether there are enough natural gas reserves in the Cook Inlet area to provide significant amounts of gas to the state over the next couple of decades.

Second, the potential for industrial development based on the use of natural gas is uncertain. There is only a limited amount of experience from the relatively modest petrochemical development around Cook Inlet as a guide to industry interest in Alaskan gas.

Summarizing, with regard to the royalty gas question El Paso and Alcan may have an advantage, but the magnitude of any such advantage is open to wide debate.

3. In his initial decision, FPC Administrative Law Judge Nathum Litt raised the issue of inter-regional distribution of benefits. Specifically Judge Litt addressed the question of whether it was appropriate for the Commission to consider the benefits of induced economic development for the State of Alaska in its decision on certification. Litt observed that since the transportation cost for gas delivered via the El Paso route would be substantially higher than that of alternative routes, a decision which gave positive weigh to the induced development benefits implied a policy of subsidizing Alaskan economic development by forcing the lower 48 States to pay a higher delivered price for North Slope gas. Litt concluded on the basis of legal precedent that such a consideration was an inappropriate basis for a Commission decision. The President, however, has the option of including regional economic benefits in his deliberation.

4. The net revenue benefit of each of the proposals of the State of Alaska and local communities is rarely estimated in the evidence, particularly that presented by the applicants or the state. Since Alaska is largely undeveloped, even relatively small increases in population can put a severe strain on local public services and facilities. A population increase of over 30,000 in the entire state due to the El Paso or Alcan system implies very substantial public expenditures despite the fact that much of the route for those pipelines would be identical to that of Alyeska. Based on induced population and revenue projections, it appears that the *net* revenues from the three systems over the construction period might be comparable; much larger revenues associated with a trans-Alaska route such as El Paso being offset to a substantial degree by much larger public expenditures for expanded facilities and services to support in-migrants.

Of course the longer systems would also provide larger net revenues in later years of operation, after infrastructure adjustments had been made to accommodate the expanded population.[34]

The preceding net revenue analysis is based on public revenues and expenditures for state, regional and local governments *combined*. In regard to impacts on local government fiscal conditions alone, the selective and *timely* provision of financial assistance by the State of Alaska, regional corporations or pipeline firms will be critical in avoiding the imposition of severe hardships on rural communities along any pipeline route.

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[34] FPC FEIS, pp. I-C144-148. Arctic Initial Brief, pp. 24-30. Gladstone Associates report for Office of Coastal Zone Management, NOAA, U.S. Department of Commerce, "2nd Technical Memorandum: Per Capita Standardized Unit Costs, Current Cost Multipliers and Local Area Multipliers," pp. 1-7, 1-13.

Communities impacted by Alyeska may be able to absorb the impacts of a natural gas pipeline without severe difficulty. Along the El Paso and Alcan routes cities such as Fairbanks and Delta Junction would utilize their already enlarged capacity of public facilities and services.

Other less developed communities, e.g., Kaktovik along the Arctic route, Dot Lake, Tanacross, Ttelin and Northway along the Alcan route, and Cordova along the El Paos route, will face major challenges to accommodate the effects of nearby construction activity. Those communities which experience a pipeline-induced increase in population may face the following two fiscal problems: (1) the need for increased public expenditures arises immediately, but any property tax revenues do not materialize until later years, and (2) a community that bears the burden of public expenditures may not have taxing powers over the lands through which the pipeline passes. The most dramatic example of these problems would be at Cordova if the El Paso system were constructed. Major population impacts (a four-fold increase in two years, according to El Paso projections) and additional public expenditures associated with the LNG terminal construction would center on Cordova, but property tax revenues would be based at Gravina Point. The state may wish to arrange for a transfer of revenues to resolve the jurisdictional problem and a loan arrangement to resolve the timing ("front-end financing") problem.[35]

5. In a number of socioeconomic analyses it is stated that the transformation of small communities, particularly native villages, from a subsistence economy to a predominantly wage-based economy will likely occur even if a pipeline is not constructed. Construction of a pipeline will increase the rate at which this transformation takes place.

Such statements, made without further qualification, fail to note the likelihood that rapid development will encourage severe social problems such as crime, family disintegration and alcoholism. Experience with industrial development in Alaska and Northwestern Canada has shown that these tendencies are present to an especially alarming degree when native populations, strongly dependent on cultural ties for personal identity and economic survival, are exposed to the radically different "modern" lifestyle. Native lifestyles, dependent on land which is unrestricted by ownership rights, are incompatible with the foot-loose and money-oriented lifestyles of pipeline construction workers.[36]

The most sensitive native settlements which could be affected by a natural gas pipeline are probably those in the isolated northern Yukon and Mackenzie Delta along the Arctic route. Native communities along the Alaskan Highway (which is followed by Alcan) have already been exposed to development forces, and pipeline impacts would be less traumatic. Nevertheless, the certification of any pipeline would ac-

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[35] For facilities supporting energy activities which are coastal-dependent there is currently a Federal assistance program (specifically the Coastal Energy Impact Program administered by the Office of Coastal Zone Management of the National Oceanic and Atmospheric Administration, U.S. Dept. of Commerce) to provide loans and bond guarantees to aid communities with the front-end financing problem.

[36] "Northern Frontier, Northern Homeland: The Report of the Mackenzie Valley Pipeline Inquiry" by Justice Thomas Berger contains an illuminating and detailed, if not entirely objective description of social, cultural, economic, and political problems concerning native communities in Canada.

celerate the weakening of the native lifestyle and the spreading of social problems.

6. Of all the socioeconomic cons. rations, the most significant factor in a choice among the alternative pipeline proposals may be the Canadian native claims issue. The issue of native claims in the Mackenzie Valley and control over land uses in the region is highly charged, and settlement, viewed by many to be a prerequisite for any development, is not considered likely in the near future.

Justice Berger, in his "Report of the Mackenzie Valley Pipeline Inquiry," expresses the firm belief that:

> . . . the native people must be allowed a choice about their own future. If the pipeline is approved before a settlement of claims takes place, the future of the North—and the place of the native people of the North— , in effect, have been decided for them."

The apparently poor chances of early settlement bined with the vehement insistence of native groups and the Berger Inquiry that any pipeline through the Mackenzie Valley be delayed until the settlement of native claims, could pose a barrier to early construction of a Trans-Canadian pipeline, especially the Arctic system.

Conclusion

The major conclusions are:

The decision of the Government of Canada, currently expected to be announced before the deadline for the final U.S. decision, could rule out either the Arctic or Alcan route because of the adverse effects on the cultural stability of native communities and the resulting social problems.

The El Paso system provides a somewhat greater opportunity for intrastate use of royalty gas than does the Alcan system because of the possibility of coastal industrial development with El Paso. Such additional development could provide beneficial employment and income effects.

In general both the economic development and dislocation impacts in Alaska would be greatest with the El Paso system, smallest with the Arctic system, and would fall in-between with the Alcan system.

Although the public revenue impacts of the three alternative systems would be greatest from El Paso, next largest from Alcan, and least from the Arctic proposal, the public expenditures required to serve the induced population growth also would be in that order. As a result, *net* revenue benefits during the construction period in particular may be much less than some previous analyses have implied.

The El Paso system would concentrate severe disruptive impacts on the City of Cordova, whereas the Alcan system would create significant but much smaller impacts on several native villages along the Alaska Highway.

Since there may be instances (e.g., Cordova) in which local government revenues of impacted rural communities may not cover public expenditures, the selective and timely provision of

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[27] Berger Inquiry Report, p. xxiv.

financial assistance by the State government, regional corporations or pipeline firms may be helpful in avoiding severe hardships.

In summary, the significance of socioeconomic impacts for the overall route decision depends on the weight given to impacts disruptive of social and cultural structure as opposed to economic development considerations. If factors such as adverse effects on native communities and local lifestyles are given primary importance, the Arctic and El Paso routes would tend to suffer in a comparison with Alcan. If more importance is placed on a route which will stimulate the Alaskan economy, the El Paso route clearly has the advantage, followed by Alcan.

REPORT OF TASK FORCE ON INTERNATIONAL RELATIONS

FPC Conclusions and Recommendations

The initial decision on the transportation of Alaskan natural gas, prepared by Administrative Law Judge Litt, and issued by the FPC on February 1, 1977, contains a chapter on Canadian issues. The main points of the chapter are:

Just, reasonable and non-discriminatory provincial treatment of transit pipelines is provided for under the Canadian constitution.

The applicants agree that ratification of the United States-Canada Transit Pipeline Agreement will not end negotiations with Canada.

It is assumed that early development of known hydrocarbons reserves is as important to Canada as to the United States.

It is unlikely that native claims will significantly modify the Canadian Government's energy decisions.

Arctic Gas and Alcan argued that a joint project through Canada is not dependent upon a United States-Canada treaty. However, a treaty would regularize and simplify the procedures for obtaining joint approvals.

The treaty, which spells out reasonable practices of ordinary good business, does not add substantially to the expectation that a relationship which has been historically workable will remain workable.

It is expected that amendments to the treaty will be required and made from time to time.

If a pipeline for Alaskan gas is built across Canada, it is reasonable to assume that the Government of Canada will have an interest in promoting the pipeline's economic viability.

On May 2, 1977, the Federal Power Commissioners recommended that the President select an overland transportation system through Canada, if such a route is made available by the Government of Canada on acceptable terms and conditions. In their analysis, the commissioners confined themselves for the most part to U.S. issues. Only two issues related to United States-Canadian international relations were mentioned:

In reference to the "western leg" of the Arctic Gas Project, the FPC said that if Canadian gas exports to the United States are terminated upon expiration of present licenses, sufficient idle pipeline capacity will be available to move Alaskan gas to the West Coast without construction of the western leg.

Arctic Gas and Alcan will have similar socio-economic impacts in Canada. Total population and employment changes will not be great. The major impact will be on the traditional life-style of native communities along the pipeline right-of-way.

Positions of the Parties

The Federal Power Commission heard evidence concerning (1) United States-Canadian relations, (2) the Canadian decision process, (3) Canadian constitutional law.

The briefs submitted by the three applicants on the United States-Canadian issues involved in transporting Alaskan gas across Canada covered security, taxation, and political factors. El Paso emphasized the uncertainties and compromises inherent in dealing with a foreign government. Arctic Gas and Alcan argued that the Government of Canada would have an interest in the success of a commercial venture for the transportation of Alaskan gas which involves Canadian companies. Canada would therefore be unlikely to take action contrary to the interests of its own citizens. In addition, the United States and Canada have a long tradition of successful cooperation which can reasonably be expected to continue in the case of a transportation system for Alaskan gas.

The Federal Power Commission also heard evidence concerning the Canadian decision process on the pipeline. The argumentation focused on the settlement of native claims along the proposed pipeline right-of-way. El Paso pointed out the problems involved in the settlement of native claims along the rights-of-way of Arctic Gas and Alcan. El Paso expressed the opinion that the Government of Canada's failure to settle the claims could delay a trans-Canadian pipeline decision for years.

Alcan argued that the claims problem is less serious along its proposed right-of-way in the southern Yukon than along the Arctic Gas route in the Mackenzie Valley.

The Commission also heard several days of testimony on Canadian constitutional law. El Paso's witnesses described the powers exercised by the Canadian provinces and implied that the provinces could delay or prevent construction of a transit pipeline, or could impose intolerable tax burdens.

Arctic Gas and Alcan witnesses argued that Canadian constitutional law confers upon the Federal Government of Canada unquestionable authority to implement a decision in favor of a transit pipeline.

Relevant Factors

Canadian Decision Process

The Government of Canada has been studying the proposals for the transportation of Alaskan natural gas across its territory since 1974. Separate studies are being conducted by the National Energy Board (NEB), the Berger Commission, the Alaska Highway Gas Pipeline Inquiry Board, and the Alaska Highway Gas Pipeline Environmental Assessment and Review Panel.

The National Energy Board is analyzing the relationship of the Canadian Arctic Gas, the Alcan, and the Maple Leaf projects to Canada's energy needs. The Board must determine whether any of the pipeline projects are and will be required by the present and future public convenience and necessity. The Board's findings will be submitted to the Government of Canada for its consideration in early July. The Canadian Cabinet may accept or reject the NEB's decision on a pipeline, but may not change it except by legislation.

The Berger Commission is looking into the social, economic and environmental impact of the Canadian Arctic Gas and Mapleleaf Pipeline projects in the Yukon and Northwest Territories. The Commission released the first part of its report on May 9, 1977. It recommended that no pipeline be built across the Northern Yukon, and that 10 years elapse before a pipeline is built in the Mackenzie River Valley. Part II of the report, recommending terms and conditions to be applied in the event that a pipeline is built, is expected later during the summer of 1977. The report is not binding on the Government of Canada and does not address all the factors which the Canadian Government will consider before reaching a final decision.

The Alaska Highway Gas Pipeline Inquiry Board will report on the social and economic aspects of the Alcan project in the southern Yukon. The report i to be submitted to the Canadian Cabinet by August 1. 1977.

The Alaska Highway Gas Pipeline Environmental Assessment and Review Panel, directed by Dr. H. M. Hill, is analyzing the environmental impact of the Alcan project in the Yukon. Dr. Hill's report is to be completed by August 1.

On April 28, 1977, Canadian Prime Minister Trudeau appointed Mr. Basil Robinson as Northern Pipeline Commissioner. Mr. Robinson will coordinate the activities of the various agencies of the Canadian Government in reaching a decision, and will be the Canadian Government's point of contact with the U.S. Government as the two decision-making processes unfold.

All inputs related to the pipeline decision required by the Government of Canada are expected to be at hand by early August 1977. The Canadian parliament is expected to debate the pipeline issue in July, before the Canadian Government makes its decision, and again in August.

Commenting upon the timing of the Canadian decision, Canadian Prime Minister Trudeau, during his visit to Washington in February, 1977, indicated that Canada would make a determined effort to accommodate to the anticipated U.S. decision timetable.

Settlement of Native Claims

It is the policy of the Federal Government of Canada to recognize the existence of a native interest in those areas of Canada in which the native interest has not been settled by treaty or superseded by law. The Government of Canada believes it is desirable to address the native claims issue expeditiously and, if at all possible, before a pipeline is built. However, the Government of Canada has never taken the position that it is necessary to reach a settlement before hand. It is expected that the Government of Canada will reach a decision on the pipeline issue within the anticipated US timetable, regardless of the status of the settlement of native claims. Moreover, if the United States and Canada agree to cooperate on a gas pipeline, that agreement would have to be based on an understanding that construction can be carried out expeditiously. Construction would not, therefore, be delayed by the settlement of native claims which could, if necessary, go forward concurrently.

Canadian Legal Environment

Two procedures exist for seeking review of an NEB decision related to the gas pipeline. First, Section 18 of the NEB Act permits parties to NEB proceedings to appeal questions of law or jurisdiction to the Federal Court of Appeals of Canada. Such appeals are discretionary for the Court; a court must grant leave for appeal. An application for appeal must be filed within one month of the NEB's action, unless the court or a judge finds that special circumstances allow some longer time. Once leave is granted, the appeal must be entered within 60 days.

We are informed by Canadian authorities that there should be no plausible challenge to the jurisdiction of the NEB or any significant question of law arising from its decisions. Section 44 of the NEB Act gives the NEB broad discretion in deciding on applications of public convenience and necessity for pipelines.

Judicial review of NEB action would more likely be sought under the Federal Courts Act. Under that Act, the NEB could be overturned if it "failed to observe a principle of natural justice", "acted beyond or refused to exercise its jurisdiction", "erred in law in making its decisions", or "based its decision or order on an erroneous finding of fact that it made in a perverse or capricious manner or without regard to the material before it".

We understand that the Canadian courts have left great discretion to the administrative board or body involved. We know of no case in which an NEB decision to issue a certificate of public convenience and necessity has been effectively challenged in the courts.

It should also be noted that Canadian law places comparatively stringent limits on standing to sue. We understand that, in general, only parties to Administrative proceedings can seek judicial review of agency action.

Under Canadian law, the scope of review of NEB decisions is narrower than comparable review of the decisions of U.S. regulatory agencies.

If the Federal Government of Canada makes a decision in favor of an overland route for Alaskan gas, no further provincial permits are required. The successful applicant will be authorized to proceed in acquiring land for the pipeline right-of-way through normal commercial contract negotiations. If necessary, the Federal Government of Canada will exercise the right of eminent domain to assure that a right-of-way can be obtained.

Implementation of a Canadian decision in favor of a trans-Canadian gas pipeline will require a permit from the Department of Indian and Northern Affairs to allow use of federally-owned land in the Yukon and Northwest Territories. However, it is expected that issuance of such a permit would be pro forma if a favorable decision is reached by the Federal Government of Canada.

The Canadian procedures for implementing a decision on the gas pipeline appear to be less complicated than procedures in the United States where state approvals are required for right-of-way acquisition, exploitation of mineral resources, and construction of port and regasification facilities. Delays related to approval by regulatory authorities are less likely to occur in Canada than in the United States.

United States-Canada Transit Pipeline Agreement

The Trans-Alaska Pipeline Authorization Act of 1973 (Public Law 93-153) authorized and requested the President to determine whether the Government of Canada would be willing to permit the construction of pipelines across Canada to carry oil and gas from Alaska's North Slope to markets in the lower 48 states and terms and conditions which might apply to such a pipeline. In response to this Congressional mandate, the Department of State began negotiations in 1974 which led to the Transit Pipeline Agreement signed on January 28, 1977. The President sent the Agreement to the Senate on March 30, 1977, for advice and consent to ratification. The Senate Foreign Relations Committe held hearings on June 7, 1977, and its report is expected to be complete in July. The agreement includes the following basic elements:

It covers all existing or future pipelines which transit the territory of each party;

It covers all forms of hydrocarbons including crude oil, petroleum products, natural gas, petrochemical feedstocks and coal slurries;

It provides for reciprocity of obligations on the part of both parties;

It does not provide for approval of any specific proposals to construct a transit pipeline across the territory of either country, but it makes provision for possible protocols on specific pipeline projects if they are deemed necessary;

It provides a guarantee of throughput, by which public authorities in both countries are prohibited, except under specified emergency circumstances, from interfering with or impeding hydrocarbons moving in transit pipelines;

It provides for non-discriminatory treatment of hydrocarbons transiting either country, which ensures that public authorities in both countries will be prevented from discriminating against transit pipelines with regard to taxes and other monetary charges;

It assures "in bond" treatment for hydrocarbons moving in transit pipelines;

It confirms the jurisdiction of normal regulatory authorities over transit pipelines and requires that their action be reasonable and non-discriminatory;

It provides for equitable sharing of pipeline capacity in the event of emergencies on a predetermined basis;

It provides for binding arbitration in the event of disputes which cannot be resolved by negotiation; and

It is of long duration—thirty five years—and may be terminated after the end of this period only if ten years prior notice is given.

The Agreement provides very strong assurances of non-interference with the flow of hydrocarbons in transit. Even in emergency situations, the Agreement spells out the terms governing the operation of pipelines carrying hydrocarbons in transit commingled with indigenously-produced hydrocarbons. Both the United States and Canada recognize that security of throughput is a fundamental requirement, and both

countries have made binding, reciprocal commitments to non-interference.

The Agreement does not bar real property taxes by either provinces or states. However, under the provisions of the British North American Act and the terms of the Agreement, the provinces would be prevented from taxing the throughput of pipelines or levying discriminatory charges on transit pipelines. The Federal Government of Canada has accepted the obligation to ensure that the exercise of the taxing power of the provinces shall be applied in a non-discriminatory manner.

In the United States, where a ratified treaty becomes the supreme law of the land, the U.S. Federal Government has the authority to prevent states from discriminating against transit pipelines and is committed to do so by the Agreement.

Whether discrimination against a transit pipeline exists is determined by comparison with similar pipelnes. The Agreement provdes that "similar" pipelines include both inter-provincial and inter-state pipelines and intra-provincial and intra-state pipelines. This definition is sufficiently broad to assure that an adequate basis for comparison can be found within the jurisdictions which would be involved if a trans-Canadian route for Alaskan gas is approved.

The hydrocarbons moving through a transit pipeline are accorded the equivalent of "in bond" treatment under the terms of the Agreement and may not be taxed by provincial, state, or Federal authorities in either country.

The non-discrimination protections contained in the Agrement prevent the imposition of taxes on transit pipelines which are not also applicable to similar, non-transit pipelines. Therefore, the Agreement assures that transit pipelines will not be taxed in a discriminatory manner to generate funds for the settlement of native claims.

The United States-Canada Transit Pipeline Agreement does not settle all issues related to a trans-Canadian pipeline for Alaskan natural gas. Rather, the Agreement provides fundamental guarantees and a framework for the terms and conditions which would be applicable. If Canada decides to offer an overland route, further discussions with the Government of Canada will be needed to answer specific questions related to financing arrangements, pipeline tariffs, expansion of the pipeline's capacity, requirements for purchasing goods and services in Canada, the possibility of construction delays, and arrangements for inspection of the pipeline.

Financing

The question of financing a trans-Canadian pipeline for Alaskan gas has not been formally discussed with the Government of Canada. If an overland route is offered by Canada, and if it is necessary for either Government to participate in financing, financial arrangements could be dealt with in a protocol to the United States-Canada Transit Pipeline Agreement.

Impact on United States-Canadian Relations

The United States and Canada have a long tradition of cooperation on mutually beneficial projects, such as the Saint Lawrence Seaway, the Alaskan Highway, the environmental clean-up of the Great Lakes, and the transpotration of Canadian hydrocarbons across the United States. A decision to construct a trans-Canadian pipeline for Alaskan

natural gas would be in keeping with this cooperative tradition which is in the interest of both countries. However, both Governments have made clear that a decision on the gas pipeline will be made on its own merits.

Regardless of the outcome of the gas pipeline decision, a community of interest will remain, tending to draw the United States and Canada together. A relationship which is basically friendly and cooperative will continue.

Canadian Transit Pipelines in the United States

Most of Canada's oil and natural gas reserves are located in the western provinces of Alberta, Saskatchewan, and British Columbia. However, energy consumption is greatest in the industrialized, eastern provinces of Ontario and Quebec.

Canadian crude oil moves from the producing provinces in the west to the consuming provinces in the east via the Interprovincial Pipeline System. The two branches of the Interprovincial system transit the United States; one north of Lake Michigan, and the other to the south of the Lake.

Canadian natural gas is carried from west to east via the TransCanada/Great Lakes Gas Transmission system. The system transports about 300 billion cubic feet of gas per year across the United States to markets in eastern Canada. In addition, TransCanada/Great Lakes delivers Canadian gas to U.S. markets in the Midwest.

Imported crude oil is carried via a transit pipeline from Portland, Maine to Montreal. In 1976, 300,000 barrels per day of crude oil were delivered to Montreal through the Portland pipeline.

Conclusion

It is the conclusion of the Task Force on International relations that a viable option exists for the transportation of Alaskan natural gas across Canada, provided that the Government of Canada offers an overland route across its territory. A trans-Canadian gas pipeline would benefit from the protection afforded by the United States-Canada Transit Pipeline Agreement, and from the long tradition of cooperation between the two countries.

Canadian constitutional law provides clear authority to the Federal Government of Canada to make and implement a decision concerning a transit pipeline for Alaskan gas. In addition, the Government of Canada has accepted the obligation to ensure that the exercise of the taxing power of the provinces shall be applied in a non-discriminatory manner.

The Task Force agrees with Federal Power Commission Administrative Law Judge Litt that in light of the history of successful cooperation with Canada in other areas, it is reasonable to expect the Government of Canada to act responsibly in the case of a pipeline carrying Alaskan gas.

The Task Force further concludes that regardless of the outcome of the gas pipeline decision, United States-Canadian relations will continue to be friendly and cooperative.

REPORT ON NATIONAL SECURITY IMPLICATIONS

Introduction

The Federal Power Commission "Recommendation To The President, Alaska Natural Gas Transportation Systems" did not include a statement on the national security implications of the proposed transportation systems. The Department of Defense (DOD) provided a study which addressed that subject to the Department of Interior (DOI) and the Federal Power Commission (FPC). Both agencies included the study in their evaluations of the proposed transportation systems. The following report summarizes the consideration given to national security during the review and evaluation of the three proposed Alaska Natural Gas Transportation Systems.

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A. Principal Elements

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2. Summary of DOD testimony given before Federal Power Commission Administrative Law Judge Nahum Litt presented by Rear Admiral C. Monroe Hart, Director for Energy, DOD.
3. Defensibility
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The considered effect on national security if no gas transportation system is approved.

B. Summary of the position of interested parties before the FPC

C. Federal Power Commission conclusions on the implications to national security

D. Conclusions.

Discussion of Principal Elements

1. THE DOD POSITION ON NATIONAL SECURITY IMPLICATIONS

In accordance with Public Law 93–153 the Secretary of the Interior submitted a report to Congress[1] regarding the fensibility of two systems for transporting Alaskan North Slope natural gas to the contiguous 48 States. The DOI report covered the results of a study

[1] Alaskan Natural Gas Transportation Systems, a Report to Congress Pursuant to Public Law 93–153. U.S. Department of Interior, December 1975.

predicated upon an analysis of two hypothetical competitive delivery systems similar in certain respects to the proposals of the Alaskan Arctic Gas Pipeline Company, which would traverse Canada from the North Slope to the northern border of the lower 48 States; and the El Paso Alaska Company, which would traverse Alaska to its southern coast and then continue via liquefied natural gas (LNG) tanker to California.

The DOD submitted a study to the DOI for inclusion in the report which addressed the national security implications of these two hypothetical systems. The study was prepared by the Joint Staff of the Office of the Joint Chiefs of Staff. This study was the basis for the National Security Section (pages 170–172) of the DOI report. The conclusions of the DOD study, and as reflected in the DOI report, were that "analysis of military factors alone would not indicate an overriding preference for one route over the other." The DOI report further concluded that, ". . . where a foreign country is involved, it would appear that the nonwar security risks may be greater." These conclusions were reached prior to submission of the Alcan Trans-Canada route proposed by the Northwest Pipeline Company. It is the opinion of the DOD that the evaluation of the national security factors related to the hypothetical Trans-Canada route is equally applicable to a route similar to that proposed for the Alcan route.

2. SUMMARY OF DOD TESTIMONY BEFORE THE FEDERAL POWER COMMISSION

The DOD Director for Energy, Rear Admiral C. Monroe Hart in testimony before the FPC Administrative Law Judge Nahum Litt, validated for the record that the national security section of the DOI report to Congress was provided by the DOD. Admiral Hart was examined by Judge Litt; directly examined by Mr. Heisler, an FPC lawyer; and cross-examined by Mr. R. Clyde Hargrove, representing Alaskan Arctic Gas Pipeline Co., and by Mr. William Wise, representing El Paso Alaska Co. The examinations by these persons were concerned with the relative ease of protection of the two transportation systems and in that context addressed both military and civilian law enforcement, their availability and probable use in peace and war. Also, the key points of system vulnerability which would offer the greatest potential for maximum disruption to system operation were discussed; these were:

(*a*) Typical points at which concentration of pipeline or facilities would offer the greatest attraction and opportunity for greatest crippling damage such as:

(1) The Yukon River crossing in Alaska where both gas and oil lines will cross the river on a single bridge.

(2) The gas liquefaction plant on Prince William Bay.

(3) The parallel crude oil and gas pipelines through Alaska.

(4) The Prudhoe Bay producing fields and the gas and oil processing plants.

(5) The length of the gas pipeline in Northwest Canada which would be more difficult to patrol. It was noted that threats of sabotage against the Alaskan Arctic Gas pipeline have already been made.

(*b*) The relative difficulty of providing protection for key points such as the above examples was examined and the following criteria were considered.

(1) Points of concentration such as the Yukon River crossing and the processing facilities at Prudhoe Bay and Prince William Sound offer attractive targets for terrorists, saboteurs, para military groups and wartime attack, but they also offer the greatest opportunity for concentrated protection.

(2) Remote portions of a pipeline, particularly those portions through the northernmost sections of Northwest Canada, offer an attraction for destruction because of the difficulties of restoration due to long distances for transportation of repair equipment plus weather and physical limitations of access. However, for similar reasons the successful completion of an act of destruction is also much more difficult to accomplish in such remote and environmentally hostile areas.

(3) With regard to the protective forces which would be available in peacetime and wartime, it is considered that in both the United States and Canada peacetime security will be provided by company surveillance and inspection and by the normal law enforcement organizations, and in wartime these organizations would continue their service with military assistance as needed.

The testimony and examination did not alter the conclusions of the DOD study on National Security that an analysis of military factors alone would not indicate an overriding preference for one route over the other.

3. DEFENSIBILITY

(*a*) Peacetime—It will be the responsibility of each nation to provide internal national security for those portions of the Alaska natural gas transportation system and facilities within its borders. It is expected that the security provided for the Alaska natural gas system will be no different than that currently provided for oil and gas pipelines now operating in both nations where the companies which own and operate those systems provide for their day-to-day security and are dependent upon local police and law enforcement officials for additional protection when necessary.

(*b*) Wartime—

(1) If both nations are involved.

The established Canadian-United States defense arrangements for the North American continent are predicated upon mutual defense through binational coordination. No specific civilian installation or locality is singled out for added protection, only the umbrella of continental military defense will normally be provided. If necessary, military assistance would be furnished in support of the normal company and local police and law enforcement organizations. For example, no unusual military precautions were taken for the United States owned and operated Haines-Fairbanks Alaskan petroleum pipeline during the Korean War, 295 miles of which traverse Canadian soil.

(2) If the United States is unilaterally involved.

Canada and the United States are bound together by tradition and treaty and have a long record of close cooperation in national security

matters. Materials are readily available to each country under normal conditions. It is considered that this long-standing cooperation would continue to exist and all materials normally available would continue to be available from Canada as a matter of mutual need, friendly cooperation and treaty obligation.

4. VULNERABILITY

National security rests heavily upon readily available energy from secure sources and the growing dependence of the nation upon imported oil from non-secure sources poses grave dangers to national security. Oil imports now amount to approximately 49 percent of the total national petroleum consumption and the addition of the Alaskan natural gas to the national energy matrix will help to minimize the current requirement for imported oil and reduce that dependence. The completion of a transportation system for delivery of Alaskan North Slope natural gas to the contiguous 48 States must be considered an *important national security objective.*

Summary of the Position of Interested Parties Before the Federal Power Commission

Representatives of the Alaskan Arctic Gas Pipeline Company, the El Paso Alaska Company and the Alcan Pipeline Company appeared before the Federal Power Commission. The positions of the first two companies regarding national security were as described in Discussion paragraph 2 above. Neither they nor the Alcan Pipeline Company disagreed with the Department of Defense position on national security as described in Discussion paragraph 1 above. The consensus was that the problems are primarily systems related and that danger due to hostile acts is of concern but is considered to be less likely to disrupt pipeline operation than system failures.

Federal Power Commission Conclusion on the Implications to National Security

The study on national security prepared by the Joint Staff of the Joint Chiefs of Staff, as it appeared in the December 1975 Department of Interior Report to Congress, was incorporated into the evaluation of the Federal Power Commission without objection.

CONCLUSIONS

The growing dependence of the nation upon imported oil presents a grave danger to the national security. The addition of the Alaskan North Slope natural gas to the energy matrix of the nation can help reduce the volume of imported oil requirements and thereby contribute to an improved national security posture. The completion of a transportation system for delivery of Alaskan North Slope natural gas to the contiguous 48 States must be considered an important national security objective. Of the three transportation systems proposed, there is no overriding preference for one route over another when analysis is based on military factors alone.

REPORT ON FINANCING AN ALASKA NATURAL GAS TRANSPORTATION SYSTEM

(July 1, 1977)

Executive Summary and Conclusions

The Alaska Natural Gas Transportation Act of 1976 ("the Act") permits Executive Branch Departments and Agencies to comment upon the Federal Power Commission's May 1, 1977, *Recommendation to the President*. One specific subject appropriate for comment under the Act is "sources of financing for capital costs."

The Act also requires the President to submit to Congress "a financial analysis for the transportation system designated for approval," along with a determination of whether he "reasonably anticipates that the system designated by him can be privately financed, constructed, and operated."

The following Report on Financing Issues is submitted in response to the above statutory provisions. The Report was written by the Department of the Treasury (the Lead Agency) with the direct contribution of other interested Federal agencies. Pursuant to the Act, the views of all interested Federal officers and agencies were solicited and have been incorporated into this Report.

The basic issue addressed in this report is *how each of the three proposed projects could be financed*. The sources of funds available are therefore identified.

The principal conclusion of this report is *that there is good reason to anticipate that an economically viable system to transport natural gas from Alaska to the lower 48 states can be privately financed*—that is, without Federal financing assistance. A private financing, however, will be difficult, if not impossible, to arrange without *prior resolution of a number of issues*. In fact, the actual likelihood that a private financing may be accomplished can be determined only *after* these issues have been resolved.

Certain of the unresolved issues directly affect the economic viability of a transportation system, and, as such, the willingness of the private sector to invest in such a project. Other unresolved issues bear upon what party or combination of parties would assume the unusual risks perceived to be associated with the construction of such a system.

The most important issues that must be resolved before any financing can be arranged include:

1. The mechanism by which the wellhead price for gas is determined;

2. The method by which gas will be priced to the ultimate consumer;

3. The authorization of a sufficient flow of gas by the State of Alaska;

4. Negotiation of sales contracts between gas producers and gas transmission companies;

5. A determination of the rate of return that the Government will allow on investment in a transportation system;

6. Formation of a final consortium of equity investors in the project;

7. Determination of the extent to which benefiting parties (including the producers of the gas, the State of Alaska, and gas consumers) will provide financing support to the project.

As stated above, there is good reason to anticipate that, once these issues are resolved, an economically viable Alaska natural gas transportation system could be financed without Federal financing assistance.

The Federal Government has the ability to resolve a number of the issues

The report discusses how the resolution of these issues would affect the overall financeability of an Alaskan gas transportation system and thereby affect the need for Federal financing assistance. The discussion on each issue is summarized below.

1. *The price gas producers will receive for the gas* (the "field price").—The Federal Power Commission is currently responsible for establishing a field price. In its *Recommendation to the President*, the Commission noted that prompt establishment of the field price of Alaskan gas was important, but to date the Commission has not made any publicly announced moves to establish the price. The Administration's selection of an acceptable methodology for determining the field price would facilitate a financing.

2. *The price gas consumers would pay for Alaskan gas.*—Two methods of pricing the gas to the ultimate consumer were suggested by the Federal Power Commission:

(*a*) "*rolled-in*" *pricing*, which averages the cost of Alaskan gas with that of gas from other sources, and

(*b*) "*incremental*" *pricing*, under which consumers pay the full marginal costs associated with producing and transporting Alaskan gas.

A third approach to pricing of gas in general is identified in the Administration's National Energy Plan, which combines aspects of both roller-in and incremental pricing. Adoption by the Administration of "rolled-in" pricing for Alaskan gas would go farthest to facilitate financing the transportation system. The approach recommended in the National Energy Plan could go equally far *if* the Administration properly structures the pricing mechanism contained in that approach. Fully "incremental" pricing would make the financing more difficult.

3. *Approval of sales contracts.*—The Federal Power Commission's authority to approve sales contracts allows it to condition approval upon formation of a large creditworthy sponsoring consortium. Specific direction for such action from the President would facilitate a private financing.

4. *Rate of return.*—Government approval of an adequate rate of return on investment in the project would facilitate a financing.

5. *Consumer participation in the financing.*—Finally, approval by the Administration of a method to allow consumer participation in

the financing would facilitate a financing. Consumers could participate by securing the project's debt through a tariff that would be paid under any circumstances.

The Federal Power Commission Recommendation to the President

In its May 1 recommendation, the Federal Power Commission found that the private benefits of a system are substantial and *did not recommend* Federal financing assistance for an Alaskan gas transportation system. It further outlined financing methods under which the Commission found the project's risks bearable without Federal financing assistance.

The Commission broadly illustrated two financing plans—the first pressing oil companies (who will produce the gas) to help sponsor the project, and the second requiring consumers to participate in the financing.

The most important aspect of the Commission's Recommendation was its apparent willingness to place substantial financial risks on gas consumers if it is ultimately found necessary—that is, if such groups as gas pipeline companies, the gas producers, and the State of Alaska together are unable to fully secure the project debt.

The discussion of financing in the Commission's *Recommendation* was general and theoretical; it lacked a detailed financial analysis of capital market capacity and an analysis of the financial capacity of the potential project sponsors.

While the Commission did not resolve any major issues in its Recommendation, it in no way restricted the President's decision in regard to the financing. The net result is that all options for financing of an Alaskan gas transportation system are open.

Financing Without Federal Financing Assistance

As noted, the report concludes that there is good reason to anticipate a private financing of an economically viable transportation system. The analysis shows that *the capital markets do have the capacity to supply the basic funds required by any of the three projects.* The analysis also shows that *the capacity exists in the private sector to finance any of the proposed projects.*

The report contains a financial analysis of the capacity of the private parties who would benefit directly from an Alaskan gas transportation system to invest directly in or otherwise assist the financing of a system. The potential direct beneficiaries are identified below:

1. *Gas transmission and distribution companies.*—The analysis concludes that a consortium composed of those companies that have shown an interest in a project have *ample* capacity to provide the equity portion of any of the proposed projects (and have sufficient capacity to provide the equity even in the event of 80% cost overruns). This conclusion even assumes there would be *no* payments made by potential consumers during the construction period.

2. *The gas producers.*—The producers (essentially three major oil companies—Exxon, Atlantic Richfield, and Standard Oil of Ohio) stand to benefit handsomely from the sale of their gas, and such sale requires a transportation system.

These companies clearly have the financial capacity to support the financing of a gas transportation system.

3. *The State of Alaska.*—Alaska will benefit from royalties on the sale of the gas, the construction activity itself, and the availability of the gas for industrial development in the State. Revenues accruing to the State from the production and sale of *oil* are being channeled into a fund dedicated to Alaska's future development. Such a fund gives the State substantial capacity with which to support a financing.

4. *Potential gas consumers.*—Consumers could provide a substantial source of financial support for a transportation system.

Financing Alternatives

The report discusses four distinct financing alternatives.

1. *Sponsor Guaranteed Financing* (illustrated in the Federal Power Commission *Recommendation to the President*).— The analysis concludes that a traditional financing guaranteed by gas pipeline companies and the State of Alaska, while preeminently desirable, would be difficult to arrange. The gas transmission and distribution companies do not have sufficient financing capacity to underwrite an entire project. *Were the gas producers to participate substantially in the financing, this alternative would be viable.*

2. *Consumer Guaranteed Financing* (also illustrated in the Federal Power Commission *Recommendation to the President*).—The analysis shows that gas consumers have the capacity to guarantee the debt and equity financing, thereby reducing the financing costs. However, this alternative presents important questions of public policy and energy financing policy which remain to be resolved

3. *Mixed Sponsor and Consumer Alternative.*—The report concludes that participation by all the potential beneficiaries—including gas transmission and distribution companies, the gas producers, the State of Alaska, and consumers—would form the most equitable and practical aproach to financing a transportation system. One feasible method would be for each potential beneficiary to guarantee the debt of an identifiable segment of whichever system is designated.

4. *Federal Financing Assistance Alternative.*—A number of methods by which the U.S. Government could assist the financing are discussed in the report. None is recommended because Federal financing assistance was found unnecessary.

Canadian Issue

The two trans-Canada projects propose to raise substantial funds in Canada. The Canadian Department of Finance thus far has opposed governmental guarantees for a project. If ultimately a trans-Canada route is selected and governmental debt guarantees are found necessary, the nature and negotiation of those guarantees will present complex issues requiring close cooperation with the Government of Canada.

Federal Financing Assistance

In general, capital is allocated and utilized most efficiently when its movement is subject to the disciplines and the profit incentives of the market system. Thus, if energy or other government policy imperatives dictate that Federal financial assistance be provided, the degree of such assistance *should be the minimum necessary to achieve such policy objectives.* Also, the financial assistance should be provided in a manner that will facilitate, rather than impede, the operations of

the market system. Finally, *the interests of the taxpayers granting such assistance must be vigilantly protected* and taxpayers should be adequately compensated for their financial support.

If overriding energy policy and credit market considerations do dictate that government assistance be provided for the Alaskan gas project, care must be taken to offset the serious possible consequences of Federal assistance. One serious concern is that Federal financial assistance will create *subsidies which may cause an underpricing of gas and a misallocation of scarce energy and economic resources.* Another serious concern is that assistance by the government in this instance will set a precedent which will make it difficult to find willing parties to support other large energy projects without government assistance. Such a precedent could have long term adverse consequences for the national economy.

Even if Federal assistance were ultimately found necessary to finance the project, it should not be provided *in lieu of* risk bearing by other parties. *Direct beneficiaries of the project should remain obligated to bear the project risks to the largest extent feasible*, and any taxpayer risk should be residual and subordinate.

NATIONAL ENERGY BOARD, OTTAWA, CANADA

Fact Sheet Regarding National Energy Board Decision on the Northern Gas Pipeline Applications

The National Energy Board on 4 July 1977 released its decision on the Northern Gas Pipeline Applications. The following information concerning the functions and responsibilities of the Board, the Applications and the Board's Findings, Decisions and Recommendations is provided for ease of reference.

THE BOARD

The National Energy Board—NEB or Board—is an agency established by legislation by the Government of Canada enacted in 1959. The agency consists of nine full-time members and a staff of some 325 employees, among whom are engineers, environmentalists, economists, accountants, lawyers and other specialists, who act as advisers to the Board.

The Board's responsibility is to control and regulate certain aspects of the energy industry in Canada to ensure that the public interest is protected at all times. It does this by the issuance of certificates of public convenience and necessity which authorize the construction and operation of interprovincial and international pipelines and international power lines and by the issuance of licenses for the export of oil, the import and export of natural gas and the export of electricity.

No pipeline can be built or operated in Canada across provincial or international boundaries unless a certificate has been issued by the NEB. The certificate becomes effective only with the approval of the Governor in Council.

Before the Board reaches a decision on any major pipeline project, it holds a public hearing to examine the proposal and to afford an opportunity for those found to be interested persons under the NEB Act to take part in, adduce evidence, and argue their case or otherwise make submissions.

THE APPLICANTS

During 1974 and 1975, the Board received competing applications and submissions related to the planned construction of a northern gas pipeline. The first application to move northern gas to southern markets was submitted in March 1974 by Canadian Arctic Gas Pipeline Limited under Part III of the NEB Act to construct and operate a new 48-inch diameter main pipeline system and interconnections with existing and proposed new facilities, for the purpose of transporting Prudhoe Bay and Beaufort Basin gas southward. The most northerly section of mainline would run 178 miles from the Alaska-Yukon border to Tununuk Junction, N.W.T.; a supply line would run 19 miles from the Taglu Field on Richards Island to Tununuk Junction to join the

main line. The main line would continue south to Parsons Lake junction where it would be joined by a 30-inch diameter supply lateral from Parsons Lake on the east. The main line would then proceed south along the Mackenzie River Valley into Alberta where, near Caroline, it would split into two delivery lines—one a 48-inch diameter line to Empress, Alberta and thence a 42-inch diameter line to Monchy, Saskatchewan; and the other a 36-inch diameter line to Coleman, Alberta, where the delivery lines would interconnect with the facilities of other pipeline companies. In June 1975, Alberta Natural Gas Company Ltd. applied to the Board for a certificate to construct additional facilities required to transport gas to be obtained through the proposed CAGPL system.

In a competing application, Foothills Pipe Lines Ltd. applied in March of 1975 for a certificate of public convenience and necessity to construct and operate a pipeline and connected works to move natural gas from the Beaufort Basin of the western Arctic to southern Canada and Northwest Territories communities. The proposed pipeline would connect with facilities of Trunk Line (Canada) and Westcoast just north of the 60th parallel. Foothills proposed to construct some 817 miles of 42-inch diameter line from Richards Island along the Mackenzie River Valley. It also proposed to construct 15 miles of 30-inch diameter line as a lateral connection from a point east of Parsons Lake, N.W.T. to a point of connection with the main transmission line some 51 miles south of the Richards Island point of commencement of the main line.

In May 1975, the Alberta Gas Trunk Line (Canada) Limited applied to construct and operate approximately 81 miles of the Foothills 42-inch diameter line from a point 6.5 miles north of the 60th parallel to existing or new Alberta Gas Trunk Line facilities at a point near Zama Lake, Alberta.

The Alberta Gas Trunk Line Company Limited owns and operates a natural gas gathering and transmission system within Alberta. It did not file an application but in a submission in May 1975 undertook to construct and operate certain facilities of Trunk Line (Canada) subject to federal jurisdiction. Originally in the hearings Westcoast Transmission Company Limited submitted an application with respect to an extension of its main line as a companion application in the Foothills project. On July 1, 1976 Westcoast proposed to extend its facilities to interconnect with those of CAGPL if that project were approved.

In August and September 1976 a third set of applications for pipeline construction by a group of associated companies generally called the Foothills (Yukon) Project Group was filed with the Board. These applicants, Foothills (Yukon), Westcoast and Alberta Gas Trunk Line (Canada), proposed to move Alaska gas through Canada to markets in the lower 48 states of the United States. This proposal included construction of a Foothills (Yukon) 42-inch diameter line from an interconnection with Alcan Pipeline Company at the Alaska-Yukon border, through the Yukon to the B.C. border where it would connect with a 42-inch diameter extension of Westcoast; a 36-inch diameter Trunk Line (Canada) line would interconnect existing facilities of Trunk Line in Alberta with another extension of Westcoast, and a Foothills (Yukon) 36-inch diameter line would be constructed from

Trunk Line's facilities at Empress, Alberta to the international border near Monchy, Saskatchewan.

In late February 1977 the Foothills (Yukon) Group filed with the Board an alternative proposal to construct a 48-inch diameter pipeline system, without using the existing Westcoast and Trunk Line facilities. It involved the construction of an "express line" through Yukon, and generally along existing routes in northern British Columbia and Alberta, plus a new Westcoast line parallel to the existing Alberta Natural Gas route in southeaster British Columbia.

On 16 March 1977 the Foothills (Yukon) Group withdrew the 42-inch diameter system applications; thus the only Foothills (Yukon) system considered by the Board in its report is the 48-inch diameter line.

FINDINGS

Based on all the evidence adduced at hearings and submitted by applicants, interveners and interested persons, the Board has made a number of findings, upon which its decisions were based. The more significant of the findings, contained in its Reasons for Decision dated dated June 1977, are outlined below.

The Board finds that a pipeline to transport Mackenzie Delta gas to Canadian markets will be needed during the first half of the 1980's. In support of this finding the Board can to the following conclusions:

(1) There will be a need for additional gas for Canadian markets over and above that forecast to be available from conventional areas to meet the "Most Likely" forecast of Canadian demand plus existing export commitments as early as 1981 or as late as 1985 depending on certain policy options open to governments.

(2) If existing authorized exports of gas were eliminated or were phased out, the "Most Likely" Canadian requirements could be met until about 1990, but the Board does not recommend such action.

(3) The Board endorses a vigorous conservation policy and in its "Most Likely" forecast of Canadian gas demand has endeavoured to realistically assess the degree to which Canadians will be responsive to the conserver ethic; however the Board rejects the proposition urged on it by several public interest groups that a pipeline from the Mackenzie Delta should be denied so as to reinforce the limitation in the rate of growth of the demand for energy.

(4) The current established reserves of the Mackenzie Delta total 5.3 Tcf, with 5.1 of this being economic to connect to planned gas processing plants. Having in mind a pipeline to the south, these reserves would support deliverability of 700 to 800 MMcf per day.

(5) Of the several new large sources of energy available to Canada in the near future, Delta gas is about the lowest cost, in current dollar terms.

Although additional work would be required in the final design process for each of the pipelines being applied for, the Board believes that from an engineering point of view any of these could be built to the satisfaction of the Board.

The Board has specific socio-economics concerns related to a pipeline route up the Mackenzie Valley.

The Board has specific environmental concerns related to a pipeline route from the Alaska-Yukon border to Tununuk Junction.

The social and economic impact of the Foothills (Yukon) project could be held to tolerable levels. The environmental concerns associated with this project can be overcome by avoidance or mitigative measures.

A crucial question in regard to any land bridge proposal for the transmission of United States gas through Canada is whether the project has the potential for bringing Delta gas to Canadian markets and the Foothills (Yukon) project has such a potential in the form of a Dempster link.

The precise timing of the need of a Dempster link is not known today, but the planning for the Foothills (Yukon) project should be compatible in all respects with the addition of such a link, if certificated in the near future.

A necessary complement to the undertaking given by the principals of Foothills (Yukon) to undertake the construction of a Dempster link would be a rerouting of the Alaska Highway line via Dawson, Yukon. Such diversion would reduce the cost of transportation of Delta gas by some 12 cents per Mcf while increasing the cost of transmission of United States gas by six cents per Mcf or less. In certificating the Foothills (Yukon) project, the Board would require a diversion of the route through Dawson. The preliminary financing plan of CAGPL would be acceptable to the Board, with two exceptions—

(*a*) CAGPL would have to provide for majority Canadian control of the equity of its company; and

(*b*) the Board rejects the recommendation of CAGPL that the Canadian Government should provide financial backstopping to the project.

The Board shares the view of the financial advisers to the Foothills project that it could not be financed at this time on the basis of Mackenzie Delta reserves already discovered and could not be justified on economic grounds.

The Foothills (Yukon) Project Group did not request backstopping by the Canadian Government. There are matters of fundamental concern to the Board, however, in the financing and ownership of the Foothills (Yukon) project. These relate to the possible impairment of the credit capability of Trunk Line and Westcoast by their unequivocal undertakings to complete the project irrespective of cost overruns, in providing a land bridge for United States gas. The Board believes some restructuring of the corporate setup of the Foothills (Yukon) project would be necessary. Furthermore, the financial plan of the project should exclude any possible inhibition in providing a Dempster link at a later stage.

To ensure that the objectives of the companies owning and operating each segment of the Foothills (Yukon) project would be consistent with the broader purposes of an integrated interprovincial pipeline, with uniformity of design and tariffs but with decentralization of construction and operation to those companies operating pipelines in the same area, the Board would favour having the pipeline segments south of the 60th parallel owned by federally incorporated subsidiaries of Foothills (Yukon) with, say, 51 per cent ownership and the re-

mainder, say 49 per cent ownership, vested in the pipeline company operating in the area.

The Board believes that construction of the pipeline se, ents south of the 60th parallel should be carried out by the companies familiar with the areas concerned and would favour the proposed ANG pipeline subject to the corporate restructuring mentioned above. Similarly, while having no corresponding applic tion, the Board would look favour on the construction and operation of the pipeline segment in Saskatchewan by TransCanada on a basis similar to that outlined for Trunk Line, Westcoast and ANG.

The Board believes that innovative tariffs would be needed to provide for maximum private sector financing of a northern pipeline. To this end, for this project, it endorses the principle of an "all events" tariff and the need for supplemental agreements with shippers covering the period before the tariff proper comes into effect.

Using the unit costs of transportation filed by the Applicants, and recognizing some limits on comparability, the Board finds that:

(1) For the transportation of Alaska gas from Prudhoe Bay to the 49th parallel, the differences in the unit costs of transportation via CAGPL and via Foothills (Yukon) are relatively small;

(2) the CAGPL project would provide significantly lower unit costs for the transportation of Delta gas to Empress than the Foothills project;

(3) providing the Dempster link to Dawson, which would involve the re-routing of the Foothills (Yukon) 48-inch diameter pipeline in the Yukon, would increase the unit costs of transporting Prudhoe Bay gas to the lower 48 states slightly while providing significantly lower transportation costs to Canadian shippers of Delta gas;

(4) With a throughput of 12 Bcf per day from the Delta and 2 Bcf per day from Alaska, the cost of transmission of Delta gas to Empress appears to be approximately the same for the CAGPL and Foothills (Yukon) projects.

As to the total estimated capital costs, due to the difficult conditions for the northern Yukon and Cross-Delta sections, the Board could visualize a cost overrun of 20 to 35 per cent occurring in the CAGPL project. In the case of Foothills (Yukon) the Board judges that the cost of construction has been under-estimated and it could visualize a cost overrun of 20 to 30 per cent occurring.

The Applicants all estimated relatively high levels of Canadian content for their proposed pipelines—in the range of 80 to 90 percent. The Board's overall assessment is that Foothills and Foothills (Yukon) projects showed overall Canadian content estimates averaging somewhat higher than those indicated by CAGPL.

The evidence of the effect of the pipeline projects on the macroeconomy of Canada was uniform in assessing that none of them would cause severe problems.

The results of cost-benefit analyses, which excluded environmental and social costs and which would differ between CAGPL and Foothills (Yukon), indicate that the net economic benefits would be somewhat greater for the CAGPL project than for the Foothills (Yukon) project.

The Board is not involved in the merits of native land claims per se, or their settlement; these are matters under direct negotiation between

the native peoples and the federal government. The Board was concerned, however, with the interrelation of the resolution of a land claims settlement with the perceptions of Northerners of whether a pipeline should be built, and if, so, where and when.

The Board's assessment of the socio-economic impact of a pipeline in the north is one of broad judgment. The north at this time may be said to be a land in transition and for the individual native northerner, the situation seems to be one of turmoil caused by fear of further white encroachment, and a striving to retain the essentials of a life close to the land from a non-viable base in a community. The added problems relating to the possible construction of a pipeline only compound an already confused situation. In the Yukon, the opening up of the Alaska Highway in 1942 and the fact that the Yukon economy and institutions are more developed, that the land claims negotiations appear to be more advanced, that a smaller number of native peoples would be affected and that the Yukon Indians do not appear to be passing through the phase of a major restructuring of their society, as the Dene appear to be, lead the Board to conclude that the socio-economic impact on the pipeline corridors would, on balance, be more favorable along the Alaska Highway than in the Mackenzie Valley.

The Board believes that identifiable indirect costs of a pipeline project north of the 60th parallel should be borne by the pipeline company. These costs, related to such things as in-migration, provision of additional municipal, social, and health services, are difficult to measure with precision, and it would recommend to the government that an agreement be entered into with a certificate holder to provide funds for such costs. The Board would further recommend that the obligation be limited to $200 million.

There would be need of a government agency to monitor socio-economic matters, and if a certificate were granted, the Board would recommend to the government that it immediately create effective machinery for this purpose.

Based on the evidence put before it, the Board has concluded that the CAGPL Prime Route, both the Northern Yukon coastal and Cross-Delta sections, would be environmentally unacceptable. The Interior Route, presented as a less desirable alternative by CAGPL, would also be environmentally unacceptable to the Board.

The Board has concluded that the environmental concerns associated with the Foothills (Yukon) route relate to impacts which can be overcome by avoidance or mitigative measures.

Environmental information on a Dempster link is sparse and an application for a certificate to construct and operate a pipeline from the Delta to connect with the 48-inch diameter pipeline would have to be supported by detailed environmental studies. Likewise, environmental studies related to a diversion of the 48-inch diameter pipeline through Dawson would require the immediate study of related environmental impacts and subsequent filing of such studies with the Board.

DECISIONS AND RECOMMENDATIONS

The Board's decisions and recommendations to the Governor in Council follow:

(1) The Foothills pipeline cannot be financed; it would not offer the lowest cost means of transporting Mackenzie Delta gas to market

and a pipeline should not be built along the Mackenzie Valley at this time. The Board therefore denies the application of Foothills Pipe Lines Ltd.

(2) For the reasons stated in (1), the Board also denies the applications of Westcoast Transmission Company Limited and Alberta Gas Trunk Line (Canada) Limited for certificates for facilities which would interconnect with those of Foothills.

(3) The CAGPL project is based on incompatible time constraints; on the one hand the urgent need to connect Alaska gas to United States markets and on the other, the need for more time to resolve socio-economic concerns before a pipeline could be built in the Mackenzie Valley.

(4) The Prime Route proposed by CAGPL from the Alaska-Yukon border to Tununuk Junction, including the Cross-Delta segment, is environmentally unacceptable to the Board, as is the alternative Interior Route.

(5) For the reasons stated in (3) and (4), the Board denies the application of CAGPL.

(6) The Foothills (Yukon) project generally offers the preferred route for transporting Alaska gas to markets in the lower 48 States. However, the Board believes certain changes to the project as applied for are desirable in the Canadian public interest.

(7) The Board is prepared to issue certificates of public convenience and necessity for the various pipeline segments of the Foothills (Yukon) project subject to conditions. The Board is recommending to the Governor in Council, however, that approval be withheld until the following have been accomplished:

(i) That appropriate amendments to existing applications have been filed with the issuance of the certificates in the names of subsidiary companies of Foothills (Yukon) for the segments of the project in northern British Columbia, Alberta and south-eastern British Columbia. Fifty-one percent of the voting shares in each of the subsidiary companies would be owned by Foothills (Yukon) and 49 percent in each by Westcoast, Alberta Gas Trunk Line and ANG (or Westcoast, if not acceptable to ANG), respectively.

(ii) That agreements have been entered into by Foothills (Yukon) with the Government of Canada whereby Foothills (Yukon) or any successor, would undertake the following:

(*a*) to conduct feasibility studies with respect to the construction of a gas pipeline of no less than 30-inch diameter from the Mackenzie Delta parallel to the Dempster Highway connecting Delta gas to the Foothills (Yukon) system near Dawson City, Yukon, and on or before 1 July 1979 make an application to the National Energy Board for a certificate of public convenience and necessity for such pipeline;

(*b*) to agree to provide capacity in the main 48-inch diameter pipeline from the point of connection of the Dempster lateral to such point or points on the 48-inch diameter system in Canada deemed necessary to effect delivery of Delta gas to southern Canadian markets, such capacity to be provided by 1 January 1984 or such later date as deemed necessary by the government; and

(*c*) to provide payment upon the request of the Government of Canada of a sum of money which would be used by the government to pay for socio-economic indirect costs of the pipeline project north of the 60th parallel incurred during a period expiring two years after leave had been granted by the Board to open the pipeline. The Board recommended that the obligation be limited to $200 million.

REPORT TO THE PRESIDENT ON ENVIRONMENTAL IMPACTS OF PROPOSED ALASKA GAS TRANSPORTATION CORRIDORS BY THE COUNCIL OF ENVIRONMENTAL QUALITY

SUMMARY

BACKGROUND

Since the discovery of large oil and natural gas reserves in the Prudhoe Bay fields in Alaska, several routes have been proposed to transport this gas to the lower 48 states.

A North Slope/MacKenzie Valley corridor, sponsored by Alaskan Arctic Gas Company, would traverse Alaska's North Slope, cross into Canada at the MacKenzie River Delta, and run south along the river and hence into the Midwest; a western leg would transport gas to the western states.

An Alaska LNG route proposed by the El Paso Alaska Company would follow the oil pipeline to a new terminal site on Prince William Sound where the gas would be liquefied and shipped by tanker to southern California.

The Fairbanks Alternative corridor sponsored by the Alcan Pipeline Company would parallel the existing oil pipeline as far as Fairbanks and then follow the Alcan Highway through Canada. Some of the gas would be routed to the West Coast via a western leg, and most would go through Alberta and Saskatchewan to U.S. markets in the Midwest and the East.

All three corridors were analyzed in the environmental impact statement process of the Department of the Interior and the Federal Power Commission.

Recognizing an urgent national need for additional natural gas supplies, the Congress enacted the Alaska Natural Gas Transportation Act of 1976 to provide the means for a sound and expeditious decision by the President and the Congress on which, if any, transportation system should be built. To avoid the delays of possible litigation, the Act precludes judicial review of the environmental impact statements required by the National Environmental Policy Act (NEPA).

Under Section 6(d) of the Alaska Gas Act, the Council on Environmental Quality is directed to present to the President its views on the legal and factual sufficiency of the impact statements and on other environmental matters that we consider relevant. CEQ is also directed to provide members of the public with an opportunity to present oral and written data, views, and arguments on the impact statements. A total of four days of public hearings were held in Anchorage and Washington, D.C., with written and oral testimony submitted by over 70 persons and organizations representing a wide spectrum of interests. These hearings were extremely informative and helpful to the Council in reaching its conclusions.

Sufficiency of the Environmental Impact Statements

Because of the magnitude of the competing proposals and the abbreviated schedule for decisionmaking under the Alaska Gas Act, the decision at hand is to select a particular gas transportation route. It is the sufficiency of the environmental impact statements *for this limited purpose* that is considered here—not their sufficiency for determining precise alignments, facility locations, and other site-specific data.

After careful review of the impact statements and testimony submitted at our hearings, we have concluded that:

Although they have shortcomings, the environmental impact statements are legally and factually sufficient under the National Environmental Policy Act for purposes of selecting the corridor and basic technology for a gas transportation system. Indeed, the NEPA process led directly to the development of the Fairbanks Alternative, the corridor that we believe to be environmentally preferable, as noted below.

Although the impact statements provide the information necessary to select a corridor and the basic technology for a gas transportation system, they lack the data required for specific decisions concerning route alignments, project designs, mitigation measures, and facility siting. NEPA requires a continuous review of environmental factors and alternatives by agencies with authority over the approved gas transportation system. Environmental assessments, EIS supplements, or new impact statements may be required, depending upon the significance of impacts and the degree to which they have already been treated. Major design, engineering, or other site-specific decisions that follow the selection of a corridor and technology must be considered in one of these types of NEPA analyses.

Environmental Impacts of Alternative Corridors

The impact statements and other public documents provide a wealth of information on the environmental impacts of each of the three corridors. Altogether, they permit a fair comparison of the significant environmental impacts that we believe are most relevant to the decision before the President and the Congress. We found that:

The North Slope/MacKenzie Valley corridor is the most environmentally destructive of the three routes being considered. Intrusion into the wilderness stretching from the Canning River in Alaska to the MacKenzie Delta in Canada would be massively disruptive. We disagree strongly with the Federal Power Commission's conclusion that this corridor is environmentally acceptable.

This corridor would pass through parts of Alaska and Canada that are now hardly affected by industrial man's influence: Of its 195 miles in Alaska, 135 miles would cross the narrow coastal plain of the 8.9-million acre Arctic National Wildlife Range Established to preserve unique wildlife, wilderness, and recreational values, the Range stands out at the last unspoiled area of its kind in the entire Northern Hemisphere.

The proposed North Slope/MacKenzie Valley pipeline would cut an east-west corridor across this unmarred landscape, requiring new port facilities, airstrips, helipads, gravel borrow areas and compressor stations as well. Although the land loss seems insubstantial when

compared to the total Range, the harm likely to occur to wildlife and wilderness values there is vastly out of proportion to acreage figures.

The litany of measures proposed to protect the Range from pipeline construction is a testimony to scientific, technological, and management ingenuity. The applicant proposes to build that portion of the pipeline entirely in one winter, using only snow roads that vanish with the spring melt. We are skeptical about whether it could be done. The risks of failure are impressive and their consequences irremedial. Experience suggests that economic pressure to complete such a pipeline on schedule would not yield to the onset of spring and the wildlife that might stand in the way.

We must also note the widespread concern that such a gas line could invite an oil line and perhaps a permanent road, so as eventually to become a permanent corridor. A gas line across the Arctic Range and Northern Yukon to the MacKenzie Delta would invite the exploration of oil and gas that may well exist within the Range or in the Beaufort Sea. The future of the Arctic Range must lie in the permanent dedication of this rich and unique area to wilderness. This is also the conclusion of the State of Alaska and every environmental organization appearing at our hearings.

The wilderness and wildlife values of the Range, along with the pipeline route, also extend into Canada, to the MacKenzie Delta. Natives there, who constitute the majority of the population in the Northern Arctic, have vigorously opposed any pipeline either across the North Slope or up the MacKenzie River, fearing its effects on their way of life and its interference with their land claims settlement. Canadian Justice Thomas Berger, who investigated the social and environmental impacts of this route for the Canadian government, recommended that to protect these people and the environment on which they depend, no pipeline be built across the North Slope.

The Fairbanks Alternative corridor would largely follow existing transportation corridors, with no large-scale intrusion into wilderness areas or destruction of wilderness values. We find, in agreement with the Federal Power Commission, that it is the most environmentally acceptable of the three corridors.

But some of its environmental risks are still unknown. The preliminary state of the design effort suggests substantial uncertainty about fundamental concepts. Measures to deal with frost heave, thaw settlement, and summer construction, for example, are only roughly sketched. Still to be developed is site-specific information, such as stream crossings and additional workpad construction mileage.

On the other hand, it appears that the gas line could be safely constructed relatively near the oil pipeline across the existing workpad. The existing haul road along the oil pipeline would also be used, as would many of the existing campsites and other facilities. Further advantages can result from the availability of information on the geology, soils, stream characteristics, and wildlife, all of which would aid in controlling impacts of the Fairbanks Alternative as far as Delta Junction, where it would depart from the oil pipeline.

Social and growth impacts of both the Fairbanks Alternative and the Alaska LNG route will obviously be greater in Alaska than those of the North Slope/MacKenzie Valley corridor. Although no accurate measures of these impacts have been made, the Alyeska experi-

ence has prepared residents for what to expect. Many government, labor, and business interests as well as some Alaskan natives desire the growth effects of another pipeline project and believe its impacts can readily be absorbed.

A Canadian Inquiry headed by Dean K.M. Lysyk is now investigating the effects of the Fairbanks Alternative on the native claims settlement issue in the Southern Yukon. The report is intended to provide Canada with the social impact information needed to make a decision on this route.

The Alaska LNG alternative presents risks to the environment, to public safety, and to system intergrity not present with the overland corridors. Its significantly greater consumption of energy should also be viewed as an environmental cost, and it would have the greatest impact on Alaskan fisheries. It is possible that the Alaska LNG corridor and technology can be environmentally acceptable. At present, however, we are faced with significant uncertainties about thermal impacts, seismic design, ultimate suitability of the LNG plant sites proposed in Alaska and southern California, and the safety risks of LNG tanker traffic. This system would be environmentally acceptable only on condition that more specific analyses of alternative LNG facility sites and mitigation measures are conducted prior to any certification.

Because the Alaska LNG pipeline corridor makes the most extensive use of the existing oil pipeline corridor, its social, economic, and environmental impacts in Alaska would be similar to those of the Fairbanks Alternative. In its last 43 miles, however, the corridor would cross the Chugach National Forest, a roadless area of great scenic beauty, to Point Gravina, where the gas would be liquefied, and from there transported by tankers to California, gasified, and sent to U.S. markets.

The most serious potential impacts of the LNG facility at Point Gravina are those associated with the seawater cooling system. According to the best evidence, the LNG plant as proposed would probably affect the marine ecology of Orca Bay substantially. Because the area is a valuable source of salmon and other commercial species, it could have profound effects on the local economy as well. But precise conclusions cannot be drawn because no substantial investigation of the Bay has been undertaken, and the water-related LNG plant systems remain undefined. Without this information it is impossible to determine whether the site at Point Gravina is environmentally acceptable or another is preferable. It seems likely, however, that an environmentally acceptable plant could be designed and constructed.

Similar problems arise with seismic design at the Gravina site. Earthquakes and resultant tsunamis present serious threats. The applicant asserts that a safe plant could be designed once Gravina conditions (e.g., the existence and depth of bedrock) are satisfactorily investigated. Although this assertion has not been successfully challenged, the necessary proof must await further site investigation and actual plant design.

From Point Gravina LNG tankers would leave for a California gasification site—Point Conception or Oxnard appear to be the current leading alternatives. Here complex land use, thermal discharge,

and safety issues must still be resolved by the state and federal governments.

LNG tanker accidents can have major consequences. Tanker collisions or rammings and groundings could lead to vapor clouds, LNG pool fires, and accidents at the LNG facility—with possibly fatal effects. The analyses of LNG public safety risks on the record are inconclusive. Although it is not now possible to establish the level of public safety risk imposed by an LNG facility, it is possible to reduce substantially the consequences of events by remote location of facilities away from people.

The Alaska LNG system is therefore unique, and it is difficult to analyze because of the inherent uncertainties posed. Mitigation of its environmental impacts and safety risks will be possible, but only at considerable, heretofore unestimated, expense.

We must note that the environmental damage inflicted by any of these transport systems will be significant. Thus we recommend that the need for Alaska gas, the parts of the country that it would benefit, and the alternative energy supplies that they might receive now or at some later date be subject to the most careful scrutiny before a final decision is reached.

We have defined our environmental impact considerations as solely a function of corridor and technology, independent of the project sponsor. Although Alcan has proposed the least environmentally risky corridor—the Fairbanks Alternative—its proposal is the least well-developed of the three. And although we find the North Slope/Mackenzie Valley corridor unacceptable on environmental grounds, we note that Arctic Gas has provided environmental analyses of a depth and quality clearly superior to those of the other applicants.

Our conclusion that the Fairbanks Alternative corridor is the least environmentally damaging route assumes the strict application of environmental criteria in a full interdisciplinary review during the engineering design, construction scheduling, and route selection process. We also assume that the federal government will establish coherent stipulations, terms, and conditions and stringently enforce the environmental and public safety conditions in the field.

It will not suffice to rely on the project sponsor's "quality control" to protect the environment or to ensure compliance with government-imposed conditions. Effective enforcement will require a central federal authority and a new organizational structure to resolve interagency conflicts over jurisdiction and policy. In any case, we believe that the public would be well served by a citizen monitoring capability, staffed and federally supported to observed and report on pipeline construction, and well coordinated with the government monitoring structure.

PUBLIC VIEWS PRESENTED TO THE COUNCIL ON ENVIRONMENTAL QUALITY

Witnesses found the environmental impact statements in compliance with the National Environmental Policy Act but several shortcomings were noted. Critics argued that the statements were too long and cumbersome and lacked explicit comparisons of the three corridors. Some also believed that the statements had omitted specific information or analyses, such as recent design and alignment changes

in two of the proposals, long-range effects of pipeline construction, and comprehensive information on impacts in Canada.

The issues of greatest concern to witnesses included:

Impacts on the Arctic National Wildlife Range.

Social and economic impacts in Alaska.

Impacts on Canada, especially on Canadian natives.

The net national economic costs and benefits of transporting Alaskan natural gas.

Regional distribution of Alaskan gas to the lower 48 states.

Implications for future resource development in the North.

Pipeline construction monitoring.

Other prominent issues were impacts on Alaska's fisheries and effects on coal gasification development.

Environmental groups testifying and the State of Alaska were unanimous in their opposition to the North Slope/MacKenzie Valley corridor; most environmental organizations strongly preferred the Fairbanks Alternative to the other corridors. Representatives of the State of Alaska and Alaskan business, labor, and local governments testifying favored the Alaska LNG route, believing it to hold the greatest social and economic benefits for the state. Many major Midwest, East Coast, and California gas distributors and transmission companies support the North Slope/MacKenzie Valley corridor. They believe the Arctic Gas proposal to be the most reliable and one that will ensure delivery of the greatest volumes of gas directly to markets.

MAY 9, 1977.

REPORT OF JUSTICE THOMAS R. BERGER ON THE MACKENZIE VALLEY PIPELINE INQUIRY

> "It will be for the Government of Canada, when my report and the National Energy Board's report is before it, to weigh Canada's need for frontier gas, and the impact of the construction of a pipeline on the north and on northern peoples, and then to decide if a pipeline should be built and, if it is to be build, then where and by whom it should be built. These are political decisions, to be taken by those who have been elected to make such decisions."
>
> Thomas R. Berger, *Queens Quarterly, Vol. 83, No. 1, Spring 1976.*

The Mackenzie Valley Inquiry was established on March 21, 1974 by Order-in-Council of the Government of Canada. The attached is the first of a two-volume advisory report to the Minister of Indian and Northern Affairs, prepared by the Commissioner of Inquiry, Justice Thomas R. Berger. In this first volume, Justice Berger addresses the overall social, environmental and economic impacts of proposed natural gas transportation systems on the Yukon and Northwest Territories. Specific emphasis is placed on the possible impacts of competing Mackenzie Valley pipeline projects sponsored by Canadian Arctic Gas Pipeline Ltd. and Foothills Pipelines Ltd. The second volume, scheduled for later release, will present recommended terms and conditions that might be imposed on the right of way if a pipeline is built.

The recommendations flowing from the Mackenzie Valley Pipeline Inquiry should not be construed as representing the policies of the Canadian Government or any Department thereof. It is common practice in Canada to establish Commissions of this kind to study policy options. While the Government is under no obligation to accept Justice Berger's recommendations, they will, of course, be given serious consideration.

The Berger reports, the National Energy Board findings and inputs from Government and public sources will all contribute to the review process leading toward final Government decisions.

MACKENZIE VALLEY PIPELINE INQUIRY, COMMISSIONER,
MR. JUSTICE THOMAS R. BERGER

OTTAWA,
May 9, 1977.

Berger Report: Northern Frontier, Northern Homeland.

Mr. Justice Thomas R. Berger's report of the Mackenzie Valley Pipeline Inquiry, tabled in the House of Commons today, recommends that, on environmental grounds, no pipeline should be built across the

Northern Yukon. It is, on the other hand, feasible, from an environmental point of view, to build a pipeline along the Mackenzie Valley to transport gas from the Arctic. However, construction of a pipeline along the Mackenzie Valley should be postponed for 10 years to allow sufficient time for a just settlement of native claims. The Judge indicates that on the basis of the evidence brought before the Inquiry, the alternative overland route to carry Alaskan gas to markets in the United States, along the Alaska Highway crossing the southern Yukon is environmentally preferable to the proposed crossing of the Northern Yukon.

Judge Berger's recommendations do not mean that Canadians "must renounce their northern gas and oil." The report said that if the Government of Canada accepts the recommendations contained in this report, Canadians can build "a Mackenzie Valley pipeline at the time of their own choosing, along a route of their own choice."

Judge Berger said that the decisions facing Canadians about the North

> are not . . . simply about northern pipelines. They are decisions about the protection of the northern environment and the future of the northern peoples. . . . The North is a region of conflicting goals; preferences and aspirations . . . [where] the pipeline represents the advance of the industrial system to the Arctic. . . . The impact of a pipeline will bear especially upon the native people. . . . The conflict focuses on the pipeline. For some in Northern Canada, the North is a frontier, for others, it is a homeland, Judge Berger said.

Judge Berger set out the assumptions behind his recommendations:

> I have proceeded on the assumption that, in due course, the industrial system will require the gas and oil of the Western Arctic, and that they will have to be transported along the Mackenzie Valley to markets in the South. I have also proceeded on the assumption that we intend to protect and preserve Canada's northern environment and that, above all else, we intend to honour the legitimate claims and aspirations of the native people. All of these assumptions are embedded in the federal government's expressed northern policy for the 1970s.

Two pipeline companies, Canadian Arctic Gas Pipeline Ltd. and Foothills Pipe Lines Ltd., have proposed pipelines to bring gas from the Arctic along the Mackenzie Valley to consumers in the South. Arctic Gas proposes to bring Alaskan gas from Prudhoe Bay via the Northern Yukon, hook up with gas from the Mackenzie Delta and deliver to markets in Canada and the United States. Foothills proposes to bring Canadian gas south from the Mackenzie Delta.

The mandate of the Mackenzie Valley Pipeline Inquiry was to determine the social, environmental and economic impact of the construction of a gas pipeline and the cumulative impact of an energy corridor from the Arctic, and to recommend the terms and conditions that ought to be imposed on any right-of-way if such a pipeline were to be built.

This is Volume I of the report of the Inquiry. It deals with the broad social, economic and environmental impacts of the pipeline and

corridor. It contains basic recommendations to assist the Government in determining when a pipeline should be built, where it should be built and who should build it.

Volume II of the report is in preparation and will be available this summer. It will contain terms and conditions to be imposed if a pipeline is built.

Volume I includes an opening letter to Mr. Allmand, the Minister of Indian and Northern Affairs, which is a summary of Judge Berger's recommendations.

Key recommendations are as follows:

Judge Berger said: "I recommend that no pipeline be built and no energy corridor be established across the Northern Yukon along either route." This means that the report rejected both the Coastal and Interior Routes proposed by Arctic Gas to bring gas from Alaska to the United States.

Judge Berger said that if the pipeline is built along the Coastal Route and an energy corridor is established, "I foresee that, within our lifetime, the Porcupine caribou herd [one of the last great caribou herds in North America], will be reduced to a remnant." "The preservation of the Porcupine caribou herd is incompatible with the building of a gas pipeline and the establishment of an energy corridor through its calving grounds."

The Arctic Gas pipeline and energy corridor along the Interior Route in the Northern Yukon "would have a devastating impact on the people of Old Crow," Judge Berger said. "All the people in the village told me they are opposed to the pipeline. They fear it will destroy their village, their way of life, and their land."

The report recommended that a National Wilderness Park be established in the Northern Yukon contiguous to Alaska's Arctic National Wildlife Range "to protect the wilderness, the caribou, birds and other wildlife." "Oil and gas exploration, pipeline construction and industrial activity must be prohibited within the Park and the native people must continue to have the right to hunt, fish and trap."

Regarding the alternate proposal to carry Alaskan gas along the Alaska Highway Route across the southern Yukon, Judge Berger said:

> Some of the concerns about wildlife, wilderness, and engineering and construction that led me to reject the corridor across the Northern Yukon do not appear to apply in the case of the Alaska Highway Route. It is a route with an established infrastructure. In my view, the construction of a pipeline along this route would not threaten any substantial populations of any species in the Yukon or in Alaska. But I am in no position to endorse such a route: an assessment of social and economic impact must still be made and native claims have not been settled.

Judge Berger views the Mackenzie Delta-Beaufort Sea area as a "major petroleum province in the making" and regards the pipeline as the trigger for expanded oil and gas exploration and development. He rejected the Arctic Gas proposed route across the Mackenzie Delta in order to protect the Delta's unique ecosystem, the birds and the white whales.

Judge Berger recommended a white whale sanctuary be established in west Mackenzie Bay to protect the calving grounds for the 5,000-strong white whale herd. "If the herd is driven from its calving area, it will die out," Judge Berger said. In the sanctuary, "oil and gas exploration and development would be forbidden at any time of the year."

Much of the oil and gas potential of the region is believed to lie offshore beneath the Beaufort Sea. The report recognized that it has been considered to be in the national interest to begin delineating the extent of these reserves but urged restraint in approving future exploration and development. "The greatest concern in the Beaufort Sea is the threat of oil spills." Judge Berger said: "In my opinion, the techniques presently available will not be successful in controlling or cleaning up a major spill in this remote [Arctic] area."

"Therefore, I urge the Government of Canada to ensure that improvements in technology for prevention . . . and clean-up of spills precede further advance of industry in the Beaufort Sea." In addition, Canada is "pioneering on this frontier and establishing the standards that may well guide other circumpolar countries in future Arctic drilling."

Another key recommendation is that "a period of 10 years will be required in the Mackenzie Valley and Western Arctic to settle native claims, and to establish the new institutions and new programs that a settlement will entail. No pipeline should be built until these things have been achieved." But solely from an environmental point of view, Judge Berger said, "I have concluded that it is feasible . . . to build a pipeline and to establish an energy corridor along the Mackenzie Valley, running south from the Mackenzie Delta to the Alberta border."

"The pipeline companies see the pipeline as an unqualified gain to the North," but "it is an illusion to believe that the pipeline will solve the economic problems of the North." the report said. The Arctic Gas project has been described as one of the greatest construction projects, in terms of capital expenditure, ever contemplated by private enterprise. The Arctic Gas pipeline would require 6,000 construction workers North of 60, a hugh infrastructure of wharves, warehouses and airstrips, and fleets of aircraft, tractors, earth-movers, trucks and trailers. "The pipeline contractors and unions have made it plain that native northerners are not qualified to hold down skilled positions in pipeline construction." Once the pipeline is built there will be about 250 jobs, mostly of a technical nature, that will require qualified personnel from the South.

Judge Berger said:

> I am convinced that non-renewable resources need not necessarily be the sole basis of the northern economy in the future. . . . A strengthening of renewable resource harvesting in the North—the fortification of the native economy—would enable native people to enter the industrial system without becoming completely dependent on it.
>
> An economy based on modernization of hunting, fishing and trapping, on efficient game and fisheries management, on small-scale enterprise, and on the orderly development of gas and oil resources over a period of years—this is no retreat

into the past; rather, it is a rational program for northern development based on the ideals and aspirations of northern native peoples.

The report stated: "The social costs of building a pipeline now will be enormous, and no remedial programs are likely to ameliorate them." The great majority of the 1,000 witnesses that spoke to the Inquiry in the 35 community hearings expressed their fears of what a pipeline would bring: "an influx of construction workers, more alcoholism, tearing of the social fabric, injury to the land, and the loss of their identity as a people." Judge Berger said, "I am persuaded that these fears are well founded."

The report recommended that "the native people must be allowed a choice about their own future. If the pipeline is approved before a settlement of claims takes place, the future of the North—and the place of the native people in the North—will, in effect, have been decided for them." "It would therefore be dishonest to try to impose an immediate settlement that we know now—and that the native people will know before the ink is dry—will not achieve their goals. They will soon realize—just as the native people on the prairies realized a century ago as the settlers poured in—that the actual course of events on the ground will deny the promises that appear on paper."

The report pointed out that "the pipeline companies are obviously having trouble in designing their proposal to deal with frost heave" of the buried refrigerated pipeline. Judge Berger expressed his concern about construction scheduling too: "I am not persuaded that Arctic Gas can meet its construction schedule across the Northern Yukon."

Given such uncertainties "it seems to me unreasonable that the Government of Canada should give unqualified approval to a right-of-way or provide financial guarantees to the project without a convincing resolution of these concerns."

The report also recommended that the Government develop an independent body of knowledge on the northern environment, environmental impact, and engineering design and construction under Arctic and permafrost conditions to fill critical gaps in information and to provide government with the knowledge it will need in making an intelligent disposition of northern development proposals.

In the epilogue to the report, Judge Berger referred to the statements made at the Inquiry by native people who said they would be prepared to give up their lives to stop the pipeline if it were to proceed before there had been a settlement of native claims. He said: "I have given the most anxious consideration to whether or not I should make any reference in this report" to the statements made at the Inquiry about possible "violent reaction to the pipeline if it were built without a just settlement of native claims." "I have concluded that they cannot be ignored." "No one who heard them could doubt that they were said in earnest." "I do not want anyone to think I am predicting an insurrection. But I am saying there is the real possibility of civil disobedience and civil disorder that—if they did occur—might well render orderly political evolution of the North impossible.

Public Law 94-586
94th Congress

An Act

To expedite a decision on the delivery of Alaska natural gas to United States markets, and for other purposes.

Oct. 22, 1976
[S. 3521]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Alaska Natural Gas Transportation Act of 1976.

SHORT TITLE

SECTION 1. This Act may be cited as the "Alaska Natural Gas Transportation Act of 1976".

15 USC 719 note.

CONGRESSIONAL FINDINGS

SEC. 2. The Congress finds and declares that—

15 USC 719.

(1) a natural gas supply shortage exists in the contiguous States of the United States;

(2) large reserves of natural gas in the State of Alaska could help significantly to alleviate this supply shortage;

(3) the expeditious construction of a viable natural gas transportation system for delivery of Alaska natural gas to United States markets is in the national interest; and

(4) the determinations whether to authorize a transportation system for delivery of Alaska natural gas to the contiguous States and, if so, which system to select, involve questions of the utmost importance respecting national energy policy, international relations, national security, and economic and environmental impact, and therefore should appropriately be addressed by the Congress and the President in addition to those Federal officers and agencies assigned functions under law pertaining to the selection, construction, and initial operation of such a system.

STATEMENT OF PURPOSE

SEC. 3. The purpose of this Act is to provide the means for making a sound decision as to the selection of a transportation system for delivery of Alaska natural gas to the contiguous States for construction and initial operation by providing for the participation of the President and the Congress in the selection process, and, if such a system is approved under this Act, to expedite its construction and initial operation by (1) limiting the jurisdiction of the courts to review the actions of Federal officers or agencies taken pursuant to the direction and authority of this Act, and (2) permitting the limitation of administrative procedures and effecting the limitation of judicial procedures related to such actions. To accomplish this purpose it is the intent of the Congress to exercise its constitutional powers to the fullest extent in the authorizations and directions herein made, and particularly with respect to the limitation of judicial review of actions of Federal officers or agencies taken pursuant thereto.

15 USC 719a.

DEFINITIONS

15 USC 719b.

SEC. 4. As used in this Act:

(1) the term "Alaska natural gas" means natural gas derived from the area of the State of Alaska generally known as the North Slope of Alaska, including the Continental Shelf thereof;

(2) the term "Commission" means the Federal Power Commission;

(3) the term "Secretary" means the Secretary of the Interior;

(4) the term "provision of law" means any provision of a Federal statute or rule, regulation, or order issued thereunder; and

(5) the term "approved transportation system" means the system for the transportation of Alaska natural gas designated by the President pursuant to section 7(a) or 8(b) and approved by joint resolution of the Congress pursuant to section 8.

FEDERAL POWER COMMISSION REVIEWS AND REPORTS

Proceedings, suspension. 15 USC 719c. 15 USC 717w.

SEC. 5. (a)(1) Notwithstanding any provision of the Natural Gas Act or any other provision of law, the Commission shall suspend all proceedings pending before the Commission on the date of enactment of this Act relating to a system for the transportation of Alaska natural gas as soon as the Commission determines to be practicable after such date, and the Commission may refuse to act on any application, amendment thereto, or other requests for action under the Natural Gas Act relating to a system for the transportation of Alaska natural gas until such time as (A) a decision of the President designating such a system for approval takes effect pursuant to section 8, (B) no such decision takes effect pursuant to section 8, or (C) the President decides not to designate such a system for approval under section 8 and so advises the Congress pursuant to section 7.

(2) In the event a decision of the President designating such a system takes effect pursuant to this Act, the Commission shall forthwith vacate proceedings suspended under paragraph (1) and, pursuant to section 9 and in accordance with the President's decision, issue a certificate of public convenience and necessity respecting such system.

(3) In the event such a decision of the President does not take effect pursuant to this Act or the President decides not to designate such a system and so advises the Congress pursuant to section 7, the suspension provided for in paragraph (1) of this subsection shall be removed.

Recommendation, submittal to President.

(b)(1) The Commission shall review all applications for the issuance of a certificate of public convenience and necessity relating to the transportation of Alaska natural gas pending on the date of enactment of this Act, and any amendments thereto which are timely made, and after consideration of any alternative transportation system which the Commission determines to be reasonable, submit to the President not later than May 1, 1977, a recommendation concerning the selection of such a transportation system. Such recommendation may be in the form of a proposed certificate of public convenience and necessity, or in such other form as the Commission determines to be appropriate, or may recommend that no decision respecting the selection of such a transportation system be made at this time or pursuant to this Act. Any recommendation that the President approve a particular transportation system shall (A) include a description of the nature and route of the system, (B) designate

a person to construct and operate the system, which person shall be the applicant, if any, which filed for a certificate of public convenience and necessity to construct and operate such system, (C) if such recommendation is for an all-land pipeline transportation system, or a transportation system involving water transportation, include provision for new facilities to the extent necessary to assure direct pipeline delivery of Alaska natural gas contemporaneously to points both east and west of the Rocky Mountains in the lower continental United States.

(2) The Commission may, by rule, provide for the presentation of data, views, and arguments before the Commission or a delegate of the Commission pursuant to such procedures as the Commission determines to be appropriate to carry out its responsibilities under paragraph (1) of this subsection. Such a rule shall, to the extent determined by the Commission, apply, notwithstanding any provision o law that would otherwise have applied to the presentation of data, views, and arguments. Rule.

(5) The Commission may request such information and assistance from any Federal agency as the Commission determines to be necessary or appropriate to carry out its responsibilities under this Act. Any Federal agency requested to submit information or provide assistance shall submit such information to the Commission at the earliest practicable time after receipt of a Commission request. Cooperation.

(c) The Commission shall accompany any recommendation under subsection (b) (1) with a report, which shall be available to the public, explaining the basis for such recommendation and including for each transportation system reviewed or considered a discussion of the following: Report, public availability.

(1) for each year of the 20-year period which begins with the first year following the date of enactment of this Act, the estimated—

(A) volumes of Alaska natural gas which would be available to each region of the United States directly, or indirectly by displacement or otherwise, and

(B) transportation costs and delivered prices of any such volumes of gas by region;

(2) the effects of each of the factors described in subparagraphs (A) and (B) of paragraph (1) on the projected natural gas supply and demand for each region of the United States and on the projected supplies of alternative fuels available by region to offset shortages of natural gas occurring in such region for each such year;

(3) the impact upon competition;

(4) the extent to which the system provides a means for the transportation to United States markets of natural resources or other commodities from sources in addition to the Prudhoe Bay Reserve;

(5) environmental impacts;

(6) safety and efficiency in design and operation and potential for interruption in deliveries of Alaska natural gas;

(7) construction schedules and possibilities for delay in such schedules or for delay occurring as a result of other factors;

(8) feasibility of financing;

(9) extent of reserves, both proven and probable and their deliverability by year for each year of the 20-year period which

begins with the first year following the date of enactment of this Act;

(10) the estimate of the total delivered cost to users of the natural gas to be transported by the system by year for each year of the 20-year period which begins with the first year following the date of enactment of this Act;

(11) capability and cost of expanding the system to transport additional volumes of natural gas in excess of initial system capacity;

(12) an estimate of the capital and operating costs, including an analysis of the reliability of such estimates and the risk of cost overruns; and

(13) such other factors as the Commission determines to be appropriate.

(d) The recommendation by the Commission pursuant to this section shall not be based upon the fact that the Government of Canada or agencies thereof have not, by then rendered a decision as to authorization of a pipeline system to transport Alaska natural gas through Canada.

Transportation system, recommendation, submittal to President.

(e) If the Commission recommends the approval of a particular transportation system, it shall submit to the President with such recommendation (1) an identification of those facilities and operations which are proposed to be encompassed within the term "construction and initial operation" in order to define the scope of directions contained in section 9 of this Act and (2) the terms and conditions permitted under the Natural Gas Act, which the Commission determines to be appropriate for inclusion in a certificate of public convenience and necessity to be issued respecting such system. The Commission shall submit to the President contemporaneously with its report an environmental impact statement prepared respecting the recommended system, if any, and each environmental impact statement which may have been prepared respecting any other system reported on under this section.

15 USC 717w.

Environmental impact statement, submittal to President.

OTHER REPORTS

Comments, submittal to President.
15 USC 719d.

Public availability.

SEC. 6. (a) Not later than July 1, 1977, any Federal officer or agency may submit written comments to the President with respect to the recommendation and report of the Commission and alternative methods for transportation of Alaska natural gas for delivery to the contiguous States. Such comments shall be made available to the public by the President when submitted to him, unless expressly exempted from this requirement in whole or in part by the President, under section 552(b)(1) of title 5, United States Code. Any such written comment shall include information within the competence of such Federal officer or agency with respect to—

(1) environmental considerations, including air and water quality and noise impacts;

(2) the safety of the transportation systems;

(3) international relations, including the status and time schedule for any necessary Canadian approvals and plans;

(4) national security, particularly security of supply;

(5) sources of financing for capital costs;

(6) the impact upon competition;

(7) impact on the national economy, including regional natural gas requirements; and

(8) relationship of the proposed transportation system to other aspects of national energy policy.

Comments, submittal to President.

(b) Not later than July 1, 1977, the Governor of any State, any municipality, State utility commission, and any other interested person may submit to the President such written comments with respect to the recommendation and report of the Commission and alternative systems for delivering Alaska natural gas to the contiguous States as they determine to be appropriate.

Report to President.

(c) Not later than July 1, 1977, each Federal officer or agency shall report to the President with respect to actions to be taken by such officer or agency under section 9(a) relative to each transportation system reported on by the Commission under section 5(c) and shall include such officer's or agency's recommendations with respect to any provision of law to be waived pursuant to section 8(g) in conjunction with any decision of the President which designates a system for approval.

Report to President.

(d) Following receipt by the President of the Commission's recommendations, the Council on Environmental Quality shall afford interested persons an opportunity to present oral and written data, views, and arguments respecting the environmental impact statements submitted by the Commission under section 5(e). Not later than July 1, 1977, the Council on Environmental Quality shall submit to the President a report, which shall be contemporaneously made available by the Council to the public, summarizing any data, views, and arguments received and setting forth the Council's views concerning the legal and factual sufficiency of each such environmental impact statement and other matters related to environmental impact as the Council considers to be relevant.

PRESIDENTIAL DECISION AND REPORT

15 USC 719e.

SEC. 7. (a)(1) As soon as practicable after July 1, 1977, but not later than September 1, 1977, the President shall issue a decision as to whether a transportation system for delivery of Alaska natural gas should be approved under this Act. If he determines such a system should be so approved, his decision shall designate such a system for approval pursuant to section 8 and shall be consistent with section 5(b)(1)(C) to assure delivery of Alaska natural gas to points both east and west of the Rocky Mountains in the continental United States. The President in making his decision shall take into consideration the Commission's recommendation pursuant to section 5, the report under section 5(c), and any comments submitted under section 6, and his decision to designate a system for approval shall be based on his determination as to which system, if any, best serves the national interest.

Transmittal to Congress, delay.

(2) The President, for a period of up to 90 additional calendar days after September 1, 1977, may delay the issuance of his decision and transmittal thereof to the House of Representatives and the Senate, if he determines (A) that there exists no environmental impact statement prepared relative to a system he wishes to consider or that any prepared environmental impact statement relative to a system he wishes to consider is legally or factually insufficient, or (B) that the additional time is otherwise necessary to enable him to make a sound decision on an Alaska natural gas transportation system. The President shall promptly, but in no case any later than September 1, 1977, notify the House of Representatives and the

Notice to Congress.

Senate if he so delays his decision and submit a full explanation of the basis of any such delay.

(3) If, on or before May 1, 1977, the President determines to delay issuance and transmittal of his decision to the House of Representatives and the Senate pursuant to paragraph (2) of this subsection, he may authorize a delay of not more than 90 days in the date of taking of any action specified in sections 5 and 6. The President shall promptly notify the House of Representatives and the Senate of any such authorization of delay and submit a full explanation of the basis of any such authorization.

Notice to Congress.

(4) If the President determines to designate for approval a transportation system for delivery of Alaska natural gas to the contiguous States, he shall in such decision—

(A) describe the nature and route of the system designated for approval;

(B) designate a person to construct and operate such a system, which person shall be the applicant, if any, which filed for a certificate of public convenience and necessity to construct and operate such system;

(C) identify those facilities, the construction of which, and those operations, the conduct of which, shall be encompassed within the term "construction and initial operation" for purposes of defining the scope of the directions contained in section 9 of this Act, taking into consideration any recommendation of the Commission with respect thereto; and

(D) identify those provisions of law, relating to any determination of a Federal officer or agency as to whether a certificate, permit, right-of-way, lease, or other authorization shall be issued or be granted, which provisions the President finds (i) involve determinations which are subsumed in his decision and (ii) require waiver pursuant to section 8(g) in order to permit the expeditious construction and initial operation of the transportation system.

Chairman, appointment.

(5) After a decision of the President designating an Alaska natural gas transportation system takes effect under section 8, the President shall appoint an officer of the United States, with the advice and consent of the Senate, or designate a board (consisting of such an officer, so appointed with the advice and consent of the Senate, as chairman and such other individuals as the President determines appropriate to serve on such board by reason of background, experience, or position) to serve as Federal inspector of construction of such transportation system, except that no such individual or officer may have a financial interest in the approved transportation system. Upon enactment of a joint resolution pursuant to section 8 approving such a system the Federal inspector shall—

Joint surveillance and monitoring agreement, establishment.

(A) establish a joint surveillance and monitoring agreement, approved by the President, with the State of Alaska similar to that in effect during construction of the trans-Alaska oil pipeline to monitor the construction of the approved transportation system within the State of Alaska;

(B) monitor compliance with applicable laws and the terms and conditions of any applicable certificate, rights-of-way, permit, lease, or other authorization issued or granted under section 9;

(C) monitor actions taken to assure timely completion of construction schedules and the achievement of quality of construction, cost control, safety, and environmental protection objectives and the results obtained therefrom;

(D) have the power to compel, by subpena if necessary, submission of such information as he deems necessary to carry out his responsibilities; and

(E) keep the President and the Congress currently informed on any significant departures from compliance and issue quarterly reports to the President and the Congress concerning existing or potential failures to meet construction schedules or other factors which may delay the construction and initial operation of the system and the extent to which quality of construction, cost control, safety and environmental protection objectives have been achieved.

(6) If the President determines to designate for approval a transportation system for delivery of Alaska natural gas to the contiguous States, he may identify in such decision such terms and conditions permissible under existing law as he determines appropriate for inclusion with respect to any issuance or authorization directed to be made pursuant to section 9.

(b) The decision of the President made pursuant to subsection (a) of this section shall be transmitted to both Houses of Congress and shall be considered received by such Houses for the purposes of this section on the first day on which both are in session occurring after such decision is transmitted. Such decision shall be accompanied by a report explaining in detail the basis for his decision with specific reference to the factors set forth in sections 5(c) and 6(a), and the reasons for any revision, modification of, or substitution for, the Commission recommendation. Transmittal to Congress.

(c) The report of the President pursuant to subsection (b) of this section shall contain a financial analysis for the transportation system designated for approval. Unless the President finds and states in his report submitted pursuant to this section that he reasonably anticipates that the system designated by him can be privately financed, constructed, and operated, his report shall also be accompanied by his recommendation concerning the use of existing Federal financing authority or the need for new Federal financing authority. Financial analysis.

(d) In making his decision under subsection (a) the President shall inform himself, through appropriate consultation, of the views and objectives of the States, the Government of Canada, and other governments with respect to those aspects of such a decision that may involve intergovernmental and international cooperation among the Government of the United States, the States, the Government of Canada, and any other government.

(e) If the President determines to designate a transportation system for approval, the decision of the President shall take effect as provided in section 8, except that the approval of a decision of the President shall not be construed as amending or otherwise affecting the laws of the United States so as to grant any new financing authority as may have been identified by the President pursuant to subsection (c).

CONGRESSIONAL REVIEW

SEC. 8. (a) Any decision under section 7(a) or 8(b) designating for approval a transportation system for the delivery of Alaska natural gas shall take effect upon enactment of a joint resolution within the first period of 60 calendar days of continuous session of Congress beginning on the date after the date of receipt by the Senate and House of Representatives of a decision transmitted pursuant to section 7(b) or subsection (b) of this section. 15 USC 719f

(b) If the Congress does not enact such a joint resolution within such 60-day period, the President, not later than the end of the 30th day following the expiration of the 60-day period, may propose a new decision and shall provide a detailed statement concerning the reasons for such proposal. The new decision shall be submitted in accordance with section 7(c) and transmitted to the House of Representatives and the Senate on the same day while both are in session and shall take effect pursuant to subsection (a) of this section. In the event that a resolution respecting the President's decision was defeated by vote of either House, no new decision may be transmitted pursuant to this subsection unless such decision differs in a material respect from the previous decision.

(c) For purposes of this section—

(1) continuity of session of Congress is broken only by an adjournment sine die; and

(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of the 60-day calendar period.

(d)(1) This subsection is enacted by Congress—

(A) as an exercise of the rulemaking power of each House of Congress, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by paragraph (2) of this subsection; and it supersedes other rules only to the extent that it is inconsistent therewith; and

(B) with full recognition of the constitutional right of either House to change the rules (so far as those rules relate to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

"Resolution"

(2) For purposes of this Act, the term "resolution" means (A) a joint resolution, the resolving clause of which is as follows: "That the House of Representatives and Senate approve the Presidential decision on an Alaska natural gas transportation system submitted to the Congress on ————, 19 , and find that any environmental impact statements prepared relative to such system and submitted with the President's decision are in compliance with the Natural Environmental Policy Act of 1969."; the blank space therein shall be filled with the date on which the President submits his decision to the House of Representatives and the Senate; or (B) a joint resolution described in subsection (g).

42 USC 4321 note.

Referral to congressional committees.

(3) A resolution once introduced with respect to a Presidential decision on an Alaska natural gas transportation system shall be referred to one or more committees (and all resolutions with respect to the same Presidential decision on an Alaska natural gas transportation system shall be referred to the same committee or committees) by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(4)(A) If any committee to which a resolution with respect to a Presidential decision on an Alaska natural gas transportation system has been referred has not reported it at the end of 30 calendar days after its referral, it shall be in order to move either to discharge such committee from further consideration of such resolution or to discharge such committee from consideration of any other resolution with respect to such Presidential decision on an Alaska natural gas transportation system which has been referred to such committee.

(B) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same Presidential decision on an Alaska natural gas transportation system), and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to. Debate limitation.

(C) If the motion to discharge is agreed to or disagreed to, the motion may not be made with respect to any other resolution with respect to the same Presidential decision on an Alaska natural gas transportation system.

(5)(A) When any committee has reported, or has been discharged from further consideration of, a resolution, but in no case earlier than 30 days after the date of receipt of the President's decision to the Congress, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion was agreed to or disagreed to.

(B) Debate on the resolution described in subsection (d)(2)(A) shall be limited to not more than 10 hours and on any resolution described in subsection (g) to one hour. This time shall be divided equally between those favoring and those opposing such resolution. A motion further to limit debate shall not be debatable. An amendment to, or motion to recommit the resolution shall not be in order, and it shall not be in order to move to reconsider the vote by which such resolution was agreed to or disagreed to or, thereafter within such 60-day period, to consider any other resolution respecting the same Presidential decision.

(6)(A) Motions to postpone, made with respect to the discharge from committee, or the consideration of a resolution and motions to proceed to the consideration of other business, shall be decided without debate.

(B) Appeals from the decision of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedures relating to a resolution shall be decided without debate.

(e) The President shall find that any required environmental impact statement relative to the Alaska natural gas transportation system designated for approval by the President has been prepared and that such statement is in compliance with the National Environmental Policy Act of 1969. Such finding shall be set forth in the report of the President submitted under section 7. The President may supplement or modify the environmental impact statements prepared by the Commission or other Federal officers or agencies. Any such environmental impact statement shall be submitted contemporaneously with the transmittal to the Senate and House of Representatives of the President's decision pursuant to section 7(b) or subsection (h) of this section. 42 USC 4321 note. Submittal to congressional committees.

(f) Within 20 days of the transmittal of the President's decision to the Congress under section 7(b) or under subsection (b) of this section, (1) the Commission shall submit to the Congress a report commenting on the decision and including any information with regard to that decision which the Commission considers appropriate, Report, submittal to Congress.

Hearings. Report, submittal to Congress.

and (2) the Council on Environmental Quality shall provide an opportunity to any interested person to present oral and written data, views, and arguments on any environmental impact statement submitted by the President relative to any system designated by him for approval which is different from any system reported on by the Commission under section 5(c), and shall submit to the Congress a report summarizing any such views received. The committees in each House of Congress to which a resolution has been referred under subsection (d)(3) shall conduct hearings on the Council's report and include in any report of the committee respecting such resolution the findings of the committee on the legal and factual sufficiency of any environmental impact statement submitted by the President relative to any system designated by him for approval.

Congressional committee hearings.

Waiver, submittal to Congress.

(g)(1) At any time after a decision designating a transportation system is submitted to the Congress pursuant to this section, if the President finds that any provision of law applicable to actions to be taken under subsection (a) or (c) of section 9 require waiver in order to permit expeditious construction and initial operation of the approved transportation system, the President may submit such proposed waiver to both Houses of Congress.

(2) Such provision shall be waived with respect to actions to be taken under subsection (a) or (c) of section 9 upon enactment of a joint resolution pursuant to the procedures specified in subsections (c) and (d) of this section (other than subsection (d)(2) thereof) within the first period of 60 calendar days of continuous session of Congress beginning on the date after the date of receipt by the Senate and House of Representatives of such proposal.

(3) The resolving clause of the joint resolution referred to in this subsection is as follows: "That the House of Representatives and Senate approve the waiver of the provision of law ( ) as proposed by the President, submitted to the Congress on , 19 ." The first blank space therein being filled with the citation to the provision of law and the second blank space therein being filled with the date on which the President submits his decision to the House of Representatives and the Senate.

(4) In the case of action with respect to a joint resolution described in this subsection, the phrase "a waiver of a provision of law" shall be substituted in subsection (d) for the phrase "the Alaska natural gas transportation system.".

AUTHORIZATIONS

15 USC 719g.

SEC. 9. (a) To the extent that the taking of any action which is necessary or related to the construction and initial operation of the approved transportation system requires a certificate, right-of-way, permit, lease, or other authorization to be issued or granted by a Federal officer or agency, such Federal officer or agency shall—

(1) to the fullest extent permitted by the provisions of law administered by such officer or agency, but

(2) without regard to any provision of law which is waived pursuant to section 8(g) issue or grant such certificates, permits, rights-of-way, leases, and other authorizations at the earliest practicable date.

(b) All actions of a Federal officer or agency with respect to consideration of applications or requests for the issuance or grant of a certificate, right-of-way, permit, lease, or other authorization to which subsection (a) applies shall be expedited and any such application or

request shall take precedence over any similar applications or requests of the Federal officer or agency.

(c) Any certificate, right-of-way, permit, lease, or other authorization issued or granted pursuant to the direction under subsection (a) shall include the terms and conditions required by law unless waived pursuant to a resolution under section 8(g), and may include terms and conditions permitted by law, except that with respect to terms and conditions permitted but not required, the Federal officer or agency, notwithstanding any such other provision of law, shall have no authority to include terms and conditions as would compel a change in the basic nature and general route of the approved transportation system or those the inclusion of which would otherwise prevent or impair in any significant respect the expeditious construction and initial operation of such transportation system. Terms and conditions.

(d) Any Federal officer or agency, with respect to any certificate, permit, right-of-way, lease, or other authorization issued or granted by such officer or agency, may, to the extent permitted under laws administered by such officer or agency add to, amend or abrogate any term or condition included in such certificate, permit, right-of-way, lease, or other authorization except that with respect to any such action which is permitted but not required by law, such Federal officer or agency, notwithstanding any such other provision of law, shall have no authority to take such action if the terms and conditions to be added, or as amended, would compel a change in the basic nature and general route of the approved transportation system or would otherwise prevent or impair in any significant respect the expeditious construction and initial operation of such transportation system.

(e) Any Federal officer or agency to which subsection (a) applies, to the extent permitted under laws administered by such officer or agency, shall include in any certificate, permit, right-of-way, lease, or authorization issued or granted those terms and conditions identified in the President's decision as appropriate for inclusion except that the requirement to include such terms and conditions shall not limit the Federal officer or agency's authority under subsection (d) of this section.

JUDICIAL REVIEW

SEC. 10. (a) Notwithstanding any other provision of law, the actions of Federal officers or agencies taken pursuant to section 9 of this Act, shall not be subject to judicial review except as provided in this section. 15 USC 719h.

(b)(1) Claims alleging the invalidity of this Act may be brought not later than the 60th day following the date a decision takes effect pursuant to section 8 of this Act.

(2) Claims alleging that an action will deny rights under the Constitution of the United States, or that an action is in excess of statutory jurisdiction, authority, or limitations, or short of statutory right may be brought not later than the 60th day following the date of such action, except that if a party shows that he did not know of the action complained of, and a reasonable person acting in the circumstances would not have known, he may bring a claim alleging the invalidity of such action on the grounds stated above not later than the 60th day following the date of his acquiring actual or constructive knowledge of such action.

(c)(1) A claim under subsection (b) shall be barred unless a complaint is filed prior to the expiration of such time limits in the United States Court of Appeals for the District of Columbia acting as a

Special Court. Such court shall have exclusive jurisdiction to determine such proceeding in accordance with the procedures hereinafter provided, and no other court of the United States, of any State, territory, or possession of the United States, or of the District of Columbia, shall have jurisdiction of any such claim in any proceeding instituted prior to or on or after the date of enactment of this Act.

(2) Any such proceeding shall be assigned for hearing and completed at the earliest possible date, shall, to the greatest extent practicable, take precedence over all other matters pending on the docket of the court at that time, and shall be expedited in every way by such court and such court shall render its decision relative to any claim within 90 days from the date such claim is brought unless such court determines that a longer period of time is required to satisfy requirements of the United States Constitution.

USC prec. title 1.

(3) The enactment of a joint resolution under section 8 approving the decision of the President shall be conclusive as to the legal and factual sufficiency of the environmental impact statements submitted by the President relative to the approved transportation system and no court shall have jurisdiction to consider questions respecting the sufficiency of such statements under the National Environmental Policy Act of 1969.

42 USC 4321 note.

SUPPLEMENTAL ENFORCEMENT AUTHORITY

Compliance order or civil action. 5 USC 719i.

SEC. 11 (a) In addition to remedies available under other applicable provisions of law, whenever any Federal officer or agency determines that any person is in violation of any applicable provision of law administered or enforceable by such officer or agency or any rule, regulation, or order under such provision, including any term or condition of any certificate, right-of-way, permit, lease, or other authorization, issued or granted by such officer or agency, such officer or agency may—

(1) issue a compliance order requiring such person to comply with such provision or any rule, regulation, or order thereunder, or

(2) bring a civil action in accordance with subsection (c).

(b) Any order issued under subsection (a) shall state with reasonable specificity the nature of the violation and a time of compliance, not to exceed 30 days, which the officer or agency, as the case may be, determines is reasonable, taking into account the seriousness of the violation and any good faith efforts to comply with applicable requirements.

Civil penalty.

(c) Upon a request of such officer or agency, as the case may be, the Attorney General may commence a civil action for appropriate relief, including a permanent or temporary injunction or a civil penalty not to exceed $25,000 per day for violations of the compliance order issued under subsection (a). Any action under this subsection may be brought in any district court of the United States for the district in which the defendant is located, resides, or is doing business, and such court shall have jurisdiction to restrain such violation, require compliance, or impose such penalty or give ancillary relief.

Jurisdiction.

EXPORT LIMITATIONS

15 USC 719j. 15 USC 717w.

SEC. 12. Any exports of Alaska natural gas shall be subject to the requirements of the Natural Gas Act and section 103 of the Energy

Policy and Conservation Act, except that in addition to the requirements of such Acts, before any Alaska natural gas in excess of 1,000 Mcf per day may be exported to any nation other than Canada or Mexico, the President must make and publish an express finding that such exports will not diminish the total quantity or quality nor increase the total price of energy available to the United States. 42 USC 6212. Presidential finding, publication.

EQUAL ACCESS TO FACILITIES

SEC. 13. (a) There shall be included in the terms of any certificate, permit, right-of-way, lease, or other authorization issued or granted pursuant to the directions contained in section 9 of this Act, a provision that no person seeking to transport natural gas in the Alaska natural gas transportation system shall be prevented from doing so or be discriminated against in the terms and conditions of service on the basis of degree of ownership, or lack thereof, of the Alaska natural gas transportation system. 15 USC 719k

(b) The State of Alaska is authorized to ship its royalty gas on the approved transportation system for use within Alaska and, to the extent its contracts for the sale of royalty gas so provide, to withdraw such gas from the interstate market for use within Alaska; the Federal Power Commission shall issue all authorizations necessary to effectuate such shipment and withdrawal subject to review by the Commission only of the justness and reasonableness of the rate charged for such transportation.

ANTITRUST LAWS

SEC. 14. Nothing in this Act, and no action taken hereunder, shall imply or effect an amendment to, or exemption from, any provision of the antitrust laws. 15 USC 719l

AUTHORIZATION

SEC. 15. There is hereby authorized to be appropriated beginning in fiscal year 1978 and each fiscal year thereafter, such sums as may be necessary to carry out the functions of the Federal inspector appointed by the President with the advice and consent of the Senate under section 7. 15 USC 719m

SEPARABILITY

SEC. 16. If any provision of this Act, or the application thereof, is held invalid, the remainder of this Act shall not be affected thereby. 15 USC 719n

CIVIL RIGHTS

SEC. 17. All Federal officers and agencies shall take such affirmative action as is necessary to assure that no person shall, on the grounds of race, creed, color, national origin, or sex, be excluded from receiving, or participating in any activity conducted under, any certificates, permit, right-of-way, lease, or other authorization granted or issued pursuant to this Act. The appropriate Federal officers and agencies shall promulgate such rules as are necessary to carry out the purposes of this section and may enforce this section, and any rules promulgated under this section through agency and department provisions and rules which shall be similar to those established and in effect under title VI of the Civil Rights Act of 1964. Discrimination, prohibition. 15 USC 719o. Rules. 42 USC 2000d et seq.

REPORT ON THE EQUITABLE ALLOCATION OF NORTH SLOPE CRUDE OIL

Report to Congress. 43 USC 1651 note.

SEC. 18. Within 6 months of the date of enactment of this Act, the President shall determine what special expediting procedures are necessary to insure the equitable allocation of north slope crude oil to the Northern Tier States of Washington, Oregon, Idaho, Montana, North Dakota, Minnesota, Michigan, Wisconsin, Illinois, Indiana, and Ohio (hereinafter referred to as the "Northern Tier States") to carry out the provisions of section 410 of Public Law 93-153 and shall report his findings to the Congress. In his report, the President shall identify the specific provisions of law, which relate to any determination of a Federal officer or agency as to whether to issue or grant a certificate, permit, right-of-way, lease, or other authorization in connection with the construction of an oil delivery system serving the Northern Tier States and which the President finds would inhibit the expeditious construction of such a system in the contiguous States of the United States. In addition the President will include in his report a statement which demonstrates the impact that the delivery system will have on reducing the dependency of New England and the Middle Atlantic States on foreign oil imports. Furthermore, all Federal officers and agencies shall, prior to the submission of such report and further congressional action relating thereto, expedite to the fullest practicable extent all applications and requests for action made with respect to such an oil delivery system.

43 USC 1651 note.

ANTITRUST STUDY

Report to Congress. 15 USC 719 note.

SEC. 19. The Attorney General of the United States is authorized and directed to conduct a thorough study of the antitrust issues and problems relating to the production and transportation of Alaska natural gas and, not later than six months following the date of enactment of this Act, to complete such study and submit to the Congress a report containing his findings and recommendations with respect thereto.

EXPIRATION

15 USC 719 note.

SEC. 20. This Act shall terminate in the event that no decision of the President takes effect under section 8 of this Act, such termination to occur at the end of the last day on which a decision could be, but is not, approved under such section.

Approved October 22, 1976.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 94-1658, Pt. 1 (Comm. on Interstate and Foreign Commerce).
SENATE REPORT No. 94-1020 (Comm. on Commerce and Comm. on Interior and Insular Affairs).
CONGRESSIONAL RECORD, Vol. 122 (1976):
July 1, considered and passed Senate.
Sept. 30, considered and passed House, amended.
Oct. 1, Senate agreed to House amendments.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 12, No. 44:
Oct. 22, Presidential statement.

A REPORT OF THE UPPER TANANA REGIONAL FORUM

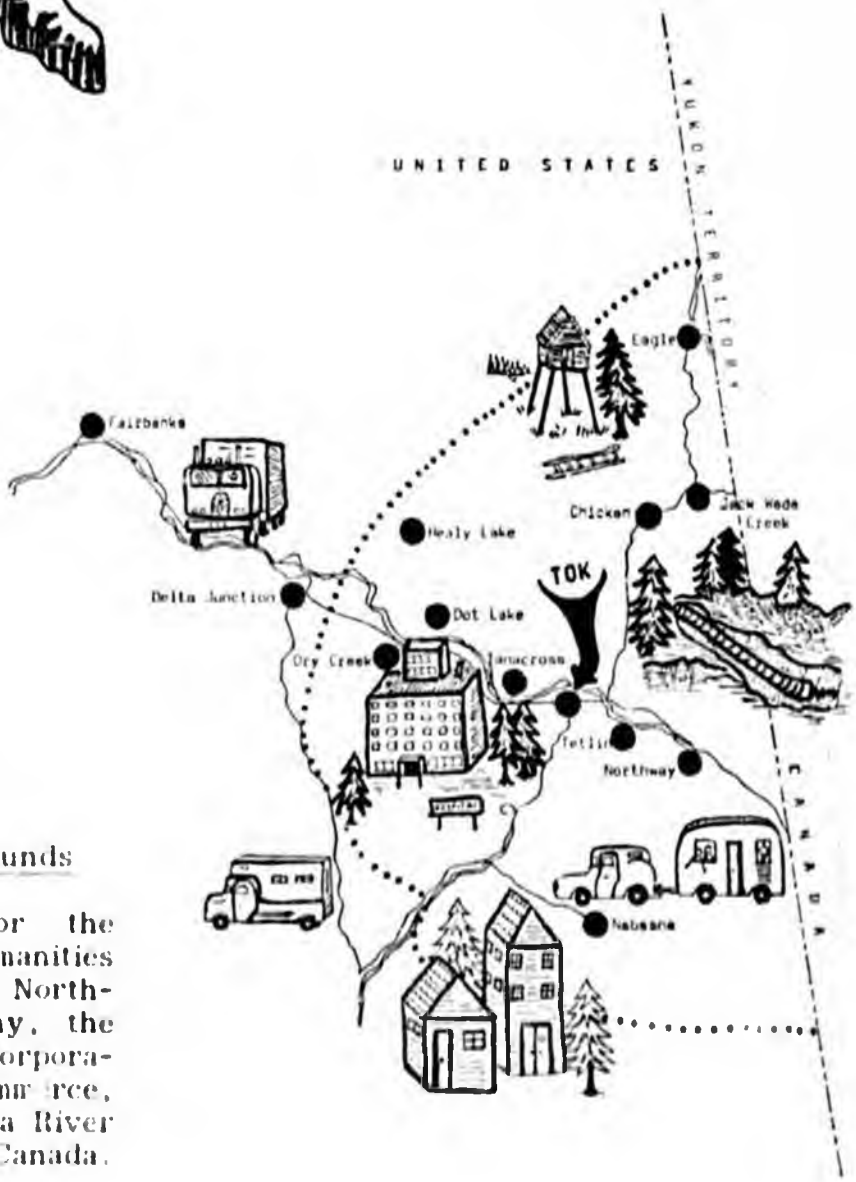
ON THE IMPACT OF CONSTRUCTION AND OPERATION OF THE

ALCAN GAS PIPELINE

Held April 8-9, 1978 at the Tok School in Tok, Alaska

Published September, 1979 by

The Fairbanks Town and Village Association for Development, Incorporated in cooperation with the residents of Tok, Alaska and the communities in the Upper Tanana River basin. With research and writing assistance by Wordsmith's of Fairbanks.



Financed and made Possible with funds and participation from

The National Endowment for the Humanities, the Alaska Humanities Forum, the State of Alaska, Northwest Alaskan Pipeline Company, the Upper Tanana Development Corporation, the Tok Chamber of Commerce, the people of the Upper Tanana River basin, the United States and Canada.

Fairbanks Town & Village
Association
for
Development, Incorporated

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fairbanks, alaska 99707
(907) 456-5178

To the Residents of the Upper Tanana River Basin:

At the annual Board of Directors meeting in December 1977, Mellie Terwilliger, representing the Tok community, asked for Board support for a forum to be held in Tok, Alaska to give residents in the area an opportunity to have a general discussion about the Alcan Gas Pipeline.

The Board agreed and authorized the Executive Director, Mr. Smetzer, to work with community leaders and with organizations in the region already active in discussions with gas pipeline officials to help set up a public forum.

Through the enthusiastic and capable effort of dozens of people in the area a forum steering committee was formed, topics selected, agendas established, publicity issued, people invited, and the forum conducted. The forum could never have occurred without the efforts of these dedicated people.

Funds for preliminary work and for the main costs of the forum were approved by the Alaska Humanities Forum and the National Endowment for the Humanities with supplemental travel funds for outlying villages supplied by Northwest Alaskan Pipeline Company. Funds for the preparation of this report were provided through the State of Alaska by means of a legislative appropriation initiated by the Upper Tanana region's representative in the Alaska Senate, Senator John Sackett.

Participation in the forum itself by residents in the region, by state and federal officials, by visiting Canadians, and by officials of Northwest Energy Company was well over 350 people.

Both the staff of the Association and the many Board members who attended the forum in April 1978 were pleased to have had the opportunity to work with and to assist the people of Tok and the Upper Tanana in meeting with key gasline officials and in discussing the many, many, significant issues and problems which must be considered and resolved in the construction and operation of the project.

Though almost everyone at the forum expressed their pleasure with it, it is within this crucible of the project itself that the success or failure of the forum will be determined.

President Carter, speaking from Kansas City on July 15th of this year pledged the full resources of the federal government to assure early construction of the gasline. The federal Congress is considering legislation designed to provide impact assistance to areas like the Upper Tanana which must, ultimately, live with and deal with the human, social, economic, and political disruption and opportunity which accompanies such massive projects.

In view of these things, we believe this report is most timely. We sincerely hope it is also useful to those of you who live in Tok and the several small communities in the headwaters of the Tanana River.

Sincerely,

Chris Anderson, President
FTVAD Board of Directors

CA:JES:bjs

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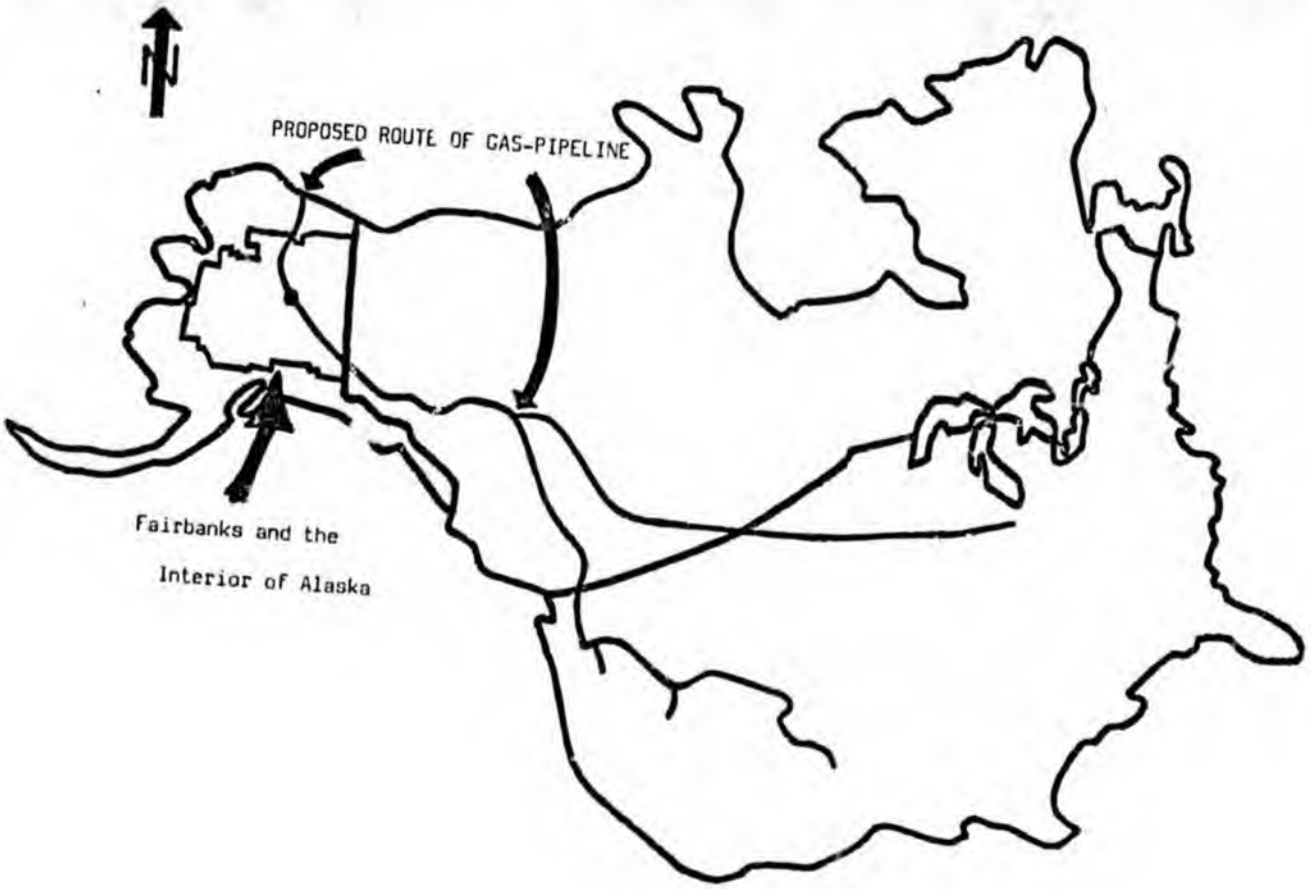


PREFACE

Residents of the Upper Tanana Region are asking questions today about changes that will come about in their communities over the next three to five years with construction of the Northwest Alaskan Pipeline Project. Approximately 140 miles of the 731-mile Alaskan section of the gasline will pass through the region and close to the "highway communities".

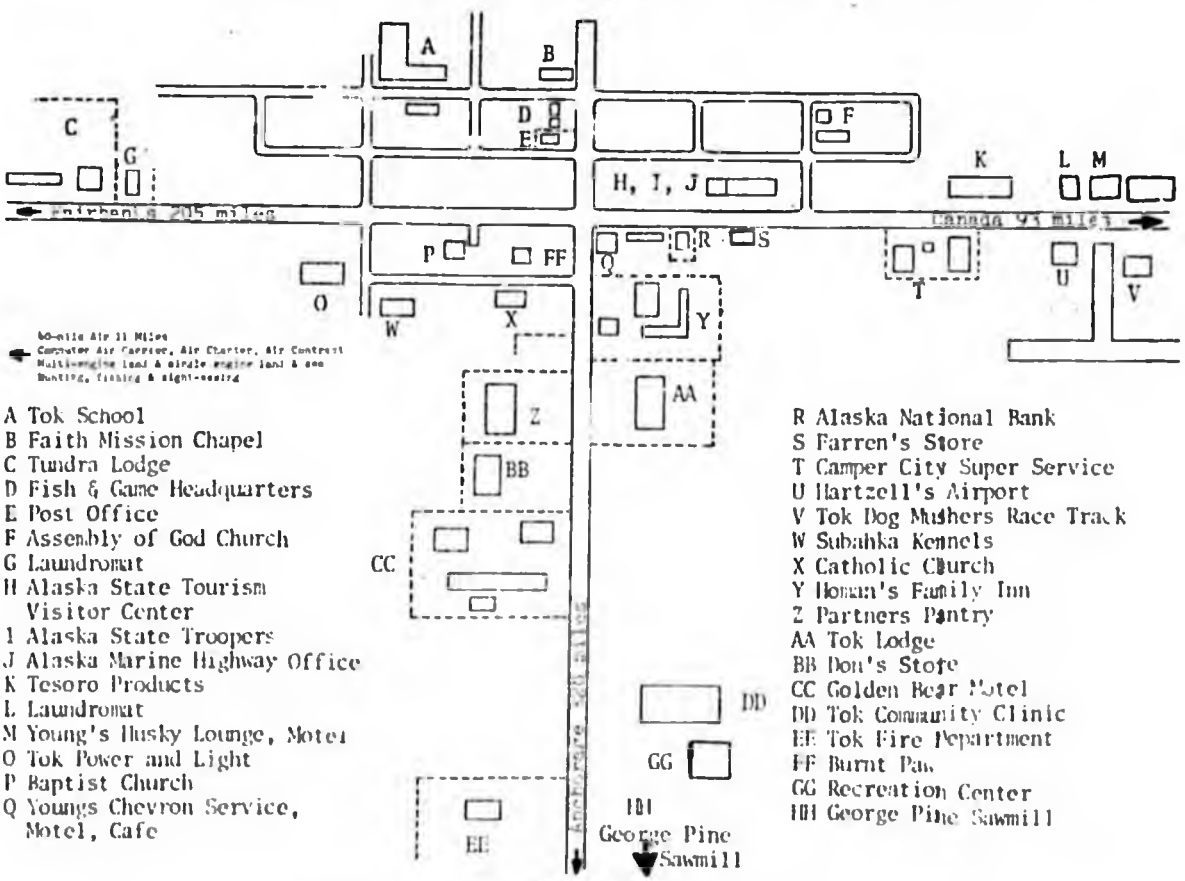
In order to prepare and plan for the activity to be generated by a project of this size, residents of the region need information. They had some questions they wanted answered:

- How many people will the project bring?
- Will there be employment opportunities for residents?
- How will it affect existing lifestyles in the area?
- Will it tap our existing resources and services and to what extent?

These questions were but a few raised at the Upper Tanana Regional Forum, held in Tok, Alaska, April 8 and 9, 1978. Nearly 400 residents of the area met to ask these questions of each other, gasline officials and resource people from state, federal and Canadian government agencies. The forum, sponsored by the Fairbanks Town and Village Association for Development, Inc., at the request and with the extensive cooperation of the Tok Chamber of Commerce, the Upper Tanana Development Corporation and many residents, and with financing through a grant from the Alaska Humanities Forum, provided as many new questions as it did answers. But those attending expressed in their evaluations of the two-day event, that it was an opportunity to begin the information exchanging process. It was a chance to identify areas of common concern and avenues of communication for making those concerns known to the parties who can do something about them.

This report is a summary of the meetings and discussions at the forum, and an update on gasline impact related activities in the Upper Tanana Region since the forum.

tok business district



60-mile Air 11 Miles
Commuter Air Carrier, Air Charter, Air Contract
Multi-engine land & single engine land & sea
Hunting, fishing & sight-seeing

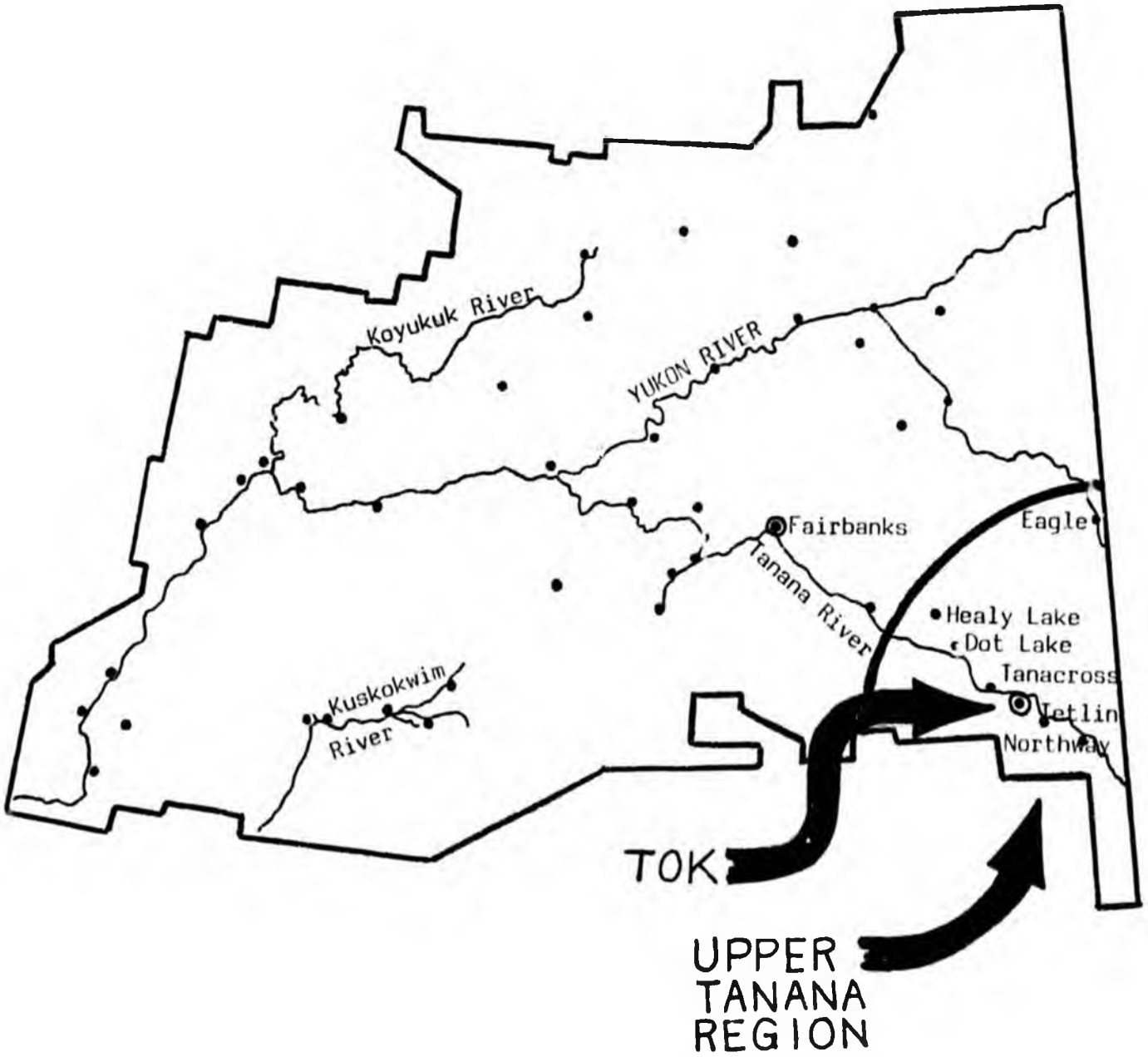
A Tok School
B Faith Mission Chapel
C Tundra Lodge
D Fish & Game Headquarters
E Post Office
F Assembly of God Church
G Laundromat
H Alaska State Tourism Visitor Center
I Alaska State Troopers
J Alaska Marine Highway Office
K Tesoro Products
L Laundromat
M Young's Husky Lounge, Motel
O Tok Power and Light
P Baptist Church
Q Youngs Chevron Service, Motel, Cafe

R Alaska National Bank
S Farren's Store
T Camper City Super Service
U Hartzell's Airport
V Tok Dog Mushers Race Track
W Subahka Kennels
X Catholic Church
Y Homan's Family Inn
Z Partners Pantry
AA Tok Lodge
BB Don's Store
CC Golden Bear Motel
DD Tok Community Clinic
EE Tok Fire Department
FF Burnt Paw
GG Recreation Center
HH George Pine Sawmill

Travel information
Bus service
Alaska Marine Highway
Ferry information office
Highway information
Campgrounds
Food and lodging
Excellent motels and lodges
Fine restaurants
Cocktail lounges
Churches
Roman Catholic
Baptist
Assembly of God
Faith Chapel
Chapel of the North
Automotive service and repair
Auto servicing
Car wash
Auto parts
Welding
Auto body repair
Wrecker and towing service
Local air charter flights
2 Newspapers, 1 non-local radio station, 1 non-local TV station
Grocery stores

Gift shops
Laundromats
Medical and ambulance service
Post office
Commercial bank service
Hunting, fishing, photographic
Guide service
Charter flights
Game meat curing and wrapping
Fur dealer
Recreation center and movie theatre
Sawmill
State operated services
Alaska State Troopers
Tourism facility
Fish and Game office
Locally operated government service organizations
Tanana Chiefs Conference
Bathel Area Board
Upper Tanana Development Corporation
Upper Tanana Technical Council on Alcoholism
General merchandise
Clothing
Hardware
Souvenirs
Supplies and drug store items
Household goods and appliances
Camping equipment and supplies

UPPER TANANA REGION



INTRODUCTION TO TOK AND THE UPPER TANANA REGION

INTRODUCTION

1. HISTORY AND GEOGRAPHY

The Upper Tanana Region lies in the southeastern corner of the Yukon River drainage of Interior Alaska. The area includes several early settlements of the Tanana and Nabesna Indians, a nomadic hunting, fishing and trading people who occupied the territory since before written history.

The oldest known archeological site in Alaska was found at Healy Lake and radiocarbon dated to 11,000 years ago.

Non-natives began settling in the area in the later 1800s in order to trade furs, and, near the turn of the century, to mine gold. The Forty-Mile area - Chicken, Jack Wade Creek, Nabesna - is mir ral rich with approximately 505,000 ounces of lode and placer extracts recorded.

Permanent non-native settlement after Alaska statehood has always been marked by military interest beginning with the development of Fort Egbert at Eagle, Alaska. Eagle is also the site of the first incorporated municipal government in the Interior, and it continues to be the only municipal government in the Upper Tanana region.

With the beginning of World War II major developments began occurring in the region with the construction of the Alcan Highway and the lend lease exchange program with Russians. Most recently the Coast Guard has completed construction of a Loran C site at Tok thus continuing the military's active interest in the community.

Renewable resource potential is high in the area with several hydro-electric sites, arable lands for agriculture and potentially abundant commercial forests.

Continued uncertainty surrounding Alaska's federal lands have stifled development in the region as it has in the rest of Alaska.

2. PEOPLE AND ECONOMY

The region is primarily a trade and service center for overland transportation, including a strong tourist trade of visitors entering the state via the Alaska Highway. Many residents work construction trades during the summer months and trap and hunt during the winter. The primary employment of the region is in state or federal government or in service jobs catering to the tourist, transportation, energy and communications industries. Recently with the completion of a Loran C Navigation System operated by the Coast Guard Tok also has a large permanent military establishment.

Alaska Power and Telephone Company serves Tok and Tanacross; all other communities in the region generate their own electrical power. All water systems in the region are privately owned wells, and sewerage systems consist of septic tanks and cisterns. Solid waste disposal is managed at a landfill in the Tok area. Public safety is provided by six Alaska State Troopers: four in Tok and two in Northway. A volunteer fire department serves Tok, Tanacross and nearby residents. Medical services are available at a clinic in Tok, served by a physician's assistant, and first aid and preventive medicine services are provided through village clinics, staffed by health aides. One ambulance serves the entire region, with about six people trained as emergency medical technicians. Social services are provided through a variety of state and native corporation agencies. The Alaska Gateway School District operates schools in five communities for 434 students. Twenty-two students in Tetlin attend an eight grade school operated by the Bureau of Indian Affairs, and about 75 students are enrolled in correspondence programs. The University of Alaska has an extension office in Tok.

Location

Tok is located at the junction of the Alaska and Glenn Highways. It is 205 miles from Fairbanks, 328 miles from Anchorage, 555 miles from Juneau and 1577 miles from Seattle via the Alaska Marine Highway.

Population as of December 31, 1977*

Tok	735
Dot Lake	266
Mentasta	152
Northway	378
Tanacross	128
Tetlin	107
Eagle	150

In addition, the region is home to a few hundred "bush" residents.

* Source: Division of Public Health, Department of Health and Services, Tok Office.

Climate

Period	Average Temperature Min.	Mean	Max.
January	-27.8	-15.3	- 2.7
July	42.8	55.8	69.3
Annual	11.7	25.0	38.3

Average annual precipiation: 8.9 inches
Elevation: 1,635 feet

Local Government

Eagle, the oldest incorporated city in the region, was allowed by the U.S. federal government to incorporate at the turn of the century. The remaining communities in the region are unincorporated. None is in an organized borough. The region is served by six Alaska State Troopers.

Industry

Tok is the major overland point of entry from Canada. Another point of entry is located at Boundary, Alaska on the road from Dawson City, Yukon Territory. The region is primarily a trade and service center for overland transportation, including a strong tourist trade.

Regional Employment (Estimated Year-Round)

Agriculture	0
Construction	40-60
State & Fed. Govt.	73
Finance	4
Mining	10
Manufacturing/processing	20-30
Service	50
Trade	30
Transportation, communication	10
Education	47

Hunting, Fishing, Trapping

Many area residents are employed in construction industries during summers and trap and hunt for a living during winters. Over 170,000 acres in the region are traversed by traplines.

Military

The United States Coast Guard maintains and operates a Loran C station in Tok. The station transmits radio-navigational signals and services the Gulf of Alaska. The signal power of the transmitter is 1 million watts Twelve people are attached to this full-time facility.

Regional Medical Facilities

One clinic, serviced by a physician's assistant; one Public Health Service nurse. Hospitalization is available in Glennallen, Fairbanks, and Anchorage. Tok has ambulance and emergency medical technician service.

Regional Educational Facilities

Rural Educational Attendance Area #16 operated schools with 35 classrooms for 434 students, 36 teachers, and 2 principals in Tok, Dot Lake, Mentasta, Eagle, and Northway. The Bureau of Indian Affairs operates an 8-grade school in Tetlin for 22 students and 1 teacher. Tanacross will have a school in September 1979. Completion of the new school is set for the second semester.

Transportation

Trucking: Lynden Transfer; K & W Trucking; Tok Distributors; Midnight Sun Distributing; Sea-Land; Weaver Brothers
Airlines: 40-Mile Air Taxi - charter service
Bus Service: Alaska-Yukon Motorcoaches - scheduled service
Taxi: Rapid Richard's Taxi Service in Tok serves communities within a 50-mile radius

Churches

Roman Catholic	Assembly of God
Baptist	Faith Chapel

Public Utilities as of Spring 1978

Tok is serviced by Alaska Power & Telphone Company. Utility rates for private residences are:

First 100 kwh	$.13/kwh
Second 100 kwh	.12/kwh
Next 800 kwh	.095/kwh
Over 1,000 kwh	.08/kwh

Telephone monthly rates are $15 for businesses and $12 for private residences.

Housing

1-bdrm. apt. rent: $250/month
2-bdrm. apt. rent: $350/month
3-bdrm. apt. rent: $400/month

Communications

Radio Station: Armed Forces Radio Network, received locally
Television Stations: KTVF and KUAC, Fairbanks, received locally via repeaters
Newspapers: Mukluk News, published in Tok on first and third Thursdays of month; The Spieler, published in Tok on second and fourth Thursdays of month

Recreational Facilities

Tok: VFW Hall; Recreation Center and movie theater; gymnasium; hockey rink; dog-mushing trails; campgrounds

Dot Lake, Eagle, Mentasta, Northway: gymnasiums; hockey rinks

Recreation in the Tok region also includes hunting, fishing, hiking, snowmobiling, snowshoeing, cross-country skiing.

* *

These facts were in part gathered by the State Department of Commerce and Development. Although for the Tok area, they are fairly representative of the entire region; Tok is the center of activity for the surrounding communities.

3. POLITICS AND GOVERNMENT

> From the Native population to the Alaskan individualists in both the bush and town, Tok area residents seem to enjoy the status quo, with its freedom from governmental taxation. (All Alaska Weekly April 14, 1978.)

Eagle is the oldest and only incorporated city in the Upper Tanana Region. The remaining communities have no formalized local government and none is in an organized borough. Access to governmental agencies that provide services in the region is fairly open to residents who have some intermediary, such as a regional or village corporation, or an interest group such as the Chamber of Commerce. On an individual basis, some residents find communication with state agencies and pipeline officials a simple matter; others do not.

Within the region support for a concept of local or regional government to act as the representative for the interests of the area is mixed, and discussion of local government is heated.

"Interest groups" in the area who act, to some extent, as channels for information to and from residents with regard to impact include: Tanana Chiefs Health Authority, United Crow Band, Upper Tanana Development Corporation, Tanana Community Clinic, Tok Chamber of Commerce, Alaska Public Health Service, Alaska Division of Tourism; (Tok Visitors Center), Alaska State Troopers, Upper Tanana Regional Council on Alcoholism and other state and private agencies.

4. THE ALCAN GAS PIPELINE

Northwest Alaskan Pipeline Company is a subsidiary of Northwest Pipeline Corporation of Salt Lake City, and will be the operating partner of six major U.S. gas companies to construct a natural gas pipeline from Prudhoe Bay to the Canadian border.

The pipeline route will parallel the Alyeska oil pipeline for 539 miles to Delta Junction. It will then proceed southeasterly toward Canada along the Haines utility corridor and the Alaska Highway. The Alaskan section of the project will consist of 48-inch pipe.

Design and planning for the line have begun and will continue through 1980. It was anticipated that civil construction would begin in 1980, with pipeline construction start-up in 1981. Delays with financing, however, have pushed back the construction schedule at least one year, according to pipeline company officials.

The project is estimated to provide some 1,500 to 10,000 jobs in Alaska, with some permanent staff in Alaska after the pipeline construction is completed.

The State of Alaska has developed stipulations for a lease agreement with the pipeline company, and hearings have been held in Fairbanks and in Tok to gather public comment on the stipulations, which cover areas ranging from right-of-way and land acquisition to provision of impact information services by the company.

While many unanswered questions still exist with regard to the project, observers have noted the Northwest Alaskan Pipeline Company is gathering information from communities along the route at a much earlier time and in a much more comprehensive fashion that was done prior to construction of the trans-Alaska oil pipeline in 1974.

5. THE ISSUES

Gas Pipeline Employment

One of the most talked about issues regarding the gasline construction is employment. Some observers in the Upper Tanana Region have commented that they fear people in the region are counting too heavily on pipeline jobs to solve the area's unemployment problems, which are significant.

Exact unemployment figures for the Upper Tanana are difficult to come by because of the regional statistical boundary designations used to show workforce and unemployment used by the State Department of Labor (Tok, Tetlin and Northway are part of the "Fairbanks District" and the remainder of the region is lumped in with the "Upper Yukon District", which stretches from Boundary and Eagle to Fort Yukon). An informed source in the department suggested that a reasonable estimate for rural areas in the Interior would be triple the rate for the Fairbanks District unemployment figures. In July 1978, that figure was 14.7. According to recent Alaska Department of Labor statistics for March 1979 the Fairbanks rate is 15.5. This would put unemployment in the Upper Tanana Region, according to the informal formula, at more than 46.5%.

The Northwest Alaskan Pipeline Company has said it is committed to using qualified Alaskans as much as possible in the construction of the gasline, but there are still several problems associated with viewing the gasline as the employment panacea in the Upper Tanana Region:

- There will be an estimated 1,300 to 10,000 jobs on the total project, significantly fewer than on the oil pipeline;
- Many of the jobs available require skills that few people in the region have; and the laborer's jobs will be short-term at best;
- Training programs, though available through the University of Alaska extension in Tok, do not focus on construction employment. Training for construction jobs comes primarily through union apprenticeship programs;
- While the project will provide some permanent jobs, they will be of the type that require specialized skills that cannot be gained in short courses or on-the-job training in the period of time left before construction begins. In the 200-mile stretch between Delta Junction and the Canadian border, fewer than 50 permanent operations and maintenance jobs may be available;
- Even with local hire preference and job training, experience with the oil pipeline showed that people from rural areas could not afford to wait for dispatch from union halls in Fairbanks, and the time required for notification and travel from a village to Fairbanks often meant the job was gone by the time a worker got to the union hall.

State and Federal Government

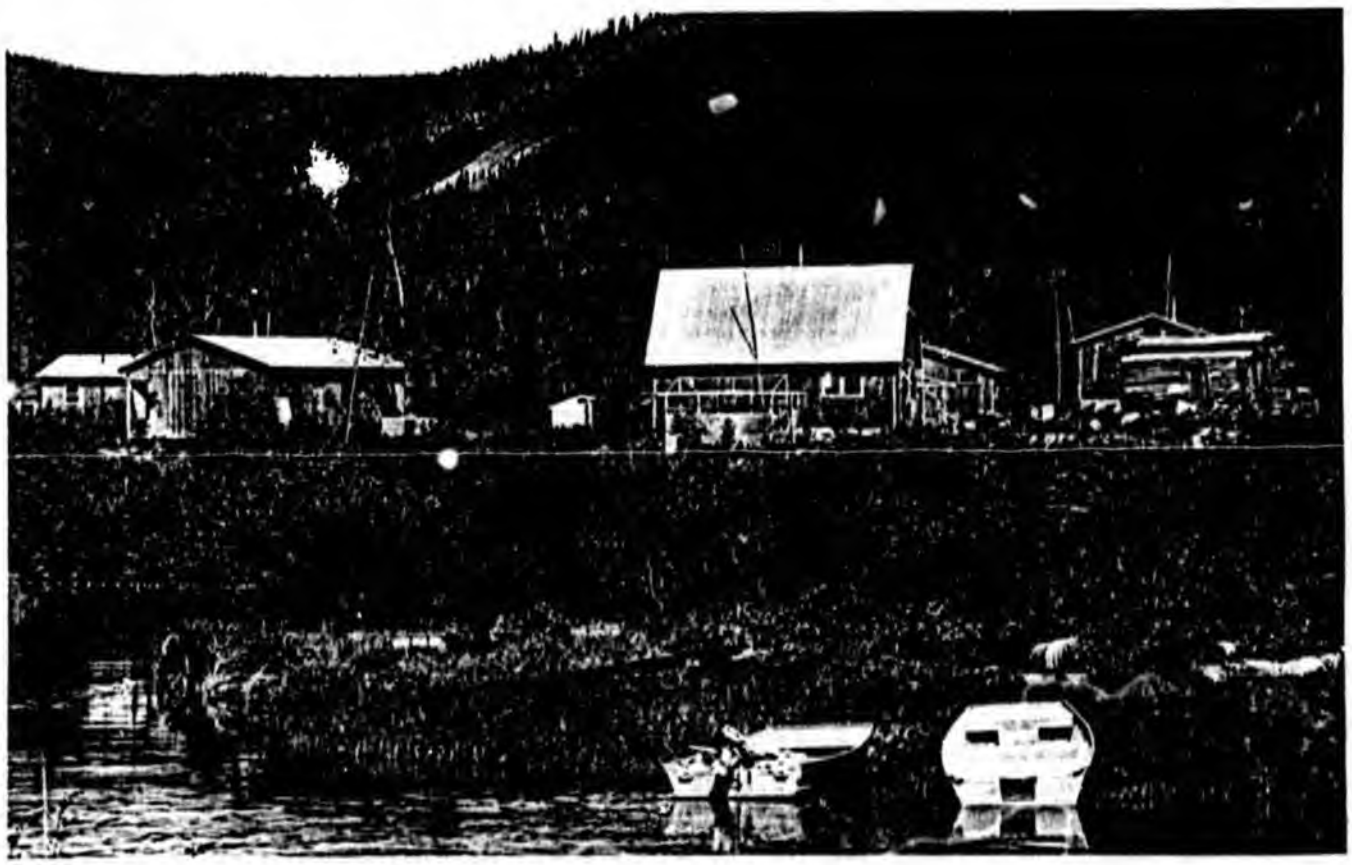
Residents of the Upper Tanana whether or not they choose to adopt some form of local or regional government will have to rely heavily on the sovereignty and public protection responsibilities of state and federal governments during the period of construction and operation of the gas pipeline to protect their individual and community interests.

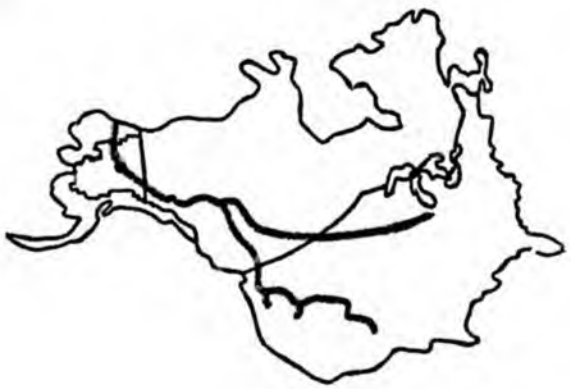
Despite expressions of concern and despite some isolated efforts to deal with the problems of "impact", neither the state nor the federal government have established either plans, programs, procedures or policies necessary for the exercise of those responsibilities.

In the 18 months since the forum, other than the work by the state's single socio-economic impact coordinator on stipulations - a position vacant since September 1 - there has been no significant effort by the state to examine the record of Trans-Alaska pipeline impact and to define its responsibilities to protect the public interest.

In order to anticipate problems similar to TAP which will surely accompany Alcan construction precious time is being lost which cannot be regained.

The federal government has progressed somewhat further on the issue in that the President has recommended and Congress is actively considering legislation to assist small communities in their efforts to cope with National Interest Energy Projects. There are some important concepts within the proposed federal legislation which it is in the state's interest to consider. However no such consideration is underway.





METHODOLOGY AND ORGANIZATION OF THE FORUM

METHODOLOGY AND ORGANIZATION

The methodology and organization of the Upper Tanana Regional Forum was similar to the organization of a forum held in April, 1975 in Fairbanks and titled "Fairbanks and Interior Alaska; a one day community forum on growth."

The Fairbanks forum, like the Upper Tanana forum, was initiated by interested local groups and individuals who then asked for organizational and financing assistance by the Fairbanks Town and Village Association.

Early front-end financing - critical to the success of the two forums - was in both cases made available by the Alaska Humanities Forum with funds from the National Endowment for the Humanities.

Structurally, these forums steer away from a rigorous format with formal presentations by a series of prominent speakers. Rather, a flexible and dynamic exchange of opinions and information between various public and private officials, citizens and taxpayers under several loosely defined but generally recognized topics seems the best way to achieve the goals of the sponsoring organizations: to help local people figure out how these massive projects affect them as individuals in their jobs, their family affairs and their neighborhoods.

Basically the individual forum participant should be encouraged and should have every opportunity to formulate and express their personal concerns directly to the visiting officials who must sooner or later make decisions on those concerns.

From this fundamental principle followed the organization of both forums into about 10 general topics each conducted in separate rooms under the rather minimal authority of a discussion chairman or chairwoman.

Selection of topics, lists of people to invite, and general interpretations of what kind of issues and questions were most current in the Upper Tanana Region were the responsibility of a local steering committee representing several interested groups in the Upper Tanana Regio .

The members of the committee included the following people:

Norman "Wally" Wallis:
President, Chamber of Commerce; Owner Tok Spieler; Runs State Manpower Office

Ron Taylor:
Board of Directors; Chamber of Commerce; Manager, Alaska National Bank of the North

Charlie Biederman:
Director, Upper Tanana Regional Council on Alcoholism, Inc.; Alcoholism and Recreation

Doug Euers:
Board of Directors, Chamber of Commerce; Owner, Douglas Excavating; Board Member, Fairbanks Town and Village Association

Mellie Terwilliger:
Director, Tok Chamber of Commerce; Secretary of the Board of Directors, Fairbanks Town and Village Association; Retired Storekeeper

Bob Lohr:
Executive Director, Upper Tanana Development Corporation, (RurAL CAP)

The Committee met frequently to discuss these matters and to decide on topics and to establish the agenda for the forum. The topics selected and the people selected to chair the discussions were:

Business and Tourism:
Paul Smith

Public Utilities and Telecommunications:
Mark Springer

Job Training and Placement:
Dave Maxwell

Social Services (Housing, Health, Alcoholism
Lousie Griffin

Public Safety/Legal Services/Fire Protection:
Dottie Eshbaugh

Highways and Transportation:
Harold Johnson

Education:
Carl Peterson

Women's Concerns:
Mellie Terwilliger

Rural and Native Concerns:
Bob Brean and Glen Marunde

Land and Agriculture:
Bill Arpino

To help the discussion chairman or chairwoman keep the discussions at least somewhat relevant to the general topic, information packets were prepared, and each group was charged with identifying its own issues within the topic, exploring them and preparing a series of recommendations for resolving them.

These reports of each committee were presented to the assembled forum participants and, once they were typed and duplicated, they became the basis for the formal report of the forum.

Coordination, communications, publicity, preparation of materials, housing and transportation of forum participants, recording discussions, preparing follow-up materials and reports for both forums required two dedicated people full time for at least six weeks prior to the forum, and at least three weeks after. These two people, Chuck Marunde and Su Emry, were, in turn, backed by the enthusiasm and voluntary efforts of literally hundreds of people in the community.

Therefore, the committee reports in this document are preserved without editing in the same form as they were originally approved by the respective committees on the day of the forum. Since it has been over one year since the forum we have tried to update information and repond to some of the issues raised in the committee in the section titled "After the Forum."

The "After the Forum" section was developed during interviews with discussion charimen and women during the summer and fall of 1978 and were reviewed with people in Tok during a meeting held on December 1 of that year.

We hope this document will be used in formulation of public policy and programs necessary for the preparation, construction and operation of the Alcan Gas Pipeline. Those who use it for that purpose, however, whether they be residents of the Upper Tanana Region, officials of state or federal government or industry spokesmen, should recognize that decisions on this project in this phase are highly fluid and dynamic. Fundamental assumptions relevant today can be rendered irrelevant and invalid tomorrow by national and international events far beyond the control of the residents of the Upper Tanana.

At the community level this problem, seldom acknowledged by public officials with mitigating responsibilities, is one of worst and most disruptive of the "impact" problems. The lead time in advance of construction mobilization is the most precious resource people living and working in a small community have available to them. It is in this period where the public costs of impact assistance are least expensive and the potential savings of tax dollars the greatest.

Failure by government agencies to supply information, statements of policy, and decisions of responsible officials to interested local groups will be the most expensive failure of all and the one which is easiest and cheapest to avoid in this phase of project development.

COMMITTEE SESSION REPORTS

a. BUSINESS AND TOURISM COMMITTEE

DISCUSSION GROUP CHAIRMAN: Paul Smith

COMMITTEE ASSISTANTS: Terry Kirkendall
Carol Donnelly

Approximately 30 people attended the sessions of the Business and Tourism Committee. Concern was voiced on several topics. The concerns that the committee would most like to draw to the attention of Northwest Alaskan Pipeline Company, the State of Alaska, and the Upper Tanana region include:

1. One of the most widely discussed topics regarded the highway during the actual construction of the gas pipeline. Tourism is Tok's main business, and the people of the community feel that the gas line equipment could hinder the flow of traffic in the summer. The immediate effect, and the long-range effect, on our tourist trade is of major concern to the community. We would like to hear from Northwest and the State of Alaska concerning how they plan to ensure that tourists will be able to travel the highway unhindered during gas line construction. It was suggested that the State of Alaska and Northwest work jointly on this.

2. The committee discussed with Northwest representatives and the state representative the importance of providing training to local people for any permanent jobs resulting from the gas pipeline. The committee expressed the hope that all the jobs could be filled by local personnel, as there is a shortage of year-round employment in our region. At this point in time, most of the jobs are seasonal and tourist-related.

3. Small businesses in the region have a very difficult time in securing small business loans at this time. There was some concern expressed regarding the increased purchase of stock during gas pipeline construction. In order to ensure that local residents, tourists, and pipeline employees will be able to purchase supplies, it will require larger stock purchases and more storage area. Availability of loan funds, state or federal, and associated agencies to handle this need were discussed. The committee would like to know how Northwest handles payments of contracts to local vendors. There was some concern regarding delayed payments holding up resupplying.

4. Several people expressed an interest in small investors investing in the gas pipeline. They wondered if it would be possible that Northwest would make shares of common stock available to area residents.

Several other areas of discussion included impact on postal service, the local banks, the dump, additional local traffic, and highway safety. It was mentioned that shuttle buses might possibly be available. A question was raised regarding whether or not there would be a possibility of a gas line takeoff point at Tok.

Some recommendations made to the committee were to appoint a group of people to represent the community in dealing with Northwest and the state. It was also suggested that it might be beneficial to meet with the Chamber of Commerce in Delta Junction to discuss the problems that they had during the impact of oil pipeline construction.

AFTER THE FORUM ...

Business and Tourism

The greatest single concern expressed by committee participants was the unknown effect of gasline construction on the region's tourist industry.

Although Tok is the primary tourist center, it was felt that an overloading of the existing transportation routes would negatively effect all of the road communities, and increase travel hazards.

Central to this was consideration of motorist safety in moving along any pipeline service route. (i.e., With heavy equipment and pipe hauling trucks traveling the highway, the incidence of motor vehicle accidents would increase.)

Generally, the communities felt that while pipeline construction would be of overall benefit to the area, it was of greater import to retain the tourist and visitor function as a primary economic base.

A substantive recommendation that the State of Alaska and Northwest work closely in dealing with this problem was advanced, and is further dealt with in the Highways and Transportation section.

According to Business and Tourism Committee Chairman Paul Smith, these questions have been brought before the State Tourism Advisory Board, with the recommendation that the State and Northwest jointly undertake an information program nationwide to inform motorists of the potential problems, while encouraging vehicular travel.

The Business and Tourism Committee also underscored the desire for permanent local employment with the pipeline company, noting that most jobs in the Upper Tanana Region are seasonal, and tourist related.

A third, and relatively complex area, concerning small business operations was addressed. Local merchants and firms want to be in a position to provide materials, supplies and warehousing on a local vendor basis. However, existing state and federal small business loan practices make loan availability difficult.

The overall desire by local business people seemed to be for a "liberalizing" of state and federal loan policies, to encourage investment in these vendor operations.

Incidental to the above was a request for general information on how Northwest would handle payments to local vendors. The general implication was that during the trans-Alaska pipeline system project, small contractors had to wait for extended periods of time for payment, and this affected their reorder capacity.

According to Committee Chairman Smith, Section 4.2.3 of the Right-of-Way Stipulations agrees to conditions of prompt payment and submissions of orders of appropriate vendor scale.

Other areas of business concern were impacts on postal services, local banks, and community facilities such as the local dump.

The Alaska Congressional delegation has been approached on the postal service question and it is being examined at the federal level.

The remaining question of overload of business services remains unanswered at this time, and will probably not be resolved until such time as the gas project enters a "start-up" phase.

Some interest was indicated for a "gas take-off point" to be located at some point within the area. Representative Leslie R. Swanson had introduced legislation to provide such connections, and area residents wanted to know if they might qualify as a "take-off" area.

The question remains unanswered at this time, largely because the submitted legislation did not pass during the preceding legislative session.

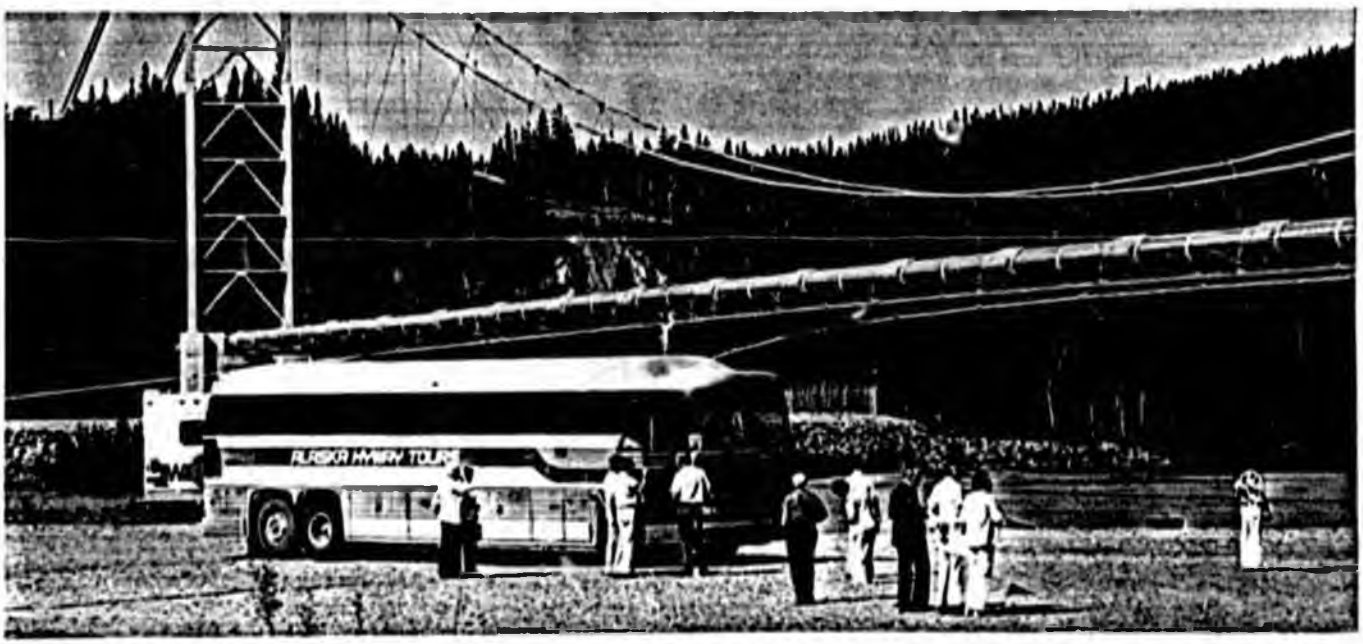
The largest unresolved issue which affects the region and subsequent impact planning is the matter of representation authority. Local residents feel a need for a pipeline impact and coordination office in the region, in order to improve communications with the State of Alaska and the pipeline company.

No uniform method of selecting the impact coordinator was set forth, but the desire for a "watchdog" or ombudsman-like position is readily apparent.

The larger issue of representation and governance will be addressed elsewhere.

It should also be noted that the general concerns expressed by the Business and Tourism Committee were by and large Tok specific, and did not extend to most of the outlying towns and villages.

Despite this, there are clear indications that village native corporations in Dot Lake, Tanacross and Northway are making positive plans to enter the pipeline contract market, and compete openly with the Tok business community. Generally this may be viewed positively, but the long term effect of sub-regional competition remains unknown.



b. PUBLIC UTILITIES AND TELECOMMUNICATIONS

DISCUSSION GROUP CHAIRMAN: Mark Springer

COMMITTEE ASSISTANTS: Merritt Bartlett
Tom Donnelly

The Public Utilities and Telecommunications Committee had about 15-20 people, including Ben Agee, President of RCA Alascom, and Ralph Wilson and Merritt Bartlett of Alaska Power and Telephone Company. At the outset, let it be noted that despite the statement in the information packet that stated that APT is not an Alaska-based firm, their business is in Alaska, and it is actually a matter of economics (favorable to the consumer) that their office is in Port Townsend.

The major point brought out in discussions with the utilities is that they stand ready to provide a desired service. It should be noted that APT is looking toward permanent demand as its planning baseline, and they, for instance, do not want to be saddled with expanded generating capacity, when in fact it is needed for only a short time. The general tone of concern toward pipeline impact is modulated by the idea that pipeline construction and support-related impact on the public utilities will be short-term and that, whatever it is, it can be met.

RCA Alascom has potential facilities existing in the Tok station to provide any and all desired telecommunications services within weeks (if not days) of requests. Rate structures were discussed, and the general concensus was that public utilities are not the most profitable businesses in Alaska. In fact, times are tough.

The state representatives, Messrs. Rusnell, Miller, and Lowery, helped out during discussions of water and sewerage and contributed a few words about dumps. Once again, the impact was considered to be of a short-term nature. Tok is located atop a thick bed of gravel with underlying (40-60 feet) aquifers, which are the community's water supply. Sewerage disposal is primarily cesspools, septic tanks, or leach fields. The consideration postulated was one of housing density as the most impacting feature of population growth on the water table. The subject of sewerage water systems was considered as an option and, of course, should remain in the minds of everyone. Solid waste disposal remains a very real and current issue. Tok does not have a legal landfill dump because of a tremendous amount of bureaucratic lands-claim red tape. A compactor transfer system is considered to be a possible viable option; however, it would no doubt prove to be an expensive proposition.

On the subject of taking gas out of the pipeline, nobody knows too much about it. APT has the capability of powering their generator sets with natural gas. The entire matter of taking gas out revolves around the cost issue. And for serious planning to occur firm cost figures and technical information are required.

RCA Alascom has 10 supergroups going east-west and west-east. They have two or three supergroups east-west and west-east potentially available. A supergroup is composed of 60 channels. DATA lines (voice grade) are presently in use in Tok. Telex service is available. RCA's main node in the Upper Tanana Valley is the TD-2 microwave path. A 4-ghz radio system is presently in use, and the option exists to add an entirely separate new microwave radio system.

There are eight (plus three and five to be hooked up) long-distance circuits in the APT switching office. It is a 1,000-line office. At the present time 200 lines are in use.

RCA says that a satellite TV broadcast earth station is available. They can also handle television channels on the microwave system. It would have to be a commercial venture.

APT is concerned with permanent facility planning. They could build a transmission line for $2 million to hook up to the Golden Valley Electric Association from Delta Junction.

Both RCA and APT expressed a policy of being able to meet demand on any foreseeable scale. There is still uncertainty concerning the location of pipeline facilities.

AFTER THE FORUM ...

Public Utilities and Telecommunications

Generally reported concensus of Forum participants indidates that impact in the public utilities and existing communications areas will be relatively short-lived, and not beyond the present production capacity of locally owned utility providers.

Alaska Power and Telephone is presently operating a 1,000 line local telephone grid at approximately 20% of capacity, and does not anticipate any undue delay in providing direct service to customers. This is reinforced by RCA AlasCom's service facilities, which, according to AlasCom President Ben AGee should meet community demands "within weeks, if not days". The RCA system possesses redundant

long-line channels, and voice grade data links are in use in the area. Further, Telex service is available, and an option exists to add an entirely separate new microwave radio system.

Current entertainment program capacity is available through a satellite TV earth station, and some entertainment programming is operating via microwave paths.

Power and electrical generation capacity, according to APT representatives Wilson and Bartlett, is capable of meeting any expected power demands. Further, the company does not wish to make any inordinate investments which will leave them with an excessive generation capacity after line completion.

The general attitude of the primary utility agencies is that the expected impact will not exceed existing capacity, and no major capitalization for facilities is required.

The issue of sewerage and water facilities is a continuing problem, but will not be readily resolved without a local agency to assume service responsibility. According to Alaska Department of Environmental Conservation representatives Rusnell, Miller and Lowery, the demand for service will be relatively short-lived, and the major considerations of consumption will be housing density in any given area.

Existing water and sewer systems are privately owned, with wells, cesspools and septic tanks predominating. Any large scale service system thus would exceed subsequent user capacity. No discussion of construction of public use laundromat/shower facilities was entered, but the idea would probably be met with resistence by local motel and campground operators.

There is a continuing problem in the Tok area and in the other villages with solid waste disposal. Tok does not have a "legal" landfill, ostensibly because of excessive governmental and administrative "red tape".

According to Utilities and Telecommunications Committee Chairman Mark Springer, the Bureau of Land Management has appointed an individual to supervise the existing land fill, but the facility is almost filled to capacity.

Subsequent resolution of this problem will hinge on solution of the Alaska lands issue, and possible development of a local governance structure.

The final area of discussion concerned the installation of a gas "take-off point" for local consumption. APT states that they have the capacity to utilize natural gas for energy production, but until a state position on gas use is established, the point cannot be directly addressed.

Again, it should be noted that the public utility and communications issues directly affect the Tok area, and do not generally reflect the concerns of the remaining road communities. This may be attributed to limited outlying participation, and a lack of clear understanding by conference participants of the legalities and ramifications of utility policies.

c. LAND AND AGRICULTURE

DISCUSSION GROUP CHAIRMAN: Bill Arpino

COMMITTEE ASSISTANTS: Doug Euers
Robin Brean

The Land and Agriculture Committee met on the afternoon of April. Approximately 50 people were in attendance, representing private citizens, landowners, contractors, the State of Alaska, federal agencies, Native corporations, environmental groups, and Canadian representatives.

The two general areas of concern were pipeline routing conflicts and area land use planning. In the Tok area there are definite problems with the proposed alignment:

1. It is too close to the community.
2. There are conflicts with present recreation trails and public roads.
3. There are conflicts with land usage by the local trap shooting club and by the Tok Dog Mushers Association.
4. Historical sites may be impacted.
5. Private land and homes are located on the proposed alignment.
6. The gas line might be hazardous to residential and business concerns.

Northwest Alaskan Pipeline Company indicated that changes in the alignment are possible to accommodate local land usage. A willingness on Northwest's part to meet community needs in routing was indicated. Tok is not the only area of concern. There are possible conflicts along the highway at Delta Junction, Dot Lake, Riverside, Northway, and Lakeview.

The right-of-way over private land was discussed. Northwest would negotiate with landowners for easements, but they will have the right of eminent domain. Condemnation and just compensation would take place if negotiation was unsuccessful. This procedure would be used only for right-of-way acquisition and not for compressor station or construction camp sites.

Placing the gas line and the proposed railroad on the same right-of-way was discussed in general terms; this is a possibility that should be looked into to minimize disruptive activities.

A strong need was indicated for some type of central organization to represent Tok or the Tok area, which would be responsible for answering questions and inquiries relating to the gas line by any parties involved. At the present time there is no such organization that has the authority to speak for the area's population.

The concensus of the group was that there is a need for an area land-use plan. Some considerations to be included in the plan should be:

1. An inventory of existing trails should be compiled.
2. An inventory of present land usage should be understood.
3. How and in what direction, if any, should the town expand?
4. Should more state land be sold? If so, then where? What types and sizes of parcels should be considered?
5. Soil testing should be completed.
6. Agricultural land needs to be identified in order to become available.
7. The state timber disposal method should be changed.

The above-mentioned comments, concerns, and viewpoints were gathered in only two hours of good discussion. We have just scratched the surface, and more input is needed if the present and future needs of this area are to be met during gas pipeline impact.

AFTER THE FORUM...

Land and Agriculture

Participants in the Upper Tanana Regional Forum expressed substantial concerns over future land use and planning, on the part of Northwest and for agricultural development.

Generally, the areas residents felt that the proposed pipeline route was not satisfactory for the following reasons:

1. The proposed route is too close to the communities. (Especially important in Tok.)

2. The proposed route is in direct conflict with existing recreational trails and public roads.

3. There are conflicts by local sporting and dog mushing clubs over land to be used for the pipeline.

4. No adequate solutions to recovery or protection of historical and cultural sites has been advanced.

5. The proposed route will be over some private lands and homesites, and residents are concerned that right-of-way condemnations will not result in tendering of a fair value for selected lands.

6. The potential hazards to residences and businesses has not been dealt with adequately.

Northwest Pipeline indicated during the Forum that it would be willing to negotiate changes in the right-of-way alignment to accommodate local land use, to the extent possible. This action would apply uniformly to all communities along the corridor. In fact, modifications of the route, subsequent to the Forum have moved the route further north of town, and primarily onto State lands.

Further, it was Northwest's desire to build as far north of Tok, and away from the communities as possible, to further minimize hazards.

The issue of easements and condemnation authority was responded to by pipeline company officials who indicated that they would pursue individual negotiations where possible, but that condemnation authority would be sought, to resolve any unsuccessfully negotiated agreements. This authority will be further defined by the State of Alaska in subsequent right-of-way agreements with Northwest.

Pipeline officials stressed that the above procedure would not apply in the matter of setting up construction camps and compressor stations.

Panel discussants suggested that a future use of the pipeline corridor might include authorization for the Alaska Railroad in extending its operations to the Canadian border. The expected effect would be to minimize disruptions during future construction.

During the forum, area residents conceded a strong need for creation of a central organization which could assume a responsible information role with all groups in the region, and begin the process of land use planning. No organization presently exists, and models for such a structure are not uniformly accepted.

Group concensus for an area land use plan focussed on the following:

1. An inventory of existing trails should be compiled.

2. An inventory of existing land use patterns should be assembled an made understandable to all potential users.

3. How, and in what direction, if any, should Tok expand? (This question may be appropriate for any community located within the pipeline corridor.)

4. Should more state land be sold? If so, where? What types and sizes of land parcels should be considered?

5. Soil testing, throughout the region, should be completed.

6. Agricultural lands should be identified, in order to ensure their future availability.

7. State timber disposal methods should be modified or changed.

In a subsequent interview with Land and Agriculture Committee Chairman Bill Arpino, it was learned that some of the previously stated concerns may have been modified. Generally residents of the Tok area have settled into a "wait and see" attitude, and are less prone to see pipeline impact as a major event.

Land use planning and selection of a representative body are still under consideration, but no concrete action has been taken to date.

Further, Chairman Arpino indicated that the opening of an impact office, while desirable from a public relations standpoint, was not as essential as previously stated. He suggests that it would not be appropriate for Northwest to open such an office, but that a neutral third party could serve as a reliable information conduit, and be well-grounded in the affairs of the community by the time that actual line construction begins.

d. PUBLIC SAFETY

DISCUSSION GROUP CHAIRMAN: Dottie Eshbaugh

COMMITTEE ASSISTANTS: Bob Stuart
George Cole
Tony Conrad

The discussion groups in this committee varied from 10 to 30 throughout its sessions.

Alaska State Trooper staff and facilities were discussed. Tok Corporal Cole stated that there are presently four public safety officers stationed at Tok and two at Northway. An employee of the local alcoholism program stated that much of the area's present criminal activity is alcohol-related. Tok Trooper Stuart described the local trooper post as a holding facility with three bunks. He feels that the present facilities will be of adequate size (in most cases) if proper transportation can be arranged. Also needed to make this possible is good coordination with personnel working with alcoholics and juveniles.

Public Safety Deputy Director Sydnam stated that they know that there will be increased safety problems. He anticipates that at least one additional safety officer will be placed in Tok and that there are possibilities for getting constables in some of the villages.

Roy David of the Tetlin Village Council stated that cooperation between troopers and the village is needed. Having a constable in Tetlin would be good. They have seen that the constable in Northway did help that village. He anticipates serious problems during impact, since there are already serious ones involving both drugs and alcohol.

The alternate health aide and alcoholism counselor for Dot Lake stated that something should be done about the expected increase in alcoholism problems. Discussion followed.

A Northwest representative stated that the camps will not be dry but that beer halls will not be established in the camps.

It was felt that the Tok area recreation facility should be used to offer activities programs under good supervision.

The Tok Volunteer Fire Department stated that their greatest need is for another fire truck. Also, more training is needed.

Another concern previously discussed and acted on by members of the committee was the need to protect pedestrians. Specific recommendations have been made to build a bicycle path, or pedestrian overpass, and to lower and move the speed limit signs.

AFTER THE FORUM...

Public Safety

Considerations of public safety generally centered on the availability of enforcement officers, holding facilities and enforcement of speed and highway regulations for protection of pedestrians.

According to an employee of the Tok Alcoholism Center, most of the criminal activity in the region is alcohol related. This is a recurring problem in rural and interior Alaska, and is not expected to change significantly.

Alaska State Trooper George Cole noted that the existing holding facility should prove adequate to local needs, providing adequate transportation can be arranged to move detainees to more secure locations (i.e. Fairbanks).

The Alaska Department of Public Safety is looking to increase staffing in the Tok region, and is re-examining the possibility of placing constables in the road villages.

Health aides and alcoholism counselors noted that an increase in consumption is to be expected, based on the Fairbanks experience, and some degree of pre-planning must be done to prepare for the accompanying criminal activity and welfare needs. This is coupled with statements by Northwest officials indicating the camps will not be dry, although beer halls will not be constructed or set up in the camps.

To some extent the social problems of construction impact may be modified through sound programs that could be established through the Tok Recreational Center.

Fire protection is generally deemed adequate in the Tok area, through the existing seven member volunteer fire department. Primary need by the VFD is another fire truck, and this problem is replicated in the remaining villages. Training is a continuing problem, but shared training between Northwest camps and the road communities may be an alternative to alleviate the potential costs of training.

Finally, pedestrian and bicycle traffic safety are major concerns of Tok residents, and increased emphasis on enforcement is desired.

e. EDUCATION

DISCUSSION GROUP CHAIRMAN: Carl Peterson

COMMITTEE ASSISTANT: Dave Maxwell

The following items were listed by the committee as concerns:

I. Education Training

A. Who?

1. Alaska Gateway School District
2. University of Alaska Extension Center

B. What?

1. Responsibility Training
2. Career Education and Counseling
3. Employment Information
4. Survival Skills (Personal and Employment)

II. Facilities

A. Existing Program
B. Anticipated Expansion

1. May not need additional facilities
2. Present facilities may well need upgrading
3. Obtaining needed expansion - state, local bonds
4. Facility maintenance

III. Recreation

A. Swimming pool and maintenance and supervision
B. Do we want to be in the recreation business?

IV. Types of jobs to prepare for:

A. Security Occupations
B. Building Maintenance Trades
C. Office Occupations
D. Hotel/motel Restaurant Management
E. Communications
F. Road Maintenance
G. Laundry
H. Transportation
I. Vehicle Maintenance
J. Health Care
K. Child Care

The program of the University of Alaska, Tok Regional Center, was explained and its budget discussed. During this session, 103 students are being serviced in credit classes, 15 students in non-credit classes, and 17 students in public service classes. The committee was not optimistic about the budget's increasing. Grants are an unstable basis for funding. The Regional Center intends to offer as many vocational/technical programs as possible.

Ralph Rudzik, principal at Northway School, stated that there are no jobs in his area and feels that vocational skill education would be the best help. Rosemarie Maher of Northway noted that around 30 people have traveled to up to four training areas. They do not like city life. This is a difficult question. Some may be gone up to five years in order to gain necessary skills. Sharon Young, president of the regional school board, stressed the importance of survival skills needed for city life. The committee discussed the need for these skills, such as the need for a vocational counselor, education in filling our forms, guidance for people from smaller communities who have relocated to cities for training.

The committee mentioned the importance of training local people for permanent jobs. Training might not always result in the kinds of skills that unions need at a certain time. On-the-job training during construction of the oil pipeline resulted in almost 200 permanent jobs. We need to work to set up permanent positions. It was noted that many jobs will be in building maintenance trades. Are these the jobs that local people would like to have?

Don MacKinnon of the Alaska Department of Education mentioned that residents want to be assured of getting a job after they complete extensive training for a certain occupation. The committee discussed the problems of responsibilities that go with jobs and trying to eliminate high turnovers in personnel. It was wondered what part schools could play in responsibility training and encouraging people to stay in the area.

The committee noted that not many jobs that could result from pipeline construction are long-term jobs but that many benefits can come from lower-paying, longer-term jobs.

MacKinnon stated that the major responsibility is with the Department of Education. There is grant money available for hard-pressed areas. The Department is responsible for providing for long-term facilities. The department is connected with the Seward Skill Center. Development of curriculum is a local responsibility. Some kinds of vocational plans can recieve extra funding. He predicted that this area could undergo a 10-15% increase in student population. (During pipeline construction, Valdez had a much higher increase in student population. Cordova experienced a 6% increase in student population.) It was noted that many workers and their families have stayed in Valdez.

The committee stressed that it is important to think about the post-construction period and who will remain here then. It was noted that many construction workers travel to larger communities to find work. A Canadian pointed out that it was difficult to control any kind of impact into a community.

A discussion of building needs and a swimming pool followed, and the cost of the support of a pool was questioned. The cost of maintaining the Cordova pool is $120,000 per year. Fees bring in $18,000 to $20,000 per year. The remainder is funded by the school ($50,000) and the city. Use of the recreational facilities at the schools was discussed. It was noted that the gas pipeline will be built by specialists who seldom take their families with them. During peak gas pipeline construction, the number of employees is expected to be one-half the number at the peak of oil pipeline construction. The overall effect of this on the educational system in the region is estimated to be 10% over present enrollment.

There are no final details yet concerning permanent positions to be generated by the compressor sites in the region. In the 200-mile stretch between Delta Junction and the Canadian border, fewer than 50 permanent operations and maintenance jobs may be available. Small contracts aside from the pipeline construction itself could include pipeyard, maintenance shop, and housing construction. Service contracts expected to become available before and during pipeline construction could include facilities maintenance, health service, and child care.

AFTER THE FORUM...

Education

The education Committee addressed the overall educational needs of the region, and spent a substantial part of its time discussing the overall employment and training opportunities available to area residents. Comments and concerns closely followed those addressed under Job Training and Placement.

Significant, however, was consideration in this committee of village needs and an understanding of their respective employment requirements.

Although some training and vocational education programs are established throughout the state, rural representatives have found them less than adequate for villagers. The major drawback, as expressed, is that the high concentration urban areas are not compatible with village life styles, and the combined effect of "culture shock" and high costs virtually insures failure by the rural area participant.

Don MacKinnon of the State Department of Education noted that there are grant programs available to hard-pressed, impacted communities to assist in local training programs, and that this area was of singular importance to the department.

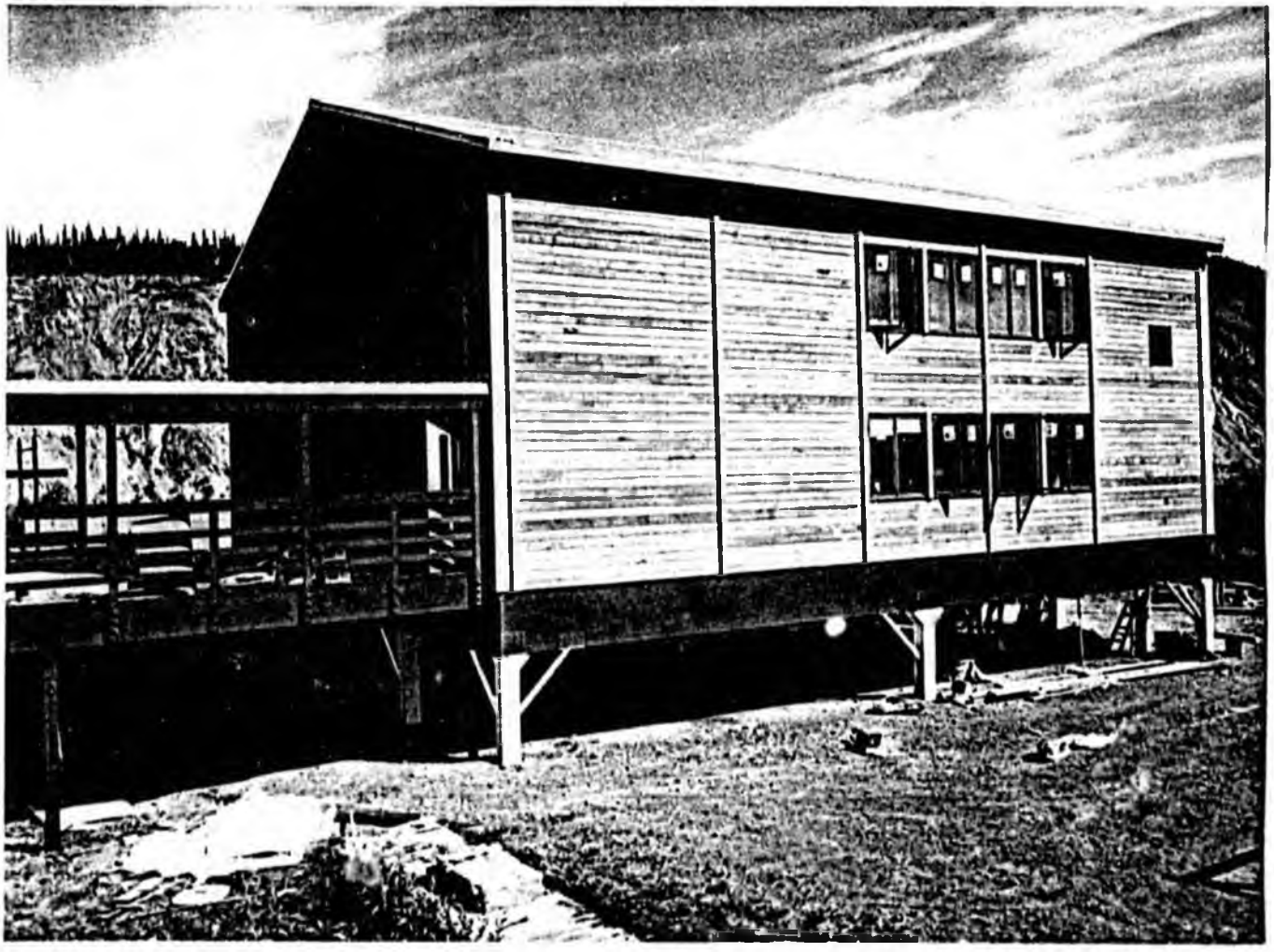
According to Gateway School District Superintendent Carl Peterson, no new school construction is anticipated, as existing facilities should handle any anticipated increase in enrollments. The construction of a school in Tanacross which is underway now is expected to relieve any pressure that might come to bear on the school in Tok.

Whether or not this remains the fact depends heavily on the population influx. MacKinnon noted during the proceedings that Valdez and Cordova saw a substantial student population increase during the oil pipeline construction, and predicted an approximate enrollment rise of 15% for the Tok area. On the other hand, school enrollments were the one impact pressure Fairbanks was prepared to handle, and enrollments never did increase to the level of predictions before construction. Without more hard data on the estimated numbers of jobs, the extent to which they will be filled by in-migrants, and whether those itinerant workers will bring their families, it is nearly impossible to predict what pressures construction will bring to bear on the Gateway School District.

Area building needs and desires were discussed, including construction of a double-duty swimming pool/water reservoir. Cited construction costs indicate that such a program for the Tok region would incur prohibitive maintenance and operating costs.

Superintendent Peterson stated that his major concern during the construction phase would be loss of skilled maintenance and clerical personnel to higher paying jobs. While some of the turnover could be handled from the existing labor pool, it would result in a destabilization of the administrative routine.

In summation, the overall educational and standard training needs can be handled through the existing structure, with a minimum need for new or special programs. However, local skill training for construction employment in all areas remains unresolved.



THE LOCAL DECISION MAKING PROCESS:

Comments by Forum Speakers

Comments submitted during the Upper Tanana Regional Forum by invited participants from the State of Alaska, Northwest Pipeline and related areas focused on the larger implications of pipeline development as it will affect the small communities of the Upper Tanana Region.

Tom di Zerega, Vice President for Northwest Pipeline Corporation, outlined the overall construction timetable for the project, and stressed the energy company's commitment to "...identify all cultural resources along the route so that we may take proper mitigating measures".

Di Zerega had outlined the construction timetables, noting that a 1983 completion deadline was expected, with various stages of construction start-up planned beginning in 1979.

Dr. Mim Dixon, keynote speaker and former Fairbanks Pipeline Impact Information Center Director, told conference participants that impact planning should begin at the earliest possible time. She urged the communities to "plan for what you want your community to be 10 years from now", and present these desires to the pipeline company.

She suggested the possibility that the construction companies might be willing to build facilities on a turn-key basis that would permit community acceptance of the buildings when the construction effort was completed.

No discussion of potential pipeline impact can be considered complete without a partial discussion of the net effect of local government structures on the impacted areas. Governor Jay Hammond addressed the issue by stating, "I'm not going to counsel you that local government is the way to go in this area, but..."

Hammond stated that he had previously voted against a local government structure for his home district, but subsequently modified his views when local residents discovered that borough power permitted residents to do things that "we wouldn't have been able to do without it".

The local government/representational issue is described by some residents as a "hot potato", which will not be easily resolved.

According to comments recorded in the All Alaska Weekly article on the forum, "In an attempt to fill the representational void, Bob Lohr, Executive Director of the Upper Tanana Development Corporation, warily tried to get the forum to discuss formation of a task force to follow through on the work so far accomplished.

"The subject was apparently too sensitive and ended with only one comment, terse and angry, from Rosemarie Maher, President of the Northway Native Association, who flatly opposed it.

"Maher feels that the natives from outlying villages were not adequately represented in the forum's work and therefore should not be put in a position to accept the task force only because they were absent."

Summary remarks by local residents in attendance indicated that the forum served a valuable role in initiating discussion on the future changes, but subsequent to the proceedings, according to local spokesman Glen Marunde, much of the enthusiasm had evaporated.

f. WOMEN'S CONCERNS

DISCUSSION GROUP CHAIRMAN: Mellie Terwilliger

This region is a classic example of rural Alaska. Immense areas of land, mountains, and water. Small clusters of people, 50 to 100 miles apart. Extremely long, extremely cold winters. We look forward to the gas pipeline for the jobs and business it will bring. We know that our Canadian friends down the line are in the same situation as we. And we know the end result will be good for the people of the Lower 48. We want to plan to make the best of things to come to our region.

We have some fears about the great influx of transient workers. We are already accustomed to a great influx of tourists every summer. Now, perhaps, we can have the means to plan to give comfort and strength to all the people of the region, to the tourists, and to the pipeline workers.

Women are a cohesive force in a wilderness. Women mean homes, children, schools, churches, clubs, stability.

It is difficult to deliver services to rural Alaska. To accomplish this we endorse the concept of sub-regional delivery of services of state and federal agencies, and industry with local hire.

We want to thank the Tok Chamber of Commerce, the Upper Tanana Development Corporation, and the Fairbanks Town and Village Association, especially its director, Jerry Smetzer, for the opportunity to air our concerns to those people able to help us women with them.

The committee also supports a regional pipeline impact office, day-care centers for working mothers, a regional labor union office, medical care and counseling for students, a swimming pool (which could be housed in a reservoir for fire protection), increased community services, a consumer protection agency office, support of an loans for marketable arts and crafts, expansion and strengthened financial support of the public health clinic, and the promotion of winter tourism (which could create more jobs).

8. RURAL AND NATIVE CONCERNS

DISCUSSION GROUP CO-CHAIRMEN: Bob Brean
Glen Marunde

COMMITTEE ASSISTANTS: Roy David
Rosemarie Maher

Participation in this committee exceeded that of any of the other committees. Although the largest room was selected for rural and Native concerns, there was little elbow space left. Several issues were covered. Some of them were: the protection of subsistence life style during construction of the gas pipeline; right-of-way, alignment, and access of pipeline; job training; minority hire and human rights; fish and game concerns; and individual access and input with regard to issues concerning the pipeline.

The subsistence life style issue consumed much conversation. It was decided that corridor restrictions would not be effective in protecting local life styles. There were not used in Glennallen's portion of the oil pipeline, and Tok is similar. There would be easy access to the corridor in the Delta-Border segment of alignment. One possibility to protect local subsistence hunting and fishing would be strict residency card requirements. The 30-day residency decision by the Supreme Court was discussed, and Governor Hammond stated that only through a constitutional amendment could that ruling be altered. Residence as a means to achieve solutions to several problem areas was discussed at length in regard to local hire, the taking of game, human rights, and so on. Another undesirable effect of subsistence protection through corridor restrictions is that villages like Dot Lake, Tanacross, and Northway, which lie on the pipeline, would find their freedom restricted. This was a major concern of Chief Andrew Isaac.

Right-of-way was covered by Northwest officials. Negotiation with private landowners on the right-of-way was brought up. Trapline rights will be negotiable, as stated by Morris Thompson. There was wide support for the Bureau of Land Management to get out of the picture as soon as possible on Native claims lands so that corporations and villages could be free to do their own negotiating without interference. Canadian representatives stated that many of the problems that we have with regard to residency requirements and land claims can be handled on a different basis in Canada, because our constitutions are not the same.

Job training specifically for pipeline-related jobs was well discussed. The possibility of the state's handling of a training school program was raised. A current Canadian project, Nortran, was discussed.

Minority hire and human rights seemed to go together and were discussed simultaneously. One of the human-rights resource persons stated that their office still has 300 human-rights violations relating to minority hire to process. The tools at their disposal are, at best, cumbersome. Spud Williams of the Tanana Chiefs Conference said that the Human Rights Office is basically a good vehicle to help to enforce minority hire but was very slow. Larry Means of the Department of the Interior explained that new regulations providing assistance to minority business related to pipeline activity were being drawn up. These plans were to be tailored specifically for the Northwest pipeline.

The fish and game session met in the afternoon. There was passive support for a bill being considered in the legislature that would decentralize the Department of Fish and Game by the creation of 12 regional fish and game boards to bring the decision process closer to the people. A requirement for all out-of-state hunters to use guides was discussed as a means to restrict hunting by pipeline workers. There may be questions of constitutionality in a previous Supreme Court ruling.

There is a strong concern about community, village, and/or individual input into the decision-making process used by state, federal, and Northwest officials in all matters pertaining to the gas pipeline. The use of the State Office of the Pipeline Coordinator as a clearinghouse between government, the prime contractor, and community and/or individual residents was discussed. Another suggestion was for the creation of an office for an ombudsman-type position for gas-pipeline-related problems only. Such a position may be incorporated into the pipeline coordinator's office. The need for safeguards to keep the expanded version of the pipeline coordinator's office from becoming too powerful was mentioned. Maximum use of local hearings was encouraged in access and input discussions.

AFTER THE FORUM...

The Political Issues

The Committee on Rural and Native Concerns was the most heavily attended, with the bulk of rural forum-goers concentrating in this area.

Central to all discussions was the absolute need to preserve indigenous subsistence rights during and after the construction effort. Incorporated also were issues of employment, training, the role of village corporations and tribal government, and the establishment of standards common for all impacted communities as opposed to the dominant population center.

The relative effects of residence preference were discussed, with an eye toward controlling non-Native and non-resident access to traditional use areas. Governor Hammond noted that such preferential resident use could only be addressed through a state consitutional amendment.

This restrictive use plan has been further complicated by the U.S. Supreme Court ruling striking down all provisions of the resident hire law. No subsequent formal resolution has been set forth.

There was a uniform desire to have the native lands issue resolved, to permit the affected villages to enter into private negotiations with the pipeline contractor and avoid the "meddling" of federal agencies. This is an issue whose solution again is postponed with the failure of Congress to pass any D-2 legislation this year.

Generally discussions joined on the Alaska Native issue recapitulated the continuing problem of the rights and prerogatives of the small communities in managing and ordering their own business affairs.

It is important to note that this committee provided the focus for many of the rural participants to express their sense of alienation and separation from the larger decision making process, and to vocalize their desire to have a more substantial say in subsequent planning and development schemes.

In post-forum interviews, Committee Co-Chairman Glen Marunde indicated that the issues addressed in the forum had been allowed to fall dormant by the committee participants. However, Chief Andrew Isaacs of Dot Lake indicated that the level of village involvement has not declined, but the major concern of the older native people is the right of full participation for their young people. In hearings on the lease stipulations for the pipeline, Isaacs commented that he really did not approve of the line going through traditional hunting and fishing areas, but that if the young people could no longer make a living at subsistence, they would have to earn money, and he hoped the pipeline was one way to do that.

h. HIGHWAYS AND TRANSPORTATION

DISCUSSION GROUP CHAIRMAN: Harold Johnson

COMMITTEE ASSISTANTS: Fred Pride
Arthur Warbelow

Discussion in this group covered many areas of interest with approximately 30 people in attendance.

It was brought to the attention of those present that the highway between Miles 75 and 83 of the Tok Cutoff is very narrow and needs repair before pipeline hauling begins. This is also true of the section between Miles 39 and 49 of the Tok Cutoff. Sections of the Alaska Highway that are narrow and in need of repair include Miles 1329 to 1362 (Dot Lake), 1362 to 1378, and 1235 to 1301 (Tetlin Junction). The possibility of emergency funds to be used on these sections was discussed. Without improvements on some sections of the highway, there would be a significant and generally unacceptable level of danger during pipeline activities.

The current location of the truck weight scale was discussed and a relocation was termed feasible in order to allow more room downtown at peak traffic periods. This also reduces the risk of automobile accidents and increases the safety factor for residents.

It was stated that the Northway road needs work and that bridges in that area will also need work with increased truck traffic.

There was discussion on the Tanacross airport and Rudy Hartsell's small airstrip. With increased air traffic in the area and likely increased use of these strips, would the users such as Northwest, be willing to "foot the bill" for a portion of the maintenance expense? That question can easily be solved in the case of a private strip, but not so for Tanacross. There is no air traffic control to monitor air traffic.

The need for bicycle paths or walks in impacted areas such as Tok was considered.

AFTER THE FORUM ...

Highways and Transportation

Area residents generally felt the need for a broad range of improvements to the existing air and surface transport system.

Significant improvements to the road system are desired at the Johnson River, Dot Lake and Tetlin, with additional improvements sought at Northway. Discussion of bridge improvement and upgrading was also joined, and some concern was expressed over those stretches of road connecting with the Canadian leg of the construction project.

It should be noted that the State Department of Transportation and Public Facilities has added substantial request monies for improvements on the Alaska Highway. Status of that funding is not presently known.

Tok residents also requested a relocation of the truck weight scales to a more remote location. The general argument is that such relocation will eliminate a fair amount of heavy vehicle congestion in the community, and thereby serve as a positive safety factor. No new location has as yet been agreed on.

The area of air transportation is largely unresolved. Questions were raised by Tok residents questioning whether Northwest could be induced to carry part of the costs of airport operation in Tanacross, despite the absence of any local airport operations authority. The issue is moot for use of private airstrips, but is not clear for the larger Tanacross facility.

1. JOB TRAINING AND PLACEMENT

DISCUSSION GROUP CHAIRMAN: Dave Maxwell

COMMITTEE ASSISTANT: Norman Wallis

State Commissioner of Labor Ed Orbeck discussed the state hire law with the committee. The National Labor Relations Board has accepted the Alaska local hire law. But even if the Alaska state statutes on local hire were determined to be unacceptable to the courts, the employer and the union could negotiate a local-hire agreement on their own.

Willie Lewis of Local 942 (Laborers) talked about minority hire. He also mentioned the possibility that his union may establish some sort of training facility in Tok with preference given to union members.

The succestion was made that two people from a village might alternate in a job on the pipeline. This would not only help to assure local employment but would also allow more flexibility to employees from the villages.

It was brought up that several years from now (1980 or 1981) there would be many people who could claim that they were Tok residents for a year or two. It should be considered that what we need to realize is that if we are not careful, we could have many of the same problems that Delta Junction underwent in regard to local hire.

It is important to understand how many people, in Tok for instance, are interested in being foremen, powdermen, general laborers, cat operators, heavy truck drivers (to cite a few). This would be invaluable in realizing what kind of training programs to initiate in the area.

For the permanent compressor station jobs that will open up after construction, it was mentioned that there should be some sort of local-hire preference. There should be some preference for locals in the training programs or in the selection of personnel for these positions.

AFTER THE FORUM ...

Job Training and Placement

Closely related to the question of overall pipeline employment is the consideration of the nature and type of training that would be available to area residents, with positive guarantees of employment once training has been completed.

As previously noted, the Northwest Pipeline Company has expressed a desire to utilize as much of the local labor force as possible, but the ramifications of the U.S. Supreme Court decision in striking down "resident hire" may complicate that intent.

Nevertheless, the local awareness of the need for skill training and placement cannot be too forcefully stated.

Testimony by area residents during the Upper Tanana Regional Forum indicates that there is a high incidence of clerical and secretarial skills, but a shortage of trained workers in the construction and building trades. According to Job Training and Placement Committee Chairman Dave Maxwell, the Tok area has to import numbers of people to work on many local construction jobs and existing service jobs (hotel, motel and restaurant).

As a result, most of the local interest and desire is focused on jobs such as heavy equipment operation, heavy truck driving, vehicle maintenance or explosives handling to name a few. In most cases, the University extension center is not an appropriate setting for teaching of these skills.

Laborers Local 942 representative Willie Lewis stated during the forum that there is a possibility that his union would establish an "entry level and recertification" training center in Tok, but according to Maxwell, they have not made any followup moves.

No other craft or trade unions appear to have taken area training into consideration, and it is probable that any such programs would continue to be operated out of the Fairbanks center.

Area residents indicated a desire for vocational/ technical training either through the Gateway School District (REAA) or the University of Alaska Cooperative Extension Service or the community colleges. However, the concensus was that it was probably too late to organize such a program and that the UA/union liaison might be politically impossible to start up.

An additional note, according to Maxwell, is that the UA extension center in Tok has done some test marketing to schedule vocational/ technical training, but has been unable to get people to sign up

for classes. He cited as an example a course in commercial baking - a skill that could be marketed in a pipeline camp as well as on a permanent basis in the community. No one signed up.

The communities generally expressed a desire for on-going, postpipeline jobs, working in such areas as the Northwest compressor stations. This employment area will not generally provide much, as the expected number of permanent jobs will be around fifty. Further, there will be technical jobs for which local training efforts may not be adequate.

Job placement during the pipeline building effort may be a problem not only because of the court decisions on resident hire, but because of the concentration of hiring hall, contractors and support services in the Fairbanks area. Some discussions of consolidating labor halls in the Tok area has been advanced, and the Tanana Chiefs Conference has been exploring avenues to underwrite minority hire, but to date no substantial policies have been generated.

During the forum, some innovative recommendations were set forth to permit or encourage greater use of the labor force. One notable suggestion was to consider using two persons from a given village in one work position, thus giving the employee a greater personal flexibility to meet his/her needs, and extend the number of employable positions.

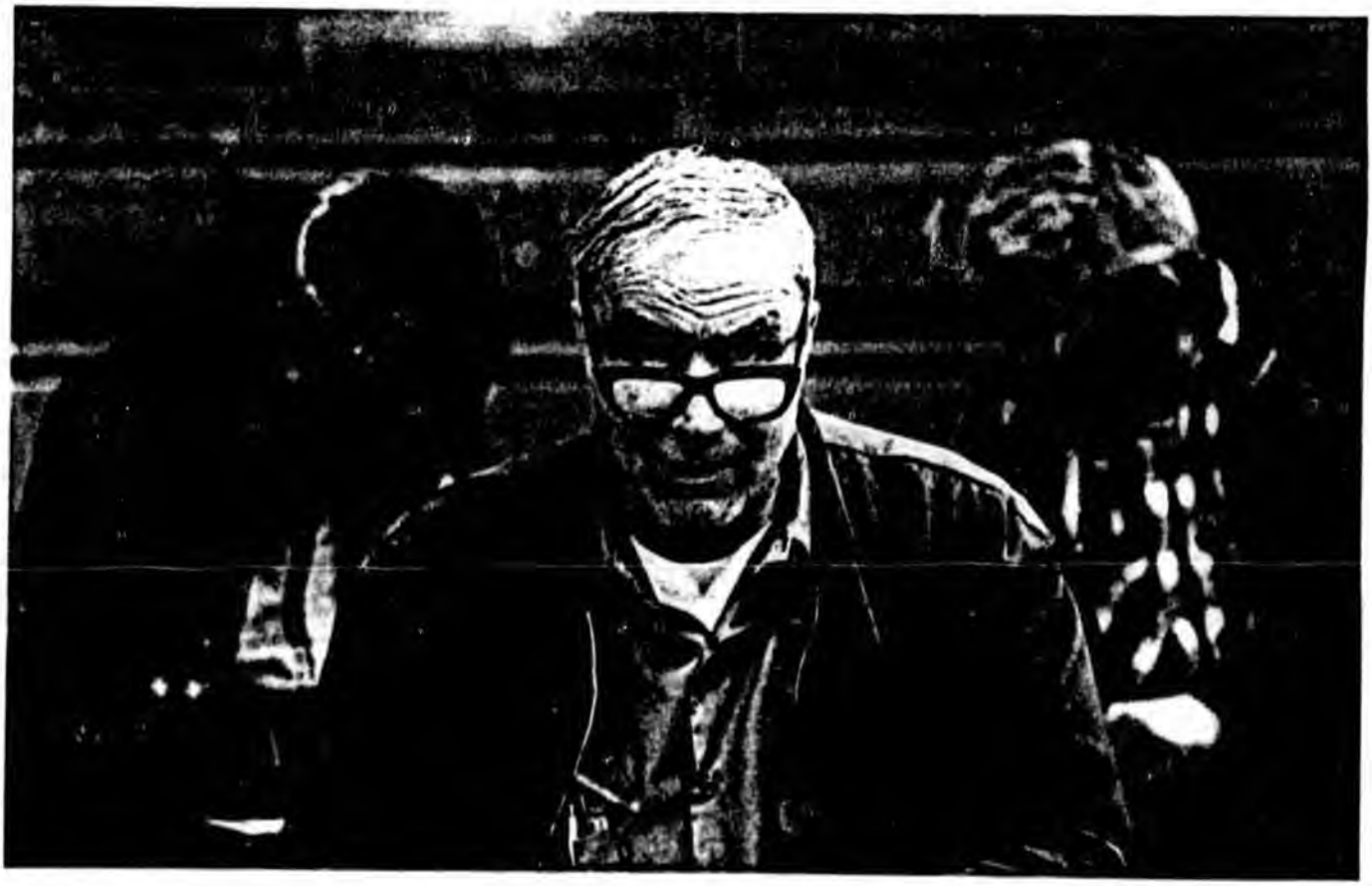
Another such suggestion was to eliminate the single 12-hour shift, with its attendant seven-day work week, and substitute two eight-hour shifts, again on a seven-day cycle. Such recommendations are of course speculative at this point, and will be the management prerogative of Northwest.

In summary, the training and placement questions continue to dominate, and are unlikely to be resolved until such time as the State of Alaska can re-examine its role in setting preferential hiring practices, and set up a coordinated, functioning program to support the Alaska Highway communities.

Further delays in resolution may be expected due to shifting community needs and perceptions especially if the local desire remains fixed only on direct construction employment.

Central to the entire discussion is the area's expressed wish for more substantive information than has been provided to date. The need for "more meat" (information) is a recurring theme throughout this report, and will be so addressed.

In a post-forum interview with Training and Placement Committee Chairman Maxwell, he noted that there had been an increase in demand for Emergency Medical Technicians through the Alaska State Troopers. He felt this was generated by the Upper Tanana Regional Forum, and that as discussions and impact planning continued, more such employment and training options might be generated.



J. SOCIAL SERVICES

DISCUSSION GROUP CHAIRMAN: Louise Griffin

COMMITTEE ASSISTANTS: Cathie Ipalook
Bob Lohr
John Klaus

Myra Jones of the Tanana Valley Community Clinic in Tok gave an overall report of the health services that are presently available in Tok and the surrounding area. A description was given of the clinic, health personnel on staff, and the ambulance service. The need for an expanded clinic was stressed. The clinic is not equipped to handle emergencies involving two or more people at one time. There is a space deficiency - no holding beds, no emergency room. It was stated that the Tok area needs a usable facility not only during the pipeline construction era but present and in the future.

Barbara Wihlborg - public health nurse, Tok itinerant - gave the boundaries that she covers and a summary of the services from her clinic with the emphasis being on prevention/education. She also gave an overall summary of the health aide program in the surrounding villages. It was very evident that additional personnel are needed in the Public Health Clinic.

The need for mental health services was discussed. It was stated that a proposal has been submitted to the state, asking for funding for a full-time clinical psychologist to be stationed in Tok, providing services to the surrounding area.

Jerry Taylor, ambulance coordinator, spoke on the ambulance service. One ambulance based in Tok covers the entire area (Border, Duffy's, Taylor Highway, Dot Lake, Johnson River). We have only three active emergency medical technicians and four or five drivers. There will definitely be an increase in auto accidents. Therefore, there is a need for another emergency vehicle, which should be based in Northway. Education and training for additional personnel should be available.

We have had very little contact with the state Emergency Medical Service program. More bush area representation is needed for this program. Ms. Wihlborg expressed a strong desire to serve on the state EMS program. Fred McGinnis, Deputy Commissioner of the Department of Health and Social Services, stated that he will request Mr. Scott, director of EMS, to visit Tok soon.

Governor Hammond stated that they are definitely concerned with health care budgets but that appropriate revenue is needed. Morris Thompson of Northwest stated that he was not prepared to say whether Northwest is planning on using our health-care facilities, equipment, and personnel, because the company is at present in the construction design phase. The company would negotiate with Tok. The company would have its medical experts and associates look at the local situation, facilities, and so on with the possibility of arranging contractual agreement.

Thompson was asked about the highway villages in regard to using facilities and health aides. He stated that this would all be taken into consideration. If Northwest used the local and village facilities, then there is the possibility of helping to provide equipment and helping Tok with the proposed clinic addition.

Dottie Eshbaugh of the local alcoholism program reviewed present program services and stated that they are barely keeping up with the problems now. Since there will definitely be added stress during pipeline activities, the alcohol program hopes to avoid some of the problems by being able to plan ahead. A suggestion was made to give local people addresses and contact names so that the Tok area can start its planning.

Discussion was held on the housing situation. A suggestion was made to meet with Glennallen on the impact problems that they experienced. The local housing situation here at present was discussed. It was brought out that we really do not have excess or "any" housing available. Interest was expressed for what, if any, plans that the old RCA housing might have.

Also, it was suggested that people who have private wells here should make application to the Department of Natural Resources for a permit for water rights and have it recorded, because anyone can come along and use that water source (such as for industrial use).

It was suggested that a rent review board be established in Tok. Also, it was brought out that the peak demand for housing will cover quite a short period of time.

The Assistance to the Elderly Program was reviewed. It is felt that the elderly will get a lot of the costs of the pipeline and very few of the benefits. The program will be doing an on-going assessment of needs, planning for the cost of living rise, and so on.

It was suggested that the Alyeska camp facilities be looked into for uses such as clinic, housing, fire protection facility - whatever.

A suggestion was made that we should define whom our people are for contacts for possible future contractual agreements or referrals to the various existing businesses, agencies, and organizations, since at present there is no local government.

Discussion was held concerning the closure of the Office of the Division of Family and Children in Tok in 1976. The services now include only fee agents with the exception of Eagle; this is not sufficient. It was suggested that the State of Alaska reopen the local office with a full-time eligibility worker who can also issue food stamps. The time frame involving food stamp application through complete procedure involves at least six weeks. Elderly people especially need immediate help rather than delay. A medical eligibility worker who could issue coupons should also be included. It was mentioned that the Salvation Army (Anchorage) is talking about the possibility of setting up a place in Tok.

The possibility of a permanent impact information center was discussed.

The Social Service Committee also endorsed the idea of a permanent task force to follow up on the forum and to become a point of contact for gas pipeline related issues and problems.

The task force could include representatives of the communities in the Upper Tanana, village corporations and other interested local groups, as well as state, federal and Northwest representatives for communication purposes.

The Committee also recommended that an impact information center by established in Tok during the coming summer which would be operated in a manner similar to that of the Fairbanks Impact Information Center during the oil line construction and further suggested that a task force could act as an advisory board to the center.

AFTER THE FORUM ...

Population Growth

Central to all discussions of potential gas pipeline impact is an assessment of expected population changes, in whole numbers, as well as locale.

Because Tok is central to the proposed effort, it is logical to assume that any significant population increase will center there. This will probably include transient and non-pipeline people, plus families and others involved in secondary aspects of pipeline work.

No adequate numbers can be forecast, but it may also be expected that because the overall life of the construction project is significantly less than the trans-Alaska pipeline system, and because the total number of workers is less, that the route communities should see less of a population influx in real numbers.

Some aspect of community out-migration should also be anticipated, with the accompanying change in community cultural factors.

Although not specifically addressed, the potential populations of communities such as Eagle or Chicken may increase with the incidence of out-migration by older residents of some of the road communities.

It should also be noted that population growth estimates for Fairbanks, in its pipeline impact planning, did not take into account the fact that in-migrants seeking pipeline jobs did not bring families with them. While housing, utilities and traffic reflected pressure of population growth, services, particularly the schools, did not reflect the same pressures, because the worker population was mainly transient.

Health and Social Services

Primary concerns expressed during the Forum centered on provision of adequate emergency medical care, on a scale equal to impact; expansion of mental health programs; balancing social service delivery with accountability by Northwest, the effected communities and the State of Alaska.

The overwhelming concensus of community participants was that existing levels of medical care are far below present needs, in both facility and personnel provisions. With the advent of pipeline construction the number of motor vehicle accidents is expected to increase, in addition to attendant types of medical emergencies. It was pointed out the present clinic facility is capable of handling only two persons at one time, and any major traffic or industrial accident would be impossible to deal with.

Existing ambulance service is provided by a single vehicle and three emergency medical technicians over a route extending from the Johnson River Crossing to the Canadian border, and up the Taylor Highway. The need for an additional vehicle is self-evident, as is an increase in available staff. (Nine additional EMTs are available now after a training course offered through the University of Alaska extension service in Tok, and the Alaska State Troopers indicated in a post-forum interview that an additional ambulance would soon be forthcoming.)

Area residents stated that they have had little continuing contact with the State Division of Emergency Medical Services, and that this lack of contact has hampered development in the Upper Tanana Region. It is expected that the communications gap will be reconciled in the near future, particularly since a resident of the region recently has been appointed to the Emergency Medical Services Advisory Board.

Health care in the surrounding villages was deemed adequate with the exception that only one public health nurse is expected to serve the entire region. Additionally, residents pointed out the high costs of evacuation transportation and the relative lack of authority given to village health aides in determining what constitutes a medical emergency. This latter issue is being dealt with through the Tanana Chiefs Health Authority and will probably not measurably affect subsequent pipeline impact.

Health and Social Services Committee Chairwoman Dottie Eshbaugh stressed the need for improved and expanded mental health programs, based in part on the trans-Alaska pipeline experience in Fairbanks; the expected increase in alcohol-related problems; and the creation of unrealistic expectations of wealth and employment by local people seeking to benefit from pipeline construction. (In effect, many residents will be subjected to forms of "culture shock" which can only be addressed through a rounded mental health counseling program.)

A proposal to locate a trained clinicial psychologist in the Tok area is being developed, but nothing has matured to date. It was pointed out that the psychologist for the Division of Mental Health located in Fairbanks and technically designated to serve Tok rarely visits the community. A request was sent requesting a resident psychologist for Tok.

It should be noted that Governor Jay Hammond expressed during the committee's deliberations the state's continuing concern over delivery of medical and mental health services, but said that appropriate revenue is needed to justify further capital outlays.

The community recently received an $85,000 grant to expand the existing clinic, but this may not be enough to provide for facilities and equipment. Further, no programs presently provide for funding of additional physicians assistants, mental health counselors or public health nurses.

During the forum, Northwest Pipeline officials were unable to state whether they expected to interface with the existing health care delivery systems, or would generate their own, largely because preplanning had not yet begun in this area. The company was only in the primary construction design phase.

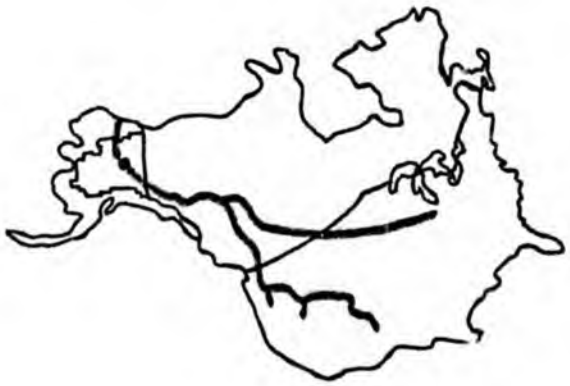
Northwest Pipeline Vice President Morris Thompson stated that highway village use of camp medical facilities would be taken into consideration, and a reciprocal use agreement could be considered if Northwest utilized any of the area's medical services.

Additional discussion was entered on the availability of housing, with the observation that there is no "excess" housing in any of the areas along the proposed pipeline route. Some local construction is anticipated - in fact one apartment complex already is under construction in Tok - but concensus appears that supply will lag behind demand for housing.

Further areas of social concern are programs to assist elderly residents to offset the negative effects of construction induced inflation. On a larger scale, the committee suggested that it was appropriate to begin the pre-planning approach to monitor cost of living increases, needs assessments, etc.

Closure of the office of the Division of Family and Children's Services, food stamp eligibility programs and related welfare and assistance programs were also discussed, with emphasis placed on establishing a "fast response" process to deal with the more pressing human needs. Since the forum, the Division of Family and Children's Services has re-funded a position for a child protection worker in Tok. This person also provides family counseling and referrals.

Although the primary discussions in this committee centered on problems in the Tok area, concerns and programs suggested affect all communities within the construction corridor and their committee hoped their discussions will improve services throughout the Upper Tanana.



ANALYSIS & SUMMARY

THE PLANNING PROCESS AND ACCESS TO DECISION AGENCIES

Underscoring all aspects of the Upper Tanana Regional Forum were the unspoken fears of forced governmental organization and the concerns of small communities remote from the decision making channels.

It would appear that the communities are fundamentally divided on their approaches to the governmental function, in part because they have existed in relative comfort, free from the incursions of regulatory bodies. This attitude expresses itself in emotive terms of self-sufficiency; disregard for non-regional ideas of development and/or growth; and the characteristic provincialism of "We don't give a damn how they do it (outside/up the road/over there)".

In the reality of trying to make desires known to the state, the pipeline company or other decision making agencies, the attitude is carried out through factions and interest groups vying to make their voice heard as the representative voice of the community. In post-forum interviews, members of the community who had access to government through some group or agency found they had little or no trouble reaching decision makers. Individuals who had no such channel, such as a village corporation, felt powerless in the decision making process. They felt they had no access to state or federal agencies, and the best that could be hoped for was to avoid being affected too much.

In contrast to the groups and individuals who expressed a sentiment of anti-government "meddling", there are those in the region who, while they agree with their neighbors on the value of frontier self-sufficiency, turn to grant agencies, government funding and other government avenues to provide services and some capital improvements.

In questioning residents on the options for some representative voice that would transcend the factions and speak for the region as a whole (rural, ruban, white, native, business, labor) there were many possible solutions, but no concensus. Alternatives varied from incorporation to town meetings; from a non-profit corporate structure to a third party ombudsman-like position established through the pipeline company.

There seemed to be agreement that there needed to be some means of communication with the state and the pipeline company, but little or no agreement on where it should come from. Perhaps this confusion on who or what should serve as spokesman for the region can be traced back to the fact that there are no clearly defined regional goals. Hence, interest groups or factions express their individual interests, which may or may not be the interests of their neighbors vis a vis the future growth and development of the region.

No clear picture of the potential future of the Upper Tanana Region can emerge from this intial forum, as the range of considerations has only just been addressed.

Clearly participants have expressed a need to initiate a planning process to anticipate the nature and type of change which is forthcoming, however, lack of concensus is forming this planning function seems to be traceable to the area's political differences.

MAJOR POLICY QUESTIONS
and
DRAFT RECOMMENDATIONS

Prepared by:
The Fairbanks Town and Village
Association, with Wordsmith's.

TWO MAJOR POLICY QUESTIONS

ONE:

Northwest Energy President John McMillan has asked the State of Alaska to consider investing one billion dollars of tax exempt bonding and one-half billion dollars in direct cash participation in the project.

The authors of these recommendations do not feel sufficiently qualified to make a recommendation on this fundamental policy question. Rather the individual residents of the Upper Tanana Region have much to gain or lose by the decision of the State of Alaska on McMillan's request. The issue is complex and any attempt to synthesize and summarize the current status of the project resks considerable misunderstanding in this kind of document. Therefore we will only list some recent events which should be of interest to residents of the Upper Tanana.

Recent Events:

Spring, 1978:
- Governor Hammond states that the Office of Pipeline Coordinator will be located in Fairbanks.

March, 1979:
- Governor Hammond names Avrum Gross, Bob LeResche, Charles Webber and Thomas K. Williams to study state investment in pipeline

March, 1979:
- Hammond orders State Pipeline Coordinator's Office opened in Fairbanks. "...early summer '79". Mo Matthews resigns. Charles Behlke named to replace Matthews.

March 1, 1979:
- Northwest opens state headquarters in Fairbanks

March 3, 1979:
- Canada's new Prime Minister reaffirms Canadian commitment to the project.

April 2, 1979:
- President Carter asks Congress to consider a limited reorganization plan which will establish the Office of the Federal Pipeline Inspector. Congressional approval expected in late June.

May 1979:
- Financing for continued operation of the state Pipeline Coordinator's Office, dropped earlier in the Legislative session, is restored.

May 1979:
- FERC requires that Northwest prepare and disseminate an "informational handbook" describing the project and, among other conditions, a toll free telephone line for use by affected landowners along the route.

May 15, 1979:
- Alaska Legislature creates and finances joint special gas pipeline interim committee with Rep. Charles Parr, Rep. Joe Hayes, Rep. C.V. Chatterton, Sen. Bill Sumner, Sen. Frank Ferguson, Rep. Bill Miles, Sen. Mike Colletta and Rep. Terry Gardiner as members.

June 1979:
- White House nominates John Rhett as federal inspector and creates, by executive order, an executive policy board to provide federal policy for the gasline.

June 19..:
- Department of Interior grants provisional approval of gasline route.

June 14, 1979:
- Northwest request federal approval for gasline route generally 60-80 feet from trans-Alaska pipeline pad.

July 1979:
- President Carter, speaking nationwide on energy crisis, pledges full support for an expedited federal approval of the gasline.

August 1979:
- The Alaska Economic Report states:

State investment in the Northwest gas pipeline may not be possible due to a stepped up federal momentum and the failure of the Alaska Legislature to act in the recent special session.

Non-participation on the state's part may represent:

(1) Freedom from a questionable investment burden;

(2) A lost opportunity for the state for a significant investment and to be an internal participant in the gas transportation policy.

(3) Lastly, non-participation may mean a lost opportunity by the state to stake-out and command significant key position in what may be North America's "energy corridor" -- the Alaska Highway.

September 1979:
- Fairbanks municipal and business leaders propose that FERC change the location of the gas conditioning plant from Prudhoe Bay to Interior Alaska. FERC member Matthew Holden states that because of President Carter's instructions that all regulatory processing affecting the gas pipeline be expedited there is little possibility that the decision can be changed.

Legislation to provide the financing sought by John McMillan has been introduced in the Legislature and will be considered during the interim.

Residents of the Upper Tanana Region should communicate their feelings on the legislation directly to their elected representatives in the legislature.

Those are:

Senator John Sackett, Galena
Pouch V
Juneau, Alaska 99811
465-4928 in Juneau
279-3343 in Anchorage
789-8001 in Ruby

Representative Pappy Moss, Big Delta
Pouch V
Juneau, Alaska 9981
465-4928 in Juneau
895-4385 in Big Delta

TWO:

The second major policy question has to do with current efforts by the federal government to establish a program to assist small communities facing massive national interest energy developments such as the Alcan gas pipeline. Legislation has been developed by Congress with the support of the White House to establish this assistance program. However, the legislation (S-1493 "The Inland Energy Development Impact Assistance" Bill) is going through extensive hearings and amendments in Congress, and its fate is uncertain. Because of the Association's earlier work relevant to the impact of the trans-Alaska oil pipeline construction we have been active in trying to develop a bill which would provide assistance based on local interpretations by local people of impact problems at the local level rather than through the state-federal task force approach contemplated in the original bill.

S.1493 would have placed federal impact assistance authority in the Economic Development Administration of the U.S. Department of Commerce. However the crush of legislative business created uncertainty in the progress of the bill. In order to assure consideration in this session of Congress, Senator Gary Hart of Colorado, an original sponsor and a prime mover of the impact assistance legislation, offered an amendment to Section 601 of the proposed energy act currently awaiting final action in the Senate Energy Committee, chaired by Senator "Scoop" Jackson of Washington.

The amendment, if adopted by Congress would amend 601 to broaden the interpretation of energy impact in order to create and finance an impact assistance program similar in concept to that embodied in S.1493, but administered by the Farmers Home Administration of the U.S. Department of Agriculture.

FTVAD has reviewed the Hart proposal and will recommend that the Alaska Congressional delegation co-sponsor and support the Hart bill with some suggested minor amendments based on the following considerations:

FTVAD has offered formal testimony on the original inland energy impact assistance bill. The testimony was inserted into the hearing record on the bill on May 10, 1978 - one month after the Tok Forum - by Senator Gravel. Essentially our testimony supported a federal impact assistance program which provided "front end" impact planning funds directly to established local organizations at the earliest possible moment. FTVAD opposed the imposition of a predesigned federal impact assistance program on local people and opposed assigning federal authority and thus total control of the timing, pacing and amount of impact assistance funds and programs solely to the Office of the Governor.

Our position is unchanged. In order to assure a bill which fully reflects that position FTVAD will suggest amendments which authorize the governor allow federal impact assistance to flow directly from the federal government to competent local organizations in the "impacted" areas.

Though the policies and actions of the governor will be critical to the success of any federal impact assistance program, the State of Alaska does not have such policies established with which to guide the Governor's actions. Worse the state does not have any clear authority and responsibility established which would lead to the creation of such policies and to the development of programs, legislation and financing necessary to implement them in the Interior of Alaska in anticipation of the gasline.

At the staff level the State of Alaska has demonstrated little initiative in dealing with the complex human problems which result from the social, economic and political impact of massive energy development projects.

Even with a priority commitment at the highest level of state government such deficiencies cannot be overcome in less than a year ... a year in which regulatory processing of the gasline is being expedited by order of the President, and precious irreplacable time for local and regional anticipatory planning is rapidly disappearing.

Given these facts, which become more urgent with each passing day, FTVAD believes an amendment to the Hart proposal which allows the governor - perhaps by executive order - to authorize federal impact assistance to flow directly to the areas affected is timely and necessary.

DRAFT RECOMMENDATIONS

1. HEALTH AND SOCIAL SERVICES

Establish a formal health services delivery program, in conjunction with the Tanana Chiefs Conference, to address medical emergencies; availability of disaster equipment and training; and initiate disaster preparedness training through the State Division of Emergency Medical Services.

Concurrently initiate discussions with Northwest Pipeline to address total package costs for joint use medical facilities.

Seek immediate funding to set up staff clinicians and social workers to deal with social and psychological problems. (Include those problems unique to the area, and those brought on by pipeline impact.)

2. LAND USE PLANNING AND AGRICULTURAL DEVELOPMENT

Land use planning should be accomplished by a locally based planning authority, and should incorporate a full inventory of available recreational and sport lands plus an evaluation of agricultural development plans for the entire region.

Concurrently this effort must incorporate local concerns for continuing subsistence land use, and provision for local control of non-resident hunters and sport fishermen.

3. EMPLOYMENT AND TRAINING PROGRAMS

Regional, local and private sector corporations should initiate discussions to assure some measure of resident hire during all phases of the pipeline construction effort. This may entail direct contact to statewide labor unions to discuss creation of a joint hiring hall in the Tok area; creation of uniform contracting, payment and dispatch procedures with the prime contractor; and generation of formal agreements with the Alaska Department of Labor and the University of Alaska to establish multiple level training and recertification centers for employees selected out of the Tok area. (See also recommendations of the final report of the Rural Impact Information Program.)

4. HOUSING DEVELOPMENT

The area will need to conduct a vacancy survey of existing housing, plus an areawide evaluation of anticipated new housing construction to include trailer parks, lodges and possible multiple-family dwellings.

5. TRANSPORTATION

In addition to the surface transportation needs addressed in the body of this report, all communities will need to examine their air transport needs to define existing and anticipated costs, regularity of service, and means of expanding existing services.

6. COMMUNITY FACILITIES

The Fairbanks Town and Village Association, through work conducted in its Rural Capital Improvements Program during 1978, found that communities in the Upper Tanana Region have expressed needs for a variety of basic public facilities. Many of these facilities were discussed at the Forum.

Because the project will begin as a massive construction project it is essential that, in the earliest stages of design, needed community facilities are recognized and understood by the pipeline builders. It will be essential that all major parties in the project, both public and private, be alert to opportunities to construct support facilities for the project which can be utilized by communities after construction.

A very significant missed opportunity on the trans-Alaska pipeline was the failure by Alyeska to design and construct its pump stations for the purpose of capture and utilization of waste heat. Waste heat from the pump stations is on the order of a million btu's a minute ... probably enough to heat 50 homes year round or a 20-30 acre greenhouse plus 20-30 acres of garden.

This kind of oversight in design should never be repeated.

7. STATE AND LOCAL GOVERNMENT

The communities in question will need to conduct an internal evaluation of expectation and desires for future governmental services. Existing state programs may prove inadequate to meet local needs, and in the absence of an accepted local or sub-regional governing structure the area may be at a con-

siderable disadvantage in dealing with state and federal agencies and the project sponsors. Such internal evaluation should be conducted by residents of the region with staff assistance and financing by appropriate agencies of state and federal government, and should investigate mechanisms for local administration of state and federal programs through quasi-public grant agencies and should be thoroughly explored as should service district concepts, shared responsibility structures (i.e., service districts, etc.).

Central to the question of future demands on governmental bodies should be straightforward public debates on the potential for organizing as a third class or home rule borough.

8. STATE OF ALASKA REPONSIBILITY

The State of Alaska should open an inpact offfice and finance an impact infomation and coordination office in or near Tok. The responsibilities of this office would be to:

a. Advocate for the Upper Tanana Region in dealings with the state, federal pipeline officials, pipeline company management.

b. Provide direct liaison from the Upper Tanana Region to the Office of the Governor, the federal pipeline coordinator, and Northwest Energy.

c. Provide information to residents and seek resolution of issues and problems discussed at the Forum, outlined in these report recommendations and/or arising during the period of pipeline construction impact.

d. Provide a central contact for residents of the region for all communications with state agencies regarding pipeline construction.

It is recommended further that this office operate under the direction of a local advisory committee made up of representatives from the communities in the Upper Tanana Region; that this advisory committee meet monthly, and that the meetings be provided for in a budget for the office.

A suggested first year budget for the committee and the office is $150,000.

9. U.S. FEDERAL RESPONSIBILITY

The U.S. federal government should move quickly to pass legislation and provide financing for an impact assistance program geared toward the specific requirements of small communities which will be affected by pipeline construction.

10. THE RELATIONSHIP BETWEEN THE SMALL COMMUNITIES OF ALASKA AND THE UPPER TANANA REGION AND COMMUNITIES IN CANADA WHICH WILL BE AFFECTED BY THE GAS PIPELINE

The similarities in the problems of impact which will affect the residents of these small communities will far outweigh the differences which can be attributed to their national origins. In the experience of the Fairbanks Town and Village Association the Canadians have, in some important respects, progressed much further in the resolution of local impact problems than either Alaska or the U.S. federal government.

As a follow-up to the extensive participation in the Tok Forum by Canadians, both the state and the U S. federal government should begin providing continuing opportunities and financial assistance for travel and discussions between residents of the small Canadian and small Alaskan communities which will be affected by the Alcan gas pipeline project.

RECOMMENDATIONS TO THE STATE FOR PREPARING FOR FUTURE "IMPACT" SITUATIONS IN RURAL AREAS

From the "Final Report of the Rural Impact Information Program", published June 1977 by the Fairbanks Town and Village Association For Development, Incorporated

Recommendation 1:

Data on conditions in rural communities should be gathered and published on a regular basis, not just during impact periods. Adequate planning for impact situations is not possible without an understanding of existing conditions. A meaningful analysis of impact is impossible without baseline data with which to make comparisons.

Recommendation 2:

State record-keeping should allow retrieval of information relating specifically to rural areas. Most state departments currently divide the state into regions containing at least one urban area, and regional reports make it impossible to differentiate between statistics for rural and urban areas.

Recommendation 3:

State departments should monitor the demands made upon their services as a result of impact and should evaluate the adequacy of their response to those demands. The monitoring effort should continue throughout the impact period and should not be limited to providing justification for increased budgets.

Recommendation 4:

Impact assistance in the form of grants or loans should be provided to communities early enough to allow for adequate planning and preparation. Funding should be continued throughout the impact period so that an evaluation process can be maintained and the accuracy of projected impacts can be confirmed or denied.

Recommendation 5:

Increase in population should not be the only criterion for determining a community's need for impact assistance. Some communities that do not experience population growth nonetheless experience indirect impacts such as loss of valuable manpower. Assistance to these communities might take the form of training of additional members of the community in vital skills so that the loss of one resident does not endanger the delivery of a community service.

Recommendation 6:

Planning for vocational training programs should be based upon a manpower skill survey of the resident population and an accurate assessment of manpower needs on the project. Training should begin early enough to allow completion of a course before actual work on the project begins, and the skills taught should be transferable to other jobs.

Recommendation 7:

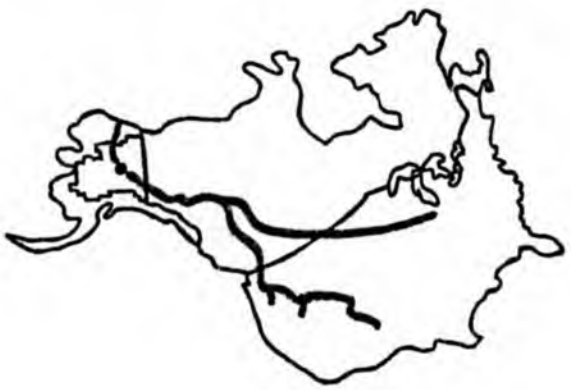
A special effort should be made to provide rural communities with information on jobs and business opportunities resulting from the new development. Of particular importance are procedural manuals for joining unions and obtaining training and employment assistance.

Recommendation 8:

Employment and training assistance programs should be coordinated to avoid duplication of effort and to make maximum use of existing services and facilities.

Recommendation 9:

State regulated services such as transportation and communications should be monitored to ensure that services to rural areas are not curtailed because of new commitments to large industrial development projects.



PARTICIPATION: RESPONSE AND EVALUATION

PARTICIPATION

DELTA JUNCTION

John Cheever
George Harris
Val Harris
Liz Leng
David Underhill
Jay Underhill

DOT LA[illegible]

Carl Charles
Darlene Charles
Ted Charles
Andrew Isaac
Maggie Isaac
Ron Liewer
Abraham Luke

EAGLE

Bessie Biederman
Archie Juneby
Jim Juneby
Florida Malcolm
Fred Stevens
Louise Waller

GAKONA

Nan Dooley
Jim Frey
Mary Frey
Debbie Olson
Al Reyerse
Donald L. Whiting

HEALY LAKE

Fred Kirsteatter
Dave Williams

NORTHWAY

Nettie David
Lorraine Felix
Rosemarie Maher
Della May Northway
Quana Northway
Ralph Rudzik
Avis Sam
Gary Thomas

TANACROSS

Bob Brean
Robin Brean
Jerry Isaac
Oscar Isaac
Amy Lohr
Bob Lohr
Mike Matthews
Bee Paul
Gaither Paul
Betty Thomas

TETLIN

Roy David
Bella Demit
Fred Demit
Smitty Jean
Lee Joe
Bentley Mark
Kathy Mark

TOK

Bus Afton
Bill Arpino
Nancy Arpino
Phil Bailey
Merritt Bartlett
Linda Beauvais
John Bridgers
Terry Brigner
Lee Broker
Angeline Brown
Rebecca Brown
Michael Buck
Frank BUllock
Nellie Bullock
Delores Burnham
John W. Burnham
George Cole
Dave Cramer
Cathy Crepin
Sam Crocker
Neil Curtis
Carol Donnelly
Tom Donnelly
Su Emry
Sue Entsminger
Dottie Eshbaugh
Doug Euers
Rita Euers
George Farren
Pat Farren
Patti Farren
Joe Gilliam
Bob Glidden
Frede Glidden
Vic Grillo
Nancy Higgins
Caroline Hoffman
Wayne Hoffman
Cathy Ipalook
Beth Jacobs
George Jacobs
Cal Jaeger
Diane James
Buddy Johnson
Harold Johnson
Myra Jones
Terry & Mike Kirdendall
Diane Kalwunder
Alice Lathrop
Ken Lathrop
Wes Latrhop
J. Leon Lawrence
Duke Marshall
John Martiniuk
Chuck Marunde
David Marunde
Dorothy Marunde
Glen Marunde
Glenie Marunde
Mac Matilla
David Maxwell
Fay Maxwell
John Mikesell
Paul Milanowski
Cathy Moline
Frank Moline
Sharon Moore
Bill Moreland
Herb Morgan
Kathy Morgan
Louis Morgan
Daisy Northway
Harley G. Olberg
Mike Olmsted
Monica Padgett
Robert Padgett
Tom Padgett
Elmer Parkison
Carl Peterson
Wendy Peterson
George Pine
Freddy Pride
Gary Ray
Sheryl Ray
Jo Roach
Deborah Roberts
Mary Roberts
Mike Roscovius
Kim Sanford
Laura Sanford
Mildred Sanford
Ralph Sanford
Jean Simmons
Jim Skaggs
Judy Skaggs
Luv Smith
Paul Smith
Mark E. Springer
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Gracia Stiefel
Roberta Stout
John Summar
Martha Lynn Summar
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Mellie Terwilliger
Art Warbelow
Roger Whitaker
Barbara Wihlborg
Niki Wilson
Rene Wilson
Linda Wood
Nancy Wood
Ruth Woods
Dale Young
Lou Young
Sharon Young
Betty Zabielski
John Zabielski

This is a list of some of the government and industry officials who attended the forum. Entries under committee headings, unless noted, are residents of Tok. A few of the guests follow:

U.S. Federal Representatives:

Michael J. Sotak
Alaska Gas Project Office
941 North Capitol Street
Washington, D.C. 20426

Ann Froehlke
Office of Sen. Stevens
260 Russell Office Building
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Tony Booth
Fish and Wildlife Service
U.S. Dept. of Interior
813 D. Street
Anchorage, Alaska 99501

Jerry Knoll
Bureau of Land Management
1028 Aurora Drive
Fairbanks, Alaska 99701

Larry Means
U.S. Dept. of Interior
Washington, D.C.

Jeri Burke
Bureau of Indian Affairs
U.S. Dept. of Interior
Washington, D.C.

Mike Dalton
Office of Senator Stevens
Box 785
Fairbanks, Alaska 99701

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Jackie Campbell
Fish and Wildlife Service
U.S. Dept. of Interior
813 D Street
Anchorage, Alaska 99501

Bettye Fahrenkamp*
Office of Sen. Gravel
Fairbanks, Alaska 99707

Lana Shea
Fish and Wildlife Service
U.S. Dept. of Interior

*Now Senator Betty Fahrenkamp
Alaska Legislature; Representing
District 20 Fairbanks

State of Alaska Representatives

Ed Orbeck,
Patrick L. Hunt
Div. of Personnel & Labor
Dept. of Administration
Juneau, Alaska 99811

Bob Thomas
Dept. of Transportation
and Public Facilities
2301 Peger Road
Fairbanks, Alaska 99701

Dale Rusnell
Dept. of Commerce and
Economic Development
338 Denali Street
Anchorage, Alaska 99501

Larry Holmstrom,
Diane LeResche,
Marcia Freer
Office of the Governor
Pouch AD
Juneau, Alaska 99811

Vincent Wright
Dept. of Revenue
Juneau, Alaska 99811

Al Carson, Carl Yanagawa
Dept. of Fish and Game
333 Raspberry
Anchorage, Alaska 99501

"Red" Swanson
Juneau, Alaska

Amos Matthews
State Pipeline Coordinator
430 West 7th Avenue
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Grace Billings
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Pouch H
Juneau, Alaska 99811

Sue Lowell
Office of Senator Sackett
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Ray Morgan
Cooperative Extension Service
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Ernst Mueller,
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Pouch O
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Chris Guinn,
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James Wiedeman
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Social Services
338 Denali Street
Anchorage, Alaska 99501

Mat Conover,
Carl Gonder
Division of Community Planning
Dept. of Community and
Regional Affairs
511 West 4th Avenue
Anchorage, Alaska 99501

Don MacKinnon
Dept. of Education
Juneau, Alaska 99811

H.J. Sydnam
Dept. of Public Safety
Box 6188, Annex
Anchorage, Alaska 99501

U.S. Industry Representatives
Communications

Ben Agee, President*
RCA Alascom
36th & Seward Highway
Anchorage, Alaska 99501

Ralph Wilson, President
Alaska Power & Telephone
Port Townsend, Washington

Paul F. Reitmeier*
Marketing and Sales
RCA Alascom
36th and Seward Highway
Anchorage, Alaska 99501

Lee Wareham, RCA Alascom*
200 Gaffney Road
Fairbanks, Alaska 99701

*With the purchase May 31, 1979 from RCA of the Alascom long distance system the new corporation, Alascom, is now owned by Pacific Power and Light of Oregon. All addresses are the same.

Northwest Energy

Walfred Hensala
Environmental Affairs
Northwest Alaskan
Pipeline Co.
Salt Lake City, Utah

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J.D. Bachman*
Vice President/General
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Salt Lake City, Utah

Tom diZerega
Vice President/Law and
Corporate Secretary
Northwest Alaskan
Pipeline Co.
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Jo Vallely
Director, Public Relations
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Ray Unger
Yukon Indian News
Whitehorse, Yukon

Chuck Malley
Tundra Times, All-Alaska Weekly
Fairbanks, Alaska 99701

Following is a summary of 58 questionnaires returned after the Upper Tanana Regional Forum.

EVALUATION

What discussion groups did you attend?

No tally was taken of this portion of the survey.

THE DISCUSSION GROUPS

1. Did you have a chance to talk and express your opinion?

YES	NO	NO RESPONSE	YES/ NO
56	2		

2. Did you learn anything new in the discussion group?

YES	NO	NO RESPONSE	YES/ NO
53	3	2	

3. Was your discussion group leader fair to all points of view?

YES	NO	NO RESPONSE	YES/ NO
52	2	3	1

4. Do you agree with the final report of your discussion group?

YES	NO	NO RESPONSE	YES/ NO
34	5	18	1

5. Were the State, Federal, Canadian, and Northwest Alaskan Pipeline officials helpful? Did they have answers for questions raised by people in the discussion groups?

YES	NO	NO RESPONSE	YES/ NO
41	5	6	6

THE GENERAL ASSEMBLY

1. Did you meet and talk to new people at the forum?

YES	NO	NO RESPONSE	YES/ NO
53		5	

2. What was good about the forum?

Exchange of views - future contacts established

A good start - what's the followup?

Everyone very helpful.

A beautiful opportunity to meet and talk with various people on areas of concern to them.

Meet new people and learn more experience and meet lots people there.

All of it.

Good about the forum:

1. Good physical organization.
2. Excellent situations for meeting wide range of people in many fields of expertise, including locals.
3. Tok community residents put a good deal of energy and thought into questions on impact prior to meetings.

I thought the forum provided for an excellent exchange of information between the local people and state/federal/Northwest Alaska Pipeline Company representatives.

The opportunity to discuss problems with the people who will be involved with and responsible for the impact.

The fact that it was done and something positive started.

It seemed to me the ordinary townspeople both appreciated the opportunity to express their opinions and views to their government leaders and the pipeline officials. I also sensed they took pride in themselves that they could bring off a public discussion of this kind. Also the involvement of the Native people was heartening.

Chance to exchange ideas!

Diversity of topics and people. Good training for people to do another foru

It got Tok and highway people talking and thinking seriously about what is going to happen to them. Healthy situation when a community has a planning period.

Good exchange.

Discussion information interchange. Excellent facility for forum (school). Atmosphere for discussion excellent. Everybody was in the right spirits (psychological not liquid). Resulting information interchange excellent.

Everything of vital interest was pretty well covered.

Presented true needs of community that might not otherwise ever be presented. Brought issues before Northwest that were vital for them to know - especially that pipeline was placed in a poor position.

Personally, it allowed me to meet new people and learn more about how Alaskans are reacting to the gas pipeline. Generally, it was a positive forum for communicating ideas and examining the future. Much, however, depends on the final report and what is done with it.

New communications with local and statewide people (getting to know people!).

It was a great opportunity to swap ideas concerning the pipeline, and to meet new people.

Very good. Very informative and enlightening. Interesting, giving a person an understanding of what's involved.

The effort by a community to plan for future.

Should have heightened awareness of potential impact.

1. The packets and the information they contained:

   a. They were thorough and helpful - good to have info on the meeting, on Tok, on the area - maps etc. Good to explain the issues and questions relating to the issues and the factual data. This was obviously lots of work - a job well done.

   b. Room reservations - care and feeding of attendees was well done. Thank you.

2. Having the Governor and so many commissioners so that people could be heard directly - also there were a great many sensitive, thoughtful, knowledgeable state agency people present - who really did want to listen to Upper Tanana residents! Creating an atmosphere to draw these people was what made the forum a success.

3. Leaving plenty of "free" time to attendees to talk amongst themselves and get a feeling for Tok.

This forum was organized in such a way that individuals could express their thoughts and needs; however, within the group sessions there was also another opinion, often, that permitted greater understanding of the situation. The leaders of the small groups possibly could have had a brief training session in structure of such a session; however, the two groups that I attended either had all variables present in the room or tended to bring in the necessary individuals.

Liked the fact both government and NW gas pipeline representives were present.

I feel the forum raised many important issues, but the actual accomplishment of the committee session was very vague, or nothing actually was talked about on Sunday.

Chance for people to meet and discuss many issues - not just pipeline.

Gave some crucial answers.

Meeting people who had information we wanted - or knew people who had.

Local participation.

I meet with people and talking about concerns, lots of things.

Got the people thinking.

The concept of formalizing a forum of this nature is in itself highly commendable, and hopefully will set a precedent of public input and private/interagency interface that will be maintained throughout this gasline endeavor. It certainly deepened my insights into certain local concerns by adding local perspectives I had not previously considered.

Met a lot of people and had opportunity to sit and discuss things informally. It was a good opportunity for many state agencies and interested citizens to come together and talk to each other.

Well organized, thorough, good representation from Canada, good representation by agencies, important to have had politicians present and held accountable. Presence of Mim Dixon was good, but useful only if experience is used to get impact projections as fast as possible from Northwest's earliest possible labor projections.

I feel that alot of good came out of the forum It gave all interested people a chance to ask questions to the various guests that will be involved in the gasline. The forum was a good chance for many people (local) to make contact with people of state, federal, N.W., etc.

The local people did let the guests know what their concerns were. And how they thought they would be affected, service-wise as well as community-wise.

3. What was wrong with the forum?

No real solutions to expressed concerns were found.

Not enough meat.

I sense too much expectancy on local part to have gasline solve some local economic problems.

Need more active in town. UTRCA, State Trooper, Public Safety and Fire Protection and good leadership.

Speaker system of low quality.

Wrong with the forum:

1. Poor deployment of resource people. Especially pipeline officials.
2. Objectives of workshops and forum not clear to participants.
3. Not clear what happens next.
4. Much of the forum was oriented too much to Tok and very little devoted to the regional towns and villages needs.

The lack of final answers to some problems and questions. Hopefully more information will become available to us as a result of this forum.

Acoustics in auditorium were quite poor. It was impossible to understand many of the speakers.

Nothing.

I thought the committee chairpersons could have been more dynamic and forceful in their presentations especially in the summaries.

Uneveness of authority levels among agency representatives. Two-day format might have been unnecessary if organization and preparedness had been a little tighter. Land and Agriculture committee had no feedback opportunity to assure representativeness of final report. This committee was most congenially and democratically run, but was (perhaps unavoidably) vulnerable to insertion of non-central matters. It is hard to see why "Land" and "Agriculture" were considered as of parallel importance, as the group's title suggests, especially in the absence of an agrarian social segment, and in the possible absence of an appropriate resource base.

Perhaps more local people could have participated considering the numbers and quality of guests and forum participants (state, federal, Canadian, etc.)

Not enough hard facts from NWAP available at this early date.

Lack of clear objectives for each committee.
Poor deployment of resource people.
Second day was not necessary under original agenda, as it turned out.

Bad acoustics except for last day.

Forum groups tended to be too large. Perhaps could have been more of an emphasis on making specific recommendations. Specific commitments to local concerns should have been sought from the pipeline company, i.e., re-routing of pipeline, compensation for trappers.

Generally, it was too loose.

Nothing.

Saturday session a bit long. Discussion groups and other events somewhat loosely organized. Acoustics in the gym poor - almost impossible to hear summarizations.

No direction to questions asked. Although categorized it sounded too general.

1. Though it was no one' fault and I have no ideas on how to improve it - there were not enough local residents speaking out - the public servants came to listen but not enough was said to them. Perhaps it got said in other ways than in the forum.

2. Some of the sessions could have been slightly more structured - but this is hard to do - there were lots of legal/technical questions that agency people did not answer thoroughly.

3. Some of the rooms did not lend themselves to discussions - the chemistry room was a terrible place to discuss anything.

Very little wrong - probably best meeting of this type I've attended; could have had more assembly structure.

Not enough local (esp. Native) vocal input.

Bad mike, P.A. system in main room difficult to hear.

Nothing wrong with it.

Needed more participation from areas outside of Tok.

Not enough input from local people.

Acoustics' accommodations were very bad. Much of the general assembly presentations were inaudible, strongly contributing to the paucity of general participation. There was some public misconceptions concerning feasible objectives of this forum at this point. There was some bitching about lack of concrete answers available to public comment by the relevant agencies. Concrete decisions are not available at this time, and attempts to provide them would be premature. Decisions have not been made or finalized and the goal of this forum was to allow opportunity for front-end public participation in the decision making, not to dictate what the decision/policies are.

The group workshops lacked direction and were not led to any goal or objective. Also the people who should have been here to answer questions did not attend. I think the workshop should have been structured better.

Discussion groups needed more direction and guidance as to level of detail to be discussed so recommendations for action could be made stronger. Need follow-up. Need more Native voice. Need better P.A. system. Need more emphasis on actual impacts (from out of region).

4. What issues were not discussed that should have been, in your opinion?

Where do we go from here? - was not addressed in any detail.

Potential ice fog problems from trucks, etc.

Tok need good leadership council; pride and cooperate together, that's my opinion.

What is to be done next (followup).

In the Rural and Native Concerns group it appeared to me there was an excessive amount of time spent on fish and game regulations and subsistence hunting. But on second thought this also indicated what is upper-most and important in the mind of the Native.

There was little opportunity to discuss what kind of land use planning was wanted by local people, and several people appeared to want planning in order to facilitate pre-conceived land-use developments, suggesting that the community as a whole either does not really want land-use planning, or wants it for the wrong reasons. Further discussion would help allow people to press for the planning approach which suits them, and allow them to discern between self-serving and people-serving approaches.

I think we heard them all.

I cannot identify any additional issue subjects.

What should be done in Tok to get a coherent viewpoint.

Environmental impact - fish and wildlife.

We should have had some input on what we could have done to answer some of these questions.

More about what could have been learned from Alyeska mistakes - maybe I just didn't get to enough workshops

Telephone - RCA

More discussion on local government - pros and cons.

Not enough concern directed to long-term, post-construction impact.

Immediate tasks ahead for local people and groups. What form should information be submitted in to be most effective? Need an action mechanism for proposing specific government action and industry commitment.

OTHER COMMENTS:

Our group felt we had just scratched the surface and were pleased to be talking about things we never had a chance to.

I DON'T want an impact committee as suggested by Bob Lohr.

I believe there was by far more good than wrong with the forum. In fact the only wrongs I can think of were trifle and caused from or because this is the first time something of this sort has been done, at least in our area.

Many straight answers were asked for and answers received fromt those involved. Suggestions were given and received. The community was well represented. Too often a "very select few" are contacted or aware of issues. And "too" often these self selected have acted or not acted, usually in their own interest or strong opinion. Much work and effort was put forth by all. As a local I'll bet those people went away with bent and bruised ears. And from the looks of local bar business probably hangovers.

Extremely well organized and represented. Many factors - outline of questions for committees was very good and well followed. Pertinent subjects were covered. Northwest officials very cooperative - Tok people very hospitable. Meetings on Sunday unnecessary - could have been accomplished in one day.

The forum raised many points to be covered and questions to be answered by Northwest.

Most areas were covered.

The only negative part of the forum was the impossibility to attend all committee meetings.

Problems:

1. Some workshops too large.
2. Topics too fragmented.
3. Too much focus on pipeline. Too little on more general planning that would have looked at p.l. as one of several things that will go on around here during next decade.
4. Native concerns, which seem very large and important, not given enough attention - e.g., lumped in with "Rural."
5. Perhaps not enough background on what happened to communities as a result of Alyeska.

But a good and useful forum and well worth attending.

I enjoyed attending and believe the forum was very informative in many ways. I would like to see a task force organized to carry on and keep ahead or informed on all our concerns.

The forum was a delightful rewarding experience. The people and organizations responsible deserve a lot of credit.

It was a revelation to see people of opposing factions sit down together and express opinions and concerns. Maybe there's hope for us yet.

Basically very good thing for the community, I think.

The situation of Native Alaskan participation will have to be dealt with in a more equitable manner in the future. With a due respect for Tok and its citizens, the area has more to it than the one community.

The rural peoples not only must be allowed, but must be positively encouraged, to speak up in defense of their own interests. It is no longer sufficient for the Indian people to sit silent, only to go away with the same frustrations.

Everything was fine.

Not enough local emphasis on the real situation involving controls, legal entities where state monies be distributed. Or in other words, although many good ideas and concepts were discussed, many people still believe that they can exert meaningful power and authority without troubling themselves in becoming an organized municipality or another form of government such as a borough. I think that the people here be enlighted or educated to the fact of its obligations should they become legal recipients of monies on a continuing basis from the state and federal governments. Realizing that the majority of people in the area do not desire organized government in the usual forms it should have been clearly brought out in all of the committees that in many categories, this may be an absolute necessity.

I believe relying on distribution of monies and general powers through organized Native associations is not enough.

If there is to a pipeline impact, then the area will almost practically be required to be organized to deal with it.

I heard Governor Hammond speak but he didn't say anything about Native concerns or didn't say anything about Native people in our region.

I think that more turnout from the Tok area should have been in order.

Where the pipeline is going to lay outside of Tok.

I think that the Northwest Alaska Pipeline Co. officials were not ready to answer a lot of the questions that were asked of them. I strongly feel that Tok needs a pipeline impact office.

I understand from talking to other people that some of the committees were not well organized and left many people unsatisfied.

I did learn a lot, met alot of nice people and was thankful for the experience.

I would like to see some kind of follow-up and completion of ideas, suggestions and opinions, I don't feel an impact office in Tok is a good idea at this time. I think people need to think about it and later decide the best route to pursue.

The following is an analysis of data gathered from 71 questionnaires returned in response to a survey sponsored by the Tok Business and Professional Womens' Club.

UPPER TANANA REGIONAL WOMEN'S QUESTIONNAIRE

Tok, Tanacross, Dot Lake, Healy Lake, Mentasta, Northway, Tetlin, Chicken, Boundary, Eagle, and Highways

1. Your age is:

AGE	RESPONSE
15-25	12
26-35	20
36-45	19
46-55	14
55---	6

2. Number of years you have lived in Alaska:

1.5 to 70 years

3. Number of children in your family:

# OF CHILDREN	RESPONSE
0	18
1	10
2	12
3	13
4	8
5	4
6	2
7	1
8	2
11	1

4. Number of children in school:

# IN SCHOOL	RESPONSE
0	28
1	17
2	6
3	8
4	4
5	2

5. Do you feel a day care center is needed in your community?

YES	NO
48	22

6. Would you be willing to donate some time to the center?

YES	NO
25	39

7. Do you have any job training experience?

YES	NO
57	14

8. What skills can you offer:

Child Care	6	Waitress	6
Office	7	Cook	7
Nursing	5	Secretary	4
Teacher	3	Sewing	3
Clerk/Typist	-	Food Service	2
Pre-school	2	Social Work	2
Crafts	2	Music	1
Cleaning	1	Cashier	1
Baker	1	Manage Athletics	1
Native Crafts	1	Clerk	1
Fine Arts	1	Lab Technician	1
Library	1	Dental Assistant	1
Checker	1	Health Aide	1
Maid	1	Bookkeeper	1
Restaurant	1	Storekeeper	1
Lodge Work	1	Many	2
Health Education	1	None	2
Newspaper Editor/ Reporter	1		

9. If trained, which of the following occupations would you choose:

Sewing	15	Engine Repair	1
Teaching	14	Mechanics	2
Counseling	15	Office Machines	9
Child Care	12	Accounting	10
Legal Services	5	Carpentry	1
Cottage Work	7	Athletics	1
Nurse	9	Secretary	17
Cook	7	Lumberjack	1
Waitress	4		

Others
- Commercial Art
- Ceramics
- Art
- Music Teacher

10. Would you like to see a job training program in your community:

YES	NO
63	8

11. Would you work in a craftshop or workshop?

YES	NO
46	21

12. Would you consider working out of you home in Cottage Industries?

YES	NO
35	29

13. How many hours a week would you prefer to work?

40 hours	20
30 hours	6
20 hours	9
4-80 hours	16

14. Income:

$ - $ 5,000	10
5,001 - 10,000	6
10,001 - 15,000	6
15,001 - 20,000	5
20,001 - 25,000	4
25,001 - 30,000	4
30,001 - 35,000	0
35,001 & above	4

15. Do you need more legal services?

YES	NO
35	29

16. Would you like to see more financial services?

YES	NO
41	25

17. Would you like o see more health services?

YES	NO
58	14

18. Should there be an SBA (Small Business Administration) office in your area?

YES	NO
44	23

19. You would like to see which of the following fulltime professionals in your area:

Doctor	50	Optometrist	20
Midwife	10	Pediatrician	30
Counselor	30	None of the Above	5
Dentist	39		

Others:

Lawyer	3	Psychologist	3
Insurance	1	Veterinarian	3
Beautician	1	Hospital	1
Legal Service	1		

20. How many months in a year do you work?

0 months	5
1 to 3 months	7
4 to 6 months	3
7 to 9 months	5
10 to 12 months	36

21. Do you belong to any labor unions?

YES	NO
2	67

22. Would you like to see expanded road and air services?

YES	NO
51	36

23. You would like your community's economic and social growth in the next ten years to be:

Rapid	4
Average	36
Slow	20
Zero	10

24. Do you work and live in the same community?

YES	NO
60	8

25. What community is nearest your home?

Tok	39
Dot Lake	6
Tanacross	5
Eagle	4
Boundary	2
Chistochina	1
Mentasta	1

26. What is the highest grade you completed?

High School:		College:	
6th	3	13	6
8th	4	14	5
9th	2	15	3
10th	1	16	5
11th	2	16+	4
12th	34	Vocational Education	2

27. Would you like to see some womens' athletic programs?

YES	NO
54	14

28. What would you like to do in your spare time?

Sew	10	Read	5
Crafts	4	Sleep	3
Paint	3	Club Work	2
Ski	2	Art	3
Outdoors	2	Cook	2
Swim	2	Trap	2
Rest	2	Run Horseback Field Trips	1
Drama	1	Weave	1
Spin	1	Curl	1
Bowl	1	My own thing	1
Collect Artifacts	1	Beadwork	1
Hunt	1	Visit	1
Show Dogs	1	Picnic	1
Garden	1	Play with children	1
Embroider	1	Dance	1
Fly	1	4-H Club Work	1
Draw	1	Music	1
Knit	1	What spare time?	1
Travel	1		
Everything	1		

29. With gasline impact and the great influx of people into your area, would you like to see more law enforcement?

YES	NO
52	15

30. Does the idea of a local union office appeal to you?

YES	NO
35	31

31. Does your community need more insurance services?

YES	NO
45	21

32. Do you see a need for any of the following legal services:

Child and Spouse Abuse	20
Child support and alimony	14
Counseling	24
Consumer Protection (Agency)	29

33. Would you like a womens' credit union office?

YES	NO
32	34

34. Do you want more involvement in the arts (music, painting, tapestries, etc.)?

YES	NO
54	16

35. Do you think that more women should serve in public office?

YES	NO
47	18

36. If there is a question in your mind that we have not addressed in this questionnaire, please write it down and answer it to your heart's desire.

In rural Alaska their are many housewives who could use a few dollars extra - spare some time in doing piecework, hand work - either at home or a few hours a day in a little warehouse, shop, manufactory, etc. Done on a region-wide basis supplies could be purchased in quantity and finished product sold by a regional marketing office. This plan would help households financially and greatly brighten the lives of women at home, especially during long winter months.

I would like to see some way to organize service agencies and manpower. Perhaps a local government is the best way to do this.

Question 34 answers No. 28 for me thank you for your consideration for having asked the community.

We need a CPA (Consumer Protection Agency) because we are tired of the big Tok rip-off in all goods and services. If not number one, they are a close second as being the highest in cost of food throughout the whole state (Dec. issue Alaska Magazine).

I don't look forward to more growth in the area. Populati' has already tripled since I moved here three years ago. What I would like to see -and I realize it is at cross purposes with no growth - is to have land made available so that people could live without worrying about hassles with bureaucracy - not this 40-160 acre deal, but something better than mining claims for those of us who don't wish to mine.

Will the Town and Village Assoc. sponsor or continue cooperation with local people throughout impact. Will same local leadership continue giving direction or guidance? Its been great! Congratulations and thanks!

BPW should advocate better local roads, we are not getting it from Juneau. We need better housing for the lowly taxpayer, who at present is certainly the minority.

If people desire all these extras, they should live in Fairbanks or Anchorage where they are already offered

Natives from the villages should get jobs on the pipeline also women.

Loose dog control. Protective signs for children and dogs crossing highway. Setting aside an area for a park for the town. Roadside stands allowed somewhere in Tok in summer to sell own handmade articles or produce.

A planning committee to guide the beautifying of our city. Preserving of trees, allowing for parks, fountains and memorial statuary. Also we should beautify our cemetery, family plots, etc. Business district and residential areas. Loose dog control. Allowing proper signs for businesses. Perserve our individuality.

I think the local clubs function very well and with an addition of people will flourish. I don't think Tok needs any more give-away programs which benefit only a few. If people wish to be more involved, the opportunity is already here. Government sponsored programs in Tok have gone overboard and we don't need any more.

People who fill this out should mean what they say. Especially if there is job open.

I feel Tok needs many services, but I don't believe these services should be funded by the government. We need to get away from government subsidizing.

As we grow I'm sure other matters will appear to our needs.

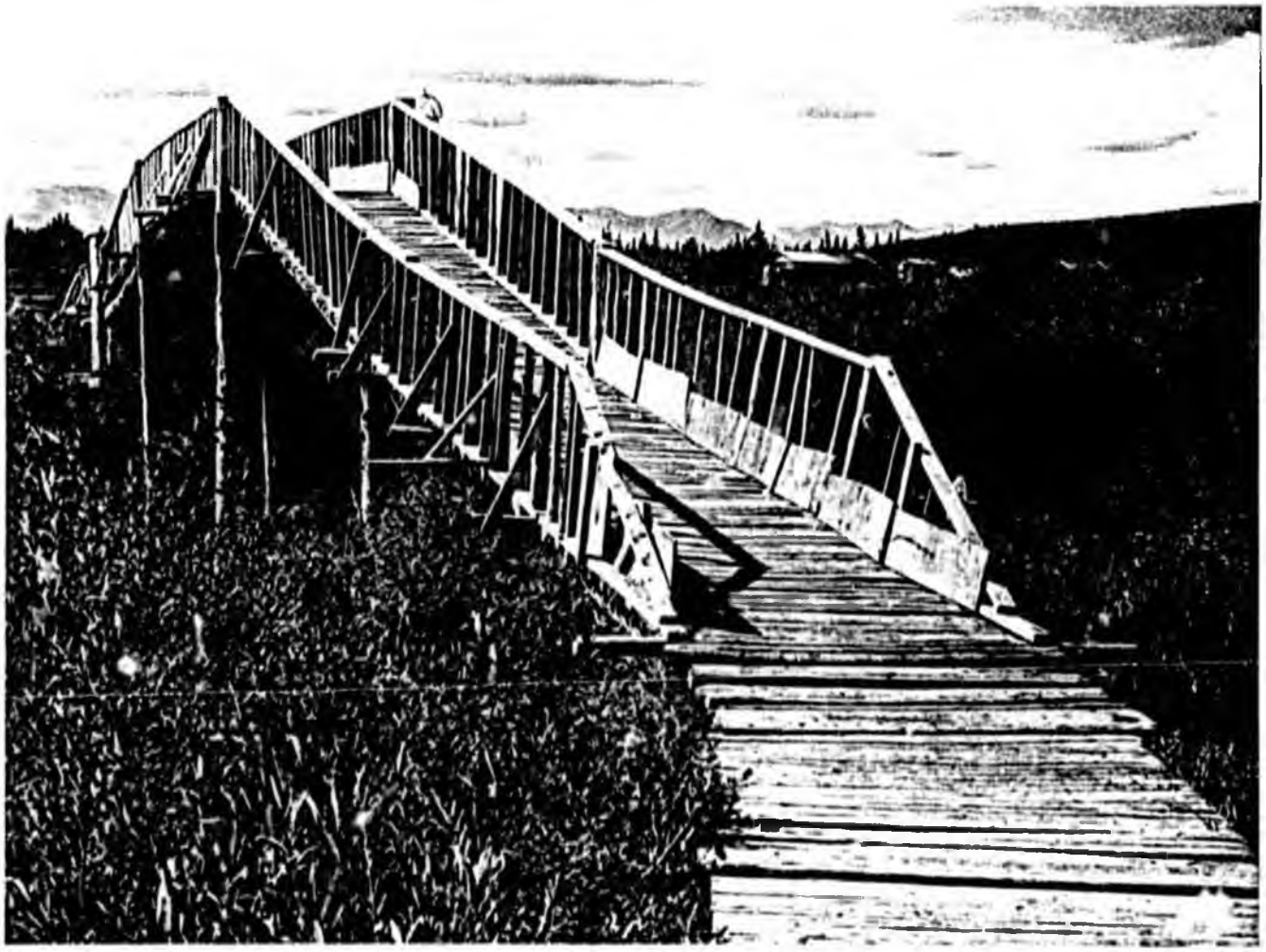
Would like to see credit union office for everyone (not just women).

We don't need more regulations and government. If women would worry more about their children and families we won't need more social services.

The projects which you have in mind: are they to the benefit of all, to employ unqualified people, personal friends and so on.

I would only like to see law enforcement expanded if needed during pipeline impact. Our law enforcement agency is more than adequate. I am not in favor of any more government agencies in Tok. I am not in favor of a local government of any kind!!!

This questionnaire does not appear to be designed for persons from larger cities and therefore makes it difficult to answer your questions since we already have many of these services.



Foster gas ... FROM WASHINGTON

NO. 1244 ... for week ended January 17, 1980

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Published weekly by Foster Associates, Inc., an economic consulting firm specializing in the governmental problems of energy industries -- including natural gas -- and other regulated businesses.

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FERC Conditionally Approves Construction of Portion of Western Leg of ANGTS

On 1/11/80 the FERC approved construction of the first 160 miles of the Western Leg segment of the Alaska Natural Gas Transportation System between Kingsgate, British Columbia and Stanfield, Oregon, just below the Washington-Oregon border. At the same time, the Commission decided that it would issue separate decisions with respect to the remainder of the Western Leg and the Eastern Leg segments now consolidated in the Northwest Alaskan Pipeline Co. proceeding (CP78-123 et al.). The Commission decided to approve early construction of the initial 160 miles of the Western Leg in order to, among other things, facilitiate financing for the remainder of the project and spread the demand for labor and capital over a longer period of time, thus lessening their costs.

Background

On 6/7/78 the FERC conditionally authorized Northwest Alaskan to import a total of 1.04 Bcf of Canadian gas from Pan-Alberta Gas Ltd. over an initial contract term of six years, subject to extension for up to six additional years (subsequently extended to a primary term of 12 years) at the border price established under Canadian law. The import total includes 800,000 Mcf/d to be received at Monchy, Saskatchewan (for the Eastern Leg) and 240,000 Mcf/d to be received at Kingsgate (for the Western Leg). Subsequently, two sets of applications relating to the Western and Eastern Leg segments were filed in regard to the "prebuilding" of the project. Specifically, Northwest Alaskan (CP79-59) applied to sell up to 240,000 Mcf/d of Alberta gas to Pacific Interstate Transmission Co. for ultimate delivery (less fuel and line loss) to markets in Southern California. Related applications were filed by Pacific Gas Transmission Co. (CP79-60), Northwest Pipeline Corp. (CP79-56), El Paso Natural Gas Co. (CP79-57) and Pacific Interstate (CP79-58) to accomplish delivery of this gas from the international boundary near Kingsgate to the Arizona-California border. Subsequently, applications were filed for the Eastern Leg from Monchy to Dwight, Illinois.

Thereafter, the Commission consolidated all of the applications and divided the proceeding into three phases. Phase I was designed to examine the relationship between the prebuild project and implementation of the ANGTS; Phase II to examin generally the merits of the prebuild project; and Phase III to evaluate proposals to import Canadian gas which may be competitive with the prebuild proposal. Phase II was subsequently divided again for separate consideration of the Western and Eastern Legs. The initial decision procedure was then waived for each of the phases.

Initial briefs were filed with respect to the Western Leg by various parties. The FERC Staff and the California Public Utilities Commission opposed prebuilding only a portion of the Western Leg to Stanfield, Oregon so as to transport primarily the Pan-Alberta volumes. Instead, they preferred constructing the entire Western Leg to Antioch, California as contemplated in the President's Decision approving the Alcan-Foothills ANGTS (which suggested that prebuilding of certain ANGTS facilities might be appropriate). The entire Western Leg project, as approved by the President, would involve construction of 341 miles of 36-inch pipeline looping in the PGT system from Kingsgate to Malin, Oregon and some 143 miles of 36-inch pipeline looping on the PG&E system between Malin and Antioch. South of Antioch up to 104 miles of 36-inch pipeline looping on the PG&E system will be required. However, the only ANGTS facilities involved in the sponsors' proposal, on the other hand, would be the initial 160 miles of 36-inch looping along the PGT system from Kingsgate to Stanfield, Oregon. After that, the sponsors' proposal deviates from the Western Leg route designated in the President's Decision. Specifically,

the system of Northwest Pipeline Corp. would be augmented by installation of 350 miles of pipeline looping from Stanfield to Burley, Idaho, and certain segments of El Paso's San Juan Triangle facilities would be augmented.

The Staff emphasized that only 16% of the Western Leg of the ANGTS would be prebuild under the sponsors' proposal. The majority of the facilities proposed and costs therefor would involve substantial augmentation of non-ANGTS facilities of Northwest and El Paso and would not be used to transport the anticipated volumes of Alaskan gas. The remaining 84% of the Western Leg ANGTS would be required to be built to transport Alaskan gas. Staff and the California PUC urged that the sponsors' proposal be rejected and that construction be exclusively along the Western Leg ANGTS designated in the President's Decision. This, Staff argued, would be more economical; provide greater additional capacity at a lesser cost to the California consumer; and would provide additional benefits of more gas from other Canadian sources, while minimizing environmental effects. The California PUC stressed that the project's proposal "could saddle the ratepayers with a depreciation life as short as six years with no possibility of revision after Alaskan gas begins to flow." Moreover, California PUC added, it involves unnecessary facilities and could actually cause displacement from California of less expensive gas. 1/

The Staff and California PUC also argued that any export permit issued by the NEB for less than the volume proposed to be imported would bring the project "into question." The Staff stressed that the Western Leg proposal is "critically dependent" on the NEB granting a license to export 240,000 Mcf/d for a firm 12 years. "Any reduction in either the daily volumes or the term of the license vitally affects the economics of the sponsors' proposals and would require reopening the record should the sponsors continue to seek Commission approval of their proposed facilities." The California PUC urged the Commission to determine that the Canadian export permits would be sufficient before any prebuilding can commence.

Subsequently, the NEB authorized new exports of gas to the U.S. totalling 3.75 Tcf through 12/31/87. The NEB approved the full amount of exports applied for by 10 companies in the first five years (1980-1984), but approved lesser amounts through 1987. As a result, the NEB approved exports of 1.8 Bcf by Pan-Alberta instead of the total of 4.9 Bcf as sought. (See REPORT NOS. 1209, pp19-21; 1233, pp3-4; 1238, pp1-2; 1239, pp8-11; 1242, p10.)

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With respect to routing of the Western Leg, the FERC could not choose between the sponsors' proposal and the alternative favored by the Staff and California PUC. First, the Commission noted, the sponsors stated in their brief that their proposal is unworkable without changes in the recent export decision of the NEB and suggested approval subject to a change in the NEB decision. The Commission concluded that such a condition, as well as outright rejection, would be inappropriate, and it will hold most of the applications for the sponsors' proposal in abeyance pending further advice on any modification of the NEB decision or the sponsors' proposal.

1/ In Report No. 1239, p10, it was stated that the CPUC urged that the Western Leg be rejected. Inadvertently omitted, however, was the CPUC's further suggestion that the prebuild application be refiled to include construction along the Western Leg ANGTS as designated in the President's Decision.

However, the Commission observed that partial looping of the Kingsgate to Stanfield segment is common to both alternative routing proposals, and is also the "pacing item" for beginning deliveries in the fall of 1980. "The Commission believes that acceptance of some risks are in order given the urgent national priority of the ANGTS in both the U.S. and Canada. Thus, the Commission believes that it must find an acceptable basis for certificating a portion of the ANGTS project now." Accordingly, the Commission concluded that the public convenience and necessity requires approving the partial looping proposed for the Kingsgate to Stanfield segment of the PGT system based on the NEB's export license, and the expectation that Alaskan volumes will be flowing through those facilities before expiration of that license. With about 10% of the country's proven domestic gas reserves located at Prudhoe Bay, and national expediting legislation in place in both countries, "the Commission believes that certification of these facilities now is not an unreasonable exposure for PGT's customers. On the contrary, this country will obtain a timely addition to its natural gas supplies from the new export license just granted."

The Commission also approved provision of the transportation service through existing facilities of Northwest and El Paso to Pacific Interstate Transmission Co. for the 1980-1981 heating season under FERC-approved tariffs in existence at that time. "The Commission is confident that any additional transportation and facilities proposals growing out of any further consideration by th NEB will have been developed and submitted for timely consideration and approval prior to the end of that period."

While approving portion of the Western Leg facilities, the FERC found the record in Phase I concerning the benefits of prebuilding "disappointingly vague." For example, the Commission explained, there is no conclusive evidence indicating that prebuilding will expedite completion of th entire ANGTS or assure financing for the remainder of the system. "With or without prebuilding, the evidence indicates that Alaskan gas will not begin to flow through the ANGTS until at least 1984." The Commission noted that addition of Albertan gas into the system will reduce the unit cost of service for the Alaskan gas, prebuilding will get the ANGTS project started sooner, and it will spread the demand for labor and capital over a longer period of tir , thus lessening the likelihood of increased abor and material costs and cc truction delay costs due to increased demand. Also, the Commission added, prebuilding will facilitate, although not assure, financing of the remainder of the project. Based on these factors, the Commission concluded that prebuilding will produce "some tangible benefits to the remainder of the ANGTS."

The Commission rejected a recommendation by the Staff that satisfactory commitments for debt and equity financing for the entire ANGTS be in place before commencement of construction of the prebuild facilities so as to protect consumers of Canadian gas from paying excessive charges if prebuilding is not economically justified on a stand-alone basis (Alberta volumes only) and the ANGTS is not completed. In support, the Commission said, the Staff conducted an economic study which concluded that the Western Leg would not be viable on a stand-alone basis and that if the entire ANGTS were not completed, SoCal's customers would pay excessive charges for Alberta gas. While taking issue with the Staff's study, the sponsors conceded that their proposal would not be viable on a stand-alone basis if the NEB decision is not modified.

The Commission concluded that while noncompletion is always a possibility, it is convinced that the entire ANGTS will be completed. First, the Commission explained, about 10% of the country's known domestic reserves are located at Prudhoe Bay, expediting legislation is in place in both countries, and a signed agreement

committing them to implementation exists. Moreover, the price for the gas is reasonable when compared to alternative fuels and there are sufficient economic benefits so as to justify approval. Hence, there is no need for the specific condition recommended by the Staff since adoption would delay the flow of Canadian gas from Alberta for one to two years and could also eliminate or reduce the benefits associated with prebuilding. This conclusion, the Commission added, is premised upon the price for the prebuild volumes being determined in a manner consistent with other Canadian gas exports.

On the question of gas supply, the Commission noted the sponsors' contention that Pan-Alberta has sufficient gas reserves under contract to provide Northwest Alaskan with 1.04 Bcf/d over a 12-year period. The Staff, on the other hand, contended that because Pan-Alberta might be the source of supply for another project designed to extend Canada's gas system eastward from Montreal to the Maritime Provinces, Pan-Alberta cannot demonstrate sufficient supplies under contract for both projects. Accordingly, Staff urged that any certificate be conditioned upon a showing by Pan-Alberta that there are sufficient deliverable volumes to satisfy both projects for the life of the prebuild facilities. The Commission concluded that Pan-Alberta's gas supply is adequate to support its contracts with Northwest Alaskan, and approval of the prebuild project will stimulate exploration and make more reserves available to Pan-Alberta. However, the Commission observed, it is reasonable to assume that Canada will not authorize any export for Pan-Alberta unless all domestic requirements can be met. Hence, there is no need for the condition suggested by the Staff.

Turning to rate and tariff matters, the Commission first rejected PGT's proposal that the costs associated with the additional partial looping and compression on its system be recovered from Pacific Interstate over the term of the latter's export authorization for Canadian gas, and that Pacific Interstate bear an allocated portion of the costs of the facilities which are considered to be used to serve all PGT's customers. PGT also proposed to carry this tariff treatment forward to Alaskan gas once it begins to flow. In all authorizations to date, the Commission said, costs and volumes associated with additional services proposed by PGT to PG&E were rolled in with other costs and volumes for the purposes of determining the rates for service to PG&E and Northwest Pipeline under PGT's cost of service tariff. All facilities, whether compression or pipeline looping, were deemed to be totally integrated and used for all services rendered by PGT.

In determining the proper tariff treatment here, the Commission decided to focus on the characteristics of the service to be performed by PGT. First, the Commission said, the transportation by PGT for Pacific Interstate is similar to services it now performs for Northwest Pipeline and PG&E. None of the characteristics of the proposed service for Pacific Interstate are different from those of the existing services. All services are firm and none are seasonal or peaking in nature. The transportation of all gas through PGT's system is and will continue to be a conventional transportation arrangement. Furthermore, the Commission continued, the additional facilities will be operationally integrated with PGT's existing facilities. Both the existing, partially looped facilities and the additional looping and compression facilities will be used for all services. Furthermore, the Commission found it significant that the additional facilities are a prebuild portion of facilities necessary to transport Alaskan gas whose beneficiaries will also be Northwest and PG&E. Hence, it would make little sense to separate the costs and volumes associated with the transportation of gas from Alaska and for Pacific Interstate on the one hand from costs and volumes associated with transportation of gas for PG&E and Northwest on the other hand, as PGT proposes.

The FERC conceded that facilities required for this project and completion of the Western Leg are more costly than existing facilities which have been substantially depreciated, and the effect of rolled-in tariff treatment will be to increase the rates for PGT's services to Northwest and PG&E. However, in the past, both have received cost benefits under the cost of service tariff from the depreciated existing facilities and will continue to receive them in the future along with all PGT's customers. Moreover, PG&E and Northwest have derived significant benefits from the cheap expansibility of the existing pipeline in the form of reduced rates with each increment of additional throughput added to its system. Nevertheless, limits of this cheap expansibility of the existing line have now been reached. "The Commission sees no reason why the existing customers should now have what amounts to a priority for rate and tariff purposes on the existing pipeline, a priority which results from PGT's departure from the rolled-in treatment accorded additional compression and pipeline looping facilities in the past, coupled with complete insulation from the costs associated with the additional facilities." While a goal of regulation is to match costs incurred with benefits received to specific consumers, the Commission added, there are times when this is "not worth the administrative costs and inconvenience, and this is one of those occasions. The rolled-in tariff and financing approach will make PG&E customers pay more now in order to pay less later, but it has the advantage of making the PGT looping proposed as part of this proceeding supportable based on currently authorized exports of Canadian gas. We hope that the project sponsors are successful in obtaining additional volumes of gas exports; however, more than two years after approval of the ANGTS by the President and the Congress, the time has come to take the first step toward implementation of this massive project."

However, the Commission added, if after further NEB action on the gas exports, the three principally affected parties -- PGT, Pacific Interstate and the California PUC -- are able to agree on tariff and financing proposals superior to the rolled-in approach, the Commission will be prepared to reconsider its decision on that issue.

On other matters, the Commission (1) concluded that no changes to the depreciation provisions of PGT's cost of service tariff need be made -- because the Canadian export authorizations issued to PGT's supplier, all of which expire before 1992, continue to be a valid measure of the useful life of the PGT system; (2) declined to modify PGT's existing rate of return -- because that is not properly a subject of concern in this certificate proceeding; and (3) reaffirmed an earlier conclusion that a resale restriction in the Northwest Alaskan/Pan-Alberta contracts authorizing the latter to terminal sales if the former resells exported Alberta gas in the U.S. to any purchaser not a partner in ANGTS does not violate a provision of the ANGTA which requires, among other things, that nonowner shippers be afforded equal access to the pipeline -- because such provision seeks to protect shippers of gas -- in particular, nonowner suppliers -- and does not protect the purchasers of gas who are the only ones subject to the contract restriction.

D.C. Circuit Holds that Regulatory Agency Member Not Disqualified from Rulemaking Proceeding Without Showing of "Unalterably Closed Mind" on Critical Issues

On 12/27/79 the U.S. Court of Appeals for the D.C. Circuit reversed a decision of U.S. District Court of the District of Columbia which upheld a petition by the Association of National Advertisers, Inc. et al. prohibiting Michael Pertschuk, Chairman of the Federal Trade Commission, from participating in a pending rulemaking concerning children's advertising on TV on the ground he had prejudged issues involved therein. The D.C. Circuit concluded that "an agency member may be disqualified from such a proceeding only when there is a clear and convincing showing that he has an unalterably closed mind on matters critical to the disposition of the rulemaking." In so holding, the Court agreed with arguments of the FTC and seven other federal regulatory agencies, including the FERC, that the lower court's decision would have "a potentially chilling effect on otherwise legitimate public discussion of important regulatory policy questions and hamper the policymaking process." 1/

In the lower court case, the National Advertisers charged that Mr. Pertschuk made public statements concerning regulation of childern's advertising that demonstrated prejudgment of specific factual issues sufficient to preclude his ability to serve as an impartial arbiter. The Chairman had made several public comments about children's susceptibility to advertising and about how the FTC might reach the conclusion that such advertising is "deceptive." Later, the FTC began a rulemaking proceeding to consider certain restrictions on advertising directed to children. The lower court first noted that the FTC rulemaking is governed by the Magnuson-Moss Act, which imposed additional procedures -- including trial-type hearings in some cases -- on conventional notice and comment rulemaking. For that reason, the lower court applied the strict disqualification test applicable to adjudication -- as specified in the D.C. Circuit's decision in Cinderella Career and Finishing Schools, Inc. v. FTC, 425 F.2d 583 -- i.e., whether "a disinterested observer may conclude that [the agency member] has in some measure adjudged the facts as well as the law of a particular case in advance of hearing it."

In seeking rehearing before the D.C. Circuit, the FTC argued that the standard for disqualification of an administrative decisionmaker in an adjudication -- relied on by the lower court -- differs from the standard in rulemakings, and that, under any disqualification standard, Chairman Pertschuk could not be found to have prejudged issues in contravention of due process. In an amici curiae brief filed by the FERC and six other regulatory agencies, the "critical distinctions" between rulemaking and adjudication were also stressed. Rulemaking, they declared, is "different in concept, and different in procedures." By definition, they explained, rulemaking is the process for developing an agency statement of a general or particular applicability and future effect designed to implement, interpret or prescribe law or policy. This process is typically concerned with broad policy considerations rather than review of individual conduct. And this conceptual distinction, which is clearest in cases of informal rulemaking where there are no hearing requirements, remains valid no matter what the particular procedural format. "The mere presence of hearings, for example, ought not to convert what is really a rulemaking into adjudication."

1/ On 1/7/80 Chairman Pertschuk withdrew from the case because his involvement may strengthen supporters of legislation to bar the FTC from issuing a rule to restrict TV commercials aimed at children.

The regulatory agencies called attention to the D.C. Circuit's holding in another case that rulemaking "is not to be shackled, in the absence of clear and specific Congressional requirement, by importation of formalities developed for the adjudicatory process and basically unsuited for policy rulemaking." They urged that the adjudicatory concept of disqualification employed by the lower court is one of those "formalities developed for the adjudicatory process and basically unsuited for policy rulemaking. . . . The Cinderella concept -- that a member must be disqualified if he or she 'has in some measure' prejudged the facts or law -- simply does not blend with the rulemaking process."

The regulatory agencies further observed that a rulemaking proceeding begins with a notice of proposed rulemaking, a document which "inevitably shows that the agency 'has in some measure' prejudged issues." As a practical matter, they continued, such notice normally reflects a substantial step along the way from an idea to a final rule. In important rulemakings, moreover, the idea will have been closely examined by Staff experts and agency members themselves. Drafts of the notice and accompanying statements may well have been rewritten after direct consultation with and upon instructions from agency members. The more important the rulemaking, the closer the personal involvement of the agency member is likely to be. "Devoting that kind of attention to major policymaking questions is, after all, just what the agency member is suppose to be doing."

However, the regulatory agencies continued, if the Cinderella test is to go beyond adjudication into rulemaking, "there is an obvious anomaly." On the one hand, the agency is not suppose to give the appearance that it has in some measure adjudged the facts as well as the law of the proceeding. But at the same time, it is also suppose to issue a notice which inherently reflects at least a preliminary judgment -- often formed after considerable thought -- about the very subject matter of the controversy. "We think it apparent that a literal application of the Cinderella test is wholly unsuited for the rulemaking process."

Furthermore, the regulatory agencies stressed, the extension of the Cinderella approach to rulemaking would have a "chilling effect on the public expression of views about important subjects. From a policy standpoint, we believe that the law ought to recognize and accommodate this important informational aspect of an agency's work. The rules should encouurage -- not deter -- agency members from speaking out openly on the very kinds of broad policy questions likely to lie at heart of the most significant rulemakings."

The regulatory agencies also emphasized the affirmative duty that they have to report and inform the public on issues involving the industries they regulate. The FERC, for example, is authorized to publish and make available to state commissions and municipalities information about matters investigated under the Natural Gas Act and the Federal Power Act. "These responsibilities reflect the public's legitimate interest in knowing how agency members think about important policy questions. We think it vital that these considerations not be subordinated to a notion drawn from adjudication (where this informational role is far less important) that there is something wrong with an agency member telling the public his or her preliminary views about a pending issue. Just as legislators may approach their tasks with preliminary views -- the typical Congressional hearing opens with a statement reflecting substantial prejudgment about the problem -- so may agency members."

While arguing for the inapplicability of strict adjudicatory standard of the Cinderella case to rulemaking, the agencies recognized that the need for some kind of a standard to deal with extraordinary situations. Accordingly, they suggested a standard which would allow disqualification in any kind of rulemaking only when there has been "a clear and convincing showing that the agency member has an unalterably closed mind on matters critical to the disposition of the proceeding. This formulation would ensure that any agency member who cannot meaningfully fulfill his or her responsibility under the [Administrative Procedure Act] would be disqualified."

The D.C. Circuit first held that the FTC proceeding was rulemaking notwithstanding the additional procedures required by the Magnuson-Moss Act. The Court stressed that it never intended the Cinderella rule to apply to a rulemaking procedure such as the one under review here. "Legislative facts adduced in rulemaking partake of agency expertise, prediction and risk assessment." In the Cinderella case, the Court noted, it was able to "cleave fact from law" in deciding whether particular factual issues had been prejudged. "In the rulemaking context, however, the factual component of the policy decision is not easily assessed in terms of an empirically verifiable condition. Rulemaking involves the kind of issues 'where a month of experience will be worth a year of hearings' Application of Cinderella's strict law-fact dichotomy would necessarily limit the ability of administrators to discuss policy questions. The legitimate function of a policymaker, unlike an adjudicator, demands interchange and discussion about important issues. We must not impose judicial roles upon administrators when they perform functions very different from those of judges."

Furthermore, the D.C. Circuit continued, the Cinderella view of a neutral and detached adjudicator "is simply an inapposite role model for an administrator who must translate broad statutory commands into concrete social policies. If an agency official is to be effective, he must engage in debate and discussion about the policy matters before him. As this Court has recognized before, 'informal contacts between agencies and the public are the 'bread and butter' of the process of administration.'" The Court concluded that a Commissioner should be disqualified "only when there has been a clear and convincing showing that the agency member has an unalterably closed mind on matters critical to the disposition of the proceeding." In this case, the Court said, Chairman Pertschuk's remarks, considered as a whole, represent discussion "and perhaps advocacy, of the legal theory that might support exercise of the Commission's jurisdiction over children's advertising. The mere discussion of policy or advocacy on a legal question, however, is not sufficient to disqualify and administrator."

The Court's decision was signed by Circuit Judge Tamm. Circuit Judge Leventhal (prior to his recent death) concurred in a separate statement. Circuit Judge MacKinnon dissented on the ground, among others, that the "unalterably closed mind" standard is improper here because of the adjudicatory overtones of the Magnuson-Moss Act. Moreover, he stated that the "closed mind" test is so overly strict as to make it practically impossible to prove.

Fourth Circuit Refers Certain Issues in Case Involving Gas Shortage on Transco's System to FERC

On 1/8/80 the U.S. Court of Appeals for the Fourth Circuit granted a motion by Transcontinental Gas Pipe Line Corp. that it hold in abeyance review of an award of $23.8 million in damages by a North Carolina federal district court as a result of curtailments to certain customers, and refer to the FERC certain underlying issues involving, among others, the reasons for shortages on Transco's system. The Court, however, refused to vacate the lower court's judgment. CF Industries, Inc. and Farmers Chemical Association, Inc. v. Transcontinental Gas Pipe Line Corp., Nos. 79-1359 and 79-1366.

This case arose out of civil damage suit filed against Transco by CF Industries and Farmers in connection with the curtailment on Transco's system beginning in 1971. On 2/16/79 a jury in the North Carolina court awarded $23.8 million in damages to CF and to Farmers based on Transco's liability in contract, negligence and promissory estoppel. Earlier, the lower court twice refused Transco's appeal that certain issues raised in the case falling within the expertise of the FERC and which have an impact upon its regulatory responsibility be referred to the Commission.

On 2/28/79 Transco filed a petition (TC79-8) requesting the Commission to (1) institute a proceeding into circumstances which resulted in the gas shortage on its pipeline system, the effects of its gas tariff curtailment provisions and service agreements and Commission orders, rules and regulations, and the effect on the Commission's ability to carry out its responsibilities by the damage award; and (2) issue a declaratory order holding, among other things, that the shortage on Transco's system was caused by factors beyond its control, Transco reacted thereto in good faith and in a prudent manner, its curtailment tariff provisions and service agreements are in compliance with Commission rules and regulations (and therefore represent a defense to any claims for damages), and that any such award would constitute an undue preference and discrimination under the Natural Gas Act and adversely affect the Commission's ability to fairly allocate supplies available to Transco.

On 8/17/79, the Commission (1) agreed that a proceeding should be instituted on the effects of Transco's gas curtailment provisions and service agreements and Commission orders, rules and regulations, including whether any undue preference or advantage is involved with the award of damages; and (2) granted that portion of the request for a declaratory order holding that Transco's curtailment tariff provisions and service agreements are in compliance with Commission rules and regulations. The Commission denied Transco's request for a proceeding and declaratory order in all other respects.

In subsequent applications for rehearing by Transco, INGAA and others, it was argued that the Commission must inquire into the facts and circumstances of the shortage on Transco's system in order to determine whether it properly carried out its gas acquisition, transportation, inventory or sales activities. This same issue, it was noted, is also involved in other cases where pipelines are being sued.

Transco also filed a petition in the Fourth Circuit for review of the damage award, in which it requested the Court to refer the underlying issues involving the shortage on its system to the Commission. In an amicus curiae brief, the FERC asserted that the Court should vacate the lower court's judgment and remand with instructions to refer issues subject to the Commission's primary jurisdiction --

i.e., concerning the interpretation and effect of the certificate, tariffs and service agreements, and orders, rules and regulations as they affect the litigation. However, the Court should not direct the referral of the question of ultimate liability in the damage action, including whether compliance with Transco's tariff provisions is a complete defense to any claims for damages for breach of contract -- because "that responsibility belongs to the courts." (See REPORT NOS. 1224, pp16-18; 1231, pp22-25.)

In its decision, the Fourth Circuit agreed with a conclusion reached by the Fifth Circuit in a 1976 case involving a similar controversy that deference to the primary jurisdiction of the Commission is particularly appropriate in the complex area of natural gas curtailment. The Fourth Circuit quoted the Fifth Circuit's decision that "referral is particularly appropriate. While the Federal Power Commission's jurisdiction is somewhat limited, the Natural Gas Act, as interpreted by the courts, has provided the Commission with the statutory basis for pervasive regulation of the curtailment question . . . . The Commission is presently involved in resolving issues which have a direct impact on similar litigation involving curtailment plans. The advisability of invoking primary jurisdiction is greatest when the issue is already before the agency . . . . The Commission, moreover, is reviewing in some detail the facts and circumstances that resulted in the present shortage in order to determine what is a fair, equitable, permanent curtailment plan. Indeed, this court has already stated in a similar action that referral to the FPC is preferred.'"

The Fourth Circuit also noted that in one of its own prior cases it "recognized the unique expertise of the Commission . . . ." In that case, the Court said, it found the Commission to be "'a far more appropriate body than a district court'" to make a determination requiring a balancing of conflicting needs and interests of all consumers of the gas supplier involved.

However, the Fourth Circuit agreed with the FERC's position that the Commission does not have authority to adjudicate ultimate liability in the pending damage action since this responsibility rests solely on the Court, and that any inquiry by the Commission into the effect of a damage award against Transco on the Commission's ability to carry out its responsibilities, including allocation of Transco's gas supplies, would be premature and speculative at this point.

The Fourth Circuit concluded that the Commission has the authority under the Natural Gas Act to investigate the causes of a gas shortage on any particular pipeline system, and such an investigation and determination "would be appropriate and helpful in the pending litigation." But the Court decided not to approve the suggestion of the Commission and Transco that the lower court's judgment be vacated and the case remanded with instructions to refer the specified issues to the Commission for the exercise of its primary jurisdiction, with the lower court proceeding stayed pending final Commission action. Instead, the Fourth Circuit decided that the appeals pending with respect to the lower district court action should be held in abeyance and that certain facts and issues be referred to the Commission for its determination and decision, after which the Court would consider the appeals and determine the proper procedure.

Specifically, the Court directed the Commission to consider (1) the facts and circumstances resulting in the shortage on Transco's system that allegedly resulted in the loss claim by CF Industries and Farmers; (2) the meaning and interpretation of Transco's gas tariff curtailment provisions and service agreements and of Commission orders, rules and regulations relating to curtailments in the event of shortage, and the effect of such provisions on Transco's

responsibility to its customers; (3) whether undue preference or advantage is created by the damage award and what administrative action, if any, should be taken; (4) the meaning and effect of Transco's contracts and related certificates authorizing service to distributor customers; and (5) any other findings the Commission deems appropriate and relevant.

* * * * *

On 1/17/80 FERC Administrative Law Judge Steven M. Charno granted a motion by Transco that the procedural schedule in the investigation (TC79-8) ordered by the Commission's 8/17/79 order on the effects of Transco's gas curtailments and service agreements and Commission orders, rules and regulations be suspended pending Commission action in response to the Fourth Circuit's decision described above. In support, Transco noted that the issues referred to the Commission by the Court are broader than, and in conflict with, issues which the Commission set for hearing in its 8/17/79 order. Hence, the procedural schedule should be suspended to prevent potentially wasteful effort by the parties until the Commission has acted with respect to the Court's referral order.

Supreme Court Asked to Review Conflicting Decisions of D.C. Circuit and Fifth Circuit Ruling on Commission's Power to Impose a 30-Day Timing Requirement on Advance Payments Covered by Order No. 465

During the past month, petitions for writ of certiorari were filed in the U.S. Supreme Court by Tennessee Gas Pipeline Co. and the FERC to review conflicting decisions by the D.C. Circuit and the Fifth Circuit in regard to the Commission's power to impose a 30-day timing requirement on producer expenditure on advance payments received under Order No. 465 in determining whether such advances are "reasonable and appropriate" for rate base treatment. The FERC requested review of the Fifth Circuit's decision only if the Supreme Court grants Tennessee's petition for certiorari to review the D.C. Circuit's decision. Tennessee Gas Pipeline Co. v. FERC (No. 79-962) and FERC v. United Gas Pipe Line Co. (No. 79-1055).

First, on 12/19/79, Tennessee Gas Pipeline Co. asked the Supreme Court to review a D.C. Circuit decision issued 6/20/79 (Tennessee Gas Pipeline Co. v. FERC, No. 77-1496) which, among other things, remanded FPC Opinion Nos. 769 and 769-A denying inclusion of some $100 million of front-end advance payments made by Tennessee (RP73-113) to producers under agreements executed in 1973. In that year, the Commission's advance payment program was governed by Order No. 465 which required merely that advances be "reasonable and appropriate" in order to qualify for rate base treatment. Subsequently, in Order No. 499 governing the advance payment program during the years 1974 and 1975, the Commission clarified that advances must be expended by producers within a "reasonable time" after inclusion thereof in the pipeline's rate base. In Opinion No. 769 (issued 7/9/76), the Commission ruled for the first time that advance payments not expended by producers within 30 days are "presumptively extravagant" and hence not "reasonable and appropriate" for inclusion in the advancing pipeline's rate base. While conceding that Order No. 465 did not contain any timing requirement, the Commission declared that the "reasonable and appropriate" standard was consistent with well-established principles of regulatory law that "extravagant or unnecessary costs cannot be passed along to customers through rates." Further, the Commission stated, "it has not been suggested by Tennessee that a producer in the conduct of its own business would borrow money and pay interest thereon far in excess of the time it is needed. Nor do we think Tennessee could make such a showing. We find, therefore, that front-end advance payments are presumptively extravagant." In Opinion No. 769-A (issued 5/31/77), the Commission denied that application of a timing standard to advances under Order No. 465 constituted retroactive ratemaking since the

"reasonable and appropriate" standard, which pervaded all of the advance payment rulemaking orders, "necessarily covered such unnecessary and extravagant costs as those resulting from front-end advances."

On appeal, the D.C. Circuit partly affirmed and partly remanded Opinion Nos. 769 and 769-A, as well as FPC orders in two other cases which similarly applied a 30-day standard in disallowing rate base inclusion of advance payments by Transcontinental Gas Pipe Line Corp. and Michigan Wisconsin Pipe Line Co. pursuant to both Order Nos. 465 and 499. The Court concluded that the Commission correctly rejected the pipelines' position that the front-end advances were dictated by "good faith business judgments" given the competitive conditions at the time and hence were "reasonable and appropriate" for purposes of inclusion in the rate base. The Court said the pipelines had the burden of demonstrating affirmative evidence in favor of "extended" front-end advances, especially in view of the traditional "used and useful" public utility concept on which the Commission has consistently relied. At the same time, the Court held that the Commission's 30-day rule focused too narrowly on a line-of-credit approach and, as a result, the Commission "failed to evaluate fully and fairly the reasonableness of the protective mechanisms adopted by particular pipelines to fulfill their obligation of vigilance in the consumers' interest." The Fifth Circuit accordingly remanded the cases for a more extensive and flexible inquiry into the reasonableness of attempts to protect ratepayers from excessive costs. On 10/31/79 the Court denied rehearing and suggestions for rehearing en banc. (See REPORT NO. 1214, pp18-21.)

The D.C. Circuit's decision was issued two days prior to a Fifth Circuit decision (United Gas Pipe Line Co. v. FERC, No. 78-1091) which overturned Opinion Nos. 815 and 815-A denying rate base inclusion of some $24 million of advance payments by United Gas Pipe Line (RP74-20, RP74-83) under Order Nos. 465 and 499 because the advance payments had not been expended by the recipient producers within 30 days. The Fifth Circuit reversed the Commission's denial of rate base treatment for advance payments governed by Order No. 465. As applied to these payments, the Court said the 30-day standard "arbitrarily imposes a new dimension and a new restraint . . . . The law will not tolerate this sort of after-the-fact, in fact retroactive, imposition of standards." In regard to the advances covered by Order No. 499, the Fifth Circuit reversed and remanded the Commission's application of the 30-day rule as "unreasonably harsh." The "relatively vague" timing guideline imposed in Order No. 499, the Court said, did not constitute sufficient notice to pipelines that all advances should be made on a 30-day installment basis. On 8/8/79 the Court denied FERC's petition for rehearing. (See REPORT NO. 1217, pp16-17.)

In still another case, the Seventh Circuit on 1/5/79 reversed and remanded an FPC order of 6/3/77 which applied the 30-day rule in denying rate base treatment for front-end advance payments by Natural Gas Pipeline Co. of America (RP73-110). Natural's advances were all made pursuant to Order No. 499. The Seventh Circuit held that imposition of the 30-day standard represented a retroactive modification of Order No. 499, which merely required that advances must be expended within a "reasonable time" after their inclusion in a pipeline's rate base.

In seeking Supreme Court review of the D.C. Circuit's decision of 6/20/79, Tennessee contended that the Court's holding regarding Order No. 465 advances conflicted directly with the Fifth Circuit's decision in the United case described above. Further, the D.C. Circuit's rationale that imposition of an implicit timing requirement is not impermissible retroactive rulemaking conflicts with the Seventh Circuit's decision in the Natural Gas Pipeline case dealing with Order No. 499 advances. Proper resolution of this conflict is of "critical importance" to the

natural gas industry, Tennessee declared, since it involves the ultimate disposition of substantial Order No. 465 advance payments made by interstate pipelines generally. In this regard, Tennessee noted that nearly 99% of the $.5 billion total committed by interstate pipelines under the advance payments program represented front-end advances of the type involved in this case. Moreover, Tennessee added, even though the advance payment program has now been terminated prospectively as to new agreements, the problem is of continuing importance to the administration of jurisdictional rate increases filed under advance payment contracts which remain in effect.

The second petition for certiorari was filed on 1/5/80 by the Solicitor General, on behalf of the FERC, to review the Fifth Circuit's decision in the United case with respect to advances under Order No. 465. (The petition does not request review of the Fifth Circuit's remand of the Commission's disallowance of front-end advances under Order No. 499.) The FERC asked that its petition for certiorari be granted only if the Supreme Court grants review of the D.C. Circuit's decision in the Tennessee case. The Commission noted the direct conflict between the Fifth Circuit and D.C. Circuit decisions respecting the Commission's power to impose a timing requirement on Order No. 465 advances. However, while the FERC agrees with the D.C. Circuit's holding on this issue, it does not advocate Supreme Court review of the interpretation of Order No. 465, which "governs only contracts executed in 1973 under a terminated experimental program." Consequently, the FERC intends to oppose the petition for writ of certiorari in the Tennessee case (No. 79-962). However, if the Supreme Court grants Tennessee's petition for review in that case, it should also grant review in the United case "so that the interpretation of Order No. 465 will be uniform for pipelines and consumers throughout the country."

Tenneco, FERC, INGAA File Complaints and Requests for Injunctive Relief Enjoining Enforcement of Louisiana Statute on Intrastate Purchasers' Right of First Refusal

During the past several weeks, Tenneco, Inc., the FERC and the Interstate Natural Gas Association of America (INGAA) have filed complaints for declaratory judgment and injunctive relief with the U.S. District Court for the Middle District of Louisiana (Civil Action Nos. 80-17 et al.) in regard to a recently enacted Louisiana statute, effective 9/7/79, which provided Louisiana intrastate purchasers of natural gas with a right of first refusal for all natural gas not committed or dedicated to interstate commerce prior to 9/7/79 effective date of that statute. 1/

The Louisiana Act (No. 732) amended the state's Natural Resources and Energy Act of 1973 to require that "producer-sellers" of natural gas not committed or dedicated to interstate commerce prior to 9/7/79 obtain a state certificate of public convenience and necessity before allowing the introduction of such gas into any interstate pipeline system. The Act further requires producer-sellers to make a bona fide offer to sell such gas to intrastate natural gas transporters before committing the supply to interstate commerce. Noncompliance with the Act is not excused by contractual obligations, and criminal penalties are set forth for violations. Interim regulations implementing the Act were promulgated on 10/28/79 by the Louisiana State Conservation Commission.

1/ The District Court originally set a 1/18/79 date for a hearing on the preliminary injunction request, but this date was extended indefinitely by request of the State of Louisiana.

In its complaint and request for a preliminary injunction, Tenneco asserted, among other things, that the Act "has had a chilling effect on the willingness of sellers to contract for sale in interstate commerce." Tenneco cited eight contracts which it has entered into with producers since the enactment date of the legislation but for which no deliveries have commenced owing to the requirements of the Louisiana statute. Moreover, Tenneco stated that the requirements of the Act have hampered its efforts to negotiate further contracts and thereby limited its ability to fulfill the natural gas requirements of its customers.

As further support for its complaint and request for a preliminary injunction, Tenneco contended that the Act (1) unconstitutionally discriminates against interstate commerce by creating an undue preference for intrastate purchasers; (2) constitutes a prohibited burden on interstate commerce in violation of the Commerce Clause of the U.S. Constitution; (3) conflicts with federal statutes and is hence void under the Supremacy Clause of the U.S. Constitution; and (4) contradicts the responsibilities of the FERC in the exercise of its jurisdiction under the Natural Gas Act and the NGPA.

The FERC, in its complaint in intervention, also asserted that the Louisiana statute violates the Commerce and Supremacy Clauses of the U.S. Constitution and conflicts with the FERC's exclusive jurisdiction over interstate pipeline transactions. Additionally, FERC cited the deleterious effect the Act will have on future additional gas supplies for the interstate market. "At a minimum," FERC's complaint stated, "this provision will delay the attachment of new gas supplies . . . at the worst, it will reduce the new gas supplies available to the interstate pipelines to the extent that intrastate purchasers exercise their right to purchase such gas."

INGAA also cited the above arguments of Tennessee and FERC in support of its complaint and request for declaratory judgment and injunctive relief. Additionally, the complaint stated that the Louisiana Act, in depriving member companies of INGAA of their freedom to contract with whomever they choose, violates those companies' rights under the provisions of the 14th Amendment of the U.S. Constitution.

FERC Law Judge Finds Violations of Natural Gas Act by National Fuel Companies

On 1/11/80 FERC Law Judge George P. Lewnes issued an initial decision finding that National Fuel Gas Supply Corp. and National Gas Storage Corp. violated the Natural Gas Act and the U.S. Criminal Code in connection with certain construction activities related to development of storage fields in western New York. Judge Lewnes recommended that the violations be referred to the Department of Justice for criminal prosecution.

This proceeding was initiated by the FERC on 12/19/77 in response to a complaint by Fair Environmental Deals for United People (CP77-590) directed to activities of the National Fuel Companies (or their predecessors-in-interest) around Allegany County, New York from January 1975 through July 1977. These activities related, in part, to a long-term storage project whereby National Fuel Supply (CP77-492 et al.) proposes to abandon, and National Gas Storage proposes to acquire, three separate storage fields -- West Independence, East Independence and Beech Hill -- located in Allegany County. After further development, the three fields would be connected via 17.7 miles of new pipeline to National Fuel Supply's interstate transmission system in Potter County, Pennsylvania. The proposed project, estimated to cost nearly $50 million over a three-year period, would enable long-term storage service by National Gas Storage to six nonaffiliated utility customers in aggregate amounts increasing to 22 Bcf by 1980. By order dated 2/1/77, the FPC scheduled hearings on the proposed project to consider various unresolved questions, including environmental impact, rate level and rate form, conditions (if any) to be attached to construction of the proposed facilities, financing, and the impact on existing customers of the National Fuel Companies of developing storage facilities to serve six offsystem distributors. The Commission subsequently consolidated applications by Transcontinental Gas Pipe Line Corp., Columbia Gas Transmission Co. and Tennessee Gas Pipeline Co. to transport storage injection and withdrawal volumes for the six distributor customers. In June 1979, the Commission approved construction of a portion of the facilities.

Specifically, FEDUP -- which described itself as a "nonprofit, unincorporated public benefit association" representing residents in the immediate vicinity of the challenged activities -- asserted that the National Fuel Companies had unlawfully constructed facilities in the Beech Hill, West Independence and East Independence areas for transportation and storage of interstate gas in violation of the Natural Gas Act; had provided false information to the Commission for the purpose of unlawfully evading jurisdiction over reworking of 13 wells at the West Independence Field (CP76-364); and had provided false information in various maps submitted to the Commission. (See REPORT NOS. 1127, pp29-31; 1136, pp30-31.)

In his initial decision, Judge Lewnes stated that the National Fuel Companies violated the Natural Gas Act by substantially installing compressor units at the West Independence Field two months before Commission approval; reworking 21 wells at the Beech Hill Field without authorization; and commencing installation of compressor facilities at the Beech Hill Field. He also found that the companies violated the U.S. Criminal Code by providing false information in a map of the West Independence storage pool.

Most of these violations, he said, involved the installation of facilities and reworking of wells for the storage facilities before the necessary Commission authorization had been given. He stated that the companies' self-imposed time schedule for completing the storage facilities was the principal motivating force for the violations. "The substantial evidence . . . forces the conclusion that these illegal actions were not merely apparent willful and knowing violations, but rather were deliberate and result-oriented."

In support of his conclusion, Judge Lewnes observed, among other things, that the Commission had set the storage proposal for hearing and, on a number of occasions, specifically denied requests by the companies for temporary authorization for portions of the construction. Nevertheless, the companies illegally commenced portions of the project without authorization.

With respect to the violations of the Natural Gas Act, Judge Lewnes noted the Commission's policy that if any illegal action appears to have been taken willfully and knowingly, it would refer the case to the Department of Justice. "The character of every act depends upon the circumstances in which it was done. Here, there is nothing in the factual circumstances as would militate against a referral."

As noted, the Law Judge found a violation of the U.S. Criminal Code by the National Fuel Companies by virtue of their providing false information to the Commission in a map of the West Independence storage pool. He said that the motive for this falsification was the companies' need for a storage permit from the New York State Department of Environmental Conservation prior to development of the storage facility. The New York agency requires that an applicant hold 75% of the storage rights under the land inside the pool boundary before a permit will be issued. The record shows, he said, that the company engaged in a "knowing and willful falsification" in drawing a false boundary of the storage pool on the map submitted to the Commission.

In urging that this violation also be referred to the Justice Department, Judge Lewnes noted that there is no discretionary authority vested in an agency to determine whether to transmit evidence of an apparent violation of a federal statute of general applicability (the U.S. Criminal Code). Hence, "it is obligatory on the part of the Commission to transmit the evidence adduced and the related findings and conclusions to the Attorney General . . . ."

Finally, the Law Judge stated that the violations (except with respect to the map) "were undertaken with the prior willful and knowing authorization of Mr. John A. Comet," former President of the National Fuel Companies. In this connection, Judge Lewnes stated that the inquiry here should not be limited to whether there has been a corporate violation. "Obviously, merely pursuing a corporate entity as opposed to individual corporate officers for a statutory violation is of little consequence. Monetary fines paid by a corporate body for illegal undertakings of its officers in the corporate name does not provide a deterring desideratum. The courts have recognized this and where appropriate, have permitted the prosecution of an officer or employee of a corporation for illegal acts done on behalf of a corporate employer."

FERC Approves Settlement Filed by Reversionary Mineral Interest Owners to Resolve Pricing Issues Raised by Southland Royalty-Type Sales

On 1/17/80 the FERC approved a settlement offer submitted by four reversionary mineral interest owners -- Dore Corp. (CI76-315 and CS76-639), Sullivan-Wells Co. (CI76-316 and CS76-460), Briercrest Oil Co. (CI76-396 and CS76-762) and Fort Worth National Bank et al. (CI76-587) -- to resolve a number of Southland Royalty-type cases currently pending before the Fifth Circuit on judicial review. 1/

The above producers were lessors under various 50-year oil and gas leases which expired during the first half of 1976. At that time, mineral interest rights in nine wells reverted to the lessors. The reversionary interest owners were ordered by the FPC on 3/12/76 and 7/6/76 to continue -- pending the outcome of litigation in the Southland Royalty case involving the question of continued dedication of gas to interstate commerce following expiration of 50-year leases -- the jurisdictional sales made by large producer lessees to interstate pipeline purchasers prior to expiration of the leases in question. These sales were made b the previous lessees at rates of 18.0¢ or 23.5¢. The Commission included protective provisions specifying that continued deliveries by the reversionary mineral interest owners during the interim period until resolution of the Southland Royalty case would be without prejudice to their position regarding the dedication status of the gas involved. Subsequently, the FPC denied applications filed by three of the mineral interest owners for small producer certificates to sell the subject gas at 130% of the national new gas rate set in Opinion No. 699-H. The Commission held, among other things, that the reversionary owners were bound to the rates charged by their respective large producer predecessors.

A total of six petitions were filed by the several mineral interest owners in the Fifth Circuit (Dore Corp. and Sullivan-Wells Co. et al. v. FERC, Nos. 76-2428 et al.) for review of the above described orders requiring continued interstate deliveries and prescribing rates for these deliveries. The Court ordered these proceedings held in abeyance until the final outcome of the Southland Royalty litigation (which was decided by the Supreme Court on 5/31/78). More recently, proceedings before the Fifth Circuit have been further deferred pending settlement discussions between the mineral interest owners, certain other producers, purchasers of the gas involved, and the FERC Staff. (See REPORT NO. 1240, App. p12.)

The settlement offer -- filed 12/7/79 by the four reversionary mineral interest owners -- provides for (1) continuation of sales to the interstate buyers currently receiving the gas under interim protective orders; (2) collection in the future of the maximum lawful price applicable to small producer replacement contracts under Section 104 of the NGPA (or the maximum lawful price under Sections 102, 103, 107 and 108 for any gas qualifying for these prices); (3) retention of all sums collected in the past pursuant to interim protective orders up to the applicable small producer replacement contract rates for the time periods involved (67.6¢/Mcf from 7/27/76 until 1/1/77, 68.9¢/Mcf until 1/1/78, 70.[illegible]¢/Mcf until 12/1/78, 77.1¢/MMBtu until 1/1/79, and thereafter as adjusted for inflation in accordance with regulations under the NGPA), subject to adjustment for Btu, taxes, and gathering allowance where applicable; and (4) withdrawal of petitions for review presently pending in the Fifth Circuit. (See REPORT NO. 1239, pp13-15.)

1/ Since the records in these proceedings have not been filed with the Court, the Commission retains jurisdiction to consider the settlement offer.

The Commission cited the Tenth Circuit's decision issued 4/23/79 in Getty Oil Co. v. FERC (No. 77-1993) as relevant to the situation here. In that decision, the Court reversed the Commission denial's of rate increases to new gas ceilings sought by Getty under the "rollover" contract policy on the ground that the underlying 1967 contract had not run its full primary term -- which, the Commission ruled, was a necessary condition to qualify sales under a new contract for "rollover" treatment -- but rather had terminated prematurely upon triggering of a pressure clause. The Tenth Circuit held that rejection of Getty's rate increases was based on a new interpretation of the Commission's contract replacement policy which should not have been applied retroactively to Getty whose contract expired prior to issuance of Opinion No. 770-A due to circumstances beyond the parties' control. (See REPORT NO. 1208, pp22-23.)

Specifically, the Commission declared "The normal expiration of the lease agreements in the instant case prior to the issuance of Opinion No. 770-A fits into the general category of cases covered by the Getty court decision. The expiration of the leases was beyond the control of either the seller or the buyer to the gas sales contract, and thus the seller upon executing a new contract was entitled to 'rollover' treatment."

Industrial Gas Users Protest Transco's Interruption of Transportation Under Order No. 533 Program

On 1/3/80 the FERC issued notice of separate complaints filed 12/20/79 by two groups of high priority industrial gas users -- Cerro Wire & Cable Co. et al. (CP80-153) and American Bakeries Co. et al. (CP80-184) -- with respect to Transcontinental Gas Pipe Line Corp.'s interruption of transportation of direct purchase gas under the Order No. 533 program. 1/

According to the complaints, Transco advised in early December that it would terminate Order No. 533 transportation service on 12/17/79 for a period of 30 to 90 days because of insufficient mainline capacity to render this and other higher priority services. As a result, the complaints charged, the industrial users here involved have been compelled to incur additional expense to replace their "self-help" direct purchase gas, while Transco is "forcing" additional gas on its customers that will be used in large part as low priority boiler fuel. Further, the

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1/ Cerro Wire & Cable (CP79-309), together with six other industrial buyers, previously petitioned the FERC on 5/2/79 to issue an expedited declaratory order respecting their eligibility to a two-year extension of certain Order No. 533 transportation service provided by Transco (CP77-240). The petition stated that Transco had refused to seek authorization to extend this service both because the supply in question appeared to be available for purchase by the pipeline itself absent the Order No. 533 arrangements, and because the seven industrial buyers would not suffer any curtailment of natural gas deliveries from their distributor supplier until at least the end of the 1979 summer season. Cerro Wire & Cable et al. cited a sworn affidavit by producers of the subject supply indicating unwillingness to make sales to an interstate pipeline. Hence, since the gas will not be available to Transco, the industrial buyers contended they are eligible to receive a two-year extension of transportation service under the Order No. 533 direct purchase program. Subsequently, Cerro Wire & Cable et al. withdrew their petition for a declaratory order following Transco's agreement to request a two-year extension of transportation service (CP77-240). This extension was granted by order dated 10/31/79. (See REPORT NO. 1210, pp28-29.)

complaints continued, wells dedicated to the industrial buyers are in danger of being shut in, with resultant damage to the reservoirs, loss of production and, in the case of wells facing water encroachment, a permanent loss of reserves. Transco's actions were also said to constitute a severe, perhaps "crippling" blow to the entire Order No. 533 direct purchase program.

Cerro Wire & Cable et al. contended that Transco's interruption of transportation constitutes (or will soon constitute) an unauthorized abandonment of certificated service. American Bakeries et al. noted that Order No. 533 transportation certificates contemplate interruptions "of an absolutely necessary, short-term nature." Here, however, "Transco -- in a period of relatively warm weather -- is cutting off high priority load to empty storage and in effect force the use of natural gas for low priority boiler fuel." Such interruption may constitute an "unlawful abandonment." Both complaints cited a D.C. Circuit decision in 1976 (Reynolds Metals Co. v. FPC, 534 F.2d 379) holding that a 62% reduction in volumes transported to an industrial customer represented a partial abandonment requiring authorization under Section 7(b) of the Natural Gas Act.

Cerro Wire & Cable et al. and American Bakeries et al. requested the FERC to call an immediate conference for the purpose of requiring Transco to explain in detail the reasons for its interruption of transportation service, to determine whether this interruption comports with the public convenience and necessity, and to reinstate the presently interrupted service pending such determination.

On 1/10/80 Transco moved for summary dismissal of the complaints. Transco stressed that Order No. 533 transportation service is subject to interruption pursuant to contractual arrangements among Transco, end users and end users' distributor-suppliers. Consequently, Transco is not violating any contractual or certificate obligations by interrupting these interruptible services. Moreover, Transco noted, Order No. 533 transportation makes use of temporarily unused pipeline capacity built for -- and dedicated to - serving Transco's commitments to long-term firm service customers. Transco is now required to interrupt these services because its mainline capacity is fully used to render other service obligations of a higher priority. 1/ Under these circumstances, it is "utterly absurd" to suggest that such interruption constitutes an "unlawful abandonment."

Transco also disputed that the D.C. Circuit's decision in Reynolds Metals supports the complainants' position. That decision, Transco stated, involved a permanent reduction in firm service. By contrast, the situation here involves a reduction in interruptible transportation service which will continue only as long as Transco's mainline capacity is fully utilized by other services.

1/ An attachment to Transco's filing indicated that the pipeline's mainline capacity is expected to remain fully utilized until mid-March to meet firm service requests of its resale, direct industrial and firm transportation customers, as well as requests for storage withdrawals under Rate Schedule WSS. In addition, Transco expects utilization of its mainline cpaacity on most days to render interruptible delivery obligations from the Washington Storage Field, or to eliminate an existing temporary imbalance between nominations and withdrawls of storage gas.

Even assuming that the above interruptions in Order No. 533 transportation service were found to violate contractual or certificate obligations, Transco said the requested emergency relief would still be unwarranted because the distributors serving the complainant end users have advised that adequate supplies are available for these customers Hence, there is no threat that any of the industrial users' plants will be forced to shut down for lack of gas supply. Further, Transco noted, in early September it advised all end users, distributors and producers involved in Order No. 533 transactions that mainline capacity limitations were anticipated "on a significant number of days during the 1979-1980 winter season," and that interruption of Order No. 533 interruptible transportation services would be required. This early notification, on its face, "undercuts . . . any claim of dire emergency" except "that brought on by complainants' own failure to give proper attention to Transco's notice."

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More recently, on 1/15/80, the Commission granted Transco's request (CP80-55) to amend 19 certificates for transportation of Order No. 533 direct purchase gas so as to eliminate end-use restrictions. This action was consistent with Order No. 52 (RM80-1), issued 10/5/79, which adopted an interim rule removing conditions on transportation of Order No. 533 gas prohibiting the buyer from using any interstate supplies for other than high priority feedstock or process requirements. The Commission concluded that this end-use limitation placed Order No. 533 customers at a disadvantage in light of the drop in curtailment levels and was contrary to the national need to promote displacement of fuel oil. Accordingly, the interim rule provided that industrial customers may receive natural gas for low priority uses without jeopardizing their right to purchase direct sale gas under Order No. 533. (See REPORT NOS. 1230, pp10-11; 1237, pp16-18.)

Transco requested amendment of the 19 transportation certificates only through the period ending 5/31/80. In support of this limitation, Transco stated that interstate pipelines now have parity of access to onshore supplies and that improvement in the interstate supply situation has substantially mitigated or eliminated the threat of curtailment to high priority industrial uses.

Two of the 19 certificates covered by Transco's application to amend involve transportation for certain of the industrial customers joining in the American Bakeries et al. complaint described above.

FERC Determines Equity Rate of Return of 12.5 Percent for Consolidated Gas Supply and Arkansas Louisiana

On 1/11/80 the FERC issued Opinion Nos. 70 and 71 deciding rate of return and certain other issues in rate proceedings of Consolidated Gas Supply Corp. (RP78-52 and RP79-22) and Arkansas Louisiana Gas Co. (RP77-54 et al.).

In Opinion No. 70, the Commission approved a common equity rate of return of 12.5% for Consolidated Supply in two separate cases covering the period 7/1/78 to the present. Based on the capital structure of Consolidated Supply's parent -- Consolidated Natural Gas Co. -- in the two cases (reflecting a common equity ratio of 53.8% in RP78-52 and 56.1% in RP79-22), this determination resulted in overall rates of return of 10.19% and 10.34%.

The FERC Opinion affirmed the results reached by Administrative Law Judge Stephen L. Grossman in an initial decision issued 7/3/79, although modified some of the details of that decision. (See REPORT NO. 1216, pp19-20.) Among other things, the Commission agreed with the Law Judge in rejecting the company's equity return recommendations in the range of 14.5% to 15.5% because of reliance on studies which examined only the cost of equity of Consolidated Natural and failed to adjust for the lower business risk of Consolidated Supply. Consolidated Natural (through subsidiaries other than Consolidated Supply), the Commission noted, is actively engaged in gas exploration and other production activities involving large capital expenditures and higher risk than traditional utility activities. Consolidated Supply engages in natural gas transmission and distribution, as well as some exploration and development. However, since Consolidated Supply recovers most of its exploration and development expenses on a cost of service basis through tariffs charged to customers for transmission and distribution services, it faces "significantly less risk" with respect to production activities than nonpipeline producers unable to automatically passthrough their production costs in this manner. Further, the Commission added, there is no basis for the contention that Consolidated Supply's customers have benefitted substantially from Consolidated Natural's production activities and hence should bear the risk of these activities through the subsidiary's allowed rate of return. Consolidated Natural is fully compensated for the risks of its production activities through rates charged to Consolidated Supply for gas, the Commission declared. Hence, Consolidated Supply is "properly viewed" as similar in risk to a natural gas pipeline engaged in gas transmission and sale.

The Commission also agreed with the Law Judge that the zone of reasonableness is in the range of 12% to 14% for determining a return on equity for Consolidated Supply. This range, the Commission said, is indicated by final Commission orders fixing equity returns for pipelines since 1977, and is confirmed by other evidence in the record respecting long-term public utility bond yields and composite equity earnings by U.S. industry.

In arriving at a specific equity allowance for Consolidated Supply, the FERC made a separate determination in each case, thereby rejecting the Law Judge's single determination for the two consecutive periods. In both cases, however, the Commission reached the same result. In RP78-52 (applicable to rates which were in effect from 7/1/78 through 6/30/79), the Commission concluded that Consolidated Supply should be allowed 12.5% on common equity -- toward the lower end of the zone of reasonableness -- because of a thicker than average equity ratio and reduced business risks brought about by improvement in the company's gas supply and total gas sales. As a further consideration, the Commission noted that Consolidated Supply plans a reduced construction budget, so that there is no need

for a higher rate of return due to capital requirements which might strain the company's financial resources. In RP79-22 (applicable to rates which went into effect on 7/1/79), the Commission held that the impact of increasing interest rates and bond yields was offset by the continued increase in Consolidated Natural's equity ratio. Consequently, the Commission adopted the same 12.5% return on equity found reasonable in the prior docket.

In Opinion No. 71, the FERC similarly approved a common equity rate of return of 12.5% for Arkansas Louisiana Gas Co. This was somewhat lower than the common equity allowance of 12.75% determined by Administrative Law Judge Isaac Benkin in an initial decision issued 4/26/79. The Commission concluded that the Law Judge gave insufficient consideration to Arkla's relatively high equity ratio of 54%, which served to reduce the company's financial risk. In addition, the Commission disagreed with Judge Benkin's reference to Arkla's need for additional capital to support ongoing exploration and development of gas reserves in the Deep Anadarko Basin. The Commission said Arkla's gas exploration and production operations apparently will be carried out by its affiliate, Arkla Exploration Co. However, even if this were not the case, any gas reserves produced in the future presumably will be sold to Arkla's customers at NGPA prices. Since the new gas prices established by the NGPA are "adequate to compensate producers for the costs and risks associated with producer operations, including the cost of acquiring capital," the Commission did not consider "an increment to Arkla's otherwise reasonable rate of return for pipeline operations to compensate for the cost of capital employed in its production operations . . . to be reasonable or necessary." Accordingly, the Commission declined to allow a higher rate of return in this proceeding as a result of Arkla's possible need for additional capital to undertake gas exploration activities in the Deep Anadarko Basin.

At the same time, the Commission agreed with Judge Benkin's conclusions regarding the inadequacies of the evidence presented by both the company and Staff. Arkla submitted a DCF market-oriented analysis and comparable earnings evidence to support its requested equity rate of return of 15.32%. The Staff recommended an equity allowance of 11.5% on the basis of a comparable earnings study. The Commission said the company's DCF presentation must be rejected because it related to Arkla's overall consolidated activities, with no attempt to separate the risks associated with the company's utility and nonutility operations. However, the Commission declared, the rate of return to be determined in this proceeding should reflect only the risks of Arkla's natural gas pipeline operations. The Commission found Arkla's comparable earnings presentation to be similarly defective in focusing on a group of integrated gas companies which, like Arkla, engage in retail gas distribution and gas exploration and production operations in addition to natural gas transmission. "The result, again, is a potential distortion in the assessment of risk associated with Arkla's natural gas pipeline operations." The Commission also faulted Staff's comparable earnings study of major Class A and B pipelines for failure to demonstrate that risks of this group are representative of those attributable to Arkla's pipeline operations.

A further issue decided by the Commission in both Opinion Nos. 70 and 71 involves the treatment of gains realized by the two pipelines on long-term debt reacquired before maturity at a purchase price below face value. In each case, the Commission adhered to the policy established in 1970 in Opinion No. 583 (re Manufacturers Light & Heat Co.) which held that all gains realized from the reacquisition of debt securities, irrespective of the date reacquired, must be amortized over the remaining life of the reacquired securities, and that the total amortized amount attributable to the test year must be applied to reduce the utility's cost of long-term debt. Arkla contended that no gain on reacquired debt should be

considered for ratemaking purposes, while Consolidated argued that any adjustment to debt cost should reflect only the gain on debt reacquired after 1/1/74 (the effective date of amended Commission regulations prescribing accounting and reporting treatment for gain on reacquired debt) and that application of the policy in Manufacturers would constitute retroactive ratemaking.

The FERC denied any retroactivity involved in application of the Manufacturers policy since there is no alteration of Commission approved rates for past periods. Rather, "debt reacquisitions prior to the test year are examined only for the purpose of determining the amount of gain allocable to th test year. Gain from reacquisitions which is allocable to periods prior to the test year is not recaptured as a credit against the test year cost of debt. Although past financial transactions of the company prior to the test year are examined (just as past financings are used whenever the embedded cost of debt is calculated), it is solely for the purpose of calculating cost of debt for the test year."

* * * * *

A few days previously, on 1/9/80, the FERC denied rehearing of Opinion No. 68, issued 11/19/79, which affirmed an initial decision determining a common equity rate of return of 12.73% for Kansas-Nebraska Natural Gas Co. (RP78-10). The initial decision concluded that neither the company nor the Staff had presented evidence which supported their specific equity return recommendations of 14.5% and 12.25%, respectively. Consequently, while noting continuing inflationary pressures on the cost of capital and the probability of a continuing long-term downward trend in the company's gas reserves, the Law Judge found no reason to change the common equity rate of return of 12.73% approved in Kansas-Nebraska's most recent rate case (RP77-5). 1/

Application of the 12.73% equity allowance to the settlement capitalization in the RP78-10 proceeding -- 40.5% long-term debt, 7.3% preferred stock and 50.8% common equity -- resulted in an overall rate of return of 10.51%.

In denying rehearing of Opinion No. 68, the Commission rejected Kansas-Nebraska's contention that it had ignored changes in interest rates and inflation since 1976, and had ignored prior Commission precedent. "The Commission is aware of inflation and interest rates, but Kansas-Nebraska has not met its burden to show with specificity how these general market conditions support either a rate of return in the very high range for which it argues, or a complete overhaul of rate of return analysis for the gas industry as a whole." In short, the Commission was unconvinced by Kansas-Nebraska's arguments absent a "nexus between generalized proof and the company's own situation," or a substantial showing that precedent should not be followed.

1/ This equity allowance was part of a rate settlement in the RP77-5 proceeding, which was approved by order dated 7/20/77.

ERA Grants Northern Project to Import Canadian SNG by Displacement at Base Import Price of $3.45 per MMBtu

On 1/15/80 the ERA issued Opinion No. 13 granting an application by Northern Natural Gas Co. (78-002-NG) to import about 10 Bcf annually of Canadian SNG by displacement from Union Gas Co. Ltd. over a five-year period beginning in the 1979-1980 heating season at a base price of $3.45/MMBtu, equal to the current authorized Canadian border price, plus storage charges. Opinion No. 13 was issued on rehearing of Opinion No. 5 (issued 3/8/79) which denied Northern's application to import the Canadian SNG at a cost during the first year (1978-1979) of $3.86/MMBtu escalating to $5.33/MMBtu by the fifth year. In Opinion No. 5, the ERA concluded that the import price was too high and Northern failed to demonstrate significant regional or national need for the SNG supply. In Opinion No. 13, the ERA found that the projected composite import price of $4.01/MMBtu for the 1979-1980 heating season (based upon the current border price of $3.45/MMBtu) compares favorably with the cost of primary alternate fuels in Northern's service area, and the SNG is needed in part to displace fuel oil and thereby reduce U.S. dependence on imported oil.

In December 1977, Northern contracted with Union Gas to purchase volumes equivalent to the aggregate Btu content of SNG which Union had previously contracted to purchase from Petrosar Ltd. The SNG is produced at Petrosar's petrochemical-refinery complex near Sarnia, Ontario using Canadian crude oil as feedstock. Deliveries to Northern -- up to 75,000 Mcf -- were to be made only in winter months (November through March), and Union would store SNG volumes received from Petrosar for Northern's account during the remaining months of each year. It was proposed that deliveries be accomplished through displacement of natural gas volumes to TransCanada PipeLines Ltd. at the Michigan-Ontario border near St. Clair, Michigan for further delivery and sale to Union. On days when Northern requested SNG from Union, TransCanada would reduce its deliveries to Union, and Great Lakes would deliver equivalent volumes by displacement to Northern at existing points of interconnection.

In its application, Northern estimated the average cost of the above supply at $3.86/Mcf (U.S.) during the first year, increasing to $5.33/Mcf in 1982-1983. This rate included both the SNG purchase cost and the cost of the storage service to be rendered by Union. The SNG purchase rate would be determined by formula geared in part to Petrosar's feedstock cost. The storage rates would include a monthly demand charge of $2.25/Mcf multiplied by the difference between the daily contract demand (75,000 Mcf) and the average daily level of deliveries under the Petrosar contract to Union during each month, plus commodity charges of 4.5¢/Mcf for all volumes injected into storage and 4.0¢/Mcf for all volumes withdrawn from storage. No charge was proposed by either Great Lakes or TransCanada for delivery of gas by displacement to Northern.

In Opinion No. 5, the ERA stated that the $3.86/Mcf first year cost projected by Northern is sharply higher than the price applicable to domestic new natural gas under Section 102 of the Natural Gas Policy Act ($2.06 as of November 1978). ERA further noted that (1) the proposed import price exceeded the then current authorized border rate of $2.16/MMBtu, and (2) Union offered the SNG to Canadian distributors at a price lower than the price offered to Northern but received no firm offers. As a further reason for denial, ERA held that Northern did not adequately demonstrate a regional need for the subject gas. ERA made clear that denial of Northern's import application was without prejudice in that Northern was free to restructure its project in a manner likely to satisfy criteria set forth in this and prior ERA import decisions.

In its subsequent application for rehearing, Northern stated that as a result of ERA's decision that the cost of the SNG import was too high, it agreed with Union to "a substantially lower price . . . which is demonstrably equitable to U.S. consumers." Specifically, the price to be paid to Union will be the Canadian border export price ($2.30/MMBtu effective 5/1/79), plus 56¢/MMBtu as a storage charge which will remain constant throughout the four-year life of the contract. The 56¢ component is a negotiated charge for storage services to be performed by Union for Northern.

On 5/2/79 the ERA granted rehearing of Opinion No. 5 on the ground that the restructured project may meet the criteria set forth in that Opinion. 1/ (See REPORT NOS. 1149, pp31-32; 1194, pp23-24; 1200, pp18-20; 1204, pp21-23; 1208, pp21-22.)

In Opinion No. 13, the ERA first noted that the base price of $3.45/MMBtu is equal to the current border price established by the Canadian National Energy Board for gas exported to the U.S. designed to equal the substitution value of Canadian imports of foreign crude oil. Previously, the ERA said the DOE has recognized that imported natural gas can have a certain commodity value in excess of normal costs of production, delivery and markup; this has been the case with natural gas imported from Canada since 1974. Moreover, both the U.S. and Canada have recognized that the commodity price established for export sales of gas will not only reflect substitution cost for foreign crude oils imported into Canada, but should be generally competitive with the alternate fuels with which it is competing in the respective service areas.

In order to test this latter point, the ERA contacted energy officials in the 10 states served by Northern to obtain the most current information on wholesale price and type of fuel which competes predominantly with natural gas. That survey, the ERA said, showed that No. 2 fuel oil and propane are the primary alternate fuels in six states, with virtually no No. 6 fuel oil being used therein. No. 2 fuel is a primary alternate fuel in three of the remmaining states, with residual fuel oil used in substantial (although secondary) volumes. The State of Michigan reported Nos. 4, 5 and 6 residual fuel oil as being the primary alternate energy source. The ERA noted that average wholesale prices for No. 2 fuel oil ranged from $4.96 to $7.75/MMBtu; propane varied between $4.20 and $5.08/MMBtu; and residual fuel oil sold for $3.22 to $3.66/MMBtu.

The ERA concluded that while the projected composite import price of the SNG here involved for the 1979-1980 heating season of $4.01/MMBtu is somewhat in excess of the price of the residual fuel oils in the 10-state service area, the proposed composite price compares favorably with the range of prices in which the current primary alternate fuel in the service area -- No. 2 fuel oil -- is selling.

1/ A proceeding in the FERC (CP78-237) is also going forward with respect to rates for sales and storage of the imported SNG. On 9/27/79 Northern submitted a stipulation whereby it agreed to (1) recover through its PGA rate filings the gas purchase costs based on the Canadian border export price, and (2) include in its commodity rate for jurisdictional market area sales (until the effective date of its next general rate increase) a surcharge of $0.0092/Mcf, effective 10/27/79, to recover that portion of the cost applicable to storage service rendered by Union. In subsequent comments, the Staff and others generally supported the stipulation, although the Staff recommended that it be rejected without prejudice to a later filing after the ERA determines whether to permit the import. Alternatively, the Staff would accept the stipulation subject to a different method of computing the storage charge. (See REPORT NO. 1236, pp29-30.)

The ERA authorized import of the SNG at the base price of $3.45/MMBtu, subject to further reivew and authorization for any increase. "A blanket approval of any future change in the Canadian border price for exported natural gas would be inappropriate; accordingly, the composite import price approved here must be reviewed anew if the border price is raised during the term of the import project."

Next, Opinion No. 13 discussed the $0.56/MMBtu charge separately negotiated for specific storage services to be performed by Union for Northern. Northern contended that the current average on-system storage cost incurred to store gas in its company-owned fields is in the range of $0.55 to $0.60/MMBtu -- although no such storage is available for additional supplies. Northern also emphasized that its cost of obtaining lease storage services from other companies would range from $0.90 to $1.10/MMBtu. Hence, while the $0.56 storage fee does not represent Union's cost to store the gas, it is a negotiated price which is consistent with, if not more favorable than, alternative storage services available to Northern.

The ERA stated that as a matter of policy, it will not approve a higher price negotiated by commercial firms where a general commodity-based border price for imported gas is established by the supplying country and approved by the U.S. However, exceptions will be made where the foreign supplier is providing a "special service that is distinct and separate from services which are a normal aspect of production, processing and delivery . . . which would therefore normally be covered in the commodity export price." In this case, the ERA said, Northern adequately demonstrated that the storage service being provided by Northern "is a distinct and separate service that is not ordinarily provided to importers of Canadian gas." First, ERA said, Northern will have the advantage of being able to withdraw the gas supply only during the peak winter months which requires that the SNG be stored during the summer months. "This is a unique service that is not ordinarily covered in the commodity export price." Second, Northern demonstrated that these same storage services would not be obtained in the U.S. at a lower cost.

However, the ERA stressed, Northern did not show that the price proposed to be paid to Union is consistent with its actual costs, and is in fact higher than Union charges its Canadian customers for storage services. Based on such charges, the ERA calculated that the charge to Northern for storing the SNG here involved could be as low as $0.19/Mcf when assessed against the maximum yearly contractual deliveries of 10 Bcf. Furthermore, the ERA added, there is a question of the proper treatment of interest charges which Union incurs on carrying costs associated with storing the SNG which it does not incur for existing storage customers in Canada. Northern proposed to calculate this interest factor on an average unit cost of $4.70 for each Mcf of SNG held in storage. Hence, interest would be determined on the acquisition cost of a single, isolated supply of gas -- the SNG Union purchases from Petrosar -- as opposed to the average acquisition cost of the full supply of gas purchased and placed in storage, despite the standard practice in both countries of computing interest on the average acquisition cost of all gas available for service supply.

The ERA could find "no compeling reason . . . in this case to warrant deviation from this standard." Therefore, the ERA said it will approve a separate storage service charge only on condition that it is the sum of (1) the direct storage costs calculated in accordance with Union's rate schedule applicable to its Canadian customers; and (2) a working capital allowance based on the cost of carrying the volumes of gas held in storage for this project, the average cost of gas acquired by Union for its overall system supply, and the prime bank lending rates prevailing in Ontario, Canada. Opinion No. 13 set forth a specific formula for calculating this working capital allowance.

ERA Cites Uncertainty Over Available Natural Gas Supply in Extending Period for Final Decision on Temporary Exemptions for Powerplants from the Natural Gas Use Prohibitions Under Fuel Use Act

On 1/2/80 the ERA issued notice of an extension of time to 2/15/80 for issuance of final orders respecting temporary public interest exemptions from the natural gas use restrictions of Section 301 of the Powerplant and Industrial Fuel Use Act. ERA cited uncertainty over additional natural gas supplies (due in part to the success of its exemption program and other federal programs) as the chief reason for the extension.

Section 301 of the Fuel Use Act prohibits with certain limited exceptions the use of natural gas as a primary fuel in any powerplant. However, the Act also provided DOE with discretionary authority under Section 311 to exempt certain uses of natural gas. Last April, ERA exercised its authority under that section to formulate a Special Rule establishing procedures to govern applications for temporary public interest exemptions for up to five years from the Section 301 prohibitions on natural gas use. The Special Rule was proposed as a response to the then anticipated shortages of middle distillate fuel oil, given the availability of additional supplies of natural gas at that time. (See REPORT NO. 1204, pp1-2.)

Subsequently, ERA issued notice on 5/11/79 and 6/1/79 of petitions for public interest exemptions filed by some 60 electric utility companies with respect to use of natural gas in several hundred units at over 150 generating stations, and set forth proposed orders granting special exemptions for two years (subject to extension for one to three years). The proposed orders stated that the use of natural gas is preferred over petroleum to the extent that the near-term choice of fuel is limited to these two sources, and that expanded use of natural gas in the powerplants involved would help to reduce U.S. demand for imported petroleum products, protect the nation from the effects of any oil shortages and "cushion the impact of increasing world oil prices." Under Section 701(c)(3) of the Fuel Use Act, ERA has six months after a 45-day public comment period to issue a final decision on petitions for exemptions. The applicable six-month periods would have expired on 12/22/79 and 1/6/80 absent the present extension.

As noted, ERA cited concern over the availability of additional gas supplies as a main reason for its failure to act expeditiously on the exemption petitions. Specifically, ERA declared, additional natural gas supplies are less certain at the present time than at the beginning of 1979 when the Special Rule was first proposed. "This is in large part due to the success of this and other programs over the past several months to displace as much petroleum as possible with available supplies of natural gas." Further, ERA noted some question whether the collective demand for natural gas by users of middle distillates and residual fuel oil with a sulfur content of 0.5% which have already been granted public interest exemptions, or have applications for such exemptions pending, exceeds the available supply.

In view of this uncertainty, ERA said it has thus far processed applications only for those powerplants which will displace middle distillate or residual fuel oil with a sulfur content no higher than 0.5%. No action has yet been taken on other applications, pending completion of an analysis to determine whether the granting of public interest exemptions for powerplants burning residual fuel oil of greater than 0.5% sulfur will jeopardize the ability of powerplants burning lower sulfur residual oil or middle distillates to displace them with natural gas.

ERA invited written comments through 1/30/80 to assist in this analysis. Views are particularly requested on the appropriate scope of the Special Rule in light of natural gas supplies for the foreseeable future, and on what (if any) sulfur levels should be considered in reviewing petitions to use natural gas displacement of residual fuel oil.

FERC Releases Final Draft Rule to Govern Applications for Special Relief Rates Under NGPA; On-the-Record Panel Discussion Scheduled for February 11 Before the Commission to Explore Specific Issues

On 1/16/80 the FERC issued a draft final rule (RM79-67) establishing procedures to govern applications for special relief from maximum permissible ceiling prices under Section 104, 106 and 109 of the NGPA. Written comments are invited on the draft rule by 2/1/80. In addition, an on-the-record panel discussion before the Commission has been scheduled for 2/11/80 to permit exploration of specific issues with persons representing various points of view.

The draft final rule would essentially adopt the same regulatory framework set forth in a proposed rulemaking issued last August. Under this framework, different procedures would apply to the grant of special relief where (1) operation and maintenance costs of continued production from an existing well cannot be recovered if gas from the well is sold at the applicable maximum lawful price, and (2) additional planned investment necessary for continued production or reservoir development will not be made if the producer were held to the applicable maximum lawful price. A public hearing on the proposed rule was held before an FERC Staff panel on 9/26/79, and written comments were submitted by 21 interested parties. (See REPORT NO. 1229, pp12-17.

The draft final rule would incorporate various modifications and clarifications in response to the comments. However, the draft order would continue to exclude "sunk" costs from DCF and other cost computations on which special relief rates would be based. This exclusion of "sunk" was widely opposed by producer parties.

The Commission indicated that four major issues concerning the special relief rulemaking proposal had emerged in the course of deliberations, and that further public comments are requested on these issues.

The four issues relate to: (1) whether any limits should be placed on special relief rates granted by the Director of the Office of Pipeline and Producer Regulation or by the Commission (and, if so, at what levels); (2) whether producers should be allowed to switch from a special relief rate to another incentive rate under the NGPA, or whether such switching should be limited; (3) what procedures should be used for reviewing initially proposed special relief rates on the basis of actual expenditures; and (4) whether a fixed or indexed rate of return should be adopted for planned investment projects.

As noted, the Commission will convene an on-the-record panel discussion on 2/11/80 to explore the above issues. The draft rule has been chosen by the Commission as a vehicle for experimenting with use of the panel discussion technique to obtain public input. Commissioner Hall has been designated to select a panel of representatives with different points of view. Requests to participate in the discussion should be submitted by 2/1/80. Persons wishing to participate should attempt to group themselves on the basis of commonality of interests or provide information that would help in structuring a panel discussion. In addition, Commissioner Hall has been authorized to request the participation of persons whose views may not otherwise be represented but who are not filing written comments. Each

participant in the discussion may present a "very" brief prepared statement on the specified issues and will be asked to respond to questions from the Commission and from other panelists.

The draft final rule will be summarized in a subsequent REPORT.

FERC Schedules Prehearing Conference for February 28 on Proposal by Mobil Oil to Build Own Plant to Process Gas Currently Delivered to Getty Oil for Processing

On 1/14/80 the FERC consolidated -- and scheduled a prehearing conference for 2/28/80 -- applications by Mobil Oil Corp. (CI78-497 et al.), American Petrofina Co. of Texas, Joseph I. O'Neal, Jr. and Walter Duncan et al. to abandon their sales of casinghead gas produced from the Reincke and Von Roeder Fields, Borden County, Texas to the East Vealmoor gas processing plant in Howard County, Texas owned by Getty Oil Co., which delivers the residue gas to El Paso Natural Gas Co.

The producers' behind-the-plant percentage-type sales contracts with Getty have terminated (although the gas is still being delivered to Getty for processing) and Mobil now proposes to build its own gas processing plant to handle the volumes for direct sale to El Paso near the same delivery point used by Getty. The four producers and El Paso have agreed to new contracts covering the proposed direct sale of gas to El Paso.

In support, Mobil stressed that its plant will have a lower fuel consumption rate than Getty's plant, which will result in delivery of an additional 95,000 MMBtu per year to El Paso. Mobil also contended that additional competition in the processing industry in this area could stimulate further economic activities which would benefit the public.

In a petition to intervene and request for hearing, Getty responded that the proposed new plant of Mobil will remove about 12% of the input of the Getty plant, which will substantially reduce its economic life, cause premature abandonment, and will constitute an unnecessary duplication of facilities. Furthermore, Getty said, Mobil has no existing arrangements, plants or gathering facilities which would enable it to continue these interstate gas deliveries if the Getty plant fails. Also, Getty stressed, Mobil may intend to justify a higher price for its gas through the abandonment procedure. Getty added that the proposed new plant may not be economically feasible and the fuel efficiencies of both plants would be reduced if either operates at less than capacity.

In its order, the Commission concluded that a hearing should be held to determine whether the proposed abandonments are in the public interest.

Energy Information Administration Reports Only Slight Increase in U.S. Energy Consumption During First Three Quarters of 1979

On 1/4/80 the Energy Information Administration released the second in a new report series entitled "Quarterly Energy Indicators" which revealed that U.S. energy consumption (stated in equivalent amounts of crude oil) during the first three quarters of 1979 was 0.3% higher than during the same period of 1978. Consumption in the third quarter of 1979 averaged 33.9 million b/d or 2.4% lower than consumption during the third quarter of 1978.

The publication contains summary statistics on U.S. energy consumption, production and net imports during the third quarter of 1978 and the first three quarters of 1979, plus information on total energy consumption and shares of energy consumption by fuel type and major economic sector from 1973 through the third quarter of 1979. The first in this new report series was released by EIA on 1/15/79. (See REPORT NO. 1194, p36.)

During the first three quarters of 1979, the EIA report showed: (1) domestic energy production averaged 4.2% more than the same period of 1978 (natural gas production decreased by 3.4%); (2) net imports were 6.3% lower; and (3) natural gas consumption remained about the same. In the third quarter of 1979, gas consumption decreased 1.5% compared with the third quarter 1978 rate.

The natural gas share of total U.S. energy consumption -- expressed in terms of 12-month moving averages of annual rates -- declined from 30.2% in 1973 to 27.3% in 1976, 26.0% in 1977, 25.5% in 1978 and 25.1% in the first three quarters of 1979.

California PUC Terminates Long-Standing Proceeding to Determine Whether Certain California Gas Producers Should Be Regulated as Public Utilities

On 12/18/79 the California Public Utilities Commission terminated, effective 1/17/80, a show cause proceeding instituted in 1976 to determine whether California gas producers supplying Pacific Gas & Electric Co. should be regulated as public utilities. The PUC cited enactment of the Natural Gas Policy Act of 1978 as the prime reason for its determination that "the public interest will not be adversely affected if this proceeding is discontinued without prejudice to its being reopened at a later time should circumstances so require."

The show cause proceeding stems from a CPUC order dated 7/1/75 which granted PG&E a $36.4 million interim rate increase needed to offset increased costs (from 45¢ to 75¢/Mcf) for purchases of California gas. However, because of the lack of "meaningful evidence" regarding California wellhead production costs, the CPUC simultaneously directed its Legal Division to prepare an order to show cause to be served on all California gas producers serving PG&E. PG&E was also warned against further renegotiation of gas contracts during pendency of the proceeding. The show cause order was issued on 5/18/76, and subsequent orders prohibited PG&E from including any price escalation clauses which would provide for a higher price prior to 6/30/80 in renegotiated contracts. (See REPORT NO. 1010, pp23-24.)

No hearings were ever held in the proceeding.

FERC —
Comments of
AK. of Response
to Draft Sys.
design inquiry

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November 17, 1978

John B. Adger, Jr.
Director
Alaska Gas Project Office
Federal Energy Regulatory Commission
Room 3004
941 North Capitol Street, N.E.
Washington, D.C. 20426

Dear John:

Enclosed are the State of Alaska's comments on the draft report in the system design inquiry. I enclose five copies, but should you need more, please let me know.

Sincerely yours,

Robert H. Loeffler

RHL/kc
Enclosures

cc: All Parties Receiving
Draft "System Design Inquiry" Report

FERC

COMMENTS
OF THE STATE OF ALASKA
IN RESPONSE TO
DRAFT SYSTEM DESIGN INQUIRY

The State of Alaska offers the following comments in response to the September 27, 1978 draft report of the Commission's Alaska Gas Project Office in its system design inquiry ("Draft Report"). The work of the Gas Pipeline Office displayed in the draft report is exceedingly useful but further inquiry is necessary. Alaska believes the further inquiry should occur in a hearing context and in the near future. Conversely, Alaska does not believe that the Commission now has the legal or factual foundation to issue an order establishing the system pressure. Alaska's comments will concentrate on the points that call for additional exploration or revised analysis in the near future.

1) One overall assumption, Alaska believes, colors the analysis. The report seems to assume a netback theory, i.e., that the price of the gas is free to rise to "absorb" any operating cost savings a higher pressure line would engender. The Gas Pipeline Office apparently believes that any decrease in transportation costs would automatically accure to the benefit of producers, not consumers. (See, e.g., Draft Report, p. 58).

Whatever the state of affairs previously, the case after passage of the Natural Gas Policy Act of 1978 is different. Section 109 of the Act establishes a ceiling

price for Prudhoe Bay unit gas. No one knows now whether that will be the ceiling price in fact or if a lower price will be all that purchasers of the gas are willing to pay. In either case, a contractual price will be established and that price will be what the producers receive for Prudhoe unit gas. Since the contracts are likely to be completed well before system design is settled, any reduction of operating costs due to higher pressure will not result in higher prices to producers.

For reserves beyond the control 2.0 bcfd, it is not clear what the pricing constraints will be. No one with sound mental health will predict what the ultimate effect of the "incremental pricing" rules mandated by NGPA will be. Even if a netback analysis is correct, producers would receive no more than the legislatively determined ceiling prices even if the cost of competing fuels were higher. Consumers would receive the benefit of greater gas supplies, both directly and indirectly (via industry). Thus, to the extent a netback theory means that higher prices to producers -- limited always by the ceiling prices of the NGPA -- might stimulate the development of new Alaska supplies and encourage conservation, those consequences should be perceived as benefits, not as detriments.

2) The Report also does not perceive any benefits to gas consumers from the added NGL's carrying capacity of higher (than 1200 psig) pressure lines. (Draft Report, p. 59). The Report reveals that the clear difference among

the various pressure systems in terms of the NGL carrying capacity is that a 1440 or 1680 psig line can carry a higher percentage (i.e. greater amounts) of butane. If the butane is left in the gas stream, its presence will raise the BTU value of the gas. Higher pressure operation would result then in the delivery of higher heating value gas. Gas consumers would receive a direct, valuable benefit: higher heating value than they would otherwise receive because of the presence of natural gas liquids not used for petrochemicals. In a sense, the overall quantity of gas delivered, measured in caloric terms, could be increased with higher pressure operation. So, while higher pressure operation offers the promise of lower transportation costs and greater efficiency with higher throughputs, it also may deliver to gas consumers the immediate benefit of higher gas supplies measured in terms of the heating value of the delivered gas. The gas contracts will shed light on this question but there is no present basis for assuming that butane will be stripped and separately sold.

3) One further aspect of the butane question deserves further thought. The Draft Report indicates that those quantities of butane not injected into the gas stream could be transported in the oil line. But the limiting factor is vapor pressure requirements in California. (Draft Report, pp. 15-16, 17). While existing vapor pressure requirements may not be insurmountable, tighter vapor restrictions by California to protect or improve the troublesome air quality of Southern California would prevent an economic

disposition of the butane that could not be transported in the gas line. A higher pressure line reduces or avoids tying disposition of these hydrocarbons to Southern California air quality.

4) The draft report notes that the removal of very high quantities of CO_2, as required by a one percent CO_2 standard, has the effect of reducing the NGL carrying capability of the gas stream and states that the savings on gas conditioning costs from leaving the CO_2 in the gas is more than offset by reduced transportation efficiency (Draft Report, p. 11). Alaska does not believe the latter conclusion is justified. The question of the appropriate CO_2 standard has never been addressed and examined adequately. The recent Parson's study of the conditioning plant suggests that it is cost effective to go to a less restrictive CO_2 standard. A three percent standard would save ten percent of the capital cost of the conditioning plant and could result in a reduction of the cost of service to the consumer by noticeable amounts. At the presentation of the conditioning study to FERC, representatives of ARCO have also suggested that the whole question of CO_2 removal should be re-examined. The State of Alaska believes that at least a three percent CO_2 standard is indicated. Whether this issue is properly explored as part of the system size inquiry, or during the hearings on system facilities applications is not clear, but at least the issue deserves greater investigation because of the possible consequences on reducing the overall cost of this system.

5) Alaska agrees with the comments herein of Atlantic Richfield. Alaska joins those comments in urging a 1440 psig system. As stated above, the additional NGL's carried by a 1440 system could result in immediate benefits to consumers. Moreover, a 1440 system has the promise of more efficient, lower cost operation as higher throughputs occur. Alaska believes the relatively small additional costs are a worthwhile premium for its future. Alaska does not perceive the necessary testing as favoring a 1260 psig have over a 1440 psig design, especially given the absence of solid evidence about the testing that ccurred and that must occur.

6) A historical reference will show how inverted the pressure question has become and why a 1440 line should not delay the project. During the FPC comparative hearing, Artic Gas and El Paso each proposed a 1680 psig line. Only Northwest, when it made its belated entry, proposed 1260 psig with a later increase to 1440. Everyone conceded that a line anywhere above approximately 1000 psig was a new undertaking, but the higher pressure of the El Paso and Arctic lines was not a significant issue although almost everything else was in that hotly contested hearing. A 1680 psig design was not regarded as calling for unusual testing delays or technological advances. Given the support of the Arctic Gas consortium and El Paso, a 1680 psig design represented the choice of a substantial part of the American natural gas pipelines.

The finding of Judge Litt confirms these facts:

> "Arctic Gas, El Paso and Alcan all propose to operate their pipeline systems at maximum pressures substantially in excess of levels currently in use in the industry. Nothing in the record suggests that these higher operating pressures cannot be achieved with pipe adequately designed for the purpose. This is not to say, however, that Alcan can reliably and economically achieve its suggested performance at 1440 psig with pipe ostensibly selected to operate at a maximum pressure of 1250 psig. It is found that the operating design pressures are logical extensions of existing pipeline operations and can be achieved here by those applicants making proposals to operate at the higher pressure." Initial Decision, El Paso Alaska Company, Dockets CP75-96, et al. (February 1, 1977).

If the President's choice had been otherwise, we doubt that any time would now be spent on the appropriateness of a 1680 design. It is true Northwest was selected but that does not change the critical fact that any pressure substantually above 1000 psig is an advance in existing technology. There is no convincing evidence in the Draft Report of the differentials in technology, if any, required for a 1260, a 1440, or a 1680 psig design. Thus, testing a 1440 system may not be significantly different than testing a 1260 system. This is what Exxon's comments state based on their actual experience with the Arctic Gas tests. (Draft Report, p. 17). Alaska suspects that there may be no actual differentials, but, in fact, the degree of technological advance is relatively the same for each as is the testing required. Similarly, the report does not adequately investigate whether there are differences in risks of cost overrun and delay with a 1440 or 1680 line. A risk assessment

is called for rather than reliance on theory. Choice of a 1440 psig design thus may not be radical but nearly as conservative a choice as the novel choice of 1260 psig.

7) We have seen that the operating assumption of the comparative hearing was that a 1680 line was acceptable and could be proven within the necessary construction timetables. There is record material about the testing requirements for the 1680 line which may not have been adequately mined to date. Nonetheless, Alaska recognizes Northwests' historic reluctance to venture above 1260 psig. What Alaska suggests, therefore, is that the Commission carefully examine the 1440 line.*/ The focus of the investigation revealed in the draft report has been on the comparative merits of the 1680 versus the 1260 lines. As indicated above, the 1440 line has considerable merit both in the early and later years of operation. Alaska believes this investigation could be conducted now on a hearing record in advance of the facilities' applications. Alaska does not believe, based on its

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*/ It has recently come to Alaska's attention that it may be possible to achieve operating pressures approaching 1440 psig by relaxation of the "design factor" for the pipe Northwest proposes to use from .72 to .8. See 49 C.F.R. 192.111. This would not be a substantial change because the "relaxation" is only to the established Canadian standard. A waiver request would have to be presented to the Office of Pipeline Safety but a good case could be made that safety concerns would be satisfied by the relaxed design factor based on the record in Canada. This avenue is worthy of further investigation.

advisors, that the critical constraint or either the financing or planning of the pipeline is a question of system pressure. It is well known to all that gas contracts are a more critical element and that the apparently fragile nature of the gas pipeline financing is due at least as much to externalities to the project as to the project itself.**/

CONCLUSION

Alaska believes very much in the wisdom of proper advance planning for the future. While the Northwest 1260 proposal may appear to be an adequate compromise, based on the lowered expectations of the present, it would very well be less than optimally designed given the potential of Alaskan reserves. The costs of later adding capacity to the gas line are substantial and suggest the advantages of building extra capacity now as an insurance policy.

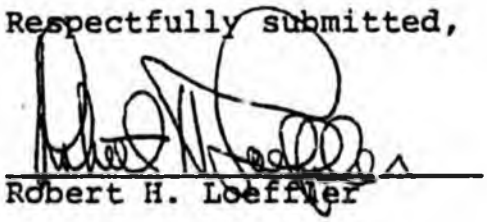
This is the decision reached by the President:

> "overall, considering the art of construction, inflationary impacts, and environmental impacts, the ultimate cost to consumers of providing capacity for increased gas throughout would be much lower if the capacity is provided initially by increasing the diameter or working pressure of the pipe, than if it is provided later by adding compressor horsepower or looping the pipeline." (Decision and Report to the Congress on the Alaska Natural Gas Transportation System, p. 194.)

**/ Alaska believes that it is better to decide the pressure question at a hearing in the near future than to leave the question to be resolved when the applications for the final authorization for these facilities are submitted, perhaps a year or so from now. By then any realistic possibility of increasing system pressure will be foreclosed by the argument that it is too late then to undertake the necessary evaluation and analysis.

For these reasons, Alaska suggests an investigation on the record of what appears to be the obvious advantages of a 1440 psig pipeline and deferral of any order establishing the pipeline's pressure until the completion of such a hearing.

Respectfully submitted,



Robert H. Loeffler

Attorney
for the
State of Alaska

November 17, 1978

FERC-

3/16/79

NOTICE OF

APPLICATION

RECEIVED MAR 2 7 1979

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

FERC

Alaskan Northwest Natural Gas Transportation Company) Docket No. CP78-123, et al.

NOTICE OF APPLICATION

(March 16, 1979)

Take notice th t on March 2, 1979, Alaskan Northwest Natural Gas Transportation Company (the Partnership)1/, P.O. Box 1526, Salt Lake City, Utah 84110, filed in Docket No. CP78-123, et al., an application pursuant to the Alaska Natural Gas Transportation Act of 1976 (ANGTA), the Natural Gas Act, the Decision and Report to Congress on the Alaska Natural Gas Transportation System as ratified by Congress (President's Decision) and the Commission's order vacating prior proceeding and issuing conditional certificate of public convenience and necessity, issued December 16, 1977, for an order approving the design specifications and initial system capacity of the Alaskan segment of the Alaska Highway Pipeline Project, all as more fully set forth in the application which is on file with the Commission and open to public inspection.

The President' Decision described the facilities necessary for the construction and initial operation of the system as follows:

1/ The application indicates that the Partnership is successor to Alcan Pipeline Company (Alcan) which filed its application with the Federal Power Commission (FPC) for authorization to construct a 42-inch pipeline in Alaska to be designed and operated at a maximum working pressure of 1260 psig. This proposal was amended to provide additional expansibility by increasing the pipeline diameter to 48 inches at the same design pressure, it is said.

"...The facilities which are to be covered are those in the U.S. which are adequate for a throughput of up to 2.4 bcfd and are included in the revised Alcan filing submitted to the Federal Power Commission (FPC) in March 8, 1977. If any modifications to those facilities are required by the Agreement on Principles between the U.S. and Canada, those modified facilities will also be entitled to the expedited authorization process in Section 9." (p. 13)

"The gas transportation system will utilize a 48-inch diameter pipeline from Prudhoe Bay to James River, Alberta." (p. 13)

"Peak-day capacity utilizing nine compressor stations will be 2.6 bcfd, with an average daily volume of 2.4 bcfd. By installation of intermediate compressor stations, the system could be increased to 3.4 bcfd peak capacity, with an average day capacity of 3.2 bcfd. The system capacity could be further increased by addition to the compressor horsepower at each station." (p. 17)

The Partnership summarizes its position as follows:

The Partnership requests an order from the Commission approving the design specification for the 48-inch pipeline with a maximum working pressure of 1260 psig and compressor station size and spacing for an initial capacity of 2.0 to 2.4 Bcfd expandable by the addition of intermediate compressor stations to an average daily volume of 3.2 Bcfd. This proposal is the same as was submitted to the Federal Power Commission in March, 1977.

The modification of facilities resulting from implementation of the Agreement on Principles did not affect the Alaskan segment of the project. The pipeline design in Canada commencing at the Alaska/Yukon border and continuing 260 miles to Whitehorse, Yukon, is a 48-inch pipeline with a maximum design pressure of 1260 psig; therefore, any increase in pressure of the Alaskan segment must consider the effect on the Canadian section of the project.

There are two reasons that the pressure for the Alaskan segment of the system might be increased. First is the expection that the volumes of gas available from new reserves (other than the presently proven reserves in the Prudhoe Bay Unit) with as reasonable period of time after deliveries commence is high enough that a higher pressure system might result in lower transportation costs over the life of the project. Second is the desirability of carrying

larger quantities of hydrocarbon liquids in the gaseous phase by increasing the design pressure. The State of Alaska has made available to the Partnership a recent proposal by Earth Resources Company of Alaska to move the location of the conditioning plant from Prudhoe Bay to Fairbanks, Alaska. To avoid building any conditioning facility at Prudhoe Bay the pressure of the pipeline system from Prudhoe Bay to Fairbanks would be increased to 1680 psig which, it is claimed, would accommodate all hydrocarbon liquids. At Fairbanks the plant would not only condition the gas for further transportation by removing carbon dioxide and sufficient hydrocarbon liquids to meet the requirements of the design pressure of 1260 psig to be utilized thereafter in Alaska and in a portion of the Yukon, Canada, but also would remove from the stream most of the ethane and all heavier hydrocarbons. These hydrocarbons would either be utilized within the state, such as for petrochemical development, or delivered by a new pipeline system to tidewater (Cook Inlet) for delivery to U.S. or foreign markets. The State of Alaska has requested that the Partnership delay its filing originally planned for February 1, 1979, in order to address the feasibility of this proposal. ...

The Partnership has concluded and will show herein that the proposed system is the best economic selection for delivery volumes up to 3.4 Bcfd and that there is no new evidence that this expansibility above the expected 2.0 Bcfd to be delivered from the presently proven reserves is inadequate.

As to liquid hydrocarbon carrying capacity the following conclusions are pertinent: (1) the pipeline design at 1260 psig can transport all of the ethane and propane that is available from the conditioning plant. The ethane would be the raw material for any in-state petrochemical development; therefore, the system design permits complete flexibility for ethane extraction in the future to meet the State of Alaska needs, (2) the increase in hydrocarbon liquids, primarily butane, that can be transported in the pipeline by increasing the pressure is about 5-11 thousand barrels per day and is a small volume in relation to the total oil and gas energy to be delivered which has alternative beneficial uses on the North Slope of Alaska, and (3) the increased volume of liquids that could be transported must be extracted in Alaska since the design pressure as approved by appropriate regulatory authorities in the first Canadian section is 1260 psig.

The Partnership has analyzed the proposal by Earth Resources Company of Alaska and has concluded that the necessary result of this proposal will render the primary pipeline project infeasible and, therefore, it should not be given further consideration.

In reviewing the design pressure decision the Partnership states that it has considered the following alternatives to the proposed system:

1. A 48-inch pipeline design for a maximum working pressure of 1400 psig. This system would result from the increase in the pipeline safety code requirement of 72 percent of the calculated design pressure to 80 percent. This alternative would require a change in the pipeline safety code or a waiver by the Department of Transportation. A portion of the system which follows the Haul Road would require a double waiver that the Department of Transportation has indicated would not be granted.

2. A 48-inch pipeline with a maximum working pressure of 1440 psig.

3. A 48-inch pipeline with a maximum working pressure of 1680 psig.

It is indicated that the present proposed system provides capacity equivalent to any of the competitive proposals which were considered by the Commission and the President and that the Partnership is not aware of any changes in circumstances or new additional gas reserve potential which would require reconsideration of the ultimate capacity to be provided by the pipeline system within Alaska.

Accordingly, the Partnership requests that the Commission issue an order accepting the design specifications for the system selected by the President for a 48-inch pipeline with the maximum working pressure of 1260 psig providing an initial system capacity of 2.0 to 2.4 Bcfd with expansibility by the addition of intermediate compressor stations up to 3.2 Bcfd for the Alaskan segment of the Alaska Highway Pipeline Project.

Any person desiring to be heard or to make any protest with reference to said application should on or before April 5,1979, file with the Federal Energy Regulatory Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 1.8 or 1.10) and the Regulations under the Natural Gas Act (18 CFR 157.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding.

Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's Rules. All persons who have heretofore filed need not file again.

Kenneth F. Plumb
Secretary

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Alaskan Northwest Natural Gas)
Transportation Company)

Docket CP78-123, et al

APPLICATION OF ALASKAN NORTHWEST
NATURAL GAS TRANSPORTATION COMPANY
FOR AN ORDER APPROVING THE DESIGN SPECIFICATIONS
AND INITIAL SYSTEM CAPACITY OF THE ALASKAN SEGMENT
OF THE ALASKA HIGHWAY PIPELINE PROJECT

Alaskan Northwest Natural Gas Transportation Company (the Partnership)[1/] pursuant to the Alaska Natural Gas Transportation Act of 1976 (ANGTA), the Natural Gas Act, the Decision and Report to Congress on the Alaska Natural Gas Transportation System as ratified by Congress (President's Decision) and the Commission's Order Vacating prior Proceeding and Issuing Conditional Certificate of Public Convenience and Necessity issued December 16, 1977, hereby applies for an order approving the design specifications and initial system capacity of the Alaskan segment of the Alaska Highway Pipeline Project.

In support thereof the Partnership would show as follows:

I

Background

The President's Decision issued by the President of the United States on September 22, 1977, and approved by Congress on November 22, 1977,[2/] described the facilities necessary for the construction and initial operation of the system. This identification of facilities was required in Section 7(a)(4) of ANGTA. The President's Decision provided that:

1/ The Partnership is successor to Alcan Pipeline Company. Alcan filed its application with the Federal Power Commission on July 9, 1976, for a 42-inch pipeline in Alaska to be designed and operated at a maximum working pressure of 1260 psig. This proposal was amended on March 8, 1977, to provide additional expansibility by increasing the pipeline diameter to 48 inches at the same design pressure.

2/ Public Law 95-158, 91 Stat. 1268.

"... The facilities which are to be covered are those in the U.S. which are adequate for a throughput of up to 2.4 bcfd and are included in the revised Alcan filing submitted to the Federal Power Commission (FPC) in March 8, 1977. If any modifications to those facilities are required by the Agreement on Principles between the U.S. and Canada, those modified facilities will also be entitled to the expedited authorization process in Section 9." (p. 13)

"The gas transportation system will utilize a 48-inch diameter pipeline from Prudhoe Bay to James River, Alberta." (p. 13)

"Peak-day capacity utilizing nine compressor stations will be 2.6 bcfd, with an average daily volume of 2.4 bcfd. By installation of intermediate compressor stations, the system could be increased to 3.4 bcfd peak capacity, with an average day capacity of 3.2 bcfd. The system capacity could be further increased by addition to the compressor horsepower at each station." (p. 17)

The President's Decision, therefore, adopts the system as proposed by the Partnership subject only to the changes which might result from the implementation of the Agreement on Principles between U.S. and Canada. The Agreement between the United States and Canada on Principles applicable to the Northern Natural Gas Pipeline (Agreement on Principles) provided that a technical study group would be established by the governments for the purpose of testing and evaluating various combinations of pressure and diameter "which would achieve safety, reliability and economic efficiency for operation of the Pipeline" (Section 10). The Agreement on Principles also provided that the decision on pipeline specifications would remain the responsibility of appropriate regulatory authorities.

U.S. and Canadian government technical representatives met in order to carry out the obligations of the Agreement. The final results of these discussions are reflected in the Statement of Position Regarding Selection of Pipe for the Whitehorse, Yukon, to Caroline, Alberta, Segment of the Foothills Pipeline System issued by the National Energy Board of Canada (NEB) on February 17, 1978. The NEB provided that an increase in the design pressur to 1680 psig would require thorough testing

estimated by the Canadian companies to delay the project up to two years. Therefore, the NEB did not change the design specifications for the pipeline segment from the Alaska/Yukon border to Whitehorse from the proposed 48-inch, 1260 psig system and selected a 56-inch, 1080 psig for the segment from Whitehorse, Yukon, to Caroline, Alberta, to accommodate reserves from the MacKenzie Delta region of Canada.

In order to resolve the design specifications for the Alaskan segment of the project the Director of the Alaska Gas Project Office of FERC (the Delegate) issued a report on September 27, 1978, and requested comments from the interested parties. Thereafter, the Delegate provided a period for reply comments and held an on-the-record conference among commenting parties on December 15, 1978. At the conclusion of the conference, the Delegate requested the Partnership to examine what would be involved in increasing the system pressure and whether such an increase is necessary or desirable. The Partnership has completed its review and also at the request of the Delegate, has met with several of the interested parties to present the conclusions of this review. The Partnership is now filing this Application for an order from the Commission to resolve the design specifications for the Alaskan segment of the project.

II

Summary of the Partnership's Position

The Partnership requests an order from the Commission approving the design specifications for the 48-inch pipeline with a maximum working pressure of 1260 psig and compressor station size and spacing for an initial capacity of 2.0 to 2.4 Bcfd expandable by the addition of intermediate compressor stations to an average daily volume of 3.2 Bcfd. This proposal is the same as was submitted to the Federal Power Commission in March, 1977.

The modification of facilities resulting from implementation of the Agreement on Principles did not affect the Alaskan segment of the project. The pipeline design in Canada commencing at the Alaska/Yukon border and continuing 260 miles to Whitehorse, Yukon, is a 48-inch pipeline with a maximum design pressure of 1260 psig, therefore, any increase in pressure of the Alaskan segment must consider the effect on the Canadian section of the project.

There are two reasons that the pressure for the Alaskan segment of the system might be increased. First is the expectation that the volumes of gas available from new reserves (other than

the presently proven reserves in the Prudhoe Bay Unit) within as reasonable period of time after deliveries commence is high enough that a higher pressure system might result in lower transportation costs over the life of the project. Second is the desirability of carrying larger quantities of hydrocarbon liquids in the gaseous phase by increasing the design pressure. The State of Alaska has made available to the Partnership a recent proposal by Earth Resources Company of Alaska to move the location of the conditioning plant from Prudhoe Bay to Fairbanks, Alaska. To avoid building any conditioning facility at Prudhoe Bay the pressure of the pipeline system from Prudhoe Bay to Fairbanks would be increased to 1680 psig which, it is claimed, would accommodate all hydrocarbon liquids. At Fairbanks the plant would not only condition the gas for further transportation by removing carbon dioxide and sufficient hydrocarbon liquids to meet the requirements of the design pressure of 1260 psig to be utilized thereafter in Alaska and in a portion of the Yukon, Canada, but also would remove from the stream most of the ethane and all heavier hydrocarbons. These hydrocarbons would either be utilized within the state, such as for petrochemical development, or delivered by a new pipeline system to tidewater (Cook Inlet) for delivery to U.S. or foreign markets. The State of Alaska has requested that the Partnership delay its filing originally planned for February 1, 1979, in order to address the feasibility of this proposal.3/

The Partnership has concluded and will show herein that the proposed system is the best economic selection for delivery volumes up to 3.4 Bcfd and that there is no new evidence that this expansibility above the expected 2.0 Bcfd to be delivered from the presently proven reserves is inadequate.

As to liquid hydrocarbon carrying capacity the following conclusions are pertinent: (1) the pipeline design at 1260 psig can transport all of the ethane and propane that is available from the conditioning plant. The ethane would be the raw material for any in-state petrochemical development, therefore, the system design permits complete flexibility for ethane extraction in the future to meet the State of Alaska needs, (2) the increase in hydrocarbon liquids, primarily butane, that can be transported in the pipeline by increasing the pressure is about 5-11 thousand barrels per day and is a small volume in relation to the total oil and gas energy to be delivered which has alternative beneficial uses on the North Slope of Alaska, and (3) the increased volume of

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3/ The State of Alaska has also requested that consideration be given to reducing the cost of the conditioning plant and increasing the hydrocarbon liquid carrying capacity by increasing the allowable carbon dioxide content of the gas. The increase in hydrocarbon liquid carrying capacity is in direct proportion to the increase in carbon dioxide content, subject to fuel balance changes in the plant. Even considering fuel mix changes the liquid increase is relatively minor. This matter is unrelated to the decision of selection of the design pressure and is therefore better left to contractual negotiations between the shippers, producers and State of Alaska which should be occurring in the near future.

liquids that could be transported must be extracted in Alaska since the design pressure as approved by appropriate regulatory authorities in the first Canadian section is 1260 psig.

The Partnership has analyzed the proposal by Earth Resources Company of Alaska and has concluded that the necessary result of this proposal will render the primary pipeline project infeasible and, therefore, it should not be given further consideration.

III

Alternatives Considered

In reviewing the design pressure decision the Partnership has considered the following alternatives to the proposed system:

1. A 48-inch pipeline design for a maximum working pressure of 1400 psig. This system would result from the increase in the pipeline safety code requirement of 72% of the calculated design pressure to 80%. This alternative would require a change in the pipeline safety code or a waiver by the Department of Transportation. A portion of the system which follows the Haul Road would require a double waiver that the Department of Transportation has indicated would not be granted.

2. A 48-inch pipeline with a maximum working pressure of 1440 psig

3. A 48-inch pipeline with a maximum working pressure of 1680 psig.

In considering these alternatives it is helpful to review the proposals of the three projects which were heard by this Commission and ultimately provided the basis for the selection by the President. The Arctic Gas proposal was for a 48-inch pipeline and a maximum working pressure of 1680 psig. The Arctic Gas System, however, contemplated volumes of 2.25 Bcfd from Alaska and 2.25 Bcfd from the MacKenzie Delta region of Canada. Although the MacKenzie Delta reserves did not materialize as expected, Arctic Gas proposed a minimum of 1.25 Bcfd initially increasing to 2.25 Bcfd in the fifth year of operation from the MacKenzie Delta. Therefore, the Arctic Gas project always contemplated total volumes of 3.5 to 4.5 Bcfd.[4/] The El Paso

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4/ Even though the Alaskan segment (195 miles) of the Arctic Gas project would carry only Alaskan gas the higher pressure syster was selected in order to minimize the number of compressor stations in the Arctic National Wildlife Range.

project proposed a 42-inch pipeline with a maximum working pressure of 1680 psig for volumes of 2.4 to 3.2 Bcfd. The original Alcan proposal contemplated a 42-inch pipeline in Alaska with a maximum working pressure of 1260 psig for initial volumes of 2.4 Bcfd. In order to provide additional expansibility this system was amended to provide for a 48-inch pipeline at the same design pressure for the same initial volume.

These comparisons are significant to show that the present proposed system provides capacity equivalent to any of the competitive proposals which were considered by the Commission and the President. As the Partnership will show, it is not aware of any changes in circumstances or new additional gas reserve potential which would require reconsideration of the ultimate capacity to be provided by the pipeline system within Alaska.

IV

Optimum Design Pressure

In order to select the optimum economic design pressure it is necessary to determine the transportation cost of service at various volume levels and then to analyze the most likely initial volume with a final judgment as to the appropriate expansibility.

A common method for making economic comparisons between various pipeline systems is a graphical analysis as shown on Exhibits Z-4 and Z-5. This type of analysis permits inclusion of all of the variables which affect the cost of transporting natural gas into one common measure, that is, the cost of service per million Btu. These variables include system pressure, compressor station spacing, compressor station size and operation costs, including fuel. Exhibit Z-4 has been prepared based upon capital costs in 1975 dollars as filed with the Commission and adjusted for varying design specifications. A fuel cost of $2.00 per million Btu has been assumed. This fuel cost in 1975 dollars may be high in light of the wellhead price established for the Prudhoe Bay field in the Natural Gas Policy Act of 1978 depending upon action by the Commission to establish regulations concerning the treatment of gathering, processing and compression charges prior to entering the pipeline system. The effect of a lower fuel cost is to increase the volume to be transported at the lowest cost of service for any design pressure. Even though the capital costs are based on 1975 dollars and hence not reflective of current costs, the relative difference in cost of service is still valid for comparison of each system.

Several conclusions are pertinent from this comparison. The minimum cost of service for a 48-inch, 1680 psig system is at a volume of 4.0 to 4.5 Bcfd which is compatible with the original Arctic Gas project proposal. The optimum volume or minimum cost of service for the 48-inch, 1260 psig system proposed by the Partnership is 3.0 to 3.5 Bcfd and is consistent with the Partnership's proposal for ultimately eighteen compressor stations in Alaska for an average daily volume of 3.2 Bcfd. The optimum volume or a minimum cost of service for a 48-inch, 1440 psig system is 3.5 to 4.0 Bcfd. Finally, the point at which the 48-inch, 1260 psig system is equivalent in cost of service to the 48-inch, 1440 psig system is approximately 3.4 Bcfd. Therefore, the 48-inch, 1260 psig system would deliver gas at a lower cost up to this volume.

Exhibit Z-5 has been prepared to show a comparison between a 42-inch, 1680 psig system (El Paso proposed a system of this size and pressure) and the 48-inch, 1260 psig system. This comparison shows that the transportation cost of service is approximately the same with either of these systems throughout the range of volumes transported.

The Partnership concludes that the proposed system without consideration of potential delays is the best economic selection for the Alaskan segment up to a volume of approximately 3.4 Bcfd.

The expected through-put volume is the prime consideration in assessing the expected transportation cost and thereby making the final judgment concerning the system design specifications. The State of Alaska, through its Department of Natural Resources, approved the proposed Producer Operating Plan for Prudhoe Bay in June, 1977. Under the Plan the delivery rate after processing would be 2.0 Bcfd. Providing a pipeline connection to Alaska will undoubtedly result in additional exploration and development and provide substantial additional gas reserves over the life of the project. The timing of these reserves additions is critical to the judgment concerning spare capacity that should be provided in the initial pipeline system.5/ The President's Decision concluded that:

5/ There is no limit to the capacity that can be provided if the pipeline is looped in the future with an additional, integrated pipeline. The issue here is the capacity that can be added with additional compression only.

> "The certain increase in supply from an Alaska gas project is estimated to be 0.7 tcf per year (2.0 bcfd) by 1985. By 1990, a volume greater than 0.9 tcf (2.4 bcfd) might be produced." (p. 90)

Extensive analysis of the proven reserves and deliverability as well as the potential supply was done as part of the FPC proceedings prior to the President's selection. The result of this analysis was expressed by the FPC in its Recommendations to the President dated May 1, 1977, wherein it concluded:

> "... Thus, we find the system should be designed to carry initially 2.0 to 2.5 Bcfd, and be capable of expansion to an additional 1.0-1.5 Bcfd..." (p. I-17)

Utilizing the State approved volume of 2.0 Bcfd, such action taken after the FPC recommendation, the addition of 1.0-1.5 Bcfd of expansibility would result in a total capacity of 3.0-3.5 Bcfd. The proposed ultimate capacity of 3.2 Bcfd for the 48-inch, 1260 psig system is completely consistent with this recommendation.

Subsequent to the FPC recommendation a Report of the Working Group on Supply, Demand and Energy Policy Impacts of Alaska Gas was prepared by several Federal agencies and submitted to the President on July 1, 1977, as part of system selection process. This report estimated that expected additions by 1985 to proved gas reserves in the Prudhoe Bay structure would add deliverability of 0.3 Bcfd (p. 19). The same report contained general estimates of other potential North Slope reserves by three independent groups and concluded that the North Slope is judged to contain major potential reserves (p. 22). The report, however, cautioned that the estimates were not prepared to be used as a basis for pipeline design since exploratory drilling away from Prudhoe Bay is sparse or lacking. The State of Alaska also submitted potential reserve estimates indicating a range of deliverability including the Prudhoe Bay Unit from 2.0 to 4.2 Bcfd with a median of 2.8 Bcfd. These expectations are consistent with the FPC recommendation.

The Partnership is not aware of any developments which would change these prior views and hence urges the Commission to continue to adopt its prior recommendation that the ultimate capacity of the proposed system is adequate.

V

Hydrocarbon Liquids

The State of Alaska has urged consideration of a higher pressure system as a potential advantage to be able to transport a greater volume of hydrocarbon liquids for possible extraction and benefit to the State through development of a petrochemical industry in Alaska. The proposed system can transport all of the material which would be used as a petrochemical raw material that can be made available at Prudhoe Bay and, therefore, does not offer any impediment to the State's present or future plans. The recommended raw material for a petrochemical plant is ethane and the proposed pipeline system can transport all of the ethane or propane that could be available in the gas stream from Prudhoe Bay.

Further, the Partnership believes that the most economic way of selling liquid hydrocarbons, if not used within the State, is by leaving these hydrocarbons in the gas stream and thereby achieving the greatest value for the State.

A higher pressure system would be able to carry some greater volumes of heavier hydrocarbons, primarily butane.[6/] However, these liquids are not useful in a petrochemical plant nor can they be transported in the Yukon, Canada, section of the line which is designed at 1260 psig. Therefore, it is best to retain these liquids on the North Slope for use as fuel, blending with the oil or reinjected into the reservoir.

The Partnership, as requested by the State of Alaska, has analyzed the impact of moving the conditioning plant from Prudhoe Bay to Fairbanks, Alaska. The Partnership has determined that if most of the ethane and all heavier hydrocarbons were removed at Fairbanks the total deliverable energy through the project would be reduced by 20% to 25%. This substantial reduction would render the project infeasible. First, the transportation costs would increase in about the same proportion, thereby jeopardizing the marketability of the remaining gas. Second, the volumes of gas would become small enough that potential purchasers would not be willing to undertake the substantial risks of this project for the supply to be made available.

6/ The increase is about five to eight thousand barrels per day at 1440 psig and eleven thousand barrels per day at 1680 psig which is less than 5% of the total liquid volumes in the raw gas.

The hydrocarbon liquids that would be extracted at Fairbanks, Alaska, as suggested by Earth Resources Company of Alaska would be about 168,000 barrels per day. In contrast, a world scale ethylene plant producing about one billion pounds of ethylene per year requires less than 30,000 barrels per day of ethane. Therefore, even assuming that petrochemical development is feasible there would be over 138,000 barrels per day (less plant fuel) of ethane and other hydrocarbons to transport to tidewater and market.7/ It simply does not make economic sense to extract a substantial portion of the stream to be sold as liquids by other means out of the State of Alaska. The most efficient way for the State to receive the highest value for its product that is not retained for use in the State is to keep it in the gas volumes to be sold through the Alaska Highway Pipeline Project.

The Partnership recommends that the selection of the 48-inch, 1260 psig system should not be revised due to hydrocarbon liquid considerations and that no further consideration should be given to moving the location of the conditioning plant to Fairbanks, Alaska.

VI

Financing Considerations

The selection of design pressure is not only contingent upon the ultimate capacity and transportation costs as analyzed in this application but also the resulting effect on project financability. The President's Decision requires that the Alaska Natural Gas Transportation System be privately financed. The Natural Gas Policy Act of 1978, recently passed by Congress, contains provisions which will assist in accomplishing the private financing of the project. Other matters remain to be resolved including: (1) issues of an incentive rate of return, as presently being addressed in the proceeding in Docket No. RM78-12; (2) approval of the cost of service tariff; and (3) the financial participation of each of the project beneficiaries including the project sponsors, the State of Alaska, major equipment suppliers and the producers. Resolution of these matters represents formidable financing tasks to be undertaken in the immediate future.

7/ Both Bonner & Moore (report dated January 23, 1978, prepared for the State of Alaska on the Utilization of Royalty Gas) and Earth Resources have stated that the feasibility of a petrochemical plant is only possible if all of the hydrocarbon liquids are extracted in order to reduce the unit cost of extraction even though only a small volume is needed for the petrochemical plant feedstock.

Recognizing this financing challenge, the Partnership believes that the imposition of a technological and cost-overrun risk, by increasing the pressure level of the system beyond the point which lenders believe is reasonable, will jeopardize an already difficult financing task. The reduction of volume if all hydrocarbon liquids are extracted would also jeopardize project financing. Imposition of these substantial additional risks is unnecessary since the potential benefits do not appear to outweigh the economic disadvantages, even without consideration of the added burden of financing difficulties. The position, from a financing viewpoint, has been described in the letter from Mr. Michael Stanfield, Vice President of Loeb, Rhoades, Hornblower & Company (Exhibit Z-6 attached hereto).

VII

Meetings With Interested Parties

The operating partner of the Partnership (Northwest Alaskan Pipeline Company) has met with certain of the parties interested in this decision. Meetings were held with representatives of the State of Alaska, Atlantic Richfield Company and the Department of Transportation. The information and conclusions described in this Application were reviewed with each party. No questions arose or new information which alters the Partnership's conclusions as to the appropriate design specifications.

VIII

The names, titles and mailing addresses of the persons to whom all correspondence and communications concerning this Application should be addressed are as follows:

Darrell B. MacKay
Vice President
Northwest Alaskan Pipeline Company
1801 K Street, N.W.
Suite 901
Washington, D.C. 20006

Jack D. Bachman, Esquire
General Counsel
Northwest Alaskan Pipeline Company
P. O. Box 1526
Salt Lake City, Utah 84110

Rush Moody, Jr., Esquire
Akin, Gump, Hauer & Feld
1155 15th Street, N.W.
Washington, D.C. 20005

WHEREFORE, the Partnership respectfully requests that the Commission issue an order accepting the design specifications for the system selected by the President for a 48-inch pipeline with the maximum working pressure of 1260 psig providing an initial system capacity of 2.0 to 2.4 Bcfd with expansibility by the addition of intermediate compressor stations up to 3.2 Bcfd for the Alaskan segment of the Alaska Highway Pipeline Project. The Partnership urges the Commission to approve the order requested herein as soon as possible in order to avoid delay and eliminate uncertainty so that the Partnership may proceed with the steps necessary to finance and construct the system. The Commission has already recognized the importance of such expeditious action in its comments on the President's Decision where it stated that:

> "... Expeditious resolution of the pipe selection is of great importance to the Commission because final certification cannot proceed in its absence." (p. 64)

Respectfully submitted,

Darrell B. MacKay

ALASKAN NORTHWEST NATURAL GAS
TRANSPORTATION COMPANY, THE
PARTNERSHIP

NORTHWEST ALASKAN PIPELINE COMPANY

VERIFICATION

THE DISTRICT OF COLUMBIA §

I, DARRELL B. MacKAY, being first duly sworn on his oath, deposes and says:

That he is Vice President of Northwest Alaskan Pipeline Company and is duly authorized to make this affidavit, that he has read the foregoing and is familiar with the contents thereof, and that the facts and allegations contained therein are true and correct to the best of his information, knowledge and belief.

Darrell B. MacKay

Subscribed and sworn to before me this 2nd day of March, 1979.

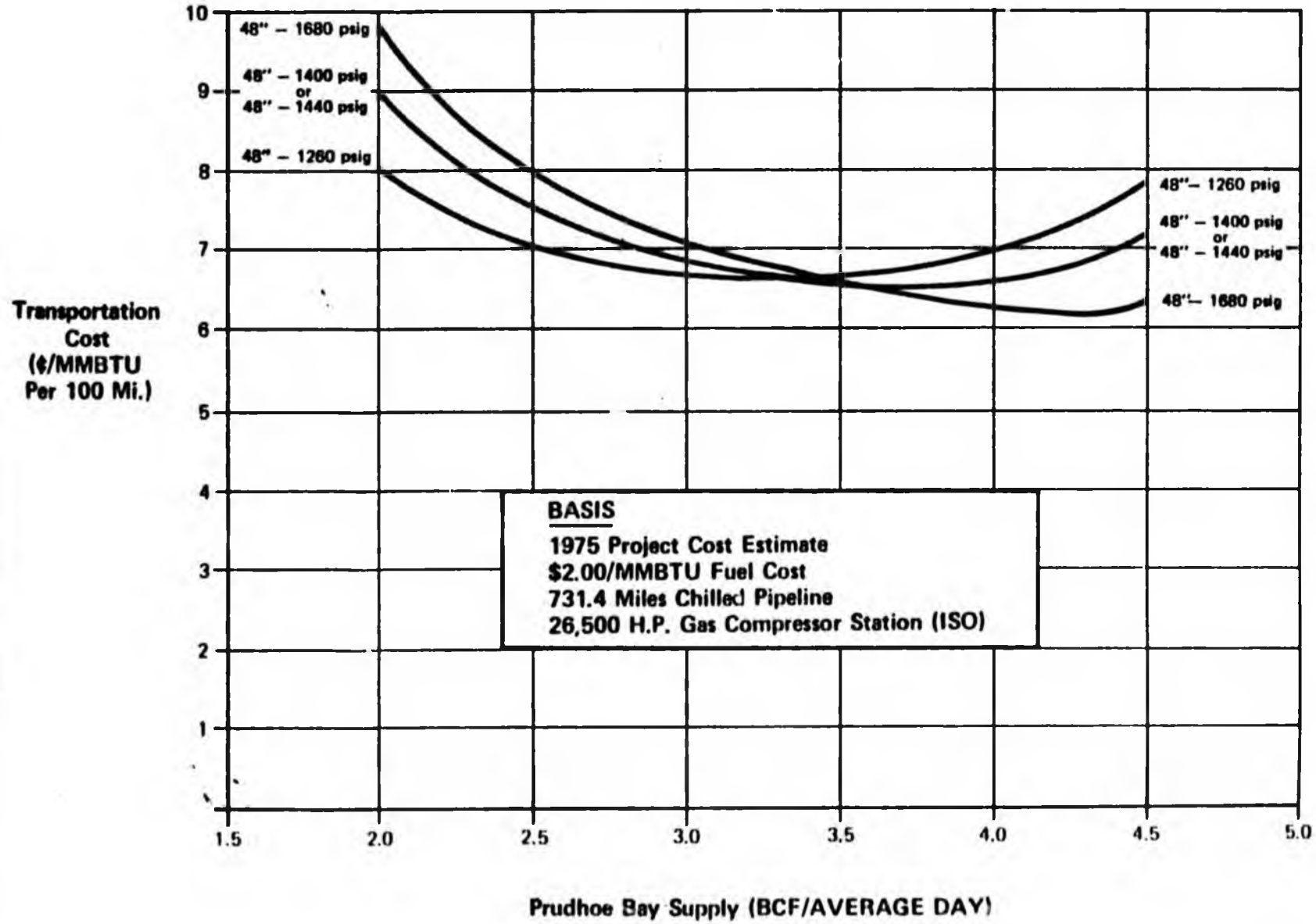
Notary Public

My Commission Expires:
MY COMMISSION EXPIRES JAN. 1, 1984

ALASKAN NORTHWEST NATURAL GAS TRANSPORTATION COMPANY

EXHIBIT Z–4

TRANSPORTATION COST CURVES

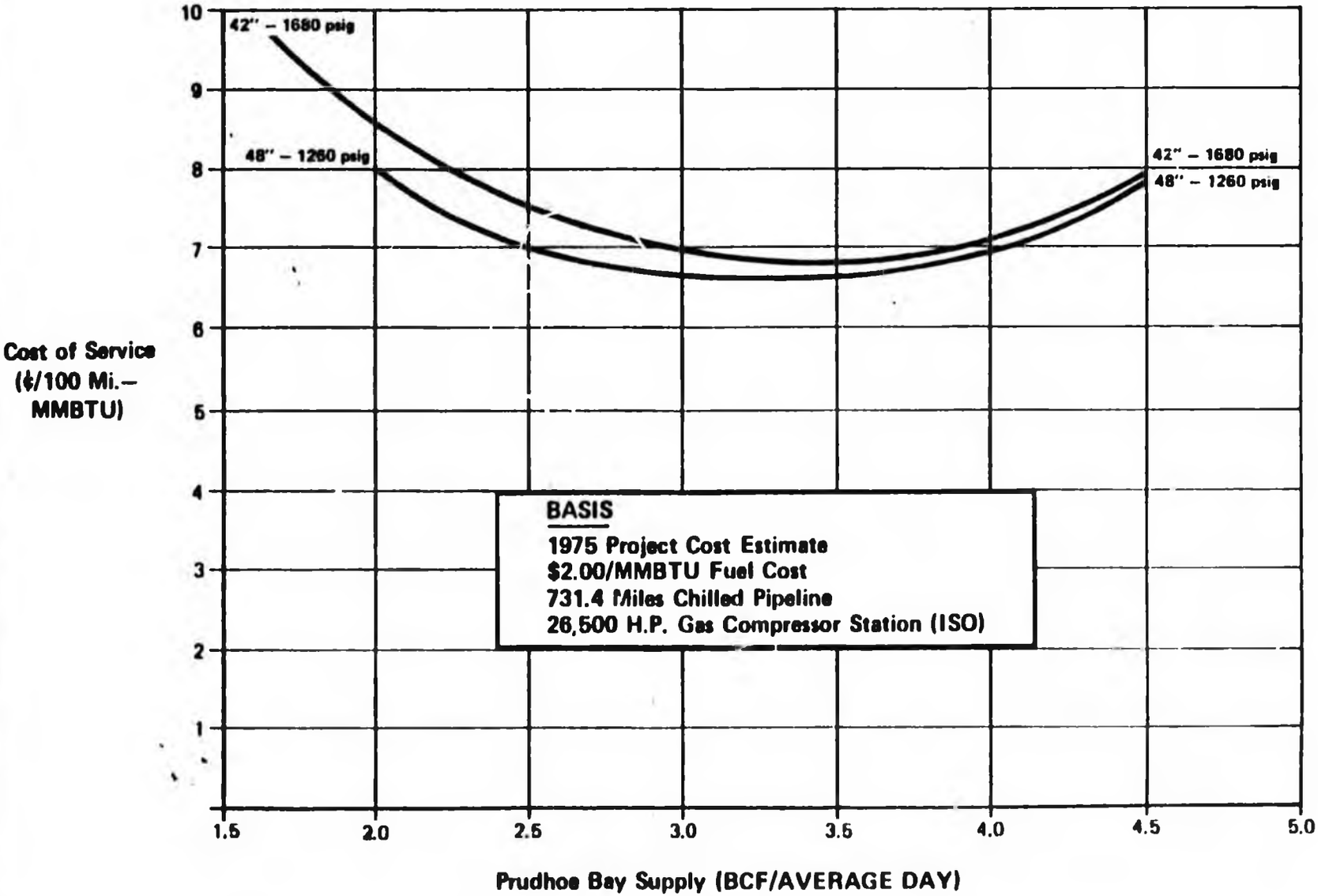


ALASKAN NORTHWEST NATURAL GAS TRANSPORTATION COMPANY

EXHIBIT Z-5

TRANSPORTATION COST CURVES

for 42" and 48" ALTERNATIVES



Loeb Rhoades Hornblower

Loeb Rhoades Hornblower & Co.
60 Broad Street
New York, NY 10004 (212) 785 7400

EXHIBIT Z-6

July 5, 1978

Mr. James W. Allen
Vice President - Finance
Northwest Alaskan Pipeline Company
Post Office Box 1526
Salt Lake City, Utah 84110

Dear Jim:

I would like to respond to your questions regarding the effect higher pressures might have on the financing of the Alaska Gas Project. As you know, throughout the proceedings we have felt that if sufficient conventionality is maintained, the Project could be financed on a project financing basis. This viewpoint has been premised on the Project obtaining the two basic fundamentals of project financing - technical feasibility and economic viability.

I understand that various parties are suggesting that Alaskan Northwest should consider redesigning to a higher pressure (such as 1680 psi). If the fundamental financing structure is changed so that ironclad guarantees from other parties are made available for the Project's debt, then such a redesign is possible. However, if the Project is to be project-financed in a manner consistent with the President's Decision and Report, a substantially different design scenario is highly unlikely to be accommodated by project financing. Let me explain why with references to the fundamentals discussed above.

"Technical feasibility", in lenders' minds, may be paraphrased as "proven technology". Lenders loan money at commercial borrowing rates not at entrepreneurial risk rates. Accordingly, they do not take technological risk. The following examples illustrate the technological step out associated with 1680 psi:

1. The commonly used operating pressures for gas transmission lines does not exceed about 1200 psi worldwide,

2. A major project recently built in Iran was planned at higher pressures, but was redesigned and built at 1100 psi. I understand that the lower design was used due to the fear of ductile fracture. Such risk is compounded in the Alaskan climate

3. Currently no large diameter transmission lines operate at 1680 psi.

4. Exxon and Shell are currently building a line in the North Sea which will operate initially at 2160 psi; however, this line is a blow-down line (decreasing pressures without compression) which operates above 0° C. and which was not project financed.

Additionally, the Canadian participants in the Alaska Gas Project have been profoundly opposed to higher pressures from the outset. The burden of trying to convince lenders to the Alaska segment to assume a technological risk that the equity participants in Canada will not accept is not practical. Lenders will not step substantially into untried technological territory in a project financing of this magnitude.

Let me now turn to the economics of the Project. Lenders and equity holders must view the Project on the basis of the currently proven reserves, not on the basis of projected reserves. Additionally, the cost of service effect of additional capacity availability without additional throughput will endanger the economics of the Project. Lenders will recognize that the current design plan is consistent with both the FERC (at that time, FPC) and U.S.G.S. recommendations.

This Project currently is burdened with all too many unknowns and variables. To add the risk associated with possible excess capacity to the Project will further complicate financing.

Further, one must consider the equity holders' position. The equity holders are currently subject to a reduction in the return on the equity component of the capitalization in the event of service interruption or throughput declines. If the perceived fear of interruption is higher under the higher pressure case, then the chances of equity holders taking the same degree of risk at 1680 psi as at 1260 psi is small. In other words, absent some sharing of risk by consumers and FERC, I question the enthusiasm equity partners will indicate towards investing in the higher pressure system.

In conclusion, I would like to make a general comment. Over the life of this Project, we have strived to imaginatively structure the financing to provide for private financing. However, lenders

will only take a limited amount of risk, and we cannot expect the lending community to break from traditional rules to finance this Project. I urge you to strongly indicate our concern that a substantial technological jump cannot be achieved in the Proje t if private financing, as currently planned, is to be achieved.

Sincerely yours,

MICHAEL R. STANFIELD
Vice President
LOEB RHOADES, HORNBLOWER & CO.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding in accordance with the requirements of § 1.17 of the Rules of Practice and Procedure.

Dated at Washington, D.C. this 2nd day of March, 1979.

Darrell B. MacKay

FERC –
Pipeline Design
+ Capacity –
Comments of
AK
4/15/79

FERC

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Alaskan Northwest Natural Gas Transportation Company--- Pipeline Design and Capacity	)))	Docket No. CP78-123, et al.

COMMENTS OF THE STATE OF ALASKA

The State of Alaska ("Alaska") offers the following limited comments on the Delegate's Report on pipeline size and operating pressure for the Alaska segment of the Alaska Natural Gas Transportation System. Alaska adopts its comments filed April 5, 1979, as amplified and modified below.

Alaska recognizes, and appreciates, the Commission's concern for expeditious resolution of the issues surrounding the Northwest project. To a significant degree, Alaska shares the desire of the Commission for rapid decision making. For example, although Alaska had different views on the incentive rate of return than the Commission adopted, Alaska recognizes that the issues -- for the most part -- were matters of judgment and policy, ones that even if Alaska had had more time to comment, the final decisions were still within the Commission's discretion.

But in some areas quick and summary resolution is not compatible with either fairness or accuracy. Although a rulemaking proceeding can swiftly clear away non-contested areas, or resolve matters that will always be, in the last resort, subjects of the Commission's discretion, it simply cannot paper over serious questions of fact. When, during comments on rulemaking, a serious and substantial question of fact arises, the Commission cannot choose the assertions it wishes to believe. Not only will wishing not make it so, but also Commission policy and judgment will most probably not be realized in fact. One such question of fact arose during the comments on the CO2 standard concerning lower-48 practices. The actual practice in the lower-48 not only affected the allocation of costs between the Project and the producers, but also influences the Commission policy not to burden on lower-48 consumers with unnecessary costs.*/

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*/ For example, to the extent that CO2 is 'removed' from LNG storage in the lower-48, the removal at Prudhoe Bay is simply an extra cost that may be borne by lower-48 consumers.

One other factual problem which also is of the same nature has arisen in this proceeding, relating to liquids carriage and the location of the conditioning plant.

Alaska has consistently taken the position that one of its prime concerns, and a concern of significance to the Commission, is preserving the option of maximum liquids transportation. And, related to this is the primary concern of both the Commission and Alaska that the entire system, both the conditioning plant and the pipeline, be constructed in the most efficient and least expensive manner practicable.

Unfortunately, a major component of the entire system's cost has not been adequately considered by the Commission. As a result, this Commission lacks complete information on not only a key feature in the design of the entire system, but also a major component of the financing cost of the entire project, and of the quality of the gas and gas liquids that could be made available not only to Alaska but lower-48 consumers as well.

In addition, lack of detailed information has severely hampered Alaska in deciding whether, to what degree, and on what conditions it will actively support this Project. Alaska even has a problem in deciding what it could trade-off if such trade-offs became necessary, because of confusion in the record and elsewhere as to what is practically available to all parties.

For these reasons, and in light of the Delegate's comments in his report on liquids' questions, Alaska wishes to present here an outline of its understanding of the "facts" of liquids' transportation, and some of the questions it has, and asks the Commission or other parties to correct on the record any mis-impressions Alaska may be under.

Alaska understands that a 1260, 48", 1% CO2 line could, as a practical matter, transport all the ethane, all the propane, and up to 25% (9,000 bbl/day) of the butane that could potentially be made available from Prudhoe Bay Unit.*/ Alaska also understands that raising the CO2 content of the pipeline will not significantly increase the liquids' carriage of the line, except insofar as more mcf's overall are transported.

With regard to liquids, however, the question is whether the maximum amount of liquids will be made available at the inlet

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*/ Alaska understands that the chart attached as Exhibit B to our reply comments, which show a greater amount of butane being able to be transported, is, as a practical matter, impossible to obtain because some pentanes plus will remain with the sales gass, lowering the available capacity for other liquids.

to the pipeline. This is primarily due to: (1) the need for field and local fuel; (2) the need to supply TAPS with fuel; and (3) the process used to strip CO2 from the raw gas.

The Parsons design plans to condition the gas in a two-stage process. First, the gas will be chilled to -30°, which will drop out most of the butane, most of the pentane, about 60% of the propane, and very little of the ethane. The second stage is the removal of the CO2. The process chosen by Parsons is the SELEXOL CO2 removal process, which is a physical absorption system. One effect of this system is that 1/3 of the available ethane will be stripped along with the CO2 and, to the extent CO2 is not put in the pipeline, that ethane is lost to downstream use.

After stripping the CO2, the conditioned gas has a severely reduced liquids' ratio: ethane is reduced from 6.48% to 4.47% (with the remaining ethane mixed up with the CO2); propane is reduced from 3.48% to .08%, and butane is reduced from 1.66% to .03%.

At this point there are possible reblendings of the stripped propane and butane back into the conditioned gas before it enters the pipeline. This does not apply, however, to the lost ethane, which follow the extracted CO2.

Under the Parsons primary blending plan, 40 MMSCFD with a BTU content of 858 will go to TAPS, 399.4 MMSCFD with a BTU content of 825 will go for field fuel, and 192 MMSCFD with a BTU content of 475 will be used for local turbine fuel, and 56.7 MMSCFD with a BUT content of 212 will be used for local heater fuel. Except for TAPS fuel, the primary source of the field and local fuel will be the CO2/ethane stream, spiked as necessary with propane to reach the higher BTU requirements as necessary. Butane apparently is unacceptable for spiking pruposes, primarily because of surging.

Because of the need to spike the CO2/ethane stream to variously higher BTU contents, under half of the available propane will be injected into the sales gas stream. (24,270 bbl/day out of an available 52,350 bbl/day).

Although a rise to a 3% CO2 level would increase the propane in the pipeline gas by about 15,000 bbl/day, the amount of ethane would stay about the same, and the amount of butane would decrease (because more propane would take up the available space).

The major remaining problem is disposition of the butane. Since butane will not be used for field or local fuel, the only remaining place for butane is: (1) pipeline gas, (2) TAPS; or (3) reinjection. One problem with a 1260, 48" line is that even with the reduced amount of propane made available, at least 15%

of the butane cannot be placed in the gas pipeline. But in order for the butane to be transported through the TAPS line, the oil must be cooled substantially to meet the vapor pressure requirements of both the TAPS line and California. This requires field costs of approximately $60 million, along with additional costs in TAPS for the increased wax-buildup and other problems.

Therefore, it appears to Alaska that if present plans progress, the option of liquids' transportation sufficient to make a petrochemical industry feasible even if the option were more attractive in the future than now is severely, if not fatally, hampered. The selection of a physical, rather than chemical, absorption process is one problem. A chemical process could make available all the ethane, not just 66%; however, a chemical process, Alaska has been informed, requires 10-15% more fuel, is more expensive, and will have some adverse effects in meeting the field and local fuel problems. Although the field is designed to take alternatives to the proposed fuel stream, even if, say, methane is used, the present CO2 process would have to be completely changed to recover all the ethane.*/

Second, even if the conditioning plant could provide the line with all it could handle, most of the butane would be lost to the gas stream. Further, a substantial portion of butane is lost under any scenario for blending of the liquids.

Third, the location of a conditioning plant is also an issue; the material to be submitted by Earth Resources (i.e., the Litwin Study), indicates that substantial savings may be possible by locating the conditioning plant at Fairbanks and building a higher pressure line from Prudhoe to Fairbanks. Although Alaska recognizes that there would be added costs as well, and that it may be that when all problems are considered, including such things as field fuel, CO2 disposal, the accuracy and applicability of the Litwin study, etc., a conditioning plant at Fairbanks is infeasible, Alaska is not satisfied that the matter has even been addressed in any rigorous manner, although it hopes that it will be either here or in the environmental analysis to be conducted.

If there is to be any possibility that Alaska will participate in pipeline financing, the action must not only be economically attractive, but also politically and popularly attractive to the citizens of the state. One of the hopes of a major segment of the Alaska citizenry is the possibility of a major liquids'

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*/ This is not to say that the Commission has jurisdiction over the plant but only to suggest a total system approach is lacking.

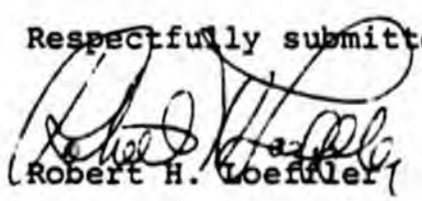
extraction and petrochemical facility in the Interior. In addition, although the present prevailing wisdom is that a petrochemical facility based upon the gas stream is economically infeasible, no one can predict the petrochemical future in the next 10 years, much less over the major portion of this pipeline's life.

Alaska believes that, where possible, the option of future liquids' transportation sufficient to support a petrochemical industry be kept open. Unfortunately, given both this Commission's present speed-up and the piecemeal resolution process, an overall resolution of all the competing problems if the present course continues is highly improbable.

Alaska would suggest that where problems like this arise, the Commission either hold hearings on particular factual matters where a factual conflict appears on the record; conduct an independent investigation to ascertain the correct answer; or devise some means of resolving the conflict rather than arbitrarily picking or choosing. Second, Alaska would also suggest that the Commission consider on the record matters which may not be directly before it in a narrow sense, since everything the Commission does impacts upon many other matters, such as financing and liquids, so that parties may have a complete understanding of where they stand and can make changes based both upon that understanding and upon an assurance that the Commission has considered their particular problems in some detail.

Finally, with regard to a final order on pressure and size, Alaska, without answers as to the relative expense of a conditioning plant at Fairbanks, the trade-offs of the costs of a higher pressure line, higher CO2 content, alternative CO2 removal systems, and other matters, cannot take an unconditional position. Neither, Alaska believes, can the Commission.

Respectfully submitted,



Robert H. Loeffler

MORRISON & FOERSTER
1025 Connecticut Avenue, N. W.
Washington, D. C. 20036

Attorney
for the
State of Alaska

VERIFICATION

DISTRICT OF COLUMBIA: ss

Robert H. Loeffler, being first duly sworn, deposes and says that he is an attorney for the State of Alaska, that he is authorized to execute, verify and file this document for, on behalf and in the name of said State; and, that he has examined the statements set forth herein and that the same are true and correct to the best of his knowledge, information and belief.

Robert H. Loeffler

SUBSCRIBED AND SWORN TO
before me this 2nd day
of July, 1979.

Notary Public

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all parties included on the service list in this proceeding in accordance with the requirements of Section 1.17 of the Rules of Practice and Procedure.

Dated at Washington, D. C. this 2nd day of July, 1979.

Robert H. Loeffler

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Alaskan Northwest Natural Gas) Docket No. CP78-123, et al.
Transportation Company)

COMMENTS OF THE STATE OF ALASKA ON THE DESIGN SPECIFICATIONS AND INITIAL SYSTEM CAPACITY OF THE ALASKAN SEGMENT OF THE ALASKA HIGHWAY PIPELINE PROJECT

The State of Alaska ("Alaska") offers the following comments on the application of Alaskan Northwest Natural Gas Transportation Company ("the Partnership") for an order establishing the size and pressure of the Alaskan segment of the Alaska Highway Pipeline Project. The application, which was placed on public notice March 16, 1979, seeks an order establishing a maximum working pressure of 1260 psig and a size of 48-inches for the Alaskan segment.

As both the application and notice of application properly state, Alaska has been closely concerned with the possibilities for productive use within Alaska of natural gas liquids from the North Slope. This concern reaches not only the liquids' carrying capacity of the line, but also the location of the conditioning plant as it is affected by size and pressure considerations. And, Alaska has always favored the common sense approach of planning now for the future so that the line as built will be able to carry additional gas reserves should they become available. Alaska has worked closely with the Partnership to resolve these issues without foreclosing any realistic opportunities that would favor the utilization of liquids in Alaska.

As part of this effort, Alaska requested of the Partnership confirmation of the statement in the application that the proposed pipeline can transport all the ethane and propane that could be available in the gas stream from Prudhoe Bay. A copy of Alaska's request is Exhibit "A" hereto. The Partnership promptly responded by letter of its Vice President, Regulatory, Environmental and Civic Affairs. A copy of the response is Exhibit "B" hereto. Alaska requests

that the exchange of correspondence be brought to the Commission's attention when it acts upon the application.[1/]

Alaska has reviewed the application and associated material and has made the following assumptions as to the scope of the Order requested by the partnership.

Based on the representations of the Partnership stated in Exhibit "B," Alaska is presently satisfied that its concerns with liquids' carriage do not conflict with the entry of the requested order establishing size and pressure. If, in the future, other professional data should become available to Alaska which seriously conflicts with the representations in Exhibit B, Alaska then would have to consider whether to seek an appropriate procedure for the satisfactory resolution of the conflict. Alaska does not seek such a procedure now and does not expect to seek one in the future.

Alaska also shares what it believes is the operating assumption of all concerned: that the conditioning plant will be located at Prudhoe Bay. Alaska believes that all recognize that this matter will not be settled until gas sales contracts are negotiated and the Commission releases an Environmental Impact Statement concerning the alternative locations and configurations of the conditioning plant. If the contracts or the Environmental Impact Statement (or both) should establish that a place other than Prudhoe Bay is the most desirable site for the conditioning plant, or that a different configuration for the plant is more desirable, the Commission would have to ensure that the most desirable alternative were pursued. As part of this effort, the Commission might have to reconsider its pressure decision, at least with respect to the segment between Prudhoe Bay and the preferred site for the conditioning plant.

Alaska also understands that the matter of a minimum Btu requirement for pipeline quality gas will not be considered or established by the Commission in acting upon this application. This may fall within the omnibus tariff proceeding, the gas sales process, or, conceivably, elsewhere.

1/ The Alaska Gas Pipeline Office has conducted an informal inquiry on size and pressure questions. Alaska, among other parties, filed comments and participated in a conference that the Office called upon the subject. The Office also issued a draft report on this subject on September 27, 1978. Alaska recommends that the materials assembled in this inquiry be made a part of the official record of this proceeding.

Finally, Alaska is concerned with the CO_2 standard to be established for transportation of the North Slope gas. Alaska assumes that this matter also is not within the scope of an order establishing size and pressure, but will be resolved in the contracts, in the tariff proceeding, or in an entirely separate proceeding devoted to this question. In its reply comments in RM79-19, Alaska has urged a more liberal CO_2 carriage standard and a specific inquiry devoted to the question of the proper CO_2 standard. Alaska renews this suggestion and urges that it be pursued separately and apart from the conditioning cost proceeding.

Based on the stated assumptions as to the scope of the requested order, Alaska supports the application of the Partnership for an order establishing size and pressure.2/

Respectfully submitted,

Robert H. Loeffler

ISHAM, LINCOLN & BEALE
Suite 701
1050 Seventeenth Street, N.W.
Washington, D.C. 20036

Attorney
for the
State of Alaska

April 5, 1979

2/ Alaska respectfully requests that it be advised should any of these assumptions be incorrect so that it may then consider whether another procedure is indicated to protect its interests.

EXHIBIT "A"

ISHAM, LINCOLN & BEALE
COUNSELORS AT LAW

1050 17th STREET, N.W. SEVENTH FLOOR
WASHINGTON, D.C. 20036

TELEPHONE 202-833-9730

CHICAGO OFFICE
ONE FIRST NATIONAL PLAZA
FORTY-SECOND FLOOR
CHICAGO, ILLINOIS 60603
TELEPHONE 312-782-7500
TELEX: 2-5266

March 23, 1979

Darrell B. MacKay
Vice President
Northwest Alaskan Pipeline Company
Suite 901
1801 K Street, N.W.
Washington, D.C. 20036

Dear Darrell:

The Application of Alaskan Northwest Natural Gas Transportation Company for an Order Approving the Design Specifications and Initial System Capacity of the Alaskan Segment of the Alaska Highway Pipeline Project states that the 1260, 48" line could carry all the ethane and propane, and most of the butanes, that could be made available from the Prudhoe Bay Gas Stream, whether or not the conditioning plant made those amounts available. Application, 9. As you are aware, the amount of liquids able to be transported past Fairbanks is of vital concern to the State. Assuming this to be the case, then many of the State's concerns about the pressure and size of the line are alleviated, for the focus is then shifted to the amount of gas liquids that the conditioning plant will inject into the sales gas stream.

Unfortunately, beyond conclusory statements and summaries, there is no information in any public record which would allow an independent evaluation of your assessment of the liquids question. Since the matter is of vital concern to the State, we request that you make available to us sufficient detailed information which would allow an independent evaluation by a qualified engineer or other professional of the accuracy of your assessment.

Since the matter is of public concern to the State, we intend to make both the independent evaluation and your information a matter of public record.

Thank you for your consideration in this matter.

Sincerely yours,

Robert H. Loeffler

RHL/kc

Attorney

NORTHWEST ALASKAN PIPELINE COMPANY

1801 K Street, N.W.
Washington, D.C. 20036
(202) 466-5850

March 27, 1979
RECA 79-1065

Robert H. Loeffler, Esq.
Isham, Lincoln & Beale
1050 17th Street, N.W.
Suite 701
Washington, D.C. 20036

Dear Bob:

The purpose of this letter is to respond to your request of March 23, 1979, for additional documentation concerning the statement in the Application of Alaskan Northwest Natural Gas Transportation Company for an Order Approving the Design Specifications and Initial System Capacity of the Alaskan Segment of the Alaska Highway Pipeline Project that

> "... the proposed pipeline system can transport all of the ethane and propane that could be available in the gas stream from Prudhoe Bay." (p. 9)

Attached are two exhibits which show the basis for this conclusion. Exhibit I summarizes the volume of liquids which would be transported in the pipeline at a design pressure of 1260 psig without regard to the conditioning plant process. Column (b) shows the gas composition at the point in the field where the oil and gas are separated. This composition was taken from the September, 1978 study report "Sales Gas Conditioning Facilities, Prudhoe Bay, Alaska" by the Ralph M. Parsons Company. Column (c) shows the barrels per day of ethane and heavier hydrocarbon liquids that would be contained in a total volume of raw gas of 2.8 Bcf per day. These calculations are determined from standard densities for each component. The volume of 2.8 Bcf per day is the approximate field production required to deliver 2.0 Bcf per day of conditioned gas in accordance with the Operating Plan approved by the State in June, 1977. Column (d) shows the quantities of liquids that would have to be removed to accommodate the hydrocarbon dew point specifications of -10°F at 1000 psia for the design pressure of 1260 psig. The basis of these calculations is described in connection with Exhibit II. It is important to

note that these volumes are determined without regard to equilibrium calculations related to a specific process. In actual practice some amount of ethane and propane would be removed and some amount of pentanes and heavier components would remain in the gas. This variation does not detract from the conclusion that the pipeline system at 1260 psig could transport all ethane and propane that is available in the raw gas. Column (e) is the difference between Columns (c) and (d) and shows the quantity of liquids that are available for fuel at Prudhoe Bay, for extraction at any point along the pipeline system in Alaska or for retention in the gas stream.

Exhibit II shows the phase envelope for a gas composition based on reducing the carbon dioxide content and removing the liquids shown in Column (d) of Exhibit I but retaining all of the ethane and propane in the pipeline gas stream. As described previously, this composition will be affected by the process utilized to condition the gas. For example, some amount of ethane and propane will be removed from the raw gas and consumed as local fuel irrespective of the gas conditioning process method actually employed. Any such reduction in ethane and/or propane content of the sales gas allows some additional butanes to be carried in the gas pipeline without exceeding the hydrocarbon dew point specification. However, this illustration shows the theoretical maximum amount of ethane and propane that could be made available to the pipeline. It can be seen that this mixture meets the required hydrocarbon dew point specification of -10°F, 1000 psia required to prevent retrograde condensation in the transmission system. A similar phase envelope for a similar mixture was previously submitted by EXXON to FERC April 3, 1978 (Figure 2, Curve 2 of the EXXON response).

We believe that the enclosed information is sufficient for an independent evaluation of these figures by a qualified engineer. I would like to reiterate as stated in our Application that since the recommended raw materials for a petrochemical plant are ethane and propane we are not inhibiting the State's flexibility to develop a petrochemical industry, at any time,

EXHIBIT "B"

if it is feasible. We continue to believe that the State will realize the most value from liquid hydrocarbons that are not utilized within the State by leaving these hydrocarbons in the gas stream for resale as part of the Alaska Highway Pipeline Project. We have no objection to your making this material a matter of public record and believe that it fully supports our position.

Very truly yours,

NORTHWEST ALASKAN PIPELINE COMPANY

Darrell

Darrell B. MacKay
Vice President, Regulatory,
Environmental and Civic Affairs

DBM/dm

Enclosures

NORTHWEST ALASKAN PIPELINE COMPANY

NATURAL GAS LIQUID AVAILABILITY

Line No.	Components	Separator Off-Gas Composition Volume %	BARRELS PER DAY: Liquids Available From 2.8 BCF/D Of Off-Gas	BARRELS PER DAY: Liquids Removed For 1260 PSIG Pipeline Design	BARRELS PER DAY: Liquids Available For Fuel, Extraction Or Retention in the Gas
	(a)	(b)	(c)	(d)	(e)
(1)	CO_2	12.63	-	-	-
(2)	Nitrogen	0.47	-	-	-
(3)	Methane	74.15	-	-	-
(4)	Ethane	6.48	115,470	0	115,470
(5)	Propane	3.48	63,830	0	63,830
(6)	i-Butane	0.49	10,680	5,340	5,340
(7)	n-Butane	1.1[illegible]	24,580	12,290	12,290
(8)	i-Pentane	0.27	6,590	6,590	0
(9)	n-Pentane	0.49	11,830	11,830	0
(10)	Hexanes+	0.37	10,141	10,141	0
(11)	TOTAL	100.00	243.121	46,191	196,930

EXHIBIT "B"

3/26/79

NORTHWEST ALASKAN PIPELINE COMPANY

EXHIBIT II

PHASE ENVELOPE FOR MIXTURE CONTAINING
ALL OF THE ETHANE AND PROPANE AND
50% OF THE BUTANES AVAILABLE FROM
PRUDHOE BAY SEPARATOR OFF-GAS

	MOLE %
METHANE	85.81
ETHANE	7.50
PROPANE	4.03
I-BUTANE	.29
N-BUTANE	.67
CO_2	1.16
NITROGEN	.54
TOTAL	100.00

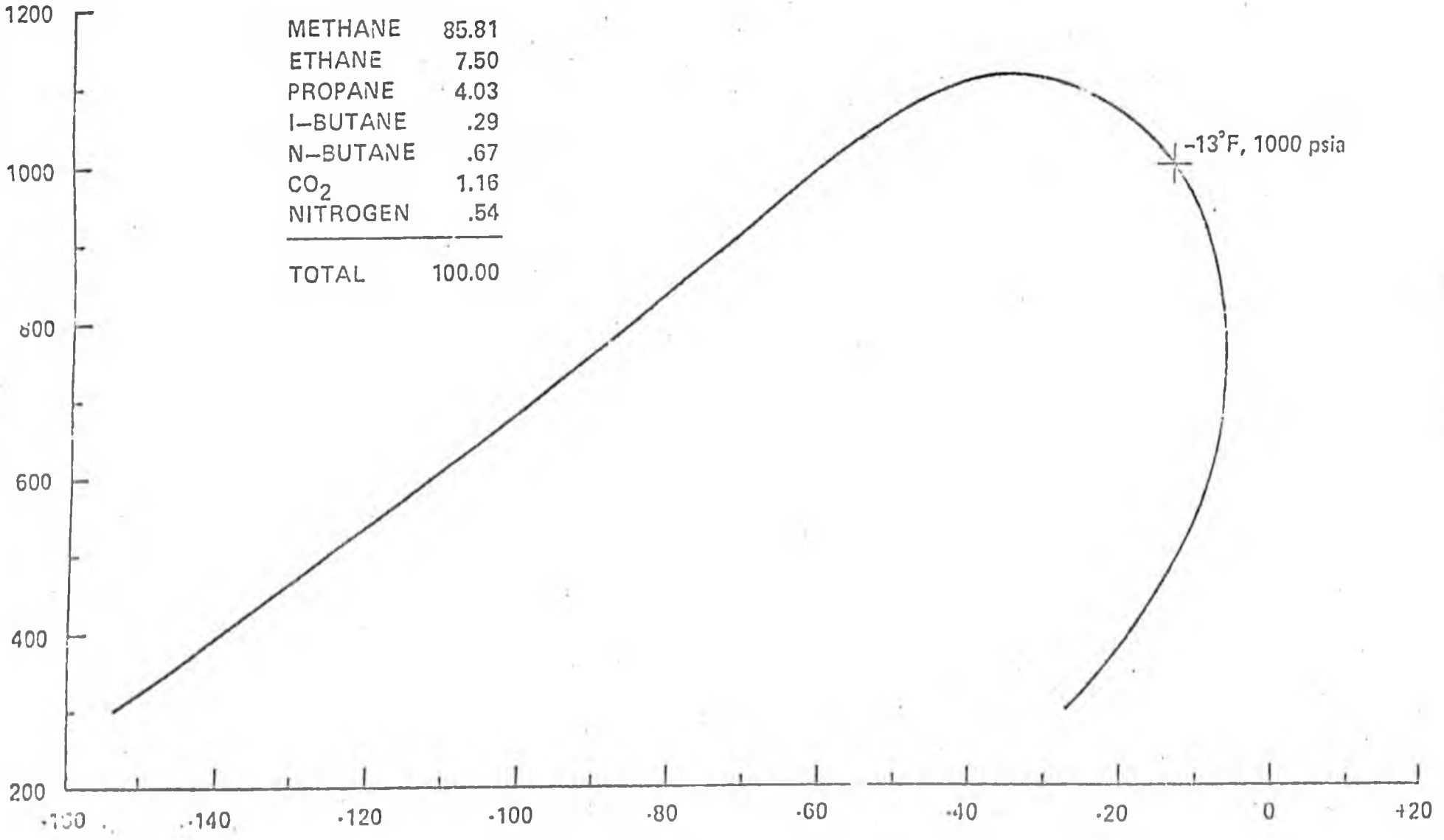


EXHIBIT "B"

3/26/79

VERIFICATION

DISTRICT OF COLUMBIA: ss

Robert H. Loeffler, being first duly sworn, deposes and says that he is an attorney for the State of Alaska, that he is authorized to execute, verify and file this document for, on behalf and in the name of said State; and, that he has examined the statements set forth herein and that the same are true and correct to the best of his knowledge, information and belief.

Robert H. Loeffler

SUBSCRIBED AND SWORN TO
before me this 5th day
of April, 1979.

Notary Public

My Commission Expires September 14, 1982

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all parties included on the service list in this proceeding in accordance with the requirements of Section 1.17 of the Rules of Practice and Procedure.

Dated at Washington, D.C. this 5th day of April, 1979.

Robert H. Loeffler

FERC-

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of NW NAT

GAS

Commerce Building, San Antonio, Texas 78205. This Supplemental Remedial Order charges T–C Oil Company with pricing violations in the amount of $1,150,852.95 caused by T–C having made sales of crude oil at prices in excess of those permitted under the Federal Energy Administration (now the DOE) price rule in 10 CFR 212.73. ERA maintained that the overcharges were the result of T–C's characterization of certain "old" crude oil as "new" and "released" crude oil based upon T–C's interpretation of the term "property."

A copy of the Supplemental Remedial Order, with confidential information deleted, may be obtained from Wayne I. Tucker, District Manager, Southwest District Enforcement, Department of Energy, Economic Regulatory Administration, P.O. Box 35228, Dallas, Texas 75235, or by calling (214) 749–7626. On or before June 15, 1979, any aggrieved person may file a Notice of Objection with the Office of Hearings and Appeals, 2000 M Street, NW., Washington, D.C. 20461, in accordance with 10 CFR 205.193.

Issued in Dallas, Texas, on the 22nd day of May, 1979.

Wayne I. Tucker,

District Manager, Southwest District Enforcement.

[FR Doc. 79-16075 Filed 5-30-79; 8:45 am]

BILLING CODE 6450-01-M

Federal Energy Regulatory Commission

Advisory Committee on Revision of Rules of Practice and Procedure, Subcommittee on Ex Parte and Separation of Functions Meeting

May 25, 1979

Pursuant to provisions of the Federal Advisory Committee Act (Pub. L. 92–463, 86 Stat. 770), notice is hereby given that the Subcommittee on Ex Parte and Separation of Functions of the Advisory Committee on Revision of Rules of Practice and Procedure will meet on Friday, June 1, 1979 from 1 p.m., at the Federal Energy Regulatory Commission, 825 N. Capitol St., N.E., Hearing Room G, Washington, D.C. The urgency of the subject matter of the Subcommittee's work as well as the unavailability of Subcommittee members after June 8, 1979 requires scheduling of this meeting on June 1, 1979 notwithstanding the abbreviated notice period.

The purpose of the meeting is to prepare a report of the Subcommittee's recommendations concerning *ex parte* and separation of function matters. It is anticipated that the Subcommittee Report will be presented to the full Advisory Committee at a meeting which has been scheduled for June 8, 1979.

The meeting is open to the public. A transcript of the meeting will be available for public review and copying at FERC's Office of Public Information, Room 1000, 825 N. Capitol St., N.E., between the hours of 8:30 a.m. and 5:00 p.m. Monday through Friday except Federal Holidays. In addition, any person may purchase a copy of the transcript from the reporter.

Kenneth F. Plumb,

Secretary.

[FR Doc. 79-16083 Filed 5-30-79; 8:45 am]

BILLING CODE 6450-01-M

[Docket No. CP78-123 et al.]

Alaskan Northwest Natural Gas Transportation Co.—Pipeline Design and Capacity; Notice of Delegate Report and Order Inviting Comments

Issued May 17, 1979.

The Commission is issuing for comment a report submitted to it by its Alaskan Delegate. The report discusses the pipeline size and operating pressure for that segment of the Alaska Natural Gas Transportation System (ANGTS) which is to be constructed in Alaska by the Alaskan Northwest Natural Gas Transportation Company. In addition to other applicable law, this order is issued pursuant to the mandate of Section 9 of the Alaska Natural Gas Transportation Act, 15 U.S.C. § 719(g), and the President's *Decision and Report to Congress on the Alaska Natural Gas Transportation System (Decision)*, which mandates expeditious resolution of the matters discussed in the Delegate's report.

A. Background

On March 2, 1979 the Alaskan Northwest Natural Gas Transportation Company (Alaskan Northwest) filed with the Commission an application for an order to approve design specifications and initial system capacity for that portion of the ANGTS which is to be built by the applicant.[1]

Pursuant to Commission regulations, notice of the application was issued on March 16, 1979. Alaskan Northwest requests prompt action on its application so that it may proceed with steps necessary to financing and constructing the portion of the ANGTS for which it is responsible.

The Alaskan Delegate has submitted to the Commission a report concerning the diameter and maximum allowable operating pressure of the pipeline which is the subject of Alaskan Northwest's application. With respect to the design of the gas pipeline, the Delegate's report states that a 48-inch diameter was determined under the terms of the *Decision*. The Delegate's report states that with respect to the issue of what the maximum allowable operating pressure of the pipeline should be there is a three-fold question: given the extensive record already compiled in this proceeding,[2] whether significant new evidence is available on likely throughput volumes from the North slope which would be served by this system since the time of the *Decision* that would suggest that an operating pressure of greater than 1260 psig should be authorized. The Delegate states that he believes there is no new information and that the Commission should authorize a maximum allowable operating pressure of 1260 psig for the pipeline.

The Commission is issuing the Delegate's Report for comment by all parties of record in this proceeding. Comments should be filed by July 2, 1979. The parties may also file comments on Alaskan Northwest's application of March 2, 1979. Any party of record perceiving the need for a hearing to determine either the diameter or the maximum allowable operating pressure of the gas pipeline which is the subject of Alaskan Northwest's application should file a request to that end, by July 2, 1979, specifying the issues to be presented for determination and a brief summary of the evidence which the requesting party would present. The request should include a statement of all issues of material fact allegedly in dispute, and provide a reasonable justification as to why these issues cannot be fairly and adequately resolved on the basis of the record compiled before Judge Litt, the President's *Decision*, and the Delegate's Report.

Finally, the Commission notes that the sole issues that it intends to resolve through the procedures set forth below are: (a) the pipe diameter, and (b) the operating pressure, of the Alaska

[1] The portion involved is that segment of the ANGTS described in the President's *Decision* as lying within the State of Alaska. *Decision* at 6–7.

[2] That record includes the *Initial Decision* of the Commission, *In re El Paso Alaskan Co., et al.*, Docket No. CP75–96, *et al.* (Feb. 1, 1977), FPC *Recommendation to the President* (May 1, 1977), and the *Decision*.

[3] A copy of the Delegate's report is attached to this order. The views expressed therein do not necessarily reflect the views of the Commission.

pipeline segment discussed herein. In particular, the Commission does not intend to decide, on the basis of comments filed in response to this order, the issue of the appropriate CO_2 standard for the gas transported through the ANGTS.

The Commission orders: (1) The Alaskan Delegate will serve copies of this Order, and of his report, on all parties to Docket Nos. CP78–123, *et al.*

(2) Parties of record in Docket Nos. CP78–123, *et al.* may submit comments on the Alaskan Delegate's report, and on the March 2, 1979 application filed by Alaskan Northwest Natural Gas Transportation Company. Such comments may be filed on or before July 2, 1979, and should be served on all parties of record in Docket Nos. CP78–123, *et al.* The comments may address any issue of fact, law or policy pertinent to the matters raised in the report and the application.

(3) Any party of record in Docket No. CP78–123, *et al.* may file, on or before July 2, 1979, a request for an evidentiary hearing to determine the diameter or maximum allowable operating pressure of the gas pipeline described in Alaskan Northwest's March 2, 1979 application. Such request must specify the issues to be presented for determination at such a hearing, including a statement of all issues of material fact allegedly in dispute; a brief summary of the evidence that the requesting party would present; and a reasonable justification as to why such a hearing is necessary and why the issues cannot be fairly and adequately resolved on the basis of the record compiled before Judge Litt, the President's *Decision*, and the Delegate's Report. Copies of the request should be served on all parties to Docket Nos. CP78–123, *et al.*

By the Commission.

Kenneth F. Plumb,

Secretary.

Report of the Alaskan Delegate on the System Design Inquiry

I. Introduction

In his *Decision and Report to Congress on the Alaska Natural Gas Transportation System* the President said, "[t]he gas transportation system will utilize a 48-inch diameter pipeline from Prudhoe Bay to James River, Alberta * * *"[1] except as "* * * modifications to those facilities are required by the Agreement on Principles between the U.S. and Canada * * *." [2]

The *Decision* also said, "[the] facilities * * * are those in the U.S. which are adequate for a throughput of up to 2.4 [billion cubic feet per day] bcfd and are included in the revised Alcan filing submitted to the Federal Power Commission (FPC) in [sic] March 8, 1977." [3]

The report which accompanied the *Decision* went on to say, however, that—

> * * * Alcan should consider increasing the operating pressure and wall thickness of its 48-inch diameter pipeline in order to allow for more efficient increases in throughput rate for additional reserves which might be committed to the system from either Alaska or Canadian sources.[4]

The report also noted that—

> Overall, considering the arctic construction, inflationary impacts and environmental impacts, the ultimate cost to consumers of providing capacity for increased gas throughput would be much lower if the capacity is provided initially by increasing the diameter or working pressure of the pipe, than if it is provided later by adding compressor horsepower or looping the pipeline.[5]

After observing that the Agreement with Canada provides for use by Canada of the main line at a throughput up to 1.2 bcfd, the report concluded "* * * redesign of the system to enable inexpensive expansibility up to 3.9 to 4.0 bcfd south of Whitehorse, Yukon Territory, is essential." [6]

Accordingly, the Agreement on Principles provided for installation of a higher capacity system than that which had been proposed by the project sponsors for the segment which is to carry both U.S. and Canadian gas volumes, to be installed between Whitehorse, in the Yukon Territory, and the bifurcation point at James River, Alberta. The Agreement also provided for a technical study group to evaluate the alternative higher capacity systems which had been discussed by negotiators for the two countries in the course of reaching the Agreement.

U.S. and Canadian government technical representatives began meeting soon after the U.S. Congress approved the *Decision*. U.S. representatives favored a 48-inch pipeline system with a higher maximum allowable operating pressure, 1680 pounds per square inch guage (psig). They thought that the higher pressure system would require an increased investment, but would be more fuel-efficient than one of lower pressure.[7] For their part, Canadian representatives consistently expressed reservations about safety and reliability aspects of the higher pressure system, and the accuracy of the capital cost estimates for it, since it represented a greater technological step away from the present level of maximum operating pressures, which is about 1100 psig. Their preference was always for a larger diameter alternative with the same or slightly lower operating pressure.[8]

Due to the nature of their reservations and the risk of possible delays associated with testing the higher pressure system, the Canadian National Energy Board (NEB) chose a 56-inch diameter, 1080-psig system for the joint-use section. Consistent with all prior statements, their Statement of Position evidenced considerable concern over the safety and reliability aspects of the high-pressure design, plus concern over the adequacy of cost estimates and construction schedules for that system due to increased technological risks.

The Canadian decision also had the effect of narrowing somewhat the options for system design north of the joint-use section, compared to what the options might have been at the time of the *Decision*.[9] The options for the segment north of the Whitehorse then became the 1260 psig system proposed by the sponsoring companies, or a thicker walled 48-inch pipeline which would operate at a higher pressure.[10] The higher pressure choices seem to be the 1680 psig system, which had been the design of one of the competing proposals and has been favored by two of the three principal North Slope gas producers, and (2) an intermediate design which would operate at between

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[1] *Decision and Report to Congress on the Alaska Natural Gas Transportation System*, p.13. Herein referred to as "the *Decision*."

[2] *Ibid.*

[3] *Ibid.*

[4] Report accompanying *Decision* at 193.

[5] *Ibid.*, p. 194.

[6] *Ibid.*, p. 190. "The system" in this context refers to Alcan's March 8, 1977, proposal; the redesign south of Whitehorse refers to the agreement with the Canadian Government to use a higher capacity system between Whitehorse and the bifurcation point.

[7] At higher throughput volumes, the fuel savings more than offsets the increased investment costs of the higher pressure system, resulting in lower unit transportation charges.

[8] Increasing the diameter of the pipeline system for a given operating pressure and throughput rate also increases operating efficiency. However, for the alternative systems evaluated by the technical study group, the larger diameter systems were consistently less fuel efficient than the higher pressure system. Furthermore, the capacity of the larger diameter systems to carry natural gas liquids (NGL's) is less than that of the higher pressure one for any given operating temperature.

[9] The ability of the 56 inch system to transport NGL's limits the NGL's content in the gas stream delivered to it. Thus, increasing system pressure to increase NGL's carrying capacity is pointless beyond the limit imposed by the 56 inch system.

[10] Section 3 of the *Decision*, "identification of facilities included within Construction and Initial Operation' ", specifically references a 48-inch diameter pipeline from Prudhoe Bay to James River, Alberta except as modifications are required pursuant to the Agreement on Principles between the U.S. and Canada.

1400 and 1440 psig. As the lea time associated with full evaluation of either of these higher pressure alternatives could also affect the schedule for project implementation in this country, the Alaska Gas Project Office (AGPO) undertook this inquiry in an effort to facilitate a final FERC decision on the maximum allowable operating pressure.

Our process for studying the pressure question was to discuss it with interested parties and to prepare independent calculations of the expected transportation costs at different throughput rates, utilizing the alternative system configurations. We issued a draft report on the system design on September 27, 1978. We then provided a period for comments on the draft report and held an on-the-record conference among interested parties on December 15, 1978. At that conference I developed a proposition for resolution of the pressure question which served as the basis for the project sponsors' filing of March 2, 1979.[11]

This report summarizes the positions of the parties as expressed in our discussions with them, their comments on our draft report, and their remarks at the conference. It then presents the AGPO's findings and relevant findings in the *Initial Decision* in *El Paso Alaska Company, et al.*, Docket No. CP75-96, *et al.* (hereinafter referred to as the *Initial Decision*), the FPC *Recommendation to the President*, and the *Decision*.[12]

After my draft report had been circulated and comments initially solicited, a study of the required Prudhoe gas conditioning facility,[13] sponsored by a group of producers and pipeline companies, was made available to me. This study has not been formally filed with the Commission, nor evaluated by other experts. However, I believe it to be the most authoritative and accurate compilation and analysis of information available on the requirements for processing and conditioning the Prudhoe Bay gas, a on the characteristics of the sales g stream. As the report was made available to me in my capacity as the Commission's Alaskan Delegate, it appears in my public file and is available for inspection by any interested party or member of the general public in the Commission's office of Public Information.

The results of the study clarified certain concerns, and obviated others, particularly with respect to the disposition of the natural gas liquids (NGL's). I have maintained my description of the concerns expressed to me, but have tried to note the impact of the study results on those concerns as appropriate. I have also added a section to this report which applies the results of the study to the questions being considered here.

II. Positions of Interested Parties [14]

1. *State of Alaska.* Alaska conditionally supports a pipeline with a maximum operating pressure of 1260 psig.[15] Its support is conditioned upon the validity of certain assumptions mentioned in its comments on the project sponsors' March 2, 1979, application, all of which I believe to be true.

The State's principal objectives as expressed to us concerned the developing of an in-state manufacturing base to smooth out the "boom or bust" cycles of raw materials production industries. In the case of the Prudhoe Bay hydrocarbon resources, the State would like to develop a capability to convert some of these hydrocarbon resources into semi-finished and finished products. The State has previously used agreements for the sale of its royalty oil to encourage construction of additional refinery capacity in Alaska. An idea being discussed by State officials was development of a capability to manufacture various petrochemicals, which in part would use NGL's as feedstocks.

The State contracted with the consulting firm of Bonner and Moore for an analysis of the possibility of a world scale petrochemicals plant to be located in Fairbanks. The petrochemicals facility chosen for study would use ethane as a feedstock. At the time we talked with State officials, the State had no specific plans for utilization of propane and heavier NGL's but expressed a willingness to develop such plans if required to achieve their objectives with respect to in-state use of some of the Prudhoe Bay resources.

Additionally, State authorities expressed an interest in maximizing recovery of the total energy resources of the Prudhoe Bay deposit. The modes of disposition of produced hydrocarbons are:

(1) Transportation through the oil pipeline or a new NGL's pipeline,

(2) Transportation through the gas pipeline,

(3) Use within the field as fuel for production and processing and conditioning facilities,

(4) Fuel use for pump stations on the oil line and compressor stations on the gas line,

(5) Reinjection, and

(6) Some combination of the above.

The distribution of the NGL's among these various dispositions is a function of the designs of the oil pipeline and the gas pipeline, and of production and processing and conditioning facilities on the North Slope. It will not be completely settled until the designs for all of these facilities have been finalized. State officials expressed an interest in transportation of the NGL's away from the North Slope in order to deliver them to higher value uses. State officials were also concerned that any disposition of gas or NGL's by reinjection could cause some loss of ultimate recovery of that which is reinjected.[16]

Although the increased ability of the higher pressure alternatives to transport NGL's out of Alaska favors higher pressure, other aspects of the State's overall energy strategy place them beyond the [illegible].

The concern is over the impact of gas production on oil recovery. The State conservation authority now expects that there will be sufficient gas available for sale from the Prudhoe Bay Main Pool [illegible] to support gas sales of 2.0 bcfd. However, there is a small possibility that the total production history of the reservoir will require a reduction in the level of [illegible]. As this possibility is small, as I would accept Boroughs circumstances which cannot

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[11] See "Application of Alaska Northwest Natural Gas Transportation Company For An Order Approving the Design Specifications and Final System Economics of the Alaska Segment of the Alaska Highway Gas Pipeline Project," filed in Alaska Northwest Natural Gas Transportation Company, Docket No. CP78-123, *et al.* on March 2, 1979. This application was noticed by the Commission on March 13, 1979.

[12] The *Initial Decision* and the present report must not be considered as an expression of the Commission's views, which can be expressed only by the Commission itself. Any statements in this report which might be construed as predictive of the Commission's future action on the pending applications have been made only as required by the Commission in order to fulfill its responsibilities under the Natural Gas Act.

[13] "Alaska Gas Conditioning Facility, Prudhoe Bay, Alaska," The Ralph M. Parsons Company, September, 1978 Study Report. The sponsors were 7 producing companies and 11 natural gas transportation companies. The study is referred to herein as "the Parsons study."

[14] During the course of our investigation, interested parties were submitted written materials, or [illegible] in response to our requests. All of these [illegible] to the official docket of the proceedings [illegible] in all proceedings in Docket Nos. CP78-123, *et al.*, or Docket No. [illegible]. Those [illegible] are available for inspection by any member of the public in the Commission's Public Reference Room [illegible] Commission Order of December 10, 1979.

[15] Alaska's support is based on the Prudhoe Bay Royalty Oil and Gas Leases executed by the Commissioner of the Alaska Department of Natural Resources, the Prudhoe Bay Unit Agreement, and the Prudhoe Bay Unit Operating Agreement. See also Alaska Northwest Natural Gas Transportation Company, Docket Nos. CP78-123, *et al.*

[16] I have no quarrel with the concept of recovery of as many Btu's as is economically feasible, but I do not believe that it is necessary that the same amount of energy could be consumed in the reinjection process as would be provided by the additional oil recovered.

now be foreseen, State authorities cannot say with precision what allowable gas production might be in the event that production experience requires reduced gas sales. Reduced availability of gas would argue for a lower capacity transmission system.

Our principal discussions on these issues with Alaska State officials took place in early February, 1978, before the Canadian Government's decision to utilize the 56-inch, 1080 psig system for the Whitehorse-to-James River segment. Prior to that decision, some consideration was given to a very high pressure (2150 psig) system proposed by Exxon in order to eliminate the need for any gas processing and conditioning facility at the producing area on the North Slope. Moving the processing and conditioning facility to somewhere south of Prudhoe Bay was suggested so as to locate it where costs were less than at Prudhoe Bay. Colocation of such a facility with a petrochemicals manufacturing facility was thought possibly to yield some economies of scale for construction of both. As the State's economic analysis of petrochemicals development was observed to be very sensitive to feedstock costs, we thought that any colocation economies might improve the State's prospects for petrochemicals development. Because of this interest, we discussed the possibility of moving the processing and conditioning facility away from the North Slope with representatives of the North Slope producing companies. These discussions are summarized below.

Alaska observed that a 1400 psig or 1680-psig system can carry a higher percentage of the butanes in the gas phase than a 1200-psig system, other things being equal. Butanes raise the Btu value and, thus, the heating value of the gas. With respect to the disposition of the butanes through the oil pipeline, Alaska noted that California air quality regulations restricting the vapor pressure of crude oil could limit the butane content of crude oil. Because of the potential for air pollution, the vapor pressure of all crude oil entering California must be held to a very low level unless vapor recovery systems are installed for oil storage facilities. Injecting butane into the North Slope crude oil has the effect of increasing its vapor pressure at any given temperature. Keeping the vapor pressure down after butane injection requires cooling the oil which, in turn, could cause wax formation problems in the oil pipeline.

2. *Standard Oil of Ohio (Sohio).* Sohio believes that the maximum operating pressure should be 1260 psig.

At the time of our discussions with Sohio (March 15, 1978), the Canadian Government had made its decision to utilize the 56-inch, 1080-psig system for the Whitehorse-to-James River segment. Due to the hydrocarbon dew point characteristics of the gas stream at those operating conditions, the Canadian decision imposed a requirement for some NGL's removal prior to introduction of the raw gas stream into that Canadian portion of the system. The requirement for some processing and conditioning north of Whitehorse limits the question of where all processing and conditioning should take place.

The Sohio representatives maintained that, although construction costs on the North Slope are high, they are probably lower there than anywhere in inland Alaska, and probably also lower than anywhere in the Yukon Territory. The difference is that coastal locations can be served by barges transporting any large facility in modules, whereas an inland location requires transporting much smaller components with a concomitant requirement for much more extensive onsite assembly.[17] According to Sohio, very large processing and conditioning facilities can be constructed and loaded onto barges in the lower-48 states, where complete fabrication facilities are available and assembly costs are much lower. Any inland Alaska or Yukon location would preclude the use of large modules and would require construction from components small enough to be loaded onto railroad cars or trucks for transportation to the inland location. Assembly of the small components would then have to be done in remote locations of Alaska or the Yukon. The difficulty of extensive assembly in remote locations makes inland locations less competitive with coastal locations. Sohio concluded that, because of the ability to make full use of economies of scale in designing the facility and modularizing it for transportation, the cost of facilities would probably be less for Prudhoe Bay or another coastal location than for any inland location.

Having concluded that Prudhoe Bay is the optimal location for any facility required to be located along the pipeline route north of Whitehorse, the next question was how much of the processing and conditioning should be done there. Except for the very high pressure (2150 psig) alternative proposed earlier by Exxon, transportation of the CO_2, which comprises about 12 percent by volume of the unconditioned gas, is not cost effective according to Sohio.[18] The savings in gas conditioning costs made possible by leaving the CO_2 in the gas is more than offset by the reduced transportation efficiency for the other components of the gas caused by the presence of the CO_2. As the very high pressure system (2150 psig) had been ruled out by the Canadian Government's decision for the Whitehorse-to-James River segment, CO_2 removal is required north of Whitehorse and consequently should be done at Prudhoe Bay.

Once the CO_2 is removed, the ability of the gas stream to transport NGL's is reduced. Thus, operating the gas pipeline system without condensation would require some NGL's removal as a consequence of the decision to remove the CO_2, regardless of whether the 1260 psig or one of the higher pressure alternatives is utilized. The difference between the required processing and conditioning for the 1260 psig and 1680 psig alternatives is in the degree of NGL's removal. The requirement for the 1430 psig system is between those of the 1260 psig and the 1680 psig systems.

The advantages of modular construction suggest that, since some processing is required on the North Slope, it is most cost effective to do all of it there. The CO_2 produced in the course of conditioning the gas may be able to be utilized in combination with extracted NGL's as a low-Btu fuel to power field production operations, processing and conditioning plant operations, or perhaps pumping or compressor stations.[19]

The Sohio representatives saw little to be gained by increasing the operating pressure of the gas pipeline to 1680 psig. They saw no major processing and conditioning savings projected for the 1680 psig system, but additional compression costs would be substantial. Although it is possible that compression

[17] Modular construction not only allows assembly of a facility at a location where costs are lower, but also allows the use of very large processing vessels, enabling realization of considerable economies of scale in facility design and operation. The Parsons study provides some further discussion of the benefits of modular construction.

[18] In its comments on the draft report Alaska argued that it is cost effective to leave at least 3 percent of the CO_2 in the gas stream. A 3 percent standard, according to Alaska, would save 10 percent of the capital costs of the conditioning plant and could result in a reduction of the cost of service to the consumer by noticeable amounts. See also Notice of Proposed Rulemaking and Statement of Policy, Docket No. RM79-10, issued February 2, 1979, wherein the Commission proposes a policy by which producers shall bear the costs of conditioning facilities rather than consumers.

[19] This possibility is developed in some detail in the Parsons study.

facilities other than those currently used as part of oil production would not be required for operations at 1260 psig.[20] additional compression capacity would have to be installed to attain the higher pressure, and operating costs would be significantly increased.

On the other hand, the Sohio representatives felt that the 1260-psig gas pipeline design, plus slight alterations to the oil pipeline, if required, were the most cost-effective solutions to the problem of moving the NGL's. The pentanes and heavier hydrocarbons could be moved through the oil pipeline essentially without alterations; the propanes and lighter hydrocarbons would go through the gas pipeline at 1260 psig. Sohio maintained that between 62 and 75 percent of the butane could be moved through the gas pipeline with the 1260-psig design.[21] Cooling the oil line would be the only alteration required to move the rest of the butane.

Some cooling of the oil line is expected to be required when its throughput capacity is increased from 1.2 million to 1.5 million barrels per day. Sohio argued that the relatively small additional capital investment for additional cooling to allow transporting butanes, plus the very low operating cost of the cooling facilities, would make transportation through the oil line the more cost-effective solution for the remaining butane, particularly when compared to the high investment and operating cost for extra compression to 1650 psig. The extra cooling required to accomodate the butane would be less costly if installed at the time of the increase in oil line throughput capacity.

3. *Atlantic Richfield Company (ARCO).* Arco representatives confirmed what we had heard from Sohio regarding the possibility of moving some or all of the required gas processing facilities away from Prudhoe Bay. It was their view that the decision in Canada to use larger diameter pipe for the Whitehorse-to-James River segment precluded the use of the very high pressure alternative, for which the North Slope processing and conditioning facilities could have been eliminated. Thus, moving any of the required processing and conditioning steps south of Prudhoe Bay would result in some duplication of facilities, as removal of both CO_2 and most NGL's would be required somewhere north of Whitehorse. Arco representatives also concurred with Sohio's judgment that the savings available through modular construction would overwhelm any potential savings in moving facilities to inland locations with slightly more hospitable climates. Their estimate was that construction costs in Fairbanks or Haines, Alaska, would be as much as 50 percent higher than those at the North Slope because of the impact of modular construction.

The Arco representatives were concerned about the ability to dispose of the produced butanes if the lower pressure gas pipeline system were utilized. Their concerns were in the following three areas:

(1) Crude oil vapor pressure limitations in California. (See p. 8 *Supra*.)

(2) The west coast market for petroleum products cannot use additional large quantities of butane.

(3) In considering use of a blend of CO_2 and NGL for field fuel, the Arco representatives suggested that propane was a much better blending stock for the CO_2 than butane. Extremely close Btu control is required for efficient turbine operation, and Arco technical personnel expressed concern over possible problems with condensation in fuel lines and burner orifices if butane were to be used.[22]

The Arco representatives also had some different figures on the ability of the alternative gas pipeline systems to carry butane. Their figures showed the 1260 psig system would carry 25 to 60 percent of the available butane, while the 1680 psig system would carry 50 to 98 percent of the available butane.[23]

We asked some questions about alternative investment costs under different possible gasline system configurations. The figures we received suggested that a reduction in system operating pressure from 1680 psig to 1260 psig would require an additional investment on the order of $100 million (in 1978 dollars), consisting of $30 million in increased processing and conditioning facilities, and $47 to $75 million for some combination of cooling for the oil pipeline, modifications to field fuel facilities, and reinjection facilities if required.[24]

Arco argued in its comments on the draft of this report that the increased natural gas liquid carrying capability of the higher pressure systems would benefit the consumer. Arco argued that even if the transportation costs are lower for a pipeline with a 40 inch diameter which operates at a maximum pressure of 1260 psig and which transports 2 bcfd of gas, a pipeline operating at a maximum pressure of 1440 psig would carry more butanes which would have the dual benefit of providing more Btu's to the gas consumer and reducing the volumes of butanes which would have to be disposed of less economically. Use of butane as a field fuel on the other hand, would require expensive conversion of existing fuel equipment; reservoir injection of liquid butanes could result in the ultimate loss of a significant quantity of these liquids; and transporting butane in the oil pipeline would require cooling the crude oil. Moreover, Arco argued that as long as the oil pipeline is operating at capacity, the transportation of butanes would require a reduction of crude oil shipments or an expansion of the capacity of the oil pipeline.

4. *Exxon.* Exxon has argued that the pipeline should have a maximum operating pressure of at least 1680 psig. Exxon representatives concurred with the opinions of the other two producers that an inland location for any processing and conditioning facility would likely be more costly than locating it at Prudhoe Bay. They also confirmed that the constraint on the butane content of the crude oil is the restriction on crude oil vapor pressure for reasons of air pollution control in southern California.

Representatives of Exxon were involved in the testing associated with the evaluation of safety and design aspects of alternative pipeline system designs which was carried out by the Arctic Gas Study Group. They suggested

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[20] Both Arco and Sohio pointed out in comments on this report in draft form that the raw gas compression facilities currently being utilized as part of oil production operations may continue to be required to maintain oil production even after gas sales commence. Thus, the availability of existing compression equipment for service in connection with gas sales is not assured.

[21] At the sales gas composition contemplated by the Parsons study, this proportion is even higher. See the discussion below of certain results of the Parsons study.

[22] In fact, the Parsons study concludes that propane injection into the fuel gas mixture is the optimal solution for the control of that stream. The sales gas mixture projected by Parsons has more capacity to transport butane than assumed by Arco, however, because of the reduced amount of propane required to be transported.

[23] See the discussion below of the Parsons study for further information on the NGL carrying capacity of the sales gas stream.

[24] In comments on my draft report, Sohio noted that Arco's $100 million figure must not have taken into account the reduced requirement for investment in sales gas compression facilities if the lower pressure gas pipeline system were utilized. Sohio's comments state:

"The net differential investment which would be required in the gas conditioning facilities and in various Prudhoe Bay field facilities to be compatible with a 1260 psig pipeline system is expected to add considerably less than the $100 MM [in 1978 dollars] estimated by ARCO, even when all butanes recovered are transported in the TAPS line in preference to blending them with the sales gas. Operating costs of oil coolers are also expected to be less than those related to additional gas compression. Sohio's Comments, page 2, October 27, 1978."

to us that there was little real safety difference between the 1260-psig and 1680-psig systems. The real safety question from their perspective is the proximity of either system to the oil pipline. The principal safety issue is what would happen to the oil pipeline in the event of a natural gas explosion and fire.

Exxon's concern in the comparison between 1260-psig and 1680-psig systems was the cost-of-service advantage of the higher pressure system. They had previously advocated a very high pressure (2150 psig) system to increase the cost-of-service advantage even further.

In our discussion with them, they emphasized the highly prospective nature of the Beaufort Sea area and its potential for discovery of additional gas reserves. They favor higher pressure generally because it will result in a more fuel-efficient system at all levels of throughput, and will have a higher throughput capacity with a lower cost-of-service at higher throughput volumes.

5. *Alaskan Northwest Natural Gas Transportation Company (Alaskan Northwest).* Alaskan Northwest is opposed to a pipeline with a maximum allowable operating pressure of either 1440 or 1680-psig. A major source of concern is its belief that a delay of up to 2 years could result from choosing a higher pressure system due to a need for extensive testing of the various components of such a system. The testing program required would include burst tests, test of crack arrestor designs, testing programs to validate valve designs, and lead times associated with high pressure compressor development. A delay of up to 2 years was estimated by the project sponsors to result in additional carrying charges of up to $1 billion.

Alaskan Northwest also shows a cost of service advantage for the lower pressure system at the throughput volumes they expect. The 1680-psig system does not become superior in performance until the throughput rate passes 3.6 bcfd according to its figures in its recent application.[25] Alaskan Northwest maintained that the point at which the 48-inch, 1260-psig system is equivalent in cost of service to the 48-inch, 1440-psig system is approximately 3.3 bcfd. Thus, the company concludes that the proposed system is the best economic selection up to a volume of approximately 3.3 bcfd prior to any consideration of potential delays. In its petition, Alaskan Northwest, citing findings in the *Decision* and the FPC *Recommendation to the President*, argues that 2.0–2.5 bcfd of gas will initially be available to the system and that the system should be capable of expansion by 1.0 to 1.5 bcfd to an ultimate system capacity in the range of 3.0 to 4.0 bcfd. In the application, Alaskan Northwest suggests that Alaska's interest in the development of a petrochemical industry should not dictate a decision in favor of a higher pressure line. Alaskan Northwest argues that the primary raw material for such a plant is ethane and that a 1260-psig system can transport all the ethane that could be available from Prudhoe Bay almost irrespective of the final configeration of any processing and conditioning plant, and therefore does not offer any impediment to the State's plans.

Alaskan Northwest maintains that the oil pipeline represents the most cost-effective way to move any available quantities of excess butane. Although an investment of up to $100 million (in 1978 dollars) could be required for additional processing and conditioning plant investment and cooling, fuel conversion or reinjection facilities, relative to what would be required for the 1260 psig system, a 1660 psig pipeline system would require $237 million more capital investment (expressed in 1975 dollars) than the 1260-psig system.

Alaskan Northwest also maintains that there is plenty of room in the California market for additional butane. Its figures show that California refineries produced about 100,000 barrels per day of butane in 1975. The extra butane left on the North Slope after that which can be transported in the 1260-psig gas pipeline system would be something less than 22,000 barrels per day at a gas sales rate of 2.0 bcfd depending on the components of the sales gas stream,[26] before any allowance for field fuel uses.

Another concern expressed by the project sponsors is the additional safety hazard associated with a higher pressure system. Higher pressure causes higher potential energy to be stored in the pipe, resulting in increased likelihood of damage to the oil pipeline in the event of a gas pipeline rupture. The project sponsors maintain that crack arrestors will be required for the 1440-psig or 1680-psig system, whereas they may not be required for the 1260-psig system.

The project sponsors are also concerned about the vulnerability of the higher pressure system to cost overruns. Their submissions includes a risk analysis of various factors which are likely to cause additional cost overruns with the higher pressure system. They feel that the risk of cost overrun is greatly reduced by staying closer to existing and proven lower-48 states pipeline technology.

Finally, Alaskan Northwest reacted negatively to my proposal discussed at the conference to build a pipeline which would operate initially at a pressure of 1260 psig but whose operating pressure could be increased to 1440-psig if there were an increase in gas volumes available for transporting. It argued that a pipeline should be operated at its maximum design pressure. It also noted that delay would be caused by the need to test such a system.

6. *The U.S. Department of Transportation.* Noting that it is a basic tenet of transportation system planning that a system should be designed to accommodate future growth, the Department of Transportation (DOT) argued that all the technical and economic data appear to them to support building a 1680-psig system. Moreover, the availability of capacity resulting from the construction of a 1680-psig system would encourage development and exploration in the total North Slope area. Citing a February, 1978 Technical Study Group evaluation of the 1680-psig system,[27] DOT argued the system could be built and operated safely and reliably.

As noted above, a proposal was considered at the conference to build a pipeline the operating pressure for which would initially be 1260 psig and would be capable of expansion to 1440 psig if there were an increase in gas volumes available for throughput. The concept was to alter the compressors and the spacing of the compressor stations in order not to foreclose the possibility of increasing the operating pressure later on. DOT indicated that its safety regulations required a thicker pipe wall for a pipeline operating at 1440 psig than for a pipeline operating at 1260

[25] "Application of Alaskan Northwest Natural Gas Transportation Company for an Order Approving the Design Specifications and Initial System Capacity of the Alaskan Segment of the Alaska Highway Pipeline," *op. cit.*

[26] The extra butane would be only about 4500 barrels per day at the sales composition projected by the Parsons study. See the discussion of the results of that study presented below. The Parsons study notes that the capacity of the system to transport butane could be increased by leaving more CO_2 in the sales gas, and recommends further study of the most cost-effective sales gas composition.

[27] "U.S. Government Safety and Reliability Evaluation of Different Pipe Size and Pressure Combinations for Alaska Gas Pipeline," attached to February 14, 1978, letter from Don S. Smith, Vice-Chairman of the FERC, to J. G. Stoddard, Chairman of the National Energy Board of Canada, transmitting the U.S. Government's views regarding pipe size selection for the Whitehorse-to-James River segment.

psig, and that it would be reluctant to waive these regulations where the pipeline was built along the Alyeska haul road. A substantial portion of the pipeline in Alaska will be built along the haul road.

III. Results of the Parsons Study

The Parsons study was undertaken by a group of gas producing and transmission companies [28] in order to develop a preliminary design for the facilities necessary to process and condition gas produced from the Prudhoe Bay Unit for transportation through the ANGTS. The principal tasks performed in the course of the study were:

Screening the processes available and selecting processes to recommend for CO_2 removal and hydrocarbon dewpoint control, respectively, and

Developing a process design for processing and conditioning the gas to meet an assumed set of pipeline delivery conditions and quantity and quality specifications.

The study represents a careful evaluation by a consultant to a group composed of both producers and transporters of the optimal distribution of the components of the raw gas stream, for conditions as they currently exist or are expected to exist, among field and process fuel uses on the one hand, and the sales gas stream on the other. The relevance of the study to this inquiry is in the study's indicated resolutions of questions regarding the optimal allocation of the NGL's and the impact of those resolutions on the requirement to transport NGL's away from the North Slope. The study team concluded that a physical solvent process is best for CO_2 removal. A characteristic of physical solvent processes is absorption of a significant quantity of hydrocarbons along with the CO_2. Much of the heavier hydrocarbon content is liquefied during the solvent regeneration process, and can thus be recovered. Significant amounts of ethane and propane remain in a gaseous phase, however, mixed with the extracted CO_2.

Because of its hydrocarbon content, the waste stream from the CO_2 removal process has useable fuel value. The study recommends that this CO_2/hydrocarbons mixture be used as fuel for the processing and conditioning facility itself. Any excess of this mixture over the requirements of the conditioning facility would be utilized in the other facilities at the Prudhoe Bay Unit after appropriate blending with other fuels (particularly propane) for heating value control.

Gas delivery and quality specifications assumed for purposes of the study were:

Delivery volume (nominal), 2.0 bcf.
Delivery Pressure, 1440 psig.
Delivery Temperature (max.), 25°F.
CO_2 content (max.), 1.0 Volume percent.
H_2S content (max.), 1.0 grain/100 SCF.
Hydrocarbon Dewpoint (max.), −10°F at 1,100 psia.
Water dewpoint (max.)., −35°F at 1,100 psia.

These specifications are similar to those which were part of the Alcan filing of March 8, 1977, except for the delivery pressure. The 1260 psig delivery pressure in that filing requires a more stringent hydrocarbon dewpoint standard, −10°F at 1,000 psia.

The results of the Parsons study with respect to allocation of recovered NGL's between fuel uses and addition to the sales gas stream is given in the following table, taken from the study itself:

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[28] Amerada Hess Corporation, Atlantic Richfield, Exxon Company U.S.A., Getty Oil Company, Mobil Oil Corporation, Natural Gas Corporation of California, Northern Natural Gas Company, Northwest Pipeline Corporation, Pacific Interstate Transmission Company (Arctic), Panhandle Eastern Pipeline Company, Phillips Petroleum Company, Sohio Petroleum Company, Southern Natural Gas Company, Tennessee Gas Pipeline Company, Texas Eastern Transmission Corporation, Texas Gas Transmission Corporation, Transcontinental Pipeline Corporation, United Gas Pipeline Company.

	Propane	Butanes	Pentanes-plus
Net Extracted			
BPD	52,350	31,290	28,700
MMSCFD (1)	80.3	41.3	--
Disposition		Min. Max.	
To Pipeline Gas			
BPD	24,270	-0- 30,602	-0-
MMSCFD (1)	37.2	-0- 40.4	-0-
To Fuel Gas Systems			
BPD	28,080	-0- -0-	-0-
MMSCFD (1)	43.	-0- -0-	-0-
To Crude			
BPD	-0-	688 31,290	28,700

(1) Standard conditions - 14.5 psia and 60°F.
MMSCFD = million standard cubic feet per day.

Source: Table 6-3 from Volume I, p. 6-4.

When combined with the NGL's not recovered from the gas mixture produced by the CO2 removal process, the total allocation of NGL's between fuel uses and sales gas is estimated as follows:

Input (Billion Btu per day)		Sales Gas	Sales Liquids	Sales Total	Field Fuel	Fuel Use as percent of Input
C1	2101.7	1909.0	0	1909.0	192.7	9.2
C2	323.1	163.3	0	163.3	159.8	49.5
C3	249.2	91.4	0	91.4	157.8	63.3
C4	156.2	136.1	9.5	145.6	10.6	6.8
C5-plus	125.4	5.0	119.9	124.9	0.5	0.4
	2955.6	2304.8	129.4	2434.2	521.4	17.6

Source: AGPO estimate from material balances in Parsons study

As can be seen from the table reproduced from the study, the sales gas stream will accommodate almost 98 percent of the recovered butane under the conditions assumed for the study. References to figure 2-1 from volume II of the study, reproduced on the next page, indicates that the 1269-psig system will accommodate 86 percent of the recovered butane, leaving only about 4500 barrels per day of butane for reinjection or transmission through the oil pipeline.

In a section entitled "Future Design Considerations" (Volume I, Section 12), the study recommended that the cost impact of possible alternative specifications for CO2 content and gas pipeline pressure be evaluated for the overall conditioning and gas transmission system. The study observed that a higher allowable CO2 content of the delivered gas will have a "significant" impact on the facilities costs. The State of Alaska has estimated that relaxing the CO2 standard from 1 percent to 3 percent would save 10 percent of the capital costs of the conditioning plant (see footnote 18, supra.). Our reading of the Parsons study would confirm this estimate.

Case		Base (Max. Field Fuel)				Alt. (Min. Field Fuel)			
D.F Curve		①	②	③	④	⑤	⑥	⑦	⑧
DeC_3 Ovhd, M/H		4075	4075	4075	4075	5475	5475	5475	5475
DeC_4 Ovhd, M/H		0	2259	3398	4517	0	2115	3173	4231
DeC_4 Ovhd, %		0	50	75	100	0	50	75	100

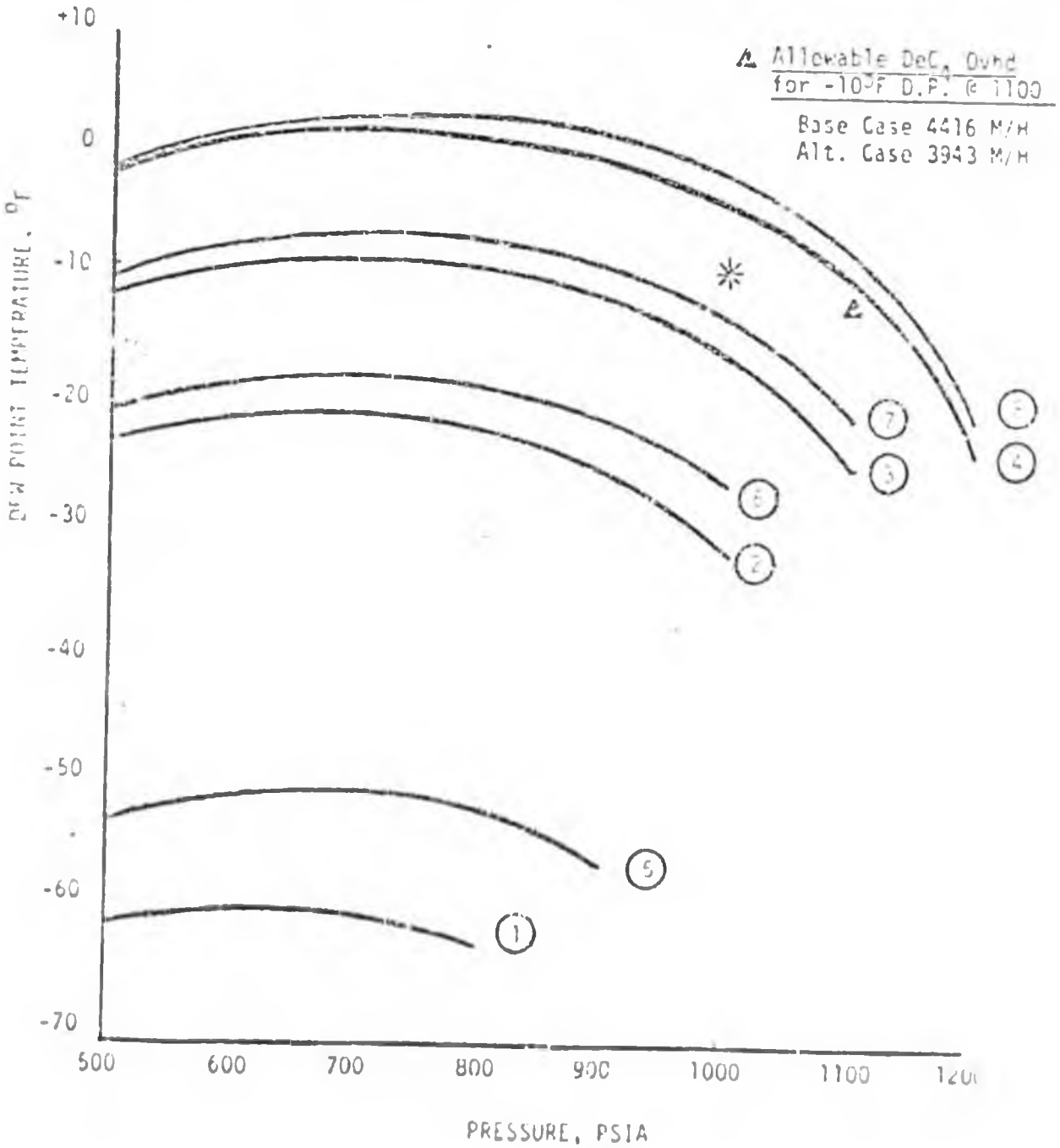

FIGURE 2-1

2-95

✳ - 10°F dewpoint at 1000 psia

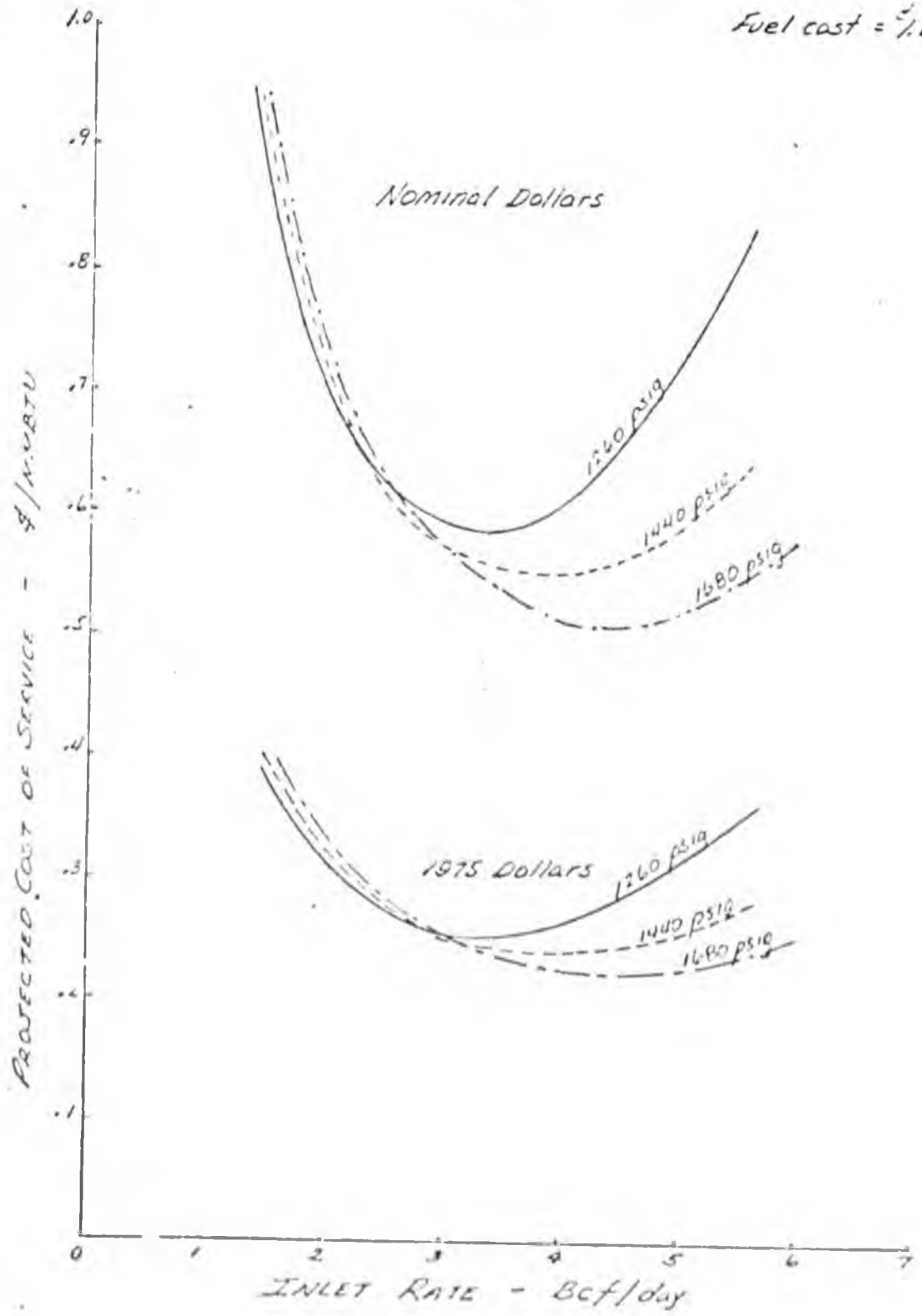
Fuel cost = $1.60/MMBTU
Nominal Dollars
1260 PSIG
1440 PSIG
1680 PSIG
1975 Dollars
1260 PSIG
1440 PSIG
1680 PSIG
PROJECTED COST OF SERVICE - $/MMBTU
INLET RATE - Bcf/day
1.0
.9
.8
.7
.6
.5
.4
.3
.2
.1
0
1
2
3
4
5
6
7

TABLE 1

PROJECTED COST OF SERVICE,

$/MMBTU

Fuel Cost, $/MMBtu	$1.00			$1.60			$2.62		
Pressure, psig	1260	1440	1680	1260	1440	1680	1260	1440	1660
PRUDHOE BAY TO ALASKA-CANADIAN BORDER (Including only the additional processing and conditioning costs required at lower-pressure)									
(1) Nominal Dollars									
Throughput, bcfd									
1.6	.792	.818	.844	.825	.849	.874	.891	.902	.924
2.4	.590	.591	.611	.631	.627	.646	.700	.689	.705
3.2	.531	.515	.510	.589	.563	.552	.687	.645	.623
4.0	.530	.491	.462	.610	.554	.514	.746	.662	.602
4.8	.593	.497	.449	.703	.580	.513	.891	.721	.621
5.6	.693	.544	.474	.843	.650	.553	1.097	.830	.687
(2) 1975 Dollars									
Throughput, bcfd									
1.6	.354	.367	.379	.367	.379	.390	.389	.399	.410
2.4	.262	.263	.273	.278	.277	.286	.305	.302	.309
3.2	.234	.228	.226	.257	.247	.243	.295	.279	.271
4.0	.232	.216	.203	.263	.240	.224	.316	.282	.258
4.8	.257	.216	.197	.300	.249	.222	.373	.304	.264
5.6	.299	.235	.207	.357	.277	.237	.476	.347	.296
PRUDHOE BAY TO WHITEHORSE, YUKON, CANADA (Including only the additional processing and conditioning costs required at lower pressure)									
(3) Nominal Dollars									
Throughput, bcfd									
1.6	.971	.997	1.014	1.009	1.029	1.045	1.071	1.085	1.118
2.4	.726	.727	.741	.774	.768	.779	.855	.838	.842
3.2	.637	.614	.625	.696	.691	.672	.797	.787	.754
4.0	.601	.620	.573	.782	.700	.635	.953	.814	.740
4.8	.765	.659	.567	.910	.767	.644	1.157	.952	.777
5.6	.909	.708	.615	1.109	.847	.716	1.448	1.083	.888
(4) 1975 Dollars									
Throughput, bcfd									
1.6	.436	.449	.465	.451	.460	.477	.475	.482	.498
2.4	.321	.325	.332	.342	.341	.346	.374	.368	.371
3.2	.282	.281	.278	.305	.303	.296	.345	.341	.328
4.0	.298	.273	.253	.337	.304	.277	.404	.356	.318
4.8	.331	.267	.249	.388	.330	.279	.484	.401	.331
5.6	.392	.307	.268	.469	.361	.308	.601	.453	.375

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IV. Alaska Gas Project Office Analysis of Alternative Systems

The staff of the Alaska Gas Project Office prepared independent estimates of the capital costs and cost-of-service for the higher pressure systems for comparison with those submitted by Alaskan Northwest. Our results are plotted in figure 1 for a fuel cost of $1.60 (1975 dollars) per million British thermal units (mmBtu). Table 1 presents cost-of-service calculations for fuel prices of $1.00, $1.60 and $2.62 per mmBtu. The computed costs-of-service reflect the different heating values of the gas mixtures which would be transported at the different operating pressures.[29]

As can be seen on figure 1, higher throughput volumes favor one of the higher pressure alternatives. Likewise, table 1 shows that higher fuel costs reduce the threshold throughput rates at which the higher pressure systems have lower costs-of-service than the lower pressure alternatives.

Our method for preparing the capital cost estimates on which the cost-of-service estimates are based was to start with Alaskan Northwest's March 1977 estimates and adjust those estimates for the cost items which would change as a result of utilizing heavier pipe and higher operating pressures. This is essentially the same method utilized by Alaskan Northwest in preparing its capital cost estimates for the alternative systems. The explanatory material at the end of this section presents our capital cost estimates along with a discussion of how they were determined.

Table 2 presents a comparison of our constant-dollar capital cost estimates (excluding compression) for the 1260-psig and 1680-psig systems with Alaskan Northwest's.[30] As the table indicates, the largest difference in the constant dollar capital cost estimates for the 1680-psig system is only about 2 percent of the total estimate. Thus, the two sets of capital cost estimates must be considered very close.

Figure 2 is a plot of the cost-of-service for the 1260–psig and 1680–psig systems utilizing Alaskan Northwest's capital cost estimates, rather than ours. For a fuel cost of $1.60 per mmBtu, us of their capital cost estimates moves the nominal-dollar threshold for crossing over from the 1260 psig to the 1680 psig as the least cost system to 2.9 bcfd from our 2.65 bcfd. In constant dollars, the respective crossover points are closer, both being just under 3.0 bcfd.

Alaskan Northwest has expressed considerable concern over the possibility of delay inherent in a decision to utilize a higher pressure system. Alaskan Northwest has stated that a decision to utilize a higher pressure system would likely result in a delay of 2 years, resulting in an increase in nominal dollar capital costs of at least $1 billion.

U.S. Government technical experts considered this problem when the Canadian Government solicited our comments as input to its decision on pipe size for the Whitehorse-to-James River segment. At that time our experts concluded that some delay for requisite safety and reliability testing was possible, but could likely be avoided. Their conclusion was:

> We are in agreement that testing all three, or even two, pipe designs will delay completion of construction, perhaps for as long as the two years which the Canadians have predicted. Selection of any one of the size and pressure combinations to the exclusion of all others now or within the near future will permit the pipeline applicants to conduct burst test verification and initiate purchase of the pipe earlier in order to complete the pipeline within the time frame described in the U.S./Canadian agreement.[31]

That report went on to say that, although our experts believe that a confirmatory testing program could be designed for the higher pressure alternative which would have very little likelihood of failure, there was more risk of failure for a higher pressure alternative than for a lower pressure one. Specifically, the experts said:

> We recognize that the possibility of delays associated with testing of the 48-inch 1680 psig pipe may be slightly greater because of the higher pressure.[32]

The impact of delay, as well as the impact of a possibly higher tendency toward cost overrun for the higher pressure systems, is illustrated in figure 3. For a nominal dollar case, we have plotted the cost-of-service for a 1680-psig system with capital costs $1 billion higher than anticipated.[33]

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[29] The assumed heating value of the gas stream for these calculations was 1135 Btu/cubic foot at 1260 psig, 1140 Btu/cubic foot at 1440 psig, and 1154 Btu/cubic foot at 1680 psig. These values differ from those subsequently arrived at in the Parsons study, and would tend to make our cost of service calculations lower than they would be if we had used heating values closer to Parsons'.

The comparisons shown on figures 1, 2 and 3 in Tables 1, 2 and 3 include differences in gas conditioning plant costs for different pressure systems. Including such differences provides a more precise economic comparison of the various systems. The comparisons shown, however, may not represent true cost differences from the point of view of consumers since the cost of gas conditioning may be borne by the gas producers rather than the consumers. (See the Commission's Notice of Proposed Rulemaking in RM78-14, February 2, 1978.) However, as shown in Table 3, such differences in estimated gas conditioning costs resulting from a change in pressure represent only a very small portion of total costs. The effect of eliminating gas conditioning cost differences would be to move the curves slightly closer together, but would not change any conclusions resulting from analysis of figures 1, 2 and 3 Tables 1, 2 and 3.

[30] As shown in table 2, we have reallocated some capital costs for the 1260 psig system among the cost categories although our total capital costs are the same except for the extra costs of processing and conditioning. We have discussed this reallocation with Alaskan Northwest and they do not object.

[31] "U.S. Government Safety and Reliability Evaluation of Different Pipe Size and Pressure Combinations for Alaska Gas Pipeline," *Op. Cit.*, Executive Summary, pp. 1-2.

[32] *Ibid.*, p. 5. In comments on the draft of this report, DOT added, "Realistically, the only 'failure' that could occur relates to the effectiveness of pipe toughness alone to stop ductile fractures. The alternative simply is to add mechanical crack arrestors or rerun the tests with higher pipe. The latter may mean a 3–6 month delay at worst." (October 26, 1978, Comments, p.

[33] The choice of $1 billion as additional capital cost due to either delay or cost overrun is purely illustrative. Use of this example is not meant to imply that choice of the 1680 psig system would result in a $1 billion cost overrun. We do not now know whether choice of the 1680 psig system would result in any greater cost overruns than for the 1260 psig system.

TABLE 2

COMPARISON OF PIPELINE COST ESTIMATES
1975 Base Costs - $ Millions

	1260 PSIG		1680 PSIG		Difference	
	NAP	FERC	NAP	FERC	NAP	FERC
Changeable Costs						
Pipe cost - delivered	529.1	475.4	704.1	650.4	175.0	175.0
Welding	21.5	25.4	41.6	36.1	20.1	10.7
Double Jointing	14.1	9.7	26.9	13.7	12.8	4.0
Weights	25.1	25.1	18.8	18.8	-6.3	-6.3
VFF, Installed	24.7	24.7	39.4	34.6	14.7	9.9
Bending	4.8	4.8	6.5	6.5	1.7	1.7
Short tie-ins	3.9	3.9	5.4	5.4	1.5	1.5
Tie-ins	9.5	9.5	18.5	14.2	9.0	4.7
Set Up and Alignment	20.3	20.3	28.0	28.0	7.7	7.7
Special Construction	7.3	7.3	9.6	9.6	2.3	2.3
Crack Arrestors	0	0	12.7	12.7	12.7	12.7
Add'l Side booms, labor	—	—	37.5	10.0	37.5	10.0
Add'l fuel	—	—	5.7	2.0	5.7	2.0
Add'l testing	—	—	10.0	10.0	10.0	10.0
River Crossings	13.0	—*	17.3	—*	4.3	0
	673.3	606.1	982.0	852.0	308.7	245.9
Add'l Prudhoe Bay Processing	0	30.0	0	0	0	-30.0
Other Costs (non-variable)**	991.2	1180.7	991.2	1180.7	0	0
E & S Contingency	183.3	60.6**	193.0	85.2***	9.7	24.6
Total Pipeline Capital Costs (excluding compression)	1847.8	1877.4	2166.2	2117.9	318.4	240.5

* No change in cost assumed - included in other costs
** Derived from subtracting changeable costs from total.
*** Amount on changeable cost items only - add'l amounts included in other costs.

FIGURE 2

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COST OF SERVICE - ALASKA

(Utilizing applicant's cost data except for compressor costs)

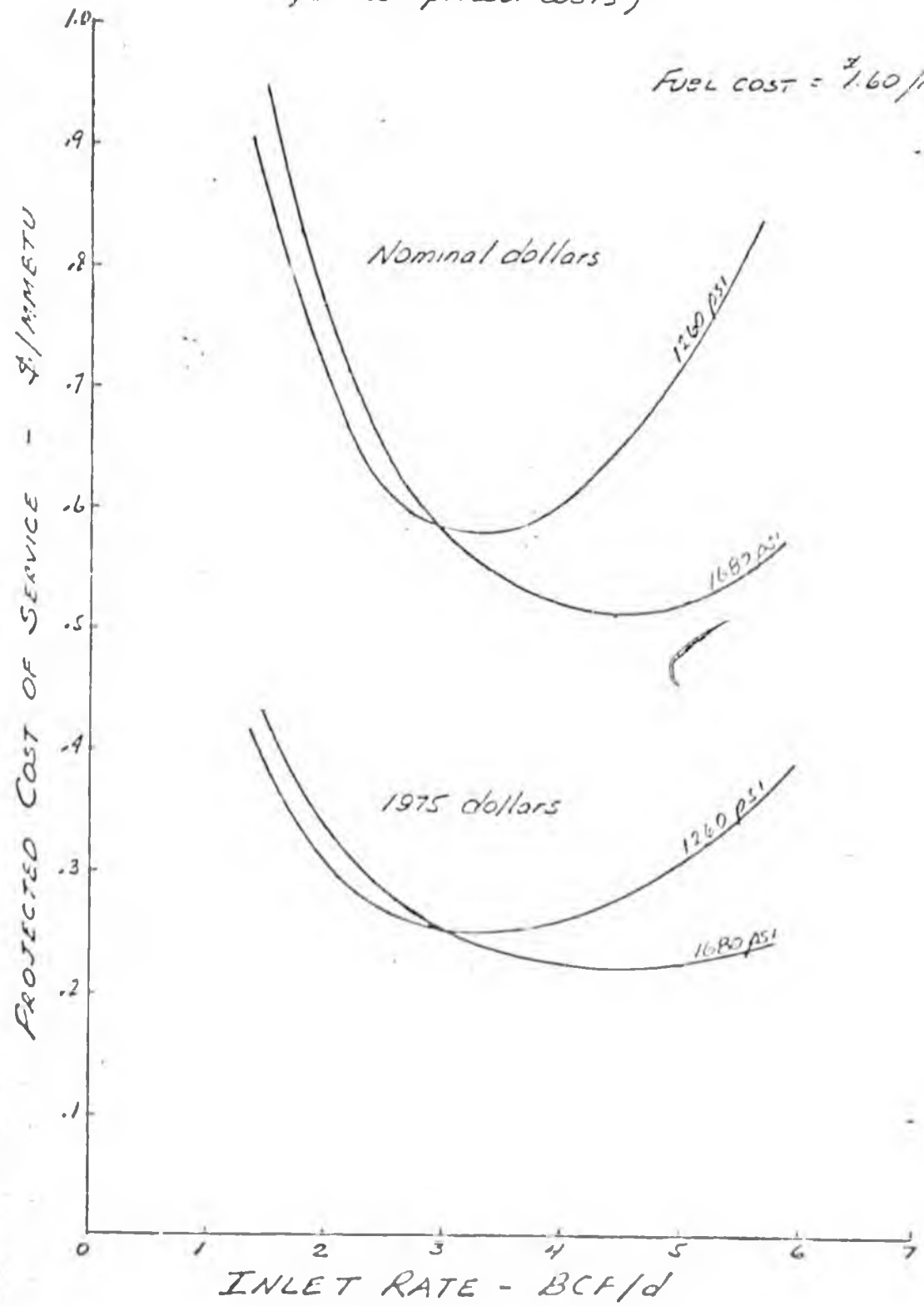

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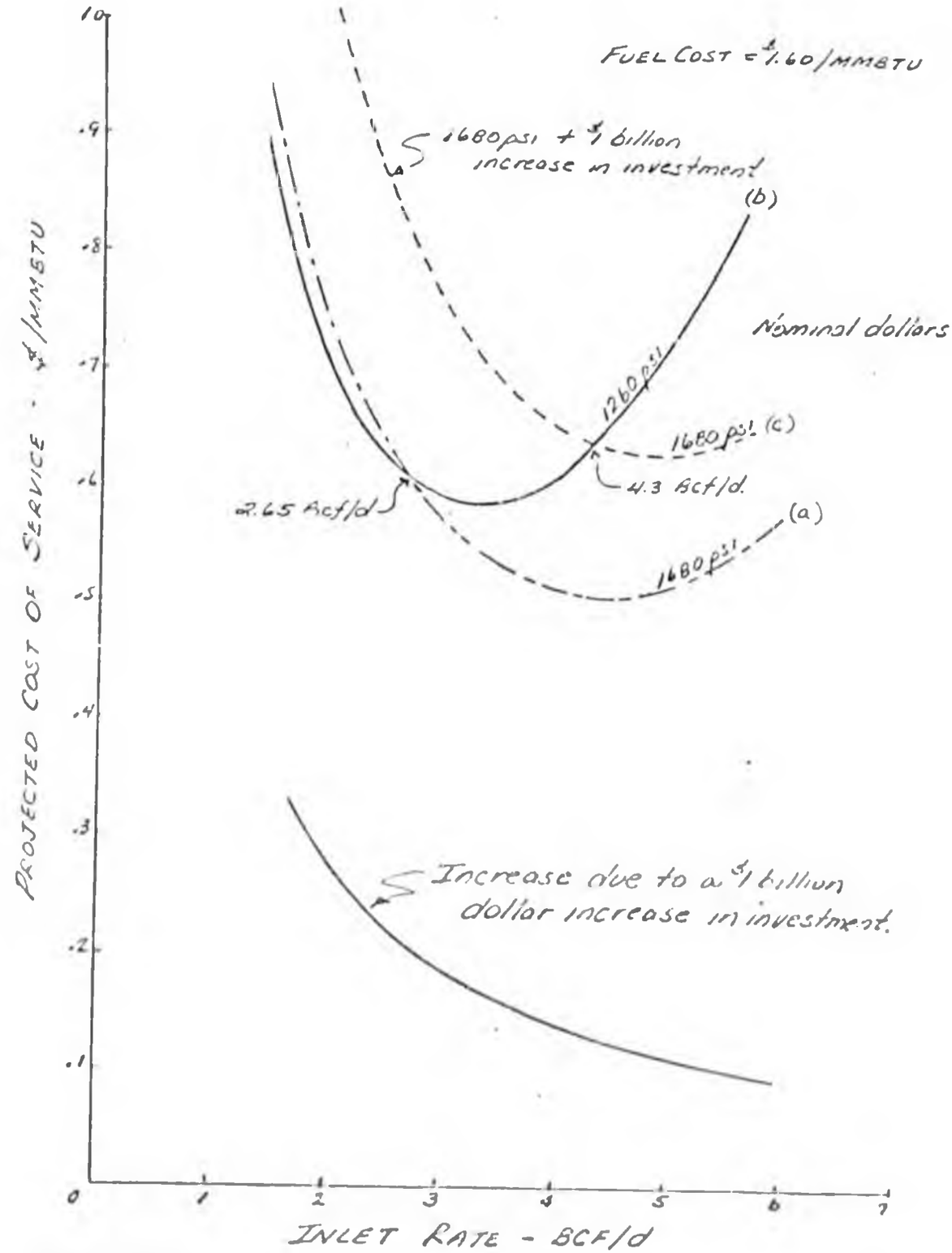
FIGURE 3

IMPACT OF AN INCREASE IN INVESTMENT UPON THE COST OF SERVICE



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As can be seen from figure 3, increased capital costs for the high-pressure systems relative to the low-pressure ones, whether due to time delays for testing or relatively higher cost overruns, would have the effect of moving upward the crossover point in throughput volume for going from the lower pressure system to a higher pressure one as the least-cost system. Our calculations show that the spread in unit cost of service, (constant 1975 dollars, fuel cost $1.60 per mmBtu) among the three systems amounts to less than 10 percent of the lowest one for throughput volumes up to about 3.5 bcfd. At higher throughput volumes, the cost of service plots for the three systems start to diverge more rapidly. Alaskan Northwest would put the throughput point at which the cost-of-service plots start to diverge closer to 4.0 bcfd.

The comparison of cost of service plots using our capital cost estimates with those using Alaskan Northwest's illustrates that small differences in assumptions or expectations about capital costs or other parameters can shift the crossover points noticeably.[34] Thus, I conclude that the precise crossover points are less significant for decisionmaking than the points where the cost-of-service plots start to diverge.

Our cost-of-service plot for the 1260-psig system includes the effect of the additional cost of the conditioning facilities to meet the pipeline quality specification at that pressure. This assumption provides an indication of the total system—pipeline plus conditioning facility—cost consequences of the 1260-psig decision. This difference partially explains the difference between our results and Alaskan Northwest's. Other likely sources of difference include:

Heating value of gas streams;

Computation of fuel use for compression and chilling; and

Our simplified cost of service computation methodology.

Explanation of Cost Differences for Various Size Systems

Table A-1 presents estimated investment cost for systems designed to operate at 1260, 1440 and 1680 psig.

Table A-2 summarizes the horsepower (hp) and fuel requirements for the three systems.

Methodology. Total capital costs for the 1260 psig base case system at a 2.4 bcfd throughput rate were taken from the capital cost data filed with the FPC by Alcan Pipeline Company in March 1977. Independent cost estimates were made for all items where costs should change materially as a result of utilizing heavier pipe with a greater wall thickness. These cost estimates are shown in table A-1. The estimated costs of all other (nonvariable) items were assumed to be equal to the difference between filed costs and the total cost of the variable items for the 1260 psig, 2.4 bcfd base case.

Compressor and fuel costs were calculated based upon computed requirements for the three systems for flow rates of 1.6, 2.4, 3.2, 4.0, 4.8 and 5.6 bcfd. An FERC computer model based upon American Gas Association (AGA) pipeline flow equations was used to determine compression and chilling hp and fuel requirements. The additional gas processing and conditioning plant costs relative to those for the 1680-psig system were added to the capital costs of the 1260-psig and 1410-psig systems as that difference could have been reflected in an increment to any gathering and conditioning allowance, if allowed by the Commission. Plant cost differences are based on cost differences included in the materials supplied by Arco, adjusted to 1975 dollars. All other capital costs are expressed in 1975 dollars.

As a result of the above methodology, total costs shown are expected to be only roughly correct. However, cost differences should be reasonably accurate.

Capital cost data from table A-1 and fuel requirements shown in table A-2 were used in an FERC cost of service model to compute an expected cost of-service for each case. As noted above, cost-of service differences should be more meaningful than cost of-service values for individual cases.

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[34] A difference of $77.9 million in relative capital cost, which amounts to 4.2 percent of Alaskan Northwest's estimate for the 1260-psig system and a similar proportion of the estimates for other systems, shifted the crossover point from 2.65 to 2.0 bcfd in the example given above.

TABLE A 1

PIPELINE CAPITAL COST ESTIMATES - FERC

All Costs in Millions of 1975 Dollars

1. Pipeline

		To Canadian Border			To Whitehorse, Yukon		
Pressure	PSIG	1260	1440	1680	1260	1440	1680
Length	Miles	731.4	731.4	731.4	1000	1000	1000
Weight of Pipe	M Tons	646	738	860	859	982	1145
Pipe Cost (Delivered)	MM $	475.4	550.3	650.4	640.9	741.9	876.5
Welding	MM $	25.4	30.1	36.1	34.7	41.0	49.0
Double Jointing	"	9.7	11.3	13.7	12.1	14.2	17.2
Weights	"	25.1	22.0	18.8	36.1	31.6	27.1
Valves, Fittings, Installation	"	24.7	29.6	34.6	33.7	40.5	47.1
Short tie-ins	"	3.9	4.6	5.4	5.3	6.3	7.4
Tie-ins	"	9.5	11.4	14.2	13.0	15.6	19.4
Set Up & Alignment	"	20.3	23.8	28.0	27.8	32.3	38.3
Special Construction	"	7.3	8.4	9.6	10.0	11.5	13.1
Herding	"	4.8	5.5	6.5	6.6	7.5	8.9
Crack Arrestors	"	0	12.7	12.7	0	17.4	17.4
Add'l Sidebooms, labor	"	0	5.0	10.0	0	6.8	13.7
Add'l Fuel	"	0	1.0	2.0	0	1.3	2.6
Test Programs-add'l	"	0	10.0	10.0	0	10.0	10.0
Subtotal		130.7	175.2	201.6	179.3	256.0	271.4
Add'l Contingencies, engineering & Supervision	"	60.0	72.6	85.2	82.0	97.8	114.8
Subtotal-Variable Items	"	666.7	798.1	937.2	902.2	1075.7	1262.7
Other Costs		1180.7	1180.7	1180.7	1393.2	1393.2	1393.2
Subtotal-	MM $	1847.4*	1978.8	2117.9	2295.4**	2468.9	2655.9
Difference		--	131.4	270.5	--	173.5	360.5
North Slope Costs(Ex Compression) Processing Plant Additions	MM $	30.0	20.0	0	30	20	0
Subtotal (Ex Compression)	MM $	1877.4	1998.8	2117.9	2325.4	2488.9	2655.9

* From Alcan March 1977 filing (Total Cost - AFUDC - Compressor Costs)

** 49.5 percent of Foothills filed costed for the Yukon, minus compressor costs, plus Alaskan costs

TABLE A-1 (Continued)

PIPELINE CAPITAL COST ESTIMATES - VARIOUS SYSTEMS & THROUGHPUT RATES

2. Compression and Cooling

		Alaska			To Whitehorse, Yukon		
	PSIG	1260	1440	1680	1260	1440	1680
Compression & Cooling, Prudhoe Bay Inlet	1.6	16.0	24.0	24.0	16.0	24.0	24.0
	2.4	24.0	32.0	48.0	24.0	32.0	48.0
	3.2	48.0	72.0	80.0	48.0	72.0	80.0
	4.0	72.0	96.0	120.0	72.0	96.0	120.0
	4.8	96.0	120.0	152.0	96.0	120.0	152.0
	5.6	112.0	144.0	192.0	112.0	144.0	192.0
Compression & Cooling, Compressor Stations	1.6	80.0	60.0	40.0	120.0	80.0	60.0
	2.4	180.0	120.0	100.0	240.0	180.0	120.0
	3.2	354.0	260.0	189.0	472.0	354.0	260.0
	4.0	607.0	449.0	283.0	884.0	647.0	410.0
	4.8	1120.0	682.0	475.0	1467.0	1096.0	693.0
	5.6	1815.0	1155.0	840.0	2388.0	1581.0	1235.0
Engineering, Supervision and contingencies for compressor stations.	1.6	9.6	8.4	6.4	13.6	10.4	8.4
	2.4	20.4	15.2	14.8	26.4	21.2	16.8
	3.2	40.2	33.2	26.9	52.0	42.6	34.0
	4.0	68.1	54.5	40.3	95.6	74.3	53.0
	4.8	116.2	80.2	62.7	156.3	121.6	84.5
	5.6	192.7	129.9	103.2	250.0	172.0	142.7
Add Pipeline Cost (Less compression and AFUDC)		1877.4	1998.8	2117.9	2325.4	2488.9	2655.9

3. Total Direct Capital Cost

(Less AFUDC but including Prudhoe Bay extra Processing & Compression)	1.6	1983.0	2091.2	2188.3	2475.0	2603.3	2748.3
	2.4	2101.8	2166.0	2280.7	2615.8	2727	2840.7
	3.2	2319.6	2364.0	2411.8	2897.4	2957.5	3029.9
	4.0	2624.5	2598.3	2581.2	3377.0	3306.2	3238.9
	4.8	3209.6	2881.0	2807.6	4044.7	3826.5	3585.4
	5.6	3997.1	3427.6	3263.1	5075.4	4386.4	4225.6

Table A-2
Calculated Power and Fuel Requirements
at Different Operating Pressures and Throughput Rates

Throughput rate, bcfd	Operating Pressure, psig	1260 Compression	1260 Chilling	1260 Total	1440 Compression	1440 Chilling	1440 Total	1680 Compression	1680 Chilling	1680 Total
1. Prudhoe Bay Inlet										
		Summer power requirements (in thousands of HP)								
1.6		64	18	81*	74	22	96	86	27	113
2.4		95	26	122	115	33	148	130	41	170
3.2		127	35	162	149	44	193	173	54	227
4.0		159	44	203	186	55	241	216	68	284
4.8		191	53	244	223	66	289	259	81	340
5.6		222	61	283	260	77	337	303	95	397
		Average (summer and winter) Fuel requirements (in mmcfd)								
1.6				17.0			19.1			21.5
2.4				22.4			26.8			30.8
3.2				29.4			35.0			41.2
4.0				36.8			43.7			51.5
4.8				44.3			52.4			61.7
5.6				51.3			61.1			72.0
2. Prudhoe Bay to Canadian Border										
		Summer power requirements (in thousands of HP)								
1.6		51	21	72	37	16	53	25	11	37
2.4		165	49	204	109	37	146	78	30	108
3.2		350	87	447	246	72	318	169	52	221
4.0		675	178	853	476	129	605	324	90	415
4.8		1456	297	1456	819	214	1033	56*	147	704
5.6		1832	464	2296	1303	334	1637	842	227	1110
		Average (summer and winter) Fuel requirements (in mmcfd)								
1.6				16.6			12.6			8.9
2.4				39.5			28.4			22.1
3.2				86.1			61.8			43.8
4.0				160.9			114.9			79.5
4.8				276.8			193.1			128.4
5.6				444.6			299.0			204.2
3. Prudhoe Bay to Whitehorse										
		Summer power requirements (in thousands of HP)								
1.6		70	19	89	51	14	65	35	9	44
2.4		214	49	261	156	32	187	1104	29	135
3.2		467	96	593	351	69	420	237	50	287
4.0		988	177	1165	703	125	828	471	85	557
4.8		1716	293	2008	1218	207	1446	821	145	966
5.6		2681	462	3143	1956	332	2287	1336	224	1560
		Average (summer and winter) Fuel requirements (in mmcfd)								
1.6				20.0			14.4			10.0
2.4				50.2			35.6			24.0
3.2				109.4			78.2			54.5
4.0				202.7			151.8			103.1
4.8				319.6*			241.6			169.5
5.6				591.0			402.5			273.7

* Totals may not equal sum of parts due to rounding.

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Alaska Gas Project Office Capital Cost Estimates

Items for Which Differences in Pipe Weight and Operating Pressure Result in Minimal Differences in Cost

The following activities during pipeline construction were assumed to have the same cost (or only minor cost differences) regardless of the pipe's weight or pressure rating:

1. Right-of-way procurement.
2. Clearing and grading.
3. Workpad and access roads.
4. Ditching.
5. Pipe alignment.
6. Field storage of pipe and materials.
7. Coat and wrap pipe.
8. Pipe inspection.
9. Padding and backfill.
10. Cleanup.
11. Resod.
12. Metering equipment.
13. Automation and telecommunications.
14. River crossings.

In actual practice, increasing the operating pressure should result in only minor differences in actual engineering and supervision costs. However, since these items are frequently considered as add-on items and are usually expressed as a percentage of other items, they were treated as a variable cost in this report.

Items Where Differences in Pipe Weight and Operating Pressure Will Change Costs

Pipe Costs. Pipe costs were computed assuming a 1975 base mill price of $550 per ton for 0.6-inch wall thickness, internally coated pipe, plus the following charges:

1. $10/ton additional cost for 0.688-inch wall thickness pipe.
2. $20/ton additional cost for 0.80-inch wall thickness pipe.
3. $50/ton additional cost for increased pipe toughness.
4. $30/ton increased mill cost-Canadian pipe.
5. $20/ton Yukon tax.

To compute tonnage requirements for pipe it was assumed that the heavier wall thickness required in Class II and III construction locations would increase requirements by 10 percent compared to the tonnage required if the entire line was considered no Class I construction.

Pipe Transportation. It was assumed that the pipe would be shipped from the mill to delivery points in Alaska by intercoastal vessels. The following delivery costs were assumed.

Dollar per ton (1975)

[illegible] Texas to Anchorage, Alaska	80
[illegible] Texas to Prudhoe Bay, Alaska	140
[illegible] Ontario, to Skagway, Alaska	100

Pipe delivered to Anchorage (or Seward), Alaska, that will be further shipped to Fairbanks, Alaska, via the Alaska railroad, was assumed to incure an additional charge of $20 per ton. Rail charges from Skagway, Alaska, to Whitehorse, Yukon, were assumed to be $10 per ton.

It was assumed that the pipe would be strung from pipe storage points in Prudhoe Bay, Fairbanks, Anchorage (or Valdez), Alaska, and Whitehorse, Yukon. The following pipe stringing costs were assumed:

Stringing Costs, Dollar Per Ton (1975)

	Wall thickness, inches		
	0.6	0.688	0.80
From			
Prudhoe Bay	21.60	19.80	24.30
Fairbanks—North	18.60	17.40	21.20
Fairbanks—East	15.10	14.20	17.00
Anchorage (Valdez)	15.10	14.20	17.00
Whitehorse	15.10	14.20	17.00

Higher costs were assumed north of the Yukon River. Stringing costs varied because of assumed truck weight limitations. For instance, it was assumed that only two double joints of 0.8-inch wall thickness pipe could be delivered per load compared to three double joints of 0.6-inch thickness pipe. The weight limitations assumed are probably conservative.

Welding. Alaskan Northwest has stated that increasing pipe weight and wall thickness reduces construction speed, due to increased welding requirements. They maintain that such reduced construction rate increases costs significantly more than just the increased welding costs, since a slower pace increases the cost of most construction activities. In contrast, others have stated that increasing wall thickness should not slow down construction.

Our knowledge of the welding procedure is that the stringer bead (the initial weld) is made by a stringer bead crew, which for 48-inch diameter pipe would likely consist of four welders. Upon finishing the stringer bead, the stringer bead crew moves forward to the next joint. Immediately following completion of the stringer bead, the hot pass bead is placed by the hot pass crew. Since the hot pass bead is applied at a slightly higher speed than the stringer bead, the hot pass crew usually has no trouble keeping up with the stringer crew. The filler and cap bead are made by separate crews. Normally, a filler and cap crew will stay with a weld until it is finished. Since more weld material must be placed by the filler and cap welders, there may be several filler and cap crews per stringer crew. When thicker wall pipe is welded, it is only necessary to add more filler and cap welders.

According to our understanding of the process, the only welding problem with thicker wall pipe is that 0.8-inch wall thickness pipe would add about 100,000 to 120,000 man-hours of additional welder time compared to that required for 0.6-inch wall thickness pipe. Assuming a 2-year construction period and 1600 man-hours per year per welder, this additional welding would require adding about 38 welders. There should be no changes in nondestructive testing requirements, and only minor increases in inspection and supervisory personnel.

Construction speed is determined by the speed of the stringer crew. Since the time to make the stringer pass is independent of wall thickness, welding speed, expressed as joints per day or miles per day, should not be a function of wall thickness. As a consequence, increasing the wall thickness of the pipe should not materially reduce construction speed.

Welding costs shown in table A-1 assume manual welding; automatic or semi-automatic machines could probably reduce costs and improve weld quality. Welding time is based upon a theoretical arc time assuming deposition of 0.8 pounds of weld material per minute; changing electrodes is allowed for by adding one-third again to the time spent depositing weld material. We then assume that 50 percent of welders' working time is spent on activities other than these two.

Double Jointing. It was assumed that automatic or semi-automatic welding machines would be utilized for doublejointing under controlled, indoor conditions. The principal differences in doublejointing costs for thicker wall pipe compared to thinner pipe would be an increase in machine and operator time.

Bending. It was assumed that bending costs for the 0.8 inch wall thickness pipe would be 10 percent greater than for pipe with 0.6 inch wall thickness, or about $0.75/foot increase.

Sidebooms—Support Tractors. It was assumed that the heavier pipe would necessitate heavier lifting equipment, with a resultant increase in fuel and amortization costs. No increase in operating personnel was assumed.

Concrete Weights. March 1977 filed costs were assumed for the base case. Costs for the heavier pipe were computed assuming that total costs for weights would be proportional to the

pipeline negative bouyancy without weights.

Valves and Fittings. Block valve costs of $90,000, $96,000 and $105,000 each were assumed for 1260 psig, 1440 psig and 1680 psig valves, respectively. Installed costs of valves and fittings were assumed to be seven times the valve costs. All costs are based upon 1975 prices.

Compression and Cooling. The high-pressure systems will increase compression and cooling requirements at Prudhoe Bay, but will reduce them at pipeline compressor stations. Computed horsepower requirements are shown on table A–2.

Compressors are now used to reinject produced gas. Existing first stage compressors compress the gas from about 550 psig at flow station discharge points to about 1705 psig. These compressors possibly would not need to be duplicated.[35]

V. Estimates of Throughput Volumes

As is apparent from the plots of transportation costs versus throughput volume, expected throughput volume is an important parameter in determining which of the alternative systems is the most cost-effective design. This section reviews the available information for guidance on this point.

1. *Findings in the Initial Decision.* The quantity of gas reserves on the North Slope of Alaska and the deliverability of these reserves was explorted in detail during the hearing before FPC Administrative Law Judge Litt in *El Paso Alaska Company, et al.*, Docket No. CP75-96, *et al.* Judge Litt concluded in the *Initial Decision* that, although the uncertainty of reservoir performance and the possible necessity of water injection precluded exact estimates as to the daily deliveries to be expected from the Prudhoe Bay Field, the weight of the evidence supported a finding that 2.0–2.5 bcfd of gas will initially be available from the Prudhoe Bay Field. (*Initial Decision* at 33.) The proven reserves in the Prudhoe Bay Oil Pool support this finding. If one includes additional reserves from the Sadlerochit, Lisburne, and Kuparuk resevoirs, this estimate may be conservative. Judge Litt noted in connection with the Lisburne and Kuparuk reserves that future development of complete disclosure of past drilling would be necessary to establish the producing capabilities of these formations. (*Initial Decision* at 31.)

Judge Litt also found that the evidence suggested that deliveries above the 2.0–2.5 bcfd level might be available from the North Slope region because of reserves other than in the Prudhoe Bay Field. (*Initial Decision* at 33.) However, he found that the evidence regarding such reserves was unclear and made no specific findings as to the volumes of gas which might be delivered from such reserves.

2. *Findings in the FPC Recommendation to the President.* The FPC stated in the *Recommendation to the President:*

"Thus, we conclude that it is reasonable to assume 2.0 to 2.5 Bcfd from Prudhoe Bay Oil Pool within five years after the commencement of oil production. There exists some possibility of increased delivery from the North Slope of perhaps as much as an additional 1.5 Bcfd from NPR–4 (Naval Petroleum Reserve No. 4), ANWR (The Arctic National Wildlife Range), and the Beaufort Sea, as well as other reservoirs in or near the Prudhoe Bay Oil Field. Thus, we find the system should be designed to carry initially 2.0–2.5 Bcfd, and be capable of expansion to an additional 1.0–1.5 Bcfd." (p. I–17)

3. *Findings in the Decision.* The report which accompanies the Decision notes that the increase in the nation's supply of natural gas from an Alaskan gas project is estimated to be 0.7 trillion cubic feet (tcf) per year (2.0 bcfd) by 1985. By 1988, a volume greater than 0.9 tcf per year (2.4 bcfd) might be produced, according to the report.

4. *State of Alaska.* The Prudhoe Bay Field is located on lands owned by the State of Alaska. Detailed information on the production potential of that field has been made available to the State in its capacity as royalty owner and conservation authority. At our request, the State's Department of Natural Resources prepared estimates of reserves and deliverability of gas from State lands in the North Slope region based on all information available to them. Those estimates suggest a deliverability range after 1988 of 2.0 to 4.2 bcfd from State lands (including the Prudhoe Bay Field) with the median estimate at 2.8 bcfd.

5. *U.S. Geological Survey.* As part of the July 1, 1977, reports to the President prepared under the terms of the Alaska Natural Gas Transportation Act (ANGTA), the U.S. Geological survey (USGS) compiled estimates of reserves and deliverability for all North Slope areas.[36] The USGS discussion cites three separate analyses of North Slope potential—its own, that of the Potential Gas Committee of the Colorado School of Mines, and that of the Division of Geological Survey of the State of Alaska—to conclude that there is a very high probability of substantial additional recoverable gas reserves in the North Slope area.

Converting potential reserve estimates into proven reserves dedicated to pipeline transportation is a demanding exercise in expectation. However, using the USGS figure of 19 tcf of potential reserves outside the Prudhoe Bay geologic structure, in conjunction with a rule of thumb for deliverabilty (1 bcfd production for 20 years requires at least 20 tcf of potential reserves), plus the State's figure for the Prudhoe Bay Field itself, these estimates suggest there is a 95 percent probability that deliverability from all North Slope producing areas will be at least 2.5 bcfd if production from all of those reserves overlaps through some period in the future, as seems highly likely. There is a small probability of North Slope deliverability going as high as 7.5 bcfd.

VI. Additional Considerations

Our discussions with interested parties suggested that considerations other than design costs and estimated throughput volumes are important to the choice of system operating pressure. This section presents short discussions of the most important of those considerations as we understand them.

1. *Vulnerability to Cost Overruns.* Some project sponsors have expressed the concern that a higher pressure system is more vulnerable to cost overruns. Some support for their concern can be found in the work of Professor Walter Mead of the University of California at Santa Barbara. In a recent study published by the American Enterprise Institute,[37] Professor Mead reported in a chapter on cost overruns (chapter 6) that an econometric analysis of past Defense Department projects "* * * indicated that cost overruns were significantly related to the length of time required for the development program and the ex-

[35] Sohio noted in its comments on our draft report that whether the compressors will need to be duplicated will depend on whether Prudhoe Bay working interest owners agree to release any of these facilities for gas sales service.

Arco also made this point in its comments on the draft report. It noted that the Prudhoe Bay owners installed compressors to reinject gas which is produced with crude oil. At the time gas sales commence the volume of gas which will have to be reinjected will be reduced by the volume of gas sales. However, these compressors may still be required for reinjecting a portion of the gas production in order to maintain crude oil production.

[36] *Report of the Working Group on Supply, Demand and Energy Policy Impacts of Alaska Natural Gas*, Federal Energy Administration, Department of Commerce, Department of the Interior, U.S. Geological Survey, Department of Transportation, Department of the Treasury, Energy Research and Development Administration, July 1, 1977.

[37] *Transporting Natural Gas from the Arctic: Alternative Systems*, Walter J. Mead, with Glenn W. Rogers and Rufus Z. Smith, American Enterprise Institute for Public Policy Research, Washington, D.C., August 1977.

of technological advance involved in the project." (p. 86) The implication is that the closer to known technology a project is, or more specifically, the more like a previously constructed project a succeeding one is, the better the cost estimates for the successor project and the less its tendency to cost overruns. To the extent that the 1260-psig system can be considered closer to known technology than either of the higher pressure alternatives, its tendency to cost overrun should be less. On an analogy to Professor Mead's discussions of Defense Department projects, this is appropriate.

Any difference in their respective tendencies toward cost overrun between the 1260-psig system and the higher pressure alternatives would have the effect of raising the crossover point where increased throughput volume makes a higher pressure system result in lower unit transportation charges. Figure 3 in the section which presented the results of our calculations (section IV, *supra*) shows the effect on the crossover point of an increase in capital costs for a high-pressure system. A similar effect on the crossover point would be realized if cost overruns had the effect of increasing the costs of a higher pressure system relatively more than those of the 1260-psig alternative.

2. *Impact on Financing.* The *Decision* requires that the Alaskan Natural Gas Transportation System be privately financed. Therefore, the impact of a decision to utilize a higher pressure system on the ability of the sponsors to obtain private financing is a major concern.

The risk of major cost overruns creates whatever risk there is of project non-completion, and presents the largest single financing problem for the project. Thus, if the lower pressure system is closer, to current gas pipeline industry practices, the analysis referred to by Professor Mead would suggest that utilizing the lower pressure alternative reduces the likelihood of major cost overruns and thereby facilitates financing. The effect of technological advances on the reliability of cost estimates was alluded to by the NEB in its February 19, 1978, "Statement of Position."[38]

In response to our request for more definitive information on the significance of the pressure question for financing, the project sponsors' principal financial advisers prepared a letter explaining the effect of a decision to utilize a higher pressure system on the financing proposals of the pipeline project. The gist of their concern is that a higher pressure system involves technological risks that lenders and potential equity investors simply will not accept.

3. *The Gas Consumers' Interest.* The interest of the gas consumer in the low-pressure/high-pressure decision is not obvious. Although a higher pressure system should result in lower transportation charges at higher levels of throughput, it is not assured that such reductions in transportation cost will accrue directly to the benefit to gas consumers.

The means by which delivered price is set for the gas to be transported by ANGTS does not lead to a clear-cut showing of consumer benefit. For the initial throughput volume, an expected 2.0 bcfd from the Main Pool Reservoir of the Prudhoe Bay Field, the delivered price will be the sum of the transportation charge and a wellhead price, plus an allowance for gathering and conditioning if allowed by the Commission. In this case, reduced transportation charges should be passed on to gas consumers as reductions in delivered prices.

In the next few years, however, high-priced sources of gas such as the Prudhoe Bay gas could rapidly exhaust the implicit subsidies provided by allowing the price of this gas to be averaged in with lower cost gas from conventional supply sources. As soon as the use of "rolled-in" pricing has raised the average price of all gas to approximate parity with the delivered price of alternate fuels, incremental gas sales are likely to be made only at prices set by competition with those of alternative fuels. At that point reductions in transportation charges would likely accrue to producers.[39]

Depending on the relationship of the netback to the field price from the market value of this gas on the one hand, and the maximum lawful ceiling price set by the NGPA on the other, possible Commission use of rolled-in pricing for other gas supply projects, and changes in the delivered prices of competing fuels, prices for North Slope gas sales after the initial 2.0 bcfd from the Main Pool Reservoir could be set by a netback from the delivered prices of competing fuels. In that event, reduced transportation charges for these incremental volumes would benefit the gas producers.

An efficient natural gas transportation system which encourages the development of additional supply through higher field prices is not without some consumer benefit. The point here is that an analysis of that benefit is not as simple as might be implied by a comparative evaluation of transporation cost curves.

4. *Alternative Investment Requirements.* Cooling the oil pipeline to move the butane which cannot be transported by the 1260-psig gas pipeline system appears to require a smaller capital investment than increasing the operating pressure of the gas pipeline. The figures provided by the gas pipeline project sponsors show an increased investment requirement of $237 million (in 1975 dollars) to go to the 1680-psig system. Using the oil pipeline would require (in 1978 dollars):[40]

[In millions of dollars]	
Increased investment in gas conditioning plant	30
Cooling facilities for oil pipeline	37-70
Total	67-100

Alternatively, if the reduction in gas pipeline pressure results in the use of butane as field fuel and/or disposition by reinjection, the following investments (in 1987$ dollars) would be required:[40]

[In millions of dollars]	
Increased investment in gas conditioning plant	30
Field fuel system investment	50
Injection investment	25
Total	105

As the likely outcome of decision to use the 1260-psig system would be a

[38] Point sufficient field welding tests and production trials are done to establish suitable procedures and the manpower and equipment requirements to achieve progress rates compatible with other crews, the National Energy Board feels the present cost comparisons (between standard-pressure and high pressure alternatives) based on normal procedures may not be valid." NEB Statement of Position, *op. cit.*, Technical Review, pp. 3-4.

[39] A limitation on such a potential benefit to producers will be the ceiling price on natural gas produced from Prudhoe Bay Unit established by § 109 of the Natural Gas Policy Act of 1978 (NGPA). The price of competing fuels may only determine the price of gas from the Prudhoe Bay Unit to the extent such a price is equal to or less than the ceiling price.

[40] All of these estimates are my interpretations of certain investment figures supplies by Arco. Arco did not provide any comment on this comparison as it appeared in my draft report.

Sohio pointed out in comments on my draft report that crude oil cooling costs were estimated by the R. M. Parsons Company to be about $55 million in 1978 dollars for the case of maximum volume of butanes (31,200 barrels/day) in the TAPS line, assumed to be operating at 1.5 million barrels/day throughput (maximum cooling required). Sohio also noted that oil cooling costs could be partly offset by the lower investment in gas-boost compression facilities required for 1260 psig operation, as compared to 1440 or 1680 psig. Sohio concludes:

"The net differential investment which would be required in the conditioning facilities and in various Prudhoe Bay Field facilities to be compatible with a 1260 psig pipeline system is expected to add considerably less than the $1681 million (in 1978 dollars) estimated by Arco, event when all butanes recovered are transported in the TAPS lines in preference to blending them with the sales gas. Operating costs of oil coolers are also expected to be less than those related to additional gas compression." (Sohio comments, October 27, 1978, p. 2)

combination of cooling the oil pipeline, use of the extra butane in the field, and reinjection, we believed approximately $100 million (in 1978 dollars), including the $30 million required for additional investment in the processing and conditioning facility, is a representative requirement for comparison with the $237 milllion (in 1975 dollars) additional investment requirement to increase the system operating pressure to 1680 psig. None of these figures consider operating costs, so any comparisons are necessarily incomplete.

The gas consumer would see the increased investment requirement in the form of increased transportation charges for gas delivered by a higher pressure system, at least for the first 2.0 bcfd of throughput. Although the increase in unit transportation charges would be tempered by the delivery of higher Btu gas, the additional Btu's per unit volume would not be enough to offset the higher tranportation charges until throughput volumes get higher than just those from the Main Pool Reservoir of the Prudhoe Bay Field.[41]

On the other hand, the oil consumer would not likely be directly affected by a requirement for additional investment in oil pipeline facilities. North Slope oil prices are effectively set through competition with imported oil, and can not be increased to consumers in order to recover additional transportation costs. Additional investment in the Trans-Alaska Pipeline System (TAPS) simply reduces the netback to the oil producers at the field. The consumer price impact of using the oil pipeline to carry the butane would only be felt as an increase in any processing and conditioning allowance which might have been allowed by the Commission to cover the $30 million extra investment required for the processing and conditioning plant.

The investment requirement not touched on in the preceding discussion is that which might be required for vapor recovery systems on storage tanks in areas where the higher vapor pressure caused by adding butane to the North Slope crude would cause unacceptable air pollution problems. Such ancillary investment requirements highlight the importance of the gas pipeline system design question for the North Slope gas producers, as well as for the gas pipeline project sponsors, and the degree of interest the producers should have in optimizing the design of all facilities involved in producing and transporting Prudhoe Bay hydrocarbon resources.

VII. Requirements for Resolution

I believe that the *Decision* creates a predisposition that the 1260-psig system is the one authorized by the President and the Congress by its reference to "the facilities * * * included in the revised Alcan filing submitted to the Federal Power Commission (FPC) on March 8, 1977."[42] Additional NGL's carrying capability of a higher pressure system might be a desirable feature, all other things being equal. However, a technical report filed with the State of Alaska by the major interest owners in the Prudhoe Bay Field (Arco, BP, Exxon and Sohio) in support of their proposed reservoir management plan states:

> Gas pipeline specifications are not currently known and final specifications may increase or decrease the volume of liquids which must be extracted from the gas to prevent condensation in the pipeline. Regardless of the final gas conditioning requirements, all liquids extracted will be used without waste, either to displace fuel gas or to be transported through the oil pipeline.[43]

I believe that the language in the Report accompanying the *Decision* suggesting that:

> * * * Alcan should consider increasing the operating pressure and wall thickness of its 48 inch diameter pipeline in order to allow for more efficient increases in throughput rate for additional reserves which might be committed to the system from either Alaska or Canadian sources * * *."[44]

would make the predisposition a rebuttable one on appropriate showings in a final authorization proceeding for these facilities. The discussion below highlights the principal factors which should be evaluated in such proceeding, should one be required to set this parameter. I believe that favorable findings in all three areas would be required to support a decision to increase the operating pressure of the Alaskan segment.

1. *Concurrence of the Canadian Government.* The Government of Canada, across whose territory some length of any of the 48 inch alternatives would have to pass,[45] has previously expressed severe reservations about the 1680-psig alternative on safety and reliability grounds. The Canadian project sponsors share those reservations. The U.S. project sponsors, while concerned about safety and reliability problems (particularly those associated with proximity to the Alyeska oil pipeline), are primarily concerned that uncertainties associated with the 1680-psig system would create significantly higher risks of construction delay and cost overrun than the 1260-psig alternative.

The hearing record on the safety and reliability aspects of the 1680-psig system was more extensively developed in Canada than in the U.S. proceedings before the FPC. Accordingly, although U.S. technical representatives continue to believe that the 1680-psig system can be constructed and operated safely and reliably,[46] Canadian authorities still have reservations about the high-pressure alternative based on the evidence presented to them.[47]

The U.S. project sponsors have also expressed concern about additional hazards of a higher pressure system because of proximity to the TAPS. The additional potential energy in a higher pressure system is thought to represent more of a threat to the structural integrity of the oil pipeline in the event of a gas pipeline rupture. On the other hand, technical representatives of Exxon, one of the principal owners of TAPS, did not feel there was any significant difference in hazard to the oil pipeline between the 1260 psig and 1680-psig alternatives.

A testing program involving the project sponsors, the owners of the oil pipeline and the Canadian Government

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[41] Future gas volumes made available for shipment could have less NGL's content than the Prudhoe Bay accumulation, in which case the "dried" composite gas stream would have more capacity for Prudhoe Bay NGL's without increasing system operating pressure.

[42] *Decision, op. cit.* p. 13.

[43] Exhibit ALA-31 filed in proceedings before FPC, p. 10. Cited in *Comments on the "Decision and Report to Congress on the Alaska Natural Gas Transportation System"*, Federal Energy Regulatory Commission, October, 1977.

[44] *Decision, op. cit.*, p. 193.

[45] On February 17, 1978, the Canadian National Energy Board chose a large diameter (56 inch) alternative for the segment of the system through which both Canadian and U.S. gas volumes will flow, to be installed between Whitehorse, in the Yukon Territory, and the Interprovincial point near Lones River in Alberta. Although the operating pressure of the 56 inch system will be 1680 psig, its NGL's carrying capacity is not less than that of a 1680 psig system installed farther north. The reason is the difference in operating temperature: the 56 inch system will operate at a minimum of 40° F, while the northern portions of the system will have to be chilled to below the freezing point of water (32° F) to avoid thaw settlement problems in permafrost soils.

Permafrost soils, and consequently the need for operating the pipeline at or below 32° F, extend less than 100 miles into Canada. The operating temperature can be increased south of that point, allowing the operating pressure to be gradually lowered without losing significant NGL's carrying capacity. The 1680 psig system is, however, incompatible with the very high pressure (2150 psig) system advocated at one point by Exxon.

Thus, Canada would have to approve the use of a higher pressure system for a short distance from the Alaska/Yukon border if such a system is to be used in Alaska.

[46] "U.S. Government Safety and Reliability Evaluation of Different Pipe Size and Pressure Combinations for Alaska Gas Pipeline", *Op. Cit.*

[47] Their "Statement of Position" has previously been referenced. See page 4

would seem to be required prior to any decision to increase the operating pressure of the gas pipeline. Exxon representatives in particular have suggested that the required testing program would not be extensive, but we doubt they have tried to convince the Canadian Government or the Canadian project sponsors, both of whom would have to be satisfied with the testing program and its results before a decision to utilize a higher pressure system could be made.

2. *Satisfactory Distribution of Costs and Benefits.* In the preceding section, I discussed my concern that consumers might not be the primary beneficiaries of a decision to utilize a higher pressure system for the Alaska segment. Here I suggest briefly what types of analysis would be required to support a conclusion that consumers would benefit from higher pressure.

The first consideration is expectations about throughput volumes which would suggest that lower transportation costs are likely with higher pressure. A positive finding in this area would have to involve not only conclusions about ultimate throughput, but also the timing of throughput increases, as a decision to ask consumers to pay more now in order to pay less later would have to pass a present value test.

The North Slope producers either now have or will have the geophysical and drilling information which might support increased capacity in the delivery system. Much of this information may have been supplied by them to the State of Alaska and the USGS, but under confidentiality arrangements which effectively deny access to any parties not specifically granted permission by the producers. I believe that the burden of proof that a higher capacity system is required is on the producers.

A second consideration is the possibility of a differential tendency to cost overrun between the 1260 psig system and the higher pressure alternatives. As discussed in a previous section, such a tendency would displace upward the throughput volume threshold where a higher pressure alternative has a lower unit cost of service than the 1260 psig system. Further studies of the cost overrun problem are currently in progress,[48] and should be available for evaluation in the event that an initial burden of proof regarding volumes available for throughput had been satisfied.

3. *Resolution of Extraordinary Financing Problems.* I believe that requiring the chosen system to be privately financed is an integral part of an elaborate framework set out in the President's *Decision* to ensure that construction of the selected system is in the public interest. I also feel that it would be inappropriate for the Commission to make any decision which would undermine a component of that framework. I believe that a showing that any extraordinary financing problems associated with choosing a higher pressure system had been resolved would be an essential element in any such choice by the Commission.

VIII. Results of Conference

An earlier draft of this report was circulated for comment in late September 1978, to the parties with whom we had discussed this matter. The same draft was sent to all parties in Docket No. CP78–123, *et al.*, during November, 1978.

The comments I received indicated a number of corrections to be made which have been incorporated as appropriate but did not alter my basic assessment of the difficulties involved in reaching a determination to increase the operating pressure from the level which had been approved as part of the President's *Decision*.[49]

An on the record conference of interested parties was held on December 15, 1978. At that conference I presented a proposition, which had been suggested in the comments of the State of Alaska on my draft report, for consideration by the project sponsors and any other interested parties. That proposition was to first construct and operate the pipeline at 1260 psig, and then to increase operating pressure of the pipeline *if* sufficient throughput volumes became available during the operating life of the pipeline to warrant the increase. The State of Alaska suggested that it might be

> • • • possible to achieve operating pressures approaching 1440 psig by relaxation of the "design factor" for the pipe Northwest proposes to use from .72 to .8. See 49 CFR 192.111. This would not be a substantial change because the "relaxation" is only to the established Canadian standard. A waiver request would have to be presented to the Office of Pipeline Safety [Department of Transportation] but a good case would be made that safety concerns would be satisfied by the relaxed design factor based on the record in Canada. (November 17, 1978, Comments, p. 7)

The Department of Transportation (DOT) and its Office of Pipeline Safety were represented at my conference. Their representatives were not encouraging about the prospects for a waiver because of the proximity of the pipeline to the haul road which serves the North Slope producing area. DOT safety requirements are more stringent for gas pipelines which operate near highways;[50] thus, sufficient relaxation of the standard to accommodate an increase in operating pressure would likely require a double waiver. The DOT representatives advised use of thicker-wall pipe if higher operating pressures were to be attempted.

I closed the conference by requesting that the project sponsors present their views on the operating pressure question in detail to the State of Alaska and the DOT, both of whom appeared to favor a higher capacity system.[51] The sponsors were then to report to the Commission on their views regarding the possibility of increasing the system capacity, and on the results of their discussions of this matter with other interested parties. The sponsors' filing of March 2, 1979, requesting a Commission order finalizing the selection of 1260 psig as the operating pressure for the Alaska segment, is in compliance with my request. A copy of that filing is attached to this report.

IX. Conclusions and Recommendations

Relevant Considerations. As discussed in section IV above, the primary method of analysis to determine the appropriate throughput capacity for a gas pipeline is the comparison of plots of unit transportation cost vs. throughput volume for alternative system configurations. The project sponsors have attached such plots for the principal alternative systems as Exhibits Z–4 and Z–5 in their filing. Similar computations are also included in section IV of this report.

In my judgement, there are two factors in these comparisons which should be considered:

The least cost system at expected levels of throughput, and

Expectations about the throughput levels for which fuel penalties start to

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[48] For example, the Rand Corporation has been studying this problem applied to coal gasification plants for the Department of Energy.

[49] The U.S. Department of Transportation expressed some concern over perverse incentives inherent in the way natural gas pipeline projects are regulated. I took note of their concerns but advised them that the Commission would likely be unable to resolve them.

[50] Whether the haul road is properly classified as a "highway" and thus imposes the more stringent safety standard on the gas pipeline, is a matter which I believe is still at issue.

[51] Arco representatives, both in their comments on my draft report and in their remarks at my conference, favored increasing the operating pressure but reducing the diameter of the gas pipeline system. Exhibit Z–5, attached to the project sponsors' March 2, 1979, filing, indicates that the operating efficiency characteristics of the 1260 psig, 42 inch system which Arco favors are essentially the same as those for a 1260 psig, 48 inch system.

significantly increase the unit transportation cost.

For expected levels of throughput up to 3.3 bcfd, the 1,260 psig system is indicated by the project sponsors' analysis. Although our analysis puts the crossover point from the 1,260 psig system to the 1,440-psig system slightly lower than the project sponsors',[32] our analysis also supports the 1,260-psig system if the expected levels are in the 2.8- to 2.9-bcfd range.

Perhaps more important, in my judgement, is an assessment of the likelihood that throughput levels will exceed the range of efficient operation for the recommended system. For the three systems which appear to be feasible for the Alaska segment—1,260, 1,440 and 1,680 psig systems—there is a considerable range of throughput volumes for which there is probably sufficient uncertainty the capital cost estimates upon which the cost of service calculations are based to prevent a definitive conclusion that one will have a lower unit cost of service than another. For example, if I arbitrarily pick a difference of 10 percent between the cost of service of the lowest and highest cost systems for a given throughput level as a difference which is significant, then the unit cost of service for all three systems would be essentially the same from a throughput of about 2.6 bcfd to almost 4.0 bcfd, according to Alaskan Northwest's Exhibit Z–4. Above 4.0 bcfd and below 2.6 bcfd, the three curves diverge more rapidly.

Our computations in section IV illustrate better the divergence of the "J-Curves" at higher throughput volumes because we have plotted them for a larger range of throughput. On the next page, I have used the data from my Figure 1 to plot the difference between the lowest and highest cost systems as a percent of the lowest cost system for various levels of throughput. Notice that because of differences in our respective capital cost figures, our 10 percent difference point is closer to 3.5 bcfd than Alaskan Northwest's 4.0 bcfd. However, the plot illustrates that, although the differences are small over a range of throughput, they increase rapidly as the upper end of the range of efficient operation for the 1,260-psig system is approached.

In section VII of this report, I discussed the difficult problems which would have to be resolved to reach a determination to increase the operating pressure of the Alaskan segment. I believe that the Commission need not address these problems unless there is a significant change in expectations about gas volumes available from the producing areas to be served by the ANGTS. In view of the difficulties discussed in my report and in view of the relatively small differences in unit costs of service over the range of at least 2.6 to 3.5 bcfd, I would recommend that you reaffirm the 1,260-psig system for the Alaskan segment unless you are provided with new information which demonstrates that there is a significant probability of volumes in excess of 4.0 bcfd in the area to be served by the ANGTS.

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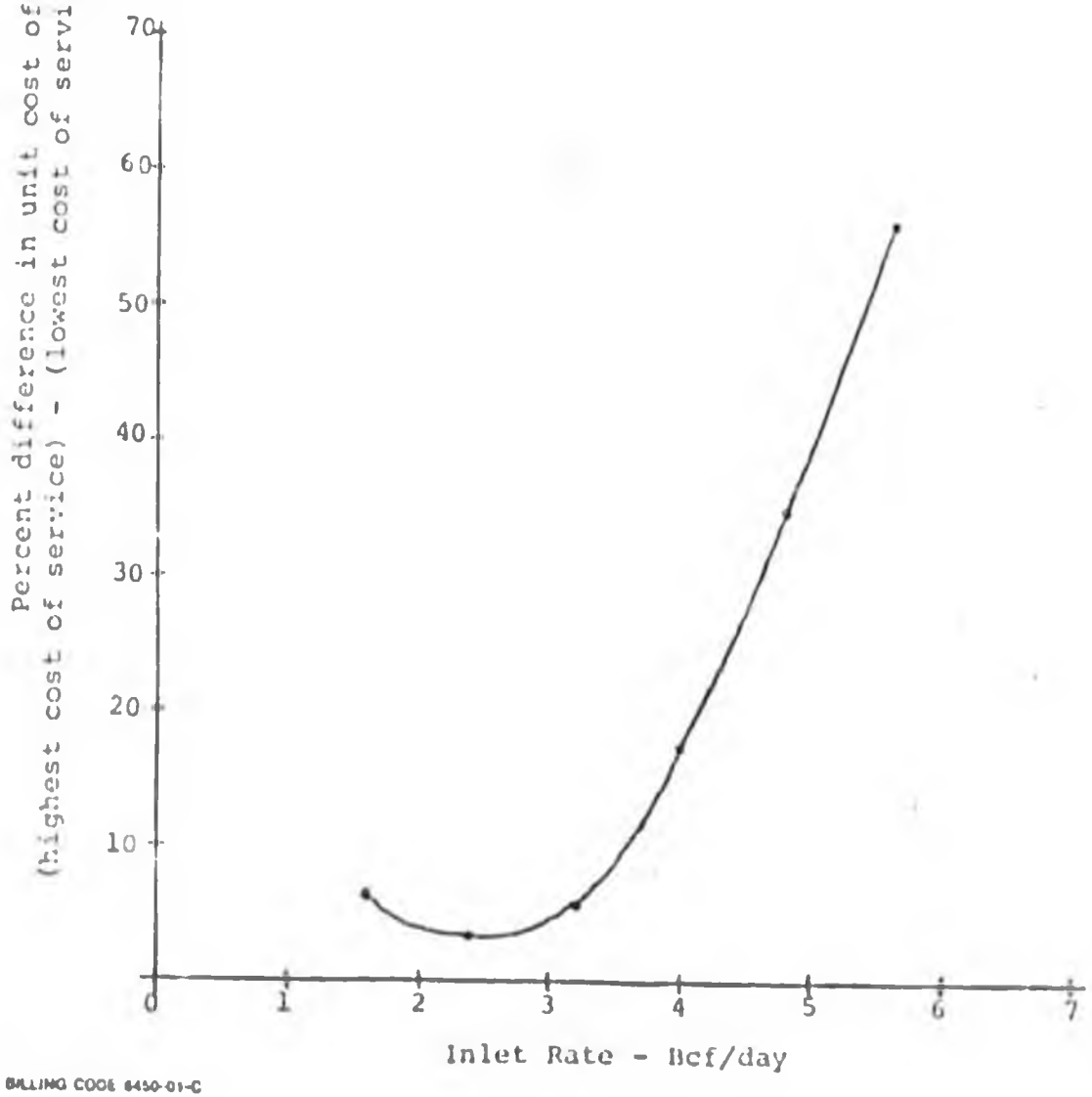
[32] Our results put the crossover point at 2.6% to 2.0 bcfd, depending on certain assumptions about capital costs other than for compression. The remainder of the difference between our study and Alaskan Northwest's is in the installed cost of compression and chilling facilities. I would caution against assigning undue precision to the exact crossover points from one system to another. The differences between Northwest's capital cost estimates and ours for the 1,680 psig system is $30.1 million, or less than 3 percent of the base 1,260 psig estimate, whereas the expected cost overrun for the 1,260 psig case is about 30 percent of that estimate.

Cost of Service Difference
VS
Throughput
Alternative 48-inch pipeline system



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Status of Information. The information available at the time of the *Decision*, the results of the extensive analysis by the FPC and the July 1, 1977, *Report to the President of the Working Group on Supply, Demand and Energy Policy Impacts of Alaska Gas*, are cited in the project sponsor's filing. They cite the relevant conclusion the the *Decision* as the following:

> Peak-day capacity utilizing nine compressor stations will be 2.6 bcfd, with an average daily volume of 2.4 bcfd. By installation of intermediate compressor stations, the system could be increased to 3.4 bcfd peak capacity, with an average day capacity of 3.2 bcfd. The system capacity could be further increased by addition to the compressor horsepower at each station. (*Decision*, p. 17.)

I also note in the report accompanying the *Decision* the following passage:

> The routing of the Alcan system provides future access to reserves which might be discovered in the Beaufort Sea or elsewhere on the North Slope. Alcan similarly could transport gas from other areas of Alaska or even from the Gulf of Alaska by means or even from the Gulf of Alaska by means of somewhat longer supply laterals. Further, the agreement with Canada provides for the use by Canada of the Alcan main line at a throughout up to 1.2 bcfd. Therefore, redesign of the system to enable inexpensive expansibility up to 3.9 to 4.0 bcfd south of Whitehorse, Yukon Territory, is essential. (*Decision*, p. 186.)

I infer from this passage that the throughout volume anticipated at that time from sources in Alaska which might be connected to the ANGTS was in the range of 2.7 to 2.8 bcfd (3.9 to 4.0 bcfd less 1.2 bcfd).

Interestingly, the principal concern about throughput volume at the time of Congressional consideration of the *Decision* was that Prudhoe Bay Field production might not come up to expectations, and thus the system selected by the President might be too large for the available volumes.[54] Some perspective on the possibility that available volumes will be either higher or lower than expected was provided to us in the course of this inquiry by the State of Alaska. As both a royalty owner and the conservation authority for the primary prospective areas on the North Slope, the State's information on these areas must be presumed to be as complete as anyone's. I have reproduced on the next two pages a series of tables of expected reserves and deliverability, along with a map of the area covered by the estimates. As you can see from the tables, the estimated probability that available throughput volumes will be 4.2 bcfd is about the same as the probability that throughput will be only 2.0 bcfd. I don't see any basis in this information for changing from the 1260 psig system.

The CO_2 Standard. A matter which I feel ought to be considered further is the CO_2 standard for gas delivered to the pipeline. I mentioned above (p. 22) that the Parsons study recommends further study of possible alternative specifications for CO_2 content and gas pipeline pressure. Increasing the system operating pressure is difficult for all the reasons discussed above, but I believe changing the CO_2 specification is separable and should considered. The potential benefits to be derived from transporting more CO_2 include reduced conditioning costs, increased capacity for transporting NGL's, and possibly increased availability of NGL's (particularly propane) due to reduced fuel requirements of a less intensive processing and conditioning plant operation. The State of Alaska and Arco [54] raised the CO_2 issue in comments on the project sponsor's March 2, 1979 filing regarding system operating pressure. Sohio [55] has raised the subject of standards for "pipeline quality gas" in the Commission's omnibus rulemaking proceeding on tariff and rate of return issues in Docket No. RM78-12.

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[54] See the very extensive discussions of this matter during the Senate consideration of the *Decision*. Hearings before the Committee on Energy and Natural Resources, United States Senate, on S.J. Res. 82, Joint Resolution to Approve the Presidential Decision on an Alaska Natural Gas Transportation System, September 20, 27, October 11, 12 and 25, 1977. Publication No. 95-73.

[54] "Comments of the State of Alaska on the Design Specifications and Initial System Capacity of the Alaskan Segment of the Alaska Highway Pipeline Project", and "Motion of Atlantic Richfield Company for Clarification," both filed in Alaska Northwest Natural Transportation Company, Docket No. CP78-123 *et al.* on April 5, 1979.

[55] Comments of Sohio Natural Resources Company on Notice of Proposed Rulemaking Issued April 6, 1979, filed in Determination of Incentive Rate of Return, Tariff and Related Issues, Docket No. RM78-12, on May 7, 1979.

North Slope
Original Gas In Place
Trillio.. Cubic Feet

	Confidence Level		
	95	50	5
Prudhoe Bay	←	40.4	→
All Other	0.5	13.4	30.5

Recoverable Reserves *
Trillion Cubic Feet

	Confidence Level		
	95	50	5
Prudhoe Bay	←	21.0	→
All Other	0.3	8.0	18.3

Deliverability
Billion Cubic Feet Per Day

	Confidence Level		
	95	50	5
Mid 1984			
Prudhoe Bay	1.5	2.0	2.5
All Other	0	0.3	0.5
Mid 1988 and Beyond			
Prudhoe Bay	1.5	2.0	2.5
All Other	0.5	0.8	1.7

* takes into account recovery factor, gas conditioning and fuel useage.

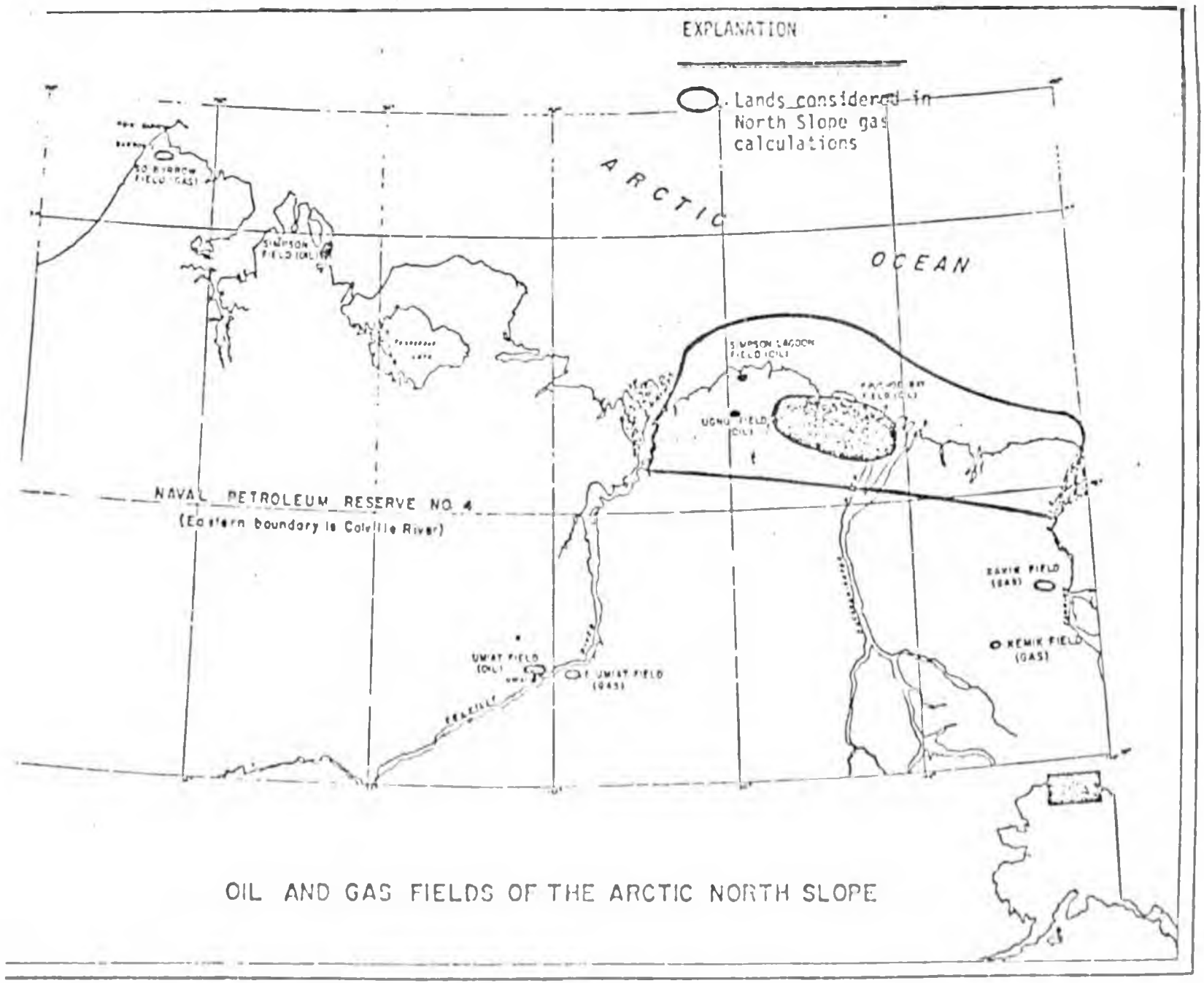
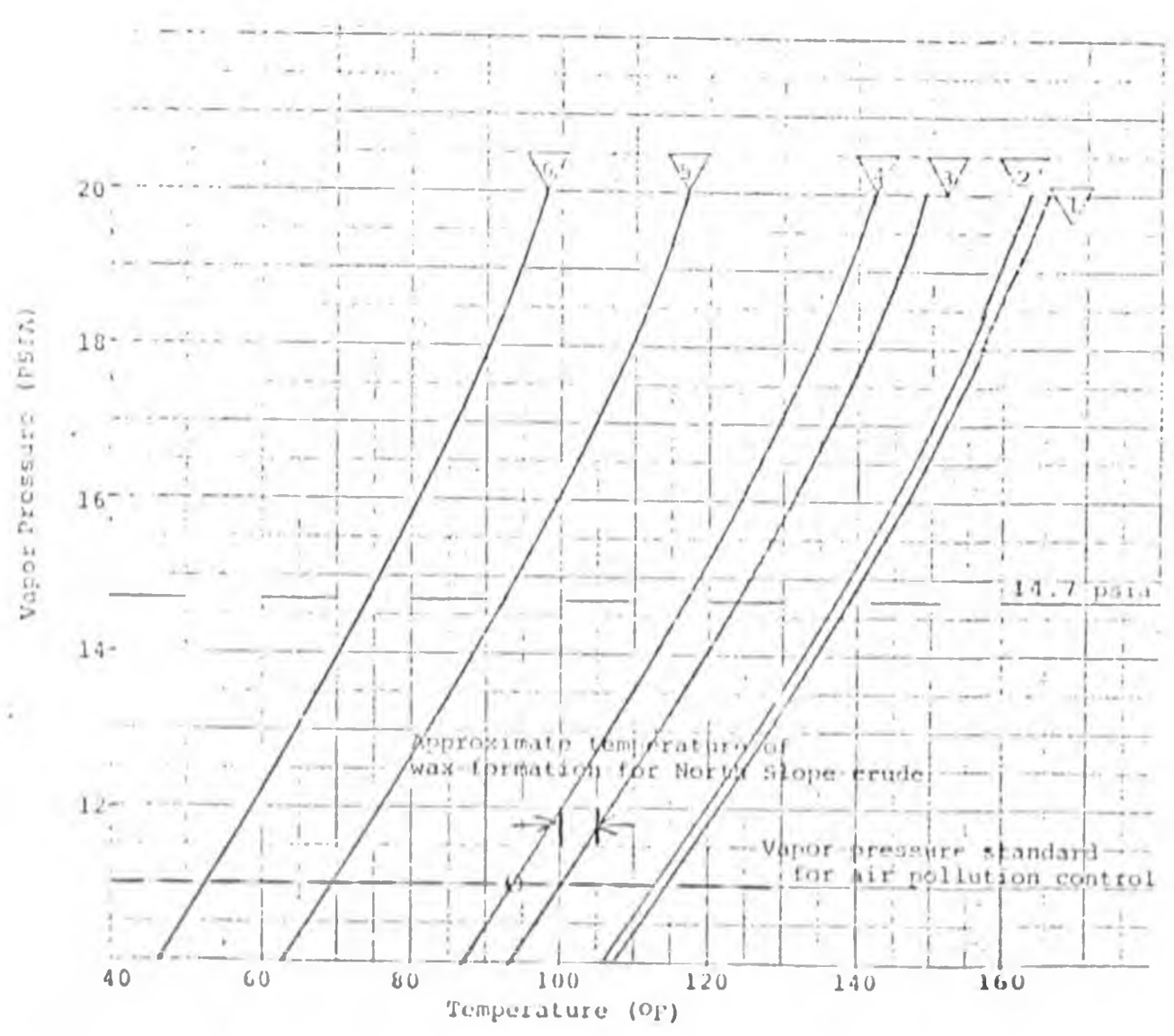

EXPLANATION
Lands considered in North Slope gas calculations
ARCTIC
OCEAN
SIMPSON LAGOON FIELD (OIL)
UGNU FIELD (OIL)
NAVAL PETROLEUM RESERVE NO. 4
(Eastern boundary is Colville River)
BARROW FIELD (GAS)
SIMPSON FIELD (OIL)
EXPLORATORY WELL
EXPLORATORY WELL
EXPLORATORY WELL

FIGURE 1 -65-

PRUDHOE BAY CRUDE + NGL VAPOR PRESSURE

Bbl.NGL/Bbl.Crude		Mixture
0	1	Crude
.0154	2	Crude + iC5+
.0301	3	Crude + NC4+
.0367	4	Crude + iC4+
.0470	5	Crude + 25% C3, iC4+
.0573	6	Crude + 50% C3, iC4+



The North Slope producers and the State of Alaska have an additional interest in this matter because of the impact of butane blending on the vapor pressure of North Slope crude. Exxon had furnished the plot of vapor pressures verses temperature for North Slope crude containing various amounts of NGL's which appears on the following page. I have super-imposed on that plot the approximate temperature range at which wax formation starts to be problem with the North Slope crude, and the vapor pressure standard for air pollution control in Southern California.

Wax formation limits the use of cooling as a technique for vapor pressure control. If cooling cannot be used, then vapor recovery systems must be installed on storage facilities to control emissions. Addition of any butane at all to the crude stream moves the vapor pressure at a given temperature from curve 2 toward curves 3 and 4. Because of the temperature limit imposed by wax formation, addition of any butane at all increases the likelihood that vapor recovery systems will be required, particularly if the vapor pressure standards is made more stringent. Thus, the North Slope producers have an interest in the CO_2 standard not only because of its impact on the cost of the conditioning facility, but also because of its impact on the capacity of the sales gas stream to transport NGL's particularly butane.

Increasing the CO_2 content of the gas stream may be cost-effective for the consumer also. Without pre judging how additional NGL's might be charged for transportation through the ANGTS, i.e., whether transportation charges would be on a cents per mmBtu basis or on some other basis, transportation of more of the Prudhoe Bay hydrocarbon reserve through the ANGTS offers the prospect of increased utilization of the facility, and, hence, lower, overall costs to consumers.

Increasing the CO_2 content of the sales gas stream would have the effect of shifting to consumers certain costs of processing the conditioning the Prudhoe Bay gas, an outcome which the Commission has expressed its intention to prohibit with its proposed policy regarding the recovery of certain "production-related" costs as defined in the Natural Gas Policy Act.[56] However, it is possible that some cost-shifting through relaxation of the CO_2 standard would be the optimal solution for the overall conditioning and gas transmission system.

Increasing the CO_2 content of the sales gas stream would pre-empt some of the ANGTS throughput capacity, but additional processing and conditioning facilities could be installed to remove the extra CO_2 if the additional capacity were required. This could be done without any loss of NGL's carrying capability if incremental volumes of natural gas have a lower NGL's content than the Prudhoe Bay gas.

The State of Alaska and Arco, in their above referenced comments on Alaskan Northwest's March 2 filing, have requested a Commission statement regarding the appropriate proceeding for resolution of the CO_2 content issue. I believe this issue is separable from the throughput capacity issue, because any capacity committed to CO_2 transportation when operations begin can be retrieved by installation of additional conditioning facilities if sufficient quantities of natural gas become available to require that capacity. Thus, I believe that the maximum allowable operating pressure question should be resolved independent of the CO_2 question, the latter being better addressed in RM78-12, wherein the Commission is considering the project company tariffs, or perhaps as an ancillary issue in RM79-19, regarding the responsibility for production related costs. It is the former proceeding in which the issue of appropriate standards for "pipeline quality gas" seems to me to be most directly before the Commission.

[FR Doc. 79-16024 Filed 5-30-79; 8:45 am]

BILLING CODE 6450-01-M

[Docket Nos. G-4308, et al.]

Cities Service Co., et al.; Notice of Applications for Certificates, Abandonment of Service and Petitions To Amend Certificates [1]

May 22, 1979.

Take notice that each of the Applicants listed herein has filed an application or petition pursuant to Section 7 of the Natural Gas Act for authorization to sell natural gas in interstate commerce or to abandon service as described herein, all as more fully described in the respective applications and amendments which on file with the Commission and open to public inspection.

Any person desiring to be heard or to make any protest with reference to said applications should on or before June 1979, file with the Federal Energy Regulatory Commission, Washington, D.C. 20426, petitions to intervene or protests in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 1.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Persons wishing to become parties to a proceeding or to participate as a party in any hearing therein must file petitions to intervene in accordance with the Commission's Rules.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Energy Regulatory Commission by Sections 7 and 15 of the Natural Gas Act and the Commission's Rules of Practice and Procedure a hearing will be held without further notice before the Commission on all applications in which no petition to intervene is filed within the time required herein if the Commission on its own review of the matter believes that a grant of the certificates or the authorization for the proposed abandonment is required by the public convenience and necessity. Where a petition for leave to intervene is timely filed, or where the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicants to appear or to be represented at the hearing.

Kenneth F. Plumb,
Secretary.

[56] See the Commission's Notice of Proposed Rulemaking in RM79-19, February 2, 1979.

[1] This notice does not provide for consolidation for hearing of the several matters covered herein.

Docket No. and date filed	Applicant	Purchaser and location	Price per Dth [2]	Pressure
G-4308, C, Apr. 2, 1979	Cities Service Co., P.O. Box 300, Tulsa, Okla. 74102	Panhandle Eastern Pipe Line Co., Tucker "C" No. 1 Well, Morton County, Kans.	*	
G-4579, D, Apr. 16, 1979	Cities Service Co.	Lone Star Gas Co., northwest quarter of the southeast quarter of sec. 36-2N-2W, Garvin County, Okla.	*	
CI70-176, C, May 11, 1979	Columbia Gas Development Corp., P.O. Box 1350, Houston, Tex. 77001	Columbia Gas Transmission Corp., Blocks 255 and 256, Vermilion area, offshore Louisiana	*	
CI72-519, D, Mar. 30, 1979	Cities Service Co.	El Paso Natural Gas Co., certain acreage situated in the Washington Ranch field, Eddy County, N. Mex.	*	

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UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Charles B. Curtis, Chairman;
Don S. Smith, Georgiana Sheldon,
Matthew Holden, Jr., and Geroge R. Hall.

Alaskan Northwest Natural Gas)
Transportation Company---) Docket No. CP78-123 et al.
Pipeline Design and Capacity)

NOTICE OF DELEGATE REPORT AND
ORDER INVITING COMMENTS

(Issued May 17, 1979)

The Commission is issuing for comment a report submitted to it by its Alaskan Delegate. The report discusses the pipeline size and operating pressure for that segment of the Alaska Natural Gas Transportation System (ANGTS) which is to be constructed in Alaska by the Alaskan Northwest Natural Gas Transportation Company. In addition to other applicable law, this order is issued pursuant to the mandate of Section 9 of the Alaska Natural Gas Transportation Act, 15 U.S.C. §719(g), and the President's Decision and Report to Congress on the Alaska Natural Gas Transportation System (Decision), which mandates expeditious resolution of the matters discussed in the Delegate's report.

A. Background

On March 2, 1979 the Alaskan Northwest Natural Gas Transportation Company (Alaskan Northwest) filed with the Commission an application for an order to approve design specifications and initial system capacity for that portion of the ANGTS which is to be built by the applicant. 1/

1/ The portion involved is that segment of the ANGTS described in the President's Decision as lying within the State of Alaska. Decision at 6-7.

Pursuant to Commission regulations, notice of the application was issued on March 16, 1979. Alaskan Northwest requests prompt action on its application so that it may proceed with steps necessary to financing and constructing the portion of the ANGTS for which it is responsible.

The Alaskan Delegate has submitted to the Commission a report concerning the diameter and maximum allowable operating pressure of the pipeline which is the subject of Alaskan Northwest's application. With respect to the design of the gas pipeline, the Delegate's report states that a 48-inch diameter was determined under the terms of the Decision. The Delegate's report states that with respect to the issue of what the maximum allowable operating pressure of the pipeline should be there is a threshold question: given the extensive record already compiled in this proceeding, 2/ whether significant new evidence is available on likely throughput volumes from the North Slope which would be served by this system since the time of the Decision that would suggest that an operating pressure of greater than 1260 psig should be authorized. The Delegate states that he believes there is no new information and that the Commission should authorize a maximum allowable operating pressure of 1260 psig for the pipeline.

The commission is issuing the Delegate's Report for comment by all parties of record in this proceeding. 3/

2/ That record includes the Initial Decision of the Commission, In re El Paso Alaskan Co., et al., Docket Nos. CP75-96, et al. (Feb. 1, 1977); FPC, Recommendation to the President (May 1, 1977); and the Decision.

3/ A copy of the Delegate's report is attached to this order. The views expressed therein do not necessarily reflect the views of the Commission.

Comments should be filed by July 2, 1979. The parties may also file comments on Alaskan Northwest's application of March 2, 1979. Any party of record perceiving the need for a hearing to determine either the diameter or the maximum allowable operating pressure of the gas pipeline which is the subject of Alaskan Northwest's application should file a request to that end, by July 2, 1979, specifying the issues to be presented for determination and a brief summary of the evidence which the requesting party would present. The request should include a statement of all issues of material fact allegedly in dispute, and provide a reasonable justification as to why these issues cannot be fairly and adequately resolved on the basis of the record compiled before Judge Litt, the President's Decision, and the Delegate's Report.

Finally, the Commission notes that the sole issues that it intends to resolve through the procedures set forth below are: (a) the pipe diameter, and (b) the operating pressure, of the Alaska pipeline segment discussed herein. In particular, the Commission does not intend to decide, on the basis of comments filed in response to this order, the issue of the appropriate CO_2 standard for the gas transported through the ANGTS.

The Commission orders:

(1) The Alaskan Delegate will serve copies of this Order, and of his report, on all parties to Docket Nos. CP78-123, et al.

(2) Parties of record in Docket Nos. CP78-123, et al. may submit comments on the Alaskan Delegate's report, and on the March 2, 1979 application filed by Alaskan Northwest Natural Gas Transportation Company. Such comments may be filed on or before July 2, 1979, and should be served on all parties of record in Docket Nos. CP78-123, et al. The comments may address any issue of fact, law or policy pertinent to the matters raised in the report and the application.

Project Office (AGPO) undertook this inquiry in an effort to facilitate a final FERC decision on the maximum allowable operating pressure.

Our process for studying the pressure question was to discuss it with interested parties and to prepare independent calculations of the expected transportation costs at different throughput rates, utilizing the alternative system configurations. We issued a draft report on the system design on September 27, 1978. We then provided a period for comments on the draft report and held an on-the-record conference among interested parties on December 15, 1978. At that conference I developed a proposition for resolution of the pressure question which served as the basis for the project sponsors' filing of March 2, 1979.11/

This report summarizes the positions of the parties as expressed in our discussions with them, their comments on our draft report, and their remarks at the conference. It then presents the AGPO's findings and relevant findings in the Initial Decision in El Paso Alaska Company, et al., Docket No. CP75-96, et al. (hereinafter referred to as the Initial Decision), the FPC Recommendation to the President, and the Decision. 12/

After my draft report had been circulated and comments initially solicited, a study of the required sales gas conditioning facility, 13/ sponsored by a group of producers and pipeline companies, was made available to me. This

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11/ See "Application of Alaskan Northwest Natural Gas Transportation Company For An Order Approving the Design Specifications and Initial System Capacity of the Alaska Segment of the Alaska Highway Pipeline Project", filed in Alaska Northwest Natural Gas Transportation Company, Docket No. CP78-123, et al. on March 2, 1979. This application was noticed by the Commission on March 16, 1979.

12/ These discussions and the present report are a part of the AGPO's effort to "expeditiously and yet comprehensively gather the necessary information which the Commission will require before it can intelligently analyze and rule upon the future applications for permanent certification", as required by the Commission by order of December 16, 1977.

13/ "Sales Gas Conditioning Facilities, Prudhoe Bay, Alaska"; The Ralph M. Parsons Company; September, 1978 Study Report. The sponsors were 7 producing companies and 11 natural gas transmission companies. The study is referred to herein as "the Parsons study."

study has not been formally filed with the Commission, nor evaluated by other experts. However, I believe it to be the most authoritative and accurate compilation and analysis of information available on the requirements for processing and conditioning the Prudhoe Bay gas, and on the characteristics of the sales gas stream. As the report was made available to me in my capacity as the Commission's Alaskan Delegate, it appears in my public file and is available for inspection by any interested party or member of the general public in the Commission's Office of Public Information.

The results of the study clarified certain concerns, and obviated others, particularly with respect to the disposition of the natural gas liquids (NGL's). I have maintained my description of the concerns expressed to me, but have tried to note the impact of the study results on those concerns as appropriate. I have also added a section to this report which applies the results of the study to the questions being considered here.

II. POSITIONS OF INTERESTED PARTIES 14/

1. State of Alaska

Alaska conditionally supports a pipeline with a maximum operating pressure of 1260 psig. 15/ Its support is conditioned upon the validity of certain assumptions mentioned in its comments on the project sponsors' March 2, 1979, application, all of which I believe to be true.

The State's principal objectives as expressed to us concerned the developing of an in-state manufacturing base to smooth out the "boom-and-bust" cycles of raw materials production industries. In the case of its Prudhoe Bay hydrocarbon resources, the State would like to develop a capability to convert some of those hydrocarbon resources into semi-finished and finished products. The State has previously used agreements for the sale of its royalty oil to encourage construction of additional refinery capacity in Alaska. An idea being discussed by State officials was development of a capability to manufacture various petrochemicals, utilizing produced NGL's as feedstocks.

The State contracted with the consulting firm of Bonner and Moore for an analysis of the possibility of a world-scale petrochemicals plant to be located in Fairbanks. The petrochemicals facility chosen for study would use ethane as a feedstock. At the time we talked with State officials, the State had no specific plans for utilization of propane and heavier NGL's but expressed a willingness to

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14/ During the course of our meetings with interested parties, most submitted written materials, usually in response to our requests. All of these materials were attached to the draft of this report, which was circulated to all parties in Docket No. CP78-123, et al., in late September 1978. Those materials have not been attached here in order to prevent repetition, but have been made part of the Alaskan Delegate's public file, required to be maintained by Commission Order of December 16, 1977.

15/ See "Comments of the State of Alaska on the Design Specifications and Initial System Capacity of the Alaskan Segment of the Alaska Highway Pipeline Project", filed in Alaska Northwest Natural Gas Transportation Company, Docket Nos. CP78-123, et al.

develop such plans if required to achieve their objectives with respect to in-state use of some of the Prudhoe Bay resources.

Additionally, State authorities expressed an interest in maximizing recovery of the total energy resources of the Prudhoe Bay deposit. The modes of disposition of produced hydrocarbons are:

(1) Transportation through the oil pipeline or a new NGL's pipeline

(2) Transportation through the gas pipeline

(3) Use within the field as fuel for production and processing and conditioning facilities

(4) Fuel use for pump stations on the oil line and compressor stations on the gas line

(5) Reinjection

(6) Some combination of the above.

The distribution of the NGL's among these various dispositions is a function of the designs of the oil pipeline and the gas pipeline, and of production and processing and conditioning facilities on the North Slope. It will not be completely settled until the designs for all of these facilities have been finalized. State officials expressed an interest in transportation of the NGL's away from the North Slope in order to deliver them to higher value uses. State officials were also concerned that any disposition of gas or NGL's by reinjection involves some loss of ultimate recovery of that which is reinjected. 16/

Although the increased ability of the higher pressure alternatives to transport NGL's might make Alaska favor higher pressure, another aspect of the State's overall concerns might incline them toward the 1260-psig system.

16/ Gas reinjection could increase oil recovery slightly, but reservoir studies to date suggest that approximately the same amount of energy could be consumed in the reinjection process as would be provided by the additional oil recovered.

This concern is over the impact of gas production on oil recovery. The State conservation authority now expects that there will be sufficient gas available for sale from the Prudhoe Bay Main Pool Reservoir to support gas sales of 2.0 bcfd. However, there is a small possibility that actual production history of the reservoir will require a reduction in the level of gas sales. As this possibility is small, and would occur through circumstances which cannot now be foreseen, State authorities cannot say with precision what allowable gas production might be in the event that production experience requires reduced gas sales. Reduced availability of gas would argue for a lower capacity transmission system.

Our principal discussions on these issues with Alaska State officials took place in early February, 1978, before the Canadian Government's decision to utilize the 56-inch, 1080-psig system for the Whitehorse-to-James River segment. Prior to that decision, some consideration was given to a very high pressure (2150 psig) system proposed by Exxon in order to eliminate the need for any gas processing and conditioning facility at the producing area on the North Slope. Moving the processing and conditioning facility to somewhere south of Prudhoe Bay was suggested so as to locate it where costs were less than at Prudhoe Bay. Colocation of such a facility with a petrochemicals manufacturing facility was thought possibly to yield some economies of scale for construction of both. As the State's economic analysis of petrochemicals development was observed to be very sensitive to feedstock costs, we thought that any colocation economies might improve the State's prospects for petrochemicals development. Because of this interest, we discussed the possibility of moving the processing and conditioning facility away from the North Slope with representatives of the North Slope producing companies. These discussions are summarized below.

Alaska observed that a 1400-psig or 1680-psig system can carry a higher percentage of the butanes in the gas phase than a 1260-psig system, other things being equal. Butanes raise the Btu value and, thus, the heating value of the gas. With respect to the disposition of the butanes through the oil pipeline, Alaska noted that California air quality regulations restricting the vapor pressure of crude oil could limit the butane content of crude oil. Because of the potential for air pollution, the vapor pressure of all crude oil entering California must be held to a very low

level unless vapor recovery systems are installed for oil storage facilities. Injecting butane into the North Slope crude oil has the effect of increasing its vapor pressure at any given temperature. Keeping the vapor pressure down after butane injection requires cooling the oil which, in turn, could cause wax formation problems in the oil pipeline.

2. Standard Oil of Ohio (Sohio)

Sohio believes that the maximum operating pressure should be 1260 psig.

At the time of our discussions with Sohio (March 15, 1978), the Canadian Government had made its decision to utilize the 56-inch, 1080-psig system for the Whitehorse-to-James River segment. Due to the hydrocarbon dew point characteristics of the gas stream at those operating conditions, the Canadian decision imposed a requirement for some NGL's removal prior to introduction of the raw gas stream into that Canadian portion of the system. The requirement for some processing and conditioning north of Whitehorse limits the question of where all processing and conditioning should take place.

The Sohio representatives maintained that, although construction costs on the North Slope are high, they are probably lower there than anywhere in inland Alaska, and probably also lower than anywhere in the Yukon Territory. The difference is that coastal locations can be served by barges transporting any large facility in modules, whereas an inland location requires transporting much smaller components with a concomitant requirement for much more extensive onsite assembly. 17/ According to Sohio, very large processing and conditioning facilities can be constructed and loaded onto barges in the lower-48 states, where

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17/ Modular construction not only allows assembly of a facility at a location where costs are lower, but also allows the use of very large processing vessels, enabling realization of considerable economies of scale in facility design and operation. The Parsons study provides some further discussion of the benefits of modular construction.

complete fabrication facilities are available and assembly costs are much lower. Any inland Alaska or Yukon location would preclude the use of large modules and would require construction from components small enough to be loaded onto railroad cars or trucks for transportation to the inland location. Assembly of the small components would then have to be done in remote locations of Alaska or the Yukon. The difficulty of extensive assembly in remote locations makes inland locations less competitive with coastal locations. Sohio concluded that, because of the ability to make full use of economies of scale in designing the facility and modularizing it for transportation, the cost of facilities would probably be less for Prudhoe Bay or another coastal location than for any inland location.

Having concluded that Prudhoe Bay is the optimal location for any facility required to be located along the pipeline route north of Whitehorse, the next question was how much of the processing and conditioning should be done there. Except for the very high pressure (2150 psig) alternative proposed earlier by Exxon, transportation of the CO2, which comprises about 12 percent by volume of the unconditioned gas, is not cost effective according to Sohio. 18/ The savings in gas conditioning costs made possible by leaving the CO2 in the gas is more than offset by the reduced transportation efficiency for the other components of the gas caused by the presence of the CO2. As the very high pressure system (2150 psig) had been ruled out by the Canadian Government's decision for the Whitehorse-to-James River segment, CO2 removal is required north of Whitehorse and consequently should be done at Prudhoe Bay.

Once the CO2 is removed, the ability of the gas stream to transport NGL's is reduced. Thus, operating the gas pipeline system without condensation would require some NGL's removal as a consequence of the decision to remove the CO2, regardless of whether the 1260 psig or one of the higher pressure alternatives is utilized. The difference

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18/ In its comments on the draft report Alaska argued that it is cost effective to leave at least 3 percent of the CO2 in the gas stream. A 3 percent standard, according to Alaska, would save 10 percent of the capital costs of the conditioning plant and could result in a reduction of the cost of service to the consumer by noticeable amounts. See also Notice of Proposed Rulemaking and Statement of Policy, Docket No. RM79-19, issued February 2, 1979, wherein the Commission proposes a policy by which producers shall bear the costs of conditioning facilities, rather than consumers.

between the required processing and conditioning for the 1260 psig and 1680 psig alternatives is in the degree of NGL's removal. The requirement for the 1440 psig system is between those of the 1260 psig and the 1680 psig systems.

The advantages of modular construction suggest that, since some processing is required on the North Slope, it is most cost-effective to do all of it there. The CO2 produced in the course of conditioning the gas may be able to be utilized in combination with extracted NGL's as a low-Btu fuel to power field production operations, processing and conditioning plant operations, or perhaps pumping or compressor stations. 19/

The Sohio representatives saw little to be gained by increasing the operating pressure of the gas pipeline to 1680 psig. They saw no major processing and conditioning savings projected for the 1680-psig system, but additional compression costs would be substantial. Although it is possible that compression facilities other than those currently used as part of oil production would not be required for operations at 1260 psig, 20/ additional compression capacity would have to be installed to attain the higher pressure, and operating costs would be significantly increased.

On the other hand, the Sohio representatives felt that the 1260-psig gas pipeline design, plus slight alterations to the oil pipeline, if required, were the most cost-effective solutions to the problem of moving the NGL's. The pentanes and heavier hydrocarbons could be moved through the oil pipeline essentially without alterations; the propanes and lighter hydrocarbons would go through the gas pipeline at 1260 psig. Sohio maintained that between

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19/ This possibility is developed in some detail in the Parsons study.

20/ Both Arco and Sohio pointed out in comments on this report in draft form that the raw gas compression facilities currently being utilized as part of oil production operations may continue to be required to maintain oil production even after gas sales commence. Thus, the availability of existing compression equipment for service in connection with gas sales is not assured.

62 and 75 percent of the butane could be moved through the gas pipeline with the 1260-psig design. 21/ Cooling the oil line would be the only alteration required to move the rest of the butane.

Some cooling of the oil line is expected to be required when its throughput capacity is increased from 1.2 million to 1.5 million barrels per day. Sohio argued that the relatively small additional capital investment for additional cooling to allow transporting butanes, plus the very low operating cost of the cooling facilities, would make transportation through the oil line the more cost-effective solution for the remaining butane, particularly when compared to the high investment and operating cost for extra compression to 1680 psig. The extra cooling required to accommodate the butane would be less costly if installed at the time of the increase in oil line throughput capacity.

3. Atlantic Richfield Company (ARCO)

Arco representatives confirmed what we had heard from Sohio regarding the possibility of moving some or all of the required gas processing facilities away from Prudhoe Bay. It was their view that the decision in Canada to use larger diameter pipe for the Whitehorse-to-James River segment precluded the use of the very high pressure alternative, for which the North Slope processing and conditioning facilities could have been eliminated. Thus, moving any of the required processing and conditioning steps south of Prudhoe Bay would result in some duplication of facilities, as removal of both CO2 and most NGL's would be required somewhere north of Whitehorse. Arco representatives also concurred with Sohio's judgment that the savings available through modular construction would overwhelm any potential savings in moving facilities to inland locations with slightly more hospitable climates. Their estimate was that construction costs in Fairbanks or Haines, Alaska, would be as much as 50 percent higher than those at the North Slope because of the impact of modular construction.

21/ At the sales gas composition contemplated by the Parsons study, this proportion is even higher. See the discussion below of certain results of the Parsons study.

The Arco representatives were concerned about the ability to dispose of the produced butanes if the lower pressure gas pipeline system were utilized. Their concerns were in the following three areas:

(1) Crude oil vapor pressure limitations in California. (See p. 8 Supra.)

(2) The west coast market for petroleum products cannot use additional large quantities of butane.

(3) In considering use of a blend of CO2 and NGL for field fuel, the Arco representatives suggested that propane was a much better blending stock for the CO2 than butane. Extremely close Btu control is required for efficient turbine operation, and Arco technical personnel expressed concern over possible problems with condensation in fuel lines and burner orifices if butane were to be used.22/

The Arco representatives also had some different figures on the ability of the alternative gas pipeline systems to carry butane. Their figures showed the 1260-psig system would carry 25 to 60 percent of the available butane, while the 1680-psig system would carry 50 to 98 percent of the available butane. 23/

We asked some questions about alternative investment costs under different possible gasline system configurations. The figures we received suggested that a reduction in system operating pressure from 1680 psig to 1260 psig would require an additional investment on the order of $100 million (in 1978 dollars), consisting of $30 million in increased processing and conditioning facilities, and $37 to $75 million

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22/ In fact, the Parsons study concludes that propane injection into the fuel gas mixture is the optimal solution for Btu control of that stream. The sales gas mixture projected by Parsons has more capacity to transport butane than assumed by Arco, however, because of the reduced amount of propane required to be transported.

23/ See the discussion below of the Parsons study for further information on the NGL's carrying capacity of the sales gas stream.

for some combination of cooling for the oil pipeline, modifications to field fuel facilities, and reinjection facilities if required. 24/

Arco argued in its comments on the draft of this report that the increased natural gas liquid carrying capability of the higher pressure systems would benefit the consumer. Arco argued that even if the transportation costs are lower for a pipeline with a 48 inch diameter which operates at a maximum pressure of 1260 psig and which transports 2 bcfd of gas, a pipeline operating at a maximum pressure of 1440 psig would carry more butanes which would have the dual benefit of providing more Btu's to the gas consumer and reducing the volumes of butanes which would have to be disposed of less economically. Use of butane as a field fuel on the other hand, would require expensive conversion of existing fuel equipment; reservoir injection of liquid butanes could result in the ultimate loss of a significant quantity of these liquids; and transporting butane in the oil pipeline would require cooling the crude oil. Moreover, Arco argued that as long as the oil pipeline is operating at capacity, the transportation of butanes would require a reduction of crude oil shipments or an expansion of the capacity of the oil pipeline.

4. Exxon

Exxon has argued that the pipeline should have a maximum operating pressure of at least 1680 psig. Exxon representatives concurred with the opinions of the other two producers that an inland location for any processing and conditioning facility would likely be more costly than locating it at Prudhoe Bay. They also confirmed that the constraint on the butane content of the crude oil is the restriction on crude oil vapor pressure for reasons of air pollution control in southern California.

24/ In comments on my draft report, Sohio noted that Arco's $100 million figure must not have taken into account the reduced requirement for investment in sales boost compression facilities if the lower pressure gas pipeline system were utilized. Sohio's comments state:

> The net differential investment which would be required in the gas conditioning facilities and in various Prudhoe Bay field facilities to be compatible with a 1260 psig pipeline system is expected to add considerably less than the $100 MM (in 1978 dollars) estimated by ARCO, even when all butanes recovered are transported in the TAPS line in preference to blending them with the sales gas. Operating costs of oil coolers are also expected to be less than those related to additional gas compression. Sohio's Comments, page 2, October 27, 1978.

Representatives of Exxon were involved in the testing associated with the evaluation of safety and design aspects of alternative pipeline system designs which was carried out by the Arctic Gas Study Group. They suggested to us that there was little real safety difference between the 1260-psig and 1680-psig systems. The real safety question from their perspective is the proximity of either system to the oil pipeline. The principal safety issue is what would happen to the oil pipeline in the event of a natural gas explosion and fire.

Exxon's concern in the comparison between 1260-psig and 1680-psig systems was the cost-of-service advantage of the higher pressure system. They had previously advocated a very high pressure (2150 psig) system to increase the cost-of-service advantage even further.

In our discussion with them, they emphasized the highly prospective nature of the Beaufort Sea area and its potential for discovery of additional gas reserves. They favor higher pressure generally because it will result in a more fuel-efficient system at all levels of throughput, and will have a higher throughput capacity with a lower cost-of-service at higher throughput volumes.

5. Alaskan Northwest Natural Gas Transportation Company (Alaskan Northwest)

Alaskan Northwest is opposed to a pipeline with a maximum allowable operating pressure of either 1440 or 1680 psig. A major source of concern is its belief that a delay of up to 2 years could result from choosing a higher pressure system due to a need for extensive testing of the various components of such a system. The testing program required would include burst tests, test of crack arrestor designs, testing programs to validate valve designs, and lead times associated with high pressure compressor development. A delay of up to 2 years was estimated by the project sponsors to result in additional carrying charges of up to $1 billion.

Alaskan Northwest also shows a cost of service advantage for the lower pressure system at the throughput volumes they expect. The 1680-psig system does not become superior in performance until the throughput rate passes 3.6 bcfd

according to its figures. In its recent application, 25/ Alaskan Northwest maintained that the point at which the 48-inch, 1260-psig system is equivalent in cost-of-service to the 48-inch, 1440-psig system is approximately 3.3 bcfd. Thus, the company concludes that the proposed system is the best economic selection up to a volume of approximately 3.3 bcfd prior to any consideration of potential delays. In its petition, Alaskan Northwest, citing findings in the Decision and the FPC Recommendation to the President, argues that 2.0-2.5 bcfd of gas will initially be available to the system and that the system should be capable of expansion by 1.0 to 1.5 bcfd, to an ultimate system capacity in the range of 3.0 to 4.0 bcfd. In the application, Alaskan Northwest suggests that Alaska's interest in the development of a petrochemical industry should not dictate a decision in favor of a higher pressure line. Alaskan Northwest argues that the primary raw material for such a plant is ethane and that a 1260-psig system can transport all the ethane that could be available from Prudhoe Bay almost irrespective of the final configuration of any processing and conditioning plant, and therefore does not offer any impediment to the State's plans.

Alaskan Northwest maintains that the oil pipeline represents the most cost-effective way to move any available quantities of excess butane. Although an investment of up to $100 million (in 1978 dollars) could be required for additional processing and conditioning plant investment and cooling, fuel conversion or reinjection facilities, relative to what would be required for the 1260-psig system, a 1680-psig pipeline system would require $237 million more capital investment (expressed in 1975 dollars) than the 1260-psig system.

Alaskan Northwest also maintains that there is plenty of room in the California market for additional butane. Its figures show that California refineries produced about 100,000 barrels per day of butane in 1975. The extra butane left on the North Slope after that which can be transported in the 1260-psig gas pipeline system would be something less than 22,000 barrels per day at a gas sales rate of 2.0 bcfd

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25/ "Application of Alaskan Northwest Natural Gas Transportation Company for an Order Approving the Design Specifications and Initial System Capacity of the Alaskan Segment of the Alaska Highway Pipeline." op. cit.

depending on the other components of the sales gas stream, 26/ before any allowance for field fuel uses.

Another concern expressed by the project sponsors is the additional safety hazard associated with a higher pressure system. Higher pressure causes higher potential energy to be stored in the pipe, resulting in increased likelihood of damage to the oil pipeline in the event of a gas pipeline rupture. The project sponsors maintain that crack arrestors will be required for the 1440-psig or 1680-psig system, whereas they may not be required for the 1260-psig system.

The project sponsors are also concerned about the vulnerability of the higher pressure system to cost overruns. Their submissions included a risk analysis of various factors which are likely to cause additional cost overruns with the higher pressure system. They feel that the risk of cost overrun is greatly reduced by staying closer to existing and proven lower-48 states pipeline technology.

Finally, Alaskan Northwest reacted negatively to my proposal discussed at the conference to build a pipeline which would operate initially at a pressure of 1260 psig but whose operating pressure could be increased to 1440 psig if there were an increase in gas volumes available for transporting. It argued that a pipeline should be operated at its maximum design pressure. It also noted that delay would be caused by the need to test such a system.

6. The U.S. Department of Transportation

Noting that it is a basic tenet of transportation system planning that a system should be designed to accommodate future growth, the Department of Transportation (DOT) argued that all the technical and economic data appear to them to support building a 1680-psig system. Moreover, the availability of capacity resulting from the construction of a 1680-psig system would encourage development and exploration in the total North Slope area. Citing a February, 1978

26/ The extra butane would be only about 4500 barrels per day at the sales composition projected by the Parsons study. See the discussion of the results of that study presented below. The Parsons study notes that the capacity of the system to transport butane could be increased by leaving more CO2 in the sales gas, and recommends further study of the most cost-effective sales gas composition.

Technical Study Group evaluation of the 1680-psig system, 27/ DOT argued the system could be built and operated safely and reliably.

As noted above, a proposal was considered at the conference to build a pipeline the operating pressure for which would initially be 1260 psig and would be capable of expansion to 1440 psig if there were an increase in gas volumes available for throughput. The concept was to alter the compressors and the spacing of the compressor stations in order not to foreclose the possibility of increasing the operating pressure later on. DOT indicated that its safety regulations required a thicker pipe wall for a pipeline operating at 1440 psig than for a pipeline operating at 1260 psig, and that it would be reluctant to waive these regulations where the pipeline was built along the Alyeska haul road. A substantial portion of the pipeline in Alaska will be built along the haul road.

27/ "U.S. Government Safety and Reliability Evaluation of Different Pipe Size and Pressure Combinations for Alaska Gas Pipeline" attached to February 13, 1978, letter from Don S. Smith, Vice-Chairman of the FERC, to J.G. Stabback, Chairman of the National Energy Board of Canada, transmitting the U.S. Government's views regarding pipe size selection for the Whitehorse-to-James River segment.

III. Results of the Parsons Study

The Parsons study was undertaken by a group of gas producing and transmission companies 28/ in order to develop a preliminary design for the facilities necessary to process and conditic gas produced from the Prudhoe Bay Unit for transportation through the ANGTS. The principal tasks performed in the course of the study were

- o screening the processes available and selecting processes to recommend for CO2 removal and hydrocarbon dewpoint control, respectively, and
- o developing a process design for processing and conditioning the gas to meet an assumed set of pipeline delivery conditions and quantity and quality specifications.

The study represents a careful evaluation by a consultant to a group composed of both producers and transporters of the optimal distribution of the components of the raw gas stream, for conditions as they currently exist or are expected to exist, among field and process fuel uses on the one hand, and the sales gas stream on the other. The relevance of the study to this inquiry is in the study's indicated resolutions of questions regarding the optimal allocation of the NGL's and the impact of those resolutions on the requirement to transport NGL's away from the North Slope.

The study team concluded that a physical solvent process is best for CO2 removal. A characteristic of physical solvent processes is absorption of a significant quantity of hydrocarbons along with the CO2. Much of the heavier hydrocarbon content is liquefied during the solvent regeneration process, and can thus be recovered. Significant amounts of ethane and propane remain in a gaseous phase, however, mixed with the extracted CO2.

28/ Amerada Hess Corporation, Atlantic Richfield, Exxon Company U.S.A., Getty Oil Company, Mobil Oil Corporation, Natural Gas Corporation of California, Northern Natural Gas Company, Northwest Pipeline Corporation, Pacific Interstate Transmission Company (Arctic), Panhandle Eastern Pipeline Company, Phillips Petroleum Company, Sohio Petroleum Company, Southern Natural Gas Company, Tennessee Gas Pipeline Company, Texas Eastern Transmission Corporation, Texas Gas Transmission Corporation, Transcontinental Pipeline Corporation, United Gas Pipeline Company.

Because of its hydrocarbon content, the waste stream from the CO2 removal process has useable fuel value. The study recommends that this CO2/hydrocarbons mixture be used as fuel for the processing and conditioning facility itself. Any excess of this mixture over the requirements of the conditioning facility would be utilized in the other facilities at the Prudhoe Bay Unit after appropriate blending with other fuels (particularly propane) for heating value control.

Gas delivery and quality specifications assumed for purposes of the study were:

Delivery volume (nominal)	2.0 bcf
Delivery Pressure	1440 psig
Delivery Temperature (max.)	25°F
CO2 content (max.)	1.0 Volume %
H2S content (max.)	1.0 grain/100 SCF
Hydrocarbon Dewpoint (max,)	-10°F at 1,100 psia
Water dewpoint (max.)	-35°F at 1,100 psia

These specifications are similar to those which were part of the Alcan filing of March 8, 1977, except for the delivery pressure. The 1260 psig delivery pressure in that filing requires a more stringent hydrocarbon dewpoint standard, -10°F at 1,000 psia.

The results of the Parsons study with respect to allocation of recovered NGL's between fuel uses and addition to the sales gas stream is given in the following table, taken from the study itself:

	Propane	Butanes		Pentanes-plus
Net Extracted				
BPD	52,350	31,290		28,700
MMSCFD (1)	80.3	41.3		--
Disposition		Min.	Max.	
To Pipeline Gas				
BPD	24,270	-0-	30,602	-0-
MMSCFD (1)	37.2	-0-	40.4	-0-
To Fuel Gas Systems				
BPD	28,080	-0-	-0-	-0-
MMSCFD (1)	43.1	-0-	-0-	-0-
To Crude				
BPD	-0-	688	31,290	28,700

(1) Standard conditions - 14.5 psia and 60°F.
MMSCFD = million standard cubic feet per day.

Source: Table 6-3 from Volume I, p. 6-4.

When combined with the NGL's not recovered from the gas mixture produced by the CO2 removal process, the total allocation of NGL's between fuel uses and sales gas is estimated as follows:

Input	(Billion Btu per day)	Sales			Field Fuel	Fuel Use as percent of Input
		Gas	Liquids	Total		
C1	2101.7	1909.0	0	1909.0	192.7	9.2
C2	323.1	163.3	0	163.3	159.8	49.5
C3	249.2	91.4	0	91.4	157.8	63.3
C4	156.2	136.1	9.5	145.6	10.6	6.8
C5-plus	125.4	5.0	119.9	124.9	0.5	0.4
	2955.6	2304.8	129.4	2434.2	521.4	17.6

Source: AGPO estimate from material balances in Parsons study

As can be seen from the table reproduced from the study, the sales gas stream will accommodate almost 98 percent of the recovered butane under the conditions assumed for the study. References to figure 2-1 from volume II of the study, reproduced on the next page, indicates that the 1260-psig system will accommodate 86 percent of the recovered butane, leaving only about 4500 barrels per day of butane for reinjection or transmission through the oil pipeline.

In a section entitled "Future Design Considerations" (Volume I, Section 12), the study recommended that the cost impact of possible alternative specifications for CO2 content and gas pipeline pressure be evaluated for the overall conditioning and gas transmission system. The study observed that a higher allowable CO2 content of the delivered gas will have a "significant" impact on the facilities costs. The State of Alaska has estimated that relaxing the CO2 standard from 1 percent to 3 percent would save 10 percent of the capital costs of the conditioning plant (see footnote 18, supra.). Our reading of the Parsons study would confirm this estimate.

Case	Base (Max. Field Fuel)				Alt. (Min. Field Fuel)			
D.P. Curve	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
DeC_3 Ovhd, M/H	4075	4075	4075	4075	5475	5475	5475	5475
DeC_4 Ovhd, M/H	0	2259	3388	4517	0	2115	3173	4231
DeC_4 Ovhd, %	0	50	75	100	0	50	75	100

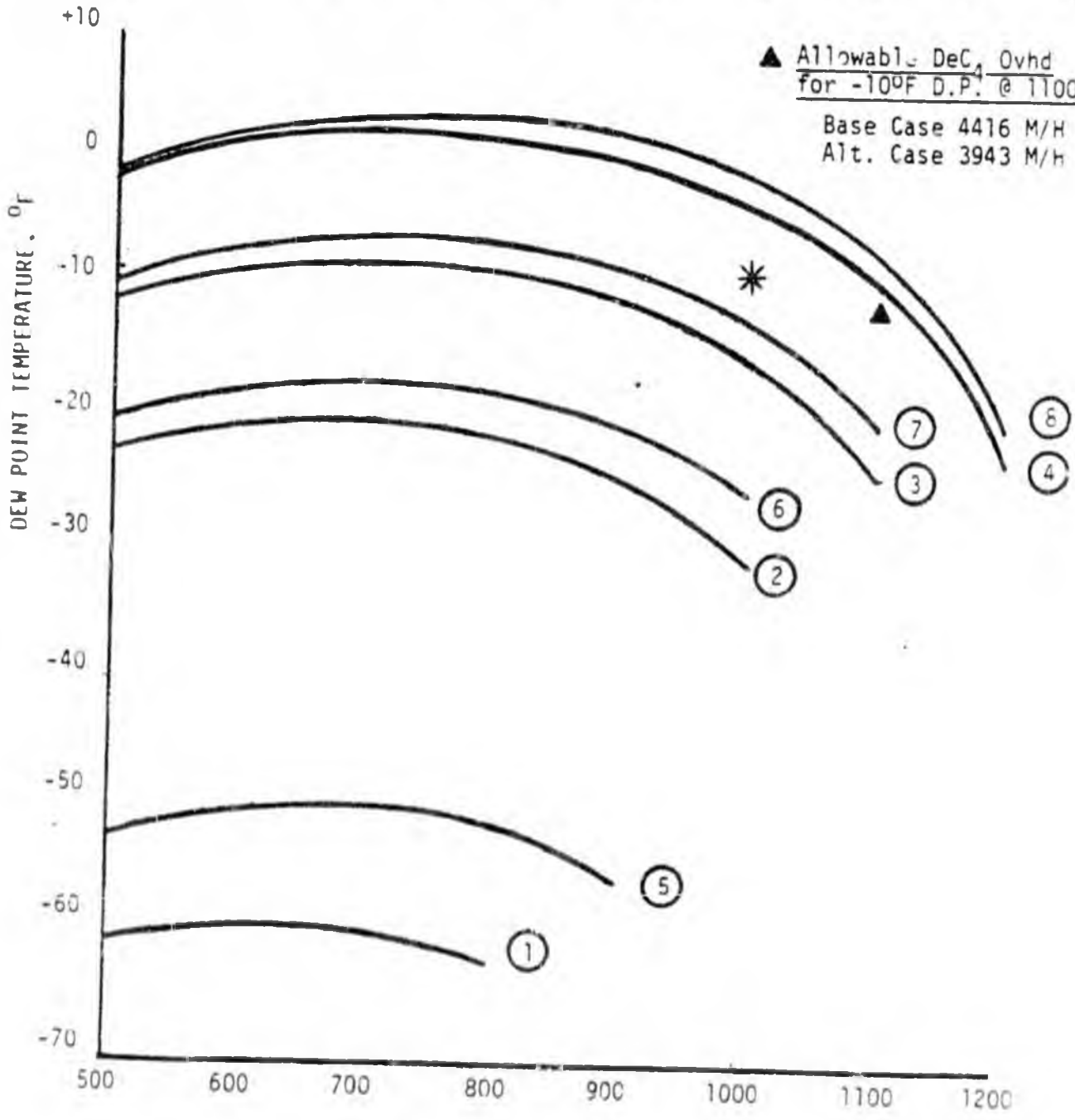


FIGURE 2-1

IV. ALASKA GAS PROJECT OFFICE ANALYSIS OF ALTERNATIVE SYSTEMS

The staff of the Alaska Gas Project Office prepared independent estimates of the capital costs and cost-of-service for the higher pressure systems for comparison with those submitted by Alaskan Northwest. Our results are plotted in figure 1 for a fuel cost of $1.60 (1975 dollars) per million British thermal units (mmBtu). Table 1 presents cost-of-service calculations for fuel prices of $1.00, $1.60 and $2.6[illegible] per mmBtu. The computed costs-of-service reflect the different heating values of the gas mixtures which would be transported at the different operating pressures. 29/

As can be seen on figure 1, higher throughput volumes favor one of the higher pressure alternatives. Likewise, table 1 shows that higher fuel costs reduce the threshold throughput rates at which the higher pressure systems have lower costs-of-service than the lower pressure alternatives.

29/ The assumed heating value of the gas stream for these calculations was 1135 Btu/cubic foot at 1260 psig, 1146 Btu/cubic foot at 1440 psig, and 1154 Btu/cubic foot at 1680 psig. These values differ from those subsequently arrived at in the Parsons study, and would tend to make our cost-of-service calculations lower than they would be if we had used heating values closer to Parsons'.

The comparisons shown on Figures 1, 2 and 3 in Tables 1, 2 and 3 include differences in gas conditioning plant costs for different pressure systems. Including such differences provides a more precise economic comparison of the various systems. The comparisons shown, however, may not represent true cost differences from the point of view of consumers since the cost of gas conditioning may be borne by the gas producers rather than the consumers. (See the Commission's Notice of Proposed Rulemaking in RM79-19, February 2, 1979.) However, as shown in Table 3, such differences in estimated gas conditioning costs resulting from a change in pressure represent only [illegible]y small portion of total costs. The effect of [illegible]ating gas conditiong cost differences would be to mov[illegible]e curves slightly closer together, but would not change any conclusions resulting from analysis of Figures 1, 2 and 3 and Tables 1, 2 and 3.

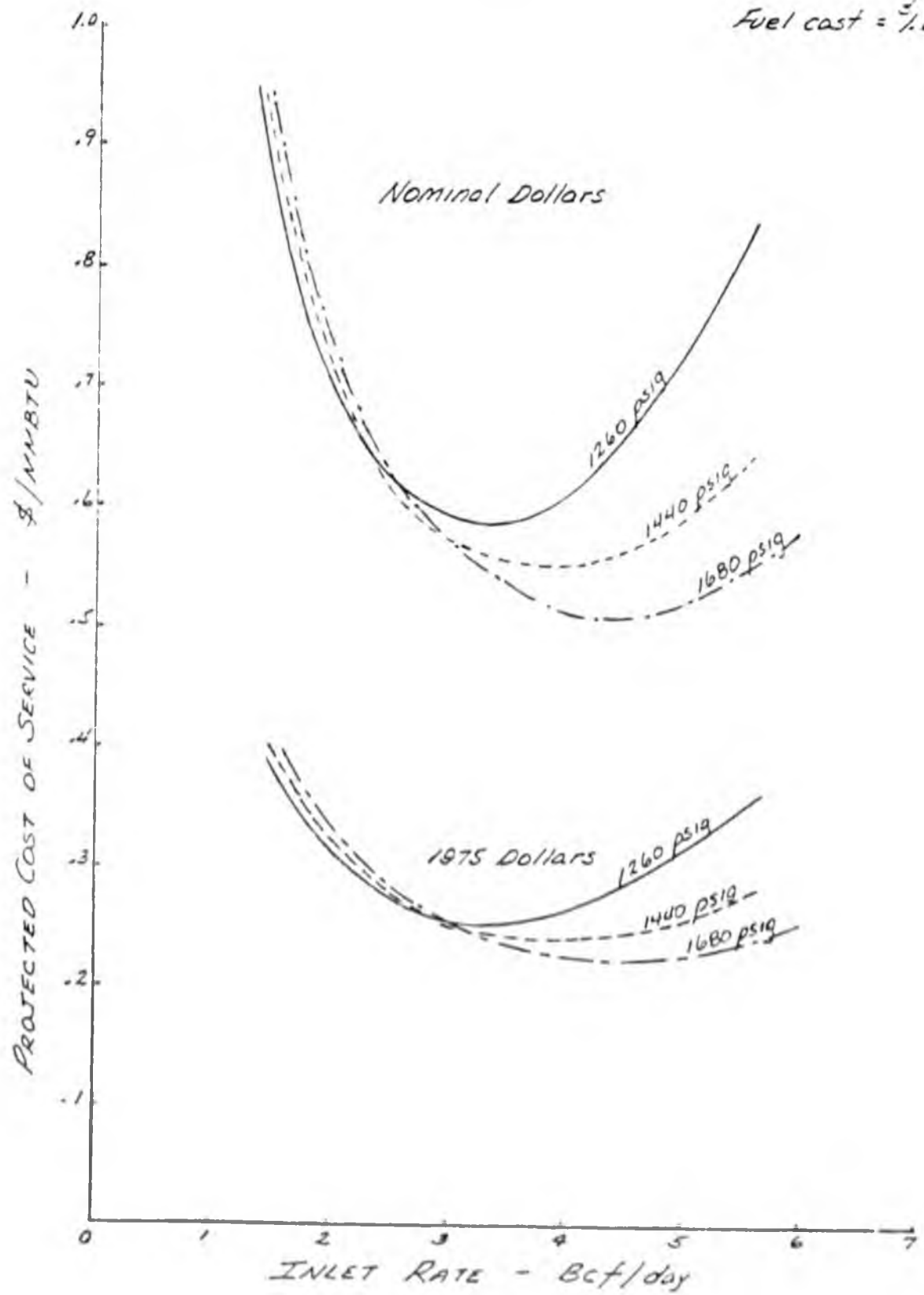

Fuel cost = $1.60/MMBTU
Nominal Dollars
1260 psig
1440 psig
1680 psig
1975 Dollars
1260 psig
1440 psig
1680 psig
PROJECTED COST OF SERVICE - $/MMBTU
INLET RATE - Bcf/day
1.0
.9
.8
.7
.6
.5
.4
.3
.2
.1
0
1
2
3
4
5
6
7

TABLE 1

PROJECTED COST OF SERVICE,

$/MMBTU

Fuel Cost, $/MMBtu	$1.00			$1.60			$2.62		
Pressure, psig	1260	1440	1680	1260	1440	1680	1260	1440	1680
PRUDHOE BAY TO ALASKA-CANADIAN BORDER (Including only the additional processing and conditioning costs required at lower-pressure)									
(1) Nominal Dollars									
Throughput, bcfd									
1.6	.792	.818	.844	.825	.849	.874	.881	.902	.924
2.4	.590	.591	.611	.631	.627	.646	.700	.689	.705
3.2	.531	.515	.510	.589	.563	.552	.687	.645	.623
4.0	.530	.491	.462	.610	.554	.514	.746	.662	.602
4.8	.593	.497	.449	.703	.580	.513	.891	.721	.621
5.6	.693	.544	.474	.843	.650	.553	1.097	.830	.687
(2) 1975 Dollars									
Throughput, bcfd									
1.6	.354	.367	.379	.367	.379	.390	.389	.399	.410
2.4	.262	.263	.273	.278	.277	.286	.305	.302	.309
3.2	.234	.228	.226	.257	.247	.243	.295	.279	.271
4.0	.232	.216	.203	.263	.240	.224	.316	.282	.258
4.8	.257	.216	.197	.300	.249	.222	.373	.304	.264
5.6	.299	.235	.207	.357	.277	.237	.476	.347	.290
PRUDHOE BAY TO WHITEHORSE, YUKON, CANADA (Including only the additional processing and conditioning costs required at lower pressure)									
(3) Nominal Dollars									
Throughput, bcfd									
1.6	.977	.997	1.014	1.009	1.029	1.045	1.071	1.085	1.118
2.4	.726	.727	.741	.774	.768	.779	.855	.838	.842
3.2	.637	.634	.625	.696	.691	.672	.797	.787	.753
4.0	.681	.620	.573	.782	.700	.635	.953	.834	.740
4.8	.765	.659	.567	.910	.767	.644	1.157	.952	.777
5.6	.909	.708	.615	1.109	.847	.716	1.448	1.083	888
(4) 1975 Dollars									
Throughput, bcfd									
1.6	.436	.448	.465	.451	.460	.477	.475	.482	.498
2.4	.323	.325	.332	.342	.341	.346	.374	.368	.371
3.2	.282	.281	.278	.305	.303	.296	.345	.341	.328
4.0	.298	.273	.253	.337	.304	.277	.404	.356	.318
4.8	.331	.287	.249	.388	.330	.279	.484	.401	.331
5.6	.392	.307	.268	.469	.361	.308	.601	.453	.375

Our method for preparing the capital cost estimates on which the cost-of-service estimates are based was to start with Alaskan Northwest's March 1977 estimates and adjust those estimates for the cost items which would change as a result of utilizing heavier pipe and higher operating pressures. This is essentially the same method utilized by Alaskan Northwest in preparing its capital cost estimates for the alternative systems. The explanatory material at the end of this section presents our capital cost estimates, along with a discussion of how they were determined.

Table 2 presents a comparison of our constant-dollar capital cost estimates (excluding compression) for the 1260-psig and 1680-psig systems with Alaskan Northwest's. 30/ As the table indicates, the largest difference in the constant dollar capital cost estimates for the 1680-psig system is only about 2 percent of the total estimate. Thus, the two sets of capital cost estimates must be considered very close.

Figure 2 is a plot of the cost-of-service for the 1260-psig and 1680-psig systems utilizing Alaskan Northwest's capital cost estimates, rather than ours. For a fuel cost of $1.60 per mmBtu, use of their capital cost estimates moves the nominal-dollar threshold for crossing over from the 1260 psig to the 1680 psig as the least-cost system to 2.9 bcfd from our 2.65 bcfd. In constant dollars, the respective crossover points are closer, both being just under 3.0 bcfd.

Alaskan Northwest has expressed considerable concern over the possibility of delay inherent in a decision to utilize a higher pressure system. Alaskan Northwest has stated that a decision to utilize a higher pressure system would likely result in a delay of 2 years, resulting in an increase in nominal dollar capital costs of at least $1 billion.

U.S. Government technical experts considered this problem when the Canadian Government solicited our comments as input to its decision on pipe size for the Whitehorse-to-James River segment. At that time our experts concluded that some delay for requisite safety and reliability testing was possible, but could likely be avoided. Their conclusion was:

30/ As shown in table 2, we have reallocated some capital costs for the 1260-psig system among the cost categories, although our total capital costs are the same except for the extra costs of processing and conditioning. We have discussed this reallocation with Alaskan Northwest and they do not object.

TABLE 2

COMPARISON OF PIPELINE COST ESTIMATES
1975 Base Costs - $ Millions

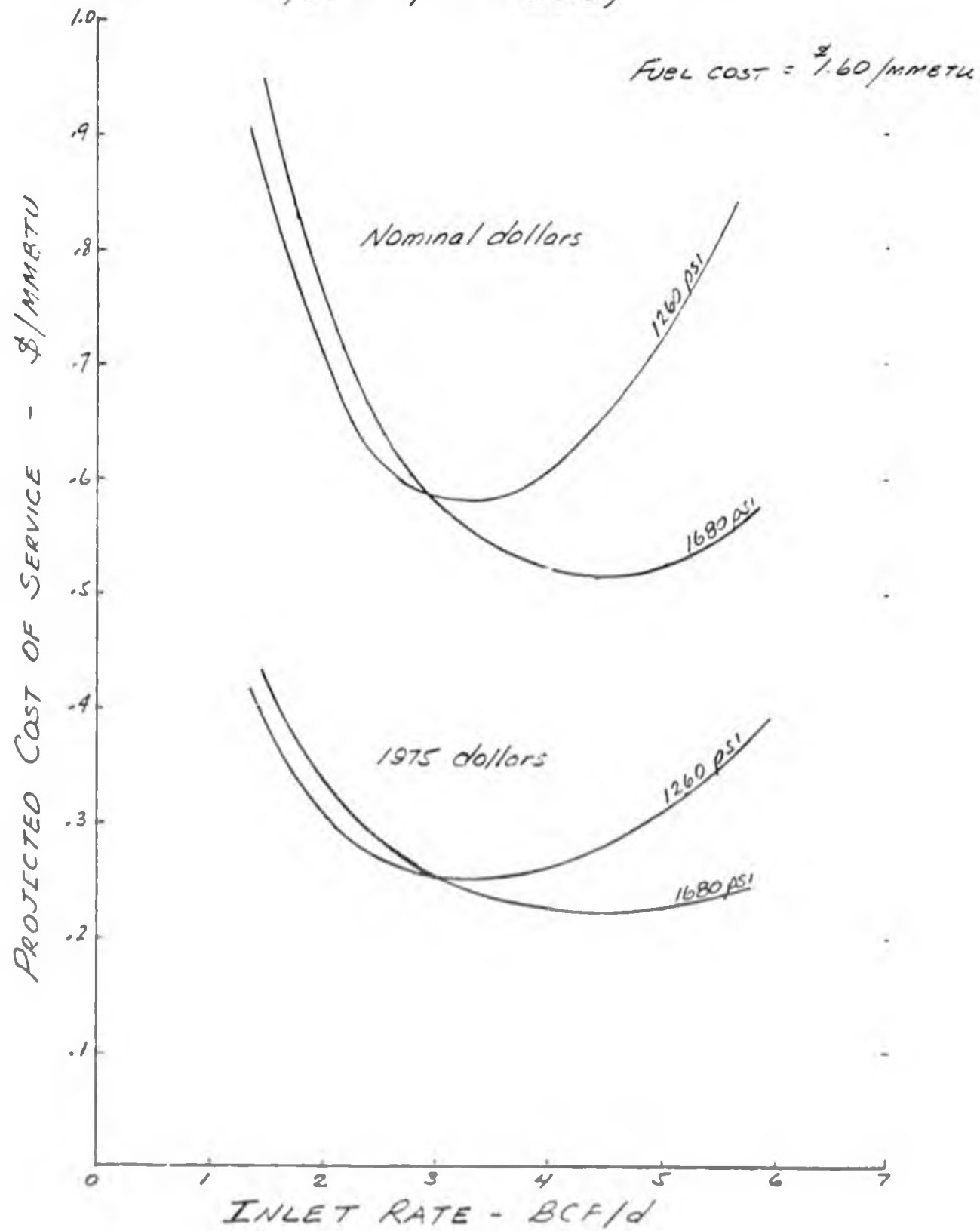
	1260 PSIG		1680 PSIG		Difference	
	NAP	FERC	NAP	FERC	NAP	FERC
Changeable Costs						
Pipe cost - delivered	529.1	475.4	704.1	650.4	175.0	175.0
Welding	21.5	25.4	41.6	36.1	20.1	10.7
Double Jointing	14.1	9.7	26.9	13.7	12.8	4.0
Weights	25.1	25.1	18.8	18.8	-6.3	-6.3
VFF, Installed	24.7	24.7	39.4	34.6	14.7	9.9
Bending	4.8	4.8	6.5	6.5	1.7	1.7
Short tie-ins	3.9	3.9	5.4	5.4	1.5	1.5
Tie-ins	9.5	9.5	18.5	14.2	9.0	4.7
Set Up and Alignment	20.3	20.3	28.0	28.0	7.7	7.7
Special Construction	7.3	7.3	9.6	9.6	2.3	2.3
Crack Arrestors	0	0	12.7	12.7	12.7	12.7
Add'l Side booms, labor	—	—	37.5	10.0	37.5	10.0
Add'l fuel	—	—	5.7	2.0	5.7	2.0
Add'l testing	—	—	10.0	10.0	10.0	10.0
River Crossings	13.0	—*	17.3	—*	4.3	0
	673.3	606.1	982.0	852.0	308.7	245.9
Add'l Prudhoe Bay Processing	0	30.0	0	0	0	-30.0
Other Costs (non-variable)**	991.2	1180.7	991.2	1180.7	0	0
E & S Contingency	183.3	60.6**	193.0	85.2***	9.7	24.6
Total Pipeline Capital Costs (excluding compression)	1847.8	1877.4	2166.2	2117.9	318.4	240.5

* No change in cost assumed - included in other costs
** Derived from subtracting changeable costs from total.
*** Amount on changeable cost items only - add'l amounts included in other costs.

FIGURE 2

COST OF SERVICE - ALASKA

(Utilizing applicant's cost data except for compressor costs)



> We are in agreement that testing all three, or even two, pipe designs will delay completion of construction, perhaps for as long as the two years which the Canadians have predicted. Selection of any one of the size and pressure combinations to the exclusion of all others now or within the near future will permit the pipeline applicants to conduct burst test verification and initiate purchase of the pipe earlier in order to complete the pipeline within the time frame described in the U.S./Canadian agreement. 31/

That report went on to say that, although our experts believe that a confirmatory testing program could be designed for the higher pressure alternative which would have very little likelihood of failure, there was more risk of failure for a higher pressure alternative than for a lower pressure one. Specifically, the experts said;

> We recognize that the possibility of delays associated with testing of the 48-inch 1680 psig pipe may be slightly greater because of the higher pressure. 32/

The impact of delay, as well as the impact of a possibly higher tendency toward cost overrun for the higher pressure systems, is illustrated in figure 3. For a nominal dollar case, we have plotted the cost-of-service for a 1680-psig system with capital costs $1 billion higher than anticipated. 33/

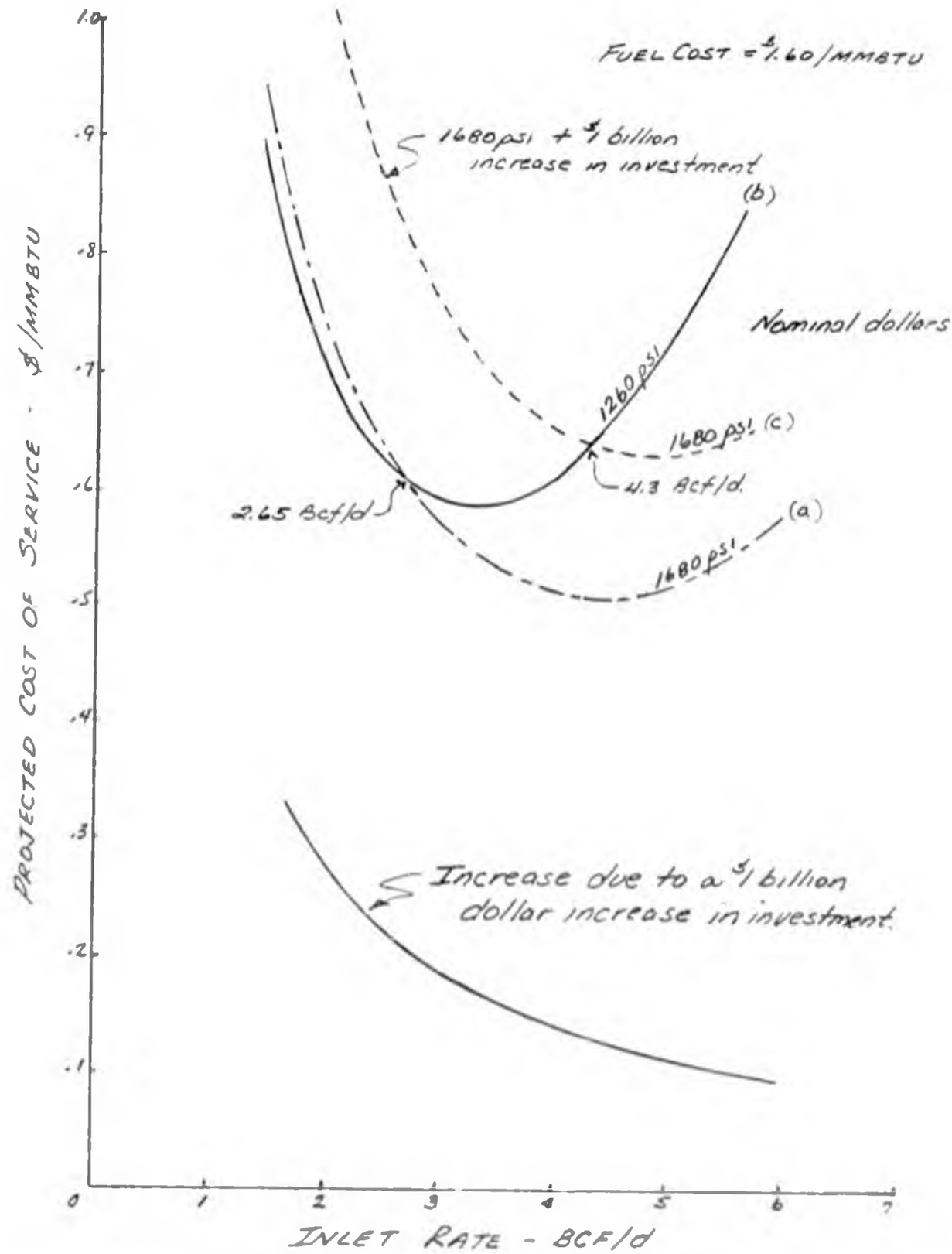
31/ "U.S. Government Safety and Reliability Evaluation of Different Pipe Size and Pressure Combinations for Alaska Gas Pipeline," Op. Cit., Executive Summary, pp. 1-2.

32/ Ibid., p. 5. In comments on the draft of this report, DOT added, "Realistically, the expected 'failure' that could occur relates to the effectiveness of pipe toughness alone to stop ductile fractures. The alternative simply is to add mechanical crack arrestors or rerun the tests with tougher pipe. The latter may mean a 3-6 month delay at worst." (October 26, 1978, Comments, p. 2)

33/ The choice of $1 billion as additional capital cost due to either delay or cost overrun is purely illustrative. Use of this example is not meant to imply that choice of the 1680 psig system would result in a $1 billion cost overrun. We do not now know whether choice of the 1680-psig system would result in any greater cost overruns than for the 1260-psig system.

FIGURE 3

IMPACT OF AN INCREASE IN INVESTMENT UPON THE COST OF SERVICE



As can be seen from figure 3, increased capital costs for the high-pressure systems relative to the low-pressure ones, whether due to time delays for testing or relatively higher cost overruns, would have the effect of moving upward the crossover point in throughput volume for going from the lower pressure system to a higher pressure one as the least-cost system. Our calculations show that the spread in unit cost of service, (constant 1975 dollars, fuel cost $1.60 per mmBtu) among the three systems amounts to less than 10 percent of the lowest one for throughput volumes up to about 3.5 bcfd. At higher throughput volumes, the cost of service plots for the three systems start to diverge more rapidly. Alaskan Northwest would put the throughput point at which the cost-of-service plots start to diverge closer to 4.0 bcfd.

The comparison of cost of service plots using our capital cost estimates with those using Alaskan Northwest's illustrates that small differences in assumptions or expectations about capital costs or other parameters can shift the crossover points noticeably. 34/ Thus, I conclude that the precise crossover points are less significant for decisionmaking than the points where the cost-of-service plots start to diverge.

Our cost-of-service plot for the 1260-psig system includes the effect of the additional cost of the conditioning facilities to meet the pipeline quality specification at that pressure. This assumption provides an indication of the total system-- pipeline plus conditioning facility-- cost consequences of the 1260-psig decision. This difference partially explains the difference between our results and Alaskan Northwest's. Other likely sources of difference include:

- o heating value of gas streams;
- o computation of fuel use for compression and chilling; and
- o our simplified cost-of-service computation methodology.

34/ A difference of $77.9 million in relative capital costs, which amounts to 4.2 percent of Alaskan Northwest's estimate for the 1260-psig system and a smaller proportion of the estimates for other systems, shifted the crossover point from 2.65 to 2.9 bcfd in the example given above.

EXPLANATION OF COST DIFFERENCES FOR VARIOUS SIZE SYSTEMS

Table A-1 presents estimated investment cost for systems designed to operate at 1260, 1440 and 1680 psig.

Table A-2 summarizes the horsepower (hp) and fuel requirements for the three systems.

Methodology

Total capital costs for the 1260-psig base case system at a 2.4 bcfd throughput rate were taken from the capital cost data filed with the FPC by Alcan Pipeline Company in March 1977. Independent cost estimates were made for all items where costs should change materially as a result of utilizing heavier pipe with a greater wall thickness. These cost estimates are shown in table A-1. The estimated costs of all other (nonvariable) items were assumed to be equal to the difference between filed costs and the total cost of the variable items for the 1260 psig, 2.4 bcfd base case.

Compressor and fuel costs were calculated based upon computed requirements for the three systems for flow rates of 1.6, 2.4, 3.2, 4.0, 4.8 and 5.6 bcfd. An FERC computer model based upon American Gas Association (AGA) pipeline flow equations was used to determine compression and chilling hp and fuel requirements. The additional gas processing and conditioning plant costs relative to those for the 1680-psig system were added to the capital costs of the 1260-psig and 1440-psig systems as that difference could have been reflected in an increment to any gathering and conditioning allowance, if allowed by the Commission. Plant cost differences are based on cost differences included in the materials supplied by Arco, adjusted to 1975 dollars. All other capital costs are expressed in 1975 dollars.

As a result of the above methodology, total costs shown are expected to be only roughly correct. However, cost differences should be reasonably accurate.

Capital cost data from table A-1 and fuel requirements shown in table A-2 were used in an FERC cost-of-service model to compute an expected cost-of-service for each case. As noted above, cost-of-service differences should be more meaningful than cost-of-service values for individual cases.

TABLE A 1

PIPELINE CAPITAL COST ESTIMATES - FERC

All Costs in Millions of 1975 Dollars

1. Pipeline

		To Canadian Border			To Whitehorse, Yukon		
Pressure	PSIG	1260	1440	1680	1260	1440	1680
Length	Miles	731.4	731.4	731.4	1000	1000	1000
Weight of Pipe	M Tons	646	738	860	859	982	1145
Pipe Cost (Delivered)	MM $	475.4	550.3	650.4	640.9	741.9	876.5
Welding	MM $	25.4	30.1	36.1	34.7	41.0	49.0
Double Jointing	"	9.7	11.3	13.7	12.1	14.2	17.2
Weights	"	25.1	22.0	18.8	36.1	31.6	27.1
Valves, Fittings, Installation	"	24.7	29.6	34.6	33.7	40.5	47.3
Short tie-ins	"	3.9	4.6	5.4	5.3	6.3	7.4
Tie-ins	"	9.5	11.4	14.2	13.0	15.6	19.4
Set Up & Alignment	"	20.3	23.8	28.0	27.8	32.3	38.3
Special Construction	"	7.3	8.4	9.6	10.0	11.5	13.1
Bending	"	4.8	5.5	6.5	6.6	7.5	8.9
Crack Arrestors	"	0	12.7	12.7	0	17.4	17.4
Add'l Sidebooms, labor	"	0	5.0	10.0	0	6.8	13.7
Add'l Fuel	"	0	1.0	2.0	0	1.3	2.6
Test Programs-add'l	"	0	10.0	10.0	0	10.0	10.0
Subtotal		130.7	175.2	201.6	179.3	236.0	271.4
Add'l Contingencies, Engineering & Supervision	"	60.0	72.6	85.2	82.0	97.8	114.8
Subtotal-Variable Items	"	666.7	798.1	937.2	902.2	1075.7	1262.7
Other Costs		1180.7	1180.7	1180.7	1393.2	1393.2	1393.2
Subtotal-	MM $	1847.4*	1978.8	2117.9	2295.4**	2468.9	2655.9
Difference		--	131.4	270.5	--	173.5	360.5
North Slope Costs(Ex Compression) Processing Plant Additions	MM $	30.0	20.0	0	30	20	0
Subtotal (Ex Compression)	MM $	1877.4	1998.8	2117.9	2325.4	2488.9	2655.9

* From Alcan March 1977 filing (Total Cost - AFUDC - Compressor Costs)

** 49.5 percent of Foothills filed costed for the Yukon, minus compressor costs, plus Alaskan costs

TABLE A-1 (Continued)

PIPELINE CAPITAL COST ESTIMATES - VARIOUS SYSTEMS & THROUGHPUT RATES

2. Compression and Cooling

		Alaska			To Whitehorse, Yukon		
	PSIG	1260	1440	1680	1260	1440	1680
Compression & Cooling, Prudhoe Bay Inlet	1.6	16.0	24.0	24.0	16.0	24.0	24.0
	2.4	24.0	32.0	48.0	24.0	32.0	48.0
	3.2	48.0	72.0	80.0	48.0	72.0	80.0
	4.0	72.0	96.0	120.0	72.0	96.0	120.0
	4.8	96.0	120.0	152.0	96.0	120.0	152.0
	5.6	112.0	144.0	192.0	112.0	144.0	192.0
Compression & Cooling, Compressor Stations	1.6	80.0	60.0	40.0	120.0	80.0	60.0
	2.4	180.0	120.0	100.0	240.0	180.0	120.0
	3.2	354.0	260.0	189.0	472.0	354.0	260.0
	4.0	607.0	449.0	283.0	884.0	647.0	410.0
	4.8	1170.0	682.0	475.0	1467.0	1096.0	693.0
	5.6	1845.0	1155.0	840.0	2388.0	1581.0	1235.0
Engineering, Supervision and contingencies for compressor stations	1.6	9.6	8.4	6.4	13.6	10.4	8.4
	2.4	20.4	15.2	14.8	26.4	21.2	16.8
	3.2	40.2	33.2	26.9	52.0	42.6	34.0
	4.0	68.1	54.5	40.3	95.6	74.3	53.0
	4.8	116.2	80.2	62.7	156.3	121.6	84.5
	5.6	192.7	129.9	103.2	250.0	172.0	142.7
Add Pipeline Cost (Less compression and AFUDC)		1877.4	1996.8	2117.9	2325.4	2488.9	2655.9

3. Total Direct Capital Cost

(Less AFUDC but including Prudhoe Bay extra Processing & Compression)	1.6	1983.0	2091.2	2188.3	2475.0	2603.3	2748.3
	2.4	2101.8	2166.0	2280.7	2615.8	2722.1	2840.7
	3.2	2319.6	2364.0	2413.8	2897.4	2957.5	3029.9
	4.0	2624.5	2598.3	2561.2	3377.0	3306.2	3238.9
	4.8	3209.6	2881.0	2807.6	4044.7	3826.5	3585.4
	5.6	3997.1	3427.6	3253.1	5075.4	4386.4	4225.6

Table A-2
Calculated Power and Fuel Requirements
at Different Operating Pressures and Throughput Rates

Throughput rate, bcfd	Operating Pressure, psig	1260 Compression	1260 Chilling	1260 Total	1440 Compression	1440 Chilling	1440 Total	1680 Compression	1680 Chilling	1680 Total
1. Prudhoe Bay Inlet										
		Summer power requirements (in thousands of HP)								
1.6		64	18	81*	74	22	96	86	27	113
2.4		95	28	122	115	33	148	130	41	170
3.2		127	35	162	148	44	191	173	54	227
4.0		159	44	203	186	55	241	216	68	284
4.8		191	53	244	223	66	289	259	81	340
5.6		222	61	283	260	77	337	303	95	397
		Average (summer and winter) Fuel requirements (in mmcfd)								
1.6				17.0			19.1			21.5
2.4				22.4			26.6			30.8
3.2				29.4			35.0			41.2
4.0				36.8			43.7			51.5
4.8				44.3			52.4			61.7
5.6				51.3			61.1			72.0
2. Prudhoe Bay to Canadian Border										
		Summer power requirements (in thousands of HP)								
1.6		51	21	72	37	16	53	25	11	37
2.4		155	49	204	109	37	146	78	30	108
3.2		350	97	447	246	72	318	169	52	221
4.0		675	178	853	476	129	605	324	90	415
4.8		1158	297	1456	819	214	1033	557	147	704
5.6		1832	464	2296	1303	334	1637	882	227	1110
		Average (summer and winter) Fuel requirements (in mmc								
1.6				10.6			12.6			8.9
2.4				39.5			26.6			22.1
3.2				86.3			61.8			43.8
4.0				160.9			116.9			79.5
4.8				276.8			193.1			128.4
5.6				444.6			299.0			201.3
3. Prudhoe Bay to Whitehorse										
		Summer power requirements in thousands of HP)								
1.6		70	19	89	51	14	65	35	9	44
2.4		214	49	263	154	32	187	1108	29	139
3.2		447	96	543	391	69	430	237	50	287
4.0		988	177	1165	703	125	828	473	85	557
4.8		1716	293	2008	1238	207	1446	821	145	966
5.6		2601	462	3143	1956	332	2287	1336	224	1560
		Average (summer and winter) Fuel requirements (in mmcfd)								
1.6				20.0			14.4			10.0
2.4				50.2			35.6			26.0
3.2				109.4			76.2			54.5
4.0				213.1			151.8			103.1
4.8				349.8			263.6			189.5
5.6				991.0			402.5			271.7

* Totals may not equal sum of parts due to rounding.

Alaska Gas Project Office Capital Cost Estimates

Items for which differences in pipe weight and operating pressure result in minimal differences in cost

The following activities during pipeline construction were assumed to have the same cost (or only minor cost differences) regardless of the pipe's weight or pressure rating:

1. Right-of-way procurement.
2. Clearing and grading.
3. Workpad and access roads.
4. Ditching.
5. Pipe alignment.
6. Field storage of pipe and materials.
7. Coat and wrap pipe.
8. Pipe inspection.
9. Padding and backfill.
10. Cleanup.
11. Resod.
12. Metering equipment.
13. Automation and telecommunications.
14. River crossings.

In actual practice, increasing the operating pressure should result in only minor differences in actual engineering and supervision costs. However, since these items are frequently considered as add-on items and are usually expressed as a percentage of other items, they were treated as a variable cost in this report.

Items where differences in pipe weight and operating pressure will change costs

Pipe Costs

Pipe costs were computed assuming a 1975 base mill price of $550 per ton for 0.6-inch wall thickness, internally coated pipe, plus the following charges:

1. $10/ton additional cost for 0.686-inch wall thickness pipe.

2. $20/ton additional cost for 0.80-inch wall thickness pipe.

3. $50/ton additional cost for increased pipe toughness.

4. $30/ton increased mill cost-Canadian pipe.

5. $20/ton Yukon tax.

To compute tonnage requirements for pipe it was assumed that the heavier wall thickness required in Class II and III construction locations would increase requirements by 10 percent compared to the tonnage required if the entire line was considered as Class I construction.

Pipe Transportation

It was assumed that the pipe would be shipped from the mill to delivery points in Alaska by intercoastal vessels. The following delivery costs were assumed.

	$/ton (1975)
Baytown, Texas, to Anchorage, Alaska	90
Baytown, Texas, to Prudhoe Bay, Alaska	140
Wellman, Ontario, to Skagway, Alaska	100

Pipe delivered to Anchorage (or Seward), Alaska, that will be further shipped to Fairbanks, Alaska, via the Alaska railroad, was assumed to incur an additional charge of $20 per ton. Rail charges from Skagway, Alaska, to Whitehorse, Yukon, were assumed to be $10 per ton.

It was assumed that the pipe would be strung from pipe storage points in Prudhoe Bay, Fairbanks, Anchorage (or Valdez), Alaska, and Whitehorse, Yukon. The following pipe stringing costs were assumed:

Stringing costs, $/ton (1975)

	Wall thickness, inches		
	0.6	0.686	0.80
From: Prudhoe Bay	21.60	19.80	24.30
Fairbanks - North	18.80	17.40	21.20
Fairbanks - East	15.10	14.20	17.00
Anchorage (Valdez)	15.10	14.20	17.00
Whitehorse	15.10	14.20	17.00

Higher costs were assumed north of the Yukon River. Stringing costs varied because of assumed truck weight limitations. For instance, it was assumed that only two double joints of 0.8-inch wall thickness pipe could be delivered per load compared to three double joints of 0.6-inch thickness pipe. The weight limitations assumed are probably conservative.

Welding

Alaskan Northwest has stated that increasing pipe weight and wall thickness reduces construction speed, due to increased welding requirements. They maintain that such reduced construction rate increases costs significantly more than just the increased welding costs, since a slower pace increases the cost of most construction activities. In contrast, others have stated that increasing wall thickness should not slow down construction.

Our knowledge of the welding procedure is that the stringer bead (the initial weld) is made by a stringer bead crew, which for 48-inch diameter pipe would likely consist of four welders. Upon finishing the stringer bead, the stringer bead crew moves forward to the next joint. Immediately following completion of the stringer bead, the hot pass bead is placed by the hot pass crew. Since the hot pass bead is applied at a slightly higher speed than the stringer bead, the hot pass crew usually has no trouble keeping up with the

stringer crew. The filler and cap bead are made by separate crews. Normally, a filler and cap crew will stay with a weld until it is finished. Since more weld material must be placed by the filler and cap welders, there may be several filler and cap crews per stringer crew. When thicker wall pipe is welded, it is only necessary to add more filler and cap welders.

According to our understanding of the process, the only welding problem with thicker wall pipe is that 0.8-inch wall thickness pipe would add about 100,000 to 120,000 man-hours of additional welder time compared to that required for 0.6-inch wall thickness pipe. Assuming a 2-year construction period and 1600 man-hours per year per welder, this additional welding would require adding about 38 welders. There should be no changes in nondestructive testing requirements, and only minor increases in inspection and supervisory personnel.

Construction speed is determined by the speed of the stringer crew. Since the time to make the stringer pass is independent of wall thickness, welding speed, expressed as joints per day or miles per day, should not be a function of wall thickness. As a consequence, increasing the wall thickness of the pipe should not materially reduce construction speed.

Welding costs shown in table A-1 assume manual welding; automatic or semi-automatic machines could probably reduce costs and improve weld quality. Welding time is based upon a theoretical arc time assuming deposition of 0.8 pounds of weld material per minute; changing electrodes is allowed for by adding one-third again to the time spend depositing weld material. We then assume that 50 percent of welders' working time is spend on activities other than these two.

Double Jointing

It was assumed that automatic or semi-automatic welding machines would be utilized for doublejointing under controlled, indoor conditions. The principal differences in doublejointing costs for thicker wall pipe compared to thinner pipe would be an increase in machine and operator time.

Bending

It was assumed that bending costs for the 0.8-inch wall thickness pipe would be 10 percent greater than for pipe with 0.6-inch wall thickness, or about $0.25/foot increase.

Sidebooms - Support Tractors

It was assumed that the heavier pipe would necessitate heavier lifting equipment, with a resultant increase in fuel and amortization costs. No increase in operating personnel was assumed.

Concrete Weights

March 1977 filed costs were assumed for the base case. Costs for the heavier pipe were computed assuming that total costs for weights would be proportional to the pipeline negative bouyancy without weights.

Valves and Fittings

Block valve costs of $90,000, $95,000 and $105,000 each were assumed for 1260 psig, 1440 psig and 1680 psig valves, respectively. Installed costs of valves and fittings were assumed to be seven times the valve costs. All costs are based upon 1975 prices.

Compression and Cooling

The high-pressure systems will increase compression and cooling requirements at Prudhoe Bay, but will reduce them at pipeline compressor stations. Computed horsepower requirements are shown on table A-2

Compressors are now used to reinject produced gas. Existing first stage compressors compress the gas from about 550 psig at flow station discharge points to about 1700 psig. These compressors possibly would not need to be duplicated.35/

35/ Sohio noted in its comments on our draft report that whether the compressors will need to be duplicated will depend on whether Prudhoe Bay working interest owners agree to release any of these facilities for gas sales service.

Arco also addressed this point in its comments on the draft report. It noted that the Prudhoe Bay owners installed compressors to reinject gas which is produced with crude oil. At the time gas sales commence the volume of gas which will have to be reinjected will be reduced by the volume of gas sales. However, these compressors may still be required for reinjecting a portion of the gas production in order to maintain crude oil production.

V. ESTIMATES OF THROUGHPUT VOLUMES

As is apparent from the plots of transportation costs versus throughput volume, expected throughput volume is an important parameter in determining which of the alternative systems is the most cost-effective design. This section reviews the available information for guidance on this point.

1. Findings in the Initial Decision

The quantity of gas reserves on the North Slope of Alaska and the deliverability of these reserves was explored in detail during the hearing before FPC Administrative Law Judge Litt in El Paso Alaska Company, et al., Docket No. CP75-96, et al. Judge Litt concluded in the Initial Decision that, although the uncertainty of reservoir performance and the possible necessity of water injection precluded exact estimates as to the daily deliveries to be expected from the Prudhoe Bay Field, the weight of the evidence supported a finding that 2.0 - 2.5 bcfd of gas will initially be available from the Prudhoe Bay Field. (Initial Decision at 33.) The proven reserves in the Prudhoe Bay Oil Pool support this finding. If one includes additional reserves from the Sadlerochit, Lisburne, and Kuparuk reservoirs, this estimate may be conservative. Judge Litt noted in connection with the Lisburne and Kuparuk reserves that future development or complete disclosure of past drilling would be necessary to establish the producing capabilities of these formations. (Initial Decision at 31.)

Judge Litt also found that the evidence suggested that deliveries above the 2.0 - 2.5 bcfd level might be available from the North Slope region because of reserves other than in the Prudhoe Bay Field. (Initial Decision at 33.) However, he found that the evidence regarding such reserves was unclear and made no specific findings as to the volumes of gas which might be delivered from such reserves.

2. Findings in the FPC Recommendation to the President.

The FPC stated in the Recommendation to the President:

> "Thus, we conclude that it is reasonable to assume 2.0 to 2.5 Bcfd from Prudhoe Bay Oil Pool within five years after the commencement of oil production. There exists some possibility of increased delivery from the North Slope of perhaps as much as an additional 1.5 Bcfd from NPR-4 (Naval Petroleum Reserve No. 4), ANWR (The Arctic National Wildlife Range), and the Beaufort Sea, as well as other reservoirs in or near the Prudhoe Bay Oil Field. Thus, we find the system should be designed to carry initially 2.0 - 2.5 Bcfd, and be capable of expansion to an additional 1.0 - 1.5 Bcfd." (p. I-17)

3. Findings in the Decision

The report which accompanies the Decision notes that the increase in the nation's supply of natural gas from an Alaskan gas project is estimated to be 0.7 trillion cubic feet (tcf) per year (2.0 bcfd) by 1985. By 1990, a volume greater than 0.9 tcf per year (2.4 bcfd) might be produced, according to the report.

4. State of Alaska

The Prudhoe Bay Field is located on lands owned by the State of Alaska. Detailed information on the production potential of that field has been made available to the State in its capacity as royalty owner and conservation authority. At our request, the State's Department of Natural Resources prepared estimates of reserves and deliverability of gas from State lands in the North Slope region based on all information available to them. Those estimates suggest a deliverability range after 1988 of 2.0 to 4.2 bcfd from State lands (including the Prudhoe Bay Field) with the median estimate at 2.8 bcfd.

5. U.S. Geological Survey

As part of the July 1, 1977, reports to the President prepared under the terms of the Alaska Natural Gas Transportation Act (ANGTA), the U.S. Geological Survey (USGS) compiled estimates of reserves and deliverability for all North Slope areas.36/ The USGS discussion cites three separate analyses of North Slope potential -- its own, that of the Potential Gas Committee of the Colorado School of Mines, and that of the Division of Geological Survey of the State of Alaska -- to conclude that there is very high probability of substantial additional recoverable gas reserves in the North Slope area.

Converting potential reserve estimates into proven reserves dedicated to pipeline transportation is a demanding exercise in expectation. However, using the USGS figure of 19 tcf of potential reserves outside the Prudhoe Bay geologic structure, in conjunction with a rule of thumb for deliverability (1 bcfd of production for 20 years requires at least 20 tcf of potential reserves), plus the State's figure for the Prudhoe Bay Field itself, these estimates suggest there is a 95 percent probability that deliverability from all North Slope producing areas will be at least 2.5 bcfd if production from all of these reserves overlaps through some period in the future, as seems highly likely. There is a small probability of North Slope deliverability going as high as 7.5 bcfd.

36/ Report of the Working Group on Supply, Demand and Energy Policy Impacts Of Alaska Gas; Federal Energy Administration; Department of Commerce; Department of the Interior-U.S. Geological Survey; Department of Transportation; Department of the Treasury; Energy Research and Development Administration; July 1, 1977.

VI. ADDITIONAL CONSIDERATIONS

Our discussions with interested parties suggested that considerations other than design costs and estimated throughput volumes are important to the choice of system operating pressure. This section presents short discussions of the most important of those considerations as we understand them.

1. Vulnerability to Cost Overruns

The project sponsors have expressed the concern that a higher pressure system is more vulnerable to cost overruns. Some support for their concern can be found in the work of Professor Walter Mead of the University of California at Santa Barbara. In a recent study published by the American Enterprise Institute,37/ Professor Mead reported in a chapter on cost overruns (chapter 6) that an econometric analysis of past Defense Department projects "...indicated that cost overruns were significantly related to the length of time required for the development program and the extent of technological advance involved in the project."(p. 86) The implication is that the closer to known technology a project is, or more specifically, the more like a previously constructed project a succeeding one is, the better the cost estimates for the successor project and the less its tendency to cost overruns. To the extent that the 1260-psig system can be considered closer to known technology than either of the higher pressure alternatives, its tendency to cost overrun should be less if an analogy to Professor Mead's analysis of Defense Department projects is appropriate.

Any difference in their respective tendencies toward cost overrun between the 1260-psig system and the higher pressure alternatives would have the effect of raising the crossover point where increased throughput volume makes a higher pressure system result in lower unit transportation charges. Figure 3 in the section which presented the results of our calculations (section IV, supra) shows the effect on the crossover point of an increase in capital costs for a

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37/ Transporting Natural Gas from the Arctic: The Alternative Systems; Walter J. Mead, with George W. Rogers and Rufus Z. Smith; American Enterprise Institute for Public Policy Research, Washington, D.C.; August 1977.

high-pressure system. A similar effect on the crossover point would be realized if cost overruns had the effect of increasing the costs of a higher pressure system relatively more than those of the 1260-psig alternative.

2. Impact on Financing

The Decision requires that the Alaskan Natural Gas Transportation System be privately financed. Therefore, the impact of a decision to utilize a higher pressure system on the ability of the sponsors to obtain private financing is a major concern.

The risk of major cost overruns creates whatever risk there is of project non-completion, and presents the largest single financing problem for the project. Thus, if the lower pressure system is closer to current gas pipeline industry practices, the analysis referred to by Professor Mead would suggest that utilizing the lower pressure alternative reduces the likelihood of major cost overruns and thereby facilitates financing. The effect of technological advances on the reliability of cost estimates was alluded to by the NEB in its February 19, 1978, "Statement of Position."38/

In response to our request for more definitive information on the significance of the pressure question for financing, the project sponsors' principal financial advisers prepared a letter explaining the effect of a decision to utilize a higher pressure system on the financing proposals of the pipeline project. The gist of their concern is that a higher pressure system involves technological risks that lenders and potential equity investors simply will not accept.

3. The Gas Consumers' Interest

The interest of the gas consumer in the low-pressure/high-pressure decision is not obvious. Although a higher pressure system should result in lower transportation charges at higher levels of throughput, it is not assured that such reductions in transportation cost will accrue directly to the benefit of gas consumers.

38/ "Until sufficient field welding tests and production trials are done to establish suitable procedures and the manpower and equipment requirements to achieve progress rates compatible with other crews, the National Energy Board feels the present cost comparisons (between standard-pressure and high-pressure alternatives) based on normal procedures may not be valid." NEB Statement of Position, op. cit., Technical Review, pp. 3-4.

The means by which the delivered price is set for the gas to be transported by ANGTS does not lead to a clear-cut showing of consumer benefit. For the initial throughput volume, an expected 2.0 bcfd from the Main Pool Reservoir of the Prudhoe Bay Field, the delivered price will be the sum of the transportation charge and a wellhead price, plus an allowance for gathering and conditioning if allowed by the Commission. In this case, reduced transportation charges should be passed on to gas consumers as reductions in delivered prices.

In the next few years, however, high-priced sources of gas such as the Prudhoe Bay gas could rapidly exhaust the implicit subsidies provided by allowing the price of this gas to be averaged in with lower cost gas from conventional supply sources. As soon as the use of "rolled-in" pricing has raised the average price of all gas to approximate parity with the delivered price of alternate fuels, incremental gas sales are likely to be made only at prices set by competition with those of alternative fuels. At that point reductions in transportation charges would likely accrue to producers.39/

Depending on the relationship of the netback to the field price from the market value of this gas on the one hand, and the maximum lawful ceiling price set by the NGPA on the other, possible Commission use of rolled-in pricing for other gas supply projects, and changes in the delivered prices of competing fuels, prices for North Slope gas sales after the initial 2.0 bcfd from the Main Pool Reservoir could be set by a netback from the delivered prices of competing fuels. In that event, reduced transportation charges for these incremental volumes would benefit the gas producers.

An efficient natural gas transportation system which encourages the development of additional supply through higher field prices is not without some consumer benefit. The point here is that an analysis of that benefit is not as simple as might be implied by a comparative evaluation of transportation cost curves.

39/ A limitation on such a potential benefit to producers will be the ceiling price on natural gas produced from Prudhoe Bay Unit established by § 109 of the Natural Gas Policy Act of 1978 (NGPA). The price of competing fuels may only determine the price of gas from the Prudhoe Bay Unit to the extent such a price is equal to or less than the ceiling price.

Increased investment in gas conditioning plant:	$30 million
Field fuel system investment:	$50 million
Injection investment:	$25 million
Total:	$105 million

As the likely outcome of a decision to use the 1260-psig system would be a combinatior of cooling the oil pipeline, use of the extra butane in the field, and reinjection, we believe approximately $100 million (in 1978 dollars), including the $30 million required for additional investment in the processing and conditioning facility, is a representative requirement for comparison with the $237 million (in 1975 dollars) additional investment required to increase the system operating pressure to 1680 psig. None of these figures consider operating costs, so any comparisons are necessarily incomplete.

The gas consumer would see the increased investment requirement in the form of increased transportation charges for gas delivered by a higher pressure system, at least for the first 2.0 bcfd of throughput. Although the increase in unit transportation charges would be tempered by the delivery of higher Btu gas, the additional Btu's per unit volume would not be enough to offset the higher transportation charges until throughput volumes get higher than just those from the Main Pool Reservoir of the Prudhoe Bay Field. 41/

On the other hand, the oil consumer would not likely be directly affected by a requirement for additional investment in oil pipeline facilities. North Slope oil prices are effectively set through competition with imported oil, and can not be increased to consumers in order to recover additional transportation costs. Additional investment in the Trans-Alaska Pipeline System (TAPS) simply reduces the netback to the oil producers at the field. The consumer price impact of using the oil pipeline to carry the butane would only be felt as an increase in any processing and conditioning allowance which might have been allowed by the Commission to cover the $30 million extra investment required for the processing and conditioning plant.

41/ Future gas volumes made available for shipment could have less NGL's content than the Prudhoe Bay accumulation, in which case the "drier" composite gas stream would have more capacity for Prudhoe Bay NGL's without increasing system operating pressure.

The investment requirement not touched on in the preceding discussion is that which might be required for vapor recovery systems on storage tanks in areas where the higher vapor pressure caused by adding butane to the North Slope crude would cause unacceptable air pollution problems. Such ancillary investment requirements highlight the importance of the gas pipeline system design question for the North Slope gas producers, as well as for the gas pipeline project sponsors, and the degree of interest the producers should have in optimizing the design of all facilities involved in producing and transporting Prudhoe Bay hydrocarbon resources.

VII. REQUIREMENTS FOR RESOLUTION

I believe that the Decision creates a predisposition that the 1260-psig system is the one authorized by the President and the Congress by its reference to "the facilities...included in the revised Alcan filing submitted to the Federal Power Commission (FPC) on March 8, 1977."42/ Additional NGL's carrying capability of a higher pressure system might be a desirable feature, all other things being equal. However, a technical report filed with the State of Alaska by the major interest owners in the Prudhoe Bay Field (Arco, BP, Exxon and Sohio) in support of their proposed reservoir management plan states:

> Gas pipeline specifications are not currently known and final specifications may increase or decrease the volume of liquids which must be extracted from the gas to prevent condensation in the pipeline. Regardless of the final gas conditioning requirements, all liquids extracted will be used without waste, either to displace fuel gas or to be transported through the oil pipeline.43/

I believe that the language in the Report accompanying the Decision suggesting that:

> ...Alcan should consider increasing the operating pressure and wall thickness of its 48-inch diameter pipeline in order to allow for more efficient increases in throughput rate for additional reserves which might be committed to the system from either Alaska or Canadian sources...."44/

would make the predisposition a rebuttable one on appropriate showings in a final authorization proceeding for these facilities. The discussion below highlights the principal factors which should be evaluated in such proceeding, should one be required to fix this parameter. I believe that favorable findings in all three areas would be required to support a decision to increase the operating pressure of the Alaskan segment.

42/ Decision, op. cit., p. 13.

43/ Exhibit ALA-33 filed in proceedings before FPC, p. 16. Cited in Comments on the "Decision and Report to Congress on the Alaska Natural Gas Transportation System", Federal Energy Regulatory Commission, October, 1977.

44/ Decision, op. cit., p. 193.

1. Concurrence of the Canadian Government

The Government of Canada, across whose territory some length of any of the 48-inch alternatives would have to pass,45/ has previously expressed severe reservations about the 1680-psig alternative on safety and reliability grounds. The Canadian project sponsors share those reservations. The U.S. project sponsors, while concerned about safety and reliability problems (particularly those associated with proximity to the Alyeska oil pipeline), are primarily concerned that uncertainties associated with the 1680-psig system would create significantly higher risks of construction delay and cost overrun than the 1260-psig alternative.

45/ On February 17, 1978, the Canadian National Energy Board chose a large-diameter (56-inch) alternative for the segment of the system through which both Canadian and U.S. gas volumes will flow, to be installed between Whitehorse, in the Yukon Territory, and the bifurcation point near James River in Alberta. Although the operating pressure of the 56-inch system will be 1080 psig, its NGL's carrying capacity is not less than that of a 1680-psig system installed farther north. The reason is the difference in operating temperature: the 56-inch system will operate at a minimum of 40°F, while the northern portions of the system will have to be chilled to below the freezing point of water (32°F) to avoid thaw settlement problems in permafrost soils.

Permafrost soils, and consequently the need for operating the pipeline at or below 32°F, extend less than 100 miles into Canada. The operating temperature can be increased south of that point, allowing the operating pressure to be gradually lowered without losing significant NGL's carrying capacity. The 1080-psig system is, however, incompatible with the very high pressure (2150 psig) system advocated at one point by Exxon.

Thus, Canada would have to approve the use of a higher pressure system for a short distance from the Alaska/Yukon border if such a system is to be used in Alaska.

The hearing record on the safety and reliability aspects of the 1680-psig system was more extensively developed in Canada than in the U.S. proceedings before the FPC. Accordingly, although U.S. technical representatives continue to believe that the 1680-psig system can be constructed and operated safely and reliably,46/ Canadian authorities still have reservations about the high-pressure alternative based on the evidence presented to them.47/

The U.S. project sponsors have also expressed concern about additional hazards of a higher pressure system because of proximity to the TAPS. The additional potential energy in a higher pressure system is thought to represent more of a threat to the structural integrity of the oil pipeline in the event of a gas pipeline rupture. On the other hand, technical representatives of Exxon, one of the principal owners of TAPS, did not feel there was any significant difference in hazard to the oil pipeline between the 1260-psig and 1680-psig alternatives.

A testing program involving the project sponsors, the owners of the oil pipeline and the Canadian Government would seem to be required prior to any decision to increase the operating pressure of the gas pipeline. Exxon representatives in particular have suggested that the required testing program would not be extensive, but we doubt they have tried to convince the Canadian Government or the Canadian project sponsors, both of whom would have to be satisfied with the testing program and its results before a decision to utilize a higher pressure system could be made.

2. Satisfactory Distribution of Costs and Benefits

In the preceding section, I discussed my concern that consumers might not be the primary beneficiaries of a decision to utilize a higher pressure system for the Alaska segment. Here I suggest briefly what types of analysis would be required to support a conclusion that consumers would benefit from higher pressure.

46/ "U.S. Government Safety and Reliability Evaluation o Different Pipe Size and Pressure Combinations for Alask Gas Pipeline", Op. Cit.

47/ Their "Statement of Position" has previously been referenced. See page 4.

The first consideration is expectations about throughput volumes which would suggest that lower transportation costs are likely with higher pressure. A positive finding in this area would have to involve not only conclusions about ultimate throughput, but also the timing of throughput increases, as a decision to ask consumers to pay more now in order to pay less later would have to pass a present value test.

The North Slope producers either now have or will have the geophysical and drilling information which might support increased capacity in the delivery system. Much of this information may have been supplied by them to the State of Alaska and the USGS, but under confidentiality arrangements which effectively deny access to any parties not specifically granted permission by the producers. I believe that the burden of proof that a higher capacity system is required is on the producers.

A second consideration is the possibility of a differential tendency to cost overrun between the 1260-psig system and the higher pressure alternatives. As discussed in a previous section, such a tendency would displace upward the throughput volume threshold where a higher pressure alternative has a lower unit cost-of-service than the 1260-psig system. Further studies of the cost overrun problem are currently in progress,48/ and should be available for evaluation in the event that an initial burden of proof regarding volumes available for throughput had been satisfied.

3. Resolution of Extraordinary Financing Problems

I believe that requiring the chosen system to be privately financed is an integral part of an elaborate framework set out in the President's Decision to ensure that construction of the selected system is in the public interest. I also feel that it would be inappropriate for the Commission to make any decision which would undermine a component of that framework. I believe that a showing that any extraordinary financing problems associated with choosing a higher pressure system had been resolved would be an essential element in any such choice by the Commission.

48/ For example, the Rand Corporation has been studying this problem applied to coal gasification plants for the Department of Energy.

VIII. RESULTS OF CONFERENCE

An earlier draft of this report was circulated for comment in late September 1978, to the parties with whom we had discussed this matter. The same draft was sent to all parties in Docket No. CP78-123, et al., during November, 1978.

The comments I received indicated a number of corrections to be made which have been incorporated as appropriate but did not alter my basic assessment of the difficulties involved in reaching a determination to increase the operating pressure from the level which had been approved as part of the President's Decision.49/

An on-the-record conference of interested parties was held on December 15, 1978. At that conference I presented a proposition, which had been suggested in the comments of the State of Alaska on my draft report, for consideration by the project sponsors and any other interested parties. That proposition was to first construct and operate the pipeline at 1260 psig, and then to increase operating pressure of the pipeline if sufficient throughput volumes became available during the operating life of the pipeline to warrant the increase. The State of Alaska suggested that it might be

> ...possible to achieve operating pressures approaching 1440 psig by relaxation of the "design factor" for the pipe Northwest proposes to use from .72 to .8. See 49 CFR 192.111. This would not be a substantial change because the "relaxation" is only to the established Canadian standard. A waiver request would have to be presented to the Office of Pipeline Safety [Department of Transportation] but a good case would be made that safety concerns would be satisfied by the relaxed design factor based on the record in Canada (November 17, 1978, Comments, p. 7)

49/ The U.S. Department of Transportation expressed some concern over perverse incentives inherent in the way natural gas pipeline projects are regulated. I took note of their concerns but advised them that the Commission would likely be unable to resolve them.

The Department of Transportation (DOT) and its Office of Pipeline Safety were represented at my conference. Their representatives were not encouraging about the prospects for a waiver because of the proximity of the pipeline to the haul road which serves the North Slope producing area. DOT safety requirements are more stringent for gas pipelines which operate near highways50/; thus, sufficient relaxation of the standard to accommodate an increase in operating pressure would likely require a double waiver. The DOT representatives advised use of thicker-wall pipe if higher operating pressures were to be attempted.

I closed the conference by requesting that the project sponsors present their views on the operating pressure question in detail to the State of Alaska and the DOT, both of whom appeared to favor a higher capacity system.51/ The sponsors were then to report to the Commission on their views regarding the possibility of increasing the system capacity, and on the results of their discussions of this matter with other interested parties. The sponsors' filing of March 2, 1979, requesting a Commission order finalizing the selection of 1260 psig as the operating pressure for the Alaska segment, is in compliance with my request. A copy of that filing is attached to this report.

50/ Whether the haul road is properly classified as a "highway", and thus imposes the more stringent safety standard on the gas pipeline, is a matter which I believe is still at issue.

51/ Arco representatives, both in their comments on my draft report and in their remarks at my conference, favored increasing the operating pressure but reducing the diameter of the gas pipeline system. Exhibit Z-5, attached to the project sponsors' March 2, 1979, filing, indicates that the operating efficiency characteristics of the 1680-psig, 42-inch system which Arco favors are essentially the same as those for a 1260-psig, 48-inch system.

IX. CONCLUSIONS AND RECOMMENDATIONS

Relevant Considerations

As discussed in section IV above, the primary method of analysis to determine the appropriate throughput capacity for a gas pipeline is the comparison of plots of unit transportation cost vs. throughput volume for alternative system configurations. The project sponsors have attached such plots for the principal alternative systems as Exhibits Z-4 and Z-5 in their filing. Similar computations are also included in section IV of this report.

In my judgement, there are two factors in these comparisons which should be considered:

- The least-cost system at expected levels of throughput, and
- Expectations about the throughput levels for which fuel penalties start to significantly increase the unit transportation cost.

For expected levels of throughput up to 3.3 bcfd, the 1,260-psig system is indicated by the project sponsors' analysis. Although our analysis puts the crossover point from the 1,260-psig system to the 1,440-psig system slightly lower than the project sponsors',52/ our analysis also supports the 1,260-psig system if the expected levels are in the 2.8-to 2.9-bcfd range.

Perhaps more important, in my judgement, is an assessment of the likelihood that throughput levels will exceed the range of efficient operation for the recommended system. For the three systems which appear to be feasible for the Alaska segment--1,260, 1,440 and 1,680 psig systems--there is a considerable range of throughput volumes for which there is probably sufficient uncertainty the capital cost

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52/ Our results put the crossover point at 2.65 to 2.9 bcfd, depending on certain assumptions about capital costs other than for compression. The remainder of the difference between our analysis and Alaskan Northwest's is in the installed cost of compression and chilling facilities.

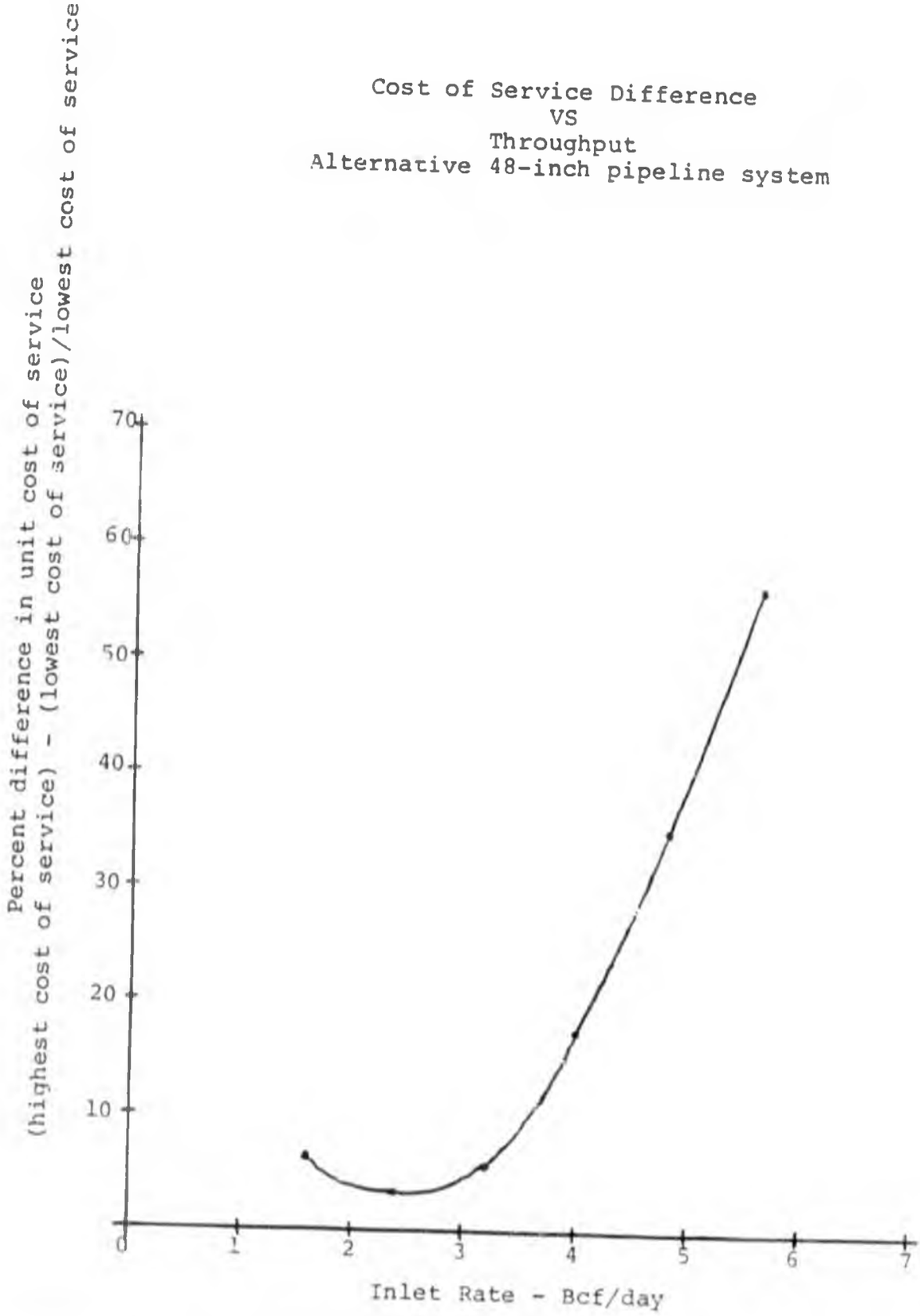
I would caution against assigning undue precision to the exact crossover points from one system to another. The differences between Northwest's capital cost estimates and ours for the 1,680-psig system is $48.3 million, or less than 3 percent of the base 1,260-psig estimate, whereas the expected cost overrun for the 1260 psig case is about 30 percent of that estimate.

estimates upon which the cost of service calculations are based to prevent a definitive conclusion that one will have a lower unit cost of service than another. For example, if I arbitrarily pick a difference of 10 percent between the cost of service of the lowest and highest cost systems for a given throughput level as a difference which is significant, then the unit cost of service for all three systems would be essentially the same from a throughput of about 2.6 bcfd to almost 4.0 bcfd, according to Alaskan Northwest's Exhibit Z-4. Above 4.0 bcfd and below 2.6 bcfd, the three curves diverge more rapidly.

Our computations in section IV illustrate better the divergence of the "J-Curves" at higher throughput volumes because we have plotted them for a larger range of throughput. On the next page, I have used the data from my Figure 1 to plot the difference between the lowest and highest cost systems as a percent of the lowest cost system for various levels of throughput. Notice that because of differences in our respective capital cost figures, our 10-percent difference point is closer to 3.5 bcfd than Alaskan Northwest's 4.0 bcfd. However, the plot illustrates that, although the differences are small over a range of throughput, they increase rapidly as the upper end of the range of efficient operation for the 1,260-psig system is approached.

In section VII of this report, I discussed the difficult problems which would have to be resolved to reach a determination to increase the operating pressure of the Alaskan segment. I believe that the Commission need not address these problems unless there is a significant change in expectations about gas volumes available from the producing areas to be served by the ANGTS. In view of the difficulties discussed in my report and in view of the relatively small differences in unit costs of service over the range of at least 2.6 to 3.5 bcfd, I would recommend that you reaffirm the 1,260-psig system for the Alaskan segment unless you are provided with new information which demonstrates that there is a significant probability of volumes in excess of 4.0 bcfd in the area to be served by the ANGTS.

Cost of Service Difference
VS
Throughput
Alternative 48-inch pipeline system



Status of Information

The information available at the time of the Decision, the results of the extensive analysis by the FPC and the July 1, 1977, Report to the President of the Working Group on Supply, Demand and Energy Policy Impacts of Alaska Gas, are cited in the project sponsors' filing. They cite the relevant conclusion in the Decision as the following:

> Peak-day capacity utilizing nine compressor stations will be 2.6 bcfd, with an average daily volume of 2.4 bcfd. By installation of intermediate compressor stations, the system could be increased to 3.4 bcfd peak capacity, with an average day capacity of 3.2 bcfd. The system capacity could be further increased by addition to the compressor horsepower at each station. (Decision, p. 17.)

I also note in the report accompanying the Decision the following passage:

> The routing of the Alcan system provides future access to reserves which might be discovered in the Beaufort Sea or elsewhere on the North Slope. Alcan similarly could transport gas from other areas of Alaska or even from the Gulf of Alaska by means of somewhat longer supply laterals. Further, the Agreement with Canada provides for the use by Canada of the Alcan main line at a throughput up to 1.2 bcfd. Therefore, redesign of the system to enable inexpensive expansibility up to 3.9 to 4.0 bcfd south of Whitehorse, Yukon Territory, is essential. (Decision, p. 196.)

I infer from this passage that the throughput volume anticipated at that time from sources in Alaska which might be connected to the ANGTS was in the range of 2.7 to 2.8 bcfd (3.9 to 4.0 bcfd less 1.2 bcfd).

Interestingly, the principal concern about throughput volume at the time of Congressional consideration of the Decision was that Prudhoe Bay Field production might not come up to expectations, and thus the system selected by the President might be too large for the available volumes. 53/ Some perspective on the possibility that available volumes will be either higher or lower than expected was provided to us in the course of this inquiry by the State of Alaska. As both a royalty owner and the conservation authority for the primary prospective areas on the North Slope, the State's information on these areas must be presumed to be as complete as anyone's. I have reproduced on the next two pages a series of tables of expected reserves and deliverability, along with a map of the area covered by the estimates. As you can see from the tables, the estimated probability that available throughput volumes will be 4.2 bcfd is about the same as the probability that throughput will be only 2.0 bcfd. I don't see any basis in this information for changing from the 1260 psig system.

The CO_2 Standard

A matter which I feel ought to be considered further is the CO_2 standard for gas delivered to the pipeline. I mentioned above (p. 22) that the Parsons study recommends further study of possible alternative specifications for CO_2 content and gas pipeline pressure. Increasing the system operating pressure is difficult for all the reasons discussed above, but I believe changing the CO_2 specification is separable and should be considered. The potential benefits to be derived from transporting more CO_2 include reduced conditioning costs, increased capacity for transporting NGL's, and possibly increased availability of NGL's (particularly propane) due to reduced fuel requirements of a less intensive processing and conditioning plant operation. The State of Alaska and Arco 54/ raised the CO_2 issue in comments

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53/ See the very extensive discussions of this matter during the Senate consideration of the Decision. Hearings before the Committee on Energy and Natural Resources, United States Senate, on S.J. Res. 82, Joint Resolution to Approve the Presidential Decision on an Alaska Natural Gas Transportation System, September 26, 27, October 11, 12 and 25, 1977. Publication No. 95-73.

54/ "Comments of the State of Alaska on the Design Specifications and Initial System Capacity of the Alaskan Segment of the Alaska Highway Pipeline Project", and "Motion of Atlantic Richfield Company for Clarification," both filed in Alaska Northwest Natural Gas Transportation Company, Docket No. CP78-123, et. al. on April 5, 1979.

North Slope
Original Gas In Place
Trillion Cubic Feet

	Confidence Level		
	95	50	5
Prudhoe Bay	←	40.4	→
All Other	0.5	13.4	30.5

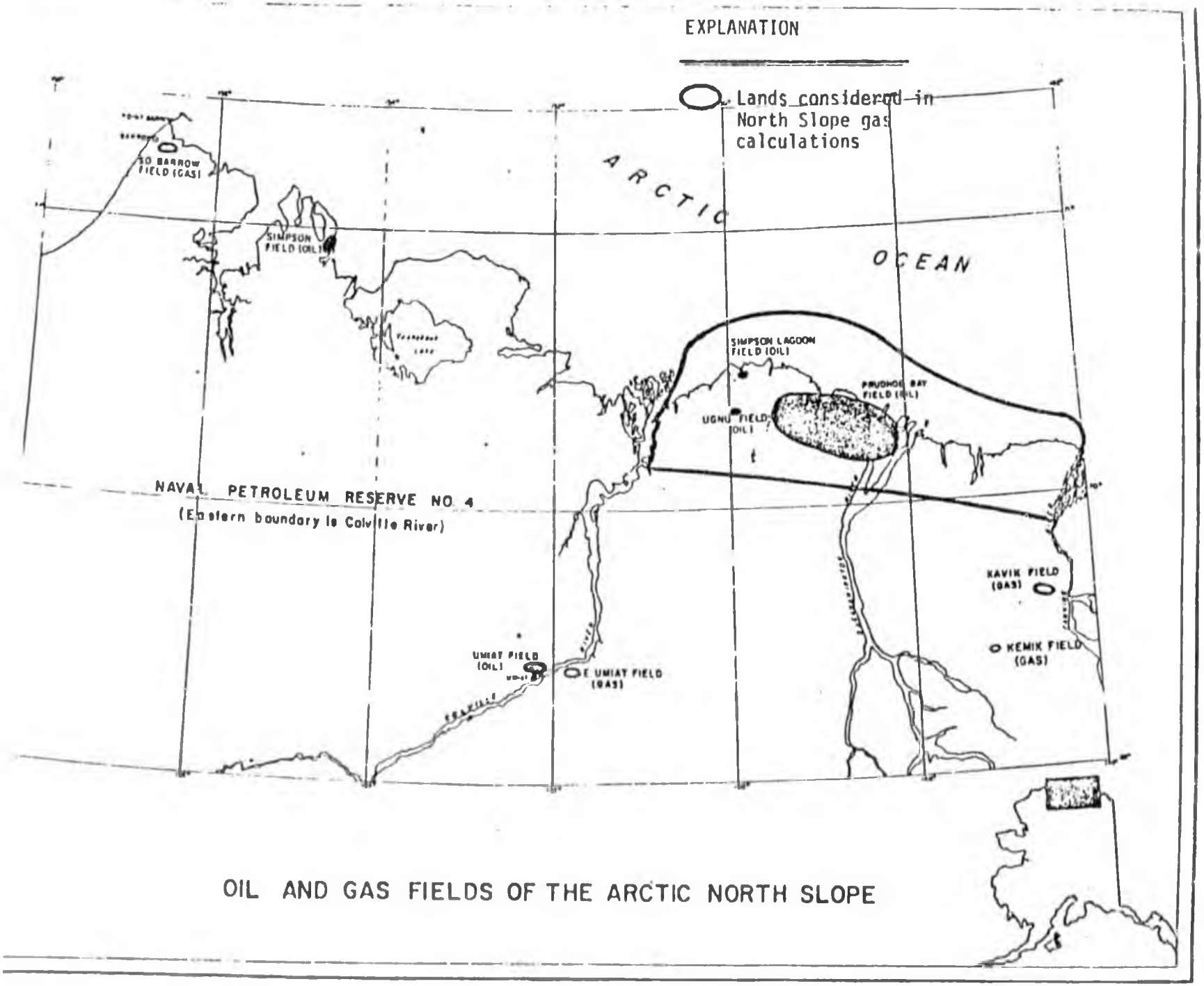
Recoverable Reserves *
Trillion Cubic Feet

	Confidence Level		
	95	50	5
Prudhoe Bay	←	21.0	→
All Other	0.3	8.0	18.3

Deliverability
Billion Cubic Feet Per Day

	Confidence Level		
	95	50	5
Mid 1984			
Prudhoe Bay	1.5	2.0	2.5
All Other	0	0.3	0.5
Mid 1988 and Beyond			
Prudhoe Bay	1.5	2.0	2.5
All Other	0.5	0.8	1.7

* takes into account recovery factor, gas conditioning and fuel useage.



OIL AND GAS FIELDS OF THE ARCTIC NORTH SLOPE

on the project sponsors' March 2, 1979 filing regarding system operating pressure. Sohio 55/ has raised the subject of standards for "pipeline quality gas" in the Commission's omnibus rulemaking proceeding on tariff and rate of return issues in Docket No. RM78-12.

The North Slope producers and the State of Alaska have an additional interest in this matter because of the impact of butane blending on the vapor pressure of North Slope crude. Exxon had furnished the plot of vapor pressure vs. temperature for North Slope crude containing various amounts of NGL's which appears on the following page. I have superimposed on that plot the approximate temperature range at which wax formation starts to be a problem with the North Slope crude, and the vapor pressure standard for air pollution control in Southern California.

Wax formation limits the use of cooling as a technique for vapor pressure control. If cooling cannot be used, then vapor recovery systems must be installed on storage facilities to control emissions. Addition of any butane at all to the crude stream moves the vapor pressure at a given temperature from curve 2 toward curves 3 and 4. Because of the temperature limit imposed by wax formation, addition of any butane at all increases the likelihood that vapor recovery systems will be required, particularly if the vapor pressure standard is made more stringent. Thus, the North Slope producers have an interest in the CO2 standard not only because of its impact on the cost of the conditioning facility, but also because of its impact on the capacity of the sales gas stream to transport NGL's, particularly butane.

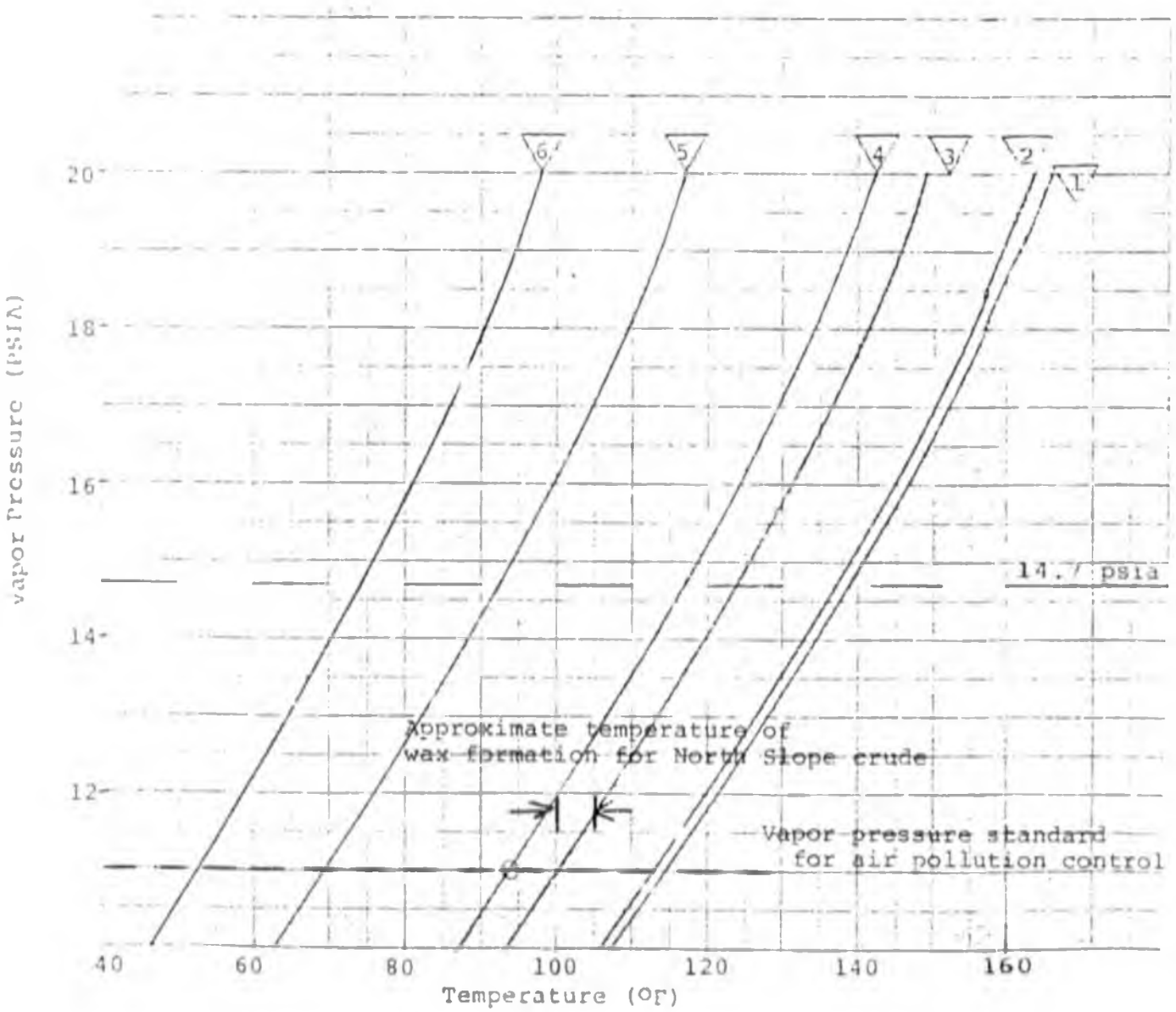
Increasing the CO2 content of the gas stream may be cost-effective for the consumer also. Without pre-judging how additional NGL's might be charged for transportation through the ANGTS, i.e., whether transportation charges would be on a cents per mmBtu basis or on some other basis, transportation of more of the Prudhoe Bay hydrocarbon reserve through the ANGTS offers the prospect of increased utilization of the facility, and, hence, lower overall costs to consumers.

55/ "Comments of Sohio Natural Resources Company on Notice of Proposed Rulemaking Issued April 6, 1979", filed in Determination of Incentive Rate of Return, Tariff and Related Issues, Docket No. RM78-12, on May 7, 1979.

FIGURE 1

PRUDHOE BAY CRUDE + NGL VAPOR PRESSURE

Bbl.NGL/Bbl.Crude	Mixture
0	1 Crude
.0154	2 Crude + iC5+
.0301	3 Crude + NC4+
.0367	4 Crude + iC4+
.0470	5 Crude + 25% C3, iC4+
.0573	6 Crude + 50% C3, iC4+



Increasing the CO2 content of the sales gas stream would have the effect of shifting to consumers certain costs of processing and conditioning the Prudhoe Bay gas, an outcome which the Commission has expressed its intention to prohibit with its proposed policy regarding the recovery of certain "production-related" costs as defined in the Natural Gas Policy Act. 56/ However, it is possible that some cost-shifting through relaxation of the CO2 standard would be the optimal solution for the overall conditioning and gas transmission system.

Increasing the CO2 content of the sales gas stream would pre-empt some of the ANGTS throughput capacity, but additional processing and conditioning facilities could be installed to remove the extra CO2 if the additional capacity were required. This could be done without any loss of NGL's carrying capability if incremental volumes of natural gas have a lower NGL's content than the Prudhoe Bay gas.

The State of Alaska and Arco, in their above referenced comments on Alaskan Northwest's March 2 filing, have requested a Commission statement regarding the appropriate proceeding for resolution of the CO2 content issue. I believe this issue is separable from the throughput capacity issue, because any capacity committed to CO2 transportation when operations begin can be retrieved by installation of additional conditioning facilities if sufficient quantities of natural gas become available to require that capacity. Thus, I believe that the maximum allowable operating pressure question should be resolved independent of the CO2 question, the latter being better addressed in RM78-12, wherein the Commission is considering the project company tariffs, or perhaps as an ancillary issue in RM79-19, regarding the responsibility for production-related costs. It is the former proceeding in which the issue of appropriate standards for "pipeline quality gas" seems to me to be most directly before the Commission.

56/ See the Commission's Notice of Proposed Rulemaking in RM79-19, February 2, 1979.

FERC -

ANNGTC

segment

Design Spec +

Sys. Capacity

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

Collatta

NORTH POLE RECEIVING

FEDERAL

ANGTS

Before Commissioners: Charles B. Curtis, Chairman
Georgiana [illegible], Jr.

Alaskan Northwest Natural Gas Transportation Company--	Docket Nos. CP78-123, et al.
Pipeline Design and Capacity	

ORDER APPROVING ALASKA SEGMENT DESIGN SPECIFICATIONS AND INITIAL SYSTEM CAPACITY

(Issued August 6, 1979)

On March 2, 1979, Alaskan Northwest Natural Gas Transportation Company (Alaskan Northwest) filed an application pursuant to the Alaska Natural Gas Transportation Act of 1976 (ANGTA), the President's Decision 1/ and Section 7 of the Natural Gas Act, requesting that the Commission issue an order setting the design specifications and initial capacity for the Alaskan segment of the Alaska Natural Gas Transportation System. Notice of the application was issued on March 16, 1979. 2/ On May 17, 1979, the Commission issued an Order serving on all parties a copy of the Report of the Alaskan Delegate on the System Design Inquiry, 3/ and inviting comments on the Report as well as on Alaskan Northwest's application. Comments were received from Alaskan Northwest, the State of Alaska, and [illegible] Resources

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1/ Executive Office of the President, Energy Policy and Planning, Decision and Report to Congress on the Alaska Natural Gas Transportation System (September, 1977).

2/ The Notice was published in the Federal Register on March 26, 1979 (44 FR 18050).

3/ The Delegate's Report addressed the matters which are the subject of this application, i.e., the [illegible] of the pipeline.

Company of Alaska. The May 17 Order [illegible] a procedure by which a hearing could be held on the factual questions involved in relating the diameter and operating pressure of the pipeline, if any party has requested such a hearing pursuant to the procedures specified.

The Delegate's Report contains [illegible] relevant portions of the President's Report accompanying the Decision, [illegible] issues, as well as various studies, reports, and [illegible] that were considered by the Delegate in selecting the design specifications for the pipeline. The Delegate's Report, including all of the materials cited or used in the preparation of the Report, 4/ and the application of Alaskan Northwest and exhibits thereto, along with the comments received in response to the May 17 Notice, constitute the record in this proceeding.

The Delegate's essential conclusions and recommendations in his Report were that the President's decision set the diameter of the pipeline at 48 inches, that the maximum allowable operating pressure should be set at 1,050 psig, and that the carbon dioxide

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4/ These materials include, inter alia, written comments (including information responses) received by the Delegate during the course of preparation of an earlier draft of his Report, that earlier draft report, the comments received on that draft, the transcript of the conference he held, and various studies he had consulted in reaching his conclusions. Those studies include, inter alia, "September 1978 Study Report, Gas Conditioning Facilities, Prudhoe Bay, Alaska," prepared by the Ralph M. Parsons Co. [illegible] by a group of North Slope producers and potential shippers of the gas; that study was made available to the Delegate and to other government representatives in early October, 1978. As indicated in the Report, all of these materials are maintained in a [illegible] file in the Delegate's office, as required by the Commission's Order of December 15, 1977, and [illegible] available for reference and inspection by all parties.

content of the gas stream should be considered in a separate order. 5/ The specific issues raised by the Delegate are the same as those raised by Alaskan Northwest in its application, 6/ and are also the same as those in the Alcan proposal given to by the President's Decision.

The President's Decision decided that the pipeline will be constructed. 7/ However, the Decision creates a problem. The problem exists in the one authority given by the President and the Congress, by stating that the facilities are to be constructed subject to the provisions of terms as are included in the revised Alcan filing submitted to the Federal Power Commission (FPC) on March 2, 1977. 8/ The Alcan proposal was to operate the pipeline at a maximum pressure of 1260 psig. The language in the report accompanying the Decision suggesting that

> . . . Alcan should consider increasing the operating pressure and wall thickness of its 48-inch diameter pipeline in order to allow for more efficient increases in throughput rate for additional reserves which might be committed to the system from either Alaskan or Canadian sources. . . 9/

meaning?

5/ The Commission's May 17 Order stated that the carbon dioxide content issue would not be decided in response to comments received in this proceeding. On May 16, 1979, the Commission issued an order in Docket No. RM78-12, requesting submission in that docket of studies and comments with respect to the carbon dioxide content issue.

6/ Alaskan Northwest also seeks authorization for their proposed compressor station size and spacing. These are not addressed in the Delegate's Report but are part of the Alcan proposal. No comments were received on that subject.

7/ Decision at 13: "the gas transportation system will utilize a 48-inch diameter pipeline from Prudhoe Bay to James River, Alberta . . . except as modifications to those facilities are required by the Agreement on Principles between the U.S. and Canada. . . ."

8/ Decision at 13.

9/ Report [illegible] at 13.

would make the predisposition a rebuttable one on appropriate showings. The President's Decision also stated that the capacity of the system should be adequate for an average daily throughput of up to [illegible] billion cubic feet per day (Bcfd), [illegible] capacity of 2.2 Bcfd. 10/ [illegible] be satisfied by a combination of [illegible] 1260 psig pressure. The comments did not offer any new information as to the amount of gas that is expected to be available for transportation through the pipeline, nor any other information that would call for a different conclusion about the required capacity of the pipeline from that stated in the President's Decision.

The choice of operating pressure is important, not only because of the relationship of the pressure to the capacity throughput of the pipeline, but also because there is some relationship between the pressure and the ability of the gas stream to carry natural gas liquids. This latter relationship was the major focus of the comments received from the State of Alaska and Earth Resources. The State of Alaska 11/ [illegible] concern about the ability of the gas stream to carry natural gas liquids because Alaska would like to preserve the option of developing, in Alaska, a petrochemical petrochemical industry using the natural gas liquids. Alaska is concerned that an operating pressure of 1260 psig, in conjunction with other factors, such as the standard for carbon dioxide content in the gas stream and the type of process utilized for carbon dioxide removal, could preclude the development of a petrochemical industry in Alaska. Alaska is also concerned about the location of the conditioning facility, and believes that alternative sites (i.e., other than [illegible]) for the facility should be given serious consideration, either in this proceeding or in connection with the

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10/ Decision at 13, 17.

11/ The State of Alaska filed two sets of comments, one on April 5, 1978, and [illegible] other on July 3, 1978.

environmental analysis 12/ and a [illegible] pressure bears upon the location of the conditioning facility because the proposal, involving location of the facility in Fairbanks, would require a higher operating pressure between Prudhoe Bay and Fairbanks. 13/

The comments filed by Earth Resources also focused upon the location of the conditioning facility, and supported locating the facility at Fairbanks. Both Earth Resources and Alaska referred to a study which purportedly shows that the costs of constructing the conditioning facility in Fairbanks would be lower than the costs of constructing it at Prudhoe Bay. 14/

The Delegate's Report indicates that the amount of natural gas liquids created in the gas stream is dependent upon the carbon dioxide content of the gas as well as the pressure. 15/ The Commission has previously indicated, by its Order issued May 16, 1979 in Docket Nos. RM78-12 and RM 78-19, that it will decide the appropriate carbon dioxide standard in an order to be issued in Docket No. RM78-12. For the reasons stated below, the Commission prefers to consider the complex liquids carrying issue in the context of the carbon dioxide proceeding rather than delaying a decision on the pressure.

No party questions the choice of 48 inches as the appropriate diameter for the pipe. In its comments Alaska does not specifically oppose the choice of 1260 psig as the appropriate pressure, nor does Alaska specifically advocate any particular alternative pressure. Instead, the basic thrust of Alaska's position is that the issue of the appropriate pressure is complex; that it is related to other issues, such as the liquids carrying capacity of the pipeline, the carbon dioxide content of the gas stream, and the various facilities that might be appropriate for processing and conditioning the gas; and that the Commission ought to delay its decision pending further factual inquiry.

12/ The Draft Environmental Impact Statement discussing inter alia the alternative sites for the conditioning facility was issued July 27, 1979.

13/ Comments of Earth Resources Company of Alaska (July 2, 1979).

14/ Other evidence in the record indicates the contrary. See the Delegate's Report at pp. 9-10, 12.

15/ Delegate's Report at pp. 10-11, 11-15.

Alaskan Northwest, [illegible] ...cally advocates the select... of [illegible] ...propriate operating pressure... above and in the Delegate's report, the Initial Decision itself creates a strong presumption in favor of that choice. The record before us supports the choice of 1250 psig, and does not support any other choice.

The basic issue, therefore, is whether [illegible] should decide the pressure now, or delay its decision pending further proceedings to establish a more extensive record. In this regard, Alaskan Northwest states in its comments that a choice of any pressure other than 1250 psig would substantially delay the project:

> . . . The partnership continues to assure the pipe size, design pressure and system capacities for which approval has been requested in connection with engineering, test program, and field programs which have been completed and are currently in progress. Any deviation from these specifications will result in a major delay of the project.

In light of the presumptions set forth in the Initial Decision, the partnership's reliance on its stated assumptions was certainly reasonable and well founded.

We would also note that the design of this system has a direct bearing on its cost, that a decision on the operating pressure is an essential prelude to refining the design, and that the project sponsor's ability to prepare detailed cost estimates has an obvious bearing on their ability to proceed with arrangements to obtain financing for the project. Thus, a delay in determining the pressure could have serious and wide ranging consequences in delaying the entire project.

The Congress, through its enactment of [illegible], and the President, through his Decision, have declared this project to be uniquely important to our nation's ability to obtain new sources of domestic energy. The entire thrust and purpose of NGPA, as well as its explicit mandate, is to expedite the authorization and operation of the [illegible]. [illegible] conclusion that we cannot and will not [illegible] action to fully [illegible].

We recognize that our decision may have some effect on the liquids carrying capacity of the pipeline, but the capacity is also affected by many factors, such as the carbon dioxide content of the [illegible] the nature of the condensate [illegible] We also recognize that the location of compressor stations affect on the location of these facilities. All of these considerations, however, [illegible] our decision. In light of the President's decision, the overriding consideration in determining the operating pressure of the pipeline is the pipeline's throughput capacity. 15/ As discussed above, absent evidence as to a need for increased capacity, the President's Decision creates a presumption that the operating pressure should be 1260 psig. There is no evidence in the record that the volume of gas expected to be transported through the pipeline from Prudhoe Bay has changed such as to indicate that increased pressure, and thereby increased capacity, are required. Accordingly, upon consideration of the record, the Commission has determined that the Alaska segment of the NGTS should be operated at a maximum allowable operating pressure of 1260 psig.

The Commission finds:

The design specifications and initial [illegible] capacity for the Alaskan segment of the Alaskan Natural Gas Transportation System, as proposed by Alaskan Northwest in its application filed on March 2, 1978, are required by the public convenience and necessity and should be incorporated as part of the conditional certificate of public convenience and necessity issued by the [illegible] Order of December 15, 1977 in this docket.

The Commission orders:

(A) The design specifications for the Alaskan segment of the Alaskan Natural Gas Transportation System shall be as follows:

1. 48-inch diameter pipe size;

2. 1260 psig maximum allowable operating [illegible]

15/ See Delegate's Report at p. 38.

Docket Nos. CP78-123,
et al.

(B) The certificate issued to [illegible] shall be incorporated into the [illegible] certificate of public convenience and necessity issued by the Commission's Order of December 16, 1977 in this docket, pursuant to the provisions of the Natural Gas Transportation Act, the President's decision, and the Natural Gas Act.

(C) This Order shall become effective on its date of issuance. Pursuant to sections 9 and 19 of the Natural Gas Transportation Act, this order constitutes final agency action and is not subject to the provisions for rehearing set forth in § 19 of the Natural Gas Act and in § 1.34 of the Commission's Rules of Practice and Procedure.

By the Commission.
(S E A L)

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RHL

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

ANGTS

Before Commissioners: Charles B. Curtis, Chairman;
Georgiana Sheldon, and Matthew Holden, Jr.

Alaskan Northwest Natural Gas Transportation Company-- Pipeline Design and Capacity	)))	Docket Nos. CP78-123, et al.

ORDER APPROVING ALASKA SEGMENT DESIGN SPECIFICATIONS AND INITIAL SYSTEM CAPACITY

(Issued August 6, 1979)

On March 2, 1979, Alaskan Northwest Natural Gas Transportation Company (Alaskan Northwest) filed an application pursuant to the Alaska Natural Gas Transportation Act of 1976 (ANGTA), the President's Decision 1/ and Section 7 of the Natural Gas Act, requesting that the Commission issue an order setting the design specifications and initial capacity for the Alaskan segment of the Alaska Natural Gas Transportation System. Notice of the application was issued on March 16, 1979. 2/ On May 17, 1979, the Commission issued an Order serving on all parties a copy of the Report of the Alaskan Delegate on the System Design Inquiry, 3/ and inviting comments on the Report as well as on Alaskan Northwest's application. Comments were received from Alaskan Northwest, the State of Alaska, and Earth Resources

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1/ Executive Office of the President, Energy Policy and Planning, Decision and Report to Congress on the Alaska Natural Gas Transportation System (September, 1977).

2/ The Notice was published in the Federal Register on March 26, 1979 (44 FR 18060).

3/ The Delegate's Report addressed the matters which were the subject of the application, i.e., the diameter of and maximum allowable operating pressure of the pipeline.

Company of Alaska. The May 17 Order also specified a procedure by which a hearing could be requested on the factual questions involved in determining the diameter and operating pressure of the pipeline. No party has requested such a hearing pursuant to the procedures specified.

The Delegate's Report contained a review of the relevant portions of the President's Decision, and the Report accompanying the Decision, that bear upon these issues, as well as various studies, reports, and comments that were considered by the Delegate in evaluating the design specifications for the pipeline. The Delegate's Report, including all of the materials cited or used in the preparation of the Report, 4/ and the application of Alaskan Northwest and exhibits thereto, along with the comments received in response to the May 17 Notice, constitute the record in this proceeding.

The Delegate's essential conclusions and recommendations in his Report were that the President's Decision set the diameter of the pipe at 48 inches, that the maximum allowable operating pressure should be set at 1260 psig, and that the carbon dioxide

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4/ These materials include, inter alia, written comments (including information responses) received by the Delegate during the course of preparation of an earlier draft of his Report, that earlier draft report, the comments received on that draft, the transcript of the conference he held, and various studies he had consulted in reaching his conclusions. Those studies include, inter alia, "September 1978 Study Report, Sales Gas Conditioning Facilities, Prudhoe Bay, Alaska," prepared by the Ralph M. Parsons Company, and sponsored by a group of North Slope producers and potential shippers of the gas; that study was made available to the Delegate and to other government representatives in early October, 1978. As indicated in the Report, all of these materials are maintained in a public file in the Delegate's office, as required by the Commission's Order of December 16, 1977, and have been available for reference and inspection by all parties.

content of the gas stream should be considered in a separate order. 5/ The specifications recommended by the Delegate are the same as those proposed by Alaskan Northwest in its application, 6/ and are also the same as those in the Alcan proposal approved by the President's Decision.

The President's Decision decided that the diameter of the pipeline will be 48 inches. 7/ Moreover, the Decision creates a predisposition that the 1260 psig system is the one authorized by the President and the Congress, by stating that the facilities approved and subject to the provisions of ANGTA are those included in the revised Alcan filing submitted to the Federal Power Commission (FPC) on March 8, 1977. 8/ The Alcan proposal was to operate the pipeline at a maximum pressure of 1260 psig. The language in the Report accompanying the Decision suggesting that

> . . . Alcan should consider increasing the operating pressure and wall thickness of its 48-inch diameter pipeline in order to allow for more efficient increases in throughput rate for additional reserves which might be committed to the system from either Alaskan or Canadian sources. . . 9/

5/ The Commission's May 17 Order stated that the carbon dioxide content issue would not be decided in response to comments received in this proceeding. On May 16, 1979, the Commission issued an order in Docket No. RM78-12, requesting submission in that docket of studies and comments with respect to the carbon dioxide content issue.

6/ Alaskan Northwest also seeks authorization for their proposed compressor station size and spacing. These were not addressed in the Delegate's Report but were part of the Alcan proposal. No comments were received on that subject.

7/ Decision at 13: "the gas transportation system will utilize a 48-inch diameter pipeline from Prudhoe Bay to James River, Alberta . . . except as modifications to those facilities are required by the Agreement on Principles between the U.S. and Canada. . ."

8 / Decision at 13.

9/ Report accompanying Decision at 193.

would make the predisposition a rebuttable one on appropriate showings. The President's Decision also stated that the capacity of the system should be adequate for an average daily throughput of up to 2.4 billion cubic feet per day (Bcfd), and with increased compression, capable of increasing to an average daily capacity of 3.2 Bcfd. 10/ Those requirements would be satisfied by a combination of 48-inch pipe and 1260 psig pressure. The comments did not offer any new information as to the amount of gas that is expected to be available for transportation through the pipeline, nor any other information that would call for a different conclusion about the required capacity of the pipeline from that stated in the President's Decision.

The choice of operating pressure is important, not only because of the relationship of the pressure to the capacity throughput of the pipeline, but also because there is some relationship between the pressure and the ability of the gas stream to carry natural gas liquids. This latter relationship was the major focus of the comments received from the State of Alaska and Earth Resources. The State of Alaska 11/ expressed concern about the ability of the gas stream to carry natural gas liquids because Alaska would like to preserve the option of developing, in Alaska, a world-class petrochemical industry using the natural gas liquids. Alaska is concerned that an operating pressure of 1260 psig, in conjunction with other factors, such as the standard for carbon dioxide content in the gas stream and the type of process utilized for carbon dioxide removal, could preclude the development of a petrochemical industry in Alaska. Alaska is also concerned about the location of the conditioning facility, and believes that alternative sites (i.e., other than Prudhoe Bay) for the facility should be given serious consideration, either in this proceeding or in connection with the

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10/ Decision at 13, 17.

11/ The State of Alaska filed two sets of comments, one on April 5, 1979, and another on July 2, 1979.

environmental analysis. 12/ The decision as to operating pressure bears upon the location of the conditioning facility because one proposal, involving location of the facility in Fairbanks, would require a higher operating pressure between Prudhoe Bay and Fairbanks. 13/

The comments filed by Earth Resources also focused upon the location of the conditioning facility, and supported locating the facility at Fairbanks. Both Earth Resources and Alaska referred to a study which purportedly shows that the costs of constructing the conditioning facility in Fairbanks would be lower than the costs of constructing it at Prudhoe Bay. 14/

The Delegate's Report indicates that the amount of natural gas liquids carried in the gas stream is dependent upon the carbon dioxide content of the gas as well as the pressure. 15/ The Commission has previously indicated, by its Order issued May 16, 1979 in Docket Nos. RM78-12 and RM 79-19, that it will decide the appropriate carbon dioxide st[illegible] in an order to be issued in Docket No. RM78-[illegible]r the reasons stated below, the Commission prefers to [illegible]onsider the complex liquids carrying issue in the context of the carbon dioxide proceeding rather than delaying a decision on the pressure.

No party questions the choice of 48 inches as the appropriate diameter for the pipe. In its comments Alaska does not specifically oppose the choice of 1260 psig as the appropriate pressure, nor does Alaska specifically advocate any particular alternative pressure. Instead, the basic thrust of Alaska's position is that the issue of the appropriate pressure is complex; that it is related to other issues, such as the liquids carrying capacity of the pipeline, the carbon dioxide content of the gas stream, and the various facilities that might be appropriate for processing and conditioning the gas; and that the Commission ought to delay its decision pending further factual inquiry.

12/ The Draft Environmental Impact Statement assessing inter alia the alternative sites for the conditioning facility was issued July 27, 1979.

13/ Comments of Earth Resources Company of Alaska (July 2, 1979).

14/ Other evidence in the record indicates the contrary. See the Delegate's Report at pp. 9-10, 12.

15/ Delegate's Report at pp. 19-21, 61-66.

Alaskan Northwest, the project sponsor, specifically advocates the selection of 1260 psig as the appropriate operating pressure, and indeed, as discussed above and in the Delegate's Report, the President's Decision itself creates a strong presumption in favor of that choice. The record before us supports the choice of 1260 psig, and does not support any other choice.

The basic issue, therefore, is whether the Commission should decide the pressure now, or delay its decision pending further proceedings to compile a more extensive record. In this regard, Alaskan Northwest states in its comments that a choice of any pressure other than 1260 psig would substantially delay the project:

> . . . The partnership continues to assume the pipe size, design pressure and system capacities for which approval has been requested in connection with engineering, test programs, and field programs which have been completed and are currently in progress. Any deviation from these specifications will result in a major delay of the project.

In light of the presumptions set forth in the President's Decision, the partnership's reliance on its stated assumptions was certainly reasonable and well founded.

We would also note that the design of the system has a direct bearing on its cost, that a decision on the operating pressure is an essential predicate to refining the design, and that the project sponsors' ability to prepare detailed cost estimates has an obvious bearing on their ability to proceed with arrangements to obtain financing for the project. Thus, a delay in determining the pressure could have serious and wide ranging consequences in delaying the entire project.

The Congress, through its enactment of ANGTA, and the President, through his Decision, have declared the ANGTS to be uniquely important to our nation's ability to obtain new sources of domestic energy. The entire thrust and purpose of ANGTA, as well as its explicit mandate, is to expedite the authorization, construction and operation of the ANGTS. Thus, the one decision that we cannot and will not make is a decision to delay making a decision.

We recognize that our decision may have some effect on the liquids carrying capacity of the pipeline, but the capacity is also affected by other factors, such as the carbon dioxide content of the gas stream as well as the nature of the conditioning and processing facilities. We also recognize that our decision may have some effect on the location of those facilities. All of those considerations, however, are secondary consequences of our decision. In light of the President's Decision, the overriding consideration in determining the operating pressure of the pipeline is the pipeline's throughput capacity. 16/ As discussed above, absent evidence as to a need for increased capacity, the President's Decision creates a presumption that the operating pressure should be 1260 psig. There is no evidence in the record that the volume of gas expected to be transported through the pipeline from Prudhoe Bay has changed such as to indicate that increased pressure, and thereby increased capacity, are required. Accordingly, upon consideration of the record, the Commission has determined that the Alaska segment of the ANGTS should be operated at a maximum allowable operating pressure of 1260 psig.

The Commission finds:

The design specifications and initial system capacity for the Alaskan segment of the Alaskan Natural Gas Trarsportation System, as proposed by Alaskan Northwest in its application filed on March 2, 1979, are required by the public convenience and necessity and should be incorporated as part of the conditional certificate of public convenience and necessity issued by the Order of December 16, 1977 in this docket.

The Commission orders:

(A) The design specifications for the Alaskan segment of the Alaskan Natural Gas Transportation System shall be as follows:

1. 48-inch diameter pipe size;

2. 1260 psig maximum allowable operating pressure;

16/ See Delegate's Report at p. 58.

3. compressor station size and spacing for an initial capacity of 2.0 to 2.4 Bcfd capable of expansion, through additional compression, to an an average daily volume of 3.2 Bcfd;

all as proposed by the application filed on March 2, 1979, in this docket.

(B) The requirements of ordering paragraph (A) above shall be incorporated into the conditional certificate of public convenience and necessity issued by the Commission's Order of December 16, 1977 in this docket, pursuant to the provisions of the Alaskan Natural Gas Transportation Act, the President's Decision, and the Natural Gas Act.

(C) This Order shall become effective on its date of issuance. Pursuant to sections 9 and 10 of the Alaska Natural Gas Transportation Act, this Order constitutes final agency action and is not subject to the provisions for rehearing set forth in § 19 of the Natural Gas Act and in § 1.34 of the Commission's Rules of Practice and Procedure.

By the Commission.
(S E A L)

Lois D. Cashell,
Acting Secretary.

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REVIEW of AK

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A REVIEW OF ALASKA NATURAL GAS TRANSPORTATION SYSTEM ISSUES

Submitted to the
Federal Energy Regulatory Commission
Under Contract No. EJ-78-C-01-6395

May, 1979

AGO 885865

ICF INCORPORATED 1850 K Street Northwest,
Suite 950 Washington D C 20006

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A REVIEW OF ALASKA NATURAL GAS TRANSPORTATION SYSTEM ISSUES

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DISCLAIMER NOTICE

The views and conclusions contained in this document are those of the authors and should not be interpreted as necessarily representing the official policies or recommendations of the Federal Energy Regulatory Commission.

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EXECUTIVE SUMMARY

This report addresses several major questions that relate to the Federal Energy Regulatory Commission's (FERC) deliberations concerning the proposed Alaska Natural Gas Transportation System (ANGTS):

- In light of recent changes in gas supply markets, are there still net benefits to the nation from proceeding with the proposed Alaskan gas pipeline project?
- If the potential benefits remain significant, why must low cost old gas subsidize the project through rolled-in pricing of Alaskan gas and why may special regulatory treatment, such as an "all events tariff" to insure debt repayment, be necessary?
- How does the planned implementation of ANGTS affect other potential gas supply opportunities, especially Mexican gas purchases?
- What policy options, such as gas conditioning charges and wellhead price ceiling levels, exist for reallocation of project costs, and how would these options affect the distribution of the project's opportunities and risks?

The analysis presented here concludes that the ANGTS project should provide significant economic benefits to the nation; nevertheless, serious obstacles to project implementation remain. At least one of these problems, the high initial cost of delivered natural gas, results from the traditional embedded historical cost method of ratemaking for gas regulation. The negative effects that this regulatory approach creates for the marketability of Alaskan gas can be counter-balanced to a large extent through another traditional practice of natural gas regulation, average cost pricing. Other problems revolve largely around questions of the equitable distribution of project

benefits and costs. Questions about how to allocate the opportunities and risks associated with the project's significant market, technological, and regulatory uncertainties present especially thorny problems.

Since these latter issues can only be resolved by policymakers' applying their judgment about what is equitable, this analysis can come to no conclusions about the appropriate path for policymakers to take. Instead, it seeks to analyze the extent to which the project could benefit the nation as a whole and specific parties such as gas producers or consumers under a variety of possible scenarios and policy decisions. This information should assist federal policymakers in weighing the significance of the policy questions concerning the ANGTS that they will face.

NET NATIONAL ECONOMIC BENEFIT

The Net National Economic Benefit (NNEB) measures the extent to which the value to the nation of Alaskan gas, delivered to energy users, exceeds the real resource costs to the nation of producing and transporting the gas. For this analysis:

NNEB = Delivered Gas Value
- Production Costs
- Transportation Costs
- Foreign Producer Benefits.

Briefly, these components are estimated in present value-equivalent terms and have the following definitions:[1/]

1/ See Section II of this report for an expanded discussion of the NNEB components and of the reasons for using a 6 percent after-tax real discount rate in calculating the present values.

Delivered gas value: the real resource costs to the nation of the alternative energy source likely to be used in the absence of Alaskan Prudhoe Bay gas.

Production costs: the incremental real resource costs incurred to produce the Prudhoe Bay gas,[2] including capital expenditures, income taxes on required revenues, ad valorem taxes, and operation and maintenance (O&M) expenditures, but excluding costs deemed for purposes of this analysis to be transfer payments within the U.S. economy (royalties and severance taxes).

Transportation costs: the incremental real resource costs incurred to move gas from Prudhoe Bay to the citygate in the lower-48 states, including capital expenditures, income taxes, ad valorem taxes, O&M expenditures for U.S. segments of the ANGTS, and U.S. cost of service payments to Canada for pipeline segments within its territory.

Foreign producer benefits: the share of the potential net national project benefits, in the form of payments to gas producers in excess of the real resource costs of production, which escapes the U.S. economy because a foreign firm owns a portion of the Prudhoe Bay gas.

The base case used for this analysis resembles the ANGTS scenario used for the NNEB discussion in the President's Decision.[3] In order to be consistent with the earlier discussion on this one point, the base case assumes a gas value equal to the wholesale price of distillate fuel. But in contrast to the President's Decision, the base case envisions more rapid world oil price escalation over time and applies a 6 percent real after-tax discount rate to account for consumers' time preferences.

2/ Incremental costs are costs in addition to any expenditures that would have been required in any case to produce oil at Prudhoe Bay.

3/ Executive Office of the President, Decision and Report to Congress on the Alaska Natural Gas Transportation System, Washington, D.C., September 1977. This is the set of assumptions leading to the results presented on pp. 93-98 of the President's Decision.

Under these base case assumptions, the NNEB and its components are estimated to be:

	(mid-1979 dollars)
Delivered Gas Value	$ 33.3 billion
- Production Costs	- 6.0
- Transportation Costs	-11.9
- Foreign Producer Benefits	- 0.5
NNEB	$ 14.9 billion[4/]

A high degree of uncertainty is associated with the base case NNEB estimate. Distillate fuel prices may differ from the assumed levels or Alaskan gas may not displace distillate because of changed project costs or altered availability of other fuels. The distillate price assumptions used for the base case, however, may be conservative; actual future oil price experience, we believe, would be more likely to increase the NNEB estimate than to decrease it. Moreover, worst case cost growth, as estimated by the Departments of the Interior and Transportation (in which the construction costs for both the Alaskan and Canadian segments would more than double over filed estimates), would reduce the NNEB to $10.4 billion (mid-1979 dollars), still a significant level.[5/] Finally, if fuel availability were to reduce the gas value to the price of residual fuel oil instead of distillate, the NNEB also

4/ Section II describes the discounting methodology. The President's Decision estimated the NNEB at $5.8 billion (1975 dollars). The major differences are the Decision's assumption of a constant future price (in real terms) for distillate oil and its use of a 10 percent real discount rate.

5/ U.S. Department of the Interior and U.S. Department of Transportation, Alaska Natural Gas Transportation Systems: White House Task Force Lead Agency Report on Construction Delay and Cost Overruns, July 1, 1977.

would remain significantly positive, $11.8 billion (mid-1979 dollars).

Across all reasonable scenarios, the ANGTS project appears to be economically efficient from a national perspective, in terms of reduced real resource costs for comparable amounts of energy use. But the project may not always provide economic benefits from the narrower perspective of gas consumers. The actual delivered cost of Alaskan gas to consumers compared to their alternative fuel choice—not simply the real resource costs incurred to produce and deliver it—determines the share, if any, of the national benefits accruing to gas consumers.

DELIVERED GAS COST

The delivered cost of Alaskan gas not only provides a necessary input to calculating the share of the NNEB captured by consumers but also provides important insights into problems that Alaskan gas could face in the energy marketplace. And since the success of the ANGTS as a private venture depends upon the marketability of the gas, the delivered costs of Alaskan gas also illuminate problems with obtaining private financing for the project.

The citygate cost of delivered Alaskan gas has four components: the price paid to producers for the gas at the wellhead, Alaskan state severance taxes imposed on gas production, any additional charges for conditioning the gas prior to introduction into the ANGTS, and the "cost of service" allowed to be charged by the project sponsors for transporting the gas from Prudhoe Bay to its markets. For the base case assumptions used in the NNEB analysis, the annuity-equivalent cost of delivered gas (in 1979 dollars) is estimated as follows:

Component	25-Year Annuity-Equivalent Cost[6/] (mid-1979 dollars)
Wellhead Gas Price	$1.68 per million Btu
Severance Taxes	0.17
Gas Conditioning Charges	0.00[7/]
Pipeline Cost of Service	1.33
Delivered Cost of Gas	$3.18 per million Btu

The delivered cost of gas hinges importantly on all four of its components. Because of this shared importance, focusing on one particular aspect of the delivered cost--typically potential ANGTS cost overruns and resulting pipeline cost of service increases--can ignore other important cost items. The price producers are allowed to charge, the taxes the state and federal governments are allowed to levy, and the locus of the gas conditioning charges all make important contributions to the cost consumers would pay for Alaskan gas.

Transportation costs (i.e., the pipeline cost of service associated with the ANGTS project) account for less than half of the citygate cost of the gas. In percentage terms, major changes in transportation assumptions do not

6/ The calculation of annuity-equivalents is described in Section III of this report. Briefly, it is a levelized unit cost which represents the constant unit amount that would yield a present value equal to the present value of the unit costs resulting from traditional gas ratemaking. This approach, we believe, represents an improvement over the arithmetic average approach used in the President's Decision because it incorporates a measure of consumers' time preference in a manner consistent with life-cycle cost decisionmaking.

7/ This zero gas conditioning charge is based on FERC's proposal for gas producers to pay gas conditioning costs. The imposition of gas conditioning charges would raise the delivered gas cost to $3.88 per million Btu. This issue is examined in the body of the report.

alter the citygate cost significantly. For example, the annuity-equivalent delivered cost would vary by less than 10 percent for any of the following events: a doubling of construction costs on the high risk segment of the ANGTS located in the harsh Alaskan environment,[8/] a doubling of Canadian segment construction costs, or a doubling of the gas flow rate assumed in the base case. For the worst case cost overrun scenario, the delivered cost estimate would be $3.55 per million Btu, 12 percent above the base case.

The traditional approach to ratemaking for gas pipeline tariffs—the so-called historical embedded cost method—would generate larger swings in the cost of gas from year to year than the annuity-equivalent cost changes resulting from any of the events mentioned in the previous paragraph. Because the historical embedded cost method of setting gas rates provides a constant rate of return on the remaining book value of the pipeline's initial capital investment, payments to provide the return to the pipeline and, in turn, the gas cost to pipeline customers would be highest in the first year of pipeline operation.

Thereafter, along with the remaining book value of the pipeline, the delivered gas cost would decline annually in real terms until the rate base is entirely depreciated (after 25 years of operation for the ANGTS). Afterward the pipeline would receive no further return on rate base, and delivered gas costs would consist only of the purchase costs of the gas at the wellhead plus pipeline O&M costs and other annual expenses, such as taxes. For example, the

8/ Compared to filed estimates.

following table illustrates the base case delivered costs over time (annuity-equivalent cost = $3.18 per million Btu):

	Delivered Gas Cost (mid-1979 dollars)
Year 1	$4.18 per million Btu
Year 10	2.98
Year 25	2.28

ALASKAN GAS VERSUS OTHER ENERGY ALTERNATIVES

The ANGTS project is expected to provide advantages to the nation and to consumers over alternative fuels. Under the base case assumptions:

- the annuity-equivalent price of Alaskan gas would be 12 percent below the assumed annuity-equivalent price for distillate fuel oil;
- over a 25-year project lifecycle, gas users could save $2.5 billion (mid-1979 dollars) with Alaskan gas compared to distillate fuel oil and $13.2 billion compared to Mexican natural gas keyed to distillate oil prices;
- the delivered price of Alaskan gas would be higher than the price of distillate at the citygate for the first seven years of the project based on historical embedded cost ratemaking, in spite of net benefits to consumers and the nation as a whole. For this and all other cases, high gas costs for the earliest project years result from the application of traditional ratemaking to the ANGTS. And these high initial rates would exacerbate the uncertainty associated with Alaskan gas marketability and with the financing of the project.

This analysis of the economic attractiveness to energy users under base case conditions indicates that, on a 25 year annuity-equivalent basis, Alaskan gas would be less expensive than distillate fuel oil, Mexican gas, or even

residual fuel oil.[9/] Thus, if it can be constructed at expected costs, the project would be in the national interest for any reasonable energy supply projections.

For the high cost case, the ANGTS project could benefit the nation if it substituted for residual fuel oil, but consumers might chose residual over the Alaskan gas. In fact, consumers would perceive a less than 2 percent annuity-equivalent price advantage from Alaskan gas compared to distillate fuel oil. The differences between the conclusions about the economic attractiveness of the proposed ANGTS project for gas users and for the nation result from the fact that participants other than consumers receive shares of the NNEB. This issue is addressed in Section V of the analysis.

The most important issue related to the market prospects for Alaskan gas is that the time-profile of delivered costs resulting from traditional cost of service ratemaking could create initial marketing difficulties for Alaskan gas, even when its lifecycle cost to consumers is lower than alternative fuels. As noted earlier, an historical embedded cost of service consists of annual operating expenditures plus a return on the book value, after depreciation, of the rate base. Since the rate base is highest in the project's earliest years, the cost of service is highest then as well. In turn, the

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9/ These annuity-equivalents do not account explicitly for any atypical risks consumers might bear for the ANGTS project. And although Alaskan gas appears superior to Mexican gas on an annuity-equivalent cost basis, this does not mean that Mexican gas should not be imported. Policymakers must judge potential Mexican imports on their own merits compared to the alternative fuel that these imports might displace and any other relevant considerations.

initial delivered costs of Alaskan gas exceed the expected prices of alternative fuels. Consequently, the method of pipeline regulation can make Alaskan gas appear unattractive to potential customers early-on, even though the annuity-equivalent delivered cost would favor Alaskan gas from the outset (see Figure S-1).

DISTRIBUTIONAL ISSUES AND SPECIAL REGULATORY TREATMENT

The regulatory policy applied to the overall Alaskan gas project also can affect the recipients of the project's net economic benefits. This analysis examines the allocation of the net economic benefits, shown earlier, among gas consumers, the producers of Prudhoe Bay gas, the state of Alaska, the federal government, and gas pipelines. Under the base case assumptions, the NNEB would be captured as follows:

Consumers (fuel cost savings)	$ 2.7 billion (mid-1979)
Domestic Producers (extra profits)	3.7
Alaska (extra taxes and royalties)	4.7
Federal (extra taxes)	3.5
Pipelines (tax credit)	0.2
NNEB	$14.9 billion

These shares of the NNEB are illustrated in Figure S-2.

Very briefly, consumer benefits are the savings from purchasing Alaskan gas compared to alternatives. Domestic producer benefits are the profits after taxes that they receive over the minimum profits necessary to attract the producers to sell gas. Alaskan benefits measure the difference between actual tax and other revenues received by the state from the project and necessary state expenditures resulting from the project. Federal benefits are the federal income taxes levied on the gas producers' extra before tax pro-

FIGURE S-1

ALASKAN GAS AND THE BASE CASE ALTERNATIVE
FUEL PRICE PROJECTIONS

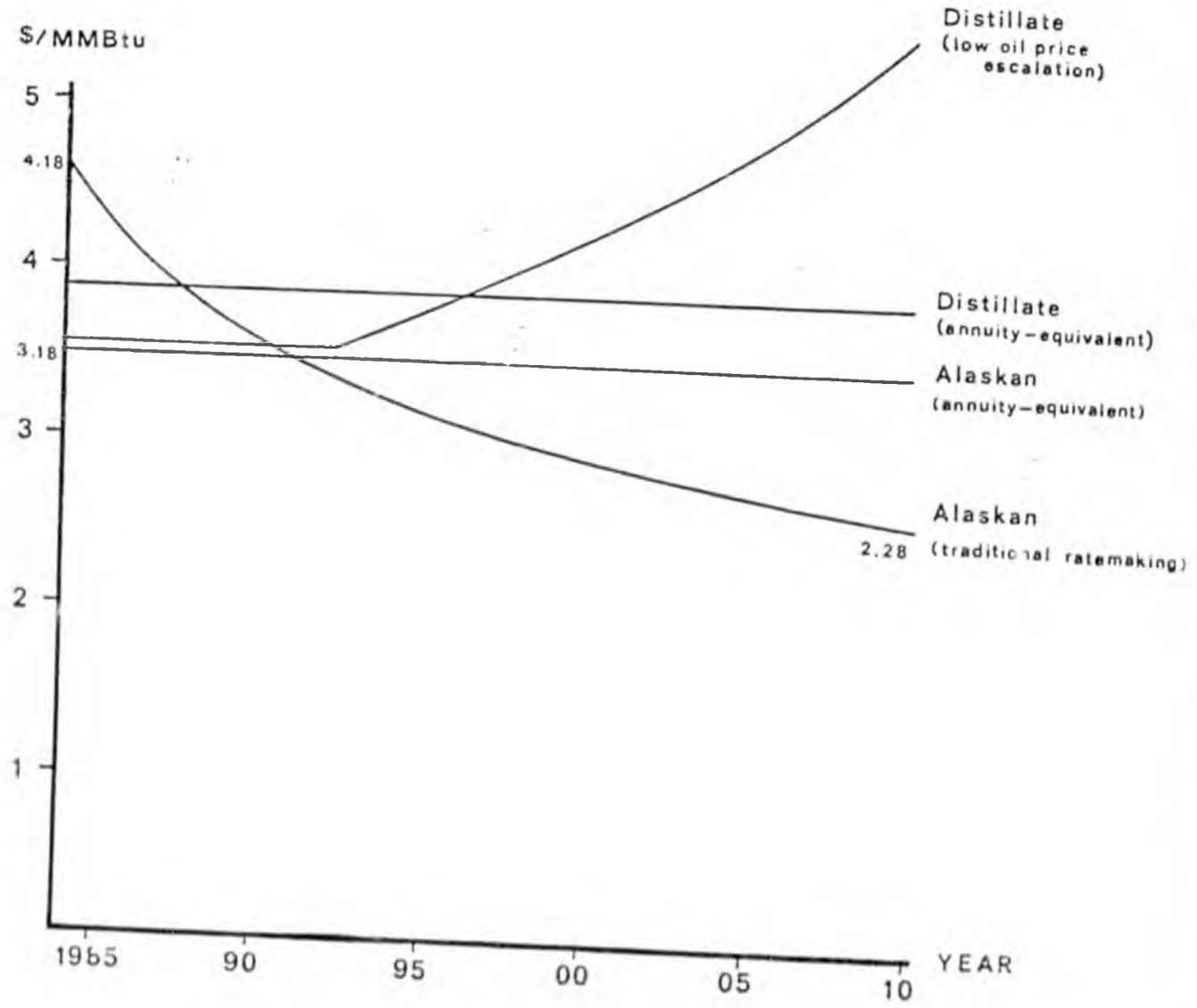
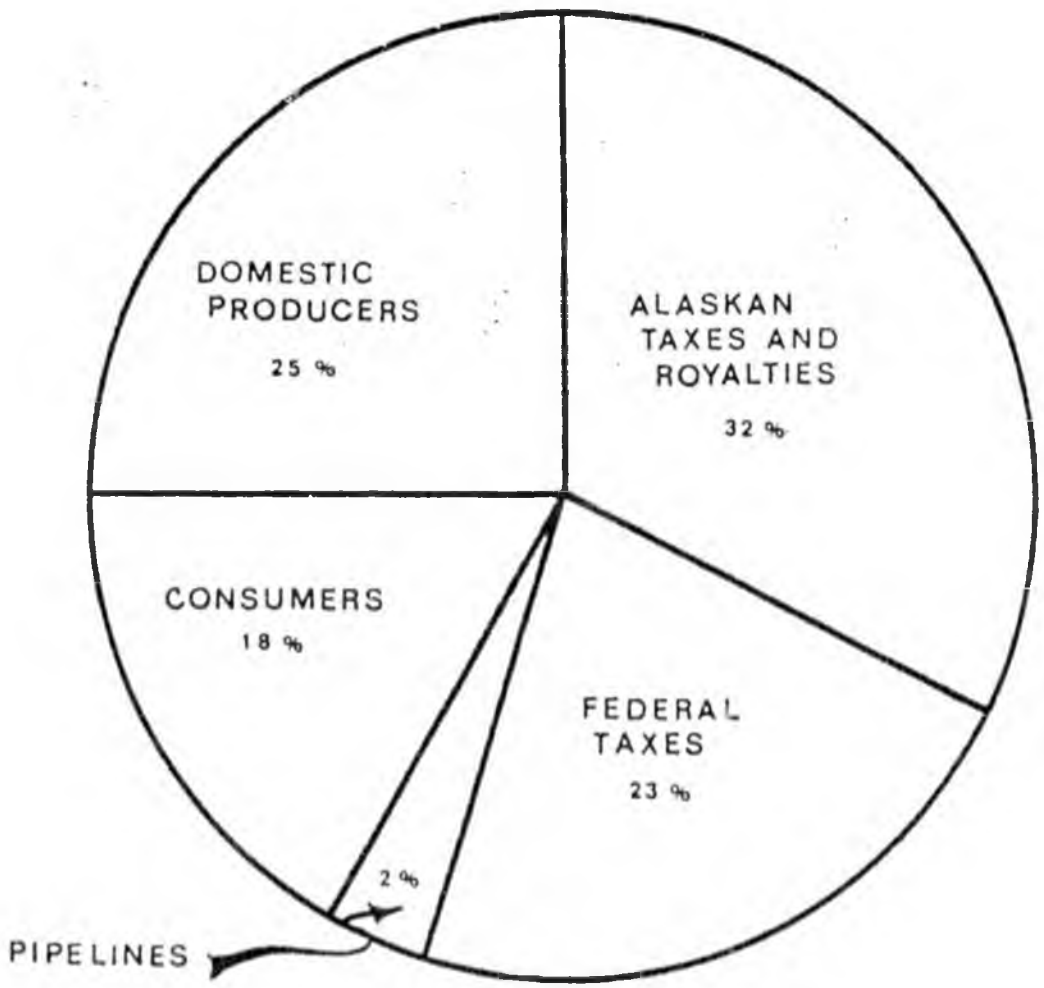


FIGURE S-2

SHARES OF NET NATIONAL ECONOMIC BENEFIT
(Base Case Assumptions)



fits. And pipeline benefits result from the special treatment of the investment tax credit allowed for these companies where their regulators are not free to flow-through the savings of the credit to consumers immediately.[10/]

Several important points emerge from the distributional analysis:

- The consumer benefit is the only share of the NNEB that varies significantly if the ANGTS costs or the gas value change. Any increased national benefits caused by higher than assumed alternative fuel prices would accrue entirely to consumers. Conversely, any lower prices of alternative fuels and any pipeline cost overruns would mainly shrink the size of the consumer benefit.

- The share of the benefit captured by producers arises because the maximum price set by the NGPA for Prudhoe Bay gas would be significantly above the expected incremental costs of the gas production. Consequently, the Act potentially allocates the major share of the ANGTS project's NNEB to producers of Prudhoe Bay gas in the form of domestic "producers surplus." Also because a portion of the gas is owned by a foreign corporation, some potential NNEB would escape the U.S. economy in the form of foreign "producers' surplus."

- The domestic "producers surplus," however, would translate into above-normal accounting profits before taxes. Since these are subject to income taxes, a major share of the NNEB would be captured by state and federal governments in the form of extra tax revenues.[11/]

- In addition, Alaska would receive a further share of the NNEB in the form of severance taxes and royalty payments on the production of Prudhoe Bay gas. For the base case, the sum of all extra government revenues accounts for 55 percent of the total NNEB.

10/ The meaning and development of these shares are described in greater detail in Section V of the report.

11/ Normal taxes are considered as real resource costs rather than as transfers of wealth.

Under the basic regulatory framework assumed for this work, producer, state, and federal benefits would be largely independent of the cost or value of the gas to consumers. Consequently, under certain reasonable and feasible scenarios the project would benefit the nation but could harm gas consumers economically.[12/] One assumption about this framework is especially critical in this regard. Specifically, imposition of the full costs of gas conditioning on gas purchasers would reduce the consumer share of benefits considerably, with consumers being worse off, relative to using distillate fuel oil, by more than $1.9 billion (mid-1979 dollars). Consumers would not only be receiving Alaskan gas without any major price advantage, but they would also have to bear most of the significant project risks that other parties are unwilling or unable to bear in return for full access to various project opportunities.

In addition to the allocation of the project's direct costs and benefits, the ANGTS also involves significant opportunities and risks that various project participants would assume. These effects result from uncertainty about future gas markets, the future regulatory environment, and the technical feasibility of constructing the project at currently estimated costs.

Regulatory policy will affect the allocation of these project opportunities and risks among gas consumers and project participants in important ways. For example, the question of who should bear the risks of ANGTS cost overruns or the risk that Alaskan gas cannot be sold remains, to a large

12/ Table V-1 summarizes the results for the scenarios examined.

extent, unresolved. This analysis did not focus on these issues, but because the allocation of risks will ultimately affect the distribution of the actual NNEB, the issues are important and are discussed briefly in Section V.

Overall, this analysis has found that the nation could reap large benefits from the proposed ANGTS project. But significant issues remain to be resolved by the Commission and other policymakers. Because the potential benefits remain great, it also is in the nation's interest that some allocation of project risks, costs, and benefits sufficient to attract all the necessary parties to participate in the effort and, thus, to bring Alaskan gas to lower-48 markets be developed as soon as possible. It is hoped that this analysis can illuminate further the difficult balancing problem faced by FERC in this matter.

I. INTRODUCTION

In 1976, Congress passed the Alaska Natural Gas Transportation Act of 1976 (ANGTA) (i) "to provide a means for making a sound decision" that provided for Presidential and Congressional participation, "as to the selection of a transportation system for delivery of Alaska natural gas"; and if a system were approved, (ii) "to expedite its construction and initial operation."[1/] The first step in the process established by the ANGTA was completed in May 1977 when the former Federal Power Commission (FPC) transmitted its Recommendation to the President.[2/] In its report, the Commission assessed the gas supply increases possible through the Alaskan North Slope gas discoveries as "crucial to this Nation's economy and well-being."[3/] The Commission then recommended the Alcan pipeline proposal which envisioned building a gas pipeline along part of the Trans-Alaska Oil Pipeline System right-of-way, then proceeding through Canada and delivering gas to the Midwest and West Coast.

In September 1977, the second step in the process established by the ANGTA was completed when the President issued his Decision that also supported the proposed Alcan system, asserting that Alaskan gas deliveries could provide

1/ ANGTA, Section 3.

2/ U.S. Federal Power Commission, Recommendation To The President: Alaska Natural Gas Transportation Systems, May 1977, (reprinted April 1978 by the U.S. Federal Energy Regulatory Commission), (hereafter referred to as the Recommendation to the President).

3/ Ibid., p. 1.

"critical supplies of Alaskan natural gas to U.S. markets."[4/] Congress then approved the President's Decision through a joint resolution. The concerns noted in the Commission's report and the President's Decision, which arose in the context of U.S. natural gas shortages during the early months of that year, focused primarily on insuring adequate supplies of natural gas to the highest priority gas consumers--homes, offices, and industries with special process needs for natural gas.[5/]

Events since 1977, however, have significantly alleviated earlier fears about natural gas shortages of emergency proportions in the near term. Specifically, the Natural Gas Policy Act of 1978 (NGPA), by providing the interstate market with a basis for better access to intrastate gas, appears to have alleviated the threat of immediate gas supply shortages for high priority gas customers. The new pricing mechanisms of the NGPA, along with the Powerplant and Industrial Fuel Use Act of 1978, also appear to have moderated demand for natural gas in the middle- to longer-term. Moreover, prospects have improved for increased natural gas imports from Canada and Mexico.

But while the short run natural gas supply picture has improved dramatically since 1977, the oil supply outlook has worsened, with domestic and world supplies becoming tight and with much elevated world oil prices. On the one hand, then, the improved near term natural gas supply picture raises new ques-

4/ Executive Office of the President, Decision and Report to Congress on the Alaska Natural Gas Transportation System, September 1977, p. xiv, (hereafter referred to as the President's Decision).

5/ Ibid., pp. 87-90.

tions about the old justification for proceeding at this time with the Alaska Natural Gas Transportation System (ANGTS). On the other, the increased likelihood of an oil supply crunch, during the early 1980's and beyond, raises new reasons for providing lower-48 markets access to known reserves of Alaskan gas.

As a result, the focus for interest in Alaskan natural gas has shifted away from simply avoiding natural gas supply shortages in the short run and toward insuring adequate supplies for high priority users and reducing energy imports in the middle- to long-term. The purpose of this report, then, is to analyze the major economic, market, and financing issues associated with the proposed ANGTS in light of these changed circumstances so that the Federal Energy Regulatory Commission (FERC) can use this assessment in deciding on the appropriate conditions to set for the ANGTS certificate of public necessity and convenience.

The changes in natural gas markets have created a situation in which the policy issues that accompany more widespread use of Alaskan gas are less straightforward than those associated with whether to maintain adequate gas supplies for today's high priority consumers. This analysis suggests a framework which can assist in illuminating these issues, based upon the following major policy questions that must yet be resolved by the Federal Energy Regulatory Commission as part of the process established by the ANGTA:

- Are there still net benefits to the nation from proceeding with the proposed Alaskan gas pipeline project?

- If the potential benefits remain significant, why must low cost old gas subsidize the project through rolled-in pricing of the Alaskan gas supplies and why may special regulatory treatment, such as "all events tariffs" to insure loan repayments even if no gas is ever delivered, be necessary?

- How does the planned implementation of the ANGTS affect other potential gas supply opportunities, especially Mexican gas purchases?

- What policy options, such as gas conditioning charges or wellhead price ceiling levels, exist for reallocation of project costs and how would these options affect the distribution of the project's net benefits?

This report first describes one key measure of whether the ANGTS project would be in the national interest, the Net National Economic Benefit (NNEB) and, then, explores the sensitivity of this measure to various future states of the world. The NNEB measures the attractiveness of the project from the national perspective, but since parties other than potential gas consumers may capture shares of the NNEB, the NNEB does not provide information about the potential attractiveness of delivered gas in energy markets. Therefore, this analysis also develops cost estimates for the delivered Alaskan gas and explores the sensitivity of these cost estimates to variations in several key parameters, including pipeline cost and gas flow rate changes.

Since the assessments of economic efficiency and marketability indicate that the project should benefit the nation and is potentially marketable, the analysis explores why traditional regulatory treatment in terms of pricing policy and allocation of project risks have presented problems for implementation of the project.

ASSESSING THE DESIRABILITY OF PROJECT IMPLEMENTATION

The first important policy question is whether the transportation of Alaskan gas to the lower-48 states can benefit the nation as a whole. Both the Federal Power Commission's Recommendation to the President and the President's Decision used a Net National Economic Benefit (NNEB) calculation as the primary indicator of project desirability from the national perspective.[6/]

The NNEB measure has important advantages and disadvantages. Most importantly, it provides a single measurement, in comparable terms, of the outlays of the nation's real resources required over time to bring Alaskan gas to consumers and the stream of benefits that result from their use of the gas. For the ANGTS, the benefits consist of the stream of real national resource expenditures otherwise required to provide consumers of Alaskan gas with an equivalent fuel. In this manner, the NNEB measures the economic efficiency of the ANGTS project. If the benefits are expected to exceed the costs, the NNEB is positive, and policymakers can conclude that the project would be efficient in an economic sense.

Although the NNEB calculation is a powerful indication of the merits of a project, its usefulness is more limited when decision makers must choose among several qualitatively different energy alternatives. When differences among alternative projects can be expressed entirely in a quantitative manner, the NNEB provides a means for direct comparison. Some projects, however, have

6/ This methodology was first applied to the Alaska gas pipeline in a Department of the Interior report, Alaska Natural Gas Transportation Systems: A Report to the Congress Pursuant to Public Law 93-153, December 1975.

characteristics which are difficult to assess objectively and quantitatively, including :

- technological and cost uncertainties for which statistically-significant experience does not exist;
- equity or distributional issues associated with the allocation of project costs and benefits; and
- externalities that are difficult to measure quantitatively such as the environmental benefits of additional natural gas use or the national security costs of energy imports.

Because criteria in addition to economic efficiency play an important role in decisions about U.S. energy policy, few opportunities arise for automatic decision making based on NNEB estimates or, for that matter, based on any strictly quantitative project assessment technique. Nevertheless, by serving as a benchmark, this NNEB analysis can help decision makers to focus their judgement on the worth of the qualitative advantages or disadvantages available from the alternatives applicable to an energy choice.

APPROACH TO FACILITATING IMPLEMENTATION

The ANGTS has generally been considered a private sector venture. Although federal loan guarantees for the ANGTS have been mentioned in the past and the Natural Gas Policy Act of 1978 (NGPA) permits rolled-in pricing of natural gas transported through the ANGTS in order to enhance its marketability, the NGPA Conference Report stipulates that no additional federal subsidy is to be provided to the pipeline.[1/] Thus, the federal government's major

1/ U.S. Congress, House of Representatives, "Natural Gas," Conference Report to accompany H.R. 5289, 95th Congress, 2d Session, Report No. 95-1752, October 10, 1978, p. 103.

policy choices with respect to ANGTS will be expressed in the regulations formulated by FERC and in the conditions imposed in the pipeline's certificate of public convenience and necessity under which the project must be privately implemented.

For the Alaskan natural gas pipeline project to advance successfully as a private venture, many independent parties, each from their separate perspectives, must all reach favorable decisions about the prospects for the project and the attractiveness of the gas it would deliver. Beyond the federal government, major participants include the pipeline venture partners, potential lenders, Prudhoe Bay gas producers, state and local governments, and potential gas customers for Alaskan gas at wholesale and retail levels. These parties have different and often contradictory objectives. Consequently, in its deliberations on appropriate Alaskan gas tariffs and cost and risk allocations, FERC faces a difficult task in balancing these interests in a way which allows private sector implementation of the pipeline project to generate the broader net national economic benefits which the ANGTS can provide.

For the ANGTS, the decision process most likely will be guided by the classic goals of utility regulation: efficiency, equity, and revenue generation.[8/] As mentioned earlier, a positive NNEB indicates that the ANGTS would be economically efficient over a wide range of plausible assumptions. FERC, however, must establish tariffs to be charged for transportation of the

8/ For an expanded discussion, see James C. Bonbright, Principles of Public Utility Rates, Columbia University Press, New York; 1961, pp. 291-294.

gas, and the tariff design may or may not encourage actual use of the gas in an economically efficient manner.

The important aspects of the equity goal are the fair allocation of costs to those benefitting from service and the minimization of windfall gains or losses among the relevant parties. Typically these first two goals, efficiency and equity, also must be weighed within the constraint that the tariffs must generate sufficient revenues to permit the pipeline owners to service their debt obligations and to earn a reasonable rate of return on their equity investment. For a project of the enormous scale, high unit costs, and large risks of the ANGTS, balancing these conflicting goals will be especially difficult.

The project sponsors expect a return on their equity investment commensurate with the technical, market, and regulatory risks that they accept. Potential lenders expect the funds that they lend to the project, as well as interest on their funds, to be repaid in any event.

Furthermore, each state or local regulatory body expects the terms of purchase offered to the gas distribution utilities within its jurisdiction to serve its constituents' interests as defined by its legislative authority. Finally, gas purchasers, both wholesale (direct industrial customers and distribution companies) and retail, expect Alaskan gas to be a competitively-priced and reasonably reliable fuel.

Thus, if the ANGTS is to proceed as a private venture it must deliver Alaskan gas at costs that allow the gas to be sold on terms which will be attractive to gas customers and will be acceptable to regulators. In princ-

iple, the marketability of the delivered gas could be assured in at least two ways. First, if Alaskan gas were delivered at low cost relative to other alternatives, sellers and their regulators could agree to prices naturally attractive to potential customers. Second, if Alaskan gas proved to cost more than alternative fuel options, then regulators could still utilize a gas pricing mechanism that would make the Alaskan gas supplies marketable. Since gas is generally priced on an average cost basis, high cost Alaskan gas could be averaged, or "rolled-in," with the "cushion" of lower cost gas to provide consumers with fuel priced below alternative fuels priced on an incremental cost basis.[9/] Traditional utility financing and ratemaking methods generate high costs for delivering gas in a project's early years followed by low costs late in the project's useful life. Consequently, a project which is desirable on a lifecycle cost basis may appear prohibitively expensive at the outset.

This traditional approach--the historical embedded cost method--derives an annual revenue requirement which includes a rate of return on a rate base, defined as the undepreciated book value of the pipeline capital investment. As depreciation erodes the rate base over time, the revenue requirement decreases, and assuming that the annual quantities of gas delivered remain constant the allowed unit cost of pipeline transportation decreases.

9/ The size of the old gas price "cushion" that will be available at the time of Alaskan gas deliveries is quite uncertain because (i) the quantities of old gas that will actually be made available in the future under existing contracts are not known with precision and (ii) the extent to which gas companies may use up any available cushion to bid up prices on decontrolled natural gas supplies is not well understood.

In the case of the ANGTS, high transportation costs in the early years of the pipeline's operation could create initial marketability problems for Alaskan gas. In facilitating marketability through additional regulatory action, care should be taken to differentiate between regulatory actions that simply compensate for the upside-down time-profile of traditional gas tariffs and other actions that subsidize a fundamentally uneconomic source of gas supply. Otherwise, the hidden subsidy of regulatory support of an uneconomic gas source could lead to the use of a high cost energy source instead of a lower cost (but unsubsidized) source. Whether rolled-in pricing of Alaska gas would prop up a fundamentally uneconomic project or, instead, would simply reverse the adverse effects of traditional ratemaking is evaluated throughout this analysis.

Assurances of Alaskan gas marketability would, in turn, improve the outlook for the pipeline project sponsors' ability to arrange financing. Uncertainty about project costs and about the prices of potential fuels which would compete with Alaskan gas largely cannot be eliminated until the ANGTS is actually built and operating. Because of these factors, plus the large scope of the venture, providers of equity and, in particular, debt most likely would support the project only if they perceive an irreversible commitment which would guarantee the marketability of the gas.[10/] If necessary, such a com-

10/ A lack of symmetry in the distribution of claims to any greater than expected benefits flowing from the project may reinforce this investor viewpoint. As will be shown in a later section, consumers capture almost all of the potential NNEB on the upside. And this absence of any major upside potential may justify project sponsors' and lenders' search for assurances that their investment and returns would be insured on the downside, at least with respect to catastrophic events.

mitment could be subject to conditions that the project demonstrate competent management, etc., but probably could not otherwise be a function of the ultimate actual costs for which Alaskan gas would be delivered or of the price of alternative fuels available when the ANGTS would become operational.

A final point about the history of natural gas regulation should be noted here. Theoretically, potential gas users should be indifferent between two long term supply contracts, one with a tariff high in the early years and low in later years resulting from the gas pipeline ratemaking methods and the other with equal annual payments whose present value, calculated at the purchaser's discount rate, equalled the present value of the traditional tariffs. Nevertheless, a large industrial gas user, which might purchase Alaskan gas directly from an interstate pipeline under a long term contract and a separate rate schedule, might be unwilling to do so. Interstate transmission companies and gas distribution utilities have been forced throughout the 1970's to curtail gas deliveries to customers deemed to be low priority by federal gas curtailments policy. As a result, large industrial customers have little confidence that the sanctity of any long term gas supply contract could be preserved in the face of shortages affecting higher-priority customers. And they suspect that once the Alaskan gas prices began to be more attractive, their gas supplies would be curtailed.

As a result, past and present natural gas regulation could be a major reason that a large, capital intensive gas supply project such as the ANGTS might require pricing or other regulatory arrangements different from those appropriate for conventional gas supplies. The ANGTS also involves serious uncer-

tainties in terms of both project costs and the atmosphere of public sentiment in which the project must be implemented. Therefore, unusual regulatory action might be required to develop an equitable allocation of the project's opportunities and risks.

ORGANIZATION OF THE REPORT

The next part of the report, Section II, shows that the ANGTS reasonably can be expected to produce an NNEB in the range of ten to twenty billion dollars (mid-1979 dollars). The analysis considers a number of alternative sets of assumptions and explores the sensitivity of the NNEB to changes in projected costs, gas values, and completion schedules.

Section III estimates the delivered cost of gas for the project under alternative assumptions. Both the time-profile of gas costs under traditional ratemaking and an annuity-equivalent cost are presented. This section also examines the sensitivity of the delivered cost of the gas to the relevant changes considered in Section II.

The fourth section utilizes the delivered gas cost information developed in Section III to analyze the potential marketability of natural gas from Alaska. It discusses the appropriate basis for comparing fuel alternatives from the perspective of the gas purchaser and notes the problems with the single-year and time-average comparisons that are encountered in many assessments of Alaskan gas and alternative energy supplies. This section also compares the time-profile of prices for Alaskan gas and alternative fuels. The implications for the nation of likely end user choices are also considered in this section.

Section V examines who would receive the project's benefits and who would pay for them. It also explores the reasons why so-called special tariff treatment, such as rolled-in pricing of some ANGTS costs and guaranteed repayment of lenders, may be necessary and appropriate despite the fundamental economic advantages of the pipeline project and probes whether these steps truly would represent "special" treatment for the ANGTS in the 1984 timeframe envisioned for initial operation of the project. The final section reviews the findings and conclusions of the analysis.

CAVEATS

Although the NNEB estimates in this analysis indicate that the project should benefit the nation under all but the most disastrous conditions, several caveats apply to the results. These caveats deal with the gas transportation costs, the gas value, the method for determining real resource costs, and some simplifying assumptions underlying our entire analysis.

An independent assessment of the reasonableness of the ANGTS cost estimates is beyond the scope of this analysis. Although we explore costs beyond the range considered feasible in the earlier Federal Power Commission analysis and the President's Decision, no more recent pipeline cost data are available to indicate whether the large overruns considered in Sections II and III are likely to occur. Rather, in light of the Trans-Alaska Pipeline System (TAPS) cost overrun experience, we elected to estimate the NNEB and the delivered cost of gas for a case where the cost overruns for the Alaskan segment of the ANGTS would be analogous to the TAPS experience.

The gas production costs used here are the latest estimates that we have found, but these estimates appear to be quite rough. Changes in these costs could affect NNEB estimates, but since these costs would not affect the well-head gas price over a wide range, production cost changes would not change the delivered cost of gas.

Gas conditioning costs are drawn from a September 1978 engineering study.[11/] In this analysis we assume that producers pay for gas conditioning as part of the production process; consequently, conditioning cost changes would have the same effects as changes in other gas production costs. The issue, however, of who will pay for gas conditioning is not yet resolved. If pipelines must pay these costs, then gas conditioning cost changes would affect the delivered gas cost as well as the NNEB estimates.[12/]

With respect to the marketability and financial feasibility of the Alaskan gas project, our analysis suggests that, if the ANGTS is built for its expected cost, then economically rational consumers with the correct information would agree to purchase the gas. Nevertheless, efforts to proceed with the project could be stymied by (i) institutional requirements that gas purchase commitments be made prior to finalizing the construction financing, (ii) uncertainty about Alaskan gas transportation costs and, (iii) uncertainty about the future prices of the fuels with which Alaskan gas must compete. And

11/ Ralph M. Parsons, Inc., "Sales Gas Conditioning Facilities, Prudhoe Bay, Alaska," September 1978.

12/ Since the reduction of production costs associated with pipeline payments for conditioning would lead to greater surplus producer revenues, it would increase the foreign producer benefits and, thus, lower the NNEB.

as mentioned earlier, the time-profile of traditional gas tariffs could also hinder efforts to market the gas. Since this analysis does not examine in detail where and to what class of users the gas might be sold, our conclusions about the marketability of Alaskan gas are necessarily based on broad comparisons of citygate costs of Alaskan gas and costs of alternative fuels.

Other important simplifying assumptions and caveats are presented where relevant throughout the remainder of this analysis.

II. PROJECT NET NATIONAL ECONOMIC BENEFITS

As noted in the introductory section, several measures are available for evaluating the attractiveness of the Alaskan natural gas project. Delivered cost of gas calculations focus on consumers by comparing the project's costs to potential gas users with their costs for alternative sources of fuel. Another approach focuses on the U.S. and examines the economic efficiency of the project; that is, it evaluates whether or not the project produces savings of real resources for the nation as a whole. The measure of these savings is called Net National Economic Benefit, or simply NNEB.

This section examines the attractiveness of the project according to this NNEB measure. It reviews the significance of the uncertainties surrounding the components of the NNEB analysis--most notably the project construction costs and the value of the gas to consumers. By examining the extent to which the NNEB varies over reasonable ranges of values for its components, policy-makers can assess their confidence in the conclusions drawn from the base case set of assumptions described later in this section.

Before proceeding, we should note that the NNEB and consumer cost measures can provide contradictory assessments of the attractiveness of the project. Some cases presented in this section describe situations which generate sizeable positive net national economic benefits but which also lead to streams of consumer costs for Alaskan gas in excess of the streams of costs for the fuel whose use would be displaced. The divergence between these two measures stems from the fact that NNEB considers the net benefits received by all project

participants including, but not limited to, consumer benefits. In this sense, the NNEB analysis does not assess the distribution of benefits among sectors of the economy. From the overall perspective of national economic efficiency, losses by consumers can be compensated for by increased gains to producers, pipeline companies, and the general taxpayers of the state of Alaska and of the federal government. The important distributional issues associated with the ANGTS project are examined in Section V.

COMPONENTS OF NNEB

Net national economic benefit, as noted before, is a measure of the project's net savings of real resources to the nation as a whole. The difference between real resource costs (or savings) and the normal accounting definitions of costs is a significant one. Real resource costs represent the economic costs associated with physical resources actually consumed in the production of goods and services and a return on these expenditures. Thus, all payments representing the transfer of purchasing power from one party to another without any utilization of resources would be excluded from real resource costs. For example, Alaskan state royalty and severance taxes appear to cover no specific consumption of real resources incurred by the state in connection with gas production. Instead, they merely transfer wealth from Prudhoe Bay gas producers, lower-48 gas consumers, or U.S. taxpayers to the state of Alaska; consequently, these two items have not been treated as real resource costs for purposes of the NNEB calculation.[1/]

1/ They, however, have been included in the calculation of the delivered cost of Alaskan gas which consumers would pay .

Included as components of real resource costs are all costs of material and labor, as well as allowances for taxes and returns on capital at rates that would be expected in normal business activity. This analysis groups the components of NNEB into the following four categories:

- Gas value: This value is the real resource savings that would result from using Alaskan gas instead of some other equivalent fuel; that is, it equals the unit price of the alternative fuel multiplied by the quantity of the fuel displaced by Alaskan gas.

- Production costs: These costs are the incremental real resource costs associated with gas production from Prudhoe Bay. As such, they do not include the costs of installing facilities which already are planned for the production of Prudhoe Bay oil. The major incremental costs of Prudhoe Bay gas production will be the capital investment for the gas conditioning system and water-flood facilities.[2/]

  Other real production costs include operation and maintenance of the production facilities as well as ad valorem taxes paid by producers. The latter have been included as a real resource cost on the assumption that these taxes serve as a surrogate measure of the infrastructure expenditures to which the Alaskan public would be committed in order to facilitate the gas production (e.g. additional roads and schools). For similar reasons, state and federal income taxes, at rates levied on normal levels of producer income from Prudhoe Bay gas production, are included as an approximation of the general government costs required to support the production activity. Also, inclusion of income taxes is necessary in order to maintain consistency with the treatment of other private sector investments and with other components of the NNEB calculation (i.e., the benefits stream), both of which include income taxes.[3/]

2/ Inclusion of gas conditioning cost as a production cost (rather than as a transportation cost) is based upon a proposed FERC rulemaking.

3/ The analysis imputes income taxes as a part of the calculation of the opportunity cost of capital by developing annuity-equivalent capital costs for the period of project operations, based on the actual capital outlays for the project and a 10 percent real before-tax discount rate. This approach, recommended by the Department of Energy (DOE), is described in greater detail in the discount rate discussion later in this section.

- Transportation costs: For the U.S. segments of the gas pipeline, these costs include constructi outlays as well as operation and maintenance expenses. Other U.S. costs include income taxes and state ad valorem taxes on the pipeline activities. For the Canadian segments of the line, the United States would incur real resource costs through cost of service payments to Canadian carriers. The U.S. share of Canadian pipeline costs depends upon relative shares of the total throughput as well as cost overruns on the Canadian segments. The formulae with which these shares are determined were established in the joint United States/Canada pipeline agreement.4/

- Net foreign profits: Foreign interests own a share of the Alaskan gas. The revenues to a foreign oil company that exceed direct and indirect gas production costs are essentially net project costs for the nation, since they escape our economy and, in so doing, provide no benefits for the United States.5/

The net national economic benefit of the proposed project is the present value of the stream of benefits that results from subtracting the three cost components from the gas value to consumers. That is:

NNEB = Gas value - Production costs - Transportation costs - Net foreign profits.

The estimates of gas value and costs affect the NNEB calculations in important ways, as does the choice of discount rate and time period over which the ANGTS project is examined. The discount rate chosen for the NNEB calculation ideally should represent society's rate of time preference; that is, the rate of return at which society is prepared to forego consumption today in

4/ Refer to President's Decision, pp. 47-83, for a summary of this agreement.

5/ Revenues paid to foreign nations are a real resource cost to the U.S. because they represent a future claim on U.S. goods and services.

trade for some greater amount of consumption later on.[6] The actual project life would depend upon the useful physical lifespan of the pipeline, the design capacity of the pipeline, and the magnitude of recoverable gas reserve which can be economically produced over time.

The remainder of this section describes the set of assumptions which describe the "base case" scenario and explores the sensitivity of the NNEB to alternative assumptions concerning the value of the delivered Alaskan gas, the project life, and the transportation costs.

BASE CASE ANALYSIS

The analysis of the ANGTS used for the President's Decision provides most of the baseline data for the base case used in this analysis. The President's Decision and our base case assume:

- Alaskan gas substitutes for imported distillate fuel oil on a one-for-one, energy equivalent basis and has a gas value equal to the wholesale price of distillate.[7]

6/ E. J. Mishan, Cost-Benefit Analysis, Praeger Publishers, New York, 1976, pp. 201-203.

7/ This assumption ignores potential changes in total U.S. energy consumption that could be caused by rolled-in or average pricing of Alaskan gas at the retail level compared to marginal cost pricing of distillate fuel oil. If considered fully, it is not clear whether careful consideration of differences in retail pricing would increase or decrease our NNEB estimates, but it is likely that the effect would be small compared to other factors ultimately likely to impinge on the NNEB. Furthermore, technically correct treatment of this effect is complicated by the fact that, early in the project life, Alaskan gas may cost more than the average of all other flowing gas; but late in the project life the opposite may occur. Finally, it also would require an assumption about whether biases of any similarly kind (e.g., domestic price controls on crude oil or refined petroleum products) will affect distillate prices over the life of the ANGTS project.

- strictly for purposes of simplifying the analysis, that a decrease in U.S. demand for world oil, provided through the development of Alaskan gas, would not affect world oil prices.
- an average pipeline construction cost overrun of 30 percent.
- a pipeline debt/equity ratio of 75/25.
- start-up in January 1984.
- gas deliveries to the pipeline of 2.4 Bcf/day and net gas deliveries at the citygate based on overall pipeline gas consumption for the original Arctic gas displacement scheme.8/
- the U.S. portion of cost of service payments for facilities shared with Canada vary as a function of relative volumes of U.S. and Canadian gas, with the U.S. share equal to 76.4 percent for U.S. shipments of 2.4 BCF/day and Canadian shipments of 1.2 BCF/day.
- the U.S. share of cost of service payments for the Dempster lateral varies on the basis of overruns on the Canadian main line, overruns on the Dempster line, and the relative U.S. and Canadian volumes of gas shipped.9/

The NNEB calculations in this analysis are denominated in mid-1979 dollars, and all benefit and cost streams are discounted to mid-1979 using a real after-tax discount rate of 4 percent. Cost data from the President's Decision, which had been denominated in 1975 dollars, were converted to mid-1979 dollars using the aggregate U.S. GNP implicit price deflator. Non-residential

8/ This scheme is used here because it is embedded in internal FERC models of the ANGTS project. To our knowledge, detailed documentation of this displacement plan is not available.

9/ A description of the formula for computing the U.S. share is shown in the President's Decision, op. cit., pp. 72-79 and 168-174.

construction price deflator projections were applied to construction costs.[10/]

Other important elements of the base case include the following:

- gas processing costs for a 2.4 Bcf/day output stream were based on a linear extrapolation to the higher capacity using best-available cost data for a 2.0 Bcf/day plant.[11/]
- incremental water-flood requirements were assumed to be approximately 73 percent of the Prudhoe Bay unit's total water-flood requirements.[12/]
- ad valorem taxes of 1.7 percent were applied to the depreciated book value of the pipeline and the depreciated replacement value of the gas production equipment.[13/]
- Alaskan state income taxes were assumed to be 9.4 percent of pipeline net income and "normal" producer net income.[14/]

10/ Data Resources Inc., The Data Resources U.S. Long-Term Review, Winter 1979 TRENDLONG 2003 projections. See Appendix G for the inflation adjustments used in this report.

11/ Ralph M. Parsons, Inc., "Sales Gas Conditioning Facilities, Prudhoe Bay, Alaska," September 1978.

12/ Water-flood facilities investment has been estimated at $2 billion (1979 dollars), as suggested in Oil and Gas Journal, February 26, 1979, p. 70. Half of the expenditures are assumed to occur in 1983 and half in 1984. The incremental portion of the outlays for water-flood facilities has been estimated by comparison of alternative production possibilities presented in a report by H. K van Pollen and Associates, Inc., Documentation of Input Variables, Northern Alaska Hydrocarbons Model, August 1978.

13/ The ad valorem rate and its application to the pipeline on the basis of depreciated book value are carried over from models used in connection with the President's Decision. It is our understanding that these taxes would be assessed at a 2.0 percent rate and would be based on replacement value; this, however, presents a minor difference that does not affect the results significantly.

14/ "Normal" net income is defined as that level yielding an overall 8 percent after-tax return on total capitalization. See Appendix A for the derivation of "normal" net income.

- federal income taxes were assumed to be 46 percent of pipeline net income (after state income taxes), adjusted for the effect of a 10 percent income tax credit.

- the rates of return on pipeline equity were based on the Commission's latest incentive rate of return proposal.15/

- foreign profit calculations were based on British Petroleum's 52 percent interest in Standard Oil of Ohio's 23.5 percent of Alaskan gas.16/

- low world oil price escalation, as defined in the Energy Information Administration Annual Report to Congress.17/

These inputs and assumptions yield an NNEB estimate of $14.9 billion (mid-1979 dollars). The components of this estimate are:

Gas value	$33.3 billion (mid-1979 dollars)
- Production costs	6.0
- Transportation costs	11.9
- Net foreign profits	0.5
NNEB	$14.9 billion

Thus, the proposed ANGTS project would provide significant economic benefits to the nation under the base case inputs and assumptions.

In contrast to ICF's base case estimate, the President's Decision estimated an NNEB of $5.8 billion (1975 dollars). The following table presents

15/ FERC, "Notice of proposed rulemaking to set values for incentive rate of return and establish change-of-scope and inflation adjustment procedures and request comments on filed tariffs," Docket No. RM 78-12, April 6, 1979.

16/ Sources: Arlon R. Tussing and Connie C. Barlow, "An Introduction to the Gas Industry with Special Reference to the Proposed Alaska Highway Gas Pipeline," Institute of Social and Economic Research, Anchorage, Alaska, October 25, 1978, p. I-37 and British Petroleum, Annual Report, 1978, p. 12.

17/ The President's Decision assumed a constant real oil price. President's Decision, p. 97.

our current understanding of the reconciliation between the earlier estimate and our current base case NNEB estimate.

Step		Billions
	President's Decision NNEB	$ 5.8 (1975 dollars)
1.	Denominate in mid-1979 dollars	+ 1.4 (mid-1979 dollars)
2.	Add Water-Flood Costs	- 1.6 (mid-1979 dollars)
3.	Adjust Transportation Costs	+ 0.2 (mid-1979 dollars)
4.	Unreconciled Changes	- 0.5 (mid-1979 dollars)
5.	Discount to mid-1979 Timeframe	+ 1.[illegible] (mid-1979 dollars)
6.	Change Discount Rate (10% to 6%)	+ 4.[illegible] (mid-1979 dollars)
7.	Alter Distillate Price Trajectory	+ 3.3 (mid-1979 dollars)
	ICF Base Case NNEB	$ 14.9 (mid-1979 dollars)

Some of these steps are simply accounting changes to update the basis for the estimate (steps 1, 5). Others incorporate later cost data and DOE's recently established standardized capital cost methodology (steps 2, 3).[18/] The 10 percent real discount rate used throughout the President's Decision is appropriate for considering a project's capital cost stream, and we adopt this same approach. For reasons elaborated later in this section, however, we believe that a 6 percent real discount rate is a more appropriate measure of society's time preference and, therefore, a preferable rate to use in discounting the project's overall streams of costs and benefits (step 6).

Finally, we believe that in light of recent world oil price developments an assumption of constant real prices would be optimistic beyond a reasonable limit. Instead, we have essentially applied the low oil price escalation expectations of the Energy Information Administration Annual Report to Congress to the distillate fuel oil price in the President's Decision (step 7).

18/ The DOE methodology is discussed later in this section.

About $0.5 billion (mid-1979 dollars) in difference remains unexplained (step 4).

SENSITIVITY ANALYSIS

Several of the input estimates used to calculate the NNEB could vary significantly from the base case values. Sensitivity analysis provides insights about the relative importance of changes in the discount rate, gas value, useful project life, and pipeline construction costs. In addition, the order of magnitude of the minimum likely effect of the ANGTS on world oil prices and required U.S. payments for imported oil are estimated because lowered world oil prices both benefits the nation and affects the value of Alaskan gas.

Discount Rate

The base case uses a 6 percent real after-tax discount rate to account for the time preference of society. No strong empirical basis currently exists to identify society's time prefecence, but the after-tax real rate of return on private investments represents one reasonable, yet conservative, approximation of this rate.[19/] The 6 percent rate chosen for the base case appears to approximate the private after-tax rate of return.

19/ Conservative refers to avoiding over-investment in capital-intensive projects such as the ANGTS. It is conservative, we believe, because the effects of personal income taxes on returns to individuals in the form of after-tax corporate income suggest the use of an even lower rate to represent social time preferences. Consequently, it could be argued that conservation recommends the lower rate to guard against under-investment in capital-intensive domestic energy supply and conservation projects.

This choice of discount rate is based mainly upon a recent Department of Energy (DOE) directive on standard financial treatment of cost estimates.[20] The directive recommends using a real rate of return on equity of 9.5 percent, after tax; a real interest rate on debt of 3 percent; and a 6 percent inflation rate.[21] Assuming an overall marginal corporate income tax rate of 50 percent a typical capital structure, comprised of one-third debt and two-thirds equity, yields a weighted-average after-tax rate of return of approximately 5.9 percent.

Although a 6 percent after-tax rate is, we believe, appropriate for discounting the project's overall resource cost and gas value flows, the Department of Energy (DOE) has recommended using a before-tax rate of 10 percent as a means of accounting for all the real resource costs associated with the capital expenditure portion of an energy project.[22] Use of a before-tax rate for capital expenditures captures the returns foregone on alternative private sector investments that would have accrued to (i) equity holders as dividends and/or capital gains, (ii) lenders as interest payments, and (iii) the government as corporate income taxes.[23] DOE recommends accounting for

20/ Attachment C of DOE, Stuart W. Ray, Policy and Evaluation, "Financial Costing Guidance for Policy and Fiscal Guidance," memorandum for distribution, March 28, 1979.

21/ DOE, Stuart W. Ray memo, op. cit., Attachment 6.

22/ DOE, Stuart W. Ray memo, op. cit., Attachment 6.

23/ Corporate income taxes are treated as real resource costs because they represent the project's "portion of the fixed costs of government operation." See DOE, Gary Dorman, "The treatment of taxes in cost benefit analyses," memorandum for Darius Gaskins, Deputy Assistant Secretary, Policy and Evaluation, August 8, 1978.

all of these opportunity costs of capital expenditures by using the before-tax, marginal rate of return on private sector investments, and it cites empirical evidence for using 10 percent as this marginal rate.[24/]

This analysis uses the 10 percent before-tax rate to estimate the real resource costs associated with the ANGTS project's capital expenditures because this approach is "neutral" with respect to any special tax treatment or financing methods available to this one project.[25/] The NNEB calculations implement this procedure by, first, annuitizing the project's capital expenditures using the 10 percent discount rate. Then, the project's overall benefit and cost streams (including the annuitized capital expenditures) are discounted at 6 percent in order to estimate the present value of the ANGTS project's overall NNEB.

Earlier work has included estimates based on a 10 percent rate of discount on the project's overall cost and benefit streams. Because this rate provides an extra-conservative appraisal of the project's net benefits, our analysis also presents NNEB estimates generated by applying a 10 percent discount rate to the project's overall benefit and cost streams whenever the information may provide useful insights. Under the base case assumptions, the NNEB estimated

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24/ DOE, Gary Dorman, "Choosing the discount rate for NESS cost/benefit analyses," memorandum for Darius Gaskins, September 18, 1978.

25/ These "tax-neutral" cost estimates do not depend upon the corporate tax structure of the particular parties making the capital outlays, which is an appropriate feature for calculating net benefits from the national perspective. If actual tax payments were used as the real resource cost estimates, the NNEB estimate for the ANGTS project could vary significantly according to the share of capital outlays assumed to be made by oil companies and gas utilities.

using 10 percent is $8.1 billion, 46 percent below the base case estimate.

Gas Value

The base case assumes that Alaskan gas substitutes for distillate fuel oil on an energy-equivalent basis. It is worth reiterating that a primary reason for making this assumption is to maintain consistency with analyses prepared in connection with the President's Decision. We have performed no analyses to verify that Alaskan gas would substitute for distillate fuel oil rather than for less expensive fuels such as residual fuel oil.

Although OPEC oil prices have remained level in real terms, or even decreased slightly, for much of the period since the 1973 Arab oil embargo, recent events make such continued good fortune for oil consumers appear unlikely. Nevertheless, it is worth examining the economic attractiveness of ANGTS if oil prices were to remain constant in real terms throughout the project's life. The NNEB for a constant distillate fuel value, $11.6 billion, is 22 percent lower than the base case estimate (see Table II-1).

The base case projections of distillate fuel oil prices are drawn from the low price escalation scenario assumptions of the forthcoming Energy Information Administration's (EIA) Annual Report to Congress (ARC). The ARC's low price escalation assumptions are summarized in Table II-1.[26/]

26/ In constant 1979 dollars, the crude oil price assumed in this EIA case is $16.00 per barrel from now through 1992, after which it escalates at a real annual rate of 2.8 percent. This compares with crude oil (contract) prices today of approximately $18.00 per barrel and spot market transactions in the $30-35 per barrel range.

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TABLE II-1

NNEB ESTIMATES FOR SELECTED GAS VALUE ASSUMPTIONS[a/]

Gas Value Equal to:	Price Trajectory	NNEB (mid-1979 billion dollars)
Distillate Fuel	Constant[b/]	$11.6 billion
	Low Escalation[c/]	14.9
	Medium Escalation[d/]	22.3
Residual Fuel	Low Escalation[e/]	11.8

a/ Base case assumptions for other parameters.

b/ Distillate price: constant $2.62/MMBTU (1975 $).

c/ Base case distillate price: constant $2.62/MMBTU (1975 $) through 1992; 2.8% real escalation annually thereafter; $5.15 (1978 $) ceiling price.

d/ Distillate prices: constant $2.62/MMBTU (1975 $) through 1985; 4.5% real escalation annually to 1990; 4.7% per year thereafter; $5.15 (1978 $) ceiling price.

e/ Residual price: constant $2.84/MMBTU (1978 $) through 1992; 2.8% real escalation thereafter.

NOTE: These projection rules are denominated here in differing-year dollars in order to correspond with the various sources from which they were derived. The base distillate price, $2.62, is the adjusted figure used in internal FERC models for the $2.50 (1975 dollars) figure in the President's Decision. The base residual price is derived from National Energy Supply Strategy data expressed in 1978 dollars. In our NNEB calculations, however, both base figures are converted to mid-1979 dollars and projected using the oil price escalation rules of the Energy Information Administration Annual Report to Congress (low price escalation: Series C low; medium price escalation: Series C).

Distillate fuel oil prices, however, may also escalate more rapidly than these low price escalation projections. Table II-1 also presents the NNEB estimate for the ARC medium price escalation scenario assumptions. This NNEB estimate, $22.3 billion, is 50 percent above the base case. Consequently, the future course of world oil prices exerts large leverage on the net benefits of the ANGTS project. If world oil prices rise faster than the base case assumptions, the benefits to the nation would increase. And as will be discussed later, consumers would capture the full share of the increased benefits.

Thus far, the discussion of the gas value has assumed that Alaskan gas would substitute for distillate fuel oil. If overall gas supplies were plentiful at the time Alaskan gas was delivered, Alaskan gas might displace residual fuel oil. As a consequence, the value of the Alaskan gas would be the lower price of residual fuel rather than the price of distillate fuel. Under low world oil price escalation, the NNEB estimate based on the price of residual fuel oil remains in excess of $11 billion (see Table II-1).

Project Life

Legislative guidelines emphasize a 20-year period for analysis of the cost of service issues associated with the ANGTS.[27/] In turn, most NNEB analyses of the ANGTS have examined a similar time period (25 years). The typical useful physical life of a pipeline, however, approaches 50 years; for example, the President's Decision mentions the likelihood that the ANGTS might operate

27/ For example, see the Alaskan Natural Gas Transportation Act of 1976, Section 5(c).

for more than 40 years.[28/]

There is a realistic possibility that sufficient Alaskan gas reserves will be developed to utilize the pipeline well past the 25-year period assumed in our NNEB calculations.[29/] The useful life of the pipeline exerts a strong influence on its economic value to the nation. If the ANGTS were to deliver 2.4 Bcf/day for 30 years, the NNEB would rise to $17.7 billion (mid-1979 dollars). And an even longer useful life would further increase the NNEB (see Table II-2).

TABLE II-2

NNER ESTIMATES FOR
ALTERNATIVE PROJECT LIFETIMES[a/]
(mid-1979 dollars)

Project Life	NNEB	
	(6% discount rate)	(10% discount rate)
20 years	$11.2 billion	$ 6.6 billion
25	14.9 billion	8.1 billion
30	17.7 billion	9.1 billion
50	23.5 billion	10.5 billion

a/ Base case assumptions used for other parameters.

The effect of the discount rate assumption, discussed previously, is especially dramatic in the case of an extended project life. With the 6 percent discount rate, the 50 year NNEB estimate would reach $23.5 billion, an

28/ President's Decision, p. 163.

29/ Data Documentation for Alaskan Hydrocarbons Supply Model, draft Technical Memorandum prepared by Division of Oil and Gas Analysis, Department of Energy, pp. 1^-12.

increase of 58 percent over the 25 year base case estimate.[30] In contrast, a 10 percent discount rate decreases both the absolute and relative importance of project benefits beyond the first 25 years. If a 10 percent discount rate were applied, doubling the life of the project would increase the present value of the NNEB by only 30 percent.

Pipeline Construction Costs

Few recent major construction projects have been completed at or below their initially estimated costs.[31] The cost overruns experienced by the Trans-Alaska Pipeline System (TAPS) were especially large. Compared with an original (adjusted) estimate of $1.6 billion, the capital cost of TAPS ultimately reached $7.7 billion, an increase of approximately 380 percent.[32] The unprecedented scale of the ANGTS project, coupled with the need to construct the Alaskan segment and a minor part of the Yukon segment in the same harsh Arctic environment in which TAPS was constructed, raises the prospect of large cost overruns for the Alaskan gas pipeline.

This section examines the potential effects of serious cost overruns for the Alaskan gas pipeline project. Importantly, the probability of large cost overruns varies significantly among the individual segments of the pipeline. In this context, then, the analysis examines how cost overruns on the various

30/ The 50-year case represents a rough estimate which excludes any additional capital expenditures required to extend the operational period.

31/ See Walter J. Mead, Transporting Natural Gas from the Arctic, American Enterprise Institute, 1977, pp. 88-89, for an illustrative list of recent projects.

32/ Ibid., pp. 88-89.

segments could affect expected costs and project benefits.

Lower-48. Gas pipeline construction in the lower-48 involves a low probability of major cost overruns. Typically, lower-48 gas pipelines are constructed at a cost within 5 percent of the initial estimate.[33/] Approximately 21 percent of the value of the ANGTS plant-in-service would reside in the lower-48.[34/] Since the danger of significant cost increases appears remote for the lower-48 segment of the project, this analysis focuses on the Alaskan and Canadian segments.

Alaska. The Alaskan segment of the ANGTS must be constructed in the same hostile environment that the TAPS project faced. There are, however, important differences in the construction of gas and oil pipelines, including the ability to pipe gas at temperatures low enough to avoid thawing permafrost and to lay gas pipeline in the ground rather than above it. Both of these differences should lessen the ANGTS construction problems, with the one exception of burying gas pipeline in areas of discontinuous permafrost, where the chilled gas may cause frost heaving.[35/] Discontinuous permafrost could be encountered along approximately half of the Alaskan segment.

Fortunately, the Northwest Alaskan Pipeline Co. (formerly Alcan) proposal for the Alaskan segment follows the TAPS project chronologically. Consequently, this second pipeline construction effort can take advantage of

33/ Private communication from FERC staff.

34/ The plant-in-service estimate is based on the base case figures for the first year of the ANGTS operation.

35/ For a more detailed discussion, see the President's Decision, pp. 187-188.

lessons learned about pipeline construction in an Arctic environment. Moreover, the Northwest project will utilize the infrastructure created by Alyeska, the TAPS project manager, thus minimizing the chance of infrastructure-generated cost increases or delays over the share of the Alaskan segment laid parallel to TAPS. The TAPS experience should also lessen the chance for labor supply problems in Alaska, because the first effort expanded Alaska's pool of skilled workers.[36/]

Despite these advantages, unforeseen technological and management problems are likely to occur. In order to cover such contingencies, the President's Decision incorporated a 30 percent cost increase and one year start-up delay in the Alcan's (now Northwest) initial estimates.[37/] Our base case assumptions also follow this precedent.

Nevertheless, the 380 percent cost overrun for TAPS suggests that the implications of even more substantial cost overruns should be explored. Table II-3 summarizes the effects on the base case NNEB of cost increases for the Alaskan segment of 30, 100, 200 and 400 percent over current filed estimates. Even at four times the filed cost estimates for construction of the Alaskan segment, the NNEB remains significantly positive, at approximately $10 billion (mid-1979 dollars).

Canada. The remaining 2,028 miles of the pipeline system would be constructed in Canada. Approximately 40 miles of the Canadian segment should experience similar difficulties associated with Arctic and semi-Arctic condi-

36/ Ibid., pp. 138-144.

37/ Ibid., p. 150.

TABLE II-3

NNEB ESTIMATES FOR SELECTED CONSTRUCTION COST SCENARIOS[a/]
(mid-1979 dollars)

Cost Scenario	NNEB ($ billion)	Change From Base Case (percent)
ALASKAN OVERRUN		
0% (filed costs)	15.8	+ 6%
30% (base case)	14.9	--
100%	14.3	- 4
200%	12.7	-15
400%	9.6	-36
CANADIAN OVERRUN		
0% (filed costs)	15.7	+ 6
40% (base case)	14.9	--
100%	13.6	- 8
COMBINED CHANGES		
filed costs, all segments	16.8	+13
expected costs, all segments[b/]	14.9	--
"high cost" scenario[c/]	10.4	-30

a/ Base case assumptions used for other parameters.

b/ Base case.

c/ 132 percent Alaskan overrun, 102 percent Canadian overrun (derived from DOI/DOT "worst case" analysis). U.S. Department of the Interior, U.S. Department of Transportation, Alaska Natural Gas Transportation Systems: White House Task Force Lead Agency Report on Construction Delay and Cost Overruns, July 1, 1977.

tions. Other potential problems with the Canadian segment, however, could lead to significant cost increases, including:

- Canadian pipeline companies may have been over-optimistic in their construction labor productivity estimates for the ANGTS.38/
- Requirements for constructing the Canadian segments of the ANGTS with Canadian goods could (i) force builders to use more costly goods than necessary, or (ii) create artificial supply bottlenecks that directly or indirectly raise costs.

The President's Decision and our base case address this concern by incorporating a 40 percent cost overrun for the Canadian segment into the NNEB calculations. Table II-3 demonstrates the effect of even larger cost overruns for this segment. Note that Canadian actions leading to a 100 percent cost overrun would decrease the base case NNEB by approximately $1.3 billion, to $13.6 billion.

Combined Effects: The High Cost Scenario. Of course, major construction cost overruns may occur on both the Canadian and Alaskan segments of the ANGTS. The causes of such overruns could be either related or independent. Rather than continue to probe the implications of cost overruns for each segment separately throughout this report, this analysis examines one "high cost" scenario to understand the effects of catastrophic construction cost overruns.

This high cost case is based on earlier work by the Departments of the Interior and Transportation, which estimated the "worst case" cost experience

38/ Recommendation to The President, p. I-45.

for the three ANGTS proposals.[39/] The Task Force assessed the worst case scenario through the use of expert judgment on specific cost and schedule items for each proposed system. The worst case was then defined as the cost estimate located three standard derivations from the expected overrun; that is, the task force judged with almost 99.9 percent confidence that actual costs would not exceed the worst case amount.

This analysis adopts the earlier worst case analysis by applying a ratio, consisting of the worst case costs and expected costs, to the base case (expected) cost estimates employed in the President's Decision (adjusted to mid-1979 dollars),[40/] where:

$$\frac{\text{worst case cost}}{\text{expected cost}} = 1.466^{41/}$$

Next, lower-48 construction cost was assumed to equal expected levels; then, the overrun amount (in mid-1979 dollars) was allocated equally between the Alaskan and Canadian segments.[42/] This allocation results in an overrun of

39/ U.S. Department of the Interior, U.S. Department of Transportation, Alaska Natural Gas Transportation Systems: White House Task Force Lead Agency Report on Construction Delay and Cost Overruns, July 1, 1977, (hereafter called the Cost Overrun Task Force Report).

40/ Both the President's Decision and the Cost Overrun Task Force Report expect overall construction cost overruns of about 30 percent over filed cost estimates.

41/ Cost Overrun Task Force Report, p. 131.

42/ This rough allocation scheme is used in lieu of detailed quantitative data on the Cost Overrun Task Force Report's conclusions about where the overruns would occur. We believe it is a reasonable approach since the Alaskan segment involves greater technological and other uncertainties but the Canadian segment is larger in an absolute dollar sense.

approximately 137 percent over filed costs for the Alaskan segment and of approximately 108 percent for the Canadian segment. For this worst case of combined overruns, the NNEB estimate again remains significantly positive a $10.4 billion.

Project Delays

Delays of the ANGTS project could generate new problems or new opportunities for project supporters. Among the possible consequences, a delay could affect the quantity of gas available for shipment, the quantity of Alaskan ga demanded by consumers, the interest of potential lenders and equity investors in the project, or the value of the gas deliveries to the nation. These potential results are all important; however, all but the last effect are beyond the scope of this analysis.

If the project makes sense now, that is if its base case NNEB estimate is positive, then with other things equal, the sooner the project is undertaken the better off the nation would be. Because of society's time preference, a delay in starting the project would cause the NNEB to decline exponentially as a function of the length of time the project is postponed if the real value of all benefits and costs over the project's life were to remain constant and the NNEB were measured from the perspective of the NNEB's present value in mid-1979. For the base case, however, the gas value increases over time. With this assumption, a one-year delay prior to any ANGTS expenditures would

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reduce the base case estimated NNEB by $0.4 billion (mid-1979 dollars).[43/]

After some or all construction has been completed, project delay would lead to even greater decreases in NNEB. Not only would the net benefits be postponed but construction costs already would have been incurred. A one-year delay after the completion of the system's construction and prior to the delivery of any gas would generate greater adverse effects for the NNEB estimate than for any delay of the same length at any other point in the project life. Such a delay would reduce the estimated NNEB by $ 0.4 billion (mid-1979 dollars).

EFFECTS ON THE WORLD OIL PRICE

Our base case NNEB estimates include the direct economic efficiency benefits of substituting Alaskan gas for oil consumption but ignore any other significant effects of reducing U.S. oil use. The delivery of Alaskan natural gas to lower-48 energy markets, especially to distillate fuel oil users, would reduce U.S. oil imports. Decreased U.S. oil imports could reduce worldwide oil demand sufficiently to generate downward pressure on world oil prices.

Currently, a clear consensus does not exist concerning the reduction of world oil prices at all future points in time that would result from, say, a reduction in U.S. oil imports of 1 million barrels per day at all future points in time. In fact, DOE has considered estimates which range from $.10

43/ It appears that a one year delay, compared to the start date used throughout this analysis, is likely. See "U.S. delays threaten Alaskan gas line," Oil & Gas Journal, February 26, 1979, p. 50. We return to this delay issue in Section IV.

to $.70 per barrel for an import reduction of this magnitude.[44/]

Alaskan gas deliveries could replace approximately 430,000 barrels per day of oil imports over the project's life.[45/] Using the low end of the range of estimated world oil price effects ($.10 per barrel) and ignoring the offsetting effect on the gas value stemming from lower world oil prices, the ANGTS might easily produce annual savings of real resources, otherwise consumed by paymen s for oil imports, of $219 million (mid-1979 dollars) on a base of 6 million barrels of total annual oil imports.[46/] In turn, this would increase our base case NNEB estimate by $2.2 billion over a 25-year period. Importantly, higher estimates of the effect on world oil prices of cutting U.S. imports by 1 million barrels per day would increase this NNEB estimate approximately linearly.

ZERO BENEFITS SCENARIO

Given the high values of the NNEB estimates, it may be useful to explore the magnitude of ANGTS cost overruns that could negate the economic benefits from the delivery of Alaskan gas.[47/] Assume, (i) since the construction of

44/ The estimate at the low end of the range is based on analyses using an ICF world energy model described in ICF Incorporated, Imperfect Competition in the International Energy Market: A Computerized Nash-Cournot Model, May 1979.

45/ Based on 910 x 10^{12} Btus of net gas delivered per year and 5.825 million Btu per barrel of distillate oil (ignoring refinery Btu losses in the case where crude oil, rather than distillate would be imported).

46/ Approximately the level for 1995 in the Energy Information Administration's ARC, 1979, Series C.

47/ Gas production and gas conditioning cost overruns would also lower the NNEB estimates, but the cost behavior of such non-ANGTS elements are b yond the scope of this analysis. We believe, however, that s mply their small absolute size in the base case, compared to the ANGTS construction cost, makes them less critical from the standpoint of NNEB.

the Northern Border Pipeline and Western Leg segments is relatively straightforward, that their actual costs are as expected and (ii) that the Canadian segments are constructed for the worst case costs incorporated in the high cost scenario. Still, the Alaskan segment would have to experience an overrun of more than 400 percent over filed costs before the NNEB would fall to zero.

The TAPS experience certainly demonstrated that such overruns are not inconceivable for arctic pipeline construction projects. Nevertheless, only a similar catastrophic overrun, combined with other conservative features on the benefits side of the base case NNEB estimate, would make the ANGTS project economically inefficient from a national perspective.

These sensitivity analyses strongly suggest that, from the standpoint of the efficient use of the nation's economic resources, the Alaskan project appears highly desirable. Positive net national benefits for the project, however, do not mean that all the individual participants in the project share equally in these net benefits. This natural gas pipeline project must proceed in a regulated environment, and the regulations can affect the distribution of the net economic benefits among the participants in important ways. Moreover, the distribution of benefits could affect the likelihood of project implementation. The next section examines the regulated prices that consumers would face for Alaskan gas, and the succeeding sections explore the market position of delivered Alaskan gas and the distribution of project benefits among consumers, the ANGTS consortium members, and others.

III. DELIVERED COST OF ALASKAN GAS

The cost of delivering Alaskan gas at the citygate of lower-48 gas distribution utilities has four important components:

- the wellhead gas price
- state severance taxes on gas production
- any additional charges for gas conditioning
- the cost of service to transport the gas from Prudhoe Bay to the citygate.

This analysis uses the annuity-equivalent of the annual sum of these figures over 25 years of pipeline operations as its primary tool for assessing the attractiveness of Alaskan gas to potential customers. The strengths and weaknesses of this approach should emerge from discussions later in this section.

The wellhead gas price is one of the two most important factors in determining the cost of delivered Alaskan gas. Section 109 of the Natural Gas Policy Act of 1978 (NGPA) established a ceiling wellhead price of $1.45 per million Btu as of April 1977, plus inflation adjustments, for natural gas produced from the Prudhoe Bay unit and transported through the ANGTS.[1/] Although this amount was established as a maximum, it is generally considered to be the most likely price.[2/]

1/ The inflation adjustments are based on $1.45 effective April 20, 1977.

2/ This presumably reflects the effects of rolled-in pricing and/or the degree of competition at the field market for Alaskan gas. Analysis of this expectation and its policy implications is beyond the scope of this analysis.

The state of Alaska would impose a severance tax on Prudhoe Bay gas production equal to approximately 10 percent of the wellhead price. This would add approximately 15 cents to the wellhead ceiling price of $1.45 per million Btu in April 1977 terms.

A gas conditioning cost estimate of 35 cents has been used in the FPC's Recommendation, the President's Decision, and other government documents.[3/] A recently proposed FERC rule would require that all of these gas conditioning costs be recovered within the maximum price that gas producers may charge for their gas (i.e., $1.45 per million Btu, adjusted for inflation).[4/] Unless stated otherwise, this analysis assumes that the conditioning costs are covered within the producers' maximum lawful price; therefore, estimates of the delivered cost of gas include no additional conditioning charges.

The cost of service for transporting the gas through the ANGTS is the other important component of the delivered cost of Alaskan gas. This cost, however, is derived in a way that is significantly different from the other components. The three previous cost factors are expected to be relatively stable during the project's operating period. Calculated on a similarly stable basis, the annuity-equivalent cost of service is approximately the same size as the wellhead gas price.

3/ For example, see FERC, "Notice of Proposed Rulemaking and Statement of Policy," Treatment of Certain Production Related Costs, For Natural Gas to be Sold and Transported Through the Alaskan Natural Gas Transportation System, Docket No. RM79-19, February 2, 1979, p. 9, adjusted from 1975 to 1978 dollars.

4/ Ibid.

In contrast, the traditional historical embedded cost method of establishing the cost of service yields high costs in a project's early years and decreasing costs over time as the rate base is depreciated. From the first year of operation to the time when the rate base is fully depreciated, the difference in the cost of service can be large.[5/] The implications of the these time patterns of transportation cost are discussed in detail in our analysis of Alaskan gas marketability (see Section IV).

For our base case assumptions, the delivered cost of Alaskan gas consists of the following components:

	Annuity-Equivalent [6/] (mid-1979 dollars)
Wellhead Price of Gas	$1.68 per mmBtu
Severance Tax	0.17
Gas Conditioning Charge	.00
Pipeline Cost of Service	1.33
Delivered Cost of Gas	3.18

SENSITIVITY ANALYSIS

The delivered cost of Alaskan gas could change for many of the same reasons as the NNEB estimates. Variations of several of the inputs to the cost calculations are considered here, including:

5/ Under the base case assumptions, the pipeline cost of service would vary from $2.34 per million Btu in the first year to $0.43 per million Btu in the twenty-fifth year (mid-1979 dollars).

6/ Assuming a six percent discount rate and a 25-year project life.

- Construction costs
- Gas flow rates
- Length of project life
- Canadian energy decisions

In addition to these potential changes, which reside largely beyond the direct control of the federal regulatory process, two other variations are also considered, changes in allowed wellhead prices and reallocation of gas conditioning costs.

Construction Cost Changes

The potential for cost overruns and possible reasons for such problems have already been discussed in the NNEB sensitivity analysis (see Section II). Here we explore the implications of analogous events for the gas prices that consumers would face.

The first section of Table III-1 illustrates how changes in the expected costs of constructing the Alaskan leg of the pipeline system would affect delivered gas costs. In percentage terms, the delivered gas cost is not particularly sensitive to the costs of building the Alaskan segment. For example, if the Alaskan line were built for the costs filed by the ANGTS consortium, rather than for the 30 percent overrun assumed in the President's Decision, the delivered cost would decrease by 2 percent. On the other hand, if the Alaskan construction cost were twice as much as originally anticipated, the delivered cost would increase 5 percent above the base case. A disastrous 400 percent overrun on the Alaskan segment (i.e., 5 times the filed estimates) would increase the delivered gas cost by 25 percent.

At first glance, the insensitivity of the delivered gas cost to Alaskan segment overruns might appear surprising. But transportation costs represent only about 40 percent of delivered gas costs, and Alaskan segment costs are less than 40 percent of transportation costs for the base case. Consequently, this insensitivity should be expected.

The second section of Table III-1 explores how construction cost changes for the Canadian segment would affect the delivered cost of gas. Again, the sensitivity of delivered costs to construction costs for this part of the pipeline is not large. For example, if the line were built for its filed cost, rather than the 40 percent overrun assumed in the President's Decision, the delivered cost would decrease by 3 percent. If the Canadian segment, for which there should be relatively little technological uncertainty, were to double in cost from the filed estimates, the delivered cost would increase 4 percent from the base case. And even the "high cost" scenario described in the previous section (132 percent overrun for the Alaskan segment and 105 percent overrun for the Canadian segments), would yield a delivered gas cost only about 12 percent higher than the base case.

Gas Flow Rate Changes

Changes in the rate at which Alaskan gas flows through the ANGTS would also affect the cost of delivered gas. The net result stems from two effects, each moving in opposite directions. First, the flow of additional gas would spread common costs over a greater pool of gas supplies, thereby lowering unit costs. Second, a greater flow would require increased capital expenditures for compression capacity and increased fuel expenditures for each unit of gas

TABLE III-1

DELIVERED GAS COST ESTIMATES
FOR SELECTED CONSTRUCTION COST SCENARIOS [a]
(mid-1979 dollars)

Cost Scenario	Delivered Gas Costs [b] ($/mmBtu)	Changed From Base Case (percent)
ALASKAN OVERRUN		
0% (filed costs)	$3.12	- 2 %
30% (base case)	3.18	--
100%	3.33	+ 5
200%	3.54	+11
400%	3.97	+25
CANADIAN OVERRUN		
0% (filed costs)	3.09	- 3
40% (base case)	3.18	--
100%	3.32	+ 4
COMBINED CHANGES		
filed costs, all segments	3.01	- 5
expected costs, all segments	3.18	--
"high cost" scenario [c]	3.55	+12

a/ Base case assumptions used for other parameters.

b/ 25-year annuity-equivalent, at the citygate.

c/ Assumes a 132 percent Alaskan overrun and a 105 percent Canadian overrun (derived from DOI/DOT worst case analysis). U.S. Department of the Interior, U.S. Department of Transportation, Alaska Natural Gas Transportation System: White House Task Force Lead Agency Report on Construction Delay and Cost Overruns, July 1, 1977.

delivered.[7/] Of course, a lower flow rate would have opposite effects.

Table III-2, below, presents the delivered cost estimates of Alaskan gas resulting from changes in the rates at which gas would flow through ANGTS.

TABLE III-2

EFFECTS OF GAS FLOW RATE CHANGES
ON COST OF DELIVERED GAS a/
(mid-1979 dollars)

Gas Flow Rate (Bcf/day)	Delivered Gas Cost b/ ($/mmBtu)	Change in Gas Cost From Base Case (percent)
2.0	$3.37	+6%
2.4	3.18	—
3.2	3.05	-4
4.0	3.09	-3
4.8	3.25	+2

a/ Base case assumptions used for other parameters.

b/ 25 year annuity equivalent, at the citygate.

If the flow rate were increased by one-third to 3.2 Bcf/day, the delivered cost of the gas would decrease by 4 percent to $3.05 per million Btu. A flow rate of 4.0 Bcf/ day would lower the delivered cost to $3.09 per million Btu, a level lower than the base case but higher than the 3.2 Bcf/day case. Given the current system design, this increase indicates that fuel use penalties would outweigh the capital cost economies of scale at an input flow rate equal

7/ If a flow rate higher than 2.4 Bcf/day were anticipated prior to system design, a system with lower unit costs could possibly be engineered. This analysis, however assumes that any flow rate changes are accommodated by changes in the system as now planned.

to or greater than 4.0 Bcf/day. If gas production rates were lower than expected, unit costs could increase to $3.37 per million Btu, or a 6 percent increase, for a 2.0 Bcf/day flow rate.[8/]

Project Life Changes

The base case delivered cost of Alaskan gas assumes a 25-year delivery period in order to develop the annuity-equivalent cost estimate. In the ANGTA, Congress expressed an interest in these cost estimates for a 20-year period.[9/] For a minimum likely useful project lifetime of 20 years, the delivered unit cost of gas would increase to $3.28 per million Btu. For 30 and 50 years, a first approximation of the delivered gas cost indicates decreases to $3.11 and $2.98 per million Btu, respectively.[10/] These figures are summarized in Table III-3.

Canadian Energy Actions

Two Canadian energy supply decisions could also affect the delivered cost of Alaskan gas. These two possible actions are (i) a reversal of the decision to move Mackenzie Delta gas through the ANGTS and (ii) early sales of Alberta gas through pre-built southern portions of the ANGTS.

8/ The fuel consumption behavior is extrapolated from data in FERC staff, Alaska Gas Project Office, System Design Inquiry draft paper, undated.

9/ ANGTA, Section 5(c).

10/ This approximation assumes no new capital expenditures are required to maintain the ANGTS for these longer periods.

TABLE III-3

DELIVERED GAS COST AS A FUNCTION OF LENGTH OF RELEVANT TIME PERIOD a/
(mid-1979 dollars)

Length of Time	Delivered Gas Cost a/ ($/mmBtu)	Change in Gas Cost From Base Case (percent)
20 years	$3.28	+3%
25 years	3.18	—
30 years	3.11	-2
50 years	2.98	-6

a/ Base case assumptions used for other parameters.

b/ 25-year annuity-equivalent, at the citygate.

Removing the requirement to ship Mackenzie Delta gas would eliminate the U.S. share of the cost of the Dempster Lateral, which would connect the Mackenzie Delta gas to the ANGTS. Conversely, this would also increase the U.S. share of the costs for the ANGTS Canadian segments. The combination of these countervailing effects is estimated to be an increase of 2 percent in the base case delivered gas costs, from $3.18 to $3.23 per million Btu.

The early delivery of Alberta "bubble" gas through pre-building of the southern portions of ANGTS would allow some of the pipeline's capital expenditures to be depreciated prior to initial deliveries of Alaskan gas. A precise estimate of how early deliveries would affect the figures for the delivered cost of gas is beyond the scope of this analysis.

Policy Actions

The FERC has proposed that "the Prudhoe Bay producers should be responsible for the construction and operation of the required conditioning facil-

ity."[11/] This analysis assumes that the maximum lawful price ($1.45 per million Btu, with adjustments) includes the payment of gas conditioning costs.

Alternatively, the Commission could decide to make gas consumers bear all or part of the gas conditioning costs. If the ANGTS consortium were required to provide gas conditioning facilities as a part of the pipeline system, the delivered cost of gas would increase by approximately 22 percent to $3.88 per million Btu (1979 dollars) under our base case assumptions.[12/]

Another regulatory issue concerns the maximum lawful price for Prudhoe Bay gas set by the NGPA (Section 109). On a present value basis at this price, the wellhead revenues would exceed estimated production costs (including royalty and severance taxes and a normal return on investment) and gas conditioning costs by $12.9 billion (mid-1979 dollars). Although Commission discretion in this area may be limited, reduction of these wellhead revenues could enhance Alaskan gas marketability and the welfare of gas consumers considerably, but only at the expense of Alaska and federal taxpayers and the gas producers.

11/ FERC, "Notice of Proposed Rulemaking and Statement of Policy," Treatment of Certain Production-Related Costs for Natural Gas to be Sold and Transported Through the Alaska Natural Gas Transportation System, Docket No. RM79-19, February 2, 1979, p. 12.

12/ See Appendix C. This $0.70 (1979 dollar) gas conditioning charge is roughly equivalent to the $0.60 charge mentioned in Foster Associates, Inc., "The Marketability of Prudhoe Bay Gas In The Lower 48 States," March 28, 1979, p. 1. Both the Foster Associates estimate and this analysis use Ralph M. Parson Co. data. The differences from the earlier estimate of $0.30 (1975 dollars) mentioned in the President's Decision, p. 95, can largely be explained through the charging of the maximum wellhead price for the gas consumed in the conditioning process rather than counting just the actual production costs for the gas used in conditioning.

GAS COST BEHAVIOR OVER TIME

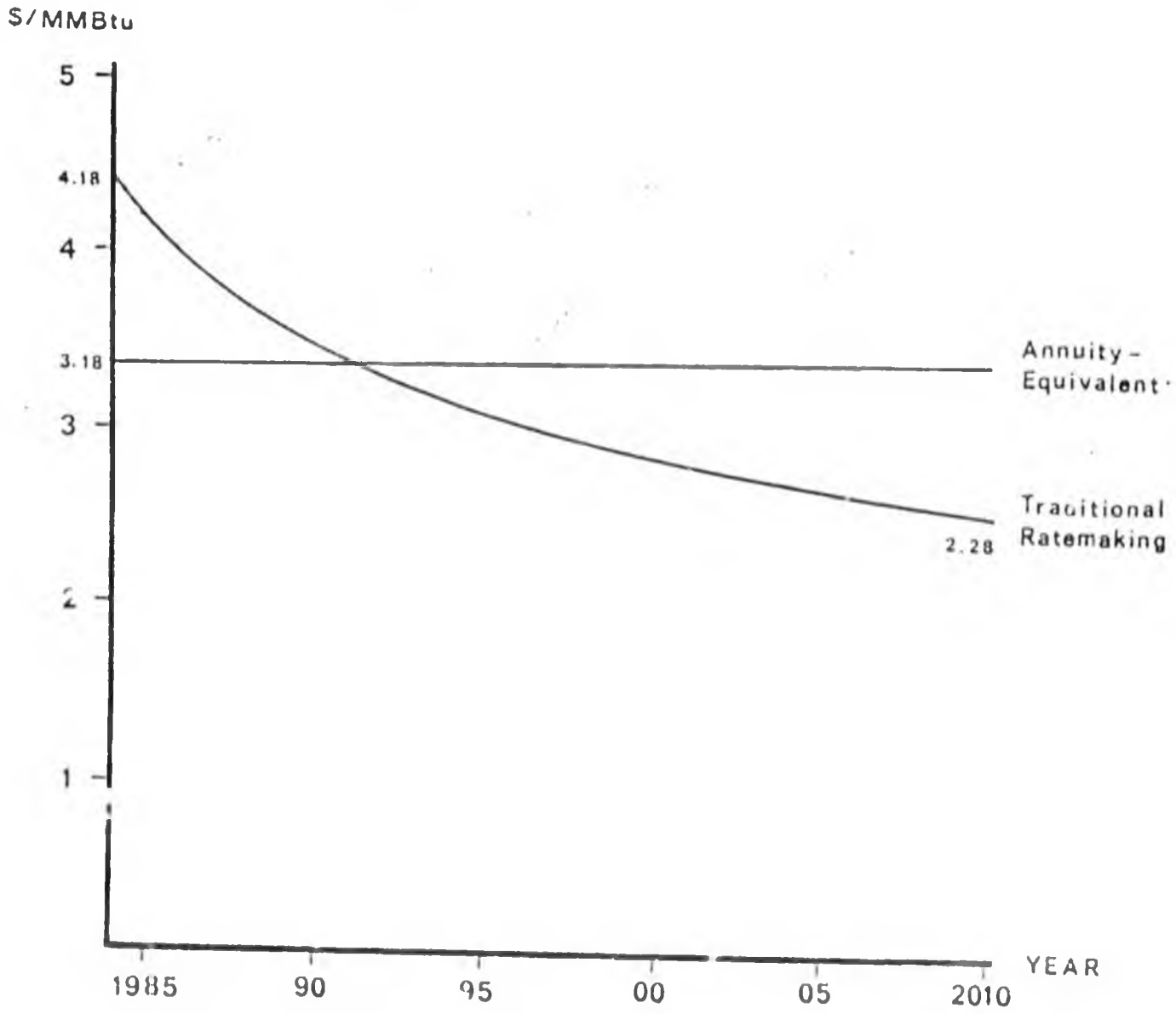
Thus far, our discussion of the delivered costs of Alaskan gas has focused on the annuity-equivalent cost. If, however, FERC were to apply the traditional historical embedded cost approach to the ANGTS ratemaking, the actual costs facing potential Alaskan gas purchasers would vary from year to year.[13/] Under traditional ratemaking, the pipeline cost of service includes a constant rate of return on the rate base, where the rate base is defined by the undepreciated book value of the pipeline investment. On this basis, the rate base is highest in the first year of service and, then, gradually decreases over time until the rate base is fully depreciated. Figure III-1 illustrates how the time-profile of the cost of service affects the yearly delivered cost of Alaska gas (in mid-1979 dollars).

The time pattern under traditional cost of service regulation yields costs which initially are much higher than the annuity-equivalent cost and decrease steadily to a level equal to O&M costs and other annual expenditures, well-below the annuity-equivalent cost. In principle, this artifact of traditional regulatory practice represents only one of several possible ANGTS cost profiles. One alternative would be a constant cost (in real or nominal dollars) equal to an annuity-equivalent value. It would also be possible to devise a gas rate schedule of equal present value that allowed lower costs in the

13/ The present value of the stream of these actual costs, however, would be equal to the present value of the annuity-equivalent cost.

FIGURE III-1

DELIVERED ALASKAN GAS COSTS
TRADITIONAL REGULATION VS. ANNUITY-EQUIVALENT



earlier years of the project and increased costs over time.[14/]

The importance of the annuity-equivalent gas costs and the time pattern traditional gas pipeline tariffs results from the opposite price signals ea: can transmit to gas customers. Earlier, Section II demonstrated the robust nature of the ANGTS NNEB estimates, which remain positive for any reasonable expectations for the project. But regardless of the magnitude of the potential national benefits of the Alaskan gas pipeline project, the proposed project must be implemented in order to realize these benefits. As mentioned in our introduction, the project can be completed only if its sponsors, other equity investors and lenders believe that the Alaskan gas delivered through the pipeline can be sold. This section has explored the range of annuitized costs which gas consumers would be required to pay if the project were implemented. In the next section, we begin to explore the market outlook for Alaskan gas.

14/ Although the former Interstate Commerce Commission approach has no unique methodological value, this pattern could be developed through the rate-making method used for oil pipelines, which allows a constant rate of return on a rate base defined by the replacement cost of the line. Alternatively, the depreciation schedule could be altered so that the resulting rates display less variation on a real cost basis than do gas rates based on traditional depreciation treatment.

IV. THE RELATION OF THE ANGTS TO THE U.S. ENERGY MARKET

The U.S. natural gas outlook differs radically from the situation perceived at the time the Alaskan Natural Gas Transportation Act of 1976 (ANGTA) was enacted. Then, Congress found that "a natural gas supply shortage exists in the contiguous States of the United States."[1/] The current outlook appears to be much improved because of legislated changes in natural gas wellhead pricing, end use pricing requirements and reforms, user energy conservation, and other factors. Also, large quantities of Mexican gas have been offered for sale to the U.S., and additional Canadian gas supplies may be offered for export.

In this updated context, this section analyzes whether (i) Alaskan gas can offer economic advantages as a substitute for distillate fuel oil, (ii) the Alaskan gas pipeline project compares favorably with another major potential new gas project--Mexican gas, and (iii) the project's benefits to the nation and to consumers remain if Alaskan gas replaces residual fuel oil rather than distillate.

BASIS FOR COMPARISON

As noted several times in earlier sections, the traditional gas pipeline cost-of-service ratemaking methods can provide misleading signals about the fundamental economic merits of a capital intensive gas supply project such as the ANGTS. For example, consider a comparison of first-year costs between a

1/ ANGTA, Section 2.

capital intensive gas project and an alternative gas project with low capital investment but with real cost growth built into the price term (e.g., a source whose price of gas, ex transportation, is tied by formula to a rapidly escalating world oil price). The first-year costs of the capital intensive project would include a return on the entire, undepreciated rate base. In contrast, the first-year costs for the latter project would precede the onset of any real cost growth caused by future world oil price increases. Thus, the worst year of the capital intensive project would be compared to the best year of the low investment project. A comparison of the last-year or average-year costs could be similarly inappropriate in an economic sense, even if it were to reverse the apparent relative attractiveness of the two alternatives.

Although one-year cost comparisons have appeared in analyses of the ANGTS,[2/] a more commonly used measure has been the simple arithmetic average of the annual costs. Since the arithmetic average may introduce only minor distortions when comparing projects with similar cost patterns over time, its use as a shortcut in comparing the ANGTS to other capital intensive alternatives may have been acceptable. But for comparing the ANGTS with other less capital intensive energy supply options (e.g., distillate fuel oil or Mexican gas), it is important to use a comparison technique that carefully incorporates the time value of money (Appendix E presents detailed examples of problems associated with the use of an arithmetic average).

2/ For instance, see Congressional Research Service, "Mexico's Oil and Gas Policy: An Analysis," prepared for the Committee on Foreign Relations, U.S. Senate and the Joint Economic Committee, December 1978, pp. 5, 48-49.

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To account for the time value of money, this analysis calculates the equivalent cost of purchasing one unit (a million Btus) of energy if the price were the same (in real terms) in each year of the time period considered.[3/] In a manner consistent with lifecycle cost comparisons, these annuity-equivalent costs (or "levelized" costs) provide a basis for comparison among energy supply alternatives with radically different cost patterns over time. This concept was employed to develop the annuity-equivalent figures used in Section III. The following analyses of Alaskan gas versus other potential gas supplies and other energy sources use both annuity-equivalent values and annual time profiles to explore the market prospects for Alaskan gas.

ALASKAN GAS AND DISTILLATE FUEL OIL

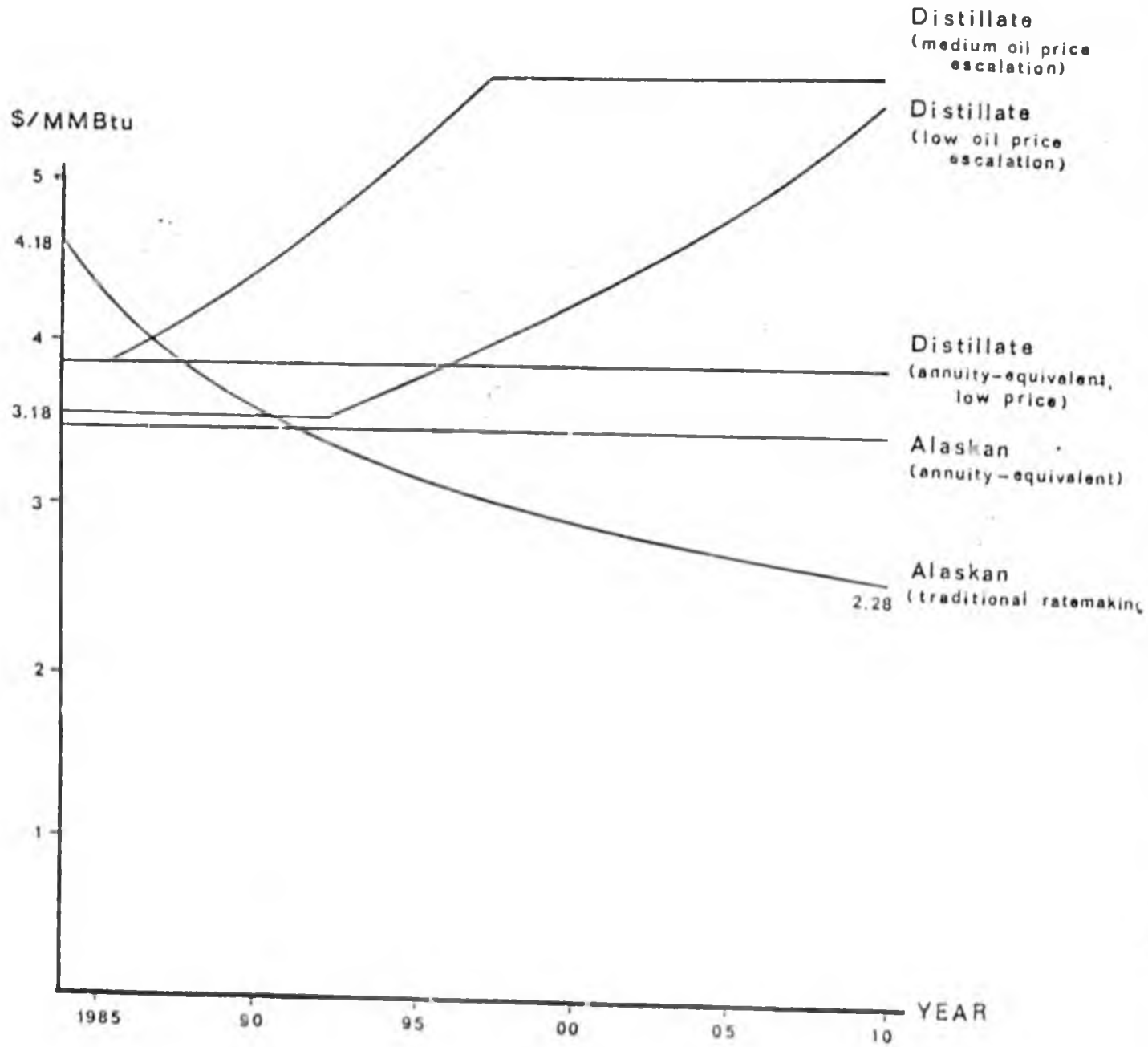
The NNEB analysis (Section II) found that, from a national perspective, the United States would gain large net benefits from the delivery of Alaskan natural gas. Under the base case assumptions, this benefit would be approximately $14.9 billion (mid-1979 dollars).

Despite advantages to the nation from implementing the ANGTS, the base case estimates indicate that potential Alaskan gas customers, if faced directly with the cost of Alaskan gas through a separate rate schedule, initially might prefer distillate fuel oil. This paradox stems from traditional cost of service ratemaking methods, under which customers for Prudhoe Bay gas could expect Alaskan gas costs well above distillate fuel oil costs in the early years of delivery (see Figure IV-1).

3/ See Appendix E for an expanded discussion of the annuity-equivalent concept.

FIGURE IV-1

ALASKAN GAS AND DISTILLATE FUEL COST PROJECTIONS
(1979 dollars)



Alternatively, these gas customers might compare the lifecycle costs of Alaskan gas with the similar costs of their other energy options.[4/] On this basis, the annuity-equivalent prices for a million Btu of distillate fuel oil (assuming the low cost escalation scenario) versus Alaskan gas (for a 25 year period) would be as follows:

Alaskan Gas (citygate)	$3.18 (mid-1979 dollars)
Distillate Fuel Oil (wholesale)	$3.60[5/]

Thus, energy users comparing a 25-year contract for distillate fuel or Alaskan gas would prefer Alaskan gas, other things being equal. Moreover, if distillate fuel oil prices were to rise according to the medium oil price escalation scenario, the Alaskan gas would look even more attractive:

Alaskan Gas (citygate)	$3.18 (mid-1979 dollars)
Distillate Fuel Oil (wholesale)	$4.41

THE MEXICAN GAS OPTION

Alaskan gas differs significantly from additional gas imports from Mexico or Canada. From the U.S. consumer's perspective, Alaskan gas would resemble a capital intensive project whose cost would be largely fixed while Mexican gas would resemble a project with high variable costs whose annual level would

4/ The President's Decision emphasized the displacement of wholesale distillate fuel oil by Alaskan gas. This emphasis on wholesale transactions is continued in this analysis of the market position of Alaskan gas; thus, any differences in costs for distribution of gas or oil to end users are not treated here.

5/ This is the distillate fuel oil annuity-equivalent the price projection used to develop the gas value in the NNEB calculations.

depend upon the price of a reference petroleum product.[6/] Other important differences include any national security consequences of domestic versus imported gas supplies and the possible influence of Mexican gas purchase arrangements, especially the price terms, on other energy supplies, particularly Canadian gas and Mexican oil.

Alaskan Versus Mexican Gas

The relationship between the costs of Alaskan and Mexican gas is traced over time in Figure IV-2. Clearly, a comparison of first-year costs tells a misleading story. As Table IV-1 illustrates, over a 25-year period consumers would prefer the Alaskan gas to the Mexican gas even if the Mexican gas price were tied to the residual fuel oil price.[7/] Table IV-2 compares the total costs to consumers for streams of Mexican and Alaskan gas, both delivered at the flow rate projected for the ANGTS. The present value of the savings available to consumers from Alaskan gas is significant, $13.2 billion (mid-1979 dollars), under the assumption that Mexican gas prices would be referenced to distillate (under low oil price escalation).

Even under the high construction cost ANGTS case, consumers would prefer Alaskan gas to Mexican gas pegged to distillate prices. Finally, the high

6/ Mexico has proposed distillate fuel, landed in New York harbor, as the reference price for its gas delivered at the U.S. border. The U.S., howeverr, has countered that domestic transportation costs from the border to the burner tip, added on top of a distillate-equivalent price, would render Mexican gas economically unattractive because it will be forced to compete with residual fuel oil in the U.S. industrial boiler market.

7/ This comparison is made at the citygate where the ANGTS would deliver Alaskan gas, and assumes that Alaskan gas is delivered at base case estimated costs.

FIGURE IV-2

ALASKAN VERSUS MEXICAN GAS COSTS OVER PROJECT LIFE[a/]
(1979 dollars)

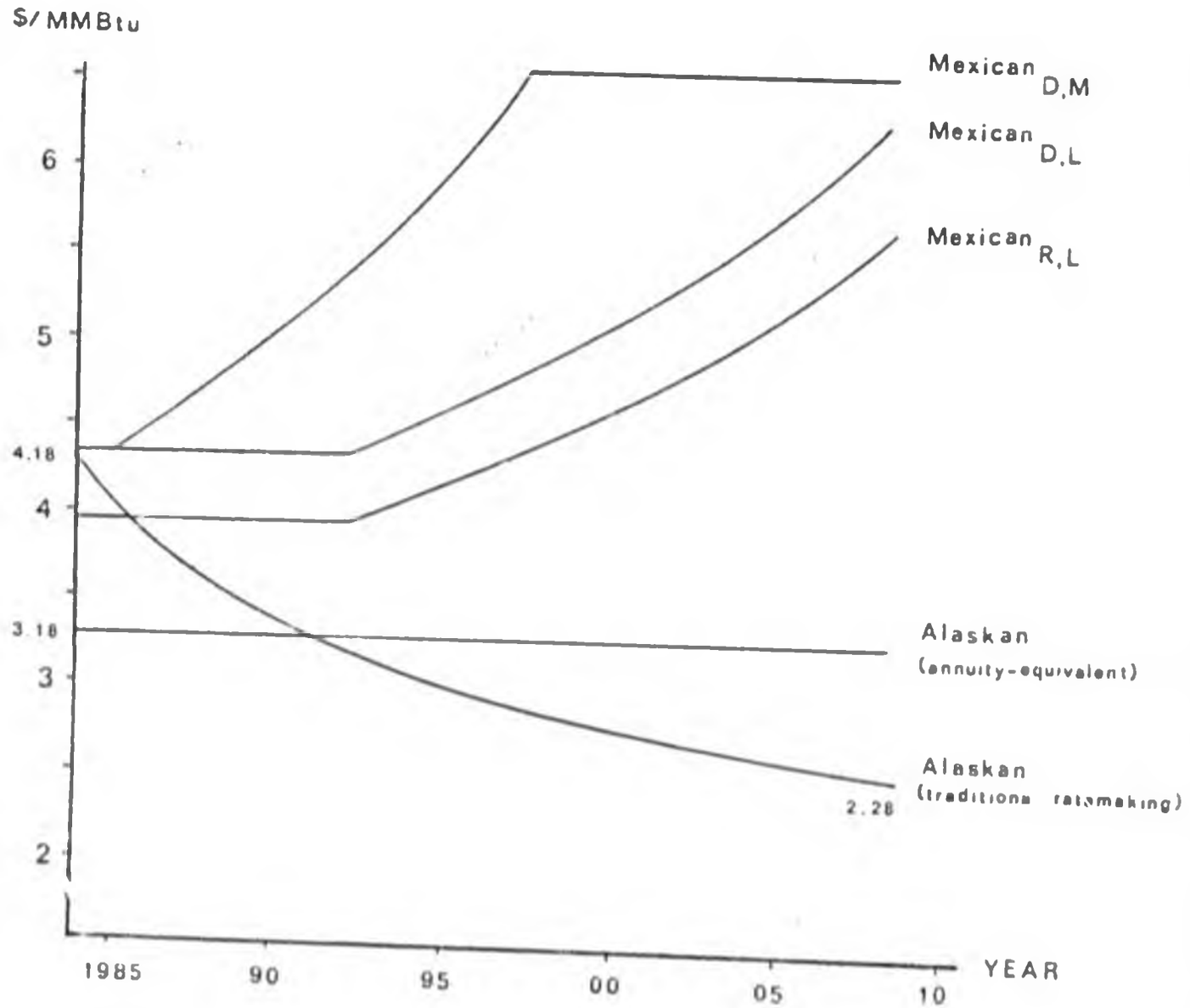


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TABLE IV-1

COMPARISON OF ANNUITY-EQUIVALENT DELIVERED COSTS
FOR ALASKAN AND MEXICAN GAS

Supply Source	Annuity-Equivalent Cost[a/] (mid-1979 dollars per mmBtu) (6% discount rate)
ANGTS	
Base Case	$3.18
High Cost	3.55
Mexico	
Distillate Price, Low Escalation	4.61
Distillate Price, Medium Escalation	5.46
Residual Price, Low Escalation	4.25

a/ 25-year annuity-equivalent, at midwestern citygate; delivered volumes projected for ANGTS.

TABLE IV-2

COMPARISON OF TOTAL "LIFECYCLE" DELIVERED COSTS
FOR ALASKAN AND MEXICAN GAS
($ billion, mid-1979)

Supply Source	Total Lifecycle Costs[a/] (6% rate)	(10% rate)
ANGTS		
Base Case	29.4	18.8
High Cost	32.8	21.1
Mexico		
Distillate Price, Low Escalation	42.6	25.4
Distillate Price, Medium Escalation	50.5	29.8
Residual Price, Low Escalation	39.3	23.5

a/ 25 years, at midwestern citygate, delivered volumes projected for ANGTS.

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cost ANGTS case, as shown in Table IV-2, still compares favorably to Mexican gas tied to residual fuel oil, even under low world price escalation.

Thus, the Alaskan gas supply option appears likely to provide gas customers with an economically superior alternative to Mexican gas.[8/] At least one important potential benefit from Mexican gas sales, however, is omitted in the above analysis, the effect of an agreement to purchase Mexican gas (or the lack of such an agreement) on the availability of Mexican oil. Yet, as the lifecycle cost comparisons of Table IV-2 indicate, under the base case assumptions consumers would have to save more than $13.2 billion on oil purchases to be compensated for the cost penalty they would incur through enforced purchases of Mexican rather than Alaskan gas. Mexico probably would offer its oil to U.S. purchasers at prices close to world prices. Consequently, direct economic efficiency benefits in the U.S. energy sector from Mexican oil deals alone may not attain such magnitudes and U.S. policymakers would need to look to other sectors or other effects, such as national security, to prefer Mexican gas over Alaskan gas.

Importantly, the purchase of Mexican gas supplies could also trigger cost increases for U.S. imports of Canadian gas. The cost of Canadian gas imports averaged approximately $2.16 per Mcf in 1978 (approximately $2.09 per million

8/ It is worth noting at this point that the recent Congressional Research Service (CRS) analysis of Mexican gas and oil, referenced earlier, came to the opposite conclusion about Alaskan gas because the CRS compared the two sources only on the basis of 1985 costs. In 1985, Alaskan costs would exceed Mexican because almost all of the ANGTS rate base is included while neither the real cost escalation in later years for Mexican gas nor the transportation costs to move Mexican gas to users were incorporated in the comparison.

Btu).[9] At the current level of gas imports, one trillion cubic feet annually, a Canadian demand for price parity at the border with Mexican gas would increase the cost of their gas by over one billion dollars (mid-1979) annually, or approximately $12 billion on a present value basis for a 25-year supply.[10]

But as suggested earlier, direct consumer or national economic efficiency benefits of larger energy purchases from Mexico may not be the consequences of most importance to U.S. policy. Instead, enhanced security of supplies, provided by a geographically closer and robust economic partner, and greater diversification away from Arab oil supplies may be the most important national benefits. But a preference for Mexican rather than Alaskan gas would require a judgement that consumer plus other national benefits from access to Mexican oil and gas exceed the $24.2 billion of NNEB lost when choosing Mexican gas over Alaskan.[11]

Rephrasing the Question

This analysis demonstrates that, under the narrow criterion of national economic efficiency in the U.S. energy sector, Alaskan gas would provide greater benefits than Mexican gas. As noted, our analysis does not grapple with the potentially more important issue of the benefits of any Mexican

9/ DOE/EIA-0147/8, Table 4, actually lists "Canadian and foreign" supplies.

10/ "Canada gas-export issue grows hotter," Oil and Gas Journal, October 9, 1978, p. 48.

11/ This figure is estimated by using the Mexican gas prices and the Alaska gas value in the NNEB calculation.

gas/oil linkage and its implications for U.S. oil imports strategy or even broader U.S. interests regarding trade and other matters of importance.

In this broader context, the question remains open whether the United States might benefit most from proceeding with both Alaskan and Mexican gas supply projects. Our logic in the Mexican versus Alaskan gas comparison does not illuminate the choice between Mexican gas and oil versus OPEC oil. The results only indicate that the Alaskan gas pipeline project should proceed. But policymakers could also judge the national interest to be well served by purchasing Mexican gas, for example, in order to reduce dependence on Middle East oil. This reduction could occur in two ways: (i) Mexican gas could substitute for oil consumption, and (ii) Mexican oil could replace OPEC oil. In this context, phrasing the question as a choice of either Mexican gas or Alaskan gas might frustrate policymaking. Rephrased, the more germane question concerns the attractiveness of Mexican energy on its own merits across the entire spectrum of the U.S. energy market and of our international affairs.

ALASKAN GAS AND ALTERNATIVE ENERGY SOURCES

In addition to understanding how Alaskan gas compares with distillate fuel oil and Mexican gas, it is also important to explore the implications of its substitution for other energy forms. Our earlie NNEB calculations set the value of Alaskan gas at the cost of distillate. Implicit in this valuation is the assumption that this gas would displace an energy-equivalent amount of distillate fuel. But Alaskan gas could substitute for other energy forms as well, which could lead to a substantially different estimate of the NNEB.

The assumption that Alaskan gas substitutes for distillate fuel sold at wholesale prices implies that large industrial operations are the marginal user of additional gas supplies. The choice of this assumption was based on a desire to maintain consistency with this one key assumption in the analyses associated with the President's Decision. Importantly, it is not a forecast that Alaskan gas, in fact, will be consumed by industry or, if consumed there, will displace distillate rather than residual fuel. If gas supplies were to tighten, Alaskan gas might displace other energy use. If the substitution occurred in the residential sector, the alternative fuel could be electricity, which is more costly than distillate fuel oil for certain residential uses not requiring electricity's special properties. To the extent Alaskan gas replaced such higher cost energy supplies, the NNEB would increase, and all of the additional benefits would be captured by consumers.

If, in contrast, gas supplies were quite plentiful and inexpensive during the 25-year life of the ANGTS, Alaskan gas might displace industrial boiler fuels costing less than distillate, such as residual fuel oil. If the value of Alaskan gas deliveries were equated with projected prices of residual (under a low escalation scenario), the NNEB estimate would shrink by $3.1 billion from the base case to a $11.8 billion level.

MARKET PROSPECTS FOR ALASKAN GAS

Table IV-3 (Column A) indicates that the nation would receive substantial benefits from the development of the Alaskan gas pipeline project even if the gas were valued at the cost of residual fuel oil and if construction of the ANGTS were to experience high cost overruns. Nevertheless, the project might

TABLE IV-3

BENEFITS OF ALASKAN GAS RELATIVE TO SELECTED
ALTERNATIVE FUEL OPTIONS
(mid-1979 dollars)

Energy Source Assumed Replaced[a/]	(A) NNEB	(B) Consumer Lifecycle Cash Savings
Base Case Cost:		
Distillate Fuel Oil	$14.9 billion	$3.9 billion
Residual Fuel Oil	11.8	0.8
High Cost:		
Distillate Fuel Oil	10.4	0.5
Residual Fuel Oil	7.3	2.6

a/ All fuel prices are assumed to follow low price trajectories as defined in Table II-1.

not attract potential gas customers who can obtain and use residual fuel oil. The reasons for this apparent contradiction include:

- the accrual, under base case assumptions, of most of the project's benefits to parties other than consumers, and
- the market disadvantage faced by Alaskan gas in the early years of the project stemming from traditional gas ratemaking methods.

Table IV-3 (Column B) illustrates the relative market attractiveness of Alaskan gas on the basis of lifecycle costs. Based on this comparison, energy consumers would be better off over the next 25 years with Alaskan gas than with either distillate or residual oil under the base case cost assumptions. Under the high cost ANGTS case, however, consumers would prefer Alaskan gas compared only with either distillate fuel oil (low price escalation) or more costly alternatives.

THE ANGTS DELAY OPTION

Suppose that the marketability of Alaskan gas hinged on the need to make its first-year delivered costs less than or equal to the price of distillate fuel oil. This supposition, coupled with the upside-down cost patterns caused by traditional ratemaking, would mean that Alaskan gas would not be marketable until distillate fuel oil prices reached $4.18 per million Btu (1979 dollars), which would not occur until 2002 under the base case assumptions or until 1991 under the medium oil price escalation assumption. The policy option implicit in this supposition--deferring the ANGTS well into the future--would cause significant economic loss from the national perspective.

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When considering project delays of several years, the uncertainties associated with estimating project costs and gas value are compounded significantly compared to the estimating problems already present for the base case. Nevertheless, despite the fact that no precise estimate of how a long delay might affect the NNEB is possible, an approximation can be made. For the low price escalation scenario described in Table II-1, applying the 6 percent discount rate would yield the following NNEB decreases through delay:

Years Delay	NNEB Loss
5	$1.5 (mid-1979 dollars)
10	$2.6
15	$4.1

Although these estimates are rough, they suggest that delay of the project in order to improve the prospects for initial marketability could generate some loss in national benefits.

Analyzing the NNEB to the nation as a whole has thus far helped to make this analysis more managable. In the next section, the question of how the NNEB would be distributed among sectors of the economy is explored.

V. THE DISTRIBUTION OF ALASKAN GAS COSTS AND BENEFITS

The assertions that the Alaskan gas pipeline project offers significant economic advantages and that the project can only proceed if offered special regulatory treatment appear to contradict each other. This apparent contradiction, however, stems from the nature of the uncertainties associated with this project and from the allocation of the accompanying opportunities and risks, as well as other project costs and benefits, among the project's participants.

In preceding sections, this analysis has dealt with project costs and benefits on an aggregate level, finding that the nation or consumers as a whole could receive substantial benefits from this project if current estimates are correct. But these costs and benefits will not accrue to all members of the economy in equal proportions. Consequently, it is important to identify more specifically who pays the project costs and who receives the project benefits.

This section begins by discussing how the base case NNEB would be distributed among the major participants of the project. Next, it considers the distribution of the NNEB under other conditions. Then, the opportunities and risks associated with the proposed pipeline are addressed. The section concludes with an examination of how the FERC regulations applied to the project could modify and allocate these opportunities and risks.

DISTRIBUTION OF NNEB

The net national economic benefits from the ANGTS project would be shared among gas consumers, Prudhoe Bay gas producers, the Alaskan government, the federal government, and pipeline owners. The net benefits captured by each of the participants would consist of the following:

Consumers: Consumer benefits consist of any savings from purchasing Alaskan gas instead of an alternative fuel.

Gas producers (domestic): Producer benefits accrue from the price received for the gas produced minus incremental production and gathering costs, incremental gas conditioning costs, royalty payments, and taxes (severance and income), further reduced by the benefits flowing to foreign interests.

Alaskan state government: Certain tax payments to Alaska are assumed to be surrogate measures of the real resource costs incurred to support the ANGTS. Revenues in excess of those required to cover such costs represent net benefits captured by Alaska. These include royalty payments plus severance and income taxes on producer revenues in excess of the incremental costs noted directly above.

Federal government: Taxes on a normal level of producer profits are also considered a surrogate for the real resource costs incurred across the overall U.S. economy to support the ANGTS. Federal income taxes levied on above-normal producer profits represent the share of the project's net benefits captured by the federal government and, in turn, the general taxpayer.

Pipeline Owners: Because the ANGTS would be regulated as a utility, its cost of service revenues would be "normal," by definition. The pipeline owners, however, are affected by an investment tax credit on the ANGTS segments constructed in the United States. This credit can be interpreted as capturing a share of the NNEB for pipeline owners because Internal Revenue Service and FERC rulings do not allow these credits to be flowed-through to consumers as they are received.[1/]

1/ Appendix F describes the methodology for calculating the NNEB shares in greater detail than provided by these five brief summaries of the benefits accruing to each of the major ANGTS participants.

Expected Benefits

Under the base case assumptions used throughout this analysis, the NNEB is expected to be $14.9 billion (mid-1979 dollars). This net benefit would be shared as follows:

Consumers	$ 2.7 billion (mid-1979)
Domestic Producers	3.7
Alaska	4.7
Federal	3.5
Pipeline Owners	0.2
Total NNEB	$14.9 billion

At the maximum wellhead price for Prudhoe Bay unit gas set by the NGPA, gas producer revenues would exceed their expected incremental production costs. In turn, this would allow gas producers and the Alaska and federal governments collectively to capture 80 percent of the base case NNEB. Among the major beneficiaries, the Alaska government would receive the largest share (32 percent of the NNEB). Gas producers would receive the next largest share (25 percent), followed by the federal government (23 percent). Under the base case, gas consumers would obtain a relatively moderate share of the NNEB (18 percent), and pipeline owners would receive a minor portion (2 percent).

Our base case assumes a 6 percent discount rate. Under a 10 percent rate, all participants' benefits decrease; nevertheless, the share of the project benefits captured by producers and the Alaska and federal government increases to 90 percent, because it is the consumer fuel savings which would be most drawn out over the 25-year life of the project.

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Consumers	$0.6 billion (mid-1979)
Domestic Producer	2.2
Alaska	2.9
Federal	2.2
Pipeline Owners	0.3
Total NNEB	$8.1 billion

Other Projections

The participants' shares of net benefits also vary with changes in project costs, gas value, gas flow, or the locus of gas conditioning charges (see Table V-1 and Figure V-1). The producer benefits and, in turn, the Alaska and federal government benefits depend only upon the incremental production costs and the wellhead price of the gas. Consequently, consumers would absorb virtually all of the increased or decreased NNEB caused by variations in the gas value or in the ANGTS construction or other costs. Specifically, consumers benefits rise to $10.1 billion for the case incorporating medium oil price escalation and fall to a negative amount, $-1.9 billion, for the high cost ANGTS case. As might be expected, the benefits for all participants would grow if gas production increased to a level sufficient to flow 3.2 Bcf of Alaskan gas through the ANGTS each day.

Direct Redistribution

Regulation can directly affect the share of the NNEB received by gas producers and the Alaska and federal governments. The proposed FERC rule to include gas conditioning costs in the maximum lawful gas price is an example of such a regulatory action. Instead, if gas conditioning costs were added to the maximum wellhead price, consumer benefits would fall by almost $4.4 billion, under the base case assumptions, to a negative amount (-$1.7 billion).

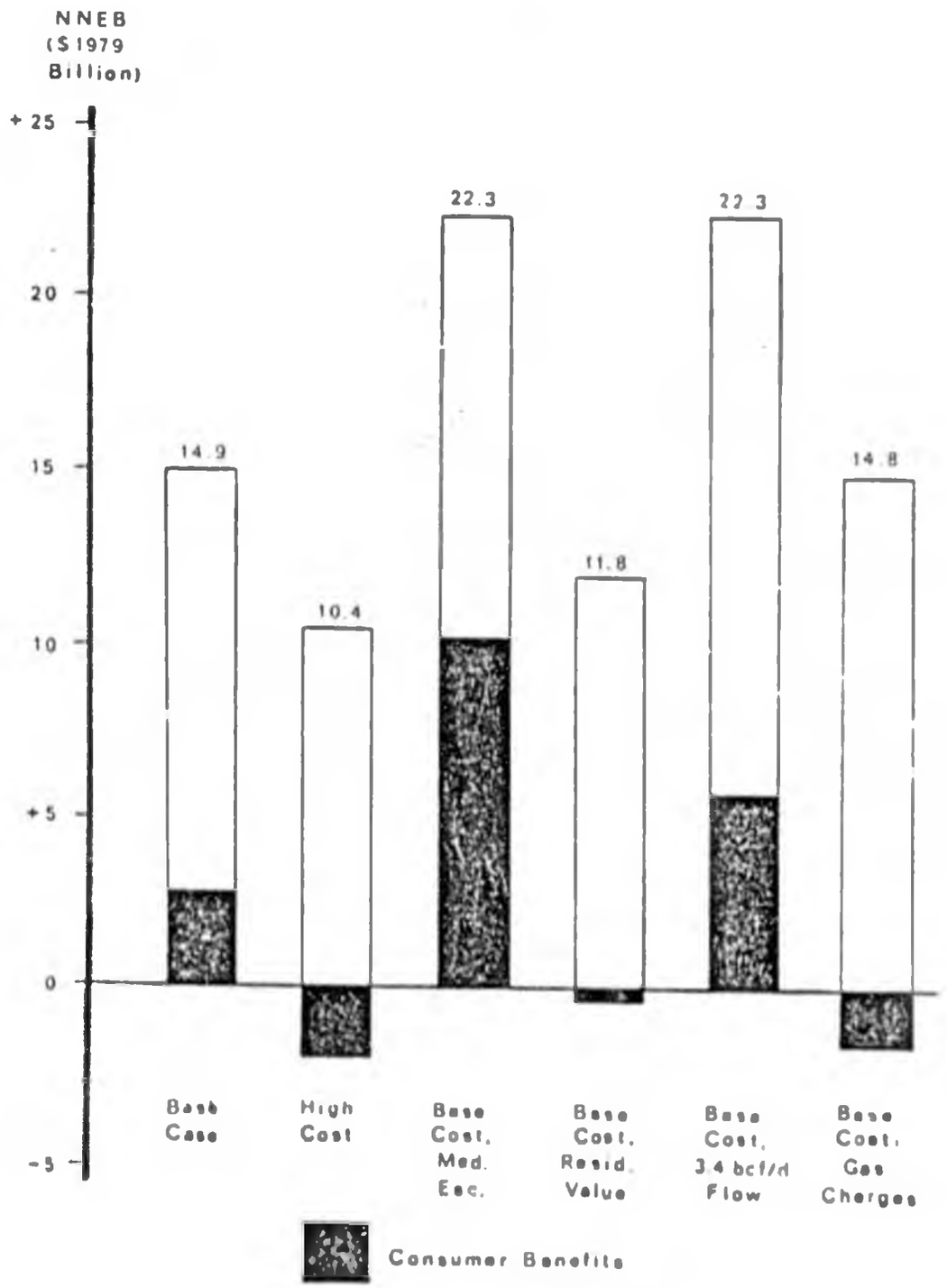
TABLE V-1

DISTRIBUTION OF NNEB FOR SELECTED SCENARIOS
(mid-1979 dollars)

Scenario	Net Benefits: Domestic Producer	Alaska	Federal Gov't.	Consumer	Pipeline Owners	Total NNEB
6 Percent Discount Rate						
Base Case	3.7	4.7	3.5	2.7	0.2	14.9
High Cost	3.7	4.7	3.5	-1.9	0.4	10.4
Base Costs, Medium Oil Price Escalation	3.7	4.7	3.5	10.1	0.2	22.3
Base Costs, Residual Oil Value, Low Escalation	3.7	4.7	3.5	-0.4	0.2	11.8
Base Costs, 3.2 Bcf/d Flow	5.2	6.4	5.1	5.4	0.2	22.3
Base Case With Gas Conditioning Charges	5.6	5.2	5.4	-1.7	0.4	14.8
10 Percent Discount Rate						
Base Case	2.2	2.9	2.2	0.6	0.3	8.1
High Cost	2.2	2.9	2.2	-2.5	0.4	5.2
Base Costs, Medium Oil Price Escalation	2.2	2.9	2.2	4.6	0.3	12.2
Base Costs, Residual Oil Value, Low Escalation	2.2	2.9	2.2	-1.3	0.3	6.3
Base Costs, 3.2 Bcf/d Flow	3.1	3.9	3.1	2.0	0.3	12.5
Base Case With Gas Conditioning Charges	3.4	3.1	3.3	-2.2	0.4	8.0

FIGURE V-1

ILLUSTRATION OF CONSUMER NNEB SHARES
(6% Discount Rate)



The countervailing increased share of the NNEB would be captured by the gas producers and the Alaska and federal governments. And because British Petroleum receives a share of the producer surplus through their ownership interest in SOHIO, the total NNEB actually would shrink somewhat.

Other actions which could alter the distribution of the base case NNEB include sharing gas conditioning costs between producers and consumers or lowering the maximum price of Prudhoe Bay gas.[2/] For example, if the lawful price were lowered to the level required to provide the gas producers with a typical industry rate of return on their incremental gas production investment, then the producers and governments' shares of the net benefits would fall to zero. Consumer benefits would grow by a corresponding amount, or $11.9 billion in the base case.

Distribution Among Consumer Classes

This analysis treats "consumers" as one aggregate group; however, not all gas consumers would receive identical shares of the "consumer benefit" discussed earlier. Presently, gas curtailment practices can be interpreted to infer that so-called "firm" gas customers, which already are hooked up to currently flowing gas, have first claim on future gas supplies. Since the costs of new gas supplies are expected to be well above the average cost of old gas now flowing in interstate markets, the purchased gas cost component of today's customers' retail gas prices would be lowest if no new customers what-

2/ Analysis of the legal basis for any of these potential actions is beyond the scope of this analysis.

soever, even high priority ones, were permitted to hook up and if new gas supplies were added only in sufficient amounts to meet existing firm customers' needs.

Wholesale and retail gas prices typically are set by, first, averaging the costs of cheap old gas and expensive new gas on a rolled-in basis and, then, adding an amount to recover fixed and other variable transmission and distribution costs. Consequently, today's gas users of all curtailment priority categories would be worse off if new supplies, added in order to serve new gas customers, increased average unit gas costs by more than larger sales volumes decreased average unit fixed and other costs associated with gas transmission and distribution. This effect, a cross-subsidy of sorts, can occur among members of the same curtailment priority categories (e.g., existing high priority customers and new high priority hookups) or between customer classes with different curtailment priorities. Finally, these cross-subsidies can disadvantage existing customers at the same time that expanding gas supplies and adding new customers, even those of the lowest curtailment priority, can benefit the nation as a whole.

The NGPA permits most of the costs of gas delivered by the ANGTS to be rolled-in. If at any point during its project life delivered Alaskan gas costs were lower or higher than the average costs of all other flowing gas, cross-subsidies of some kind probably would be generated. A meaningful analysis of these effects would require a full general-equilibrium analysis of the entire U.S. energy market, a task well-beyond the scope of this analysis.

Nevertheless, rolled-in pricing and historical embedded cost ratemaking for the ANGTS can generate cross-subsidies within the "consumer" group, and

the magnitude of any subsidies and the directions in which they cross between individual consumers can vary over the project's life. Although we did not estimate the magnitude or location of these effects, policymakers may wish to be aware of this potential when formulating an ANGTS regulatory policy.

DISTRIBUTION OF ANGTS OPPORTUNITIES AND RISKS

Previous sections of this analysis have identified numerous uncertainties associated with the ANGTS and with our estimates of the project's expected net national benefits, consumer costs, and shares of the benefits received by various project participants. Each uncertainty embodies an opportunity for better than expected consequences under certain outcomes and a risk of worse than expected results under others.[3/]

The legislative and legal framework surrounding the ANGTS project, as well as proposed and future federal regulatory actions, will determine the overall size of these "upside" opportunities and "downside" risks and their distribution among Prudhoe Bay gas producers, the Alaska and federal governments, and the project sponsors and their lenders. At this juncture, however, all of the regulatory actions affecting the size and distribution of the opportunities and risks are not fully defined and in place. Since the character of the actions are a major focus of current FERC work, they are discussed briefly here in order to connect them to the main thrust of our analysis (estimating the pipeline cost of service and the level and distribution of the NNEB).

3/ For purposes of this discussion, uncertainty refers to the probability of an outcome or event. We label the consequences associated with any one outcome an opportunity if they would increase the welfare of the nation as a whole or of a particular participant compared to the base case; conversely, we label adverse consequences as risks.

The legal and institutional arrangements surrounding the ANGTS appear to be taking a shape somewhat distinct from typical gas pipeline practices, perhaps a necessity for a project of the sheer size of the ANGTS and accompanied by its unique market, technological and regulatory uncertainties.[4/] In order to provide context for this discussion, we assume the following arrangements:

- At the wellhead, gas producers would receive the NGPA maximum lawful price but must absorb the full costs of gas conditioning;
- The project sponsors would confine their role to strictly providing transportation service. Lower-48 gas transmission companies and/or gas distribution utilities would purchase the Alaskan gas directly from Prudhoe Bay producers under long-term contracts with take-or-pay provisions.
- And where other gas distribution utilities would purchase Alaskan gas at the citygate, the purchase price plus ANGTS cost of service would be "rolled-in" with the transmission company's other sources of gas. These gas utilities also would purchase this gas on a take or pay basis. Direct-purchase utilities, as well as those purchasing at the citygate, would roll-in all of their purchased gas costs for sale at retail.

Although details of this description may not be fully correct, we believe for purposes of this analysis that it presents a sufficiently accurate picture of the kinds of arrangements ultimately likely to exist. If so, these kinds of conditions have important implications for the distribution of the ANGTS opportunities and risks.

4/ For an excellent discussion of this aspect of the ANGTS, see Arlon R. Tussing and Connie C. Barlow, Financing the Alaska Highway Gas Pipeline: What Is To Be Done? prepared for the Alaska Legislative Affairs Agency, Juneau, Alaska, April 1979.

In this context, the balance of this discussion evaluates the distribu of the ANGTS opportunities and risks under three kinds of outcomes: i) bet or worse cost experience at the gas production level of the overall project ii) better or worse experience in the portions of the project which may control the marketability of Alaskan gas and, iii) once constructed, catastroph failure to make the project operational, a possibility which may determine th financiability of the ANGTS. Across all three kinds of outcomes, however, it is important to note that the ability to market ANGTS gas and to finance the project are closely related.

CHANGED GAS PRODUCTION EXPERIENCE

Compared to the base case, gas production experience upstream from the ANGTS could prove in actual practice to be better or worse than expected, for three reasons. The incremental costs of the gas conditioning facility could underrun or overrun our base case estimate. Similarly, in order to maintain the level of crude oil recovery while selling gas from the Sadlerochit pool of the Prudhoe Bay field, more or less costly water-flooding might be required. Finally, even with substantial water-flooding, a large loss of crude oil recovery might occur.[5/]

The base case, as noted above, assumes that producers would condition the gas and would be paid the maximum wellhead price specified by the NGPA. Under these circumstances, more favorable production experience would increase the ANGTS project's NNEB over base case levels. The increase would be shared

5/ Although not considered in this analysis, one recent estimate is alledged to envisioned a catastrophic loss of 1.5 to 2.0 billion barrels of ultimate crude oil recovery.

among gas producers and the Alaska and federal government in their relative proportions shown under the base case. All other participants would be unaffected.

Conversely, a worse production experience would have the opposite effect. Up to the point where gas producers' "normal" profits begin to erode, the full effect would fall on these same three project participants. Beyond that point, these three participants could incur real resource costs greater than their revenues. And if incremental production costs ever exceeded incremental revenues, production would cease unless the wellhead price were altered, an action which would need to be evaluate in light of the overall project's economic merits at that point.

At the production level, then, the assumed institutional arrangements may allocate a large share of the NNEB to producers and governments. But their upside opportunities would depend upon their skill and luck in building the gas conditioning facilities and in developing the Prudhoe Bay gas field. Unless the experience worsened by an extreme amount, other participants would not feel an effect or face a decision problem.

The third outcome, an irreversible and substantial loss of crude oil recovery through Sadlerochit gas sales, is especially difficult to evaluate without a detailed reservoir simulation of production alternatives from the reservoir and a full, general-equilibrium analysis of the overall U.S. energy market. Importantly, however, trading the increased NNEB made available from the use of Prudhoe Bay gas from the ANGTS project for an equal or lesser decrease in NNEB from reduced Prudhoe oil recovery would not necessarily be imprudent. Undoubtedly, however, the distribution of national welfare would

be altered by trading increased gas production for decreased oil production, quite possibly to the disadvantage of the oil/gas producers and the Alaska and federal government.[6/]

CHANGED MARKET PROSPECTS

Once the project is certified and the pipeline is built and put into service, federal regulation will work to compel the ANGTS gas to enter the U.S. energy market, in the physical sense of molecules of Alaskan gas finding their way to the burner tip. But in an economic sense, changes from the base case could alter the market prospects of the project.[7/]

Four kinds of events could alter the base case market attractivenss of Alaskan gas. Two of these could be caused by changing either the value of the gas or its delivered cost. Because of changed fuel availabilities, Alaskan gas might displace a fuel other than distillate oil; conversely, changed world oil prices might alter the value of Alaskan gas as a substitute for distillate. Alternatively, the gas value could remain unchanged but its delivered costs could be higher or lower due to the ANGTS construction cost experience or Canadian actions, as discussed earlier in Section IV.

The other two causes of altered market prospects for Alaskan gas are more analytically complicated. On the optimistic side, extra gas reserves, on the North Slope or along the length of line, could facilitate a higher rate of gas flow through the system. And on the more pessimistic side, a cheaper source

6/ This analysis also was beyond the scope of this work.

7/ In the base case, it bears repeating that the opposite paradox may exist; that is, the project may make economic sense but encounter difficulties in the marketplace caused by traditional tariff practices.

of gas (measured in real resource cost terms) might become available after a firm and irreversible commitment was made to the ANGTS project. If this more economical source could not find a place in the market in the face of enforced marketability of ANGTS gas, Alaskan gas would, in effect, displace a cheaper source of gas rather than distillate fuel or another more expensive energy form.

All four kinds of these events would increase or decrease the ANGTS project's net economic benefits to the nation as a whole. As noted by our earlier sensitivity analysis, however, the effects would need to be of enormous proportions, relative to the base case assumptions, in order to negate all of the NNEB (see Section II).

With relatively minor exceptions, consumers would receive the full measure of this increased or decreased NNEB. Enforced marketability—applied through institutional arrangements, such as permitting ANGTS project sponsors to act strictly as providers of a transportation service; legal arrangements such as gas purchase contracts of a take-or-pay variety; and regulatory practices, such as rolled-in pricing—would shift almost all of the upside opportunities and downside risks associated with these four kinds of events to gas consumers.

Incentive Rate of Return

One exception to this pattern of opportunities and risks centers on the incentive rate of return (IROR) mechanism planned to be imposed on the project sponsors. The IROR would shift some of the opportunity and risk associated with construction cost uncertainties to the sponsors. By this reallocation, it is hoped that the IROR would reduce the probability of large construction cost overruns. As currently envisioned, the IROR would lower the overall rate

of return on the ANGTS consortium's equity investment if certain project c were to grow more than 30 percent over base estimates and would raise the r of return if actual costs prove to be less than estimated.

The effectiveness of an IROR scheme in discouraging cost overruns is not well understood. Reviews of similar incentive contracting by the Air Force have been inconclusive.[8/] Moreover, some believe that the TAPS project had greater incentives to avoid cost overruns because the revenues received by th oil companies were reduced dollar-for-dollar by "any and all cost overruns." Yet Mead estimates that Alyeska's costs increased by 23 percent annually after adjusting for inflation and changes in scope.[9/]

For the high construction cost case the imposition of the IROR penalty would only lower the annuity-equivalent cost of service by 8 percent relative to the cost of service for the same construction cost scenario without the IROR penalty.[10/] Thus, although the IROR mechanism would shift risks in a direction that should make those responsible for ANGTS more concerned about cost control, the incentives appear less strong than those asserted to have existed for the TAPS project.

8/ For instance see Robert Perry, et. al., System Acquisition Strategies, The Rand Corporation, R-733-PR/ARPA, June 1971; Frederic Scherer, The Weapons Acquisition Process: Economic Incentives, Harvard, 1964; and Robert Summers, Cost Estimates as Predictors of Actual Weapon Costs, The Rand Corporation, RM-3061-PR, March 1965.

9/ Mead, Transporting Natural Gas from the Arctic, pp. 88-89.

10/ This may overstate the effect of the IROR penalty because the existence of the "greater risk" from the IROR plan caused a higher base rate of return.

Increased Gas Flow

A second exception to exclusive consumer susceptibility to changed market prospects centers on the effect of an increased flow rate. In addition to the extra NNEB shown for this situation [11/] producers of the extra gas required to support a higher flow rate also might obtain some further national economic benefits. The size of the total NNEB effect, however, would depend on well-head pricing, the real resource costs of the extra production, and the national domocile of the firm owning the gas reserves.

Displacement of Cheaper Gas

The fourth situation, under which Alaskan gas would drive out a cheaper gas source, is included here simply to round out our presentation. At this juncture, we are not aware of any gas source which might be driven out by Alaskan gas and which might cost less to the U.S. in real resource terms. Clearly, this hypothetical event would reduce the NNEB. But until a specific alternative source could be identified and its real resource costs and delivered costs evaluated, the likelihood of this phenomenon and its effects on the magnitude and incidence of the NNEB are unclear.

Rolled-In Pricing

A final point concerning the distribution of risks and opportunities related to marketability of Alaskan gas concerns "rolled-in" pricing. The NGPA included an incremental pricing provision for high cost gas. This mechanism allocates a share of transmission companies' gas acquisition costs (generally those in excess of the pre-1977 ceiling price for new interstate

11/ Refer to the base costs, 3.2 Bcf/d flow scenarios of Table V-1.

natural gas) to a segregated account for passthrough to low priority users. This passthrough continues until their retail gas prices reach the level of a substitute fuel (distillate or, subject to certain findings, residual fuel oil).[12/] And over time as, first, all low-priority customers reach the substitute fuel price level and, then, all customers' gas prices reach that level, a situation akin to the longstanding tradition of rolled-in gas pricing once again will prevail in lower-48 retail gas markets.

In Section 208, however, the NGPA treats the Alaskan gas pipeline project in a manner consistent with traditional gas pricing. From the outset of its operations in 1984, the project's transportation costs and most of its gas acquisition costs would be rolled-in.

Rolled-in pricing of Alaskan may, in part, be necessary in order to ensure the marketability of Alaskan gas in the face of traditional methods of setting gas pipeline tariffs. Earlier, Figure IV-1 illustrated that delivered costs of Alaskan gas would initially be much higher than the "levelized" annuity-equivalent of these costs as well as the price of distillate fuel. Unless government or another institution intervenes as a financial intermediary to transform the upside-down tariffs into, say, a levelized cost, another mechanism must lower the apparent delivered costs of gas Alaskan gas during its early years. Rolled-in pricing is one such mechanism; consequently, it can help ameliorate any marketability problems caused by applying traditional pipeline ratemaking to gas delivered from Alaska.

12/ NGPA, Title II.

Importantly, the success of rolled-in pricing for this purpose depends upon the availability of cheaper old gas; unfortunately, the availability of cheaper gas is not fully guaranteed. Moreover, if cheaper gas were available, the extent to which the market problems of Alaskan gas are redressed by rolled-in pricing may not be as large as might at first appear.

Table V-3 presents illustrative U.S. average gas prices, with and without Alaskan gas, for 1985, 1990, and 1995. For the highest cost year (1985), the rolled-in cost of Alaskan gas would be $1.22 per million Btu lower than the cost associated with a separate rate schedule and traditional pipeline tariffs. This 1985 rolled-in cost, however, would be only $0.39 per million Btu below the "levelized" cost of Alaskan gas. By 1990, the Alaskan supplies would approximate average costs without Alaskan supplies, and the average price would exceed the levelized cost of Alaskan gas. Finally, on an annuity-equivalent basis, the delivery of Alaskan gas might decrease overall costs of gas for the 1984 to 2008 period.

To sum up, primarily gas consumers would be exposed to the upside opportunities and downside risks associated with the market attractiveness of Alaskan gas. But compared to gas producers who face the prospect of changed gas production experience, (along with the Alaska and federal governments) consumers' final outcome will be controlled to a much greater extent by remote events (world oil prices) and other project participants' skill and luck (the constructors of the ANGTS). Also, our sensitivity analysis indicates that the range of consequences, measured up and down with respect to their estimated share of the base case NNEB, is much wider for consumers, in both dollar and

TABLE V-2

ILLUSTRATIVE EFFECTS OF ALASKAN GAS
DELIVERIES ON AVERAGE CITYGATE GAS PRICES
(mid-1979 $ per mmBtu)

Year	Average Gas Price Without Alaskan Gas[a]	Alaskan Gas Cost With Utility Method	Average Gas Price With Alaskan Gas[b]	Change In Average Gas Price
1985	2.73	4.01	2.79	+0.6
1990	3.24	3.30	3.24	+0.00
1995	4.01	2.83	3.95	-0.06
"Levelized" Price[c] (1984-2008)	3.76	3.14	3.73	-0.03

a/ Source: Energy Information Administration, Administrator's Annual Report, 1979, Series C.

b/ Assumes that Alaskan gas provides 5 percent of the gas supplies at the illustrative citygate.

c/ 25-year annuity-equivalent price, calculated using a 6 percent discount rate.

percentage terms, than for other participants (see Figure V-1). Unfortunately, the basis for assigning sensible probabilities to the variables which drive this range of outcomes, especially world oil prices and ANGTS construction costs, is weak.

CATASTROPHIC FAILURE TO OPERATE

Catastrophic failure alludes to the intervention of some event which interferes with operation of the ANGTS after some or all of its construction costs have been incurred. This interference could permanently prevent operation or, alternatively, could delay operation for a period of sufficient length to financially bankrupt the project sponsors in the face of large annual debt service requirements associated with the project's debt-laden capital structure.

If neither an "all events" tariff nor a loan guarantee is provided to the project, catastrophic failure to operate would create an opportunity loss to certain project participants and an actual net loss of NNEB for the nation as well as for certain other participants. Compared to the base case, consumers would face an opportunity loss whose magnitude would be bounded by the gas value, less the estimated delivered costs of gas. But to the extent that Prudhoe Bay gas later would become available for their use, this opportunity loss would be reduced. Similarly, gas producers and the Alaska and federal government would face some loss in an opportunity sense.

The tangible NNEB loss, however, would consist mainly of the real resources expended to build an inoperable pipeline. And this loss would fall on the project's investors. First, the ANGTS project's equity investors would lose an amount limited either by their legal liability or by their capacity to

pay. Then, its lenders would absorb the balance of the loss. Because the magnitude of the project is large compared to the equity-base of its sponsors and because 75 percent of the financing is expected to be in the form of debt, it is likely the bulk of the loss associated with a catastrophic failure to operate ultimately would impinge on the project's lenders.

IMPLICATIONS FOR FINANCING THE ANGTS

Financing problems alledged to be faced by the ANGTS may be rooted, in the most fundamental sense, in a lack of symmetry in opportunities and risks faced by project investors. This lack, in turn, stems from the size of the project; its technical, marketing, and regulatory uncertainties; and the high degree of leverage (or high fraction of debt financing) typically expected in a public utility venture. Compare the circumstances of the pipeline investors and the other participants:

- For any of the outcomes short of the catastrophic failure to operate, utility regulation would fix the rewards of the project sponsors and lenders to a "normal" return, adjusted only by the IROR mechanism instituted to stimulate construction cost control. Compared to the target (or center) rate of return, the full range of cost outcomes can swing the overall weighted average return to equity investors by approximately 2.5 percent upward (for filed costs) or 2.5 percent downward (for high costs) from the base case rate of 17.0 percent.[13/] Better or worse gas production experience or better or worse market attractiveness may improve the investors' confidence of receiving a "normal" return, but otherwise their "upside" opportunities and, importantly, their "downside" risks are constrained as long as the project is certified

13/ To a limited extent, the investment tax credit realized by the pipeline owners for actual capital expenditures could counteract the incentives sought through the IROR. We presume that FERC's IROR order will successfully negate any perverse incentives introduced by the ITC.

and it commences operation approximately on schedule. This, of course, is the tradition of public utility regulation in the U.S. And this tradition, in part, explains the large degree of financial leverage that regulated utilities typically achieve in their capital structures.

- Under a catastrophic failure to operate, however, investors may be faced with a real possibility of ruin. Consequently, the project holds out the prospect to investors of a catastrophic downside risk of unknown likelihood, a minor share of the NNEB in the best of circumstances (i.e., a tax credit benefit), and minor upside potential associated with the IROR mechanism.

These observations, if accurate, may explain why investors, particularly lenders, might seek insurance against a catastrophic event in the form of an "all events" tariff or a loan guarantee.

VI. FINDINGS AND CONCLUSIONS

This analysis has found that the proposed Alaskan gas pipeline project is likely to provide significant economic benefits to the nation. The expected net national economic benefit to the United States is estimated at $14.9 billion (mid-1979 dollars). Of course, the actual benefit will remain uncertain until the assumptions underlying the NNEB estimate are proven by time. For example, the NNEB could decrease to about $11 billion if the worst case cost overruns were to occur or if Alaskan gas were required to compete in lower-48 fuel markets with residual rather than distillate fuel oil. Alternatively, the NNEB could grow to $22.3 billion if the distillate price were to escalate at a medium, rather than a low, rate. On balance, however, the NNEB should remain positive over a wide range of future events. And this robustness of the NNEB supports a conclusion that the proposed ANGTS project would be in the nation's economic interest.

But within the larger context of net benefit to the nation as a whole, a second important measure of the desirability of the Alaskan gas pipeline project concerns the cost of the gas to customers in the lower-48. The analysis has found that the traditional regulatory approach for establishing the cost of service for gas transportation (and other institutional factors associated with gas regulation) has important implications for the desirability of Alaskan gas to consumers and, in turn, for its marketability.

Because traditional ratemaking methods would create time patterns for the delivered cost of Alaskan gas which would be upside-down compared to those of competing fuels, this analysis adopted an annuity-equivalent measure of the cost to consumers. On an annuity-equivalent basis, energy consumers would have a clear preference for Alaskan gas compared to distillate fuel oil. Further, this preference would persist even if Alaskan gas were used in the lower-48 as a substitute for cheaper fuels such as residual fuel.

Early-on in the project's life, however, traditional cost of service ratemaking would confront customers with an actual gas cost well above its annuity-equivalent cost. Later on, this ratemaking approach would make the actual delivered cost well-below the annuity-equivalent. As a result, purchasers offered a separate rate schedule for Alaskan gas would find the gas unattractive compared to distillate fuel in the project's early years. But taking the case of an industrial user offered a long-term contract under a separate rate schedule, priorities assigned industrial gas users during previous curtailments make it unlikely that such a user would have faith, say, in a long term Alaskan gas purchase contract.

Thus, this analysis found that if Alaskan gas were sold on a separate schedule, it could encounter serious short run marketability problems. These problems would arise from the regulatory method used to price the gas rather than from its underlying economic merits. In turn, if marketability of Alaskan gas were uncertain, then the ANGTS project sponsors would probably not succeed in arranging financing for the project.

These short-run concerns about the marketability and financing of the ANGTS project stem from one aspect of traditional ratemaking. But consistent

with another feature of traditional gas ratemaking in the U.S., the NGPA exempts gas transported through the ANGTS from the transitional incremental pricing provisions also contained in the Act. These conditions would allow essentially all of the costs associated with acquiring and transporting Alaskan natural gas to be averaged with gas transmission companies' and gas distribution utilities' other supplies of lower cost gas, if available. This analysis found that, although this rolled-in pricing policy may appear to be a major subsidy to the ANGTS project, Alaskan gas actually could lower the annuity-equivalent average price of the total U.S. natural gas supply over the next 25 years. Thus, rolled-in pricing would ameliorate the market obstacles initially facing the sale of Alaskan gas without the risk of proping up a fundamentally, economically unsound source of gas supply.

This conclusion—that the Alaskan gas project should be in the interests of both the nation and the nation's gas consumers—is valid if the ANGTS were constructed at a cost in line with current estimates. Consumers, however, could lose $2.2 billion if construction problems lead to the high cost case for the pipeline construction. Gas producers, the Alaskan and federal governments, and the pipeline owners still would benefit by more than $10 billion.

In addition to consumer benefits, analysis of the distribution of the NNEB from this project shows that the Prudhoe Bay gas producers benefit substantially in all cases. Surprisingly, however, even producers are not the major beneficiaries. Instead, the Alaskan state government and the federal government together are expected to obtain extra tax revenues well in excess of the benefits captured by consumers and producers. In turn, these extra taxes

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would benefit all taxpayers, in the state and across the United States, in the form of otherwise reduced taxes.

The marketability of Alaskan gas, even given the rolled-in pricing provision of the NGPA is not without its uncertainty. Currently, any risks and opportunities associated with the market prospects of Alaskan gas appear as though they will be borne mainly by consumers. Market prospects for the gas, and the risk and opportunity position of consumers, could be altered dramatically by actions which would allocate a larger share of the net national economic benefits to gas users. A FERC proposed rule, which would require producers to pay gas conditioning costs, is assumed in this analysis to be implemented. This rule would allocate to consumers what otherwise would be even larger producer, Alaskan and federal shares of the NNEB. In addition, it should better insure the marketability of Alaskan gas and, in turn, the ANGTS consortium's ability to arrange project financing.

Any remaining marketability and financing problems will arise because of other important project uncertainties; for example, the risk of an enormous cost overrun or a catastrophic failure, arising from some yet unknown source, ultimately to make the project fully operational. Private lenders, who are expected to provide 75 percent of the required funds, are appropriately conservative. As a requirement for providing the large amount of debt to a single project of the ANGTS magnitude (requiring more than $10 billion of debt if built at estimated costs), lenders claim to need ironclad guarantees of repayment of all loans and interest in "all events", including project abandonment.

The NNEB estimates indicate that FERC should encourage the project's implementation in the interest of national economic efficiency; however, the problems of devising an equitable way to promote implementation remain, especially in the area of project financing. For example, an "all events" tariff could provide repayment assurance to lenders. The tariff, however, would shift almost all of the risk associated with catastrophic cost or technical problems to consumers of Alaskan gas. Since these consumers—especially in contrast to the general taxpayers of Alaska and of the entire U.S.—are not expected to be the major beneficiaries of the project under base case conditions, it may be appropriate to consider whether they alone should assume the full burden of these risks, however slight their likelihood of occurence. Importantly, the same line of reasoning may apply equally to the project's investors.

With one exception, there appear to be few feasible and desirable alternatives to consumer assumption of opportunities and risks associated with delivered gas value or cost. The one exception is that some of the risks of cost overruns may be allocated to the project sponsors through an incentive rate of return mechanism. Although an incentive rate of return tariff is certainly preferable to the traditional full cost of service tariff, its potential efficacy is uncertain.

Thus, there are important benefits to be reaped from proceeding with the Alaskan gas pipeline system, but there are also significant regulatory problems to be resolved to develop an equitable allocation of project costs and benefits that maintains consumer and investor interest in implementation of the proposed system.

FERC - ORDER SETTING VALUES FOR INCENTIVE RATE OF RETURN

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

RECEIVED JUL 12 1979

Before Commissioners: Charles B. Curtis, Chairman;
Don S. Smith, Georgiana Sheldon,
and George R. Hall

Determination of Incentive Rate of Return, Tariff, and Related Issues) Docket No. RM78-12

ORDER NO. 31

ORDER SETTING VALUES FOR INCENTIVE RATE OF RETURN, ESTABLISHING INFLATION ADJUSTMENT AND CHANGE IN SCOPE PROCEDURES, AND DETERMINING APPLICABLE TARIFF PROVISIONS

(Issued: June 8, 1979)

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(Issued: June 8, 1979)

I. INTRODUCTION

By this Order, the Federal Energy Regulatory Commission (Commission) resolves three complex and interrelated issues concerning the segments 1/ of the Alaska Natural Gas Transportation System (ANGTS) located in the United States: (1) the structure of the initial tariffs to be applied to the transportation of Alaskan gas; (2) the Incentive Rate of Return (IROR) mechanism and the values to be applied to

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1/ These segments are on the Alaskan segment and the Eastern leg (Northern Border). The only tariffs currently before the Commission for approval are those filed by Alaskan Northwest Natural Gas Transportation Company on behalf of the Alaskan segment, and by Northern Border Pipeline Company on behalf of the Northern Border segment.

the separate elements of that mechanism; and (3) the rate of return on equity to be applied once the system becomes operational.

A. Scope of Order

This Order is divided into six major sections. Section II is concerned with the Incentive Rate of Return, its rationale and mechanism. The four parts to this section explore and define the incentive concept (Part A), the six IROR parameters (Part B), and the implementation of the incentive mechanism (Part C). Sections III and IV deal with particular adjusting mechanisms which are required for the proper implementation of the Incentive Rate of Return. These are the Adjustments for Inflation (Section III) and Change in Scope mechanisms and procedures (Section IV). Section V provides a general overview of the result of the IROR mechanism. Taken together, these four sections supplement the basic framework for an incentive mechanism, specified in Commission Order No. 17, 2/ which is designed

2/ Federal Energy Regulatory Commission, Order No. 17, "Order Attaching Incentive Rate of Return Conditions to Certificates of Public Convenience and Necessity, Docket No. RM78-12 (Dec. 1, 1978) confirmed, Order No. 17-A (Jan. 12, 1979).

to reward project sponsors for good management and effective control of costs.

The project sponsors' proposed tariffs are addressed in Section VI. The focus of that section is to resolve important issues which affect the risk to be borne by project sponsors in the construction and initial operation of the ANGTS. The relationship between the tariff issues and the IROR mechanism is important.

The last section (Section VII) addresses two procedural issues. These concern the use of the rulemaking process, and the relationship of this rulemaking to other pending proceedings pertinent to certification of the ANGTS. 3/

The resolution of tariff, incentive rate, and rate of return on equity issues for the Alaskan Northwest and Northern Border segments of the ANGTS are embodied in the text of this Order, and implemented though the ordering paragraphs and the terms and conditions.

3/ These proceedings focus upon issues surrounding the building of natural gas facilities which, prior to transporting gas as a part of the ANGTS, will be used to transport Canadian gas. See Northwest Alaskan Pipeline Company, Docket Nos. CP78-123, et al., "Order Consolidating Proceedings, Establishing Procedures, Granting Interventions and Initiating Hearings." (April 20, 1979.)

The project sponsors have earnestly sought that this Order, especially as it relates to the tariff structure, provide assurance to prospective equity investors and lenders. The concern of the sponsors is wellfounded. The Commission fully recognizes that equity investors and lenders will make critical decisions respecting the financing of construction of the ANGTS in reliance on this Order.

The Commission has articulated in great detail its rationale for this Order. Where reasoned alternatives were available, we have provided a thorough analysis of the issues and the basis for our conclusions. This thoroughness provides the investors' best security in relying on this Order.

B. Background

The Prudhoe Bay Field, on the north slope of Alaska, contains the largest single gas reservoir ever discovered on the North American continent. Virtually every estimate exceeds 26 trillion cubic feet of proven, recoverable natural gas reserves. This large deposit of natural gas could supply more than two billion cubic feet of natural gas per day (approximately five percent of the nation's current gas requirements) over a 25-year period.

In recognition of the potential importance of this domestic energy source, Congress passed the Alaska Natural Gas Transportation Act (ANGTA), Pub. L. No. 94-586, 90 Stat. 2903 (1976) (15 U.S.C. §§ 719-719m), which authorized the President to recommend a natural gas system to transport Alaskan natural gas to the contiguous lower-48 States. In September of 1977, the President rendered a decision that the Alcan Pipeline Company, because its proposal was environmentally and economically superior to competing proposals, should be granted the certificate to construct the ANGTS. 4/ Congress, by joint resolution, approved and adopted the President's selection in November of that year, H.J. Res. 621, Pub. L. No. 95-158, 91 Stat. 1268 (1977).

The ANGTS will be 4,800 miles in length, orginating on the north slope of Alaska and passing through Canada to the

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4/ Executive Office of the President, Energy Policy and Planning, Decision and Report to Congress on the Alaska Natural Gas Transportation System (September 1977) [hereinafter cited as Decision]. The present sponsors for the Alaskan segment are the successors to the Alcan Pipeline Company; see, Northwest Alaskan Pipeline Company, Docket Nos. CP78-123, et al., "Order Transferring Conditional Certificate of Public Convenience and Necessity from Alcan Pipeline Company to Alaskan Northwest Natural Gas Transportation Company, Reviewing Relevant Portions of Underlying Partnership Agreement and Granting Intervention," (June 30, 1978). The sponsor for the Eastern Leg Segment is the Northern Border Pipeline Company.

lower-48 states. 5/ This system is expected to deliver about 2.4 billion cubic feet of natural gas per day to markets in the lower-48 States. At the time of the President's Decision the capital costs were estimated at $10.5 to $13.9 billion 6/, which would make the project the largest privately financed project i history. 7/

5/ The ANGTS will be a chilled, buried, natural gas pipeline that will run parallel to the Trans-Alaska Oil Pipeline, to Delta Junction, just south of Fairbanks. From there, it will run parallel to the existing Alcan Highway through southern Alaska and northwestern Canada to Caroline Junction, near Calgary, Alberta. (In addition to transporting Alaskan gas, this section may also carry Canadian gas from the Mackenzie Delta region to the Trans-Canada Pipeline at Empress, Alberta.) At Caroline Junction, the system will divide into two legs: the Eastern Leg (Northern Border pipeline in the United States), which will carry approximately two-thirds of the gas eastward to a point near Chicago, and the Western Leg, which will parallel an existing Pacific Gas Transmission Company pipeline, carrying the remaining one-third from Alberta to California. See Decision at 6-12.

The pipeline system in the U.S. will be built by three major pipeline companies. The Alaska segment, from Prudhoe Bay to the Yukon Border, will be constructed by the Alaskan Northwest Natural Gas Transportation Company. The Western Leg will be built by the Pacific Gas Transmission Company. The Northern Border segment will be built by the Northern Border Pipeline Company.

6/ Decision at 157.

7/ The sponsors state they are unable to provide current cost estimates, which have increased since 1977,

(Footnote continue on next page).

In the course of deciding the issues presented in this Order, the Commission has reviewed an extensive record compiled over the past several years in numerous proceedings. This includes the record developed prior to the President's Decision during the lengthy Alaska natural gas hearing in which the Commission first considered project alternatives, 8/ and the Recommendation submitted by the Federal Power

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7/ (Footnote cont'd.)

reflecting inflation and changes in original cost estimates as well as changes in project design. Letter of Mr. Rush Moody, Jr., Counsel representing Alaskan Northwest and Northern Border, to Mr. John B. Adger, Jr., Director, Alaskan Gas Project Office, Federal Energy Regulatory Commission (May 3, 1977).

8/ See, El Paso Alaska Company, Docket Nos. CP75-96, et al., Initial Decision on Proposed Alaska Natural Gas Transportation Systems (Feb. 1, 1977).

On October 1, 1977, pursuant to the provisions of the Department of Energy Organization Act (DOE Act), Pub. L. No. 95-91, 91 Stat. 565 (August 4, 1977), and Executive Order No. 12009, 42 Fed. Reg. 46267 (Sept.15, 1977), the Federal Power Commission ceased to exist and its functions and regulatory responsibilities were transferred to the Secretary of Energy and this Commission, which, as an independent commission within the Department of Energy, was activated on October 1, 1977. The Commission was assigned all relevant authority not granted to it under the DOE Act respecting action concerning the ANGTS. Department of Energy Delegation Order No. 0204-8 (effective Oct. 1, 1977) 42 Fed. Reg. 61491 (Dec. 5, 1977).

Commission to the President prior to the President's Decision. 9/ In addition, there is the record of comments submitted to the President on the Commission's Recommendation, comments on the President's Decision submitted by this Commission and others to the Congress, and the hearings held by Congress pursuant to approving the Decision. Finally, there is the extensive record compiled in this rulemaking, a record which consists of comment submitted to the Commission during the proceedings initiated on May 8, 1977, 10/ six studies or reports dealing with IRCR issues, 11/ a special tariff report of the Commission's Alaska Delegate, and comments and reply comments submitted to the Commission pursuant to the April 6, 1979 Notice.

. . . . . .

9/ FPC, Recommendation to the President, Alaska Natural Gas Transportation Systems (May 1, 1977) [hereinafter cited as Recommendation].

10/ Federal Energy Regulatory Commission, "Incentive Rate of Return from the Alaska Natural Gas Transportation System" Notice of Proposed Rulemaking, Docket No. RM78-12 (May 8, 1978), 43 Fed. Reg. 20245 (May 11, 1978), revised Sept. 15, 1978.

11/ The reports received were: Alaska Gas Project Office FERC, "Price Indices for Adjusting the Cost Performance Ratio of the Alaska Gas Pipeline: Analysis and Recommendations" (March 29, 1979)[hereinafter cited as Alaska

(Footnote continue on next page).

The Decision was the final product of a process, stipulated by Congress in ANGTA, 12/ that included written comments from Federal officers and agencies, as well as State governors, and certain separate evaluations by the council of Environmental Quality. These comments and reports covered matters such as environmental

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11/ (Footnote cont'd.)

Gas Project Office Report]; J. Hass, "Risk, Return and the IROR Plan: A Report to the Federal Energy Regulatory Commission" (March 1979) [hereinafter cited as Hass Report]; James D. McCullough, Institute for Defense Analysis, "On the Treatment of Risk, and Uncertainty in Determining Change in Scope Allowability and Center Point Establishement in the Alaska Gas Pipeline IROR Mechanism" (March 1979) [hereinafter cited as McCullough Report]; Northwest Alaskan Pipeline Company, "Allowable Cost Estimate Revisions Under the Incentive Rate of Return Procedure (March 3, 1979) [hereinafter cited as Northwest Alaskan, Allowable Cost Estimate Revisions"]; Northwest Alaskan Pipeline Company, "Determining the Project Risk Premium for the Alaska Segment of the Alaska Natural Gas Transportation System" (March 7, 1979) [hereinafter cited as Northwest Alaskan, "Determining Project Risk Premium"]; Northwest Alaskan Pipeline Company, "Recommended Inflation Adjustment Under the Incentive Rate of Return (IROR) Procedure" (March 7, 1979) [hereinafter cited as Northwest Alaska "Recommended Inflation Adjustment"]. All of these reports were served on interested parties of record. See Federal Energy Regulatory Commission, "Determination of Incentive Rate of Return, Tariff and Related Issues For The Alaska Natural Gas Transportation System," Docket No. RM78-12 at 18 n. 24 (mimeo) (April 6, 1979) [hereinafter the April 6 Notice].

12/ ANGTA, Section 6 (15 U.S.C. §719d).

and safety considerations, financing, and the relationship of any decision on the ANGTS to other aspects of national energy policy. These submissions formed an important part of the record from which the President's Decision, with all of its attendant terms and conditions, was developed.

The FPC's Recommendation found that the net national economic benefit (NNEB) was large and positive for any of the three alternatives which the Commission had considered, and it recommended that one of the two overland routes be constructed. 13/ However, several of the July 1, 1977, reports to the President explored the impact of higher-than-anticipated costs on the benefits of the proposed projects. In particular, task forces studying construction delay and cost overruns on the one hand, 14/ and national economic impact on the other, 15/ combined

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13/ Recommendation, Chapter IV. NNEB is defined as "the present value of the benefits derived less the present value of resources employed in undertaking the project." Decision at 174.

14/ Department of the Interior and Department of Transportation, "Alaska Natural Gas Transportation System: White House Task Force Lead Agency Report on Construction Delay and Cost Overruns," (July 1977).

15/ Federal Energy Administration, Department of Commerce, Department of the Interior, Department of Labor, "Working Group: National Economic Impact of Alaskan Natural Gas Transportation Systems," (June 30, 1977).

forces in preparing an evaluation of the effects of cost overrun and schedule delay on NNEB. 16/

The President's Decision responded to the possibility of overruns in two ways. First, an analysis of the potential for cost overruns and time delay for

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16/ This table is included to illustrate the genesis of the President's concern over the impact of cost overruns on the project's NNEB as evaluated at the time of the Decision:

Effect on NNEB of Expected Cost Overrrun and Worst Case Overrun (Billions of 1975 Dolars)

	Discount Rate		
Artic			
Expected Overrun	10.4	3.3	0.9
Worst Case	2.6	-2.2	-3.4
Alcan			
Expected Overrun	12.3	4 8	2.0
Worst Case	6.6	0.7	-1.1
El Paso			
Expected Overrun	10.4	3.9	1.5
Worst Case	7 6	1.8	-0.1

Source: Federal Energy Administration, Department of Commerce, Department of the Interior--U.S. Geological Survey, Department of Transportation, Department of Treasury, Energy Research and Development Administration, "Report of the Working Group on Supply, Demand and Energy Policy Impacts of Alaska Gas." Table II-13, at 138 (July 1, 1977).

the selected project, as well as discussion of comparisons with the oil pipeline experience, was incorporated in the Report which accompanied the Decision. 17/ From that evaluation came an estimate of cost overruns under expected conditions, or an "expected overrun."

Second was the explicit recognition of the risk that cost overruns could be much different than the President's expected case, and the requirement that a framework be devised to minimize that risk. The framework, provided in the President's Decision, calls for the allocation of the project's risks among its various beneficiaries, and the organization of Federal Government interactions with the project to reduce those risks. 18/

The structure of government involvement includes a series of approvals designed to ensure that appropriate planning and analysis has been completed prior to construction,

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17/ The Report, following page 84 of the Decision, accompanied the Decision to Congress and may be regarded as authoritative legislative history. Midwest Gas Transmission Co. v. FERC, 589 F.2d 603, 611 n.23 (D.C. Cir. 1978).

18/ Decision at 201-205.

and an organization of the government's enforcement responsibilities in a manner which will provide coordinated and efficient action. 19/ It is this framework in its entirety -- reduction of risks as much as possible through appropriate government involvement, and allocation of residual project risks among the project's various beneficiaries -- that will provide the greatest likelihood of obtaining the expected positive benefits of the project.

The President's Decision places a number of requirements on the Commission to implement the framework within which the project is to proceed. One of the most important is to establish a variable or incentive rate of return mechanism to relate the allowed rate of return for equity for this project to the actual capital cost as compared with projected cost. 20/

19/ Reorganization Plan No. 1 of 1979, submitted by the President to the Congress on April 2, 1979 pursuant to the provisions of 5 USCA §901 et seq.

20/ In the words of the Decision, the Commission was to fix "a variable rate of return on equity that will reward the applicant for project completion under budgeted cost and penalize the applicant for project completion above budgeted cost. The variable return shall be set to provide substantial incentive to construct the project without incurring overruns . . ." Decision at 36.

The consideration of the incentive rate of return mechanism and the project company tariffs will further assign appropriate risks to the project sponsors, and will establish the share of the cost overrun risk to be borne by gas consumers. The principal matters which rem in for Commission consideration are consideration of the shipper company tariffs (including pass-through of charges under the tariffs approved herein), 21/ and the costs of processing and conditioning the gas for pipeline entry. The latter of these two matters is the subject of a rulemaking proceeding currently pending before the Commission in Docket No. RM79-19. 22/

21/ The shipper companies have not yet filed their tariffs with the Commission.

22/ Before the Section 7 certification process for the ANGTS facilities is complete, the Commission must also approve (1) the certification cost and schedule estimates, and (2) the financing plans for the project's segments. Procedures for submission and consideration of certification costs and schedule estimates are being completed by the Commission's Alaska Delegate. These estimates could be filed now for the Northern Border and Western Leg segments of the ANGTS. For the Alaskan segment, these estimates must await the resolution of questions as to the maximum allowable operating pressure of that segment, and the proximity of that segment to the existing oil pipeline.

(Footnote continued on next page)

The final or ultimate cost of this project is now unknown; the best that can be done is to specify a probability distribution of possible final cost outcomes. The range of possible costs for a pipeline such as Northern Border is probably very narrow, whereas the range for the Alaska segment, with its inherent uncertainties regarding system design and logistics of construction, is likely to be much broader.

Cost estimates for most large projects tend to increase as more is known about the detailed design of the system. The classic example in this respect is the

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22/ (Footnote cont'd.)

The Commission has noticed for comment (in Northwest Pipeline Co., Docket No. CP78-123, et al.) a report on system design issues (pipe diameter and operating pressure), and the Department of the Interior has expressed its intention to resolve, in the near future, at least provisionally, the proximity question. Financing plans for the "pre-built" portions of Northern Border and Western Leg (i.e., southern segments to be built in advance of the Alaska segment, to transport gas from Canada pending completion of the full system) are presently being considered in a proceeding before the Commission in Northwest Alaskan Pipeline Co., Docket No. CP78-123, et al. Other financing plans will be considered as they are filed.

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Trans-Alaska Oil Pipeline System (TAPS). The General Accounting Office (GAO) reports that, from an initial estimate of just over $1 billion at the time it was first planned in 1968, the cost estimates had risen to over $4 billion by May 1974 largely due to more detailed system definition and design, additions to the system size and sophistication, delay costs, and route and design changes. By the time the base control budget was established in early 1975, the cost estimates had grown to over $6 billion. 23/ The GAO reports that this tendency is not restricted to the oil pipeline, but is a common feature in other large projects. 24/

As discussed in considerably more detail in Section II.B.2 (the Center Point), the President's Decision took this tendency into account by allowing for expected overruns from the March 1977 estimates. Further review by the Commission suggests that 1.3 times the March 1977 estimate is a reasonable allow-

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23/ Comptroller General of the U.S., Report to the Congress: Lessons Learned From Constructing the Trans-Alaska Oil Pipeline at 10 (June 15, 1978).

24/ Id. at 19-20.

ance for cost growth after this estimate is corrected for inflation and scope changes. However, as Alaskan Northwest points out, the estimte might well be expected to grow as more is known about the detailed requirements for the project's design.

The Commission's problem is to be fair to the project sponsors, given the realities of the cost estimation process, while protecting gas consumers from being exposed to an uneconomic project. The Commission's approach has been to structure the IROR mechanism to accommodate changes in cost estimates attributable to increasing knowledge of design requirements, through adoption of a liberal design change policy prior to the commencement of construction. However, the Commission insists that realistic cost estimates be provided to the government prior to the comencement of construction. This result is achieved by severely constraining the circumstances in which scope changes will be considered once construction has commenced.

The Commission views the IROR mechanism as one of a number of policy tools that the Federal government will use to ensure that the construction of the ANGTS continues to be in the public interest. The Commission

believes that the IROR mechanism it has developed can legitimately be expected to achieve the following objectives:

- o the development of the best possible cost estimates prior to commencement of construction; and
- o the provision of a workable incentive to construct the ANGTS within the parameters provided by approvals or authorizations which may be granted by the Commission and the Federal Inspector.

The President and the Congress found that adequate assurance of continued project viability, and appropriate completion guarantees from the project's direct beneficiaries, should allow the project to be financed in the private market. The Commission recognizes that, in order to achieve a privately financed project, debt service must be assured in all events once the system is complete. The Commission also recognizes that such assurance requires the approval of appropriate project company pro forma tariff provisions and service agreements, as well as assurance that the shippers who sign the service agreements can pass charges incurred under them through to their customers. The Commission observes that the parties are essentially unanimous in agreeing that assurance of pass-through is necessary.

However, certain mechanical and timing aspects of pass-through, as well as appropriate provisions for pass-through of charges incurred in Canada, of necessity are reserved for future proceedings when all tariffs are before the Commission.

The Commission recognizes the essential role of the project company tariffs with all of their attendant conditions in securing financing for the project. In its comments on the President's Decision, the Commission recognized that the Decision and the Agreement on Principles with Canada 25/ anticipated that these will be cost-of-service tariffs, as opposed to a stated rate, to ensure that revenues available to the project companies are adequate to meet their expenses irrespective of fluctuations in throughput volume or costs. We recognize that funds are to be advanced in reliance upon the regulatory approvals provided in this Order.

The size and potential importance of the ANGTS to U.S. energy supplies has led it to receive special

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25/ The Decision incorporated an "Agreement on Principles" between the United States and Canada. Agreement on Principles Applicable to a Northern Natural Gas Pipeline, Decision, Section 7 at 47-83 (Sept. 20, 1977).

regulatory attention and priority. 26/ The Commission has created special administrative arrangements to expedite regulatory decisions and to assure that all necessary administrative resources are devoted to the analysis and resolution of matters in controversy. The Commission reaffirms its commitment to carry out its responsibilities under the President's Decision and ANGTA, as well as its general statutory responsibilities under the Natural Gas Act and the Natural Gas Policy Act as they pertain to this project, with maximum dispatch and full cognizance of the significance of this project for consumers and the nation as a whole. We believe we have provided in this Order the opportunity for the system equity capital suppliers to earn truly generous rates of return if they perform, and for U.S. energy users to obtain valuable natural gas supplies at a reasonable cost.

26/ Both the President and Congress have singled out the ANGTS for special treatment. The most obvious instance is the special legislation incorporated in ANGTA and Congressional approval of the Decision; see also the provisions of Title I of the Natural Gas Policy Act of 1978, Pub. L. No. 95-621, 92 Stat. 3550 (1978). The Department of Energy, National Energy Plan II (May 7, 1979) designates it as the top priority among potential supplemental sources of natural gas.

II. THE IROR MECHANISM

A. Concept and Structure

1. Concept

The President's Decision requires the use of a "variable" or incentive rate of return to deter cost growth during construction. 27/ The concept expressed in the President's Decision is straightforward: in order to provide an incentive for management to reduce costs, rates of return on equity should be increased if the actual construction costs of the project are controlled so as to be at or below the target estimates. In creating the incentive, the President sought to offer the project sponsors a positive reward for superior cost and schedule control, in a format that is not available under conventional public utility ratemaking practices. 28/

The traditional tool for cost control in natural gas pipeline construction has been regulatory oversight, with its attendant threat to disallow investments imprudently incurred during construction. Under traditional regulation,

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27/ Decision at 36.

28/ The Commission recognizes that additional incentives to control the cost of gas delivered by this project are created by the sponsors' interest in ensuring marketability for the delivered gas and by the need to stay within the pool of funds committed by investors for construction.

before any costs may be disallowed for inclusion in rate base they must be shown to have been imprudently incurred. This approach, resting on hindsight, implies that only those costs attributable to patently unreasonable management action may be disallowed.

In competitive industries the rate of return on equity is usually related to cost control. The IROR attempts to establish the same rate-control relationship in a regulated situation. To reach this goal, the Commission has made use of the following principles in designing the IROR:

- o the IROR should provide incentives to reward cost control performance and avoid or minimize cost overruns;
- o the IROR should provide just and reasonable compensation for investors so that sufficient capital may be attracted to finance the project; and
- o the cost to consumers should be lower where cost overruns have been minimized and investors have received an incentive return.

To facilitate future regulation of the project, the IROR will be implemented by an equivalent one-time adjustment to the equity portion of the project's capital costs instead of varying the allowed rate of return on equity. 29/

29/ As explained more fully below, Section II.C., the adjustment is calculated from the discounted present value of the sums of return on equity and return of equity when the appropriate value from the IROR schedule is applied to the equity component of capital cost.

The IROR, then, is designed to complement the disallowance-of-cost mechanism by offering economic rewards for holding down costs. In addition to the standard process of allowing or disallowing costs according to the prudently-incurred standard, project managers will be rewarded for eliminating avoidable costs even though those costs (had they been incurred) might later withstand an allegation that they were not "prudent."

The consumer should be the chief beneficiary of the IROR. Under conventional regulatory practice, consumers may be forced to bear all cost overruns. Consumers traditionally bear not only the return and taxes associated with the additional capital necessary to finance the overruns, but also the depreciation expense associated with the return of that investment. Using IROR, however, the burden of cost overruns will be distributed between consumers and equity investors. While consumers will continue to bear the depreciation expense associated with such prudently incurred investment, they will bear only a portion of the return on the investment to finance such cost overruns. Thus, the IROR should lead to savings in construction costs, which will be divided between lower overall costs to consumers and higher returns to investors. The ultimate effect of applying the IROR will be to provide lower cost natural gas to consumers, with just and reasonable

returns to investors.

2. Structure

The IROR mechanism should provide significant incentives to control costs without placing risks on investors that inordinately increase the cost of capital since that cost is ultimately paid by consumers. The IROR mechanism cannot be examined in a vaccuum. Because the mechanism affects risk and the allowed rates of return on equity, it must be related to other factors that affect the rates, such as applicable tariff provisions. While the IROR mechanism must be evaluated in its entirety and not just on a component-by-component basis, the major elements should be examined before evaluating the expected end-result on rates.

The basic elements of the IROR mechanism are the Cost Performance Ratio and the associated IROR schedule of rates of return. The Cost Performance Ratio is the ratio of Actual Capital Costs (derived from the final construction costs) to the Projected Capital Costs (derived from estimated costs at the start of construction). 30/ The Cost Performance Ratio

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30/ As explained in more detail below, in Sections III and IV, the ratio is adjusted for both inflation (an adjustment to Actual Costs) and for design and other scope changes (an adjustment to Projected Costs).

measures how well project management has succeeded in controlling the costs of the project. A ratio greater than 1.0 indicates that actual costs are greater than projected or budgeted costs; a ratio less than 1.0 indicates that actual costs are less than projected or budgeted costs.

The IROR schedule specifies an allowed rate of return for each Cost Performance Ratio. With an IROR mechanism, the lower the value of the Cost Performance Ratio, the higher will be the allowed rate of return, and vice-versa. Figure 1 illustrates this concept by showing a hypothetical IROR schedule. The curve in the figure slopes upward to the left, indicating that rates of return increase as actual costs are reduced to, or fall below, targeted costs (that is, the smaller the Cost Performance Ratio, the greater the rate of return.

Figure 1

Hypothetical Incentive
Rate of Return Mechanism

Rate of
Return on
Equity

IROR Schedule

1.0

Cost Performance Ratio

$= \frac{\text{Actual Capital Costs}}{\text{Projected Capital Costs}}$

The Projected Capital Costs of the project are based on the Certification Cost Estimates submitted to the Commission for approval prior to the issuance of final certificates of public convenience and necessity. These will be submitted in base-year prices and will not incorporate an allowance for future inflation. In addition to the direct construction costs, an interest or finance charge will be included to create an incentive to minimize delays in construction. Under the Decision, the Certification Cost Estimate must be compared to the earlier cost estimate submitted by the project sponsors in 1977, to see if the new estimate "materially and unreasonably exceeds" the earlier estimate. (Decision at 36-37.)

The Actual Capital Costs of the project are the direct costs of construction determined after two adjustments. First, since Projected Costs are calculated in base-year prices with no allowance for inflation, the Actual Capital Costs must be adjusted downwards (or deflated) to remove the effects of general inflation in the U.S. economy, in order to produce a measure of cost overrun for the project absent the effects of inflation. It is not equitable to penalize investors for their inability to estimate future inflation rates; thus, an inflation adjustment mechanism is specified to remove the

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effects of economy-wide inflation from Actual Capital Costs. Second, finance or interest charges are added to the direct costs.

Finally, it is unreasonable to penalize the equity investors for certain major events beyond their control that significantly increase construction costs if such events could not reasonably have been anticipated by the project sponsors in preparing their cost estimates. Examples of such events include war, natural disasters, design changes compelled by changes in government laws or regulations, and delays caused by government. Such events are defined as Changes in Scope, and the Projected Capital Costs will be adjusted to reflect these changes. This Order specifies the allowed Change in Scope events, and the procedures for altering the Projected Capital Costs to reflect these changes.

A full specification of the IROR structure must begin with the concept that the IROR schedule is to provide an opportunity for project sponsors to earn a rate of return adequate to attract capital so as to compensate investors for the financial and business risks of the project. 31/ This return would be earned at the expected Cost Performance

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31/ This requirement is fully discussed below; see Section II.B.3 (the Operation Phase Rate).

Ratio. This rate of return is termed the Center Rate of Return (and the associated Cost Performance Ratio is the Center Point). If the realized Cost Performance Ratio is greater than the Center Rate, the IROR will be less than the Center Rate and vice-versa.

By this Order the Commission establishes a value for the Center Rate of Return which should compensate equity investors for the financial and business risks of investing in this project. This will be the sum of an "Operation Phase Rate" and two "risk premiums," a "Project Risk Premium" and an "IROR Risk Premium". The Operation Phase Rate is a rate of return to compensate investors for the risks incurred during the operation of the pipeline after construction is complete.

The Decision contemplates that tariff provisions during operation of the pipeline will be such that the risks during operation will be shared by gas consumers and equity investors. The service interruption provisions of the project tariffs will guarantee debt service once operations commence, but equity will remain at risk. The return on equity will be proportionate to the level of service performed, and for extended total service interruptions the return of equity will also be at risk. The Commission in this Order evaluates the remaining risks borne by investors, and compares them

with the risks of investing in conventional lower-48 natural gas pipelines in order to determine a reasonable value for the Operation Phase Rate. This rate of return will be the rate actually used to calculate the transportation charges of the project under the initial tariff approved by the Commission. This rate will also be used to calculate the allowance for equity funds used during construction in determining the rate base of the project. 32/

The Project Risk Premium is to compensate investors for the unusual risks of non-completion, and other risks borne by investors during the construction of the pipeline. It will be added to the Operation Phase Rate. The Decision requires that construction risks are to be borne by investors or other project beneficiaries and not by consumers during construction, (Decision at 120-21) and that charges to customers may not commence prior to the "completion and commissioning of operation of the system" (Decision at 37-38). 33/ In this Order

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32/ While it will be the rate applied to the pro forma tariffs, the Operation Phase Rate may change over time once the pipeline is in operation, to remain comparable with rates of return earned on other investments having similar risks. See Section VI.B.8. (Review of Equity Rate of Returns).

33/ See Section VI.A.1 (Billing Commencement Date) for an analysis of this phrase.

the Commission evaluates these risks, and establishes values for the Project Risk Premium to compensate equity investors for bearing them.

Because the final costs of construction are unknown, the use of the IROR mechanism introduces uncertainty as to the ultimate rate of return that will be earned by the sponsors. For this reason, a second premium is added to the Operation Phase Rate, an IROR Risk Premium. This will compensate investors for risks created by the use of an IROR mechanism.

The Center Rate of Return is the sum of the Operation Phase Rate, the Project Risk Premium, and the IROR Risk Premium. This will be the rate of return allowed when actual costs (adjusted for inflation) equal expected costs (adjusted for scope changes). For higher values of the Cost Performance Ratio, the Incentive Rate will be reduced; cost growth will result in lower rates of return on equity. The extent of this reduction (or increase, if the Cost Performance Ratio is less than the Center Point) is determined by the Marginal Rate of Return.

The Marginal Rate of Return is an analytical concept used to derive the IROR schedule. It is the rate of return implicitly allowed on incremental investment either above or below base estimates. A low Marginal Rate would mean that the Incentive Rate will decline rapidly as cost increases

occur; a high Marginal Rate would mean that the Incentive Rate will decline only slightly as cost increases occur.

The Commission does not intend to use two rates of return, one on projected costs and one on overruns or underruns. Rather, a single Incentive Rate will be earned on all investment in the project; but this rate will be a weighted average of the Center Rate and the Marginal Rate. By simple mathematics, the averaging process gives more weight to the Marginal Rate as the Cost Performance Ratio increases. Thus, the Marginal Rate plays the major role in determining the incentive to reduce costs. To provide this incentive, the Marginal Rate must be low enough to make an investment in cost increases unattractive.

Though the President's Decision contemplated that the allowed rate of return would be variable, the Commission has previously recognized that an unusually high or low rate of return allowed over the 25-year (or longer) operating life of the pipeline could create complications for both future Commission regulation of the pipeline and future financing of expansions or additions. 34/ Consequently, the Commission

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34/ See Order No. 17 (Docket No. RM78-12) (Dec. 1, 1978); see also Notice of Proposed Rulemaking, Docket No. RM78-12 (May 8, 1978); Revised Notice of Proposed Rulemaking, Docket No. RM78-12 (Sept. 15, 1978).

introduced the concept of a one-time adjustment to rate base that would have the same effect as varying the allowed rate of return over the operating life of the pipeline. The one-time adjustment is based on the principle that the same level of profitability can be achieved by allowing the Incentive Rate to be earned on a normal, unadjusted rate base, or by allowing the Operation Phase Rate to be earned on an appropriately adjusted rate base. By adjusting the rate base the same effect can be achieved as varying the allowed rate of return.

The one-time adjustment to the equity investment in the rate base of the project will be made shortly after the operation of the pipeline commences. Thereafter the Operation Phase Rate will be earned on the adjusted rate base. The size of the adjustment to the equity investment in the rate base will be derived from standard discounted cash-flow analyses. The one-time adjustment is such that the present worth of the return on equity and return of equity over the operating life of the pipeline (based on the Operation Phase Rate) is equivalent to the present worth of the returns from applying the Incentive Rate to the normal, unadjusted rate base.

B. Components

1. The Cost Performance Ratio

The basic concept of the Cost Performance Ratio was described above. This section provides a more specific description of its determination and use.

The Cost Performance Ratio is used to measure the degree of cost growth or reduction from the projected costs of the project. It is also used to measure the success of project management in reducing or controlling costs of construction. The measurement of cost growth or the success of management in reducing costs must take into account the following four factors:

(1) Cost growth due to general inflation within the economy can not be reduced or controlled by management and should not be included in the measurement of management's performance in reducing costs.

(2) Cost growth due to an extension of the construction schedule is as important as an increase in direct construction costs and should be included in the measurement of management's cost control performance. A longer construction schedule adds finance or interest charges to total costs, and these will be paid by the gas consumer.

(3) Certain major events may occur which could not have been anticipated by management, the cost impact of which are largely beyond the control of management, and which substantially increase costs. The impact of these events should not be included in the measurement of management's performance in controlling costs.

(4) The measurement of cost growth should be as simple and as uncomplicated as possible to avoid controversy about its use, and thereby avoid major administrative burdens on the Commission, the Federal Inspector, and the project management in implementing the IROR mechanism.

The measurement of cost growth established by the Commission in this Order (the Cost Performance Ratio) meets these four criteria. The Cost Performance Ratio is simply the ratio of actual costs to projected costs: Cost Performance Ratio equals the Deflated Actual Capital Costs divided by the Projected Capital Costs.

The Deflated Actual Capital Costs for the project will be calculated in three steps. First, the direct construction costs (labor, materials, services, etc.) actually

incurred in the construction of the project will be totaled for each quarter. 35/

Second, these quarterly expenditures will be deflated back to base-year prices by the use of a composite inflation index. This index is discussed in greater detail below in Section III. This index is designed to remove the effect of general inflation on those construction costs.

Finally, an interest charge or finance charge will be added to the total direct costs of the project. This charge, hereafter referred to as the Finance Charge, will be based on a Real Rate of Return. 36/ Since the effect of inflation has been removed from the calculation of direct costs, the rate of interest or return on equity used to calculate the Finance Charge will be a "real" rate with the effect

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35/ In their initial comments, the project sponsors request the Commission to clarify when a particular expenditure will be deemed to have occurred since this is important for the inflation adjustment mechanism (Joint Comments at Tab. 2, p. 11). The Commission agrees with the sponsors that an expenditure for materials or services should be deemed to have occurred when the actual payment for those materials or services is made.

36/ This Finance Charge was referred to as an allowance for funds used during construction (AFUDC) in the Notice of April 6.

of inflation also removed. Actual market rates of interest in our economy today reflect or compensate investors for their expectations about future rates of inflation since inflation reduces the worth of their return from the investment.

The Projected Capital Costs (the denominator of the Cost Performance Ratio) will be calculated in four steps. First, the direct costs included in the Certification Cost Estimate, to be submitted to the Commission prior to the receipt of a final certificate of public convenience and necessity, will be divided into quarters depending on when they are expected to be incurred. Since these costs are already calculated from base-year prices, no adjustment for inflation is required.

Between the time the Certification Cost Estimate is prepared and the time when the final design and cost estimate is submitted to the Federal Inspector, 37/ certain changes in design or schedule may occur. The second step will be to adjust the Certification Cost Estimate to reflect these changes in design or schedule. 38/

37/ This final submission is mandated by the President's Decision. Decision at 29.

38/ Prices, however, will not be changed from those that prevailed in the base year for cost estimation.

After construction begins, certain events may occur which the Commission defines to be Changes in Scope for the project. (For a more complete description of these events, see Section IV.) Direct costs in the Certification Estimate will, in the third step, be adjusted to reflect the impact of these Changes in Scope should they occur.

Finally, a Finance Charge will be added to the adjusted direct costs using the Real Rate of Return to obtain the Projected Capital Costs.

The Commission believes that the ratio of these two measures of capital costs (Deflated Actual Capital Costs and Projected Capital Costs) provides the best practical measure of cost growth or overruns to be used to determine the extent of the project management's success in controlling costs. This Cost Performance Ratio meets the four criteria discussed above.

The Commission believes that it is important to include some type of interest charge or finance charge in the calculation of the Cost Performance Ratio since these charges are just as much a cost to consumers as is the cost of steel, labor, valves, etc. However, the Finance Charge should be calculated from a "real" or inflation-free rate of return. Calculation of such a real rate return is inherently

imprecise. The "real" rate is derived by subtracting an estimate of the rate of future inflation, expected by current investors from current market rates of interest and rates of return.

The Commission estimates the Real Rate to be 5 percent. This estimate is based on the following assumptions: (1) 25 percent equity capitalization earning a 14 percent return (a rate of return generally representative of current rates required by equity investors); (2) 75 percent debt capitalization earning an 11 percent interest rate (a rate generally representative of current rates of interest, for example the prime rate); and (3) an investor expectation of a long term inflation rate of 7 percent (a rate representative of recent rates of inflation in the U.S. economy). The Real Rate can then be derived from:

$$(0.25)(14\% - 7\%) + (0.75)(11\% - 7\%)$$
$$= (0.25)(7\%) + (0.75)(4\%)$$
$$= 1.75\% + 3\%$$
$$= 5\% \text{ (rounded)}$$

The project sponsors, with almost no justification, propose instead a rate of 1 percent. Though we are not confident that 5 percent is precisely the correct number, we are certain that 1 percent is too low.

A second criticism by the sponsors, put forward as a footnote, concerns the "cut off" date for accrual

of the Finance Charge. 39/ The intent of this footnote is unclear, but it shows a misunderstanding of the relationship between the accrual of the Finance Charge in calculating the Cost Performance Ratio, the accrual of AFUDC in the rate base of each pipeline segment, and the billing commencement date. The distinction between these concepts is important, and any confusion must be dispelled. Accrual of a Finance Charge in the Actual Capital Costs, and thus in the numerator of the Cost Performance Ratio, will cease for each segment of the project (Alaska or Northern Border) when construction of that segment has been completed even if, for whatever reason, another segment is not complete. The intent of this provision is to avoid penalizing investors in one segment for delay in another segment or in the start-up of gas production. 40/

39/ Joint Comments at 21 n. 12.

40/ The Commission Staff in their comments propose a variation on this approach which would add the "real" Finance Charge no longer being accrued in the Cost Performance Ratio of a completed segment, to the Cost Performance Ratio of those segments not completed, including if possible segments in Canada. (Initial Staff Comments at 48) This idea has some theoretical appeal since it would require the late segments to to bear an even greater Finance Charge in the Cost Performance Ratio, and thus give the investors

(Footnote continued on next page).

This procedure for including a Finance Charge derived from the Real Rate of Return in the Cost Performance Ratio of each segment must not be confused with Commission procedures for the inclusion of AFUDC in the actual rate base of each segment. Inclusion of AFUDC in the actual rate base will be calculated from rates of interest actually incurred during construction on project debt and the rate of return on equity allowed fo. purposes of calculating AFUDC. Accrual of AFUDC in the rate base of each segment will continue until billing under the full cost-of-service provisions of the tariff commences. For a more complete discussion of the billing commencement date, see Section VI.A.1.

40/ (Footnote cont'd.)

even greater incentive to complete construction. However, insofar as we would be obliged to further compensate investors for the additional risk this requirement would add, we do not believe its additional incentive benefits outweigh the additional costs that further compensation may impose on customers.

2. The Center Point

The Center Point Cost Performance Ratio should represent the best current estimate of the actual costs of the project, including any cost overruns relative to the Certification Cost Estimate approved by the Commission. 41/ This ratio has two significant functions.

First, if the Certification Cost Estimate, including likely cost overruns, "materially and unreasonably exceeds" the March, 1977 cost estimate filed by the project sponsor with the Federal Power Commission, then the Commission must carry out the mandate in the President's Decision to review the project and determine whether a certificate of public convenience and necessity should be granted. 41a/ In this review, both the Certification Cost Estimate and the Center Point Cost Performance Ratio are highly significant. The Certification Cost Estimate is important because it indicates, when compared with the March, 1977 estimate and after making proper allowances for price inflation, the growth in the projected costs as a result of the study and work on this project between March, 1977 and the preparation

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41/ In statistical terms the Center Point is obtained by adding together each possible level of the Cost Performance Ratio multiplied by the probability of that Cost Performance Ratio occurring.

41a/ Decision at 36.

of the Certification Estimate.

The Center Point Cost Performance Ratio is important to this review because it also may have changed as a result of the study and work on the project. The Certification Cost Estimate will likely have grown from March, 1977 as a result of detailed planning and design, but the expected cost overrun associated with that estimate may have been altered, and hopefully reduced, by that planning and design. Thus, the Commission believes that the Center Point Cost Performance Ratio must be a part of the comparison of the Certification Cost Estimate with the March 1977 estimate since that review should consider whether or not the expectation of cost overrun has changed from that associated with the March 1977 cost estimates.

Second, the Center Point Ratio is important because it is the target outcome of the project. For example, a Center Point of 1.2 would indicate that a further 20 percent increase in costs is expected from the Certification Estimate, and that this would be the target for IROR purposes. The President's Decision envisioned that the Certification Cost Estimate would be used as the "basis for fixing a variable rate of return on equity that would reward the applicant for project completion under budgeted cost and penalize the

applicant for project completion above the budget cost." 42/ The Commission, therefore, after having determined that the Certification Cost Estimate does not unreasonably exceed the 1977 estimate, must select from all the possible outcomes a target Cost Performance Ratio to use as the Center Point in structuring the IROR schedule.

Common observation as well as historical and statistical studies 43/ of many different types of large projects have revealed a tendency for the estimates of total cost-to-completion to increase as a project moves over time from initial conception to completion. In the early stages of a project this growth often reflects the study required to turn an idea into a detailed set of plans and specifications. In the process of research, evaluation, planning, and budgeting, natural initial optimism is tempered by more realistic appraisals; and in the usual case, unperceived complexities are discovered and the difficulty of the required tasks becomes better understood.

42/ Decision at 37.

43/ See, e.g., W. Mead, G. W. Rogers, & R. Z. Smith, Transporting Natural Gas from the Arctic: The Alternative Systems, 89-94 (1977).

It would have been unrealistic had the President's Decision used the project sponsors' cost estimate in March 1977 as the basis for evaluating the economics of the project. Instead, the Decision factored in cost growth estimates of approximately 30 percent for the Alaska segment and 10 percent for the Northern Border segment, in the evaluations leading to approval of the project. 44/ The estimates that cost growth in excess

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44/ The President's Decision contains two estimates of the extent of likely cost overruns in Alaska. The Report accompanying the Decision states that "[o]verall, it has been estimated that cost overruns of 30 percent or more should be expected in Alaska and Canada. . ." Decision at 150. The table of capital cost estimates on p. 157 of the Report, however, shows a 24 percent cost increase from the Base Case estimate in current or inflated dollars for Alaska. For Northern Border, the expected overrun is 10 percent. All of these estimates include finance charges or an allowance for funds used during construction derived from market rates of interest and rates of return on equity. The State of New York in its initial comments (p. 5) points out that the estimates of cost overruns in the Decision do not include an adjustment for inflation and route changes or other changes in scope. These points, however, do not mean that to the extent the Commission excuses cost increases resulting from design changes or change in scope events, the expected overruns should be less than estimated in the Decision. Inflation is fully accounted for in the Decision by the use of constant 1975 prices; moreover we cannot presume that the Decision considered change in scope variables in estimating costs for a given system.

of 30 percent for Alaska and 10 percent for Northern Border were not likely to occur were one basis for the finding that the project was in the public interest.

Several implications follow. Looking at the project at the time of submission of the Certification Estimate with the benefit of two or more years of intensive study, evaluation, planning, programming, and budgeting by the sponsors, it would be surprising if the new estimate did not reveal some cost-growth compared to the March, 1977 estimate, even allowing for price inflation. This would be a natural phenomenon reflecting, at a minimum, a better understanding and perspective on the project. 45/

Another implication is that after two or more years of work on this project, the Certification Cost Estimate should be a more accurate estimate of what the actual cost of the project will be upon its completion than the cost estimate made in 1977. It would be surprising to realize as large an

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45/ The comments by the project sponsors list a number of reasons why they now expect the Certification Estimate to exceed the March 1977 estimate: (1) cost of restoring Alyeska work camps; (2) cost of restructuring Alyeska communications system; (3) higher estimate of costs to obtain Governmental approvals; a l (4) greater project management expenses. Joint Comments at 11-15.

amount of cost growth from the Certification Estimate as the expected amount of cost growth from the 1977 estimates. 46/

Because the Certification Cost Estimate will be the basis of the Commission's certification proceeding and the cornerstone of the allowed rate of return for this project, it is vital that the Commission have the most accurate and realistic set of cost estimates that can be obtained. There is need to deter both overly optimistic projections which might be offered in the hope that they would promote final certification of the project, and overly pessimistic projections which provide a large margin for error in cost estimates or an implicit allowance for large cost increases. The latter type of estimate would vitiate the intended motivational aspects of the IROR and could result in unreasonably high rates of return.

Considering that a 30 percent allowance for cost growth on the Alaska segment and 10 percent on Northern Border were allowed for in the President's Decision, it is unlikely that, on the sole basis that estimated costs had increased by 30

46/ The project sponsors, however, seem to expect as much cost growth from Certification Estimate as did the President from the March 1977 estimate. Joint Comments at 31. They argue that a 30 percent increase is likely from the Alaskan Certification Estimate and 20 % for Northern Border.

percent for the Alaska segment and 10 percent for Northern Border, the Commission could make a negative finding concerning the public interest of the project. On the other hand, if there were to be a substantial increase in the Certification Estimate over the March 1977 estimate without a substantial decrease in the expected cost overrun from the Certification Estimate, it would seem to follow that either the initial cost estimates used in the 1977 evaluation were badly mistaken or the nature of the project had changed considerably. In either situation the Commission would need to take these developments into consideration in connection with its certification responsibilities. 47/

The Commission has embodied these considerations in a procedure for determining the Center Point. It is contained in Condition No. 12 of the attached Terms and Conditions. The Incentive Rate of Return is based solely on the Certification Cost Estimate. However, in determining the value of the Center Point Cost Performance Ratio, the Commission will take into consideration the relationship between the Certification Cost Estimate and the March 1977

47/ In this connection, the Commission notes with concern the sponsors' comments regarding cost growth cited in footnotes 45 and 46, supra.

estimate, i.e., the cost growth between these two estimates during the intervening period. If a substantial amount of cost growth had already occurred, it would seem in accord with the basic thrust of the Presidential Decision to assume that most of the projected 30 percent cost growth had already occurred and that it would be unreasonable to expect a sizable amount of cost growth in the future. Conversely, should the two estimates show very little cost growth in the intervening period, it would seem reasonable to expect that most of the 30 percent cost growth envisioned in the Presidential Decision would occur in the future. 48/

The formula in Condition No. 12 expresses this concept mathematically. For example, if the Certification Cost Estimate were to exceed the March 1977 estimate for the Alaska segment by 20 percent, then in accord with the President's Decision, the Center Point would be set so as

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48/ In response to earlier concern by the project sponsors, the Commission, in Order No. 17, made it clear that the Certification Estimate will be the basis for the IROR mechanism. Order No. 17, "Order Attaching Incentive Rate of Return Conditions to Certificates of Public Convenience and Necessity," Docket No. RM78-12 (Dec. 1, 1978). The Projected Capital Costs will be derived from the Certification Estimate. However, the Commission believes that it must consider the Decision's findings concerning likely overruns in choosing a Center Point.

to anticipate a further 10 percent cost growth between the time of the Certification Cost Estimate and completion of the project. 49/ To cite another hypothetical example, were the Certification Cost Estimate to exactly equal the March 1977 estimate then the formula would imply that the Center Point should be 1.3, which would provide for the 30 percent cost growth the Presidential Decision estimated would take place.

Of course, it may be that the project had so changed in nature and scope that the two cost estimates could be linked in the process of setting the Center Point. If this were so, the project sponsors should so inform the Commission and provide a detailed explanation of the nature of the changes which had caused the discontinuity in the project so that the Commission could have this information in conjunction with the certification function as well as for establishing a Center Point.

49/ In all cases allowance should be made for inflation so that the comparisons involve calculation of real growth, i.e., growth in resource requirements and not prices.

In the absence of an assertion of a major change in the basic nature of the project from that assumed in the Decision, the Commission will relate its determination of the Center Point to the cost growth that has taken place during the last two years. The mathematical relationship for the Alaska segment will be: Center Point = 1.3 x (March 1977 estimate in base year prices + Finance Charge)/ (Certification Cost Estimate + Finance Charge). For the Northern Border segment the relationship will be: Center Point = 1.1 x (March, 1977 estimate in base year prices + Finance Charge) / (Certification Cost Estimate + Finance Charge). Base-year prices are those used in preparing the Certification Estimate, and the Finance Charge is calculated from the Real Rate of Return defined below. 50/

In their comments on the Commission's April 6 notice, where the above procedure for determining the Center Point was proposed, the project sponsors criticize this proposal as basing the IROR mechanism on the March 1977 estimates submitted to this Commission and the President. As we stated in Order No. 17, the Commission does not intend to

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50/ The Commission Staff in its initial comments (pages 58 and 60) supports this procedure and puts forth a number of the arguments given here advocating this procedure.

base the IROR mechanism on the March 1977 estimates. The attached terms and conditions clearly state that the Projected Capital Costs and the Cost Performance Ratio will be based on the Certification Estimates to be submitted to the Commission sometime in the future.

The Commission must have some basis, however, for determining the Center Point of the IROR schedule. The only information available to us now about the likely cost growth or the ultimate costs of the project including overruns are the conclusions reached in the President's Decision based on the March 1977 estimates. Those conclusions were based upon reasoned comparisons between the cost estimates of the competing projects, actual experience in the Alyeska System, the Recommendation submitted to the President by this Commission, and a number of intragency task force studies and numerous other information sources. Using this information, the Commission has established the above procedure to determine the Center Point.

The Commission, however, anticipates that additional information will be made available to us by the project sponsors about the expected ultimate cost of the project at the time they submit the certification cost estimates. If

this information is substantially different from that relied upon by the President in reaching his conclusions about cost growth, then the Commission would have to reconsider the issue of where the Center Point should be set. 51/ In such a situation the Commission would envision setting the Center Point as part of its overall review of Project costs using a procedure such as that set out below.

If the project sponsors believe that a major change in the basic nature of the project from that assumed in the Decision has occurred, and thus the above procedure for setting the Center Point is no longer applicable, then the sponsors, as part of their respective submissions of certification cost estimates, must at a minimum present evidence to the Commission on the following subjects:

(1) The nature of the changes in the project from that assumed at the time of the Decision, including a

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51/ The project sponsors in their comments seem to advocate that the Commission now set a Center Point of 1.3 for Alaska and 1.2 for Northern Border based on the certification cost estimates which have not yet been submitted to us. The Commission has no factual basis or evidence to support such a determination. Since the Decision is the best estimate of the cost of the project available to us, the procedure or formula described above is the only method we can justify for setting the Center Point until such as time the project sponsors may provide us with additional evidence.

detailed explanation of why the Certification Cost Estimate has changed from the March, 1977 estimate. The Commission will later specify certain cost formats which the sponsors shall follow in submitting their Certification Estimates in order to allow the Commission to better assess the reason for the change in costs. (See Condition 8 of the attached terms and conditions). This information will assist the Commission in determining if the Certification Estimates materially and unreasonably exceed the March 1977 estimates as required by the Decision.

(2) The value or benefit to the Nation and gas consumers of construction of this project in light of the revised cost estimates. In other words, the sponsors must demonstrate that the project is still in the public interest given the changes in the project since the Decision.

(3) The cost increases or cost overruns above the Certification Estimates that may reasonably be expected to occur. The sponsors should explain what eventualities or contingencies are provided for in the Certification Estimates and the contingencies for which no costs have been included. As part of the

Certification Estimate, the sponsors should provide an analysis of the events that could cause cost increases from the Certification Estimate, the likelihood of these events, and their impact on costs. The Commission expects that the Certification Estimates will only include costs resulting from normal conditions to be expected during construction. Abnormal or unlikely events that could increase costs will be analyzed as part of the sponsors' submission concerning potential cost overruns from the Certification Estimate. 52/ The sponsors' analysis of the potential for cost increases from the Certification Estimate will then be used by the Commission in determining the Center Point. If a convincing case is made that the potential for cost increases beyond the Certification Estimate is substantial, then a reasonable value for the Center Point may be substantially greater than one. In any event, the Commission considers it unlikely that the Center Point would be less than one if the Certification Estimate is based on normal or probable conditions.

52/ Since the Certification Estimate will be revised as a result of design changes and other events prior to the Final Design, and for a limited number of Change in Scope events after the final design (see Section IV), the analysis of cost overruns should distinguish between events that are covered by the Change in Scope mechanism and those that are not.

3. The Operation Phase Rate

The Operation Phase Rate of return on equity is that rate which will compensate equity investors for the risks incurred during the actual operation of the pipeline. This rate will be used to calculate transportation charges pursuant to the tariff approved by the Commission after the one-time adjustment to the rate base. 53/

By way of background, the Commission notes that the natural gas transmission industry has had limited experience with project financing; the most expensive projects undertaken have been in the $500 million to $1.5 billion range. However, the ANGTS project is unique in that no other project of this magnitude and character has been undertaken.

53/ This rate will also be used to determine the equity component of the Allowance For Funds Used During Construction in the rate base of the project. Originally in Order No. 17, the Commission required that the AFUDC rate would be the Operation Phase Rate plus the Project Risk Premium. However, the methodology for determining the Project Risk Premium proposed by the project sponsor required knowing the AFUDC rate before calculating the Project Risk Premium. In order to solve this dilemma, the Commission now requires the use of the Operation Phase Rate to calculate AFUDC. However, as a compensating adjustment, the Project Risk Premium, and thus the Center Rate, have been increased from what they would have been assuming the higher AFUDC rate. See Section II.B.4., discussing the Project Risk Premium.

The Commission has adopted a general approach for determining the Operation Phase Rate. First, an estimate was made of the range of rates of return that appears reasonable, considering current financial market conditions and the risks of investing in conventional lower-48 natural gas pipelines. Second, the Commission has compared the operating risks of the Alaskan gas pipeline with the risks normally encountered during operation of conventional pipelines. Based on this comparison of risks, the Commission has determined that the Operation Phase Rate should be within the range of rates that is reasonable for conventional pipelines. 54/

A survey of rate cases (mostly settlements) during the years 1977, 1978, and early 1979, discloses that the rates of return allowed for lower-48 natural gas pipelines have been between 10.68 percent and 15.0 percent. The majority of returns fell within the narrower range of 12 to 14 percent. This survey is the point of departure for our analysis.

54/ Order No. 17 provides that the Operation Phase Rate shall be set by the Commission "within the general range of rates of return for other pipelines with similar operating risks" (Terms and Conditions, No. 12).

Apart from simply reviewing values allowed in the past, there are a number of alternative approaches used by financial analysts for estimating rates of return for utility rate-setting purposes. Without attempting to select a preferred approach from the array of methodological options, the Commission has examined three procedures to see what each implies as an appropriate reference value for lower-48 pipelines. No procedure can precisely determine a just and reasonable rate of return. Therefore, the Commission must exercise its judgment after reviewing the relevant information in order to determine an appropriate value for the Operation Phase Rate.

The general standards for establishing a just and reasonable return on common equity were set forth by the Supreme Court:

> [T]he return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and to attract capital. 55/

55/ FPC v. Hope Natural Gas Co., 320 U.S. 591 (1944).

At the outset, it is readily acknowledged that assembling samples of enterprises "with corresponding risks" is a formidable task. It is difficult to specify risk measures that are both conceptually valid and also work. For this reason, virtually all methods used for recommending allowed rates of return share the weakness of relying on data for entities that may not be precisely comparable in risk.

The often-used "comparable earnings approach" examines rates of return on common equity earned in other businesses or industries with risks comparable to those of the natural gas pipeline industry. In their comments, Alaskan Northwest and Northern Border provided information as to returns earned by industry groups for the years 1973-1978. Looking at the average rate of return for all industries combined over the six-year period, the range has been approximately 11.7 to 15.4 percent. 56/

56/ Joint Comments, Tab 1. Data for natural gas utilities show returns in the range of 11.9-16.2 percent.

Another popular technique is the familiar "discounted cash flow" approach. This method attempts to determine the investors' required rate of return by estimating their expected return (dividends and capital appreciation) on the market price of common stock. The application of the discounted cash flow approach to the ANGTS indicates that the investors' required rate of return for natural gas pipeline companies is somewhere in the range of 14 to 16 percent. 57/

57/ Based on recent years' data for Moody's Natural Gas Transmission Company Average, it appears reasonable that investors might expect return on book equity to be 15-16 percent and dividend payout ratios to be 40-50 percent. (See Moody's Public Utility Manual at a16 (1978). Using growth from retained earnings as a proxy for growth in dividends, such data implies an expected growth in dividends of 7.5 to 9.6 percent. (Growth from retained earnings equals return on book equity times the retention rate, or 15 to 16 percent multiplied by 1 minus 40 to 50 percent). Combined with the average dividend yield of 6.7 percent for the first quarter of 1979, a range of 14.2 to 16.3 percent is produced. Since the market-to-book ratio of Moody's Natural Gas Transmission Company Average in recent years has fluctuated around 1.0, there is reason to believe that this calculated range is reasonable insofar as it approximates the earned returns on book equity in recent years.

Sponsors' consultant, also using a discounted cash flow approach, arrived at a range of 15.7 to 16.7 percent. (Joint Comments, Tab A.) In our judgment, this selection of a 9 to 10 percent expected growth in dividends is biased on the high side because of an incomplete and inadequate implementation of this approach. For example, we note the absence of historical book value growth rates for Moody's Natural Gas Transmission Company

(Footnote continued on next page).

The third approach examined by the Commission involves estimating the difference in return that equity investors require over the rate of interest prevailing on bonds. Since market-determined rates of interest are widely available and accepted as meaningful, a measure of the differential between equity return and prevailing interest rates using this information is practical and provides a plausible guide to the equity investors' required return.

Based on the proposition that over long periods an equilibrium is established between investors' earned returns and their required returns, one way to determine a differential between equity and debt returns is to observe the difference between returns realized on risk-less investments (such as U.S. Government bonds) and returns realized on investments in common stock, namely, dividends

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57/ (Footnote cont'd).

Average even after the sponsors' favorable comments concerning the merit in using them to smooth fluctuations in earnings and to provide a longer term view of potential growth. (Joint Comments at Tab A.) Using the least-squares growth rate in average book value of 8.4 percent for the 1968-1977 period, we can derive an estimate of 15.1 percent for the investor's required return. Furthermore, the assumption of a dividend payout ratio as high as 60 percent in the analysis of the expected dividend growth rate was completely unsupported.

and capital appreciation. Using U.S. Treasury bond interst rates as the riskless rate measure, the equity differential has averaged between 5 and 6 percent over lengthy historical periods. 58/ Thus, adding these equity differentials to current Treasury bond interest rates of about 9 percent produces a required equity return in the range of 14 to 15 percent. 59/

58/ Ibbotson & Sinquefeld, "Stocks, Bonds, Bills and Inflation: Year by Year Historical Returns (1926-74)," Jnl. Bus. (Jan 1976); "Stocks, Bonds, Bills and Inflation: The Past (1926-1976) and the Future (1977-2000)," The Financial Analysts Research Foundation, 1977; see also, Levy "Stocks, Bonds, Bills and Inflation Over 52 Years," Jnl. Portfolio Mngt. at 18-19 (Summer 1978).

59/ Implicit in Hass' analysis of an Operation Phase Rate is a current required return of 15.7 percent for diversified natural gas transmission companies (a "riskless" rate of 9 percent plus an equity "risk premium" of 6.7 percent). See Hass Report at 16-20.

Sponsors' consultant employed the capital asset pricing model, a variant of the risk premium approach, and arrived at a rate of return of 17.33 percent for conventional lower-48 pipeline companies. (Joint Comments, Tab A.) Incorporated in this analysis was a market risk premium of 8.5 percent. The support for a required premium of this magnitude, however, was largely undocumented and unpersuasive. Substituting the 5 to 6 percent premium cited above, the result is a range of 13.9 to 14.9 percent. (Riskless Rate plus Beta times Market Risk Premium or 9.0 percent plus 0.98 times 5 to 6 percent.)

In summary, the Commission's recently allowed rates of return for lower-48 natural gas pipelines have generally fallen within the range of 12-14 percent. In addition, data for recent earned rates of return on common equity and two methods for estimating investors' required rates of return for lower-48 pipelines yield the following ranges:

Estimation Approach	Range of Rates
Comparable Earnings	12 to 15%
Discounted Cash Flow	14 to 16%
Equity Risk Premium	14 to 15%

Given this range of estimates, the Commission must exercise its judgment in determining the reference value for lower-48 pipelines. On balance, the Commission believes that under current market conditions a rate of return in the range of 12 to 15 percent is appropriate to use as a basis for setting the Operation Phase Rate for the ANGTS.

To use this range as a guide for setting the Operation Phase Rate, the Commission must assess how the risk exposure of investors in the ANGTS project during operation compares to the risk-exposure of pipeline investors in the lower-48 states. The Commission believes that the greatest risks faced by investors in the ANGTS will occur during the construction phase. 60/ The risk exposure the Commission is

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60/ The Project Risk Premium is intended to compensate investors for these risks. See Section II.B.4 (Project Risk Premium).

is attempting to evaluate here concerns the relative risks of the ANGTS and lower-48 pipelines during the operational phase. To compare risks, we first examine why the Alaska project may have greater operating risks than lower-48 pipelines, then examine why risks during operation may be less than those faced by other pipelines. Finally, we weigh and balance the various factors.

Operating aspects of the Alaska project that may be regarded as more risky than operating conditions for lower-48 pipelines are the following:

Arctic operating environment. The project in Alaska will be operating in a harsh environment. The ANGTS could experience problems such as thaw settlement or frost heave affecting the reliability of operations. Innovative techniques such as gas refrigeration will have to be used because of the environment. Environmental restrictions, remote locations, and severe climate may affect the ability to repair the pipeline in the event of a service interruption.

High pressure pipeline. The project will be operating at higher pressure than is conventional. Although the Commission does not expect the higher pressure to affect operating reliability, confirmation will only come through operating experience.

High cost gas. Because of relatively high transportation costs, the gas transported through this system will be expensive compared to other sources of supply. Large cost overruns or partial service interruptions could result in even greater costs per unit of gas. Though the tariff approved by the Commission will allow for rates to recover the full cost of service once service commences (with the exception of equity charges in the event of service interruptions), difficulties in marketing the gas or in collecting the allowed revenues could conceivably occur.

Low equity capitalization. The proportion of equity in the capitalization of the pipeline is expected to be approximately 25 percent, in contrast to an industry average of about 50 percent. In the absence of other considerations, the higher degree of leverage increases the risks to equity investors should there be a diminution of revenues because the fixed costs of the project, including debt service must be paid prior to any return to equity. 61/

61/ Leverage should not be evaluated alone; it must be considered along with other factors of which the most important is the cost-of-service tariff which largely reduces the risk associated with a high proportion of equity investment.

There are also very significant risk-reducing features of this proposal. The most important are:

Cost-of-service form of tariff. By this Order, the project is granted a cost-of-service form of tariff instead of the conventional fixed-rate form. The cost-of-service tariff allows the project to charge rates adequate to recover its full cost of service, even if costs or throughput change over time, without the need for first filing a new rate schedule or obtaining this Commission's approval. In contrast to the fixed-rate tariff, changes in costs or throughput volumes are reflected immediately in the pipeline's rates, rather than after some period required for processing a rate-change application.

The commitment to allow a cost-of-service tariff is a major factor that offsets much of the risk exposure of investors in the ANGTS. The cost-of-service mechanism greatly reduces the risk of inability to earn an allowed return due to increases in cost or reduction in volumes. 62/

62/ Some risk that estimated throughput volumes may not be attained continues to exist. For example, as discussed more fully in the section on tariffs, the segment may be unable to transport the contract quantities because of a pipeline operating problem. If the diminution of service over a one month period amounts to more than 10 percent of contract throughput, the return on equity

(Footnote continued on next page).

With respect to the proposed capitalization, sponsors' consultant urges that the Commission continue to acknowledge the risk increasing effects of financial leverage by allowing a higher equity return for the "thinner" equity of the project. However, we feel that there is much merit in the Staff's argument that the cost-of-service and service interruption provisions in the tariff largely offset the financial risks associated with debt financing. Considering the risks associated with the relative proportions of debt to equity in the capital structure, we believe that the cost of service tariff provisions offset the high degree of leverage proposed by the sponsors and consequently, we feel that ANGTS will face lower financial risks than would conventional pipelines with the same equity capitalization but without the cost of service tariff.

62/ (Footnote cont'd).

will be proportionately reduced. Provision is made for possible makeup transportation at a later date. If all service is interrupted for more than 30 days (a most unlikely event), the return of equity may also be forfeited if the Commission finds that the cause of the interruption was within the project sponsors' control.

Tracking of costs by shippers. In order to further assure that revenues are adequate to cover the cost of service of the project, the Commission's policy will be to allow automatic tracking of Alaska gas transportation costs in the tariffs of gas shippers who are interstate pipelines under our jurisdication. The exact form or nature of the tracking mechanism must await specific applications from shippers to modify or amend their tariffs and may differ from shipper to shipper.

Large reserves-to-production ratio. The reserves of gas at Prudhoe Bay are very large (at least 26 trillion cubic feet) and can supply gas for the pipeline at a rate of 2.4 billion cubic feet per day for at least 20 years without exhausting the reserves. This reserve-to-production ratio is much larger than for most other natural gas pipelines and provides assurance that gas supply will be adequate to allow the full recovery of capital investment in the project. Thus, as compared to most pipelines that have reserve commitments that generate significant risk-exposure, the ANGTS is in an enviable position.

Rolled-in pricing. In order to reduce marketing risks for this relatively high cost gas, the Congress, as part of the Natural Gas Policy Act, directed that the transportation cost and wellhead price for this gas will be "rolled-in" or averaged with cheaper sources of supply and

sold to higher priority users. Thus, even if this gas is more expensive than some other sources of supply, potential problems of marketability are reduced since shippers are assured that they will not have to market this gas separately from other sources of supply.

Weighing all the risk-increasing and the risk-reducing factors, the Commission concludes that the risk exposure of ANGTS investors during the operation phase of the Alaska segment of the project will be somewhat higher than the risk-exposure of investors in the typical or average lower-48 pipeline. Thus, the Commission believes that an allowed Operation Phase Rate near the upper end of the range of rates discussed previously for lower-48 pipelines (12 to 15 percent) is reasonable for the Alaska segment of the project. The Commission selects 14 percent as the Operation Phase Rate for the Alaska segment. 63/

63/ Sponsors' asserted that the implementation of the comparable earnings approach confirmed the reasonableness of a previously deduced 18% return on common equity for the ANGTS project (as opposed to typical lower-48 pipelines). (Joint Comments at Tab A.) They initially contended, without adequate support, that the ANGTS project should be viewed as a relatively risky enterprise during its operation. This unsubstantiated position presumably underlies the 18% return recommendation. They then attempt to further justify this recommendation merely by noting that the 18% value falls in the upper deciles of the earned returns on common equity for over four thousand

(Footnote continued on next page).

63/ (Footnote cont'd).

publicly held corporations. The apparent rationale here is that risk and earned returns on common equity are directly related. The sponsors nowhere establish, however, that high earned returns on common equity are necessarily associated with high risk.

Hass recommended 14.4% as the Operation Phase rate for the Alaska segment and 12.5% for the Northern Border segment, Hass Report at 20, while Staff contended that 11.5% and 10.5 percent, respectively, are more appropriate. Initial Comments of the Commission Staff on Company Tariffs and Incentive Rate of Return, Docket No. RM78-12 at 76-77 (May 4, 1979). [Hereinafter Staff Initial Comments]. Both took the position that investors, primarily because of the cost-of-service tariff, would perceive the ANGTS project as being a less risky investment than investments in lower-48 pipelines. However, while Hass' analysis enables one to see the steps leading to his conclusion, Staff's analysis is wholly subjective and no attempt is made to justify the current appropriateness of a 13% allowed return for conventional pipeline companies or how Staff's risk analysis led it to conclude that 10.5 - 11.5 percent is a reasonable range for the ANGTS project. Although the Commission recognizes the risk reducing nature of many of the issues discussed by Staff, we believe that Staff's qualitative analysis does not give sufficient consideration to how the uncertainties associated with the ANGTS project will impact on investors' required returns.

Staff attempted to confirm the reasonableness of its recommendation by duplicating, with some adjustments, the type of risk premium approach employed by Hass. We believe, however, that Staff's version of the Hass approach is flawed in several respects. For example, the 12.9% figure that Staff used as representative of allowed return for natural gas pipeline in 1975 was not shown to be equal to the investors' required return. Furthermore, for the risk premium approach to have any validity, investors' required returns for debt and equity securities must be compared during the same time period. Staff, however, relates this 12.9% figure to a current riskless rate rather than the riskless rate

(Footnote continued on next page).

The Commission also concludes that the operation phase risk exposure of investors in the Northern Border segment is lower than the risk exposure of investors in the Alaska segment. The environmental and other risk-increasing factors pertinent to the Alaska segment are not as important here. The major risk imposed on investors by the tariff is that the return on equity or the return of equity may be reduced because of service interruptions.

The Northern Border system will be located in an area which is geologically more stable and readily accessible for any repair work which might be required. Along most

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63/ (Footnote cont'd).

prevailing in 1975, as Hass did. Finally, Staff's downward adjustment of its derived 3.9% equity risk premium for the alleged lower risks of the ANGTS project by the same absolute percentage points as reflected in Hass' analysis, rather than by the same relative percentage, is questionable.

Hass also suggested the use of a rate indexed to interest rates, rather than a fixed-rate. Given current uncertainties with regard to inflation and capital market developments, there is undoubtedly some merit to such a proposal, as evidenced by the increasing use of variable or "floating" interest rates for long-term debt instruments. The Commission is aware that certain portions of the financial community are becoming more interested in the concept of indexing. At this point, however, the Commission does not believe that such a mechanism is necessary. Should the project sponsors discover that such a mechanism would facilitate project financing, the sponsors are certainly free to petition the Commission to impose such a condition.

of Northern Border's route, it will traverse areas which are already served by one or more of the major pipeline systems in the lower-48 transmission network. We believe that because of its location, the operating problems of the Northern Border segment will not be significantly greater than for other lower-48 pipelines. Consequently, the cost-of-service tariff, tracking provisions, and rolled-in pricing reduce the risks of this segment below that of the Alaska segment. The Commission finds, therefore, that 13 percent is a reasonable Operation Phase Rate for the Northern Border segment.

4. Project Risk Premium

The Project Risk Premium is added to the Operation Phase Rate to compensate investors for their risk exposure during the construction of the pipeline. The possibility of not completing the pipeline is the major risk faced by investors in the ANGTS. A key feature of the President's Decision is its emphasis that this risk of non-completion shall be borne by equity investors and other beneficiaries of the project, such as the State of Alaska or the producers at Prudhoe Bay, rather than by gas consumers or the general public through government loan guarantees. 64/ Consequently, the Decision states that charges may be levied on consumers only after the "completion and commissioning of operation of the system." 65/ If the project is abandoned prior to the initiation of service, investors cannot expect to recover their investment through charges on gas consumers.

The sponsors of the Alaskan segment presented a basic approach or methodology for determining these values of the Project Risk Premium in a paper submitted to the Alaskan Delegate on March 7, 1979, and distributed to all

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64/ Decision at 124.

65/ Decision at 38.

interested parties. 66/ The Commission adopts the general methodology earlier used by the project sponsors, but disagrees with certain key parameter values. 67/ Use of more appropriate values results in a Commission estimate of the Project Risk Premium substantially lower than the sponsors' estimate. 68/

First, the Commission has assumed a seven-year schedule of testing and construction, beginning in 1978 and ending in 1984, instead of the longer eight-year schedule assumed by the project sponsors. Even a seven-year schedule is significantly greater in length than the schedule that was presented to the President and the Congress as part of the March 1977 cost estimate. That estimate was based on a construction schedule that would be essentially complete by

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66/ A similar but more elaborate methodology was proposed by Hass, Hass Report at 20-40.

67/ Since the project sponsors in their comments make no reference to this methodology nor comment on the Commission's use of this approach, it is not clear whether they still advocate this approach.

68/ The April 6 Notice identified four issues the Commission believes are important in determining the Project Risk Premium and invited comments on these issues. Based on a review of these comments, the Commission has altered its view of the Project Risk Premium in a number of significant respects.

the end of 1981, with some additional work on compressor stations in 1982.

Second, the Commission has based its calculations on th assumption that there is at least a 67 percent chance that the current sponsors will be able to complete the system. In their paper, the sponsors assumed only a 30 to 40 percent probability of completing the system. The Commission's utilization of 67 percent by no means indicates its belief that the odds for completion of the project are two out of three. However, the Commission also cannot accept the sponsors' representation of a one out of three probability of project completion. The assumption chosen here merely makes certain that the Project Risk Premium compensates for a reasonable estimate of non-completion risk. 69/ The Commission believes that the low probability of success assumed by the sponsors contradicts the assurances given to the President and the Congress, at the time of the President's Decision, that this project could be privately financed under the conditions imposed by the Decision. Consequently, the Commission cannot accept the sponsors' assumptions, and does not believe that it is reasonable to allow a large Project Risk Premium on the basis that it is needed to compensate investors for an assumed small chance of successful completion.

Third, in calculating the Project Risk Premium the Commission makes no provision for the possibility that the

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69/ The Commission notes, in this regard, that comments on the reasonableness of the assumptions concerning the probability of project abandonment and construction schedules were sought from the sponsors in the Notice of Proposed Rulemaking (at 26). None were forthcoming.

sponsors could recover part of their investment through charges on existing customers in the event of abandonment. The Commission believes that the President's Decision did not contemplate such charges, and that plans and present decisions should be made on the assumption that cost recovery from rate-paying consumers will not be allowed in case of abandonment. The Commission recognizes, however, that substantial tax savings could accrue to investors in the event of abandonment. The lost investment is a loss for tax purposes and would reduce the tax payments of the project sponsors by an amount approximately equal to one-half of the investment. 70/

Fourth, the project sponsors' paper and the Commission's April 6 Notice assumed substantially different values for the rate of return used to calculate the allowance for the funds used during construction (AFUDC) included as part of the "risk adjusted rate base." 71/ The project sponsors

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70/ The only exception would be if a partner did not have a taxable income larger than the lost investment. Even in this event, loss carry forward provisions would allow the loss to be deducted from past and future income.

71/ The equity AFUDC rate is conceptually quite different from the actual rate the Commission will allow for determining AFUDC and it is used only to derive the theoretical construct of the "risk adjusted rate base".

proposed 15 percent, while the Notice proposed a lower rate of 9.5 percent. 72/ The Commission stated in the Notice that the risk of non-completion was essentially the only risk faced by investors during construction, and that this was compensated for by the "risk adjusted rate base" and the resulting Project Risk Premium. Under this concept, an equity AFUDC rate for calculating the "risk adjusted rate base" should be very low and incorporate no explicit compensation for risk. The Commission used 9.5 percent, which is comparable to the rate obtainable on low risk government securities.

72/ Staff's arguments in their initial comments recommending a 4.5 percent after-tax risk free equity AFUDC rate in calculating the risk adjusted rate base are not persuasive. Staff Initial Comments at 80. Staff is confused by the fact that the equity investors in the Alaska gas project are themselves likely to be corporations (the sponsor companies) rather than individual stockholders and thus must pay the corporate profits tax on any interest income at a rate of approximately 50 percent. Staff's argument is that a low risk alternative to an equity investment in the Alaska gas project would be an investment in government bonds from which the interest income would be subject to the corporate profits tax rate. This is misleading since the sponsoring companies can best be thought of as intermediaries for their own stockholders. The choice to a stockholder in a sponsor company is to invest in the Alaska project indirectly through the sponsor company or to invest in a low risk government security. From the perspective of a stockholder in a sponsor company, the interest income and the return on equity are both on the same tax basis (after corporate tax but prior to the personal income tax) and are in fact comparable.

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The project sponsors, on the other hand, asserted that the methodology for calculating the Project Risk Premium only explicitly compensated for the extraordinary risk of non-completion for this project, and that any compensation for the normal risks of building a pipeline, including a competitive pre-decision risk, must be incorporated in the value of the AFUDC equity rate. 73/ The Commission has been persuaded by these arguments and has used an equity AFUDC rate to calculate the "risk adjusted rate base" that is equal to the Operation Phase Rate of 14 percent.

Based primarily on the project sponsors' methodology, and using most of the same parameter values, with one important exception, the Commission has calculated a

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73/ One particular risk for which this higher value of the equity AFUDC rate compensates is the risk incurred during competitive proceedings before this Commission. The Commission regards this risk as one of the normal risks of the pipeline business, for which the normal rate of return allowed regulated gas pipelines, and thus the Operation Phase Rate for this project, provides compensation. Thus, the Commission's calculation of the "risk adjusted rate base," and the Project Risk Premium, in this Order does not explicitly consider the probability of abandonment prior to the Decision and the issuance of the conditional certificates of public convenience and necessity in December 1977. In their initial comments, both the State of New York and the Upper Tanana Development Corporation argued against a higher Project Risk Premium to compensate for this risk, and no party argued for it.

Project Risk Premium of 2.0 percentage points for the Alaska segment. 74/

74/ The time profile of equity investment is taken from the response of the sponsor to an interrogatory from the Alaskan Delegate (dated May 3, 1979) which was served on all parties. As stated earlier, the probability of successful completion is assumed to be approximately 67 percent, making the chance of abandonment approximately one-in-three. The equity AFUDC rate used to calculate the "risk adjusted" and normal rate base is the Operation Phase Rate of 14 percent.

The calculations necessary to derive the Project Risk Premium for the Alaskan segment discussed herein are as follows:

	1978	1979	1980	1981	1982	1983	1984
Equity Investment (% of total)	9.0	5.3	5.3	20.1	27.5	20.1	12.7
Normal Rate Base (RBN) (14.0 % AFUDC rate)	10.26	17.74	26.26	52.85	91.60	127.34	159.64
Risk of Abandonment	.06	.12	.12	.05	.03	.01	.005
Risk Adjusted Rate Base (RBA) (14.0 % AFUDC rate)	10.63	19.66	31.00	59.23	100.89	138.88	173.42

Project Risk Premium = .1931 (173.42/159.64 - 1) = .0167

Applying a higher equity AFUDC rate (e.g., 14 percent vs 13 percent) to the RBA/RBN ratio results in a lower Project Risk Premium, other factors being equal. Under the conditions

(Footnote continued on next page.)

For the Northern Border segment, the construction p risks are considerably less than for the Alaska segment. Essentially, Northern Border will be of conventional pipe design, traversing areas where natural gas pipelines have previously been constructed. Thus, the likelihood of proj abandonment during construction due to extreme cost overru is virtually non-existent.

The required expenditures on pipeline design, engineeri and testing for Northern Border are of a lower magnitude relative to total costs than for the Alaskan segment. Hence, if Northern Border had to be abandoned during the early stage of pipeline design and engineering, the lost investment relative to total cost would be less than for Alaska.

74/ (Footnote cont'd)

above, as an example: Project Risk Premium at 14% = 1.67; at 13% = 1.87. As indicated above, the fact that the Commission specifies a lower AFUDC Rate than contemplated in Order No. 17, results in a higher Project Risk Premium and a higher Center Rate. The premium of 1.67% would be fair compensation for the risk-neutral investor who was willing to accept a fair gamble in the narrow statistical sense. The Commission, however, believes that the premium must be higher to compensate risk averse investors and has selected a value of 2.0%. For more information about the methodology, see Northwest Alaskan, "Determining Project Risk Premium," cited at n.11 above.

The Northern Border segment also has the potential for transporting gas from two sources of supply, Western Canada as well as Alaska. Because of the possibility of "pre-building" most of Northern Border to carry Canadian gas in advance of Alaskan gas, the risk of abandonment of Northern Border will be obviated sooner than the risk of abandonment of the Alaska segment.

Weighing all of these factors, the Commission concludes that the appropriate Project Risk Premium for the Northern Border segment is 1.5 percent.

5. IROR Risk Premium

The IROR Risk Premium is to compensate equity investors for the risks introduced by the variability in the allowed rate of return created by the IROR mechanism. The IROR Risk Premium, when added to the Operation Phase Rate and the Project Risk Premium, yields the Center Rate. 75/

The IROR Risk Premium compensates for the various uncertainties attendant to implementing a new regulatory mechanism. For example, since the Inflation Adjustment and Change in Scope mechanisms established in this Order have no prior history, some uncertainty exists regarding their implementation and their effects on the return that will finally be realized by investors in this project. As is discussed more fully in Section III, the composite inflation index required by the Commission may over or underestimate the actual inflationary experience

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75/ In order for the ANGTS to obtain private equity financing, the IROR schedule must be designed in such a way that the statistical concept of the expected discounted stream of revenues (i.e. depreciation and return on equity) is at least equal to the expected discounted equity investment. Because of the design of the IROR schedule, the discounted expected returns to equity investors will exactly equal the expected equity investment if the Center Rate equals the cost of equity capital to the project, given the risks of the project.

of the project during construction. This creates additional uncertainty about the final outcome of the IROR mechanism. This uncertainty is the major reason why the Commission has decided to increase the IROR Risk Premium for Alaska from the 0.5 percent proposed in the April 6 Notice to the figure, established in this Order, of 1.5 percent. Similarly, the IROR Risk Premium for Northern Border has been increased from 0.25 percent to 0.5 percent.

Suppliers of very large sums of equity capital are likely to be risk averse. If presented two investments, both of which have the same average expected rate of return but one has a wide range of possible outcomes and one has a smaller range, most investors would prefer the latter. This would be true even if possible positive returns balance possible negative returns. Most investors prefer relative certainty to variability; therefore variable rates of return have to be higher than relatively sure rates of return.

Adoption of an IROR schedule confronts investors with a variable allowed rate of return in the form of a schedule of rates depending on cost control performance, rather than the single allowed rate of return as provided in the usual situation for public utility investment. Moreover, while

in the usual utility investment, actual or realized rates of return may vary from allowed rates of return due to unanticipated inflation, demand shifts, or other economic changes, this project could have more variance due to the inflation and Change in Scope adjustments. Thus, an IROR Risk Premium is necessary to attract private equity investment in the project as compensation to investors for the risk created by the variable allowed rate of return.

There is no clear basis for determining the trade-off between a single allowed rate of return and a schedule, but the Commission in its judgment has concluded that a 1.5 percent IROR Risk Premium is appropriate for the Alaskan segment and that a 0.5 percent IROR Risk Premium is appropriate for the Northern Border segment. 76/ These figures, when added to the Non-Incentive Rate, yield Center Rates of 17.5 percent and 15.0 percent, for the Alaskan and Northern Border segments, respectively.

76/ Hass concludes that ". . . the IROR Risk Premium does not need to be very high and could be set to zero with justification." Hass Report at 42. Project sponsors, on the other hand, have expressed a concern that uncertainties associated with the IROR mechanism compound the already formidable task of arranging private financing for the project.

The State of Alaska has argued in its comments that the IROR Risk Premium is unnecessary and inconsistent with the rationale presented for it by the Commission. It states that the expected rate of return, in the statistical sense, can never be less than the Non-Incentive Rate (that is, the sum of the Operation Phase Rate and the Project Risk Rate) and will probably exceed the Non-Incentive Rate. It concludes that there is no downside risk inherent in the IROR mechanism and that even a schedule which embodied no IROR Risk Premium would offer investors a schedule of returns which are higher than necessary to induce equity investment in the project.

The Commission is not persuaded by these arguments because they fail to address the fundamental issue of the variability of the earned rate of return relative to the Center Rate. The actual Cost Performance Ratio, and thus the Incentive Rate which will be achieved, is by no means known with certainty. By definition, there is some probability of a Cost Performance Ratio in excess of the Center Point. Therefore, investors face the possibility of receiving a rate of return less than the Center Rate, even though the expected rate of return (by the narrow statistical definition) may be in excess of the Non-Incentive Rate.

The IROR mechanism does confront investors with downside risk, and thus, a reasonable IROR Risk Premium is appropriate. 77/

The Commission Staff has proposed that no IROR Risk Premium should be incorporated into the IROR schedule. They assert that upside variance in returns (i.e., the contribution to that variance due to returns above the expected

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77/ In addition, the Commission does not agree with the State of Alaska that an IROR schedule which embodied a zero IROR Risk Premium would offer investors higher returns than necessary. Although it is true, as the State of Alaska notes, that the statistical concept of the expected rate of return is likely to exceed the Center Rate, rational investors are not likely to base their investment decisions on the expected rate of return, per se. The expected rate of return is a weighted average of all possible rates of return, using as weights the assumed probabilities of each rate of return being received. Such a procedure does not take into consideration the different levels of investment associated with different allowed rates of investment return. A rate of return in excess of the Center Rate would be received on a smaller rate base than a rate of return which is less than the Center Rate. Thus, the dollar amount of gain, in an opportunity cost sense, from achieving a Cost Performance Ratio less than the Center Point by a certain percentage would be smaller than the dollar amount of loss resulting from achieving a Cost Performance Ratio in excess of the Center Point by the same percentage. In order to induce investment in the project, the expected discounted dollar amount of return to investors from the project must be at least equal to the expected discounted dollar amount of incremental investment. As was shown in the April 6 Notice, a zero IROR Risk Premium would produce an expected discounted return just equal to the investment.

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level) is a desirable feature to investors. They contend that since the upside variance due to the IROR mechanism is proportionally much greater than the downside variance (i.e., the contribution to total variance due to returns below the expected level), no IROR Risk Premium is needed.

This approach for assessing risk is one with which the Commission has had no previous experience. Even if the ratio of good or upside variance to bad or downside variance is a useful measure of risk, the Commission is uncertain as to how it should be employed in determining the IROR Risk Premium. While the Staff's approach is interesting, it is not sufficiently developed to constitute a reliable basis for Commission action.

In sum, in light of those attributes of the rate of return mechanism for this project that could produce a variance between actual and allowed rates of return greater than the variance usually observed in regulated situations, it is appropriate to establish a special IROR Risk Premium. The Commission's judgment is that on the basis of an overall assessment of the project, 1.5 percent is reasonable for Alaska and 0.5 percent is reasonable for the Northern Border.

6. Marginal Rate

a. Definition

The Marginal Rate is the return on the incremental dollar invested in moving from one Cost Performance Ratio to another. Alternatively, it can be thought of as the rate of return allowed on cost overruns or the rate of return enjoyed if costs can be reduced. However, as previously discussed in Section I, a single Incentive Rate will be earned on all investments in the project. The marginal rate is merely an analytical device for determining, in part, what the rate of return will be depending on cost performance.

This order establishes an overall schedule of rates of return called the IROR schedule, but implicit in any schedule is one or more Marginal Rates of Return. To illustrate this relationship between the overall IROR schedule and the Marginal Rate, consider the following abbreviated IROR schedule where the marginal rate is constant at 8 percent. When the marginal rate is applied to the additional equity investment, the average rate of return on equity (IROR) is reduced.

Equity Share of Capital Costs	Cost Performance Ratio	IROR
$ 1.2 million	1.2	18.29
1.3 million	1.3	17.50
1.4 million	1.4	16.82

Assume that the Cost Performance Ratio of 1.3 has already been reached shortly before project completion and the equity share of these costs is $1.3 million. But in order to complete the project, additional funds equal to 10 percent of projected costs must be expended. The equity share of this increase is $100,000. This increases the Cost Performance Ratio to 1.4. Because of this increase in costs, the IROR is reduced from 17.50 percent to 16.82 percent. This reduction occurs because the Marginal Rate implicit in this schedule is 8 percent and the equity investor will only earn an 8 percent return on his $100,000 investment. 78/ Conversely, if the project sponsor can find some way to reduce construction costs so as to reduce the Cost Performance Ratio from 1.4 to 1.3, then the equity

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78/ The IROR for the Cost Performance Ratio of 1.4, i.e, 16.82 %, can be calculated as the weighted average of the 17.50 % return allowed for the 1.3 Cost Performance Ratio and the 8 % Marginal Rate earned on the $100,000 increase in costs.

The weights in the average are the share of the total investment earning each of the two rates of return.

(1.3/1.4) x (17.50 %) + (0.1/1.4) x (8.0 %)
= (0.92 %) x (17.50 %) + (0.071) x (8.0 %)
= 16.25 % + 0.57 %
= 16.82 %

Again, however, there is only one overall rate of return, in this case 16.82 %.

investor will have avoided investing $100,000 at the low Marginal Rate of 8 percent.

b. Impact of the Marginal Rate

The Marginal Rate plays three important roles in the IROR mechanism:

(1) Incentive to reduce costs. Because the Marginal Rate is the implicit rate of return allowed on all equity to finance increases in costs, this rate primarily determines the incentives to reduce costs created by the IROR. If the cost of capital is more than the allowed return, investors have a strong incentive to avoid making that investment. In addition to any other incentives already in existence, the Marginal Rate will create an incentive to reduce costs if the Marginal Rate is set below the cost of capital. 79/

79/ In their joint initial comments, the sponsors argue that the fundamental incentive to reduce or control cost: is the need to remain within the pool of funds committed to the project. (Joint Comments at 36.) We agree that this financial restriction will create a powerful and practical incentive. Marginal Rate is designed to discourage the expenditure of funds which exceed the cost estimates upon which the project was certificated. This is a separate and distinct issue from that raised by the sponsors of whether the funds will be available to finance will be available to finance cost overruns. The President's Decision is clear that the IROR must be constructed so as to create "substantial incentives" to reduce costs. The Commission, to meet this requirement, must consider the implicit Marginal Rate in the IROR schedule and compare it with the cost of equity capital for this project.

(2) Slope of IROR schedule. The Marginal Rate determines the steepness of the IROR curve. A low marginal Rate will mean that the Incentive Rate will decline more as cost overruns occur. A high Marginal Rate will mean that the Incentive Rate will decline slowly as cost increases occur. From another perspective, a low Marginal Rate creates greater risk or uncertainty about the final outcome since the range or variability of rates is large. A high Marginal Rate creates little or no variability, and provides a substantial likelihood that even if there is substantial cost growth relative to the projected costs the earned rate will be close to the Center Rate.

(3) Floor of the IROR schedule. If a constant Marginal Rate is used, the Marginal Rate then becomes the floor on the IROR schedule. Since the Marginal Rate is effectively the rate allowed on all cost increases, the Incentive Rate can never be reduced below the level of the Marginal Rate no matter how large the Cost Performance Ratio becomes.

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(c) Alternative Marginal Rates

In the Commission's April 6, 1977 Notice, in the comments received pursuant to this Notice, and in comments received in the earlier rulemakings dealing with the IhOR, a number of different methodologies or approaches have been advocated for determining the Marginal Rate. The fundamental principle in choosing a Marginal Rate is that it should be less than the cost of equity capital. However, the comments demonstrate considerable controversy about the appropriate measure of the cost of capital and how much less the Marginal Rate must be. Here, we will review briefly the alternative approaches suggested to the Commission and discuss their merits. The Commission, however, must exercise its best judgment and choose a reasonable value from the various values presented in the comments.

The highest value for the Marginal Rate has been advocated by the project sponsors, Northern Border and Northwest Alaska. That rate is 12 percent. Their argument is that the Marginal Rate only needs to be slightly less than the "rate potential investors will require to accept the Project's risks," or, in other words, only slightly less than the Operation Phase Rate plus the Project Risk Premium. (Initial Comments, page 30). This order specifies that rate to be 16.0% for the Alaska segment and 14.5% for Northern Border.

The Commission, however, believes that there are three compelling reasons why the Marginal Rate must be substantially less than the Operation Phase Rate plus the Project Risk Premium to create a significant incentive. First, the risk of an investment in this project is reduced substantially as the project nears completion. 80/ In fact, an investment just prior to completion has avoided all of the construction phase risks and is only confronted with the operation phase risks. Even adopting the sponsors' argument that the Marginal Rate need only be slightly less than the rate required to compensate for the risks of the project, the relevant rate is the Operation Phase Rate. This Order specifies an Operation Phase Rate of 14.0 percent for Alaska and 13.0 percent for Northern Border.

Second, the Commission believes that the incentive to reduce costs increases as the difference between the Marginal Rate and the rate that would otherwise be adequate compensation for the risks of investment increases. A Marginal Rate only slightly less than the Operation Phase Rate will only create a slight incentive to avoid overruns. In order to create a substantial incentive, the Marginal

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80/ See, e.g., Northwest Alaskan, "Determination Project Risk Premium" at 39.

Rate must be substantially less than the Operation Phase Rate. 81/

Third, the Commission believes that it may be appropriate in determining the Marginal Rate to examine the cost of the funds used to make the equity investment in the project. If the equity investor can borrow a substantial portion of the funds to make the investment, then th · average cost of funds could be much less than the Operation Phase Rate. In the Commission's September 15, 1978, Revised Notice of Proposed Rulemaking (at page 45), an example was presented where equity investors could borrow 60 percent of the funds to make an equity investment in the Alaska gas project. This produced a weighted cost of capital funds of about 8 percent. 82/

The lowest value of the Marginal Rate was advocated in the comments by the Staff. The Staff argued th·t a zero Marginal Rate was appropriate by analogy to the proposed

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81/ See, Initial Comments of the People of the State of California and the Public Utilities Commission of the State of California at 3 (May 4, 1979) which, for a similar reason, advocated a Marginal Rate of 5 %.

82/ This figure is derived from:

(share of equity) x (equity rate of return)
+ (share of debt) x (after-tax cost of debt)
= (0.4) x (13 %) + (0.6) x (5 %) = 8.2 %

tariff provisions that would reduce equity return in the event of a service interruption. Since the return on equity is reduced proportionately to the reduction in throughput resulting from a service interruption, the return on equity per thousand cubic feet (Mcf) of throughput would be constant 83/ This provision provides an incentive for sponsors to minimize or reduce service interruptions. The Staff argues that the same incentive should be provided to sponsors to reduce construction costs. A zero Marginal Rate would effectively keep the total dollar equity return constant for all levels of cost overruns or underruns and thus all levels of equity investment.

Though this analogy with the service interruption provision of the tariff is interesting, the Commission believes that the circumstances surrounding the two situations are quite different. In setting the Marginal Rate, the primary criterion is to reduce the equity return on cost increases to a level less than what equity can earn in other investments of similar risk. This same criterion is not relevant for the service interruption tariff provision. The

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83/ The reduction in equity return only occurs if the service interruption reduces throughput to less than 90 % of the contracted quantities.

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Commission believes that a zero Marginal Rate would be unnecessarily below the rate of return necessary to create a substantial incentive to avoid cost overruns.

The project sponsors, in their initial comments, argue that a low Marginal Rate may well prevent the project from obtaining both equity and debt financing (Initial Comments, Tab 4, pp. 7-8, and pp. 18-21). The Commission believes that the IROR schedule will prevent equity financing only if potential investors perceive such a high probability of large cost overruns that the IROR mechanism would result in a low average rate of return. The Marginal Rate has been set at a relatively high level in part to assure that the Incentive Rate -- the rate that the project will actually earn -- will decline only gradually as actual costs exceed projected costs. As will be discussed in the later section dealing with the overall impacts of the IROR mechanism, the allowed rate of return for the project is competitive with other project investments in the gas industry and the economy in general. If investors perceive a high probability of such large overruns that the realized rate of return will be low, then it would seem to follow that the projected costs and estimates of cost overruns have grown to such an extent since the President's Decision that the construction of this project may not still be in the public interest.

The project sponsors list three reasons why a low equity return may prevent debt financing even if equity financing is available. 84/ All of these reasons are only relevant if there is a significant probability that large cost overruns will reduce the Incentive Rate to a low level. The project sponsors however, fail to mention what the Commission considers to be the greatest deterrent to the attraction of debt capital for this project, the threat of such a large amount of cost growth that the economic viability of the

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84/ Initial Comments, Tab 4, at 7. These reasons are:

(1) The project must offer an equity return high enough to attract completion capital from investors who did not participate in the initial financing. The Commission's response is that the original investors may have to sacrifice some of their return in order to make the project attractive to new investors in the event of large overruns or else face the loss of their investment due to abandonment. A similar argument was made by the State of California in its initial comments (p. 3).

(2) Debt amortization schedules may require that the debt principal payments be funded in part from the equity returns. The Commission notes that the IROR mechanism does not interfere with the return of equity through depreciation but only reduces the return on equity. It would seem to be very unlikely that debt amortization would exceed the total depreciation expense for the project.

(3) Debt investors will consider debt coverage ratios in their decision to invest and the IROR may reduce these ratios. The Commission believes that the cost of service tariff for this project reduces the importance of conventional measures of debt coverage.

project would threaten the security of the debt investor. The IROR mechanism requires the project sponsors and other equity investors to suffer a low rate of return only if large cost overruns occur. If the equity investor is willing to go ahead with the project, then he must be confident that the cost estimates for the project are accurate and large cost overruns will not occur. The existence of equity investment, then, should assure the debt investors that large cost overruns will not occur. Thus the debt investment should be secure.

The Commission, in choosing a Marginal Rate, must balance the requirement in the Decision that the IROR mechanism provide "substantial incentives" with the need to attract equity and debt financing. The Commission has set a relatively high Marginal Rate. An 8 percent Marginal Rate will not lower the levels of the Incentive Rates unless very large cost overruns occur. However, we believe that an 8 percent Marginal Rate is sufficiently below the rates of

return that equity investors could earn elsewhere so as to provide a significant incentive for superior cost control. 85/

85/ The State of New York suggests that the Marginal Rate should be reduced for large values of the Cost Performance Ratio, but does not explain what specific benefit would result from this proposal. Comments of the Public Service Commission of the State of New York on Proposed Values for Incentive Rate of Return, Change of Scope and Inflation Adjustment and Tariff Issues, Docket No. RM78-12 at 6 (May 4, 1979). During this and the previous rulemakings dealing with the IROR mechanism, the Commission has examined a number of proposals for a non-constant Marginal Rate. Upon close re-examination of this issue, the Commission fails to see any significant benefits that would result from a non-constant Marginal Rate.

7. Synopsis of Components

The following table presents the determined values for the IROR parameters:

Parameter	Segment	
	Alaskan	Northern Border
Center Point 86/	1.30	1.10
Operation Phase Rate	14.00	13.00
Project Risk Premium	2.00	1.50
IROR Risk Premium	2.00	.50
Center Rate	17.50	15.00
Marginal Rate	8.00	8.00
Equity AFUDC Rate	14.00	13.00

With these values the entire range of the IROR schedule can be calculated. 87/ The result of the calculation is produced below in tabular form:

86/ These values for the Center Point are used only for illustration. The values for this component for each of the segments will be determined at a later date. See section II.B.2.

87/ The formulas by which the calculation would be made gives any Cost Performance Ratio (A) would be:

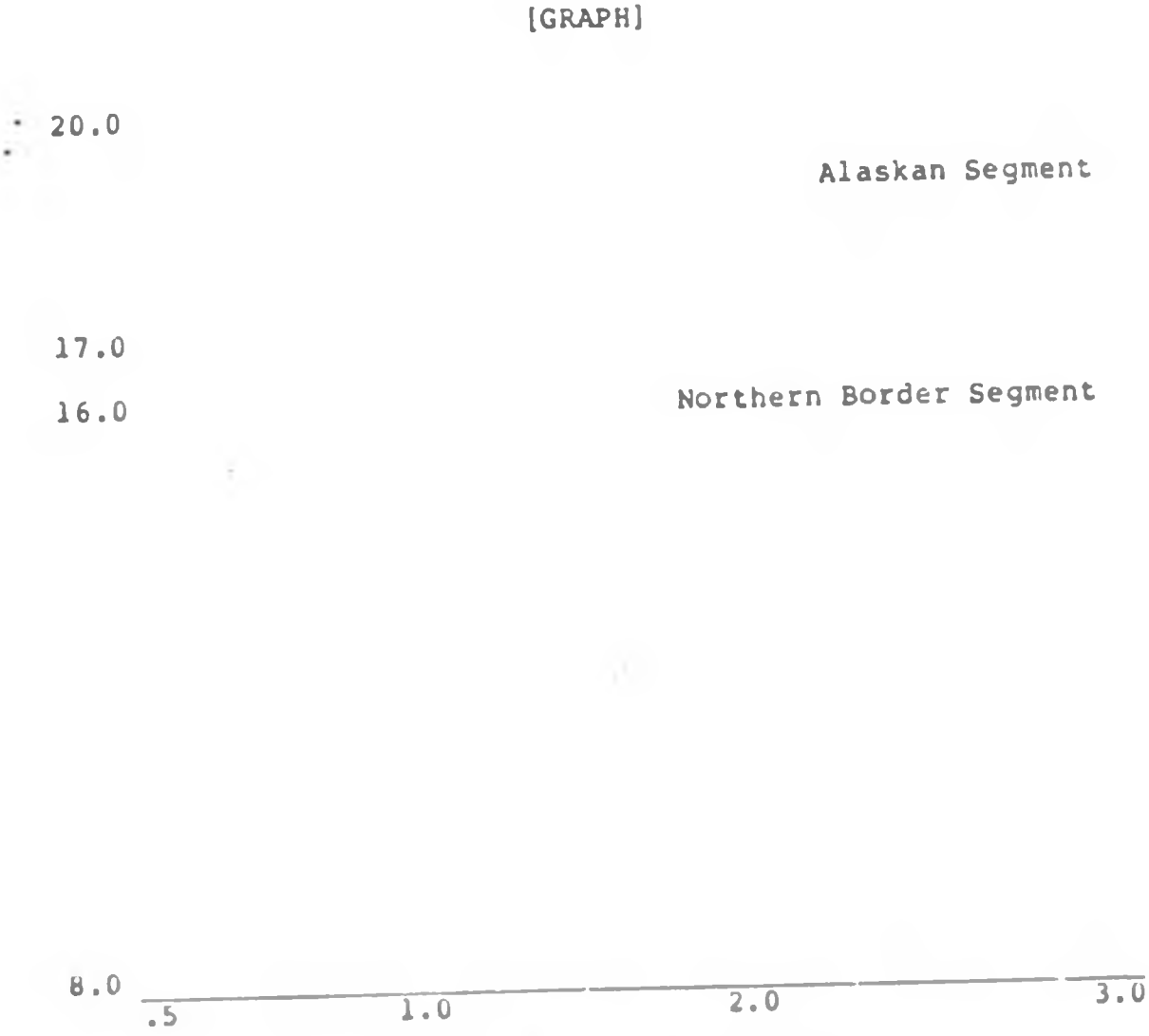
(1) For Alaska: $R = [(17.5)(1.3) + 8(A - 1.3)]/A$
$= 8 + 12.35/A$

(2) For Northern Border: $R = [(15.00)(1.1) + 8(A - 1.1)]/A$
$= 8 + 7.7/A$

Where: R = the incentive rate of return

INCENTIVE RATE OF RETURN

Cost Performance Ratio	Alaska	Northern Border
0.8	23.44	17.62
0.9	21.72	16.56
1.0	20.35	15.70
1.1	19.23	15.00
1.2	18.29	14.42
1.3	17.50	13.92
1.4	16.82	13.50
1.5	16.23	13.13
1.6	15.72	12.81
1.7	15.26	12.53
1.8	14.86	12.28
1.9	14.50	12.05
2.0	14.17	11.85
2.1	13.88	11.67
2.2	13.61	11.35
2.3	13.37	11.35
2.4	13.15	11.21
2.5	12.94	11.08
2.6	12.75	10.96
2.7	12.57	10.85
2.8	12.41	10.75


[GRAPH]
20.0
Alaskan Segment
17.0
16.0
Northern Border Segment
8.0
.5
1.0
2.0
3.0
Cost Performance Ratios

C. One-Time Adjustment to Rate Base

Order No. 17 specifies a procedure for determining a one-time adjustment to the rate base of the project, in lieu of using the Incentive Rate during the operating life of the project. This section reviews the rationale for this procedure, and describes how the one-time adjustment will be calculated, including examples. Also, this section discusses certain accounting, ratemaking, and tariff implications of the one-time adjustment that were not included in Order No. 17.

The preceding analysis of the IROR mechanism is based on the premise that the Incentive Rate would be applied to the actual equity component of the project's rate base to determine the cost of service. However, Order No. 17 requires an alternative but equivalent procedure. Instead of applying the Incentive Rate to a normal rate base, the Operation Phase Rate will be applied to an adjusted rate base. The adjustment to the capital structure and rate base will be such that the present worth of the future income or cash flow to equity investors will be the same as would result from using the Incentive Rate and an unadjusted rate base. The one-time adjustment would be amortized with the annual amortization charge included in the cost of service and the Operation Phase Rate would be earned on the unamortized portion of the one-time adjustment.

The Commission has adopted the one-time adjustment

approach for two reasons. First, the use of a one-time adjustment simplifies the determination of just and reasonable rates of return in the future, because the risks attached to the construction phase, including the risk of the IROR mechanism itself, are already recognized in the adjusted capital structure and rate base. By compensating for these risks through an adjustment to the project's rate base, future rate of return determinations need only address project risks and financial market conditions at the time of determination, not those risks associated with the construction of the project which took place in the past.

The second reason is to simplify future financing for, and rate determinations on, expansions or looping of the ANGTS. The risks of participation in this project prior to and during construction are significantly different from the risks associated with project investments made in the future when in an operational phase. 88/ The IROR mechanism is a concept

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88/ The project sponsors have already provided some recognition of the changing nature of project risks as the project progresses with the discount schedule for late entry which was made part of their Partnership Agreement. The Commission endorsed that concept in approving the relevant portion of the Partnership Agreement, by Order of June 30, 1978, in Docket No. CP78-123 (at pp. 7-11), and seeks to reinforce it with the rate base adjustment methodology.

developed to recognize the project sponsors' performance in the initial construction phase only, and the resulting adjustment should not affect the return on future investment in an expansion of that project. The one-time adjustment ensures this result without the need for separate return determinations for investments made in the ANGTS at different times.

The Commission believes that the adjustment should be the present value of expected future cash flows 89/ resulting from the application of the difference between the Incentive Rate of Return and the Operation Phase Rate as applied to the equity-supplied capital of the system. 90/ Table illustrates how to calculate the one-time adjustment that

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89/ The expected cash flow includes both the return on and the return of the one-time adjustment. The one-time adjustment is, in effect, additional equity provided to the project as a result of the performance of the sponsors during construction.

90/ Some of the comments argue that uncertainties about the future operation of the pipeline will make the present value of the return of equity and the return to equity uncertain, and thus make the precise size of the one-time adjustment uncertain. The Commission agrees that it is impossible to predict with certainty such things as throughput, tax rates, operation costs, or ultimate capacity. However, the type of cost-of-service tariff that this Commission is likely to approve will provide a high degree of certainty as to the return of equity and the return to equity over the life of the project, once the size of the equity investment and the allowed rate of return have been finalized.

is equivalent to an Incentive Rate of 17 percent when the Operation Phase Rate is 14 percent. Instead of earning a 17.5 percent return on the unadjusted equity investment in the project, the investor will earn a 14 percent return on a larger adjusted equity investment. Based on the assumption that the equity investment in the project will be reduced on a straight line basis over a 25-year period, Table 1 shows that the one-time adjustment should equal 18.3 percent of the original investment. 91/

Table 2 shows the one-time adjustment to the equity investment that results for each possible value of the Incentive Rate for both the Alaska segment and Northern Border. In the case of the Alaska segment, a Cost Performance Ratio less than 2.1 will result in an Incentive Rate greater than the Operation Phase Rate (14 percent), and thus in a positive one-time adjustment. For Cost Performance Ratios greater than approximately 2.1, the Incentive Rate will be less than the Operation Phase Rate, and the one-time adjustment will be negative.

91/ Using a 14 percent discount rate, the present worth of the return of and return on equity resulting from a 17.5 percent rate of return on an unadjusted equity investment of $100.00 is the same as the present worth of the return of and return on equity resulting from a 14 percent rate of return on an adjusted equity investment of $118.13.

TABLE 1

Example of One-Time Adjustment Calculation

Assumptions:
Operation Phase Rate - 14%
Incentive Rate - 17.5
Equity Investment - $100
Depreciation Period - 25 years

Year	Return of equity	Return * on equity	Total	Discounted Total (14% discount rate)
1	$4.00	$17.50	$21.50	$18.86
2	4.00	16.80	20.80	16.00
3	4.00	16.10	20.10	13.57
4	4.00	15.40	19.40	11.49
5	4.00	14.70	18.70	9.71
6	4.00	14.00	18.00	8.20
7	4.00	13.30	17.30	6.91
8	4.00	12.60	16.60	5.82
9	4.00	11.90	15.90	4.89
10	4.00	11.20	15.20	4.10
11	4.00	10.50	14.50	3.43
12	4.00	9.80	13.80	2.86
13	4.00	9.10	13.10	2.39
14	4.00	8.40	12.40	1.98
15	4.00	7.70	11.70	1.64
16	4.00	7.00	11.00	1.35
17	4.00	6.30	10.30	1.11
18	4.00	5.60	9.60	0.91
19	4.00	4.90	8.90	0.74
20	4.00	4.20	8.20	0.60
21	4.00	3.50	7.50	0.48
22	4.00	2.80	6.80	0.38
23	4.00	2.10	6.10	0.30
24	4.00	1.40	5.40	0.23
25	4.00	0.70	4.70	0.18
Total	$100.00	$227.50	$327.50	$118.13

One-Time Adjustment = $18.13

* Computed on remaining balance of one-time adjustment as of January 1 of each year.

TABLE 2

One-Time Adjustment as Percent of Equity Investment

Alaska			Northern Border	
Cost Performance Ratio	Incentive Rate	One-Time Adjustment % (14% Discount Rate)	Incentive Rate	One-Time Adjustment % (13% Discount Rate
0.8	23.44	48.38	17.62	25.15
0.9	21.72	40.00	16.56	19.33
1.0	20.35	32.89	15.70	14.68
1.1	19.23	27.07	15.00	10.87
1.2	18.29	22.23	14.42	7.70
1.3	17.50	18.13	13.92	5.02
1.4	16.82	14.61	13.50	2.72
1.5	16.23	11.57	13.13	0.73
1.6	15.72	8.90	12.81	-1.02
1.7	15.26	6.55	12.53	-2.56
1.8	14.86	4.46	12.28	-3.93
1.9	14.50	2.59	12.05	-5.15
2.0	14.17	0.91	11.85	-6.25
2.1	13.88	-0.62	11.67	-7.25
2.2	13.61	-2.00	11.50	-8.15
2.3	13.37	-3.26	11.35	-8.98
2.4	13.15	-4.42	11.21	-9.74
2.5	12.94	-5.49	11.08	-10.44
2.6	12.75	-6.47	10.96	-11.08
2.7	12.57	-7.38	10.85	-11.68
2.8	12.41	-8.23	10.75	-12.23

For accounting purposes, the one-time adjustment can be actually recorded as an adjustment to the original cost of plant in the accounting records of the project. This one-time adjustment could be entered into just one of the plant accounts specified by the Commission's Uniform System of Accounts or spread over a number of the plant accounts. Since the tariff of the project relies on the cost of plant as recorded according to Uniform System of Accounts, the one-time adjustment would be incorporated into the rate base of the project for ratemaking purposes. Thus, application of the provisions of the tariff to the project's rate base as specified by the adjusted account(s) would then yield the appropriate revenue streams.

The Commission rejects this approach for a number of reasons. First, it could result in a distorted picture of the actual earnings of the project. To record the adjustment as an increase in the original cost of the plant would be contrary to generally accepted accounting principles, since it would not be in accord with the cost concept of asset accounting. Also, it would violate the original cost concept of regulatory accounting. Other problems might arise in the future if there was a significant change in the project plant, such as an extraordinary retirement or replacement of a significant component of the project plant. If the original cost of this component also included some part of the one-

time adjustment, special recognition of this fact must be given in order to ensure continued recognition of the impact of the IROR on rates of return.

The Commission proposes instead to record the one-time adjustment as a memorandum entry in the project's accounts to be used for ratemaking purposes only. The purpose of the one-time adjustment is to reward or penalize the project sponsors for their performance during the construction phase of the project, and to compensate the investors for unusual risks involved in building a project of such magnitude. Under this proposal, the one-time adjustment would be treated as a matter of rates and rate of return on a given investment, not an adjustment of that investment.

The use of the memorandum entry concept will require modification of the tariffs to include a schedule of the one-time adjustment and its amortization over the project's life. Also, the definition of rate base will be changed to include the average remaining balance of the IROR one-time adjustment, and the definition of the components of cost of service will include the scheduled amortization of the IROR one-time adjustment for the tariff computation period. Finally, the equity in the project to be used for the rate determination

will include the unamortized one-time adjustment as an adjustment to book equity. 92/

92/ The one-time adjustment to rate base is a means of obtaining a desired result in an uncomplicated manner. The Commission realizes that there are many variables in the ratemaking process which will affect the results of any method used to implement the IROR. The Commission believes that the one-time adjustment, amortized over the life of the project, will result in the closest approximation of the desired results, and any differences will be minimal when reviewed over time.

III. ADJUSTING FOR INFLATION

The Commission believes that it is not reasonable to penalize project sponsors for cost increases resulting from general inflation in the nation's economy. As proposed in our Notice of April 6, the Commission will adjust the Actual Capital Costs to eliminate the effect of general inflation before calculating the Cost Performance Ratio and the IROR.

Extensive research has been done on this subject, and there is substantial information in the record on the appropriate inflation adjustment procedure. Both the Alaskan Delegate and the project sponsors have prepared papers on the inflation adjustment mechanism, and the comments received pursuant to the Commission's Notice of April 6 discuss the inflation adjustment mechanism in considerable detail.

The Commission has evaluated potential inflation adjustment mechanisms against four criteria. These are: (1) the accuracy with which the mechanism would adjust the actual costs of construction for general inflation in the nation's economy; (2) the extent to which it would provide incentives to reduce construction costs; (3) the burden on the Government and the sponsors of administering the inflation adjustment mechanism; and (4) the attendant risk and uncertainty to investors and lenders. Different proposals rank differently when judged by these criteria individually. The Commission must balance the conflicts or differences to arrive at the best possible solution under all of these criteria.

The Commission's proposal for an inflation adjustment mechanism has been criticized (for different reasons) by both the sponsors and the Commission's Staff in their comments. While the Commission has made some modifications in response to the technical criticisms of the sponsors, the Commission still believes that the proposal in the Notice achieves the best balance among the four goals.

The Commission's inflation adjustment mechanism has the following major features:

- o A hybrid or composite index of construction costs for this project will be constructed.
- o This index will be used to deflate Actual Capital Costs back to base year price levels for comparison with the Projected Capital Costs, also in base year prices.
- o The composite index will be a weighted average of 42 indices currently available from the Government or other recognized sources.
- o Each of the 42 indices will measure the price increase for one category of construction costs (e.g., valves, line pipe, welders, cement, and so forth).

- The weights to construct the average will change from quarter to quarter and will be based on the proportion of that cost category in the total costs for the project as taken from the estimates in the Certification Cost Estimate. (For example, if valves amount to 15 percent of total costs for a particular period, valves would be given a weight of 15 percent in the composite index for that period.)

- Weights to be used for any construction occurring after the end of the estimated construction period would be those weights used for the last year of construction in the estimated schedule.

This inflation adjustment mechanism is based in large part on the proposal made by the project sponsors in a paper submitted to the Alaskan Delegate on March 7 and later distributed to all other interested parties. 93/ In their comments on the April 6 Notice, the project sponsors are critical of the

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93/ Northwest Alaskan, "Recommended Inflation Adjustment."

Commission's deviation from their proposal. The Commission's major reason for deviating from the sponsor's proposal is that the proposal would not adequately realize the goals of creating incentives to reduce costs and of limiting administrative burdens. The Commission's procedure results in some attendant uncertainty about the final outcome of the IROR mechanism or, in other words, uncertainty about the realized rate of return. As discussed in Section II.B.5. on the IROR Risk Premium, this is one reason why the Commission has increased the IROR Premium.

The first difference between the mechanism specified in this Order and that proposed by the sponsors is the weights to construct the composite index. The sponsors advocate using the actual costs incurred in each category during construction to determine the weights, while the Commission's procedure is to use the estimate of costs in each category found in the Certification Cost Estimate. There are two major advantages to using estimated costs rather than actual costs to derive the weights.

First, the use of actual costs as weights does not give any incentive to substitute low-cost items in one cost category for high-cost items in another category since the weights would be adjusted to offset this change. Using fixed weights based on estimated costs gives the sponsors a greater incentive to substitute low for high-cost items whenever

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possible, and thus t· achieve a lower Cost Performance Ratio (and a higher IROR).

Second, the determination of the weights prior to the start of construction as part of the certification process means that there will be one less issue or potential controversy to resolve during construction. In general, the project sponsors have emphasized the need to resolve all IROR parameters as soon as possible.

The use of actual costs to determine weights could result in a more accurate measure of inflation for each cost category than using estimated cost weights. However, we believe the overall accuracy of the estimates will be good, since any underestimation of inflation for one of the 40 or more categories will probably be offset by an overestimation in another category. Also, any inaccuracies are just as likely to benefit the project sponsors by overestimating inflation as to harm the sponsors by underestimating inflation.

The second and more important difference between the sponsor's proposal and the Commission's mechanism is in the use of actual prices paid as a measure of inflation. The sponsors argue that no existing index accurately measures their likely inflationary experience for steel prices and wage rates for labor. Though there is merit to this argument, the Commission cannot reconcile the use of actual prices to measure inflation with the requirement in the Decision that

the IROR mechanism must provide "substantial incentives" to reduce costs. Labor costs and steel costs will likely account for more than 75 percent of the total costs of this project. By using actual prices paid to measure inflation for these two cost categories, the Commission would in effect be eliminating any extra incentive created by the IROR mechanism 94/ for the sponsors to negotiate for lower wage rates or lower steel prices.

We do not believe that the use of existing indices for these two cost categories creates an inordinate amount of risk for the sponsors. Prices for all steel products generally follow the same price trends, and labor rates in all parts of the country for all skill categories also generally increase together. We do not deny that there may be some divergence in growth rates, but the sponsors are just as likely to benefit from differences as to be penalized.

As we stated in the April 6 Notice, the Commission expects that the Certification Cost Estimate will incorporate a premium for labor rates or steel prices if it can be shown that wages or steel prices for this project can be expected to be higher than other wage rates or steel prices incurred in other major construction projects in the lower-48 states.

94/ There may be other powerful incentives to bargain for lower wages and prices, but the IROR mechanism would not add to them in this case.

Labor prices in Alaska will be higher than in the lower-48, and prices of 48-inch pipe exceed the prices for 36-inch pipe (the largest diameter for which price indexes are available). 95/ However, there is no evidence that future increases in Alaska labor rates or future changes in prices for 48-inch steel would be greater than increases in other wage rates or other steel prices. In fact, there is at least some probability that increases will be smaller and that the sponsors will benefit from the inflation adjustment mechanism required by this Order. 96/

95/ In estimating the prices for labor or steel to be used in the Certification Cost Estimate, we believe that a reasonable procedure would be to estimate the premium (in percentage terms) that will have to be paid for Alaskan labor or 48-inch pipe above lower-48 prices for labor or 36-inch pipe during actual construction. These premiums should then be added to the base year prices for lower-48 labor or 36-inch steel pipe to determine base-year prices for Alaskan labor or 48-inch pipe. The Trans-Alaska Oil Pipeline experience could provide a starting point for determining the premium for labor.

96/ The sponsors argue that incorporating premiums for Alaskan labor or 48-inch pipe in their cost estimates will put them at a competitive disadvantage in their negotiations with labor unions or pipe manufacturers. Joint Comments at Tab 2, p. 10. Even if there was no IROR mechanism, and thus no inflation adjustment mechanism, the Commission would still expect the Certification Estimates to contain the best estimates possible for labor rates and steel pipe prices, including any premiums that the sponsors expect to pay over other more common labor rates or prices. Even assuming, arguendo, that the sponsors are correct, the argument would seem to apply with even more force to the situation where wage and price increases could be passed through to ratepayers by means of an inflation adjustment mechanism with no adverse impact on earnings.

The sponsors also object to the Commission's requirement to use the weights for the last scheduled period of construction to deflate costs during any period of schedule overrun. This may introduce some error, but again, the sponsors are just as likely to benefit as to be harmed. It is doubtful that any inaccuracies as a result of this arrangement could be substantial. The types and quantities of labor and material used during any period of schedule overrun should be similar to the types and quantities estimated to be us for the last period of the planned construction schedule. 97/

97/ The Commission Staff in their initial comments (pp.45-47) argue for a method of adjusting for inflation that would impose a much more severe penalty for schedule delay than would the Commission's mechanism. The Staff would not only use the same weights in the schedule overrun as used in the last scheduled period, but would also use the same values for the cost indices. In other words, there would be no adjustment for any inflation that occurred duri. the schedule overrun period. This proposal would result in an unneccessarily severe penalty for schedule delay. The true cost of schedule delay is measured by the time value of money, interest charges, or discount rates. The sponsors will be penalized for this cost since the Finance Charge will continue to be added to the Actual Capital Costs, thus increasing the Cost Performance Ratio and lowering the IROR. However, the increased costs due simply to inflation can not be considered an increase in the real costs of the project. In money terms, the costs have increased due to inflation, but then so have all other prices as well as the incomes of gas consumers. Since incomes are likely to increase in step with inflation, consumers are not really worse off simply because inflation has increased construction costs.

In their initial comments, the sponsors raise some technical issues concerning a few of the price indices proposed by the Commission in the Notice of April 6. Upon review, the Commission finds the sponsor's criticisms to be valid and the table of price indices included in Condition No. 18 has been modified to correct these errors.

IV. CHANGE IN SCOPE

A. Mechanism

The Change in Scope mechanism is an essential part of the overall Incentive Rate of Return mechanism. Its purpose is to protect the project sponsors against reductions in their rate of return caused by major events that drastically increase the cost of the project.

In formulating the Change in Scope mechanism the Commission had four goals in mind. 98/ The first was to avoid dilution of the incentive to reduce costs. The second was to limit the administrative burden of implementing the Change in Scope mechanism. The third was to develop clear and unambiguous rules, in order to minimize controversy and disagreement over when a Change in Scope event had occurred. The final goal was to avoid inadvertent, perverse incentives that might have a capricious effect on the project.

To best achieve and balance these four goals, the Commission proposed a Change in Scope mechanism that would only adjust the target cost for cost increases

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98/ See April 6 Notice at 43-45 (mimeo).

resulting from four events. If any of these four events occur the Projected Capital Cost of the project will be altered prior to determining the Cost Performance Ratio. The events are (1) wars, (2) any disaster declared by the President of the United States pursuant to the Disaster Relief Act of 1974, Pub. L. 93-288, 88 Stat. 143, (3) major design changes compelled by changes in Federal or State laws or regulations applicable to natural gas pipelines enacted or adopted subsequent to the Federal Inspector's approval of the Final Design of the pipeline, and (4) major changes in pipeline routing or capacity ordered by Federal or State Governments for the ANGTS from that approved by the Federal Inspector in the Final Design of the pipeline. For the reasons stated below, this Order adds a fifth Change in Scope event: delay in the issuance of a government permit or certificate necessary for completion of the pipeline system, when such delay (a) occurs subsequent to approval of the Final Design, (b) occurs through no fault of the project sponsors, and (c) causes significant cost increases.

The Staff's comments seek clarification as to the nature and consequences of design changes and cost estimate revisions that occur subsequent to approval of the Certification Cost Estimate but prior to the approval

of the Final Design. This concern is also reflected in many of the comments of the project sponsors. These comments raise an important point which must be clarified at the outset.

The Change in Scope mechanism set forth above applies solely to changes that occur subsequent to the approval of the Final Design. Changes that occur subsequent to that date will be governed by the Change in Scope mechanism set forth in Condition No. 10, as implemented through the Change in Scope procedure set forth in Condition No. 11. Changes that occur prior to approval of the Final Design are governed by Condition No. 9. Such changes, for instance, could include design changes generated by new technology or further study by the project sponsors.

Condition No. 9 provides a strong incentive, and wide latitude, for the project sponsors to consider seriously and study intensively all of the problems and risks that they will confront, and to evaluate, propose and justify any design changes that they deem necessary and appropriate, including all of the cost consequences of such proposed changes. If properly justified as desirable changes in design that cause real changes in cost, those cost changes will then be reflected in revisions to the Certification Cost Estimate and the Projected Capital Costs (but not in the Center Point).

During the period between approval of the Certification Cost Estimate and approval of the Final Design, major permits or approvals from government agencies may be granted, including terms and conditions attached thereto. Thus, the sponsors can incorporate the effect of these terms and conditions in their final design and cost estimates. If the granting of the major permits takes longer than anticipated in the Certification Cost Estimate, thus delaying the final design, the Commission expects that the final design cost estimate will incorporate the effect of such delay, both in direct costs, in schedule, and in the projected allowance for funds used during construction. (The final construction schedule should also contain a schedule for the issuance of government permits during construction.) The Commission's goal is that, at the time of approval of the Final Design, all possible uncertainties surrounding the pipeline, whether the result of governmental permitting processes or inherent technical problems, will have been resolved to the maximum extent possible. Once the Final Design and cost estimate revisions have been approved, the project sponsors will be expected to build the pipeline, following that Final Design and construction plan, without significant deviation.

In sum, design changes prior to approval of the Final Design can be proposed by either the project sponsors or the Federal Inspector (through the process of the Inspector's review and approval of the Final Design). The Inspector's determination will be final (subject only to applicable judicial review), with respect to both changes in the design itself as well as cost revisions resulting from such changes. The Federal Inspector will make these determinations pursuant to such procedures as he may adopt. The Inspector will advise the Commission of his determinations, but they will not be subject to administrative review by the Commission.

Once the final design has been approved, however, the energies of the project sponsors, the Federal Inspector and the Commission should be devoted, to the maximum extent possible, to the expeditious construction of the pipeline system. By then, the project sponsors will have had ample opportunity to fully consider and evaluate all of the risks and problems inherent in the project, including the attendant cost implications. Thus, as of that point in time, all subsequent IROR cost changes will be governed by the much more restrictive provisions set forth in Conditions No. 10 and 11.

The Upper Tanana Development Corporation, while generally approving the concept of a limited scope change mechanism, proposes in its comments that "socio-economic expenditures" should be allowable as a fifth category of Change in Scope events. For the reasons discussed below, prudent expenditures of that nature should be included in the Certification Cost Estimate at the outset, and should not be included in the Change in Scope mechanism.

The project sponsors, in their comments, urge a substantially expanded range of events that would qualify as Changes in Scope. In particular, they urge inclusion of:

"(1) Changes caused by government requirements, delays in government approvals, and reimbursement for government oversight.

"(2) Standard force majeure conditions such as acts of God, earthquakes, abnormal weather, terrorism, sabotage, riots and civil disturbances, and embargos, strikes, work stoppages and slowdowns.

"(3) Field conditions not ascertainable at the time of final design.

"(4) Right-of-way acquisition where rights of eminent domain may not exist."

The Change in Scope mechanism must be examined in its proper context. First of all (unlike the scope change concept in the normal government contract context), it applies solely to determining the rate of return, and not the rate base itself. For instance, in the event of a small flood, fire, or landslide, etc., in which the project sponsors prudently incur unanticipated costs, those costs will be fully recoverable through inclusion in the rate base. All that is at issue here is the effect of such an occurrence on the allowed rate of return.

In this regard, the Commission is faced with a basic choice of alternatives. One alternative is to adopt the very broad range of eligible scope changes proposed by the sponsors, and to take account of that generous and protective approach by adopting a less generous Center Rate and Center Point. The other alternative is to impose a higher degree of risk on the sponsors, by restricting the range of scope changes, and to reflect that higher risk in determining the Center Rate of Return and the Center Point. We have chosen the latter course. 99/ Our reasons for that choice can best be explained through

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99/ As discussed previously, this is policy reflected in the IROP Risk Premium; see Section II.B.5.

illustratives discussion of the project sponsors' proposed alternative.

We start with "abnormal weather." Arctic weather can be brutal. 100/ The project sponsors know that it is brutal; that is a risk that they can and must evaluate in planning the cost of the project, and it is a risk for which they are being compensated in their rate of return. Scope change applications and controversies in the context of the Alaska pipeline project would plunge the sponsors and the Federal Inspector into potentially endless inquiries into comparative temperatures, wind/chill factors, and thaw conditions (for which historic weather data may or may not be available), measured in terms of consecutive days of such weather, at particular geographic locations, over the past 20, 50 or 100 years, with commensurate time and motion studies of the effects of abnormally brutal weather (versus normally brutal weather) on labor productivity. This is precisely the diversion of engineering, scientific and legal time, expertise and expense that the Commission seeks to avoid. The

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100/ See, e.g., J. London, To Build a Fire; R. Service, "The Cremation of Sam McGee."

project sponsors should evaluate weather problems realistically (including a factor for delays caused by abnormal weather) when preparing their Certification Cost Estimate (including the Center Point). Then, when abnormal weather occurs, the efforts of all concerned can be focused exclusively on coping with it.

Similarly, fires, floods, landslides and other "acts of God," as well as "terrorism, sabotage, riots and civil disturbances, and embargos, strikes, work stoppages and slowdowns" are all risks that the project sponsors can evaluate in advance, in the sense of considering a reasonable cost factor for some level of unanticipated and undesirable events that may occur during the course of the project. Some of these events can be influenced to at least some extent by the sponsors; others cannot, but steps can be taken to cope with their effects. With respect to truly catastrophic events which cannot reasonably be factored into cost planning, such as a war, or a severe earthquake or tsunami, etc., the Change in Scope mechanism affords protection of the rate of return.

With respect to field conditions, there is an economic trade-off. Field conditions can be ascertained

in advance through sampling and other scientific techniques. On the other hand, there comes a point at which the cost of elaborate advance ascertainment would exceed the cost of coping with whatever unexpected conditions may eventually be encountered. The project sponsors are in the best position to strike the proper balance between incurring the cost of totally comprehensive ascertainment in advance versus coping later with unanticipated conditions that had not been fully ascertained. The project sponsors should be the ones to make that judgment, to estimate their costs accordingly, and to bear the responsibility for whatever unanticipated conditions they eventually encounter.

Similarly, right-of-way acquisition is a problem that the project sponsors can and should evaluate when preparing their Certification Cost Estimate (including the Center Point).

Finally, regarding "changes caused by government," the Change in Scope mechanism does in fact provide rate of return protection with respect to major design changes compelled by changes in government laws or regulations applicable to gas pipelines, and with respect to government ordered major changes in the (Alaska segment) pipeline

routing or capacity. During the course of construction, it is probably inevitable that the Federal Inspector will require, and the project sponsors will themselves propose, numerous minor changes in design or routing, or even capacity. Again, this is an eventuality that the project sponsors should consider in preparing their Certification Cost Estimate, and one that the Commission itself has considered in setting the Center Rate and Center Point procedure. When such minor changes are determined to be either necessary or desirable, the energies of all concerned ought to be devoted to making those changes, unencumbered by diversions into the processing of scope change applications.

B. Provision for Delay

In their comments, the project sponsors also take the Commission to task for failing to fulfill an "unconditional assurance with regard to delays caused by the government." 101/ In response to the valid aspect of that criticism, the Commission has added a fifth Change in Scope event.

101/ Joint Comments at 20-22.

Most permits and certificates will be issued prior to approval of the Final Design. To the extent that delays occur in the issuance of those certificates or permits -- and regardless of the cause of those delays -- the project sponsors will have ample opportunity to seek appropriate adjustments in the Projected Capital Cost up to and at the time of approval of the Final Design. That procedure was discussed above.

Some permits, however, will not be applied for or granted until during the construction period. The Commission expects that a detailed timetable for application and issuance of the necessary permits will be established and agreed to by the project sponsors and government agencies, including State agencies as necessary and appropriate, as part of approval of the Final Design and Cost Estimates. 102/

Commission representatives have had extensive discussions with representatives of other government agencies regarding their permitting processes and the importance of timely issuance of permits, particularly during the

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102/ Such a timetable, and establishing responsibility for adherence to that timetable, is within the contemplation of § 202(b) of Reorganization Plan No. 1 of 1979, transmitted by the President to the Congress on April 2, 1979.

construction period. Those agencies have been uniformly responsive to requirements for adhering to a permitting timetable. However, any agency's ability to adhere to the agreed schedule is directly related to the timely filing of all relevant applicant information by the project sponsors.

It is the Commission's expectation that all applications will be timely filed and all permits timely granted. If receipt of a permit is delayed because an application was not timely filed, or if the case for issuing the permit is not adequately set out, then the resulting increase in costs (and in Cost Performance Ratio) is a consequence of action (or inaction) by the project sponsors and should count against them. If, on the other hand, issuance of a permit during construction is delayed by the permitting agency, which fails to process the application to a conclusion, and the cost consequences of such action (or inaction) are significant, then some adjustment is appropriate. This Order revises the April 6 Notice by providing the Federal Inspector with discretion to treat as an allowable scope change event, government failure to take action toward issuing a required government permit, if such delay has significant cost consequences. Under no circumstances, however, shall a government denial of a permit or certificate be construed as a Change in Scope

event, unless such denial is subsequently reversed by a court on review; this provisions is directed solely to delay in processing of applications, and not to denial of the permit sought.

The IROR mechanism fully protects the project sponsors from one other form of delay that could otherwise have a potentially serious impact on the rate of return. The project sponsors or investors in any one segment, Alaskan or Northern Border, of the pipeline will not be responsible for cost increases resulting from construction delays in the other segments, or from a delay in the initiation of gas production at Prudhoe Bay. This is accomplished by defining the Actual Capital Cost for a segment as those costs incurred up to the point that that segment is capable of rendering service, even though other segments are not yet capable of delivery from Prudhoe Bay. In other words (for IROR purposes only), AFUDC will cease to be added to the Actual Capital Costs for a segment when that segment is complete and ready to begin transporting gas even if, for whatever reason, it is not actually transporting gas. (AFUDC will, of course, continue to accrue for rate base purposes.)

C. Procedure

When the project sponsors believe that a Change in Scope event (as defined above) has occurred, the project sponsors shall submit to the Federal Inspector both an explanation of the alleged Change in Scope and an estimate of the increase in Projected Capital Costs for the project. The Federal Inspector will evaluate the information submitted, and determine whether the event qualifies as a Change in Scope event and, if so, the appropriate adjustment to the Projected Capital Cost.

The Commission intends for the Federal Inspector to act on each Change in Scope case as expeditiously as possible after the alleged Change in Scope has occurred, pursuant to whatever appropriate procedural regulations the Inspector may promulgate. The Federal Inspector's decision will constitute final agency action, subject to applicable judicial review but not subject to review by the Commission. This procedure is designed to ensure prompt resolution of all Change in Scope issues.

The Staff's comments seek clarification of these procedures, on several points. First, the Staff suggests the possibility of the Federal Inspector, or some third party, seeking to obtain a reduction in the Projected Capital

Costs. Such a reduction presumably would be premised on potential - and sizable - construction cost savings that might emanate from (a) a war, (b) a natural disaster, (c) involuntary major design changes after the final design is approved, or (d) major changes in pipeline routing or capacity after the final design is approved. While the hypothetical symmetry of the Staff's suggestion is not devoid of surface appeal, we do not readily perceive how any of the above enumerated events could significantly reduce the total cost of the project. Moreover, even if a major change in design, routing or capacity could in fact significantly reduce the total cost, we would not want to discourage such changes by reducing the rate of return if such a change is implemented. Accordingly, and in order to preclude hypothetical uncertanties in this aspect of the IROR formula, we are limiting the Change in Scope procedure to changes submitted by the project sponsors.

Second, the Staff inquires as to whether interested parties, including the Staff, will be afforded an opportunity to participate in the Change in Scope proceedings before the Federal Inspector, and finally, whether the Inspector's decision could be appealed to the Commission.

The Change in Scope procedure is premised on Reorganization Plan No. 1 of 1979, as submitted by the President to the Congress on April 2, 1979. Section 102 of the Plan transfers to the jurisdiction of the Federal Inspector "[s]uch enforcement functions of . . . the Federal Energy Regulatory Commission related to compliance with: the certificates of public convenience and necessity, issued under Section 7 of the Natural Gas Act . . .." By incorporating the Change in Scope Mechanism and Procedure into conditions attached to the project sponsors' certificates, it is the Commission's intent and purpose to transfer to the Federal Inspector the jurisdiction to enforce and implement those conditions, by transferring to the Inspector's jurisdiction the authority to make the Change in Scope determinations. The Commission and the Inspector may, in the future, seek to further clarify the precise boundaries of their respective jurisdiction, on this or other matters, through means of an interagency agreement, as authorized by the last sentence of section 202 of the Reorganization Plan:

> Upon agreement between the Federal Inspector and the head of any agency, that agency may delegate to the Federal Inspector any statutory function vested in such agency related to the functions of the Federal Inspector.

While the Commission would have no objection to -- indeed, would welcome -- the opportunity for its Staff and other interested parties to participate in the Federal Inspector's deliberative processes, the Inspector should have the latitude to determine, in whatever appropriate procedural regulations the Inspector may promulgate, the nature and extent (if any) of such participation.

While it would not be implausible for the Commission to retain the power to make the Change in Scope determinations itself, the worst possible procedure would be for both the Inspector and the Commission to participate in that decisionmaking through seriatum administrative deliberations. ANGTA and the President's Decision mandate expedition in decisionmaking, and the project sponsors and their lenders and investors are entitled to receive the promptest possible determinations consistent with applicable requirements of due process. The Federal Inspector and his staff will be located at the scene of the pipeline, monitoring its construction on a full time, day-to-day basis. They will be in the best position to render prompt determinations of Change in Scope events and adjustments. Those determinations should be final, subject only to judicial review.

Finally, as indicated in the preceding section of this Order, the above described procedures will also be generally applicable to the Federal Inspector's approval of design changes, including resultant revisions in the Certification Cost E. imate, pursuant to the Inspector's approval of the Final Design.

V. END RESULTS

In responding to the Commission's proposal for an Incentive Rate of Return mechanism, the project sponsors have emphasized that, individual parameters aside, it is the end result which is all important: "[t]he end result. . . [should be] the final determination of an equitable, practical, and definitive IROR mechanism which will not prohibit financing." 103/ The Commission believes that the IROR mechanism and values established by this Order will in fact increase the prospects of obtaining private project financing. It remains the responsibility of the project sponsors to convince potential debt and equity investors of their ability to complete the project within a range of construction costs at which the average rate of return

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103/ Joint Comments of Alaskan Northwest Natural Gas Transportation Co., and Northern Border Pipeline Co. at 7 (Docket No. RM78-12) (May 4, 1979) [hereinafter cited as Joint Comments]; see also Joint Comments at 6-7, 26-27, 30; Alaska Northwest Natural Gas Transportation Co., "Petition for Expedited Rulemaking and Issuance of Final Order Establishing Rate of Return Range" (Docket No. RM78-12) (Feb. 15, 1979).

is comparable to that which could be earned in alternative investment opportunities of comparable risk. 104/

As noted in the Introduction section of this Order, the Decision was written against a backdrop of concern for the impact of cost overruns on the economic benefits of ANGTS. In response to that concern, the President imposed a framework for project implementation designed to insure that the project would be of economic benefit to the nation. The IROR mechanism and values established by this Order play their role in that framework by providing ". . .substantial incentives to construct the project without incurring overruns." 105/

In evaluating the project's economic benefits to the nation, the President found that ". . .Alcan's direct costs could increase almost 124 percent over the cost overrun case before it would become socially

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104/ In this vein, the Commission recognizes that not even Federal government debt instruments are completely free of uncertainty, and were the project sponsors to be able to find investments which were totally free of uncertainty and ambiguity, the Commission expects that the rates of return on those investments would be a mere fraction of those contained in this Order.

105/ Decision at 37.

uneconomic;. . ." 106/ The project sponsors have insisted that they not be exposed to the risk of earning less than 13 percent on equity. 107/ As Table 3 shows, rates of return less than 13 percent will not be reached until costs overrun the March 1977 estimates in the Decision by 140 percent in Alaska and 60 percent for Northern Border. 108/ Such large overruns approach the levels at which the analysis in the President's Decision suggests that the economics of the entire project should be reviewed.

If the project sponsors believe that the probability of earning less than 13 percent on equity is substantial, the procedure for setting the Center Point allows the project sponsors to argue for a different Center Point

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106/ Decision at 180. The "Alcan" system referred to here is the precurser of the system proposed by the sponsors and now referred to as the ANGTS. See June 30 order.

107/ Joint Comments at 8.

108/ Note that the measurement of overruns excludes the effects of inflation, design changes prior to the final design, and certain changes in scope for the project.

and thus a different IROR schedule. The project sponsors may offer such arguments at the time they present their Certification Cost Estimates. Until such information or evidence concerning the ultimate costs of the project are presented, the Commission cannot conclude that the IROR mechanism required in this Order creates a significant probability that the Incentive Rate will be less than the 13 percent floor requested by the sponsors.

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Comparative IROR Schedule Proposed

	Commission		Project Sponsors		Staff	
	Alaska	N. Border	Alaska	N. Border	Alaska	N. Border
Center Rate (%)	17.5	15.0	18.0	17.0	12.5	11.0
Center Point	1.3 1/	1.1 1/	1.3 2/	1.2 2/	1.3	1.1
Marginal Rate (%)	8.0	8.0	12.0	12.0	0	0

Cost Performance Ratio	Incentive Rate of Return (%)					
0.8	23.4	17.6	21.8	19.5	20.3	15.1
0.9	21.7	16.6	20.7	18.7	18.1	13.4
1.0	20.4	15.7	19.8	18.0	16.3	12.1
1.1	19.2	15.0	19.0	17.5	14.8	11.0
1.2	18.3	14.4	18.5	17.0	13.5	10.1
1.3	17.5	13.9	18.0	16.6	12.5	9.3
1.4	16.8	13.5	17.6	16.3	11.6	8.6
1.5	16.2	13.1	17.2	16.0	10.8	8.1
1.6	15.7	12.8	16.9	15.8	10.2	7.6
1.7	15.3	12.5	16.6	15.5	9.6	7.1
1.8	14.9	12.3	16.3	15.3	9.0	6.7
1.9	14.5	12.1	16.1	15.2	8.6	6.4
2.0	14.2	11.9	15.9	15.0	8.1	6.1
2.1	13.9	11.7	15.7	14.9	7.7	5.8
2.2	13.6	11.5	15.5	14.7	7.4	5.5
2.3	13.4	11.3	15.4	14.6	7.1	5.3
2.4	13.2	11.2	15.3	14.5	6.8	5.0
2.5	12.9	11.1	15.1	14.6	6.5	4.8
2.6	12.8	11.0	15.0	14.2	6.3	4.7
2.7	12.6	10.9	14.9	14.2	6.0	4.5
2.8	12.4	10.8	14.8	14.1	5.8	4.3

1/ These values are based on March 1977 cost estimates. They will be revised late upon the Certificate Cost Estimates if appropriate.

2/ Project sponsors propose that the Commission set these values now.

TABLE 3

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The sponsors have requested a floor of 13 percent on the Incentive Rate. They argue that the IROR must be within a "zone of reasonableness." 109/

In deciding rates of return, the Commission must balance the need to protect the consumer from unreasonably high rates while maintaining the financial

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109/ Alaskan Northwest Natural Gas Co., "Petition for Expedited Rulemaking and Issuance of Final Order Establishing Rate of Return Range" (Docket No. RM78-12) (Feb. 15, 1979). In arguing for a "zone of reasonableness," Alaskan Northwest directs our attention to the standards of FPC v. Hope Natural Gas Co., 320 U.S. 591 (1944). Presumably the sponsors have in mind the following passage:

> The rate-making process under the [Natural Gas] Act, i.e., the fixing of "just and reasonable" rates, involves a balancing of the investor and the consumer interests. Thus we stated in the Natural Gas Pipeline Co. case that "regulation does not insure that the business shall produce net revenues.". . . But such considerations aside, the investor interest has a legitimate concern with the financial integrity of the company whose rates are being regulated. From the investor or company point of view it is important that there be enough revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock. . . . By that standard the return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and to attract capital. (320 U.S. at 603)(citations omitted)

integrity of the project and providing the investors an adequate return on investment. The Commission believes that this classic balancing test must be applied to the IROR in a manner consistent with the mandate of the President's Decision to establish an incentive to control costs. While the Commission must consider the financial integrity of the project, this consideration is tempered in light of the purpose of the incentive; the result must be just and reasonable and must not be confiscatory.

The IROR mechanism, with its inflation adjustment and scope change procedures, strikes the required balance. As advocated by the sponsors, the mechanism does have a de facto floor; this is the practical consequence of the Marginal Rate. More importantly, however, the IROR schedule provides, over the range of reasonable Cost Performance Ratios, a rate of return equal or greater to that advocated by the sponsors. This is the practical result of applying an average incentive rate over the range of Cost Performance Ratios. Given this result, the mechanism provided here cannot be considered either unjust or unreasonable; it certainly cannot

be construed as confiscatory. Investors, if they perform, are afforded ample opportunity to earn generous rates of return, while consumers will be able to obtain the natural gas they need at an acceptable price.

VI. Tariff Issues

This section of the Order addresses the proposed tariffs submitted by the project sponsors for the Alaskan and Northern Border segments of ANGTS. 110/ The Commission will accept the tariffs, subject to conditions described herein. The Commission shares the project sponsors' assessment of the importance and relevance of the tariffs. The tariffs are indeed the "economic lifeline" of the project. There must therefore be a degree of certainty for project sponsors and potential financers adequate to ensure that there will be a flow of revenues sufficient to service debt and pay all other current expenses once billing has been allowed to commence. The mechanisms for providing this assurance are described in the tariffs themselves and the Commission's considerations herein.

The Commission will resolve in this Order four tariff issues identified by the Alaskan Delegate as affecting the risk to be borne by project sponsors. The Commission will also decide in this Order certain other tariff issues that have been identified in the

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110/ The proposed tariffs were filed on March 12, 1979, pursuant to the Commission's Order set forth in "Notice of Delegate Report and Order Directing Tariff Filing", Docket No. RM78-12 (February 22, 1979) [hereinafter Delegate's Report].

comments of parties and by the Commission's own analysis of the proposed tariffs. 111/

Not all tariff issues are to be decided in this rulemaking. The Commission reaffirms the April 6, 1979 Notice that reserved for resolution in a separate proceeding the issue of the depreciation rate to be used to calculate the cost of service for "pre-delivery" of Canadian gas transported through the Northern Borde. pipeline (Notice at 60-61). Further, the Commission will defer to the proceedings in Northwest Alaskan Pipeline Company, Docket Nos. CP78-123, et al., the question of whether, and to what extent, there should be any apportionment of costs of Northern Border's "pre-delivery" facilities between deliveries of "Canadian bubble" gas and future deliveries of Alaskan gas. The Commission views these issues to be more closely related to the questions to be decided in that certificate proceeding; hence, that proceeding is the more appropriate forum for their resolution.

111/ The Alaskan Delegate provided notice of these issues in letters addressed to the project sponsors. Those letters were dated April 20, 1979 and April 27, 1979. Copies of each were sent to all parties of record in this docket as well as in Northwest Alaskan Pipeline Company, Docket Nos. CP78-123, et al.

Another issue that will not be resolved here concerns specific mechanism(s) for shipper tracking. 112/ A tracking mechanism involves questions of the timing of any flow-through of charges, the necessity of being assured that there will be a matching of costs and revenues, and recognition that appropriate tracking mechanisms for individual shippers may vary because rate designs and rate forms will differ among shippers. Thus, appropriate flow-through arrangements can only be properly addressed when the individual shipper tariffs are filed with the Commission.

Although it would be premature to specify appropriate methods at this time, the Commission can state, however, that it is in basic agreement with the concept that any amounts paid ANGTS under a tariff approved by this Commission will be allowed to be included in the rates

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112/ The Commission has previously addressed this issue. By motion dated April 18, 1979, Alaskan Northwest and Northern Border requested reconsideration of the Notice of Proposed Rulemaking in this docket. Specifically, petitioners requested that the Commission "provide for inclusion in [Docket No. RM78-12] of issues relating to shipper compary recovery of all amounts paid under the Alaskan Northwest and Northern Border tariffs." (Motion at 2.)

By order dated April 27, 1979, the Commission denied the motion but indicated that parties would not be precluded from commenting on the flow-through issue or from the filing of pro forma tariffs by the shippers. Parties filed comments on this issue but pro forma shipper tariffs were not filed.

of those shippers that are interstate gas pipeline companies, subject to appropriate reconciliation of all other aspects of ratemaking to ensure that there is no overcollection of costs attributable to the tracking arrangements themselves. Interstate gas pipeline companies shipping through the ANGTS system will be expected to pay all charges properly due to ANGTS. Any such amounts paid ANGTS will be allowed to be included in the rates of those shippers that are interstate gas pipeline companies. Allowance of those amounts will require that there is a matching of costs and revenues in order that overcollection or undercollection of fixed costs of the shipper company does not occur. 113/

113/ The possibility of overcollection (or undercollection) of fixed costs arises because the commodity charges included in interstate pipeline rates typically recover certain of the fixed costs. For example, under the United 25/75 cost apportionment approach 75 percent of the fixed costs of a shipper would be assigned to the commodity rates of the shipper. The unit amount of fixed costs to be recovered would be determined in a rate proceeding on the basis of the projected costs and throughput of the pipeline for the test period. As Alaskan gas begins to flow through the shipper's pipeline, it will recover the unit fixed costs included in the effective rates. Should the Alaska natural gas volumes not have been included in the billing determinants underlying the "base" charges, the result could be an over recovery of fixed costs, i.e., the fixed costs would be recovered by greater billing determinants than had been used to develop rates. The Commission will require assurance that any mechanism used to flow-through ANGTS costs will not result in this or a comparable situation.

The Commission also defers to a later date the resolution of the question of the permissible level of CO_2 that is to be contained in the gas. 114/ This issue was addressed in the comments of both the State of Alaska and Sohio Natural Resources Company. 115/ The permissible level of CO_2 is a significant issue that involves an evaluation of the impact of the different CO_2 levels on capital and operating costs. However, because of the absence of adequate data available on this record to enable complete evaluation of this issue, the Commission recently requested the parties to file additional information on this matter. 116/ The evaluation of the data filed in response to that request has not yet been completed. The Commission will, therefore, issue a separate order on this issue rather than withhold issuance of its disposition of the other issues raised in this rulemaking. An order establishing the CO_2 quality

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114/ Questions concerning other quality standards are discussed at Section VI.B.5.

115/ Initial Comments of the State of Alaska at 6-7 (Docket No. RM78-12) (May 4, 1979); Comments of Sohio Natural Resources Company on Notice of Proposed Rulemaking Issued April 6, 1979, at 2 (Docket No. RM78-12) (May 7, 1979).

116/ Order Requesting Further Submission of Data, Views, and Comments (Docket Nos. RM78-12 and RM79-19) (issued May 16, 1979).

standard(s) will be issued as soon as the Commission can complete its evaluation of the additional material.

Finally, the Commission will decide in Docket No. RM79-19 the issue of cost responsibility for processing Prudhoe Bay gas to pipeline quality standards. The Notice of Proposed Rulemaking in Docket No. RM79-19 specified that the cost responsibility issue would be decided in that docket. 117/ The record being compiled in that rulemaking will provide the Commission with the information necessary to resolve the issue. Accordingly, the Commission will defer decision on those portions of the tariff that affect this issue. After the issue is resolved in Docket No. RM79-19, a supplementary order in this proceeding will be issued to reflect that resolution in the tariffs of the project sponsors.

117/ Federal Energy Regulatory Commission, "Treatment of Certain Production-Related Costs for Natural Gas to be Sold and Transported through the Alaska Natural Gas Transportation System: Notice of Proposed Rulemaking and Statement of Policy" (Docket No. RM79-19) (issued Feb. 2, 1979).

A. Issues Identified by the Alaskan Delegate

The four major tariff issues identified by the Alaskan Delegate are: (1 determination of the date on which the project sponsors will be permitted to commence billing their shipper-customers; (2) whether an interim rate should be imposed during the initial build-up phase of the project; (3) the extent to which the effect of a service interruption should be shared by the project sponsors as well as by shippers and consumers; and (4) the billing procedure to be used to levy charges for transportation services. 118/

1. Billing Commencement Date

At issue here is the appropriate interpretation of the President's Decision and the setting of the billing commencement date. The Alaskan and Northern Border segments of the system will be project financed, which means their debt will primarily be secured by the revenues they collect. Commencement of the collection of those revenues is triggered by the commencement of billing, and is, therefore, important to an assessment of project

118/ Report of the Alaskan Delegate on Tariff and Operation Phase Rate Issues 6-7, accompanying Notice of Delegate Report and Order Directing Tariff Filing (Docket No. RM78-12) (issued Feb. 22, 1979).

risk. The sooner billing can commence, the less risky the project will appear to potential investors.

The third finance condition in the President's Decision prohibits any payments by the purchaser or ultimate consumer of Prudhoe Bay gas "prior to completion and commissioning of operation of the system". 119/

Definition of this phrase does not appear in ANGTA, the President's Decision, the Natural Gas Act, or the Commission's Regulations. The Report of the Alaskan Delegate, however, offers four possible interpretations of when billing might commence:

1. Charges begin when all segments of the pipeline are complete and gas is being transported.
2. Charges begin when all segments are capable of rendering service, even if no gas is flowing.

119/ The third finance condition provides:

> 3. Neither the successful applicant nor any purchaser of Alaska gas for transportation through the system of the successful applicant shall be allowed to make use of any tariff by which or any other agreement by which the purchaser or ultimate consumer of Prudhoe Bay natural gas is compelled to pay a fee, surcharge, or other payment in relation to the Alaska natural gas transportation system at any time prior to completion and commissioning of operation of the system. Decision at 37-38.

3. Charges begin for each segment when it is complete and capable of rendering service.

4. Charges begin at a date certain.

The proposed tariff of Alaskan Northwest provides that "completion and commissioning" shall occur when the "Company's pipeline is capable of rendering service even if, for whatever reason, gas is not being delivered to, or transported through Company's pipeline system." (Section 1.10 of the General Terms and Conditions.) The tariff of Northern Border contains an identical provision (Section 1.10 of the General Terms and Conditions). Both tariffs would thus prescribe a billing commencement date that follows the third definition suggested by the Alaskan Delegate.

The project sponsors assert in their joint comments that the billing commencement date contemplated in the respective tariffs is both consistent with the President's Decision and promotes financing of the system. The sponsors argue initially that neither the Decision nor its accompanying Report address the specific question of the initiation of billing once a segment has been completed. 120/ Considering that argument, together with the requirement that the project must be privately

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120/ Joint Comments at 48.

financed, the sponsors contend that the Commission must be presumed to have been given broad discretion in approving or fashioning conditions that would encourage private financing. Private financing can best be achieved, according to the sponsors, through Commission assurance that the billing commencement date for one segment will not be tied to the billing commencement date for another segment. 121/

Staff, on the other hand, relies on the President's Decision and accompanying Report to contest the billing commencement date set forth in the tariffs. 122/ Staff argues that in designating different companies to construct and operate different portions of the system, the President was fully aware of the distinction between the "system" and "portions" thereof. According to Staff, the President maintained that distinction in the third finance condition, which precludes any fee, surcharge, or other payment in relation to the ANGTS

121/ Id. at 49-50, 52-55.

122/ Staff, Initial Comments at 6-9. Staff also cites to the Initial Decision in El Paso Alaska Company, to the effect that until a company begins to provide service a "natural gas company" does not exist within the meaning of the Natural Gas Act and, consequently, no effect can be given to a tariff provision of a company that has not yet attained jurisdictional status. Id. at 6. The Commission finds it unnecessary to address this question in light of the determinations made here.

before completion and commissioning of operation of the system.

The Public Service Commission of the State of New York also challenges the tariff provisions defining the billing commencement date. While New York has no objection to "appropriate" billing should Northern Border "pre-build" all or a portion of its pipeline to transport Canadian gas, New York advocates billing consumers only for actual services rendered. 123/

In reaching its conclusion, the Commission has considered these arguments as well as the requirements of the President's Decision, its legislative history 124/, and the impact of alternative resolutions upon the financeability of the project.

123/ New York, Initial Comments at 6-7.

124/ The relevant legislative history accompanying the President's Decision consists of the Report Accompanying the Decision, as well as the House and Senate Reports to H.J. Res. 621 (P.L. 95-158, 91 Stat. 1268), which approved the Decision. The Congressional debates on H.J. Res. 621 do not focus on when billing should commence.

The Commission's resolution of the billing commencement date begins with the Commission's interpretation of the phrase "completion and commissioning of operation of the system." The Commission believes that the Decision is precise concerning the definition of the term "system." The Decision both refers to the system in its entirety and to the various segments in the United States and Canada that comprise the system. 125/ Thus, when the Decision uses the term "system," it is clear that the reference is to the entire system including all segments in the United States and Canada. The Commission concurs with Staff on their definition of the term "system."

However, neither the Decision nor the legislative history provides similar certainty in defining the phrase "completion and commissioning of operation." Thus, in specifying a billing commencement date, the Commission has had to consider the broad goals of ANGTA, principles of public

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125/ For example, the Decision defines the system as an overland pipeline from Prudhoe Bay, Alaska, through Canada, to the Midwest and Western sections of the continguous United States (Decision at 6). Also, the Decision defines each of the separate segments and specifies the companies to own and operate each segment.

utility regulation as well as the objectives of this project as identified in the Decision.

Specifically, the Commission has considered the need to (1) equitably treat all parties including the project companies, their investors, the shippers and owners of the gas, and gas consumers; (2) provide incentives to avoid delay both in the completion of construction of all segments and in the start-up of gas production; and (3) reduce the ultimate cost to consumers. Billing commencement at the time when all segments are complete, tested and proved capable of operation satisfies these goals better than the other alternatives posited by the Alaskan Delegate and discussed by the Staff, the sponsors, and other parties.

Prior to commissioning the system for operation, all pipeline segments must be been tested and proved to be capable of operation. The Commission will rely upon the Federal Inspector to certify that the system is capable of performing the services for which it was certificated. In establishing this billing commencement date, the Commission limits the rate to be charged before initiation of service to a "Minimum Bill." The Minimum Bill shall be equal to actual operation and maintenance expenses, current taxes, plus debt service including interest and scheduled retirement, if the Federal Inspector certifies that the system is capable of performing the service even though no gas has been tendered for transportation. The

Commission concludes that this is a reasonable and fair burden to place on the various parties. First, sponsors have control over the coordination of the construction schedules of the various segments. Shippers or consumers should not be asked to bear the cost of poor coordination in the construction of the entire system. 126/ Once the system is complete, however, it would be unfair to impose a further burden on the project sponsors who are only the transporters of the gas for the shippers and who depend on shippers to tender gas to them. The Minimum Bill (equal to actual operation and maintenance expenses, current taxes, plus interest and scheduled retirement of debt) will allow the project companies to pass this portion of the total cost to the shippers. The mechanism and timing of the flow-through of the Minimum Bill is specifically reserved until such time as the proposed shipper tariffs are presented to the Commission. 127/

Finally, the Commission concludes that the specification of the date for billing commencement strikes the necessary balance between various costs to be borne by the consumer and risks to be borne by project sponsors.

This provision reduces the risk borne by investors in the project, especially debt holders, and this reduction in risk

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126/ The Commission's choice of billing commencement date is not inconsistent with our earlier interpretation of the President's Decision in Alcan Pipeline Company, Docket Nos. CP78-123, et al., "Order Dismissing Petition for Declaratory Order" (March 24, 1978). In that order the Commission stated that the Decision precludes the shifting of the risk of non-completion to gas consumers. Once the system has been constructed and is capable of rendering service, that risk will have passed. It is at just that point that we have allowed charges to commence.

should facilitate the private financing of the project and thus the expeditious construction of this important source of natural gas. Also, this reduction of risks will tend to reduce both the rates of interest and rates of return necessary to attract private debt and equity investors. 128/ Interest charges and return on equity is a major portion of the cost of service for this pipeline. A lowering of such costs of financing could mean a substantial savings to consumers. 129/ The Minimum Bill will provide for debt service and thus reduce the finance charges to be borne by consumers (AFUDC) when service commences. 130/

This choice of a billing commencement date does create the possibility of the project companies billing shippers during a period when transportation service has not commenced. However, the Commission concludes that a long delay in the initiation of service after completion and commissioning is very unlikely. Incentives created by this definition of billing commencement, and the various controls and oversight authority granted to the Federal Inspector encourage coordination and timely commencement of service. First, insofar as most shippers are also going to be sponsors with an equity interest

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128/ See, El Paso Alaska Company, Docket Nos. CP75-96, et al., Tr. at 29,620.

129/ See, New York, Initial Comments at 1.

130/ See, El Paso Alaska Company, Docket Nos. CP75-96, et al., Tr. at 35,514.

in the project, it would obviously be to their benefit to have the gas flowing at an early date rather than deferring cash flow to be realized from their equity share of the project. Thus, the Minimum Bill, which provides no return of or on equity, creates a cash flow incentive for the sponsors to consummate, in a timely manner, the necessary agreements with the gas producers and the transporter, as well as any new arrangements that may be required with the shippers' customers.

Additionally, it would appear to be in the producers' best interest to have producer-shipper contracts finalized at an early date and the conditioning plant ready when the system is prepared to transport gas. This is because of the expected flow of revenues to be realized by the producers from the sale of the gas and also because of the long-range planning required for efficient reservoir management of the Prudhoe Bay field.

Based upon the previous analysis and reasoning, the Commission concludes that the project companies may commence billing after the entire system is completed and tested for service. Tested for service does not require that the line be packed. The Commission's resolution also appears to be harmonious with the approach previously taken by the National Energy Board of Canada (NEB). The NEB uses the terminology

"leave to open" as the regulatory event which signifies the NEB's judgment that construction has been completed, the facility has been tested and is ready for service. It is noteworthy that the Foothills' proposed tariff provides that billing may commence only after all nine segments in Canada ... have been completed and commissioned for operatio... 131/

During the period between completion of the entire system and actual transportation of gas, the Minimum Bill will equal the actual operation and maintenance expenses, current taxes, and amounts necessary to service debt, including interest and scheduled retirement of debt. This level of reduced billing will continue until gas is tendered for transportation and service commences. Upon the initial transportation of gas by the system, the project sponsors will then be allowed to charge an interim rate. The next section of this Order specifies the level and duration of the interim rate.

131/ Foothills Pipelines (Yukon) Ltd., Gas Transportation Tariff, Sheet No. 201, filed April 1, 1979 (Section (1)(1.4), General Terms and Conditions):

> The term "Billing Commencement Date" shall mean the date when all Canadian Segments required in the transportation of that U.S. Gas have been completed and commissioned for operations. . .

The continuation of regulatory consultations as provided for in Section 9 of the Agreement Between the United States of America and Canada on Principles Applicable to a Northern Natural Gas Pipeline may result in a closer coordination of billing commencement in the U.S. and Canada.

2. Interim Rate

We have determined that charges should be permitted only after all segments of the system are completed and capable of rendering service. Next to be addressed are the related questions of the level of the charges to be initially imposed. At issue is whether the tariffs should provide for fixed, reduced charges during the initial operating period of the system or, alternatively, for full cost-of-service charges. For the reasons discussed below, the Commission will require that the tariffs provide for an interim rate scheme, which includes both a Minimum Bill to cover current expenses and debt service, and a fixed unit-rate to be applied to the actual gas throughput during the first year of operation or until the design throughput is attained. The rationale for requiring the interim rate scheme is that it recognizes that at the commencement of billing, either the gas throughput may be less than the design capacity, or the pipeline start-up and testing procedures may be completed prior to the ability of the shippers to tender gas for transportation.

During the proceedings in El Paso Alaska Company, Docket Nos. CP75-96, et al., two interim rate proposals were advanced. The first was a phasing proposal in which some portion of depreciation expense and return on rate base would have been deferred until full throughput capacity

was reached. The second proposal would have imposed a fixed reduced unit charge on the smaller initial volumes, with those revenues credited against the construction work in progress account. That reduced charge would have lasted for no more than one year.

The second proposal was endorsed by the Administrative Law Judge in his initial decision in El Paso Alaska Company. 132/ The President's Decision does not discuss the issue. The FPC's Comments on the Decision suggest, however, that an interim rate should be given consideration. 133/

The proposed tariffs of Northern Border and Alaskan Northwest each provide that billing would commence at the full cost-of-service charges. Although the project sponsors acknowledge that an interim rate provision can be incorporated into the tariffs, they are of the view that an interim rate would produce no material changes in the charges that would otherwise be collected under the tariffs. That view is based on the project sponsors assumption that beginning with the initial billing commencement date, their respective segments of ANGTS will be used essentially at their full design capacity.

132/ El Paso Alaska Co., Docket Nos. CP75-96, et al., "Initial Decision on Proposed Alaska Natural Gas Transportation Systems," at 409 (Feb. 1, 1977).

133/ Comments at 63.

The Commission, however, will require an interim rate because there are no assurances about the level of throughput that will be achieved during the initial period of operation. 134/ This is true particularly in light of the fact that charges will be permitted to commence upon completion and commissioning of operations. Because of the sheer size and complexity of this project it is reasonable to expect that the system may not be able to attain its design capacity throughput during the initial months of operation. Any throughput below the design capacity would result in higher unit charges to gas consumers if charges to the shippers were based upon the full cost-of-service computations.

To guard against that event, the Commission will require that an interim rate structure be established to be effective commencing upon completion and commissioning of operation, 135/ and terminating on the earlier of the first year of operation or upon attainment of design capacity throughput, whichever occurs earlier. 136/ The level of that interim rate is to be

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134/ See Decision at 145-47.

135/ It must be made clear that this discussion pertains only to the methodology of the interim rate itself. The timing of the flow-through by the shippers of any charges resulting from the interim rate and the actual mechanics of the flow-through are not addressed in this order.

136/ See discussion in Section VI.A.1 (Billing Commencement).

computed on the basis of the projected cost-of-service for the first twelve months of operation divided by the system's design capacity throughput. The interim rate is to be a fixed unit charge (i.e., dollars per dekatherm) and is to be applied to the actual quantities of gas delivered through the system. The interim charge so computed will be effective commencing with the initial delivery of gas through the system. During the interim rate period, the expenses and revenues experienced by the transporter should be treated as "earnings and expenses during construction" and AFUDC should continue to be recorded in accordance with 18 C.F.R., Part 201, Gas Plant Instructions 3(17) and 3(18).

The Commission recognizes, however, that -- for some unknown and unforeseeable occurrence -- there could be a lapse between the time of completion and commissioning of operation of the system and the time when gas deliveries commence. As previously explained, 137/ such an event is unlikely because there are adequate incentives placed upon the transporters, shippers, and producers to commence gas deliveries at an early date. If, however, there were a delay in gas deliveries, no revenues would be generated from

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137/ See Section VI.A.1. (Billing Commencement).

the interim rate described above. Additionally, if the quantity of initial gas flow were very small, the revenues might not be adequate to service debt and cover current expenses. The Commission will, therefore, permit the transporters to collect, as a "Minimum Bill," charges equal to actual operation and maintenance expenses, actual current taxes, and actual amounts necessary to service debt. It is the Commission's opinion that the tariffs should provide for a "Minimum Bill" as an aid in obtaining financing for this project.

The Commission also recognizes that a portion of the cost of service may have to be capitalized to the extent that costs exceed revenues. On balance, however, the interim rate adopted here appears preferable. It attains a reasonable balance between the need to obtain financing and protection for the consumers against excessive transportation charges during the system's start-up and testing period. Any capitalization of costs in excess of revenues would effectively be spread on a pro-rata basis to all shippers utilizing the system. An interim rate would also likely reduce the burden on those shippers utilizing the system to transport relatively small volumes of gas. Additionally, such a rate would tend to reduce inequities that may occur as a result of, possibly, different, higher charges imposed on shippers that initially use the system as compared to those that later use the system.

The type of interim rate prescribed by the Commission will operate as an incentive to the transporters to maximize the throughput because the revenues recouped from this type of rate will be increased as throughput is increased. The Commission's formula for developing an interim rate should also encourage early utilization of the system because the unit charge would be lower during this period as compared to full cost of service charges. The interim rate adopted by the Commission is also superior to alternatives proposed in the comments of parties and Staff. Further, the Commission's interim rate fully considers the concerns expressed by the project sponsors in their comments on an interim rate.

Staff supports the interim rate concept. 138/ The essential difference between the recommendation of Staff and the interim rate adopted by the Commission is that Staff would compute the interim rate based on the projected full cost of service for the first year of operation divided by the aggregate of the maximum annual contract entitlements.

The Commission is not persuaded that the result of dividing costs by maximum contract entitlements will achieve adequate protection against a high level of transportation

138/ Staff Initial Comments at 25-28.

charges during the initial months of operation of the system. It is not known at this time the extent to which the capacity of the system will be contracted for during those initial months of operation. That is one of the reasons underlying the Commission's determination that the interim rate prescribed here provides a significant measure of consumer protection without impairing the financeability of the project.

The interim rate adopted here also appears superior to the proposal of the Public Service Commission of the State of New York. New York argues neither for nor against adoption of an interim rate at this time. It suggests, rather, that a final determination on this matter be postponed to the future. 139/ Postponement can be achieved, according to New York, if the Commission were to provide that an interim rate would be prescribed if circumstances at the start-up date so warrant. To assess those circumstances New York proposes that the sponsors would be required, by a date set by the Commission, to file data about the expected level of initial operation. 140/

139/ New York, Initial Comments at 7.

140/ Id.

The Commission believes that its determination herein is more appropriate. In the Commission's view, the project sponsors and the finarcial community need a determination, at this time, about whether an interim rate will be required. Further, the interim rate prescribed here is sufficiently flexible so that the level of the rate will automatically adjust to the initial level of operation.

The Commission prescribed interim rate will also satisfy the concerns expressed by the State of California. California states that it has no basis for proposing implementation of a "complex" interim rate approach in the early months of operation. 141/ The interim rate described above is not complex. It strikes the necessary balance between protecting consumer interests during the initial months of operation of the system and the requirements for a revenue flow for the project sponsors.

141/ California, Initial Comments at 5.

The State of Alaska did not comment on the interim rate per se. Rather, Alaska's comments were directed to whether an attempt should be made to levelize the costs over the life of the project. Alaska, Reply Comments at 5-6. The interim rate issue that is addressed by the Commission should not be confused with any attempt to levelize costs over the whole life of the project. Rather, the interim rate is intended to guard against excessive transportation charges during the initial period of operation of the system.

California also cautions that the Commission should assure itself that the design capacity throughput will be achieved within a short period after the gas begins flowing. 142/ As stated above, this Commission does not have any assurances at this time about the number of months that will be required for the system to reach its design capacity. For this reason, the Commission will require the implementation of the interim rate described above, the effect of which will be that the average charge for gas transported through the system during the initial period of operation will not be excessively high.

Finally, the interim rate adopted here will provide the project sponsors with the assurances they sought. The sponsors state that they do not deny that an interim rate can be incorporated into the project tariffs provided that the interim rate expires on a date certain. 143/ The interim rate that the Commission will impose will expire, as indicated, upon the attainment of design capacity throughput or the end of the first year of operation, whichever occurs earlier. The Commission has also provided resolution of this issue at this time so that, as the sponsors argued,

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142/ Id.

143/ Joint Comments at Tab 3, Pt. 2 at 7.

their ability to arrange timely financing for the project would not be impeded. The interim rate structure provided for here should be an aid in securing financing for the project. Further, should the project sponsors prove correct in their assumption, that the system will be used to its then-available capacity once operations begin, the revenues generated by the interim rate will equ te to the full cost-of-service.

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3. Service Interruption

The third issue identified by the Alaskan Delegate involves whether equity investors of either the Northern Border or Alaskan Northwest segment should be subject to a reduced return on equity if that segment is unable to fulfill its contract obligation to transport Alaska gas. Both the Administrative Law Judge in El Paso Alaska Company and the FPC in its Recommendation to the President endorsed such a provision.

Section 5 of Rate Schedule T-1 of each proposed tariff adopts the concept and provides for a reduction in charges should the pipeline be unable to accept and transport the contract gas tendered to it. The tariff provision reducing the charges to shippers would be applicable, however, only in those instances when the reduction in service for any one month was greater than 10 percent. 144/ In that event the adjustment to the monthly bill would reduce the return on equity and associated taxes. That reduction would be proportional to the percentage of volumes tendered but not transported. If the transporter is able subsequently to

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144/ Any failure by the pipeline to accept less than 100% but more than 90% of the gas tendered by a shipper would be accounted for in the Make-Up Gas provision of the respective tariffs. This gas -- referred to as "No Billing Adjustment Gas" -- would be transported in subsequent months at no added charge to the shipper.

transport the volumes of gas to which a billing adjustment had previously been applied, the charge for that "Make-up Gas" transportation would be computed by using the same billing adjustment (i.e., the same $ 'Dekatherms). In summary, the tariffs have the effect of reducing charges to the shipper if the pipeline is unable to operate at 90 percent of the contracted transportation level, but permits the pipeline to recoup any such billing credits by transporting volumes in excess of the contract level in subsequent months.

Commission Staff argues that the service interruption provision of each of the proposed tariffs is inadequate. Staff contends that, under the proposed tariff arrangement the possibility exists that ultimate consumers may not receive gas because of the failure of one transporter to perform. Those consumers, however, would still be required to pay (1) the full costs of service of those segments able to perform; (2) a portion of the costs of that segment responsible for the service interruption; and (3) depending on the terms of the gas purchase contracts between producers and shippers (e.g., "take-or-pay clauses"), some or all of the shipper's contract obligation.

AGU 886159

To recognize this potential burden on consumers, Staff argues that a premium must be placed on performance. Staff, therefore, proposes that the tariff provide both a proportional reduction in return on equity for minor interruptions and a total cessation of recovery of equity investment for interruptions of 60 percent or more of the contract quantities.

In Staff's view the loss of equity investment is compatible with the President's Decision. The Report accompanying the Decision is said to establish that equity investment is to be placed at risk in all circumstances, including service interruption, and should interruption occur, only debt service would be maintained (see Report at 100-101).

There is no dispute about the necessity for a tariff provision that reduces the return on equity for service interruptions, and such a provision must be included in the tariff. The Commission views this tariff provision as striking a necessary and appropriate balance between the need to provide an incentive for maintaining uninterrupted service and yet realistically appraise the operating character of the pipeline. 145/ A reduction in charges to

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145/ The Commission recognizes also the balancing of transporter/shipper interest provided through the "Tender Deficiency" provision under Section 3.1 of Rate Schedule OT-1, which permits the shippers to make up any deficiencies in the volumes of gas tendered for transportation during the same month in which the tender deficiency occurred or in the next following month.

shippers would provide an economic incentive for the project sponsors to maintain uninterrupted service to the maximum extent possible. The provision would simultaneously recognize that a pipeline cannot transport 100 percent of its contract gas every day. It would thus afford some measure of operating flexibility to the transporter through use of the 90 percent billing adjustment "ratchet" without any apparent long-term operating or economic hardship on the shippers.

As proposed by the project sponsors, another feature of the 90 percent billing adjustment ratchet is that there would be no limit imposed on the time available to transport the make-up volumes. Staff objects to that provision, arguing that the period for transporting make-up volumes should be limited to one year. According to Staff, the make-up volumes can be obtained only from "storage, reinjection, improved field deliverability or new discoveries." Each of these sources of increased gas supply will impose additional costs on shippers and producers. In such circumstances, Staff argues, the transporters should not be entitled to an unlimited make-up period because it would be contrary to the intent of a Minimum Bill provision and would also shift risks of interruption to the consumer.

Contrary to Staff's argument, the Commission concludes that a time limit for transporting make-up volumes should not be included in either of the tariffs. If the transportation

of make-up gas has no time limitations, a transporter will be required to discharge all obligations under the make-up gas provision of Rate Schedule T-1 before a charge can be assessed pursuant to Rate Schedule OT-1. The make-up gas provision of the Rate Schedule T-1 is to the consumer's benefit since the OT-1 charge would be higher than the make-up gas charge for "Billing Adjustment Gas" (i.e., gas which had been tendered but not transported, and for which an adjustment had been provided, equal to a proportional reduction in return on equity and associated taxes). Further, a transporter operating under an indefinite make-up period will be under a continuing obligation to ship "no billing adjustment gas" which had previously been tendered by a shipper A shipper is not charged for the transport of this gas, because no credit was received by the shipper at the time these volumes were tendered but not transported.

Consumers may also benefit from an indefinite make-up period. To the extent that make-up gas can be transported at a lower charge than other volumes of Prudhoe Bay gas, the lower costs and increased volumes would lower the average cost of all gas. That possibility would be cut off, however, were a one-year limit imposed on transporting make-up gas.

Finally, the Commission disagrees that the indefinite make-up period now provided in the pro forma tariffs will not put a premium on performance. Transporters are not

likely to delay the transportation of make-up gas, because such delay prevents recovery of the return on equity. Thus, any make-up provision is self-enforcing. Further, since there is a time value of money, the indefinite make-up provisions of the tariffs might provide a continuing incentive for transporters to perform make-up activities as quickly as possible, so that revenues will be forthcoming for their use sooner rather than later. That continuing obligation would not exist, however, if after one year from the service interruption the transporter, although permanently losing a portion of the return on equity, was also discharged from his make-up obligation and could charge at the then current transportation rates.

For the reasons set forth above, the Commission therefore approves the pro forma tariff provisions regarding the reduction in return on equity. Except for the period of time permitted to transport make-up volumes, there is unanimous agreement among participants that such a tariff provision is both fair and necessary.

There is substantial disagreement among participants, however, about whether there should be a loss of equity investment for major service interruptions. As discussed above, Staff would require a permanent reduction in the return of equity whenever transporters fail to transport 60 percent or more of their contract volumes. Tariff provisions similar to that proposed

by Staff were discussed in the initial decision in El Paso Alaska Company 146/ and in the FPC's Recommendation. 147/

The Commission has carefully examined this issue and concludes that in the event of an extended, total service interruption, the public convenience and necessity may require a reduction of, not only the return on equity, but also a disallowance of the return of equity. A tariff provision of this nature was before the President 148/ and complies with the conditions under which private financing was expected to occur:

> 1. The equity investment in the project would be placed at risk under all circumstances and the budgeted equity investment be considered the first funds spent. The rate of return on equity would compensate sponsors for bearing this risk.
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> * * *
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> 4. Provision of debt service in the event of service interruption would be borne by consumers through a tariff that becomes effective only after service commences. 149/

Unlike the Staff's proposal to reduce charges whenever the level of gas throughput falls below 60 percent of contract amounts, the reduction in charges described below will

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146/ Docket Nos. CP75-96, et al., Initial Decision at 404 (Feb. 1, 1977).

147/ Recommendation at XII, 43.

148/ The private financing model discussed in the Recommendation would have reduced debt service.

149/ Recommendation at XII, 43.

become effective only in the event of an extended total cessation of service. As already discussed, the 90 percent billing adjustment ratchet for any service diminution below 90 percent of tendered gas will reduce charges to eliminate return on equity. However, once the transporters wholly fail to provide any service, it is appropriate that return of equity be subject to forfeiture.

The provision adopted here will be activated only in the event of the failure of the Alaskan segment or Northern Border segment to transport tendered volumes, and only when there is a total cessation of service for thirty consecutive calendar days. The provision would apply prospectively from the thirty-first day of service interruption, and would continue until such time as gas is again transported. Further, this provision will apply solely to that segment directly responsible for the service interruption. 150/ Specifically, the Commission will require that commencing with the thirty-first day of total service interruption, that portion of the transporters' charges attributable to equity costs (that

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150/ For example, if the Alaskan segment of the system were inoperable but the Northern Border segment were operational, no adjustment would be made to the charges by Northern Border. Likewise, if one or more of the Canadian segments of the system were inoperable but the Alaskan segment and the Northern Border segment were operational, no adjustment would be made to the charges by either Alaskan Northwest or Northern Border.

portion of depreciation expense not necessary for debt service and associated taxes) shall be collected, subject to refund. Under no circumstance would debt service be impaired.

A Commission hearing will be convened as soon as practicable after the end of the first month of total cessation of service. At that time, the transporter will be provided the opportunity to demonstrate that the extremity of the circumstances surrounding the service interruption warrants retention of equity costs by the transporter. If the transporter can demonstrate that the failure to provide service was beyond the control of prudent management, the revenues collected subject to refund will be retained by the transporter. If such a showing is not made, the revenues collected subject to refund must be returned to the shippers together with appropriate interest.

While the Commission recognizes that consumers will be required to pay a portion of the transportation charges during the period that the Commission is considering whether equity costs should be refunded, that period should not be long. The ANGTA mandate to expedite will continue in force. The continued collection of equity costs by the transporter may also assist it in having revenues available to make necessary, and perhaps expensive, repairs to restore service.

Consumers, on the other hand, will have the assurance that refunds, with interest, will be provided should the transporter fail to demonstrate that the total cessation of service was not the result of management imprudence.

In that event, fairness requires that the appropriate transportation charge only recover actual operation and maintenance expenses, current taxes, and debt service. This reduced level of charges would continue until service is restored.

This procedure provides the assurance to investors that debt service will be covered in all events as was contemplated in the President's Decision. 151/ It also provides that shippers and consumers would not bear equity costs when management is unable to demonstrate that events surrounding the service interruption justify the retention of such equity costs by the transporter.

151/ Decision at 100-101.

4. Billing Procedure

The selection of the period and method to calculate shippers' transportation charges is the fourth issue affecting risk allocation for the Northern Border and Alaskan segments of the ANGTS project. 152/ According to the Alaskan Delegate, two alternative procedures were presented during the hearings in El Paso Alaska Company, Docket No. CP75-96, et al.

> The first would be to estimate the cost of service of the pipeline over a future six month period and then fix a constant monthly charge to recover this estimated six month cost of service. In the event that the estimate deviated from the actual cost of service, any accumulated undercharge would be added to, or any overcharge subtracted from the charge levied over the following six month period.
>
> The second approach . . . would be to simply bill shippers monthly for the actual costs of service incurred during the previous month. . . . This could result in charges changing from month to month but would avoid any overcharging or undercharging. (Delegate's Report at 13)

The Initial Decision in that proceeding recommended adoption of the six-month billing procedure. 153/ The Presiding Judge found that the six-month billing affected only the timing of recovery of the charged rates and, therefore, no adequate justification had been presented

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152/ See Delegate Report at 13.

153/ Initial decision at 407-408.

for rejecting the proposal. He further postulated, however, that the monthly billing procedure would have also been acceptable. 154/

Each of the proposed tariffs before the Commission provides for a six-month billing procedure (see Section 6.8 of the General Terms and Conditions of the tariffs of Northern Border Pipeline and Alaskan Northwest Natural Gas Transportation Company). Commission approval of each of the tariff provisions is urged by the project sponsors as providing a mechanism to permit shipper tariff tracking provisions with transportation costs attributable to ANGTS. The proposal is also tentatively supported by New York. 155/

Staff acknowledges that the six-month billing procedure is neither unfair nor illegal. Staff contends, however, that billing shippers for the previous month's actual costs provides certain advantages: (1) it would simplify the tariff by eliminating the surcharges and carrying charges which occur with a six-month billing procedure; (2) it would reduce billing controversies regarding methods of estimation; and (3) it would simplify review of transporters' rates.

154/ Id.

155/ New York, Initial Comment, at 8.

Initially, the Commission agrees that the project sponsors' proposed method of billing is neither illegal nor unfair. Each transporter will determine monthly the difference between its actual cost of service and the total charges collected. That difference will be accounted for in the transporter's working capital allowance in rate base and, therefore, carrying charges will be recovered by the transporter when there have been undercollections or by the shipper when there have been overcollections.

Moreover, while Staff's arguments in favor of a monthly billing procedure are credible, the Commission finds that on balance the six-month billing procedure will be adopted. Although cost-of-service billing is typically done on an actual basis, a six-month billing procedure here would provide the transporter with a relatively stable flow of revenues. It would also enable the shippers to more accurately estimate their revenue requirements for the immediate future. 156/

The six-month billing procedure would also benefit the consumer by reducing the possibility of wide variations in monthly transportation charges. Such variations

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156/ This feature may have significance in the Commission's consideration of the mechanics of flow through of the systems' charges by the shippers. The question of shipper tracking is discussed above. See Introduction to Section VI.

could be a result of the planned maintenance and scheduled down time proposed in the tariffs. Section 1.14 of the General Terms and Conditions of the Alaskan Northwest tariff and section 1.15 of the General Terms and Conditions of the Northern Border tariff show how the planned maintenance and scheduled down-time factors vary from month to month for the pipelines. Notwithstanding those monthly down-time variances, the January-June billing period contemplates effective operating days 157/ that are essentially identical to the effective operating days for the July-December billing period. Thus, the proposed six-month billing period -- which uses an estimating and subsequent balancing approach -- would tend to level off the monthly bills, and would appear to be consistent with and a desirable accompaniment to the planned operation of the pipeline.

The Commission will permit the billing procedures proposed by the transporters. However, the proposal to compute working capital allowance on the accumulated differences between the estimated cost-of-service and the

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157/ Effective operating days are determined by multiplying calendar days for each month by the corresponding maintenance and down time factor. Effective operating days should translate, essentially, into relative volume throughput in each month.

actual cost-of-service will not be approved. Rather, carrying charges on such differences will be permitted in accordance with the Commission's Regulations. This approach is the normal treatment for similar amounts.

B. Other Tariff Issues

As noted at the outset of this discussion, several tariff issues have been identified through the comment procedure of this rulemaking, and as a result of the Commission's analysis of the proposed tariffs. Those issues are considered below.

1. Availability of Transportation Services

The Alaska Natural Gas Transportation Act states at Section 13(a) that "no person seeking to transport natural gas in the Alaska natural gas system shall be prevented from doing so or be discriminated against in the terms and conditions of service on the basis of the degree of ownership, or lack thereof, of the Alaska natural gas transportation system." A question has arisen about whether the availability clauses of the pro forma tariffs (§ 1 of Rate Schedule T-1 and § 1 of Rate Schedule OT-1) comply with this provision of ANGTA.

The pro forma tariffs each indicate that services will be available to any shipper under its service agreement. The tariffs do not specifically indicate, however, whether a service agreement will be available on a non-discriminatory basis. It is thus possible that the availability provisions of the pro forma tariffs do not comply with Section 13(a) of ANGTA.

In their joint comments, Alaskan Northwest and Northern Border state that the intent of each of the

tariff provisions was not to deny access to any person seeking to transport natural gas. 158/ Rather, the intent was to recognize that each transporter is a contract carrier.

Staff expresses its belief that the availability provisions were not intended to deny access to the pipeline but suggests that as now drafted the tariff provisions are ambiguous. Staff, therefore, proposes alternative language. 159/ For Rate Schedule T-1, Staff proposes:

> 1. Availability
>
> This Rate Schedule is available to any person desiring service as provided for by Section 13(a) of the Alaskan Natural Gas Transportation Act of 1976 after execution of a service agreement with the Company.

And for Rate Schedule OT-1, Staff further proposes:

> 1. Availability
>
> This Rate Schedule is available to any Shipper that is receiving service and has executed a service agreement under Rate Schedule T-1.

The Commission has reviewed the proposed changes offered by Staff. These changes better reflect the intention that the services should be made available on a nondiscriminatory basis. The proposed changes of Staff

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158/ Joint Comments, Tab 3, Pt. 2 at 1-2.

159/ Staff Initial Comments at 42-43.

should be substituted for the availability provisions now contained in each of the pro forma tariffs.

2. Cost Allocation

Several cost allocation issues have been raised by the filing of the transporters' tariffs and the comments thereon. The central issues to be decided are:

a) Should costs be allocated to various shippers on the basis of the relative volume units (Mcf) transported through the system or, alternatively, on the basis of relative energy units (Dekatherms) transported through the system?

b) Should Alaskan Northwest's system be segregated into two zones for rate purposes, or should the costs be composited and allocated to various shippers on the basis of the number of miles of system used by each shipper?

The determination of each of these issues has a greater impact upon the State of Alaska than any other party. The issues are created, in the first instance, by the expected delivery of Prudhoe Bay gas within Alaska. As Alaska stated in its initial comments:

> Alaska has been pursuing and evaluating proposal to utilize natural gas liquids from Prudhoe Bay in Alaska as a feedstock for a new petrochemical facility. 160/

160/ Alaska, Initial Comments at 7; see also Alaska, Initial Comments at 10.

The Commission agrees with the statements included in Alaska's initial comments to the effect that the Alaskan Northwest portion of ANGTS is not contemplated to be a "dual-phase transportation facility" and that Alaskan Northwest's tariff is "constructed on the assumption that there would not be a separate transport of liquids." 161/ It is the Commission's understanding that all of the fluids moving through the Alaskan Northwest pipeline will be in a gaseous state. There will be no droplets, slugs, or phases (or any portion of the fluid to which any similar term can properly be applied) in the pipeline which will be in liquid form.

What must be considered, however, is that certain portions of the gaseous stream being transported are liquefiable in a hydrocarbon extraction plant. It seems apparent from Alaska's statements that it intends to extract, or cause to be extracted, certain liquefiable hydrocarbons from the total gas stream passing from Prudhoe Bay through the State of Alaska. The central question that must be addressed is how should transportation costs be allocated to any "off-take" of gas within

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161/ Id. at 7 (statement attributed to Alaskan Northwest).

Alaska 162/ if the composition of the gas is changed by changed by extraction operations occuring after the gas has entered ANGTS. 163/ Alaska states in its reply comments:

> The cost allocation methodology is of no great consequence because whatever the cost allocation methodology, the bottom line will be that the entire cost of service is recovered. 164/

Alaska goes on to state:

> There is no question that Alaska must be charged a just and reasonable rate for its shipment. 165/

The Commission agrees with the latter statement but cannot accept the former assertion. The tariffs must provide a mechanism for allocating ANGTS's costs that gives proper recognition to the planned utilization of the project and the attendant cost responsibility. The consequence of an improper cost allocation method would be that certain shippers would be effectively subsidizing the operations of other shippers. Furthermore, it is important that guidance be given to the potential users of Alaskan gas so that they may evaluate their participation in this project.

162/ See Alaska, Initial Comments at 8-9 for detailed discussion of "Off-Take" considerations and legal requirement to permit in-state withdrawal of royalty gas.

163/ The determination of this question does not require the establishment of a "separate liquids rate," which was suggested as a possibility by Alaska.

164/ Alaska, Reply Comments at 4.

165/ Id.

For the reasons explained below, the Commission determines that energy units (Dekatherms) rather than volume units (Mcf) should be used as the basic allocation units for apportioning Alaskan Northwest's cost-of-service. Additionally, the Commission will require that distance (miles) be factored into the cost allocation procedures. Finally, the Commission will require that Northern Border's cost-of-service also be allocated on a Dekatherm-mile basis.

Consideration of the essential purpose of ANGTS and certain elementary chemical facts is basic to properly resolving the issue of cost allocation. The ANGTS is being constructed as a transportation system to deliver energy to Alaska and the contiguous forty-eight States. The value of the system to most of the gas consumers is the amount of energy that will be made available through the system. Various industrial customers could benefit more by extracting certain of the constituents from the gas stream because of the chemical and physical properties peculiar to those constituents. Therefore, the value of the ANGTS to certain industrial customers is derived more from the discrete chemical and physical properties of the components that can be extracted from the gas stream rather than from the heat energy value of the total gas stream being transported.

Products that normally would be removed in a hydrocarbon extraction process (ethane, propane, butanes and pentanes-plus) have a higher heat value per unit of volume than the principal constituent remaining after processing (methane). 166/ This is obvious from the following:

Gas Component	Heating Value (Dekatherms per Mcf)
Methane	1.0
Ethane	1.8
Propane	2.5
Butanes	3.3
Pentanes-plus	5.0+

Based upon the information presented in the proceedings before the FPC involving the competitive applications to construct an Alaska gas transportation system, 167/ the gas available at a gas processing and conditioning plant could have the following composition of hydrocarbons:

Gas Component	Percent 168/
Methane	85.1
Ethane	7.8
Propane	4.0
Butanes	1.2
Pentanes-plus	0.2

166/ Substantial amounts of methane could also be required in a fertilizer manufacturing complex.

167/ Docket Nos. CP75-96, et al.

168/ Docket No. CP75-96, et al., transcript at 19,496 (testimony of Exxon Corp.). Percentages do not add to 100% because carbon dioxide and nitrogen, which do not have any heating value, have been omitted.

The gas leaving Prudhoe Bay is sufficiently rich in liquefiable hydrocarbons (ethane and heavier hydrocarbons) to make extraction somewhere on ANGTS attractive. Alaska indicates that it may be economical to extract certain of the hydrocarbons within the State of Alaska. 169/ It is quite obvious from comparing the heating value of the various gas components with the indicated composition of gas leaving Prudhoe Bay, that removal of all or any portion of the components other than methane would significantly affect the heating value of the remaining gas stream. For example, the gas stream after processing at a hydrocarbon extraction plant could essentially have the following hydrocarbon composition:

Gas Component	Percent 170/
Methane	93.5
Ethane	3.0
Propane	1.0
Butanes	0.5
Pentanes-plus	0

The heating value of gas leaving a hydrocarbon extraction plant with the above illustrative composition would have a heating value of approximately 1054 Btu per cubic foot (1.054 Dekatherms/Mcf). The gas leaving Prudhoe Bay with the composition shown at page 195

169/ Alaska, Initial Comments at 7.

170/ As before, the percentages do not add to 100% because of the omission of carbon dioxide and nitrogen.

would have a heating value of 1148 Btu per cubic foot. The extraction operation depicted by this example results in a loss in heating value of 94 Btu per cubic foot, or eight percent.

The implied results of any extraction operation that removes any "heavy" hydrocarbons (ethane, propane, etc.) are quite clear. Those customers purchasing gas downstream from the extraction operation must purchase greater volumes of processed gas to produce the same amount of heat energy that lesser volumes of unprocessed gas would produce. The type of extraction operations described above would effectively deprive other gas consumers of useable amounts of heat energy. As has been shown, the magnitude of deprivation of usable heat energy is not in proportion to volumes of liquefiable components removed in the extraction operation but is related to the heating value of the components removed. Therefore, allocation of the ANGTS costs on a volumetric basis would not be proper if extraction operations change the composition of the gas received into the system.

Recognizing the potential that some processing of Alaska gas to remove liquefiable hydrocarbons will likely occur at some place along the ANGTS, 171/ the Commission

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171/ See, e.g., Alaska, Initial Comments; see also proposed gas purchase contract between Northern Natural Gas Company and Exxon Corporation filed with the Commission May 2[illegible], 1979.

decided to address the cost allocation issue in that context in this Order. 172/ The Commission's goal is to require a cost allocation method that most equitably apportions ANGTS costs to all shippers. Failure to resolve the issue at this time would result in uncertainties of cost allocation and could result in the institution of another proceeding to deal with the issue.

This Commission does not know what form or to what extent extraction operations may eventually be conducted along the ANGTS, either in Alaska or at other locations. If the State of Alaska, or others, conduct hydrocarbon extraction operations similar to those illustrated above, equity and sound regulatory policy require that ANGTS costs be allocated on a heat energy or thermal (Dekatherm) basis rather than a volumetric basis. To guard against any inequitable apportionment of ANGTS costs which

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172/ The Commission is also aware that cost allocation may be sensitive to the carbon dioxide content of the gas being transported. If gas were injected into the pipeline with a carbon dioxide content above that now contemplated by Alaskan Northwest's Tariff (1%), the system would have a greater capacity to transport liquefiable hydrocarbons. The system would then, however, be transporting a larger quantity of inert gases.

The Commission also recognizes that resolution of the cost allocation issue could impact the economic considerations of the carbon dioxide issue. Interested parties are invited to address this interrelationship in their reply comments on this issue pursuant to the Notice issued May 16, 1979, in this docket.

could be attendant with a volumetric cost allocation approach, the Commission will require that the costs of Alaskan Northwest and Northern Border be allocated on a thermal (Dekatherm) basis.

The Commission's determination to require that ANGTS costs be allocated on a heat energy (Dekatherm) basis rather than a volumetric (Mcf) basis is not reached based on an extensive review of incremental costs of transporting liquefiable hydrocarbons. Rather, the Commission views the heat energy basis as the most equitable method of allocating costs incurred by this system in rendering the services permitted under the pro forma tariffs. It may be argued, for example, that there is no substantial increase in the cost of transporting the various constituents of natural gas. What must be considered, however, is that the tariffs now proposed by the transporters are for the transportation of a common supply of natural gas. 173/ There are no announced plans for any shipper to tender discrete hydrocarbons or other gases for movement through the system. Therefore, any upstream off-take of liquefiable hydrocarbons would effectively mean that shippers with delivery points downstream of the extraction operations would have to contract for the delivery of a greater volume of gas to produce the same amount of heat energy that a

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173/ Joint Comments Tab 3, Pt. 2 at 4-5.

lesser volume of unprocessed gas would produce. This feature is the basis for the Commission determination that energy units rather than volume units should serve as the basic cost allocation unit for the ANGTS.

Having determined that energy units (Dekatherm) rather than volume units (Mcf) should be used for cost allocation, the "zones versus mileage" issue must be decided. Three of the most commonly used methods of allocating an interstate gas pipeline's cost-of-service to sales and services performed in different geographical areas are (a) zone-gate method, (b) system-wide method, and (c) Mcf-mile or Dekatherm-mile method.

The zone-gate method allocates costs attributed to the first upstream zone between sales and services performed in that zone and sales and services performed in all downstream zones. The costs incurred in the second upstream zone, together with costs allocated to that zone from the first upstream zone, are composited and allocated between sales and services performed in the second upstream zone and sales and services performed in all zones downstream of that zone. The process is continued, sequentially, for all zones, resulting in the last downstream zone being assigned all costs incurred within that zone plus costs allocated to that zone from all upstream zones. This Commission has approved the zone-gate method in the past for a very limited number of interstate

gas pipelines based upon the peculiar circumstances surrounding their operations and expansion. 174/ This method would typically allocate more costs to downstream customers than other methods.

The system-wide method of cost allocation makes no distinction between the geographical locations where sales and services are performed. This method has been approved by the Commission for those pipelines whose diverse sources of gas supplies and whose operations are of such an integrated nature as to effectively reduce or greatly minimize any differences in the cost of providing sales and services in different geographical locations. 175/

The most commonly used cost allocation method for long-distance interstate gas pipelines is the Mcf-mile or Dekatherm-mile method. This method is premised on two essential principles: (1) the pipeline is a system designed to provide sales and services over a long distance, and (2) the costs of providing sales and services vary in relation to distance or the length of the system required to provide the particular sales or services.

174/ See, e.g. United Gas Pipe Line Company, Docket No. G-9547, 25 PPC 26 (Jan. 4, 1961).

175/ See, e.g., Consolidated Gas Supply Corporation, Opinion No. 819 (Aug. 12, 1977).

Alaskan Northwest proposes to allocate costs between its proposed two zones essentially on a zone-gate method. For the reasons set forth below, the Commission does not approve Alaskan Northwest's proposed zone-gate approach but will require that Alaskan Northwest's total cost-of-service be allocated on an energy-distance basis (Dekatherm-miles) between any gas delivered in Alaska and gas delivered to the Poothills system at the Alaska-Yukon border. There are not sufficient reasons at this time supporting the establishment of rate zones on any basis (zone-gate or otherwise) within the State of Alaska. Separate rate zones are normally supported by recognizing that precise allocation of costs cannot be made for a large number of delivery points over a relatively short distance, and by recognizing the administrative advantage (for both the seller and purchasers) of billing a particular customer or group of customers at the same rate for as much gas as possible. 176/ The gas delivery points in Alaska will likely be small in number; 177/ therefore, no administrative advantages

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176/ The feature recognizes the intergrated nature of many distributor customer who have multiple gas receipt points.

177/ Alaska, Reply Comments at 3.

of separate rate zones are apparent. Additionally, it is reasonable to expect that proper cost responsibility can be ascertained for each gas delivery point in Alaska under the Dekatherm-miles basis. In summary, the circumstances of Alaskan Northwest do not conform to criteria historically utilized by the Commission for establishing zones.

The justifications offered by Alaskan Northwest for establishing two rate zones within the State of Alaska are generally as follows: 178/

(1) The cost of providing transportation service for gas delivered in Alaska can be more accurately ascertained by attributing the costs incurred within each zone to the shippers using the facilities in each zone;

(2) Alaskan Northwest will likely provide two categories of transportation service: gas transported for use in Alaska, and gas that completely transits the state;

(3) Substantial variations are expected in costs associated with the northern and southern portions of the Alaskan pipeline, with the portion north of

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178/ "Responses to Data Requests by Alaskan Northwest and Northern Border" in response to a letter from the Commission's Director of the Alaska Gas Project Office, dated April 20, 1979; Joint Comments, Tab A, Pt. 2.

Delta Junction being the highest cost in terms of investment per mile or investment per unit of capacity.

The Commission is not persuaded that Alaskan Northwest's proposed zones will result in an equitable distribution of costs. Alaskan Northwest's suggestion that its proposed method of cost allocation may produce more accurate results is not totally convincing, because as Alaskan Northwest indicates, even under its proposed method, certain types of costs are not directly assignable to each zone and will have to be allocated. The company has proposed that such costs be assigned to each zone "in proportion to plant in service or the levels of contract service," without showing that the method would result in a fair and proper distribution of costs.

More important, however, is the fact that Alaskan Northwest's proposed cost allocation method does not adequately recognize the conditions under which the system will be designed, constructed and operated. During at least the initial operation of the system, it is anticipated that Alaska's share of gas will be shipped to the contiguous forty-eight States. Capacity will be provided for Alaskan royalty gas in not only the northern portion of Alaskan Northwest's pipeline but also in the southern portion. The extent to which Alaska may continue to utilize the southern portion of the system will obviously depend upon how much of its royalty gas entitlement it chooses

to "off-take" from the northern portion of Alaskan Northwest's pipeline. 179/ Alaska could very well choose to continue to ship a portion of its royalty gas through the southern portion of Alaskan Northwest's pipeline, either for use within the portion of the state south of Delta Junction 180/ or for shipment to the Alaska-Yukon border for delivery into the Foothills system.

Alaskan Northwest's characterization of two categories of transportation service is not adopted. The transportation services are essentially the same. Any differences in the services pertain only to the portion of the system (miles) used to provide the services, and the cost allocation method required by the Commission is intended to fully compensate for any such differences.

Differences in the costs of constructing and operating the northern portion versus the southern portion of the Alaskan Northwest pipeline do not, in themselves, require the establishment of zones. The higher costs of the northern portion (in terms of investment per mile or investment per unit of capacity) results from the planned long-term operation of ANGTS, and not because of discrete considerations relative to any "off-take" of gas by Alaska. Alaskan Northwest's proposed zones would likely mean higher cost

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179/ See Alaska, Initial Comments at 8-9.

180/ Delta Junction is the point selected by Alaskan Northwest as the division between the two proposed zones.

assignment to Alaska over the long-term than would a distance-of-transportation allocation method. The likely results of Alaskan Northwest's proposed cost allocation method have not been justified.

Weighing all of the considerations, it is the Commission's judgment that Alaskan Northwest's proposed zone-gate method of cost allocation should not be approved. The Commission concludes that the most equitable procedure for allocating Alaskan Northwest's cost-of-service is embodied in an energy-distance basis (i.e., Dekatherm-miles), without the establishment of separate rate zones.

Northern Border proposes to allocate costs on an Mcf-mile basis. The Commission adopts the distance-weighing portion of Northern Border's proposal (i.e., miles), but, for the reasons already explained with respect to the effects of any hydrocarbon extraction operations, will require that energy units (Dekatherms) rather than volume units (Mcf) be used as the basic allocation unit. The Commission is not aware of any extraction operation plans on the Northern Border system. If gas entering and leaving the Northern Border system is not processed and remains of the same chemical composition, it would not matter whether volume units or energy units were used for cost allocation, because the results would be the same. However, the cost allocation method required by the Commission puts all parties

on notice of the economic context in which any contemplated extraction operations must be evaluated.

As a final point on cost allocation, it must be made clear that the Commission views the cost allocation requirements for the Alaskan Northwest and Northern Border segments of ANGTS to be quite distinct from the cost allocation requirements for the Foothills system. The Commission's determination that Alaskan Northwest's and Northern Border's costs-of-service should be allocated on an energy-distance basis (Dekatherm-miles) is dictated by the fact that there will likely be some extraction of various components of Prudhoe Bay gas. Even with extraction operations occuring in Alaska, the gas delivered to the Foothills system at the Alaska-Yukon border would probably have a higher heating value than any gas originating in the Mackenzie Delta area and introduced into the ANGTS at Whitehorse, Yukon Territory. The same heating value disparity could also be attendant with any other gas originating in other areas of Canada and introduced into the Foothills system. The reverse could also conceivably occur if gas input in Canada had a heating value higher than Alaska gas delivered at the Alaska-Yukon border.

In any event, the Agreement Between the United States of America and Canada on Principles Applicable to

a Northern Gas Pipeline (Agreement on Principles) has a firm mechanism established to give full recognition to any difference in the composition and quality of gas received by the system. 181/ If Canadian gas entered the pipeline system with a heating value less than the heating value of Alaska gas entering the pipeline system at the Alaska/Yukon border, the Agreement on Principles requires that any dilution in the heating value of Alaska gas would be fully recognized in the allocation of Foothills' cost-of-service and in gas deliveries. This adjustment would be necessary so that a disproportionate share of Foothills' cost-of-service would not be imposed on the American consumers. Specifically, the Agreement on Principles provides in pertinent part:

> It is agreed that the following principles will apply for purposes of cost allocation used in determining the cost of service applicable to each shipper on the Pipeline in Canada:
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> a) The Pipeline in Canada and the Dempster Line will be divided into zones as set forth in Annex II. Except for fuel and except for Zone 11 (the Dawson-Whitehorse portion of the Dempster Line), the cost of service to each shipper in each zone will be determined on the basis of volumes as set forth in transportation contracts. The volumes used to assign these costs will reflect the original BTU content of Alaskan gas for U.S. shippers and Northern Canadian gas for Canadian shippers, and will make allowance for the change in heat content as the result of commingling. Each shipper will provide volumes for line losses and line pack in proportion to the contracted

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181/ Decision at 47-66.

volumes transported in the zone. Each shipper will provide fuel requirements in relation to the volume of his gas being carried and to the content of the gas as it affects fuel consumption. 182/

The Commission's determination with respect to cost allocation for the Alaskan Northwest and Northern Border segments of the ANGTS does not in any way change the interpretations, or the application thereof, of the cost allocation methods defined and agreed to by the United States and Canada. The cost allocation procedures set forth in the Agreement on Principles for the Foothills segment are required because of the potential dilution of Alaska gas caused by commingling of that gas and Canadian gas that will likely have a lower heating value. While the cost allocation procedures required by the Commission for the Alaskan Northwest and Northern Border segments of ANGTS are necessary to properly allocate costs to any extraction operations that may be conducted on those two segments, it is the Commission's understanding that no extraction operations will be conducted on any ANGTS gas in transit through Canada. If any extraction operations were conducted, however, the allocation of Foothills' cost-of-service should fully account for any such operations.

182/ Id. at 57-58.

3. Accounting and Rate Treatment for Line Pack

The Staff's initial comments raised an issue related to line pack. The issue is succinctly described in the Staff's example:

> Suppose shippers A & B initially hold title to 100% of the line pack worth $10,000,000. Each files a rate application with the Commission to include $5,000,000 in rate base to recover carrying charges (return & taxes) on their line pack investment. Three months later, Shipper C, a new user of the system, begins transporting gas, and is assigned one-third of the existing line pack. Shipper C files a rate case and claims $3.3 million in rate base attributable to line pack. Unless Shippers A & B voluntarily reduce rates under Section 4 of the Act, the Commission, under current law would be required to approve the rate treatment sought by Shipper C without legal right to automatically lower the rates of Shippers A and B. 1/ Thus consumers would bear carrying charges on $13.3 million in total jurisdictional rate bases when the aggregate line pack investment is only $10 million.

1/ The Commission's only recourse would be to establish an investigation under Section 5 of the Natural Gas Act and order any resulting rate reduction to become effective prospectively after hearing. The hearing may involve a lengthy inquiry into all aspects of the Shippers' costs of service. 183/

The Staff's initial comments suggested two different approaches for handling the costs of line pack:

> . . . Either require ANGTS sponsors to pay 'rent' or carrying charges on line pack used by the system (these carrying charges would then be an operating expense for the pipeline and recoverable through the cost of service tariff) or require ANGTS shippers to automatically 'track' changes in line pack. 184/

183/ Staff, Initial Comments at 28-29.

184/ Id. at 29.

The reply comments of Northern Border and Alaskan Northwest assert that this issue should not be considered in this rulemaking. Instead, the project sponsors argue the matter should be decided in the proceeding that addresses the shipper tracking issue. 185/

Shippers will incur substantial costs in providing natural gas for line pack in order for their gas to be transported through the ANGTS. It is important that the shippers be able to recover the costs actually incurred. Therefore, any method for recovery should provide for adjustment when a shipper's line pack obligation changes (either increases or decreases) with attendant changes in cost. Staff has presented an alternative which would have the transporters compensate the individual shippers for the carrying costs on their separate line pack contributions and recover the amounts through the transportation tariffs. This would have the advantage of facilitating recovery of the actual costs borne by the shippers, but it would impose an unnecessary added cost recovery burden upon the transporters.

In the discussion on tracking of costs by shippers, the Commission expressed a receptiveness to proposals for automatic flow-through of ANGTS charges for shippers subject to the Commission's jurisdiction, provided such shippers make an appropriate showing that the flow-through

185/ Joint Reply Comments at 38.

mechanism will result in a matching of costs and revenues. The mechanism could also provide for recovery of actual costs attributable to line pack. 186/ The Commission will, therefore, defer the specification of any particular recovery mechanism pending receipt of the ANGTS cost flow-through proposals by individual shippers based upon their particular circumstances. Such proposals should include methods for recovery of line pack costs that will reflect actual cost incurrence based upon actual line pack obligations.

4. Lateral Line Policy

The pro forma tariff of Alaskan Northwest contains the following provision:

> Company will construct, operate and maintain lateral delivery lines on a nondiscriminatory basis and render related service under an appropriate Rate Schedule. Nothing in this policy statement shall require Company to file an application for a certificate of public convenience and necessity under Section 7(c) of the Natural Gas Act. . . . (Section 19.2 of the General Terms and Conditions)

By letter dated April 27, 1979, the Director of the Commission's Alaska Gas Project Office requested Alaskan Northwest to explain this provision. The primary concern was that the proposed tariff language could be interpreted as establishing a waiver of Alaskan Northwest's obligation to file for a certificate of public convenience and necessity if lateral delivery lines were constructed.

186/ See Section VI, Introduction.

The joint reply comments of Alaskan Northwest and Northern Border responded to the inquiry, indicating that the referenced language was only intended to clarify that Alaskan Northwest was under no obligation to file for a § 7(c) application at the request of a shipper or other party. If the company were to choose to construct lateral delivery lines, the comments assure the Commission that appropriate certificates of public convenience and necessity would first be sought. 187/

The Commission accepts the explanation set forth in the comments of the project sponsors. In order to avoid any subsequent confusion or controversy however, Alaskan Northwest should revise its tariff in accordance with the explanation provided in the comments and accepted by the Commission.

5. Certain Quality Standards Other Than CO_2 Content

The Commission indicated at the outset of this discussion of tariff issues that it would defer resolution of the issue of the permissible level of CO_2 content in the gas stream. Other issues related to quality standards can, however, now be addressed.

Questions have been raised by Sohio related to the quality standards for water content and sulfur (hydrogen sulfide, mercaptan sulfur, and total sulfur). Sohio contends that the tariff standards are excessive and

187/ Joint Reply Comment at 51.

not justified. Further, Sohio objects to the water quality standard being stated on a volume basis (pounds per Mcf) rather than on a dew-point temperature basis (degrees Fahrenheit), and the mercaptan sulfur standard being stated on a mass basis (grains per 100 cubic feet of gas) rather than a volume basis (parts per million). 188/ The quality standards stated in the pro forma tariffs are the standards that have been known to the parties for the past several years, and no other quality standards have been advanced and supported by any party.

The joint reply comments of Alaskan Northwest and Northern Border state:

> The project company tariffs have proposed stringent quality requirements because we believe it the obligation of the ANGTS project to provide the lowest possible reasonable cost of transportation. If producers such as Sohio have a proposal which would be consistent with the public interest which would demonstrate some benefit to the consuming public by relaxation of ANGTS quality standards, certainly Alaskan Northwest and Northern Border would be willing to consider such a proposal. 189/

The exact quality standards required for gas to be transported through ANGTS will, of course, depend upon the final design of the system. Absent a showing that the quality standards stated in the pro forma tariffs are not compatible with the approved final design of ANGTS,

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188/ Sohio, Initial Comments at 1-3.

189/ Joint Reply Comments at 22.

the Commission has no basis for ordering different standards. Accordingly, the water and sulfur standards proposed by the transporters will be permitted to be included in the tariffs subject to any revisions that may be required to comport with the final pipeline system design.

6. Modification of Article 4 of the Service Agreement

Article 4 of the service agreement of each pro forma tariff contains language that has generated comments from the Staff and the States of Alaska and California. Article 4 in each agreement obligates a shipper to make payments to a transporter in accordance with the tariff "Rate Schedules, the General Terms and Conditions and the other applicable provisions of [the] Agreement".

The State of Alaska is concerned that there is no express recognition in Article 4 that a shipper's obligation to pay is qualified by the adjustments set forth in Section 5 of Rate Schedule T-1. Alaska, therefore, proposes that each service agreement be modified to state that the obligation of a shipper to pay is subject to the adjustments provided in Section 5 of Rate Schedule T-1 of each tariff. 190/

190/ Alaska Initial Comments at 9-10.

The reply comments of the project sponsors indicate that Section 5 billing adjustments are recognized in the service agreements because of the reference in each agreement to "Rate Schedules." The sponsors state that Article 4 of each agreement is neither intended to override nor qualify in any way the billing adjustments provided in Section 5 of Rate Schedule T-1. 191/

If the Commission determines, however, that explicit reference should be given to the relationship between the two provisions, then the project sponsors agree with Alaska that the relationship should be recognized in Article 4 of each service agreement. However, the sponsors disagree with Alaska about where the modification should appear.

The modification proposed by the State of Alaska provides:

> Shipper shall make payments to company in accordance with the rate schedules, the general terms and conditions and the other applicable terms and provisions of this agreement. Shippers obligation to pay its allocable share of company's cost of service shall be absolute and unconditional under any and all circumstances (subject only to the adjustments expressly provided for in Section 5 of Rate Schedule T-1). . . . 192/

191/ Joint Reply Comments at 32-35.

192/ Alaska, Initial Comments at Attachment B.

The project sponsors' alternative states:

> Shipper shall make payments to Company in accordance with the Rate Schedules (including Section 5 of Rate Schedule T-1), the General Terms and Conditions, and the other applicable terms and provisions of this Agreement. 193/

The sponsors argue that their proposed alternative is preferable. In their view, the language proposed by Alaska will not recognize that a shipper's payment obligation can be affected by tariff provisions other than Section 5. They cite Section 6 of the General Terms and Conditions -- which also addresses billing and payment matters -- as an example of a tariff provision that also affects a shipper's payment obligation. 194/

The Commission views modifications of the type proposed by Alaska to be beneficial when ambiguities can be clarified and possible disputes thereby avoided. On that basis, it appears appropriate to provide express recognition of the relationship between Article 4 of the service agreement and Section 5 of Rate Schedule T-1. However, because the method of clarification proposed by Alaska may itself create ambiguities, the alternative modification proposed by the project sponsors will be accepted.

193/ Joint Reply Comments at 33.

194/ Joint Reply Comments at 33.

Staff also voices concern with Article 4. Staff argues that Article 4 is duplicative of other provisions in the pro forma tariffs, e.g. § 6.3 of the General Terms and Conditions. Staff further argues that Article 4 should expressly release a shipper from his obligation to pay if there is a willful refusal on the part of a transporter to perform. 195/

The project sponsors respond that Article 4 is necessary to explicitly recognize that the obligation of a shipper to pay will be absolute and unconditional. The sponsors assert that the provision was insisted upon by the sponsors' financial advisors as a means of aiding the financing of the project.

Staff may be correct that Article 4 is duplicative of other provisions in the tariff. However, when that is the sole objection and there is no contention that Article 4 is contradictory of other tariff provisions or that it creates ambiguities, then the Commission is not inclined to order the deletion of the provision in the circumstances presented here. To the extent that Article 4 will aid the financing of the project and is merely duplicative of other provisions, the Commission will permit its retention in the tariffs.

195/ Staff Initial Comments at 17-19.

The sponsors also respond to the proposal of Staff that a release of payment obligations should occur if there is a willful refusal to transport gas. The sponsors argue that explicit recognition of a willful refusal to perform will not affect the reliability of service, since it is unlikely that a willful refusal would occur. That is so, according to the sponsors, because there could be private actions for damages and there is already included in the tariffs a provision that reduces the return on equity should a transporter fail to accept tendered gas. Finally, should there be a willful refusal to perform, the sponsors assert that the Commission can institute an investigation and issue a remedial order, if necessary. 196/

Although the Commission agrees that shippers should not be subject to a payment obligation where there is a willful refusal by a transporter to perform, the Commission cannot endorse the proposal of Staff. In the Commission's analysis, the unlikelihood of a willful refusal, together with the potential problems that may result from adoption of Staff's proposal, adequately argue against the proposal.

As stated by the project sponsors, the likelihood is small that transporters would willfully refuse

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196/ Joint Reply comments at 34-35.

to perform. More importantly, however, the prospective definition of a "willful" failure to perform, and an appropriate remedy, is difficult, if not impossible.

In light of these considerations, the Commission is of the view that the better course of action would be to recognize that any shipper contending there was a willful failure to perform can seek appropriate relief through the Commission.

The State of California argues that Article 4 of the service agreement should not be construed to limit the Commission's authority to review recovery of equity investment in the event of project failure after operations commence. 197/ The Commission's review obligations under the Natural Gas Act, however, shall continue. California's concerns, therefore, are unnecessary.

7. Failure to Deliver Gas

Another issue identified by Staff concerns whether equity costs should be reduced because of a failure by a transporter to deliver gas, rather than a failure to take receipt of tendered gas. Staff argues that the shippers should be given "explicit protection against diversion or loss of gas supply after it enters the control of transporters." 198/

197/ California, Initial Comments at 6.

198/ Staff, Initial Comments at 17.

In their reply comments the project sponsors contend that this provision is unnecessary. They assert that no gas will knowingly be accepted that cannot be delivered. Further, the sponsors argue that a billing adjustment keyed to gas receipt rather than gas delivery would be easier to administer. If the billing adjustment were keyed to gas deliveries rather than gas receipts, the sponsors itemize three considerations that would complicate billing adjustments: "(i) the possibility of multiple delivery points, (ii) variations in fuel use and losses, and (iii) variations in seasonal capacity." 199/

The Commission agrees with the project sponsors. The billing adjustment procedure for failure to accept tendered gas presents a relatively simple approach to protect the shipper, and any modifications to the tariff that complicate that mechanism are not desirable. That factor, taken together with the unlikelihood that the transporters would accept gas when there is an anticipation that it cannot be delivered, is sufficient reason to reject Staff's proposal.

199/ Joint Reply Comments at 30-31.

8. Review of Equity Rate of Return

After completion and commissioning of operation, the rate of return on equity allowed by the Commission is termed the Operation Phase Rate. The value of this rate should be comparable to rates of return allowed for other pipelines with similar operating risks. Once in operation this rate should be altered to reflect any changes in rates allowed for other pipelines with similar risks or if risk factors for this project change. The issue first raised in the letter to the project sponsors from the Director of Alaska Gas Project Office (April 27, 1979) is what procedure should be used to review this rate of return and determine if a change is reasonable.

The Staff's initial comments argue that the Operation Phase Rate should automatically be adjusted through a formula tied to changes in capitalization. 200/ Though capitalization is an important factor in determining rates of return, this procedure would ignore other equally important factors such as overall changes in required rates of return in the nation's economy due to changes in inflationary expectations or changes in risk factors. 201/

200/ Staff, Initial Comments at 36-41.

201/ At the time of the submission of a financing plan the Commission will also review the proposed capitalization over the life of the project.

The project sponsors argue that the only review of the Operation Phase Rate should be by Commission action under Section 5 of the Natural Gas Act. 202/ The disadvantage of this approach is that the burden of proof would be placed upon the Commission and any redetermination of rate of return would have prospective effect only.

A third approach, discussed in more detail in Section II.B.3, is suggested in a paper prepared for the Alaska Gas Project Office by Professor Jerome Hass. 203/ This approach would tie or index the Operation Phase Rate to interest rates. As interest rates change, the Operation Phase Rate would adjust automatically. Though interest rates are an important guide to equity rates of return, this indexing would still not adjust for many other important factors affecting rates of return. Thus, an additional review of some sort would be necessary in addition to this formula which would tie the Operation Phase Rate to interest rates.

After evaluating the above three approaches, the Commission has determined that a periodic rate of return review is a superior approach. On a periodic basis, the project companies shall submit a Section 4 application

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202/ Joint Initial Comments, Tab 3, Pt. 3.

203/ Hass Report at 14-16.

which shall justify the appropriate Operation Phase Rate to be applied during that prospective period. A portion of revenues collected during the period prior to a Commission determination of the appropriate rate of return for that period will be subject to refund pending a final disposition of the rate of return issue. The revenues subject to refund will be only those attributable to the rate of return on equity and associated taxes.

Though the Commission has determined that the tariffs shall provide for a periodic rate of return review, the Commission will not specify at this time the length of the period but will defer that decision to the final project certification proceeding after the submittal of a financing plan. The financing plan may contain information that is relevant to this determination. 204/

The Commission's disposition of this issue reflects a reasoned balancing of consumer protection and financing considerations. In their analysis of this issue, the project sponsors argued that three principles are critical in any future review of the Operation Phase Rate:

204/ A relevant precedent is the three-year review required in purchased gas adjustment clauses. A similar period does not seem unreasonable for this cost-of-service tariff but a final decision will not be made at this time.

(a) All matters affecting the rate should be considered not just capitalization as suggested by Staff.

(b) Any review must be limited to the Operation Phase Rate without express or implied review or reconsideration of the tariff or service agreement.

(c) Any review must not result in impairment of the project economics which formed the basis for investment.

The Commission agrees that any future review should generally abide by these principles, and that it should conduct its review specifically subject to (a) and (b). It is the Commission's intention that during any future rate of return review the proper impact of all matters that affect the return on equity would be considered. Further, it is the Commission's intention that any review of the Operation Phase Rate would be limited to establishing the proper level of that rate.

The Commission determination here to require review of the project's Operation Phase Rate is not a new

concept. 205/ The review procedure should in no way "result in impairment of the project economics which the basis for the investment," because there is no inference or intent in the review of the Operation Phase Rate to disallow from the project's cost of service any actual and proper expenses. 206/

205/ See, e.g., Southern Energy Company, Docket No. CP71-264, "Order Amending Prior Order" (February 13, 1978). In that case, the event that "triggered" a rate of return review was any change in equity capitalization in excess of two and one-half percentage points.

206/ While this Order sets out the Commission's position on matters which can currently be resolved, other details of regulatory oversight remain to be determined. For example, review of certain cost of service expenditures are of this nature. In this regard, the Commission may benefit from Canadian resolution of this common regulatory problem. As previously indicated, the Commission has conducted regulatory consultations with the NEB pursuant to Section 9 of the Agreement Between the United States of America and Canada on Principles Applicable to a Northern Natural Gas Pipeline. (See, Incentive Rate of Return for the Alaska Natural Gas Transportation System, Docket No. RM78-12, Revised Notice of Proposed Rulemaking, 5 n.1a (Sept. 15, 1978) (Erratum Notice, Oct. 6, 1978). The NEB is currently proposing that estimates of certain costs, such as operation and maintenance expenses, be submitted annually for review and approval prior to being incorporated in the transportation charge. (See, National Energy Board of Canada's "Proposed Method for the Regulation of the Tolls and Tariffs of the Foothills Pipeline," 7-8 (issued April 18, 1979)).

Pending further consideration of this matter, the Commission presently contemplates utilizing auditing procedures to determine proper accounting classification of costs in accordance with the requirements of

(Footnote continued on next page)

9. Certain Issues Raised by California

California questioned whether a payment delinquency charge under Section 6.4 of the tariffs would be computed at 125 percent of the interest rate applicable to delinquencies but any repayments to the shippers would be at 100 percent of the same interest rate. 207/ Alaskan Northwest and Northern Border answered in their reply comments that "the shipper would recover, with interest, any amounts paid to the transporter, including the penalty interest itself if the non-payment is excused by order or otherwise." 208/ No other party commented on the provision. The Commission accepts the clarification offered by the transporters.

206/ (Footnote cont'd).

the Uniform System of Accounts. General instruction (2)(e) thereof prescribes that only just and reasonable amounts may be included in the accounts. This audit effort, coupled with the Commission's remedial powers under the Natural Gas Act, may be sufficient to satisfy the requirement that all costs, including operation and maintenance expenses, be prudently incurred.

207/ California, Initial Comments at 7.

208/ Joint Reply Comments at 48 (emphasis in original).

Two other issues raised by California relate to whether the operation and maintenance expenses and company use gas claimed by the transporters will be subject to audit and verification. 209/ The Commission has addressed this matter in the lengthy footnote above, note 206, supra, and will not reiterate its reasoning here.

209/ California, Initial Comments at 6-7.

VII. PROCEDURAL MATTERS

This section considers certain procedural issues which have been raised in the course of this rulemaking. These include the relationship of this rulemaking to proceedings now underway to consider issues on construction of the Northern Border segment, the rationale for use of rulemaking procedures, and future Commission action under this Order.

A. Relation to Pre-Building

The purpose of this rulemaking is to (1) resolve outstanding issues concerning the Incentive Rate of Return mechanism for the Alaskan and Northern Border segments of ANGTS, and (2) resolve certain issues attendant to the Commission's approval of the tariffs submitted by Alaskan Northwest and Northern Border pursuant to the Commission's Order of February 22, 1979.

In Order No. 17, the Commission specified certain terms and conditions on a finding that both the Alaskan Northwest and Northern Border projects should be subject to an IROR mechanism. The Commission recognized that the specific values to be included in the IROR mechanism would be established in future proceedings.

By Order of February 22, 1979, the Commission required that the sponsors of the Alaskan and Northern Border segments of the ANGTS file proposed tariffs, to

facilitate a thorough evaluation of risk for financing purposes. The Alaskan Delegate's Report attached to the that Order recognized the possibility that certain of the southern segments of the ANGTS may be "pre-built" to transport Alberta gas, as well as the possibility that "charges may begin for these segments in advance of completion of the other segments." On March 12, 1979, Alaskan Northwest and Northern Border filed pro forma tariffs, pursuant to the Commission's Order. The tariff filed by Alaskan Northwest would apply to the transportation of Alaskan natural gas, whereas the Northern Border tariff would initially apply to the transportation of Canadian gas (if made available by the Canadian Government through approval of applications presently before the National Energy Board of Canada), and would undoubtedly require some modification once the transportation of Alaskan gas commenced.

The April 6 Notice indicated that the Commission would address each of the issues presented by the two filed tariffs with the exception that the depreciation rate reflected in Northern Border's tariff would be reserved for separate consideration in the "pre-build" proceeding in Docket Nos. CP78-123, et al. The Notice recognized the relationship between the depreciation rate and the financing of the prebuild facilities. In its initial comments,

Staff raises questions regarding the pre-building of certain Northern Border facilities to transport Canadian "bubble" gas. More particularly, Staff questions the need for the particular facilities contemplated, and raises a question as to whether the construction of temporarily excessive capacity or unnecessary facilities constitutes a fee or surcharge in violation of the President's Decision.

This rulemaking is not the appropriate place to determine the nature and size of facilities to transport Canadian gas. That is an issue to be addressed in Docket Nos. CP78-123, et al. The facilities authorized in that proceeding will have to be found to be necessary and required by the public interest. The depreciation rate found appropriate in Docket Nos. CP78-123, et al., will apply until modified by the Commission. In this rulemaking, we establish the tariff provisions applicable to the transportation of Alaskan and Canadian gas. While the issue of whether Canadian gas will be transported through certain "pre-build" facilities is still pending before both the NEB and this Commission, it is clear that before Alaskan gas can be transported through the Northern Border facilities the project sponsors will be required to show that the tariff provisions approved herein are appropriate for the transportation of Alaskan gas.

B. Rulemaking Procedures

This proceeding implements certain financial conditions stipulated in the President's Decision, and is necessary for, and related to, the construction and initial operation of the transportation system approved by the President's Decision. The proceeding, therefore, comes within the scope of the Alaska Natural Gas Transportation Act (ANGTA) (15 U.S.C. §§ 719-719m). For this reason, it is incumbent upon the Commission to proceed as expeditiously as possible.

Section 403(c) of the Department of Energy Organization Act (DOE Act) authorizes the Commission to utilize rulemaking procedures to establish rates and charges under the Natural Gas Act. The setting of the incentive rate, as well as the consideration of pro forma tariffs for the ANGTS, is an establishment of a "rate or charge" within Section 7 of the Natural Gas Act and, per force, Section 403(c) of the DOE Act. Rulemaking provides, in this instance, an expeditious procedure for resolving the issues. Accordingly, in performing its functions under ANGTA, pursuant to ANGTA's mandate for expedition, the Commission chose the rulemaking process authorized by Section 403(c) of the DOE Act.

We recognize that Section 403(c) is not without some limits. On its face, it requires "full consideration of the issues and an opportunity for interested persons to present their views." While this proceeding has been the focal point of numerous rounds of comments, reply comments and special studies, we recognize that the issues are both serious and complex. For that reason, the Commission is staying the effective date of this Order for a period of 60 days, to afford interested parties the opportunity to apply for rehearing. Such applications must be filed within 30 days of the date of issuance of this Order.

The Commission Finds:

(1) For the reasons set forth above, the Commission finds it necessary and appropriate and in the public interest, in administering the Natural Gas Act and the Alaska Natural Gas Transportation Act, to adopt and incorporate into the conditional certificates of public convenience and necessity issued by the Order of December 16, 1977 (Docket Nos. CP78-123, et al.), the terms and conditions set forth in the attachment to this Order.

(2) For the reasons set forth above, the Commission finds it necessary and appropriate and in the public interest, in administering the Natural Gas Act and the Alaska Natural Gas Transportation Act, to require the tariffs under which Alaskan Northwest Natural Gas Transportation Company and the Northern Border Pipeline Company will render service to conform to the conditions and requirements set forth and discussed above in this Order.

The Commission Orders:

(A) The terms and conditions set forth in the attachment to this Order shall be incorporated into the conditional certificates of public convenience and necessity issued by the Commission on December 16, 1977 in Docket Nos. CP78-123,

et al., to become effective 60 days from the date of issuance of this Order. These terms and conditions supplement and supersede the terms and conditions incorporated in the conditional certificates by the Commission's Order No. 17, issued in this Docket on December 1, 1978.

(B) No later than twelve months prior to initiating service, Alaskan Northwest Natural Gas Transportation Company and Northern Border Pipeline Company shall submit for Commission approval, tariffs modified to conform with the requirements set forth in this Order. This ordering paragraph number (2) shall become effective 60 days from the date of issuance of this Order.

(C) Parties to Docket No. RM78-12 may file petitions for rehearing of this Order within 30 days of the date of issuance of this Order, pursuant to the procedures set forth in section 1.34 of the Commission's Rules of Practice and Procedure.

(Department of Energy Organization Act, Pub. L. No. 95-91, 91 Stat. 565, E.O. 12009, 42 Fed. Reg. 46267 (Sept. 15, 1977); Natural Gas Act, 15 US §§ 717, et seq.; Alaska Natural Gas Transportation Act, 15 USC § 719(g); President's Decision and Report to Congress on the Alaska Natural Gas Transportation System, H.J. Res. 621, Pub. L. No. 95-158, 91 Stat. 1268 (1977).)

By the Commission.

INITIALS

CHAIRMAN CBC 6-8-79

Secretary SMITH DBS

COMM SHELDON GHS 6/8/79

COMM HOLDEN

[illegible] 6/8/79

AGD 886219

Determination of Incentive Rate of Return, Tariff, and Related Issues) Docket No. RM78-12

Chairman Curtis, concurring,

Although I am willing to accept the vote of the majority, I want to note my preference for a marginal rate of 6% coupled with an 18% center rate. Because a marginal rate of 6% would exert greater incentive for cost containment than would result from an 8% marginal rate, I believe it is appropriate to account for this effect by a one-half point adjustment to the risk premium factor, thus yielding a center rate of 18%.

The IROR scheme adopted by the Commission would allow a lower rate of return as construction costs increase thereby creating an incentive to control costs during construction. The marginal rate represents the incentive portion of the IROR mechanism and is an important determinant of the overall rate of return on equity. I am concerned that the marginal rate of 8% selected by the Commission may provide too little incentive to control construction costs.

With an 18% center rate and a 6% marginal rate, the resulting IROR schedule would allow higher rates of return

than the majority's schedule for a cost performance ratio of 1.3 to one of 1.6, (or for about 30% above the center point) for cost performance ratios greater than 1.6, this schedule would yield lower rates of return on equity. If there is true expectation that the pipeline can be constructed within a cost performance ratio of 1.6, I would think the sponsors would prefer the higher returns.

Notwithstanding my preference for this alternative, I recognize that the question is one of judgment and have determined to abide by the determination of my colleagues on this matter, recognizing that the issue may be represented to the Commission in the course of the rehearing procedure set out in the rule.

Charles B. Curtis
Chairman

Comparison of Two Combinations
of Center Rates and Marginal Rates
in the IROR Schedule for
the Alaskan Segment of the Pipeline

Cost Performance Ratio	Allowed Rates of Return on Equity 1/ For a 17.5% Center Rate and an 8.0% Marginal Rate	For an 18% Center Rate and a 6% Marginal Rate	Column (2) minus Column (1)
	(1)	(2)	(3)
1.0	20.35%	21.60%	1.25%
1.1	19.23	20.18	.95
1.2	18.29	19.00	.71
1.3	17.50	18.00	.50
1.4	16.82	17.14	.32
1.5	16.23	16.40	.17
1.6	15.72	15.75	.03
1.7	15.26	15.18	-.08
1.8	14.86	14.67	-.19
1.9	14.50	14.21	-.29
2.0	14.17	13.80	-.37
2.1	13.88	13.43	-.45
2.2	13.61	13.09	-.52
2.3	13.37	12.78	-.59
2.4	13.15	12.50	-.65
2.5	12.94	12.24	-.70

1/ Assumes a 1.3 CPR as the center point.

Terms and Conditions

1. Applicability

The Incentive Rate of Return (IROR) will apply to two of the three segments of the Alaskan Natural Gas Transportation System within the United States, as defined in the President's Decision and Report to Congress on the Alaska Natural Gas Transportation System (referred to hereinafter as the Decision). These segments are: (1) the portion of the system within the State of Alaska, and (2) the portion of the system from the United States/Canadian border near Monchy in the Province of Saskatchewan to a point near Dwight in the State of Illinois. In the following terms and conditions, the term "pipeline" refers to each of these two segments, and all terms and conditions herein apply to each.

2. Cost Performance Ratio

As required by the second finance term and condition of the Decision (at page 36), the rate of return on equity during the operating period of the pipeline will be increased if the pipeline is completed under projected cost and reduced if the pipeline is completed over projected cost. The relationship between projected cost and completed

cost will be determined by a Cost Performance Ratio. The Cost Performance Ratio is the ratio of the Deflated Actual Capital Costs (see Condition 3, below) to the Projected Capital Costs (see Condition 4, below).

3. Deflated Actual Capital Costs

The Deflated Actual Capital Costs will be determined at the start of operations as the sum of direct construction costs actually incurred in the construction of the pipeline after conversion into base-year prices (see Condition 5 below) plus a Finance Charge calculated from the Real Rate of Return (see Condition 6 below). The Finance Charge will be calculated quarterly, based on the Deflated Actual Capital Cost incurred prior to the beginning of the quarter. When a segment (see Condition 1, above) is completed and tested, accrual of the Finance Charge and any other costs in the Deflated Actual Capital Costs will cease for that segment.

4. Projected Capital Costs

The Projected Capital Costs will be determined at the start of operations as the sum of direct construction costs included in the Certification Cost and Schedule Estimate approved by the Commission pursuant to Condition 7, below, and after any adjustments for Changes in Scope (see

Condition 10, below) or resulting from design changes prior to the Final Design (see Condition 9, below) plus a Finance Charge calculated from the Real Rate of Return (see Condition 6, below). The Finance Charge will be calculated quarterly, based on the Projected Capital Costs estimated to be incurred prior to the beginning of the quarter.

5. Inflation Adjustment

The direct construction costs actually incurred, excluding interest during construction, will be deflated to base-year prices, where the base year will be that used in calculating the Certification Cost Estimate. The inflation index will be a composite index calculated as a weighted average of existing published indices or price data. The attached schedule (see Condition 18 below) contains the categories of cost to be used and the index or prices to be used for each category. When the project sponsors submit their Certification Cost Estimate, all projected costs will be divided into each of the cost categories for each year or quarter. The proportion of total costs in that year or quarter for each cost category will be used as the weight for that cost category. For any construction that occurs beyond the projected construction schedule for the project,

the weights specified for the last year of the projected construction period will be the weights used.

6. Real Rate of Return

The Real Rate of Return to be used to calculate the Finance Charge included in the Projected Capital Costs and the Deflated Actual Capital Costs shall be five percent (5%). The Real Rate of Return shall only be used in determining the Cost Performance Ratio in the IROR mechanism, and will not be used to calculate the allowance for funds used during construction (AFUDC) included in the rate base for cost of service.

7. Certification Cost and Schedule Estimate

Pursuant to the second finance condition in the Decision, the applicant for a certificate of public convenience and necessity for the pipeline shall submit to the Commission a Certification Cost and Schedule Estimate, adjusted to reflect any design changes resulting from the Agreement on Principles with Canada and any addendum thereto, for comparison with the capital cost estimates filed by Alcan with the Federal Power Commission on March 8, 1977. This estimate will include costs actually incurred prior to submission of the estimate. This Certification

Cost and Schedule Estimate will be submitted in 1978 or 1979 base-year prices and with costs set forth according to formats to be specified by the Commission (see Condition 8, below). The March 1977, cost estimate referred to in the second finance term and condition in the Decision must also be resubmitted in the same format, and recalculated in the same base-year prices for comparability with the certification estimate. An explanation of any significant differences between the March 1977 estimate, and the Certification Cost and Schedule Estimate, must be provided. The date of the base-year period for submitting costs may be determined by the applicant. With these estimates, the applicant shall also provide a Construction Plan and Pipeline Design which show the techniques and procedures the applicant proposes to use in constructing the pipeline, and provide a detailed description of the pipeline as it will appear when completed.

8. Cost Estimate Format

All cost estimates shall be submitted to the Commission according to a Cost Estimate Format to be determined by the Commission. Prior to submittal of the Certification Cost and Schedule Estimate, the applicant may submit to the Commission a proposal for the Cost Estimate Format. The

Cost Estimate Format will specify the functional categories or components into which the total cost estimate must be divided, according to the time period in which the costs are estimated to occur. The breakdown of costs shall be in sufficient detail such that the Commission may compare the various cost estimates and determine the reasonableness of any changes.

9. Final Design

After the submission to and acceptance of the Final Design by the Federal Inspector as required by the Decision, the Certification Cost and Schedule Estimate will be altered to reflect changes in quantities or types of materials, labor, and services, and changes in project development or construction schedule and construction techniques, resulting from changes in design or schedule (including changes in the time necessary to obtain the required government approvals and permits) between the time the Certification Cost Estimate was prepared and the approval of the Final Design. Prices of labor, materials, or services used in the Certification Estimate will not be altered unless the Final Design requires a type of labor or material input not assumed to be used in the Certification Estimate. In that event, base year

prices for that new type of input will be used to the extent practicable.

The project sponsors shall submit the revised Certification Estimate, including both an explanation of the alleged design or schedule change and an estimate of the change in costs or schedule, to the Federal Inspector. The Federal Inspector will approve or disapprove the inclusion in Projected Capital Costs of such changes in cost or schedule, pursuant to procedures to be determined by the Inspector, and his decision will be final. The Federal Inspector will promptly notify the Commission of his determinations, including an explanation of the respective changes in design and schedule, and the resultant changes in costs.

10. Change in Scope Mechanism

The Change in Scope Mechanism is applicable to changes caused by events that occur subsequent to the date on which the Federal Inspector approves the Final Design. The Projected Capital Costs shall be increased in an amount equal to the amount of cost increases attributable to Change in Scope events beyond the control of the project sponsors. Such Change in Scope events shall be limited to (1) wars, (2) any disaster declared by the President of the United

States pursuant to the Disaster Relief Act of 1974, Pub. L. No. 93-288, 88 Stat. 143, (3) major design changes compelled by changes in Federal or State laws or regulations applicable to natural gas pipelines enacted or adopted subsequent to the Federal Inspector's approval of the Final Design of the pipeline, (4) major changes in pipeline routing or capacity ordered by Federal or State Governments for the Alaska Natural Gas Transportation System from that approved by the Federal Inspector in the Final Design of the pipeline, and (5) delay in the issuance of a government permit or certificate necessary for completion of the pipeline system, when such delay (a) occurs subsequent to approval of the Final Design, (b) occurs through no fault of the project sponsors, and (c) causes significant cost increases. To the maximum extent practicable, cost increases attributable to Change in Scope events shall be calculated based upon the assumptions and parameters used to calculate the Certification Cost Estimate.

11. Change in Scope Procedure

Whenever the project sponsors believe a Change in Scope event (as defined above) has occurred, the project sponsors shall submit to the Federal Inspector an explanation of the alleged Change in Scope and an estimate of the increase in

Projected Capital Costs for the project. The Federal Inspector will approve or disapprove the inclusion of such increases in Projected Capital Costs, pursuant to procedures to be determined by the Inspector, and his decision will be final. The Federal Inspector will promptly notify the Commission of his determinations, including an explanation of the Change in Scope events and the resultant changes in costs.

12. Center Point

Based upon the findings of the President's Decision, the Center Point (CP) for the Alaska segment shall be calculated from the following formula:

Center Point = [1.3 x (March 1977 Cost Estimate + Finance Charge)]/[Certification Cost Estimate + Finance Charge]

where the March 1977 Cost Estimate is in base-year prices.

The Center Point for the Northern Border segment will be calculated from the following formula:

Center Point = [1.1 x March 1977 Cost Estimate + Finance Charge)]/[Certification Cost Estimate + Finance Charge]

where the March 1977 Cost Estimate is in base-year prices.

The base-year prices shall be those utilized in the preparation of the Certification Cost Estimate. For purposes of this condition, the March 1977 estimate and the Certification Cost Estimate shall include a Finance Charge calculated from the Real Rate of Return (see Condition 6, above).

At the time the Certification Cost Estimate is submitted to the Commission (see Condition 7 above), the Commission will consider adjustments to the value of the Center Point derived from the above formulas if a showing is made that unanticipated developments have altered the basic nature and scope of the project from that assumed in the preparation of the March 1977 estimate. If the project sponsors believe that a major change in the project has occurred, the sponsors, as part of their submission of a Certification Cost Estimate, should present: (a) the nature of the changes in the project subsequent to the President's Decision, including a detailed explanation of why the Certification Cost Estimate has changed from the March 1977 estimate; (b) the nature or benefit to the nation and to gas consumers of construction of the project in light of the revised cost estimates; and (c) the cost increases or cost overruns above the Certification Cost Estimate that may occur, including explanation and analysis of the contingencies for

which costs have and have not been included, the likelihood of such contingencies occurring, and their respective impact on costs.

13. Operation Phase Rate

The Operation Phase Rate is the rate of return on equity that will be allowed after the pipeline is in operation and after the one-time adjustment to the rate base has been made made. The Operation Phase Rate initially shall be 14 percent (14%) for the Alaska segment and 13 percent (13%) for the Northern Border segment.

14. IROR Formula

The Incentive Rate of Return shall be set equal to [(17.5)(CP) + B (A - CP)]/A for the Alaska segment and [(15)(CP) + B (A - CP)]/A for the Northern Border segment, where A is the Cost Performance Ratio (see Condition 2, above) and CP is the Center Point (see Condition 12, above).

15. Financing Plan

The financing plan submitted pursuant to the Commission's Regulations (18 CFR 157.14(a)(14)[1978]) as part of the application for a certificate of public convenience and necessity under Section 7 of the Natural Gas Act shall describe how the applicant proposes to finance

the estimated cost of the project and any overruns, and in particular the proportions of debt and equity financing to be used. If the actual proportions of debt and equity used to finance the project deviate significantly from the financing plan submitted to, and approved by, the Commission, the Commission reserves the right to alter these terms and conditions.

16. Cost of Service Calculations

The allowed rate of return on equity used to calculate cost of service during operation of the pipeline will be the Operation Phase Rate defined above in Condition 13. The rate used to calculate the equity portion of the allowance for funds used during construction shall be the Operation Phase Rate defined above in Condition 13. The rate base will include an allowance for funds used during construction, and will also include the one-time adjustment calculated pursuant to Condition 17 less the cumulative amortization thereof. The cost of service for the pipeline shall include amortization of the one-time adjustment on a straight-line basis over the project life. An amount equal to the one-time adjustment net of related accumulated provisions for amortization will be considered as common equity in the rate of return calculation.

17. Adjustment to Rate Base

Upon completion of construction and initial operation of the pipeline, a one-time adjustment to the rate base will be calculated in three steps. First, for each year in the assumed 25-year operating life of the pipeline, a revenue stream for equity will be derived assuming that the equity investment including AFUDC in the pipeline at the start of operation is fully recovered by depreciation over a 25-year period in equal annual installments at the end of each year, and that an annual return on equity is derived by applying the Incentive Rate to the depreciated equity investment at the beginning of each year. Second, the present worth of this revenue stream will be calculated using a discount rate equal to the Operation Phase Rate specified in Condition 13 above. Third, the difference between this present worth sum and the equity investment including equity AFUDC at the start of operations will be added to the rate base of the project and the equity investment. If the difference is negative, the rate base and the equity investment will be reduced by the difference.

Within six months after condition and testing of the pipeline, the one-time adjustment and a schedule of amortization of the adjustment must be submitted for

approval by the Commission. If the Commission reduces the one-time adjustment, the excess in transportation charges incurred during the intervening period will be subtracted from the one-time adjustment. Similarly, any shortfall will be added to the one-time adjustment.

AGO 886236

18. Cost Categories and Index/Prices

Cost Category	Index or Price	Source
1. Labor		Engineering News Record
a. Welders and Helpers	Ironworkers Structural and Reinforcing	
b. Operators and Oilers	Motor Graders	
c. Drillers and Power Men	Skilled Laborer	
d. Pipe Fitter	Steamfitter	
e. Carpenters	Carpenters	
f. Electricians	Electricians	
g. Truck Drivers	Truck Drivers, Teamsters, for Dump, rear, over 4 cylinders	
h. Station Mechanics	Skilled Labor	
i. Other Skilled Labor	Skilled Labor	
j. Other Unskilled Labor	Common Labor	
2. Salaried Employees	Executive Compensation Survey for Similarly Skilled Personnel Categories	Bureau of Labor Statistics and American Management Association

Cost Category	Index or Price	Source
3. Line Pipe	36" Line Pipe F.O.B. McKeesport, Pennsylvania	U.S. Steel
4. Gas Turbine Compressor Sets and Auxiliary Equipment	Gas Compressor (Centrifugal Uncooled)	PPI 11410105
5. Gas Refrigeration Systems and Auxiliary Equipment	Pumps, Compressors and Equipment	PPI 1141
6. Generation Systems	Generators and Generator Sets	PPI 117302
7. Supervisory Control and Data Acquisition Instrumentation and Metering Communications and Other Electrical Equipment	Electrical Machinery	PPI 117
8. Valves, Flanges and Fittings	Valves and Fittings	PPI 114901
9. Pipe Insulation and Coating	Plastic Resins and Materials	PPI 006

Cost Category	Index or Price	Source
10. Building and Utilities Including Building Systems (e.g., HVAC, Water, Sewage)	Construction Materials	PPI, Special Commodity Groupings
11. Cement Not Used for Building	Portland Cement	PPI 1322013114
12. Miscellaneous Fabricated Metal Products	Fabricated Metal Products	PPI, Special Commodity Groupings
13. Other Miscellaneous Materials	Construction Materials	PPI, Special Commodity Groupings
14. Air Transportation		Interim Financial Results of Certified Air Carriers (CAB)
a. Passenger	Average Revenue per Passenger Mile Flown in U.S.	
b. Air Cargo	Average Revenue per Ton Mile Flown in U.S.	
15. Surface Transportation		Transportation Statistics in the U.S. (ICC)
a. Water	Average Revenue per Ton Mile Shipped by Water in the U.S.	

Cost Category	Index or Price	Source
b. Rail	Average Revenue per Ton Mile Shipped by Pail in the U.S.	
c. Truck	Average Revenue per Ton Mile Shipped by Truck in the U.S.	
d. Bus	Average Revenue per Ton Mile Shipped by Bus in the U.S.	
16. Facilities		
a. Government Owned	Department of Commerce Composite Index	Table S-11 of Survey of Current Business
b. Food Supplies	Processed Foods	PPI, Special Commodity Grouping
c. Other	CPI--All Items--U.S.	Bureau of Labor Statistics
d. Leased Facilities	Department of Commerce Composite Index	Table S-11 of Survey of Current Business
17. Crawler Type Tractors	Tractors, other than Farm, Crawler type, Diesel 260 Net Engine HP and Over	PPI 11280217

Cost Category	Index or Price	Source
18. Other Heavy Construction Equipment	Construction Machinery and Equipment	PPI 112
19. Transportation Equipment	Transp rtation Equipment	PPI 14
20. Miscellaneous Construction Machinery and Equipment	Construction Machinery and Equipment	PPI 112
21. Diesel Fuel	Diesel to Commercial Customers: Pacific	PPI 0573030108
22. Other Petroleum, Oil and Lubricants	Petroleum Products Refined	PPI 057
23. Other Miscellaneous Consumables (e.g., explosives, tires, welding rods, etc.)	Industrial Commodities, less Fuel and Power	PPI, Special Commodity Grouping
24. State, Municipal and Native and Private Land	Farm Real Estate Developments Index	Average Value Per Acre by State, U.S. Department of Agriculture
25. Purchased Field Data	CPI--All Items--U.S.	Bureau of Labor Statistics

NOTE:

PPI: Producer Price Index--Source Bureau of Labor Statistics--Available Monthly.

Engineering News Record: Simple 20 City Average-

-Available Quarterly.

CPI--Consumer Price Index: Available Monthly from Bureau of Labor Statistics.

U.S. Steel Line Pipe price is a list price available on request; actual selling price may be different.

American Management Association Executive Compensation Survey is available once a year; Linear interpolation for quarterly estimates.

Interim Financial Results of Air Carriers available quarterly from the Civil Aeronautics Board (CAB).

Transportation Statistics in the U.S. published by the Interstate Commerce Commission (ICC).

Farm Real Estate Index: Source U.S. Department of Agriculture--Available Semi-annually; Linear Interpolation for quarterly estimates.

AGO 126025

Hearing 2/8/80 - tabled

Hearing 3/13/80 - Reported out as CS with letter of intent

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB1	2/8/80	4100	Carl Rosier, Deputy Commissioner Fish and Game Dept. (Will testify)	2/12/80
	2/8/80	Letter	Attorney General's Office (Assistant A.G. to testify)	2/12/80
	2/8/80	3897	Ken Vassar, Legislative Legal Services (will testify)	2/12/80
			(2/12/80 Hearing to be only a briefing on HB1 with legal analysis)	

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
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HEARING NOTIFICATIONS

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB 1	3/13	3720	Rep. Gardiner	3/18
	3/13	586-3301	Bob Willard, Alaska Native Brotherhood	3/18
	3/13	3876	Rep. Eliason	3/18
	3/13	4100	Dept. of Fish & Game	3/18
	3/13	586-2820	United Fishermen of Alaska Sharon Macklin, Exec. Dir. to testify	3/18

(9)

COMMITTEE REPORT

HOUSE

FURTHER: JUDICIARY

1/24/79

Date: 3/14/80

Mr. Speaker:

The Committee on RESOURCES has had HB 1
"An Act relating to the maximum length of salmon seine vessels; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[✓] replace with CS for HB1 [✓] same title [ ] new title

and recommends _____

[✓] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[✓] reports it back without individual recommendations

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Dick Halbe
[illegible]
[illegible]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Fred E Thomas Do Not Pass
Glenn Hollingbed DO NOT PASS
Jan Faulk DO NOT PASS

Glenn Hollingbed
CHAIRMAN

H 60 (Rev. 12/78)

TELEGRAM

ALASCOM, INC.
PHONE: 586-6442
JUNEAU, AK 99801

HB 7

'80 FEB 21 PM 12 45

02031 TDA HOONAH ALASKA 27 02-21 925A AST

PMS HONORABLE ALIVN OSTERBACK CH-CHAIRMAN

HOUSE RESOURCE COMMITTEE RM 118 CAPITOL BLDG

JUNEAU AK 99801 2548

HUNA TOTEM CORPORATION CONDUCTED A SURVEY REGARDING HOUSEBILL NUMBER 1 AND FOUND HOONAH FISHERMEN AGAIN CANNOT ENDORSE HB1 AS PRESENTED. THANK YOU FOR THIS CONSIDERATION.

MR JOHN HINCHMAN JR PRESIDENT HUNA TOTEM CORPORATION

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

SUBPORT BUILDING
JUNEAU, ALASKA 99801

February 13, 1979

HB 1

The Honorable Alvin Osterback, Chairman
House Resource Committee
Alaska State Legislature
Box 71
Sand Point, Alaska 99661

Dear Mr. Osterback:

The Board of Fisheries, during its December 1978/January 1979 meeting, again discussed Alaska Statute 16.05.835 relating to the maximum length of salmon seine vessels and Alaska Statute 16.10.120 relating to the use of drum or reel in the operation of purse seines.

During the 1977 session of the Ninth Legislature, House Bills 118 and 119 repealing these sections of the Alaska Statutes were introduced. The Board wrote to you on March 31, 1977, supporting enactment of this legislation, but neither bill passed during the two sessions of the Ninth Legislature.

House Bill 1, repealing AS 16.05.835 has been introduced this session by Representative Eliason, and the Board of Fisheries strongly urges passage. The Board also recommends introduction of legislation to repeal AS 16.10.120.

The position of the Board is that the size of salmon seine vessels and the use of drum seines are regulatory problems which should be resolved by the Board through appropriate action under the Administrative Procedure Act rather than by the Legislature by means of inflexible laws.

The intent of the Board, emphasized in all discussions, is to maintain the status quo with regard to these problems. The recommendation to repeal these statutes should not be construed as an endorsement by the Board that the restriction regarding the maximum size of salmon seine vessels and the prohibition against the use of drum seines should be eliminated. Any change to regulations would only be after careful consideration of the general welfare of the fishermen and the resource.

Your consideration of the Board of Fisheries' position and recommendation is appreciated.

Sincerely,

Greg Cook
Executive Director
Boards of Fisheries and Game

11-K11LH

Alternative
bills on
same subject
as HB 1

HB1

SOUTHEASTERN ALASKA

SEINE BOAT OWNERS & OPERATORS

728 WATER STREET
KETCHIKAN, ALASKA
99901

March 13, 1979

Representative Alvin Osterback
Pouch V
Juneau, AK 99811

Dear Representative Osterback:

Our association has been actively pursuing the lifting of the 58' limit for the past two years. Once again at our annual meeting held in February, the Board of Directors voted unanimously to support House Bill #1 which would repeal the limit.

There are several factors which support taking such action:

1.) Restrictive measures on gear levels now exist through the implementation of the limited entry program. With this program in existence, the 58' limit no longer serves its original purpose..... to restrict large vessels from outside the state to fish Alaskan waters. The limited entry permit system provides established gear levels in area waters of the state.

2.) The repeal of the limit is widely accepted by area fishermen including trollers, seiners, and gillnetters as well as the United Fishermen of Alaska. Lifting the limit would be a popular step with a substantial portion of the fishing industry. Such action could only serve to enhance the industry particularly from an economic standpoint.

3.) The potential development of the bottomfish fishery in Southeast Alaska is viewed by fishermen as a means of supplementing income which is now based almost totally on one segment of the fisheries resource: salmon. Diversification is necessary for an industry to thrive. Lifting the limit would encourage the industry to remain healthy.

4.) Larger boats become a necessity in order to participate in an off-shore bottomfishery. Such fishing would occur during winter months when weather in the outside waters in high risk areas make it necessary to increase safety factors. Smaller boats are limited to operation within inside areas. To use boats, even 58 foot limit vessels, during this time frame would jeopardize not only loss of life but loss of an entire fishing operation.

5.) The utilization of vessels in the various fisheries is in itself limiting. The desire to build combination boats to fish seine gear and bottomfish gear is self-restrictive. A purse seine fisherman is not going to be able to operate as a purse seiner if his vessel is much over 80 feet long. Most Southeast area fishermen are considering boats not much over 65 to 70 feet in length. This added footage would be a benefit for additional fish storage. The amount of space available for fish holding on a vessel is crucial when dealing with bottomfish. It is a high volume fishery with low fish prices.

6.) By lifting the limit, U.S. fishermen would have the ability to enter the bottomfishery and compete with foreign fleets. Unless we are able to get larger boats, we will never be able to prevent the continuation of foreigners fishing in outside waters which we could be utilizing for the benefit of the Alaskan fishermen.

We urge the legislature to take quick and positive action to repeal the 58' limit. The fishing industry plays a vital role in the economy and growth of Alaska. Passage of House Bill #1 will serve to enhance the industry within the state and insure its continued development and expansion.

Sincerely,
SOUTHEAST ALASKA SEINE BOAT OWNERS & OPERATORS

Michele Zerbetz
Executive Director

cc: Rep. Richard Eliason
Rep. Terry Gardiner
Rep. Oral Freeman
Senator Pat Rodey
Senator Robert Ziegler
Phillips Cold Storage
Whitney-Fidalgo Seafoods
United Fishermen of Alaska
United S.E. Alaska Gillnetters
Alaska Trollers Association
Rick Lauber
New England Fish Co.
Ward Cove Packing
Petersburg Processors, Inc.

Alaska Native Brotherhood

Camp Number 2 510 West Willoughby Avenue Juneau, Alaska 99801

March 21, 1979

The Honorable Alvin Osterback
Co-Chairman, Resources Committee
State House of Representatives
Pouch V
Juneau, Alaska 99811

Re: House Bill No. 1

Dear Representative Osterback:

The committee has before it House Bill No. 1 "An Act relating to the maximum length of Salmon Seine Vessels", the intent of which is to allow the seine vessels to exceed the maximum length.

In the past, we have opposed any bill that would raise the vessel sizes. Our opposition was based upon the fear that if the size limit is now increased, the fleet would have more carrying capacity and, in the years of a heavy run, the fleet would take more fish, and limits on catch would result more frequently than at present. We felt that the processors in Southeast do not have the capacity to handle a heavy run. Further, we felt that only a few holders of limited entry permits would be in a position to afford larger vessels, and the permit holders would be placed under pressures to sell their permits. If a fisherman is able to acquire a large vessel, he likely can afford to pay an exhorbitant amount of money for a permit. We felt that the local permit holder would easily be influenced to sell his permit if the price went up--which is likely. We felt that the likelihood is that out-of-state fishermen would be the chief benefactors if the vessel size is lifted. There would be more fuel costs.

We also considered the argument that there is a developing off-shore fishery for bottom fish which will likely affect vessel sizes sometime in the future. But, so far this possibility is several years away. At a time when processing plants are in place, then we may, at that time, re-evaluate our position.

If House Bill 1 passes now, and we discover that it was a mistake, it would be difficult, if not impossible to revert back to the present limit size.

If your committee will entertain House Bill No. 1, please be advised that the Alaska Native Brotherhood and the Tlingit and Haida Indians of Alaska are opposed to passage for the above reasons.

Respectfully submitted,

LEGISLATIVE AFFAIRS COMMITTEE

Robert Willard

Robert Willard, Chairman

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU ALASKA 99811

MEMORANDUM

DATE: February 8, 1980

TO: Attorney General Avrum Gross

FROM: Representative Alvin Osterback, Chairman, A.O.
House Resources Committee

House Resources has scheduled a hearing on HB 1 regarding maximum length for salmon seine vessels, for Tuesday, February 12 at 3:00 p.m. in room 118 of the Capitol Building.

We request that you have a member of your staff attend this meeting to provide legal counsel. We have already discussed this matter with Assistant Attorney General Ann Prezyna. In general what we need is an opinion of legal means and options concerning the adoption of various seine boat size limits for various parts of the state. Can or should this be done in one statute? Can we delegate the responsibility for size limit restrictions to the Board of Fisheries but bind restrictions to the particular area designations we want by a letter of intent? We request that your office have an attorney present at the Tuesday hearing to answer these and similar questions. Thank you.

CO CHAIRMEN
REP. ALVIN OSTERBACK (465-3710) • REP. BILL MILES (465-3773)
VICE CHAIRMAN
REP. FRED THARPE
REP. PAT CARNEY • REP. C.S. CHAT CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. NICK MALFORD

HB1

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC. 1979 MAR 14 AM 10 56

PHONE 586-6442

JUNEAU ALASKA 99802

02027 POM TDA PETERSBURG ALASKA 15 03-14 755A AST

PMS REP DICK ELIASON

JUN

PASS HB1 REPEAL 58 FOOT LIMIT

JEFF PFUNDT PETERSBURG

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#B1

379 MAR 14 AM 10 55

02026 TDA PETERSBURG ALASKA 25 03-14 830A AST

PMS REP DICK ELIASON

JUN

YOU HAVE MINE AND MANY OTHER PETERSBURG VESSEL OWNERS FULL SUPPORT

IN YOUR EFFORT TO REPEAL THE 58 FOOT LIMIT LAW.

BOB HALTINER-BOAT VERMA BOX 808

PETERSBURG AK

TELEGRAM

HB1

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 14 PM 2 19

02091 POM TDA PETERSBURG AK 15 03-14 1035A AST

PMS REP DICK ALISON

JUN

SUPPORT PASSAGE OF HOUSE BILL 1.

RAY EVANS

BOX 197 PETERSBURG

TELEGRAM

HB1

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02113 NL TDA KETCHIKAN ALASKA 56 03-12 145P AST 1979 MAR 12 PM 9 25

PMS REP ALVIN OSTERBACK

JUN

UEGE IMMEDIATE ACTION ON HB1 REPEAL OF 58 FOOT LIMIT VITAL TO DEVELOPMENT OF BOTTOM FISHERY IN SOUTHEAST ALASKA. DIVERSIFICATION OF FISHING INDUSTRY IS NECESSARY FOR ITS CONTINUED SUCCESS. NEED MEANS TO COMPETE WITH FOREIGN FLEETS. BOARD OF FISH WILL REGULATE LIFTING LIMIT ON ARE BY AREA BASIS. LETTER FROM ASSOCIATION BOARD MEMBERS FOLLOWING.

SOUTHEAST SEINE BOAT OWNERS AND OPERATORS

MICHELLE ZERBETZ EXECUTIVE DIRECTOR

HB1

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

1979 MAR 14 AM 10 55

02028 POM TDA PETERSBURG ALASKA 15 03-14 755A AST

PMS REP ALVIN OSTERBACK

JUN

PASS HB1 REPEAL 58 FOOT LIMIT.

JEFF PFUNDT PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

HB1

1979 MAR 14 PM 12 54

02050 TDA PETERSBURG ALASKA 13 03-14 1025A AST

PMS REP DICK ELIASON

JUN

I STRONGLY URGE PASSAGE OF HB NBR 1.

CHRIS JENSEN

POBOX 264 PETERSBURG 99833

TELEGRAM

HB1

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 15 AM 11 08

02023 TDA SITKA AK 13 03-15 809A PST

PMS REP DICK ELIASON

JUN

STRONGLY SUPPORT HB 1. REMOVING SIZE LIMITS ON SEINE BOATS.

LAURIE GRANT PLANT MANAGER SITKA SOUND SEAFOODS

SOUTHEASTERN ALASKA
SEINE BOAT OWNERS & OPERATORS

728 WATER STREET
KETCHIKAN, ALASKA
99901

HB1

March 13, 1979

Representative Alvin Osterback
[illegible]
Juneau, AK 99811

Dear Representative Osterback:

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There are several factors which support taking such action:

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2.) The repeal of the limit is widely accepted by area fishermen including trollers, seiners, and gillnetters as well as the United Fishermen of Alaska. Lifting the limit would be a popular step with a substantial portion of the fishing industry. Such action could only serve to enhance the industry particularly from an economic standpoint.

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Sincerely,
SOUTHEAST ALASKA SEINE BOAT OWNERS & OPERATORS

Michele Zerbetz
Executive Director

cc: Rep. Richard Eliason
Rep. Terry Gardiner
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Senator Pat Rodey
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Phillips Cold Storage
Whitney-Fidalgo Seafoods
United Fishermen of Alaska
United S.E. Alaska Gillnetters
Alaska Trollers Association
Rick Lauber
New England Fish Co.
Ward Cove Packing
Petersburg Processors, Inc.

Editor's note. — The repealed section derived from § 2", art. I, ch. 94, SLA 1959

Sec. 16.05.831. Waste of salmon. (a) It is unlawful for a person to waste salmon intentionally, knowingly, or with reckless disregard for the consequences. In this section, "waste" means the failure to utilize the majority of the carcass, excluding viscera and sex parts, of salmon which are to be

(1) sold to a commercial buyer or processor;

(2) utilized for consumption by humans or domesticated animals; or

(3) utilized for scientific, educational, or display purposes.

(b) The commissioner may authorize other uses of salmon upon request if he finds that to do so would be consistent with maximum and wise use of the resource.

(c) A person who violates this section or a regulation adopted under it is punishable by a fine of not more than $10,000, or by imprisonment for not more than six months, or by both. In addition, a person who violates this section is subject to a civil action by the state for the cost of replacing the salmon wasted. (§ 3 ch 89 SLA 1975; § 3 ch 99 SLA 1975)

Editor's note. — This section is set out as it appears in ch. 99, SLA 1975. Chapters 89 and 99, SLA 1975, are virtually identical except that ch. 99 contains a § 5, providing for an effective date of the act. Section 1, chs. 89 and 99, SLA 1975, provides, in subsection (b): "It is the intent of sec. 3 of this Act to control the waste of salmon resources."

Sec. 16.05.835. Maximum length of salmon seine vessels. No salmon seine vessel may be longer than 50 feet, official Coast Guard register length, and 58 feet overall length except vessels that have fished for salmon with seines in waters of the state before January 1, 1962, as 50-foot, official Coast Guard register length vessels. (§ 1 ch 252 SLA 1970)

HB1

Sec. 16.05.840. Fishway required. If the commissioner considers it necessary, every dam or other obstruction built by any person across a stream frequented by salmon or other fish shall be provided by that person with a durable and efficient fishway and a device for efficient passage for downstream migrants. The fishway or device or both shall be maintained in a practical and effective manner in the place, form and capacity the commissioner approves, for which plans and specifications shall be approved by the department upon application to it. The fishway or device shall be kept open, unobstructed, and supplied with a sufficient quantity of water to admit freely the passage of fish through it. (§ 30 art I ch 94 SLA 1959)

Sec. 16.05.850. Hatchery required. If a fishway over a dam or obstruction is considered impracticable by the commissioner because of cost, the owner of the dam or obstruction, in order to compensate for the loss resulting from the dam or obstruction shall, at his option: (1)

(4) better manage the fishery by providing a visible means of determining how much gear is actually being fished."

Sec. 16.10.130. Penalties for violation of § 120 of this chapter. A person who violates § 120 of this chapter is guilty of a misdemeanor and upon conviction is punishable by imprisonment for not more than six months, or by a fine of not more than $1,000 or by both. (§ 2 ch 26 SLA 1959)

Editor's note. — Section 4, ch. 103, SLA 1977, effective August 1, 1978, amended this section to read as follows: "**Sec. 16.10.130. Penalties for violation of §§ 120 — 125 of this chapter.** A person who violates §§ 120 — 125 of this chapter is guilty of a misdemeanor, and upon conviction is punishable by imprisonment for not more than six months, or by a fine of not more than $1,000, or by both.

Section 1, ch. 103, SLA 1977, provides: "INTENT. It is the intent of this Act to require positive identification of shellfish pots or buoys, or both, used in the taking of king crab within areas in which the Board of Fisheries has regulations limiting the total amount of gear allowed per vessel in order to

(1) more adequately enforce shellfish pot limits for king crab;

(2) assist in preventing the theft of gear;

(3) prevent the transfer of gear to prohibited areas; and

(4) better manage the fishery by providing a visible means of determining how much gear is actually being fished."

Article 3. Herring Spawn.

Section

140 — 170. [Repealed]

172. Legislative policy on utilization of herring

Section

173. Utilization of commercially taken herring

Secs. 16.10.140 — 16.10.170. Repealed by § 2 ch 91 SLA 1970.

Sec. 16.10.172. Legislative policy on utilization of herring. The legislature finds the following: (1) extensive and valuable herring populations are available for harvest in waters subject to the jurisdiction of the state; (2) commercial markets are available for herring processed in several forms; (3) one processing technique presently employed involves deliberately permitting decomposition of the herring carcass to allow for removal and subsequent sale of the roe product, with the consequence that the flesh is unusable and discarded. The legislature declares that the process referred to in (3) of this section is wasteful and does not constitute utilization of this resource for the maximum benefit of the people. Therefore, it is the policy of the legislature that this process should be eliminated to the fullest extent possible. (§ 1 ch 9 SLA 1977)

Effective date. — Section 2, ch. 9, SLA 1977, provides: "This Act takes effect January 1, 1978."

Sec. 16.10.173. Utilization of commercially taken herring. (a) It is unlawful for a person, as defined in AS 01.10.060 and including a joint venture, to waste or to cause to be wasted any commercially taken herring

(b) As used in this section, "waste" means the failure to use the flesh of commercially taken herring for reduction to meal, production of fish food, human consumption, food for domestic animals, scientific or educational purposes, or round herring bait. Normal, inadvertent loss of flesh associated with the uses described in this subsection which cannot be prevented by practical means does not constitute waste. The commissioner may authorize other uses of commercially taken herring not inconsistent with the intent of this section and § 172 of this chapter at his discretion upon receipt of a request accompanied by a detailed justification.

(c) For purposes of this section, "flesh" means all muscular body tissue surrounding the bony skeleton of the herring.

(d) The Board of Fisheries may adopt regulations under the Administrative Procedure Act (AS 44.62) it considers necessary for implementation of this section. The board may delegate its authority under this section to the commissioner.

(e) The provisions of this section do not apply to herring taken commercially in the Bering Sea (including appurtenant bays, sounds, estuaries, and water of the state) north of 56° North Latitude, until January 1, 1979. (§ 1 ch. SLA 1977)

Effective date. — Section 2, ch. 9, SLA 1977, provides: "This Act takes effect January 1, 1978."

Article 4. Migratory Fish and Shellfish.

Section
160. Legislative findings
190. Regulations
200. Unlawful taking prohibited
210. Unlawful sale or offer prohibited
220. Penalties for violation of §§ 200 and 210 of this chapter
230. Exemptions

Sec. 16.10.180. Legislative findings. The legislature finds and recognizes these facts:

(1) Migratory fish and migratory shellfish are present in commercial quantities inside and outside the territorial waters of the state.

(2) Migratory fish and migratory shellfish taken from the waters of the state are indistinguishable, in most cases, from those taken from the adjacent high seas.

(3) Substantial quantities of migratory fish and migratory shellfish move inshore and offshore intermittently and at various times during a given year and in so doing often enter and leave territorial waters of the state

Effect of amendment. — The 1975 amendment deleted "rule or" preceding "regulation" near the middle of the section and substituted "Board of Fisheries" for "board" near the middle and near the end.

Cited in Hjelle v. Brooks, 424 F. Supp. 595 (D. Alas. 1976).

Sec. 16.10.220. Penalties for violation of §§ 200 and 210 of this chapter. A person who violates §§ 200 and 210 of this chapter is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than $5,000 or by imprisonment for not more than one year, or by both. (§ 5 ch 121 SLA 1960)

Sec. 16.10.230. Exemptions. Sections 180 — 220 of this chapter do not apply to

(1) those species of salmon in international waters of the Pacific Ocean which are regulated by the International Pacific Salmon Fisheries Commission or by laws of the United States or rules or regulations promulgated under those laws;

(2) the use of nets for fishing for or taking salmon for the purposes of scientific investigation authorized by state law; and

(3) existing laws and regulations prohibiting the taking of salmon by means of nets on the high seas. (§ 6 ch 121 SLA 1960)

Article 5. Transportation of Fish and Shellfish.

Section

240 Transportation of King, Dungeness or Tanner crab

250 Penalty

Sec. 16.10.240. Transportation of King, Dungeness or Tanner crab. No person may take out of, ship, transport, or send from this state any live King crab, species Paralithodes camtschatica, live Dungeness crab, species Cancer magister, or live Tanner crab, species Chionoecetes bairdi, except that all of these species may be shipped live via air freight after pre-packaging. (§ 1 ch 33 SLA 1962; am § 2 ch 5 SLA 1966; am § 1 ch 14 SLA 1969)

Legislative committee reports. — For report on ch. 5, SLA 1966 (SB 182), see 1966 House Journal, pp. 50, 51. For report on ch. 14 SLA 1969 (HB 172 am S), see 1969 House Journal p. 216.

Sec. 16.10.250. Penalty. A person, association, or corporation violating § 240 of this chapter or contributing to or cooperating in the violation of § 240 of this chapter is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than $5,000, or by imprisonment for not more than one year, or by both. Each unlawful removal of live crab is a separate offense. Vessels and equipment used in or in aid of a violation of § 240 of this chapter may be seized and disposed of as provided in AS 16.05.190. Conviction under § 240 of this

Article 7. General Provisions.

Section	Section
905. Alien activities prohibited	930. Exempted activities
910. Penalty	940. Definitions
920. Certain acts made unlawful	950. Title of the chapter

Sec. 16.05.905. Alien activities prohibited. Alien persons not lawfully admitted to the United States are prohibited from engaging in commercial fishing activities or taking marine mammals in the territorial waters of the State of Alaska as they presently exist or may be extended in the future. (§ 1 ch 85 SLA 1964)

Sec. 16.05.910. Penalty. Any alien person who violates § 905 of this chapter is guilty of a misdemeanor, and upon conviction is punishable by a confiscation and forfeiture of the fishing vessel used in such violation, or by imprisonment of any such person for not more than one year, or by fine of not more than $10,000, or by all or any two of the foregoing punishments. (§ 2 ch 85 SLA 1964)

Sec. 16.05.920. Certain acts made unlawful. (a) Unless permitted by this chapter or by regulation made under this chapter, it is unlawful for a person to take, possess, transport, sell, offer to sell, purchase, or offer to purchase fish, game or marine aquatic plants, or any part of fish, game or aquatic plants, or a nest or egg of fish or game.

(b) No person may knowingly disturb, injure, or destroy a notice, signboard, seal, tag, aircraft, boat, vessel, automobile, paraphernalia, equipment, building or other improvement or property of the department used in the administration or enforcement of this chapter, or a poster or notice to the public concerning the provisions of this chapter, or regulation adopted under this chapter, or a marker indicating the boundary of an area closed to hunting, trapping, fishing or other special use under this chapter. No person may knowingly destroy, remove, tamper with, or imitate a seal or tag issued or used by the department or attached under its authority to a skin, portion, or specimen of fish or game, or other article for the purpose of identification or authentication in accordance with this chapter or a regulation adopted under this chapter. (§ 28 art I ch 94 SLA 1959; am § 3 ch 110 SLA 1970)

State may regulate extraterritorial fishing. — Paramount rights in the seabed and subsoil beyond the three mile limit were vested in the federal government. However, that principle of federal exclusivity does not preclude state regulation of fishery resources in the waters over that seabed. State v. Sieminski, Sup. Ct. Op. No. 1339 (File No. 2544) 556 P.2d 929 (1976).

Enforcement of the state's regulatory scheme in a case involving scallop fishing activities in extraterritorial waters was within the sphere of the state's prerogative to regulate extraterritorial fishing. State v.

Criterion in determining cost of license. — In determining the amount to be paid for fishing gear licenses, the criterion is the residence of the operator of the gear. 1959 Op. Att'y Gen., No. 38.

Sec. 16.05.680. Unlawful purchases. It is unlawful for a person, his agent, or his representative

(1) to have in his employ a fisherman who is not licensed under § 480 of this chapter,

(2) to purchase fish from a fisherman who is not so licensed, if the fisherman is not exempt under § 660 of this chapter from the license requirement of § 480 of this chapter without regard to the employment or purchase, or

(3) to purchase fish from an association which is not exempt under § 662 of this chapter. (§ 10 art III ch 94 SLA 1959; am § 2 ch 96 SLA 1963; am § 2 ch 73 SLA 1970)

Editor's note. — Section 11, ch. 105, SLA 1977, effective January 1, 1978, amended this section to read as follows: "It is unlawful for a person, his agent, or his representative

"(1) to have in his employ, in the harvesting, transporting or purchasing of fish, a fisherman who neither is licensed under § 480 of this chapter nor is the holder of a permit issued under ch. 43 of this title.

"(2) to purchase fish from a fisherman who neither is the holder of a permit issued under ch. 43 of this title, nor is exempt under § 660 of this chapter, or

"(3) to purchase fish from an association other than one to which a permit has been issued under § 662 of this chapter."

Sec. 16.05.685. Processing on commercial crab fishing vessels. (a) It is unlawful to process any species of crab on a commercial crab fishing vessel unless

(1) the vessel remains within one registration area from the time the crab is caught to the time of dock delivery;

(2) the operator of the vessel notifies the department of proposed changes in location before moving to another registration area; and

(3) the operator of the vessel provides quarters for inspectors of the department who may inspect the crab catch on the vessel at any time.

(b) The restrictions set out in (a) of this section do not apply to processing aboard the fishing vessel for and as donations to charity, for consumption aboard the vessel, or for dockside retail sales from the vessel.

(c) In this section,

(1) "process" means to butcher, cook, chill, or freeze crab for commercial use;

(2) "registration area" means a specific king crab registration area as designated by regulation of the Board of Fisheries and includes the Bering Sea shellfish area and the western Aleutian Islands king crab area. (§ 2 ch 70 SLA 1974; am § 12 ch 206 SLA 1975)

Effect of amendment — The 1975 amendment substituted "Board of Fisheries" for "Board of Fish and Game" in paragraph (2) of subsection (c).

HB

20

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB20	2/22	Fish and Game Dept.	2/26
	2/22	Reb. Terry Gardiner } Co-Sponsors of bill	2/26
	2/23	Rep. Miller } Co-Sponsors of bill	2/26
	2/23	Rep. Duncan } Co-Sponsors of bill	2/26
	2/23 465-2504	Commerce Dept.	2/26
		To testify:	
		Sharon Traylor, Deputy Dir. Sm. Business Loans	
		Bert Wagnon, Deputy Commissioner	
	2/26	Gardiner's Office asked that HB20 be pulled from agenda as several people that were to testify were out of town	Not taken up 2/26
	3/2	Fish and Game Dept.	3/9
	3/2	Dept. of Commerce	3/9
		Pete Jeans, Dir. of Division of Business Loans to testify	
	3/6	Rep. Gardiner, Rep. Miller, Rep. Duncan	3/9

AGO 126026

3/9/79 Passed as CS#B20

HB 20 AN ACT RELATING TO STATE LOAN PROGRAMS AND THE LOAN PROGRAMS OF STATE AGENCIES; AND PROVIDING FOR AN EFFECTIVE DATE

AMENDED TITLE: FCCS *

PRIME SPONSORS: MILLER

CO-SPONSORS: GARDINER DUNCAN

DATE	SEQ. NO.	JOURNAL PAGE	HOUSE ACTION
01/24/79	01	0044	FIRST READING -- COMMITTEE REPORTS
03/12/79	02	0527	RES -- DP01, CS08
03/14/79	03	0562	JUD -- DNP31, CS03, NR02
03/28/79	04	0774	SECOND READING
03/28/79	05	0775	JUD CS ADOPTED BY UNAN CONSENT
03/28/79	06	0775	ADVANCED TO 3RD READING BY UNAN CONSENT
03/28/79	07	0775	THIRD READING
03/28/79	08	0775	PASSED BY DIV 33-02-05
03/28/79	09	0775	EFFECTIVE DATE VOTE SAME AS PASSAGE
05/05/79	31	1367	EFFECTIVE DATE VOTE SAME AS PASSAGE
05/01/79	24	1261	FAILD TO CONC IN ( ) AMS BY DIV 07-32-01
05/01/79	27	1261	FCC -- MILLER MALONE HAYES
05/05/79	28	1367	FCC REPORT ADOPTED BY DIV 31-05-04
05/09/79	32	1407	TRANSMITTED TO GOVERNOR
06/04/79	33	FJ11	SIGNED BY GOVERNOR-CH0072, EFF 00/00/00
06/04/79	34	FJ12	CONTAINS VARIOUS EFF DATE
** 06/04/79	35	FJ12	SEL SLA 1979

DATE	SEQ. NO.	JOURNAL PAGE	SENATE ACTION
03/29/79	10	0658	FIRST READING -- COMMITTEE REPORTS
04/26/79	11	0935	FIN -- CS03, NR03
04/28/79	12	0981	RLS -- CS01, OTHER03
04/29/79	13	1003	SECOND READING
04/29/79	14	1003	RLS CS ADOPTED BY UNAN CONSENT
04/29/79	15	1004	AM TO AM01 ADOPTED BY UNAN CONSENT
04/29/79	16	1004	AM01 ADOPTED BY UNAN CONSENT
04/29/79	17	1004	ADVANCED TO 3RD READING BY UNAN CONSENT
04/29/79	18	1004	THIRD READING
04/29/79	19	1005	PASSED BY DIV 16-02-02
04/29/79	20	1005	EFFECTIVE DATE VOTE SAME AS PASSAGE
04/29/79	21	1005	EFF. DATE ADOPTED-SEC 28
04/29/79	22	1005	NOTICE OF RECONSIDERATION GIVEN
04/30/79	23	1044	RECONSIDERATION NOT TAKEN UP
05/05/79	30	1126	EFFECTIVE DATE VOTE SAME AS PASSAGE
05/01/79	25	1051	FAILED TO RECEDE FRM AMS BY DIV 00-16-04
05/01/79	26	1052	FCC -- TILLION SACKETT RAY
05/05/79	29	1126	FCC REPORT ADOPTED BY DIV 20-00-00

HB 21 AN ACT MAKING A SUPPLEMENTAL APPROPRIATION TO THE UNIVERSITY OF ALASKA; AND PROVIDING FOR AN EFFECTIVE DATE

PRIME SPONSORS: PARR

CO-SPONSORS: ROGERS BROWN BETTISWORT SMITH

DATE	SEQ. NO.	JOURNAL PAGE	HOUSE ACTION
01/24/79	01	0044	FIRST READING -- COMMITTEE REPORTS
** 03/01/79	02	0421	HESS -- CS05 FINANCE RULES

DATE	SEQ. NO.	JOURNAL PAGE	SENATE ACTION

Original sponsors: Miller, Gardiner
and Duncan

IN THE HOUSE BY THE RESOURCES COMMITTEE

CS FOR HOUSE BILL NO. 20

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to commercial fishing loans; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 16.10.310(a)(1)(C) is amended to read:

(C) corporations, partnerships, or joint ventures, 100 per cent of which are owned by individual commercial fishermen who have been state residents for a continuous period of five years immediately preceding the date of application for a loan under AS 16.10.300 - 16.10.370 and have had a crewmember or commercial fishing license under AS 16.05.480 or a permit under AS 16.43 for any one [THREE] of the past five years, and who actively participated in the fishery during that period, for the repair, restoration or upgrading of existing vessels and gear, for the purchase of gear, and for the construction and purchase of vessels; [.]

* Sec. 2. AS 16.10.320(a)(5) is amended to read:

(5) may not exceed 75 per cent of the appraised value of the collateral used to secure the loan, except that a loan granted under AS 16.10.111 for the purchase of an Alaska limited entry permit may not exceed an amount determined in accordance with (f) of this section.

* Sec. 3. AS 16.10.320(f) is amended to read:

(f) A loan may not be made to a borrower under AS 16.10.300 - 16.10.370 if it would result in a total indebtedness of the borrower to the commercial fishing revolving loan fund in excess of $200,000,

for loans covered under this act as qualified under ~~this act~~ AS sec. 16.10 of this chapter

borrower under AS 16.10.300 - 16.10.370 may use up to 49 per cent of the amount borrowed to refinance any outstanding loans of the borrower, regardless of the source of the loans [EXCEPT AS PROVIDED IN (c) OF THIS SECTION, NO MORE THAN ONE COMMERCIAL FISHING LOAN MAY BE MADE TO A PERSON FOR THE PURCHASE, CONSTRUCTION, REPAIR OR UPGRADING OF A FISHING VESSEL OR ITS GEAR]. A loan to an associate of the borrower is considered to be a loan to the borrower. For the purposes of this section, "associate of the borrower" means

(1) a corporation or other organization of which the borrower is an officer, director or partner, or is, directly or indirectly, the beneficial owner of 10 per cent or more of any class of equity securities;

(2) a person who is, directly or indirectly, the beneficial owner of 10 per cent or more of any class of equity securities of the borrower;

(3) a trust or other estate in which the borrower has a substantial beneficial interest or as to which the borrower serves as trustee or in a similar fiduciary capacity[;

(4) A RELATIVE OR SPOUSE OF THE BORROWER OR A RELATIVE OF THE SPOUSE, WHO HAS THE SAME HOME AS THE BORROWER;

(5) A PERSON DIRECTLY OR INDIRECTLY CONTROLLING, CONTROLLED BY, OR UNDER COMMON CONTROL WITH, THE BORROWER].

Sec. . AS 16.10.320 is amended by adding a new subsection to read:

(f) A loan granted under AS 16.10.333(a) for the purchase of an Alaska limited entry permit may not exceed 90 per cent of the appraised value of the collateral used to secure the loan; however, a loan granted under AS 16.10.333(a) for the purchase of an Alaska limited entry permit may be made in an amount up to 100 per cent of the appraised value of the collateral used to secure the loan if the borrower demonstrates to

the satisfaction of the commissioner, in accordance with regulations adopted under the Administrative Procedure Act (AS 44.62), financial hardship and, as a result of financial hardship, a need for a greater loan amount.

* Sec. 5. AS 16.10.335 is amended to read:

Sec. 16.10.335. DEFAULT AND FORECLOSURE. (a) If the debtor defaults upon a note for which a limited entry permit has been pledged as security under AS 16.10.333 or under AS 16.10.338, the commissioner shall provide the debtor, by registered or certified mail sent to his last known address on file with the commissioner, with a notice of default which includes

(1) a description of the security given for the note including the number assigned to the pledged permit by the commission;

(2) the date upon which the default occurred;

(3) the amount of arrearages as of the date of the notice, the total amount remaining on the note less unearned interest, and the amount of daily interest;

(4) a statement that the debtor may, within 15 days of the postmark date of the notice, request a hearing at which he may submit evidence showing he has not defaulted;

(5) a statement that the note may be reinstated if brought current within 60 days from the postmark date of the notice;

(6) a statement that the note may be paid in full less unearned interest within 90 days from the postmark date of the notice;

(7) the place where reinstatement or payment in full may be made; and

(8) a notice in at least 10-point bold type stating: "IMPORTANT: YOUR FAILURE TO REINSTATE OR PAY THIS NOTE IN FULL BY THE DATE SPECIFIED WILL RESULT IN A FORFEITURE OF ALL RIGHTS TO THE PERMIT

AND THE POSSIBILITY OF LEGAL ACTION BEING INSTITUTED AGAINST YOU."

(b) Upon the debtor's failure to reinstate or satisfy the note within the time specified in (a) of this section, his [EQUITABLE] interest in the permit is terminated by operation of law without further notice. Any entry permit cards issued to him under the permit shall be cancelled immediately upon receipt by the commission of a certificate of termination containing a copy of the notice required by (a) of this section issued by the commissioner.

* Sec. 6. AS 16.10 is amended by adding a new section to read:

Sec. 16.10.338. ENTRY PERMITS AS COLLATERAL. Alaska limited entry permits may be used as security for loans under AS 16.10.310(a). The provisions of AS 16.10.335 and 16.10.337 apply to Alaska limited entry permits pledged as security for loans in accordance with this section.

* Sec. 7. AS 16.43.170(a) is amended to read:

(a) Except as provided in AS 16.10.333 - 16.10.338 [AS 16.10.333 - 16.10.337], entry permits and interim-use permits are transferable only through the commission as provided in this section and AS 16.43.180 and under regulations adopted by the commission.

* Sec. 8. This Act is retroactive to July 1, 1978.

* Sec. 9. This Act takes effect immediately in accordance with AS 01.10.-070(c).

HB
30

(9)

COMMITTEE REPORT

HOUSE

FURTHER: JUDICIARY

February 20, 1979 Date: March 1, 1979

Mr. Speaker:

The Committee on RESOURCES has had SSHB 10

"An Act relating to the Commercial Fishing and Agriculture Bank."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____ CHAIRMAN

H 60 (Rev. 12/78)

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
SSHB30	3/2	Fish and Game Dept	3/9
	3/2	Rep. Terry Gardiner, bill sponsor	3/9
	3/2	Dept. of Commerce. Dick Eakins, Dir. of Division of Economic Enterprise to testify	3/9

SSHB 30

by the Department of Community and Regional Affairs as security for loans made under this chapte .

(b) The commissioner of community and regional affairs may sell or transfer at par value to the Department of Revenue the mortgages and notes held by the Department of Community and Regional Affairs as security for loans made under this chapter. The Department of Revenue shall purchase all of these mortgages and notes offered, allowing the Department of Community and Regional Affairs a one-half of one per cent service fee. (§ 5 ch 152 SLA 1978)

Part 4. Independent State Boards, Associations, Commissions, and Corporations.

Chapter

54. Commercial Fishing and Agriculture Bank (§§ 44.54.010 — 44.54.220)
55. Alaska Gas Pipeline Financing Authority (§§ 44.55.010 — 44.55.200)

Chapter 54. Commercial Fishing and Agriculture Bank.

Section

10. Commercial Fishing and Agriculture Bank
20. Board of directors
30. Articles of incorporation
40. Bylaws
50. Membership meetings
60. Membership stock
70. Executive director; staff
80. Exempt status
90. Term of office
100. Quorum
110. Compensation of board members
120. Bonds of the bank
130. Trust indentures and trust agreements
140. Validity of pledge
150. Nonliability on bonds
160. Pledge of the state
170. Exemption from taxation
180. Bonds legal investments for fiduciaries
190. Conflicts of interest
200. Reports and publications
210. Powers of the bank
220. Transition

Editor's note. — As to legislative findings and the purposes of the enabling act, see §§ 1 and 2, ch. 159, SLA 1978, respectively, in the 1978 Temporary and Special Acts and Resolutions in Binder 9.

Sec. 44.54.010. Commercial Fishing and Agriculture Bank. (a) There is established the Commercial Fishing and Agriculture Bank. The bank is a public corporation and government instrumentality in the Department of Commerce and Economic Development but has a legal existence independent of and separate from the state. The exercise by the bank of the powers conferred by this chapter is considered an essential governmental function of the state. Except as otherwise provided in this chapter, the bank is subject to the provisions of AS 10.15.005 — 10.15.600.

(b) For the purpose of the initial funding of the bank's operations, the board of directors shall issue nonvoting, preferred shares of stock in the bank and shall determine the value of each share. The State of Alaska, through appropriate agencies, shall purchase the nonvoting, preferred shares initially issued by the bank. Shares purchased by the state shall be repurchased by the bank within 20 years after their purchase. If the bank fails to repurchase the shares within 20 years, the commissioner of commerce and economic development may dissolve the bank.

(c) After the board of directors has completed the necessary organizational matters described in §§ 30 and 40 of this chapter, the commissioner of revenue may purchase with funds from the general fund up to $2,000,000 of preferred stock of the bank during fiscal year 1979 at such time and with terms agreed upon by the commissioner and the board. (§ 3 ch 159 SLA 1978)

Sec. 44.54.020. Board of directors. The bank shall be managed by a board of directors consisting of five members. Initial appointments to the board shall be made by the governor. Thereafter, board members shall be elected by the shareholders. The board members shall annually elect a chairman from among themselves. The purpose of the board is to manage the assets of the bank. (§ 3 ch 159 SLA 1978)

Sec. 44.54.030. Articles of incorporation. Not later than November 1, 1978, the board of directors shall file with the commissioner of commerce and economic development articles of incorporation as provided in AS 10.15.340 — 10.15.355 except that any filing fees shall be waived. (§ 3 ch 159 SLA 1978)

Sec. 44.54.040. Bylaws. The board of directors shall adopt the initial bylaws of the bank. The power to alter, amend or repeal the bylaws is vested in the board of directors. The bylaws may contain provisions for the regulation and management of the affairs of the bank not inconsistent with this chapter or other provisions of law. (§ 3 ch 159 SLA 1978)

Sec. 44.54.050. Membership meetings. Upon filing the articles of incorporation, the board of directors, with the assistance of the commissioner of commerce and economic development or his designee, may hold public meetings throughout the state for the purpose of explaining to members of the commercial fishing and farming industries the functions of the bank and to encourage membership in the bank. (§ 3 ch 159 SLA 1978)

Sec. 44.54.060. Membership stock. (a) The board of directors shall issue shares of membership stock in the bank in the amounts and with the value determined by the board and stated in the articles of incorporation.

(b) Loans made to shareholders of the bank under the provisions of

this chapter shall be in accordance with a schedule of maximum amounts adopted by the board of directors based upon proportional ownership of shares. (§ 3 ch 159 SLA 1978)

Sec. 44.54.070. Executive director; staff. (a) The board of directors may hire and determine the salary of an executive director. The executive director shall be responsible for the ordinary business of the bank.

(b) The executive director, with the approval of the board of directors, may hire and determine the salary of staff reasonably necessary for the efficient performance of the duties of the bank. (§ 3 ch 159 SLA 1978)

Sec. 44.54.080. Exempt status. Employees of the bank are in the exempt service under AS 39.25. (§ 3 ch 159 SLA 1978)

Sec. 44.54.090. Term of office. The members of the board shall be appointed for terms of three years, and they may be reappointed. Terms shall be staggered. Initial terms shall be two members serving for one year, two members serving for two years, and one member serving for three years. (§ 3 ch 159 SLA 1978)

Sec. 44.54.100. Quorum. A majority of the members of the board constitutes a quorum for the transaction of business and the exercise of the powers and duties of the board. (§ 3 ch 159 SLA 1978)

Sec. 44.54.110. Compensation of board members. Members receive compensation at a rate determined by the board for each day the board meets if they attend the meeting and are entitled to per diem and travel allowances as provided by law for members of state boards and commissions. (§ 3 ch 159 SLA 1978)

Sec. 44.54.120. Bonds of the bank. (a) The bank may borrow money and may issue bonds for that purpose, including but not limited to bonds on which the principal and interest are payable

(1) exclusively from the income and receipts or other money derived from the project financed with the proceeds of the bonds;

(2) exclusively from the income and receipts or other money derived from designated projects whether or not they are financed in whole or in part with the proceeds of the bonds; or

(3) from its income and receipts or other assets generally, or a designated part or parts of them.

(b) Bonds shall be authorized by resolution of the board of directors, and be dated and shall mature as the resolution may provide, except that no bond may mature more than 30 years from the date of its issue. Bonds shall bear interest at the rate or rates, be in the denominations, be in the form, either coupon or registered, carry the registration privileges, be executed in the manner, be payable in the medium of payment, at the place or places, and be subject to the terms of redemption which the resolution or a subsequent resolution may provide.

(c) All bonds, regardless of form or character, shall be negotiable instruments for all the purposes of the Uniform Commercial Code.

(d) All bonds may be sold at public or private sale in the manner, for the price or prices, and at the time or times which the board of directors may determine.

(e) The superior court shall have jurisdiction to hear and determine suits, actions or proceedings relating to the bank, including suits, actions or proceedings brought to foreclose or otherwise enforce a mortgage, pledge, assignment or security of a holder of its bonds or by a trustee for or other representative of the holders. (§ 3 ch 159 SLA 1978)

Sec. 44.54.130. Trust indentures and trust agreements. In the discretion of the board of directors an issue of bonds may be secured by a trust indenture or trust agreement between the bank and a corporate trustee (which may be a trust company, bank, or national banking association, with corporate trust powers, located inside or outside the state) or by a secured loan agreement or other instrument or under a resolution giving powers to a corporate trustee by means of which the bank may

(1) make and enter into any and all the covenants and agreements with the trustee or the holders of the bonds which the board of directors may determine to be necessary or desirable, including, without limitation, covenants, provisions, limitations and agreements as to

(A) the application, investment, deposit, use and disposition of the proceeds of bonds of the bank or of money or other property of the bank or in which it has an interest;

(B) the terms and conditions upon which additional bonds of the bank may be issued;

(2) pledge, mortgage or assign money, leases, agreements, property or other assets of the bank either presently in hand or to be received in the future, or both; and

(3) provide for any other matters of like or different character which in any way affect the security or protection of the bonds. (§ 3 ch 159 SLA 1978)

Sec. 44.54.140. Validity of pledge. It is the intention of the legislature that a pledge made in respect of bonds shall be valid and binding from the time the pledge is made; that the money or property so pledged and thereafter received by the bank shall immediately be subject to the lien of the pledge without physical delivery or further act; and that the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the bank irrespective of whether the parties have notice. Neither the resolution, trust agreement nor any other instrument by which a pledge is created need be recorded or filed under the provisions of the Uniform Commercial Code to be valid, binding or effective against the parties. (§ 3 ch 159 SLA 1978)

Sec. 44.54.150. Nonliability on bonds. (a) Neither the members of the board of directors, the executive director, staff, nor a person executing the bonds is liable personally on the bonds or subject to personal liability or accountability by reason of the issuance of the bonds.

(b) The bonds issued by the bank may not constitute an indebtedness or other liability of the state or of a political subdivision of the state, except the bank, but shall be payable solely from the income and receipts or other funds or property of the bank. The bank may not pledge the faith or credit of the state or of a political subdivision of the state, except the bank, to the payment of a bond, and the issuance of a bond by the bank shall not directly or indirectly or contingently obligate the state or a political subdivision of the state to appl money from, or levy or pledge any form of taxation whatever to the payment of the bond. (§ 3 ch 159 SLA 1978)

Sec. 44.54.160. Pledge of the state. The state pledges to and agrees with the holders of the bonds issued under this chapter and with the federal agency or regional institution of the federal farm credit system which loans or contributes funds in respect of a project, that the state will not limit or alter the rights and powers vested in the bank by this chapter to fulfill the terms of any contract made by the bank with the holders or federal agency or regional institution of the federal farm credit system, or in any way impair the rights and remedies of the holders until the bonds, together with interest on them, with interest on unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the holders, are fully met and discharged. The bank is authorized to include this pledge and agreement of the state, insofar as it refers to holders of bonds of the bank in a contract with the holders, and insofar as it relates to a federal agency or regional institution of the federal farm credit system, in a contract with a federal agency or regional institution of the federal farm credit system. (§ 3 ch 159 SLA 1978)

Sec. 44.54.170. Exemption from taxation. The real and personal property of the bank and its assets, income and receipts are declared to be property of a political subdivision of the state and shall be exempt from all taxes and special assessments of the state or a political subdivision of the state, including, without limitation, all boroughs, cities, municipalities, school districts, public utility districts, and other taxing units. All bonds of the bank are declared to be issued by a political subdivision of the state, to be for an essential public and governmental purpose, and to be a public instrumentality, and the bonds, and the interest on them, the income from them, the transfer of the bonds, and all assets, income and receipts pledged to pay or secure the payment of the bonds, or interest on them, shall at all times be exempt from taxation by or under the authority of the state, except for inheritance and estate

taxes and taxes on transfers by or in contemplation of death. (§ 3 ch 159 SLA 1978)

Sec. 44.54.180. Bonds l[illegible] l investments for fiduciaries. The bonds of the bank are securities .. which all public officers and bodies of the state and all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks, savings associations, including savings and loan associations and building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons who are now or may hereafter be authorized to invest in bonds or other obligations of the state, may properly and legally invest funds including capital in their control or belonging to them. Notwithstanding any other provisions of law, the bonds of the bank are also securities which may be deposited with and may be received by all public officers and bodies of this state and all municipalities and municipal subdivisions for any purpose for which the deposit of bonds or other obligations of the state is now or may hereafter be authorized. (§ 3 ch 159 SLA 1978)

Sec. 44.54.190. Conflicts of interest. No member of the board of directors may vote on a transaction of the bank under this chapter if he is a party to the transaction. (§ 3 ch 159 SLA 1978)

Sec. 44.54.200. Reports and publications. The board of directors shall publish an annual report to the bank's shareholders. The report shall be made available to the public and shall include financial statements audited by independent outside auditors, a statement of the amount of money received by the bank from each source during the period covered, a statement of the bank's investments, a description of the bank's investment activity during the period covered by the report, an analysis of economic and other effects of investment decisions on the state's commercial fishing and agriculture industries, and any other information the board believes would be of interest to the governor, the legislature and the public. The board may also publish such other reports as it considers desirable to carry out its purposes. (§ 3 ch 159 SLA 1978)

Sec. 44.54.210. Powers of the bank. The bank may

(1) make variable rate or fixed rate loans to individuals who are residents and who are engaged in commercial agriculture or fishing, including harvesters, processors and marketers, or to corporations, partnerships or joint ventures primarily engaged in commercial agriculture or fishing, the majority interest of which is beneficially owned by residents of the state and a majority of the owners of which are residents of the state, if the recipient of the loan is a shareholder of the bank; however, the bank may make a loan under this paragraph to a corporation, partnership, or joint venture for the purchase of a new

or existing fishing vessel or for the repair or renovation of an existing fishing vessel, the primary purpose of which is to commercially harvest fishery resources, only if the corporation, partnership, or joint venture is wholly owned and controlled by residents of the state and if the recipient of the loan is a shareholder of the bank;

(2) make and alter bylaws necessary or desirable to carry out its corporate functions;

(3) establish amortization plans for repayment of loans, which may include extensions for poor fishing or farming seasons;

(4) enter into agreements with regional institutions of the federal farm credit system, private lending institutions, and other state agencies or agencies of the federal government, to carry out the purposes of this chapter;

(5) adopt, alter, and use a corporate seal;

(6) sue and be sued in the name of the bank;

(7) issue bonds to carry out any of its corporate purposes and powers;

(8) sell, lease as lessor or lessee, exchange, donate, convey or encumber in any manner by mortgage or by creation of any other security interest, real or personal property owned by it, or in which it has an interest, when, in the judgment of the board of directors, the action is in furtherance of its corporate purposes;

(9) incur secondary liability by guaranty or endorsement of the obligations of another corporation or legal entity when, in the judgment of the board of directors, the action is in furtherance of its corporate purposes;

(10) make loans as provided in (1) of this section in participation with financial institutions, and establish and regulate the terms of the loans;

(11) make contracts and execute instruments necessary or convenient in the exercise of its corporate powers;

(12) acquire by purchase, lease, bequest, devise, gift, the satisfaction of debts, or the foreclosure of mortgages, and hold, maintain, use, operate, and convey real or personal property;

(13) borrow money and issue secured and unsecured evidence of indebtedness for a corporate purpose or to fund, refund, pay, or discharge outstanding obligations, and enter agreements and contracts concerning these obligations;

(14) secure the payment of its obligations by pledge or mortgage or other lien on its contracts, revenues, income, or property;

(15) appoint officers, employees, trustees for certificate holders, and agents, and prescribe their powers and duties;

(16) provide technical services to shareholders; for the purposes of this paragraph, "technical services" includes services that will enhance the ability of the shareholder to obtain financial assistance from the bank;

(17) make loans, as provided in (1) of this section, secured by liens subordinate to valid first liens and security agreements granted to a private lending institution.

(18) participate with state departments and agencies in formulating policy and in planning for the development of commercial fishing and agriculture in the state;

(19) do what is necessary or desirable to carry out the corporate purposes and powers expressed or implied in this chapter. (§ 3 ch 159 SLA 1978)

Sec. 44.54.220. Transition. Upon the repurchase of all the nonvoting, preferred shares initially issued by the bank and purchased by agencies of the state, the provisions of this chapter lapse and the bank may proceed to operate as a private cooperative corporation under the terms of its bylaws and subject to the provisions of AS 10.15.005 — 10.15.600. (§ 3 ch 159 SLA 1978)

Chapter 55. Alaska Gas Pipeline Financing Authority.

Section
10. Creation of authority
20. Membership
30. Officers and quorum
40. Compensation
50. Staff
60. Legal counsel
70. Purpose of authority
80. General powers
90. Bonds of the authority
100. Submission of financial an Alaska impact plan
110. Legislative approval
115. Nomination of a member of the board
120. Trust indentures and trust agreements
130. Nonliability on bonds
140. Pledge of the state
150. Exemption from taxation
160. Bonds legal investments for fiduciaries
170. Regulations
180. Annual audit
190. Annual report
200. Definitions

Cross reference. — As to exemption of employees of the Alaska Gas Pipeline Financing Authority from the provisions of the State Personnel Act, see AS 39.25.110(21).

Effective date of chapter. — Section 4, ch 90, SLA 1978, makes this chapter effective June 30, 1978, in accordance with AS 01.10.070(c).

Editor note. — As to legislative findings relating to the passage of AS 44.55, see § 1, ch 90, SLA 1978 in the 1978 Temporary and Special Acts and Resolutions in Binder 9.

Sec. 44.55.010. Creation of authority. There is created the Alaska Gas Pipeline Financing Authority. The authority is a public corporation of the state. It is an instrumentality of the state within the Department of Revenue, but has a legal existence independent of and separate from the state. Exercise by the authority of the powers conferred by this chapter is an essential governmental function of the state. (§ 2 ch 90 SLA 1978)

Sec. 44.55.020. Membership. The membership of the authority consists of the commissioner of revenue, the commissioner of commerce

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
SSHB30	3/2	Fish and Game Dept.	3/9
	3/2	Rep. Terry Gardiner, bill sponsor	3/9
	3/2	Dept. of Commerce Dick Eakins, Dir. of Division of Economic Enterprise to testify	3/9

Rules
special

Alaska State Legislature

Senate

Committee on Judiciary

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

March 12, 1979

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature

Re: CSSB 132

Dear Mr. President:

On March 9, 1979, you requested me, in my capacity as chairman of the Senate Judiciary committee, to review the captioned bill and to report to the Senate as to its constitutionality.

At the outset, I should state that the following comments are mine and mine alone; I do not profess to speak for the other members of the Judiciary committee. It should likewise be noted that I do not claim any special expertise in the field of constitutional law, nor have I had sufficient time to devote to the research which would ordinarily be entailed in analyzing this bill.

A close reading of CSSB 132 indicates two sections of the bill would run afoul of the Alaska Constitution. Those two are 43.75.136, providing for payments to the Commercial Fishing and Agriculture Bank, and 43.75.131, making increased refunds to local government.

Article IX, sec. 7 of the Alaska Constitution provides as follows:

> "The proceeds of any state tax or license shall not be dedicated to any special purpose except when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of the constitution by the people of Alaska."

I was assisted in my efforts to check the constitutionality of the questioned sections of the bill by the opinions of two Attorneys General dated, respectively, April 4, 1969 and May 2, 1975. Both opinions not only considered the case law of this and other jurisdictions, sparse as it is, but they also reviewed the minutes of the Alaska Constitutional Convention and committees thereof. It is evident, in both these opinions, that the framers of our constitution did not want to have additional taxes earmarked or dedicated to special purposes.

A dedication of ten per cent of the fish tax existed at the time of the ratification of the Constitution, and the dedication clearly falls within the exemption. Problems arise when that ten per cent is increased, as in the instant bill, to thirty-three and one-third per cent. The issue of the constitutionality of increasing the percentage of an existing dedicated fund was not specifically addressed by either of the opinions reviewed. However, material contained in these opinions strongly suggests that increasing an existing dedicated fund was not intended by the Constitution.

It is equally clear that payments to the Commercial Fishing and Agriculture Bank and earmarking state tax revenue for the construction of docks, etc. by local governmental units would do violence to the Constitution of the State of Alaska.

The Attorney General's opinion of April 4, 1969 holds:

> "The proceeds of any state tax or license which must be shared with local governmental units are dedicated to a special purpose and are in violation of Article IX, sec. 7 of the Alaska Constitution."

The Attorney General's opinion of May 2, 1975 states:

> "Accordingly, it is our conclusion that the dedication of any source of public revenue: tax, license, rental, sale, bonus-royalty, royalty, or whatever is limited by the state Constitution to those existing when the Constitution was ratified or required for participation in federal programs."

Conclusion: CSSB 132, as written, is patently unconstitutional.

Respectfully submitted,

Robert H. Ziegler, Sr.
Chairman
Senate Judiciary Committee

RHZ/pkz

HB
40

HB 40 Underutilized Fish

Meeting 2/1/79
2/6/79

AGO 126028

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB40	1/30/79	Commissioner of Fish & Game	1/2/79
	"	Dotson Williams - Leg. Affairs Agency	1/2/79
	2/2/79	Fish and Game Dept.	2/6/79
	2/2/79	Mr. Edmiss Gov.'s Bottomfish Coord.	2/6/79
	2/2/79	Commerce Dept. - Dick Eakins, Dir of Div. of Econ. Enterprise	2/6/79

ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 40
Title An Act relating to underutilized fish species
Requested by House Natural Resources Committee Date 2/1 /79

II. FISCAL DETAIL
Agency Affected Department of Fish and Game
Program Category Affected Natural Resources
Budget Request Unit(s) Affected Commercial Fisheries

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		84.2	89.3	94.6	100.3	106.3
200 TRAVEL		1.5	1.6	1.7	1.8	1.9
300 CONTRACTUAL		1.0	1.1	1.2	1.3	1.4
400 COMMODITIES		1.0	1.1	1.2	1.3	1.4
500 EQUIPMENT		1.0	1.1	1 2	1.3	1.4
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		88.7	94.2	99.9	106.0	112.4

FUNDING (Thousands of Dollars)

GENERAL FUND		88.7	94.2	99.9	106.0	112.4
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		3	3	3	3	3
PART TIME		0	0	0	0	0
TEMPORARY		0	0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- Assume to implement Section 1 and Section 2 (1), (3), and (5) would require the following:

No.	Position Title	Range	Dollars	
1	Fish Biologist III	19A	$ 32.9	
1	Fish Biologist II	17A	28.4	
1	Research Analyst I	13A	22.9	84.2
	All other costs associated with other program expenditures			4.5
				88.7

- Assume all other costs of Section 2 (2) and (4) are covered in existing cotton fish program as in HB 40.
- Assume inflation factor of 6%

IV. DATE PREPARED BY
AGENCY
PHONE

Original - Legislative Liaison
Budget and Management
Program Agency (Must Sign) to Fiscal
(Rev. 10/78)

Introduced: 1/24/79
Referred: Resources and Judiciary

BY THE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL (for the Interim Committee on Bottomfish)

IN THE HOUSE

HOUSE BILL NO. 40

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to underutilized fish species."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 16.05.090 is amended by adding a new subsection to read:

(d) There is established in the Department of Fish and Game a section of underutilized fish species within the division of commercial fisheries.

* Sec. 2. AS 16.05 is amended by adding a new section to read:

Sec. 16.05.096. DUTIES OF SECTION OF UNDERUTILIZED FISH SPECIES. (a) The section of underutilized fish species shall

(1) compile existing data and conduct studies, either independently or in coordination with other agencies to accomplish the duties established in (2) - (4) of this subsection;

(2) encourage investment by private enterprise in the technological development and economic utilization of the underutilized fisheries resources;

(3) develop and maintain a comprehensive, coordinated state plan for the present and long-range enhancement and development of the state's underutilized fisheries;

(4) promote increased use of the underutilized fisheries food resources of Alaska waters and continental shelf areas;

(5) report annually to the legislature regarding its accomplishments under this section and proposals of plans and activities for the next fiscal year, not later than 20 days after the convening of each regular session.

(b) The commissioner shall, by regulation, define "underutilized fish species" for the purposes of this section.

FISCAL NOTE

HB

I. REQUEST
Bill/Resolution No. HB 48
Title Issuance of Special Harvest Area Permits to Private Non-Profit Hatcheries
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Department of Fish & Game
Program Category Affected NRM & EC
Budget Request Unit(s) Affected Divisions of Commercial Fish and FRED

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No Fiscal Impact

IV. DATE 1/19/79 PREPARED BY _____
AGENCY Fish & Game
PHONE 465-4120

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (If not Legislator Named)

33 001 (Rev. 10/78)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 40
Title An Act relating to underutilized fish species
Requested by House Natural Resources Committee Date 2/1 /79

II. FISCAL DETAIL
Agency Affected Department of Fish and Game
Program Category Affected Natural Resources
Budget Request Unit(s) Affected Commercial Fisheries

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		84.2	89.3	94.6	100.3	106.3
200 TRAVEL		1.5	1.6	1.7	1.8	1.9
300 CONTRACTUAL		1.0	1.1	1.2	1.3	1.4
400 COMMODITIES		1.0	1.1	1.2	1.3	1.4
500 EQUIPMENT		1.0	1.1	1.2	1.3	1.4
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		88.7	94.2	99.9	106.0	112.4

FUNDING (Thousands of Dollars)

GENERAL FUND		88.7	94.2	99.9	106.0	112.4
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		3	3	3	3	3
PART TIME		0	0	0	0	0
TEMPORARY		0	0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- Assume to implement Section 1 and Section 2 (1), (3), and (5) would require the following:

No.	Position Title	Range	Dollars	
1	Fish Biologist III	18A	$ 32.9	
1	Fish Biologist II	16A	28.4	
1	Research Analyst I	13A	22.9	84.2
	All other costs consistent with other program expenditures			4.5
				88.7

- Assume all other costs of Section 2 (2) and (4) are covered in existing bottom fish program or in HB 40.
- Assume inflation at right line 6%

IV. DATE 2/1/79 PREPARED BY Russell H. Clark
AGENCY Department of Fish and Game
PHONE 465-4120

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (Host Legislator Named)
Keith Sheckler, Office of the Governor

38 (80) (Rev. 10/78)

HB

42

Meeting 2/1/79
2/6/79

AGO 1260

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB42	1/29/79	Commissioner of Fish & Game	2/1/79
	2/2/79	Fish and Game Dept	2/6/79
	2/2/79	Mr. Edenso - Fish's Bottomfish Coord.	2/6/79
	2/2/79	Commerce Dept. - Dick Eaking, Dir of Div. of Econ. Enterprises	2/6/79

INTERNATIONAL ILWU ALL-ALASKA COUNCIL
LONGSHOREMEN'S & WAREHOUSEMEN'S
222 WILLOUGHBY AVE., JUNEAU, ALASKA 99801 UNION

Feb. 5, 1970

To: The House Resources Committee
Re: House Bill No. 42

Representatives:

As I will be unable to testify in person today I am submitting written testimony to make you aware of the ILWU's feelings in this matter.

An "Underutilized Fish Species Board" seems inappropriate to me at this time. I think the concept is a good one, and one which eventually should come into existence; however, in reviewing the purpose and goals of the Board as outlined in House Bill No. 42, I find that they are parallel to those goals and purposes of the Governor's Bottom Fish Task Force. Rather than see duplicate bureaucratic agencies, both involved in bottom fish development, both with parallel objectives, both with associated, combating budgets, vying for additional funding, I think it is of utmost importance -- particularly at this early stage of development -- for Alaska to house its' underutilized specie programs under one roof.

In that vein, I would advocate routing the anticipated $500,000 funding for the proposed "Underutilized Fish Species Board" to the Bottom Fish Task Force. If we can afford to fund a new Board then we can afford not to fund that Board, and instead to use that funding to provide additional funding to a committee already in existence for the same purpose and in need of additional funding.

Down the road a few years, at a time when we are beyond the infant stages of bottom fish development, an "Underutilized Fish Species Board" would probably be very valuable. At this time though, when development of an Alaskan bottom fish industry is still very much a hazy image on the horizon, we need to step forward as one, with all our weight on the same foot -- to consolidate, not to diversify.

Larry Cotter
President

INTERNATIONAL LONGSHOREMEN'S & WAREHOUSEMEN'S UNION
ILWU ALL-ALASKA COUNCIL
222 WILLOUGHBY AVE., JUNEAU, ALASKA 99801

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Larry Cotter
President

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 42
Title An Act establishing the Alaska underutilized Fish Species Board
Requested by House Natural Resources Committee Date 1/29/79

II. FISCAL DETAIL
Agency Affected Fish and Game
Program Category Affected Commercial Fisheries
Budget Request Unit(s) Affected Natural Resources

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		69.2	73.4	77.8	82.5	87.5
200 TRAVEL		15.0	15.9	16.9	17.9	19.0
300 CONTRACTUAL		350.0	371.0	393.3	416.9	441.9
400 COMMODITIES		1.0	1.1	1.2	1.3	1.4
500 EQUIPMENT		1.0	1.1	1.2	1.3	1.4
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		436.2	462.5	490.4	519.9	551.2

FUNDING (Thousands of Dollars)

GENERAL FUND		436.2	462.5	490.4	519.9	551.2
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME		0	0	0	0	0
TEMPORARY		0	0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- Assume costs of contracting for consumer education, sales promotion, quality control and advertising would be similar to King Crab Board 250.0
- [illegible] contracting for scientific research to develop and discover heal h, dietetic, and other uses of species 100.0
- [illegible] range 24 Director and range 10 Secretary 60.2
- Assume travel similar to King Crab Board and other costs 15.0
- [illegible] inflation 6%

IV. DATE [illegible] PREPARED BY [illegible]
AGENCY [illegible]
Office [illegible] PHONE [illegible]
[illegible]
[illegible]

(9)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

1-24-79 Date: _____

Mr. Speaker:

The Committee on RESOURCES has had HB 42
"An Act establishing the Alaska Underutilized Fish Species Board."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____ CHAIRMAN

H 60 (Rev. 12/78)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I REQUEST
Bill/Resolution No. HB 42
Title An Act establishing the Alaska underutilized Fish Species Board
Requested by House Natural Resources Committee Date 1/29/79

II FISCAL DETAIL
Agency Affected Fish and Game
Program Category Affected Commercial Fisheries
Budget Request Unit(s) Affected Natural Resources

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		69.2	73.4	77.8	82.5	87.5
200 TRAVEL		15.0	15.9	16.9	17.9	19.0
300 CONTRACTUAL		350.0	371.0	393.3	416.9	441.9
400 COMMODITIES		1.0	1.1	1.2	1.3	1.4
500 EQUIPMENT		1.0	1.1	1.2	1.3	1.4
600 LAND & STRUCTURES						
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TOTAL		436.2	462.5	490.4	519.9	551.2

FUNDING (Thousands of Dollars)

GENERAL FUND		436.2	462.5	490.4	519.9	551.2
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME		0	0	0	0	0
TEMPORARY		0	0	0	0	0

III ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- Assume costs of contracting for consumer education, sales promotion, quality control and advertisi would be similar to King Crab Board 250.0
- Assume contracting for scientific research to develop and discover health, dietetic, and other uses of species 100.0
- Assume range 24 Director and range 10 Secretary I
- Assume travel similar to King Crab Board and other costs 15.0
- Assume inflation 6%

IV DATE January 31, 1979 PREPARED BY Russell H. Clark
Acct No V Legis. of Fish & Administration
Chairman Legislative Budget PHONE
cc Budget and Management
Fiscal Analyst (Legislative Council)
Bill Checklist - Office of Management
Bill (HB 42)
File

ALASKA STATE LEGISLATURE

ELEVENTH Legislature FIRST Session

HOUSE ..... BILL ..... NO. ..42..

By THE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE COUNCIL (for the Interim Committee on Bottomfish)

"An Act establishing the Alaska Underutilized Fish Species Board."

Underutilized Fish Species

Introduced in the House 1-24 19 79

HISTORY IN THE HOUSE

19 79

Jan. 24 Read first time and referred to Committee on Resources and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:
VOTE

Failed to concur in Senate amendment; asked Senate to recede
VOTE

Senate receded from amendment
VOTE

Senate failed to recede from amendment
VOTE

C.C. appointed by House

C.C. appointed by Senate

C.C. adopted by House
VOTE

C.C. adopted by Senate
VOTE

To enrolling
Reported correctly enrolled
Sent to Governor

by Governor

Filed with Lt. Governor

Chapter No.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 42
Title An Act establishing the Alaska underutilized Fish Species Board
Requested by House Natural Resources Committee Date 1/29/79

II. FISCAL DETAIL.
Agency Affected Fish and Game
Program Category Affected Commercial Fisheries
Budget Request Unit(s) Affected Natural Resources

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		69.2	73.4	77.8	82.5	87.5
200 TRAVEL		15.0	15.9	16.9	17.9	19.0
300 CONTRACTUAL		350.0	371.0	393.3	416.9	441.9
400 COMMODITIES		1.0	1.1	1.2	1.3	1.4
500 EQUIPMENT		1.0	1.1	1.2	1.3	1.4
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		436.2	462.5	490.4	519.9	551.2

FUNDING (Thousands of Dollars)

GENERAL FUND		436.2	462.5	490.4	519.9	551.2
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME		0	0	0	0	0
TEMPORARY		0	0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- Assume costs of contracting for consumer education, sales promotion, quality control and advertising would be similar to King Crab Board 250.0
- Assume contracting for scientific research to develop and discover health, dietetic, and other uses of species 100.0
- [illegible] 69.2
- Assume travel similar to King Crab Board and other costs 15.0
- Assume inflation 6%

IV. DATE [illegible] PREPARED BY Russell M. Clark
AGENCY [illegible]
PHONE [illegible]

HB
48

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB487	2/5 465-3500	Governor's Office	2/8/79
	2/5 465-4100	Fish and Game Dept. (to bring Cook Inlet)	2/8/79
	2/7 586-3456	Commercial Fisheries John Garner Entry Commission	2/8/79
	2/7 *747-6850	Northern S.E. Regional Aquaculture Assoc. - Derek Poon, Pres.	2/8/79
	3/12	Northern S.E Reg. Aquaculture Assoc. (Sitka)	3/13
	3/12	Southeast SE Reg Aquaculture Assoc. (Ketch.)	3/13
	3/12	Sheldon Jackson Aquaculture Program (Sitka)	3/13
	3/12	Prince William Sound Aquaculture Assoc. (Cordova)	3/13
	3/12	Cook Inlet Aquaculture Assoc. (Soldotna)	3/13
	3/12	Commercial Fisheries Entry Commission	3/13
	3/12	Fish and Game Dept. - FRED Division - Bob Reep to testify	3/13
	3/12	United Fishermen of Alaska	3/13

(9)

COMMITTEE REPORT

HOUSE

FURTHER: JUDICIA

1-24-79 Date: 2/8/79

Mr. Speaker:

The Committee on RESOURCES has had HB 48

"An Act relating to special harvest area entry permits; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____ CHAIRMAN

H 60 (Rev. 12/78)

HB 46

January 15, 1979

Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a bill to authorize the issuance of special harvest area entry permits to private non-profit hatcheries. These permits would enable hatchery operators to harvest and sell surplus fish returning to their facilities, with conventional gear, but without ordinary limited-entry permits. This would be accomplished under restrictions and conditions established by the Board of Fisheries and the Department of Fish and Game. Inefficiency and waste would be eliminated by such harvesting. Like the educational-entry permits authorized by sec. 10, ch. 123 SLA 1978, special harvest area permits will bridge a small gap in the limited entry law.

Sincerely,

S/JSH

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Law Log 095 HOUSE BILL NO. 48
Title See attached "Subject of Proposed Bill"
Requested by Office of the Governor Date December 14, 1978

II. FISCAL DETAIL
Agency Affected Office of the Governor, Alaska Commercial Fisheries Entry Commission
Program Category Affected HRMEC
Budget Request Unit(s) Affected Alaska Commercial Fisheries Entry Commission

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This bill will not reduce revenue currently being collected for the General Fund and the number of permits issued will be substantially the same as in past years.

IV DATE December 14, 1978 PREPARED BY Derrill L. Johnso
AGENCY Office of Governor/Commercial Fisheries Entry
PHONE 586-3456

(Director of Legislative Finance
Budget and Management
Prime Sponsor (First Legislator Named)

V (OMB Rev. 10/76)

ALASKA STATE LEGISLATURE

LLEVENTH Legislature FIRST Session

HOUSE BILL NO. 48

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act relating to special harvest area entry permits; and providing for an effective date."

harvest area entry permits

Introduced in the House 1-24-, 1979

HISTORY IN THE HOUSE

1979		
		Read first time and referred to Committee on
Jan.	24	Resources and Judiciary
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19		
		Read first time and referred to Committee on
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	
	Received from Senate
	Concurred in Senate amendment thus adopting: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling Reported correctly enrolled Sent to Governor
	by Governor
	Filed with Lt. Governor
	Chapter No.

UNITED FISHERMEN OF ALASKA

MAILING ADDRESS & OFFICE
197 SOUTH FRANKLIN ST
JUNEAU ALASKA 99801

Representative Alvin Osterback
Chairman
House Resources Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Osterback:

The United Fishermen of Alaska endorse House Bill 48. We certainly hope that your committee acts favorably on this legislation.

Sincerely,

Shari Gross/ds

Ms. Shari Gross
Executive Director

UNITED FISHERMEN OF ALASKA

MAILING ADDRESS & OFFICE
197 SOUTH FRANKLIN ST
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Sincerely,

Shari Gross/ps

Ms. Shari Gross
Executive Director

3/13 by phone

(Derek Poon of)
Southern S.E. Regional
Aquaculture Assoc.
Approves of HB48
with 3 points
— hatchery should have primary purpose of contributing to common property fisheries
— hatchery budgets should have review mechanism
— special harvest area should be available to common property harvest after brood stock and cost recovery

S. Southeast Reg. Aquaculture Assoc. take same stand as UFA.

HB 48

JA02 0005 13.55 JA01 0030 13.55 03/12/79

TO REP. OSTERBACK, CHAIRMAN, HOUSE RESOURCES
COPY TO ALL COMMITTEE MEMBERS
FROM PEGGY, KETCHIKAN INFO OFFICE

THE FOLLOWING IS FROM MR. RON WENDTE, ADMINISTRATIVE COORDINATOR, SOUTHERN SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION:

THE SOUTHERN SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION HAS REVIEWED HOUSE BILL 48 DEALING WITH SPECIAL HARVEST AREA ENTRY PERMITS AND URGES YOU TO PASS THIS BILL. THE ADOPTION OF HB. 48 IS IMPORTANT FOR THE PLANNING OF S.S.R.A.A. AND IS ESSENTIAL FOR THE SUCCESS OF NON-PROFIT HATCHERIES IN THE STATE OF ALASKA. SIGNED: RONALD W. WENDTE, ADMINISTRATIVE COORDINATOR PEG/EOM

Department of Fish & Game

Proposed amendment to House Bill 48.

Sec. 16. 43. 420. AUTHORIZED GEAR. For the purposes of harvesting salmon; in the special harvest area, a special harvest area permit holder may employ any fishing gear designated as legal gear in the applicable special harvest area by the Board of Fisheries. The Board of Fisheries may designate any gear as legal gear in the special harvest area not withstanding any other prohibition in Title 16.

HB 48

JA02 0005 13.55 JA01 0030 13.55 03/12/79

TO REP. OSTERBACK, CHAIRMAN, HOUSE RESOURCES
COPY TO ALL COMMITTEE MEMBERS
FROM PEGGY, KETCHIKAN INFO OFFICE

THE FOLLOWING IS FROM MR. RON WENDTE, ADMINISTRATIVE COORDINATOR, SOUTHERN SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION:

THE SOUTHERN SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION HAS REVIEWED HOUSE BILL 48 DEALING WITH SPECIAL HARVEST AREA ENTRY PERMITS AND URGES YOU TO PASS THIS BILL. THE ADOPTION OF HB. 48 IS IMPORTANT FOR THE PLANNING OF S.S.R.A.A. AND IS ESSENTIAL FOR THE SUCCESS OF NON-PROFIT HATCHERIES IN THE STATE OF ALASKA. SIGNED: RONALD W. WENDTE, ADMINISTRATIVE COORDINATOR PEG/EOM

TELEGRAM

RC ALASKA COMMUNICATIONS, INC
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 13 AM 4 47

HB 48

02344 NL TDA SITKA ALASKA 135 03-12 520P AST

PMS HOUSE RESOURCES COMMITTEE

POUCH V

JUN

SHELDON JACKSON COLLEGE HATCHERY STAFF SUPPORTS THE CONCEPT OF HOUSE BILL 48 OF ESTABLISHING A SPECIAL HARVEST AREA ENTRY PERMIT FOR HOLDERS OF PRIVATE NON-PROFIT HATCHERY PERMIT PROVIDED THAT

(1) SAID ENTRY PERMIT ELIMINATES RATHER THAN ADDS TO THE NECESSITY TO OBTAIN OTHER ENTRY, INTERIM-USE AND EDUCATIONAL PERMITS FOR THE PURPOSE OF HATCHERY HARVEST AND

(2) IT DOES NOT ELIMINATE THE ALTERNATIVE OF CONTRACTING WITH LIMITED ENTRY COMMERCIAL FISHERMEN TO HARVEST THE HATCHERIES FISH.

WE SUPPORT THIS CONCEPT ON THE BASIS OF LOGICAL COST EFFECTIVENESS IN SALMON HATCHER Y HARVESTING AND BROODSTOCK HANDLING WHICH BENEFITS BOTH THE HATCHERY AND THE COMMON PROPERTY FISHERY.

MEL SEIFERT, DIRECTOR

SJC AQUA-CULTURE PROGRAM

Chapter 43. Regulation of Entry into Alaska Commercial Fisheries.

Article
1. Creation of the Alaska Commercial Fisheries Entry Commission (§§ 16.43.010 — 16.43.080)
2. Powers and Duties of the Commission (§§ 16.43.100 — 16.43.120)
3. Requirements for Entry Permits (§§ 16.43.140 — 16.43.182)
4. Initial Issuance of Entry Permits (§§ 16.43.200 — 16.43.270)
5. Reduction to Optimum Number of Entry Permits (§§ 16.43.290 — 16.43.330)
6. General Provisions (§§ 16.43.350 — 16.43.380)

Legislative committee report. — For report on ch. 79, SLA 1973 (SCS CSHB 126 am S), see 1973 House Journal, p. 503; 1973 Senate Journal Supplement No. 15

Article 1. Creation of the Alaska Commercial Fisheries Entry Commission.

Section
10 Purpose and findings of fact
20 Alaska Commercial Fisheries Entry Commission
30 Term of office, vacancy
40 Quorum
50 Qualifications
60 Compensation of members of the Alaska Commercial Fisheries Entry Commission
70 Legal counsel
80 Employment of personnel

Sec. 16.43.010. Purpose and findings of fact. (a) It is the purpose of this chapter to promote the conservation and the sustained yield management of Alaska's fishery resource and the economic health and stability of commercial fishing in Alaska by regulating and controlling entry into the commercial fisheries in the public interest and without unjust discrimination.

(b) The legislature finds that commercial fishing for fishery resources has reached levels of participation, on both a statewide and an area basis, that have impaired or threaten to impair the economic welfare of the fisheries of the state, the overall efficiency of the harvest, and the sustained yield management the fishery resource. (§ 1 ch 79 SLA 1973)

Applied in Isakson v. Rickey, Sup. Ct. Op. No. 1267 (File No. 2550), 550 P.2d 359 (1976)

Sec. 16.43.020. Alaska Commercial Fisheries Entry Commission. (a) There is established the Alaska Commercial Fisheries Entry Commission as a regulatory and quasi-judicial agency of the state. The commission consists of three members appointed by the governor and confirmed by the legislature in joint session.

See pages from Supplement

[illegible] and may be designated chairman for successive two-year terms. (§ 1 ch 79 SLA 1973)

Sec. 16.43.030. Term of office; vacancy. (a) The members of the commission shall be appointed for terms of four years. Initial appointments shall be as follows: one member for two years, one member for three years, and one member for four years. The governor may remove a commissioner from office for cause including but not limited to incompetence, neglect of duty, or misconduct in office. A commissioner, to be removed for cause, shall be given a copy of the charges against him and afforded an opportunity to be publicly heard in person or by counsel in his own defense upon not less than [illegible] days notice. If a commissioner is removed for cause, the governor shall file with the lieutenant governor a complete statement of all charges made against the commissioner and his findings based on the charges, together with a complete record of the proceedings.

(b) A vacancy on the commission shall be filled by appointment by the governor and the appointment shall be confirmed by the legislature in joint session. A member selected to fill a vacancy shall hold office for the balance of the full term for which his predecessor on the commission was appointed.

(c) A vacancy on the commission does not impair the authority of a quorum of commissioners to exercise all the powers and perform all the duties of the commission. (§ 1 ch 79 SLA 1973)

Sec. 16.43.040. Quorum. Two members of the commission constitute a quorum for the transaction of business, for the performance of a duty or for the exercise of a power of the commission. (§ 1 ch 79 SLA 1973)

Sec. 16.43.050. Qualifications. The commission shall consist of three members with a broad range of professional experience, none of whom has a vested economic interest in an interim-use permit, entry permit, commercial fishing vessel or gear, or in any fishery resource processing or marketing business. (§ 1 ch 79 SLA 1973)

Sec. 16.43.060. Compensation of members of the Alaska Commercial Fisheries Entry Commission. Members of the commission are in the exempt service and shall receive an annual salary as established under AS 39.23. (§ 1 ch 79 SLA 1973; am § 5 ch 47 SLA 1974, am § 1 ch 148 SLA 1976; am § 2 ch 263 SLA 1976)

Effect of amendments. — The 1974 amendment wrote this section.

The first 1976 amendment deleted "payable in equal monthly installments" from the end of the section.

The second 1976 amendment substituted "as established under AS 39.23" for "equal to that of a district court judge payable in equal monthly installments."

matters arising in the discharge of its duties and represent the commission in suits to which it is a party. However, the commission may retain additional legal counsel as appropriate. (§ 1 ch 79 SLA 1973)

Sec. 16.43.080. Employment of personnel. (a) The commission may employ those persons necessary to carry out the purposes of this chapter. Employees of the commission are in the exempt service under AS 39.25.110.

(b) In addition to its staff of regular employees, the commission may contract for and engage the services of consultants, experts and hearing officers as necessary. (§ 1 ch 79 SLA 1973)

Article 2. Powers and Duties of the Commission.

Section
100. General powers
110. Regulations and hearing procedures
120. Application of Administrative Procedure Act

Sec. 16.43.100. General powers. (a) To accomplish the purposes set out in § 10 of this chapter the commission shall:

(1) regulate entry into the commercial fisheries for all fishery resources in the state;

(2) establish priorities for the application of the provisions of this chapter to the various commercial fisheries of the state;

(3) establish administrative areas suitable for regulating and controlling entry into the commercial fisheries;

(4) establish, for all types of gear, the maximum number of entry permits for each administrative area;

(5) designate, when necessary to accomplish the purposes of this chapter, particular species for which separate interim-use permits or entry permits will be issued;

(6) establish qualifications for the issuance of entry permits;

(7) issue entry permits to qualified applicants;

(8) issue interim-use permits as provided in §§ 210 — 220 of this chapter;

(9) establish, for all types of gear, the optimum number of entry permits for each administrative area;

(10) administer the buy-back program provided for in §§ 310 — 320 of this chapter to reduce the number of outstanding entry permits to the optimum number of entry permits;

(11) provide for the transfer and reissuance of entry permits to qualified transferees;

(12) provide for the transfer and reissuance of entry permits for alternative types of legal gear, in a manner consistent with the purposes of this chapter;

[illegible] of this chapter.

(b) The commission may do all things necessary to the exercise of its powers under this chapter, whether or not specifically designated in this chapter. (§ 1 ch 79 SLA 1973)

Editor's note. — Section 14, ch. 105, SLA 1977, effective January 1, 1978, added paragraph (14) to subsection (a). Paragraph (14) reads "(14) administer the issuance of commercial fishing vessel licenses under AS 16.05.490."

Sec. 16.43.110. Regulations and hearing procedures. (a) The commission may adopt regulations, consistent with law, necessary or proper in the exercise of its powers or for the performance of its duties under this chapter.

(b) The commission shall adopt regulations, consistent with due process of law, which govern practice and procedure and the conduct of all investigations, hearings and proceedings which it holds.

(c) Common-law rules of evidence apply to investigations, hearings and proceedings before the commission, except when the commission determines that their application is not required in order to assure fair treatment of all parties and that the evidence is relevant and of the sort on which responsible persons are accustomed to rely in the conduct of serious matters.

(d) The commission, each commissioner or an employee authorized by the commission may administer oaths, certify to all official acts, and issue subpoenas and other process to compel the attendance of witnesses and the production of testimony, records, papers, accounts and documents in an inquiry, investigation, hearing, or proceeding before the commission in any part of the state. The commission may petition a court to enforce its subpoenas or other process. (§ 1 ch 79 SLA 1973)

Sec. 16.43.120. Application of Administrative Procedure Act. (a) The administrative adjudication procedures of the Administrative Procedure Act (AS 44.62) do not apply to adjudicatory proceedings of the commission except that final administrative determinations by the commission are subject to judicial review as provided in AS 44.62.560 — 44.62.570.

(b) AS 44.62.010 — 44.62.320 and 44.62.640 apply to regulations adopted by the commission. (§ 1 ch 79 SLA 1973)

Article 3. Requirements for Entry Permits.

Section
140 Permit required
150 Terms and conditions of entry permit; annual renewal
160 Fees
170 Transfer of entry permits
180 Emergency transfers
182 Entry permit deductible as business expense

Sec. 16.43.140. Permit required. (a) After January 1, 1974, no person may operate gear in the commercial taking of fishery resources without a valid entry permit or a valid interim-use permit issued by the commission.

(b) A permit is not required of a crewman or other person assisting in the operation of a unit of gear engaged in the commercial taking of fishery resources as long as the holder of the entry permit or the interim-use permit for that particular unit of gear is at all times present and actively engaged in the operation of the gear.

(c) A person may hold more than one interim-use or entry permit issued or transferred under this chapter only for the following purposes:

(1) fishing more than one type of gear;

(2) fishing in more than one administrative area;

(3) harvesting particular species for which separate interim-use or entry permits are issued. (§ 1 ch 79 SLA 1973)

Applied in Isakson v. Rickey, Sup. Ct. Op. No. 1267 (File No. 2550), 550 P.2d 359 (1976)

Sec. 16.43.150. Terms and conditions of entry permit; annual renewal. (a) Each entry permit authorizes the permittee to operate a unit of gear within a specified administrative area.

(b) The holder of an entry permit shall have the permit in his possession at all times when engaged in the operation of gear for which it was issued.

(c) Each entry permit is issued for a term of one year and is renewable annually.

(d) Failure to renew an entry permit for a period of two years from the date of last renewal results in a forfeiture of the entry permit to the commission, except as waived by the commission for good cause.

(e) An entry permit constitutes a use privilege which may be modified or revoked by the legislature without compensation.

(f) An entry permit survives the death of the holder.

(g) An entry permit may not be:

(1) pledged, mortgaged, leased, or encumbered in any way;

(2) transferred with any retained right of repossession or foreclosure; or

(3) attached, distrained, or sold on execution of judgment or under any other process or order of any court.

(h) Upon the death of an entry permit holder, the permanent permit shall be transferred by the commission directly to the surviving spouse by right of survivorship unless a contrary intent is manifested. When no spouse survives, the rights of the decedent pass as part of his estate. (§ 1 ch 79 SLA 1973; am §§ 1, 2 ch 73 SLA 1977)

Effect of amendment. — The 1977 amendment inserted "leased" in paragraph (1) of subsection (g) and added subsection (h).

Sec. 16.43.160. Fees. (a) The commission shall establish annual fees for the issuance and annual renewal of entry permits or interim-use permits to reflect the cost of administering this chapter. Fees collected under this section shall be paid into the general fund.

(b) Annual fees established under this section shall be no less than $10 and no more than $100 and shall reasonably reflect the different rates of economic return for different fisheries.

(c) The holder of an entry permit or interim-use permit who has a net family income falling within the Federal Social Security Administration poverty guidelines, adjusted by the commission to reflect appropriate cost-of-living differentials, is subject to a maximum annual fee of $5. (§ 1 ch 79 SLA 1973)

Editor's note. — Section 15, ch 105, SLA 1977, effective January 1, 1978, amended this section to read as follows: (a) The commission shall establish annual fees for the issuance and annual renewal of entry permits or interim-use permits. Fees collected under this section shall be paid into the general fund, except for an amount equal to 60 per cent of the fee each permit holder would otherwise be obligated to pay for a crewmember license under § 480 of this chapter which shall be paid into the fishermen's fund under AS 23.35.060.

(b) Annual fees established under this section shall be no less than $10 and no more than $750 and shall reasonably reflect the different rates of economic return for different fisheries.

(c) The resident holder of an entry permit or interim-use permit who has a net family income falling within the Federal Community Services Administration poverty guidelines, adjusted by the commission to reflect appropriate cost-of-living differentials, is subject to a maximum annual fee of $15.

Sec. 16.43.170. Transfer of entry permits. (a) Entry permits and interim-use permits are transferable only through the commission as provided in this section and § 180 of this chapter and under regulations adopted by the commission.

(b) Except as provided in (c) of this section, the holder of an entry permit may transfer his permit to another person or to the commission upon 60 days notice of intent to transfer under regulations adopted by the commission. No sooner than 60 days nor later than 12 months from the date of notice to the commission, the holder of an entry permit may transfer his permit. If the proposed transferee, other than the commission, can establish present ability to participate actively in the fishery, the commission shall approve the transfer and reissue the entry permit to the transferee.

(c) If the number of outstanding entry permits for a fishery is greater than the optimum number of entry permits established under §§ 290 — 300 of this chapter, the holder of an entry permit who qualified for that entry permit in a priority classification designated under § 250(c) of this chapter may transfer his permit only to the commission. The transfer to the commission shall be made under the buy-back provisions of §§ 310 — 320 of this chapter.

(d) Repealed by § 9 ch 73 SLA 1977. (§ 1 ch 79 SLA 1973; am § 1 ch 126 SLA 1974; am §§ 3, 4, 9 ch 73 SLA 1977)

Effect of amendments. — The 1974 amendment, in subsection (b), substituted "60 days" for "six months" in the first and second sentences and "12 months" for "eighteen months" in the second sentence.

The 1977 amendment substituted "Entry permits and interim-use permits are" for "an entry permit is" at the beginning of subsection (a), deleted "and (d)" following "Except as provided in (c)" near the beginning of the first sentence of subsection (b), and repealed subsection (d), which provided for a five-year prohibition on transfer of entry permit if an applicant eligible for such permit under AS 16.43.260 so elected.

Cited in Isakson v. Rickey, Sup. Ct. Op. No. 1267 (File No. 2550), 550 P.2d 359 (1976).

Sec. 16.43.180. Emergency transfers. (a) The commission shall adopt regulations providing for the temporary transfer of entry permits and interim-use permits to alleviate hardship caused by illness, disability, or death of a permit holder so that another person may operate the transferor's vessel and gear, or another vessel and other gear if the transferor's has been destroyed or seriously damaged, for the remainder of the season, or in the case of illness or disability, for the duration of the illness or disability if that is shorter than the remainder of the season. Interim-use permits are otherwise nontransferable.

(b) The commission shall adopt regulations providing for the temporary transfer of an entry permit upon the death of the permittee pending final disposition of the permit as a part of the permittee's estate. (§ 1 ch 79 SLA 1973; am § 5 ch 73 SLA 1977)

Effect of amendment. — The 1977 amendment substituted the language beginning "entry permits and interim-use permits" for "an entry permit when sickness, injury, or other unavoidable hardship prevents the permittee from participating in the fishery" in the first sentence of subsection (a) and added the second sentence of that subsection.

Sec. 16.43.182. Entry permit deductible as business expense. An entry permit purchased under this chapter is deductible as a business expense as provided in AS 43.20.031(b). (§ 6 ch 73 SLA 1977)

Article 4. Initial Issuance of Entry Permits.

Section
290 Administrative areas
210 Interim-use permit, qualifications
220 Terms and conditions of interim-use permits
230 Designation of distressed fisheries
240 Determination of the maximum number of entry permits for initial issue
250 Standards for initial issue of entry permits
260 Application for initial issue of entry permits
270 Initial issuance of entry permits

Sec. 16.43.200. Administrative areas. (a) The commission shall establish administrative areas suitable for regulating and controlling

entry into the commercial fisheries. The commission shall make the administrative areas reasonably compatible with the geographic areas for which specific commercial fishing regulations are adopted by the Board of Fisheries.

(b) The commission may modify or change the boundaries of administrative areas when necessary and consistent with the purposes of this chapter. (§ 1 ch 79 SLA 1973; am § 30 ch 206 SLA 1975)

Effect of amendment. — The 1975 amendment substituted "Board of Fisheries" for "Board of Fish and Game" at the end of the second sentence of subsection (a).

Sec. 16.43.210. Interim-use permit; qualifications. (a) Pending the establishment of the maximum number of entry permits under § 240 of this chapter and the issuance of entry permits under § 270 of this chapter, the commission shall issue interim-use permits under regulations promulgated by the commission for each fishery, to all applicants who can establish their present ability to participate actively in the fishery for which they are making application, except as provided under (e) of this section.

(b) Before the issuance of the maximum number of entry permits for a given fishery, the commission may issue an interim-use permit to an applicant who may later become eligible for an entry permit under § 270 of this chapter.

(c) To the extent that the commissioner of fish and game authorizes it under AS 16.05.050(11), the commission may grant an interim-use permit to a person to engage in the commercial taking from a fishery on an experimental basis.

(d) The sustained yield management and economic health of the following fisheries is severly impaired as a result, among other factors, of too many units of gear participating in the commercial harvest:

(1) Bristol Bay registration area — drift gillnet fishery;

(2) Cook Inlet registration area — drift gillnet fishery;

(3) Prince William Sound registration area — drift gillnet fishery.

(e) For a fishery specified under (d) of this section, an interim-use permit may be issued for 1974 only to an applicant who has harvested the fishery resource commercially while holding a gear license issued under AS 16.05.536 — 16.05.670, before January 1, 1973. (§ 1 ch 79 SLA 1973)

Editor's note. — Alaska Statutes 16.05.536 and 16.05.620, referred to in subsection (e), were repealed by § 12, ch 71, SLA 1972, and § 2, ch 159, SLA 1968, respectively. Alaska Statutes 16.05.540 — 16.05.650 and 16.05.670, referred to in subsection (e), were repealed by § 19, ch 105, SLA 1977, effective January 1, 1978.

Sec. 16.43.220. Terms and conditions of interim-use permits. (a) The commission shall adopt regulations specifying the dates and places of application, the procedures to be followed in renewal of the

interim-use permit including the time, place of its renewal, and for any other purpose incident to the administration of interim-use permits for that fishery. An interim-use permit shall expire upon the final determination of the holder's eligibility for an entry permit.

(b) Repealed by § 9 ch 73 SLA 1977.

(c) The holder of an interim-use permit must have the permit in his possession at all times when engaged in the operation of the gear for which it was issued. (§ 1 ch 79 SLA 1973; am § 2 ch 126 SLA 1974; am § 9 ch 73 SLA 1977)

Effect of amendments. — The 1974 amendment, in subsection (b), deleted from the end of the first sentence provisions relating to causes of hardship and to the duration of a temporary transfer of an interim-use permit.

The 1977 amendment repealed subsection (b), which read "The commission shall adopt regulations for the temporary transfer of interim-use permits to alleviate hardship. Interim-use permits are otherwise nontransferable."

Sec. 16.43.230. Designation of distressed fisheries. Pending the determination of maximum numbers of entry permits under § 240 of this chapter and before the initial issue of entry permits under § 270 of this chapter, the commission shall designate as distressed fisheries those for which it estimates that the optimum number of entry permits will be less than the highest number of units of gear fished in that fishery during any one of the four years immediately preceding January 1, 1973. (§ 1 ch 79 SLA 1973)

Sec. 16.43.240. Determination of the maximum number of entry permits for initial issue. (a) Except as provided in § 270(a) of this chapter, the maximum number of entry permits for a distressed fishery designated under § 230 of this chapter shall be the highest number of units of gear fished in that fishery during any one of the four years immediately preceding January 1, 1973.

(b) When the commission finds that a fishery not designated as a distressed fishery under § 230 of this chapter has reached levels of participation which require the limitation of entry in order to achieve the purposes of this chapter, the commission shall establish the maximum number of entry permits for that fishery. (§ 1 ch 79 SLA 1973)

Sec. 16.43.250. Standards for initial issue of entry permits. (a) Following the establishment of the maximum number of units of gear for a particular fishery under § 240 of this chapter, the commission shall adopt regulations establishing qualifications for ranking applicants for entry permits according to the degree of hardship which they would suffer by exclusion from the fishery. The regulations shall define priority classifications of similarly situated applicants based upon a reasonable balance of the following hardship standards:

(1) degree of economic dependence upon the fishery, including but not limited to percentage of income derived from the fishery, reliance on

alternative occupations, availability of alternative occupations, investment in vessels and gear;

(2) extent of past participation in the fishery, including but not limited to the number of years participation in the fishery, and the consistency of participation during each year.

(b) The commission shall designate in the regulations those priority classifications of applicants who would suffer significant economic hardship by exclusion from the fishery.

(c) The commission shall designate in the regulations those priority classifications of applicants who would suffer only minor economic hardship by exclusion from the fishery. (§ 1 ch 79 SLA 1973)

Determinative factor in allocation of initial permits. — The legislative history rather clearly demonstrates that from the outset the framers of this legislation intended "hardship" to be the determinative factor in the allocation of the initial free limited entry permits. Isakson v. Rickey, Sup. Ct. Op. No. 1267 (File No. 2550), 550 P.2d 359 (1976).

Sec. 16.43.260. Application for initial issue of entry permits. (a) The commission shall accept applications for entry permits only from applicants who have harvested fishery resources commercially while participating in the fishery as holders of gear licenses issued under AS 16.05.530 — 16.05.670 before the qualification date established in (d) or (e) of this section.

(b) The commission shall establish the opening and closing dates, places and form of application for entry permits for each fishery. The commission may require the submission of specific verified evidence establishing the applicant's qualifications under the regulations adopted under § 250 of this chapter.

(c) When an applicant is unable to establish his qualifications for an entry permit by submitting the specific verified evidence required in the application by the commission, he may request and obtain an administrative adjudication of his application according to the procedures established in § 110(b) of this chapter. At the hearing he may present alternative evidence of his qualifications for an entry permit.

(d) Except as provided in (e) of this section, an applicant shall be assigned to a priority classification based solely upon his qualifications as of January 1, 1973.

(e) When the commission establishes the maximum number of entry permits for a particular fishery under § 240 of this chapter after January 1, 1975, an applicant shall be assigned to a priority classification based solely upon his qualifications as of January 1 of the year during which the commission establishes the maximum number of entry permits for the fishery for which application is made. (§ 1 ch 79 SLA 1973; am § 3 ch 126 SLA 1974)

Editor's note. — Alaska Statutes 16.05.536 and 16.05.620, referred to above, were repealed by § 12, ch. 71, SLA 1972, and § 2, ch. 159, SLA 1968, respectively. Alaska Statutes 16.05.540 through 16.05.650 and 16.05.670, referred to above, were repealed by § 19, ch. 105, SLA 1977, effective January 1, 1978.

Effect of amendment. — The 1974 amendment substituted "the qualification date established in (c) or (e) of this section" for "January 1, 1973" at the end of subsection (a).

Subsection (a) is unconstitutional. — Subsection (a), which limits applications for entry permits to persons holding gear licenses prior to January 1, 1973, violates the equal protection rights, guaranteed by the state and federal constitutions, of commercial fishermen who obtained gear licenses after January 1, 1973. Isakson v. Rickey, Sup. Ct. Op. No. 1267 (File No. 2550), 550 P.2d 359 (1976).

Holding a gear license before January 1, 1973, does not bear a fair and substantial relation to the purpose of the legislation, which is the segregation of hardship and nonhardship cases. Isakson v. Rickey, Sup. Ct. Op. No. 1267 (File No. 2550), 550 P.2d 359 (1976).

Because persons are automatically excluded from the class eligible to apply for permits, in spite of active participation and economic dependence upon the fishery, the January 1, 1973 classification is under-inclusive with respect to persons allowed to apply for permits. Because persons who have long since retired and have no economic dependence upon the fishery as of the cutoff date are allowed to apply for entry permits, the classification is overbroad with respect to those allowed to apply. Isakson v. Rickey, Sup. Ct. Op. No. 1267 (File No. 2550), 550 P.2d 359 (1976).

Purpose of provision in subsection (a) limiting applications. — In essence, the purpose of the provision in subsection (a) limiting applications for entry permits to those holding gear licenses prior to January 1, 1973, was to segregate hardship and nonhardship cases at the application phase of the permit issuance process. Isakson v. Rickey, Sup. Ct. Op. No. 1267 (File No. 2550), 550 P.2d 359 (1976).

Subsection (a) was not intended to modify the allocation policy of the legislation, but rather was adopted to further that policy by simplifying the ranking process. Isakson v. Rickey, Sup. Ct. Op. No. 1267 (File No. 2550), 550 P.2d 359 (1976).

When the act is viewed as a whole, it becomes apparent that the contested provision in subsection (a) was inserted because it was assumed that those persons who obtained gear licenses after January 1, 1973, would be unable to demonstrate the requisite hardship for an entry permit. Hence, for the sake of administrative convenience, it was decided that they need not even submit applications to the commission. Isakson v. Rickey, Sup. Ct. Op. No. 1267 (File No. 2550), 550 P.2d 359 (1976).

Sec. 16.43.270. Initial issuance of entry permits. (a) The commission shall issue entry permits, for each fishery, first to all qualified applicants in the priority classifications designated under § 250(b) of this chapter and then to qualified applicants in order of descending priority classification, until the number of entry permits issued equals the maximum number of entry permits established under §§ 230 — 240 of this chapter for each fishery, except that no person within a priority classification specified under § 250(b) of this chapter may be denied an entry permit.

(b) If, within the lowest priority classification of qualified applicants to which some entry permits may be issued, there are more applicants than there are entry permits to be issued, then the allocation of entry permits within that priority classification shall be by lottery.

(c) If, at the time entry permits are issued, some applicants are still appealing the findings of an administrative adjudication under § 260 of this chapter, a sufficient number of permits shall be reserved out of the permits to be issued to protect the rights of those applicants, assuming all the appeals will be resolved in favor of the applicants. In the event that all appeals are not resolved in favor of the applicants, the remaining

entry permits shall be allocated to the next most qualified applicants as provided in (a) and (b) of this section. (§ 1 ch 79 SLA 1973)

Article 5. Reduction to Optimum Number of Entry Permits.

Section
290. Optimum number of entry permits
300. Revisions of optimum number of entry permits
310. Establishment of buy-back funds
320. Administration of the buy-back program
330. Issuance of new entry permits

Sec. 16.43.290. Optimum number of entry permits. Following the issuance of entry permits under § 270 of this chapter, the commission shall establish the optimum number of entry permits for each fishery based upon a reasonable balance of the following general standards:

(1) the number of entry permits sufficient to maintain an economically healthy fishery that will result in a reasonable average rate of economic return to the fishermen participating in that fishery, considering time fished and necessary investments in vessels and gear;

(2) the number of entry permits necessary to harvest the allowable commercial take of the fishery resource during all years in an orderly, efficient manner, and consistent with sound fishery management techniques;

(3) the number of entry permits sufficient to avoid serious economic hardship to those currently engaged in the fishery, considering other economic opportunities reasonably available to them. (§ 1 ch 79 SLA 1973)

Sec. 16.43.300. Revisions of optimum number of entry permits. (a) The commission may increase or decrease the optimum number of entry permits for a fishery when one or more of the following conditions makes a change desirable considering the purposes of this chapter:

(1) an established long-term change in the biological condition of the fishery has occurred which substantially alters the optimum number of entry permits permissible applying the standards set out in § 290 of this chapter;

(2) an established long-term change in market conditions has occurred, directly affecting the fishery, which substantially alters the optimum number of entry permits permissible under the standards set out in § 290 of this chapter.

(b) If the commission decreases the optimum number of entry permits for a fishery, the number of entry permits may be reduced only under the voluntary buy-back provisions set out in §§ 310 — 320 of this chapter. (§ 1 ch 79 SLA 1973)

Sec. 16.43.310. Establishment of buy-back funds. (a) When the optimum number of entry permits is less than the number of entry permits outstanding in a fishery, the commission shall establish and administer a buy-back fund for that fishery for the purpose of reducing the number of entry permits to the optimum number within no more than 10 years, at a rate to be established by the commission.

(b) For each buy-back fund, the commission shall adopt regulations establishing annual assessments on holders of entry permits of not more than seven per cent of the gross value of the total annual catch attributable to a holder's entry permit, except that the holder of a permit who has made no commercial landings in a given year will be assessed the average assessed all other holders of the same type of permit in that year. Assessments will be paid into the specific buy-back fund for which they are collected.

(c) Assessments need not equal annual buy-back fund expenditures within a particular fishery but shall be continued until the buy-back fund for that fishery has been reimbursed. (§ 1 ch 79 SLA 1973)

Sec. 16.43.320. Administration of the buy-back program. (a) The commission shall adopt regulations providing for the purchase of entry permits, vessels, and gear at fair market value with money accumulated in the buy-back fund for each fishery. The buy-back program for a fishery shall terminate when the number of entry permits is reduced to the optimum and the buy-back fund has been reimbursed.

(b) When entry permits subject to the restrictions in § 250(c) of this chapter and the vessels and gear related to those permits are offered for sale to the commission, the commission shall purchase the permits and related vessels and gear at fair market value, if sufficient funds are available in the appropriate buy-back fund. (§ 1 ch 79 SLA 1973)

Sec. 16.43.330. Issuance of new entry permits. (a) When the number of outstanding entry permits for a fishery is less than the optimum number established under § 290 of this chapter, the commission shall issue new entry permits to applicants who are presently able to engage actively in the fishery until the optimum number is reached.

(b) The commission shall determine equitable methods of issuance, as appropriate, under (a) of this section that assure the receipt of fair market value for the permits issued. (§ 1 ch 79 SLA 1973)

Article 6. General Provisions.

Section
350. Applications of regulations of Board of Fisheries
360. Penalties
370. Recommendations to the legislature
380. Definitions

Sec. 16.43.350. Applications of regulations of Board of Fisheries. Nothing in this chapter limits the powers of the Board of Fisheries, including the power to determine legal types of gear and the power to establish size limitations or other uniform restrictions applying to a

certain type of gear. Holders of interim-use permits or entry permits issued under this chapter are subject to all regulations adopted by the Board of Fisheries. (§ 1 ch 79 SLA 1973; am § 31 ch 206 SLA 1975)

Effect of amendment. — The 1975 amendment substituted "Board of Fisheries" for "Board of Fish and Game" in the first and second sentences.

Sec. 16.43.360. Penalties. (a) A person who violates a provision of this chapter or a regulation promulgated under this chapter, upon conviction, is guilty of a misdemeanor and is punishable by a fine of not more than $5,000 for a first conviction; a fine of not more than $10,000 for a second conviction; and, for a third conviction, a fine of not more than $10,000 as well as forfeiture of all interim-use permits and entry permits held by him and permanent loss of eligibility for interim-use permits or for entry permits.

(b) A person who makes a false statement of a material fact in the application for an interim-use permit or an entry permit or in the application for a transfer under §§ 170 — 180 of this chapter, or a person who assists another by making a false statement of a material fact in support of the other person's application for issuance of an interim-use permit or an entry permit or transfer of an entry permit, upon conviction, is guilty of a misdemeanor and shall forfeit all interim-use permits and entry permits held by him and shall lose eligibility for interim-use permits and for entry permits for a period of five years.

(c) If a permit holder is convicted of a violation of AS 43.20.335 and the violation relates to income derived from commercial fishing under this title, he shall forfeit all interim-use permits and entry permits held by him and shall lose eligibility for interim-use permits and for entry permits for a period of five years.

(d) If a permit holder is charged by the state with violating a provision of this chapter or a regulation adopted under this chapter, he may not transfer, under § 170 of this chapter, any interim-use or entry permit he may hold, until after the final adjudication or dismissal of the charges. (§ 1 ch 79 SLA 1973; am § 7 ch 73 SLA 1977)

Effect of amendment. — The 1977 amendment added subsection (d).

Sec. 16.43.370. Recommendations to the legislature. (a) The commission shall submit an annual report to the legislature. The report shall include but not be limited to the following:

(1) a progress report on the reduction of entry permits to optimum levels;

(2) recommendations for additional legislation relating to the regulation of entry into Alaska commercial fisheries.

(b) The commission shall study alternative methods of permit transferability and report its findings and recommendations to the legislature before Janaury 15, 1975. (§ 1 ch 79 SLA 1973)

Sec. 16.43.380. Definitions. In this chapter

(1) "commission" means the Alaska Commercial Fisheries Entry Commission;

(2) "economically healthy fishery" means a fishery that yields a sufficient rate of economic return to the fishermen participating in it to provide for, among other things, the following:

(A) maintenance of vessels and gear in satisfactory and safe operating condition; and

(B) ability and opportunity to improve vessels, gear and fishing techniques, including, when permissible, experimentation with new vessels, new gear, and new techniques;

(3) "fishery" means the commercial taking of a specific fishery resource in a specific administrative area with a specific type of gear;

(4) "gear" means the specific apparatus used in the commercial harvest of a species, including but not limited to purse seines, drift gill nets, set gill nets, and troll gear;

(5) "person" means a natural person and does not include a corporation, company, partnership, firm, association, organization, business trust, or society;

(6) "present ability to actively participate" means the person applying for a permit is physically able to harvest fish in the fishery and has reasonable access to commercial fishing gear of the type utilized in that fishery;

(7) "priority classification" means the allocation of potential permit applicants into reasonable groupings of similarly situated applicants and the priority ranking of those groupings according to the extent to which they satisfy the standards of preference;

(8) "type of gear" means a customary and identifiable classification of gear and shall include

(A) those classifications for which separate regulations are adopted by the Board of Fisheries and for which separate gear licenses are required by AS 16.05.550 — 16.05.630; and

(B) distinct subclassifications of gear such as "power" troll gear and "hand" troll gear;

(9) "unit of gear" means the maximum amount of a specific type of gear which can be fished under a single gear license subject to regulations established by the Board of Fisheries defining the legal requirements for that type of gear. (§ 1 ch 79 SLA 1973; am §§ 32, 33 ch 206 SLA 1975)

Effect of amendment. — The 1975 amendment substituted "Board of Fisheries" for "Board of Fish and Game" in paragraphs (8)(A) and (9).

Editor's note. — Alaska Statutes 16.05.550 — 16.05.630, referred to in paragraph (8)(A), were repealed by § 19, ch 105, SLA 1977, effective January 1,

Chapter 43. Regulation of Entry into Alaska Commercial Fisheries.

Article
4A. Educational Entry Permits (§§ 16.43.275 — 16.43.285)

Article 2. Powers and Duties of the Commission.

Section
100. General powers

Sec. 16.43.100. General powers. (a) To accomplish the purposes set out in § 10 of this chapter the commission shall:

(1) regulate entry into the commercial fisheries for all fishery resources in the state;

(2) establish priorities for the application of the provisions of this chapter to the various commercial fisheries of the state;

(3) establish administrative areas suitable for regulating and controlling entry into the commercial fisheries;

(4) establish, for all types of gear, the maximum number of entry permits for each administrative area;

(5) designate, when necessary to accomplish the purposes of this chapter, particular species for which separate interim-use permits or entry permits will be issued;

(6) establish qualifications for the issuance of entry permits;

(7) issue entry permits to qualified applicants;

(8) issue interim-use permits as provided in §§ 210 — 220 of this chapter;

(9) establish, for all types of gear, the optimum number of entry permits for each administrative area;

(10) administer the buy-back program provided for in §§ 310 — 320 of this chapter to reduce the number of outstanding entry permits to the optimum number of entry permits;

(11) provide for the transfer and reissuance of entry permits to qualified transferees;

(12) provide for the transfer and reissuance of entry permits for alternative types of legal gear, in a manner consistent with the purposes of this chapter;

(13) administer the collection of the annual fees provided for in § 160 of this chapter;

(14) administer the issuance of commercial fishing vessel licenses under AS 16.05.490;

(15) issue educational entry permits to applicants who qualify under the provisions of §§ 275 — 285 of this chapter.

(b) The commission may do all things necessary to the exercise of its powers under this chapter, whether or not specifically designated in this chapter. (§ 1 ch 79 SLA 1973; § 14 ch 105 SLA 1977; am § 3 ch 123 SLA 1978)

Effect of amendments. — The 1977 amendment, effective January 1, 1978, added paragraph (14) to subsection (a).

The 1978 amendment, effective July 9, 1978, added paragraph (15) to subsection (a).

Article 3. Requirements for Entry Permits.

Section
150. Terms and conditions of entry permit; annual renewal
160. Fees
170. Transfer of entry permits
180. Emergency transfers

Sec. 16.43.150. Terms and conditions of entry permit; annual renewal.

(g) Except as provided in AS 16.10.333 — 16.10.337, an entry permit may not be:

(1) pledged, mortgaged, leased, or encumbered in any way;

(2) transferred with any retained right of repossession or foreclosure; or

(3) attached, distrained, or sold on execution of judgment or under any other process or order of any court.
(am § 6 ch 83 SLA 1978)

Effect of amendment. The 1978 amendment, effective July 1, 1978, added "Except as provided in AS 16.10.333 — 16.10.337" to the beginning of subsection (g).

As the rest of the section was not affected by the amendment, it is not set out.

Sec. 16.43.160. Fees. (a) The commission shall establish annual fees for the issuance and annual renewal of entry permits or interim-use permits. The amount paid by a permit holder under the provisions of AS 16.05.480 shall be credited by the commission toward payment of the fee charged under this section. No more than one credit may be obtained annually by a person.

(b) Annual fees established under this section shall be no less than $10 and no more than $750 and shall reasonably reflect the different rates of economic return for different fisheries.

(c) The resident holder of an entry permit or interim use permit who has a net family income falling within the Federal Community Services Administration poverty guidelines, adjusted by the commission to reflect appropriate cost-of-living differentials, is subject to a maximum annual fee of $15. (§ 1 ch 79 SLA 1973; am § 15 ch 105 SLA 1977; am § 4 ch 123 SLA 1978)

Effect of amendments. — The 1977 amendment, effective January 1, 1978, deleted "to reflect the cost of administering this chapter" from the end of the first sentence of subsection (a), added the exception to the end of the second sentence

of subsection (a), substituted "$750" for "$100" in subsection (b), inserted "resident" preceding "holder of an entry permit" in subsection (c), and substituted "Federal Community Services Administration for "Federal Social Security Administration" and "$15" for "$5" in subsection (c).

The 1978 amendment, effective July 9, 1978, and retroactive to January 1, 1978, in subsection (a), rewrote the second sentence and added the third sentence.

Sec. 16.43.170. Transfer of entry permits. (a) Except as provided in AS 16.10.333 — 16.10.337, entry permits and interim-use permits are transferable only through the commission as provided in this section and § 180 of this chapter and under regulations adopted by the commission. (am § 7 ch 83 SLA 1978)

Effect of amendment.

The 1978 amendment, effective July 1, 1978, added "Except as provided in AS 16.10.333 — 16.10.337" to the beginning of subsection (a).

As the rest of the section was not affected by the amendment, it is not set out.

Sec. 16.43.180. Emergency transfers. (a) The commission shall adopt regulations providing for the temporary emergency transfer of entry permits and interim-use permits when illness, disability, death, required military or government service, or other unavoidable hardship prevents the permit holder from participating in the fishery. To alleviate hardship pending a final determination of the permit holder's eligibility for an entry permit, the commission shall adopt regulations providing for the temporary emergency transfer of an interim-use permit issued under § 210(b) of this chapter.

(b) The commission shall adopt regulations providing for the temporary transfer of an entry permit upon the death of the permittee pending final disposition of the permit as a part of the permittee's estate. (§ 1 ch 79 SLA 1973; am § 5 ch 73 SLA 1977; am § 5 ch 123 SLA 1978)

Effect of amendment.

The 1978 amendment rewrote subsection (a).

Article 4A. Educational Entry Permits.

Section
275. Educational entry permits
277. Term and conditions of educational entry permit
279. Disposition of fish
281. Accounting of harvest
283. Adoption of regulations
285. Definition

Effective date of article. — Section 14, ch. 123, SLA 1978, makes this article effective July 9, 1978, in accordance with AS 01.10.070(c).

Sec. 16.43.275. Educational entry permits. (a) In addition to entry permits and interim-use permits, the commission may issue educational entry permits to public, private or denominational educational institutions accredited by the Department of Education or accredited institutions, career or vocational programs approved by the Alaska Commission on Postsecondary Education, or full-time nonprofit residential child care facilities licensed by the Department of Health and Social Services, division of social services, if

(1) the program is offered to students at the junior high school level or above;

(2) the issuance of a educational entry permit is reasonably necessary to the instruction of students under courses offered by the applicant for the educational entry permit;

(3) the program is offered by an institution which is located in the state and has been in operation for at least two years; and

(4) the institution offering the program is not a correspondence institution.

(b) An educational entry permit may only be used in a program conducted by the recipient of the permit for the purpose of training students in the methods of commercial fishing.

(c) The commission may issue educational entry permits notwithstanding the establishment of maximum or optimum numbers under §§ 240 and 290 of this chapter. (§ 10 ch 123 SLA 1978)

Sec. 16.43.277. Term and conditions of educational entry permit. (a) Educational entry permits may be applied for on an annual basis and shall be issued for a term of one year. The permits are nontransferable.

(b) A recipient may be issued an educational entry permit for each fishery in the administrative area the commission determines to be appropriate, considering the nature of the educational program and the location of the educational or vocational institution. The recipient of an educational entry permit may not be issued educational entry permits in more than one administrative area except as issued by the commission in its discretion upon good cause shown.

(c) An educational entry permit issued under § 275 of this chapter may be used by any agent or employee authorized by the recipient of the educational entry permit.

(d) Annual fees for educational entry permits shall be as specified by commission regulation under the authority of § 160 of this chapter. (§ 10 ch 123 SLA 1978)

Sec. 16.43.279. Disposition of fish. Fish caught under the authority of an educational entry permit are the property of the recipient of the permit. The recipient may sell the fish and use the proceeds to pay for the costs of the training program. Revenues generated from the sale of fish harvested under an educational entry permit shall be paid to the

general fund to the extent the revenues exceed costs of the training program. (§ 10 ch 123 SLA 1978)

Sec. 16.43.281. Accounting of harvest. The recipient of an educational entry permit shall report to the commission costs and earnings, amount of harvest, and other information the commission requires to monitor training programs of recipients of educational entry permits. (§ 10 ch 123 SLA 1978)

Sec. 16.43.283. Adoption of regulations. (a) Use privileges granted under §§ 275 — 285 of this chapter are subject to the regulations of the Board of Fisheries which may adopt regulations exclusively applicable to the use of educational entry permits.

(b) The commission shall publish regulations relating to the issuance of educational entry permits, establishing eligibility criteria for recipients of the permits, and such other matters as are reasonably necessary to implement §§ 275 — 285 of this chapter. (§ 10 ch 123 SLA 1978)

Sec. 16.43.285. Definition. For the purposes of §§ 275 — 285 of this chapter, the term "recipient" means the entity to which an educational entry permit is issued. (§ 10 ch 123 SLA 1978)

Article 6. General Provisions.

Section
355. Commission revocation of entry permits
360. Penalties

Sec. 16.43.355. Commission revocation of entry permits. (a) The commission may revoke an entry permit if a person knowingly supplies, assists in supplying, or fails to correct false information provided to the commission for the purpose of

(1) permit application; or

(2) permit transfer.

(b) Before revocation, the commission shall serve the permit holder personally or by certified or registered mail with a notice to show cause why the proposed action should not take place. The notice to show cause must

(1) be supported by an affidavit which may be made on information or belief setting out the facts which are the basis of the proposed action;

(2) provide for at least 30 days notice of the place, date, and time of the hearing where the permit holder may present evidence in opposition to the proposed action; unless waived in writing by the permit holder, the hearing place shall be held within the judicial district in which the permit holder resides if the permit holder resides in the state; the hearing place shall be at the discretion of the commission for those permit holders residing outside the state;

(3) specify the statutes or regulations violated;

(4) state with particularity the action proposed to be taken;

(5) indicate to the permit holder that his ability to permanently transfer the permit which is the subject of the revocation proceedings has been suspended as of the date of the notice and will continue to be suspended until the exhaustion of all administrative and judicial remedies; and

(6) provide other information the commission considers proper.

(c) A permit subject to revocation proceedings under this section may not be transferred after the date of the notice in (b) of this section pending exhaustion of all administrative and judicial remedies arising from action taken under this section.

(d) The revocation hearing shall be conducted before a quorum of commissioners and shall be presided over by a hearing officer appointed by the commission who shall rule on the presentation of evidence and other procedural matters. Within a reasonable time after the conclusion of the hearing, the hearing officer shall submit to the attending commissioners a proposed decision based on the record of the hearing and containing findings of fact, conclusions of law, and recommended action. The attending commissioners shall then review the hearing officer's proposed decision and adopt or amend or reject the contents of the proposed decision in the written decision of the commission. A copy of the commission decision shall be mailed to each party or his attorney by certified or registered mail.

(e) The failure of a permit holder properly served under (b) of this section to appear at the hearing is not grounds for setting aside any commission action taken. However, the commission may in its discretion order a continuance or second hearing.

(f) The effective date of the commission decision under this section is the date of the notice to show cause first served upon the permit holder under (b) of this section.

(g) The provisions of this section do not apply to the permit of a person who is a bona fide purchaser.

(h) Judicial review of commission determinations under this section is in accordance with AS 44.62.560 — 44.62.570; however, if a hearing de novo is granted under AS 44.62.570(d), the hearing may, in the discretion of the court, be had with a jury sitting if application for the jury hearing is filed with the court no later than 10 days after service of the notice of appeal. (§ 6 ch 123 SLA 1978)

Effective date. — Section 14, ch. 123, SLA 1978, makes this section effective July 9, 1978, in accordance with AS 01.10.070(c).

Sec. 16.43.360. Penalties. (a) A person who violates or assists in the violation of a provision of this chapter or a regulation promulgated under this chapter is, upon conviction, guilty of a misdemeanor and is

punishable by a fine of not more than $5,000 for a first conviction, and a fine of not more than $10,000 for a second or third conviction. Upon a third conviction, the person shall forfeit all interim-use and entry permits held by him and loses eligibility for future issuance or transfer of interim-use or entry permits for a period of three years. Upon a first or second conviction under this section, the court may in its discretion order a forfeiture of interim-use or entry permits held by him as well as a loss of eligibility for future issuance or transfer of interim-use or entry permits or order a suspension of fishing rights under interim use or entry permits held or to be held by him for a period of not more than three years.

(b) A person who knowingly makes a false statement of fact in the application for or renewal of an interim-use permit or an entry permit or vessel license application or renewal or in the application for a transfer under §§ 170 — 180 of this chapter, or a person who assists another by knowingly making a false statement of fact in support of the other person's application for issuance or renewal of an interim-use permit or an entry permit or vessel license is guilty of a misdemeanor and shall forfeit all interim-use permits and entry permits held by him and shall lose eligibility for interim-use permits and for entry permits for a period of three years and is punishable by a fine of not more than $5,000.

(c) Notwithstanding any other provision of this section, no interim-use or entry permit may be transferred while under suspension, without the consent of the commission.

(am §§ 7 — 9 ch 123 SLA 1978)

Effect of amendment.

The 1978 amendment, effective July 9, 1978, in the first sentence of subsection (a), inserted "or assists in the violation of," "is" preceding "upon conviction," and "or third," substituted "and" for a semicolon following "for a first conviction" and deleted the language providing a penalty for a third conviction from the end of that sentence. The amendment also added the second and third sentences of subsection (a), and in subsection (b), inserted "knowingly" near the beginning and near the middle, "or renewal of" near the beginning, "or vessel license application or renewal" near the beginning, and "or renewal" near the middle, deleted "a material" preceding "fact" near the beginning and near the middle, and substituted "vessel license" for "transfer of an entry permit, upon conviction" near the middle and "three years and is punishable by a fine of not more than $5,000" for "five years" at the end. Moreover, the amendment added subsection (c).

As the rest of the section was not affected by the amendment, it is not set out

TELEGRAM

HB48

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CHA RMAN HOUSE RESOURCES COMMITTEE POUCH V

JUNEAU

THE PRINCE WILLIAM SOUND AQUACULTURE CORPORATION WISHES TO EXPRESS ITS FULL SUPPORT FOR HB48.

AS THE REGIONAL ASSOCIATION OF OUR AREA WE REPRESENT AS A MAJORITY ON OUR BOARD OF DIRECTORS OVER 500 COMMERCIAL FISHERMEN ORGANIZED UNDER THE CORDOVA AQUATIC MARKETING ASSOCIATION, AS WELL AS INDEPENDENT, COMMERCIAL, SPORT AND SUBSISTENCE FISHERMEN. OUR EFFORTS SINCE 1975 ARE DIRECTED TOWARD ACHIEVING COST-EFFECTIVE CONSTRUCTION AND OPERATION OF HATCHERIES TO SUPPLEMENT WILD SALMON STOCK FOR THE BENEFIT OF ALL FISHERMEN IN THE COMMON PROPERTY FISHERY. TO ACHIEVE A SELF SUSTAINING HATCHERY SYSTEM, WHICH WILL NOT BE A CONTINUOUS BURDEN ON THE ALASKAN TAXPAYER, EFFICIENT OPERATION OF PRIVATE NONPROFIT HATCHERIES IS ESSENTIAL.

THE NUMBER OF FISH NEEDED FOR SALE BY THE HATCHERY OPERATOR TO COVER COST OF OPERATIONS IS DIRECTLY RELATED TO THE COST OF OPERATING A HATCHERY. HB48 GIVES THE HATCHERY OPERATOR THE CHOICE OF WHO CAN HARVEST SURPLUSES IN THE MOST EFFECT MANNER- CHARTER FISHERMEN ARE IN MOST CASES NOT AVAILABLE DURING FISHING SEASONSFOR SPECIFIC LOW VOLUME HATCHERY SURPLUS HARVEST.

ALL NON PRIVATE PROFIT HATCHERIES, WHETHER REGIONAL ASSOCIATIONS OR SO CALLED NON-ASSOCIATED HATCHERIES, OPERATE UNDER THE SAME STATUTES AND REGULATIONS, NAMELY TO CONTRIBUTE TO THE COMMON PROPERTY FISHERIES. ALTHOUGH ALL NEEDED MECHANISMS OF ECONOMIC CONTROL AND MONITORING ARE NOT YET IN PLACE, EXISTING STATUTES REGULATIONS AND POLICIES MANDATE COMPLIANCE.

WE FEEL CONFIDENT WITH THE FISHERMEN OF PRINCE WILLIAM SOUND AND THE UNITED FISHERMEN OF ALASKA THAT PASSAGE OF HB48 IS AN IMPORTANT AND NEEDED STEP TOWARD ACCOMPLISHING OUR GOALS.

ARMIN KOERNIG PRES PRINCE WILLIAM SOUND

AQUACULTURE CORPORATION

HB48

Northern Southeast Regional Aquaculture Association, Inc.

P.O. BOX 786 SITKA, ALASKA 99835
(907) 747-6850
RM. 205, OLD CITY HALL BLDG.

107.4

2 April 1979

The Honorable Alvin Osterback
Co-Chairman, House Resource Committee
Alaska House of Representatives
Pouch V
Juneau, AK 99811

Dear Mr. Osterback:

Per my promise to your committee during my February 8 testimony on HB 48, this is to provide the NSRAA position taken during their March 21-22 meeting.

Our Directors appreciated your willingness to hold HB 48 pending their input. Unfortunately, time constraints imposed by Senator Tillion's sixty-day rule necessitated a second hearing prior to March 21. It was also unfortunate that unanswered questions raised at the second hearing caused tabling of the bill. I must apologize to you and your committee for my absence at the second hearing; as it turned out, regional association testimonies would have been helpful.

While we understand why HB 48 was tabled, it's unresolved status will cause significant economic hardship to Prince William Sound Aquaculture Corporation (PWSAC) which is expecting to harvest its hatchery returns this year with a special harvest area entry permit. If after review of our input you support our position, we would appreciate your legislative assistance to make possible an efficient Prince William Sound harvest this year.

Our input takes the following format:

Position on HB 48
Legislative and Policy Ambiguities
HB 48 and Fish Traps

Position on HB 48

In my February 8 testimony, I emphasized that social controversies associated with the special permits may be resolved by providing opportunities to air the issues. In our March 21 discussion on HB 48 a number of concerns were raised and discussed in lively sessions.

After thorough explanation of the intent of HB 48, fishermen voted to support the bill.

Legislative and Policy Ambiguities

The debate over HB 48 was caused by a fundamental apprehension over whether hatchery programs will serve the best interests of common property fishermen. This apprehension was founded basically on two areas of ambiguity: primary purpose of hatcheries and hatchery budget review.

Primary Purpose of Hatcheries

Fishermen agree that hatcheries are needed to rebuild depressed salmon stocks, but they are not sure if successful hatchery programs will actually provide more fish to their fisheries. Under current interpretations of the law, hatcheries can serve such primary purposes as self-employment and research without showing a good probability of contributing fish to common property fisheries. To protect fishermen interests, NSRAA directors feel that all hatcheries, whether private or public, should have the primary purpose of contributing to the common property fishery.

Hatchery Budget Review

Private nonprofit hatcheries pay their own way by harvesting fish to recover "reasonable" costs of operation. "Reasonable" costs as defined in AS 16.10.450 are currently interpreted by the Alaska Department of Revenue and the federal Internal Revenue Service. Our Directors are concerned that these agencies lack the knowledge to evaluate budget items and that abuses are likely unless budget reviews are conducted by a knowledgeable group of individuals. In lieu of an established and acceptable budget review process, fishermen question whether abuses of the nonprofit status can be adequately controlled, and if not, whether our private nonprofit law is a de facto private profit law.

HB 48 and Fish Traps

Concerns that HB 48 might allow fish traps apparently contributed to your committee's action in tabling HB 48 at the March 13 hearing. This concern is shared by NSRAA directors. Accordingly, inquiries have been made with a number of legal sources. Our conclusion on this issue is as follows:

The language of HB 48, as it stands, contains no legislative intent to legalize fish traps. Prohibition on fish traps in Alaska dated from 1959 when the people of Alaska ratified ordinance number 3 per terms of Alaska constitution Article 15, section 24. Unless and until this clear prohibition against fish traps is appealed, fish traps for commercial purposes will remain illegal in Alaska. HB 48 contains no language which would constitute a clear expression of legislative intent to allow fish traps.

Our supportive position on HB 48 was based, in part, on the understanding that fish traps will not be allowed.

We hope our Association's position on HB 48 was adequately communicated. If you have any questions, please let me know. We intend to work with you and your committee to clarify ambiguities cited above and to develop a salmon restoration program designed for the needs of common property fishermen.

Sincerely,

Derek Poon, Ph.D.
General Manager

DP/vf

cc: House Resource Committee
NSRAA Directors
Prince William Sound Aquaculture Corporation
Southern Southeast Regional Aquaculture Association
Cook Inlet Aquaculture Association
United Fishermen of Alaska
Office of the Governor
Commissioner, Alaska Department of Fish and Game
Alaska Board of Fisheries
Commissioner, Commercial Fisheries Entry Commission
Attorney General's Office
House Speaker, Terry Gardiner

HB
49

(9)

COMMITTEE REPORT

HOUSE

FURTHER:

1-24-79

Date: Feb 13 1979

Mr. Speaker:

The Committee on RESOURCES has had HB 49

"An Act relating to the fisherman's fund."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] same title
[ ] replace with CS for _____ [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____ CHAIRMAN

H 60 (Rev. 12/78)

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB 49	465-4100	Fish and Game Dept.	2/8/79
	465-3500	Governor's Office	2/8/79
	465-2700	Dept. of Labor to testify:	2/8/79
	2700	Grace Wilson, Admin. of Emp. Fund	TAKEN
		Ron Lorenson Atty Gen. Office	NOT UP on 2/8/79
		Judy DuBois - Leg. Liaison for Commerce & Labor (to bring fiscal note)	
	2/9	Fish and Game - Paula-	2/13/79
	2/9	Governor's Office - Rebecca Eugen	2/13/79
	2/9	Dept. of Labor - Grace Wilson to testify	2/13/79
	2/15	Grace Wilson Dept. of Labor Emp. Fund	2/20/79

AB49

Alaska Fishermen's Fund

WHAT IS THE FISHERMEN'S FUND?

The Fishermen's Fund was established in 1951 to provide for the treatment and care of Alaska licensed commercial fishermen who are injured or become ill while engaged in commercial fishing activities on shore in Alaska or in the territorial waters of the State. The territorial waters were defined on January 23, 1976 by the Attorney General's Office

> 5 AAC 36.010. Description of Area. The International water area includes all waters outside Alaska's three mile limit, i.e., beyond those described in 5 AAC 39.975(13) means the waters north and west of the International Boundary at Dixon Entrance including those extending three miles seaward.

The Fund is supported by sixty percent of the money collected from each crewmember fishing license issued, an equal amount of the money derived by the State from each commercial fisherman who is issued a permit. It is administered under the supervision of the Commissioner of Labor and with the assistance of the Fishermen's Fund Advisory and Appeals Council. The Council is composed of the Commissioner of Labor or his designee, who acts as chairman, and five members appointed by the Governor to represent the following districts:

District 1 Wrangell and areas south.

District 2 Areas north of Wrangell to include Yakutat

District 3 Areas west of Yakutat to East Coast of Alaska Peninsula, including Prince William Sound, Cook Inlet, and Kodiak.

District 4 Areas west of Alaska Peninsula to Cape Newenham, including Bristol Bay.

District 5 Areas north of Cape Newenham, including Kuskokwim, Yukon, Kotzebue, and the Arctic.

WHO IS ELIGIBLE FOR FISHERMEN'S FUND BENEFITS?

Fishermen's Fund benefits are available to commercially licensed fishermen who sustain an injury or disability as the result of an accident directly connected with their work on the fishing grounds, tying up the boat, storing gear, or repairing the boat or gear. Shopping trips to town, transportation to the boat, and falls that occur when the fisherman is returning to the boat for the night's rest are not usually covered.

Benefits are also available to fishermen who suffer a disease which is considered to be occupational with respect to the commercial fishing profession.

These diseases include hernias, heart attacks, varicose veins of the legs, bronchitis, pleurisy, pneumonia, rheumatism, arthritis, and musculoskeletal ailments such as bursitis, traumatic sciatica and tenosynovitis.

Excluded from the occupational category are the common cold, influenza, strep throat, tonsilitis, emotional disorders, peptic ulcers, epilepsy, diseases not common to both sexes, venereal diseases and any condition arising from an attempt by a person to injure himself or another. The exceptions would be bug bites which become infected due to the fish slime and ear infections which are caused by diving to repair boats or gear. Benefits are not paid for colds that develop into ear infections through normal exposure.

WHAT IS THE PROCEDURE FOR FILING A CLAIM?

When a commercial fisherman sustains an injury or suffers an illness which he believes will entitle him to Fishermen's Fund benefits, he should tell the doctor who treats him so claim forms may be completed. If the fisherman reports first to an emergency or out patient section of a hospital, he should advise hospital personnel that he may be entitled to benefits from Fishermen's Fund.

There are two Fishermen's Fund claim forms. One is the "Certificate of Eligibility" which the injured or ill fisherman completes and signs. The other is the "Physician's Report of Injury/Illness" which the doctor

completes with the assistance of the fisherman. These forms are printed on opposite sides of the same sheet of paper for convenience. See examples 1 and 2.

Most doctors and hospitals in Alaska have Fishermen's Fund forms which *must be completed to establish a claim*. If a fisherman is unable to obtain the proper forms in his area, he may write the Administrator of the Fishermen's Fund, P. O. Box 1149, Juneau, Alaska 99811.

At times it is necessary for the Administrator of the Fund to write a claimant to clarify a point concerning his claim. Usually such letters are necessary because the claim forms have not been completed with sufficient detail to establish the claimant's eligibility for benefits. It is essential for a claimant to respond as completely and promptly as possible to avoid delays in processing his claim.

All billings for expenses related to a claim should be sent to the Administrator of the Fishermen's Fund. If the claim is approved, benefits will be paid to the person, business, or institution which submitted the bills. If a fisherman pays for any expenses related to his injury or illness, he should obtain proper receipts and submit them to the Fund's Administrator for reimbursement. If expenses are advanced to the claimant and charged against his fishing settlement, a copy of the settlement could be accepted in lieu of any other receipt. Typical out-of-pocket expenses are transportation, prescriptions, and on occasion, hotel and meal costs.

In the event a claim is denied, all parties are notified with a written notice stating the reason for the denial. The denied claim is then scheduled for review at the next meeting of the Advisory and Appeals Council. The claimant is notified of the time and place of the Council's meeting in sufficient time to submit additional information supporting his claim. He may also make arrangements for a personal appearance before the Council.

Any inquiries concerning the Fishermen's Fund may be directed to the Commissioner of Labor, P. O. Box 1149, Juneau, Alaska 99811.

WHAT COVERAGE DOES THE FISHERMEN'S FUND PROVIDE?

Eligible fishermen are entitled to emergency treatment, transportation to the nearest place where approved medical facilities are available, medical, surgical and nursing care and hospitalization. They are entitled to reasonable transportation charges incurred to approved hospitalization and/or treatment including the cost of returning fishermen to their boat, home or another place that reasonably meets their convenience. A fisherman may also be entitled to assistance after discharge from the hospital during fishing season.

If dentures or eyeglasses are lost, they may not be replaced. However, if they are broken and physical injury is sustained necessitating medical attention, they may be replaced or repaired upon approval of the Fishermen's Fund Advisory and Appeals Council. If no physical injury is sustained and dentures or eye glasses are broken, replacement is not allowed.

Persons receiving benefits from the Fishermen's Fund shall be provided with the type and quality of treatment which will restore them to health and productivity, if possible. In this connection, the Department may enter into cooperative arrangements with State and Federal agencies, private clinics, and rehabilitation centers for the care and treatment of fishermen.

WHAT ARE THE LIMITS ON FISHERMEN'S FUND BENEFITS?

1. No benefits shall be paid for the care of any one person which involves a single injury or disability beyond a period of one year from the date of the initial allowance.

2. Benefits shall not be paid for medical care or hospitalization rendered prior to the ascertainable time of an injury, or prior to authorization in the case of disability by an occupational disease.

3. The total allowance for any one injury or disablement shall not exceed $2,500.

Exceptions to the above stipulations may be granted by the Commissioner of Labor with the unanimous approval of the Fishermen's Fund Advisory and Appeals Council.

CHAPTER 35. OCCUPATIONAL DISEASE DISABILITY

Article

1. Commercial Fishermen (§ § 23.35.010–23.35.150)

Article 1. Commercial Fishermen.

Section

10. Creation of Fishermen's Fund Advisory and Appeals Council
20. Appointment and composition of council
30. Commissioner or designee as chairman
40. Duties of commissioner and council
50. Adoption of orders, regulations
60. Creation and administration of Fishermen's Fund
70. Benefits
80. Emergency treatment for cardiovascular diseases
90. Assistance after discharge
100. Transportation, hospital, nursing, medical and surgical expenses
110. Contracts for care
120. Cooperation with other agencies
130. Duration of care
140. Limitations on benefits
150. Definitions

Sec. 23.35.010. Creation of Fishermen's Advisory and Appeals Council. There is within the Department of Labor a Fishermen's Fund Advisory and Appeals Council. (§ 13 ch 64 SLA 1959; am § 1 ch 93 SLA 1960)

Am. Jur. references. — 29 Am. Jur., Insurance, § 1069; 35 Am. Jur., Master and Servant, § § 106, 107.

Sec. 23.35.020. Appointment and composition of council. The council is composed of the commissioner of labor or a person designated by him and five members appointed by the governor for overlapping five year terms. The governor shall appoint one member from each of the following districts:

District 1: Wrangell and areas south;

District 2: Areas north of Wrangell to include Yakutat;

District 3: Areas west of Yakutat to East Coast of Alaska Peninsula, including Prince William Sound, Cook Inlet, and Kodiak;

District 4: Areas west of Alaska Peninsula to Cape Newenham, including Bristol Bay;

District 5: Areas north of Cape Newenham, including Kuskokwim, Yukon, Kotzebue, and the Arctic. (§ 13 ch 64 SLA 1959; am § 1 ch 93 SLA 1960; am § 1 ch 175 SLA 1976)

Effect of amendment. – The 1976 amendment, effective June 17, 1976, substituted "five members" for "four members" and "five year terms" for "four year terms" in the first sentence of the introductory paragraph, substituted "Areas north of Wrangell" for "Petersburg and areas north" in the District 2 paragraph, inserted "to Cape Newenham" in the District 4 paragraph, and added the District 5 paragraph.

Sec. 23.35.030. Commissioner or designee as chairman. The commissioner of labor or the person designated by him serves as the chairman of the council. (§ 13 ch 64 SLA 1959; am § 1 ch 93 SLA 1960)

Sec. 23.35.040. Duties of commissioner and council. The commissioner shall consult with the council before he makes a negative decision on an appeal filed with him in relation to the care of a sick and disabled fisherman. (§ 13 ch 64 SLA 1959; am § 1 ch 93 SLA 1960)

Sec. 23.35.050. Adoption of orders, regulations. The department may adopt orders, rules and regulations to carry out the purposes of §§ 10 – 150 of this chapter, including those which are necessary or advisable to protect the fund by limiting or suspending payments from the fund. The rules and regulations shall be uniform in application. (§ 2 ch 100 SLA 1951)

Sec. 23.35.060. Creation and Administration of Fishermen's Fund. There is created a fund, designated as the "fishermen's fund." The Department of Revenue is the custodian of the fund and the Department of Labor shall administer it. The fund shall be composed

File original immediately after first attendance.

ALASKA DEPARTMENT OF LABOR
FISHERMEN'S FUND
Pouch XA, Juneau, Alaska 99811

The Original Certificate of Eligibility must accompany this report. See Reverse

PHYSICIAN'S REPORT OF INJURY/ILLNESS

THE PATIENT

1. NAME | 2. SEX | 3. AGE | 4. SOCIAL SECURITY NUMBER

5. STREET OR BOX NUMBER | 6. CITY | 7. STATE | 8. ZIP

9. LICENSE NUMBER AND DATE ISSUED | 10. TYPE OF FISHING GEAR USED AT TIME OF INJURY (Check One)
☐ Halibut ☐ Scallop ☐ Packer ☐ Troll ☐ Crab
☐ Shrimp ☐ Gillnet ☐ Seine ☐ Other (Specify) _____

11. NAME OF BOAT | 12. IF REGISTERED – WHERE?

13. DATE AND HOUR OF INJURY OR EXPOSURE TO DISEASE | 14. IS THIS CLAIM COVERED BY OTHER INSURANCE? NAME

15. STATE IN DETAIL WHERE AND HOW ACCIDENT/ILLNESS OCCURRED

16. GEOGRAPHIC LOCATION | 17. WAS PATIENT ☐ FISHING ☐ WORKING ON BOAT/GEAR ☐ OTHER (EXPLAIN)

18. NAME AND ADDRESS OF LINE WITNESS

THE PHYSICIAN

19. DATE OF FIRST TREATMENT. | 20. GIVE ACCURATE DESCRIPTION OF NATURE AND EXTENT OF INJURY/ILLNESS AND STATE YOUR OBJECTIVE FINDINGS

21. IS ACCIDENT/ILLNESS REFERRED TO ABOVE THE ONLY CAUSE OF PATIENT'S CONDITION? IF NOT, STATE CONTRIBUTING CAUSES

22. HAS NORMAL RECOVERY BEEN DELAYED FOR ANY REASON? GIVE PARTICULARS

23. DOES PATIENT SUFFER FROM OR HAVE ANY PHYSICAL IMPAIRMENT DUE TO ANY OVERT ACCIDENT/ILLNESS OTHER THAN AS DESCRIBED IN ITEMS 18 AND 19? GIVE PARTICULARS

24. DID THIS ACCIDENT/ILLNESS AGGRAVATE CONDITION DESCRIBED IN ITEM 23?

25. DESCRIBE TREATMENT GIVEN BY YOU

26. WERE X RAYS TAKEN? IF SO, WHEN AND BY WHOM? GIVE DIAGNOSIS

27. WAS PATIENT TREATED BY ANYONE ELSE? IF SO, WHEN AND BY WHOM?

28. NAME AND ADDRESS OF HOSPITAL, IF ANY | 29. ☐ OUT PATIENT ☐ IN PATIENT ADMISSION DATE AND DISCHARGE DATE

30. IS FURTHER TREATMENT NEEDED? IF SO, HOW LONG?

31. I AM A DULY LICENSED PHYSICIAN IN THE STATE OF | 32. SIGNATURE

33. PRINTED NAME AND ADDRESS

34. DATE OF THIS REPORT

ADL 155-134
Rev. 6/78

SEE REVERSE

FIRST EXAMPLE

of 60 percent of the money derived by the state from each crewmember fishing license issued under AS 16.05.480, an equal amount of the money derived by the state from each commercial fisherman who is issued a permit under AS 16.43, and money appropriated to carry out the purpose of §§ 10-150 of this chapter. (§ 4 ch 100 SLA 1951; am § 1 ch 99 SLA 1955) (§ 1 ch 105 SLA 1977).

Cross reference. – For provisions as to special funds, see AS 37.05.155.

Sec. 23.35.070. Benefits. A fisherman, upon becoming disabled, is entitled to receive benefits as follows: Immediately after he sustains an injury or disability arising out of an accident directly connected with his operation as a fisherman, either ashore in the state or in the territorial waters of the state, or suffers an occupational disease, the fisherman is entitled to emergency treatment, transportation to the nearest place where approved medical facilities are available, medical care and hospitalization. (§ 5 ch 100 SLA 1951; am § 2 ch 99 SLA 1955; am § 1 ch 59 SLA 1957)

Sec. 23.35.080. Emergency treatment for cardio-vascular diseases. The department may pay the costs, within the maximum limitations, of emergency treatment, transportation, medical care and hospitalization, necessitated by a cardio-vascular disease, if the department determines that the disease is attributable, directly or indirectly, to the fishing endeavor. (§ 5 ch SLA 1951; am § 2 ch 99 SLA 1955; am § 1 ch 59 SLA 1957)

Sec. 23.35.090. Assistance after discharge. A fisherman is also entitled to such assistance after discharge from the hospital during period of convalescence as the department allows in consideration of the condition of the fund. (§ ch 100 SLA 1951; am § 2 ch 99 SLA 1955; am § 1 ch 59 SLA 1957)

Sec. 23.35.100. Transportation, hospital, nursing, medical and surgical expenses. The department may pay out of the fund all reasonable transportation charges incurred under §§ 80 and 90 of this chapter, including cost of returning the fisherman to his boat, to his home or to another place which reasonably meets with his

convenience, and the reasonable hospital, nursing, medical and surgical expenses incurred in his examination, treatment and care. (§ 6 ch 100 SLA 1951)

Money cannot be expended from the sick and disabled fishermen's fund for the payment of charges for medicine prescribed by chiropractors. 1961 Op. Att'y Gen., No. 23.

Since chiropractor cannot prescribe drugs or medicine. — It is illegal and criminal for a chiropractor, without additional qualifications, to prescribe drugs or medicine to sick or injured persons. 1961 Op. Att'y Gen., No. 23.

Sec. 23.35.110. Contracts for care. In carrying out §§ 10–150 of this chapter, the department may enter into contracts or other arrangements with hospitals and doctors in the state for furnishing care on an annual basis to persons entitled to benefits. (§ 6 ch 100 SLA 1951)

Sec. 23.35.120. Cooperation with other agencies. In providing care the department shall provide the type and quality of treatment which will restore the fisherman to health and productivity, if possible. The department may enter into cooperative arrangements with agencies of the federal government, other states and territories, and private clinics and rehabilitation centers for the care and treatment of fishermen. (§ 7 ch 100 SLA 1951)

Sec. 23.35.130. Duration of care. Except for compelling reasons, no compensation may be paid for the care of any one persons involving a single injury or disability beyond a period of one year from the date of initial allowance. (§ 7 ch 100 SLA 1951)

Liberal interpretation. — The legislature intended a relatively liberal interpretation of the act. 1959 Op. Att'y Gen., No. 5.

Scope of term "compelling reasons". — See 1959 Op. Att'y Gen., No. 5.

Sec. 23.35.140. Limitation on benefits. (a) Except for compelling reasons,

(1) no compensation may be paid for medical care

or hospitalization furnished before the ascertainable time of injury, or before authorization in the case of disability caused by an occupational disease;

(2) the total allowance for any one injury or disablement is $2,500.

(b) The total allowance for any one heart attack is $2,500. (§ 7 ch 100 SLA 1951, am § 1 ch 103 SLA 1965; am § 1 ch 166 SLA 1968)

Effect of amendments. — The 1965 amendment rewrote this section.

Prior to the 1968 amendment this section consisted of the language now contained in subsection (a).

Benefits in excess of $2,500. — There might be many very "compelling reasons" to raise the benefits above $2,500 under some circumstances. 1959 Op. Att'y Gen., No. 5.

Sec. 23.35.150. Definitions. In this chapter

(1) "commissioner" means the commissioner of labor;

(2) "council" means the Fishermen's Fund Advisory and Appeals Council;

(3) "department" means the Department of Labor;

(4) "fisherman" means a person who is licensed by the state to engage in commercial fishing under AS 16.05.480 or who is the holder of a permit issued under AS 16.43 and who, at the time injury is sustained or illness is contracted, is actually so engaged or is occupied in Alaska in preparing or dismantling boats or gear used in commercial fishing;

(5) "fund" means the Fishermen's Fund;

(6) "occupational disease" means hernia, varicose veins of the leg, the respiratory diseases, bronchitis, pleurisy, and pneumonia caused by or aggravated by the fishing endeavor, but excluding the common cold and influenza; rheumatism, arthritis and those musculoskeletal diseases (such as bursitis, traumatic sciatica, and tenosynovitis) directly caused by or

aggravated by the fishing endeavor; and does not include a disease not common to both sexes, venereal disease, or a condition arising out of an attempt of a fisherman to injure himself or another.

(7) "approved medical facilities" and "medical care" include the facilities of, or the care and treatment prescribed or performed by, a practitioner or chiropractic licensed by the state under AS 08.20. (§ 13 ch 64 SLA 1959; am § 1 ch 93 SLA 1960; § 4 ch 100 SLA 1951; am § 1 ch 99 SLA 1955; § 5 ch 100 SLA 1951; am § 2 ch 99 SLA 1955; am § 1 ch 59 SLA 1957; § 8 ch 100 SLA 1951; am § 1 ch 77 SLA 1962; am § 1 ch 51 SLA 1972)

Effect of amendment. — The 1972 amendment added paragraph. (7).

CHAPTER 55. FISHERMEN'S FUND

Section

10. Benefits
20. Pleadings
30. Appeals
40. Definitions

8 AAC 55.010. BENEFITS. (a) To be eligible for benefits from the fund a person must be a fisherman who, at the time an injury is sustained or illness is contracted, is licensed in his own name by the State of Alaska to engage in commercial fishing, and who is actually so engaged in Alaska or is occupied in Alaska in preparing or dismantling boats or gear used in commercial fishing.

(b) Benefits for respiratory diseases are limited to bronchitis, pleurisy and pneumonia caused by or aggravated by fishing endeavor.

(c) Unless required as a result of accidental bodily injury caused by the fishing endeavor, benefits may not be awarded for the following items:

(1) the services of a dentist,

(2) dental prosthetic appliances or the fitting of them;

(3) eye refractions and hearing examinations; or

(4) eye glasses and hearing aides or the fitting of them. (Eff. 3/28/74, Reg. 49)

Authority: AS 23.35.050
AS 23.35.070
AS 23.35.150(6)

8 AAC 55.020. PLEADINGS. (a) Proceedings before the council are commenced by filing an application, with the administrator, in writing which consists of the following:

(1) a certificate of eligibility completed by the fisherman on a form prescribed by the administrator; and

(2) a physician's report of injury or illness completed by the attending physician on a form prescribed by the administrator.

(b) A separate application shall be filed for each separate and independent occupational injury or occupational illness for which benefits are claimed.

(c) In addition to the restrictions provided by sec. 10 of this chapter, benefits may not be awarded unless

(1) applications are submitted within 60 days of the date of occupational injury or onset of occupational illness,

(2) responses to inquiries seeking clarification of and items on an application or of any item on a billing for services performed or goods supplied are submitted within 90 days after the date of inquiry, and

(3) price lists and fee determinations are submitted to the administrator within 30 days of the date requested.

(d) A request for an extension of duration of care, waiver of benefit limitations, assistance after discharge from a hospital or additional transportation allowances is called a petition. Petitions for extension of duration of care or waiver of benefit limitations shall cite those reasons believed to be sufficiently compelling to justify

granting the relief sought. Petitions for assistance after discharge from the hospital shall include the dates during which hospitalization occurred. Petitions for additional transportation allowances may be considered only for the purpose of providing specialized medical skills unavailable at the nearest approved medical facility. The petition shall include a written statement from the attending physician clearly defining the required specialized medical skill and the nearest place where it is available.

(e) Petitions under (d) of this section shall be submitted to the council for review and recommendations. (Eff. 3/28/74, Reg. 49).

Authority: AS 23.30.050

8 AAC 55.030. APPEALS. (a) The administrator shall submit a written notice to each fisherman whose application is denied stating the reasons for the denial.

(b) The council shall review each application which has been denied or referred to the council by the administrator. Each fisherman who has an application pending before the council shall be notified in writing, by the administrator of the time and place of a council session at least ten days prior to the session. Each fisherman may submit additional evidence to the council in support of his claim in writing, by personal appearance, or both.

(c) The administrator shall notify, in writing, each fisherman who has an application before the council of the council's decision on his application. The decision of the council is final. (Eff. 3/28/74, Reg. 49)

Authority: AS 23.30.040
AS 23.35.050

8 AAC 55.040. DEFINITIONS. In this chapter unless the context requires otherwise

(1) "administrator" means the individual responsible for the administration of the Fishermen's Fund program;

(2) "council" means the Fishermen's Fund Advisory and Appeals Council;

(3) "fund" means the Fishermen's Fund. (Eff. 3/28/74, Reg. 49)

Authority: AS 23.35.050

CERTIFICATE OF ELIGIBILI

I certify, under penalty of perjury, that I, ___

as a commercial fisherman in the State of Alask

at _____ I

Geographic Location

occupation as a commercial fisherman; that on t

fisherman license issued by the State of Alaska

the Fishermen's Fund

Are you ☐ Fishing independent ___

☐ Partner ___

☐ Share basis

☐ Other (Describe) ___

___

Dated at _____, _____ I

Town State

Alaska S

(Article 1

Purpose

Sec. 23.35.070. Benefits. A fisherman upon t
incapacitated after he sustains an injury or incurs
operations as a fisherman either ashore or on the
occupational disease, the fisherman is entitled to o
approved medical facilities are available, medical

Sec. 23.35.140. Limitations on benefits. No co
furnished before the date applicable time of injury
an occupational disease. The total allowance fo

(4) "fisherman" means a person who is hire
at the time injury is sustained or where
in preparing or dismantling boats or g

(5) "occupational disease" means mental di
pleurisy, and pneumonia caused by or a
cold and ischuemia, rheumatism arthritis
sciatica, and tendosynovitis directly caus
include a disease not common to both w
of a fisherman to injure himself or ano

PLEASE COMPLET
PHYSICIAN'S REPORT OF I
WITH THIS FORM
SEE

SECONI

OF SICK OR INJURED FISHERMAN

_____, have been engaged
Name

at while so engaged on _____
Date

ered injury or illness directly connected with my

bove date I possessed a current valid commercial

y name; and that I am entitled to benefits from

_____
Signature

_____
Alaska Mailing Address

_____
Permanent Mailing Address if
Different from Above

_____
Commercial Fisherman License Number

_____ day of _____, 19____

23.30.010-160

...rmal Employment

...g disabled, is entitled to receive benefits as follows:
...being out of an accident directly connected with his
... in the territorial waters of the state, or suffers ...
...ry treatment, transportation to the nearest place where
...nd hospitalization.

...ation may be paid for medical care or hospitalization
...fore authorization in the case of disability caused by
...ome injury or disablement is $2,500.

...y the state to engage in commercial fishing and who,
...ntracted, is actually so engaged or is occupied in Alaska
...t in commercial fishing.

...eases of the leg, the respiratory diseases, bronchitis,
...ed by the fishing endeavor, but excluding the common
...ther noninfectious disease (such as bursitis, traumatic
... or aggravated by the fishing endeavor, and does not
...ternal disease, or a condition arising out of an attempt

THIS ENTIRE FORM.
RY/ILLNESS MUST BE FILED
ESTABLISH A CLAIM.
VERSE

XAMPLE

JAY S. HAMMOND, GOVERNOR

EDMUND N. ORBECK, Commissioner

Alaska Department of Labor
P.O. Box 1149
Juneau, Alaska 99811

HB 49

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER / BOX 1149 – JUNEAU 99811

February 16, 1979

The Honorable Alvin Osterback
Pouch V
Juneau, AK 99811

Dear Representative Osterback:

During the Resources Committee hearing on Tuesday, February 13, 1979, for House Bill No. 49, "An Act relating to the fishermen's fund," the committee requested additional information on the number of claims filed for injuries or illnesses occurring outside the three-mile limit or the "territorial waters." This information is attached.

Also, language for amending the bill to pay claims retroactively has been drafted which is as follows:

Change Title - ; and providing for an effective date.

Add:
*Section 2. The provisions of Section 1 of this Act apply retroactively to all claimants who filed timely claims for fishermen's fund benefits on or after January 23, 1976.

*Section 3. This Act takes effect immediately in accordance with the provisions of AS 01.10.070.

A proposed committee substitute of the bill is attached.

The Fiscal Note submitted for this bill has been reviewed and no changes are necessary at this time.

Thank you for the opportunity to comment. If you have any questions, please contact me at 465-2700 or Grace Wilson, Fishermen's Fund Officer, at 465-2790.

Sincerely,

Judy DuBois

Judy DuBois
Legislative Liaison

PROPOSED

Original sponsor: Rules/Governor

Introduced: 1/24/79
Referred: Resources

IN THE HOUSE BY THE RESOURCES COMMITTEE

CS FOR HOUSE BILL NO. 49

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the fishermen's fund; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

Section 1. AS 23.35.070 is amended to read:

Sec. 23.35.070. BENEFITS. A fisherman, upon becoming disabled, is entitled to receive benefits as follows: Immediately after he sustains an injury or disability arising out of an accident directly connected with his operation as a fisherman, either within the state or in Alaska water [,THE TERRITORIAL WATERS OF THE STATE], or suffers an occupational disease, the fisherman is entitled to emergency treatment, transportation to the nearest place where approved medical facilities are available, medical care and hospitalization. As used in this section, "Alaska water" means the inland and territorial water of the state and the fishery conservation zone adjacent to the state established by sec. 101 of the Fishery Conservation and Management Act of 1976, P.L. 94-265 (16 U.S.C.).

Section 2. The provisions of [THIS ACT] are retroactively to all claimants who filed timely claims for fishermen's fund benefits on or after January 24, 1978.

Section 3. This Act is [IMMEDIATELY] effective [AND APPLICABLE] under the provisions of AS 01.10.070.

Passed CS replacing sec. 2 & 3 with those proposed by Rep Vezey but changing Oct. 1 to Sept. 1 for new application deadline

1979 Claims Pending Payment

DATE OF ACCIDENT	CASE NUMBER	MEDICAL BILLS IN THE FILE 02/14/79	DOCUMENTED VESSEL	OTHER INFORMATION
07-10-78	79-0025	$ 232.00		
10-01-78	79-0425	99.70	Documented Vessel	
09-26-78	79-0439	40.00		
05-09-78	79-0710	72.00	Documented Vessel	Late claim
07-07-78	79-0077	No bills	Documented Vessel	
09-19-78	79-0453	No bills	Documented Vessel	
07-19-78	79-0123	30.00	Documented Vessel	
09-26-78	79-0728	No Bills	Documented Vessel	Canada, running to Alaska
09-24-78	79-0517	No Bills	Documented Vessel	
01-10-78	78-0725	63.00		Filed April 19, 1978
07-11-78	79-0570	332.50		Occurred in Seattle
08-12-78	79-0272	149.00		
09-20-78	79-0668	5,818.00	Documented Vessel	
10-12-78	79-0697	190.50	Documented Vessel	

The claims itemized above would be eligible for payment from Fishermen's Fund total of $3,708.70. However, some of these claims may have been paid by Public Health or Protection and Indemnity Insurance and therefore will not be a cost to Fishermen's Fund.

Prior Claims Denied by Fishermen's Fund

DATE OF ACCIDENT	CASE NUMBER	Medical bills in the File 02/14/79	Documented Vessel	Other Information
09-18-75	76-0347	$ No bills	Documented Vessel	Smashed finger.
05-24-77	77-0631	3,003.00	Documented Vessel	
02-14-77	77-0518	503.00	Documented Vessel	P&I settlement of $27,000
01-24-77	77-0506	930.75	Documented Vessel	
10-30-76	77-0445	590.00	Documented Vessel	Claim submitted by P&I
04-11-77	77-0571	15,624.75	Documented Vessel	Automobile accident also submitted.
04-21-76	77-0393	525.00	Documented Vessel	Convalescence Benefits; No Medical bills
12-15-76	77-0478	75.00	Documented Vessel	
05-25-78	78-0705	33.00		
01-16-78	-0564	890.00	Documented Vessel	
04-01-78	78-0713	213.50		
10-10-77	78-0644	1,310.40	Documented Vessel	Claim submitted by P&I; Filed late.
04-26-78	78-0728	20.00		
04-20-78	78-0729	19.00		
07-07-77	78-0010	No bills	Documented Vessel	

The Claims itemized above would be eligible for reimbursement from Fishermen's Fund total $10,109.65. However, many of these claims have been paid by Public Health or Protection and Indemnity Insurance and therefore would not be a cost to Fishermen's Fund.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

M E M O R A N D U M February 19, 1979

SUBJECT: HB 49 Fishermen's Fund

TO: House Resources Committee

FROM: Kenneth E. Vassar
Legislative Counsel

You have requested a suggestion for language which would make the benefits provided in HB 49 applicable to fishermen who were disabled before the effective date of the bill. In accordance with your request, I would suggest the following:

> * Sec. 2. A fisherman who sustains an injury or disability arising out of an accident which (1) was directly connected with his operations as a fisherman; (2) occurred in the fishery conservation zone adjacent to the state established by sec. 101 of the Fishery Conservation and Management Act of 1976, P.L. 94-265 (16 U.S.C. 1801 et seq.); and (3) occurred on or after January 23, 1976, and before July 1, 1979, is entitled to benefits under AS 23.35.070 if he files an application with the administrator of the Fishermen's Fund established in AS 23.35.060 before October 1, 1979.
>
> * Sec. 3. This Act takes effect July 1, 1979.

KEV:jdn

HB49

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER / BOX 1149 - JUNEAU 99811

February 16, 1979

The Honorable Alvin Osterback
Pouch V
Juneau, AK 99811

Dear Representative Osterback:

During the Resources Committee hearing on Tuesday, February 13, 1979, for House Bill No. 49, "An Act relating to the fishermen's fund," the committee requested additional information on the number of claims filed for injuries or illnesses occurring outside the three-mile limit or the "territorial waters." This information is attached.

Also, language for amending the bill to pay claims retroactively has been drafted which is as follows:

Change Title - ; and providing for an effective date.

Add:
*Section 2. The provisions of Section 1 of this Act apply retroactively to all claimants who filed timely claims for fishermen's fund benefits on or after January 23, 1976.

*Section 3. This Act takes effect immediately in accordance with the provisions of AS 01.10.070.

A proposed committee substitute of the bill is attached.

The Fiscal Note submitted for this bill has been reviewed and no changes are necessary at this time.

Thank you for the opportunity to comment. If you have any questions, please contact me at 465-2700 or Grace Wilson, Fishermen's Fund Officer, at 465-2790.

Sincerely,

Judy DuBois

Judy DuBois
Legislative Liaison

1979 Claims Pending Payment

DATE OF ACCIDENT	CASE NUMBER	MEDICAL BILLS IN THE FILE 02/14/79	DOCUMENTED VESSEL	OTHER INFORMATION
07-10-78	79-0025	$ 232.00		
10-01-78	79-0425	99.70	Documented Vessel	
09-26-78	79-0439	40.00		
05-09-78	79-0710	72.00	Documented Vessel	Late claim
07-07-78	79-0077	No bills	Documented Vessel	
09-19-78	79-0453	No bills	Documented Vessel	
07-19-78	79-0123	30.00	Documented Vessel	
09-26-78	79-0728	No Bills	Documented Vessel	Canada, running to Alaska
09-24-78	79-0517	No Bills	Documented Vessel	
01-10-78	78-0725	63.00		Filed April 19, 1978
07-11-78	79-0570	332.50		Occurred in Seattle
08-12-78	79-0272	149.00		
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10-12-78	79-0697	190.50	Documented Vessel	

The claims itemized above would be eligible for payment from Fishermen's Fund total of $3,708.70. However, some of these claims may have been paid by Public Health or Protection and Indemnity Insurance and therefore will not be a cost to Fishermen's Fund.

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01-24-77	77-0506	930.75	Documented Vessel	
10-30-76	77-0445	590.00	Documented Vessel	Claim submitted by P&I
04-11-77	77-0571	15,624.75	Documented Vessel	Automobile accident also submitted.
04-21-76	77-0393	525.00	Documented Vessel	Convalescence Benefits; No Medical bills
12-15-76	77-0478	75.00	Documented Vessel	
05-25-78	78-0705	53.00		
01-16-78	78-0564	890.00	Documented Vessel	
04-01-78	78-0713	213.50		
10-10-77	78-0644	1,310.40	Documented Vessel	Claim submitted by P&I; Filed late.
04-26-78	78-0728	20.00		
04-20-78	78-0729	19.00		
07-07-77	78-0010	No bills	Documented Vessel	

The Claims itemized above would be eligible for reimbursement from Fishermen's Fund total $10,109.65. However, many of these claims have been paid by Public Health or Protection and Indemnity Insurance and therefore would not be a cost to Fishermen's Fund.

HB 49

FISCAL NOTE

I. REQUEST
Bill/Resolution No. J-77-113-79 HOUSE BILL NO. 49
Title "an Act relating to Fishermen's Fund"
Requested by the Governor Date 12-11-78

II. FISCAL DETAIL
Agency Affected Labor
Program Category Affected Worker Protection
Budget Request Unit(s) Affected Fishermen's Fund

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES						
200	TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300	CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400	COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500	EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600	LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700	GRANTS, CLAIMS, ETC	15.0	35.0	40.0	45.0	50.0	55.0
	TOTAL	15.0	35.0	40.0	45.0	50.0	55.0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify) Sick and Disabled Fishermen's Fund	15.0	35.0	40.0	45.0	50.0	55.0

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Three years ago the Attorney General's Office ruled that the "territorial water" of the state is limited to three miles seaward. In the three years experience approximately $15,000 of claims have been denied by Fishermen's Fund. However, we do not believe this is an accurate history because knowledge of the law has stopped many claims from being filed.

It is our experience that the additional area will bring more large claims as those occurring on the high seas tend to be more serious in nature. Therefore, we are anticipating that the program costs will be $15.0 for the remainder of the FY79 and could rise as much as $35,000 in the FY80 and $5,000 each succeeding year.

No new positions are requested and administrative costs should not increase beyond the inflationary costs.

Funding is provided by the revenue collected from the sale of crewmember fishing licenses and an equal amount from permit holders, titled the Sick and Disabled Fishermen's Fund.

IV. DATE 12-15-78 PREPARED BY Grace H. Wilson
AGENCY Labor-Fishermen's Fund
PHONE 465-2791

(Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (first Legislator Named))

STATE OF ALASKA

Inter-Department Route Slip

TO:
MAIL STATION NUMBER 3100

DEPARTMENT Legislative Affairs

ATTENTION House Resources Committee

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
☐ Contact Me	☐ Return For Approval
☐ Prepare Reply	☐ Necessary Action
☐ For Your File	☐ Your Information

Remarks:

FROM:
MAIL STATION NUMBER _____

DEPARTMENT Labor

BY Judy DuBois DATE 2/5/79

02-002 (REV.10/73)

LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. J-77-113-79
Title "an Act relating to Fishermen's Fund"
Requested by the Governor Date 12-11-78

II. FISCAL DETAIL
Agency Affected Labor
Program Category Affected Worker Protection
Budget Request Unit(s) Affected Fishermen's Fund

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	15.0	35.0	40.0	45.0	50.0	55.0
TOTAL	15.0	35.0	40.0	45.0	50.0	55.0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						
Sick and Disabled Fishermen's Fund	15.0	35.0	40.0	45.0	50.0	55.0

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Three years ago the Attorney General's Office ruled that the "territorial water" of the state is limited to three miles seaward. In the three years experience approximatley $11,000 of claims have been denied by Fishermen's Fund. However, we do not believe this is an accurate history because knowledge of the law has stopped many claims from being filed.

It is our experience that the additional area will bring more large claims as those occurring on the high seas tend to be more serious in nature. Therefore, we are estimating that the program costs will be 15.0 for the remainder of the FY79 and could rise as much as $35,000 in the FY80 and $5,000 each succeeding year.

No new positions are requested and administrative costs should not increase beyond the inflationary costs.

Funding is provided by the revenue collected from the sale of crewmember fishing licenses and an equal amount from permit holders, titled the Sick and Disabled Fishermen's Fund.

IV. DATE 12-15-78 PREPARED BY Grace H. Wilson
AGENCY Labor-Fishermen's Fund
PHONE 465-2792

Comments: Legislative Finance
Budget and Management
Prime Sponsor (If not Legislator Named)

(Rev. 10-78)

HB49

January 15, 1979

Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a bill relating to the fisherman's fund. Under the benefit provisions of the fisherman's fund as they currently exist, AS 23.35.010 - 23.35 150, an injured or disabled fisherman is only entitled to receive benefits if the fishing-related accident leading to his injury or disability occurred ashore in Alaska or within "the territorial waters of the state", which traditionally have been defined as extending only to the three-mile limit. In recognition of the facts that many Alaska-licensed fishermen fish offshore from Alaska but beyond the three-mile limit and that the federal government has now extended its fisheries jurisdiction to 200 miles offshore, I am proposing that AS 23.35.070 be amended to extend benefits to cover fishing-related accidents that occur inside the 200-mile fisheries conservation zone established under the Fishery Conservation and Management Act of 1976, P.L. 94-265.

Sincerely,

S/JSH

Jay S. Hammond
Governor

EMPLOYMENT SECURITY DIVISION
P.O. Box 7-7000
JUNEAU, ALASKA 99801

FOR THE MONTH OF _____ 19____

ALASKA & FEDERAL BENEFIT FUNDS WORK SHEET

DAY	ITEM (Description)	Fm. 1009 No.		DEPOSITS & ADJUSTMENTS			CHECKS ISSUED			BPA'S CHARGES			DAILY BALANCES (Close of Office Hours)		
	Beginning Balances	CKS.	BPA	UCFE-X	UI	TOTAL	UCFE-X	UI	TOTAL	UCFE-X	UI	TOTAL	UCFE-X	UI	TOTAL
		XXXX	XXXX	XXXXXXXX	XXXXXXX	XXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX	XXXXXXXX			
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Rep. Osterbeck

Form 1450
R 5/72

HB
81

(9)

COMMITTEE REPORT

HOUSE

FURTHER:

Date: 3/3/79

1-24-79

Mr. Speaker:

The Committee on RESOURCES has had HB 61

"An Act relating to trapping license receipts; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB81	465-4100	Dept. of Fish and Game	2/8/79
		Don McKnight to testify	(NOT TAKEN UP 2/8)
	2/9	Fish and Game - Paula	2/13/79
	2/9	Governor's Office - Rebecca Engen	2/13/79

12027 NL FAIRBANKS ALASKA 59 1979 FEB 7 459P AST 7 23

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6444
JUNEAU, ALASKA 9802

PMS REP AL OSTERBACH

JUN

THE INTERIOR ALASKA TRAPPERS ASSOCIATION STRONGLY SUPPORTS HB81, WHICH WE UNDERSTAND WILL DEVERT FUNDS DERIVED FROM TRAPPING LICENSES FROM THE PERMANENT FUNDS TO THE FISH AND GAME FUND. OUR MEMBERSHIP HAS PASSED RESOLUTIONS ANNUALLY IN SUPPORT OF SIMILAR LEGISLATION. IT IS APPROPRIATE THAT THESES MONIES SHOULD HELP THE STATE OBTAIN FEDERAL MATCHING FUNDS TO AID WILDLIFE

PETE BUIST PRESIDENT OF THE INTERIOR ALASKA TRAPPERS ASSOCIATION

January 23, 1979

Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill which would require that license fee receipts from the sale of trapping licenses be deposited in the Fish and Game Fund.

Receipts from trapping license sales generally go into the General Fund rather than the Fish and Game Fund. Apparently, this practice stemmed from a belief that the federal Pittman/ Robertson Act applied only to hunting, and not trapping, licenses.

However, an analysis of the Act demonstrates a concern with game management and conservation rather than the nuances of any distinction between "hunting" and "trapping." The term "hunting" is not even defined in the Act. Consequently, it appears that it would be permissible to permit trapping license fee receipts to be deposited into the Fish and Game Fund, and that a statutory provision to that effect would not be an unconstitutional dedicated fund (art. IX, sec. 7, Alaska Constitution).

Past failure to include trapping license fees is illogical. The difference between hunting and trapping is established only by regulation governing methods and means, and can be modified by the Board of Game at any time. Many species of game which can be taken under hunting regulations may also be taken under trapping regulations. Moreover, several existing management and research programs carried out with Pittman/Robertson and Fish and Game Fund money are directed at furbearers of primary interest to the trapping constituency.

This legislation would provide an additional $36,000 in the form of trapping license fee receipts to be included in the Fish and Game Fund. I urge enactment of this legislation.

Sincerely,

S/JSH

Jay S. Hammond
Governor

12227 NL FAIRBANKS ALASKA 59 1973 FEB 7 455P AST 7 23

PMS REP AL OSTERBACH

JUN

THE INTERIOR ALASKA TRAPPERS ASSOCIATION STRONGLY SUPPORTS HB81, WHICH WE UNDERSTAND WILL DEVERT FUNDS DERIVED FROM TRAPPING LICENSES FROM THE PERMANENT FUNDS TO THE FISH AND GAME FUND. OUR MEMBERSHIP HAS PASSED RESOLUTIONS ANNUALLY IN SUPPORT OF SIMILAR LEGISLATION. IT IS APPROPRIATE THAT THESES MONIES SHOULD HELP THE STATE OBTAIN FEDERAL MATCHING FUNDS TO AID WILDLIFE

PETE RUIST PRESIDENT OF THE INTERIOR ALASKA TRAPPERS ASSOCIATION

TELEGRAM
RCA ALASKA COMMUNICATIONS, INC.
JUNEAU, ALASKA

HB

83

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB 83	2/9/79 465-4100	Fish & Game Dept. - Paula	2/13/79
	2/9 465-2300	Dept. of Revenue - John Messenger, Taxation Commissioner (To bring fiscal note)	2/13/79
	2/9 465-4950	Rep. Bettisworth (bill sponsor)	2/13/79
	2/9 465-3879	Rep. Eliason (bill sponsor)	2/13/79
	2/9 465-3879	Rep. Haugen (bill sponsor)	2/13/79
	2/9 465-4911	Rep. Branson (bill sponsor)	2/13/79
	2/9 465-4959	Rep. O'Connell (bill sponsor)	2/13/79

04-D3LH

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S – JUNEAU 99811

February 12, 1979

The Honorable Alvin Osterback
Co-Chairman
House Resources Committee
Room 118 - Capitol Building
Juneau, Alaska

Re: House Bull No. 83

Dear Mr. Osterback:

House Bill No. 83, an Act relating to the raw fish tax, was introduced in the House on January 25, 1979 and was referred to the House Resources and Finance Committees. The bill was given a further referral on January 30, 1979 to the House Community and Regional Affairs Committee.

For the consideration of the House Resources Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Phil Wall, Director, Administrative Services Division, Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

cc: The Honorable Bill Miles
Co-Chairman
House Resources Committee

The Honorable Bill Parker
Chairman
House Community & Regional Affairs Committee

The Honorable Russ Meekins
Chairman
House Finance Committee

John Messenger
Acting Commissioner
Department of Revenue

Phil Wall, Director
Administrative Services Division
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 83

Title Raw Fish Tax

Requested by House Resources Committee Date 1/25/79

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected Development

Budget Request Unit(s) Affected Shared Taxes

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	(2,000.0)	(2,000.0)	(2,000.0)	(2,000.0)	(2,000.0)	(2,000.0)
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

There is no additional cost to administer the Bill. The General Fund will decrease in the amount shown as the additional raw fish tax revenue is shared.

IV. DATE 2/13/79 PREPARED BY P. A. Wall

AGENCY Revenue

PHONE 465-2313

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33 (6)1 (Rev. 10/78)

18 A CONTINUED

FY 80

Fisheries Tax

Cities	FY 77 Actual	Actual FY 77 @ 30%	FY 78 Actual	Actual FY 78 @ 30%	FY 79 Authorized	Est. FY 79 @ 30%	FY 80 Request	Est FY 80 @ 30%
Cordova	86477	259,431	111791	335,373	69500	208,500	89988	269,964
Craig	4260	12,780	3273	9,819	5000	15,000	4433	13,299
Dillingham	29669	89,007	32792	98,376	30000	90,000	30874	92,622
Fairbanks	15	45	3	9	15	45	16	48
Haines	-0-	-0-	5	15	-0-	-0-	-0-	-0-
Hoonah	1952	5,856	2249	6,747	2000	6,000	2031	6,093
Homer	2697	8,091	6475	19,425	2000	6,000	2806	8,418
Hydaburg	1659	4,977	1564	4,692	2000	6,000	1726	5,178
Kake	391	1,173	-0-	-0-	500	1,500	407	1,221
Kenai	35639	106,917	34010	102,030	30000	90,000	37086	111,258
Ketchikan	14860	44,580	27290	81,870	15000	45,000	15463	46,389
King Cove	85810	257,430	11593	34,779	80000	240,000	89294	267,882
Klawock	10858	32,574	22716	68,148	10000	30,000	11299	33,897
Kodiak	74439	223,317	98465	295,395	70000	210,000	77461	232,383
Nenana	92	276	79	237	100	300	96	288
Pelican	12447	37,341	13153	39,459	12000	36,000	12952	38,856
Petersburg	36904	110,712	99651	298,953	35000	105,000	38402	115,206
Seldovia	1233	3,699	1151	3,453	1000	3,000	1283	3,849
Seward	21220	63,660	26350	79,050	20000	60,000	22081	66,243
St. Marys	-0-	-0-	235	705	-0-	-0-	-0-	-0-
Unalaska	101417	304,251	154901	464,703	90000	270,000	105534	316,602
Valdez	-0-	-0-	5	15	-0-	-0-	-0-	-0-

AGENCY Revenue BRU Shared Taxes COMPONENT Fisheries Tax DATE REVISED

CONTINUED

page 1 of 2 pages, Form

Fisheries Tax (Con't.)

Cities	FY 77 Actual	Actual FY 77 @ 30%	FY 78 Actual	Actual FY 78 @ 30%	FY 79 Authoriz	Est. FY 79 @ 30%	FY 80 Request	Est. FY 80 @ 30%
Wrangell	6482	19,446	11571	34,713	5000	15,000	6745	20,235
Yakutat	1227	3,681	1456	4,368	2000	6,000	1277	3,831
Total Cities	529748	1,589,244	661279	1,983,837	481115	1,443,345	551254	1,653,762
Boroughs								
North Star	15	45	3	9	100	300	16	48
Anchorage	25367	76,101	40525	121,575	35000	105,000	26397	79,191
Bristol Bay	93101	279,303	92881	278,643	100000	300,000	96881	290,643
Fairbanks	-0-	-0-	-0-	-0-	100	300	-0-	-0-
Haines	4669	14,007	35467	106,401	6000	18,000	4859	14,577
Juneau	7054	21,162	8159	24,477	10000	30,000	7340	22,020
Kenai	68248	204,744	133925	401,775	75000	225,000	71019	213,057
Ketchikan	34018	102,054	81946	245,838	40000	120,000	35399	106,197
Kodiak	251716	755,148	182348	547,044	232685	698,055	261968	785,904
Mat-Su	-0-	-0-	-0-	-0-	10000	30,000	-0-	-0-
Sitka	5734	17,202	8289	24,867	10000	30,000	5967	17,901
Total Boroughs	489923	1,469,766	583541	1,750,632	518885	1,556,655	509846	1,529,538
Total Cities & Boroughs	1019670	3,059,010	1244821	3,734,469	1000000	3,000,000	1061100	3,183,300

AGENCY Revenue DIV Shared Taxes COMPONENT Fisheries Tax DATE REVISED

CONTINUED

page 2 of 2 pages, Form

02-1022

(Rev. 5/79)

HB

87

(9)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE added 1/29/79

January 29, 1979 Date: _____

Mr. Speaker:

The Committee on RESOURCES has had HB 87

"An Act making a special appropriation to the Legislative Council for the purpose of conducting a study relating to the extent of foreigh 'nvestment in Alaska's fisheries; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____ CHAIRMAN

H 60 (Rev. 12/78)

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB87	465-4100	Dept. of Fish and Game	2/6/79
	465-3500	Governor's Office International Fisheries	2/6/79
	465-4918	John Williams - Leg Aff. Agency	2/6/79
	465-2500	Commerce Dept. - Dick Eakins Dir. of Div. of Economic Enterprise to testify	

HB

128

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING L
HB 128	2/9 465-4100	Fish and Game Dept. - Paula	2/15/79
	2/9 465-3738	Rep. Nels Anderson (bill sponsor)	2/15/79
	2/12 465-4940	Rep Peggy Moss (Tok's Rep.)	2/15/79
	2/12 465-4964	Rep. Mike Miller (Juneau's Rep.)	2/15/79
	2/12 465-3818	Rep. Jim Duncan (Juneau's Rep)	2/15/79
			Not heard on 2/15 at request of Nels Anderson

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSHB 728
Title An Act making a supplemental appropriation to the Department of Fish & Game
Requested by House Resources Committee Date 2/27/79

II. FISCAL DETAIL
Agency Affected Department of Fish & Game
Program Category Affected Natural Resources
Budget Request Unit(s) Affected Subsistence Section

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES	59.4	245.5	260.2	275.8	292.4	309.9
200	TRAVEL	12.0	48.0	50.9	53.9	57.2	60.6
300	CONTRACTUAL	12.9	51.8	54.9	58.2	61.7	65.4
400	COMMODITIES	3.5	13.8	14.6	15.5	16.4	17.4
500	EQUIPMENT	3.2	13.0	13.8	14.6	15.5	16.4
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	91.0	372.1	394.4	418.0	443.2	469.7

FUNDING (Thousands of Dollars)

	91.0	372.1	394.4	418.0	443.2	469.7
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME	8	8	8	8	8	8
PART TIME						
TEMPORARY	2	2	2	2	2	2

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

ANCHORAGE AND FAIRBANKS REGIONAL OFFICES

FY '79

100 Personal Services

2 Range 20 Resource Specialist with benefits - 3 months	=	$ 20,086
2 Clerk Typists with benefits - 3 months	=	8,678
		$ 28,764
200 Travel similar to other parts of section - 3 months	=	$ 4,500
300 Contractual Services similar to other expenditures	=	$ 3,950
400 Commodities similar to other parts of section	=	$ 1,450
500 Equipment similar to other parts of section	=	$ 1,250
Subtotal	=	$ 39,914

IV. DATE March 1, 1979 PREPARED BY Lowell S. Clark
AGENCY Department of Fish & Game
PHONE 465-4120

Original Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
Keith Specking, Office of the Governor
33-001 (Rev. 10/78) File

(Continued)

TOK AND JUNEAU SUBSISTENCE OFFICES

FY '79

100	Personal Services		
	2 Resource Specialist II's with benefits - 3 months	=	$ 14,974
	2 Fish & Game Technician III's with benefits - 3 months	=	10,505
	Same level of support as other areas	=	5,117
			$ 30,596
200	Travel - will be comparable with other parts of the section 3 months	=	$ 7,500
300	Contractual Services - cost will be comparable with other parts of the section - 3 months	=	$ 9,000
400	Commodities - will be comparable to other parts of the section	=	$ 2,000
500	Equipment - $500 per person to start up	=	$ 2,00
	Subtotal	=	$ 51,096
	FY '79 TOTAL	=	$ 91,010

REGIONAL OFFICES

FY '80

100 - 500	All costs from budget increment		
100	Personal Services	=	$ 123.1
200	Travel	=	18.0
300	Contractual Services	=	15.8
400	Commodities	=	5.8
500	Equipment	=	5.0
	Subtotal	=	$ 167.7

TOK AND JUNEAU

FY '80

100 - 500	All costs extended for full year		
100	Personal Services	=	$ 122.4
200	Travel	=	30.0
300	Contractual Services	=	36.0
400	Commodities	=	8.0
500	Equipment	=	8.0
	Subtotal	=	$ 204.4
	FY '80 TOTAL	=	$ 372.1

Inflation at 6% straightline for remaining years

(7)

COMMITTEE REPORT

HOUSE

FURTHER: RESOURCES
THEN FINANCE

February 13, 1979 Date: _____

Mr. Speaker:

The Committee on SPECIAL COMMITTEE ON SUBSISTENCE has had HB 128.

"An Act making a supplemental appropriation to the Department of Fish and Game; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for HB 128 [X] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [X] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Joe I Hayes
Fred E. Shamett Do Pass
Mike O. Anderson Jr.
Joe Hollen

MEMBERS HAVING
OTHER RECOMMENDATIONS:

John S Jackson
CHAIRMAN

H 60 (Rev. 12/78)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. COMMITTEE SUBSTITUTE HOUSE BILL NO. 128
Title Dealing with supplemental appropriation for subsistence section
Requested by Legislative Affairs Agency Date 2-13-79

II. FISCAL DETAIL
Agency Affected Department of Fish and Game
Program Category Affected Natural Resources
BRU, Program, or Subprogram(s) Affected Subsistence Section
(Note: If more than one budget component is affected separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES	55.5					
200 TRAVEL	12.1					
300 CONTRACTUAL	13.0					
400 COMMODITIES	7.8					
500 EQUIPMENT	7.0					
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL	95.4					

FUNDING (Thousands of Dollars)

GENERAL FUND	95.4					
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	8					
PART TIME	0					
TEMPORARY	0					

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
SUBSISTENCE SECTION FIELD OFFICE JUNEAU AND TOK AND REGIONAL OFFICES IN ANCHORAGE AND FAIRBANKS

100 Personal Services FY '79

Assume - 2 Resource Specialists II for 3 months	$14,606
2 Fish and Game Technicians III for 3 months	10,098
2 Resource Specialists IV for 3 months and 2 clerk typists III for 3 months	30,800
	$ 55,504

200 Travel FY '79

Assume - Travel will be comparable with other positions in this section for 3 months	$ 12,100
	$ 12,100

IV. DATE 1-13-79 PREPARED BY Representative Jack Fuller
AGENCY Special Subsistence Committee
PHONE 465-3891

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/78)

III. AN^'' continued

300	Cc ervices FY '79 s similar to that of other parts of the Section	$13,000 $ 13,000
400	Commodities FY '79 Expenses will similar to that of other parts of the Section	$ 7,800 $ 7,800
500	Equipment FY '79 start-up expenses with some additional start-up in FY '80	$ 7,00

FY '80 All Line Items

Assume — Continuation and inflation for all items for full year of operation.

All inflation at 6%

ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HOUSE BILL NO. 128
Title Not specified Dealing with supplemental for Subsistence Section
Requested by Legislative Affairs Agency Date 12/12/78

II. FISCAL DETAIL
Agency Affected Department of Fish and Game
Program Category Affected Natural Resources
Budget Request Unit(s) Affected Subsistence Section

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES	40.4	120.6	127.8	135.5	143.6	152.2
200 TRAVEL	10.0	31.8	33.7	35.7	37.8	40.1
300 CONTRACTUAL	12.0	38.2	40.5	42.9	45.5	48.2
400 COMMODITIES	2.0	6.4	6.8	7.2	7.6	8.1
500 EQUIPMENT	2.0	12.1	2.2	2.3	2.4	2.5
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	66.4	209.1	211.0	223.6	236.9	251.1

FUNDING (Thousands of Dollars)

GENERAL FUND	66.4	209.1	211.0	223.6	236.9	251.1
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME	4	4	4	4	4	4
PART TIME						
TEMPORARY	2	2	2	2	2	2

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

FOR ALL SUBSISTENCE OFFICES

100 Personnel Services FY '79

Assume -	2 Resource Specialist II's for 4 months	$ 19,476
-	2 Fish and Game Technician III's for 4 months	13,464
-	Temporary clerical support for 6 months/ 3 mo. each	7,488
	TOTAL	$ 40,428

200 Travel FY '79

Assume -	Travel will be comparable with other positions in this section for 4 months	$ 10,000
	TOTAL	$ 10,000

300 Contractual Services FY '79

Assume -	Expenses will be similar to that of other parts of the Section	$ 12,000
	TOTAL	$ 12,000

(cont'd

IV. DATE 1/4/79 PREPARED BY [illegible]
AGENCY Dept of Fish and Game
PHONE 1465-4120

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (Last legislation Passed)

30 001 (Rev. 10/78)

III. ANALYSIS (continued)

400 Commodities FY '79

Assume	–	Expenses will be similar to that of other parts of the section	$ 2,000
		TOTAL	$ 2,000

500 Equipment FY '79

Assume	–	Require 500 per person to start with additional start-up costs in FY '80	$ 2,000
		TOTAL	$ 2,000

FY '80 All Line Items

Assume – Continuation and inflation for all items for full year of operation. Equipment for FY '80 contains 10,000 for special equipment for Section, amount reverts to continuation in FY '81.

* All Inflation at 6%

ALASKA STATE LEGISLATURE

SEVENTH Legislature FIRST Session

HOUSE BILL NO. 128

By ANDERSON

"An Act making a supplemental appropriation to the Department of Fish and Game; and providing for an effective date."

Department of Fish & Game

Introduced in the House 2-6, 19 79

HISTORY IN THE HOUSE

19 79

Feb. 6 Read first time and referred to Committee on Resources and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effecti e Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:
VOTE

Failed to concur in Senate amendment; asked Senate to recede
VOTE

Senate receded from amendment
VOTE

Senate failed to recede from amendment
VOTE

CC appointed by House

CC appointed by Senate

CC adopted by House
VOTE

CC adopted by Senate
VOTE

To enrolling
Reported correctly enrolled
Sent to Governor

by Governor

Filed with Lt. Governor

Chapter No.

HB

133

(9)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

February 6, 1979 Date: _____

Mr. Speaker:

The Committee on RESOURCES has had HB 133

"An Act making a special appropriation to the Department of Fish and Game to establish a resident fisheries biologist position in the Dillingham/Naknek area; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[✓] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____ CHAIRMAN

H 60 (Rev. 12/78)

HB 133

Alaska State Legislature

House

JUNEAU ALASKA

May 1, 1978

TO: SENATOR GEORGE HOHMAN

FROM: REPRESENTATIVE NELS A. ANDERSON, JR.

SUBJECT: FISHERIES BIOLOGIST FOR BRISTOL BAY

In our continuting efforts to bring research and management closer to the areas served, it is imperative that the field workers on projects be stationed in the area where research is being conducted. The Arctic Char Predation project is an example of having personnel stationed in the area served.

The predation suppression program must be managed from Bristol Bay since the project needs year round attention. Moving personnel out of the area does not serve any useful purpose other than impede research at considerable non-productive cost.

Predation suppression, utilizing non-lethal methods, is a program that other areas could adopt as a model for saving salmon smolt as they migrate from their spawning streams.

The need to station Bristol Bay research personnel in Anchorage doesn't make sense. Data for computer analysis can be transmitted telephonically. Furthermore, the Bristol Bay area manager is currently understaffed.

There is a critical need to address the predation suppression program as well as the proposed Togiak herring fishery.

The Togiak herring commercial fishery is not researched to determine safe harvest quotas. Additional biological information must be acquired before major damage is done to the herring stock in Bristol Bay.

I believe that additional staff is needed and there is sufficient work for staff research in Bristol Bay.

Resolution From Nushagak Advisory Committee
to
State Board of Fisheries

Re: Creation of a Special Bering Sea Herring Budget.

Whereas: The Bering Sea Herring Fishery is a rapidly expanding industry with hundreds of participants; and

Whereas: The managers of this fishery are devoting time and budget dollars that were formerly invested in our valuable salmon fishery; therefore

Be It Now Resolved: That we of the Nushagak Advisory Committee respectfully request that special funding be established on a first priority basis for a Bering Sea Herring Research/Management Staff with an adequate budget to provide for best utilization of this valuable resource.

Signed: Leon C Braswell
Leon C. Braswell, Chairman
Nushagak Advisory Committee

Date: 22 Nov 78

cc: Representative Nels A. Anderson, Jr.
Commissioner Skoog
Governor Hammond

Resolution From Nushagak Advisory Committee
to
State Board of Fisheries

Re: Emergency Funding for 1979 Bering Sea Herring Research/Management

Whereas: It has come to our attention that the proposed budget for management of the Bering Sea Herring Fishery in the 1979 spring season was cut from the Fish and Game budget; and

Whereas: The money for this management effort will have to be pulled from the salmon budget; therefore

Be It Now Resolved: That we, of the Nushagak Advisory Committee, respectfully request that emergency funds be specifically appropriated to cover any and all expenses needed to adequately monitor this valuable resource. We recognize the budget limitations that have already been placed on the Department as a whole and feel it is not in the best interest of the salmon or herring resources to further squeeze an already tight budget to monitor a new and developing fishery.

Signed: Leon C. Brasvell
Leon C. Brasvell, Chairman
Nushagak Advisory Committee

Date: 22 Nov 78

cc: Representative Nels A. Anderson, Jr.
Commissioner Skoog
Governor Hammond

ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 133
Title An Act making a special appropriation to the Department of Fish & Game
Requested by House Resources Committee Date 2/14/79

II. FISCAL DETAIL.
Agency Affected Department of Fish and Game
Program Category Affected Natural Resources
Budget Request Unit(s) Affected Commercial Fisheries

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		31.6	33.5	35.5	37.6	39.9
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT		.5	.5	.6	.6	.6
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		32.1	34.0	36.1	38.2	40.5

FUNDING (Thousands of Dollars)

GENERAL FUND		32.1	34..	36.1	38.2	40.5
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME		0	0	0	0	0
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- Assume Biologist I, range 14, Dillingham
  FY '80 budget year salary 31.6
  Necessary supporting equipment .5
  TOTAL 32.1
  Inflation straight line 6%

IV. DATE 2/15/79 PREPARED BY Russell H. Clark
AGENCY Department of Fish and Game
PHONE 465-4170

Original Legislative Finance
cc. Budget and Management
Prime Sponsor (Last Legislative Period)
Keith Sperkins, Office of the Governor
33 001 (Rev. 10/78)
File

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB 133	2/9 465-4100	Fish and Game Dept. - Paula	2/15/79
	2/9 465-3738	Nels Anderson (bill sponser)	2/15/79

HB
136

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB 136	2/9 465-4100	Fish & Game Dept. - Paula	2/15/79
	2/9 465-3738	Rep. Nels Anderson (bill sponsor)	2/15/79

COMMITTEE REPORT

HOUSE

FURTHER: FINANCES

ary 6, 1979 Date: Feb 15, 1979

Speaker:

Committee on RESOURCES has had HB 136

"An Act making a special appropriation to the Department of Fish and Game for purchase of a sonar fish counter at Nushagak; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[✓] replace with CS for _____ [ ] same title [✓] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____ CHAIRMAN

H 60 (Rev. 12/78)

Rec'd 5/17/78.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER / *SUBPORT BUILDING – JUNEAU 99801*

May 17, 1978

3 years retired

The Honorable Nels A. Anderson
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Anderson:

In response to your telephone conversation with Commissioner Skoog this morning, I am enclosing a copy of the Proposal for Nushagak River Counters per your request.

Should you need further information, please don't hesitate to let us know.

Sincerely,

Carl A. Rosier

Carl A. Rosier
Acting Deputy Commissioner

BRISTOL BAY NATIVE ASSOCIATION
P. O. BOX 179
DILLINGHAM, ALASKA 99576
PHONE (907) 842-5257

December 1, 1978

The Honorable Jay Hammond
Governor of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

As you well know, the salmon fishery is practically the only source of income for Bristol Bay residents. We are highly dependent on the effective and accurate management of this resource for our livelihood. For this reason our local management offices must have adequate funding.

We are requesting that $110,000 be put into capital budget for sonar equipment for the Nushagak fishery. This is not the first request that has been budgeted but other requests have been cut. Sonar equipment is something we desperately need in order to have an idea of the status of our fishery.

Herring is a growing fishery in the Bay and sure needs to be managed adequately. During the past season, it was managed by our salmon managers without any additional funds. This can not continue as it will result in poor management for both the salmon and herring.

It is imperative that the administration of the State of Alaska secure adequate funding for accurate and effective management of these two natural resources.

Sincerely yours,

BRISTOL BAY NATIVE ASSOCIATION, INC.

Kay E. Larson

(Mrs.) Kay E. Larson
Deputy Director

KEL/mc

cc: Representative Nels Anderson, Jr.

Enclosure

BRISTOL BAY NATIVE ASSOCIATION
P.O. Box 179
Dillingham, Alaska 99576
By Executive Committee

SALMON COUNTING

RESOLUTION NO. 79-01

WHEREAS, Most of the residents of Bristol Bay depend on the salmon industry as their only source of income; and

WHEREAS, The Nushagak River is one of the main tributories of Bristol Bay and is highly valuable as a salmon spawning ground; and

WHEREAS, There has been a cut back of Japanese commercial fishing activities which will affect the return of salmon to Bristol Bay and, thereby will greatly increase the need for the return to be accurately and speedily monitored and recorded; and

WHEREAS, An overescapement is possible and could adversely affect the salmon; and

WHEREAS, The Alaska Department of Fish and Game regulates activity in this commercial fishery and makes on-site and immediate decisions pertaining to allowable fishing times which affect local economy for an entire year and propagation the species. and

WHEREAS, The use of sonar equipment in the murky water of the lower Nushagak River will give faster and more accurate information as a basis for making these decisions.

NOW THEREFORE BE IT RESOLVED by the Executive Committee of Bristol Bay Native Association that the Alaska State Legislature appropriate special funding for the needed sonar system to be installed on the lower end of the Nushagak River; and

BE IT FURTHER RESOLVED by the Executive Committee that Alaska Department of Fish and Game receive regular funding to operate their counting towers with reliable personnel and for the needed length of time.

SIGNED Wayne F. Schroeder

CERTIFICATION:

I, the undersigned secretary of said Association, do hereby certify that the Executive Committee's composed of five (5) members, of whom 4 were present at a meeting this 10th day of October, 1978, and that the foregoing resolution was adopted by the affirmative vote of 4 members.

Secretary

#B136

PROPOSAL FOR NUSHAGAK RIVER COUNTERS
Alaska Department of Fish and Game

INTRODUCTION

Sockeye salmon passing through the Nushagak Fishing district enter several trunk spawning streams where they are enumerated by Alaska Department of Fish and Game biologists through aerial surveys and/or counting towers. The accurate and prompt enumeration of salmon escaping the commercial fisheries is essential for efficient management of the various stocks contributing to the Nushagak district salmon runs. At present the Department operates visual counting stations in all of the major salmon producing river systems in the Nushagak district except in the main Nushagak river. Accurate enumeration of the escapement into the main Nushagak River has posed a special problem in past years with muddy water frequently interfering with visual counting operations. In some years, poor counting conditions have prevented biologists from obtaining any reasonable estimate of escapement at the tower sites. Due to the problems encountered, the Department closed the main Nushagak River counting tower camp in 1977 and initiated a post season aerial survey project to assess the escapement. Obviously this escapement information does not provide the prompt in-season data that is required to effectively manage the stocks returning to that system.

Sockeye salmon returning to the Nuyakuk River, a tributary of the main Nushagak River, are counted visually at the tower site down streamof the outlet of the Tikchik lakes where water clarity is acceptable. Unfortunately due to the length of the migration route, up the main Nushagak River and Nuyakuk Rivers the sockeye salmon usually take up to 14 days to move from the fishing district up to the counting tower. This delay in escapement enumeration presents a problem in effective management of the stocks.

This situation could be greatly improved if early enumeration of all salmon entering the lower portion of the main Nushagak River could be accomplished. As stated earlier, visual counting techniques are not suitable.

Side scanning sonar now presents another option to visual enumeration of migrating salmon. The equipment recently developed by the Bendix Corporation while under contract to the Department of Fish and Game consists of a single accoustic transducer positioned in the river in a manner to allow a narrow sonar beam to scan across the channel. The acoustic ecohes received by the transducer are processed by a shore based electronic control unit with salmon counts registered and printed at regular intervals. Side scanning sonar units are now in use in the Cook Inlet and Arctic-Yukon-Kuskokwim Rivers with good success where water conditions prevent visual counting.

OBJECTIVES

This proposal requests two side scanning sonar units and one year project operational costs to initiate a sonar escapement enumeration project on the lower portion of the main Nushagak River. The primary objective of this project would be to obtain an accurate in-season estimate of the daily passage of salmon migrating up the main Nushagak River. Second, our objectives would be to obtain samples from the migrating salmon to access the age class composition and stock identity through scale pattern analysis techniques.

PROJECT NARRATIVE

The Nushagak River sonar project will be the responsibility of the Bristol Bay research project leader, Division of Commercial Fisheries. One temporary fishery biologist I will act as crew leader over three temporary fishery technicians. Field supervision of the project will be shared by the research project leader and his assistant.

The funding requested in this proposal will allow the field operations to begin June 10 and continue through to late August. This time schedule should allow sufficient time for site location, camp set up and gear installation prior to any significant passage of migrating salmon. The August termination date should similarly provide enough time to enumerate the Nushagak River pink salmon stocks which follow the king and sockeye salmon runs.

Beach seining will be conducted concurrently with the sonar enumeration to provide scale samples for species composition, age class composition and stock separation. Seasonal total escapement data obtained from the sonar project will be compared to aerial survey escapement estimates flown after the season and visual counts recorded at the Nuyakuk River tower station. Depending on the site selected for the sonar enumeration, it may be possible on some occasions to directly compare sonar counts to visual counts when water conditions are suitable.

In addition to in-season applications, escapement data obtained from the project will be incorporated into the Bristol Bay catch and escapement data files and used with other data to evaluate optimum escapement levels for the salmon stock involved and to forecast future salmon runs.

Cost Analysis:

Line 100

1 FB I Temp. 6/10 - 8/20	3.9
3 FT III Temp. 6/10 - 8/20 with O.T.	16.1
	20.0

Line 200

Travel 4 round trips-Anch. - Dillingham	.5
Subsistence 16 days in Dillingham	.3
	.8

Line 300

Air charter 10 hours at $110/hr.	1.1
Air freight	.5
Bendix contract for 2 side scanners	64.7
	66.3

Line 400

Food, clothing	1.8
Camp gear, sampling equipment	1.3
Outboard gas, fuel, propane	.7
	3.8

Line 500

18' heavy guage metal river boat	2.9
70 hp. outboard motor	1.3
12' metal riverboat	1.8
25 hp. outboard motor	.6
Radio	1.2
Oscilloscope, single trace, AC/DC	1.2
	9.0

TOTAL	99.9

BRISTOL BAY NATIVE ASSOCIATION
P. O. BOX 179
DILLINGHAM, ALASKA 99576
PHONE (907) 842-5322

December 1, 1978

The Honorable Jay Hammond
Governor of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

As you well know, the salmon fishery is practically the only source of income for Bristol Bay residents. We are highly dependent on the effective and accurate management of this resource for our livelihood. For this reason our local management offices must have adequate funding.

We are requesting that $110,000 be put into capital budget for sonar equipment for the Nushagak fishery. This is not the first request that has been budgeted but other requests have been cut. Sonar equipment is something we desperately need in order to have an idea of the status of our fishery.

Herring is a growing fishery in the Bay and sure needs to be managed adequately. During the past season, it was managed by our salmon managers without any additional funds. This can not continue as it will result in poor management for both the salmon and herring.

It is imperative that the administration of the State of Alaska secure adequate funding for accurate and effective management of these two natural resources.

Sincerely yours,

BRISTOL BAY NATIVE ASSOCIATION, INC.

Kay E. Larson

(Mrs.) Kay E. Larson
Deputy Director

KEL/mc

cc: Representative Nels Anderson, Jr.

Enclosure

BRISTOL BAY NATIVE ASSOCIATION
P.O. Box 179
Dillingham, Alaska 99576
By Executive Committee

SALMON COUNTING

RESOLUTION NO. 79-01

WHEREAS, Most of the residents of Bristol Bay depend on the salmon industry as their only source of income; and

WHEREAS, The Nushagak River is one of the main tributories of Bristol Bay and is highly valuable as a salmon spawning ground; and

WHEREAS, There has been a cut back of Japanese commercial fishing activities which will affect the return of salmon to Bristol Bay and, thereby will greatly increase the need for the return to be accurately and speedily monitored and recorded; and

WHEREAS, An overescapement is possible and could adversely affect the salmon; and

WHEREAS, The Alaska Department of Fish and Game regulates activity in this commercial fishery and makes on-site and immediate decisions pertaining to allowable fishing times which affect local economy for an entire year and propagation the species; and

WHEREAS, The use of sonar equipment in the murky water of the lower Nushagak River will give faster and more accurate information as a basis for making these decisions.

NOW THEREFORE BE IT RESOLVED by the Executive Committee of Bristol Bay Native Association that the Alaska State Legislature appropriate special funding for the needed sonar system to be installed on the lower end of the Nushagak River; and

BE IT FURTHER RESOLVED by the Executive Committee that Alaska Department of Fish and Game receive regular funding to operate their counting towers with reliable personnel and for the needed length of time.

SIGNED Wayne F. Shroeder

CERTIFICATION:

I, the undersigned secretary of said Association, do hereby certify that the Executive Committee's composed of five (5) members, of whom 4 were present at a meeting this 12th day of October, 1978, and that the foregoing resolution was adopted by the affirmative vote of 4 members.

Secretary

HB136

PROPOSAL FOR NUSHAGAK RIVER COUNTERS
Alaska Department of Fish and Game

INTRODUCTION

Sockeye salmon passing through the Nushagak Fishing district enter several trunk spawning streams where they are enumerated by Alaska Department of Fish and Game biologists through aerial surveys and/or counting towers. The accurate and prompt enumeration of salmon escaping the commercial fisheries is essential for efficient management of the various stocks contributing to the Nushagak district salmon runs. At present the Department operates visual counting stations in all of the major salmon producing river systems in the Nushagak district except in the main Nushagak river. Accurate enumeration of the escapement into the main Nushagak River has posed a special problem in past years with muddy water frequently interfering with visual counting operations. In some years, poor counting conditions have prevented biologists from obtaining any reasonable estimate of escapement at the tower sites. Due to the problems encountered, the Department closed the main Nushagak River counting tower camp in 1977 and initiated a post season aerial survey project to assess the escapement. Obviously this escapement information does not provide the prompt in-season data that is required to effectively manage the stocks returning to that system.

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OBJECTIVES

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The funding requested in this proposal will allow the field operations to begin June 10 and continue through to late August. This time schedule should allow sufficient time for site location, camp set up and gear installation prior to any significant passage of migrating salmon The August termination date should similarly provide enough time to enumerate the Nushagak River pink salmon stocks which follow the king and sockeye salmon runs.

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Cost Analysis:

Line 100

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3 FT III Temp. 6/10 - 8/20 with O.T.	16.1
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18' heavy guage metal river boat	2.9
70 hp. outboard motor	1.3
12' metal riverboat	1.8
25 hp. outboard motor	.6
Radio	1.2
Oscilloscope, single trace, AC/DC	1.2
	9.0

TOTAL	99.9

BRISTOL BAY NATIVE ASSOCIATION
P. O. BOX 1 8
DILLINGHAM, ALASKA 99576
PHONE (907) 842-5257

December 1, 1978

The Honorable Jay Hammond
Governor of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Hammond:

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Sincerely yours,

BRISTOL BAY NATIVE ASSOCIATION, INC.

Kay E. Larson

(Mrs.) Kay E. Larson
Deputy Director

KEL/mc

cc: Representative Nels Anderson, Jr.

Enclosure

BRISTOL BAY NATIVE ASSOCIATION
P.O. Box 179
Dillingham, Alaska 99576
By Executive Committee

SALMON COUNTING

RESOLUTION NO. 79-01

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WHEREAS, The Nushagak River is one of the main tributories of Bristol Bay and is highly valuable as a salmon spawning ground; and

WHEREAS, There has been a cut back of Japanese commercial fishing activities which will affect the return of salmon to Bristol Bay and, thereby will greatly increase the need for the return to be accurately and speedily monitored and recorded; and

WHEREAS, An overescapement is possible and could adversely affect the salmon; and

WHEREAS, The Alaska Department of Fish and Game regulates activity in this commercial fishery and makes on-site and immediate decisions pertaining to allowable fishing times which affect local economy for an entire year and propagation the species; and

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NOW THEREFORE BE IT RESOLVED by the Executive Committee of Bristol Bay Native Association that the Alaska State Legislature appropriate special funding for the needed sonar system to be installed on the lower end of the Nushagak River; and

BE IT FURTHER RESOLVED by the Executive Committee that Alaska Department of Fish and Game receive regular funding to operate their counting towers with reliable personnel and for the needed length of time.

SIGNED Wayne F. Shrader

CERTIFICATION:

I, the undersigned secretary of said Association, do hereby certify that the Executive Committee's composed of five (5) members, of whom 4 were present at a meeting this 6th day of October, 1978, and that the foregoing resolution was adopted by the affirmative vote of 4 members.

Secretary

** EXPENDITURE BREAKDOWN:

3 Man-months @ $1500 ea.	$ 4,500
Helicopter to bring men, boat & supplies to area & return.	3,000
Food & Subsistence for men	450
Small riverboat & motor	2,000
TOTAL	$ 9,950

** SCOPE OF OPERATIONS

The side-scanner sonar fish counter (valued at approx. $36,000) is already available at ADF&G offices at Soldotna. If these funds are approved, the counter would be installed on the Crescent River (also known as the Grecian River) near Tuxedni Bay on the Lower West Side of Cook Inlet.

Installation would be about June 1, 1979, with operations continuing through August 15.

** JUSTIFICATION

According to Gary Sanders and Tom Namvedt, ADF&G management biologists for Cook Inlet, it is estimated that five species of salmon run up the Crescent River, the most commercially valuable probably being an estimated run of some 30,000 sockeye escapement. This Crescent River broodstock "is the last sockeye run in Cook Inlet which has yet to be properly identified and properly managed," according to the biologists. "We want to know exactly what kinds of run are going up this river, and their timing."

Sanders and Namvedt stressed that the Crescent River run has been seeing increasingly heavy pressure from setnetters the past two seasons, but that ADF&G has insufficient data to properly manage openings and/or closings in the area.

They both give the Crescent River project a high priority for the summer of 1979 management program.

ELEVENTH LEGISLATURE

FISCAL NOTE

I REQUEST
Bill/Resolution No. HB 136
Title An Act making a special appropriation to the Department of Fish & Game
Requested by House Resources Committee Date 2/14/79

II. FISCAL DETAIL
Agency Affected Department of Fish and Game
Program Category Affected Natural Resources
Budget Request Unit(s) Affected Commercial Fisheries

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT	100.0					
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL	100.0	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	100.0	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Assume the cost of Bushnell sonar fish counter estimated at $100,000 based on source of Bendix Corp. This is a one time cost.

IV. DATE 2/15/79 PREPARED BY Russell H. Clark
AGENCY Department of Fish and Game
PHONE 465-4120

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (Last Legislator Named)
Keith Sperling
33 001 (Rev. 10/78)
File

HB

141

(9)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

February 6, 1979

Date: [illegible]

Mr. Speaker:

The Committee on RESOURCES has had HB 147

"An Act establishing the Legislative Limited Entry Study Committee; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[✓] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for [illegible] [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

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_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

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CHAIRMAN

H 60 (Rev. 12/78)

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB 141	3/12	Fish and Game Dept	3/15
	3/12	Commercial Fisheries Entry Commission	3/15
	3/13	United Fishermen of Alaska	3/15

LAW OFFICES OF
ALASKA LEGAL SERVICES CORPORATION
P. O. BOX 181
DILLINGHAM, ALASKA 99576
TELEPHONE 842-5853

Copies in HB 290 HB 141

March 5, 1979

Representative Alvin Osterback
Co-Chairman, House Resources Committee
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Osterback:

I would like to comment on two bills before the House Resources Committee dealing with the Limited Entry legislation and problems relating thereto, namely: HB 290 and HB 141, and urge passage of these bills.

First, HB 141 is perhaps the most important of the Limited Entry bills before the legislature in view of problems I see developing with the system, the major problem being the high price of permits which eventually will lead, in my opinion, to a system where permits are controlled by speculators and those people with money, while those people traditionally reliant on fishing for their livlihoods will be disenfranchized from the only occupation they know. In one village in Bristol Bay alone, for example, four permits have already been sold to people residing outside of the Bay area.

While the state continually proposes more liberal loan programs to purchase permits, even to the extent of using the permit itself as collateral, I don't believe that this is the answer. Alternative systems ought to be investigated in depth before so much money has been invested in permits that it is too late, even for the legislature, to change the system. When the state sold the limited entry program to the people in 1975 the problem of the young fisherman getting into the fishery was repeatedly raised. The State's answer to the people was to get the program implemented and change it at a later time. That time has come. I urge passage of HB 141.

With respect to HB 290, I recognize the inequities of the system to those fishermen who have fished various administrative areas yet do not have sufficient pointage in any one area to qualify for a permit. HB 290 appears to be the equitable solution to that problem. While I don't believe HB 290 will benefit clients served by this office, as most fishermen we serve fish only in Bristol Bay, I realize that other areas of the state differ. I would therefore, support such legislation.

Reviewing HB 290, however, seems to pose a possible problem which calls for another legislative solution, that being the problem with late applications. Would a fisherman have had to apply for permits in all administrative areas in order to cumulate points from that area under the proposed HB 290? If so, some fishermen who did not apply in certain administrative areas would not be allowed to cumulate those points. How about other fishermen who may not have applied in any administrative area due to insufficiency of points, yet under HB 290 could perhaps have cumulated enough points to get a permit in one area? Would they be allowed to benefit from HB 290 because they did not apply in the first place?

It would appear that HB 290 should be coupled with a legislative solution to the late application problem, which is particularly acute in the villages of the Bristol Bay and AYK areas. This office has failed in our attempt to achieve a judicial solution to this problem favorable to our clients and we ask for a legislative solution. While the Entry Commission may not necessarily agree, the major reason the problem is so acute in Bristol Bay and the AYK areas is because of the language and cultural differences of the people, and their lack of understanding of the system when it was first implemented.

Other than administrative problems attendant with a new application period, I can foresee two possible objections raised by the Commission for accepting late applications. First, the Commission may argue that they will have to issue more permits and thereby further exceed the maximum numbers initially established, and perhaps even threaten the fishery resource as a result. While it is true that maximum numbers would be further exceeded, these numbers are not etched in concrete and will eventually be revised either up or down when optimum numbers are established. I cannot see any threat to the fishery resource as Limited Entry, in my opinion, is only tangentially related to conservation purposes, that being with regard to easing the effect of errors in management of the resource by the Department of Fish and Game. Limited Entry is primarily an economic regulatory program which insures sufficient incomes for those people in the fishery to upgrade their vessels.

A late application bill would subject the applicants thereunder to the same point system as everyone else was subjected to. If the late applicant could not prove sufficient pointage then the applicant would simply not receive a permit.

Secondly, the Commission may further oppose a legislative solution to the late application problem particularly with respect to the set net fishery in Bristol Bay because permits are awarded at the zero (0) point level and because set net fishermen in Bristol Bay have begun what is called "leap frogging." There are two possible solutions to these problems. First, the Fish and Game Board could regulate against "leap frogging" so no matter how many set net permits were issued by the Commission there would be a natural limitation of fishermen by the numbers of sites available. Secondly, since the Commission lowered the point level at which permits would issue based upon the number of applications received, issuance of permits to late applicants could be restricted to those fisherpeople who achieve point levels on their applications within the top 813 applicants--the maximum number established by the Commission for the Bristol Bay set net fishery. For example, if the point level at which permits were issued to the highest-pointed 813 set net permit holders was 6 points, the denial level at which permits would initially be established would be 5 points, and the point level at which permits would issue would increase depending on the number of applications received during the application period. Only those late applicants, therefore, within the top 813 on the point scale would be issued permits.

Even though the Entry Commission has established interpretive regulations whereby some applicants who failed to file their applications timely can still get their applications accepted by the Commission and adjudicated under the point system, the restrictive interpretation of the regulations benefit only those people who can establish that they mailed their applications timely which was lost in the mail, or that they were ill-advised about the program by the Commission or its agents which directly caused that person not to submit an application. These regulations do not benefit Roy White of Egegik who returned in 1977 from four years of service in the Navy to find out that he could not fish anymore as a gear license holder; or William Wilson of Naknek who was released from jail in the fall of 1975 to learn the same; or those people who were away at school during the application period; or even those who simply did not plan to fish in 1975 in Bristol Bay because of poor predictions and did not understand nor had explained to them the difference between a permit and a gear license, the latter which was traditionally purchased on a year to year basis if that person planned to fish that year.

In summary, I strongly support HB 141 as the most important Limited Entry bill thus far proposed. In addition, recognizing the inequities of the system to fishermen who have

fished more than one administrative area yet cannot qualify for permits in any area, I support HB 290. I would, however, strongly urge a legislative resolution to the late application problem here in Bristol Bay.

I am available to more fully explain my views at your request.

Sincerely,

ALASKA LEGAL SERVICES CORP.

Geoff Comfort
Legal Assistant

GC:ilk

cc: Representative Terry Gardiner
Speaker of the House of Representatives
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Representative Nels Anderson, Jr.
House Majority Leader
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Representative Bill Miles
Co-Chairman, House Resources Committee
Alask State Legislature
Pouch V
Juneau, Alaska 99811

House Resource Committee Members
Fred Zharoff
Samuel Cotten
Chat Chatterton
Richard Eliason

HB

142

(9)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

February 6, 1979 Date: March 12, 1979

Mr. Speaker:

The Committee on RESOURCES has had HB 1[illegible]

"An Act making a special appropriation to the Legislative Affairs Agency for the Limited Entry Study Committee; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

H 60 (Rev. 12/78)

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB142	3/12	Fish and Game Dept.	3/15
	3/12	Commercial Fisheries Entry Commission	3/15
	3/13	United Fishermen of Alaska	3/15

HB 141
HB 142

LIMITED ENTRY STUDY GROUP

BUDGET

Staff Director	($3,000/month, 8 months)	$24,000
Support Staff	($1,800/month, 8 months)	$14,400
Travel		$20,000
Contractual		$60,000
Misc.		$ 6,600
		$125,000

Study group is a legislative special committee consisting of 6 members: 3 appointed by the Speaker of the House; 3 appointed by the President of the Senate.

Committee staff to be located in legislative office space in Juneau.

SPECIAL LEGISLATIVE LIMITED ENTRY STUDY COMMITTEE

PURPOSE--PLAN OF WORK

The overall goal of the special legislative committee on limited entry is to recommend changes to the limited entry law which would improve the present system of commercial fisheries entry limitation. It is evident that the people of Alaska still want the program and that the intended impact is being realized; but there exists a need for the regulatory structure to better fit the actual circumstances and conditions inherent to Alaska's fisheries.

There are particular aspects of the present system which have aroused special concerns; the rapidly increasing value of permits beyond the purchasing of financing power of many Alaskans; the inability of many resident Alaskans to enter the salmon fisheries while substantial numbers of non-residents remain and continue to enter the fisheries; and the administrative burdens realized both by fishermen and the state in implementing the present limited entry schemes. While it is our intent to encourage a full scale reexamination of the Alaska limited entry system the strengths of our existing limited entry system such as intra-family transferrability provisions and the maintenance of equal opportunity to enter commercial fishing are very important to retain. The committee should look specifically at the problem areas previously mentioned, and to the greatest extent possible attempt to design a program which has the flexibility to adapt to the varied circumstances present in the various regions of Alaska. Lastly, any recommendation for changes to the limited entry system must be thoroughly, legally researched to be defensible in court.

The budget of the special committee is designed to minimize the costs of this investigation. The committee should take advantage of existing expertise in the Commercial Fisheries Entry Commission, the Alaska Department of Fish and Game, the Legislative Affairs Agency, and the Department of Commerce and Economic Development. Detailed legal analysis and related needs should be arranged through contracts.

ALASKA
STATE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

State Capitol

INTER-AGENCY ROUTING SLIP

TO: Rep Glenn Patterbach

ATTN: _____

REMARKS:

FROM: Grier DATE: 4-10-79

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

Rec'd 4/10/79

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HOUSE BILL NO. 142
Title Special Approoriation to LAA/Limited Entry Study Committee
Requested by House Resources Committee Date 2/6/79

II. FISCAL DETAIL
Agency Affected Legislative Affairs
Program Category Affected General Government
BRU, Program, or Subprogram(s) Affected Council & Subcommittees
(Note: If more than one bu' ·' component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES	38.9					
200 TRAVEL	20.0					
300 CONTRACTUAL	65.7					
400 COMMODITIES	.4					
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	125.0					

FUNDING (Thousands of Dollars)

GENERAL FUND	125.0					
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY	2 (16mm)					

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

(100) Personal Services - Staff Director ($2,780/mo-8 mo) $22,240
Support Staff ($1,635/mo-8 mo) 13,080
Benefits @10.13% 1,578
$36,898 38.9

(200) Travel - Six committee members and two staff to attend hearings at locations not yet determined 20.0

(300) Contractual - Telephone 350
Postage 250
Legal Contract 60,000
Advertising 3,600
Printing 1,500
$65,700 65.7

(400) Commodities .4

TOTAL 125.0

IV. DATE 4/10/79 PREPARED BY W.W Endicott W. W. Endicott, Director
AGENCY Legislative Affairs
PHONE 465-3850

Original Legislative Finance
cc. Budget and Management
Prime Sponsor (First Legislator Named)

33.001 (Rev. 12/78)

HB
148

(9)

COMMITTEE REPORT

HOUSE

February 8, 1979

FURTHER: JUDICIARY

Date: Feb. 8, 1979

Mr. Speaker:

The Committee on RESOURCES has had HB 148

"An Act relating to the seizure of items used or in aid of fish and game violations."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

H 60 (Rev. 12/78)

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB 148	2/23/79	Reps. Randolf, Bettisworth, Moss (sponsors)	2/26
	2/22	Fish and Game Dept.	2/26
	2/23	Dept. of Public Safety,	
	264-5535	Div. of Fish & Wildlife Protection	2/26
		Capt. Jim Nutgrass to testify	

HB
159

AGO 126041

DO PASS 2/20

with CSHB159 changing $20,000,000 to $5,000,000 and adding section asking that a progress report from the bank's bd. of directors be submitted to the legislature by Feb. 1, 1980

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB 159	2/15 465-2397	Dept. of Revenue To testify and Provide fiscal note if necessary	
		Pete Rushing, Deputy Commissioner in charge of Treasury to testify	2/20
	2/16	Hugh Malone bill co-sponsor	2/20
	2/16	John Williams Legislative Affairs	2/20
	2/16 465-2350	Dept. of Commerce - Dick Eakins Director of Commerce Enterprise to testify	2/20

(9)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

February 8, 1979

Date: Feb 8 1979

Mr. Speaker:

The Committee on RESOURCES has had HB 159

"An Act making a special appropriation to the Dept. of Revenue for the purchase of shares of the Commercial Fishing & Agriculture Bank; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[✓] replace with CS for [illegible] [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

HB 159

Board of Directors of
Commercial Fishing and Ag. Bank:

Bob Thorstenson
Dale Pullman
Paul Huppert
Byron Mallot
Frank Homan

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 6, 1979

HB 159

SUBJECT: Commercial Fisheries and Agriculture Bank (CFAB) (Work Order # 6338)

TO: Representative Al Osterback

FROM: John Williams, Policy Analyst

You have asked that we briefly explain the intended functions of the Commercial Fisheries and Agriculture Bank (ch. 159, SLA 1978). The bank is fashioned after the federal farm credit system, in that it is a member owned and operated financial intermediary initially capitalized via governmental purchase of preferred stock (in this case, the State of Alaska.)

The bank is empowered to make loans for activities involving any aspect of Alaska's commercial fishing or agricultural industries. The law specifically mentions harvesting, processing, and marketing. To be eligible for a loan from the bank, the applicant must be a resident Alaskan (if a business, the majority of the owners and a majority of the voting stock) and involved in commercial fishing or agriculture. All loan recipients are required to participate in the bank, e.g., a minimum amount of stock must be held, usually expressed as a percentage of the loan principal. The initial preferred stock purchase by the state is to be repaid within 20 years.

CFAB is classified as a cooperative for purposes of the Bank for Cooperatives (a part of the farm credit system) and as an "other financial institution" for purposes of the Federal Intermediate Credit Bank (another portion of the farm credit system). Thus, the bank is eligible to sell its debt instruments to the farm credit system through either of these institutions. Additionally, it is expected that the bank will participate with the lending programs of the National Marine Fisheries Service, the state loan programs, and private financial institutions.

The Commissioner of Revenue is empowered to purchase $2 million of preferred stock in the bank during FY 79 (the funds will come from the renewable resources fund account). Presently, the Department of Commerce and Economic Development is contracting with Earl Coombs, Inc., to complete a financial needs analysis of the bank. That study is scheduled to be completed in May, 1979. Additionally, the firm of Wohlforth and

Flint has completed a set of bylaws and Articles of Incorporation for the bank (under contract from the Department of Commerce & Economic Development).

Please let us know if we may be of further assistance.

JW:lmk

by the Department of Community and Regional Affairs as security for loans made under this chapter.

(b) The commissioner of community and regional affairs may sell or transfer at par value to the Department of Revenue the mortgages and notes held by the Department of Community and Regional Affairs as security for loans made under this chapter. The Department of Revenue shall purchase all of these mortgages and notes offered, allowing the Department of Community and Regional Affairs a one-half of one per cent service fee. (§ 5 ch 152 SLA 1978)

Part 4. Independent State Boards, Associations, Commissions, and Corporations.

Chapter

54. Commercial Fishing and Agriculture Bank (§§ 44.54.010 — 44.54.220)
55. Alaska Gas Pipeline Financing Authority (§§ 44.55.010 — 44.55.200)

Chapter 54. Commercial Fishing and Agriculture Bank.

Section

10. Commercial Fishing and Agriculture Bank
20. Board of directors
30. Articles of incorporation
40. Bylaws
50. Membership meetings
60. Membership stock
70. Executive director; staff
80. Exempt status
90. Term of office
100. Quorum
110. Compensation of board members
120. Bonds of the bank
130. Trust indentures and trust agreements
140. Validity of pledge
150. Nonliability on bonds
160. Pledge of the state
170. Exemption from taxation
180. Bonds legal investments for fiduciaries
190. Conflicts of interest
200. Reports and publications
210. Powers of the bank
220. Transition

Editor's note. — As to legislative findings and the purposes of the enabling act, see §§ 1 and 2, ch. 159, SLA 1978, respectively, in the 1978 Temporary and Special Acts and Resolutions in Binder 9.

Sec. 44.54.010. Commercial Fishing and Agriculture Bank. (a) There is established the Commercial Fishing and Agriculture Bank. The bank is a public corporation and government instrumentality in the Department of Commerce and Economic Development but has a legal existence independent of and separate from the state. The exercise by the bank of the powers conferred by this chapter is considered an essential governmental function of the state. Except as otherwise provided in this chapter, the bank is subject to the provisions of AS 10.15.005 — 10.15.600.

For HB 159

(b) For the purpose of the initial funding of the bank's operations, the board of directors shall issue nonvoting, preferred shares of stock in the bank and shall determine the value of each share. The State of Alaska, through appropriate agencies, shall purchase the nonvoting, preferred shares initially issued by the bank. Shares purchased by the state shall be repurchased by the bank within 20 years after their purchase. If the bank fails to repurchase the shares within 20 years, the commissioner of commerce and economic development may dissolve the bank.

(c) After the board of directors has completed the necessary organizational matters described in §§ 30 and 40 of this chapter, the commissioner of revenue may purchase with funds from the general fund up to $2,000,000 of preferred stock of the bank during fiscal year 1979 at such time and with terms agreed upon by the commissioner and the board. (§ 3 ch 159 SLA 1978)

Sec. 44.54.020. Board of directors. The bank shall be managed by a board of directors consisting of five members. Initial appointments to the board shall be made by the governor. Thereafter, board members shall be elected by the shareholders. The board members shall annually elect a chairman from among themselves. The purpose of the board is to manage the assets of the bank. (§ 3 ch 159 SLA 1978)

Sec. 44.54.030. Articles of incorporation. Not later than November 1, 1978, the board of directors shall file with the commissioner of commerce and economic development articles of incorporation as provided in AS 10.15.340 — 10.15.355 except that any filing fees shall be waived. (§ 3 ch 159 SLA 1978)

Sec. 44.54.040. Bylaws. The board of directors shall adopt the initial bylaws of the bank. The power to alter, amend or repeal the bylaws is vested in the board of directors. The bylaws may contain provisions for the regulation and management of the affairs of the bank not inconsistent with this chapter or other provisions of law. (§ 3 ch 159 SLA 1978)

Sec. 44.54.050. Membership meetings. Upon filing the articles of incorporation, the board of directors, with the assistance of the commissioner of commerce and economic development or his designee, may hold public meetings throughout the state for the purpose of explaining to members of the commercial fishing and farming industries the functions of the bank and to encourage membership in the bank. (§ 3 ch 159 SLA 1978)

Sec. 44.54.060. Membership stock. (a) The board of directors shall issue shares of membership stock in the bank in the amounts and with the value determined by the board and stated in the articles of incorporation.

(b) Loans made to shareholders of the bank under the provisions of

Agenda - Tues. Feb. 20

Call to Order

HB 49 Fishermen's Fund

Refer to new things in all folders:

1) Back-up information from Labor Dept.

2) Suggested re-wording of retroactive clause.

(In Alvin and Chat's folders - Workmen's Comp. statutes which may be useful in finding new wording if other suggested CSHB49 is not satisfactory).

To testify: Grace Wilson, Admin. of Fishermen's Fund

HB 229 King Salmon & Trout sport fishing fee

In all folders: Fiscal note provided by Fish and Game

(In Alvin's file: Copies of statutes refered to in bill)

To testify: Fish and Game Dept.

HB 159 Fishing and Ag. Bank

In all folders: Analysis of bill by John Williams

(In Alvin's file - Copy of statute refered to in bill)

To testify:

~~Pete Bushery, Dept. of Revenue, Deputy Commissioner in Charge of Treasury~~

Dick Eakins, Commerce Dept. Director of Div. of Economic Enterprise

HB

193

Testimony, letters - back up info

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB 193	2/16	Speaker Jerry Gardiner - bill prime sponsor	2/22, 3/6
	2/15	Dept of Fish and Game (local rural advocate)	2/22, 3/6
	2/15 586-0566	Rick Knuden of Pacific Seafood Processors	2/22
	2/16 586-2820	Shari Gross - United Fishermen of Alaska	2/22, 3/6
	2/11 486-3853	Nick Szabo - Chairman of State Bd of Fish	2/22
	2/16 479-7671	Dr Samuel J. Hacker, Jr. - Chairman of State Board of Game	2/22, 3/6
	2/16	Rep. Barnes - bill co-sponsor	2/22
	2/16	Rep. Dimond - bill co-sponsor	2/22
	2/16	Rep. Hanson - bill co-sponsor	2/22
	2/16	Rep. Meiners - bill co-sponsor	2/22
	2/16	Rep. Miller - bill co-sponsor	2/22
	2/19 206-285-3383	Sig Jaw, V Pacific Fishing Vessel Owners Assn	2/22
	~~2/25~~ 2/28	Rural Community Action Program)	3/6
	2/26	Teleconference Offices in Anchorage, Barrow, Bethel, Fairbanks Juneau, Ketchikan, Kodiak, Kotzebue, Nome, Sitka, Soldotna	3/6

Background Info on HB193

(Analysis, explanatory Charts, etc)

REGIONALIZATION OF FISH AND GAME BOARDS UNDER HB 193

CONSTITUTION

LEGISLATURE

1. Enacts law
2. Confirms appointments
3. Oversees regulations
4. Appropriates funds

GOVERNOR

1. Appoints regional boards
2. Recommends budget

MASTER BOARD

A. ORIGINAL POWERS

1. Classifying fish and game
2. Biological research; habitat improvement, protection, etc.
3. Predation & competition control investigation
4. Cooperative agreements
5. Prohibit live capture, etc. of native or exotic fish or game, or their eggs
6. Gear license qualifications
7. Time and date of F&G license issuance
8. Regulate taking of game on state game refuges
9. Alter boundaries of regions

B. REVIEW OVER REGIONAL BOARDS

1. Compelling conservation reasons
2. Uniform regulations regarding fish and game migration across regional boundaries
3. If regional board exceeds its authority

SEVEN REGIONAL BOARDS

1	2	3	4	5	6	7

1. Open and close seasons
2. Establish means and methods of capture
3. Set quotas and bag limits
4. Aquatic plants: establish areas, permits
5. Subsistence

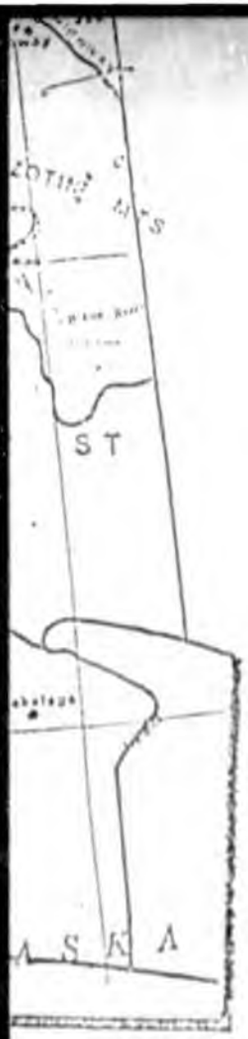
ADVISORY BOARDS

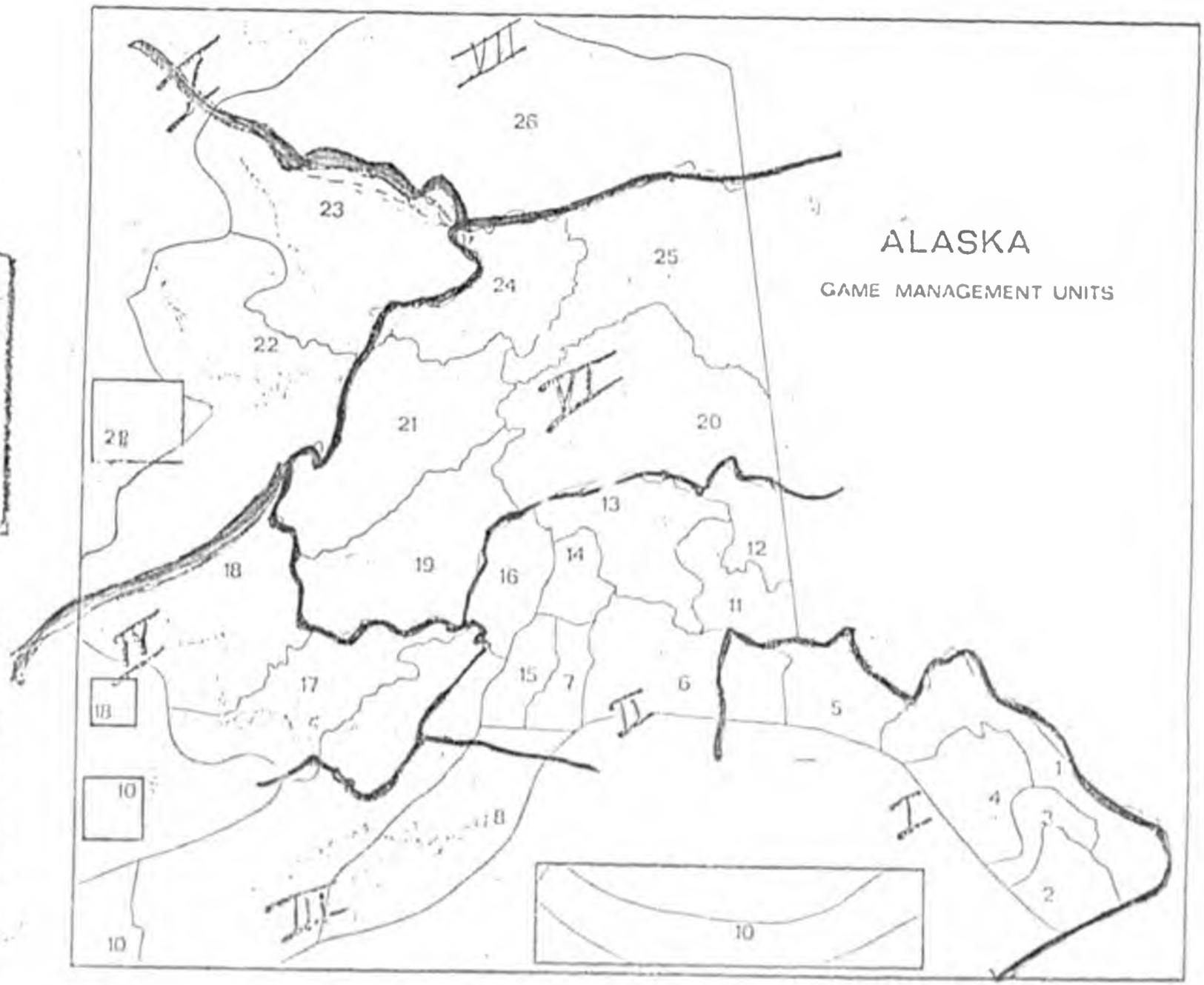
1. Advise regional boards

lying east of Subunit 26 (B).

Authority: AS 16.05.250(1) and (7)

HB 193





River downstream
ka River, bounded
iver from its con-
stream to Dexter
exter Creek to its
ide between the
ges at the head of
the west bank of
the Yanert River,
ank of the Yanert
the east bank of
Moose Creek to

on of Unit 20
he Tanana River
nd the Tolovana
ludes the north

Alaska State Legislature
House of Representatives

POUCH V
JUNEAU, ALASKA 99811
OFFICIAL BUSINESS

February 16, 1979

Re: HB 193, an act establishing regional boards of fish and game.

Dear Interested Persons:

I introduced HB 193 in the House of Representatives on February 13, 1979.

The bill establishes regional boards of fish and game within seven regions in the State of Alaska. In addition to the regional boards there is a "master board" which would sit with jurisdiction over the entire state. The "master board" would be made up the individual chairman for each of the seven boards.

Enclosed with this letter and copy of the bill is a press release of February 13, 1979 explaining some of my concerns and reasons for introducing the bill.

Because of the concerns of many of the Senators and Representatives for a short session in the Legislature this year, it will be necessary to act on this bill in very short order.

A hearing has been scheduled in the House Resources Committee, chaired by Rep. Alvin Osterback, on HB 193, Thursday, February 22nd at 3:00 in Room 118, Capitol Bldg.

If you have any concerns or comments to be made on the bill I would appreciate it if you would contact my office or write direct to the House Resources Committee. If you wish to give testimony on the bill, please contact Mary Levan, Administrative Assistant, House Resources Committee.

I would solicit your support in favor of the bill and request that you contact myself or my staff regarding questions you may have pertaining to the legislation.

Sincerely,

Terry Gardiner

Terry Gardiner

TG:ss

ALASKA FISHERY ORGANIZATION

ALASKA INDEPENDENT FISHERMEN'S
MARKETING ASSOCIATION
6333 Sugar Maple St. S.E.
Olympia, Washington 98503

CENTRAL COUNCIL: TLINGIT HAIDA
INDIANS OF ALASKA
1 Sealaska Plaza, Suite 200
Juneau, Alaska 99801

COMMERCIAL FISHERMEN OF COOK'S INLET
P.O. Box 2641
Kenai, Alaska 99611

COOK INLET FISHERMEN'S ASSOCIATION
SRA Box 48 T
Anchorage, Alaska 99507

CORDOVA DISTRICT FISHERIES UNION
P.O. Box 939
Cordova, Alaska 99574

KENAI PENINSULA FISHERMEN'S
COOPERATIVE ASSOCIATION
Route 2, Box 752
Soldotna, Alaska 99669

PETERSBURG VESSEL OWNERS ASSOCIATION
P.O. Box 232
Petersburg, Alaska 99833

PENINSULA MARKETING ASSOCIATION
P.O. Box 32
Sand Point, Alaska 99661

SOUTHEAST GILLNET FEDERATION
c/o P.O. Box 1066
Juneau, Alaska 99802

PURSE SEINE VESSEL OWNERS ASSN
PAUL ANDERSON
Box 5106
Seattle, Washington 98107

YAKUTAT FISHERMENS COOP
Box 343
Yakutat, Alaska 99689

ALASKA TROLLERS ASSOCIATION
P.O. Box 5825
Ketchikan, Alaska 99901

CHIGNIK BOAT OWNERS ASSOCIATION
Chignik Lagoon
Chignik, Alaska 99564

COMMERCIAL FISHERMEN'S CO-OP
ASSOCIATION
c/o 702 Water Street
Ketchikan, Alaska 99901

COOK INLET FISHERMEN'S FUND
P.O. Box 3
Ninilchik, Alaska 99639

HALIBUT PRIDUCERS COOPERATIVE
P.O. Box 1235
Bellingham, Washington 98225

NORTH PACIFIC FISHERIES ASSOCIATION
P.O. Box 796
Homer, Alaska 99603

PURSE SEINE VESSEL OWNERS
ASSOCIATION
P.O. Box 5106
Seattle, Washington 98107

SOUTHEAST ALASKA SEINE BOAT OWNERS
AND OPERATORS ASSOCIATION
728 Water Street
Ketchikan, Alaska 99901

AK. SHRIMP TRAWLERS
ALVIN BURCH
Box 991
Kodiak, Alaska 99615

AK. FISH. MTG. ASSN.
Box 1035
Kodiak, Alaska 99615

HB 193

Alaska State Legislature

House of Representatives

Office of the Speaker

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

PRESS RELEASE
February 13, 1979

A bill regionalizing the state's Fish and Game Boards is to be introduced today. The bill, prime sponsor of which is Rep. Terry Gardiner, D-Ketchikan, would replace the existing separate Board of Fisheries and Board of Game with seven regional boards overseeing both fisheries and game policies. A "master board" made up of the chairmen of the seven regional boards would have ultimate regulatory power over actions of the regional boards with powers to amend and to veto regional decisions.

Rep. Gardiner introduced the bill because of his concern over increasing complexity of the issues faced by the state boards of fisheries and game, such as bottomfishing, regional aquaculture development, declining and fluctuating game populations in some regions, and subsistence. He has become convinced that otherwise the only alternative is to create professional fish and game boards in the future.

The idea is not new. Bob Palmer, now special fisheries assistant to the Governor, introduced similar legislation in the early 1970's when he was in the Senate; it was passed by the Legislature but vetoed by then-Gov. Bill Egan. At the time, Rep. Gardiner opposed the idea, but factors have changed which have led him to believe the time has come for regionalization.

-more-

The seven regions of Alaska established under the bill are larger than many states; geographical boundaries are more logical than the present system, Rep. Gardiner believes, and regional boards will provide more expertise on regional problems. The local citizen will also have more input because the boards will meet in their own region yearly. Currently, the board travels from region to region in different years, making it more difficult and costly for people to testify.

Under provisions of the bill, the governor would have the same powers of appointment to fill board seats as now exists. The master board would have ultimate regulatory power, and can intercede in regional board decisions for three reasons:

1. compelling conservation reasons with powers to amend or veto;
2. in the event of disagreement between regional boards;
3. if the regional boards exceed their authority or are not in conformity with state policy or statutes.

Under existing law, the Legislature can annul all actions of the board, and this would not change. The Legislature remains the ultimate authority on state fish and game policy.

Under the concept of the bill, the state would revert to boards dealing with both fisheries and game issues. Rep. Gardiner feels that to separate the two at the regional level is unnecessary and would result in too many boards. The regional make-up would give sufficient expertise over both.

Co-sponsors of the bill include

Representatives: Branson, Duncan, Eliason, Meekins, Miller, Moss, Parker, and Rogers.

STATE OF ALASKA
THE LEGISLATURE

POUCH V STATE CAPITOL
JUNEAU, ALASKA 99811
907/465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM February 20, 1979

SUBJECT: Analysis of HB 193
(Work Order No. 6540)

TO: House Resources Committee

FROM: Kenneth E. Vassar, Legislative Counsel

You have requested an analysis of House Bill 193, "An Act relating to fish and game." Under the present system of fish and game management, there is a Board of Fisheries, which is empowered to regulate fisheries, and a Board of Game, which is empowered to regulate game. House Bill 193 would combine the functions of fish regulation and game regulation, but it would place those functions either in one of seven regional fish and game boards or in a master board of fish and game.

Sec. 16.05.256 of the bill, beginning on Page 2, line 29, enumerates the powers of the regional fish and game boards and of the master board. These are the same powers presently exercised by the Board of Fisheries and by the Board of Game, except that, as previously noted, the functions of fish regulation and game regulation are combined. The powers of the regional boards are limited to (1) establishing open and closed seasons; (2) establishing the means and methods for taking fish and game; (3) setting quotas and bag limits; and (4) establishing seasons, areas, quotas and methods for harvest of aquatic plants. All other regulatory powers currently exercised by the Board of Fisheries or by the Board of Game would be delegated to the master board. In addition, the master board has some power to amend or veto regional board regulations. The circumstances under which the master board may amend or veto a regional board regulation are listed in sec. 16.05.256(b) of the bill on page 4, lines 3 - 16. In the event of conflicts among regional boards, sec. 16.05.325 of the bill on page 5, lines 22 - 25, provides for submission of the conflict to the master board, and an amendment to AS 16.05.315, on page 10, lines 17 - 22, would allow joint meetings to resolve conflicts in regulations.

The remainder of the bill proceeds to amend each statutory reference to either the Board of Fisheries or to the Board of Game by deleting references to those boards and inserting references either to the regional boards or to the master board. It would be impossible to go any further into an explanation of these sections without producing a memo much longer than the bill itself.

Finally, sec. 50 of the bill, on page 17, would repeal AS 16.05.221 (establishing the Boards of Fisheries and Game), 16.05.251 (regulations of the Board of Fisheries), 16.05.255 (regulations of the Board of Game), and AS 39.05.060(a)(5) (appointment, qualifications, and terms of office of members of the Board of Fisheries).

KEV:nem

STATE OF ALASKA
THE LEGISLATURE

POUCH V STATE CAPITOL
JUNEAU ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM February 20, 1979

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(Work Order No. 6540)

TO: House Resources Committee

FROM: Kenneth E. Vassar, Legislative Counsel

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KEV:nem

Dr. Samuel J. Harbo, Jr., Chairman P.O. Box 80522 College, Alaska 99735	452-7815 (home) 479-7671 (work)	7/1/81
Clint Buckmaster, Vice Chairman P.O. Box 1254 Sitka, Alaska 99835	747-8452 (home)	7/1/81
Darrell Farmen Star Route A, Box 1592 Anchorage, Alaska 99507	344-3202 (home) 276-0514 (work)	7/1/80
Sidney Huntington Box 27 Galena, Alaska 99741	656-1212 (home)	7/1/82
Jim Rearden Box 313 Homer, Alaska 99603	235-8543	7/1/82
Joel F. Pennett 114 West 6th Street Juneau, Alaska 99801	586-1255 (home)	7/1/82
John Hanson Box 1 Alakanuk, Alaska 99554	685-8001 (earth station)	7/1/82

ALASKA BOARD OF FISHERIES

Nick Szabo, Chairman P.O. Box 1633 Kodiak, Alaska 99615	486-3853 (home)	7/1/80
Gordon Jensen, Vice Chairman P.O. Box 264 Petersburg, Alaska 99333	772-4705 (home)	7/1/82
Jim Benton Route 1, Box 4 J 74 Juneau, Alaska 99803	789-2548 (home)	7/1/82
D Calvin Fair P.O. Box 369 Soldotna, Alaska 99669	262-4916 (home) 262-4690 (work)	7/1/80
Herman Schroeder P.O. Box 216 Dillingham, Alaska 99576	842-5933 (home)	7/1/82
Chris Coll, Jr. 6425 Colgate Drive Anchorage, Alaska 99504	333-8654 (home) 344-3614 (work)	7/1/81
James Huntington P.O. Box 71 Galena, Alaska 99741	No phone	7/1/81

Revised 1/1/79

Membership of Advisory Committees

As of February 1978

Number of Members	Number of Committees*	Actual Membership	Potential Membership (@ 15/Comm.)
5	9	45	135
6	1	6	15
7	2	14	30
8	6	48	90
9	4	36	60
10	5	50	75
11	6	66	90
12	4	48	60
13	3	39	45
14	4	56	60
15	9	135	135
		543	795

$\bar{X} = 10.4$

*Membership unknown for three committees

Committees Which Submitted Proposals for Certain Specified Years. (Sport Fish 1976-77, Game 1977-78, Commercial Fin Fish, and Commercial Shellfish 1977).

Committee	Sport Fish	Game	Comm-Fin	Comm-Shell
Barrow	-	2	-	-
Central Bering Sea	-	-	2	-
Central Kenai Peninsula	3	-	1	1
Central Kuskokwim	-	4	-	-
Clear-Healy	-	3	-	-
Copper River-PWS	-	2	2	1
Delta	-	2	-	-
Denali	-	1	-	-
Fairbanks	-	2	-	-
Fort Yukon	-	1	-	-
Galena	-	1	3	-
Gastineau Channel	1	-	-	-
Grayling-Anvik	-	-	-	-
Shageluk-Holy Cross	-	3	-	-
Homer	-	4	-	-
Kenai-Soldotna	-	4	-	-
Ketchikan	2	3	-	1
Kodiak	-	4	-	4
Kotzebue	-	1	-	-
Lower Kuskokwim	-	2	4	-
Lower Yukon	-	11	7	-
Matanuska Valley	-	8	-	-
Mt. Yenlo	-	2	-	-
McGrath	-	1	-	-
Nolnek-Kvichak	2	9	7	-
Nushagak	-	8	2	-
Paxson	-	2	-	-
Petersburg	-	7	-	1
Sand Point	-	-	-	2
Seldovia	-	-	-	5
Seward	1	2	-	-
Sitka	4	2	2	-
Tanana Area	-	3	-	-
Tok Cutoff Valdena	-	11	-	-
Upper Lynn Canal	-	4	-	-
Wrangell	-	2	-	-
Yakutat	-	15	-	5
TOTAL	13	124	30	20

BREAKDOWN OF PROPOSALS BY SOURCE

SOURCE	SPORT FISH	GAME	COMMERCIAL-FIN	COMMERCIAL-SHELL	TOTAL	
Staff	38	110	94	35	277	28%
Advisory Comm.	13	124	30	20	187	19%
Board	0	2	2	2	6	1%
Public	61	268	140	31	500	50%
Public Safety	7	9	7	0	23	2%
	119	513	273	88	993	100

SUMMARY OF BOARD ACTIONS IN RELATION TO SUPPORT OF ADVISORY COMMITTEES

	SPORT FISH (1976-77	COMM. FISH (1977)	GAME (1978)	TOTAL
ACCEPTED PROPOSALS	50	195	106	351
All Advisory Committees in Support or No Advisory Committee Comments	66%(331)	73%(143)	51%(54)	66%(528)
Half or more Advisory Committees in Support	14%(7)	21%(41)	29%(31)	22%(79)
Less than Half Advisory Committees in Support	20%(10)	6%(11)	20%(21)	12%(42)
REJECTED PROPOSALS	60	161	181	402
All Advisory Committees in Opposition or no Advisory Comment	56%(34)	56%(90)	61%(109)	58%(233)
Half or more Advisory Committees in Opposition	18%(11)	30%(48)	25%(46)	26%(105)
Less than Half Advisory Committees in Opposition	27%(16)	14%(23)	14%(25)	16%(64)

*In most cases, this category consists of instances where only a single Committee expressed a position on a particular proposal or where a single Committee advocated a provincial proposal which the Boards did not feel was in the general public's interest.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

BOARD OF FISHERIES/BOARD OF GAME
DEPARTMENT OF FISH AND GAME

SUBPORT BUILDING
JUNEAU, ALASKA 99801

February 4, 1980

Honorable Alvin Osterback, Chairman
House Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. Osterback:

It's time I brought you up to date on the Regional Council system of Advisory Committees since Regional Councils are a part of each d-2 bill now before Congress.

In December 1979, the Board of Fisheries and the Board of Game met jointly for the purpose of considering changes to the Advisory Committee regulations. One proposal dealt with establishing boundary lines for the six Regional Councils established by Joint Board regulation in March 1979. After listening to extensive testimony from Advisory Committee representatives, the two Boards decided not to adopt fixed geographic boundaries for the Regional Council system.

Many Advisory Committees told the two Boards that their interests in fisheries placed them primarily in one region, but their interests in game resources were really more appropriate for a different region. Several Advisory Committees have interests that are extremely far-flung, and did not want to feel "left out" from any decisions they felt concerned them directly. Consequently, the Boards settled on a system of "floating boundaries" instead of fixed lines.

Under the "floating boundary" system for Regional Councils, the general area descriptions of Arctic, Interior, etc., chosen in March 1979, will still be used, and Advisory Committees from the general area who feel their interests are affected and consequently want to participate will be included in the deliberations for that Region. In this way, justice should be done to all the groups and areas concerned.

The solution reached by the Boards is a creative one. Their decision has met with approval from those Advisory Committees who have expressed their opinions. It should allow for a much more equitable system of representation than fixed boundaries which would, of necessity, be arbitrary. Floating boundaries should also prove consonant with the Alaska Constitution which states "Wherever occurring in the natural

state, fish, wildlife, and waters are reserved to the people for common use." (Alaska Constitution, Article VIII, Section 3)

If you have particular questions about this action by the Joint Boards of Fisheries and Game, or any other Board decision, I would be more than happy to try to respond.

Sincerely,

G Cook

Greg Cook
Executive Director

cc: John Katz
Bob Waldrop

PRESENTATION TO THE HOUS. RESOURCES COMMITTEE

MARCH 6, 1979

by

NICK SZABO, CHAIRMAN
ALASKA BOARD OF FISHERIES

Mr. Chairman and members of the House Resources Committee. I am Nick Szabo, Chairman of the Board of Fisheries. I am not able to personally attend this hearing and have asked that my testimony be read for me at this time.

The management and allocation of the fish and game resources affect the lives of Alaskans in many different ways. House Bill 193 seeks to deal with the frustrations that have been experienced by many segments of the public. The goals of the bill are admirable but I fear the results may tend to aggravate the public's frustrations and lead to a more chaotic situation. Alaskans tend to be somewhat provincial by nature. The creation of seven regional regulatory systems will result in Alaska being divided into seven provinces each seeking the utmost autonomy. There will be the general tendency for one region to further the interests of its residents and attempt the exclusion of other Alaskan citizens. The State has promoted and encouraged the development of its fisheries. This has required fishermen that are willing to be mobile and versatile. Very few of these fishermen who are crucial to Alaska's development--restrict their activities to only one of the seven regions at the present time. House Bill 193 may tend to hamper their operation, and necessitate their attendance at each regional meeting they have an interest in.

The passage of the Fishery Conservation and Management Act, or [illegible] law, in 1976 [illegible] federal fisheries management system that

rode in on the emotion of the 200-mile limit. Alaska lost much of the direct management authority it enjoyed prior to this time. In order to salvage some semblance of the State's right to manage its own resources, it is crucial that Alaska have cohesive, unified management plans for its fisheries. Creation of seven regulatory agencies would result in total Federal management.

The system envisioned under House Bill 193 will necessitate more total meeting time than the present system. The members of the master board will not only have to attend the various regional meetings but also will have to spend the same amount of time presently spent on the statewide level arbitrating differences and appeals by the regions and various user groups. The money spent to support this system will not be cost effective in achieving the objectives of this bill, especially in light of public sentiment to promote government efficiency and reduced spending.

What then is the answer to the dilemma you face in improving public access and participation in fish and game management. Having spent twelve years working with advisory committees and four years on the Board of Fisheries, I feel I can speak with some authority on the subject.

The present system of 58 advisory committees and a Board of Fisheries and Board of Game has the potential of being the most effective system possible. The problem with the present system is that the 58 advisory committees were created and then left to fend for themselves. Only recently has even a small amount of money been appropriated for their direct support. Just as the Boards of Fisheries and Game, and the Legislature need support staff, it is inconceivable that advisory committees can function in a vacuum. The advisory committees that

are most discouraged and dissatisfied with the present system are those that have had the least support. They also have not had the benefit of all available information when making their decisions. Thus, they have made recommendations they sincerely felt were valid but were perhaps lacking in the understanding of all the issues and procedures. It is no wonder that when their advice did not ultimately receive Board approval, they felt discouraged and disenchanted with the system. On the other hand, I have seen advisory committees that function very effectively. They routinely receive Board approval of 90 percent of their recommendations. The members feel involved and are motivated by their effectiveness. These committees have been continuously supported and nurtured by local Fish and Game staff and have been treated as an important entity in the community.

I feel the most effective action the Legislature can take would be to bolster the present advisory committee system to the greatest extent possible. Advisory committee members need funding for travel and per diem to attend advisory committee meetings, State Board meetings, and other appropriate conferences. In addition there needs to be at least six additional full-time positions whose primary function would be to work with advisory committees in the field where local Fish and Game staff are not available.

Only by providing the advisory committees with the best advice on proper procedures and with complete information on which to base their decisions can the system function as it was intended.

Thank you.

3808

Let us
HB 193

Wallace W. Hendrix
3744 Cadogan Place
East Angelus Lake
99362

March 7, 1979

Dear Representative Ottesbach:

I am a chignik fisherman / boat owner. I would like to express my views regarding HB 193.

1. Chignik should become a region separate from Kodiak

2. An amendment which would provide that all issues arising from entire exception of regulating fish and game within a region are to be resolved by the master board, should be enacted

3. An amendment which would make all regional boards advisory - statutes only would help

4. An amendment which disallows any board regional or master to allocate fish out side of the guide lines set historically by previous board decisions, would preclude any difficulty pertaining to boat by

Inasmuch as Chignik's economy is based on and derived from sockeye salmon which pass Cape Igvak, and Kodiak is supported by many fisheries, it is imperative that Chignik fishermen be allowed to harvest the salmon it's century and take what'em produces.

Please add me to your mailing list and keep me informed of all events concerning the Chignik fishery. Thank you for your time.

Sincerely yours.

Wallace W. Anderson

U.S. 589

SECTIONAL ANALYSIS BY REPRESENTATIVE GARDINER OF PERTINENT PORTIONS OF U.S. SENATE BILL 9 INTRODUCED BY SENATOR JACKSON 1/15/79

Sec. 805(a) one year after enactment of this act except as provided in ss(d) Secretary of the Interior shall establish:

1) 5 subsistence resource regions
2) local advisory committees within each region
3) a regional advisory council in each subsistence region

Each regional council shall be composed of residents of each region and have the following functions:

A) review and evalution
B) provide a forum for expression of opinion
C) encourage local and regional participation
D) prepare annual report which shall:
   1) identify current and anticipated needs
   2) evaluate current and anticipated needs
   3) recommedn a strategy for the management
   4) recommendations concerning policies---regulations to implement the strategy

(b) Secretary shall assign adequate qualified staff to regional advisory committees

(c) Secretary shall be guided by the annual report. Secretary shall follow advice of regional councils unless he determines in writing that:

- such advice is not supported by substantial evidence
- violates recognized principles of fish and wildlife conservation
- be detrimental to subsistence needs

(d) Secretary shall not implement the above if within one year from the date of this Act the State:

- establishes at least 5 regions
- adequately maintains its local fish and game advisory committee
- establishes a regional council in each region
- assigns staff and distributes available support data
- provides that the State rulemaking authority shall consider the advice of regional councils
- State may choose not to follow such advice it determines:
  - is not supported by substantial evidence
  - violates recognized principles of fish and wildlife conservation
  - detrimental to rural subsistence needs

(e)(1) Secretary may reimburse State from funds appropriated to Department of Interior for reasonable costs to implement regional councils

reimbursement shall not exceed 50% of costs

(2) payments shall not exceed 5,000,000 in any one fiscal year.

Courtesy of
YOUR SENATOR
MIKE GRAVEL

96TH CONGRESS
1ST SESSION

S. 9

IN THE SENATE OF THE UNITED STATES

JANUARY 15, 1979

Mr. JACKSON introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To designate certain lands in the State of Alaska as units of the National Park, National Wildlife Refuge, National Wild and Scenic Rivers, National Forest, and National Wilderness Preservation Systems, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Alaska National Interest Lands Conservation Act".

TABLE OF CONTENTS

TITLE I—PURPOSES, DEFINITIONS, AND MAPS

Sec. 101. Purposes
Sec. 102. Definitions
Sec. 103. Maps

TITLE II—NATIONAL PARK SYSTEM

Sec. 201. Establishment of new areas
Sec. 202. Additions to existing areas
Sec. 203. General administration

TITLE VIII—SUBSISTENCE MANAGEMENT AND USE

FINDINGS

SEC. 801. The Congress finds and declares that—

(1) the continuation of the opportunity for subsistence uses by rural residents of Alaska, including both Natives and non-Natives, on the public lands and by Alaska Natives on their Native lands is essential to their physical, economic, traditional, and Native cultural existence;

(2) the situation in Alaska is unique in that, in most cases, no practical alternative means are available to replace the food supplies and other items gathered from fish and wildlife which supply persons dependent on subsistence uses;

(3) continuation of the opportunity for subsistence uses of resources on public and other lands in Alaska is threatened by the increasing population of Alaska, with resultant pressure on subsistence resources, by sudden decline in the populations of some wildlife species which are crucial subsistence resources, by increased accessibility of remote areas containing subsistence resources, and by taking of fish and wildlife in a manner inconsistent with recognized principles of fish and wildlife management;

(4) in order to fulfill the policies and purposes of the Alaska Native Claims Settlement Act and as a matter of equity, it is necessary for the Congress to invoke its constitutional authority over Native affairs and its constitutional authority under the property clause and the commerce clause to protect and provide the opportunity for continued subsistence uses on the public lands by Native and non-Native rural residents;

(5) the national interest in the proper regulation, protection, and conservation of fish and wildlife on the public lands in Alaska and the continuation of the opportunity for a subsistence way of life by the inhabitants of Alaska require that an administrative structure be established for the purpose of enabling people who have personal knowledge of local conditions and requirements to have a meaningful role in the management of fish and wildlife and of subsistence uses on the public lands in Alaska.

POLICY

SEC. 802. It is hereby declared to be the policy of Congress that—

(1) consistent with sound management principles, the utilization of the public lands in Alaska is to cause the least adverse impact possible on residents who depend upon subsistence uses of the resources of such

lands; consistent with management of fish and wildlife in accordance with recognized scientific principles and the purposes for each unit established, designated, or expanded by or pursuant to titles II through VII of this Act, the purpose of this title is to provide the opportunity for people engaged in a subsistence-oriented lifestyle to continue to do so;

(2) nonwasteful subsistence use of fish and wildlife and other renewable resources shall be the first priority consumptive use of all such resources on the public lands of Alaska, and where it is necessary to restrict taking in order to assure the continued viability of fish or wildlife population or the continuation of subsistence uses of such population, the taking of such population for nonwasteful subsistence uses shall be given preference on the public lands over other consumptive uses; and

(3) except as otherwise provided by this Act or other Federal laws, Federal land managing agencies, in managing subsistence activities on the public lands and in protecting the continued viability of all wild renewable resources in Alaska, shall cooperate with adjacent landowners and land managers, including Native corporations, appropriate State and Federal agencies, and other nations.

DEFINITIONS

SEC. 803. As used in this Act, the term "subsistence uses" means the customary and traditional uses by Alaska residents of wild, renewable resources for direct personal or family consumption as food, shelter, fuel, clothing, tools, or transportation, for the making and selling of handicraft articles out of nonedible byproducts of fish and wildlife resources taken for personal or family consumption, for barter, or sharing for personal or family consumption and for customary trade. For the purposes of this section, the term—

(1) "family" means all persons related by blood, marriage, or adoption, or any person living within the household on a permanent basis; and

(2) "barter" means the exchange of fish or wildlife or their parts, taken for subsistence uses—

(A) for other fish or game or their parts; or

(B) for other food or for nonedible items other than money if the exchange is of a limited and noncommercial nature.

PREFERENCE FOR SUBSISTENCE USES

SEC. 804. Except as otherwise provided in this Act and other Federal laws, the taking on public lands of fish and wildlife for nonwasteful subsistence uses shall be accorded preference over the taking on such lands of fish and wildlife for other purposes. Whenever it is necessary to restrict the

taking of populations of fish and wildlife on such lands for subsistence uses in order to protect the continued viability of such populations, or to continue such uses, such preference shall be based on—

(1) customary and direct dependence upon the populations as the mainstay of livelihood;

(2) local residency; and

(3) the availability of alternative resources.

LOCAL AND REGIONAL PARTICIPATION

SEC. 805. (a) Except as otherwise provided in subsection (d) of this section, one year after the date of enactment of this Act, the Secretary shall establish—

(1) at least five Alaska subsistence resource regions which, taken together, include all public lands. The number and boundaries of the regions shall be sufficient to assure that regional differences in subsistence uses are adequately accommodated;

(2) such local advisory committees within each region as he finds necessary at such time as he may determine, after notice and hearing, that the existing State fish and game advisory committees do not adequately perform the functions of the local committee system set forth in paragraph (3)(D)(iv) of this subsection; and

(3) a regional advisory council in each subsistence resource region.

Each regional council shall be composed of residents of the region and shall have the following functions:

(A) the review and evaluation of proposals for regulations, policies, management plans, and other matters relating to subsistence uses of fish and wildlife within the region;

(B) the provision of a forum for the expression of opinions and recommendations by persons interested in any matter related to the subsistence uses of fish and wildlife within the region;

(C) the encouragement of local and regional participation in the decisionmaking process affecting the taking of fish and wildlife on the public lands within the region for subsistence uses;

(D) the preparation of an annual report to the Secretary which shall contain—

(i) an identification of current and anticipated subsistence uses of fish and wildlife populations within the region;

(ii) an evaluation of current and anticipated subsistence needs for fish and wildlife populations within the region;

(iii) a recommended strategy for the management of fish and wildlife populations within the region to accommodate such subsistence uses and needs; and

(iv) recommendations concerning policies, standards, guidelines, and regulations to implement the strategy. The State fish and game advisory committees or such local committees as the Secretary may establish pursuant to paragraph (2) of this subsection may provide advice to, and assist, the regional advisory councils in carrying out the functions set forth in this paragraph.

(b) The Secretary shall assign adequate qualified staff to the regional advisory councils and make timely distribution of all available relevant technical and scientific support data to the regional advisory councils and the State fish and game advisory committees or such local committees as the Secretary may establish pursuant to paragraph (2) of subsection (a).

(c) The Secretary, in performing his monitoring responsibility pursuant to section 806 and in the exercise of his closure and other administrative authority over the public lands, shall be guided by the annual report and advice of the regional councils concerning the management of fish and wildlife on the public lands within their respective regions for

subsistence uses. The Secretary shall follow the advice of such councils unless he determines in writing that such advice is not supported by substantial evidence, violates recognized principles of fish and wildlife conservation, or would be detrimental to the satisfaction of subsistence needs.

(d) The Secretary shall not implement subsections (a), (b), and (c) of this section if within one year from the date of enactment of this Act, the State divides the public lands into at least five regions as set forth in subsection (a)(1); adequately maintains its local fish and game advisory committee structure; establishes a regional council in each region composed of residents of the region with duties and responsibilities analogous to those set forth in subsection (a)(3); assigns staff and distributes available support data to the local committees and regional councils as set forth in subsection (b); and provides that the State rulemaking authority shall consider the advice and recommendations of the regional councils concerning the taking of fish and wildlife populations on public lands within their respective regions for subsistence uses. The regional councils may present recommendations, and the evidence upon which such recommendations are based, to the State rulemaking authority during the course of the administrative proceedings of such authority. The State rulemaking authority may choose not to follow any recommendation which it determines is not supported by substan-

tial evidence presented during the course of its administrative proceedings, violates recognized principles of fish and wildlife conservation or would be detrimental to the satisfaction of rural subsistence needs. If a recommendation is not adopted by the State rulemaking authority, such authority shall make findings of fact detailing the basis for its failure to adopt the recommendation.

(e)(1) The Secretary may reimburse the State, from funds appropriated to the Department of the Interior, for reasonable costs relating to the establishment and operation of the regional advisory councils established by the State in accordance with subsection (d) and the operation of the State fish and game advisory committees so long as such committees are not superseded by the Secretary pursuant to paragraph (2) of subsection (a). Such reimbursement may not exceed 50 per centum of such costs in any fiscal year. Such costs shall be verified in a statement which the Secretary determines to be adequate and accurate. Sums paid under this subsection shall be in addition to any grants, payments, or other sums to which the State is entitled from appropriations to the Department of the Interior.

(2) Total payments to the State under this subsection shall not exceed the sum of $5,000,000 in any one fiscal year. The Secretary shall advise the Congress at least once in every five years as to whether or not the maximum pay-

ments specified in this subsection is adequate to ensure the effectiveness of the program established by the State to provide the preference for subsistence uses of fish and wildlife set forth in section 804.

FEDERAL MONITORING

SEC. 806. The Secretary shall monitor the provisions by the State of the subsistence preference set forth in section 804 and shall advise the State and the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate annually and at such other times as he deems necessary of his views on the effectiveness of the State in providing such preference, any exercise of his closure or other administrative authority to protect subsistence resources or uses, the views of the State, and any recommendations he may have.

JUDICIAL ENFORCEMENT

SEC. 807. In performance of his monitoring responsibilities required in section 806, if the Secretary and appropriate State agency are notified in writing by a local committee or regional council established by the Secretary or the State pursuant to section 805 that the preference for subsistence uses set forth in section 804 is not adequately provided in its region, setting forth the facts upon which such belief is based and detailing efforts to obtain timely relief through available State grievance procedures, the Secretary shall investigate

and report publicly on the results of his investigation. If the Secretary determines that the preference for subsistence uses is not adequately provided and that timely relief has not been obtained, he shall submit his views to the Governor and seek to ensure the adequate and timely provision of such preference through discussions with the State. The Secretary shall inform the committee or council which submitted the notification to him of the results of such discussions. If the Secretary determines that the State has failed to make adequate and timely provision for the preference for subsistence uses after having been provided a reasonable opportunity to do so and that such failure threatens the ability of subsistence-dependent Alaska residents to satisfy their subsistence needs, at the request of the committee or council which submitted the notification to him, the Secretary shall bring an action in the United States district court on behalf of such committee or council to require the State to take such actions as are necessary to provide such preference. Such action shall be assigned for hearing at the earliest possible date, shall take precedence over all other matters pending on the docket of the district court at that time and shall be expedited in every way by such court. Upon the filing of the complaint, if the pleadings indicate that the State has failed to adequately provide for the preference for subsistence uses, that such failure imminently threatens the ability of subsistence-dependent

residents to satisfy their subsistence needs, that immediate relief is necessary to assure that those residents who may have been adversely affected by such failure are provided a timely opportunity to satisfy such needs, and that immediate relief will not threaten the continued viability of fish and wildlife populations toward which such relief may be directed, the district court shall issue an order directing the State to show cause why the features of the State's provision of the preference which render such provision inadequate should not be enjoined and the State be directed to permit the taking of such fish or wildlife populations only for subsistence uses by those residents who have been adversely affected by the State's failure to provide for the preference. No order granting such temporary relief shall be issued until the State has been provided an opportunity for hearing, and such order shall provide that such taking for subsistence uses shall be subject to regulation by the State in a manner which adequately provides for the satisfaction of the subsistence preference requirement. The court shall provide relief, other than temporary relief, by directing the State to submit regulations which satisfy the subsistence preference requirement. When approved by the court, such regulations shall be incorporated as part of the final judicial order. Such order shall be valid only for such period as normally provided for the regulations at issue by State law. This section shall constitute the sole

Federal judicial remedy created by this title for a local committee or regional council which determines that the preference for subsistence uses set forth in subsection 804 has not been adequately provided by the State in its region.

PARK AND MONUMENT SUBSISTENCE RESOURCE COMMISSIONS

SEC. 808. (a) Within one year from the date of enactment of this Act, the Secretary and the Governor shall each appoint four members to a subsistence resources commission for each national park or monument within which subsistence uses are permitted by this Act. The regional council established pursuant to section 805 which has jurisdiction within the area in which the park or monument is located shall appoint four members to the commission each of whom is a member of either the regional council or a local committee within the region and also is a resident of a village within or adjacent to the park or monument or whose residents engage in subsistence uses within the park or monument. Within eighteen months from the date of enactment of this Act, each commission shall devise and recommend to the Secretary and the Governor a program for subsistence hunting within the park or monument. Such program shall be prepared using technical information and other pertinent data assembled or produced by necessary field studies or investigations conducted jointly or separately by the technical and administrative

personnel of the State and the Department of the Interior, information submitted by, and after consultation with the appropriate local committees and regional councils, and any testimony received in a public hearing or hearings held by the commission prior to preparation of the plan at a convenient location or locations in the vicinity of the park or monument. Each year thereafter, the commission, after consultation with the appropriate local committees and regional councils, considering all relevant data and holding one or more additional hearings in the vicinity of the park or monument, shall make recommendations to the Secretary and the Governor for any changes in the program or its implementation which the commission deems necessary.

(b) The Secretary shall promptly implement the program and recommendations submitted to him by each commission unless he finds in writing that such program or recommendations violates recognized principles of wildlife conservation, threatens the continued viability of wildlife populations in the park or monument, is contrary to the purposes for which the park or monument is established, or would be detrimental to the satisfaction of subsistence needs. Upon notification by the Governor, the Secretary shall take no action on a submission of a commission for sixty days during which period he shall consider any proposed changes

in the program or recommendations submitted by the commission which the Governor provides him.

(c) Pending the implementation of a program under subsection (a) of this section, the Secretary shall permit subsistence uses by local residents in accordance with the provisions of this title and other applicable Federal and State law.

COOPERATIVE AGREEMENTS

SEC. 809. The Secretary may enter into cooperative agreements or otherwise cooperate with other Federal agencies, the State, Native Corporations, other appropriate persons and organizations, and, acting through the Secretary of State, other nations to effectuate the purposes and policies of this title.

SUBSISTENCE AND LAND USE DECISIONS

SEC. 810. (a) In determining whether to withdraw, reserve, lease, or otherwise permit the use, occupancy, or disposition of public lands under any provision of law authorizing such actions, the head of the Federal agency having primary jurisdiction over such lands or his designee shall evaluate the effect of such use, occupancy, or disposition on subsistence uses and needs, the availability of other lands for the purposes sought to be achieved, and other alternatives which would reduce or eliminate the use, occupancy, or disposition of public lands needed for subsistence purposes. No such withdrawal, reservation, lease, permit, or other use, oc-

cupancy or disposition of such lands which would significantly restrict subsistence uses shall be effected until the head of such Federal agency—

(1) gives notice to the appropriate State agency and the appropriate local committees and regional councils established pursuant to section 805,

(2) gives notice of, and holds, a hearing in the vicinity of the area involved, and

(3) determines that (A) such a significant restriction of subsistence uses is necessary, consistent with sound management principles for the utilization of the public lands, (B) the proposed activity will involve the minimal amount of public lands necessary to accomplish the purposes of such use, occupancy, or other disposition, and (C) adequate steps will be taken to minimize adverse impacts upon subsistence uses and resources resulting from such actions.

(b) If the Secretary is required to prepare an environmental impact statement pursuant to section 102(2)(C) of the National Environmental Policy Act, he shall provide the notice and hearing and include the findings required by subsection (a) as part of such environmental impact statement.

(c) Nothing herein shall be construed to prohibit or impair the ability of the State or any Native Corporation to make land selections and receive land conveyances pursuant

to the Alaska Statehood Act or the Alaska Native Claims Settlement Act.

ACCESS

SEC. 811. The Secretary shall ensure that persons engaged in subsistence uses shall have appropriate access to subsistence resources on the public lands.

SNOWMOBILES AND MOTORBOATS

SEC. 812. Notwithstanding any other provision of this Act or other law, the Secretary shall permit on the public lands appropriate use for subsistence purposes of snowmobiles, motorboats, and other means of surface transportation traditionally employed for such purposes by local residents, subject to such regulations as are necessary to prevent waste, or damage to fish, wildlife, or terrain.

RESEARCH

SEC. 813. The Secretary, acting through the United States Fish and Wildlife Service and the National Park Service and in cooperation with the State and other appropriate Federal agencies, shall undertake research on fish and wildlife and subsistence uses on the public lands; seek data from, consult with and make use of, the special knowledge of subsistence users; and make the results of such research available to the State, the local and regional councils established by the Secretary or State pursuant to section 805, and other appropriate persons and organizations.

PERIODIC REPORTS

SEC. 814. Within four years after the date of enactment of this Act, and within every three-year period thereafter, the Secretary, in consultation with the Secretary of Agriculture, shall prepare and submit a report to the President of the Senate and the Speaker of the House of Representatives on the implementation of this title. The report shall include—

(1) an evaluation of the results of the monitoring undertaken by the Secretary as required by section 804;

(2) the status of fish and wildlife populations on public lands that are subject to subsistence uses;

(3) a description of the nature and extent of subsistence uses and other uses of fish and wildlife on the public lands;

(4) the role of subsistence uses in the economy and culture of rural Alaska;

(5) comments on the Secretary's report by the State, the local councils and regional councils established by the Secretary or the State pursuant to section 805, and other appropriate persons and organizations;

(6) a description of those actions taken, or which may need to be taken in the future, to permit the op-

portunity for continuation of activities relating to subsistence uses on the public lands; and

(7) such other recommendations the Secretary deems appropriate.

A notice of the report shall be published in the Federal Register and the report shall be made available to the public.

REGULATIONS

SEC. 815. Each Secretary shall prescribe such regulations as are necessary and appropriate to carry out their respective responsibilities under this title.

LIMITATIONS, SAVINGS CLAUSES

SEC. 816. Nothing in this Act shall be construed as—

(1) granting any property right in any fish or wildlife or other resource of the public lands or as permitting the level of subsistence uses of fish and wildlife on such lands to be significantly expanded beyond the level of such uses occurring during the ten-year period before January 1, 1978. No privilege which may be granted by the State to any individual with respect to subsistence uses may be assigned to any other individual;

(2) permitting any subsistence use of fish and wildlife on any portion of the public lands (whether or not within any conservation system unit) which was permanently closed to such uses on January 1, 1978,

or as vesting elsewhere than in the Secretary any authority to manipulate habitat on any portion of the public lands;

(3) enlarging or diminishing the responsibility and authority of the State of Alaska for management of fish and wildlife on public lands except as specifically provided in this Act, or as amending the Alaska constitution; or

(4) modifying or repealing the provisions of any Federal law governing the conservation or protection of fish and wildlife, including the Fur Seal Act of 1966 (80 Stat. 1091; 16 U.S.C. 1151–1187), the Endangered Species Act of 1973 (87 Stat. 884, 16 U.S.C. 1531–1543), the Marine Mammal Protection Act of 1972 (86 Stat. 1027; 16 U.S.C. 1361–1407), the Act entitled "An Act for the Protection of the Bald Eagle", approved June 8, 194[illegible] (54 Stat. 250; 16 U.S.C. 742a–754), the Migratory Bird Conservation Act (45 Stat. 1222; 16 U.S.C. 703 et seq.), the Federal Aid in Wildlife Restoration Act (50 Stat. 917; 16 U.S.C. 669–669i), the Fishery Conservation and Management Act of 1976 (90 Stat. 331; 16 U.S.C. 1801–1882), the Federal Aid in Fish Restoration Act (64 Stat. 430; 16 U.S.C. 777–777K), or any amendments to any one or more of such Acts.

CLOSURE TO SUBSISTENCE USES

SEC. 817. (a) All national parks and monuments in Alaska shall be closed to the taking of wildlife except for subsistence uses to the extent specifically permitted by this Act. Subsistence uses and sport fishing shall be authorized in such areas by the Secretary and carried out in accordance with the requirements of this title and other applicable laws of the United States and the State of Alaska.

(b) Except as specifically proved otherwise by this section, nothing in this title is intended to enlarge or diminish the authority of the Secretary to designate areas where, and establish periods when, no taking of fish and wildlife shall be permitted on the public lands for reasons of public safety, administration, or to assure the continued viability of a particular fish or wildlife population. Notwithstanding any other provision of this Act or other law, the Secretary, after consultation with the State and adequate notice and public hearing, may temporarily close any public lands (including those within any conservation system unit), or any portion thereof, to subsistence uses of a particular fish or wildlife population only if necessary for reasons of public safety, administration, or to assure the continued viability of such population. If the Secretary determines that an emergency situation exists and that extraordinary measures must be taken for public safety or to assure the continued viability of a particular fish or

wildlife population, the Secretary may immediately close the public lands, or any portion thereof, to the subsistence uses of such population and shall publish the reasons justifying the closure in the Federal Register. Such emergency closure shall be effective when made, shall not extend for a period exceeding sixty days, and may not subsequently be extended unless the Secretary affirmatively establishes, after notice and public hearing, that such closure should be extended.

TITLE IX—IMPLEMENTATION OF ALASKA NATIVE CLAIMS SETTLEMENT ACT AND ALASKA STATEHOOD ACT

CONVEYANCES TO VILLAGE CORPORATIONS

SEC. 901. (a) "CORE" TOWNSHIPS, ETC.—(1)(A) Except to the extent that conveyance of a surface estate would be inconsistent with section 12(a), 14(a), 14(b), or 22(l) of the Alaska Native Claims Settlement Act, subject to valid existing rights and section 903(a) of this Act, there is hereby conveyed to and vested in each Village Corporation for a Native village which is determined by the Secretary to be eligible for land under sections 11 or 16 of the Alaska Native Claims Settlement Act, and which did not elect to acquire a former reserve under section 19(b) of such Act, all of the right, title and interest of the United States in and to the surface estate in the public lands, as defined in such Act, in the township or townships withdrawn pursuant to section

Sectional Analysis by Representative Gordon of pertinent portions of U.S. Senate Bill 9 introduced by Senator Jackson. 1/15/79.

Sec 805(a) - one year after enactment of this act except as provided in 805(d) Secretary of the Interior shall establish.

~~(b)~~ ~~regions~~.

(1) 5 ~~regions~~ subsistence resource regions

(2) local advisory committees within each region.

(3) a regional advisory council in each subsistence region

Each regional council shall be composed of residents of each region and have following functions.

(A) ~~com~~review and evaluation

(B) provide of forum for expression of opinion

(C) encourage local and regional participation

(D) Prepare ANNUAL report which shall

(i) identify current and anticipated needs

(ii) evaluate current and anticipated needs

(iii) recommend a strategy for the management

(iv) recommendations concerning policies ... regulations to implement the strategy.

(b) Secretary shall assign adequate qualified staff to regional advisory committees

(c) Secretary shall be guided by the annual report.

Secretary shall follow advice of regional councils unless he determines in writing that

- such advice is not supported by substantial evidence
- violates recognized principles of fish and wildlife conservation
- be detrimental to subsistence needs

~~(d)~~

(d) Secretary shall not implement the above if within one year from the date of this Act the State:

- establishes at least 5 regions
- adequately maintains its local fish and game advisory committee
- establishes a regional council in each region
- assigns staff and distributes available support data.
- provides that the State ~~makes~~ rule making authority shall consider the advice of regional councils
- State may choose not to follow such advice if determines
  - is not ~~supported~~ supported by substantial evidence
  - violates recognized principles of fish and wildlife conservation
  - detrimental to rural subsistence needs.

(e)(1) Secretary may reimburse State from funds appropriated to Dept of Interior for reasonable costs to implement ~~this~~ regional councils

-reimbursement shall not exceed 50% of costs and ~~not to exceed~~ ~~5,000,000 in a~~.

(2) payments shall not to exceed 5,000,000 in any one ~~Each~~ Fiscal year.

9 Public Opinion Messages from Anchorage

[redacted]

HB193

TELEGRAM

HB193

RCA ALASKA COMMUNICATIONS, INC.

PHONE: [illegible]

JUNEAU, ALASKA [illegible]

1979 MAR 9 PM 2 20

02022 ANCHORAGE ALASKA 29 03-09 1120A AST

PMS MEMBERS OF THE HOUSE RESOURCES COMMITTEE

CARE LEGISLATIVE AFFAIRS AGENCY 0291 465-3850

JUNEAUAK

PLEASE KILL HB193 AND USE HB304 AS A MARKUP BILL

THE IMPUT AGAINST HB315 AND HB193 IS TREMENDOUS HERE IN

ANCHORAGE.

BRENT JONES

PO BOX 10-774

ANCHORAGE AK 99511

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

4B 193

1979 MAR 9 PM 12 52

12008 FAIRBANKS ALASKA 31 03-09 1020A AST

PMS CO-CHAIRMAN OSTERBACK AND MILES OF THE HOUSE RESOURCES

COMMITTEE STATE LEGISLATURE 0288

JUN

ALASKA CONSERVATION SOCIETY URGES ESTABLISHMENT OF REGIONAL FISH AND GAME BOARD WITH COORDINATIVE AND ADVISORY POWERS AND SUPPORT FUNDING OF POSITIONS PROVIDING TECHNICAL HELP TO LOCAL ADVISORY COMMITTEES. LETTER FOLLOWS

R B WEEDEN PRESIDENT ALASKA CONSERVATION SOCIETY

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE. [illegible]
JUNEAU, ALASKA [illegible]02

14021 NL KODIAK ALASKA 77 03-13 330P AST

PMS REPRESENTATIVE ALVIN OSTERBACK

JUN

KODIAK FISH AND GAME ADVISORY COMMITTEE OPPOSES HB193 CREATING REGIONAL FISH AND GAME BOARDS. REGULATORY AUTHORITY FOR FISH AND GAME SHOULD REMAIN WITH THE BOARD OF FISH AND BOARD OF GAME. THE PRESENT ADVISORY COMMITTEE SYSTEM PROVIDES A VIABLE FORUM FOR LOCAL AND REGIONAL INPUT ON FISH AND GAME MATTERS. HB193 WOULD CREATE AN UNWIELDY, EXPENSIVE AND UNNECESSARILY PROVINCIAL REGULATORY SYSTEM DETRIMENTAL TO THE FISH AND GAME RESOURCES AND TO THE INTERESTS OF THE CITIZENS OF ALASKA.

KODIAK FISH AND GAME ADVISORY COMMITTEE

TELEGRAM

HB193

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02089 NL ANCHORAGE ALASKA 55 03-14 955A AST

PMS SEN ALVIN OSTERBACK

JUN

IT IS OUR UNDERSTANDING THAT LEGISLATION WILL SOON BE CONSIDERED TO CLARIFY LOCAL AND REGIONAL RESPONSIBILITY FOR MANAGEMENT OF FISH AND GAME RESOURCES. THIS IS TO INFORM YOU THAT COOK INLET REGION INC. SUPPORTS HB 193 IN PRINCIPAL AND PARTICULARLY WITH THE PROPOSED AMENDMENTS SUBMITTED BY THE COOK INLET FISHERMENS COUNCIL IN THEIR RECENT LETTER.

ROY HUHNDORF, PRESIDENT COOK INLET REGION INC.

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC
PHONE: 586-5442
JUNEAU, ALASKA 99802

HB193

1979 MAR 14 AM 11 17

02039 POM TDA NINILCHIK ALASKA 15 03-14 830A AST

PMS NATURALRESOURCES COMMITTEE

JUN

WE HEARTILY ENDORSE HB193 WITH AMENDMENTS AS

PROPOSED BY USA.

CENTRAL PENINSULA ADVISORY FISH AND GAME COMMITTEE

BOX 3 NINILCHIK AK

#

1979 MAR 15 AM 1

TELEGRAM

ACA ALASKA COMMUNICATIONS, INC
PHONE:
JUNEAU, ALASKA

02319 POM ANCHORAGE ALASKA 15 03-14 821P AST

PMS REP ALVIN OSTERBACK

JUN

PLEASE GET HOUSE RESOURCE COMMITTEE SUBSTITUTE FOR HR193

OUT OF COMMITTEE AND PASSED.

LOREN CROXTON

2935 SHELDON JA[illegible]SON ST

ANCHORAGE ALASKA 99504

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

P. ONE: [illegible]-5442

JU. EAU, ALASKA 9980[illegible]

02278 NL ANCHORAGE ALASKA 50 03-14 630P AST

PMS REP ALVIN OSTERBACK

JUN

WE URGE YOU TO GET THE HOUSE RESOURCES COMMITTEE SSBSTITUTE BILL FOR HB.)3 PASSED OUT OF THE RESOURCES COMMITTEE TOMORROW.

RAY MCNUTT, PRESIDENT

ALASKA HUNTERS ASSN. PO BOX 41932, ANCHORAGE 99509

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

P. ONE: [illegible]442

IU- PAT, [illegible] 32

#

BPWWEU NL ANCHORAGE ALASKA 50 03-14 500P AST

PMS REP ALVIN OSTERBECK

JUN

I SINCERELY URGE YOU TO SUPPORT THE HOUSE RESOURCES COMMITTEE SUBSTITUTE FOR HB193. THE 913 SUBSTITUTE IS THE MOST IMPORTANT LEGISLATION THIS YEAR AND WARRANTS YOUR ATTENTION AND SUPPORT.

DARRELL FARMEN

SRA BOX 1593 ANCHORAGE 99507

Shirley & Ed Pears
SRA Box 76X
Anch., Ak 99507

M/M J. B. Melton
P.O. Box 4-2334
Anch., Ak 99509
276-3382

Sabra Attwood
6800 E 10th
Anch., Ak 99504
333-6281

Bill Bangs
P.O. Box 597
Chugiak, Ak
276-5454 Office

James Wilson
Box 1148
Eagle River, Ak 99577
694-9452

Chris Braeutigam
3313 Tudor Rd. 99507
Anch., Ak 99507

Steve Howard
4340 Tikishla
Anch., Ak 99504
337-7765

Roxie Hollingsworth
P.O. Box 4-1891
Anch., Ak 99509
277-2729

Andrew Masse
821 E 12th #1
Anch., Ak 99501
277-2729

Ronald Hollingsworth (Nancy & Richard)
1303 W 23rd #6
Anch., Ak 99503

Paul Sundhofer
7321 Branch Dr
Anch., Ak
344-3259

Wesley Paajanen
P.O. Box 1236
Eagle River, Ak 99577

Jay Dirksen
344 Linwood
Anch., Ak 99502

Tom Farr
P.O. Box 188
Chugiak, Ak 99567
688-9195

Ardyce Clemetson
4109 North Star
Anch., Ak 99503
277-3453

Dr. Michael Probst
Box 10-1083
Anch., Ak
264-1171

Jim & Susan Dickman
ST RT Box 5422
Eagle River, Ak

Gary Bockmick
Box 1273
Soldotna Ak 99669

Stanley Simpson
511 E 46th Pl
Anch., Ak 99503
277-4170

Randy Gunther
2428 E 27th
Anch., Ak 99504
279-5973

Mary Kay Hanks
Coronado Rd.
Eagle River, Ak 694-2229

Dr. Tom Hartman
SRA 385P
Anch., Ak 99507
344-2080

Robert Dow
Pouch 7-506
Anch., Ak 99510
277-3586

Max Jackson
356 E 48th Ave
Anch., Ak 99503
274-5103

***

This will be the last transmission
but will keep the list
of callers after this hour.
4:30 p.m. March 9

4 of 6

PUBLIC OPINION MESSAGE (LEGISLATIVE BRANCH ONLY)

To District II Representatives

From Maynard L. Watson

Business or Organization

Address Star Route A Box 27-A, Anchorage 99507 Zip

Phone 349-2007

MESSAGE:

I am against HB 193 and HB 304.

PUBLIC OPINION MESSAGE (LEGISLATIVE BRANCH ONLY)

1 of 6

Attn: Marlene

To To Representative Munson

From James M. Crouch

Business or Organization

Address Box 1548-H, SRA, Anchorage 99507 Zip

Phone 344-5562

MESSAGE:

I am definitely against HBs 193 and 304. It looks to me like a waste of the taxpayers money.

PUBLIC OPINION MESSAGE (LEGISLATIVE BRANCH ONLY)

To Representatives Meekins, Parker, Brown, Freeman, McKinnon, ~~Ross, Hanson and~~ O'Connell

From Linda Faro

Business or Organization

Address 2911 West 35th Avenue, Anchorage 99503 Zip

Phone 243-1526

MESSAGE:

I am strongly opposed to HB 193 because it will lead to fractionalizing of the wildlife resources management which would be detrimental to the Alaska public.

PUBLIC OPINION MESSAGE (LEGISLATIVE BRANCH ONLY)

To Bill Miles, C. V. Chatterton, Pat Carney, Sam Cotten

From Barbara Holby

Business or Organization

Address Box 153, Wasilla 99687 Zip

Phone 376-2203

MESSAGE:

Please do not pass HB 193. Vote for substitute bill HB 304.

PUBLIC OPINION MESSAGE (LEGISLATIVE BRANCH ONLY)

2 of 6

To Representative Pat Carney and Senator Jay Kerttula

From Kathy Nolan

Business or Organization

Address P. O. Box 742, Wasilla 99687 Zip

Phone

MESSAGE:

I urge you to support HB 228. Adequate health care is necessary for all, regardless of income. Urge your colleagues to support HB 228 also. HB 193 is a very prejudiced bill. Please do not support this bill. It will only encourage nepotism.

PUBLIC OPINION MESSAGE (LEGISLATIVE BRANCH ONLY)

To Representatives Meekins, Parker, Brown, Freeman, McKinnon, Moss, Munson, and O'Connell

From James L. Mauney

Business or Organization

Address Box 8765, Indian 99540 Zip

Phone 653-8202

MESSAGE:

I strongly oppose HB 193. I think this is a step backwards leading to discriminatory management of our resources.

PUBLIC OPINION MESSAGE (LEGISLATIVE BRANCH ONLY)

5 of 6

To Chairman Ostebeck & Members of Resources Comm.

From Bob Strange

Business or Organization self

Address 5838 Rowan Ave Zip 99507

Phone 344-3224

MESSAGE:

Regarding HB 193 - I Am Totally opposed to this Bill and do not see where it would do any good. The only thing this Bill will do is create an untenable mess.

PUBLIC OPINION MESSAGE (LEGISLATIVE BRANCH ONLY)

To Ray Metcalfe

From Howard B Jones

Business or Organization

Address SRA Box 4587-A (District 11) Zip 99507

Phone 344-1358

MESSAGE:

Please Vote Against HB 193: This Bill will destroy the Fish and Game Resources in Alaska.

PUBLIC OPINION MESSAGE (LEGISLATIVE BRANCH ONLY)

6 of 6

To Joyce Munson

From Harold B Jones

Business or Organization

Address SRA Box 1680-A (District 11) Zip 99707

Phone 344-1358

MESSAGE:

Please Vote Against HB 153: Because it will Drive our State into Seven Separate Areas with A Disadvantage of Postage & Cost Increases.

Use HB 304 As A Model Bill.

PLEASE PRINT

( ) Osterback T

Name DAVID A. AREND — Here to TESTIFY ✓

Representing ALASKA BOWHUNTER ASSY

Mailing Address P.O. 4-42 Anch zip 99509 — Here to OBSERVE —

Phone 694-2491

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

David A Arend
(signature)

Have you participated in other legislative teleconferences? ___ How many? ___ — Would you have participated in this hearing if the network were not available? YES

PLEASE PRINT

T

Name Walter E Cox — Here to TESTIFY ✓

Representing

Mailing Address 621 Nathan Circle zip 99502 — Here to OBSERVE ___

Phone 344 2131

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below.

Walter E Cox
(signature)

[illegible]

PLEASE PRINT

T

Name Floyd Lindbloom — Here to TESTIFY X

Representing SAFARI CLUB INT.

Mailing Address 3782 W 84th Anch. zip 99502 — Here to OBSERVE X

Phone 243 2107

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Floyd Lindbloom
(signature)

Have you participated in other legislative teleconferences? NO How many? ___ — Would you have participated in this hearing if the network were not available? Yes

How did you learn about this hearing? C C I - Member

If yes, did you use the network:
instead of travel
instead of phone conversations
instead of mailed testimony

Date: 3/5 Subject: Subsistence Location: Anchorage

PLEASE PRINT

Name Dale Bondurant Here to TESTIFY T

Representing Sportsman Council of Iliamna/Naknek

Mailing Address PO Box 846 Chignik Zip 99567 Here to OBSERVE

Phone 685 2692

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Dale Bondurant
(signature)

Have you participated in other legislative teleconferences? Would you have participated in this hearing if the network were not available?

PLEASE PRINT

Name MARY THIEW Here to TESTIFY T

Representing Republican Dist 10

Mailing Address 313 WENTWORTH Zip 99504 Here to OBSERVE

Phone 277 2808

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

(signature)

Have you participated in other legislative teleconferences? Yes How many? 2 Would you have participated in this hearing if the network were not available? Yes

PLEASE PRINT

Name Terry Shurtleff Here to TESTIFY T

Representing MYSELF

Mailing Address P.O. Box 968 K.R. Zip 99577 Here to OBSERVE

Phone 644-4047

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Terry Shurtleff
(signature)

Have you participated in other legislative teleconferences? NO How many?

Would you have participated in this hearing if the network were not available?

How did you learn about this hearing?

Jerry Barnes

If yes, did you use the network:
___ instead of travel
___ instead of phone conversations
___ instead of mailed testimony

PLEASE PRINT

T

Name Mel Krossing — Here to TESTIFY ___

Representing self

Mailing Address 6025 Winding Way Zip 99504 — Here to OBSERVE V

Phone 333-4128

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Melva N Krossing
(signature)

PLEASE PRINT

T

Name Warren E. Olson — Here to TESTIFY ~~X~~

Representing ___

Mailing Address ___ Zip ___ — Here to OBSERVE ___

Phone ___

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Warren E. Olson
(signature)

Have you participated in other legislative teleconferences? ___ How many? 2

Would you have participated in this hearing if the network were not available? ___

PLEASE PRINT

T

Name Sam McDowell — Here to TESTIFY V

Representing Izaak Walton League

Mailing Address 3685 Arctic Blvd Zip — Here to OBSERVE ___

Phone Anchorage, AK 279-1923

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Sam McDowell
(signature)

Have you participated in other legislative teleconferences? ___ How many? ___

Would you have participated in this hearing if the network were not available? ___

How did you learn about this hearing?

If yes, did you use the network:
instead of travel
instead of phone conversations
instead of mailed testimony

Location: Anchorage

PLEASE PRINT

Name JAMES L BAUM Here to TESTIFY —

Representing SELF

Mailing Address 4389 MARS DR ANCH Zip 99507 Here to OBSERVE —

Phone 3443860

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

James L Baum
(signature)

Have you participated in other legislative teleconferences? ____ How many? ____ Would you have participated in this hearing if the network were not available? ____

How did you learn about this hearing? ____ If yes, did you use the network: ____

PLEASE PRINT

Name Steven T. Reed Here to TESTIFY ____

Representing ____

Mailing Address 7620 Wisteria Zip 99502 Here to OBSERVE X

Phone 243-8614

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Steven T. Reed
(signature)

Have you participated in other legislative teleconferences? NO How many? ____ Would you have participated in this hearing if the network were not available? NO

How did you learn about this hearing? ____ If yes, did you use the network: ____

PLEASE PRINT

Name Robert J. KROGSENG Here to TESTIFY YES

Representing Self & Family

Mailing Address 6025 Winding Way Zip 99504 Here to OBSERVE ✓

Phone 333 4128

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Robert J. Krogseng
(signature)

Have you participated in other legislative teleconferences? YES How many? ____ Would you have participated in this hearing if the network were not available? ____

How did you learn about this hearing? Email

If yes, did you use the network:
___ instead of travel
___ instead of phone conversations
___ instead of mailed testimony

Date: 3/5

PLEASE PRINT

T

Name EMMET HEIDEMANN — Here to TESTIFY X

Representing

Mailing Address P.O. Box 61, EAGLE RIVER AK Zip 99577 — Here to OBSERVE

Phone 694-2344

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Emmet Heidemann
(signature)

PLEASE PRINT

T

Name ANDREW G LOYER — Here to TESTIFY X

Representing 7800 DEBARR #20C

Mailing Address ANCH., AK Zip 99504 — Here to OBSERVE

Phone 337-6763

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Andrew G Loyer
(signature)

Have you participated in other legislative teleconferences? NO How many?

Would you have participated in this hearing if the network were not available? YES

How did you learn about this hearing?

MR BARNES

If yes, did you use the network:
instead of travel
instead of phone conversations

PLEASE PRINT

6

Name RONALD J. KUCZEK — Here to TESTIFY

Representing SELF

Mailing Address 6008 WINDING WAY Zip 99504 — Here to OBSERVE

Phone 333-1162

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Ronald J Kuczek
(signature)

Have you participated in other legislative teleconferences? NO How many?

Would you have participated in this hearing if the network were not available? NO

How did you learn about this hearing?

word of mouth.

If yes, did you use the network:
instead of travel
instead of phone conversations
instead of written testimony

PLEASE PRINT

T

Name Larry A. Barnes — Here to TESTIFY Yes

Representing 25 Concerned Alaskan Citizens

Mailing Address 2230 Papson Anch. zip 99504 — Here to OBSERVE ____

Phone 337 7904

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Larry A. Barnes
(signature)

PLEASE PRINT

T

Name GREG REMAKLUS — Here to TESTIFY X

Representing ____

Mailing Address 235 E 9th Ave. Anch. zip 99501 — Here to OBSERVE ____

Phone 272-1333

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Greg Remaklus
(signature)

Have you participated in other legislative teleconferences? No How many? ____

Would you have participated in this hearing if the network were not available? Yes

How did you learn about this hearing?

If yes, did you use the network:

PLEASE PRINT

T

Name FRED B. MORGAN — Here to TESTIFY ____

Representing Self

Mailing Address Box 2328; Anchorage zip 99510 — Here to OBSERVE ____

Phone 277-8522 AK. 99510

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Fred B. Morgan
(signature)

Have you participated in other legislative teleconferences? Yes How many? 3

Would you have participated in this hearing if the network were not available? Yes

How did you learn about this hearing?

Fred Linderman

If yes, did you use the network:
/ instead of travel
instead of phone conversations
instead of mailed testimony

Name Richard C. Sait

Here to TESTIFY ____

Representing Self

Mailing Address 7725 Arlene #1/4 Zip 99502

Here to OBSERVE X

Phone 243-6140

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Richard C Sait
(signature)

Have you participated in other legislative teleconferences? No How many? ____

Would you have participated in this hearing if the network were not available? Yes

PLEASE PRINT

Name Robert E. Elzig

Here to TESTIFY ____

Representing SELF

Mailing Address 5705 PERRY DR Zip 99504

Here to OBSERVE ✓

Phone 333-4194

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Robert E Elzig
(signature)

Have you participated in other legislative teleconferences? no How many? ____

Would you have participated in this hearing if the network were not available? ____

How did you learn about this hearing? ____

PLEASE PRINT

Name BILL AREGOOD

Here to TESTIFY YES

Representing ALASKA NORTH FLYING SER

Mailing Address P.O. 6323 ANCH AK Zip 99502

Here to OBSERVE ✓

Phone 243-2686

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Bill Aregood
(signature)

Have you participated in other legislative teleconferences? Yes How many? 2

Would you have participated in this hearing if the network were not available? Yes

How did you learn about this hearing? friend

If yes, did you use the network:
instead of travel
instead of phone conversations
instead of mailed testimony

Date 3/ Subject Location Anchorage

PLEASE PRINT

Name Marvin Lindholm — Here to TESTIFY ____

Representing Self

Mailing Address 1693 Stanton Zip 99504 — Here to OBSERVE ✓

Phone 277-4229

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Marvin Lindholm
(signature)

Have you participated in other legislative teleconferences? ____ How many? ____

Would you have participated in this hearing if the network were not available? ____

How did you learn about this hearing?

If yes, did you use the network:

PLEASE PRINT

Name Mike Lindholm — Here to TESTIFY ____

Representing Self

Mailing Address 1693 Stanton Zip 99504 — Here to OBSERVE ✓

Phone 277-4229

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Mike Lindholm
(signature)

Have you participated in other legislative teleconferences? How many?

Would you have participated in this hearing if the network were not available? ____

PLEASE PRINT

Name Donald L. Logan — Here to TESTIFY ____

Representing Self

Mailing Address Anchorage Ak Zip 99509 — Here to OBSERVE X

Phone 277-5279

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Donald L. Logan
(signature)

Have you participated in other legislative teleconferences? ____ How many? ____

Would you have participated in this hearing if the network were not available? ____

How did you learn about this hearing?

Email

If yes, did you use the network:
____ instead of travel
____ instead of phone conversations
____ instead of mailed testimony

PLEASE PRINT

Name Marvin Lindholm Here to TESTIFY ____

Representing Self

Mailing Address 1693 Stanton Zip 99504 Here to OBSERVE ✓

Phone 277-4229

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Marvin Lindholm
(signature)

Have you participated in other legislative teleconferences? ____ How many? ____

Would you have participated in this hearing if the network were not available? ____

How did you learn about this hearing?

If yes, did you use the network:

PLEASE PRINT

Name Mike Lindholm Here to TESTIFY ____

Representing Self

Mailing Address 1693 Stanton Zip 99504 Here to OBSERVE ✓

Phone 277-4229

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stat ons. Please indicate your consent by signing below:

Mike Lindholm
(signature)

Have you participated in other legislative teleconferences? How many?

Would you have participated in this hearing if the network were not available? ____

PLEASE PRINT

Name Donald L. Logsdon Here to TESTIFY ____

Representing Self

Mailing Address Anchorage, Ak Zip 99509 Here to OBSERVE X

Phone 277-5219

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television station. Please indicate your consent by signing below:

Donald L. Logsdon
(signature)

Have you participated in other legislative teleconferences? ____ How many? ____

Would you have participated in this hearing if the network were not available? ____

How did you learn about this hearing?

Board

If yes, did you use the network:
____ instead of travel
____ instead of phone conversations
____ instead of mailed testimony

Name James D. Roesch — Here to TESTIFY ____

Representing ____

Mailing Address S.R.A. Box 202 Zip 99502 — Here to OBSERVE ✓

Phone 349-1481

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

James D. Roesch
(signature)

Have you participated in other legislative teleconferences? No How many? ____ — Would you have participated in this hearing if the network were not available? ____

PLEASE PRINT

Name Steve C. Theiss — Here to TESTIFY ____

Representing Sport Hunting Cpns in Alaska Age 35yrs. 35yrs

Mailing Address 4111 Crapo pl #4 and Zip 99504 — Here to OBSERVE X

Phone W-279-6471

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Steve C Theiss
(signature)

Have you participated in other legislative teleconferences? No How many? ____ — Would you have participated in this hearing if the network were not available? 7

How did you learn about this hearing? — If yes, did you use the network:

PLEASE PRINT

Name Elizabeth Ward — Here to TESTIFY ____

Representing self

Mailing Address 411 W. 8th Ave. #3 Zip 99501 — Here to OBSERVE ✓

Phone office 263-1219

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Elizabeth Ward
(signature)

Have you participated in other legislative teleconferences? No How many? ____ — Would you have participated in this hearing if the network were not available? ____

How did you learn about this hearing? friend

If yes, did you use the network:
____ instead of travel
____ instead of phone conversations
____ instead of mailed testimony

Location: Anchorage

PLEASE PRINT

Name Dean Thompson — Here to TESTIFY ___

Representing Saifari Club Inter.

Mailing Address 2743 W 79th Zip 99502 — Here to OBSERVE X

Phone 243 2589

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Dean Thompson
(signature)

Have you participated in other legislative teleconferences? No How many? ___

How did you learn about this hearing?

Would you have participated in this hearing if the network were not available? No

If yes, did you use the network:
___ instead of travel
___ instead of phone conversations
___ instead of mailed testimony

Date: 3/5 Subject: Subsistence Location: Anchorage

PLEASE PRINT

Name Louie K Brenner — Here to TESTIFY ___

Representing SAFARI International (Alaska Chpt.)

Mailing Address 6950 Crawford Dr Zip 99502 — Here to OBSERVE ✓

Phone 243-2284

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Louie K Brenner
(signature)

Have you participated in other legislative teleconferences? No How many? ___

How did you learn about this hearing?

Friends

Would you have participated in this hearing if the network were not available? ___

If yes, did you use the network:
___ instead of travel
___ instead of phone conversations
✓ instead of mailed testimony

Sonny Myers - Box 33 Driveway - Eagle River, Ak
David W. Brown - Davis St. Box 44 - Eagle River, AK
Betty K. Brown - Davis St. Box 44, Eagle River, AK
Walter Lockwood 2825 E 16th Ave, Anchorage AK
J.W. Burger 1472 Virginia Ct Anch. AK.
Robert A. Jarrett 1807 Kalgin ST, Anch. AK
Leroy E. Hagedorn 3530 Lit Chris Anch AK
Laurence Duchay 2509 KILKENNY ANCH. AK
Carl Anderson Box 1548 C501 Anchorage 99507
Ron Rahrig 2648 LEE RD, ANC AK 99504
John M. Gillis Jr. 925 E 20th #D ANC, AK
Kenneth L. Ostrander 537 N St. ANC AK 99501
Helen M. Faulkner SC 1537 Eagle River, AK 99577
Thomas D. Konkel 3121 KENWOOD CIRCLE, ANC AK 99504
Jean B. Stokes 1532 Lora Dr. Anc Ak 99504
Raymond R. Christman P.O. Box 3444-DT Anc Ak 99510
Gerald H. Hunter 1321 Boston, #2 Anc AK 99504
J. Connaughton 5415 E. 47th Anch. AK 99507
Richard Wright 6917 Kenworth Anch Ak
Lawrence C. Kiesau 7741 Maryland Anc Ak. 99504
Kenneth Padgett 611 E 10th #1 Anchorage
Carter V. Ross Box 242 Homer Ak. 99603

Name	Address
[illegible]	100 Colville St E.R.
[illegible]	100 Colville St. E.R. AK
Stan Marquis	P.O. Box 303 E.R. AK
Thomas L. Hunter	P.O. Box 464 E.R. AK
Paul Beaumier	Box 150 Chitanika Loop E.R. AK.
Kellett Bradley	P.O. Box 3-1021 ECB, Anch. AK
Lester Berry	Stat 1 Pre 470 Chugiak AK 99567
Phyllis Collins	S.R. Box 7005 Chugiak ak. 99567
B.J. Schell	P.O. Box 494-A Chugiak AK 99567
[illegible]	[illegible]
Dennis Smith	Box 993 Eagle River
Charles Hyatt	Box 450 Chugiak AK. Star Rt 1 Box 1 Old Glenn H.
Janet P. Quinn	Box 367 E.R. Alaska
Dale Tanbrook	Box 502 Chugiak,
Richard Legg	Box 1071 Eagle River
Robert Hughes	Box 667 Eagle River
James W. Bennett	Box 124 Mirror St, Eagle River
Earl J. Hall	P.O. Box 85 Eagle River, AK
Beverly J. Hall	PO Box 85 Eagle River AK
Terry Shuttleff	P.O. Box 968 Eagle River AK
Bonnie J. Shuttleff	P.O. Box 968 Eagle River AK
Robert C. Taylor	Box 92 DAVIS ST. EAGLE RIVER
Patti Hynes	Box 33 Snowbird - Eagle River, Ak.

LADIES AND GENTLEMEN OF THE ALASKA LEGISLATURE, I AM Terry Shortleff,
P.O. Box 968 Eagle River 99577
~~2238 PARSON~~, ~~ANCHORAGE~~, ALASKA, AND I HAVE A STATEMENT FROM 115
CONCERNED ALASKAN CITIZENS.

THE 10TH LEGISLATURE PASSED HB 960 WHICH WAS SUBSEQUENTLY SIGNED INTO LAW. THIS BILL, WHICH GIVES SUBSISTENCE USERS PRIORITY HUNTING AND FISHING RIGHTS IS CONTRARY TO THE ALASKA STATE CONSTITUTION. SO FAR, NO DEFINITION OF SUBSISTENCE USER HAS EVEN BEEN DEVELOPED, AND NOW THE 11TH LEGISLATURE MUST ACT ON FURTHER PROPOSED LEGISLATION USING THE SAME TERM.

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BECAUSE OF THESE FACTORS THEN, THE TERM SUBSISTENCE USER SHOULD APPLY EQUALLY TO ALL ALASKAN RESIDENTS OR BE DROPPED ALTOGETHER BECAUSE THE POTENTIAL FOR ABUSE AND FACTIONISM IS FRIGHTENING AND DIVISIVE.

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Name	address
Jane P. Kalgaard	100 Columbia St E.R.
John Delaquila	100 Columbia St. E.R. AK
Stan Magnus	P.O. Box 303 E.R. AK
Paul Beaurivage	Box 150 Chatanika Loop E.R. AK
Thomas J. Hunter	P.O. Box 464 Eagle River AK
Lesley Bass	ERA Box 693 Chugiak
Delbert Small Jr.	P.O. Box 3-402 ECB, Arch, AK
Deborah A. Collins	S.R. Box 7005 Chugiak ak. 99567
B. J. Scott	R.O.B. 554-A Chugiak AK 99567
[illegible]	7529 Maryland Dr Anchorage 99504
Dennis Small	Box 992 Eagle River Rd in the Wilderness
Carol Goucher	Box 150 Chugiak Ak
Jacob P. Quinn	Box 367 E.R. AK
Dale Tarbett	Box 542 Chugiak
Richard Legg	Box 1091 Eagle River
Robert Hughes	Box 667 Eagle River
James W. Bennett	Box 124 Marcus St. Eagle River
Earl J. Swift	P.O. Box 85 Eagle River, AK
Beverly J. Swift	P.O. Box 85 Eagle River, AK
Jerry D. Shurtleff	P.O. Box 968 Eagle River
Bonnie J. Shurtleff	P.O. Box 968 Eagle River AK
Robert L. Taylor	Box 92 Davis St. Eagle River AK
Patti Wynne	Box 33 Airway Eagle River Alaska

Lonny Myers - Box 33 Dis Way - Eagle River - Ake. 99577

David W. Brown - Davis St. Box 44, Eagle River AK

Betty K. Brown - Davis St. Box 44, Eagle River, AK

Walter Burkard 2525 E 15th Ave Anchorage AK

J W. Burger 1472 Virginia Ct. Anch AK

Robert A. Barnett 1807 Kathy in St. Anch AK

Leroy T. Wagnild 5500 Alta Vista Anch. AK

Lawrence Hively 2509 Kilkenny Anch AK

Kenneth L. Osterhout 537 M St. Anchorage AK

[illegible] 225 "D E 20th Anch AK 99503

Carl E. Anderson Bx 15198-C SRA Anch. 99577

Ron. Rahrig 2648 Laurel ANC, AK 99504

[illegible] 4532 Kara Dr Anc AK 99504

Thomas E. Kowalke 3121 Kenwood Cir. Anc AK 99504

Helen M. Faulkner SR 1531 Eagle River, AK 99577

Jeff Cornwell 5419 C. 42nd Anchorage AK. 99504

Raymond C. Hunter P.O. Box 3444-DT Anc. AK 99510

[illegible] 1321 Boston, #2 Anc AK 99504

Michael [illegible] 6417 Cranberry Dr Anch AK 99507

Randy Brown 611 E 16th #1 Anchorage

Regina C. Brown 7741 Maryland Ave. Anc. AK

Carter Ross Box 242 Homer AK 99603

We the undersigned agree that the House Bill960 must be abolished. This Bill is unconstitutional and would seriously infringe on Equal Rights.

SIGNATURE	ADDRESS
Carl L Bartels	17742 E 20th Anchorage 99507
Lisa Bartels	17742 E 20th Anch ak 99507
Lawrence L Gibbs	3841 E 6 5th Anchorage Ak 99508
Kenneth Seiford	5836 Tenlan anch AK 99507
Janis L Clark	3841 E. 16th Anch. 99507 99502
Billy Nyman	3531 Hoop Cir.
Dyett. McLeod	Box 10-816 Anch. 99511
Wade W. Thomas	3561 Pilot Pnch. 99507
Richard Enright	9354 Crystal Lander 99502
Ellen Sand	912 W 57th Ave 99502
~~Barbara~~	
Sol Rivera	Box 228 CHUGIAK ALASKA

Public Statements about HB193 -

(All generally against it)

The intent of house bill 193 is regional control of Alaska's fish and game resources. That intent of regional control is good because of the vast area of Alaska and it's varied fish and game resources.

The weakness of the bill and it's glaring deficiency is the fragmentation of regulatory authority. Our fish and game laws now are cumbersome and nightmarishly legalistic. This bill would not only continue this trend, but would expand regulatory authority from one to seven boards, each with authority to set bag limits, seasons, and area uses. Ones inability to decipher existing regulations would pale to the myraid of regulations seven separate boards would enact.

Instead of a progressive fish and game policy aimed at conserving for the best use of all, we would be faced with a jumble of regulations aimed at preserving fish and game resources for a narrow few. The lock-out of sport users would be, in our opinion, the final impact of this bill. This is not acceptable.

We are against any bills, such as house bills 199 and 960 that give special interests, like subsistence, priority without garantees that sport use would be protected.

House bill 304 could be an acceptable alternative to the above mentioned legislation if preference for subsistance was omitted or protection of sport use was added.

Ludwig Janota
Allen H. Kinkaboter
Bob Falen
Don Coop
Richard Dan Bumgarner
Richard A. Miller
Lewis Mark
Jack Erickson
Jarmie A. Gilbertz
Barney Adams
George Hammond
Clyde Corp
Bob E Corp.
Don B. Smith
Jerry Collings
Phil Schmook
John Nelson
Dick McBride

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Roger C Jobes
Rod Anderson
Larry Rosenau
Ed Ringsen
Ken Watchcock
Gene Thomas
Gary Dye
Douglas Jewett
David A. Arend

38

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Rose E Reed

Steven T Reed

Ladies and Gentlemen of the Alaska Legislature:

I am Ronald J. Minn, 778 Norman St. Anchorage Alaska and I am a concerned citizen. In regards to H.B. 193 I am opposed to turning over the fish, game and waters of the Great State of Alaska to the so called subsistence fanatics only.

As a tax payer and sportsman I am aware of my responsibility to our great state and furthermore I am also aware of my constitutional rights guaranteed to me in the Alaska State Constitution.

Therefore I sincerely ask the members of the Alaska Legislature to guarantee our rights as Alaska citizens to share in all fish, game and waters of the State of Alaska and eliminate the "subsistence first" concept.

I authorize Larry Baker to read this on my behalf.

Respectfully
Ronald J. Minn
778 Norman St
Anchorage Alaska 99504

LADIES AND GENTLEMEN OF THE ALASKA LEGISLATURE, I AM LARRY BARNES, 2230 PAXSON, ANCHORAGE, ALASKA, AND I HAVE A STATEMENT FROM 25 CONCERNED ALASKAN CITIZENS.

THE 10TH LEGISLATURE PASSED HB 960 WHICH WAS SUBSEQUENTLY SIGNED INTO LAW. THIS BILL, WHICH GIVES SUBSISTENCE USERS PRIORITY HUNTING AND FISHING RIGHTS IS CONTRARY TO THE ALASKA STATE CONSTITUTION. SO FAR, NO DEFINITION OF SUBSISTENCE USER HAS EVEN BEEN DEVELOPED, AND NOW THE 11TH LEGISLATURE MUST ACT ON FURTHER PROPOSED LEGISLATION USING THE SAME TERM.

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WE ALSO RECOGNIZE THAT REGIONAL ADVISORY COUNCILS SHOULD FURNISH INPUT TO THE BOARD OF FISHERIES AND BOARD OF GAME IN KEEPING WITH THE SUSTAINED YIELD OBJECTIVE. FULL REGULATORY AUTHORITY, HOWEVER, MUST REMAIN WITH THE BOARD OF GAME AND THE BOARD OF FISHERIES.

CONCERNED CITIZENS

ROBERT WOLFE
Box 476-CSRA
Anchorage AK 99507

HERCHEL ELKINS
9366 Campbell Terrace
Anchorage AK

ROBERT STAFFORD
6010 Ril Way
Anchorage AK

ROBERT MOWERY
SRA Box 323L
Anchorage AK 99507

JOHN CRAFT
2221 Muldoon , Spot 85
Anchorage AK 99504

WILLIAM REACH
2230 Paxson
Anchorage AK 99504

LARRY TISH
Voter Reg #0319930
District 11

SCOTT CALL
4630 Cordova, Apt #2
Anchorage AK 99503

DAVID BERLIN
6015 E. 21st
Anchorage AK 99504

GARY McBRIDE
5214 Sillary Circle
Anchorage AK 99504

RONALD MIMM
778 Norman
Anchorage AK 99504

CURTIS CARLEY
Double Tree Court
Anchorage AK 344-9492

KEITH EDWARDS
4622 Shelikof
Anchorage AK

DOUGLAS CHAVIOUS
905 Muldoon, Space Ak3
Anchorage AK 99504

LARRY A. BARNES
2230 Paxson
Anchorage AK 99504

HERB HULL
13001 Stephenson
Anchorage AK

Daniel E. Short
5706 Armstrong Lane.
Anch, AK 99503

Charles Fagan
7800 Debarr, Space 260
Anch, AK 99504

James Dunn
3621 Mere Cr.
Anch, AK 99502

Karen Klestorman
821 P St.
Anch, AK 99501

Steven E. Lewis
5203 Tuck Rd.
Anch. AK. 99507

SHELLY LHMIS
7735 E 20TH
ANCH, AK 99504

Lee Pennell
1120 Turpin
Anch. AK 99504

Richard Wold
139 J. Pl.
Anch, AK 99501
277 9933

CHAIRMAN AND MEMBERS OF THE HOUSE RESOURCES COMMITTEE--I AM Terry Shurtleff [redacted], P.O. Box 968 Eagle River [redacted] AK [redacted] 99577, AND I HAVE A STATEMENT FROM 45 CONCERNED ALASKAN CITIZENS.

WE SEE HOUSE BILL 193 AS A BLATANT ATTEMPT TO PLACE CONTROL OF ALL OF ALASKAN FISH AND GAME RESOURCES IN THE HANDS OF REGIONAL INTERESTS TO THE DETRIMENT OF THE URBAN USER OF THESE RESOURCES.

AS TAXPAYERS, VOTERS AND RESIDENTS OF ALASKA, WE CONSIDER OURSELVES AS CO-OWNERS AND BENEFICIAL USERS OF THESE RESOURCES AS WELL. THE CONCEPT OF THE SUBSISTENCE USER (WHATEVER HE IS) BEING PLACED ABOVE THE REMAINDER OF ALASKAN RESIDENTS AND GIVEN PRIORITY RIGHTS TO ALASKA'S FISH AND GAME RESOURCES IS SHAMEFUL. THOSE WHO SUBSCRIBE TO THIS CONCEPT ARE ATTEMPTING TO USURP THE CONSTITUTIONAL RIGHTS OF THE MAJORITY OF ALASKA'S CITIZENS.

WE FERVENTLY BELIEVE THAT ALL ALASKANS MUST SHARE EQUALLY IN THE DISTRIBUTION AND USE OF OUR PRECIOUS FISH AND GAME RESOURCES. WE INSIST THAT OUR REPRESENTATIVES AGGRESSIVELY PURSUE THEIR CONSTITUENTS' BEST INTERESTS AND CONSTITUTIONAL RIGHTS. WE WILL BE WATCHFUL THAT OUR LEGISLATORS VOTE AGAINST HB 193.

IN ADDITION, WE URGE THAT THE 11TH LEGISLATURE / TO CORRECT THE MISTAKE IN JUDGMENT MADE WHEN HB 960 WAS PASSED BY THE 1 LEGISLATURE, AND TAKE ACTION TO ABOLISH IT.

WE VIEW HB 304 AS A REASONABLE BILL PROVIDING THAT AUTHORITY TO REGULATE FISH AND GAME REMAINS RESPECTFULLY WITH THE BOARD OF FISHERIES AND BOARD OF GAME. THERE SHOULD BE NO AMENDMENTS TO THIS BILL WHICH TRANSFERS THEIR EXISTING AUTHORITY OR ANY PORTION THEREOF IN REGULATING ALASKA FISH AND GAME RESOURCES. FURTHERMORE, HB 304 SHOULD BE AMENDED AS FOLLOWS: SECTION I INTENT, LINE 2, THE WORDS, "AND THE CONTINUATION OF THE UNIQUE LIFESTYLE OF MANY RURAL AND OTHER ALASKAN RESIDENTS," SHOULD BE REMOVED AS IT ADDS NOTHING OF SUBSTANCE TO THE BILL. ADD THE FOLLOWING WORDS TO THE END OF SECTION I. INTENT: "NOTHING IN THIS ACT SHALL BE CONSTRUED TO BE A TRANSFER OF REGULATORY AUTHORITY FROM THE BOARD OF FISHERIES AND BOARD OF GAME." PAGE 5, LINE 14, THE WORDS, "CONSISTENT WITH THE PREFERENCE FOR SUBSISTENCE" MUST BE OMITTED.

BECAUSE OF ALASKA'S POOR FISCAL POSTURE, NO RESIDENT SERVING ON ANY FISH AND GAME ADVISORY BOARD, SUBBOARD, ETC., SHALL RECEIVE A SALARY NOR PER DIEM. ACTUAL TRAVEL EXPENSES SHOULD BE REIMBURSED BY THE STATE.

ALASKA STATE LEGISLATURE

Legislative Affairs Agency
Pouch Y - State Capitol
Juneau, Alaska 99811

REGIONAL INFORMATION OFFICE
1024 West 6th Avenue
Anchorage, Alaska
99501
(907) 278-3668

Enclosed for your information and files are materials relating to the teleconference on HB 193 held March 6, 1979, including a copy of the witness and observer list.

Judy Hopkins
Anchorage Moderator

LAA 11
(Rev. 4-29-77 K)

TELECONFERENCE HEARINGS

SUBJECT: HB 193 - Fish and Game (Gardiner et al)

COMMITTEE: HOUSE RESOURCES (OSTERBACK, MILES, Zharoff, Carney, Cotten, Fuller, Chatterton, Eliason, Halford)

DATE: Tuesday, March 6, 1979

TIME: 1:00 p.m. A.S.T.

SITES PARTICIPATING: All sites

CONFERENCE MODE: audio

LOCATION: LIO

MODERATOR: Hopkins

UAA ADVISED, CONFIRMED na
Extra bills ordered 2/26
Register prepared 2/26

NOTES:

Summary coming from Juneau

round robin - 2 witnesses from each site

PUBLICITY:

INVITATIONAL

	Date	Quantity
PSAs	2/27	26
Audio PSAs		
Video PSAs		
News releases	2/24	31
Direct mail		
Phone contacts		
Other:		
Posted at LIO	2/26	

KENI News Team crew here

Copies to LIN Juneau 3/6
Copies to committee 3/6
Copies to sponsor

NUMBER IN ATTENDANCE 22
NUMBER TESTIFYING 11

1-30-79

MR. CHAIRMAN (1) MARCH 6, 197

My name is David R. Stanclift
1906 Logan Anch. Ak.

I've been an Alaska Resident for 6 years and have truly enjoyed and benefited from the hunting and fishing here. It is in part what keeps me here in Alaska as well as the opportunities for my family to grow and in turn appreciate these things with me. I believe that the majority of the residents here in Anchorage have similar feelings in regard to fishing and hunting.

I speak for 16 registered voters and myself when I say that we support the state constitution in that the fish and wildlife here is a resource to be managed and maintained by all Alaskans, not divided up into seven groups to be managed by all serving local interests.

We believe House Bill # 123 is at best a loosely worded open ended fiscally irresponsible piece of legislation. The regional board comprised of 5 board members who are well informed a fish and wildlife in any particular area should have the right or power to set policies that will affect everyone in this state.

If there ever has been an open invitation for preferential treatment. This act does them all.

Who anyone considered who Gov. Hammond is going to appoint to these boards? The time involved to ensure that board members are un-biased and dedicated to representing the voting majority of the state is mind boggling.

It would then be up to the legislature to make doubly sure ~~sure~~ that each one of these board members are qualified and again truly represent the voter majority.

Do you the listeners believe that the taxpayers of this state want to foot the bill for the expenditures of these board members who at the bill states can call as many meetings as they deem necessary at ~~at~~ any ~~least~~ no specified locality.

We feel there has to date been no satisfactory definition of the term subsistence used given at the Federal or State Level. There are as many exceptions to the rule as there are politicians who try to define the term. There are people who live here in Anchorage that are in reality subsistence users, but because they choose to make their residence here are considered exceptions.

It's time that we say no to all interests who advocate preferential treatment ~~to~~ a group that doesn't exist on a desirable basis.

Furthermore concerning this bill - it's time that some of our urban representives start looking hard at who they are representing.

There is no question that this Bill could give preferential ~~given~~ treatment to the bad communities if not absolute control of the fish and wildlife resources in their respective areas. These resources do not now and should not ever belong exclusively to ~~them and until they~~ do these user groups. The constitution is clear on this!

We hope ~~that~~ our urban representatives in Juneau are not naive enough to believe that their support of this Bill is in our best interest!

We find this bill totally unacceptable. ~~as a~~ ~~matter of principle~~

The only people qualified to determine the term subsistence user should be the legislature via the voting majorities in their districts.

CHAIRMAN AND MEMBERS OF THE HOUSE RESOURCES COMMITTEE--I AM LARRY A. BARNES, 2230 PAXSON, ANCHORAGE AK 99504, AND I HAVE A STATEMENT, ~~FROM~~ ~~CONCERNED ALASKAN CITIZENS~~, [redacted]

I SEE HOUSE BILL 193 AS A BLATANT ATTEMPT TO PLACE CONTROL OF ALL OF ALASKAN FISH AND GAME RESOURCES IN THE HANDS OF REGIONAL INTERESTS TO THE DETRIMENT OF THE URBAN USER OF THESE RESOURCES.

AS A TAXPAYER, VOTER AND RESIDENT OF ALASKA, I CONSIDER MYSELF A CO-OWNER AND BENEFICIAL USER OF THESE RESOURCES AS WELL. THE CONCEPT OF THE SUBSISTENCE USER (WHATEVER HE IS) BEING PLACED ABOVE THE REMAINDER OF ALASKAN RESIDENTS AND GIVEN PRIORITY RIGHTS TO ALASKA'S FISH AND GAME RESOURCES IS SHAMEFUL. THOSE WHO SUBSCRIBE TO THIS CONCEPT ARE ATTEMPTING TO USURP THE CONSTITUTIONAL RIGHTS OF THE MAJORITY OF ALASKA'S CITIZENS.

I FERVENTLY BELIEVE THAT ALL ALASKANS MUST SHARE EQUALLY IN THE DISTRIBUTION AND USE OF OUR PRECIOUS FISH AND GAME RESOURCES. WE INSIST THAT OUR REPRESENTATIVES AGGRESSIVELY PURSUE THEIR CONSTITUENTS' BEST INTERESTS AND CONSTITUTIONAL RIGHTS. I WILL BE WATCHFUL THAT OUR LEGISLATORS VOTE AGAINST HB 193.

IN ADDITION, I URGE THAT THE 11TH LEGISLATURE ACT TO CORRECT THE MISTAKE IN JUDGMENT MADE WHEN HB 960 WAS PASSED BY THE 10TH LEGISLATURE, AND TAKE ACTION TO ABOLISH IT.

I VIEW HB 304 AS A REASONABLE BILL PROVIDING THAT AUTHORITY TO REGULATE FISH AND GAME REMAINS RESPECTFULLY WITH THE BOARD OF FISHERIES AND BOARD OF GAME. THERE SHOULD BE NO AMENDMENTS TO THIS BILL WHICH TRANSFERS THEIR EXISTING AUTHORITY OR ANY PORTION THEREOF IN REGULATING ALASKA FISH AND GAME RESOURCES. FURTHERMORE, HB 304 SHOULD BE AMENDED AS FOLLOWS: SECTION I INTENT, LINE 2, THE WORDS, "AND THE CONTINUATION OF THE UNIQUE LIFESTYLE OF MANY RURAL AND OTHER ALASKAN RESIDENTS," SHOULD BE REMOVED AS IT ADDS NOTHING OF SUBSTANCE TO THE BILL. ADD THE FOLLOWING WORDS TO THE END OF SECTION I. INTENT: "NOTHING IN THIS ACT SHALL BE CONSTRUED TO BE A TRANSFER OF REGULATORY AUTHORITY FROM THE BOARD OF FISHERIES AND BOARD OF GAME." PAGE 5, LINE 14, THE WORDS, "CONSISTENT WITH THE PREFERENCE FOR SUBSISTENCE" MUST BE OMITTED.

BECAUSE OF ALASKA'S POOR FISCAL POSTURE, NO RESIDENT SERVING ON ANY FISH AND GAME ADVISORY BOARD, SUBBOARD, ETC., SHALL RECEIVE A SALARY NOR PER DIEM. ACTUAL TRAVEL EXPENSES SHOULD BE REIMBURSED BY THE STATE.

CONCERNED CITIZEN

Larry Barnes
Parson AK
2230
Anchorage, 99504

[redacted]
Box 476-CSRA
[redacted] AK 99507

[redacted]
9366 Campbell Terrace
Anchorage AK

[redacted]
6010 Ril Way
Anchorage AK

[redacted]
SRA
Anchorage AK 99507

JOHN CRAFT
2221 Muldoon, Spot 85
Anchorage AK 99504

WILLIAM REACH
2230 Paxson
Anchorage AK 99504

LARRY TISH
Voter Reg #0319930
District 11

SCOTT CALL
4630 Cordova, Apt #2
Anchorage AK 99503

DAVID BERLIN
6015 E. 21st
Anchorage AK 99504

GARY McBRIDE
5214 Sillary Circle
Anchorage AK 99504

RONALD MIMM
778 Norman
Anchorage AK 99504

CURTIS CARLEY
Double Tree Court
Anchorage AK
344-9492

KEITH EDWARDS
4622 Shelikof
Anchorage AK

DOUGLAS CHAVIOUS
905 Muldoon, Space A13
Anchorage AK 99504

LARRY A. BARNES
2230 Paxson
Anchorage AK 99504

JERB HULL
13001 Stephenson
Anchorage AK

Daniel E. Short
5706 Armstrong Lane
Anch AK 99503

Charles Fegeo
7800 Debarr, Space 260
Anch AK 99504

James Dunn
3021 Mere Cr
Anch AK 99502

Karen Klostermann
821 F St.
Anch, AK 99501

Steven E. Lewis
8203 Peck Ave
Anch. AK. 99504

SHELLY LAMB
7738 E 20TH
ANCH, AK. 99504

Ronald Kwapek
6008 Winding Way
Anch, AK.

PLEASE PRINT

(T)

Name CLARK ENGLE — Here to TESTIFY Y

Representing SELF

Address 4129 LANA CT. — Here to OBSERVE ____

Phone 3335214

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Clark L Engle
(signature)

Have you participated in other legislative teleconferences? No. How many? — Would you have participated in this hearing if the network were not available? No

PLEASE PRINT

(T)

Name BRENT JONES — Here to TESTIFY Y

Representing HUNTERS + FISHERMAN of AK

Address P.O. Box 10-774 Anct. AK 99511 — Here to OBSERVE ____

Phone 349-2724

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Brent Jones
(signature)

Have you participated in other legislative teleconferences? No How many? ____ — Would you have participated in this hearing if the network were not available? yes

How did you learn about this hearing? — If yes, did you use the network: ____ instead of travel

PLEASE PRINT

(T)

Name Warren E. Olson — Here to TESTIFY Y

Representing ____

Address SRA Box 82A, Anch. AK 99507 — Here to OBSERVE ____

Phone 3443114

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Warren E. Olson
(signature)

Have you participated in other legislative teleconferences? ____ How many? 3 — Would you have participated in this hearing if the network were not available? ____

How did you learn about this hearing? — If yes, did you use the network:
___ instead of travel
___ instead of phone conversations
___ instead of mailed testimony

PLEASE PRINT

(T)

Name KROGSENG, Robert J. Here to TESTIFY ✓

Representing Solid Seam. Cy

Address 6025 Windy Lane ANCH Here to OBSERVE ____

Phone 333-4128

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Robert J. Krogseng
(signature)

PLEASE PRINT

(T)

Name SAM E McDOWELL Here to TESTIFY ✓

Representing AK FISHERIES RESOURCES

Address COMMITTEE Here to OBSERVE ____

Phone IZAAK WALTON LEAGUE

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Sam E McDowell
(signature)

Have you participated in other legislative teleconferences? ✓ How many? 2

Would you have participated in this hearing if the network were not available? ____

How did you learn about this hearing?

If yes, did you use the network: instead of travel

PLEASE PRINT

(T)

Name Dale Bondurant Here to TESTIFY ✓

Representing Sportsmen's Game Preservation Assoc

Address Box 427 Chugiak Here to OBSERVE ____

Phone 688 2692

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Dale Bondurant
(signature)

Have you participated in other legislative teleconferences? 1 How many? 2

Would you have participated in this hearing if the network were not available? ✓

How did you learn about this hearing?
Legislature

If yes, did you use the network:
___ instead of travel
___ instead of phone conversations
___ instead of mailed testimony

PLEASE PRINT

(T)

Name Larry Barnes — Here to TESTIFY Yes

Representing Concerned Citizens

Address 2230 Paxson Anch — Here to OBSERVE ____

Phone 337 7904

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L. A. Barnes
(signature)

Have you participated in other legislative teleconferences? Yes How many? 1 — Would you have participated in this hearing if the network were not available? Yes

PLEASE PRINT

(T)

Name David R. Stancliff — Here to TESTIFY ✓

Representing Myself, & 20 reg. voters

Address 1922 Logar St. Anch — Here to OBSERVE ____

Phone 279-6301

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

(signature)

Have you participated in other legislative — Would you have participated in this hearing

PLEASE PRINT

(T)

Name Greg REMAKLUS — Here to TESTIFY X

Representing

Address 7756 Brentwood Dr Anchorage — Here to OBSERVE ____

Phone 6[redacted]-243-4271

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Greg Remaklus
(signature)

Have you participated in other legislative teleconferences? Yes How many? 1 — Would you have participated in this hearing if the network were not available? Yes

How did you learn about this hearing? Word of mouth

If yes, did you use the network:
X instead of travel
X instead of phone conversations
X instead of mailed testimony

PLEASE PRINT

left

Name James D Miller — Here to TESTIFY X

Representing Self

Address 2439 East 86th Court — Here to OBSERVE ____

Phone 344-4703 c/o Uerda Courtney

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

James D Miller
(signature)

Have you participated in other legislative teleconferences? YES How many? ____

Would you have participated in this hearing if the network were not available? YES

How did you learn about this hearing?

If yes, did you use the network:

PLEASE PRINT

(T)

Name WALT ARTHUR — Here to TESTIFY X

Representing SELF

Address 9521 EMERALD ST — Here to OBSERVE X

Phone 243-8088

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Walter A Arthur
(signature)

Have you participated in other legislative teleconferences? Yes How many? 1

Would you have participated in this hearing if the network were not available? yes

PLEASE PRINT

back at 3:30 (T)

Name Steve C Leinen — Here to TESTIFY X

Representing Self

Address 4111 Grape pl — Here to OBSERVE ____

Phone W 279-6471

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Steve C Leinen
(signature)

Have you participated in other legislative teleconferences? No How many? —

Would you have participated in this hearing if the network were not available? ____

How did you learn about this hearing?

Friend

If yes, did you use the network:
___ instead of travel
___ instead of phone conversations
___ instead of mailed testimony

PLEASE PRINT

Name Ed Rinner

Representing Self

Address 8310 Wellsley Ct

Phone 344-4131

Here to TESTIFY Left to leave; will submit written testimony X

Here to OBSERVE ____

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Ed Rinner
(signature)

Have you participated in other legislative teleconferences? yes How many? 1

Would you have participated in this hearing if the network were not available? yes

PLEASE PRINT

Name Patrick Wright

Representing SCRF

Address 1343 W. 25th Ave.

Phone 279-1340

Here to TESTIFY ____

Here to OBSERVE ✓

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Patrick Wright
(signature)

Have you participated in other legislative teleconferences? No How many? ____

Would you have participated in this hearing if the network were not available? Yes

PLEASE PRINT

Name Dean Thompson

Representing Safari Club Inter.

Address 3742 W 79th Anch.

Phone 243 2589

Here to TESTIFY X

Left to leave - will submit written testimony

Here to OBSERVE ____

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Dean Thompson
(signature)

Have you participated in other legislative teleconferences? No How many? ____

Would you have participated in this hearing if the network were not available? No

How did you learn about this hearing?

word of mouth

If yes, did you use the network:

___ instead of travel

___ instead of phone conversations

___ instead of mailed testimony

PLEASE PRINT

Name R.F. COADY

Here to TESTIFY ____

Representing SELF

Address 1437 MATTERHORN WAY

Here to OBSERVE L

Phone 2740790

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

R.F. Coady Jr.
(signature)

Have you participated in other legislative teleconferences? NO How many? ____

Would you have participated in this hearing if the network were not available? NO

How did you learn about this hearing?

If yes, did you use the network:
___ instead of travel
___ instead of phone conversations
___ instead of mailed testimony

PLEASE PRINT

Name F.E. Ontiveros

Here to TESTIFY ____

Representing SELF

Address 2244 Bonifacé ANCHORAGE, AK

Here to OBSERVE X

Phone 333-0341

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Frank E. Ontiveros
(signature)

Have you participated in other legislative

PLEASE PRINT

Name Charles Hayes

Here to TESTIFY ____

Representing ____

Address PO BOX 304

Here to OBSERVE L

Phone 274-5132

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

(signature)

Have you participated in other legislative teleconferences? ____ How many? ____

Would you have participated in this hearing if the network were not available? ___

How did you learn about this hearing?

If yes, did you use the network:
___ instead of travel
___ instead of phone conversations
___ instead of mailed testimony

PLEASE PRINT

Name Mel Kroggseng — Here to TESTIFY ____

Representing Self

Address 6025 Winding Wy — Here to OBSERVE ✓

Phone 333-4128

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Mel Kroggseng
(signature)

Have you participated in other legislative teleconferences? ___ How many? 1 — Would you have participated in this hearing if the network were not available? yes

How did you learn about this hearing? — If yes, did you use the network:

PLEASE PRINT

Name RAY KRAMER — Here to TESTIFY ____

Representing SELF

Address 7300 GLADE PL — Here to OBSERVE X

Phone 349-5226

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

(signature)

Have you participated in other legislative teleconferences? Y How many? 1 — Would you have participated in this hearing if the network were not available? Y

PLEASE PRINT

Name Steven F. Schroeder — Here to TESTIFY ____

Representing ____

Address ____ — Here to OBSERVE X

Phone ____

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

(signature)

Have you participated in other legislative teleconferences? NO How many? ____ — Would you have participated in this hearing if the network were not available? ____

How did you learn about this hearing? Phone (KSKA)

If yes, did you use the network:
___ instead of travel
___ instead of phone conversations
___ instead of mailed testimony

PLEASE PRINT

Name Chuck Maxson

Here to TESTIFY ____

Representing Self

Address 1731 Diomede 99504

Here to OBSERVE X

Phone 271-4061

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

C W Maxson
(signature)

Have you participated in other legislative teleconferences? ____ How many? ____

Would you have participated in this hearing if the network were not available? ____

How did you learn about this hearing?

If yes, did you use the network:
___ instead of travel
___ instead of phone conversations
___ instead of mailed testimony

Date: 3/6/79 Subject: HB 193 Location: Anchorage

Anchorage Daily News, Tuesday, March 6, 1979—7

Today in Anchorage

Public input on House Bill 193 relating to fish and game boards, is sought by the House Resources Committee in an audio teleconference starting at 12:45 p.m. at the Legislative Information Office, 1024 W. Sixth Ave. Area residents interested in testifying should register in advance by calling 278-3659. Observers are welcome.

—PAID ADVERTISEMENT—

ATTENTION!

ALL SPORTS HUNTERS AND FISHERMEN

There are presently two bills before the 11th Legislature that will have tremendous impact on the future of sports hunting and fishing in Alaska. These two bills are House Bills 193 and 199. In a letter dated February 20, 1979 Representative Ramona L. Barnes, District 10, states, "I am concerned that residents of the local area do not understand the ramifications of these bills, and to date most Anchorage area legislators have received little, if any, communication from you on the potential allocation of [illegible]s, away from recreational and sport use." During the second session of the 10th Legislature, [illegible]use Bill 960 was passed and signed into law by Governor Hammond. This legislation gives subsist[illegible]ers priority hunting and fishing rights.

Now HB 193 and 199 establish the system whereby this will be possible.

All sports hunters and fishermen should get a copy of both bills and read them carefully. You may pick them up (free of charge) at the Legislative Affairs Agency located at 1024 W. 6th Street, Anchorage, Alaska. Next, let your legislators know what you think of the bills. Remember, legislators are in Juneau to represent their constituents. When they receive no communication from you we feel they can only assume that you are not interested enough to take the time to let them know what your feelings are regarding an issue. Sometimes we get the impression that our legislators will somehow take care of our interests without any input from us. As of February 16, 1979 there were at least 240 bills before the legislature. All of these bills are classified as to content and recommendation. Once a bill leaves this initial committee with a substantial "do-pass" recommendation by a majority of those on the committee it is well on its way to becoming law. After all it is only reasonable that every single legislator cannot become an expert on every single bill. He or she must rely heavily upon the recommendations of their colleagues unless their constituents at home communicate different recommendations. The degree of involvement of a particular legislator is directly proportional to the amount of interest displayed by their constituents.

Let's take a brief look at HB 193 to see why we as sports hunters and fishermen should be interested.

HB 193 divides Alaska into seven regional areas, each with its own regional board of fish and game. Each regional board will consist of five members. In addition, a master board of fish and game will also be formed consisting of the chairman of each regional board. The only qualifications to be a regional board member is to "be well informed about the fish and game resources of the region to which is appointed." It goes on to outline the authority the master board would have and it appears that either the Alaska Department of Fish and Game will be reduced substantially in scope and authority or will serve in an advisory capacity to the master board. It is readily apparent that seven completely different licenses, set of regulations, tags, seasons, means of taking fish and game and bag limits are possible. This bill will also give the master and the regional boards the authority to determine at will "which users and what methods should be termed subsistence uses, users, and methods. The bill clearly states that subsistence users shall have priority use of fish and game resources. All taxpayers should also take note that while all these board members receive no salary they will receive any travel expenses incurred plus $100 per day per diem allowance from the time they leave their residence until they return to that residence. There are no time limits on travel, no limits on the number of days spent at a meeting, conference, etc. except that there shall not be less that two per year. The bill also states that each board may call a meeting as it considers necessary. Either the chairman or a majority of the board may call a meeting. One of the most objectionable parts of the bill, which is also part of the subsistence law passed last year, states a board may adopt regulations providing for subsistence hunting in a game management unit or subunit or portion of a unit or subunit upon the written petition of not less than 25 interested residents of an area which is requested for establishment as a subsistence area within a game management unit or subunit. Once a subsistence area is designated by the board it means a hunting area in which only subsistence hunting of the affected species is permitted and which is managed for maximum food potential.

The implications of HB 193 are staggering. An important state-wide teleconference on the bill will be held between 11 state-wide locations (Anchorage is one location) at the House Resources Committee on March 6, 1979 at 1:00 P.M. Those wishing to testify should call Judy Hopkins at 278-3668. The location of the teleconference is the Legislative Information Office, 1024 West 6th Ave., Anchorage, Ak. Remember you can get free copies of House Bill 193 and 199 there. They also offer free telex service to all legislators from that location. The days are long gone when the sports hunter or fisherman could assume that his constitutional rights would stand unchallenged by special interest groups. Unless you are willing to fight for your rights you are going to find them eroding one by one.

This ad paid for by concerned sporthunters of Alaska. For more information on the organization of Alaska sporthunters now being formed, call Dave Stanclift at 279-6301. Dave Stanclift treasurer, 1902 Logan, Anch., AK 99502.

8—Anchorage Daily News, Tuesday, March 6, 1979

TELECONFERENCE

A teleconference on fish and game boards will begin at 12:45 p.m. Tuesday at the Legislative Information Office, 1024 W. Sixth Ave. Judy Hopkins has more details at 278-3008.

Clubline

Alaska State Legislature

TELECONFERENCE HEARINGS

February 27, 1979

Contact: Judy Hopkins 278-3668

PUBLIC SERVICE ANNOUNCEMENT

(Run through 3/5/79)

PUBLIC INPUT ON HOUSE BILL 193, RELATING TO FISH AND GAME BOARDS, IS SOUGHT BY THE HOUSE RESOURCES COMMITTEE IN AN AUDIO TELECONFERENCE STARTING AT 12:45 p.m. TUESDAY, MARCH 6, AT THE LEGISLATIVE INFORMATION OFFICE, 1024 WEST SIXTH AVENUE.

THE BILL WOULD COMBINE THE BOARD OF FISHERIES AND THE BOARD OF GAME INTO A SINGLE MASTER BOARD, AND WOULD ESTABLISH SEVEN REGIONAL FISH AND GAME BOARDS.

AREA RESIDENTS INTERESTED IN TESTIFYING SHOULD REGISTER IN ADVANCE BY CALLING 278-7668. OBSERVERS ARE WELCOME.

####

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811

Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

February 29, 1979

Contact: House Resources Committee,
465-3715 Juneau, or Judy Hopkins 278-3668

FOR IMMEDIATE RELEASE

REGIONAL FISH AND GAME BOARDS CONSIDERED

The House Resources Committee, chaired by Representative Alvin Osterback, will hold teleconference hearings on HB 193, relating to fish and game, Tuesday, March 6 starting at 12:45 p.m. at the Legislative Information Office, 1024 West Sixth Avenue. Public comment is invited; witnesses should register in advance by calling 278-3668.

The bill, sponsored by House Speaker Terry Gardiner and nine Representatives, would establish seven regional fish and game boards and a master board of fish and game. The powers of the regional boards would be limited to establishing open and closed seasons, establishing the means and methods for taking fish and game, setting quotas and bag limits, and establishing seasons, areas, quotas and methods for harvest of aquatic plants. All other regulatory powers currently exercised by the Board of Fisheries or the Board of Game would be delegated to the master board, which would have some amendment and veto powers over regional board regulations. Procedures are established for resolving conflicts among regional boards.

###

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811

Phone: 465-4980

March 9, 1979

The Honorable Alvin Osterback
Chairman, House Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Osterback:

This is to advise you that I support HB 304 and the development of regional councils without regulatory authority over HB 193 establishing regional boards. The strengthening of the Advisory Committee system through the regional councils and through funding of travel and per diem for Advisory Committee Chairmen will be highly beneficial to the management of Alaska fish and wildlife.

Thank you for the opportunity to comment.

Sincerely,

Herman Schroeder

Herman Schroeder
Dillingham, Alaska

Public
Testimony with
proposed amendments
and/or changes

for HB193

LAW OFFICES OF
ALASKA LEGAL SERVICES CORPORATION
168 SOUTH FRANKLIN STREET
JUNEAU, ALASKA 99801
TELEPHONE 586-6425

M E M O R A N D U M

TO: House Resources Committee

FROM: Don Clocksin

DATE: February 26, 1979

SUBJECT: HB 193 - Fish and Game Management

The following are proposed changes in HB 193. This follows up my oral testimony of February 22.

1. p.2, line 14. Add a new sentence:
"The governor shall designate the chairman of each regional board."

Explanation: As Representative Gardiner explained, the governor should have more control over who sits on the Master Board. The Committee might also consider adding a state residency requirement to assure that the board members are familiar with the region. Another problem, one I did not address in my oral testimony, is that board members are selected before boundaries are established. See p.2, lines 4-8. It will be difficult to assess the knowledge that candidates have of the regions until the boundaries are set.

2. p.3, line 6. After "purposes;" add:
"the classifications may be made on a regional basis, and fish or game may be classified in more than one category;"

Explanation: A certain fish may be a sport fish in one region and a subsistence fish in another. The same goes for game. Therefore, duplicate and regionalized classifications should be encouraged.

3. p.3, line 11. After "state," delete:
"exercising predation control measures considered necessary to the resources of the state".

Explanation: Although I did not testify on this proposed change, it seems that predation control might be more effective on the regional level. Such controls are rarely imposed statewide. The recently announced wolf kill which the Commissioner, on behalf of the Game Board, has authorized to protect subsistence hunting of moose is a good example of a decision better made on a regional level.

4. p.3, line 20. The term "native or exotic fish or game" should be defined.

5. p.3, lines 21-22. This subsection (b) needs to be clarified. I don't know what is meant by "additional qualifications . . . for gear licenses."

6. p.3, line 26. After "allowed;" insert:
"however, this paragraph does not apply to permits issued or transferred under ch. 43 of this title."

Explanation: This language is in the present law(AS 16.05.251 (a) (12) and excludes the limited entry permit system from the Board of Fisheries' authority. Unless a policy decision is made to allow the new Master Board to regulate limited entry permits, this language should be inserted.

7. p.3, line 29. Add a new subsection (9) and renumber accordingly:
"(9) setting apart fish and game reserve areas refuges, and sanctuaries in the waters or on the lands of the state over which it has jurisdiction, subject to the approval of the legislature."

Explanation: Present law gives the Fisheries and Game Boards the authority to set apart reserve areas, etc. AS 16.05.251 (a) (1) and .255 (a) (1). There is no reason not to grant the power here.Consideration should be given, however, to obtaining input from the appropriate regional board before such a reserve or refuge is created.

8. p.3, line 29. Add a new subsection (10) and number accordingly:
"(10) establishment of marking and identification requirements for means used in pursuit, capture and transport of fish and game."

Explanation: This is currently a responsibility of the Board of Fisheries for fish. Statewide uniformity in marking of harvested fish and game certainly makes sense, so the Master Board should have this authority for fish and game both.

9. p.4, line 5. Delete "if" and insert:
"for the following reasons. The board may make no decision amending or vetoing any regional board regulation unless the board's action is based upon specific written findings of fact and a written statement of the reasons for the action."

Explanation: This language is based on similar language regarding subsistence hunting zones. AS 16.05.257 (i) (1978 Supp.). It is good policy to require written decisions so people know the basis of those decisions.

10. p.4, line 15. After "section" delete the rest of the sentence.

Explanation: The phrase is redundant. See p.4, line 4.

11. p.4, line 21. Before "fish and game" add:
"the taking of"

Explanation: The subsection is taken from existing law except that the above language was dropped. AS 16.05.251 (a) (2). Presumably this was only a drafting or typographical error.

12. p.4, line 28. Add a new subsection (5):
"(5) other purposes provided by law."

Explanation: The four responsibilities listed here are not exhaustive. Where other duties appear in the law, the boards should have the regulatory authority to carry them out. Examples of other duties are at p.6, lines 17 and 19 (subsistence hunting zones); p.8, line 9 (advisary committees); and p.12, line 10 (regulating public nuisances).

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"(b) exercise predation control measures considered necessary to the resources of the region."

Explanation: See amendment #3.

14. p.5, lines 4 and 12. Delete "the" and insert "each regional".

Explanation: As I pointed out in my testimony, it is not clear whether the Master Board or the regional boards have authority to implement the subsistence preference. I have proposed that it be the regional boards for each region. The Master Board would still retain a veto power. See p.4, lines 3-16. However, the important point is that it be clear which board is being referred to.

15. p.5, line 19. Add a new subsection (f) as follows:
"(f) Regulations adopted by regional boards are of general application."

Explanation: In order to be a binding regulation which appears in the Alaska Administrative Code, the regulation must be of "general application". Although these regulations apply only to activities within the region, they must be considered "of general application" in order to be enforcible. See AS 44.62.640 (a) (2).

16 p.5, line 19. Add a new subsection (g) as follows:
"(g) Two or more regional boards may adopt joint and uniform regulations relating to fish or game populations which migrate between or among those regions."

Explanation: On p.4, lines 8-12, the Master Board may veto or amend regulations to establish uniformity of regulation for migrating species. However, there is no affirmative grant of power to encourage inter-regional management plans. Cooperation among regional boards should be encouraged.

17. p.5, line 23. After "regulations", add:
"affecting species migrating between or among those regions".

Explanation: The Master Board authority to veto conflicting regulations is limited to species migrating between or among regions. See p.4, lines 9-10. Therefore, to be consistent it should be only those conflicts which are left for resolution by the Master Board.

18. p.7, line 21. Change "the" to "that".

Explanation: For clarity. No regional board should be able to change the boundaries of an area within another region.

19. p.8, line 12. Delete "in the state designated by the individual boards: and insert:
"within the region represented by that board".

Explanation: If regional boards are to have the authority to create advisary committees, that authority should be limited to places within the appropriate region. This was presumably a drafting oversight.

20. p.8, lines 14 and 28. Before "boards" insert:
"regional"

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21. p.9, line 6. Change "of" to "on".

Explanation: Typographical error.

22. p.10, lines 9-10. Delete "consider" and insert:
"review"
and before the word "before" insert:
"pursuant to AS 16.05.256 (b)"

Explanation: This section should not be read to grant a new veto over regional regulations which is separate from that in section 256 (b) - p.4, lines 3-16. The amendments will clarify the veto power.

23. p.13, line 2. I suggest the regional board with responsibility for Nunivak Island should have the responsibility for musk oxen.

24. p.13, lines 23-24. The amendment proposed there is not necessary. It was already adopted as a part of Chapter 151, SLA 1978. See AS 16.05.940 (17) (1978 Supp.).

25. p.14, line 12. After "section" insert"
"to the appropriate regional board or"

Explanation: This section deals with waste of herring while harvesting roe. Since the problem occurs only in certain regions, those regional boards may be best able to solve the problem. Another alternative is to grant the authority to the regional boards in the first place.

26. p.15, line 11. After "16.10.470.", insert a new sentence as follows:
"However, no permit for the construction or operation of a salmon hatchery may be issued without advance notice to the appropriate regional board."

Explanation: The regional boards should have some say on the construction of fish hatcheries in their regions.

27. p.17, line 14. Add a new section, as follows:
"Sec.51. Effective Date. This Act is effective _____."

Explanation: Although I don't suggest a specific effective date, one should be made. First, section 226(b) of this bill (p.2, lines 4-8) requires that boundaries be set within six months after board members are appointed. Second, the subsistence legislation from last year was not implemented as quickly as it could have been. Apparently, almost no action was taken by the department until the October effective date. Therefore, I recommend an immediate effective date for some portions of the bill (membership and boundaries) and some strong encouragement not to unnecessarily delay the implementation of this new system.

UNITED FISHERMEN OF ALASKA

MAILING ADDRESS & OFFICE
197 SOUTH FRANKLIN ST
JUNEAU ALASKA 99801
907 586-2820

TO: HOUSE RESOURCES COMMITTEE
FROM: SHARI GROSS
DATE: MARCH 6, 1979
RE: HB 193 - FISH AND GAME MANAGEMENT

The following are proposed changes in HB 193. Since biological considerations are of paramount importance to fishermen, and since this legislation provides no overall coordinated policies for the state, we advocate that provisions be made for a comprehensive management plan established by the master board. The Regional Boards would have to follow management schemes in conformity to the comprehensive state plan.

1. page 2, line 13. Change "five" to "seven"

   Explanation: If Regional Boards are to have management responsibilities for all user groups, a five person board from the large-sized regions being considered does not appear adequate.

2. page 2, line 14. Add a new sentence: "The Governor shall designate the chairman of each regional board."

   Explanation: The Governor should have more control over representation on and directions given by the Regional Boards.

3. page 2, line 15. After "be" add: "a resident of and"

   Explanation: Nothing in the bill now requires that members of the regional boards be residents of the regions which they would be representing.

4. page 2., line 17. delete (b) and add;
   "The Governor shall appoint a seven person master board consisting of one person from each region, but none of whom are members of the regional boards."

   Explanation: One of the main concerns with the regional management system is that local political pressures will circumvent good biological decisions. By putting some distance between membership on the regional and master boards, this concern may be somewhat alleviated. A second purpose to this amendment is that persons serving as chairmen of regional boards and also as members of the master board would be tied up in meetings throughout most, if not all, of the year.

5. page 2, line 21. after "of" add: "the master board and the"

   Explanation: no provision regarding length of terms for the master board is included in the bill

6. p. 2, line 22. Change "two-year," to "four year" with initial appointments staggered accordingly.

   Explanation: A two year term is not long enough to allow for the depth of experience and knowledge required to adequately serve a region on a management basis.

7. p. 5 line 22, delete between"

   Explanation: the words "between" and "among" are redundant

The final amendment which the UFA advocates requires drafting of a section (4) to be added on page 4 under powers of the master board. We believe there should be a provision for appeal of regional management council decisions by users from within a region beyond the three specified provisions given in HB 193. Perhaps a system of petitions for appeal should be considered. If added, provision would also have to be included on page 5 within the section dealing with "Conflicts".

LAW OFFICES OF
ALASKA LEGAL SERVICES CORPORATION
185 SOUTH FRANKLIN STREET
JUNEAU, ALASKA 99801
TELEPHONE 586-6425

MEMORANDUM

TO: House Resources Committee

FROM: Don Clocksin

DATE: February 26, 1979

SUBJECT: HB 193 - Fish and Game Management

The following are proposed changes in HB 193. This follows up my oral testimony of February 22.

1. p.2, line 14. Add a new sentence:
"The governor shall designate the chairman of each regional board."

Explanation: As Representative Gardiner explained, the governor should have more control over who sits on the Master Board. The Committee might also consider adding a state residency requirement to assure that the board members are familiar with the region. Another problem, one I did not address in my oral testimony, is that board members are selected before boundaries are established. See p.2, lines 4-8. It will be difficult to assess the knowledge that candidates have of the regions until the boundaries are set.

2. p.3, line 6. After "purposes;" add:
"the classifications may be made on a regional basis, and fish or game may be classified in more than one category;"

Explanation: A certain fish may be a sport fish in one region and a subsistence fish in another. The same goes for game. Therefore, duplicate and regionalized classifications should be encouraged.

3. p.3, line 11. After "state," delete:
"exercising predation control measures considered necessary to the resources of the state".

Explanation: Although I did not testify on this proposed change, it seems that predation control might be more effective on the regional level. Such controls are rarely imposed statewide. The recently announced wolf kill which the Commissioner, on behalf of the Game Board, has authorized to protect subsistence hunting of moose is a good example of a decision better made on a regional level.

4. p.3, line 20. The term "native or exotic fish or game" should be defined.

5. p.3, lines 21-22. This subsection (b) needs to be clarified. I don't know what is meant by "additional qualifications . . . for gear licenses."

6. p.3, line 26. After "allowed;" insert:
"however, this paragraph does not apply to permits issued or transferred under ch. 43 of this title."

Explanation: This language is in the present law(AS 16.05.251 (a) (12) and excludes the limited entry permit system from the Board of Fisheries' authority. Unless a policy decision is made to allow the new Master Board to regulate limited entry permits, this language should be inserted.

7. p.3, line 29. Add a new subsection (9) and renumber accordingly:
"(9) setting apart fish and game reserve areas refuges, and sanctuaries in the waters or on the lands of the state over which it has jurisdiction, subject to the approval of the legislature."

Explanation: Present law gives the Fisheries and Game Boards the authority to set apart reserve areas, etc. AS 16.05.251 (a) (1) and .255 (a) (1). There is no reason not to grant the power here.Consideration should be given, however, to obtain no input from the appropriate regional board before such a reserve or refuge is created.

8. p.3, line 29. Add a new subsection (10) and number accordingly:
"(10) establishment of marking and identification requirements for means used in pursuit, capture and transport of fish and game."

Explanation: This is currently a responsibility of the Board of Fisheries for fish. Statewide uniformity in marking of harvested fish and game certainly makes sense, so the Master Board should have this authority for fish and game both.

9. p.4, line 5. Delete "if" and insert:
"for the following reasons. The board may make no decision amending or vetoing any regional board regulation unless the board's action is based upon specific written findings of fact and a written statement of the reasons for the action."

Explanation: This language is based on similar language regarding subsistence hunting zones. AS 16.05.257 (i) (1978 Supp.). It is good policy to require written decisions so people know the basis of those decisions.

10. p.4, line 15. After "section" delete the rest of the sentence.

Explanation: The phrase is redundant. See p.4, line 4.

11. p.4, line 21. Before "fish and game" add:
"the taking of"

Explanation: The subsection is taken from existing law except that the above language was dropped. AS 16.05.251 (a) (2). Presumably this was only a drafting or typographical error.

12. p.4, line 28. Add a new subsection (5):
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HB193 28349 5-5

Allen Shudara

Wagner-

Cooke Inlet Fishermens Council

Manat 10 votes to support 193 with these chgs

1. Chg sec 16.05.245 to read reg. board consists of 7 members
2. regional shall be represented by all user groups - Sportfishing Charters, guides, hunter, commercial, subsistence, used
3. Reg. brd members be residents of region they represent
4. Chg 16.05.248 to read members of reg brd alternate 4 yr terms
5. Creation of a appeals system whereby a regional brd can appeal to Board in case of highly controversial issue which management is unable to solve
6.

e. reg. bar given authority
to limit boat keel length.

* com fisheries is a wide scope
category + comprises
a. salmon fish - gill + seine
b. shellfish - trawl + pot
c. bottomfish trawl + longline

7. approach for adv. comm.
within regions
a) determine area encompass
by com
b) determine no. of appeal
c) set up proper guidelines
d) adequate allocation of
funds for adv comm to
function ie travel

STATE OF ALASKA
THE LEGISLATURE

POUCH V STATE CAPITOL
JUNEAU ALASKA 9981
OCT 2 3 1979

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM February 21, 1979

SUBJECT: Regional Fish and Game Boards: (HB 193)

TO: House Resources Committee

FROM: Kenneth E. Vassar, Legislative Counsel KEV

You have requested a suggestion for language which would establish all land on the Alaska Peninsula, Aleutian Chain and Pribilof Islands west of a line extending south from Cape Kumlik and all of the Bering sea as a separate region for the purposes of House Bill 193 and which would establish Kodiak as another separate region. In accordance with your request, I would suggest the following:

Page 1, line 25

Delete all material and insert the following:

(1) All land on the Alaska Peninsula, Aleutian Chain and Pribilof Islands west of a line extending south from Cape Kumlik and the Bering Sea;

Page 2, line 4

Insert the following:

(8) Kodiak.

KEV:nem

Diann

Alvin may want to add Kenai area to this new Kodiak region

HB304

HOUSE BILL NO. 304
SUGGESTED REVISIONS
REAL ALASKA COALITION

For an Act entitled: "An Act establishing Fish and Game Resource Regions, Local Fish and Game Committees, and Regional Fish and Game Council; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Sec. 1. INTENT. The legislature finds that the proper regulation, protection, and conservation of fish and wildlife and the continuation of the unique lifestyle of Alaska residents require that an administrative structure be established for the purpose of enabling people with personal knowledge of local conditions and requirements to have a more meaningful advisory role in the management of fish and wildlife in Alaska.

* Sec. 2. AS 16.05 is amended by adding new sections to read:

Sec. 16.05.222. FISH AND GAME RESOURCE REGIONS. For the purpose of the conservation and management of the fish and wildlife resources of the state, there are created five fish and game resource regions, the exact boundaries of which must be established by the Board of Fisheries and the Board of Game, acting jointly.

(Sec. 16.05.223. LOCAL FISH AND GAME COMMITTEES has been deleted totally.)

Sec. 16.05.224. REGIONAL FISH AND GAME COUNCILS. (a) The Board of Fisheries and the Board of Game, acting jointly, shall establish a regional fish and game council within each fish and

attn: * is where a revision was made; some revisions were 1 word whereas others were (1) sentences or sections

game resource region, composed of the chairpersons of the local fish and game committees within its region.

(b) The Boards of Fish and Game shall assign a coordinator to each region to distribute all relevant support data and coordinate activities of Regional Council and Land Advi[illegible] Committees and attend all Fish and Game Board hearings on behalf of their respective regions.

(c) Each regional fish and game council may upon agreement of the majority of the members and approval of the Boards of Fisheries and Game:

(1) hold public meeting on fish and wildlife matters;

(2) review, make recommendations, and assist the department, in consultation with its local fish and game committees and appropriate federal agencies, in developing plans for the conservations, regulation, management, and use of the fish and wildlife resources within its region.

(3) perform other duties which may be specified by the boards by regulation.

(d) The regional fish and game councils may present recommendations concerning the conservation, regulation, management, and use of fish and wildlife resources within their respective regions, and the evidence upon which the recommendations are based, to the local advisory committes during the course of their administrative proceedings. The committee, individually or jointly, may choose not to follow any such recommendation which it is determined during the administrative proceedings is not supported by substantial evidence, violates recognized principles of fish and wildlife conservation, or would be

inconsistent with the constitution or the laws of the State of Alaska or the United States.

* Sec. 4. IMPLEMENTATION. (a) In view of present state fiscal constraints, the Board of Fisheries, Board of Game, and the department shall implement AS 16.05.223 and 16.05.224, enacted in sec. 2 of this Act, within the fish and game resource regions established by AS 16.05.222, also enacted in sec. 2 of this Act, in accordance with the following schedule, measured from the effective date of the Act:

(1) no less than one region within one year;

(2) no less than three additional regions within two years; and

(3) all regions within three years.

(b) During the implementation period stated in (a) of this section, all existing local advisory committees in other regions shall continue to function under the present regulations.

* Sec. 5. CONSTRUCTION. If any provision of this Act is incompatible with AS 16.05.260, the provision of this Act governs.

* Sec. 7. Sec. 6 of this Act takes effect three years after the effective date of the remaining sections of this Act. The remaining sections of this Act take effect immediately in accordance with AS 01/10.070(c).

EXPLANATION OF THE REVISIONS TO HOUSE BILL 304

(Note: All references to lines are from original HB-304.)

1. Line 12, There is no reason to distinguish between rural and other Alaska residents.

2. Line 15, The word advisory was added to better reflect the role of the public.

3. Line 18, "and development" was deleted because it was not considered appropriate to develope fish and game.

4. Line 19 and 20, The number of regions was revised to conform to the existing five game management regions. Actually the number of regions should be left up to the Boards so the best boundaries can be drawn to allow management of the resources of game, sport, and commercial fish. These boundaries may not be the same for basic management reasons. In fact, at present, there are three separate systems drawn by ADF&G for management.

5. Line 21 of page 1 and Line 1 - 28 of page 2, Since the boundaries are to be established by the Boards all area definition has been omitted.

6. Line 29 of page 2, Lines 1 - 29 of page 3, and Line 1 - 2 of page 4, The existing advisory committee system should remain as detailed in AS 16.05.260. The Boards have authority to deal with advisory committees now and will be making changes in their joint meeting of March 1979.

7. Line 8 - 11 of page 4, Paragraph (b) was deleted and new wording was added to allow for a coordinator in each region as determined by the Boards. We feel this may be the single most important factor to permit better local input to the Fish and Game regulatory system.

8. Line 12 of page 4, To better control what and when the Regional Councils meet, etc., we believe the Boards shall be given an oversight authority.

9. Line 18 - 25 of page 4, Since the regulatory powers of the councils are deleted, this wording is not needed. These councils are advisory only and should serve to advise and educate the local advisory committees.

10. Line 2 - 3 of page 5, As the councils are to serve the advisory committees, it was necessary to revise this wording.

11. Line 10 - 16 of page 5, Paragraph (e) is no longer required since the Councils are to serve the advisory committees.

12. Line 3 - 3 of page 6, This language concerns local advisory committees. Since no change is recommended in the existing system, Sec. 6 and Sec. 7 are not required.

The following motions were considered by the Southeast Interim Regional Advisory Committee at their March 9, 1979, meeting in Juneau, concerning HB 304. The motions were made to strengthen the bill and the power of the existing local Advisory Committees.

MOTION: To amend Sec. 16.05.223. LOCAL FISH AND GAME COMMITTEES. (d) to read:

Each committee shall hold public meetings on fish and wildlife matters, review regulatory proposals, (MAY) shall make recommendations to its regional fish and game council, the Board of Fisheries, and the Board of Game, and (MAY) shall participate in the review and development of management plans for the conservation and use of fish and wildlife resources within its region. If a regional council, the Board of Fisheries, or the Board of Game chooses not to follow a committee recommendation, that council or board shall inform the committee which made the recommendation of its reasons for not following the recommendation.

MOTION: To amend Sec. 16.05.224. REGIONAL FISH AND GAME COUNCILS. (a) to read:

The Board of Fisheries and the Board of Game, acting jointly, shall establish a regional fish and game council within each fish and game resource region, composed of the chairpersons or designee of the local fish and game committees within its region.

MOTION: To delete the present wording of Sec. 16.05.224. REGIONAL FISH AND GAME COUNCILS. (e) and replace with alternate wording reading:

Each region shall set forth regulations for subsistence use to conserve and manage their own resources in cooperation with the Department of Fish and Game.

MOTION: To add new wording reading Sec. 16.04.224. REGIONAL FISH AND GAME COUNCILS. (f):

Any Advisory Committee shall have the power of emergency closure of a set area within the boundaries if there is no objection from any other Advisory Committee within the region. In the case of any objection, the majority of participating Advisory Committees will decide.

MOTION: To amend Sec. 4. IMPLEMENTATION. (a) to read:

(IN VIEW OF PRESENT STATE FISCAL CONSTRAINTS,) the Board of Fisheries, Board of Game, and the Department shall implement AS 16.05.223 and 16.05.224, enacted in sec. 2 of this Act, within the fish and game resource regions established by AS 16.05.222, also enacted in sec. 2 of this Act, in accordance with the following schedule, measured from the effective date of this Act:

(1) (NO LESS THAN ONE REGION) all regions within one year;
(2) (NO LESS THAN THREE ADDITIONAL REGIONS WITHIN TWO YEARS: AND)
(3) (ALL REGIONS WITHIN THREE YEARS.)

Respectfully submitted by:

Ann Lowe

Ann Lowe, Chairman
Southeast Interim Regional Advisory Council

A M E N D M E N T

Offered in the HOUSE By Gardiner

TO: CS FOR HOUSE BILL NO. 193

Page 2, line 2:

Delete "and Cook Inlet" and insert in its place "Cook Inlet, and Shelikof Strait"

Page 2, line 3:

Delete "Cape Douglas at the base of" and insert in its place "Portage Bay on"

Page 2, line 4:

After "including" insert "Trinity Islands and"

Delete "Shuyak Island" and inser in its p'ace "Trinity Islands"

Page 2, lines 7 - 19:

Delete all material and insert the following:

(3) Western Alaska: The Alaska Peninsula westward from Portage Bay; Chirikof and Shumagin Islands, and all other adjacent offshore islands; the Aleutian Islands and the Pribilof Islands; the area northward and northwestward from the King S mon River drainage, including all land drained by water flowing into Bristol Bay, the land within the boundaries of the Calista Regional Corporation; Nunivak and St. Matthew Islands, and all other islands along the coast; and the adjacent coastal water seaward to the limit of the state's juris iction.

Renumber following paragraphs accordingly.

H.B. 193 - PROBLEM AREAS

PAGE 1, LINE 22

Any regions established for the purpose of fish and game management and public input should be left largely to the discretion of the Dept. and the Board of Fish and Board of Game rather than the legislature.

PAGE 2, LINE 9

Two boards serve our purposes much better than one as has been recentl demonstrated. Just 4 years ago we decisively concluded to separate the boards. That decision has served us well.

PAGE 3, LINE 12

Administrative appointment of, in this case, 35 members to regional boards places an extremely weighty political finger on the scales. This could lead to abrupt changes, thus encouraging confusion and lack of continuity with changes in administration, as well as an undue burden on the Governor and legislature.

LINE 17

Would ensure that regional advocacy carry through to the master boards - a decided disadvantage in light of the overall responsibility and universal oversight expected of the master boards.

LINE 21

The member ship terms would tend to prevent members from gaining the necessary knowledge to make reasonable decistons in light of the short 2 vear term.

LINE 29

The master boards should be the only boards impowered to adopt or reject regulations. That covers all of pages 3, 4, and most of page 5.

PAGE 5, LINE 19-----

Providing legal assistance to a total of 7 or 9 boards meeting some 500 - 600 days would be fiscally irresponsible.

PAGE 6, LINE 6 THROUGH LINE 7 ON PAGE 8

Delete - some reason - (master boards should make decisions)

PAGE 8, LINE 9

This would tend to turn the local committees into puppets of the regional board, with the regional boards designating proposals.

The biggest disadvantage to this entire section hoswver, is that it would restrict local input and prevent local advisory commisttees from ever dealing directly with the master boards. This would restrict rather than improve local input.

PAGE 9, LINE 2

Places biological decisions directly in the political arena - a decided disadvantage

LINE 24

Fiscally irresponsible, could end up with a full-time payroll of 35 persons, plus their travel expenses

PAGE 11, LINE 25

Goes beyond the necessary scope of this legislation

PAGE 12 THROUGH PAGE 17

Primarily refers to technical changes, to which we have already objecte

CONCLUSION: In its present form H.B. 193 is unacceptable. Additionally it would be impractical to try to modify this bill in such a way as to make it ammendable to the purposes of ensuring local input and proper fish and game management.

LAW OFFICES OF

ALASKA LEGAL SERVICES CORPORATION

168 SOUTH FRANKLIN STREET

JUNEAU, ALASKA 99801

TELEPHONE 586-6425

M E M O R A N D U M

TO: House Resources Committee

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DATE: February 26, 1979

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1. p.2, line 14. Add a new sentence:
"The governor shall designate the chairman of each regional board."

Explanation: As Representative Gardiner explained, the governor should have more control over who sits on the Master Board. The Committee might also consider adding a state residency requirement to assure that the board members are familiar with the region. Another problem, one I did not address in my oral testimony, is that board members are selected before boundaries are established. See p.2, lines 4-8. It will be difficult to assess the knowledge that candidates have of the regions until the boundaries are set.

2. p.3, line 6. After "purposes;" add:
"the classifications may be made on a regional basis, and fish or game may be classified in more than one category;"

Explanation: A certain fish may be a sport fish in one region and a subsistence fish in another. The same goes for game. Therefore, duplicate and regionalized classifications should be encouraged.

3. p.3, line 11. After "state," delete:
"exercising predation control measures considered necessary to the resources of the state".

Explanation: Although I did not testify on this proposed change, it seems that predation control might be more effective on the regional level. Such controls are rarely imposed statewide. The recently announced wolf kill which the Commissioner, on behalf of the Game Board, has authorized to protect subsistence hunting of moose is a good example of a decision better made on a regional level.

4. p.3, line 20. The term "native or exotic fish or game" should be defined.

5. p.3, lines 21-22. This subsection (b) needs to be clarified. I don't know what is meant by "additional qualifications . . . for gear licenses."

6. p.3, line 26. After "allowed;" insert:
"however, this paragraph does not apply to permits issued or transferred under ch. 43 of this title."

Explanation: This language is in the present law(AS 16.05.251 (a) (12) and excludes the limited entry permit system from the Board of Fisheries' authority. Unless a policy decision is made to allow the new Master Board to regulate limited entry permits, this language should be inserted.

7. p.3, line 29. Add a new subsection (9) and renumber accordingly:
"(9) setting apart fish and game reserve areas refuges, and sanctuaries in the waters or on the lands of the state over which it has jurisdiction, subject to the approval of the legislature."

Explanation: Present law gives the Fisheries and Game Boards the authority to set apart reserve areas, etc. AS 16.05.251 (a) (1) and .255 (a) (1). There is no reason not to grant the power here.Consideration should be given, however, to obtaining input from the appropriate regional board before such a reserve or refuge is created.

8. p.3, line 29. Add a new subsection (10) and number accordingly:
"(10) establishment of marking and identification requirements for means used in pursuit, capture and transport of fish and game."

Explanation: This is currently a responsibility of the Board of Fisheries for fish. Statewide uniformity in marking of harvested fish and game certainly makes sense, so the Master Board should have this authority for fish and game both.

9. p.4, line 5. Delete "if" and insert:
"for the following reasons. The board may make no decision amending or vetoing any regional board regulation unless the board's action is based upon specific written findings of fact and a written statement of the reasons for the action."

Explanation: This language is based on similar language regarding subsistence hunting zones. AS 16.05.257 (i) (1978 Supp.). It is good policy to require written decisions so people know the basis of those decisions.

10. p.4, line 15. After "section" delete the rest of the sentence.

Explanation: The phrase is redundant. See p.4, line 4.

11. p.4, line 21. Before "fish and game" add:
"the taking of"

Explanation: The subsection is taken from existing law except that the above language was dropped. AS 16.05.251 (a) (2). Presumably this was only a drafting or typographical error.

12. p.4, line 28. Add a new subsection (5):
"(5) other purposes provided by law."

Explanation: The four responsibilities listed here are not exhaustive. Where other duties appear in the law, the boards should have the regulatory authority to carry them out. Examples of other duties are at p.6, lines 17 and 19 (subsistence hunting zones); p.8, line 9 (advisary committees); and p.12, line 10 (regulating public nuisances).

13. p.4, line 28. Add a new subsection (b):
"(b) exercise predation control measures considered necessary to the resources of the region."

Explanation: See amendment #3.

14. p.5, lines 4 and 12. Delete "the" and insert "each regional".

Explanation: As I pointed out in my testimony, it is not clear whether the Master Board or the regional boards have authority to implement the subsistence preference. I have proposed that it be the regional boards for each region. The Master Board would still retain a veto power. See p.4, lines 3-16. However, the important point is that it be clear which board is being referred to.

15. p.5, line 19. Add a new subsection (f) as follows:
"(f) Regulations adopted by regional boards are of general application."

Explanation: In order to be a binding regulation which appears in the Alaska Administrative Code, the regulation must be of "general application". Although these regulations apply only to activities within the region, they must be considered "of general application" in order to be enforcible. See AS 44.62.640 (a) (2).

16. p.5, line 19. Add a new subsection (g) as follows:
"(g) Two or more regional boards may adopt joint and uniform regulations relating to fish or game populations which migrate between or among those regions."

Explanation: On p.4, lines 8-12, the Master Board may veto or amend regulations to establish uniformity of regulation for migrating species. However, there is no affirmative grant of power to encourage inter-regional management plans. Cooperation among regional boards should be encouraged.

17 p.5, line 23. After "regulations", add:
"affecting species migrating between or among those regions".

Explanation: The Master Board authority to veto conflicting regulations is limited to species migrating between or among regions. See p.4, lines 9-10. Therefore, to be consistent it should be only those conflicts which are left for resolution by the Master Board.

18. p.7, line 21. Change "the" to "that".

Explanation: For clarity. No regional board should be able to change the boundaries of an area within another region.

19. p.8, line 12. Delete "in the state designated by the individual boards: and insert:
"within the region represented by that board".

Explanation: If regional boards are to have the authority to create advisary committees, that authority should be limited to places within the appropriate region. This was presumably a drafting oversight.

20. p.8, lines 14 and 28. Before "boards" insert:
"regional"

Explanation: See amendment #14. It must be made clear which boards have the powers granted here. On line 28, it is possible that the Master Board should establish procedures for advisary committee closures. Once again, the important thing is to make it clear.

21. p.9, line 6. Change "of" to "on".

Explanation: Typographical error.

22. p.10, lines 9-10. Delete "consider" and insert:
"review"
and before the word "before" insert:
"pursuant to AS 16.05.256 (b)"

Explanation: This section should not be read to grant a new veto over regional regulations which is separate from that in section 256 (b) - p.4, lines 3-16. The amendments will clarify the veto power.

23. p.13, line 2. I suggest the regional board with responsibility for Nunivak Island should have the responsibility for musk oxen.

24. p.13, lines 23-24. The amendment proposed there is not necessary. It was already adopted as a part of Chapter 151, SLA 1978. See AS 16.05.940 (17) (1978 Supp.).

25. p.14, line 12. After "section" insert"
"to the appropriate regional board or"

Explanation: This section deals with waste of herring while harvesting roe. Since the problem occurs only in certain regions, those regional boards may be best able to solve the problem. Another alternative is to grant the authority to the regional boards in the first place.

26. p.15, line 11. After "16.10.470.", insert a new sentence as follows:
"However, no permit for the construction or operation of a salmon hatchery may be issued without advance notice to the appropriate regional board."

Explanation: The regional boards should have some say on the construction of fish hatcheries in their regions.

27. p.17, line 14. Add a new section, as follows:
"Sec.51. Effective Date. This Act is effective _____."

Explanation: Although I don't suggest a specific effective date, one should be made. First, section 226(b) of this bill (p.2, lines 4-8) requires that boundaries be set within six months after board members are appointed. Second, the subsistence legislation from last year was not implemented as quickly as it could have been. Apparently, almost no action was taken by the department until the October effective date. Therefore, I recommend an immediate effective date for same portions of the bill (membership and boundaries) and some strong encouragement not to unnecessarily delay the implementation of this new system.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M February 21, 1979

SUBJECT: Regional Fish and Game Boards: (HB 193)

TO: House Resources Committee

FROM: Kenneth E. Vassar, Legislative Counsel KEV

You have requested a suggestion for language which would establish all land on the Alaska Peninsula, Aleutian Chain and Pribilof Islands west of a line extending south from Cape Kumlik and all of the Bering sea as a separate region for the purposes of House Bill 193 and which would establish Kodiak as another separate region. In accordance with your request, I would suggest the following:

Page 1, line 25

Delete all material and insert the following:

(1) All land on the Alaska Peninsula, Aleutian Chain and Pribilof Islands west of a line extending south from Cape Kumlik and the Bering Sea;

Page 2, line 4

Insert the following:

(8) Kodiak.

KEV:nem

Cook Inlet Fishermen's Council
Position on HB 193

(Telephoned in by Lottie Edelman 3/10/79)

The Cook Inlet Fishermen's Council approves the concept of HB193 with the following amendments:

- The regional boards shall be made up of residents of the region.
- Regional bds. shall consist of 7 members with terms of 4 years, alternating.
- A system for appeals from advisory committees to the regional bd. and from regional bds. to the master bd. shall be set up in the bill.
- Regional bds. shall be given authority to limit keel length of boats if HB1 passes.
- Local advisory committees shall be upgraded.
- The regional boards shall be representative of all user groups (sport fish, commercial fin fish, commercial shell fish, subsistence, guides, hunters, and trappers.

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Testimony on
HB 193

OUR MAJOR CONCERNS: RECREATIONAL ACCESS • STATE FISH & GAME MANAGEMENT • EXCESSIVE PARK WITHDRAWALS

The REAL Alaska Coalition

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P O Box 73478
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Juneau, Alaska
Anchorage, Alaska

Member Groups

Alaska Chapter Safari Club International (Anchorage)
Alaska Fur Trappers Association (Tok)
Alaska Gun Collectors (Anchorage)
Alaska Professional Hunters Association (Anchorage)
Alaska Rifle Club (Anchorage)
Alaska Sports & Wildlife Club (Ketchikan)
Alaska State Rifle & Pistol Association (Anchorage)
Alaska Waterfowl Association (Anchorage)
Alaska Wildlife Federation and Sportsmen's Council
Alaskan Bowhunters Association (Soldotna)
Baranof Pistol & Rifle Club (Sitka)
Chena River Sports Club (Fairbanks)
Chitina Dipnetters (Fairbanks)
Coalition of Interior Alaska Outdoorsmen (Fairbanks)
College Cubs Junior Rifle Club
Eagle River Sportsmen Preservation Association
Easement Defense Fund (Anchorage)
Interior Alaska Trappers Association (Fairbanks)
Interior Wildlife Association of Alaska (Fairbanks)
Isaac Walton League (Anchorage)
Juneau Rifle & Pistol Association
Kodiak Rifle & Pistol
Matanuska Valley Sportsmen Association (Palmer)
Moose Pass Sportsmen Association
Nome Sportsmen Club
Old Sitka Trap Club
Petersburg Rod & Gun Club
Sitka Sportsmens Association
Sno Shoe Gun Club (Kenai)
TVS Rifle & Pistol Club (Fairbanks)
Tanana Valley Sportsmen Association (Fairbanks)
Territorial Sportsmen (Juneau)
Totem Shooters (Eagle River)
Upper Kuskokwim Sportsmen Association (McGrath)

March 7, 1979

Representative Alvin Osterback
Pouch V
Juneau, Alaska 99811

Dear Representative Osterback:

Enclosed for the record is my testimony for House Bills 193 and 304 concerning Regional Boards. I look forward to working with your committee to obtain acceptable legislation for all parties concerned.

Sincerely,

Tom H. Scarborough
Director

Enclosure

cc: Rep. Bill Miles
Rep. Fred Zharoff
Rep. Patrick Carney
Rep. Samuel Cotten
Rep. John Fuller
Rep. C. V. Chatterton
Rep. Richard Eliason
Rep. Richard Halford

THS/pjb

TESTIMONY ON HOUSE BILL 304 AND HOUSE BILL 193
MARCH 6, 1979
TOM SCARBOROUGH, EXECUTIVE DIRECTOR
REPRESENTING ALASKA WILDLIFE FEDERATION AND SPORTMEN'S COUNCIL, INC.

Alaska Wildlife Federation and Sportmen's Council is a statewide organization representing recreational and sportmen interests. It is also affiliated with the National Wildlife Federation and has closely aligned views on the subject of Regional Control of Fish and Game Management.

I have reviewed both House Bill - 304 and House Bill - 193, which are bills on Regional Boards, and selected 304 as the most appropriate vehicle to use for markup. Alaska Wildlife and Sportmen's Council favors the regional concept that I will descuss in detail. We are opposed to a system which grants regulatory power to a Regional Board or Council. We favor a concept which will upgrade the local advisory system thereby allowing better input and communication between the public and the Boards of Fish and Game.

Essential in this concept is an advisory committee coordinated for each of the regions as defined jointly by the Boards of Fish and Game. We recommend these advisors work directly for the Boards and not for the Commissioner of Alaska Department of Fish and Game.

Secondly, we would like to see the chairmen of the local advisory committees meet at least twice a year to discuss mutual interest within their region. This would then form a line of communication not presently in existence. This group of local committee chairmen could be called a Regional Council. The Council should not be required to review or draft proposals, but should only function to better inform the local committees.

TESTIMONY ON HOUSE BILL 304 AND HOUSE BILL 193
MARCH 6, 1979
TOM SCARBOROUGH, EXECUTIVE DIRECTOR
REPRESENTING ALASKA WILDLIFE FEDERATION AND SPORTMEN'S COUNCIL, INC.

I will provide the committee with a suggested amended review of 304 to insert in the record which contains the concepts I have previously given in this testimony.

THS/pjb

OUR MAJOR CONCERNS: RECREATIONAL ACCESS • STATE FISH & GAME MANAGEMENT • EXCESSIVE PARK WITHDRAWALS

The REAL Alaska Coalition

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Territorial Sportsmen (Juneau)
Totem Shooters (Eagle River)
Upper Kuskokwim Sportsmen Association (McGrath)

POSITION STATEMENT "REGIONAL SYSTEMS"

Sportsmen, trappers, guides & others who live in wilderness Alaska have long realized the importance and value of local knowledge and input into the regulatory process of fish and game management.

Our staunch opposition to certain regional board proposals which would create unweildly and ineffective bureacrasies, de-centralize state rule-making authority, and dilute direct local input; have often been interpreted as blanket opposition to any "regional system." Such is not the case however, as we are indeed in favor of increasing the efficiency and effectiveness of the local committees and feel a regional system can be designed which will accomplish that goal. We favor, and place a high priority on passage of legislation creating such a system in the first session of the eleventh legislature.

The following brief synopsis of points necessary in an advantagious regional system, and an unacceptable one should already outline our position.

BASIC CHANGES NEEDED-EFFECTIVE REGIONAL SYSTEM

1.) Regions should be created, representatives of local commities should sit on a regional council (or board) to communicate to each other specific local concerns.

2.) Professional Assistance - full time regional advisory coordinators should be incorporated, for each region.

3.) Financial assitance to provide for transportation costs should be incorporated.

4.) The existing local advisory committee system should be used as the foundation upon which to build a more effective system.

UNACCEPTABLE CONCEPTS

1.) ANY de-centralization of master board rule-making authority.

2.) Requirements that newly created "regional boards" comprehensively review proposals, or in any way dilute local input.

3.) Requirements which combine the two existing master boards.

4.) Establishment of systems which will unduly hamper the effectiveness of professional fishery and wildlife managers and likewise impair proper resource management.

5.) Creation of administrative or travel systems that are fiscally irresponsive.

TESTIMONY RE: FISH AND GAME REGIONAL SYSTEMS

3/6/79

KEN FANNING
REAL ALASKA COALITION

We favor enacting legislation which will create a "regional system" that will improve local advisory input to the promulgation of fish and game regulations.

We urge your committee to use HB 304 as a markup vehicle to that end.

We wish to clearly define what we feel would provide an effective regional system, and will forward to your committee our complete recommendations for such. We would also like to include in your hearing record our line by line suggested improvements and amendments to HB 304, our comprehensive evaluation of HB 193 and our position statement regarding regional systems.

Basically, we feel a comprehensive overhaul of the existing system, including regionalization, assignment of regional advisory committee coordinators, an improved system of communication and financial assistance to carry out these improvements would be extremely beneficial. We heartily endorse legislation which will accomplish that without creating an unwieldly bureaucratically irresponsible administrative structure.

Our current system is the most publicly oriented fish and game advisory system in the United States. In fact, it is so painstakingly democratic that it takes the very time frame in which it works.

This is not to say, however, that substantial changes are not necessary in order to improve the effectiveness of that system. Indeed, they are through correspondence, personal communication and in response to extensive public hearings in the

KEN FANNING
TESTIMONY
3/6/79

past two years, the thirty-nine (39) member groups of the Real Alaska Coalition have thoroughly evaluated alternative systems, and the conclusions reached are contained in our testimony today.

---Rule making authority should be limited to the Master Boards of Fish and Game.

---Chairmen of local committees could and should meet with other chairmen within their regions to discuss mutual and individual areas of concern.

---Input from individuals and local committees should be directed to the Master Boards.

---Professional assistance in the form of regional advisory committee coordinators should be incorporated.

---Let's make any transition in a manner which is fiscally responsive and beneficial to the fish and wildlife resources.

In conclusion, we urge you to use HB 304 as a mark-up vehicle, and we urge you to pass out of committee as expeditiously as possible regional system legislation which meets the criteria we have suggested.

4108

A proposal for the Southeast Alaska Regional Resources Council

March 7, 1974

To the Alaska House of Representatives Resources Committee

by Eric Jorden
Sitka F & G Advisory Committee

Introduction.

Having studied 4 proposals before you

1. Covens Hammonds Bill HB #304
2. Terry Gardiners Bill HB #143
3. A proposal by the Joint Boards of Fish & Game to be considered at their meeting March 24-28, 1974.
4. The Sitka Plan

I have concluded that you will find as I have found that no one proposal is satisfactory by itself. To recommend one unsatisfactory proposal over another one when the possibility of recommending an approved not passed proposal exists would be a real waste of your combined experience & knowledge.

I propose that the Southeast Regional Resources Council take a bold and meaningful step and propose a synthesis of the best parts of the various proposals offered.

Here is my recommended synthesis: You might consider using it as a model.

1. Advisory Committees

The proposal by the Boards of Fish & Game retains community advisory committees which should be a cornerstone of the Alaska Fish & Game Regulatory Process.

I recommend the section on Advisory Committees as proposed by the Joint Boards of Fish & Game be written into the legislation.

II Regional Councils & Boards

Boundary - I believe Yakutat should decide wether to be in S.E. or South Central. I hope they will choose to be in S.E. I recommend adoption of the Governors proposal for the S.E. Boundaries.

Composition - 3 of the 4 proposals before you provide for the Regional Councils to be composed of the Chairman or his designee of all the Advisory Committees in the region. I believe this approach will involve a great expense to bring the people together. The Governors solution, creating subregions, is not acceptable to me for reasons of travel logistics and costs. I would hope that all communities in S.E. would have an active advisory committee. A quick look at the possibilities

Skagway
Haines-Klukwan
Juneau
Curtis
Pelican
Hoonah
Tenakee
Sitka
Port Alexander
Yakutat
Angoon
Kake
Petersburg

Wrangell
P.T. Baker
Prince-Hamond
Hydaburg
Pearson
Thorne Bay
Meyers Chuck
Ketchikan
Metlakatla
Hyder

5 boys over 20 committees in S.E. which might be eligible for an Advisory Committee. The logistics & costs of bringing all these people together twice a year would be too great to justify on the basis of coordinations & recommendations.

Tony Gardiners proposal to have the Governor appoint 5 people to the Regional Board, leaves the advisory committees completely unrepresented on the Regional Board.

I recommend a compromise or synthesis. Each Regional council (Board) consist of 5 (7) members appointed by the Governor from a list of nominees submitted by the Fish & Game Advisory Committees in the Region, (No advisory

committee may nominate more than two (2) candidates) and confirmed by a majority of the membership of the Legislature meeting in joint session.

This proposal would give Advisory Committees direct input into who served on the Regional Councils, yet would retain the Governor and Legislature perogative to make the appointments.

Powers of the Regional Council (Board)

After a great deal of thought I have decided that the only way to justify the expense of conducting regional councils (boards) is by willing of justifying the committment of time by the regional council members is to grant them regulatory powers. I recommend adoption

of HB 193 version of the divisions of regulatory powers between the Master and Regional Boards.

I have concluded, based on some experience organizing and working with regional groups that without regulatory powers there will be problems getting the most qualified people to serve on regional councils and problems in achieving quorums.

Staff- I support the funding of Regional Coordinator positions for each region. These people would work directly for the Regional Board in their Region or for the Executive Director to the Board of Fish & Game. They would work to coordinate the work of the regions advisory committees and organize meetings of the Regional Council.

IV Master Boards

I recommend retention of the present Master Boards of Fish & Game.

Composition - I would propose that the Governor fill any vacancies in these Boards from a list of nominees submitted by the Regional Boards, subject to confirmation by the legislature.

Powers - I believe HB 193 provides the best model for division of powers between the Regional & Master Boards however some additional language giving the Master Board clear authority to amend & veto any regulation might be added.

Thankyou - Confident on your efforts. I am truly sorry I am unable to attend but recent injuries require me to spend a great deal of time at home resting.

Alaska Conservation Society

Incorporated in 1960

P.O. Box 80192 College Branch, Fairbanks, Alaska 99708

8 March 1979

Hon. Alvin Osterback
Hon. Bill Miles
Cochairmen
House Resources Committee
Alaska State Legislature
Junea 99801

Dear Reps. Osterback and Miles:

At least two bills (HR 193, HR 304) are being considered by your committee as proposals to establish regional fish and game boards. This is very important legislation. We'd like you to know the Alaska Conservation Society's approach to this issue.

We are guided by the thought that the much-needed improvement in local involvement in fish and game regulation must not be carried so far as to jeopardize sound conservation and allocation decisions reflecting the entire citizenry's interests.

We firmly believe that rural pople historically have not been heard clearly enough nor paid their share of attention in fish and game regulation making. The increasing vigilance and activity of rural people, plus the State's very wiase policy of placing subsistence as the top consumptive use of wildlife, will assure partial correction of that imbalance.

However, the Society feels more is needed. We support 1) the establishment of six or seven regional fish and game boards with coordinative and advisory powers; 2) the appropriation of funds to establish a full-time technical assistant to local advisory committees (one coordinator per region). These positions should not be administered by the Alaska Department of Fish and Game.

Our members feel that with effective operation of regional boards and vigorous support of local advisory committees, the remainder of the present regulatory system can be left intact and will operate satisfactorily.

We want actual regulation-making to remain with Statewide boards. Only in this way, we believe, can the inevitable conflicts among local and regional proposals be ironed out. Also, the expected high emphasis on wildlife use and allocation of harvest which will dominate local and regional concerns, can be put in proper balance with conservation needs by the statewide boards. These boards should incorporate all perspectives on fish and wildlife: subsistence use, recreational use, commercial uses, protection,wildlife watching, and scientific/educational.

We hope your committee will consider these views as it works with the regional boards guestion this year. We do need a just and fiar resolution soon.

Sincerely yours,

Robert B Weeden

Robert B. Weeden
President

ALASKA CONSERVATION SOCIETY

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

02078 TDA SAND POINT ALASKA 46 02-21 230P AST

PMS HON REP ALVIN OSTERBACK

HOUSE OF REPS

JUNEAU

THE PENINSULA MARKETING ASSOCIATION WOULD LIKE TO EXPRESS OPPOSITION TO HB193 IN ITS ENTIRETY AT PRESENT. WOULD LIKE TO SEE HEARINGS TAKE PLACE THROUGHOUT THE STATE TO SET THIS UP IN THE BEST INTEREST OF ALL PARTIES CONCERNED. IN FAVOR OF DELAYING UNTIL NEXT YEAR.

DICK JACOBSEN PRESIDENT PENINSULA MARKETING ASSOC.

FINAL REPORT
ALASKA DEPARTMENT OF FISH AND GAME
OPTIONS FOR MODIFYING PRESENT REGULATORY SYSTEM
JUNE 20, 1978

During the final months of 1977 and the first part of 1978, the Alaska Department of Fish and Game held a series of public meetings in which the subsistence issue, the present fish and wildlife regulatory system, and various alternatives to the latter were examined by members of the general public, representatives of other agencies, private enterprise, local and regional Native organizations, concerned citizen groups, and others.

The meetings were prompted initially by a growing concern about the efficiency and fairness of the current regulatory system in allocating the State's fish and wildlife to the various user groups. In addition, proposed Federal law for the management of subsistence taking on Federal land, embodied in HR 39, was considered a cause for concern by State officials.

In summary, Alaska's size, its widely dispersed yet increasing population, changing land-use and ownership patterns, the increasing complexity of and competition among consumptive and nonconsumptive uses, and the finite nature of the fish and wildlife resource have made it essential that serious consideration be given to modifying the existing regulatory system and making it more effective in coping with the widespread changes taking place in the State.

PROCEDURES

Public meetings were held in seven Alaskan communities: Anchorage (Dec. 28-29, 1977), Fairbanks (Feb. 9-10, 1978), Petersburg (Feb. 16, 1978), Bethel (Feb. 27-March 2, 1978), Kodiak (March 9-10, 1978), Juneau (April 21-22, 1978), and Galena (April 24-26, 1978). During the first two sessions (Anchorage and Fairbanks) workshop groups were formed to discuss the various options and issues involved. In later meetings a general discussion format was adopted, with periods of time being devoted to the examination of each facet of the proposed options. In each meeting, participants were given a verbal overview of the issues and proposed changes before discussion began.

Proposed changes in the organization of the Department of Fish and Game were discussed first. It was stressed that these changes were separate from and in addition to the proposed changes in the regulatory system. A detailed discussion of the present regulatory system was followed then by a thorough review of three possible options for changes in the system. The options were chosen to present a broad and thought-provoking base from which to begin discussion.

The current regulatory system, briefly stated, consists of two seven-member boards (Fisheries and Game). Members are appointed by the Governor and have

the authority to make regulations setting seasons, areas, quotas and bag limits, and to deal with other matters as provided by AS 16.05.

Regulations are made in accordance with the Administrative Procedures Act (AS 44.62). The Boards are aided by 55 Local Advisory Committees, which meet to discuss issues, present testimony, make recommendations and prepare regulatory proposals for submittal to the Boards. These Committees do not have regulatory authority, but are empowered to issue emergency closures of established seasons and must approve any antlerless moose season proposed for their area.

The first option presented was that of retaining the present two-Board system, but modifying it to place greater emphasis on local and regional concerns. Among the elements considered for inclusion in an improved system were the creation of additional advisory committees, payment of travel expenses incurred by members attending meetings of their committees, payment of travel and per diem expenses for a delegate from each local committee to State Board meetings, the provision of support staff located in the Department but working for the Boards, training for advisory committee members, and payment of duplicating, advertising and other clerical costs incurred by the committees.

A second option presented to participants was that of establishing a number of Regional Councils in addition to existing Local Advisory Committees and State Boards. Under this plan, Regional Councils would be required to consider all proposals relevant to their regions, and to submit them to the appropriate Board with specific recommendations for adoption, rejection or adoption with amendments. The Boards would retain regulatory authority, but would be constrained to follow the recommendations of Regional Councils unless there existed overriding reasons why they should not. Should the latter be the case, the Boards would so inform the appropriate Council(s) in writing, including a statement of the rationale for rejecting the recommendation. An appeal process also would be provided, by which a majority of council chairmen could overturn a Board decision.

The third option presented was a proposal to place regulation-making authority in the hands of Regional Boards, thereby eliminating the existing State Boards. In this system, local committees would work directly with Regional Boards. As this option was discussed, it became clear that some oversight power would be needed to arbitrate conflicting regional proposals, and this concept was included as part of the presentation. The influence of proposed State legislation dealing with this option led to the proposal of 12 regions, with boundaries coinciding with those of the 12 in-State regional Native Corporations created under ANCSA (Alaska Native Claims Settlement Act).

In all meetings, the issue of subsistence use also was discussed. Current Federal and State legislation on subsistence was reviewed thoroughly. Discussion centered on the definition of the concept of subsistence use and on proposed criteria for

establishing an individual's eligibility for subsistence hunting and fishing privileges. The issue was particularly complicated by the active status of legislation dealing with it. As legislative concepts were refined, the nature of the presentation changed with them.

RESULTS

To a large extent, participants in this series of meetings were polarized between support for the existing system of regulation with some modifications, and support for the establishment of Regional Boards with regulatory authority. The middle path, that of adding Regional Councils to the current system, drew little support. It was generally perceived as a possible compromise, but as less desirable than whichever extreme was supported by the individual participant. However, despite the effect of polarization, it was evident that a number of generalities could be drawn using information gained during the meetings. Specific summaries on these meetings are attached as Appendices I, II, III, and IV.

Subsistence

A majority of those participating were strongly in favor of establishing a system which would be more responsive to subsistence needs. Subsistence was seen as a high priority use by most of those involved. However, the definition of subsistence use remained largely a matter of individual preference. A large number of persons indicated that efforts toward defining the term must be made before meaningful regulations could be established. Most concerns were expressed for the future. Few problems were identified for most species at the present time.

Few people could agree on the income ranges suggested for subsistence-use eligibility criteria, and many disagreed entirely with that concept. There was, on the other hand, general agreement that such criteria should take into account the concept of subsistence harvesting for personal use. In addition to use for human consumption, use for trade and barter but not necessarily for cash sales drew substantial support.

It should be noted that the Alaska Growth Policy Council (AGPC) also held public involvement sessions regarding the subsistence issue at various locations around the State. Results of the AGPC program differed in a number of aspects from those obtained by the Department. This disparity may be attributable to the effect of substantially different presentations. (See Appendices V(A) and V(B).)

Improvement in Local Advisory Committees

Many persons felt that the key to improving the system lies in the local committees, regardless of the three main options. Participants repeatedly stressed a need for

additional support, in the form of staff positions and funding. It was felt that local committees could not work at peak efficiency without better coordination between committees and improved communication with the Boards. For the same reason, there was heavy support for funding which would allow travel to Board sessions by a representative of each local committee.

Costs

The cost of either improving the present system or establishing a new one was a primary concern at all meetings. However, there was general agreement with an observation made at several meetings which indicated that a real commitment to adequate funding must be made in order for any system to function properly. Repeatedly, inadequate funding was identified as a prime cause of the present system's failings.

The FY (fiscal year) 1978 budget request for the existing system was $320,000. The projected total cost of establishing Regional Councils in addition to the existing system is over $683,000, or more than $363,000 over the cost of the present system. Costs for less extensive modifications to the existing system would vary, depending on the extent of the program. A proposal to form 12 Regional Boards (HB 725) was introduced in the second session of the Tenth Alaska Legislature, with a fiscal note identifying the cost of that program as $512,000 for the first year, and approximately $500,000 per annum in succeeding years.

"Red Tape"

Participants generally showed strong resistance to unnecessary increases in "red-tape bureaucracy." The complexity of the present system, and the inconvenience experienced by individuals wishing to submit comments on regulatory proposals, were cited as problems.

Timing

Time delays were linked to bureaucratic complexity. Given the nature of the resources involved, regulations should in many cases be established by a certain time of year. This is a difficult task even under the existing system, requiring several months to complete the regulatory cycle. Changes in the regulatory system are likely to extend the time required for making regulations. Such changes could cause two or more of the three main processes (regulation-making for game, finfish and shellfish) to occur concurrently, increasing the need for the additional staff time necessary to complete the processes in a timely manner.

Conflicting Regulations

It was apparent from the beginning of the public meeting program that participants were cognizant of the inherent dangers of conflicting regulations -- particularly for

migratory species. Conflicts were seen as the probable result of establishing different systems on Federal and State land or of giving Regional Boards regulatory authority under the Administrative Procedures Act. Almost all participants agreed that some type of oversight body necessarily would have to be included in the proposal for Regional Boards. Such a body could act as either mediator or arbitrator in the event of conflicts.

Information, NPFMC and Other Problems

A need for an expanded information program within the Department of Fish and Game was identified by individuals at several meetings. It was felt that information being provided to the public was inadequate and, although individuals recognized that a sophisticated information and education program is costly, they supported additional efforts in this area.

Some concern was voiced over the possibility of changes in the State's relationship with the North Pacific Fisheries Management Council (NPFMC) and other such entities. It was the feeling of a number of persons that the State's role in these areas could suffer if the Regional Board approach was pursued.

Finally, the proposed regional boundaries presented for the Regional Council proposal and the Regional Board concept drew some criticism. The proposed Region IV (encompassing the Yukon/Kuskokwim drainages) was felt by a few individuals to be too large. On the other hand, the Regional Board proposal called for 12 regions, and was felt by many to have the potential for increasing regional factionalism.

CONCLUSION

The effect of Congressional (d)(2) legislation on fish and wildlife management in Alaska cannot be discounted. To a very real degree, Congressional action relating to subsistence management on Federal land could determine the nature of the State's management system as well. Congressional concern must be alleviated by any system used on Federal lands, and it is apparent that efficiency in dealing with the needs of the resource requires a single system for all lands in Alaska.

The problems which have prompted the introduction of legislation in the State Legislature also must be recognized and dealt with. The public also, in meeting with the Department to discuss fish and wildlife management in Alaska, has reiterated the same needs and concerns. The fish and wildlife regulatory system must become more responsive to local needs, especially as related to the continuation subsistence hunting and fishing.

In addition, the problem of ensuring the timely and efficient promulgation of regulations must be addressed by whatever system is chosen for implementation.

Increases in costs and staffing must be kept to a minimum, but must provide the increased efficiency and responsiveness required. Finally, adverse impacts on the State's role in inter-agency and inter-governmental activities must be minimized.

RECOMMENDATIONS

The Department of Fish and Game, in an effort to deal with the above concerns in the most effective manner, has proposed an improved system for the adoption of regulations by the existing State Boards (Fisheries and Game) and for the development of subsistence and management plans, utilizing increased public participation on local and regional levels.

After review by the Governor's Office, the proposal will be presented to the Boards of Fisheries and Game for their consideration and action in accordance with the provisions of the Administrative Procedures Act. If the Boards concur, the plan could be operational by late 1978.

The proposal calls for the retention of the existing Local Advisory Committees, which would act at the "grassroots" level to apprise local residents of various activities, regulatory changes or proposals and other issues, and would serve as the primary forum for individuals wishing to respond to proposals or issues.

In addition to the local committees, the proposal calls for the creation of five Regional Resource Councils, each representing a specific geographic area. Each Regional Resource Council would be composed of the chairmen of all Local Advisory Committees within the respective region. Regional Resource Councils would function to:

1. Develop proposed subsistence-use plans and subsistence-related regulatory proposals for their areas;

2. Develop proposed criteria for determining eligibility for participation in subsistence use harvests,

3. Identify broad area concerns dealing with subjects such as allocation, access, habitat improvement and protection, wildlife management plans, and harvest strategies;

4. Mediate resolutions to conflicting regulatory proposals submitted by Local Advisory Committees in their areas, and

5. Make recommendations to the Boards on regulatory proposals.

The existing State Boards would be retained as the primary regulatory bodies, empowered to adopt regulations under the provisions of the Administrative Proce-

dures Act.

To support and improve attendance at local, regional, and statewide meetings, the Department proposes that the State reimburse travel expenses incurred as a result of the following:

1. Local Advisory Committee members attendance at local committee meetings;

2. Attendance of local committee chairmen (or designees) at Regional Resource Council meetings;

3. Participation of Regional Resource Council delegates in meetings of the Boards of Fisheries and Game.

The Department proposal also recommends the establishment of up to five regional staff coordinator positions in the Department, and the appropriation of the requisite funding for those positions. The coordinators would work closely with Local Advisory Committees and Regional Resource Councils on the following:

1. The preparation and review of regulatory proposals and the transmittal of recommendations to the Boards;

2. The preparation of subsistence management plan proposals; and

3. The review of management plans in conjunction with appropriate Department biologists.

The proposal further provides that the Departments of Fish and Game and Public Safety are to make available technical and scientific data and expertise as requested, that the Department of Law is to provide legal assistance regarding the regulatory process to Regional Resource Councils to the maximum extent permitted by available funds, and that the staff of the Boards of Fisheries and Game is to work closely with regional staff coordinators, Local Advisory Committees, and Regional Resource Councils.

Finally, the proposal specifies that Local Advisory Committees and Regional Resource Councils cooperate in the preparation of Subsistence Resource Management Plans to be presented to the Boards for action. Subsistence use will continue to be the highest priority use of the fish and wildlife resource. The plans will contain the following elements:

1. An identification of current and anticipated subsistence uses of the region;

2. An evaluation and de[illegible]ation of subsistence needs;

3. The identification of users, zones and other elements and concepts which must be recognized in such a plan;

4. Proposed subsistence management strategies for the region; and

5. Proposals for policies, standards, guidelines and regulations necessary to implement the subsistence management strategies identified by the plan.

APPENDIX I:

SUMMARIZATION OF COMMENTS RECEIVED FROM PUBLIC MEETINGS ANCHORAGE, FAIRBANKS, BETHEL, PETERSBURG, KODIAK, JUNEAU, GALENA

Subject: Advisory Committees, Regional Councils and Master Boards

The working groups discussed the proposed revision of the system for the adoption of Fish and Game regulations by the Alaska Board of Fisheries and Game and the development of subsistence and fish and wildlife management plans. This would be accomplished by formalized means of local and regional public participation. Should a new system be instituted as proposed, the following suggestions were made:

1. The membership of Local Advisory Committees should be held to 5-11 persons for greater efficiency and flexibility.

2. The provisions for removal of committee or council members should be improved.

3. The lottery process proposed for selection of Regional Council members is too indiscriminating. Popular election was proposed as an alternative.

4. Appointments to Advisory Committees should be made by the Joint Boards to avoid "cronyism."

5. Nonconsumptive user-groups should receive a greater degree of recognition and attention.

6. Although there are obvious problems with the "one man-one vote" concept, population concentrations must be recognized and dealt with as well as geographical areas.

7. There is a ten year residency requirement for Council members, but the proposal calls for only five violation-free years. These requirements should be the same. The view that ten years is too long for a residency requirement was also expressed.

8. The level or importance of the violation (see above) should be considered. Perhaps "conviction" could be substituted for "violation."

9. Rather than having three non-voting members from resource agencies, Councils should have the option of being able to draw on a technical advisory team with as large a membership as necessary.

10. Special provisions should be made for joint meeting of Regional Councils, when necessary.

11. Funding for Advisory Committees and Regional Councils should cover travel and per diem for members and should provide for staff positions and clerical costs. Funding should also be sufficient to cover unscheduled but necessary joint meetings of Councils or Committees.

12. Travel of Advisory Committee chairmen, or their alternates, to Board meetings should be encouraged as well as funded.

13. Separate Game Boards should be formed for the northern and southern parts of the State.

14. A separate region should be created for the Yukon-Kuskokwim-Delta area.

15. The Region IV Council should deal exclusively with fisheries. Other provisions should be made for game.

16. Regional Councils should prepare comprehensive management plans for all regional fish and wildlife.

17. Information and Education efforts should be made a priority.

18. Time requirements of system are prohibitive.

19. Advisory Committee members should be used more as unpaid staff - not just to make recommendations.

20. As opposed to full Regional Council proposal, Advisory Committee chairmen could meet at least once a year on a regional basis to discuss problems. If any area poses real difficulties, both sides could send representatives to Board meetings.

21. There is a need to ensure that each local area of each region is represented.

22. Meetings should be held in each village to explain new regulations when they appear.

23. Greater representation should be given to interior Alaskan villages on Boards.

24. Four of seven Board members should be from rural areas.

25. Advisory Committees should establish set meeting times and locations to aid participation by non members.

26. Advisory Committees should be trained so they can assume stronger role

APPENDIX II:

SUMMARIZATION OF COMMENTS RECEIVED FROM PUBLIC MEETINGS ANCHORAGE, FAIRBANKS, BETHEL, PETERSBURG, KODIAK, JUNEAU, GALENA

Subject: Retention of the Present Board System

The working groups examined the question of retaining the present regulatory system of Advisory Committees and two Boards - Fisheries and Game, who have the final authority to promulgate regulatory proposals. Should the present system be retained, the following modifications were suggested:

1. Travel and per diem should be paid to Local Advisory Committee chairmen (or their alternates) to attend Board meetings.

2. The Boards of Fisheries and Game should hold meetings in various areas on issues pertaining exclusively to these areas.

3. Advisory Committees should, where applicable, be increased to 15 members to ensure full representation of geographical areas and user groups.

   NOTE: The opposite view was also expressed, i.e., Advisory Committees should be reduced to 5-11 members for greater efficiency.

4. Subsistence should be more fully provided for.

5. Local Advisory Committees should be paid travel and per diem when meeting locally.

6. Staff support and necessary funding should be provided to Local Advisory Committees.

7. ADF&G staff and/or Fish and Wildlife Protection Officers should provide Local Advisory Committees, on request, with status reports on locally significant stocks or species or any other requested information on local issues.

8. ADF&G staff support should include Regional Advisory Committee Coordinators to work with Advisory Committees in each region.

9. Board members should be more carefully selected to ensure full representation of geographical areas and user groups.

10. Advisory Committee proposals should receive a level of consideration commensurate with that of staff proposals before the Boards.

11. The Commissioner of the Department of Fish and Game should be appointed by and serve at the pleasure of the Boards of Fisheries and Game.

12. The Board of Game should hold (5) public meetings and (2) regulatory meetings similar to the Board of Fisheries.

13. Advisory Committees should have the power to request reconsideration of Board decisions.

14. Advisory Committee training is necessary for them to assume a stronger role in system.

15. Information and Education efforts should be given a great deal more emphasis.

16. Advisory Committee chairmen should get together in regional groups at least once per year to discuss problems. If problems cannot be resolved, representatives should be sent to Board meetings.

17. Establishing a firm schedule for input/output could improve Advisory Committees' responses.

18. A Division of Subsistence should be added to the present system.

APPENDIX III:

SUMMARIZATION OF COMMENTS RECEIVED FROM PUBLIC MEETINGS ANCHORAGE, FAIRBANKS, BETHEL, PETERSBURG, KODIAK, JUNEAU, GALENA

Subject: Regional Councils with A.P.A. Authority

The working groups were primarily concerned with local use of the resources although realizing the potential problems in completely delegating responsibility to the region. Individuals advocating the proposal for Regional Councils with A.P.A. (Administrative Procedure Act) authority offered the following suggestions and comments:

1. At least 12 regions are needed.

2. Regional boundaries should not be set before the completion of an in-depth study.

3. A statewide review panel, consisting of one member for each Regional Council, should be established to review regulations for uniformity.

4. Statutory establishment of a two-tier system of authority is preferable.

5. Regional wildlife management plans and subsistence management plans would have to be developed.

6. Regional Councils should be elected rather than appointed by the Governor.

7. A system would have to be devised for adjudicating problems arising from boundary and/or resource allocation disputes among regions.

8. Adequate funding to administer this program is needed.

9. There is a need for regional staffs separate from Central State staff.

10. Information and Education should be made a priority.

11. Advisory Committee members should be used more as unpaid Alaska Department of Fish and Game staff.

12. The State's role in N.P.F.M.C. could be seriously threatened by regional control.

13. HB 915 could create a situation where enforcement of Fish and Game regulations is endangered. (i.e., subsistence as a basis for defense.)

14. It would be necessary to ensure that all local areas and all user groups are represented on Regional Boards.

15. Meetings to explain new regulations should be held in each village.

16. Advisory Committees should be trained so they can assume stronger role.

17. Four of seven Regional Board members should be from rural areas.

18. Definite standard times and locations should be established for Advisory Cominittee meetings.

APPENDIX IV:

SUMMARIZATION OF COMMENTS RECEIVED FROM PUBLIC MEETINGS
ANCHORAGE, FAIRBANKS, BETHEL, PETERSBURG, KODIAK, JUNEAU, GALENA

Subject: Subsistence

The working groups discussed the issue of subsistence hunting and fishing in general. Participants registered the following comments:

1. The public strongly supported subsistence as a cultural lifestyle that has been in existence since "time immemorial." Pride in tradition and need for the types of food obtained from subsistence hunting and fishing were repeatedly stressed.

2. There is too much emphasis on commercial use of the resources.

3. Subsistence regulations should be established only on an area-by-area basis.

4. Several witnesses took exception to the proposed $5,000 income limit being proposed as one of the criteria which would quality a person to subsistence hunt and fish. Preferred figures ranged from $10,000 to $35,000.

5. Lenient criteria could lead to an influx of low-income subsistence seekers from "Lower 48" states. This should be avoided.

6. Subsistence should be defined on basis of personal use only.

7. Barter and trade, but not necessarily sale, of subsistence-caught resources were supported as necessary to obtain food that may not be available in the immediate area. Several persons testified that rules and regulations would not prevent them from taking what they felt was necessary.

The following motions were considered by the Southeast Interim Regional Advisory Committee at their March 9, 1979, meeting in Juneau, concerning HB 304. The motions were made to strengthen the bill and the power of the existing local Advisory Committees.

MOTION: To amend Sec. 16.05.223. LOCAL FISH AND GAME COMMITTEES. (d) to read:

Each committee shall hold public meetings on fish and wildlife matters, review regulatory proposals, (MAY) shall make recommendations to its regional fish and game council, the Board of Fisheries, and the Board of Game, and (MAY) shall participate in the review and development of management plans for the conservation and use of fish and wildlife resources within its region. If a regional council, the Board of Fisheries, or the Board of Game chooses not to follow a committee recommendation, that council or board shall inform the committee which made the recommendation of its reasons for not following the recommendation.

MOTION: To amend Sec. 16.05.224. REGIONAL FISH AND GAME COUNCILS. (a) to read:

The Board of Fisheries and the Board of Game, acting jointly, shall establish a regional fish and game council within each fish and game resource region, composed of the chairpersons or designee of the local fish and game committees within its region.

MOTION: To delete the present wording of Sec. 16.05.224. REGIONAL FISH AND GAME COUNCILS. (e) and replace with alternate wording reading:

Each region shall set forth regulations for subsistence use to conserve and manage their own resources in cooperation with the Department of Fish and Game.

MOTION: To add new wording reading Sec. 16.04.224. REGIONAL FISH AND GAME COUNCILS. (f):

Any Advisory Committee shall have the power of emergency closure of a set area within the boundaries if there is no objection from any other Advisory Committee within the region. In the case of any objection, the majority of participating Advisory Committees will decide.

MOTION: To amend Sec. 4. IMPLEMENTATION. (a) to read:

(IN VIEW OF PRESENT STATE FISCAL CONSTRAINTS,) the Board of Fisheries, Board of Game, and the Department shall implement AS 16.05.223 and 16.05.224, enacted in sec. 2 of this Act, within the fish and game resource regions established by AS 16.05.222, also enacted in sec. 2 of this Act, in accordance with the following schedule, measured from the effective date of this Act:

(1) (NO LESS THAN ONE REGION) all regions within one year;
(2) (NO LESS THAN THREE ADDITIONAL REGIONS WITHIN TWO YEARS: AND)
(3) (ALL REGIONS WITHIN THREE YEARS.)

Respectfully submitted by:

Ann Lowe

Ann Lowe, Chairman
Southeast Interim Regional Advisory Council

March 9, 1979

The Honorable Alvin Osterback
Chairman, House Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Osterback:

This is to advise you that I support HB 304 and the development of regional councils without regulatory authority over HB 193 establishing regional boards. The strengthening of the Advisory Committee system through the regional councils and through funding of travel and per diem for Advisory Committee Chairmen will be highly beneficial to the management of Alaska fish and wildlife.

Thank you for the opportunity to comment.

Sincerely,

Herman Schroeder

Herman Schroeder
Dillingham, Alaska

Teleconference

Info

(held statewide
on Tues. March 6)

HB 193 - 3/6/79, as of 2:00pm

Anchorage:	at least 50 persons*	
Barrow:	Lloyd Jones	Fish & Game Advisory Board
	Charles Edwardeson, Sr.	""
	Arnold Brower, Sr.	""
	Kenneth Toobak	""
	Edward Hopson	Game Management (North Slope Boro)
	David Brower	""
Fairbanks:	Ken Fanning	Real Alaska Coalition
	Tom Scarborough	Alaska Wildlife Federation
	Charles Vogel	self
	Pete Buist	Interior Trappers Association
Ketchikan:	Joe Dunmert, Jr.	Southeast Seine Boat Owners
Kotzebue:	Willie Goodwin	
Sitka:	moderator will obtain names of witnesses just prior to conference	
Soldotna:	Lottie Edelman	
	Doug Blossom	Cook Inlet Fisherman's Fund
	Marilyn Gimmick	self
	Richard McGahn	Kenai Fish & Game Advisory Board
	Dick Bogart	""
	Floyd Heimbuch	Executive Director, Cook Inlet Aquaculture
Nome:	Don Roberts	Chairman, Economic Development Committee of Northwest Alaska Chamber of Commerce
Fairbanks: (additional)	Charles Gray	Interior Wildlife Assn.
Anchorage:*	David Stancliff	
	Larry Varnes	
	Brent Jones	
	Sam McDowell	Pres., Anchorage Chapter, Issac Walton League
	Dale Bondurant	Pres., Sportsmen's Game Assn.
	John Williams	
	Clark Engle	
	Ralph Cody	

Anchorage advises that their large number of witnesses were generated by a paid newspaper ad - Alaska Sport Hunters, contact David Stancliff.

LEGISLATIVE TELECONFERENCE NETWORK LOCATIONS

Site	Moderator	Mail Address	Primary Conference Center	Video/Secondary Conference Center
Anchorage	Judy Hopkins Charity Kadow 278-3668	Anchorage Info. Office 1024 West 6th Anchorage 99501	Anchorage Information Office	Media Services University of Alaska Anchorage Campus
Barrow	Emily Nusunginya 852-2611	North Slope Borough Box 69 Barrow 99723	North Slope Borough Bldg. Assembly Room	Arctic Slope Regional Corp. Building
Bethel	Dan Boyette 543-3131	KYUK Radio/TV Bethel 99559	KYUK-TV	KYUK-TV
Fairbanks	Trudy Cain Aileen Welton 452-4449	Fairbanks Info. Office Rm. 250/Bldg. F 101 College Rd.	Fairbanks Information Office	KUAC University of Alaska
Juneau	Dave Hammock Claudia Comer 465-4980	Legislative Affairs Agency Teleconference Network/Pouch Y Juneau 99811	State Capitol	State Capitol Governor's Conference Room Third Floor
Ketchikan	Sandi Wendte Peggy Thompson 225-9675	Ketchikan Info. Office 415 Main St. Room 301 Ketchikan 99901	Ketchikan Information Office Room 301	**Ketchikan Elks Lodge 335 Main Street
Kodiak	Mary Jo Simmons 486-4881	Kodiak Island Borough P.O. Box 1246 Kodiak 99615	Kodiak Island Borough Assembly Chamber	Kodiak Community College Room 1
Kotzebue	Janice White 442-3611	Office of the Governor P.O. Box 158 Kotzebue 99752	Kotzebue City Hall Conference Chamber	KOTZ-TV
Nome	Bob Scott 443-5287	Nome Info. Office P.O. Box 25 Nome 99762	Nome Info. Office, Room E-1 Nome Regional Office Bldg.	No secondary center
Sitka	Cathy Hanson 747-6263	c/o Centennial Building P.O. Box 1226 Sitka 99805	Centennial Building Rousseau Room	**No secondary center
Soldotna	Rhoda Eady 262-4441 ext. 280	Kenai Peninsula Borough Box 950 Soldotna 99669	Kenai Peninsula Borough/Civil Defense Conf. Room Basement	*Kenai Peninsula Borough Clerks Conference Room

WASHINGTON, D.C. Senator Gravel

Senator Stevens -

*no video capability
**video receive only

Setting up Teleconference Tues March 6 3pm
House Resources HB193

2/1/79

Re: HB193
HB304

March 5, 1979

Alaska State House
Juneau, Alaska

Rep. Peterkacke

Dear Rep. Branson,

I haven't written to you yet and with the session slipping by I realize I better get to it.

I am on the Board of Directors of the Prince William Sound Aquaculture Corporation, and my husband is a Commercial Fisherman in the Prince William Sound-Copper River Delta area. This puts salmon on the top of my list and that is the concern that I am writing to you about today.

I'm sure you are very familiar with the Cook Inlet Salmon War. This is a conflict that grows more heated every year, with the Anchorage sports fishermen pitting themselves against the Cook Inlet commercial fishermen. During the Board of Fisheries meetings on proposed regulations this winter, the sports fishermen gained an impressive victory with the right to the King salmon run that spawns in the lower Susitna River. 1978 was a good year for the commercial fishermen in Cook Inlet, the first they've had in many years. Over the length of these lean years, their fishing time has been continually eroded, to the point that many commercial fishermen cannot make salmon fishing their sole occupation.

I was talking to a Fish and Game Advisory Boardmember yesterday, and we got to talking about subsistence. He told me he had just finished reading all the proposed regulations (about 2" worth) on subsistence, and that the gist of them seemed to be that the fish are going to be divided up on the following basis: First and best use of the fishery resource goes to subsistence fishermen; Second priority goes to the sports fishermen; Third to the commercial fishermen.

It is my firm opinion that we cannot afford to divide Alaskans on this issue. If the dwindling resource has gotten to the point that one user group is cut back so that a second user group can harvest what they need, it is high time to put on the big push for a renewed capacity. I think all Alaskans should have as many salmon as they want or need, be it for their own larder, their dog team, for their weekend fishing trips, for the tourists, or for sale to the highest bidder. Salmon are one of our bigger renewable resources. Let's renew them! Let's have more involvement in stream and lake enhancement for the wild stocks; let's have increased hatchery capacity for the domestic stocks.

This brings me to the Susitna power project. I have written Senator Gravel twice on this issue, and I would also like to stress to you, Margaret, the prime importance of a peaceful co-existence between dams and salmon. Given the intensity of feelings on both sides of the salmon issue, let's unite and have dams and fish together!

As you know, hatcheries need a continuous supply of water throughout the winter. What better source than a dam? Of course the water must be suitable in terms of temperature and bacteria. Let's find out how the upper Susitna measures up. The best scientists stress the need to maintain a separation of wild and domestic stocks in terms of maintaining a wild gene pool that is not interfered in by the mingling of interspawning with hatchery bred stocks. Let's find out if the upper Susitna is suitable for a hatchery, in light of this. Senator Gravel tells me there is no wild run on the upper Susitna River.

On the Columbia River, once a major salmon producer, there is a continuous barrage of obstacles to the inmigrating and outmigrating salmon. On the way up, most of the dams have no fish ladders. On the way down, the fry are swept through giant turbines, and only the small and lucky survive. In addition to these problems there is also the lack of a continuous supply of water throughout the winter when the dams withhold water from the river to meet other priorities. Believe it or not, these intrepid salmon actually make it into the lower reaches of this maze of opposition in small numbers, and the Columbia River still has a wild run. Imagine how many salmon there could be if they were actually encouraged, or at least accomodated. If you know anything about this region's salmon problems, you know the dwindling resource has pitted Indian against White in an all out battle for the rights to fish.

This [illegible] infringed on [illegible] Zoo, and in our area (Prince William Sound-Copper River Delta) it continues unabated. The local viewpoint for Limited Entry. Everyone was scared to death that Judge Boldt's decision would send [illegible] fishermen to Alaska in droves, thus impacting our already well utilized salmon runs. We never got the chance to find out what would have happened because Limited Entry [illegible].

I dread the thought of salmon ever entering any further than they already have. At the present time there are subsistence fish wheel permits being used to take fish for resale in Anchorage. There are also accusations floating around that there are more Limited Entry permits being fished than allowable by law.

We've got to clear up the law breaking. This would be a conservation effort, much the same as turning down the thermostat saves fuel. Then we've got to unite on the issue of enough salmon for everyone. Alaska can certainly produce unlimited numbers of salmon, but now that man is here it is our duty to see that we preserve and enhance Alaska's salmon producing capacity.

As a further note on the definition of subsistence, it is my opinion that subsistence is the quantity of wildlife it takes to live on. By this I mean the amount one puts on the table to eat is one's subsistence harvest. In these days of snow machines, one can hardly call caribou and salmon for dog teams subsistence. Nor do I call selling fish to obtain money for utilities a subsistence use. I would like to reiterate my earlier statement here though that I think all Alaskan's should have a right to as many salmon as they need for whatever purpose, be it commercial, sport, or subsistence. We are definitely going to have to come to some conclusions as to the differences between these user groups, and which uses of the resource qualify as which group. I hope that when the definition of subsistence is decided, that it does not become tied up in restrictions as to who has the right to a subsistence harvest and who does not. Every Alaskan has the right to put wild meat on his table regardless of Race or Income. I feel pretty strongly about that.

To get back to the Susitna power project, in the hearings and debates coming up on this issue, let's give equal consideration to another idea. Let's look into the feasibility of building a tide water electric project that would span Turnigan Arm and harness those tremendous tides there. In addition, we could kill two birds with one stone and get ourselves a Kenai c uaeway built on top of the dam. What do you think of that idea?

In closing I might say that with the limited session we cannot really afford to spend so much time organizing the House and Senate. In view of the time wasted, it will take a concerted effort to address all the crucial issues facing our State at this time and not be tempted to put them off until next year.

Good luck.

Sincerely,

Christine Honkola

Christine Honkola
P.O.Box 174
Cordova, Alaska 99574

Ray Britain
Kenny Lake

SEC. 16.05.256

(A) #5 - This PART should be worded SO IT does NOT RESTRICT THE USE OF FRESH OR FROZEN SALMON EGG AS BAIT.

SEC. 16.05.256

(E) #1 This should apply only to Commercial Fishermen (AS A purely subsistence life style NO longer EXISTS, and THE only people who RELY SOLELY ON FISH AS A direct dependance are THOSE WHO FISH Commercially -

TRIBES and THEIR Federal hands IS how it should be. THESE historically dependent peoples from this LIFESTYLE) MASTER board should NOT be dominated by Commercial Fishermen. REGIONAL boards should REFLECT a balanced membership. (Native people + white people, so THAT each IS directly ASSOCIATED (connected to natives) Locally we find THAT the ADVISORY board REFLECTS primarily THE Antler WHICH WAS started only approximately one YEAR AGO.

ALSO AS IS THE CASE NOW - NO one SERVES on THE advisory board for more LENGTH of TIME IF he or she agrees with THE Fish + Game Biologist whether They be right or wrong. (Total) MEMBERS of THESE boards should NOT be DISTINGUISHED by living to be VERY OLD.

March 7, 1979

The Honorable Margaret Branson
State House Representative
Juneau, AK 99801

Dear Margaret:

I am very concerned over the bills concerning subsistence hunting and the formation of regional game boards. I think my position is shared by most sportsmen not living in the bush.

I do feel that bush people need an advantage over city people in being able to collect their yearly meat supplies, but this can be done by means other than excluding city hunters.

I have lived in a bush village (Yakutat) where we had alot of pressure from out of town hunters. They could not compete with the local people because, by living there, we were able to take full advantage of local conditions, (i.e. weather and migration patterns).

As an example, last fall I planned a trip to Kodiak to do some deer hunting over the Thanksgiving holidays. My friends in Kodiak reported plenty of deer and good hunting success. I spent my three days sitting in a Kodiak hotel room, weathered in, plus an additional day because I could not even get back home. Shortly after I returned home, the weather cleared and the local people had a couple of nice days for some highly successful hunting.

This sort of thing gives the local hunters a tremendous and well deserved advantage. My trip wasn't an isolated case, as it has happened to me more than not, and from listening to other hunters, we all share the same fate.

If local seasons are set to give local residents the advantage in weather and local migratory patterns, I don't see why, with their intimate familiarity of the area, they should need to totally exclude urban hunters.

I see the local game boards creating very tense racial and territorial disputes such as already exist to some degree in some areas. The local advisory board system, of which I am Seward's secretary, can be made to work, but I would expand the state boards so that each area has adequate representation on those boards.

In conclusion, I must say that I am opposed to a regional board system and that subsistence hunting should not exclude state residents.

Respectfully yours,

Bob Estes

Robert Estes

LA21 2548 13.55 JAQ1 0040 13.55 04/11/79

TO: MEMBERS - HOUSE OF REPRESENTATIVES

FROM: MR. & MRS. CERENCE J. PAUL, SR BOX 71197, FBKS, AK 99701
488-6402

RE: HB 193

PLEASE BE INFORMED THAT WE ARE IN FAVOR OF THE HOUSE RESOURCES SUBSTITUTE BILL, BY REP. HALFORD, (HB 193). WE ARE IN UTTER OPPOSITION TO THE GARDNER BILL, WHICH PROVIDES FOR REGIONAL BOARDS WITH GOVERNING POWER, INCLUDING SEASONS, BAG LIMITS, ETC. REP. GARDNER'S BILL WILL ONLY ADD TO THE TAX PAYERS BURDEN, AND CAUSE COMPLETE CHAOS IN THE MANAGEMENT OF GAME & FISH.

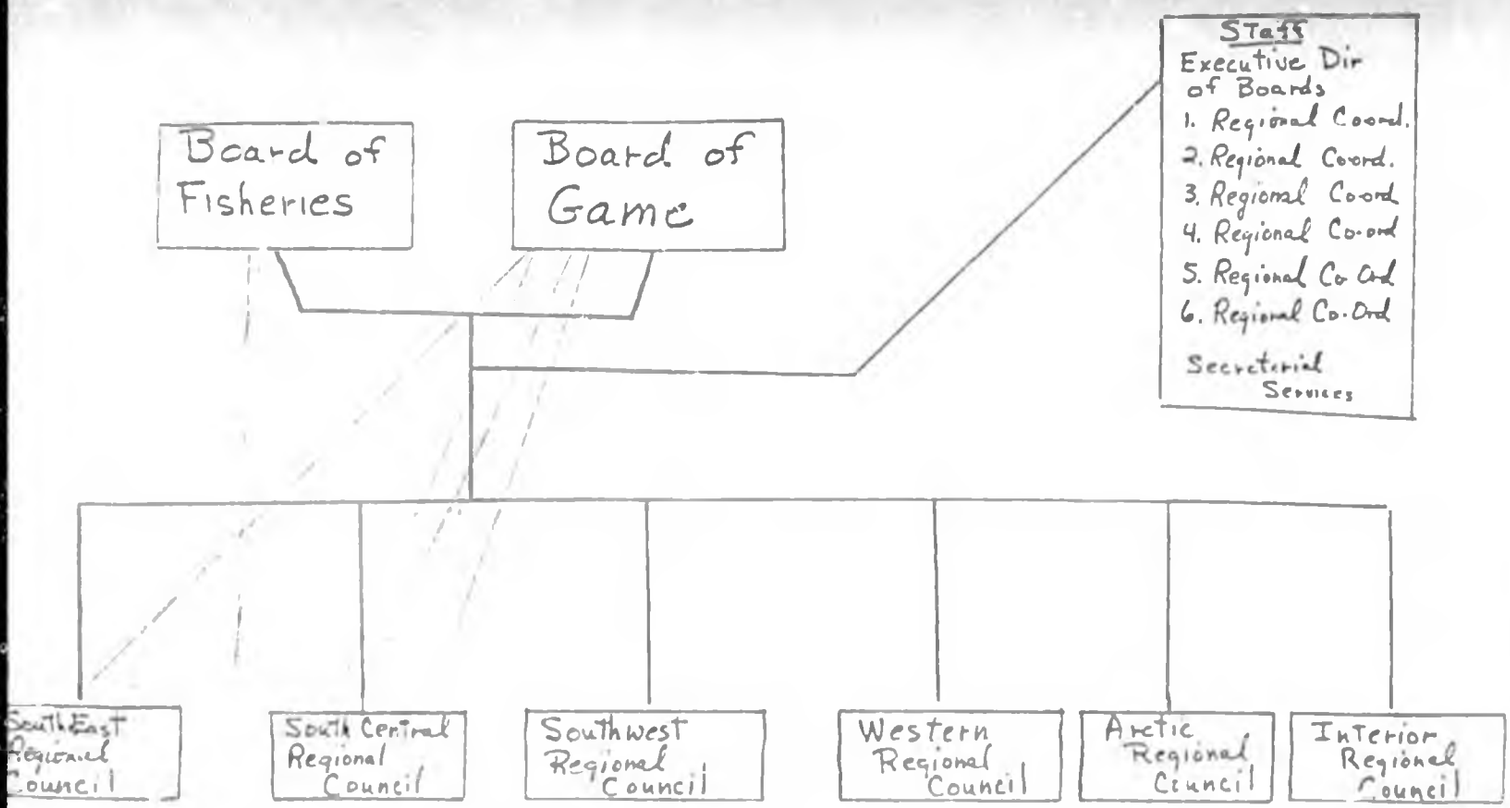
FBX/LIO/DP EOM

HB 193

versions of bill + fiscal notes

House Resources Passed CSSSHB193 3/15/79

AGO 12604 3



58 Existing Advisory Committees
Plus Additional Committees Established
Under Regulation Persuant to Petition
of 25 area residents.

Differences Between Committee Substitute and HB-304

1. Present Advisory Committees Retained in Place.
2. Existing Advisory Committee Emergency Closure Authority Retained.
3. Direct line between Advisory Committees and Boards retained--Input may be through regional councils but does not have to be "force filtered" through Councils.
4. Adds 1 statutory qualification for establishment of new Advisory Committees--Petition of 25 persons.
5. Faster implimentation.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SS HB 193

Title An act relating to regional fish and game boards.

Requested by House Resources Committee Date 3/13/79

II. FISCAL DETAIL

Agency Affected Department of Fish and Game

Program Category Affected Natural Resources

Budget Request Unit(s) Affected All

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES		476.5				
200	TRAVEL		837.4				
300	CONTRACTUAL		65.8				
400	COMMODITIES		6.0				
500	EQUIPMENT		12.0				
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	ESTIMATED LAW COSTS		250.0				
	TOTAL		1,647.7	1.647.7	1,647.7	1,647.7	1,647.7

FUNDING (Thousands of Dollars)

GENERAL FUND		1,647.7	1,647.7	1,647.7	1,647.7	1,647.7
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		17	17	17	17	17
PART TIME						
TEMPORARY		6	6	6	6	6

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Cost estimate attached to reflect total implementation.
No inflation added.

IV. DATE 3/14/79 PREPARED BY Russell H. Clark

AGENCY Department of Fish and Game

PHONE 465-4120

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
Keith Goecking Office of the Governor

33-00: (Rev. 10/78)
file

Included in this fiscal note are the Advisory Committee's associated costs, the Regional Board costs, Departmental costs and the reductions to the current Master Board system.

Advisory Committee

Currently there are 26 committees which operate in rural areas that receive reimbursement for travel expenses, but no per diem. To make the process work better a limited amount of per diem should be added to reduce the financial burden to the individual.

Assume
- 26 Committees receive local travel
- 390 possible members (15 x 26 = 390)
- 1/3 would travel 390 - 3 = 130
- $100.00 average per ticket
- 4 meeting per year, 3 days each
- per diem at the rate of $55.00 per day

Calculation

travel	130 x 4 x $100 =	$52,000	
	130 x 4 x 3 x $55 =	85,800	
	Subtotal	$137,800	$137,800

- miscellaneous $100.00 expenses for 58 Committees

58 x 100 =	5,800	
Subtotal	5,800	$ 5,800

- no additional costs for the Department to interface with Advisory Committees (note: current advisory costs backed out later)

Total $143,600

Regional Boards

All cost detail listed for one region then multiplied by six to reflect total.

Assume
- 1 secretary R-10 for Board = $20,800
  9 m/m temporary support for meetings = 13,400
  Subtotal $34,200 — $ 34,200

- average 9 Chairpersons or designees to Board meetings
- 3 meetings per year (2 required, 1 special)
- 14 days per meeting
- $200.00 average per ticket
- per diem at the rate of $55.00 per day

Calculation

travel	9 x 3 x 200 =	$5,400	
per diem	9 x 3 x 14 x 55 =	20,790	
	Subtotal	$26,190	$ 26,190

Assume

- 7 Board members
- 3 meetings per year
- 14 days per board meeting
- $200.00 per ticket
- $100.00 each day per diem

Calculation

travel	7 x 3 x $200 =	$4,200	
per diem	7 x 3 x 14 x $100 =	29,400	
	Subtotal	$33,600	$ 33,600

- contractual services: printing, leases, legal notices, rent, communications, etc... $10,000
- commodities and supplies 1,000
- equipment 2,000

	Subtotal	$13,000	$ 13,000
		Subtotal	$106,990
		extended for 6 regions	x 6
		Total	$641,940

Departmental Costs

There will be added costs to have staff support at the Regional Board meeting. This will be full regulatory support and staff at all regional meetings.

Assume

- 27 people to each Regional Board meeting
- 3 meetings per year
- 14 days per meeting
- $200.00 per ticket
- per diem at $55.00 per day

Calculation

travel	27 x 3 x $200 =	16,200	
per diem	27 x 3 x 14 x $55 =	62,370	
	Subtotal	$78,570	$ 78,570
		extended for 6 regions	x 6
		Total	$471,420

New Positions

New positions required to interface with six regulatory authorities in addition to master board. (All positions with benefits)

Assume			
- 1 Fisheries Biologis. IV	R-20	39,400	
- 1 Game Biologist III	R-18	34,200	
- 2 Biologist II's	R 16	60,400	
- 2 Administrative Asst.	R-12	45,200	
- 2 Clerk Typists III's	R-8	36,400	
- 2 Clerk II's	R-7	34,800	
- 1 Accounting Clerk III	R-10	20,900	
Subtotal		$271,300	$ 271,300
- preliminary estimate of Department of Law costs (awaiting detail)			250,000
			521,300

Summary

Advisory Committee	$ 143,600	
Regional Boards	641,940	
Departmental Costs	471,420	
New Positions	521,300	
Subtotal	$1,778,260	$1,778,260
Master Board would be less expensive		
- reduce Boards' cost	(35,100)	
- backout existing Committee	(95,500)	
Subtotal	(130,600)	(130,600)
Total		$1,647.660

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS HB 193

Title An act relating to regional fish and game councils

Requested by House Resources Committee Date 3/13/79

II. FISCAL DETAIL

Agency Affected Department of Fish and Game

Program Category Affected Natural Resources

Budget Request Unit(s) Affected All

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES		224.7				
200	TRAVEL		223.9				
300	CONTRACTUAL		9.0				
400	COMMODITIES						
500	EQUIPMENT		6.0				
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		463.6	463.6	463.6	463.6	463.6

FUNDING (Thousands of Dollars)

GENERAL FUND		463.6	463.6	463.6	463.6	463.6
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		6	6	6	6	6
PART TIME						
TEMPORARY		6	6	6	6	6

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Cost estimate attached to reflect total implementation.
No inflation added.

Russell H. Clark

IV. DATE 3/14/79 PREPARED BY Russell H. Clark

AGENCY Department of Fish and Game

PHONE 465-4120

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Keith Speckin; Office of the Governor

33-001 (Rev. 10/78)

file

COMMITTEE SUBSTITUTE HB 193

Costs included in this fiscal note cover support to the Advisory Committees, Regional Councils with staff support, and Board meetings with Council and Committee involvement.

Advisory Committee

Currently there are 26 Committees which operate in rural areas that receive reimbursement for travel expenses, but no per diem. To make the process work better, a limited amount of per diem should be added to reduce the financial burden to the individual.

Assume
- 26 Committees receive local travel
- 390 possible members (15 x 26 = 390)
- 1/3 would travel 390 ÷ 3 = 130
- $100.00 average per ticket
- 4 meetings per year, 3 days each
- per diem at the rate of $55.00 per day

Calculation

travel 130 x 4 x $100 =	$52,000	
per diem 130 x 4 x 3 x $55 =	85,800	
Subtotal	$137,800	$137,800
- miscellaneous expenses ($100.00) for 58 Committees		
58 x $100 =	$ 5,800	
Subtotal	$ 5,800	5,800
- less current Committee support costs		(95,500)
Net Increase		$ 48,100

Regional Council

Included here are the costs for the Advisory Committee chairpersons to attend with travel and per diem, the Coordinator with support costs, and the operational costs for the Council.

Assume
- 58 Advisory Committee Chairpersons
- 2 meetings per year
- 4 days per meeting with travel
- average travel ticket at $200.00
- per diem rate of $55.00 per day

Calculation

travel 58 x 2 x $200 =	$23,200	
per diem 58 x 2 x 4 x $55 =	25,520	
Subtotal	$48,720	$ 48,720

- 6 Resource Specialists range 16 =	188,850		
- travel and per diem (est.) =	36,000		
- temp. support 30 man/months =	35,850		
- contractual: rent, phone, etc. =	9,000		
- equipment: desks, chairs =	6,000		
Subtotal	$275,700		$275,700
		Total	$324,420

Departmental Support Costs

Included in these costs are the additional dollars for travel and per diem to give staff support to Regional Councils and the additional demands on the Boards' current staff.

Assume
- 6 regions
- 10 staff from Department per meeting
- 2 meetings per year
- 4 days per meeting
- $200.00 per travel ticket
- per diem at $55.00 per day

Calculation

travel 6 x 10 x 2 x $200 =	$24,000	
per diem 6 x 10 x 2 x 4 x $55 =	26,400	
Subtotal	$50,400	$ 50,400

Travel and per diem of Executive Director to meet with regions.

Assume
- 2 circuits per year
- 24 days per circuit
- $1,000.00 per travel ticket per circuit
- per diem at $55.00 per day

Calculation

travel 2 x $1,000 =	$2,000		
per diem 2 x 24 x 55 =	2,640		
Subtotal	$4,640		$ 4,640
		Total	$ 55,040

Board Costs With Regional Chairperson

Included in these costs are travel and per diem for Regional Council chairpersons to Board or special authorized meetings.

Assume
- 6 Council chairpersons
- 5 meetings per year
- 10 days average length per meeting
- $100.00 per day per diem
- $200.00 average per travel ticket

Calculation

travel 6 x 5 x $200 =	$6,000	
per diem 6 x 5 x 10 x $100 =	30,000	
Subtotal	$36,000	
		$ 36,000
Total		$ 36,000

Note: If all advisory Committe chairpersons attended Board meetings with travel and per diem of $55.00/day, costs would be calculated as follows:

58 x 5 x $200 =	$58,000	
58 x 5 x 10 x $55 =	159,500	
Subtotal	$217,500	
minum above	(36,000)	
Total	$181,500	
Grand Total		$463,560

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 193
Title An Act creating Regional Boards of Fish & Game
Requested by House Resources Committee Date 2/23/79

II. FISCAL DETAIL
Agency Affected Fish and Game
Program Category Affected Natural Resources
Budget Request Unit(s) Affected

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES		411.7	436.4	462.6	490.4	519.8
200 TRAVEL		282.3	299.2	317.2	336.2	356.4
300 CONTRACTUAL		74.0	78.4	83.1	88.1	93.4
400 COMMODITIES		14.5	15.4	16.3	17.3	18.3
500 EQUIPMENT		7.0	1.0	1.0	1.0	1.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		789.5	830.4	880.2	933.0	988.9

FUNDING (Thousands of Dollars)

GENERAL FUND		789.5	830.4	880.2	933.0	988.9
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		15	15	15	15	15
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

SEE ATTACHED

COST OF REGIONAL BOARDS

-	7 Regional Boards		
-	5 members each		
-	2 meetings per year at 9 days each		
-	490 per diem days per year at $100 5 members x 18 days = 90 days 90 days per Board x 7 Boards = 630 days 630 days x $100 per day = $63,000	=	$ 63,000
-	7 support positions at range 14 number estimated at Fairbanks level	=	192,600
-	supplies for Boards 7 at $1,500	=	10,500
-	contractual services 7 at $2,000	=	14,000
-	equipment for 7 Board at $1,000	=	7,000
-	travel at $100 per member per meeting	=	7,000
	Sub-total	=	$294,100

MASTER BOARD COST

-	7 members		
-	2 meetings per year at 12 days each		
-	168 per diem days at $100 each	=	$ 16,800
-	travel of Board at estimated $250 per trip 14 x 250	=	3,500
-	staff of 1 Executive Assistant	=	31,200
	1 Administrative Assistant	=	24,600
	1 Secretary I	=	19,200
-	contractual services rent & advertise	=	20,000
-	commodities for staff	=	4,000
-	advisory committee costs	=	92,000
	Sub-total	=	$371,300

DEPARTMENTAL COSTS

-	increased staff coordination estimation		
	1 Special Assistant	=	$ 31,300
	2 Administrative Assistants	=	49,200
	2 Clerk Typist III's	=	23,500
-	travel of staff and Commissioner with per diem to 14 Regional Boards and 2 Master Boards	=	120,000
	Sub-total	=	[illegible]
	TOTAL	=	[illegible]

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-3442
JUNEAU, ALASKA 99802

1979 MAR 28 AM 1 05

02254 NL TDA KODIAK ALASKA 108 03-27 615P AST

PMS REP ALVIN OSTERBACK

JUNEAU AK 99811

REGARDING HB193, WE ARE AGAINST THE REGIONALIZATION OF FISH AND GAME. IF WE HAVE TO HAVE REGIONALIZATION WE ARE DEFINATELY AGAINST KODIAK ISLAND BEING IN THE ANCHORAGE REGION. IF KODIAK AND ANCHORAGE ARE REGIONALIZED TOGETHER REPRESENTATIVE OSTERBACK WILL LOSE ALL THE VILLAGES ON KODIAK ISLAND. IF KODIAK IS SEPARATED FROM THE SAN POINT WESTWARD REGION THE NEXT STEP WILL BE TO SEPARATE THE SAND POINT CHIGNIK REGION FROM THE ALEUTIAN BRISTOL BAY REGION. IF SAND POINT CHIGNIK REGION IS SEPARATED FROM THE ALEUTIAN BRISTOL BAY REGION, THEN SAND POINT AND CHIGNIK WILL LOSE THE FALSE PASS SALMON FISHERIES. PLEASE DO NOT LET THIS BILL OUT OF YOUR COMMITTEE.

ALVIN BURCH, MANAGER

ALASKA SHRIMP TROLLER ASSOC

TELEGRAM

RCA ALASKA COMMUNICATIONS
PHONE
JUNEAU, ALASKA 99801

1979 MAR 28 AM 1 05

02257 NL TDA KODIAK ALASKA 132 03-27 615P AST

PMS REP ALVIN OSTERBACK

JUNEAU AK 99811

REGARDING HB193, WE ARE AGAINST THE REGIONALIZATION OF FISH AND GAME. ON FEBRUARY 27TH, 1979 WE SENT A LETTER TO SENATOR BOB MULCAHY OUTLINING IN DETAIL OUR REASONS FOR THIS OPPOSITION. PLEASE CONTACT HIM FOR A COPY OF THIS. IF SOME FORM OF REGIONALIZATION IS FORCED ON US, KODIAK DEFINITELY SHOULD NOT BE INCLUDED WITH ANCHORAGE. THIS WE CANNOT LIVE WITH. OUR NATURAL AREA OF USE IS THE KODIAK ALEUTIAN AREA. AS KODIAK FISHERMEN IT IS ILLEGAL TO GO INTO KACHEMAK BAY, SO REGIONALIZING US WITH THAT AREA WOULD BE ILLOGICAL. WE REQUEST THAT OUR STRONG OPPOSITION TO THIS BILL BE MADE KNOWN.

ALVIN BURCH, MANAGER

ALASKA SHRIMP TROLLER ASSOC

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-3442
JUNEAU, ALASKA 99802

MAR 28 AM 12 52

02251 NL TDA KODIAK ALASKA 53 03 27 517P AST

PMS REP ALVIN OSTERBACK

JUNEAU AK 99811

THE KODIAK CITY COUNCIL OBJECTS STRONGLY TO HB193. REGIONALIZATION IN JOINING OF FISH AND GAME ARE UNACCEPTABLE. IF REGIONALIZATION MUST BE IMPLEMENTED THEN AT LEAST KODIAK SHOULD BE INCLUDED IN THE WESTWARD ALEUTIAN DISTRICT AND NOT WITH ANCHORAGE-KENAI.

CLAIRE HARMONY, CITY MANAGER

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-5442
JUNEAU, ALASKA 99802

02089 IDA DILLINGHAM ALASKA 111 03-21 1050A AST

PMS HOUSE RULES COMMITTEE

JUNEAU AK

TO: REPRESENTATIVE AL OSTERBACK JUN AK

CY: REP NELS ANDERSON, JUN AK

HOUSE RULES COMMITTEE JUN, AK

HOUSE FINANCE COMMITTEE JUN, AK

I CANNOT AGREE WITH COMMITTEE SUBSTITUTE FOR HB193 WHEN YOU ARE EXCLUDING THE SOUTH PENINSULA FROM BRISTOL BAY. I DO SUPPORT SPONSOR SUBSTITUTE FOR HB193 BECAUSE IT INCLUDES FALSE PASS WITH BRISTOL BAY AND EXCLUDES KODIAK FROM BRISTOL BAY. I DO HOWEVER HAVE PROBLEMS WITH REGIONAL DEFINITION NUMBER 3 BECAUSE IT HINGES ON QUOTE KING SALMON RIVER UNQUOTE. WHICH KING SALMON RIVER? THERE ARE FIVE KING SALMON RIVERS IN BRISTOL BAY. DOES THIS DEFINITION INCLUDE ALL OF THE PENINSULA? IF SO, I SUPPORT IT.

HERMAN SCHROEDER SR - PRESIDENT

DILLINGHAM VILLAGE COUNCIL

MAR 21 PM 1 40

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02087 TDA DILLINGHAM ALASKA 111 03-21 1050A AST

PMS REP AL OSTERBACK 1979 MAR 21 PM 1 16

JUNEAU AK

TO; REPRESENTATIVE AL OSTERBACK JUN AK

CY; REP NELS ANDERSON, JUN AK

HOUSE RULES COMMITTEE JUN, AK

HOUSE FINANCE COMMITTEE JUN, AK

I CANNOT AGREE WITH COMMITTEE SUBSTITUTE FOR HB193 WHEN YOU ARE EXCLUDING THE SOUTH PENINSULA FROM BRISTOL BAY. I DO SUPPORT SPONSOR SUBSTITUTE FOR HB193 BECAUSE IT INCLUDES FALSE PASS WITH BRISTOL BAY AND EXCLUDES KODIAK FROM BRISTOL BAY. I DO HOWEVER HAVE PROBLEMS WITH REGIONAL DEFINITION NUMBER 3 BECAUSE IT HINGES ON QUOTE KING SALMON RIVER UNQUOTE. WHICH KING SALMON RIVER? THERE ARE FIVE KING SALMON RIVERS IN BRISTOL BAY. DOES THIS DEFINITION INCLUDE ALL OF THE PENINSULA? IF SO, I SUPPORT IT.

HERMAN SCHROEDER SR - PRESIDENT

DILLINGHAM VILLAGE COUNCIL

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
P. O. BOX 442
JUNEAU, ALASKA 99802

02090 TDA DILLINGHAM ALASKA 111 03-21 [illegible]

PMS HOUSE FINANCE COMMITTEE

JUNEAU AK

TO: REPRESENTATIVE AL OSTERBACK JUN AK

CY: REP NELS ANDERSON, JUN AK

HOUSE RULES COMMITTEE JUN, AK

HOUSE FINANCE COMMITTEE JUN, AK

I CANNOT AGREE WITH COMMITTEE SUBSTITUTE FOR HB193 WHEN YOU ARE EXCLUDING THE SOUTH PENINSULA FROM BRISTOL BAY. I DO SUPPORT SPONSOR SUBSTITUTE FOR HB193 BECAUSE IT INCLUDES FALSE PASS WITH BRISTOL BAY AND EXCLUDES KODIAK FROM BRISTOL BAY. I DO HOWEVER HAVE PROBLEMS WITH REGIONAL DEFINITION NUMBER 3 BECAUSE IT HINGES ON QUOTE KING SALMON RIVER UNQUOTE. WHICH KING SALMON RIVER? THERE ARE FIVE KING SALMON RIVERS IN BRISTOL BAY. DOES THIS DEFINITION INCLUDE ALL OF THE PENINSULA? IF SO, I SUPPORT IT.

HERMAN SCHROEDER SR - PRESIDENT

DILLINGHAM VILLAGE COUNCIL

TELEGRAM

1979 MAR 28 AM 11 57

RCA ALASKA COMMUNICATIONS, INC
PHONE: 586-6442
JUNEAU, ALASKA 99802

IPMAFUB AHG

1-309549S037 03/28/79

TWX PETER PAN SEA

1 SEATTLE WA 3/28/79

PMS REPRESENTATIVE ALVIN OSTERBACK

ALASKA STATE LEGISLATURE

POUCH V

JUNEAU, AK 99811

WE WISH TO EXPRESS OUR CONCERN REGARDING BILLS CSSSHB193 AND SSHB193 BOTH OF WHICH WOULD SET UP REGIONAL BOARDS OF FISH & GAME.

BOTH BILLS PARTICULARLY SSH-193 WOULD BE DISASTROUS FOR SOUND AND EQUITABLE MANAGEMENT OF FISHERIES RESOURCES.

IF ENACTED SUCH A BILL WOULD, ONE, CREATE A HOPELESS BUREAUCRATIC MAZE IN THE REGULATION OF FISHERIES. TWO, IN INSTANCES WHERE THERE ARE STRONGLY DIVERGENT VIEWS WITHIN THE SAME REGION THE MINORITY WOULD LOSE THE PROTECTION OF A MORE BROADLY BASED BOARD. AND THIRD, THE EXPENSE OF OPERATING THE SIX BOARDS WOULD BE HUGE PARTICULARLY SINCE THE EXISTING SYSTEM IS SUPERIOR TO THE ONES PROPOSED.

JAY B. CAGE, PRESIDENT

PETER PAN SEAFOODS, INC.

1457 EST

IPMAFUB AHG

HB

199

AGO 126044

3/8/79 Hearing

Testimony: Nels Anderson, Rep. from Dillingham
Mr. Lonner, Dir. of Subsistence
Bert Gist, CPC of RURALCAP

→ Reported out with individual recommendations

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB199	3/2	Fish and Game Dept.	3/8
		To testify:	
		Mr. Zonner, Div. of Subsistence	
		Mr. Collinsworth, Deputy Commissioner	

(9)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

February 20, 1979 Date: March 8, 1979

Mr. Speaker:

The Committee on RESOURCES has had HB 199

"An Act establishing a division of subsistence hunting & fishing."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

Copies in all
HB 193
199

March 1, 1979

Representative Alvin Osterback
Alaska State House
Pouch V
Juneau, AK 99811

RE: HB 193 - Establishing Regional Boards and Areas
HB 199 - Establishment of a Division Subsistence within the Dept. of Fish & Game

Dear Representative Osterback:

I strongly urge that no laws be passed that give a priority use-right of our fish and game resources to a small segment of the State's residents.

Dividing the State into regions where only residents of the region would qualify for subsistence usage of the resource will do just that and, in reality, disenfranchise the vast majority of Alaskans from a basic lifestyle ingredient--the supplementing of their food needs via hunting and fishing.

I've lived in Alaska for 35 years and raised 4 children from birth to adulthood. Fish and game were a constant major element of our family diet over this entire period even though I have never drawn an unemployment or welfare check in my life.

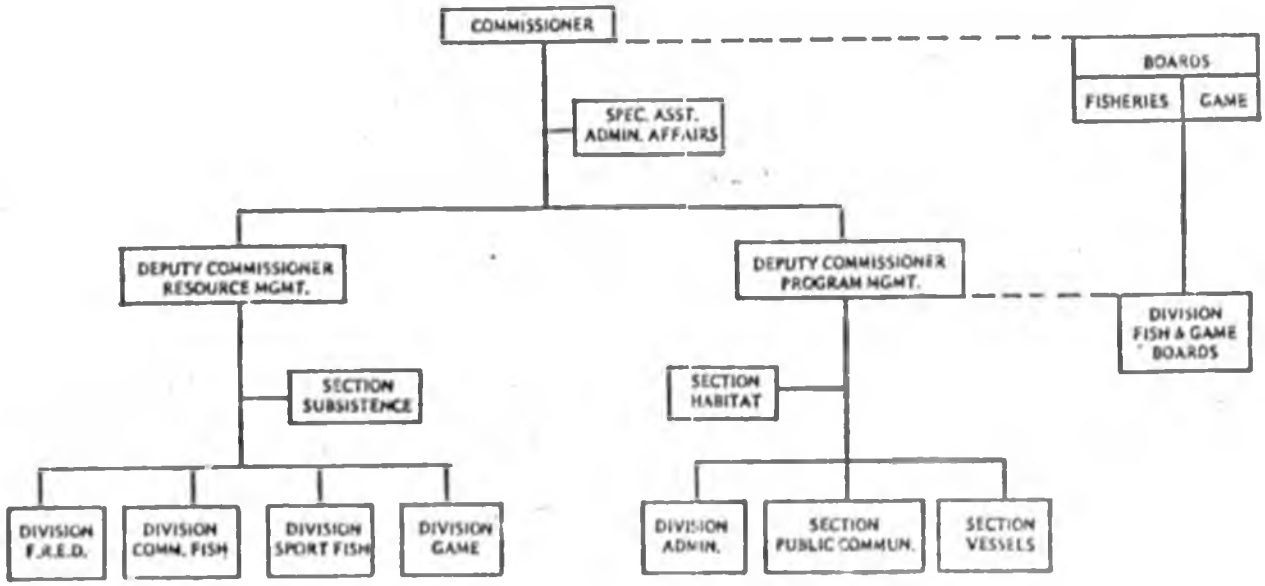
Are we now going to allocate the privilege of utilizing this resource only to those who choose not to enter the mainstream of productive economic life for whatever reason? This resource belongs to all Alaskans--not the 10 to 15% that live in the bush areas.

I urge your support to protect the urban citizens of this State and assure their continued right to utilize the fish and game resources for their own consumption if they so choose.

Sincerely,

Bert M. Sharp
1015 Third Avenue
Fairbanks, AK 99701

COMMISSIONER'S OFFICE



THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 199
Title An Act establishing a Division of Subsistence hunting and fishing
Requested by House Resources Committee Date 2/27/79

II. FISCAL DETAIL
Agency Affected Department of Fish & Game
Program Category Affected Natural Resources
Budget Request Unit(s) Affected Subsistence Section

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES	-0-	9.1	9.6	10.2	10.8	11.5
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	9.1	9.6	10.2	10.8	11.5

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	9.1	9.6	10.2	10.8	11.5
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The impact of this change would raise the pay range of the Section Chief from range 24 to range 26, Division Director and increase the range of the Assistant Chief from range 22 to range 23, Deputy Director.

Range 26 with benefits = $54.7
Range 24 with benefits = 48.9
Difference = $ 5.8

Range 23 with benefits = $45.5
Range 22 with benefits = 42.2
Difference = $ 3.3

TOTAL change 5.8 + 3.3 = 9.1

IV. DATE March 1, 1979 PREPARED BY Russell H. Clark
AGENCY Department of Fish & Game
PHONE 465-4120

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
Bill Cheshire, Office of the Governor

53-1-1 (Rev. 10/78)

ITB 179

March 3 1979 Eklutna Village

We the undersigned people who have depended on subsistence as part of our way and life and are concerned that our historical subsistence rights are being diminished wish to express our view our rights must be protected.

Bobby Alex
Barbara Nation
Sam B Theodore
[illegible]
Pauline Chilligan
[illegible]
Peter Eyi
Geraldine Wells
Irene Chilligan
[illegible]
Annie S Stephan
[illegible]
Georgia C Lord
[illegible]
Mary G Chamberlain
Mary Alex
Albert Stephan
Dorothy Cook
Mike Yakwaoff
Steve Prokopeff
Linda Yakwaoff
Mike W Theodore
Leo Stephan
Lee Stephan
Jerry Alex
Laura J Chilligan
Louis Nanuse
Richard L Alex
Daniel Alex

HB

227

AGO 126045

2/26 Tabled after hearing
Held to be considered along with bill being introduced by Revenue Dept. which would raise all processor taxation to 6%

3/8 Tabled after hearing

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB227	2/22	Fish and Game Dept.	2/26
	2/23 465-2347	Dept. of Revenue - provide fiscal note	2/26
	3/2	Fish and Game Dept.	3/8
	3/2	Revenue Dept.,	3/8
		Joann Messenger.	

Bill drafted by [illegible]

AS HF. 75: 060

Logical distinction between
[illegible] and land-based [illegible]
for taxation purposes

Makes [illegible] tax on [illegible]
[illegible] for [illegible]).

This section relates to the license tax imposed on salmon canneries. Territory of Alaska v. Arctic Maid, 16 Alaska 126, 140 F. Supp. 190 (D. Alas. 1956), aff'd, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

Qualifying as taxpayer under duress. — One need not incur the risk of penalties, while the validity of the tax is being ascertained judicially, in order to qualify as a taxpayer under duress. State v. Wakefield Fisheries, Inc., Sup. Ct. Op. No. 779 (File Nos. 1397, 1398), 495 P.2d 166 (1972).

For cases construing former p[illegible]ons similar to repealed subsection (e), see Territory of Alaska v. Arctic Maid, 16 Alaska 126, 140 F. Supp. 190 (D. Alaska 1956), aff'd, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961); Schlothan v. Einstoss, 17 Alas. 253 (1957), aff'd, 276 F.2d 806 (9th Cir.), cert. denied, 362 U.S. 990, 80 S. Ct. 1079, 4 L. Ed. 2d 1022 (1960); Schlothan v. Territory of Alaska, 276 F.2d 806 (9th Cir.), cert. denied, 362 U.S. 990, 80 S. Ct. 1079, 4 L. Ed. 2d 1022 (1960).

Applied in Territory of Alaska v. American Can Co., 14 Alaska 534, 117 F. Supp. 819 (D. Alas. 1954); Territory of Alaska v. Arctic Maid, 15 Alaska 667, 135 F. Supp. 164 (D. Alas. 1955).

Quoted in Territory of Alaska v. Craig Enterprises, Sup. Ct. Op. No. 14 (File No. 3), 355 P.2d 397 (1960).

Sec. 43.75.055. Security for collection of taxes. Each applicant for a license under this chapter shall in or with his application state under oath the amount of each of the products which he expects to produce during the license year. The applicant shall further state the extent of lienable real property owned by the applicant in the state against which the tax may be collected and other information with respect to description, location and value of the property which the department prescribes. If the lienable value of the property is not equal to three times the amount of the tax for which the applicant will probably be liable under this section, the department may not issue the license until the applicant files with the department a surety bond approved by the attorney general in a penal sum equal to twice the probable amount of the tax for which the applicant will be liable, conditioned upon payment of the tax in full when due, with interest if not paid before delinquency. The department may waive the bond requirement if the applicant posts other security in the form of collateral acceptable to the department. (§ 4 ch 84 SLA 1967)

HB 227

Article 2. Cold Storages and Other Fish Processors.

Section
60. Fisheries business licenses
70. License application and fee
80. Duty to pay tax and keep records
90. Violations and penalties
95. Security for collection of taxes

Sec. 43.75.060. Fisheries business licenses. A person engaging or attempting to engage in any of the following lines of business in connection with the state's commercial fisheries shall first obtain a license.

(1) Shore-based cold storages and other fish processors, except salmon canneries, herring processing plants, crab canneries, and clam canneries otherwise licensed shall pay an annual license tax equal to one per cent of the value of the raw halibut, halibut livers and viscera,

salmon and bottom fish, shellfish or other fishing resource bought or obtained for processing through freezing, salting, or other method. The value of the raw material under §§ 60 — 90 of this chapter is the actual price paid for it, including indirect considerations such as fuel or supplies furnished by the processor or offsets to the cash value for gear furnished. The value applies to the raw material procured in company-owned or subsidized boats operated by employees of the processor or under lease or other arrangement.

(2) Freezer ships and other floating cold storages shall pay an annual license tax equal to four per cent of the value of the raw halibut, halibut livers and viscera, salmon and bottom fish, shellfish, or other fishing resource bought or obtained for processing through freezing, salting, or other method, or the taking of crab for export without such processing. The value of the raw material under §§ 60 — 90 of this chapter is the actual price paid for it including indirect considerations such as fuel or supplies furnished by the processor or offsets to the cash value for gear furnished. The value applies to the raw material procured in company-owned or subsidized boats operated by employees of the processor or under lease or other arrangement.

(3) In (1) of this section, "shore-based cold storages and other fish processors" mean those cold storages and processing plants which are permanently attached to the land or have remained in the same location for a period of not less than one calendar year. Any cold storage or processing plant removed from the state is a floating cold storage under (2) of this section from the day of removal.

(4) Cold storages and fish processing plants which are not shore-based under (3) of this section are "floating cold storages" under (2) of this section.

(5) The person, firm, or corporation engaging or attempting to engage in the above lines of business who actually and physically processes the above fishery resources shall be liable for and shall pay to the department the whole tax imposed by this section. In determining this tax liability the person, firm, or corporation may not deduct from the value of the raw fishery resources processed the value of any raw fishery resources processed for other persons, firms, or corporations, but shall include this as a part of the value of the raw product obtained for processing. (§ 1 ch 97 SLA 1949; am § 1 ch 116 SLA 1951; am § 1 ch 102 SLA 1955; am § 1 ch 88 SLA 1966; am § 3 ch 84 SLA 1967)

History of section. — See State v. Wakefield Fisheries, Inc., Sup. Ct. Op. No. 779 (File Nos. 1397, 1398), 495 P.2d 166 (1972), State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

Effect of 1966 amendment. — Prior to the 1966 amendment, the legislature based solely on the movements and locations of the vessels. State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

Prior to 1966, the primary distinguishing feature of the "floating" processor was its method of processing its catch, rather than its movement in the waters. At that time, the higher four percent tax was directed only at floating freezer or "cold storage" ships which took crab for export without processing it in Alaska. All other processors, both ashore and afloat, were taxed at the lower rate of one percent. State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

Characterization of legislative intent in State v. Wakefield Fisheries, Inc., no longer meaningful. — The characterization of the legislative intent in State v. Wakefield Fisheries, Inc., Sup. Ct. Op. No. 779 (File Nos. 1397, 1398), 495 P.2d 166 (1972), which was based on an earlier version of this section, is no longer meaningful since this section was amended to remove the distinction between types of processors and to widen the class of processors to be subject to the higher tax. State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

This section imposes no burden on interstate commerce, or any artificial rigidity on the salmon industry, by requiring the catching of salmon in Alaska and imposing restrictions on the shipment of fish out of Alaska prior to canning. Territory of Alaska v. Arctic Maid, 16 Alaska 126, 140 F. Supp. 190 (D. Alas. 1956), aff'd, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

This section, which imposes a higher tax upon "floating" processors than upon "shore-based" processors, is not unconstitutional as applied to floating processors on the ground that it violates the commerce clause of the United States Constitution. State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

Since the classification of processing ships as "floating" processors is based not upon their interstate movement, but upon their movement within Alaskan waters, for the purposes of application of this section, there is no interstate movement, and, therefore, there is no burden nor even an incidental impact upon interstate commerce. State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

The higher tax was directed at those particular floating processors who could otherwise evade local regulation and taxation, yet exploit a valuable state resource. State v. Wakefield Fisheries, Inc., Sup. Ct. Op. No. 779 (File Nos. 1397, 1398), 495 P.2d 166 (1972).

It was the 1966 amendment to the statute

Nor does it affect fish laws of United States. — The imposition by the Alaska legislature of license taxes under this section relating to the commercial fisheries of Alaska to provide revenue does not in any way alter, amend, modify, or repeal the existing fish laws of the United States applicable to Alaska. Territory of Alaska v. Arctic Maid, 16 Alaska 126, 140 F. Supp. 190 (D. Alas. 1956), aff'd, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

Classification of section does not deny equal protection. — The classification which imposes different tax rates on "floating" and "shore-based" processors does not constitute a violation of the federal and state guarantees of equal protection. State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

It was not arbitrary for the legislature to conclude that "shore-based" processors, with at least a year's commitment to one location, were to be preferred over floating processors, which distributed economic benefits over several locations. State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

The distinction between mobile and stationary processors can easily be characterized as a tax incentive, to encourage "shore-based" processors, and in this light, the tax differential bears a fair and substantial relationship to the goal of encouraging societal contributions of the type made by "shore-based" processors, especially since conversion from "floating" to "shore-based" is a simple matter of remaining in one location for a calendar year. State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

It is valid legislative classification. — Imposing a tax of one per cent on the value of fish taken on the line of business of shore-based cold storages, while imposing a four per cent tax on the line of business of freezer ships and other floating cold storages is a valid legislative classification. Territory of Alaska v. Arctic Maid, 16 Alaska 126, 140 F. Supp. 190 (D. Alas. 1956), aff'd, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

And there is no discrimination in this section between residents and nonresidents. Territory of Alaska v. Arctic Maid, 16 Alaska 126, 140 F. Supp. 190 (D. Alas. 1956), aff'd, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

Nor between freezer ship operators and local canners under §§ 43.75.010 —

This section relates to the license tax imposed on salmon canneries. Territory of Alaska v. Arctic Maid, 16 Alaska 126, 140 F. Supp. 190 (D. Alas. 1956), aff'd, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

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Quoted in Territory of Alaska v. Craig Enterprises, Sup. Ct. Op. No. 14 (File No. 3), 355 P.2d 397 (1960).

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HB 227

Article 2. Cold Storages and Other Fish Processors.

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salmon and bottom fish, shellfish or other fishing resource bought or obtained for processing through freezing, salting, or other method. The value of the raw material under §§ 60 — 90 of this chapter is the actual price paid for it, including indirect considerations such as fuel or supplies furnished by the processor or offsets to the cash value for gear furnished. The value applies to the raw material procured in company-owned or subsidized boats operated by employees of the processor or under lease or other arrangement.

(2) Freezer ships and other floating cold storages shall pay an annual license tax equal to four per cent of the value of the raw halibut, halibut livers and viscera, salmon and bottom fish, shellfish, or other fishing resource bought or obtained for processing through freezing, salting, or other method, or the taking of crab for export without such processing. The value of the raw material under §§ 60 — 90 of this chapter is the actual price paid for it including indirect considerations such as fuel or supplies furnished by the processor or offsets to the cash value for gear furnished. The value applies to the raw material procured in company-owned or subsidized boats operated by employees of the processor or under lease or other arrangement.

(3) In (1) of this section, "shore-based cold storages and other fish processors" mean those cold storages and processing plants which are permanently attached to the land or have remained in the same location for a period of not less than one calendar year. Any cold storage or processing plant removed from the state is a floating cold storage under (2) of this section from the day of removal.

(4) Cold storages and fish processing plants which are not shore-based under (3) of this section are "floating cold storages" under (2) of this section.

(5) The person, firm, or corporation engaging or attempting to engage in the above lines of business who actually and physically processes the above fishery resources shall be liable for and shall pay to the territory the whole tax imposed by this section. In determining this tax liability the person, firm, or corporation may not deduct from the value of the raw fishery resources processed the value of any raw fishery resources processed for other persons, firms, or corporations, but shall include them as a part of the value of the raw product obtained [illegible] (§ 4 ch 97 SLA 1949; am § 1 ch 116 SLA 1951; am § 1 ch 102 SLA 1955; am § 1 ch 88 SLA 1966; am § 3 ch 84 SLA 1967)

History of section — See State v. Wakefield Fisheries, Inc., Sup. Ct. Op. No. 779 (Dec. Nos. 1397, 1398), 495 P.2d 106 (1972); Reefer King Co. Sup. Ct. No. 754 (Dec. Nos. 2005, 2006, 2007) (1976).

Effect of 1966 amendment — [illegible]

The higher tax was directed at those particular floating processors who could otherwise evade local regulation and taxation, yet export a valuable state resource. State v. Wakefield Fisheries, Inc., Sup. Ct. Op. No. 779 (Dec. Nos. 1397, 1398), 495 P.2d 106 (1972).

Effect of 1967 amendment — [illegible]

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law or by regulation, or make
lent return, the department
n which it can obtain. A return
ood and sufficient for all legal
3 ch 146 SLA 1962)

y of 362 U.S. 990, 80 S. Ct. 1079, 4
ied, (1960).

nd penalties. (a) Repealed by

SLA 1976.
in the tax is due to fraud with
total amount of the deficiency, in
essed and collected.
SLA 1976.
SLA 1976.
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ch 55 SLA 1968; am § 4 ch 94 SLA

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The second 1976 amendment
subsections (a), (b) and (d), which
for an additional amount to be add
tax for failure to file a return
time prescribed by law or regulation
wilful neglect, for a penalty of the
paid when due, and for the assess
collection of interest on the
determined as the deficiency in
respectively.

Legislative committee report. For report on ch. 55, SLA 1968 (HB 1
1968 House Journal, p. 324.

Section relates to the license tax on salmon canneries. Territory v. Arctic Maid, 16 Alaska 126, 140 (D. Alas. 1956), aff'd, 366 U.S. Ct. 929, 6 L. Ed. 2d 227 (1961).

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Article 2. Cold Storages and Other Fish Processors.

Section
10. Fisheries business licenses
15. License application and fee
20. Duty to pay tax and keep records
90. Violations and penalties
95. Security for collection of taxes

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salmon and bottom fish, shellfish or other fishing r... obtained for processing through freezing, salting, or ... value of the raw material under §§ 60 — 90 of this ... price paid for it, including indirect considerations such ... furnished by the processor or offsets to the cash ... furnished. The value applies to the raw mater... company-owned or subsidized boats operated by ... processor or under lease or other arrangement.

(2) Freezer ships and other floating cold storages ... license tax equal to four per cent of the value of the ... livers and viscera, salmon and bottom fish, shellfish ... resource bought or obtained for processing through ... or other method, or the taking of crab for ... processing. The value of the raw material under ... chapter is the actual price paid for it including indirect ... such as fuel or supplies furnished by the processor or ... value for gear furnished. The value applies to the raw ... in company-owned or subsidized boats operated by ... processor or under lease or other arrangement.

(3) In (1) of this section, "shore based cold storages ... processors" mean those cold storages and processing ... permanently attached to the land or have remained in the ... for a period of not less than one calendar year. Any ... processing plant removed from the state is a floating cold ... (2) of this section from the day of removal.

(4) Cold storages and fish processing plants which are ... under (3) of this section are "floating cold storages" ... section.

(5) The person, firm, or corporation engaging or ... in the above lines of business who actually and physically ... above fishery resources shall be liable for and shall ... department the whole tax imposed by this section. In ... tax liability the person, firm, or corporation may not ... value of the raw fishery resources processed the value ... fishery resources processed for other persons, firms, ... but shall include this as a part of the value of the raw ... for processing. (§ 1 ch 97 SLA 1949; am § 1 ch 116 SLA ... ch 102 SLA 1955; am § 1 ch 88 SLA 1966; am § 3 ch ... SLA ...

History of section. — See State v. Wakefield Fisheries, Inc., Sup. Ct. Op. No. 779 (File Nos. 1397, 1398), 495 P.2d 166 (1972), State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

Effect of 1966 amendment. — Prior to the 1966 amendment, the legislature intended to distinguish between types of processes as well as locale of the operation. The higher tax ... particular floating ... otherwise evade ... taxation, yet exploit ... resource. State v. Wakefield ... Sup. Ct. Op. No. 779 (... No. ... 495 P.2d 166 (1972).

It was the 1966 amend... which first created ... "shore-based" and ...

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

STATE OFFICE BUILDING / POUCH SA - JUNEAU 99811

February 26, 1979

The Honorable Alvin Osterback
Co-Chairman
House Resources Committee
Room 118 - Capitol Building
Juneau Alaska

Dear Mr. Osterback:

HOUSE BILL NUMBER 227

House Bill number 227, an Act relating to fisheries business licenses, was introduced in the House on February 15, 1979 and was referred to the House Resources and Finance Committees.

For the consideration of the House Resources Committee, I am enclosing a copy of a Fiscal Note prepared by Mr. Gary Jenkins, Director, Audit Division, Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

cc: The Honorable Bill Miles
Co-Chairman
House Resources Committee

The Honorable Russ Meekins
Chairman
House Finance Committee

John Messenger
Acting Commissioner
Department of Revenue

Gary Jenkins, Director
Audit Division
Department of Revenue

04-D4LM

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill 227
Title Audit Relating to Fisheries Business Licenses
Requested by House Resources Committee Date 2/26/79

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected Fiscal Services
BRU, Program, or Subprogram(s) Affected Audit Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars) - None

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars) - None

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS - None

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memo to R.D. Stevenson dated 2/26/79.

IV. DATE 2/26/79 PREPARED BY [signature]
AGENCY Revenue, Audit Division
PHONE 465-2320

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33 001 (Rev 12/78)

STATE
of ALASKA

MEMORANDUM

TO: R. D. Stevenson
Special Assistant

DATE: February 26, 1979

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director, Audit Division

SUBJECT: HB 227

This bill would eliminate the 4 percent rate on fish processors who do not qualify as shore based. Passage of this bill would result in a loss of revenue to the State of approximately $1,000,000, $50,000 of which is shared back to communities in which the processing is done.

There will be no additional costs of administration due to this proposed bill.

It should be noted that there is a minor technical error in the bill on lines 16 and 17. The reference to Sec. 60-90 of the chapter have been modified and the words "of this Chapter" have been omitted. If this was a deliberate change, perhaps the committee will want to show those changes in correct format.

HB

229

AGO 126046

DO PASS 2/20/79

with recommendation for further referal to Finance Committe

(9)

COMMITTEE REPORT

HOUSE

FURTHER:

February 15, 1979 Date: _____

Mr. Speaker:

The Committee on RESOURCES has had HB 229

"An Act relating to a fee permit system for king salmon and steelhead trout sport fishing."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[✓] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DAT.
HB 229	2/15	Fish and Game Dept. To provide fiscal note and testify	2/20/79
	2/16	Rep. Cotton - bill co-sponsor	2/20
	2/16	Rep. Crutcher - bill co-sponsor	2/20
	2/16	Rep Holland - bill co-sponsor	2/20
	2/16	Rep. McKinnon - bill co-sponsor	2/20
	2/16	Rep. Malone - bill co-sponsor	2/20
	2/16	Rep. Miles - bill co-sponsor	2/20
	2/16	Rep Phillips - bill co-sponsor	2/20

I. REQUEST
Bill/Resolution No. HB 229
Title An Act relating to a fee permit for king salmon and steelhead trout
Requested by House Resources Committee Date 2/20/79

II. FISCAL DETAIL.
Agency Affected Department of Fish & Game
Program Category Affected Natural Resources
Budget Request Unit(s) Affected Sport Fish

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

REVENUE (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						
Fish & Game Fund		208.8	215.1	221.5	228.2	235.0

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Cook Inlet Only

Assume - Sale of between 40,000 and 50,000 permits
Use mean of 45,000 @ $5.000 = $225,000.00 revenue
minus 5% for vendor share (11,250.00)
Sub-total $213,750.00
minus cost of printing 50,000 permits (5,000.00)
TOTAL Revenu $208,750.00 FY '80
Growth of fund straight line at 3% annually

IV. DATE 2/20/79 PREPARED BY Russell H. Clark
AGENCY Fish & Game
PHONE 465-4120

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
Keith Specking
33 001 (Rev. 10/78)
File

ELEVENTH LEGISLATURE

FISCAL NOTE

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Title An Act relating to .. fee permit for king salmon and steelhead trout
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Agency Affected Department of Fish & Game
Program Category Affected Natural Resources
Budget Request Unit(s) Affected Sport Fish

EXPENDITURES (Thousands of Dollars)

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REVENUE (Thousands of Dollars)

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FEDERAL FUNDS						
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AGENCY Fish & Game
PHONE 465-4120

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (1st Legislator Named)
Keith Specking
33 (00) (Rev. 10/78)
File

accounting for and custody of state revenues which are only incidental to the Department's regulation and management of the fish and game resources of the State of Alaska.

THEREFORE IT IS ORDERED

"1. All duties, functions and powers relative to the collection, accounting for and custody of state revenues, which are only incidental to the regulation and management of the fish and game resources of the State of Alaska, at present performed by the Department of Fish and Game, are transferred to the Department of Revenue.

"2. The Department of Revenue shall be deemed and held to constitute a continuation of the Department of Fish and Game with the same force and effect, as to the transferred functions, powers and duties as if the functions, powers and duties had not been transferred.

"3. All funds appropriated to the Department of Fish and Game prior to the transfer of those functions, powers and duties attributable to the transferred functions, powers and duties are transferred to appropriate line items in the appropriation of the Department of Revenue.

"4. This order shall become effective at a date hereafter to be designated.

"Dated November 24, 1961"

Alaska's fish and game laws are applicable as federal law on military reservations. 1964 Op. Att'y Gen. No. 2.

Hunting or fishing at a military reservation must be in accord with Alaska laws regulating seasons, bag limits, methods of taking, etc. 1964 Op. Att'y Gen. No. 2.

But military personnel are not required to comply with licensing requirements while on reservation. 1964 Op. Att'y Gen., No. 2.

Since AS 16.05.940(14) does not grant special resident privileges to military personnel, which is a requisite for requiring them to purchase licenses for use on military reservations under 10 U.S.C. 267(a)(2), they cannot be required to do so. 1964 Op. Att'y Gen., No. 2.

A.L.R. reference. — Applicability of state fishing license laws or other public regulations to fishing in private lake or pond, 15 A.L.R.2d 734.

Sec. 16.05.335. Complimentary licenses. The commissioner of revenue shall annually, at the request of the governor, provide him with not to exceed 50 complimentary fishing and hunting licenses and appropriate big game tags which the governor may distribute to distinguished visitors to Alaska at his discretion for their use in any one season during their visits to the state. The complimentary license for sport fishing or hunting or both shall be inscribed by the governor with the inclusive dates for its authorized use. The governor shall advise the Department of Fish and Game on any complimentary issuances, which information shall be available to the public. (§ 1 art II ch 94 SLA 1959; am § 1 ch 61 SLA 1962; am § 1 ch 31 SLA 1963; am § 1 ch 6 SLA 1965)

Sec. 16.05.340. License and tag fees. (a) Fees for licenses and tags are as follows:

(1) Resident sport fishing license	$10
However, the fee is 25 cents for a resident who is blind.	
(2) Resident hunting license	12
(3) (A) Resident hunting and trapping license	15
(B) Resident trapping license	3
(4) Resident hunting and sport fishing license	22
(5) Resident hunting, trapping, and sport fishing license	25

However, the fee is 25 cents for the head of a family or a dependent member of his family or one solely dependent upon himself for support upon proof presented by the applicant that the applicant (A) is obtaining or has obtained assistance during the preceding six

For HB229

months under any state or federal welfare program to aid the indigent, or (B) has an annual family gross income of less than $3,600 for the year preceding application.

(6) Visitor's special sport fishing license — valid for the period inscribed on the license

(A) For 10-day license 15

(B) For one-day license 5

(7) Nonresident sport fishing license 30

(8) Nonresident hunting license 60

(9) Nonresident hunting and sport fishing license 90

A nonresident may not take a big game animal without previously purchasing a numbered, nontransferable, appropriate tag, issued to him as provided in (16) of this subsection. The tag shall be affixed to the animal immediately upon capture and shall remain affixed until the animal is prepared for storage, consumed, or exported.

(10) Nonresident hunting and trapping license 200

(11) Repealed by § 2 ch 32 SLA 1968.

(12) Repealed by § 2 ch 32 SLA 1968

(13) Fur dealers:

(A) Resident fur dealer license 50

(B) Nonresident fur dealer license 200

(14) Taxidermists.

(A) Resident taxidermy license 75

(B) Nonresident taxidermy license 200

(15) Fish, fur or game farming license 100

(16) Nonresident big game tags

(A) Bear, black, each 100

(B) [deleted]

(C) Bear, brown or grizzly, each 250

(D) Bear, polar, each 250

(E) Bison, each 250

(F) Caribou, each 200

(G) Deer, each 35

(H) Elk, each 125

(I) Goat, each 125

(J) Moose, each 200

(K) Sheep, each 50

(L) Walrus, each 250

(M) Wolf, each 50

(N) Wolverine, each 50

(17) Repealed by § 2 ch 32 SLA 1968

(18) [illegible] for bear, brown or grizzly, each 25

(19) Resident or nonresident permit application fee (all species for which a limited drawing is conducted, except musk oxen) 5

(20) The commissioner of fish and game may issue without cost a [illegible] and [illegible] for animals subject to the

Effect of amendment. — The 1976 amendment added the third sentence.

Legislative committee report. — For report on ch. 268, SLA 1976 (FCCS HCS CSSSSB 335), see 1976 House Journal, p. 910.

Sec. 16.05.400. Persons exempt from license requirement. (a) A license is not required of a resident or nonresident person under the age of 16 years for sport fishing nor shall a license be required of any resident under the age of 16 for hunting or trapping.

FOR HB 229

(b) A sport fishing, hunting or trapping license is not required of a resident who is 60 years of age or more and has been a resident for 30 consecutive years or more, as long as he remains a resident. (§ 9 art II ch 94 SLA 1959; am § 3 ch 180 SLA 1972)

Sec. 16.05.405. Taking game by proxy for the blind. (a) A resident holding a valid hunting license may take moose, caribou, deer, or elk under a hunting license issued to a blind resident in accordance with (b) of this section if the resident has the license of the blind person in his actual possession.

(b) A resident hunting license indicating that the purchaser is blind may be obtained from the Department of Revenue upon payment of the fee prescribed in § 340 of this chapter and upon presentation of either an affidavit of the applicant stating that he cannot distinguish light from darkness or an affidavit signed by a licensed physician or a licensed optometrist stating that the applicant's central visual acuity does not exceed 20/200 in the better eye with correcting lenses or that his widest diameter of visual field subtends an angle no greater than 20 degrees. (§ 1 ch 3 SLA 1967)

Sec. 16.05.407. Nonresident hunting game animals must be accompanied by guides. (a) It is unlawful for a nonresident to hunt, pursue or take brown bear, grizzly bear, polar bear or sheep in this state, unless personally accompanied by a person who is licensed as a master guide, registered guide or assistant guide by the department, or who is personally accompanied by a resident Alaskan over 19 years of age who is the spouse of or is related by blood within and including the second degree of kindred. A person who applies for a nonresident big game hunting for the taking of an animal specified in this section shall first apply to the state, on a form provided by the state, an affidavit stating that he will be accompanied on his hunt by a person who is qualified under the terms of this section. A person who falsifies the required affidavit is guilty of perjury.

(b) It is unlawful for a nonresident to import polar bear into this state unless personally accompanied by a person who is licensed as a master guide, registered guide or assistant guide by the department.

(c) A nonresident who violates (a) of this section is guilty of a misdemeanor and upon conviction is punishable by imprisonment for not

more than one
(§ 1 ch 86 SLA

Revisor's note.
SLA 1967, both
designated AS 16.0

Sec. 16.05.41
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Revisor's note.
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HB

259

HB 259

AGO 126047

Hearing on 2/26 - Tabled for a week
Committee asked Pennoyer to get info about how this
could be accomplished by emergency F & G regulation

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB259	2/22	Fish and Game Dept.	2/26
	2/23	United Fishermen of Alaska	2/26

Background info on HB259

(3) within that portion of the Polly Creek razor clam beach bounded on the north by a line beginning at a beach marker approximately one-half mile (0.8 km) south of the mouth of Polly Creek and extending seaward 135°, and on the south by a line beginning at a beach marker approximately one and one-half miles (2.4 km) south of the mouth of Polly Creek and extending seaward 135°;

(4) on the western Copper River delta and in Orca Inlet in the Prince William Sound area.

(e) Prior to taking clams with hydraulic clam diggers in an area of intended operation a permit shall be obtained from the commissioner. An application for permit shall specify the location of intended operation, the proposed duration of operation, and detailed specifications of the gear. An application shall be refused or a permit restricted or terminated by the commissioner if he finds that the operation of the gear may injure or jeopardize the continued viability of clams and other resources inhabiting the area of intended operation.

Authority: AS 16.05.251(2) and (4)

5 AAC 38.055. GEAR FOR SCALLOPS. (a) Scallops may be taken by trawls or scallop dredges.

(b) Scallop dredge rings with less than four-inch (101 mm) inside diameter shall not be carried aboard scallop fishing vessels.

Authority: AS 16.05.251(4)

5 AAC 38.060. GEAR FOR OCTOPI AND SQUID. Legal gear as defined in 5 AAC 39.105, including pot gear as described in chs. 31, 32, 34 and 35 of this title, may be used to take octopi and squid.

Authority: AS 16.05.251(4)

5 AAC 38.061. SEASON FOR OCTOPI AND SQUID. There is no closed season for octopi and squid.

Authority: AS 16.05.251(2)

5 AAC 38.062. PERMITS FOR SEA CUCUMBERS, SEA URCHINS AND SEA SNAILS. Prior to taking sea cucumbers, sea urchins or sea snails, a permit shall be obtained from the commissioner. An application for a permit shall specify the location of the intended operation, the proposed duration of the operation, detailed specifications of the proposed gear, and an estimate of desired harvest. An application shall be refused, or a permit refused or terminated by the commissioner if he finds that the operation of the gear may injure or jeopardize the continued viability of sea cucumbers, sea urchins or sea snails, or other resources inhabiting the area of intended operation.

Authority: AS 16.05.251(2),(4),(5), (7),(10) and (12)

5 AAC 38.065. PERMITS FOR OYSTERS. A permit shall be obtained from the commissioner before any oysters or oyster spat are transported into the state. An affidavit from the supplier of oysters or oyster spat stating that the shipment is free of predaceous or parasitic forms of animal life must accompany the application for permit.

Authority: AS 16.05.250(7),(10) and (14)

5 AAC 38.068. CORAL HARVESTING. Coral may be taken under the terms of a permit issued by the commissioner. An application for a permit shall specify the location of intended operation, the proposed duration of operation, and detailed specifications of the gear. An application may be refused or a permit restricted or terminated by the commissioner if he finds that the operation of the gear may jeopardize the continued viability of coral or other resources inhabiting the area of intended operation.

Authority: AS 16.05.251(7),(10) and (12)

5 AAC 38.070. REGISTRATION DOCUMENTS. A vessel being registered for miscellaneous shellfish pursuant to sec. 20 of this chapter shall, if properly licensed and otherwise in compliance with regulations, be issued a registration certificate. The registration certificate shall be signed by the registrant, kept immediately available at all times during fishing operations and shall be shown upon request to any authorized representative of the Department of Fish and Game or the Department of Public Safety.

Authority: AS 16.05.250(3),(7) and (14)

MISCELLANEOUS SHELLFISH FISHERY

209. 5 AAC 38.055. GEAR FOR SCALLOPS. (b) Permit the use of scallop dredges with rings less than four inches in diameter for taking scallops in the Bering Sea.

The proposed regulation reads as follows:

5 AAC 38.055. GEAR FOR SCALLOPS.

(b) Scallop dredge rings with less than four inch (101mm) inside diameter may not be used or carried aboard scallop fishing vessels except as follows:

(1) scallop dredges with rings of three inches (76mm) or greater inside diameter may be used from vessels fishing in the Bering Sea;

(2) scallop fishing vessels in the Gulf of Alaska in transit to or from the Bering Sea may carry aboard scallop dredges and scallop dredge rings with three inch (76mm) or greater inside diameter.

Justification: This proposal is presented for the Board's consideration in light of recent interest in this fishery by a commercial catcher-processor.

Proposed by: Staff

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MISCELLANEOUS SHELLFISH FISHERY

210. 5 AAC 38.055. GEAR FOR SCALLOPS. (b) Regulation page 105. Provide for smaller than four inch scallop dredge rings west of Sanak Island.

The proposed regulation reads as follows:

5 AAC 38.055. GEAR FOR SCALLOPS.

(b) Scallop dredge rings with less than four inch (101 mm) inside diameter shall not be used aboard scallop fishing vessels east of Sanak Island. [CARRIED ABOARD SCALLOP FISHING VESSELS.]

Justification: There are large resources of scallops west of Sanak Island, however they are of the "Calico" type and smaller in size than the weathervane scallops. 3 inch rings must be used on this scallop because of its smaller size. The 3 inch rings is the size for scallop dredges used on the east coast for this same type of scallop.

Proposed by: Northern Aurora Fisheries

125

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Proposed by: Northern Aurora Fisheries

(3) within that portion of the Polly Creek razor clam beach bounded on the north by a line beginning at a beach marker approximately one-half mile (0.8 km) south of the mouth of Polly Creek and extending seaward 135°, and on the south by a line beginning at a beach marker approximately one and one-half miles (2.4 km) south of the mouth of Polly Creek and extending seaward 135°;

(4) on the western Copper River delta and in Orca Inlet in the Prince William Sound area.

(e) Prior to taking clams with hydraulic clam diggers in an area of intended operation a permit shall be obtained from the commissioner. An application for permit shall specify the location of intended operation, the proposed duration of operation, and detailed specifications of the gear. An application shall be refused or a permit restricted or terminated by the commissioner if he finds that the operation of the gear may injure or jeopardize the continued viability of clams and other resources inhabiting the area of intended operation.

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The proposed regulation reads as follows:

5 AAC 38.055. GEAR FOR SCALLOPS.

(b) Scallop dredge rings with less than four inch (101 mm) inside diameter shall not be used aboard scallop fishing vessels east of Sanak Island. [CARRIED ABOARD SCALLOP FISHING VESSELS.]

Justification: There are large resources of scallops west of Sanak Island, however they are of the "Calico" type and smaller in size than the weathervane scallops. 3 inch rings must be used on this scallop because of its smaller size. The 3 inch rings is the size for scallop dredges used on the east coast for this same type of scallop.

Proposed by: Northern Aurora Fisheries

HB

271

(9)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

13

February 22, 1979 Date: March 8, 1979

Mr. Speaker:

The Committee on RESOURCES has had HB 271

"An Act creating the Creamer's Field Migratory Waterfowl Refuge.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[✓] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

Creamers Field Migratory Waterfowl Refuge

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB271	3/12	Rep. Rogers and Rep. Smith (sponsors)	3/13
	3/12	Dept. of Fish & Game - Habitat Protection	3/13
	—	Dave Cline, Nat'l Audubon Society to testify	3/13

AGO 126048

3/13 - Passed

HB271

Chapter 20. Conservation and Protection of Alaskan Wildlife.

Article
1. State Game Refuges (§§ 16.20.010 — 16.20.080)
2. Walrus Islands State Game Sanctuary (§§ 16.20.050 — 16.20.140)
3. McNeil River State Game Sanctuary (§§ 16.20.160 — 16.20.170)
4. Endangered Species (§§ 16.20.180 — 16.20.210)
5. Fish and Game Critical Habitat Areas (§§ 16.20.220 — 16.20.270)

Article 1. State Game Refuges.

Section
10. Legislative recognition
20. Purpose
30. Refuges established
32. Palmer Hay Flats State Game Refuge
34. Mendenhall Wetlands State Game Refuge
36. Susitna Flats State Game Refuge
38. Trading Bay State Game Refuge
40. Regulations
50. Multiple land use
60. Submission of plans and specifications
70. Sections 16.05.870 — 16.05.890 unaffected
80. Definitions

Sec. 16.20.010. Legislative recognition. The legislature recognizes that

(1) the state has jurisdiction over all fish and game in the state except in those areas where it has assented to federal control;

(2) the state has not assented to federal control of fish and game in those areas which were set apart as National Bird and Wildlife Refuges while the state was a United States territory;

(3) special recognition of the value to the state and the nation of areas of unspoiled habitat and the game characteristic to it will be demonstrated by designating as state game refuges those federal lands which were National Bird and Wildlife Refuges or Ranges at the time that Alaska achieved statehood. (§ 1 ch 114 SLA 1960)

Am. Jur. reference — 24 Am. Jur. Game, § 10.

Sec. 16.20.020. Purpose. The purpose of this chapter is to protect and preserve the natural habitat and game population in certain designated areas of the state. (§ 1 ch 114 SLA 1960)

Sec. 16.20.030. Refuges established. (a) Those land areas now included in the National Wildlife Refuge System which are cited in this subsection are designated as state game refuges, and the board shall assign them appropriate refuge names.

(1) Aleutian Islands Refuge (except Umnak, Unalaska, Akun, Akutan, Sanak, and Tigalda Islands);

(2) Bering Sea Refuge (St. Matthews and Hall Islands, and Pinnacle Islet in Bering Sea);

(3) Bogoslof Island Refuge;

(4) Chamisso Island Refuge;

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 271
Title An Act creating the Creamer's Field Migratory Waterfowl refuge.
Requested by Representative Rogers Date 3/5/79

II. FISCAL DETAIL
Agency Affected Department of Fish and Game
Program Category Affected Natural Resources
Budget Request Unit(s) Affected Game Division

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This bill has no fiscal impact.

IV. DATE 3/12/79 PREPARED BY Russell H. Clark
AGENCY Department of Fish & Game
PHONE 465-4120

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
Keith Specking, Office of the Governor
33 001 (Rev. 10/78)
File

HB
290

(9)

COMMITTEE REPORT

HOUSE

FURTHER: JUDICIARY

February 23, 1979 Date: [illegible]

Mr. Speaker:

The Committee on RESOURCES has had HB 290

"An Act relating to limited entry permit applications."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

AGO 126049

3/15 - Passed CS

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB290	586-3456 3/14	Commercial Fisheries Entry Commission (Commissioner Bob Simon)	3/15
	3/14	Rep Gardiner - Sponsor	3/15
	3/14	Fish and Game Dept.	3/15

HB
304

(9)

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

February 27, 1979 Date: _____

Mr. Speaker:

The Committee on RESOURCES has had HB 304

"An Act establishing Fish and Game Resource Regions, Local Fish and Game Committees, and Regional Fish and Game Councils; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____ CHAIRMAN

H 60 (Rev. 12/78)

HB304

March 9, 1979

The Honorable Alvin Osterback
Chairman
House Resources Committee
Alaska Legislature, Pouch V
Juneau, Alaska 99811

Dear Mr. Osterback:

Please be advised that I support HB 304 and the development of regional councils without regulatory authority over HB 193. Increased involvement of Advisory Committees through the regional councils and through funding of travel and per diem for the Advisory Committee Chairmen, will be most beneficial to making good decisions on the fish and wildlife resources of Alaska.

I appreciate the opportunity to comment.

Sincerely,

Chris Goll, Jr.
Anchorage

March 9, 1979

The Honorable Alvin Osterback
Chairman, House Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Osterback:

This is to advise you that I support HB 304 and the development of regional councils without regulatory authority over HB 193 establishing regional boards. The strengthening of the Advisory Committee system through the regional councils and through funding of travel and per diem for Advisory Committee Chairmen will be highly beneficial to the management of Alaska fish and wildlife.

Thank you for the opportunity to comment.

Sincerely,

Herman Schroeder

Herman Schroeder
Dillingham, Alaska

HB304

HOUSE BILL NO. 304
SUGGESTED REVISIONS
REAL ALASKA COALITION

For an Act entitled: "An Act establishing Fish and Game Resource Regions, Local Fish and Game Committees, and Regional Fish and Game Council; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Sec. 1. INTENT. The legislature finds that the proper regulation, protection, and conservation of fish and wildlife and the continuation of the unique lifestyle of Alaska residents require that an administrative structure be established for the purpose of enabling people with personal knowledge of local conditions and requirements to have a more meaningful advisory role in the management of fish and wildlife in Alaska.

* Sec. 2. AS 16.05 is amended by adding new sections to read:

Sec. 16.05.222. FISH AND GAME RESOURCE REGIONS. For the purpose of the conservation and management of the fish and wildlife resources of the state, there are created five fish and game resource regions, the exact boundaries of which must be established by the Board of Fisheries and the Board of Game, acting jointly.

(Sec. 16.05.223. LOCAL FISH AND GAME COMMITTEES has been deleted totally.)

Sec. 16.05.224. REGIONAL FISH AND GAME COUNCILS. (a) The Board of Fisheries and the Board of Game, acting jointly, shall establish a regional fish and game council within each fish and

Attn: * is where a revision was made; some revisions were 1 word whereas others were sentences or sections

game resource region, composed of the chairpersons of the local fish and game committees within its region.

(b) The Boards of Fish and Game shall assign a coordinator to each region to distribute all relevant support data and coordinate activities of Regional Council and Land Advisory Committees and attend all Fish and Game Board hearings on behalf of their respective regions.

(c) Each regional fish and game council may upon agreement of the majority of the members and approval of the Boards of Fisheries and Game:

(1) hold public meeting on fish and wildlife matters;

(2) review, make recommendations, and assist the department, in consultation with its local fish and game committees and appropriate federal agencies, in developing plans for the conservations, regulation, management, and use of the fish and wildlife resources within its region.

(3) perform other duties which may be specified by the boards by regulation.

(d) The regional fish and game councils may present recommendations concerning the conservation, regulation, management, and use of fish and wildlife resources within their respective regions, and the evidence upon which the recommendations are based, to the local advisory committes during the course of their administrative proceedings. The committee, individually or jointly, may choose not to follow any such recommendation which it is determined during the administrative proceedings is not supported by substantial evidence, violates recognized principles of fish and wildlife conservation, or would be

inconsistent with the constitution or the laws of the State of Alaska or the United States.

* Sec. 4. IMPLEMENTATION. (a) In view of present state fiscal constraints, the Board of Fisheries, Board of Game, and the department shall implement AS 16.05.223 and 16.05.224, enacted in sec. 2 of this Act, within the fish and game resource regions established by AS 16.05.222, also enacted in sec. 2 of this Act, in accordance with the following schedule, measured from the effective date of the Act:

(1) no less than one region within one year;

(2) no less than three additional regions within two years; and

(3) all regions within three years.

(b) During the implementation period stated in (a) of this section, all existing local advisory committees in other regions shall continue to function under the present regulations.

* Sec. 5. CONSTRUCTION. If any provision of this Act is incompatible with AS 16.05.260, the provision of this Act governs.

* Sec. 7. Sec. 6 of this Act takes effect three years after the effective date of the remaining sections of this Act. The remaining sections of this Act take effect immediately in accordance with AS 01/10.070(c).

EXPLANATION OF THE REVISIONS TO HOUSE BILL 304

(Note: All references to lines are from original HB-304.)

1. Line 12, There is no reason to distinguish between rural and other Alaska residents.

2. Line 15, The word advisory was added to better reflect the role of the public.

3. Line 18, "and development" was deleted because it was not considered appropriate to develope fish and game.

4. Line 19 and 20, The number of regions was revised to conform to the existing five game management regions. Actually the number of regions should be left up to the Boards so the best boundaries can be drawn to allow management of the resources of game, sport, and commercial fish. These boundaries may not be the same for basic management reasons. In fact, at present, there are three separate systems drawn by ADF&G for management.

5. Line 21 of page 1 and Line 1 - 28 of page 2, Since the boundaries are to be established by the Boards all area definition has been omitted.

6. Line 29 of page 2, Lines 1 - 29 of page 3, and Line 1 - 2 of page 4, The existing advisory committee syster should remain as detailed in AS 16.05.260. The Boards have authority to deal with advisory committees now and will be making changes in their joint meeting of March 1979.

7. Line 8 - 11 of page 4, Paragraph (b) was deleted and new wording was added to allow for a coordinator in each region as determined by the Boards. We feel this may be the single most important factor to permit better local input to the Fish and Game regulatory system.

8. Line 12 of page 4, To better control what and when the Regional Councils meet, etc., we believe the Boards shall be given an oversight authority.

9. Line 18 - 25 of page 4, Since the regulatory powers of the councils are deleted, this wording is not needed. These councils are advisory only and should serve to advise and educate the local advisory committees.

10. Line 2 - 3 of page 5, As the councils are to serve the advisory committees, it was necessary to revise this wording.

11. Line 10 - 16 of page 5, Paragraph (e) is no longer required since the Councils are to serve the advisory committees.

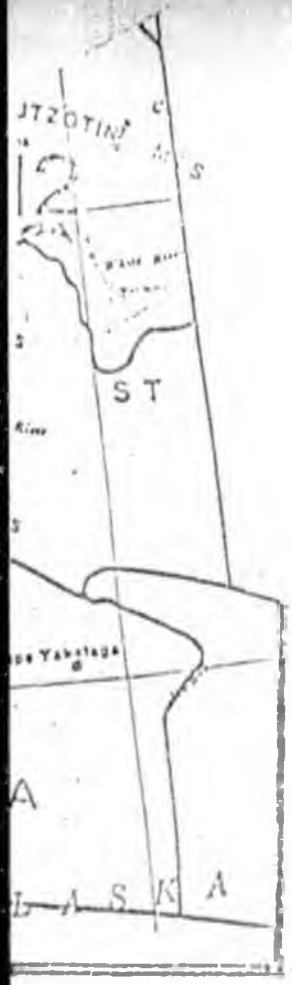
12. Line 3 - 3 of page 6, This language concerns local advisory committees. Since no change is recommended in the existing system, Sec. 6 and Sec. 7 are not required.

lying east of Subunit 26 (B).

Authority: AS 16.05.250(1) and (7)

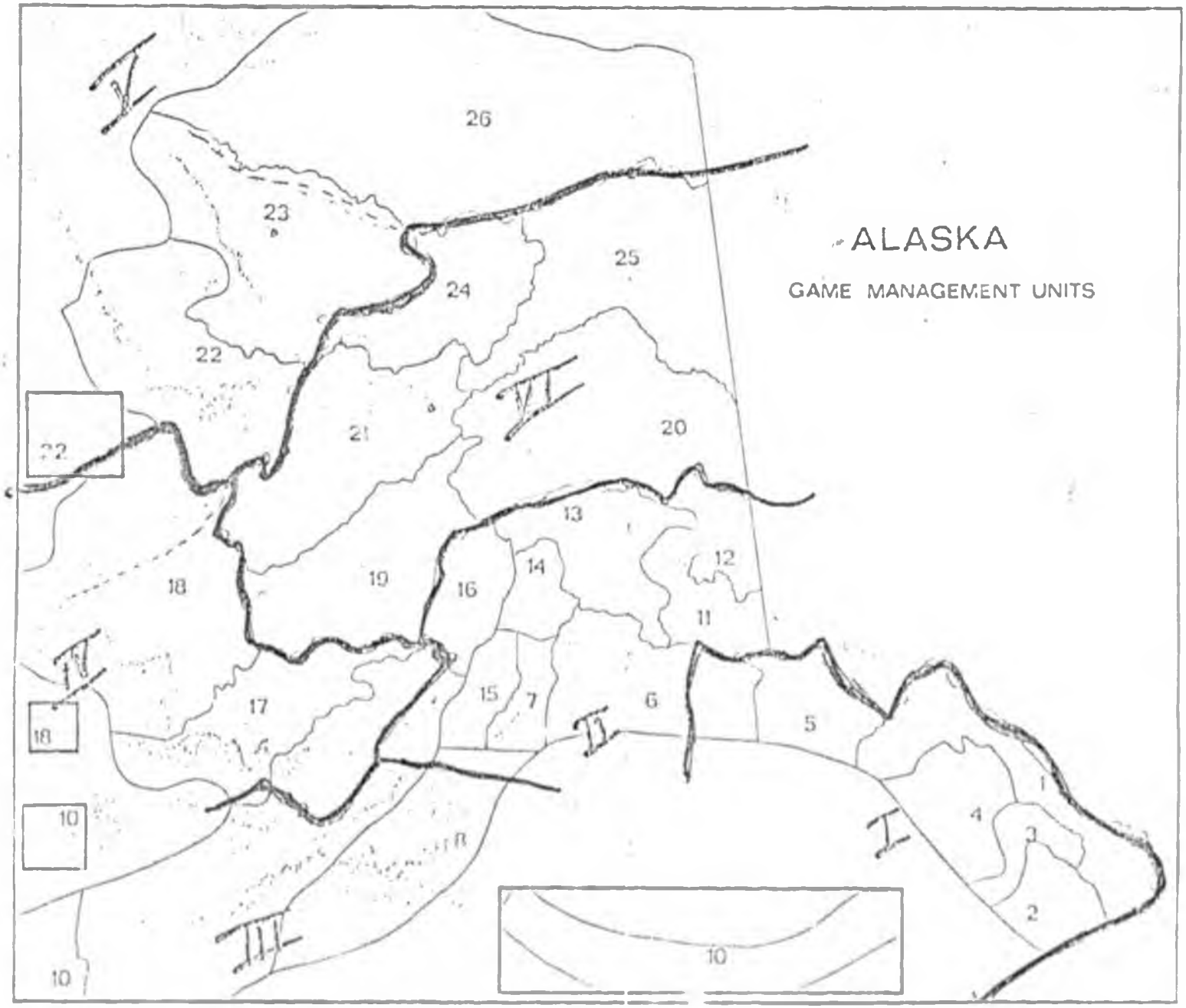
GOVERNOR'S PROPOSAL

HB 304



eita River downstream
lanika River; bounded
a River from its con-
upstream to Dexter
of Dexter Creek to its
divide between the
ainages to the head of
long the west bank of
of the Yanert River,
th bank of the Yanert
up the east bank of
k of Moose Creek to

portion of Unit 20
of the Tanana River
er and the Tolovana
includes the north



fpr 304

February 26, 1979

The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting a bill which provides for the establishment of Regional Fish and Game Councils and Fish and Game Resource Regions. It also provides for the improvement of the local fish and game committee system.

This bill draws from the best elements of other proposed legislation, and from my own administrative proposal which was prepared by the Department of Fish and Game after considerable public review. It is nearly identical to a draft produced recently by the Alaska Federation of Natives, Inc.

The bill establishes six Fish and Game Resource Regions with Regional Fish and Game Councils and provides for establishment of local fish and game committees with mutually exclusive geographic areas of interest.

Each local committee area would be a local, contiguous, and relatively uniform area in terms of habitat and life-style. Committee members would be knowledgeable local residents, appointed by the joint boards. The chairpersons of local committees would comprise the regional councils.

The regional councils and the local committees would be responsible for expressing to the joint boards local views regarding management plans, regulations, and other fish and wildlife concerns, and for presenting recommendations to the boards to which the boards must respond.

To ensure that this proposed system will work, one section provides for funding to cover travel and per diem costs of council and committee members, a crucial lack in

the past. In view of current state fiscal problems, however, I am proposing that only one region be implemented during FY 80, with the others following later.

Sincerely,

S/JSH

Jay S. Hammond
Governor

I. REQUEST
Bill/Resolution No. HOUSE BILL NO. 304 Page 1 of 2
Title An Act establishing Fish & Game Regions, Loca Committees, and Regional Council
Requested by _____ Date 2/26

II. FISCAL DETAIL
Agency Affected Department of Fish & Game
Program Category Affected Natural Resources
Budget Request Unit(s) Affected Boards of Fish & Game

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES			132.4	198.6	210.5	223.1
200 TRAVEL			72.0	108.0	114.5	121.4
300 CONTRACTUAL			28.0	42.0	44.5	47.2
400 COMMODITIES			3.6	5.4	5.7	6.0
500 EQUIPMENT			4.0	6.0	6.4	6.8
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-	240.0	360.0	381.6	404.5

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-	240.0	360.0	381.6	404.5
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		-0-	4	6	6	6
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

SEE ATTACHED

IV. DATE 2/26/79 PREPARED BY Russell H. C
AGENCY Department of Fish & Game
PHONE 465-4120

Original: [redacted]
cc: [redacted]
Keith Speckling, Office of the Governor

33 001 (Rev. 10/78)
File

REGIONAL RESOURCE COUNCILS

ASSUME

-	1 position to assist Advisory Committees and Region Council - Range 14 with benefits	=	$33,100
-	travel and per diem for region * this amount above amount budgeted for Advisory Committee travel	=	18,000
-	contractual support of Council	=	7,000
-	commodities and supplies	=	900
-	equipment	=	1,000
	TOTAL		$60,000

IMPLEMENTATION

ASSUME

-	1 Council in FY '80 included in FY '80 request	=	-0-
-	4 Councils in FY '81 - 60.0 x 4	=	240.0
-	6 Councils in FY '82 - 60.0 x 6	=	360.0
-	no inflation added until FY '83 after FY '83, inflation at 6%		

ALASKA STATE LEGISLATURE

ELEVENTH Legislature FIRST Session

HOUSE BILL NO. 304

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act establishing Fish and Game Resource Regions, Local Fish and Game Committees, and Regional Fish and Game Councils; and providing for an effective date."

Fish and Game

Introduced in the House 2-27, 19 79

31-002

HISTORY IN THE HOUSE

19 79

Feb. 27 Read first time and referred to Committee on Resources and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:
VOTE

Failed to concur in Senate amendment; asked Senate to recede
VOTE

Senate receded from amendment
VOTE

Senate failed to recede from amendment
VOTE

CC appointed by House

CC appointed by Senate

CC adopted by House
VOTE

CC adopted by Senate
VOTE

To enrolling
Reported correctly enrolled
Sent to Governor

by Governor

Filed with Lt. Governor

Chapter No.

HB 304

Ombudsman

MEMO

Date: March 9, 1979

77

To: Representative Bill Miles, Co-chairman;
Representative Alvin Osterback, Co-chairman;
and members, House Resources Committee

From: Frank Flavin, Ombudsman

Subject: House Bill 304

Attached is a report of our findings concerning an investigation of the Anchorage Fish and Game Advisory Committee. The problems revealed here are reflective of the types of problems experienced by any advisory group that lacks the full support of the agency concerned.

If Fish and Game advisory committees are to be expanded or strengthened I would recommend that the administrative support required by the Department of Fish and Game be clearly spelled out.

The language in Section 2, AS 16.05.224 (b), page 4, lines 8-11 of HB 304, is a good start but the inclusion of a training program for the committees and councils and an annual reporting requirement on the types of assistance provided would be helpful.

I also feel that the Department should be directed to assist local boards in determining user groups who must be represented on the local boards. [Sec. 2, AS 16.05.223 (c), page 3, lines 15-22 of HB 304].

Finally, the advisory committee concept as set out in this bill reduces the objectivity of the advisory committee by their dependence on the Department for both data and administrative assistance. As an alternative to our first two suggestions, it may be advisable to establish an independent advisory committee coordinator's office attached to the Department of Fish and Game but independent, or through another vehicle such as the Public Forum.

rj
Attachments

Ombudsman

Frank Flavin

State of Alaska
360 "K" Street, Room 246
Anchorage, Alaska 99501

(907) 276-4011

August 22, 1978

Commissioner Ronald Skoog
Department of Fish and Game
Subport Building
Juneau, Alaska 99811

Re: Ombudsman Complaints A78-0305, A78-0328, A78-0329 and A78-0332 (Pending)

Dear Commissioner Skoog:

In March, 1978, this office received the above-captioned complaints from individuals in the Anchorage area alleging that some of the activities of the Anchorage Area Fish and Game Advisory Committee are conducted in violation of the Alaska Administrative Code or in a manner that is not consistent with good principles of public administration.

During the course of our review of the activities of the Anchorage Area Fish and Game Advisory Committee, representatives of the Ombudsman's Office observed one of the Committee's public hearings, interviewed individual committee members, interviewed members of the public interested in the Committee's activities, and met with officials of the Department of Fish and Game, including Commissioner Ronald Skoog. One formal hearing was held by this office in connection with this investigation, and a thorough review was made of the Committee's records. Near the end of our inquiry, a private meeting was held with members of the Anchorage Committee for the purpose of exchanging views, reviewing our preliminary findings, and obtaining further input from the Committee members regarding recommendations to improve the process for public input and access to the Committee.

Pursuant to AS 16.05.260, some 50 area advisory committees have been established in various communities throughout Alaska to provide public input to the Boards of Fisheries and Game on fish and game matters. The area advisory committees hold public hearings and meetings, make recommendations to the Boards of Fisheries and Game on proposed regulations, and provide a valuable public forum on the management of fish and game resources. Due to geographical distances and demographic differences between Alaskan communities throughout the State, there have been considerable variations in the manner in which the area advisory committees function and the amount of community involvement in each committee. During our investigation, we have endeavored to keep these factors in mind. We also recognize that committee members are unpaid volunteers who donate their time and have very limited resources at their disposal. As far as we have been able to ascertain, our investigation of the Anchorage area committee is the first in depth and critical evaluation by an independent agency of a Fish and Game advisory committee anywhere in the State. Even though each Fish and Game advisory committee functions autonomously, we believe that some of our findings regarding the Anchorage Committee may have relevance to Fish and Game advisory committees in other parts of the State.

The following are the specific allegations that were made regarding the Anchorage Area Advisory Committee, and our findings. At the end of this report, we will set forth recommendations which we believe will help to resolve some of the problems we found during the course of our investigation.

ALLEGATION 1: The composition of the Anchorage Area Advisory Committee is not representative of the resource user groups in the Anchorage area.

Finding: Indeterminate.

According to the Alaska Administrative Code, "Each advisory committee shall be composed of persons well informed on the fish and game resources of the locality . . . and shall be representative, in so far as possible, of the resource user groups of the general area." (5 AAC 96.020). In attempting to evaluate the facts concerning this allegation, we found that there is no clear definition of what constitutes a user group, no generally accepted criteria for delineating the constituency of each user group, and no clear figures on how many people in the Anchorage area are in each resource user group. While the number of residents with fishing and hunting licenses in the Anchorage area are available, there are no figures available on the number of non-consumptive users there are. Indeed, there is no generally accepted definition of non-consumptive user groups. In addition, there is a significant

overlap between residents who both hunt and fish, between people who hold commercial and sport fishing licenses, and even between people who have both consumptive and non-consumptive interests. Without more precise definitions of terms, more information on the nature of constituencies in various groups and more data on the numbers of each group, it is not possible to make a completely accurate determination of this allegation.

To date, the Anchorage Area Advisory Committee has made no systematic attempt to identify what resource user groups there are in the Anchorage area or how many people there are in each group. In other words, it is difficult to determine just who the Committee actually represents other than the members themselves. Many of the committee members contend that the Anchorage Committee represents all interests while several other members and a number of people in the community claim the Committee only represents a narrow cross section of user groups in the Anchorage area.

It is possible to make some tentative observations on the current make-up of the Committee's membership, based on how Committee members themselves defined their own interests in interviews with an Ombudsman investigator and on the basis of letters of nomination which many of the Committee members wrote when they were seeking election to the Committee. Based on this criteria, the present Committee membership appears to be disproportionately represented by individuals who identify themselves as sports hunters and/or sports fishermen. Thirteen of a total of fifteen members identify themselves in this category as consumptive users. The remaining two members of the Committee identify themselves as primarily non-consumptive users. Among the majority of consumptive users, however, there is some overlapping of interests. Two are engaged in commercial fishing at least part of the year, and one of these is closely related to a professional guide. A third individual earns a small part of his living as a wildlife photographer, as well as being an avid hunter. Two other consumptive sport users have strong ties to environmental groups or frequently vote with the two non-consumptive users, depending on the issues raised in the proposal. Thus the Anchorage Committee appears to be dominated by consumptive sports users, while commercial users and non-consumptive users constitute small minorities. There is no representative of subsistence users on the Committee, nor is there any representation of Native groups or associations, even though these groups are significant economic and cultural factors in the Anchorage area.

Several committee members take the position that user groups should only be represented to the extent that such users attend the Committee's meetings. Under such a criteria, these members claim, the Anchorage Committee is fully representative of the area user groups. However, this criteria appears inaccurate if

one makes a comparison between the number of people testifying on several controversial regulation proposals last winter and the votes of the Committee members on those same proposed regulations. At the Committee's hearing on March 15, 1978, approximately half of the people who testified on the proposal to close the Eagle River drainage area to hunting and trapping supported the proposal. The Committee, however, voted by a 9-3 margin to keep the area open to hunting. At the telecommunications hook-up several weeks later, which allowed Anchorage residents to testify before the Game Board Hearing in Fairbanks, the vast majority of people who testified favored closing the Eagle River area to hunting and trapping.

The views expressed on this one issue alone, as well as the Committee's vote, does not necessarily indicate that the Anchorage Committee is unrepresentative of local user groups. There has been, however, a considerable increase in the number of non-consumptive users who have been attending committee meetings in the last two years, while there has been little or no change in the proportional representation of non-consumptive users on the Anchorage Committee. As Alaska's principal urban center, Anchorage probably has the largest proportion of non-consumptive users of any community in the State. However, without clear criteria for identifying resource user groups and the numbers of their constituents in the community, it is difficult to make more than tentative observations as to whether or not the Anchorage Area Advisory Committee is representative of the resource user groups in the area.

In the immediate future, the continued growth of Anchorage as an urban center will continue to place increasing pressure on fish and wildlife resources in this area. As the pressure on the resources continues to mount, it is likely that a greater number and variety of resource user groups will attempt to obtain representation on the Committee. It seems likely that the debate over how the resources should be managed will become more intense. Since the Anchorage Area Committee, like other area fish and game advisory committees, selects its own new members, this office believes that the Committee should give greater consideration to defining which resource users there are in the community and making a more sustained effort to see that the Committee's membership is as representative of the resource users as possible (See Recommendations at the end of this report).

ALLEGATION 2: During the past two years, some of the meetings of the Anchorage Area Advisory Committee have been held in private homes rather than in public places.

Finding: Partially Justified/Rectified.

The Alaska Administrative Code does not prohibit fish and game advisory committee meetings from being held in private homes. In many Alaskan communities, such meetings are routinely held in private residences with no adverse consequences. However, in a large metropolitan community such as Anchorage, holding public meetings in private homes can have adverse consequences. First of all, a private residence may not have the facilities to accommodate the number of people who might want to attend the meeting. Access might also be a factor discouraging attendance. Another factor of concern stems from the polarity of views and feelings engendered by different philosophies on how resources should be managed. Conducting public meetings in private homes could discourage the expression of diverse views if a participant does not feel comfortable in the home of someone who holds strong contrary views. For these reasons, public meetings and hearings should be held, as a matter of good public administration, in public places where there are sufficient facilities, good access, and a setting which encourages the widest possible expression of viewpoints and opinions.

Such facilities are not available in many Alaskan communities, but they are available in Anchorage. In the last two years, there have only been two meetings of the Anchorage Committee that were held in private homes. One was a continuation of a meeting held at a local junior high school when the building had to be vacated after 11 p.m. The other meeting in a private home took place on short notice when there was not time to arrange for a public meeting place and to get out sufficient advance publicity. Both of these meetings were held in 1977, and since that time, all of the Committee's meetings have been held in public places. As a result, we find that this is no longer a serious concern, and that the problem has been fully rectified by the Committee.

ALLEGATION 3: During the past two years, meetings of the Anchorage Area Advisory Committee have not been adequately publicized in advance.

Finding: Justified/Partially Rectified.

The Alaska Administrative Code (5 AAC 96.050 Bylaw Number 16) requires that all meetings and hearings of the advisory committees shall be advertised in the locality where the committee is organized. The Anchorage Area Advisory Committee holds essentially two different kinds of meetings: 1.) public meetings, usually in the evenings, to which it tries to give public notice, and 2.) breakfast or executive meetings in which there is no public notice. The latter meetings are usually held in the early morning hours on an irregular basis and are used primarily as planning sessions.

The most serious problem with providing adequate notice for the first category of meetings was a lack of funds to pay for the advertising. Committee members frequently used public service announcements or submitted stories to the local newspapers, but in a community the size of Anchorage, mass advertising is also necessary to inform the public of upcoming meetings. In the past, some Committee members have paid for advertising out of their own pockets, and it has only been in the last year that funds became available from Juneau. The amount and exact source of those funds, however, was never made clear to the Committee. As of July 1, 1978, the Committee has been allocated $500.00 for expenses, which include advertising. While there has been some improvement in giving public notice of meetings during the last six months, there still have been lapses of coordination within the committee in arranging for adequate public notice of their regular meetings.

The executive or so-called "breakfast" meetings have never been advertised. There has been a diversity of opinion among Committee members as to whether these meetings are "public" in nature, but the Alaska Administrative Code clearly states that "Meetings and hearings of this advisory committee shall be open to the public." These meetings have not been given public notice as required in the regulations, and the public does not have the opportunity to observe or participate if it is not given adequate prior notice of when and where the meetings will be held. The Regulations require that the meetings be open to the public, but this does not necessarily mean that the public can participate. The Anchorage Committee may hold sessions where the public is not able to participate, but the public must be able to observe. The amount of publicity required for executive meetings would be considerably less than for the Committee's regular meetings. [Note: AS 44.62.310 provides that agency meetings (including committees) be open to the public and that reasonable public notice be afforded. See specifically AS 4462. 10(b) in regard to executive sessions.]

ALLEGATION 4: There are no minutes for many of the Anchorage Advisory Committee's meetings which were held during the last two years.

Finding: Partially Justified.

The Alaska Administrative Code (5 AAC 96.050 Bylaw Number 14) requires that "Minutes shall be kept of all meetings of the committee." In our investigation of this allegation, we found that during 1977, minutes were kept for many, if not all of the executive or "breakfast" meetings, but there were no minutes kept for many of the publicly held meetings. For the first one-third of 1978, there are minutes of the publicly held meetings, but no

minutes were taken at the executive meetings held during that period of time. When the Committee held a meeting for the purpose of showing a film or sponsoring a speaker, there has generally been no minutes taken for that meeting. As a result, there is no record of when many of the Committee's meetings were held, which Committee members were present, how many members of the public attended and what transpired at the meeting. In addition, we found that the minutes were scattered among more than two members of the Committee, and the minutes of several meetings were "lost" or "misplaced."

Minutes of the meetings serve a variety of functions. These include providing information on the scope of the Committee's activities, public interest and participation in the Committee's activities, and information about the attendance and participation of Commi ee members. The minutes also provide new committee members with a valuable resource about past Committee activities as well as ideas for programs and educational activities that the Committee might wish to sponsor in the future. And finally, the minutes of the meetings provide the Advisory Committee Coordinator's office with information about new members and as well as data on which to base decisions about providing funds to advisory committees. We find that the Committee has not kept a satisfactory record of their activities as required by the Administrative Code.

ALLEGATION 5: Nomination of new members to the Anchorage Advisory Committee have, on occasion, been held in private homes rather than in public places.

Finding: Unsupported.

We have found no evidence that nominations for new members were made in meetings not held in public places.

ALLEGATION 6: Election of new members to the Anchorage Area Advisory Committee have, on occasion, been held in private homes rather than in public places.

Findings: Partially Justified/Rectified.

In our investigation of this allegation, we found that the Anchorage Area Advisory Committee held a meeting on February 2, 1977 for the purpose of voting on nominations for new members which had been received at a publicly held meeting two weeks earlier. At the meeting on February 2, there were seven or more vacant positions available on the Committee, and the Committee voted to elect all seven persons who had been nominated.

For the same reasons listed in our findings on Allegation 2, we find that meetings of the Anchorage Committee should be held in public places rather than in private homes. While all of those nominated were elected to the Committee, meeting in a

private home for this purpose may have stiffled the opportunity for anyone present at the meeting to question the qualifications of any of the nominees. In any case, we found no evidence of such a situation and this incident does not appear to be a serious one. Nomination and election of new members in 1978 were held at public meetings, and the Committee has made clear its intention to hold nominations and election of new members in public places in the future.

ALLEGATION 7: Members of the public have been unable, despite repeated requests to obtain copies of minutes of meetings of the Anchorage Committee.

Finding: Justified.

During the last year and a half, several complainants made a number of requests to examine the minutes of the Anchorage Committee's meetings. Several of these requests were in writing, although most of these requests were made verbally to the Committee's chairman, Ted Forsi. Mr. Forsi promised to bring the minutes to the Committee's meetings for public inspection, but when he repeatedly failed to do so, the complainants concluded that either no minutes were being kept or they were being withheld for some unspecified purpose.

As a part of our investigation, this office made a formal written request to Mr. Forsi on March 31, 1978 to examine the Committee's minutes. Six weeks later, and after several verbal reminders, the minutes were still not made available. Mr. Forsi stated that the minutes were scattered between his home and office, and he had not had time to get them together. When asked for a specific date when the minutes would be available, Mr. Forsi, refused to give a date and indicated that our request was a low priority. At that time, pursuant to AS 24.55.170(2), it was necessary to issue a subpoena for the minutes. They were finally made available to this office on May 22.

While Mr. Forsi told the complainants that the minutes had been available in his office for their inspection, this apparently was not the case. In any event, we find that the records of the Committee's meetings should be available for public inspection at the Committee's regular meetings. Copies of the minutes of the Committee's meetings should also be available for public inspection at the local Fish and Game Department office.

ALLEGATION 8: Members of the public have been unable, despite repeated requests to the Chairman, to obtain copies of or inspect letters of nomination for new members of the Anchorage Committee.

Finding: Justified.

As in Allegation 7, several members of the public asked to inspect letters of nomination that had been submitted to the Committee by individuals who sought to be elected to the Committee. The request to inspect the minutes was made for the purpose of attempting to evaluate the criteria used by the Committee for selecting new members. The Chairman, Mr Forsi, denied the request, but when the matter was discussed by the whole Committee, it was decided that the letters should be available for inspection. Mr. Forsi promised the complainants that he would bring the letters of nomination to subsequent meetings of the Committee, but he did not do so. When this office made a written request to the Chairman of the Committee to inspect the letters of nomination, we encountered the same problems in securing access to these documents as in examining the Committee's minutes. Access to the letters was obtained by this office only after the issuance of a subpoena.

ALLEGATION 9: The Anchorage Advisory Committee had no vice chairman for an unusual length of time.

Finding: Unsupported.

The term of the former vice chairman of the Anchorage Committee, George Elledge, expired in December 1977. The Committee postponed election of a new vice chairman until after the election of new members to the Committee in early 1978. This was not completed until February, and a new vice chairman, Bruce Griggs, was elected in April. We find that the Committee's decision to wait until new members had been elected before selecting a new vice chairman was reasonable and based on practical considerations.

ALLEGATION 10: The Anchorage Area Advisory Committee has not submitted annual reports or copies of its minutes of meetings to the Game Board as required by State regulations.

Finding: Justified.

In our investigation of this allegation, we found that the Anchorage Committee does not send the Coordinator either a year-end annual report or complete copies of the minutes of its meetings. According to the Committee's Chairman, a year-end report or regular submission of Committee minutes to the Coordinator's office is unnecessary. The only official business which the Committee conducts, according to Mr. Forsi, is the Committee's votes on proposed fish and game regulations. Copies of the Committee's recommendations, he added, are sent to the Fish and Game Boards and constitute "in essence our annual report" of the Committee's activities.

The Alaska Administrative Code (5 AAC 96.050) requires that each area advisory committee submit an annual written report of

its activities for the year to the Advisory Committee Coordinator. This requirement may also be met, according to the Regulations, if minutes of each meeting and all changes in membership status are submitted to the Coordinator on a regular basis after each meeting throughout the year. We find that the Anchorage Committee has not met the requirements of the Administrative Code. Failure to meet the reporting requirements not only prevents the Coordinator's office from knowing about the scope of the Committee's activities and the extent of public interest in fish and game management, it also prevents the Coordinator from receiving information on which to base funding of Committee activities.

ALLEGATION 11: Meetings of the Anchorage Area Advisory Committee are not conducted in accordance with Roberts Rules of Order.

Finding: Justified.

Section 5 AAC 96.050 Bylaw Number 18 states that advisory committee "meetings shall be conducted according to the latest edition of Roberts Rules of Order." Chairman Ted Forsi claims that he follows Roberts Rules in conducting most of the Committee's formal meetings. When he was asked by an investigator from this office whether he had a copy of Roberts Rules, Mr. Forsi said he did not. Under subsequent questioning, he demonstrated a lack of knowledge of and familiarity with Roberts Rules. There are several procedural matters in the Committee's meetings which could be improved upon if the guidelines set down in Roberts Rules were utilized. One improvement, for example, would be for the Committee to formally adopt the minutes of the previous meeting at each new meeting.

ALLEGATION 12: Public testimony of the Anchorage Area Advisory Committee hearing on March 15, 1978 at Romig Junior High School was not recorded.

Finding: Unsupported.

There is no requirement in the Alaska Statutes and Administrative Code that public hearings have to be recorded. It is however, common practice among State agencies to record public meetings and hearings. The Anchorage Area Committee does not have the resources or equipment to record testimony made at its public hearings. It also does not have the resources to transcribe tape recordings of testimony. If the Committee does obtain additional resources in the future, or if recording equipment along with clerical staff to transcribe the recordings is made available through the local Fish and Game Department office, then the Committee might wish to consider whether it would be desirable to record testimony at its hearings. It is certainly useful to have a complete record before making decisions, but the Committee would no doubt wish to weigh the advantages against the disadvantages of possibly discouraging citizens from testifying.

ALLEGATION 13: Deliberations and voting on proposed game regulations by the Anchorage Area Advisory Committee at its March 15, 1978 hearing were held at such a late hour that it made it difficult or impossible for members of the public to attend that portion of the hearing.

Finding: Justified/Rectified.

At the Committee's March 15 hearing, testimony was heard from 7 p.m. to 11 p.m. on 265 proposals that had been submitted to the Game Board. At approximately 11 p.m. the Committee began its deliberations and voting on the various proposals, starting with the two proposals on which there had been the most public testimony. At approximately 11:25 p.m. the meeting was adjourned to a nearby restaurant because the auditorium that had been used up to that point was supposed to be vacated by 11 p.m. Deliberations and voting continued at the restaurant until approximately 3 a.m.

Several Committee members and a number of people in the audience opposed adjourning the meeting to another location because of the late hour. They requested that the deliberations and voting be continued on the following evening or at another suitable time. The Committee Chairman and a majority of the members of the Committee opposed meeting on another night because of schedule conflicts. As a result, approximately twenty people, who had stayed until 11:30 p.m. to listen to the deliberations and voting, did not attend the rest of the meeting held at the restaurant because of the late hour.

We find that the Committee did not allot sufficient time for testimony, deliberations and voting on the 265 proposals. We find that after 11:30 p.m. or midnight is an unreasonable hour to hold a public meeting. The holding of deliberations and voting at such a late hour serves to discourage public attendance at that part of the meeting. We believe that this problem could have been avoided by better planning and scheduling on the part of the Committee. The Committee has indicated to this office that they intend to schedule their hearings in the future on Saturdays or over two evenings when there are a large number of proposals for consideration. We believe that such a solution will afford a reasonable opportunity for public testimony as well as an opportunity for the public to observe the voting.

ALLEGATION 14: The Anchorage Advisory Committee extends special privileges at its hearings to Dave Harkness, the Area Biologist for the Department of Fish and Game; privileges that are not accorded to members of the public or to other agencies concerned with wildlife resources. Through this special status, Mr. Harkness is able to exercise considerable influence with the Anchorage Committee in opposing public proposals which run counter to the philosophies or policies of the Department of Fish and Game.

Finding: Partially Justified.

In our investigation of this allegation, we did not find any evidence of inappropriate conduct or wrongdoing on the part of Mr. Harkness. We did find a serious problem, however, with the procedure established by the Committee for receiving testimony at its hearings. We find that the procedure utilized by the Committee at its March 15, 1978 hearing on game regulation proposals was unfair, and it is on the basis of this particular problem that we find the complaint to be partially justified.

The area advisory committee system was set up to provide public input into the formulation of fish and game regulations. The advisory committees are supposed to be autonomous, and it was for this reason that the Alaska Administrative Code specifically prohibits Fish and Game Department personnel from being members of the advisory committees. However, the Fish and Game Department, as the agency responsible for collecting data and managing the resources, provides a significant amount of input into advisory committee hearings through the comments and presentations of local employees who attend advisory committee meetings.

At the hearing on March 15, 1978, the Anchorage Area Committee set down guidelines to limit the amount of time that each individual could testify due to the large number of people at the meeting. People in the audience were not allowed to make comments or ask questions of the person testifying. At the end of a person's alloted time, Committee members could ask the person questions, but people in the audience were not allowed to ask questions or make comments. This ground rule would have been reasonable had it been universally enforced. On a number of occasions, Dave Harkness, who was seated in the audience, was allowed to make comments on the testimony of individuals who were testifying. On two occasions, Mr. Harkness's comments were solicited by individual members of the Committee, while on several other occasions, his comments were unsolicited. In at least three of these cases, his comments directly contradicted the testimony of persons who had the floor. Mr. Harkness was the only individual allowed to make comments from the audience on another person's testimony. The Chairman of the Committee did not identify Mr. Harkness, and it was not clear whether Mr. Harkness was speaking as a private citizen or an employee of the Fish and Game Department. At no time during the hearing did Mr. Harkness or any other Fish and Game employee appear in front of the room to give testimony in the manner prescribed for other individuals. Mr. Harkness was also allowed to participate in the deliberations of the Committee prior to voting, a privilege that was not extended to other people in the audience.

We find that to afford Fish and Game Department employees the opportunity to interrupt and refute another person's testimony is unfair and improper. The Committee did not adhere to its own guidelines set forth at the outset of the meeting in which members of the audience were prohibited from making comments on the testimony of the individual who holds the floor. By soliciting Mr. Harkness' comments from the audience or allowing him to refute comments of the person testifying, the Committee places the Fish and Game Department Representative in an adversarial role against individuals giving testimony that conflicts with data provided by the Department or policies advocated by the Department. Such a procedure serves to intimidate the public and to discourage people from actively participating in the Committee hearing process. Since the opportunity to refute testimony of individuals or participate in the committee's deliberations was not granted to other individuals or representatives of other agencies, we find that the procedure utilized at the March 15 hearing provided Mr. Harkness with a special status inconsistent with the purpose of the advisory committee system.

The principal issue here is not one of limiting the input of Fish and Game Department personnel at advisory committee meetings, but rather the procedures and timing utilized to facilitate participation by the Fish and Game Department representatives. Fish and Game Department employees had the opportunity to make their own presentation before the Committee in the same manner as other individuals. Given the fact that the Fish and Game Department has much of the available data on the resources, it is not unreasonable for the Committee to provide a longer interval of time for Fish and Game people to make their presentation. Fish and Game employees should not have the right to interrupt and refute a person's testimony whenever they feel that person's testimony is erroneous or misleading. Committee members had the opportunity, under the guidelines set up at the beginning of the meeting, to ask questions of the person testifying to clarify any facts or points that might be unclear. We find that this provided a sufficient safeguard against misleading or erroneous data being given at the hearing. Fish and Game officials are not afforded the opportunity to interrupt and comment upon each person's testimony at the hearings of the Fisheries and Game Boards, and they should not be afforded such a privilege by area advisory committees.

OBSERVATIONS:

While this investigation has revealed some serious problems with the manner in which the Anchorage Area Advisory Committee conducts some of its activities, in some ways, it is surprising the Committee has done as well as it has in view of the complexity

of its tasks and the lack of procedural guidance and support from the Advisory Board Coordinator's office in Juneau. Committee members are not paid for their time, have limited resources, and can hardly be expected to bring with them to the Committee a background in public administration. We find that the Anchorage Committee, and by inference, other area advisory committees could benefit by greatly increased support and guidance from the Department. Following our recommendations to the Anchorage Committee, we are including a separate list of recommendations to the Advisory Committee Coordinator. We believe that these recommendations if adopted, will provide greater support and more information to the various advisory committees, and enable them to be more effective in carrying out their tasks.

RECOMMENDATIONS to the ANCHORAGE AREA ADVISORY COMMITTEE:

1. We recommend that the Anchorage Committee in cooperation with the Coordinator's office make a study to define and identify the resource users groups in the Anchorage area, as well as the constituencies and numbers of individuals in each user group. The purpose of this recommendation is to clarify what groups of resource users in the area the Committee does and should represent. It would seem likely that the Committee would make such an assessment periodically to assess changing patterns in resource user groups in the local area.

2. We recommend that the Anchorage Area Committee make a sustained effort to recruit and select new members to the Committee that represent resource users who are not currently represented or who are currently underrepresented.

3. We recommend that all meetings of the Anchorage Area Committee be given adequate public notice pursuant to 5 AAC 96.05.050 Bylaw Number 16.

4. We recommend that the Anchorage Area Committee make greater use of the resources available at the local Fish and Game Department office for the purpose of giving advance notice for their meetings. These resources would include access to mailing lists, posting notices at the Fish and Game Office and use of the office's telephone recorded message to the public.

5. We recommend that the Anchorage Committee make greater utilization of resources in the community for giving public notice of their meetings, such as posting notices in sporting goods stores and sending notices to local sportsmen's organizations, environmental groups, etc.

6. We recommend that the Anchorage Committee keep minutes of all of its meetings, including information on members present at each meeting, an estimate of the number of other people attending and a brief sketch of major issues discussed and any significant decisions made by the Committee.

7. We recommend that the Anchorage Committee have a copy of all the minutes of its meetings available for public inspection at all regular committee meetings.

8. We recommend that the Anchorage Committee make arrangements with the local Fish and Game Department office to post notices and to maintain copies of the Committee's minutes for public inspection.

9. We recommend that upon request, letters of nomination be made available for public inspection at regular Committee meetings. To avoid any misunderstanding, we also recommend that the Committee advise prospective nominees that the letters of nomination will be public documents and will be available to the public for inspection upon request.

10. We recommend that the Anchorage Committee submit either an annual report of its activities or copies of its meetings to the Advisory Committee Coordinator as required by State Regulations.

11. We recommend that the chairman or vice chairman of the Anchorage Committee obtain a copy of Roberts Rules of Order and utilize them as the basis for conducting Committee meetings.

12. We recommend that the Anchorage Committee restructure the guidelines for public testimony at its hearings in such a manner as to give both members of the public and employees of the Fish and Game Department ample opportunity to testify without being placed in unnecessarily adversarial roles.

RECOMMENDATIONS for the ADVISORY COMMITTEE COORDINATOR'S OFFICE:

1. We recommend that the Advisory Board Coordinator make a comprehensive survey of resource user groups throughout the State before setting guidelines for user group representation for advisory committees Statewide. Such a survey should include a polling of members of each committee as to the resource user groups in their local area, as well as to what extent those groups are represented by the Committee. Any guidelines established should give recognition to the vast differences between communities as well as regional differences.

2. We recommend that the Advisory Board Coordinators provide assistance to the local area committees in identifying resources that are available to the committees from local Fish and Game offices. These resources might include postage and mailing,

clerical assistance, posting of notices in Department Offices, utilization of telephone message recorders, and access to audio equipment for hearings and meetings when necessary.

3. We recommend that the Advisory Board Coordinator provide each advisory committee member with a resource handbook which explains the function of advisory committees and includes the relevant statutes and regulations. Other useful information which could be provided in the handbook would be an explanation of requirements for notifying the public of all meetings, requirements for making committee minutes and other documents available to the public on request, outline the basic concepts of Roberts Rules of Order, and basic statutory requirements concerning public meetings and records, etc.

4. We recommend that the Advisory Committee Coordinator's Office solicit budget requests from each committee annually in time for the committees to make their requests before the final budget requests are made by the Coordinator's office.

RECOMMENDATIONS for the LOCAL FISH AND GAME DEPARTMENT OFFICE IN ANCHORAGE:

1. We recommend that the Anchorage Office of the Fish and Game Department consult with the local advisory committee as to the possibility to making the following resources available to the local advisory committee:

a. facilities for posting notices and maintaining copies of committee minutes for public inspection;
b. use of the Office's recorded telephone message for giving public notice of committee meetings and activities;
c. use of Office clerical staff and mailing for committee business;
d. availability of audio and recording equipment for the committee's public hearings.

Since this report of the findings of our investigation includes formal recommendations by this office, may we please have a response from the Department and Committee within a reasonable length of time. Normally, a period of 30 days is provided, but given the time of year and the fact that the Anchorage Committee does not meet frequently during this time of year, we are willing to extend that length of time for the Advisory Committee, if you require more time to respond to our recommendations. Should you wish to discuss any part of this report, please feel free to call me at 276-4011. I am willing to undertake further discussions and negotiations, if necessary to reach reasonable and workable solutions to the Committee's problems.

Sincerely,

Frank Flavin

Frank Flavin
Ombudsman

RB/FF:gpw

cc: Marion Williams, F&G Advisory Committee Coordinator
John Vania, F&G Anchorage Office

HB
306

AGO 126051

Mtg 3/8/79 - Tabled after testimony

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB306	3/2	Dept. of Fish and Game	3/8
	3/2	Dept. of Revenue	3/8.
		John Messenger, Deputy Commissioner of Taxation	
	3/8	John Williams, Leg. Affairs	3/8

A M E N D M E N T

Offered in the HOUSE

By Osterback

TO: HOUSE BILL NO. 306

Page 3, line 7:

After "by-products," delete the remainder of the paragraph and insert:

except fish species which have been designated by the commissioner of fish and game as a developing commercial species under AS 16.05.050(12);

Page 6, following line 20, insert:

* Sec. 13. AS 16.05.050 is amended by adding a new paragraph to read:

(12) not later than October 31 of each year, designate and provide to the commissioner of revenue the names of those species of fish of which there is a significant supply and for which there is a developing commercial market.

Renumber subsequent sections.

(9)

COMMITTEE REPORT

HOUSE

FURTHER: C&RA and then FINANCE

February 27, 1979 Date: _____

Mr. Speaker:

The Committee on RESOURCES has had HB 306

"An Act relating to fisheries taxes; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

H 60 (Rev. 12/78)

HB 306

February 27, 1979

The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting at the direction of Governor Jay S. Hammond a bill revising Alaska's fisheries tax.

This bill standardizes the tax rate and tax base for the fishery tax statute at six per cent of the raw value regardless of the species of fish being processed or method of processing.

Currently the tax statute contains several different rates and tax bases depending upon the type of fish processed and the type of processing used. For example, salmon canneries are currently taxed the heaviest based upon three per cent of the average wholesale price during the last five years. Freezer ships and floating cold storages are taxed at four per cent of the raw value while other canneries are taxed at two per cent of the raw value. Shore-based cold storages on the other hand are taxed at only one per cent of the raw value. This bill more equitably imposes a single rate for all processing operations and raises the rate to six per cent.

It is estimated that this change will raise approximately an additional 12 million dollars in the first year. The bill proposes to use this additional revenue to fund fishery enhancement projects at both the state and municipal level.

First of all, the bill provides that 1/3 of the revenue collected in a municipality will be shared with that municipality. Of that amount, 1/2 is general revenue sharing while the other 1/2 must be used for docks and other fishery enhancement programs. It is estimated that all municipalities will receive more revenue sharing under this bill than under current law by at least two times and in most cases by even more.

Secondly, the bill provides that 1/3 of the revenue may be appropriated by the legislature to the Commercial Fishing and Agriculture Bank until the bank is fully capitalized based upon the projected capital needs of the bank. This will provide badly needed capital for funding resident fishermen and fish processing needs. Without additional funding as proposed in this bill, it is doubtful that the state can afford additional appropriations into the Commercial Fishing and Agriculture Bank or other fishery enhancement projects this year.

Thirdly, the bill provides that the remaining 1/3 of the revenue would go to the general fund to maintain the present level of general fund revenues to the state.

I am concerned, under our present fiscal condition, about providing a funding source for future fishery enhancement programs in the state and this bill would provide that source at both the state and municipal level while at the same time making a badly needed reform of the outdated fishery tax statute.

Sincerely,

S/KD

Kent Dawson
Executive Assistant
to the Governor

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HOUSE BILL NO. 306 Page 1 of 3
Title An Act relating to fisheries taxes
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected Revenue Collection and Management
BRU, Program, or Subprogram(s) Affected Audit Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

It is estimated that this bill will raise an additional 12 million dollars and bring total fish tax collections to 20 million dollars. These collections will be split evenly among the general fund, revenue sharing to municipalities, and the commercial fishing and agriculture bank, until fully capitalized. It is estimated that revenue sharing to municipalities would be increased by about 4 million dollars as shown in the attached breakdown. It would also allow an annual appropriation to the commercial fishing and agriculture bank of approximately 7 million dollars. Revenue to the general fund would be increased by approximately 1 million dollars and then by a greater amount when the commercial fishing and agriculture bank is fully capitalized. A breakdown of the distribution of revenues is shown in the attached pages.

IV. DATE 2/26/79 PREPARED BY John R. Manculicar
AGENCY Department of Revenue
PHONE 465-2300

Original Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/78)

FISH TAX PROPOSAL
(1977-1978)

COMMUNITIES	TOTAL REVENUE COLLECTED EXISTING	TOTAL REVENUE COLLECTED PROPOSED	REVENUE SHARED EXISTING (20%)	REVENUE SHARED PROPOSED (33-1/3%)
ANCHORAGE CITY & BOROUGH	$ 202,598.29	$ 529,886.46	$ 40,519.66	$176,452.19
BRISTOL BAY	463,903.02	636,982.85	92,780.60	212,115.28
CORDOVA	558,723.88	988,707.05	111,744.77	329,239.44
CRAIG	14,073.75	84,192.50	2,814.75	28,036.10
DILLINGHAM	164,010.31	983,561.86	32,802.06	327,526.09
HAINES BOROUGH*	177,336.56	320,918.67	35,471.84	106,890.40
HAINES	45.34	147.04	4.53	24.48
HOMER	64,678.37	255,447.72	6,467.84	42,532.05
HOONAH	11,196.27	67,052.62	2,239.25	22,328.52
HYDABURG	7,620.15	46,795.90	1,564.03	15,583.03
JUNEAU CITY & BOROUGH	40,163.84	240,608.04	8,032.77	80,122.48
KENAI BOROUGH*	327,087.01	782,202.92	132,326.36	523,952.65
KENAI	340,080.00	593,964.91	34,008.00	98,895.16
KETCHIKAN GATEWAY BOROUGH*	273,231.39	405,771.01	70,299.04	195,012.13
KETCHIKAN	156,529.09	359,702.06	15,652.76	59,890.39
KING COVE	58,042.28	251,198.56	11,608.46	83,649.12
KLAWOCK	113,605.53	153,100.14	22,721.11	50,982.35
KODIAK BOROUGH*	416,239.21	562,447.54	182,757.95	753,621.3[illegible]
KODIAK	995,101.01	3,401,359.50	99,510.10	566,326.35
NENANA	69.63	292.78	13.93	97.50
PELICAN	59,580.57	357,108.42	11,916.11	118,917.10
PETERSBURG	498,258.45	1,084,785.50	99,651.69	361,233.57
ST. MARY'S	1,175.00	6,925.00	235.00	2,306.03
SELDOVIA	11,513.43	68,830.38	1,151.34	11,460.29
SEWARD	252,817.79	664,213.70	25,281.78	110,591.58
SITKA CITY & BOROUGH	36,542.35	218,879.10	7,308.47	72,886.74
UNALASKA	701,345.38	2,915,587.34	140,269.07	970,890.60
WRANGELL	57,829.92	146,603.37	11,565.98	48,818.92
YAKUTAT	7,302.94	43,442.64	1,460.59	14,466.40
and Point			14513.00	87,200.00

* Includes additional Revenue Sharing from cities within borough.

Figures are based upon 1 78 collections for the 1977 tax year and may differ from budget figures based upon fiscal year cutoff.

GENERAL FUND PORTION
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$7,088,926	$8,235,133

COMMERCIAL FISHING AND AGRICULTURE BANK
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$ -	$6,834,368

REVENUE SHARING
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$1,211,074	$5,432,761

TOTALS
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$8,300,000	$20,502,263

ALASKA STATE LEGISLATURE

ELEVENTH Legislature FIRST Session

HOUSE BILL NO. 306

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act relating to fisheries taxes; and providing for an effective date."

Fisheries taxes

Introduced in the House 2-27, 19 79

HISTORY IN THE HOUSE

19 79

Read first time and referred to Committee on

Feb. 27 Resources and C&RA and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:
VOTE

Failed to concur in Senate amendment: asked Senate to recede
VOTE

Senate receded from amendment
VOTE

Senate failed to recede from amendment
VOTE

CC appointed by House

CC appointed by Senate

CC adopted by House
VOTE

CC adopted by Senate
VOTE

To enrolling
Reported correctly enrolled
Sent to Governor

by Governor

Filed with Lt. Governor

Chapter No.

31.002

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HOUSE BILL NO. 306 Page 1 of 3
Title An Act relating to fisheries taxes
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected Revenue Collection and Management
BRU, Program, or Subprogram(s) Affected Audit Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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It is estimated that this bill will raise an additional 12 million dollars and bring total fish tax collections to 20 million dollars. These collections will be split evenly among the general fund, revenue sharing to municipalities, and the commercial fishing and agriculture bank, until fully capitalized. It is estimated that revenue sharing to municipalities would be increased by about 4 million dollars as shown in the attached breakdown. It would also allow an annual appropriation to the commercial fishing and agriculture bank of approximately 7 million dollars. Revenue to the general fund would be increased by approximately 1 million dollars and then by a greater amount when the commercial fishing and agriculture bank is fully capitalized. A breakdown of the distribution of revenues is shown in the attached pages.

IV. DATE 2/26/79 PREPARED BY John R. Messenger
AGENCY Department of Revenue
PHONE 465-2300

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

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(1977-1978)

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EXISTING SYSTEM	PROPOSED SYSTEM
$1,211,074	$5,432,761

TOTALS
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$8,300,000	$20,502,263

306

PR

February 27, 1979

The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting at the direction of Governor Jay S. Hammond a bill revising Alaska's fisheries tax.

This bill standardizes the tax rate and tax base for the fishery tax statute at six per cent of the raw value regardless of the species of fish being processed or method of processing.

Currently the tax statute contains several different rates and tax bases depending upon the type of fish processed and the type of processing used. For example, salmon canneries are currently taxed the heaviest, based upon three per cent of the average wholesale price during the last five years. Freezer ships and floating cold storages are taxed at four per cent of the raw value while other canneries are taxed at two per cent of the raw value. Shore-based cold storages on the other hand are taxed at only one per cent of the raw value. This bill more equitably imposes a single rate for all processing operations and raises the rate to six per cent.

It is estimated that this change will raise approximately an additional 12 million dollars in the first year. The bill proposes to use this additional revenue to fund fishery enhancement projects at both the state and municipal level.

First of all, the bill provides that 1/3 of the revenue collected in a municipality will be shared with that municipality. Of that amount, 1/2 is general revenue sharing while the other 1/2 must be used for docks and other fishery enhancement programs. It is estimated that all municipalities will receive more revenue sharing under this bill than under current law by at least two times and in most cases by even more.

Secondly, the bill provides that 1/3 of the revenue may be appropriated by the legislature to the Commercial Fishing and Agriculture Bank until the bank is fully capitalized based upon the projected capital needs of the bank. This will provide badly needed capital for funding resident fishermen and fish processing needs. Without additional funding as proposed in this bill, it is doubtful that the state can afford additional appropriations into the Commercial Fishing and Agriculture Bank or other fishery enhancement projects this year.

Thirdly, the bill provides that the remaining 1/3 of the revenue would go to the general fund to maintain the present level of general fund revenues to the state.

I am concerned, under our present fiscal condition, about providing a funding source for future fishery enhancement programs in the state and this bill would provide that source at both the state and municipal level while at the same time making a badly needed reform of the outdated fishery tax statute.

Sincerely,

S/KD

Kent Dawson
Executive Assistant
to the Governor

HB 306

Article 1. Salmon Canneries and Certain Fish Processors.

Section
10. Fisheries business licenses
20. Application for license
30. Filing return and payment of tax
50. Violations and penalties
55. Security for collection of taxes

Sec. 43.75.010. Fisheries business licenses. (a) A person engaging or attempting to engage in any of the following lines of business in connection with the state's commercial fisheries shall first obtain a license on the basis of the following license taxes which are hereby levied.

(1) Salmon canneries, both shore-based and floating, shall pay an annual tax equal to three per cent of the value of the raw fish purchased or obtained for canning during the year. For the purpose of this license, the raw fish value of each kind of salmon is considered to be a dollar value equal to the average wholesale price obtained for the finished product by Alaska salmon canneries during the months of August, September, October, November and December of the last five years immediately preceding the license year. Salmon received by salmon canneries and diverted for purposes other than canning are valued at the average prevailing price on the fresh fish market for that fish and are subject to an annual license tax of one per cent of the value.

(2) Herring processing plants in the business of canning, curing, salting, freezing, or making meal or oil or other processed products including sale of bait herring by either processing plant or bait herring fisherman shall pay an annual license tax equal to one per cent of the value of the raw herring. The value of the raw material under this license is the actual price paid for the herring including indirect considerations such as fuel or supplies furnished by the processor or offsets to the cash value for gear furnished. This value applies to herring caught in company-owned or subsidized boats operated by employees of the processor or under lease or other agreement.

(3) Crab canneries, both shore-based and floating shall pay an annual license tax equal to two per cent of the value of the raw crabs. The raw crab value for the purpose of this license is the actual price paid for the raw crab either by cash or its equivalent according to (2) of this section for herring processing plants.

(4) Clam canneries shall pay a license tax equal to two per cent of the value of the raw clams, with the value to be determined according to (3) of this section for crab canneries, on razor clams. Butter clams are taxed in the same manner at the rate of one per cent of the value of the raw clams.

(b) "Wholesale price" includes all receipts whether in the form of money, credits, or other valuable considerations received from the sale of the finished product without deduction for the cost of property sold, the cost of the material used, insurance costs, labor or service costs, label and labeling costs, transportation and storage cost, interest paid,

taxes, losses, or any other expense except cash discounts allowed on sales not to exceed one and one-half percent, commissions actually paid to independent brokers not to exceed five per cent, and swell allowance not to exceed one-tenth of one per cent.

(c) The person, firm, or corporation engaging or attempting to engage in the above lines of business who actually and physically cans or processes the above fishery resources shall be liable for and shall pay to the department the whole tax imposed by this section. In determining this tax liability the person, firm, or corporation may not deduct from the value of the raw fishery resources canned or processed the value of any raw fishery resources canned or processed for other persons, firms, or corporations, but shall include this as a part of the value of the raw product obtained for canning or processing. (§ 1 ch 82 SLA 1949; am § 1 ch 113 SLA 1951; am § 1 ch 146 SLA 1962; am §§ 1, 2 ch 84 SLA 1967)

Revisor's note. — Section 1 ch 113 SLA 1951 began "Subsection (a) of Section 1 of Chapter 82, Session Laws of Alaska 1949, is hereby amended to read as follows:" and after these words appeared subsection (a), incorporating the rate amendment, but eliminating a paragraph numbered (1) which appeared in ch 82 SLA 1949. Section 1 ch 146 SLA 1962 makes a similar amendment, again without mentioning the paragraph numbered (1). This paragraph appears in AS 43.75.010 as the last sentence of subsection (1) and is included in the revision on the assumption that there was no legislative intention to omit it.

Effect of amendment. — The 1967 amendment substituted "three per cent" for "six per cent" in the first sentence of subsection (a) (1), deleted "50 per cent of" preceding "the average wholesale price" in the second sentence of such subsection, inserted "the last five years immediately preceding" in such sentence, and added subsection (c).

A tax on the business of catching and canning salmon is not a property tax. Pacific Am. Fisheries v. Territory of Alaska, 2 F.2d 9 (9th Cir. 1924), aff'd, 269 U.S. 269, 46 S. Ct. 110, 70 L. Ed. 270 (1925).

"Canning" is activity of salmon canners which is taxed. — Under this section the salmon cannery activity which is taxed is that of "canning," whether the raw fish are "purchased or otherwise obtained." Arctic Maid v. Territory of Alaska, 277 F.2d 120 (9th Cir. 1960), rev'd on other grounds, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

No discrimination in favor of local canners against freezer ships. — As between the tax laid on local canners by this section and those laid on "freezer ships," by AS 43.75.060 there is no discrimination in favor of the former and against the latter. Alaska v. Arctic Maid, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

Since tax on freezer ships did not exceed six per cent. — No matter how the tax on "freezer ships" is computed, it did not exceed the six per cent tax on local canners imposed by this section. Alaska v. Arctic Maid, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

And any difference does not violate commerce clause. — If there is a difference between the taxes imposed on freezer ships and the taxes imposed on their competitors, they are not so "palpably disproportionate" as to run afoul of the commerce clause. Alaska v. Arctic Maid, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

For case discussing priority of claims for license taxes under prior law in a bankruptcy proceeding, see In re King Salmon Fisheries Co., 7 Alaska 97 (1923).

Constitutionality of former provisions taxing salmon canneries on basis of number of cases packed. — See Territory of Alaska v. Pacific Am. Fisheries, 7 Alaska 160 (1924), aff'd, 2 F.2d 9 (9th Cir. 1924).

aff'd, 269 U.S. 269, 46 S. Ct. 110, 70 L. Ed. 270 (1925).

Applied in Schlothan v. Territory of Alaska, 276 F.2d 806 (9th Cir. 1960), cert. denied, 362 U.S. 990, 80 S. Ct. 1079, 4 L. Ed. 2d 1022 (1960); Territory of Alaska v. Arctic Maid, 16 Alaska 126, 140 F. Supp. 190 (D. Alas. 1956), aff'd, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

Cited in State v. Wakefield Fisheries, Inc., Sup. Ct. Op. No. 779 (File Nos. 1397, 1398), 495 P.2d 166 (1972).

Am. Jur. reference. — 51 Am. Jur., Taxation, § 594.

Sec. 43.75.020. Application for license. (a) Application for a license shall be filed with the Department of Revenue and accompanied by an initial fee of $25. A separate initial fee is required for each plant specified in the application covered by the license. The application shall contain the name of the applicant, the line of business to be licensed, place of business, and other facts which the department prescribes. The applicant shall state that he agrees to pay the license tax, and that he will make a return and pay the tax at the time provided by law.

(b) Upon receipt of the application in proper form accompanied by the initial fee, the department shall issue the license as of the date the application is filed or mailed, and the applicant may carry on the business from the date the application was actually made. (§ 2 ch 82 SLA 1949)

Sec. 43.75.030. Filing return and payment of tax. (a) A person subject to the tax shall file a return stating the value of raw fisheries products processed during the license year, computed as required by §§ 10 — 50 of this chapter, and such other information as the department prescribes by regulation. The return shall show the license number and shall be signed by the taxpayer or his authorized agent, under penalty of perjury. If a receiver, trustee, or assign is operating the property or business, he shall file the return for the person. A tax due on the basis of such a return shall be collected in the same manner as if collected from the person of whose business he has custody and control.

(b) The return shall be made on the basis of the calendar year to the Department of Revenue at Juneau before April 1 after the close of the calendar year.

(c) The department may prescribe regulations for the granting of a reasonable extension of time for filing and may grant an extension of time for filing.

(d) The tax shall be paid before April 1 after the close of the calendar year.

(e) Every person engaging or attempting to engage in a business for which a license is required under §§ 10 — 50 of this chapter shall keep such records, make such statements under oath, file such returns, and comply with such regulations as the commissioner of revenue may prescribe.

(f) When the department considers it is necessary, it may require a person, by notice served upon him, to file a return, make such statements under oath, or keep and display to it such records as it considers

sufficient to show the tax for which the person is liable. If a person fails to file a return as prescribed by law or by regulation, or makes, wilfully or otherwise, a false or fraudulent return, the department shall make the return from the information which it can obtain. A return made by the department is prima facie good and sufficient for all legal purposes. (§ 3 ch 82 SLA 1949; am §§ 2, 3 ch 146 SLA 1962)

Applied in Schlothan v. Territory of Alaska, 276 F 2d 806 (9th Cir.), cert. denied, 362 U.S. 990, 80 S. Ct. 1079, 4 L. Ed. 2d 1022 (1960).

Sec. 43.75.050. Violations and penalties. (a) Repealed by § 3 ch 166 SLA 1976.

(b) Repealed by § 3 ch 166 SLA 1976.

(c) If a part of a deficiency in the tax is due to fraud with intent to evade tax, 50 per cent of the total amount of the deficiency, in addition to the deficiency, shall be assessed and collected.

(d) Repealed by § 3 ch 166 SLA 1976.

(e) Repealed by § 4 ch 94 SLA 1976.

(f) A person who wilfully fails to obtain a license, pay a tax, make a return, keep or display a record, or supply the information at the time required by law or regulation, in violation of §§ 10 — 55 of this chapter, is, in addition to other penalties provided by law, guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than $1,000, or by imprisonment for not more than one year, or by both, together with the cost of prosecution.

(g) A person who wilfully makes and subscribes a return which he does not believe to be true and correct as to every material matter is guilty of a felony, and, upon conviction, is subject to the penalty prescribed for perjury.

(h) In this section "person" includes an officer, agent, or employee of a corporation or a member, agent, or employee of a partnership who, as an officer, agent, employee, or member, is under duty to perform the act in respect to which the violation occurs. (§ 4 ch 82 SLA 1949; am § 1 ch 17 SLA 1968; am §§ 1, 2 ch 55 SLA 1968, am § 4 ch 94 SLA 1976; am § 3 ch 166 SLA 1976)

Cross references. — For civil penalty imposed for failure to file a return or report, or pay the full amount of a tax, or a portion of a deficiency of the tax, see AS 43.05.220. As to interest on taxes, see AS 43.05.225. For provisions creating a lien for unpaid taxes or license fees, see AS 43.10.035.

Effect of amendments. — The first 1976 amendment repealed subsection (e), which made a tax under this article and the penalties and interest on the tax a lien, and provided generally for such lien.

The second 1976 amendment repealed subsections (a), (b) and (d), which provided for an additional amount to be added to the tax for failure to file a return within the time prescribed by law or regulation due to wilful neglect, for a penalty if the tax is not paid when due, and for the assessment and collection of interest on the amount determined as the deficiency in the tax, respectively.

Legislative committee report. — For report on ch. 55, SLA 1968 (HB 484), see 1968 House Journal, p. 324.

This section relates to the license tax imposed on salmon canneries. Territory of Alaska v. Arctic Maid, 16 Alaska 126, 140 F. Supp. 190 (D. Alas. 1956), aff'd, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

Qualifying as taxpayer under duress. — One need not incur the risk of penalties, while the validity of the tax is being ascertained judicially, in order to qualify as a taxpayer under duress. State v. Wakefield Fisheries, Inc., Sup. Ct. Op. No. 779 (File Nos. 1397, 1398), 495 P.2d 166 (1972).

For cases construing former provisions similar to repealed subsection (e), see Territory of Alaska v. Arctic Maid, 16 Alaska 126, 140 F. Supp. 190 (D. Alaska 1956), aff'd, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961); Schlothan v. Einstoss, 17 Alas. 253 (1957), aff'd, 276 F.2d 806 (9th Cir.), cert. denied, 362 U.S. 990, 80 S. Ct. 1079, 4 L. Ed. 2d 1022 (1960); Schlothan v. Territory of Alaska, 276 F.2d 806 (9th Cir.), cert. denied, 362 U.S. 990, 80 S. Ct. 1079, 4 L. Ed. 2d 1022 (1960).

Applied in Territory of Alaska v. American Can Co., 14 Alaska 534, 117 F. Supp. 819 (D. Alas. 1954); Territory of Alaska v. Arctic Maid, 15 Alaska 667, 135 F. Supp. 164 (D. Alas. 1955).

Quoted in Territory of Alaska v. Craig Enterprises, Sup. Ct. Op. No. 14 (File No. 3), 355 P.2d 397 (1960).

Sec. 43.75.055. Security for collection of taxes. Each applicant for a license under this chapter shall in or with his application state under oath the amount of each of the products which he expects to produce during the license year. The applicant shall further state the extent of lienable real property owned by the applicant in the state against which the tax may be collected and other information with respect to description, location and value of the property which the department prescribes. If the lienable value of the property is not equal to three times the amount of the tax for which the applicant will probably be liable under this section, the department may not issue the license until the applicant files with the department a surety bond approved by the attorney general in a penal sum equal to twice the probable amount of the tax for which the applicant will be liable, conditioned upon payment of the tax in full when due, with interest if not paid before delinquency. The department may waive the bond requirement if the applicant posts other security in the form of collateral acceptable to the department. (§ 4 ch 84 SLA 1967)

Article 2. Cold Storages and Other Fish Processors.

Section		Section	
60	Fisheries business licenses	90	Violations and penalties
70	License application and fe	95	Security for collection of taxes
80	Duty to pay tax and keep records		

Sec. 43.75.060. Fisheries business licenses. A person engaging or attempting to engage in any of the following lines of business in connection with the state's commercial fisheries shall first obtain a license.

(1) Shore-based cold storages and other fish processors, except salmon canneries, herring processing plants, crab canneries, and clam canneries otherwise licensed shall pay an annual license tax equal to one per cent of the value of the raw halibut, halibut livers and viscera,

salmon and bottom fish, shellfish or other fishing resource bought or obtained for processing through freezing, salting, or other method. The value of the raw material under §§ 60 — 90 of this chapter is the actual price paid for it, including indirect considerations such as fuel or supplies furnished by the processor or offsets to the cash value for gear furnished. The value applies to the raw material procured in company-owned or subsidized boats operated by employees of the processor or under lease or other arrangement.

(2) Freezer ships and other floating cold storages shall pay an annual license tax equal to four per cent of the value of the raw halibut, halibut livers and viscera, salmon and bottom fish, shellfish, or other fishing resource bought or obtained for processing through freezing, salting, or other method, or the taking of crab for export without such processing. The value of the raw material under §§ 60 — 90 of this chapter is the actual price paid for it including indirect considerations such as fuel or supplies furnished by the processor or offsets to the cash value for gear furnished. The value applies to the raw material procured in company-owned or subsidized boats operated by employees of the processor or under lease or other arrangement.

(3) In (1) of this section, "shore-based cold storages and other fish processors" mean those cold storages and processing plants which are permanently attached to the land or have remained in the same location for a period of not less than one calendar year. Any cold storage or processing plant removed from the state is a floating cold storage under (2) of this section from the day of removal.

(4) Cold storages and fish processing plants which are not shore-based under (3) of this section are "floating cold storages" under (2) of this section.

(5) The person, firm, or corporation engaging or attempting to engage in the above lines of business who actually and physically processes the above fishery resources shall be liable for and shall pay to the department the whole tax imposed by this section. In determining this tax liability the person, firm, or corporation may not deduct from the value of the raw fishery resources processed the value of any raw fishery resources processed for other persons, firms, or corporations, but shall include this as a part of the value of the raw product obtained for processing. (§ 1 ch 97 SLA 1949; am § 1 ch 116 SLA 1951; am § 1 ch 102 SLA 1955; am § 1 ch 88 SLA 1966; am § 3 ch 84 SLA 1967)

History of section. — See State v. Wakefield Fisheries, Inc., Sup. Ct. Op. No. 779 (File Nos. 1397, 1398), 495 P.2d 166 (1972); State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 539 P.2d 56 (1976).

Effect of 1966 amendment. — Prior to the 1966 amendment, the legislature intended to distinguish between types of processes as well as locale of the operation. The higher tax was directed at those particular floating processors who could otherwise evade local regulation and taxation, yet exploit a valuable state resource. State v. Wakefield Fisheries, Inc., Sup. Ct. Op. No. 779 (File Nos. 1397, 1398), 495 P.2d 166 (1972).

"It was the 1966 amendment to the statute which first created a distinction between "shore-based" and "floating" processors

based solely on the movements and locations of the vessels. State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

Prior to 1966, the primary distinguishing feature of the "floating" processor was its method of processing its catch, rather than its movement in the waters. At that time, the higher four percent tax was directed only at floating freezer or "cold storage" ships which took crab for export without processing it in Alaska. All other processors, both ashore and afloat, were taxed at the lower rate of one percent. State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

Characterization of legislative intent in State v. Wakefield Fisheries, Inc., no longer meaningful. — The characterization of the legislative intent in State v. Wakefield Fisheries, Inc., Sup. Ct. Op. No. 779 (File Nos. 1397, 1398), 495 P.2d 166 (1972), which was based on an earlier version of this section, is no longer meaningful since this section was amended to remove the distinction between types of processors and to widen the class of processors to be subject to the higher tax. State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

This section imposes no burden on interstate commerce, or any artificial rigidity on the salmon industry, by requiring the catching of salmon in Alaska and imposing restrictions on the shipment of fish out of Alaska prior to canning. Territory of Alaska v. Arctic Maid, 16 Alaska 126, 140 F. Supp. 190 (D. Alas. 1956), aff'd, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

This section, which imposes a higher tax upon "floating" processors than upon "shore-based" processors, is not unconstitutional as applied to floating processors on the ground that it violates the commerce clause of the United States Constitution. State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

Since the classification of processing ships as "floating" processors is based not upon their interstate movement, but upon their movement within Alaskan waters, for the purposes of application of this section, there is no interstate movement, and, therefore, there is no burden nor even an incidental impact upon interstate commerce. State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

Nor does it affect fish laws of United States. — The imposition by the Alaska legislature of license taxes under this section relating to the commercial fisheries of Alaska to provide revenue does not in any way alter, amend, modify, or repeal the existing fish laws of the United States applicable to Alaska. Territory of Alaska v. Arctic Maid, 16 Alaska 126, 140 F. Supp. 190 (D. Alas. 1956), aff'd, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

Classification of section does not deny equal protection. — The classification which imposes different tax rates on "floating" and "shore-based" processors does not constitute a violation of the federal and state guarantees of equal protection. State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

It was not arbitrary for the legislature to conclude that "shore-based" processors, with at least a year's commitment to one location, were to be preferred over floating processors, which distributed economic benefits over several locations. State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

The distinction between mobile and stationary processors can easily be characterized as a tax incentive, to encourage "shore-based" processors, and in this light, the tax differential bears a fair and substantial relationship to the goal of encouraging societal contributions of the type made by "shore-based" processors, especially since conversion from "floating" to "shore-based" is a simple matter of remaining in one location for a calendar year. State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

It is valid legislative classification. — Imposing a tax of one per cent on the value of fish taken on the line of business of shore-based cold storages, while imposing a four per cent tax on the line of business of freezer ships and other floating cold storages is a valid legislative classification. Territory of Alaska v. Arctic Maid, 16 Alaska 126, 140 F. Supp. 190 (D. Alas. 1956), aff'd, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

And there is no discrimination in this section between residents and nonresidents. Territory of Alaska v. Arctic Maid, 16 Alaska 126, 140 F. Supp. 190 (D. Alas. 1956), aff'd, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

Nor between *freezer* ship operators and local canners under AS 43.75.010. — As between the tax laid on local canners by AS

43.75.010 and those laid on "freezer ships," by this section there is no discrimination in favor of the former and against the latter, for no matter how the tax on "freezer ships" is computed, it did not exceed the six per cent tax on the local canners. Alaska v. Arctic Maid, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

And any difference is not invalid under the commerce clause. — If there is a difference between the taxes imposed on these freezer ships and the taxes imposed on their competitors, they are not so "palpably disproportionate" as to run afoul of the commerce clause. Alaska v. Arctic Maid, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

The tax imposed by this section is an occupation tax. Alaska v. Arctic Maid, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

It is computed on the "value" of the fish bought or obtained for processing through freezing. Alaska v. Arctic Maid, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

"Value" is the measure of the tax, not the taxable event. — Alaska v. Arctic Maid, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

The taxable event is "prosecuting" the "business" of "freezer ships and other floating cold storages." Alaska v. Arctic Maid, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

In freezer ship operations there is a preliminary local business being conducted, an occupation made up of a series of local activities which the state can constitutionally reach. Catching the fish or obtaining them in other ways from the local market is but an extension of the freezer ship's operations within Alaska's waters. Alaska v. Arctic Maid, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

The process of gathering fish either through the catcher boats that are a part of a freezer ship fleet or through independent operators is a "local activity." Alaska v. Arctic Maid, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

Which state may tax. — Alaska's jurisdiction to tax freezer ship operations within her territorial waters — whether those activities are taking fish or purchasing fish taken by others — is clear. Alaska v. Arctic Maid, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

Where some of the fish taken by freezer ship operators were taken in Alaska's waters or otherwise acquired there, the freezer ship operators were engaged in business in Alaska when they operated their freezer ships. Alaska v. Arctic Maid, 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

"Freezer ships" and "factory ships" distinguished. — See State v. Wakefield Fisheries, Inc., Sup. Ct. Op. No. 779 (File Nos. 1397, 1398), 495 P.2d 166 (1972).

The test contained in subsection (3) is clear and unequivocal. A broad reading of this provision is not demanded. State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

The type of attachment contemplated by subsection (3) is some palpable physical attachment or a permanent berthing. State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

Vessel situated in such a manner as to permit pedestrian access from land onto the processing vessel would meet this test. State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

Removal of vessels for repairs. — Removal of vessels from the state for drydock repairs does not require reclassification under the higher rate of taxation. State v. Wakefield Fisheries, Inc., Sup. Ct. Op. No. 779 (File Nos. 1397, 1398), 495 P.2d 166 (1972).

Removal of vessels for periodic repairs and maintenance should not destroy the continuity of the period during which the vessels are deemed to be at fixed locations for one calendar year. State v. Wakefield Fisheries, Inc., Sup. Ct. Op. No. 779 (File Nos. 1397, 1398), 495 P.2d 166 (1972).

Processors disqualified from "shore-based" status. — Where, in addition to the yearly trips to Seattle for maintenance, the processors also sailed among several Alaskan communities to conduct their processing operations, they were disqualified from "shore-based" status under this section. State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

To the extent that the continued operations of a processing vessel demand out-of-state ship maintenance, vessel movement will not be deemed to eliminate a processor's "shore-based" status. But a processor which engages in the type of activity as do processors sailing among several Alaskan communities to conduct their processing operations cannot expect to be able to claim "shore-based" status. State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

No showing that state selectively enforced this section against certain floating processors. — See State v. Reefer King Co., Sup. Ct. Op. No. 1344 (File Nos. 2605, 2606, 2607), 559 P.2d 56 (1976).

Applied in Arctic Maid v. Territory of Alaska, 277 F.2d 120 (9th Cir. 1960), rev'd in 366 U.S. 199, 81 S. Ct. 929, 6 L. Ed. 2d 227 (1961).

Am. Jur. reference. — 51 Am. Jur., Taxation, § 594.

Sec. 43.75.070. License application and fee. (a) Application for a license shall be filed with the Department of Revenue and accompanied by an initial fee of $25. A separate initial fee is required for each plant specified in the application. The application shall contain the name, the line of business, place where the business is to be carried on, and other facts which the department prescribes. The applicant shall state that he agrees to pay the license tax, make a true return, and pay the tax at the time provided by law.

(b) Upon receipt of the application in the proper form accompanied by the initial fee, the department shall issue the license as of the date the application is filed or mailed, and the applicant may carry on the business from the date the application was actually made. (§ 2 ch 97 SLA 1949)

Sec. 43.75.080. Duty to pay tax and keep records. The requirements for making returns, the time and place for payment of tax, and the obligation to keep records and make them available to the department are the same as prescribed in the business license tax law for salmon canneries. (§ 3 ch 97 SLA 1949)

Sec. 43.75.090. Violations and penalties. (a) The liability to file returns and pay interest and deficiency assessments, and the subjection of property to liens are the same as prescribed in the license tax law for salmon canneries.

(b) A violation of §§ 60 — 95 of this chapter or the regulations issued under §§ 60 — 95 of this chapter is a misdemeanor subject to punishment as prescribed in the business license tax law for salmon canneries. (§ 4 ch 97 SLA 1949; am § 1 ch 30 SLA 1968)

Cross reference. — See note to AS 43.75.050.

Legislative committee report. — For report on ch. 30, SLA 1968 (HB 412), see 1968 House Journal, p. 144.

Qualifying as taxpayer under duress. — One need not incur the risk of penalties, while the validity of the tax is being ascertained judicially, in order to qualify as a taxpayer under duress. State v. Wakefield Fisheries, Inc., Sup. Ct. Op. No. 779 (File Nos. 1397, 1398), 495 P.2d 166 (1972).

Sec. 43.75.095. Security for collection of taxes. Each applicant for a license under this chapter shall in or with his application state under oath the amount of each of the products which he expects to produce during the license year. The applicant shall further state the extent of lienable real property owned by the applicant in the state against which the tax may be collected and other information with respect to

description, location and value of the property which the department prescribes. If the lienable value of the property is not equal to three times the amount of the tax for which the applicant will probably be liable under this section, the department may not issue the license until the applicant files with the department a surety bond approved by the attorney general in a penal sum equal to twice the probable amount of the tax for which the applicant will be liable, conditioned upon payment of the tax in full when due, with interest if not paid before delinquency. However, if the applicant purchases salmon for export from Alaska in the round, the amount of the bond shall be $50,000 unless the applicant is the owner of lienable real property in the state of a value of at least $50,000, and the bond shall be conditioned upon payment to the fisherman of the full purchase price for the salmon and the payment of the tax in full when due. The department may waive the bond requirement if the applicant posts other security in the form of collateral acceptable to the department or prepays the estimated tax. (§ 5 ch 84 SLA 1967)

Article 3. Taking of Fisheries Products Which Are Sold Outside Taxing Jurisdiction.

Section
100 Tax imposed on taking of fisheries products
110 Duty of taxpayer and payment of tax
120 Violations and penalties

Sec. 43.75.100. Tax imposed on taking of fisheries products. A person taking the fisheries products enumerated in §§ 10 — 50 or 60 — 90 of this chapter who sells the products to freezer ships, floating cold storages or floating canneries outside the taxing jurisdiction of the state is subject to the tax set out in §§ 10 — 50 of this chapter for the fisheries products enumerated in §§ 10 — 50 of this chapter, and is subject to the tax set out in §§ 60 — 90 of this chapter for the fisheries products enumerated in §§ 60 — 90 of this chapter. (§ 1 ch 190 SLA 1959)

Am. Jur. references. — 11 Am Jur, Commerce, § 119, 51 Am Jur, Taxation, §§ 302, 306

Sec. 43.75.110. Duty of taxpayer and payment of tax. A person subject to taxes under §§ 100 — 120 of this chapter shall make a return stating the value of raw fisheries products taken during the license year for sale to freezer ships, floating cold storages, or floating canneries outside of the taxing jurisdiction of the state computed as required by §§ 100 — 120 of this chapter, and other information to carry out the provisions of §§ 100 — 200 of this chapter as may be prescribed by the department. The return shall contain the license number and shall be signed by the taxpayer or his authorized agent, under penalty of perjury.

If a receiver, trustee, or assign is operating the property or business, he shall make the return for the person. A tax due on the basis of such return shall be collected in the same manner as if collected from the person of whose business he has custody and control. The requirements for time and place of payment of tax, and the obligation to keep records and make the records available to the commissioner of revenue are the same as those prescribed in the business license tax law for salmon canneries. (§ 2 ch 190 SLA 1959)

Sec. 43.75.120. Violations and penalties. (a) The liability to file returns and pay interest and deficiency assessments, and the subjection of property to liens is the same as prescribed in the business license tax law for salmon canneries.

(b) A violation of §§ 100 — 120 of this chapter or the regulations issued under §§ 100 — 120 of this chapter is a misdemeanor subject to punishment as prescribed in the business license tax law for salmon canneries. (§ 3 ch 190 SLA 1959)

Article 4. General Provisions.

Section
130. Refund to local governments
135. Additional refund to boroughs and cities

Sec. 43.75.130. Refund to local governments. The commissioner of revenue shall pay to each organized borough and each city of the first class 10 per cent of the amount of tax revenue collected in the borough or city from taxes levied by §§ 10 — 90 of this chapter. (§ 6 ch 155 SLA 1962; am § 75 ch 69 SLA 1970; am § 10 ch 218 SLA 1976)

Effect of amendment. — The 1976 amendment substituted "city of the first class" for "city of the first, second, and third classes."

Legislative committee report. — For report on ch. 69, SLA 1970 (HB 564), see 1970 House Journal Supplement No. 2, p. 7.

Sec. 43.75.135. Additional refund to boroughs and cities. In addition to the payment allowed in § 130 of this chapter, the commissioner of revenue shall pay to each organized borough 10 per cent of the amount of tax revenue collected in the borough from taxes levied by §§ 10 — 90 of this chapter and shall pay to each city of the first class located in the unorganized borough 10 per cent of the amount of the tax revenue collected in the city from taxes levied by §§ 10 — 90 of this chapter. (§ 1 ch 89 SLA 1963; am § 1 ch 120 SLA 1969; am § 11 ch 218 SLA 1976)

Effect of amendment. — The 1976 amendment substituted "city of the first class" for "city of the first, second, and third classes."

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S - JUNEAU 99811

March 8, 1979

The Honorable Alvin Osterback
Co-Chairman
House Resource Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Osterback:

You have requested the Department of Revenue look at fish tax receipts that would be collected if a tax rate based on the effective current canned salmon rate was applied uniformly.

The breakdown of revenues on the attached sheets is based on a tax rate of 4.45 percent. This rate was arrived at by taking the raw value of salmon used by canneries, $121,758,700 (based on Fish And Game Catch Estimates) and dividing it by the FY 1978 tax collected from canneries, $5,420,438.

The total amount of revenue that would be collected using a 4.45 percent rate would be $15,205,850. A further breakdown of this total is attached for your information.

Sincerely,

John R. Messenger
Acting Commissioner

04-02LH

GENERAL FUND PORTION
(1977-1978)
Based on 4.45%

EXISTING SYSTEM	PROPOSED SYSTEM
$7,097,820	$6,139,472

COMMERCIAL FISHING AND AGRICULTURE BANK
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$ -0-	$5,068,617

REVENUE SHARING
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$1,202,180	$3,997,761

TOTALS
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$8,300,000	$15,205,850

FISH TAX PROPOSAL
(1977-1978)
Based on 4.45%

COMMUNITIES	REVENUE SHARED	
	EXISTING (20%)	PROPOSED (33-1/3%)
ANCHORAGE CITY & BOROUGH	$ 40,519.66	$130,868.76
BRISTOL BAY	92,780.60	157,318.90
CORDOVA	111,744.77	244,183.72
CRAIG	2,814.75	20,793.45
DILLINGHAM	32,802.06	242,915.29
HAINES BOROUGH*	35,471.84	79,277.08
HAINES	4.53	18.16
HOMER	6,467.84	31,544.62
HOONAH	2,239.25	16,560.33
HYDABURG	1,564.03	11,557.42
JUNEAU CITY & BOROUGH	8,032.77	59,424.20
KENAI BOROUGH*	132,326.36	388,598.39
KENAI	34,008.00	73,347.27
KETCHIKAN GATEWAY BOROUGH*	70,299.04	144,634.06
KETCHIKAN	15,652.76	44,418.73
KING COVE	11,608.46	62,039.79
KLAWOCK	22,721.11	37,811.93
KODIAK BOROUGH*	182,757.95	558,936.10
KODIAK	99,510.10	420,025.56
NENANA	13.93	72.31
PELICAN	11,916.11	88,196.89
PETERSBURG	99,651.69	267,915.01
ST. MARY'S	235.00	1,710.31
SAND POINT	14,533.00	60,817.00
SELDOVIA	1,151.34	8,499.72
SEWARD	25,281.78	82,022.13
SITKA CITY & BOROUGH	7,308.47	54,057.69
UNALASKA	140,269.07	720,077.51
WRANGELL	11,565.98	36,207.38
YAKUTAT	1,460.59	10,729.25

* Includes additional Revenue Sharing from cities within borough.

Figures are based upon 1978 collections for the 1977 tax year and may differ from budget figures based upon fiscal year cutoff.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. _____

Title An Act relating to fisheries taxes

Requested by Representative Alvin Osterback Date _____

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Revenue Collection and Management

BRU, Program, or Subprogram(s) Affected Audit Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

If a tax rate of 4.45 percent is used as a base, an additional $7 million would be raised bringing the total fish tax collections to $15.2 million. These collections will be split evenly among the general fund, revenue sharing to municipalities, and the commercial fishing and agriculture bank, until fully capitalized. It is estimated that revenue sharing to municipalities would be increased by about 3 million dollars as shown in the attached breakdown. It would also allow an annual appropriation to the commercial fishing and agriculture bank of approximately 5 million dollars. With a 4.45 percent rate, revenue to the general fund would decrease by about $1 million dollars, but would increase considerably when the commercial fishing and agriculture bank is fully capitalized in a few years. A breakdown of the distribution of revenue is shown on the attached pages.

IV. DATE _____ PREPARED BY John R. Messenger

AGENCY Department of Revenue

PHONE 465-2300

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/78)

City of Seldovia

P. O. DRAWER B TELEPHONE 234-7643
SELDOVIA, ALASKA 99663

March 15, 1979

CSSB 132
HB 306

Honorable Representative Alvin Osterback
Co-Chairman, House Resource Committee
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Osterback:

Enclosed is City of Seldovia's Resolution #79-9. A Resolution in opposition of House Bill 306 - Raw Fish Tax and any related Senate bills.

Sincerely

CITY OF SELDOVIA

Donald G. Caswell

City Manager

ck

Enclosure

HB 306
CSSB 132

RESOLUTION 79-9

A RESOLUTION IN OPPOSITION OF HB 306 - RAW FISH TAX

WHEREAS, HB 306 has been introduced which would standardize the raw fish tax at 6% of raw value regardless of species of fish being processed or the method of processing, and

WHEREAS, the fishing industry is the major economy of Seldovia and this industry is presently depressed in this area, and

WHEREAS, increases in taxation of this industry will bring harm to processor and fisherman alike, and will further depress the economy of our area,

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Seldovia, that this municipality hereby urges a vote of Do Not Pass on HB 306, and any related Senate bills.

PASSED AND APPROVED THIS _____ day of March, 1979.

Darlene Crawford,
Mayor

ATTEST:

Elaine M. Giles
City Clerk

(SEAL)

C SSB 132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

1979 MAR 13 AM 4 24

HB306

02337 NL TDA CORDOVA ALASKA 50 03-12 430P AST

PMS REP ALVIN OSTERBACK

'UN

THE CORDOVA DISTRICT FISHERIES UNIOI' OPPOSES HB306, TO IMPOSE SUCH A DRAMATIC TAX INCREASE ON FISHERIES PRODUCTS BEFORE EVALUATING THE IMPACT ON THE FISHING INDUSTRY COULD BE CATASTROPHIC. W E DO SUPPORT HB36 WHICH CALLS FOR AN APPROPRIATION FOR A STUDY OF ALASKA FISHERIES TAX LAWS IN WHICH THE IMPACT OF HB306 SHOULD BE ADDRESSED.

CORDOVA DISTRICT FISHERIES UNION BOX 939 CORDOVA

BOB BLAKE, CHAIRMAN

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

CSSB 132

HB306

02080 POM TDA KODIAK ALASKA 15 03-10 1979 MAR 10 PM 5 26

PMS REP ALVIN OSTERBACK

JUN AK

PLEASE OPPOSE SB132 HB306 AND HB193. THESE BILLS ARE UNFAIR TO OUR FISHERMEN.

PEGGY CROSS

BOX 2541

KODIAK ALASKA 99615

SSB 132

Alaska Shrimp Trawlers Association

POST OFFICE BOX 991
KODIAK, ALASKA 99615

HB 306

March 9, 1979

Rep. Alvin Ostenback

In response to House Bill 306 and Senate Bill 132 - Raw Fish Tax

We strongly object to the proposed increase in the Raw Fish Tax and the way it is being handled. We feel that above and beyond disagreeing with the terms of this bill, even more outrageous is the denial of due process of law presently taking place. (In regard to the butchering and railroading of Senate Bill 132.)

Already crippled by excess licenses, permits, taxes and other regulations, this behind-the-back attack on the fisheries could be the death blow for the Alaskan fishing industry.

In effect, this Bill would force the progressive Alaskan fishermen to become part of the Seattle-based fleet in an effort to maintain even a minimal profit margin. Although legislative action at this date indicates otherwise, the fisheries represent a major industry with a heavy impact on the continued economic stability of this state.

With the passage of this Bill, the presently under-utilized bottomfish fishery will never get off the ground as a shore-based fishery, and at best, would never come close to reaching its full potential.

We request you, our representative, to make known our extreme disapproval of the terms and concepts set forth in this Bill, and our disappointment in the way it is being handled.

Thank you for your consideration in this matter.

I am,

Alvin R Burch

Alvin R. Burch
Manager

cc: Senators Bennett, Bradley, Colletta, Dankworth, Fahrenkamp, Ferguson, Hackney, Hohman, Kelly, Kertula, Meland, Mulcahy, Ray, Rodey, Sackett, Stimson, Sturgulewski, Sumner, Tillion, Ziegler. Rep. Zharoff, Gov. Hammond, Keith Specking, United Fishermen's Marketing Assn., Fishermen's Wives Assn., Kodiak, Rep. Terry Gardiner, Rep. Brian Rogers, United Fishermen of Alaska, Kodiak Seafood Processors Assn.

CSSB132

KODIAK AREA CHAMBER OF COMMERCE

HB306

March 9, 1979

AN OPEN LETTER TO THE GO'ERNOR OF ALASKA AND THE MEMBERS OF THE STATE LEGISLATURE:

Gentlemen:

The Kodiak Area Chamber of Commerce strongly opposes the proposed increase in the Raw Fish Tax, and deplores the ram-rod methods used to push this measure into law.

The increased tax will have a most serious impact on the economy of Kodiak and all the other fishing communities in the State. It will not only immediately affect the fishermen and the processors, it will be most detrimental to every person in the fishing communities, and the snow-ball effect will ultimately ower the economy of the entire State and all its citizens.

The carrot on the stick, calling for returning a larger percentage of the tax to local governments, is an obvious ploy designed to gain support from Legislators representing districts that would benefit financially. While they grab the free lunch carrot, Kodiak and the other fishing communities are being beaten with the stick.

The Chamber urges the Legislators to stop all debate on this issue until public hearings are held in all fishing communities, including Kodiak, in order to more fully understand the impact on the fishing communities and the ultimate effect the increased Raw Fish Tax will have on the economy of the State.

Sincerely,

Art Jordan, Manager
KODIAK AREA CHAMBER OF COMMERCE

AJ/bz

KODIAK MUNICIPAL BUILDING • SUITE 221 • P O BOX 1485 • KODIAK ALASKA 99615 • (907) 486-5557

CSSB 132

HB306

P. O. Box 37
Kodiak, AK 99615
March 10, 1979

Senator Robert Mulcahy
Alaska State Senate
Pouch V
Juneau, AK 99811

RE: SB 132/HB 306

Dear Senator Mulcahy:

We are writing this letter to state our strong objections to the above-mentioned bill which would up the raw fish tax to 6% from its present 1%.

First of all, the most obvious fact is that the increase is so pronounced as to raise the question why the jump of 5%? But beyond that is the point that we as individuals are for less taxation regardless of the limitation in services. If Proposition 13 in California last year was any example, we certainly aren't the only ones for less taxation.

There is a theory which we believe is very valid, namely that government can't tax a company. Companies only pass any taxes on to the consumer by marking up the price of their product. A solution to the problem of inflation is not further taxation, which was stipulated as being one of the reasons that this bill was initiated in the first place.

Most of the seafood that comes from Alaskan fisheries (i.e. crab and shrimp) are already very high-priced products, barely in competition with the same foreign products. This proposed increase in the fish tax should help substantially in putting Alaskan seafood products out of the market completely. Being a luxury item, people in the United States are going to stop buying it if the price becomes too exorbitant.

Alaska's fishery resources are extremely important to a good many people in this State: fishermen and their families, cannery employees, and all the services and suppliers connected with seafood processing. To see Alaska's fisheries become too inhibited or slow down all together would certainly not help the State or the livelihoods of those who derive their income from fisheries.

As far as providing revenue to the municipalities, Kodiak for one is an example of a city who has more than enough money at present. A fact that was made clear in the arguments the City used in trying to persuade the Joint Committee on Community and Regional Affairs that it should be allowed to annex parts now in the borough. We sincerely hope that you take a good look at this bill and consider just how destructive it could be.

Sincerely,

Cynthia M. Pistorese
Secretary (Pacific Pearl Seafoods)

David R. Pistorese
(Fisherman)

cc: Representative Alvin Osterback
Alaska House of Representatives

CSSB132 Rules

Alaska State Legislature

Senate

Committee on Judiciary

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

HB 306 "Quadriplegics" CS

CSSB 132

March 12, 1979

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature

Re: CSSB 132

Dear Mr. President:

On March 9, 1979, you requested me, in my capacity as chairman of the Senate Judiciary committee, to review the captioned bill and to report to the Senate as to its constitutionality.

At the outset, I should state that the following comments are mine and mine alone; I do not profess to speak for the other members of the Judiciary committee. It should likewise be noted that I do not claim any special expertise in the field of constitutional law, nor have I had sufficient time to devote to the research which would ordinarily be entailed in analyzing this bill.

A close reading of CSSB 132 indicates two sections of the bill would run afoul of the Alaska Constitution. Those two are 43.75.136, providing for payments to the Commercial Fishing and Agriculture Bank, and 43.75.131, making increased refunds to local government.

Article IX, sec. 7 of the Alaska Constitution provides as follows:

> "The proceeds of any state tax or license shall not be dedicated to any special purpose except when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of the constitution by the people of Alaska."

I was assisted in my efforts to check the constitutionality of the questioned sections of the bill by the opinions of two Attorneys General dated, respectively, April 4, 1969 and May 2, 1975. Both opinions not only considered the case law of this and other jurisdictions, sparse as it is, but they also reviewed the minutes of the Alaska Constitutional Convention and committees thereof. It is evident, in both these opinions, that the framers of our constitution did not want to have additional taxes earmarked or dedicated to special purposes.

SSB 174

A dedication of ten per cent of the fish tax existed at the time of the ratification of the Constitution, and the dedication clearly falls within the exemption. Problems arise when that ten per cent is increased, as in the instant bill, to thirty-three and one-third per cent. The issue of the constitutionality of increasing the percentage of an existing dedicated fund was not specifically addressed by either of the opinions reviewed. However, material contained in these opinions strongly suggests that increasing an existing dedicated fund was not intended by the Constitution.

It is equally clear that payments to the Commercial Fishing and Agriculture Bank and earmarking state tax revenue for the construction of docks, etc. by local governmental units would do violence to the Constitution of the State of Alaska.

The Attorney General's opinion of April 4, 1969 holds:

> "The proceeds of any state tax or license which must be shared with local governmental units are dedicated to a special purpose and are in violation of Article IX, sec. 7 of the Alaska Constitution."

The Attorney General's opinion of May 2, 1975 states:

> "Accordingly, it is our conclusion that the dedication of any source of public revenue: tax, license, rental, sale, bonus-royalty, royalty, or whatever is limited by the state Constitution to those existing when the Constitution was ratified or required for participation in federal programs."

Conclusion: CSSB 132, as written, is patently unconstitutional.

Respectfully submitted,

Ziegler

Robert H. Ziegler, Sr.
Chairman
Senate Judiciary Committee

RHZ/pkz

HB
346

AGO 126052

Not heard 2/19/80 - will be rescheduled

Hearing 3/25/80 - Reported out with DO PASS as CS SS HB 346

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Fishing Area Markers

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
SS HB 346	3/21	4956	Rep. Zharoff, Sponsor	3/25
	3/21	4100	Dept. of Fish & Game	3/25
	3/21	4322	Dept. of Public Safety Mr. Sydman	3/25
	3/21	586-2820	United Fishermen of Alaska	3/25

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB346	2/19/80	4100	Dept. of Fish & Game ~~Steve~~ Pennoyer, Dir. of Commercial Fisheries to testify	2/19/80

(9)

COMMITTEE REPORT

HOUSE

3/19/80

FURTHER:

Date: 3/25/80

Mr. Speaker:

The Committee on RESOURCES has had SSHB 346

"An Act relating to fishing area markers."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[✓] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

BILL ANALYSIS

ASSIGNMENT DATE_____

UNASSIGNED_____

DEPARTMENT	SPONSOR (PRINCIPAL)	BILL NO.
Public Safety		HB 346

DEPARTMENT POSITION

Oppose

DIVISION DIRECTOR	DATE	COMMISSIONER	DATE
Col. Fred Woldstad	2/29/80	William R. Mix	2/29/80

GOVERNOR'S OFFICE USE

☐ POSITION NOTED ☐ POSITION APPROVED ☐ POSITION DISAPPROVED

BY: DATE:

SUMMARY

(1) RELATED BILLS (SIMILAR OR CONFLICTING)
(2) OTHER AGENCIES AFFECTED BY BILL

(2) a. ORGANIZATIONAL SUPPORT FOR BILL

(2) b. ORGANIZATIONAL OPPOSITION TO BILL

(3) PROGRAM EFFECTS OF BILL

(4) FISCAL IMPACT: ☐ NONE ☐ FISCAL ANALYSIS ATTACHED

(5) AMENDMENTS PROPOSED:

(6) COMMENTS:

This bill would pose a problem to enforcement. It would require that a court of law prove that a marker is new or old. Fishermen could use this bill as an excuse to fish in closed waters.

What is considered a marker? In Kodiak, rocks were painted white 10 years ago, and used to denote closed areas. The regulations denote each closed area and the markers are used to assist commercial fishermen of where the closed areas are located. The solution is for Fish & Game to update those markers that are in use and are necessary to the individual fisheries.

16.05.785 would be under Article 6 - Miscellaneous Provisions

Introduced: 3/19/80
Referred: Resources

IN THE HOUSE BY ZHAROFF

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 346

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to fishing area markers."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 16.05 is amended by adding a new section to read:

Sec. 16.05.785. FAILURE TO REMOVE MARKERS. If the Board of Fisheries by regulation uses Department of Fish and Game markers to establish waters closed to commercial fishing and the state fails to remove the markers when new markers are posted to establish waters closed to commercial fishing, commercial fishing is expressly permitted in the waters between the new markers and the old markers until the old markers are removed.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SSHB 346
Title An Act relating to fishing area markers
Requested by Resources Committee Date March 24, 1980

II. FISCAL DETAIL -
Agency Affected Department of Fish and Game
Program Category Affected Natural Resources Management
BRU, Program, or Subprogram(s) Affected Division of Commercial Fisheries
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

There would be no fiscal impact, provided the intent of the Legislature is to have the requirement applied to only the markers established by the Board of Fisheries by regulation or change in regulation, and does not apply to emergency orders or regulations used in season to manage the fisheries. Furthermore, it is recognized that the Department should do a better job when changing markers as requred by the Board of Fisheries regulatory action.

IV. DATE March 25, 1980 PREPARED BY Russell H. Clark
AGENCY Department of Fish and Game
PHONE 465-4120

Original Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
Office of the Governor-Keith Speck[illegible]g

33 001 (Rev. 12/79)

HB
350

AGO 126053

Hearing 3/18/80 - tabled

4/17/80 "

4/21/80 - Reported out as C.S
with new fiscal note

COMMITTEE REPORT

(9)

HOUSE

2/21/80

FURTHER: JUDICIARY

Date: 4/17/80

Mr. Speaker:

The Committee on RESOURCES has had SSHB 350

"An Act reltaing to limited entry permits for hand trolling."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[✓] replace with CS for SSHB 350 [✓] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[✓] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[illegible]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[illegible]

Alvin Ackerlund
CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Limited Entry for Handtrollers

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
CS SS HB 350	4/10	Letter	To all members of local fish and game advisory committees in Southeastern Alaska and to mayors of S.E. municipalities	4/17
	4/11	4100	Dept. of Fish & Game	4/17
	4/10	3818	Rep. Duncan, Sponsor	4/17
	4/11		Rep. Eliason, Co-sponsor	4/17
	4/10	6-3456	Commercial Fisheries Entry Commission Bob Simon, Commissioner (TO provide fiscal memo)	4/17
	4/11	6-2820	United Fishermen of Alaska	4/17
	4/11	784-3335	Hank Porter, Yakutat	4/17

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

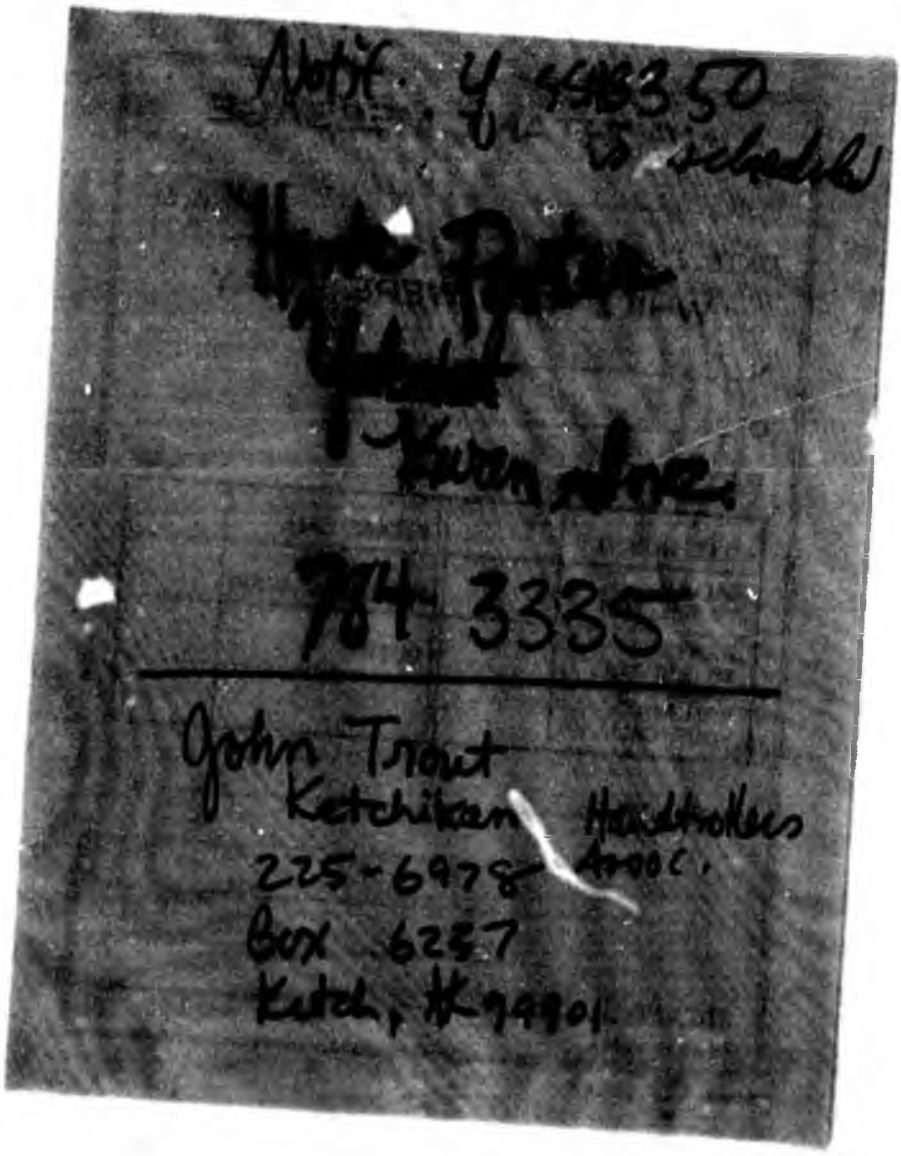
FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Limited Entry for Handtrollers

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
SS HB 350	3/5	586-1827	Chuck Porter, Juneau handtroller	3/18
	3/6	747-8201 & Letter	Bill Stokes, President of Southeast Handtrollers Assoc.	3/18
	3/6	3818	Rep. Duncan, Prime Sponsor	3/18
	3/6	3876	Rep. Eliason, Co-sponsor	3/18
	3/6	586-1572	Ross Soboleff, Sealaska	3/18
	3/6		John Wilcox, Pres. Juneau Handtrollers Association	3/18
	3/10	586-3456	Commercial Fisheries Entry Commission To provide fiscal note, John Williams & Bob Simon, Commissioners will testify	3/18
	3/10	Letter, (see attached)	Notification of hearing sent to all Local Fish and Game Advisory Committees in Southeast Alaska	3/18
	3/13	4100	Dept. of Fish & Game	3/18
	3/13	586-2820	United Fishermen of Alaska will testify	3/18


Notif. # 448350
is included
Kwan Store
784 3335
John Trout
Ketchikan Halibut Hookers Assoc.
225-6978
Box 6237
Ketch, AK 99901

STATE OF ALASKA
THE LEGISLATURE
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

MEMORANDUM April 30, 1980

SUBJECT: Handtrolling Entry Permits
Amendments to CSSSHB 350

TO: Representative Jim Duncan
Attn: Dale Staley, A.A.

FROM: Kenneth E. Vassar
Legislative Counsel

RECEIVED
MAY 5 1980
BUDGET/AUDIT
COMMITTEE

Enclosed are the amendments you requested for CSSSHB 350. The amendments provide for a preference right to handtrolling permits reissued by the commission for people who qualify for the longevity bonus and for residents of areas designated by the commission as economically dependent upon the handtrolling fishery. The instructions you gave me were not clear as to how this preference right should be implemented. You will note that the amendments make this an absolute preference by requiring the commission to reissue the entry permits first to the applicants who qualify for the longevity bonus, then to the residents of the areas designated as economically dependent upon the handtrolling fishery, and finally to the other applicants. The preference right of residents of areas economically dependent upon the handtrolling fishery, as you requested, is limited to a number of permits equal to 50 percent of the permits reissued since the last application period. The details of these provisions may need to be revised; please let me know if they do not comply with your intent.

I am concerned about some constitutional questions these amendments would create if incorporated in the bill. The amendments establish special treatment for various categories of people; i.e., persons who qualify for the longevity bonus and residents of certain areas of the state. It is true that the voters approved a constitutional amendment several years ago to allow limited entry in Alaska; however, within that limited entry system, the requirements of the equal protection clause, the prohibition against exclusive rights

or special privileges of fishery, and the prohibition against local and special legislation still apply. With regard to each of these constitutional provisions, the question which arises is, what legitimate state interest is fairly and substantially related to the classifications created in the legislation.

Is there a legitimate state interest served in allowing the issuance of entry permits to people who qualify for the longevity bonus limited only by the number of those people who qualify to apply for the permits; that is, limited only by the number of them who are able to presently participate in the fishery? Is there any indication that this class of people suffer a greater hardship from being excluded from the fishery than other people? It should be noted that the criteria for ranking applicants for reissuance in the bill do not prohibit people who qualify for the longevity bonus from demonstrating hardship along with other applicants. Therefore, this amendment will benefit only those people who, by the terms of the bill itself, do not demonstrate hardship from being excluded from the fishery to the same extent as other applicants who would otherwise receive a permit. The same questions and comments apply to the special preference given to people who live in a certain area of the state. There are already criteria in the bill which take into consideration the fact that some people in some areas of the state will be more dependent upon the fishery than others. This special preference will not be limited to assisting those people, but will apply to anyone who lives in a particular area of the state. Again, the amendment will benefit only those who cannot otherwise show hardship from being excluded from the fishery to the same extent as other applicants who would otherwise be entitled to a permit.

Finally, the constitutional provision which specifically allows the state to create a limited entry system contains language which expresses the purpose for which such a system may be created. That language should be noted. Article VIII, sec. 15, Constitution of the State of Alaska provides in part:

> This section does not restrict the power of the State to limit entry into any fishery for purposes of resource conservation, to prevent economic distress among fishermen and those dependent upon them for a livelihood and to

promote the efficient development of aquaculture in the State. (Emphasis added).

Are these amendments aimed at preventing economic distress "among fishermen"? They are not so limited in their effect.

KEV:ljb

Enclosure

AMENDMENTS

Offered in the HOUSE

TO: CSSSHB 350

Page 4, between lines 12 and 13:

Insert the following new material:

"(c) This section does not apply to entry permits issued, under AS 16.43.274(g)(1), in excess of the maximum or the optimum number of entry permits for the handtrolling fishery under AS 16.43.240 or 16.43.-290."

Page 4, line 13:

Delete "a new section" and insert "new sections"

Page 4, between lines 13 and 14:

Insert the following new material:

"Sec. 16.43.235. DESIGNATION OF AREAS ECONOMICALLY DEPENDENT UPON THE HANDTROLLING FISHERY. For the purposes of AS 16.43.274(g)(2), the commission shall designate areas of the state which, in the commission's determination, are economically dependent upon the handtrolling fishery. In making its determination, the commission shall consider

(1) the number of residents of the area whose incomes are, in whole or in part, from handtrolling;

(2) the availability of other types of employment in the area; and

(3) other factors the commission considers relevant to its determination."

Page 6, line 7 beginning with "order of descending prior-" through line 9: Delete all material and insert the following in its place:

"the following order:

(1) first, to applicants who qualify for a bonus under AS 47.45.010 in order of descending priority classification until all applicants who qualify for a bonus under AS 47.45.010 have been issued an entry permit; if necessary, the commission shall issue new entry permits for the handtrolling fishery in excess of the maximum number or optimum number established for the handtrolling fishery under AS 16.43.240 or 16.43.290 to provide all applicants who qualify for a bonus under AS 47.45.010 with an entry permit under this paragraph;

(2) then, if additional entry permits are available for reissuance under this subsection, to applicants who are residents of areas designated under AS 16.43.235 as economically dependent on the handtrolling fishery in descending order of priority classification; however, the number of entry permits reissued under this paragraph may not exceed 50 percent of the number of permits initially issued for the fishery under AS 16.43.270 or reissued since the last application period held under (e) of this section, whichever is later;

(3) finally, if there are entry permits still available for reissuance under this subsection, to the remaining applicants in order of descending priority classification until the next application period or until all the applicants have received an entry permit for the handtrolling fishery."

FINAL (VERSION REPORTED OUT)

Original sponsors: Duncan and Eliason

IN THE HOUSE BY THE RESOURCES COMMITTEE

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 350

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to limited entry permits for the hand-trolling fishery."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

(1) ~~the existing limited entry system has worked extremely well in the other fisheries of the state, but~~ the salmon handtrolling fishery is unique because of the large number of participants in the fishery, its marginal profitability, the high rate of turnover of participants in the fishery, the use of the fishery by participants for entry into the commercial fishing industry, and the use of the fishery by participants to generate supplemental income;

(2) the establishment of nontransferable entry permits will allow entry into the handtrolling fishery without allowing market prices to develop for the entry permits;

(3) the low capital cost of entering the handtrolling fishery will encourage people who lack experience in commercial fishing and who lack the desire to make commercial fishing a substantial part of their livelihood to apply for entry permits for handtrolling; therefore, in order to promote safety among those who receive entry permits for handtrolling and to prevent economic distress among fishermen, it is appropriate to include in the criteria for ranking applicants for entry permits for handtrolling considerations relating to past participation in the handtrolling fishery and experience as a crewmember in the waters where handtrolling is regulated.

(b) The purpose of this Act is to preserve the unique nature of the

salmon handtrolling fishery and to avoid market prices for entry permits issued for the handtrolling fishery by allowing a large number of participants in the fishery, by allowing a continued high rate of turnover among the participants and by preventing transferability of entry permits issued for the handtrolling fishery.

* Sec. 2. AS 16.43.150(h) is amended to read:

(h) Except as provided in (i) of this section, upon [UPON] the death of an entry permit holder, the entry [PERMANENT] permit shall be transferred by the commission directly to the surviving spouse by right of survivorship unless a contrary intent is manifested. When no spouse survives, the rights of the decedent pass as part of his estate.

* Sec. 3. AS 16.43.150 is amended by adding new subsections to read:

(i) An entry permit issued for the handtrolling fishery shall be forfeited to the commission

(1) upon the death of the permit holder unless the permit holder has designated an individual under AS 16.43.181 and the designated individual demonstrates present ability to participate in the handtrolling fishery at the time of the permit holder's death;

(2) upon failure of the permit holder to verify significant active participation in the handtrolling fishery each season to the commission in accordance with regulations adopted by the commission, unless the failure is waived by the commission for good cause.

(j) The commission shall prepare an application form for a waiver for good cause under (i)(2) of this section and shall distribute the application form to each holder of an entry permit for the handtrolling fishery. The commission shall include with the application form a statement explaining "good cause" for the purpose of (i)(2) of this section.

(k) An entry permit issued for the handtrolling fishery may be

voluntarily transferred to the commission, without compensation.

(l) In (i) of this section,

(1) "significant active participation" shall be defined by regulation of the commission as a minimum number of verified landings of fish caught by handtrolling; the regulations may require not less than three landings nor more than 10 landings in each season;

(2) "good cause" means the inability of the permit holder to actively participate in the fishery as a result of serious injury or illness of the permit holder, the loss of the use of the permit holder's fishing vessel as a result of sinking, destruction or extensive mechanical breakdown, or service in the military ~~or in a state or federal elective office~~.

* Sec. 4. AS 16.43.170(b) is amended to read:

(b) Except as provided in (c) and (e) of this section, the holder of an entry permit may transfer his permit to another person or to the commission upon 60 days notice of intent to transfer under regulations adopted by the commission. No sooner than 60 days nor later than 12 months from the date of notice to the commission, the holder of an entry permit may transfer his permit. If the proposed transferee, other than the commission, can establish present ability to participate actively in the fishery, the commission shall approve the transfer and reissue the entry permit to the transferee.

* Sec. 5. AS 16.43.170 is amended by adding a new subsection to read:

(e) Notwithstanding the provisions of (a) - (c) of this section, an entry permit for the handtrolling fishery is transferable only to the commission, except as provided in AS 16.43.180(a).

* Sec. 6. AS 16.43.180(b) is amended to read:

(b) The commission shall adopt regulations providing for the temporary transfer of an entry permit issued for any fishery except the

handtrolling fishery upon the death of the permittee pending final disposition of the permit as a part of the permittee's estate.

* Sec. 7. AS 16.43 is amended by adding a new section to read:

Sec. 16.43.181. DESIGNATION OF INDIVIDUAL BY HOLDER OF ENTRY PERMIT FOR HANDTROLLING. (a) The commission shall allow an applicant for or a holder of an entry permit for handtrolling to designate in his application and in each renewal of the entry permit the individual to whom the entry permit shall be reissued in the event of his death. The commission shall immediately reissue the permit, upon the death of the permit holder, to the individual designated by the permit holder under this section, ~~if the individual demonstrates present ability to participate in the handtrolling fishery at the time of the permit holder's death.~~

(b) In an application form or a renewal form for an entry permit for handtrolling, the commission shall include a statement that an individual designated under (a) of this section is required to demonstrate present ability to participate in the handtrolling fishery at the time of the permit holder's death to receive a permit under (a) of this section.

* Sec. 8. AS 16.43 is amended by adding a new section to read:

Sec. 16.43.274. ISSUANCE AND REISSUANCE OF HANDTROLLING PERMITS. (a) The commission may not issue an entry permit for the handtrolling fishery unless the applicant has demonstrated his present ability to participate actively in the handtrolling fishery under regulations adopted by the commission.

(b) An entry permit for the handtrolling fishery which is forfeited to the commission under AS 16.43.150(d) or (i) or 16.43.360, transferred to the commission under AS 16.43.150(j) or revoked by the commission under AS 16.43.355, shall be promptly reissued by the com-

mission to an applicant who

(1) applied for an entry permit for the handtrolling fishery during the initial application period established under AS 16.43.260(b);

(2) harvested fishery resources commercially while participating in the handtrolling fishery as a holder of a gear license or an interim-use permit before the qualification date established under AS 16.43.260(e);

(3) demonstrates present ability to participate in the handtrolling fishery; and

(4) was not previously issued an entry permit for the handtrolling fishery.

(c) Entry permits shall be reissued under (b) of this section to applicants in order of descending priority classification as provided in AS 16.43.270(a).

(d) If within the lowest priority classification of applicants to whom entry permits for the handtrolling fishery may be reissued under (b) of this section, there are more applicants than there are entry permits to be reissued, the allocation of entry permits within that priority classification shall be by lottery.

(e) After all the applicants described in (b) of this section have been issued entry permits for the handtrolling fishery, the commission shall establish annual application periods for the reissuance of entry permits for the handtrolling fishery.

(f) The commission shall adopt regulations to rank applicants who apply for an entry permit for handtrolling during an application period established under (e) of this section. The regulations shall define priority classifications of similarly situated applicants based on a reasonable balance of the following hardship standards:

(1) availability of alternative occupations;

(2) past participation in the handtrolling fishery;

(3) demonstrated need for alternative sources of income, taking into consideration the applicant's gross income, age, number of dependents and other factors;

(4) commercial fishing experience, including experience as a crewmember, in the area of the handtrolling fishery.

(g) After ranking the applicants under (f) of this section, the commission shall promptly reissue entry permits for the handtrolling fishery which are forfeited to it under AS 16.43.150(d) or (i) or 16.43.360, transferred to it under AS 16.43.150(j), or revoked by it under AS 16.43.355, and which are not withheld by the commission to reduce the number of outstanding entry permits to the optimum number established under AS 16.43.290 - 16.43.300. The commission shall reissue the entry permits to the applicants in order of descending priority classification until the next application period or until all the applicants have received an entry permit for the handtrolling fishery.

(h) Notwithstanding (e) of this section, if the commission reissues entry permits for the handtrolling fishery to all the applicants who applied during the most recent application period before the scheduled time for the next application period, the commission shall promptly open a new application period in place of the next scheduled application period.

(i) An application for the reissuance of an entry permit for handtrolling lapses at the time a new application period is opened under (e) or (h) of this section.

(j) If, upon appeal under AS 44.62.560 of a final action of the commission on an application made during an application period established under (e) of this section, a final judgment of the superior court is entered which requires the commission to rank the appellant in a

priority classification which would have entitled the appellant to receive an entry permit in the year in which he made the application, the commission shall issue the appellant an entry permit in the application period immediately following the entry of the final judgment. The number of entry permits available for reissuance under (g) of this section shall be reduced by the number of entry permits issued in accordance with this subsection.

* Sec. 9. AS 16.43.300(b) is amended to read:

(b) If the commission decreases the optimum number of entry permits for a fishery, other than the handtrolling fishery, the number of entry permits may be reduced only under the voluntary buy-back provisions set out in AS 16.43.310 - 16.43.320.

* Sec. 10. AS 16.43.300 is amended by adding a new subsection to read:

(c) The commission may review and adjust the optimum number of entry permits for the handtrolling fishery at four-year intervals. If the optimum number of entry permits for the handtrolling fishery exceeds the maximum number of entry permits established under AS 16.43.240, the commission shall issue additional entry permits in accordance with the procedure described in AS 16.43.274.

* Sec. 11. The Alaska Commercial Fisheries Entry Commission shall prepare and submit a report to the Fourteenth Legislature by February 10, 1985. The report shall include the commission's comments and recommendations relating to the implementation of this Act. If, between the effective date of this Act and January 1, 1985, the average annual number of entry permits reissued under AS 16.43.274 is less than 25 percent of the total number of entry permits for the handtrolling fishery issued under AS 16.43, the Alaska Commercial Fisheries Entry Commission shall include in its report recommendations for legislation to increase the rate of reissuing entry permits for the handtrolling fishery.

NEW

WO 6605
Vassar

Original sponsors: Duncan and Eliason

IN THE HOUSE BY THE RESOURCES COMMITTEE

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 350

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to limited entry permits for the handtrolling fishery."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

(1) the existing limited entry system has worked extremely well in the other fisheries of the state, but the salmon handtrolling fishery is unique because of the large number of participants in the fishery, its marginal profitability, the high rate of turnover of participants in the fishery, the use of the fishery by participants for entry into the commercial fishing industry, and the use of the fishery by participants to generate supplemental income;

(2) the establishment of nontransferable entry permits will allow entry into the handtrolling fishery without allowing market prices to develop for the entry permits;

(3) the low capital cost of entering the handtrolling fishery will encourage people who lack experience in commercial fishing and who lack the desire to make commercial fishing a substantial part of their livelihood to apply for entry permits for handtrolling; therefore, in order to promote safety among those who receive entry permits for handtrolling and to prevent economic distress among fishermen, it is appropriate to include in the criteria for ranking applicants for entry permits for handtrolling considerations relating to past participation in the handtrolling fishery and experience as a crewmember in the waters where handtrolling is regulated.

(b) The purpose of this Act is to preserve the unique nature of the

salmon handtrolling fishery and to avoid market prices for entry permits issued for the handtrolling fishery by allowing a large number of participants in the fishery, by allowing a continued high rate of turnover among the participants and by preventing transferability of entry permits issued for the handtrolling fishery.

* Sec. 2. AS 16.43.150(h) is amended to read:

(h) Except as provided in (i) of this section, upon [UPON] the death of an entry permit holder, the entry [PERMANENT] permit shall be transferred by the commission directly to the surviving spouse by right of survivorship unless a contrary intent is manifested. When no spouse survives, the rights of the decedent pass as part of his estate.

* Sec. 3. AS 16.43.150 is amended by adding new subsections to read:

(i) An entry permit issued for the handtrolling fishery shall be forfeited to the commission

(1) upon the death of the permit holder unless the commission allows the permit to be transferred to a dependent of the permit holder in accordance with AS 16.43.180(c);

(2) upon failure of the permit holder to verify significant active participation in the handtrolling fishery each season to the commission in accordance with regulations adopted by the commission, unless the failure is waived by the commission for good cause.

(j) An entry permit issued for the handtrolling fishery may be voluntarily transferred to the commission, without compensation.

(k) In (i) of this section,

(1) "significant active participation" shall be defined by regulation of the commission as a minimum number of verified landings of fish caught by handtrolling; the regulations may require not less than three landings nor more than 10 landings in each season;

(2) "good cause" means serious injury or illness of the

permit holder or the loss of the use of his fishing vessel as a result of sinking, destruction or extensive mechanical breakdown.

* Sec. 4. AS 16.43.170(b) is amended to read:

(b) Except as provided in (c) and (e) of this section, the holder of an entry permit may transfer his permit to another person or to the commission upon 60 days notice of intent to transfer under regulations adopted by the commission. No sooner than 60 days nor later than 12 months from the date of notice to the commission, the holder of an entry permit may transfer his permit. If the proposed transferee, other than the commission, can establish present ability to participate actively in the fishery, the commission shall approve the transfer and reissue the entry permit to the transferee.

* Sec. 5. AS 16.43.170 is amended by adding a new subsection to read:

(e) Notwithstanding the provisions of (a) - (c) of this section, an entry permit for the handtrolling fishery is transferable only to the commission, except as provided in AS 16.43.180(a) and (c).

* Sec. 6. AS 16.43.180(b) is amended to read:

(b) The commission shall adopt regulations providing for the temporary transfer of an entry permit issued for any fishery except the handtrolling fishery upon the death of the permittee pending final disposition of the permit as a part of the permittee's estate.

* Sec. 7. AS 16.43.180 is amended by adding a new subsection to read:

(c) To alleviate hardship and prevent economic distress among those dependent on holders of entry permits for handtrolling, the commission shall adopt regulations providing for the temporary emergency transfer of an entry permit issued for handtrolling upon the death of the permit holder. A temporary emergency transfer under this subsection may be made by the commission only to a dependent of the permit holder and shall expire no later than the first application period held

under AS 16.43.274(e) at least one full season after the death of the permit holder. In adopting regulations under this subsection, the commission may require an applicant for or a holder of an entry permit for handtrolling to designate in his application and in each renewal of the entry permit the dependent to whom the entry permit shall be transferred in the event of his death.

* Sec. 8. AS 16.43 is amended by adding a new section to read:

Sec. 16.43.274. ISSUANCE AND REISSUANCE OF HANDTROLLING PERMITS. (a) The commission may not issue an entry permit for the handtrolling fishery unless the applicant has demonstrated his present ability to participate actively in the handtrolling fishery under regulations adopted by the commission.

(b) An entry permit for the handtrolling fishery which is forfeited to the commission under AS 16.43.150(d) or (i) or 16.43.360, transferred to the commission under AS 16.43.150(j) or revoked by the commission under AS 16.43.355, shall be promptly reissued by the commission to an applicant who

(1) applied for an entry permit for the handtrolling fishery during the initial application period established under AS 16.43.260(b);

(2) harvested fishery resources commercially while participating in the handtrolling fishery as a holder of a gear license or an interim-use permit before the qualification date established under AS 16.43.260(e);

(3) demonstrates present ability to participate in the handtrolling fishery; and

(4) was not previously issued an entry permit for the handtrolling fishery.

(c) Entry permits shall be reissued under (b) of this section to applicants in order of descending priority classification as provided in

AS 16.43.270(a).

(d) If within the lowest priority classification of applicants to whom entry permits for the handtrolling fishery may be reissued under (b) of this section, there are more applicants than there are entry permits to be reissued, the allocation of entry permits within that priority classification shall be by lottery.

(e) After all the applicants described in (b) of this section have been issued entry permits for the handtrolling fishery, the commission shall establish annual application periods for the reissuance of entry permits for the handtrolling fishery.

(f) The commission shall adopt regulations to rank applicants who apply for an entry permit for handtrolling during an application period established under (e) of this section. The regulations shall define priority classifications of similarly situated applicants based on a reasonable balance of the following hardship standards:

(1) availability of alternative occupations;

(2) past participation in the handtrolling fishery;

(3) demonstrated need for alternative sources of income, taking into consideration the applicant's gross income, age, number of dependents and other factors;

(4) commercial fishing experience, including experience as a crewmember, in the area of the handtrolling fishery.

(g) After ranking the applicants under (f) of this section, the commission shall promptly reissue entry permits for the handtrolling fishery which are forfeited to it under AS 16.43.150(d) or (i) or 16.43.360, transferred to it under AS 16.43.150(j), or revoked by it under AS 16.43.355, and which are not withheld by the commission to reduce the number of outstanding entry permits to the optimum number established under AS 16.43.290 - 16.43.300. The commission shall

reissue the entry permits to the applicants in order of descending priority classification until the next application period or until all the applicants have received an entry permit for the handtrolling fishery.

(h) Notwithstanding (e) of this section, if the commission reissues entry permits for the handtrolling fishery to all the applicants who applied during the most recent application period before the scheduled time for the next application period, the commission shall promptly open a new application period in place of the next scheduled application period.

(i) An application for the reissuance of an entry permit for handtrolling lapses at the time a new application period is opened under (e) or (h) of this section.

(j) If, upon appeal under AS 44.62.560 of a final action of the commission on an application made during an application period established under (e) of this section, a final judgment of the superior court is entered which requires the commission to rank the appellant in a priority classification which would have entitled the appellant to receive an entry permit in the year in which he made the application, the commission shall issue the appellant an entry permit in the application period immediately following the entry of the final judgment. The number of entry permits available for reissuance under (g) of this section shall be reduced by the number of entry permits issued in accordance with this subsection.

* Sec. 9. AS 16.43.300(b) is amended to read:

(b) If the commission decreases the optimum number of entry permits for a fishery, <u>other than the handtrolling fishery,</u> the number of entry permits may be reduced only under the voluntary buy-back provisions set out in AS 16.43.310 - 16.43.320.

* Sec. 10. AS 16.43.300 is amended by adding a new subsection to read:

(c) The commission may review and adjust the optimum number of entry permits for the handtrolling fishery at four-year intervals. If the optimum number of entry permits for the handtrolling fishery exceeds the maximum number of entry permits established under AS 16.43.240, the commission shall issue additional entry permits in accordance with the procedure described in AS 16.43.274.

* Sec. 11. The Alaska Commercial Fisheries Entry Commission shall prepare and submit a report to the Fourteenth Legislature by February 10, 1985. The report shall include the commission's comments and recommendations relating to the implementation of this Act. If, between the effective date of this Act and January 1, 1985, the average annual number of entry permits reissued under AS 16.43.274 is less than 25 percent of the total number of entry permits for the handtrolling fisher ssued under AS 16.43, the Alaska Commercial Fisheries Entry Commission shall include in its report recommendations for legislation to increase the rate of reissuing entry permits for the handtrolling fishery.

MEMORANDUM State of Alaska

TO: The Honorable Jim Duncan
House of Representatives

DATE: April 17, 1980

FILE NO:

TELEPHONE NO:

FROM: Robert J. Simon
Chairman
Commercial Fisheries Entry
Commission

SUBJECT: Fiscal Note Revision of CS for SS HB 350 - Limited Entry for Hand Troll

Following is a chronological outline of steps leading to regulation of entry into the salmon handtroll fishery:

1. Discussion of ranking system with hand troll associations.

2. Draft proposed point system regulations.

3. Hold public hearings on the proposed regulations in mid-summer of 1980.

4. Adopt regulations before January 1, 1981.

5. Promulgate entry limitation regulations in the hand troll fishery.

6. Develop applications and establish an application period for entry limitation in the hand troll fishery.

7. Begin issuing permanent entry permits.

The Commission anticipated implementing entry limitation in the first half of FY 81 under existing law. The operating budget request includes FY 1981 implementation costs under our existing legislation. The Bill would establish an entirely new system. It would impose an additional administrative workload due to increases in the applications processed and hearings required, and the need to respond rapidly to annual permit and applicant classification demands. First-year funding is requested for expediting the application process and development work preparatory to the new transfer system.

The original fiscal note (see Attachment A) was developed for a full fiscal year based on draft CS SS HB 350. Under the current draft of HB 350 the Commission has revised this estimate and believes that $140.1 (see Attachment B) of the original $426.7 will be needed in FY 81.

At this funding level, the Commission is concerned about a bottleneck that likely will occur if a substantial portion of permit forfeitures and annual application hearings must be adjudicated by the full Commission. Consequently, we ask that you consider amending HB 350 to provide for special adjudicatory procedures for hand troll forfeiture and reissuance hearings. 1/

By January 1981, the Commission will have a much better idea of the total workload attributable to the implementation of HB 350 and will be better able to analyze its total fiscal impact which can be addressed in the Governor's FY 82 budget document. Meanwhile, our best estimate for FY 82 fiscal impact is $426.7 plus inflationary factors.

Attachments

1/ We suggest the following language:

AS 16.43.100(a) is amended by adding the following:

(16) utilize administrative law judges to adjudicate the forfeiture and reissuance of hand troll entry permits.

ATTACHMENT A

MEMORANDUM State of Alaska

TO: Robert J. Simon
Chairman
Commercial Fisheries Entry
Commission

DATE: March 14, 1980

FILE NO:

TELEPHONE NO:

FROM: Derrill L. Johnson
Director of Administration
Commercial Fisheries Entry
Commission

SUBJECT: Financial Analysis of CS for SS HB 350 - Limited Entry Permits for Handtrolling

You asked that I prepare a preliminary estimate of the incremental costs should the draft CS for SS HB 350 be enacted. I utilized the following assumptions:

1. We will receive approximately 10,000 hand troll applications to be reviewed and classified in FY 81 (5,000 will make application based upon initial eligibility; 5,000 will want to register for the permit recipient list);

2. over 800 hearings will be held in issuing the original permanent permits;

3. there will be a permit turnover rate of 30% each licensing year;

4. 150 hearings will be held each year to determine if good cause prevented a permit holder from achieving active participation; and

5. Section 10 will be deleted.

This estimate doesn't provide for application assistance or other professional services.

It is my understanding that the current version of HB 350 is to be amended in a manner which may affect the fiscal impact. I hope this memoradum will suffice until a formal fiscal note is required. Because of the complexity of this bill and the short time allowed to complete this estimate, I believe there could be a 10% adjustment factor in the final figure of $426.7 (see attached), even if the bill is not amended.

Attachment

Fiscal Note - CS for SS House Bill No. 350

PERSONAL SERVICES

	#	Salary	
1. Hearing Officer (20A) @ 3039/mo.	2	$ 72,936	
2. Programmer III (18A) @ 2640/mo.	1	31,680	
3. Application Tech. (13A) @ 1870/mo.	3	67,320	
4. Secretary I (10A) @ 1564	1	18,768	
5. Clerk Typist III (8A) @ 1393/mo.	1	16,716	
	8	207,420	
Benefits @ 30%		62,226	
		$269,646	269.6
TRAVEL		$ 10,000	10.0

CONTRACTUAL

310 - Phone Charges/Long Distance	$ 3,600	
Installation of new phones	2,500	
Postage	12,000	
320 - Forms, Cards, Apps.	5,000	
Central Duplicating	5,000	
Advertising	18,000	
330 - Space Leasing @ 110 sq.ft./ person, 110 X 8 = 880 sq.ft. X $1.60 =	16,896	
200 sq.ft. storage and file space @ $1.60.sq.ft. =	3,840	
360 - General Leasing:		
Xerox	3,000	
Data Processing Services:		
2 terminals @ $300/mo.		
Transaction processing @ $228/mo./terminal/mo.	5,472	
Network charges $124/mo./ terminal/mo.	2,976	
Disk storage $3.58/meg. - 40 megs. $143.20/mo.	1,800	
Maintenance:		
Pitney Bowes Postage Machine	3,500	
Xerox		
Word Processing Equipment:		
6/452 @ $175/mo.	2,100	
6/420 @ $107.50/mo.	1,290	

CONTRACTUAL (cont'd)

390 - Staff Development:				2,500
Training in Administrative Law and Procedures, secretarial training and records management, instruction and investigation procedures in accordance with the Administrative Procedures Act.				
				$ 89,474
				89.5
COMMODITIES				$ 9,000
				9.0
General Office Supplies Paper, ribbons, card stock, envelopes, letterhead, etc.				
EQUIPMENT				
Purchase one IBM System 6 Word Processing Center:				
1 6/452 Information Processer @ $15,370				$ 15,370
1 Processing Feature @ $750				750
1 6/420 Information Processer @ $7,050/ea.				7,050
Installment Charge - one time				1,000
Office Setup:				
Executive Desks	@	$472.00	(6)	2,832
Desk Chairs	@	450.00	(6)	2,700
Coat Racks	@	48.00	(4)	192
File Cabinets-				
4-Drawer LL	@	307.00	(2)	614
4-Drawer SL	@	272.00	(5)	1,360
2-Drawer SL	@	198.50	(6)	1,191
5-Drawer Lt.L	@	752.00	(5)	3,760
Bookcase-				
3 Shelves	@	168.00	(6)	1,008
Working Table	@	95.00	(3)	285
4-Tier Out-				
baskets	@	17.00	(8)	136
Wastebaskets	@	20.00	(8)	160
Pentaflex Frms (Legal)	@	8.00	(13)	104
Pentaflex Frms.	@	6.00	(36)	216
Tape Recorders-				
(Portable)	@	296.00	(2)	592

EQUIPMENT (cont'd)

Sec. Desk	@ 662.00	(2)	1,324	
Chair	@ 346.00	(2)	692	
Typing Stand	@ 166.00	(2)	332	
Transcriber*	@ 537.0	(2)	1,074	
Dictation*	@ 537.00	(6)	3,222	
*Dictaphone 2500 Model				
Typewriter-Correcting				
Selectric	@ 1000.00	(2)	2,000	
Calculators	@ 150.00	(4)	600	
			$ 48,564	48.6

GRAND TOTAL: 426.7

ATTACHMENT B

FY 81 FISCAL BREAKDOWN
FOR SECOND HALF OF THE YEAR

Personal Services*	79.7
Travel	5.0
Contractual*	18.4
Commodities	3.0
Equipment	34.0
	140.1

* Based on 6 mos. costs.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS for SS HB 350
Title Limited Entry Permits for Handtrolling
Requested by Duncan and Eliason Date 04/17/80

II. FISCAL DETAIL
Agency Affected Office of the Governor--Alaska Commercial Fisheries Entry Commission
Program Category Affected NRMEC
BRU, Program, or Subprogram(s) Affected Alaska Commercial Fisheries Entry Commission
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES			79.7	269.6	269.6	269.6
200 TRAVEL			5.0	10.0	10.0	10.0
300 CONTRACTUAL			18.4	89.5	89.5	89.5
400 COMMODITIES			3.0	9.0	9.0	9.0
500 EQUIPMENT			34.0	20.7	2.0	2.0
600 LAND & STRUCTURES					-0-	-0-
700 GRANTS, CLAIMS, ETC.					-0-	-0-
Inflation 10%/year				39.9	79.8	125.4
TOTAL			140.1	438.7	459.9	505.4

FUNDING (Thousands of Dollars)

GENERAL FUND			140.1	438.7	459.9	505.4
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME			5	8	8	8
PART TIME			0	0	0	0
TEMPORARY			0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This bill would direct an entirely new system for implementation of entry limitation. While total implementation of this proposed transfer system may be one year away the Commission will begin the necessary research and methodology development to carry out the legislative intent.

IV. DATE 04-17-80 PREPARED BY Derrill L. Johnson
AGENCY Commercial Fisheries Entry Commission
PHONE 465-4081

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/78)

MEMORANDUM State of Alaska

TO: Robert J. Simon
Chairman
Commercial Fisheries Entry
Commission

DATE: March 14, 1980

FILE NO:

TELEPHONE NO:

FROM: Derrill L. Johnson
Director of Administration
Commercial Fisheries Entry
Commission

SUBJECT: Financial Analysis of CS for SS HB 350 - Limited Entry Permits for Handtrolling

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2. over 800 hearings will be held in issuing the original permanent permits;

3. there will be a permit turnover rate of 30% each licensing year;

4. 150 hearings will be held each year to determine if good cause prevented a permit holder from achieving active participation; and

5. Section 10 will be deleted.

This estimate doesn't provide for application assistance or other professional services.

It is my understanding that the current version of HB 350 is to be amended in a manner which may affect the fiscal impact. I hope this memoradum will suffice until a formal fiscal note is required. Because of the complexity of this bill and the short time allowed to complete this estimate, I believe there could be a 10% adjustment factor in the final figure of $426.7 (see attached), even if the bill is not amended.

Attachment

Fiscal Note - CS for SS House Bill No. 350

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	8	207,420	
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		$269,646	269.6
TRAVEL		$ 10,000	10.0
CONTRACTUAL			
310 - Phone Charges/Long Distance		$ 3,600	
Installation of new phones		2,500	
Postage		12,000	
320 - Forms, Cards, Apps.		5,000	
Central Duplicating		5,000	
Advertising		18,000	
330 - Space Leasing @ 110 sq.ft./ person, 110 X 8 = 880 sq.ft. X $1.60 =		16,896	
200 sq.ft. storage and file space @ $1.60.sq.ft. =		3,840	
360 - General Leasing:			
Xerox		3,000	
Data Processing Services:			
2 terminals @ $300/mo.			
Transaction processing @ $228/mo./terminal/mo.		5,472	
Network charges $124/mo./ terminal/mo.		2,976	
Disk storage $3.58/meg. - 40 megs. $143.20/mo.		1,800	
Maintenance:			
Pitney Bowes Postage Machine		3,500	
Xerox			
Word Processing Equipment:			
6/452 @ $175/mo.		2,100	
6/420 @ $107.50/mo.		1,290	

CONTRACTUAL (cont'd)

390 - Staff Development:			2,500	
Training in Administrative Law and Procedures, secretarial training and records management, instruction and investigation procedures in accordance with the Administrative Procedures Act.				
			$ 89,474	69.5
COMMODITIES			$ 9,000	9.0
General Office Supplies Paper, ribbons, card stock, envelopes, letterhead, etc.				
EQUIPMENT				
Purchase one IBM System 6 Word Processing Center:				
1 6/452 Information Processer @ $15,370			$ 15,370	
1 Processing Feature @ $750			750	
1 6/420 Information Processer @ $7,050/ea.			7,050	
Installment Charge - one time			1,000	
Office Setup:				
Executive Desks	@ $472.00	(6)	2,832	
Desk Chairs	@ 450.00	(6)	2,700	
Coat Racks	@ 48.00	(4)	192	
File Cabinets-				
4-Drawer LL	@ 307.00	(2)	614	
4-Drawer SL	@ 272.00	(5)	1,360	
2-Drawer SL	@ 198.50	(6)	1,191	
5-Drawer Lt.L	@ 752.00	(5)	3,760	
Bookcase-				
3 Shelves	@ 168.00	(6)	1,008	
Working Table	@ 95.00	(3)	285	
4-Tier Out-				
baskets	@ 17.00	(8)	136	
Wastebaskets	@ 20.00	(8)	160	
Pentaflex Frms (Legal)	@ 8.00	(13)	104	
Pentaflex Frms.	@ 6.00	(36)	216	
Tape Recorders-				
(Portable)	@ 296.00	(2)	592	

EQUIPMENT (cont'd)

Sec. Desk	@ 662.00	(2)	1,324	
Chair	@ 346.00	(2)	692	
Typing Stand	@ 166.00	(2)	332	
Transcriber*	@ 537.00	(2)	1,074	
Dictation*	@ 537.00	(6)	3,222	
*Dictaphone 2500 Model				
Typewriter-Correcting Selectric	@ 1000.00	(2)	2,000	
Calculators	@ 150.00	(4)	600	
			$ 48,564	48.6

GRAND TOTAL: 426.7

SUMMARY OF SEALASKA CORPORATION'S COMMENTS
FOR SC SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 350
AN ACT RELATING TO LIMITED ENTRY PERMITS FOR THE HANDTROLLING FISHERY

TECHNICAL COMMENTS:

On page one line 10 and 11, we recommend deletion of the words "the existing limited entry system has worked extremely well in the other fisheries of the State, but"

on page one, lines 23 and 24, we recommend deletion of the word "in order to promote safety among those who receive entry permits for handtrolling and"

Or we recommend in lieu of that amendment deletion of all of section 3 on lines 20-28.

On page 2 pertaining to section 3 AS 16.43.150 the amendment adding new subsections under sub (i)(1) on lines 15, we recommend deletion of the words " unless the commission allows"

COMMENT

We are concerned about the involvement of the commission in the event of a death of a permit holder. In conjunction with AS 16.43.150 (h) it is our opinion that a permit should be transferred to a spouse by right of survivorship unless a contrary intent is outlined in a will. Where no will exists and the spouse does not utilize the permit then the right of a heir or a dependent should be provided by the legislature in statute without the involvement of the commission.

On page 2 and 3 starting with lines 29 on page 2 and lines 1 and 2 on page 3, the definition of "good cause" should be amended to provide for notice procedures and forms of that notice to be provided by the commission.

On page 4 on line 10 and then also on lines 24 and 25 are the words "demonstrated his present ability"

COMMENT: we recommend that this clause be defined in more specific terms.

It is our opinion that this clause is broad in its effect and has the potential for problems in terms of judgement by the commission and potential for discrimination.

On page 5 section F lines 11-22 we recommend the addition of an additional subsection:

Subsection 5 - Preference to applicants of legislatively designated fishery economic development areas.

Comment: We are concerned that residents of rural areas and areas of economic dependence on fisheries resources will not have the opportunity under this procedure of ranking applicants and methods of distributing reissued permits to receive fair consideration. The result being that very few permits will go into the areas where fishing actually takes place.

On page 7, sections 10 and 11 lines 1-17, discusses the optimum number of entry permits, however, it never establishes the optimum number to be legislatively designated or regulatorily designated. It is our understanding that by agreement between the fisheries commission and the governor or some other combination of public officials agreement, a number of 2150 permits have been set. We strongly suggest that the legislature set the number of permits to be administered. Our support would be of a number of 2150 which we understand the Limited Entry Commission has tentatively set.

Our last suggestion, we are not sure where we should put in the legislation, deals with elderly applicants. In essence our suggestion goes as follows: applicants who are 65 years or older have preference for receipt of permits. These permits are not transferable nor are they subject to provisions for transfer after death. These permits would revert back to the commission. Additionally, permits granted to elderly persons would be over and above the limit established by the legislature or the Limited Entry Commission.

Sealaska Corporation supports passage of this legislation and supports the concept of no saleable handtroll permits. We urge the legislature to adopt SC for Sponsor Substitute for HB 350 and consider these suggested amendments.

AMENDMENTS

Offered in the HOUSE

TO: CSSSHB 350

Page 4, between lines 12 and 13:

Insert the following new material:

"(c) This section does not apply to entry permits issued, under AS 16.43.274(g)(1), in excess of the maximum or the optimum number of entry permits for the handtrolling fishery under AS 16.43.240 or 16.43.-290."

Page 4, line 13:

Delete "a new section" and insert "new sections"

Page 4, between lines 13 and 14:

Insert the following new material:

"Sec. 16.43.235. DESIGNATION OF AREAS ECONOMICALLY DEPENDENT UPON THE HANDTROLLING FISHERY. For the purposes of AS 16.43.274(g)(2), the commission shall designate areas of the state which, in the commission's determination, are economically dependent upon the handtrolling fishery. In making its determination, the commission shall consider

(1) the number of residents of the area whose incomes are, in whole or in part, from handtrolling;

(2) the availability of other types of employment in the area; and

(3) other factors the commission considers relevant to its determination."

Page 6, line 7 beginning with "order of descending prior-" through line 9: Delete all material and insert the following in its place:

"the following order:

(1) first, to applicants who qualify for a bonus under AS 47.45.010 in order of descending priority classification until all applicants who qualify for a bonus under AS 47.45.010 have been issued an entry permit; if necessary, the commission shall issue new entry permits for the handtrolling fishery in excess of the maximum number or optimum number established for the handtrolling fishery under AS 16.43.240 or 16.43.290 to provide all applicants who qualify for a bonus under AS 47.45.010 with an entry permit under this paragraph;

(2) then, if additional entry permits are available for reissuance under this subsection, to applicants who are residents of areas designated under AS 16.43.235 as economically dependent on the handtrolling fishery in descending order of priority classification; however, the number of entry permits reissued under this paragraph may not exceed 50 percent of the number of permits initially issued for the fishery under AS 16.43.270 or reissued since the last application period held under (e) of this section, whichever is later;

(3) finally, if there are entry permits still available for reissuance under this subsection, to the remaining applicants in order of descending priority classification until the next application period or until all the applicants have received an entry permit for the handtrolling fishery."

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

April 10, 1980

NOTICE TO LOCAL FISH & GAME ADVISORY COMMITTEES AND SOUTHEASTERN MUNICIPALITIES

On Thursday, April 17, at 3:00 pm, the House Resources Committee will again take up the issue of limited entry permits for handtrollers. The meeting will be in Room 118 in the Capitol Building in Juneau. Committee Substitute for Sponsor Substitute for House Bill 350 has been re-drafted and this new version is enclosed for your consideration. Several important changes have been made in the bill and the Resources Committee is interested in hearing your views on them. If you wish to present written testimony, please send it right away to Rep. Alvin Osterback, Chairman, House Resources Committee, Attention: Mary Levan, Pouch V, Juneau, Ak 99811.

If you plan to attend the hearing and wish to testify in person, please notify this office in advance at 465-3715 or 465-3781.

I do not believe there is any "free Lunch". The fish of U.S. waters are the property of all U.S. citizens and they should be allowed under our constitution to harvest them under existing law. This negates limited entry.

The only fair equitable management plan is to pre-regulate fisheries effort, divide it into the allowable take and announce the fishing time in each fishing period. Economics will control the fleet when a maximum amount of effort, it shuts down. Nobody squawks. And so with fish - it was entirely optional on the part of every person to enter the fishery. If the resource is limited, somebody is going to get "frozen out" and that so be it.

The present plan of limited entry has been inequitable, unworkable and illegal under the us Constitution.

Sincerely

Robert T Beach
Fishery Biologist - Ret.

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REP. FRED ZHAROFF
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Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

April 10, 1980

NOTICE TO LOCAL FISH & GAME ADVISORY COMMITTEES AND SOUTHEASTERN MUNICIPALITIES

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CO CHAIRMEN
REP. ALVIN OSTERBACK (465-3719) • REP. BILL MILES (465-3778)

VICE CHAIRMAN
REP. FRED ZHAROFF

REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

March 10, 1980

NOTICE TO LOCAL FISH & GAME ADVISORY COMMITTEES

On Tuesday, March 18, at 3:00 p.m., the House Resources Committee will hold a public hearing on Sponsor Substitute for House Bill 350 regarding limited entry permits for handtrolling. This meeting will be in room 118 in the Capitol Building in Juneau. As this issue is of interest and importance to many of your communities, you may want to attend this hearing or send someone to testify. Anyone wishing to speak at the hearing, please leave your name with the Resource Committee's Administrative Assistant in room 118 or call 465-3715. If vou wish to submit letters, telegrams, or written testimony regarding SSHB 350, please send them as soon as possible to Rep. Alvin Osterback, Chairman, House Resources Committee, State Legislature, Pouch V, Juneau, Ak 99811.

A copy of SSHB 350 is attached for your consideration.

CO CHAIRMEN
REP ALVIN OSTERBACK (465-3715) • REP BILL MILES (465-3779)
VICE CHAIRMAN
REP FRED ZHAROFF
REP PAT CARNEY • REP C V "CHAT" CHATTERTON • REP SAM COTTEN
REP DICK ELIASON • REP JACK FULLER • REP RICK HALFORD

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

March 6, 1980

Bill Stokes, Chairman
Southeast Handtrollers Assoc.
Box 1141
Sitka, Ak 99835

Dear Mr. Stokes:

This is to confirm that we have put SSHB 350, regarding limited entry for handtrollers, on the House Resources Committee calendar for Tuesday, March 18, 1980. The meeting will be at 3:00 p.m. in Room 118 of the Capitol. Representative Eliason wanted me to notify you in writing of this planned hearing of the bill.

If your Association has anything to submit to the Committee in writing, please get it to us a while in advance so we can get it xeroxed and distributed to the members' files.

We'll see you on the eighteenth.

Sincerely,

Mary Levan

Mary Levan, Administrative Assistant
to the House Resources Committee

ML:cb

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Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

March 10, 1980

NOTICE TO LOCAL FISH & GAME ADVISORY COMMITTEES

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A copy of SSHB 350 is attached for your consideration.

FOR YOUR INFO:

[redacted]

This notice was sent on 3/11/80 to all members of all local F & G Advisory Committees in S.E. Alaska.

Mary Lenan, AA.
House Resources

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)

VICE-CHAIRMAN
REP. FRED ZHAROFF

REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

P.O. Box 154
Hoonah, Alaska 99829
Tele. No. 945-3302

April 7, 1980

The Honorable Alvin Osterback
Alaska House of Representatives
Pouch V - M.S. 3100
Juneau, Alaska 99811

Dear Representative Osterback:

The residents of Hoonah, and others similarly situated, are concerned about the commerical salmon hand troll in the rural communities of the Southeast. It appears that the various approaches to the hand troll need to be coordinated. I say this because of the following factors:

(1) The Legislature has before it, several measures that address the hand troll issue as pertains to limited entry. Most notably is that of House Bill No. 350 -- which attempts to address the manner in which the State will address its application as a policy -- once, the CLEC imposes limited entry;

(2) the Commercial Limited Entry Commission has also been active on this issue. The Commission has announced that limited entry will be imposed eventually at 2150 permits. That decision still stands;

(3) the Department of Fish & Game too has become engaged in regulating, or attempting to regulate the hand troll in a series of actions. At least two or three of their own issued regulations were overturned on their own action -- when public pressure was brought to the public attention. Some hand trollers say they would accept limited entry if ADFG issued little or no regulation, not both. Those who favor limited entry went along with the latest regulation of reduction of gear. ADFG has also imposed a 8 day opening - 6 day closure as a means of control of harvest. Virtually all actions ADFG has taken has been modified.

(4) the North Pacific Fisheries Management Council too has its concern of the cape fisheries in the troll fishery. The Council is concerned over the Chinook Salmon enroute to Canada, Washington and Oregon, and has recommended a substantial reduction of the take on the Fairweather grounds.

Joint hearings, or separate, have centered on several factors. ADFG, with overall fishery management responsibility dissemmates between what it terms as user groups. The rural Co munities of Angoon, Hoonah and Kake claim that all approaches affect the rural communities adversely. These three communities were upset over the 8-6 opening and closure. Hoonah now says 130 limited entry hand troll permits will severely injure the lifestyle and wreck its economy. The three stress that so far, all focus has been on the urban communities.

Against that backdrop then, we would like to call upon the Resources Committee Chairman of the Senate and House, Commercial Limited Entry Commission, Alaska Department of Fish & Game and the North Pacific Fisheries Management Council to meet as a panel in a formal session on April 18 and 19, at Hoonah in the Hoonah ANB Hall. Further, that the emphasis be on the rural Southeast communities that would be affected by any action at all.

We have notified preliminarily all hand trollers and they are very pleased that this may occur. If you would notify me that this is in the works, I will call the principles who will arrive from Angoon and Kake, and possibly Hydaburg, of the hearing, and preparations on the ANB Hall will begin.

Thank you in advance for your interest on trying to resolve this seemingly complex problem.

Respectfully,

ALASKA NATIVE BROTHERHOOD
HOONAH CAMP 12

Richard G. Dalton, Sr.

Rrehard G. Dalton, Sr.,
President

cc: Robert J. Simon, Chairman
Commercial Fisheries Entry Commission

Ronald O. Skoog, Commissioner
Alaska Department of Fish & Game

RGD:in

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

April 11, 1980

Richard Dalton, Sr.
Alaska Native Brotherhood
P.O. Box 154
Hoonah, AK. 99829

Dear Mr. Dalton:

Thank you for your letter of April 7 and your invitation to come to Hoonah to discuss the issues affecting handtrollers. I agree that these issues are very complex and that the actions taken by the legislature, Entry Commission, and Fish and Game Department concerning handtrolling will have important impacts on the people of southeast, particularly in villages. I do regret to say, however, that it is impossible for me to attent your proposed meeting for several reasons. The legislature has been informed that no out of Juneau meetings will be authorized by the Speaker of the House or the Senate President after April 1. Also, as we are nearing the end of the session we're having meetings, floor sessions, and budget hearings constantly and I cannot be away from the Capital during this hectic time. I'm sorry your invitation came so late in the session and was such very short notice as I do understand your concerns and would like to meet with you. I do however want to assure you that the House Resources Committee has not heard only the urban side of these issues. We have worked hard to speak with many village people and understand the issues involved from their points of view. We have been involved in much redrafting of Representative Duncan's bill (SSHB 350) concerning limited entry for handtrollers in an effort to come up with a revised version of the bill which would help to insure the involvement of village people in handtrolling to make sure that future permits will go to rural people. It is a difficult problem to resolve especially because there is little or no agreement between villages and we even hear lots of opposing ideas coming from people from the same towns. We have gone out of our way to keep southeast villages informed of meetings and action concerning SSHB 350. Before our first hearing we sent notifications to over 150 people. Again this week, as soon as the new version of the bill was finished we sent copies of it (along with an invitation to testify or send written opinions) to over 160 people including each member of every local Fish and Game advisory committee in southeast and

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all southeastern mayors. Very few people have sent us any constructive ideas for the revising of the bill or alternative solutions to handtrolling problems. As I understand it, if some version of this bill does not pass the legislature within the next couple of weeks, the Entry Commission will enact a regular limited entry program within the next year, so that any future entry into handtrolling will be by purchase of a permit on the open market as in all other limited entry fisheries.

Time is short and probably it is already too late to get any bill through both the House and Senate yet this year. But we want to know how you and other village people feel about these options.

Please feel free to call or write to me or my staff or other members of the House Resources Committee. We hope that Hoonah will let us know before Thursday's meeting how you feel about the newest version of CSSSHB 350 or will have someone at the hearing to express your opinions.

Again I am sorry not to be able to attend your meeting.

Best personal regards,

Alvin Osterback

Alvin Osterback
Chairman
House Resources Committee

AO:ss

November 2, 1979

HAND TROLL

Limited Entry Commissioners:

The years 1975 through 1978 being considered for points for hand troll permits, I recommend past participation be the first to be used to qualify.

1. Those that fished the four years;

2. That State and Federal tax returns filed by individuals be used in giving economic points (all their income);

3. No points be given for vessel ownership, unless they use all four years of vessel ownership (points be same for each of the four years);

4. The only fish to be considered be salmon;

   (a) Not halibut or any other species caught.

   (b) The State is trying to cut down the amount of salmon caught (not halibut) in the hand troll fleet.

   (c) The people not depending on fishing want halibut thrown in to bring up their poundage (bigger vessels).

   (d) A $25,000 cruiser (n.s. a little skiff (handtroller) the small vessel cannot handle halibut in any amount.

   (e) I do not want to see someone that fished only 1978 get enough points to get a permit, some that only fished three years be denied.

   (f) It happened before. Some that fished 1972 only got 21 points. Need 6 points for vessel ownership (no other year could you get vessel points). Also sold all their gear, vessel in 1972, and got investment back and still got a permit to fish again or sell (Xmas).

I wish to point out something at this time. Under the Statute it says this for past participation, "<u>years fished</u>." No place does it say year or years fished.

The devil in me writes the following. How many people do you know in Juneau that handtroll that are working for the legislators, or family, Department of Fish and Game, City Police, State Troopers, Forest Service, Coast Guard, businessmen, Bureau of Indian Affairs? It's simpler to check the register in the Federal Building for agencies, right? Ah! Yes! Don't forget the lawyers working for the State and private lawyers.

Yes, I'm on the side of the hand troller that makes his living at it. I'll help you all I can. Now you see whey I wanted limited entry out and some sections redone in 1976. I knew what was going to happen. The price of permits going up and up. Fish prices started major jumps from 1967 til present. (Court Cases 166+)
200 mile limit I was positive would be in, and is.

World demand for fish.

I have a habit of looking 10 to 20 years from the present.

The people that want tax write-offs look elsewhere.

Give the little guy a break.

Yours
Leo G Land
Box 122
Haines Alaska
99827

Testimony by phone from Eric Jordan, Secretary, Sitka Fish and Game Advisory Committee.

Following are results of meeting and responses of members.

3 - in favor of SSHB 350
5 - opposed
2 - in favor with changes
2 - in favor if Hand Trollers favored it

On the issue the comments were communicated:

Two persons favored the bill with changes

One person felt he could support it if the number of permits could be reduced.

One person gave these specific objections:

1. Section 1(h) line 10 - eliminate the portion that does not allow the permit to be inherited by spouse. Family should be able to inherit.
2. Page 1, line 20, delete number 1.
3. Line 25, page 1 , Board of Fisheries should determine "substantial quantity" rather than the Commission.
4. Page 2, line 20 - 21 - delete "issued for any fishery except a handtrolling fishery upon the death of the permittee".
5. Page 2, line 29, change "may" to "shall".
6. Page 3, line 2 insert "hand trollers" before gear licensing.
7. Page 3, line 14 - use "immediately" instead of "promptly"
8. Line 21, - add "handtrollers" in front of gear license.
9. Line 17-18-19, Page 4 - Opposed to this section, should be same as for other fisheries.
10. Page 4, line 22 - delete "other than a handtroller"

Two persons, not handtrollers, would favor the bill if the handtrollers favored it.

Henry Benson, Chairman, Sitka Community Association and Chairman, Tribal Council

The whole act does not relate equally between power and hand trollers. It forces handtrollers to be productive and discriminates. He is opposed because the State has not documented where handtrolling is a threat to the fishing industry. Before State passes this legislation, it should prove that handtrolling is damaging the fisheries All or most are part time fishermen. People who fish part time and work the rest of the time should not be penalized to favor the person who fishes part time and vacations the rest of the year. Alaskans should have an advantage, especially those born in Alaska, in entering and remaining in the fishery.

He is opposed to handtrollers being singled out for regulation and legislation. Fails to see how this legislation meets any conservation goals.

Eric Jordan - Personal Comments

A handtroller who has earned a permit should be able to sell it and get into other fisheries. He favors a freely transferable permit. Regulation and legislation have jeopardized small handtrolling operations. They need the means to get into other fisheries to imporve income. He is opposed to State control of permits, ex. determining who gets them and who doesn't.

Of those responding to a questionaire mailed in the Sitka area, (approx 50 people) 70% favored a freely salable permit and 30% favored a non transferable permit.

116

Apr. 18, 1979

Dear mr. OSTERBACK

Please find enclosed, the thought and preparation of The Southeast Hand Troll Assocation which led to Mr Duncan introducing House Bill 350. This bill lacks a section dealing with reissuance of permits by the Limited Entry Commission. Mr Duncan is aware of this problem and has assured us that the reissuance section can be added in committee.

Thank you,

Eric Robinson

Eric Robinson

Sec./Tres. SE Hand Troll Assoc.

ANNUAL MEETING OF THE SOUTHEAST HANDTROLL ASSOCIATION

March 2 and 3, 1979

Minutes of the meeting and proposal for
amendment to limited entry law for
Handtrolling if Handtrolling is included

Juneau, Alaska

ANNUAL MEETING
SOUTHEAST HANDTROLL ASSOCIATION

Meeting called to order at 3:00 P.M., Friday, March 2, 1979 at Chuck Porter's house (regular meeting place not available until Saturday, March 3, 1979).

Members present: Fred Shewey, Ketchikan; Ken Proctor and Mick Diamond, Sitka; Kelly St. Clair, Hoonah; Jim Lockhart, Hydaburg; Chuck Porter, Chairman; Dick Woodward, Secretary-Treasurer; Eric Robinson, Juneau. Absent: Chuck Peadra, Wrangell.

First item was to recess official meeting and go into informal discussion.

The subject of continuance of the Southeast Handtroll Association (SHA) was brought up by the Chairman. All agreed it was essential to continue and so the subject was dropped.

Secretary-Treasurer gave existing balance of $1.600.00 and advised that Hoonah and Juneau had yet to pay their 1979 dues. Hoonah advised that their dues were on the way, as did Juneau, so all present were in good standing.

The Chairman asked what the members wanted to do in reference to payment of expenses for the out of town representatives. The vote was unanimous to pay the return air fare, plus hotels for those so lodged, plus pay for no host dinner on Saturday night.

It was also voted to pay return air fare for another Ketchikan representative, Jim Jones. The basic theme of all was to help the smaller communities attend by paying part of their expenses whenever possible.

The Chairman advised that we may be having guests attend. No one objected.

The membership then voted to forgive past debts due SHA. The vote was unanimous.

Various ideas were discussed as to how to make the Association more active and responsive. They were:

1) Sending out a monthly news bulletin.

2) Setting up another Association meeting early in the fall before proposal time.

3) Each community should cross-reference the others with copies of their monthly meetings.

The Chairman asked for an expression on Limited Entry from each. The responses follow:

Ketchikan: Yes, no alternative.

Sitka: Yes, on the concept. no other alternative.

Juneau: Yes. no alternative.

Hydaburg: No, Period.

Hoonah: Yes, 100% against, but no alternative.

Wrangell: absent.

The only other alternatives to Limited Entry brought out ranged from gear reduction to sport rods only to more fish. Gear reduction to sport rods only was unacceptable to the majority.

Meeting recessed till 9:00 A.M. Saturday morning.

Meeting called to order at 9:00 A.M., Saturday, March 3, 1979. Same members present.

The Chairman introduced guest speaker John Garner, Chairman of the Limited Entry Commission.

His talk was on the present status of where Limited Entry is in reference to Handtrolling; what problems we can expect; and, what legislation is necessary in order to change the existing law to conform to what we felt was necessary to eliminate the severe deficiencies found in it.

The changes to be made were:

1) Transferability:

   a) Permit remains property of the State.

   b) State issue and re-issue.

   c) Need "use it or lose it" provisions.

   d) Need "ready, willing, and able" provisions.

2) Other criteria:

   Retired persons and military.

3) Moritorium on Handtroll transfers so as not to snarl up - possible Limited Entry transition.

Some added comments were:

He hoped to have the first draft of proposed regulations by late summer of 1979. This would be followed by a couple of months for public digestion, followed by public hearings.

Tentative cut-off date for eligibility is 1-1-79. However,

if unable to complete by 1-1-80, then the cut-off date would be 1-1-80.

The previous Limited Entry program history was 12 years, later revised to 15.

The existing law requires a reasonable balance to be struck between participation and economic dependence but can shift emphasis from one to the other depending on public desires.

He then answered questions from the floor.

After Garner's presentation, the group took up the sample Limited Entry program for discussion.

The net result was adoption of the attached. A summary follows:

1) Basic criteria.

2) Expanded criteria definition, except under the "ready, willing, and able clause", the group agreed to the concept only and did not use the 3 items as listed.

And, finally, specific points of the program.

It should be noted that a point system was not set up. In lieu of this, we recommended to the Commission that they establish a point system based on a percentage of each criteria as follows:

Past participation	50%
Economic dependence	25%
Investment-vessel, gear	12%
Domicile	13%

They also recommended under new criteria the following:

That pioneers, as defined by the State, be given a lifetime permit, not includeable in the optimum number.

Hoonah asked if there was some way that a community could retain the same number of permits as under the initial issuance number rather than have reversion going to another community.

It was felt that this was a good idea, but it would not work equitably and also would tend to defeat the fast turn-over in the program.

The group also did not like the idea of being required to specify which type of gear a person wanted to fish when he made the initial application (i.e. this choice would be a "forever" choice of gurdie or rod and reel).

The meeting adjourned at 6:00 P.M..

A. BASIC CRITERIA:

1. Initial issuance at a level that will insure all Commercial Handtroll fishermen, having a history of Commercial Handtrolling in any one year out of at least the past five years, would be considered under this system as having met the basic requirements for application.

2. All permits remain the property of the State of Alaska under a "non-sale provision".

3. That all permits issued, be issued on a "use it or lose it" basis to those who are "now ready, willing, and able" to enter into or continue in the fishery.

4. That an "optimum" number of desired permits be established by the Limited Entry Commission/Department of Fish and Game and that this "optimum" number be reached through an attrition factor.

B. BASIC CRITERIA EXPANDED COMMENTS:

1. Initial Issuance Level - This level, when established, should be such that all Handtroll fishermen who are seriously engaged in the Commercial harvesting of salmon by Handtrolling be assured that they will receive a Limited Entry permit. When considering the term "serious" it is interpreted to mean one who in fact did sell at least 500 pounds during a given season.

2. Non-Sale Provision - This provision is required to prevent speculative application for permits by those who may be qualified but are no longer involved in the fisheries and would not normally reapply for an interim use permit in the future. Additionally, this provision is required to enable a method of reaching the optimum number desired by the means of attrition which in turn permits eventual new entry by re-issuance of permits to new applicants.

3. Use It or Lose It Provision - This aspect is also needed to enable reduction through attrition to optimum levels. This term is intended to mean a person who does not use his permit during any one fishing season without good cause, such as physical disability, loss of boat, district or area closures, etc.. Additionally, this is intended to be an additional vehicle which will enable permit re-issuance in a rapid fashion.

"Use it" is defined as a minimum of 500 pounds of salmon sold during one season.

4. Optimum Desired Participation Level - If required, this optimum level would permit management to adjust the level of participation to that which would be in the best interest of the fisheries and is intended to be a level which could be adjusted up when the condition of the fisheries permit and should be examined annually for permitted adjustment.

5. Permit Re-Issuance - Once initial issue has been accomplished and optimum number established, all permits would then revert to the State of Alaska and become dormant. In order for permits to become dormant the following criteria would have to be established to allow attrition.

   a. Death of permit holder.

   b. Voluntarily returned.

   c. Conviction of a serious fisheries violation.

   d. Use it or lose it criteria not met (dormancy).

   Once optimum number is reached, those permits that become available below the optimum are then re-issued to new applicants by means of an established application procedure and waiting list. New applicants would then be selected from the top of the list and issued the next available permit provided they are "ready, willing, and able" to enter into the fishery. Applicants would be assigned to the waiting list on a first come, fist serve basis.

6. Ready, Willing, and Able - All persons, desiring a permit at time of initial issuance and then re-issuance, must be in a posture that would permit active participation within the fisheries within a reasonable length of time after notification.

LIMITED ENTRY PROGRAM

To be based on:

1. Non-saleable permits. They remain the property of the State.

2. Past participation and economic dependency.

3. The State issue and re-issue.

4. Fisherman ready, willing, and able to fish (concept).

5. Hardship clause but must show past participation history in this or other fishery.

6. Permit must be fished annually. Minimum poundage 500 pounds or reverts back to the State for re-issuance (unless unable due to good cause - good cause needs to be defined and pro d).

7. Permit reverts to the State

   a. by death of the holder,

   b. by conviction of a fishery offense,

   c. donated back,

   d. or, by use it or lose concept.

8. In lieu of setting up criteria for a point system, it was decided to set up guideline proposals as follows and let the commission establish a point system based on the following percentages:

   a. Past participation: 50%

   b. Economic dependence 25%

   c. Investment-vessel, gear 12%

   d. Domicile 13%

9. Additionally, under a new section for retired persons, under initial issuance:

   a. would be given a permit to handtroll and not be counted in the optimum number, upon reaching pioneer status as such is defined by the State. Such a permit is for a lifetime and subject to the same reversion clauses as regular permits.

PROPOSALS FOR CONSIDERATION

1. The initial number of permits issued should consider active participants in the Handtroll fishery for the last five years.

2. The optimum number of permits for Handtrolling should be reached through attrition as described in the proposal.

3. The requested amendments to the existing Limited Entry Law are intended to insure: a reasonable turnover of Handtroll permits to allow new entry to the fishery, that speculators efforts would be frustrated to a position of non-participation and that the individual economic situation of persons interested in entering the Handtroll fishery would not exclude them. i.e. a large price tag on the Handtroll permit.

4. That the concept of ready, willing and able be defined; the intent is described in the proposal.

5. The present surf line closures for Handtrolling are discriminatory and should be repealed.

6. That the Department of Fish and Game be granted the ability to incorporate volunteer public help in projects of enhancement and rehabilitation of natural stocks that are, by definition (the standards and terms used for the jurisdiction of restrictions and regulation on the user group), endangered.

November 2, 1979.

HAND TROLL

Limited Entry Commissioners:

The years 1975 through 1978 being considered for points for hand troll permits, I recommend past participation be the first to be used to qualify.

1. Those that fished the four years;

2. That State and Federal tax returns filed by individuals be used in giving economic points (all their income);

3. No points be given for vessel ownership, unless they use all four years of vessel ownership (points be same for each of the four years);

4. The only fish to be considered be salmon;

   (a) Not halibut or any other species caught.

   (b) The State is trying to cut down the amount of salmon caught (not halibut) in the hand troll fleet.

   (c) The people not depending on fishing want halibut thrown in to bring up their poundage (bigger vessels).

   (d) A $25,000 cruiser (n.s. a little skiff (handtroller) the small vessel cannot handle halibut in any amount.

   (e) I do not want to see someone that fished only 1978 get enough points to get a permit, some that only fished three years be denied.

   (f) It happened before. Some that fished 1972 only got 21 points. Need 6 points for vessel ownership (no other year could you get vessel points). Also sold all their gear, vessel in 1972, and got investment back and still got a permit to fish again or sell (Xmas).

I wish to point out something at this time. Under the Statute it says this for past participation, "<u>years fished</u>." No place does it say year or years fished.

The devil in me writes the following. How many people do you know in Juneau that handtroll that are working for the legislators, or family, Department of Fish and Game, City Police, State Troopers, Forest Service, Coast Guard, businessmen, Bureau of Indian Affairs? It's simpler to check the register in the Federal Building for agencies, right? Ah! Yes! Don't forget the lawyers working for the State and private lawyers.

Yes, I'm on the side of the hand troller that makes his living at it. I'll help you all I can. Now you see whey I wanted limited entry out and some sections redone in 1976. I knew what was going to happen. The price of permits going up and up. Fish prices started major jumps from 1967 til present. (Court Cases 166+)
200 mile limit I was positive would be in, and is.

World demand for fish.

I have a habit of looking 10 to 20 years from the present.

The people that want tax write-offs look elsewhere.

Give the little guy a break.

Yours

Leo G Land
Box 122
Haines Alaska
99827

To: Rep Eciason / House Resources
Re: HB350

I would like to comment on HB 350, Jim Duncan's handtroll limited entry bill. I am a professional handtroller; fishing has made 90% of my income for the past three years.

Many people have commented on the dislocations and hardships that will be forced on rural communities by increasing regulation of the hand-troll fishery. It is this regulation of fishing areas and times that has made us embrace limited entry as the only alternative to a fishery made up entirely of part-time recreational fishermen. However, I have seen no comment on the equal hardships that non-transferable permits will cause to the people of Alaska, especially those in the rural communities. Non-transferable permits would be "frozen" -- for all practical purposes unavailable to new entrants, however serious their intent or

limited their choice of livelihood.

Even if the very liberal recommendation of 2100 permits were adopted, we can, I think, safely assume that the waiting list will have around 3000 names the first year, since over 5000 permits were issued last year. With increasing interest in the fisheries and increasing population, how rapidly will that figure grow? (It may become a popular lottery, since banks have already shown that credit is virtually guaranteed to a permit holder.) How long will the wait be; how often will a permit become available? It is reasonable to assume that once gained, a permit will not be released lightly. Only the naive will not realize that to avoid permanent loss of his permit a fisherman might buy his 500-pound quota from another fisherman, or fish for only a few days. (And

raising the quota will only increase pressure on the fish stocks and on fishermen with genuine hardships.) It is clear that even those who sign up immediately will wait a long time, probably many years, to get a permit, because there is no incentive for anyone to let his go — he would have nothing to gain and everything to lose.

Who does stand to gain? Certainly not the taxpayers, who foot the bill for verifying quotas, sniffing out frauds, adjudging special cases, and administering lists. The Entry Commission is unwieldy enough without a parallel bureaucracy-within-a-bureaucracy. Certainly not the rural communities, which must see their youth go to the cities to find jobs because their names won't come up for years. Certainly not the professional fishermen, since the applicant with only a casual

interest is just as likely to be next on the list as the applicant who is serious about fisling as a vocation. Certainly not the Alaskan fisherman who can no longer keep a permit in the family but must surrender it to the state to dole out to someone, perhaps from out-of-state, who happens to hold the next number.

If the legislature wants to do something about the high price of permits, consider an addition to the fisheries loan program. That would be a legal way to give preference to ~~state~~ Alaska residents, rural residents, the needy, those already fishing, or whomever the legislature specifies.

On the surface, non-transferability looks great; in practice, everybody loses. Please look beneath ~~beneath~~ the surface and vote against HB 350

Jamie Dorn Chevalier
Box 830 Sitka

Testimony by phone from Eric Jordan, Secretary, Sitka Fish and Game Advisory Committee.

Following are results of meeting and responses of members.

3 - in favor of SSHB 350
5 - opposed
2 - in favor with changes
2 - in favor if Hand Trollers favored it

On the issue the comments were communicated:

Two persons favored the bill with changes

One person felt he could support it if the number of permits could be reduced.

One person gave these specific objections:

1. Section 1(h) line 10 - eliminate the portion that does not allow the permit to be inherited by spouse. Family should be able to inherit.
2. Page 1, line 20, delete number 1.
3. Line 25, page 1 , Board of Fisheries should determine "substantial quantity" rather than the Commission.
4. Page 2, line 20 - 21 - delete "issued for any fishery except a handtrolling fishery upon the death of the permittee".
5. Page 2, line 29, change "may" to "shall".
6. Page 3, line 2 insert "hand trollers" before gear licensing.
7. Page 3, line 14 - use "immediately" instead of "promptly"
8. Line 21, - add "handtrollers" in front of gear license.
9. Line 17-18-19, Page 4 - Opposed to this section, should be same as for other fisheries.
10. Page 4, line 22 - delete "other than a handtroller"

Two persons, not handtrollers, would favor the bill if the handtrollers favored it.

Henry Benson, Chairman, Sitka Community Association and Chairman, Tribal Council

The whole act does not relate equally between power and hand trollers. It forces handtrollers to be productive and discriminates. He is opposed because the State has not documented where handtrolling is a threat to the fishing industry. Before State passes this legislation, it should prove that handtrolling is damaging the fisheries. All or most are part time fishermen. People who fish part time and work the rest of the time should not be penalized to favor the person who fishes part time and vacations the rest of the year. Alaskans should have an advantage, especially those born in Alaska, in entering and remaining in the fishery.

He is opposed to handtrollers being singled out for regulation and legislation. Fails to see how this legislation meets any conservation goals.

Eric Jordan - Personal Comments

A handtroller who has earned a permit should be able to sell it and get into other fisheries. He favors a freely transferable permit. Regulation and legislation have jeopardized small handtrolling operations. They need the means to get into other fisheries to improve income. He is opposed to State control of permits, ex. determining who gets them and who doesn't.

Of those responding to a questionaire mailed in the Sitka area, (approx 50 people) 70% favored a freely salable permit and 30% favored a non transferable permit.

March 14, 1980

To the House Resources Committee:

We truly regret being unable to attend your hearing on the 18th. We submit this written testimony on Sponsor Substitute for House Bill 350.

My husband and I fish commercially for our total income; we gillnet, longline, jig, crab, as well as handtroll. My husband began handtrolling commercially in 1963. We feel limited entry for handtrolling is necessary, although regrettable.

Our comments begin with Page 1, lines 22 through 29, which deal with the waivers for non-landings. Although it is difficult to be specific and enumerate all instances in legislation, we find this passage overly vague. How does the commission decide just what constitutes a substantial quantity of fish? Will it be a fixed figure, or will it change every year, based on the resource's expected return? Also, who on the commission decides what is "good cause" for failing to catch enough fish? We ourselves are vitally interested in knowing how much of our income must be derived from handtrolling alone. Last year, approximately 15 % of our income (and 1/6 of our time) came from trolling; yet 100% of our earnings came from our fishing efforts.

Regarding the issuance of permits, Page 3, lines 6 through 26, especially section (b)(4). Under this ruling, if a person ever loses his permit, for whatever reason, he is ineligible to ever receive another. This seems a little harsh; there are few mistakes we may make in life that have such a final consequence.

These are our main comments at this time. We will wait to see the outcome of this hearing before we contribute other testimony. We urge you to examine this bill thoroughly so as to make the fairest decisions possible.

Thank you,

Russ and Alice Bartoo
Box 847
Juneau, AK 99802

SSHB 390

Glen Mel.
Noorvik Ak.
3-15-80

Gentlemen -

A recent conversation with Ron Miller of the Limited Entry commission office seemed to indicate that the commissions intent relating to "hand trolling" is to ultimately reduce the permanent permits to the number which the Commission shall determine as sufficiently restrictive to assure those determined to participate to do so profitably. This line of reasoning falls neatly within the confines created by the advocates of the "inevitable" rigidly planned and controlled economy.

The term "hand troller" as currently applied, refers

to the least efficient of all methods of taking salmon. Available statistics would have to be skewed drastically to allow them to show any but an occasional "hand troller" who nets better than 40%-60% of his gross over a period of years.

To my mind, with prevailing energy conditions and escalating engine capacities, there is no way "hand trolling" can be justified as a subsidized operation, especially under the auspices of proposals which arbitrarily preclude an authentic hand troller's participation.

I have been denied an interim permit on grounds of not having participated during the years 1975-79

In 1907. I hand trolled from a plywood skiff with no power other than oars and became convinced it is still possible for a willing back to make a substantial portion of a subsistance income via this method, for a lifestyle geared to this type operation. It bothers me considerably that anyone can be given or assume authority to deny me the right to try an unsubsidized simple way of living.

I have recently completed a 15'-4" dory designed to be powered exclusively manually and am having difficulty seeing justice in proposals bent on creating a preserve for inefficiency through policy attempting to discourage

the indissoluble correlation between "right" and "need."

Are we actually this far down the tube?

Sincerely,

Bert E. Stewart

Alaska State Legislature

House of Representatives

STATE CAPITOL
POUCH V
JUNEAU, ALASKA 99811
465-3018

HOME ADDRESS
RR 4 BOX 4318
JUNEAU, ALASKA 99803
789-9782

REPRESENTATIVE JIM DUNCAN
CHAIRMAN
BUDGET & AUDIT COMMITTEE

MEMBER
FINANCE COMMITTEE

MEMORANDUM

TO: Rep. Alvin Osterback, Chairman
House Resources Committee

FROM: Rep. Jim Duncan

DATE: February 22, 1980

SUBJECT: House Bill No. 683 and
Sponsor Substitute for House Bill No. 350

I would like to request a hearing on House Bill No. 683, Relating to Fishing Vessels for Charter Purposes, and the Sponsor Substitute for House Bill No. 350, Relating to Limited Entry Permits for Handtrolling, at your earliest convenience.

Thank you for your consideration.

JD:jp

ALASKA NATIVE BROTHERHOOD

CAMP NO. 1. P. O. BOX 72 • SITKA. ALASKA 99835

March 26, 1980

SSHB 350

Alvin Osterback, Chairman
House Resources Committee
State Legislature, Pouch V
Juneau, Alaska 99811

Dear Sir

The Alaska Native Brotherhood, Camp #1 of Sitka, Alaska opposes HB 350 regarding limited entry permits for handtrolling.

The main objection is the use or lose provision. The act does not deal equally with handtrollers as it does with other fisherman. If you must impose limited entry, standardise it, same provisions for all limited entry fisheries, all use or lose, or delete the provision. There were some bad mistakes made in implimenting limited entry, let not make even worst ones for handtrollers, look at fisheries as whole, not just how can we cut the handtroll fisheries.

The problem with the use or lose as written, it defeats the intent of helping out the real fisherman, the people from the small communities, i.e., Hoonah may have 100-150 permits initially, but, what happens if someone dies. His permit is turned back in, taken out of Hoonah, and since the larger communities like Juneau, Sitka, Ketchikan, etc. will have a lot of applicants for permits on file, the permit turned in by Hoonah will most likely be issued to someone from the larger communities. This will keep up until your lose or use systems runs the small villages out of the handtroll business instead of protecting them. If you must use a use or lose system, then allot them by communities, i.e., if someone turns one in from Hoonah, it will be reissued to someone from Hoonah, etc., etc. There should also be the ability to pass on your permit to another member on your family, like a son or daughter.

Another point, everyone states concern about over-fishing, fishing-out an area, so you propose limites, either on gear or area, then, you turn right around and say, if you don't use your permit and catch a lot of fish I will take it away and give it to someone who will catch a lot of fish!?!

Much is made to do about many of the handtrollers being part time fishermen. Yet in reality, all fishermen are part time fishermen, with the exception of the very few, mostly handtrollers, who fish for Kings year-round. In fact the only people that can afford to buy a power troll permit are the people with good paying jobs. For instance, a lot of the teachers in the small villages and the larger communities, hold power troll permits. They teach for nine months, fish for 3 months, and yet you only point to the fact that some hand trollers have other jobs besides fishing. Another example, Rep. Eliason spends his winters in Juneau, and not for free, in fact got a raise this year, and still claims to be a full time fisherman? No one can convice us that permit holders from

out of state sit around all winter when they go home. A large part of the fishermen that go north, like to Bristol Bay are people with better than "low income" salaries, they take 2 weeks to a month vacation, go north and fish, and brag about how they earned 25-40 thousand dollars on their vacation! But, if a handtroller dare make 3-6 thousand a year during his off time, you think its wrong.

Many times the issues include the depletion of stock, your solutions always seem to start with controlling the fisheries that constitute 10% or less of the troll fisheries. Common sense will tell you that maybe you'd have more luck at putting more limitations on the part that produces 90% of the impact.

Constitutional rights, and equality are big issues nationally. Delete all portions that require handtrollers to turn in their permits upon death, or limited use, etc., or, apply the provisions to all troll fisheries.

Consider this, many of the people born and raised in Alaska grow up fishing. But, because it is almost impossible to survive on fishing alone, and to make use of our education, many of the people find year round jobs during critical years of the family. Like myself, I was born in Glacier Bay. I grew up fishing, starting with hand trolling. When I say hand trolling I am talking about trolling by rowing, and with a cotton line. I started when I was 5-6 years old with my dad, graduated to going by myself, using a 5 horse johnson outboard, eventually went power trolling with my uncle, seining with my uncle or dad, gill netting with my grandfather in Haines, etc., etc. Presently I work with THS, I have a daughter in college, another a senior in high school who wants to go to college, another a freshman in high school, and a son in 7th grade. I work in health services, a service much needed in this state, I also serve in many public service offices, i.e., ANB, state health comp. planning, organizing HSA, etc. In doing so I am busy year around and for now my fishing time is limited. Under your guidelines I stand a chance of losing my permit. I think I have the right to serve the people in much the same way Rep. Eliason does in Juneau, he does his thing part time, I do my year around for now, but, in 3-5 years I plan to return home, or retire from full time employment, my children will have finished school, etc., then I will be more of a full time fisherman. But, it sound like you will try to take my permit if I don't use it enough. Yet to the public you are saying, there are too many fisherman, and the fisheries are over-fished, to us you say, I will take your permit if you do not fish enough, and give it to someone who will add to our problems of fishing [redacted] an over-fished fisheries!?!

The ANB wants to protect the people who are born fisherman, are fishermen because they love it, and even if they are doing something else right now that takes up their time, they are Alaskans who live here, will be here thorough the good and the bad times. Many of your so called fishermen from out of state are fortune hunters, just like the gold miners that came with the gold rush, when the gold is gone, they will be gone. The true Alaskan fishermen will still be here, still trying to live a life they love. For once protect the Alaskans' rights, current legislation seems to worry more about everybody else's rights first, what about ours?

Frank O. Williams, Jr.
President, Sitka ANB
ANB Executive Committeeman

SSHB350

ALASKA NATIVE BROTHERHOOD

CAMP NO 1. P. O. BOX 72 • SITKA, ALASKA 99835

March 26, 1980

Alvin Osterback, Chair
House Resources Committee
State Legislature, Pouch V
Juneau, Alaska 99811

Dear Sir

The Alaska Native Brotherhood, Camp #1 of Sitka, Alaska opposes HB 350 regarding limited entry permits for handtrolling.

The main objection is the use or lose provision. The act does not deal equally with handtrollers as it does with other fisherman. If you must impose limited entry, standardize it, same provisions for all limited entry fisheries, all use or lose, or delete the provision. There were some bad mistakes made in implimenting limited entry, let not make even worst ones for handtrollers, look at fisheries as whole, not just how can we cut the handtroll fisheries.

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Frank O. Williams, Jr.
President, Sitka AVB
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SSHB350

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The problem with the use or lose as written, it defeats the intent of helping out the real fisherman, the people from the small communities, i.e., Hoonah may have 100-150 permits initially, but, what happens if someone dies. His permit is turned back in, taken out of Hoonah, and since the larger communities like Juneau, Sitka, Ketchikan, etc. will have a lot of applicants for permits on file, the permit turned in by Hoonah will most likely be issued to someone from the larger communities. This will keep up until your lose or use systems runs the small villages out of the handtroll business instead of protecting them. If you must use a use or lose system, then alot them by communities, i.e., if someone turns one in from Hoonah, it will be reissued to someone from Hoonah, etc., etc. There should also be the ability to pass on your permit to another member on your family, like a son or daurhter.

Another point, everyone states concern about over-fishing, fishing-out an area, so you propose limites, either on gear or area, then, you turn right around and say, if you don't use your permit and catch a lot of fish I will take it away and give it to someone who will catch a lot of fish!?!

Much is made to do about many of the handtrollers being part time fishermen. Yet in reality, all fishermen are part time fishermen, with the exception of the very few, mostly handtrollers, who fish for Kings year-round. In fact the only people that can afford to buy a power troll permit are the people with good paying jobs. For instance, a lot of the teachers in the small villages,and the larger communities, hold power troll permits. They teach for nine months, fish for 3 months, and yet you only point to the fact that some hand trollers have other jobs besides fishing. Another example, Rep. Eliason spends his winters in Juneau, and not for free, in fact got a raise this year, and still claims to be a full time fisherman? No one can convice us that permit holders from

out of state sit around all winter when they go home. A large part of the fisherman that go north, like to Bristol Bay are people with better than "low income" salaries, they take 2 weeks to a month vacation, go north and fish, and brag about how they earned 25-40 thousand dollars on their vacation! But, if a handtroller dare make 3-6 thousand a year during his off time, you think is wrong.

Many times the issues include the depletion of stock, your solutions always seem to start with controlling the fisheries that constitute 10% or less of the troll fisheries. Common sense will tell you that maybe you'd have more luck at putting more limitations on the part that produces 90% of the impact.

Constitutional rights, and equality are big issues nationally. Delete all portions that require handtrollers to turn in their permits upon death, or limited use, etc., or, apply the provisions to all troll fisheries.

Consider this, many of the people born and raised in Alaska grow up fishing. But, because it is almost impossible to survive on fishing alone, and to make use of our education, many of the people find year round jobs during critical years of the family. Like myself, I was born in Glacier Bay. I grew up fishing, starting with hand trolling. When I say hand trolling I am talking about trolling by rowing, and with a cotten line. I started when I was 5-6 years old with my dad, graduated to going by myself, using a 5 horse johnson outboard, eventually went power trolling with my uncle, seining with my uncle or dad, gill netting with my grandfather in Haines, etc., etc. Presently I work with THS, I have a daughter in college, another a senior in high school who wants to go to college, another a freshman in high school, and a son in 7th grade. I work in health services, a service much needed in this state, I also serve in many public service offices, i.e., AVB, state health comp. planning, organizing HSA, etc. In doing so I am busy year around and for now my fishing time is limited. Under your guidelines I stand a chance of losing my permit. I think I have the right to serve the people in much the same way Rep. Eliason does in Juneau, he does his thing part time, I do my year around for now, but, in 3-5 years I plan to return home, or retire from full time employment, my children will have finished school, etc., then I will be more of a full time fisherman. But, it sound like you will try to take my permit if I don't use it enough. Yet to the public you are saying, there are too many fisherman, and the fisheries are over-fished, to us you say, I will take your permit if you do not fish enough, and give it to someone who will add to our problems of fishing [redacted] an over-fished fisheries!?!

The AVB wants to protect the people who are born fishermen, are fishermen because they love it, and even if they are doing something else right now that takes up their time, they are Alaskans who live here, will be here thorough the good and the bad times. Many of your so called fishermen from out of state are fortune hunters, just like the gold miners that came with the gold rush, when the gold is gone, they will be gone. The true Alaskan fishermen will still be here, still trying to live a life they love. For once protect the Alaskans' rights, current legislation seems to worry more about everybody else's rights first, what about ours?

Frank O. Williams

Frank O. Williams, Jr.
President, Sitka AVB
AVB Executive Committeeman

ALASKA NATIVE BROTHERHOOD

CAMP No. 1, P O Box 72 • SITKA, ALASKA 99835

March 26, 1980

Alvin Osterback, Chairman
House Resources Committee
State Legislature, Pouch V
Juneau, Alaska 99811

Dear Sir

The Alaska Native Brotherhood, Camp #1 of Sitka, Alaska opposes HB 350 regarding limited entry permits for handtrolling.

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out of state sit around all winter when they go home. A large part of the fishermen that go north, like to Bristol Bay are people with better than "low income" salaries, they take 2 weeks to a month vacation, go north and fish, and brag about how they earned 25-40 thousand dollars on their vacation! But, if a handtroller dare make 3-6 thousand a year during his off time, you think its wrong.

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Frank O. Williams

Frank O. Williams, Jr.
President, Sitka A"B
A"B Executive Committeeman

Ref: Proposed CS FOR SS FOR HB 350

March 17,1980

To the House Resource Committee

Gentlemen;

My name is Chuck Porter and I am representing the Juneau Hand Troll Association. Before getting into the bill, I believe some background is in order. The Board of Fisherys has for the past Three years been very concerned about the rapid growth of the Hand Troll fleet which is presently, an open fishery.

They therefore in 1978, directed the Limited Entry Commission to begin putting the wheels in motion to put Limited Entry into the Hand Troll fishery effective 1979 and further, that the number of permits be a maximum of 600.

To give you an idea of active participants. In 1975, 1094 boats sold fish. 1976, 1237 boats, 1977,1894 boats, 1978, 2604 boats. As you can see, that 600 number would have left the majority of existing users out of the fishery. It should be noted here, that the reasoning behind the Boards 600 figure was that according to statistical data, that many boats caught the so called allocation or quota alloted to the Hand Troll Fishery.

Fortunately during 1978, the Limited Entry Commission undertook a series of surveys throughout South East Alaska to determine what kind of a fishery the Hand Trollers wanted and more particularly, try to determine the make up of the participants... We are attaching a copy of their results and conclusions as it more aptly describes the situation, [redacted] " After evaluating the management problems and hearing the desires of the fishermen, we cannot agree that your management plan to drastically reduce the size of the fleet and allow full developement of highly efficient Hand Troll operations (ie the 600 number) is the best solution. Instead, it is our proposal to work toward a different goal, that is, to maintain the historical character of this fishery while at the same time providing for a professional fishery. Hand Trolling has been a small scale, low

* WE quote a portion of their presentation to the Board.

investment, low return fishery, generally attracting participants who either utilize the fishery to sustain lifestyle, or as a fishing outlet for young and older residents and others who depend upon it to supplement their income. We therefore recommend a number between 2000 and 2500 permits". Unquote. The actual number settled upon was 2150.

With this background in mind, we now come to the bill before you. The contents were derived from many meetings and idea exchanges with various communities and individuals throughout South East Alaska. It is by no means a 100% concurrence and the main reason is the transferability clause. This bill [redacted] among other things, PROPOSES a non sale or non transferable permit

Our organization and many others believe that this clause is vital, if this is to continue as an entrance level fishery and this is why we wish you to thoughly understand the differences.

For example, under existing law, initial issuance will go to Estates, THEY will go to fishermen who qualify, but have left the fishery for one reason or another, or will go to speculators who have qualified just to get a permit to sell.

Future costs of permits will become prohibitive for new entrants, especially for those who need them the most. By that we refer to people in rural areas, young people, retirees and so on.

The non sale provision takes away the monetary incentive [redacted], thus the eligible who have left the fishery, the estates, the speculators, would not apply, thus leaving those permits for the serious and active. The fishery would remain a low entrance level one, that accomodates its historical place.

We have also examined the following:

1. Sellable, Closed End: Permit would be sellable but with a price limit set.

2. Sellable, Closed End Contract: Price would be set by the State and sale would be by State Contrart with purjury clause. Comment: On both of the above,

there would be no way to police under the table money and eventually we would be back to where we are now.

3. Sellable, Open or Closed: Thru a State loan program, wherein the State would loan the money for a permit on contract to permitee, thus only thru such loan program could a permit transfer. The comment on this one is too much manpower, paperwork, and cost to the State. Time consuming and so forth. Also price could fluctuate.

We therefore concluded that the non sale provision is the simplest and least costly to the State and a fair way to go.

This bill also has these added features.

1. The State is charged the responsibility for issuance and reissuance.
2. Permits would revert to the State upon death of the holder, unless willed prior to.
3. They may be voluntarily returned.
4. Permits must be activly fished annually or they revert. We realize this latter clause may cause apprehension due to forcing a fishermen to fish, so we point out to you the intent, that this provision is envisioned to mean something very minimal, like FOUR landings per season. This does not cause damage to the resourse, nor does it burden the holder. The reason for this clause is that we are attempting to structure as rapid a turnover as possible in order for new entrants to be able to get into the fishery in a relative short time. The historical turnover rate of 47%, coupled with the above features should enable a maximum of 4 year wait down to 2 years. In fact we are betting on it because there is also a clause herein that if the annual turn over rate is not 25% plus average for the first four years, the commission is directed to come back to you with amendments.

This session will be the last chance we have to structure a change such as proposed. The alternatives to not passing it, are grim.

Limited Entry will be imposed under existing law, (ie Saleable Permits). We hope that between the history of existing permit costs and problems and the base information we have outlined herein, you will understand that there will be an

outward migration of permits to the highest bidder. Thus in a few short years you will indeed, be looking at a highly efficient Hand Troll fleet of 600 boats. Meanwhile, those that need them most will be on the beach, the State will be facing the problems of what these people can do for alternate occupations and of course worst of all, what to do about future entry, for the yound, the old, the retiree, the rural people?

The other alternative is equally as bad. There could be no Limited Entry in which case the resulting regulatory measures would be so drastic there would be no point in fishing.

We therefore urge you to please give favorable consideration to this bill and we thank you for your time.

Chuck Porter
Juneau Hand Troll Association

Limited Entry Commission

HAND TROLL PRESENTATION TO THE BOARD OF FISHERIES
DEC. 1979

The Commission appreciates the opportunity to be here today. Our purpose is to discuss with you the complex problem of managing the hand troll fishery. This particular fishery highlights the necessity of the Commission, the Board, and the Department coordinating management policies. We appreciate the recommendations received from the Board in the past regarding limitation of this fishery and other fisheries; and hope that our recommendations to the Board will be accepted in the same vein.

To summarize quickly, when the majority of the salmon fisheries were brought under entry limitation, the hand troll fishery was specifically segregated from power troll and left open to entry. From 1975 to 1978, the number of active hand trollers increased annually -- 1,094 in 1975, 1,237 in 1976, 1,849 in 1977, and 2,604 in 1978. Through those same years, the hand troll share of the troll fishery harvest has increased from 13% to 28%, measured by poundage. The preliminary data for 1979 shows that approximately 2[illegible]% of the total troll harvest was taken by hand trollers.

During the spring of 1978, the Commission held several joint hearings with the Board in Southeastern communities regarding the hand troll fishery. Public comment at that time was generally opposed to limitation. In the 1978 season, the Board began a series of management measures to try to ensure a historical allocation of the troll catch, beginning with closing all outside waters to hand trolling. Despite the closure, the hand troll portion of the troll catch increased sharply. Consequently, for 1979, the Board further restricted hand troll effort by adding a series of closures in inside waters in an attempt to implement a tacit policy of an 80/20 split of the coho troll catch.

At the December, 1978 Board meeting, the Commission announced that it intended to propose limitation of the fishery in 1979. On September 14, after receiving management recommendations from the Department of Fish and Game, the Commission proposed limitation of the hand troll fishery, beginning in 1980, with a maximum number of 1,100. That proposal was advanced on September 21, 1979. Eight public hearings were held by the Commission with the public comment period closing on November 9, 1979.

At the time the Commission advanced the proposed regulation, we had received recommendations from the Board and the Department of Fish and Game. The Board recommended a maximum number of no greater than 600, by which you indicated to us a desire to significantly decrease the size of the fleet, so that the professional hand trollers that remained could be subject to the same management policies as applied to power trollers, and still not harvest more than 20% of the troll catch. The Department stated that the maximum number should not exceed 1,000 to avoid the necessity of excessive regulation to maintain historical harvest balances. The Department referenced expected efficiency gains in the fleet after limitation, a concern also raised by you in your recommendation.

The Commission proposed maximum number of 1,100 was chosen based upon the input from the Board and Department, plus the Commission's own research. Our intent was to use the fishing seasons from 1975 forward as the predominate indicators of hardship when the hand troll fishery was limited. As a practical matter, the Commission cannot use maximum numbers outside the boundaries of participation established during the most recent years. Thus, we chose the smallest effort level in recent years as our proposal.

Attached to your copies of this presentation is a summary of the public input received by the Commission during the public comment period. It seems quite apparent to us that the news release issued by the Board shortly before the first Commission public hearing greatly influenced the testimony. Prior to the news release, many viewed entry limitation as a mechanism for removing some of the restrictions imposed in the recent past. After the news release, many people testified that if limitation of the fishery would not ease management restrictions, they would prefer that it be left open to entry. Most comments we received favored removal of the restrictions plus an increase in the proposed maximum number, which would exacerbate the management problems you face today.

The Commission has now evaluated all comments and data available at this time. It is very apparent that no simple answer exists which will satisfy the management concerns of the Board, the Department, and ourselves; and at

the same time satisfy the wishes and desires of the Southeastern hand trollers. The very best that can be accomplished in the near future is to prevent the situation from becoming more complicated. We want everyone to understand that the Commission does not have a solution that will be all things for all people. It is our wish, though, to undertake a beginning in what will by necessity be an involved system of slowly working toward a fair and practical management framework. A reasonable result can only be achieved with full agreement between the Board and the Commission, close coordination of our respective regulatory powers, and with the understanding of hand trollers, power trollers, gillnetters, and seiners.

With that prelude, we come before you today to ask for your cooperation in the implementation of a management strategy for the hand troll fishery. After evaluating the management problems and hearing the desires of the fishermen, we cannot agree that your management plan to drastically reduce the size of the fleet and allow full development of highly efficient hand troll operations is the best solution. Instead, it is our proposal to work toward a different goal -- that is, to maintain the historical character of the hand troll fishery while at the same time providing for a professional fishery. Hand trolling has been a small scale, low investment, low return fishery generally attracting participants who either utilize the fishery to sustain a particular lifestyle, or as a fishing outlet for young and older residents of Southeast and others who depend upon the bulk of their income from land-based occupations.

The fishery has generally been referred to as an entry level fishery. The distinguishing characteristic of this fishery is the prohibition of mechanical assistance other than hand power to place and retrieve gear. The definition of such a fishery suggests a special circumstance, particularly in the present environment of highly automated commercial fishing operations. We believe the special circumstance to be very indicative of the essence of this fishery. It is in fact a fishery purposefully defined as a low cost, relatively low return fishery tailored to social desires of those people who have historically partaken of the opportunities it presents. We must assume that those who have developed hand troll operations nearly as efficient as

power trollers have done so because of power troll limitation, or through reinvestment of hard-earned income from hand trolling in the past for the purpose of maximizing the benefits to be accrued in the future. Without some efforts at this time to prevent further efficiency increases, history tells us that limitation of the fishery will almost force those permits that remain to maximize their efficiency within the regulatory framework that dictates their operation. This would in fact seem to be contrary to the Board's statements to the Commission of maximizing the number of permits to be held by residents of rural communities. Rural residents have limited access to wellpaying jobs and mortgageable property. Hence, even if the Commission were to succeed in initially issuing a high percentage of permits to rural residents, those permits would through time tend to migrate to residents of urban communities IF large amounts of capital investment are necessary to remain competitive.

Preliminary analysis does suggest that profits earned in limited fisheries are being reinvested into more efficient operations. That same trend of efficiency increase can be demonstrated in the hand troll fleet. Since 1975, the numbers of permits fished has steadily increased along with the average number of weeks fished and the number of fish caught per week by each active permit holder. Much of this can be attributed to the widespread conversion to hand gurdies, and some must be attributed to the recent entry of more of the larger scale, more aggressive and versatile hand troll operations.

Our proposal is the antithesis of your present management policies. Rather than use regulatory powers to limit the vessel or gear efficiency of the hand troll fleet, time and area closures have been utilized almost exclusively to date. Our suggestion is to combine our respective regulatory powers to limit the efficiency of hand troll operations, through such means as entry limitation, gear restrictions, vessel restrictions, and tying permits to geographic areas; and to use closures as a mechanism for in-season adjustments. Considering the dearth of management data available, it is impossible at this time to identify any particular combination of these restrictions to accomplish a specific goal. Nonetheless, we must begin now to implement some combination of these management restrictions at a profitable, entry level

hand troll fishery is to be maintained and made available to a reasonable number of users.

If you agree to work with us in the development of this management policy, the Board should develop a formal policy, including not only the desired structure of the fishery, but also including a statement of the relationship to the power troll fishery. If you wish to allocate the troll harvest between these two fleets, we need to know what that allocation will be so that we can develop an optimum number analysis. Such a policy will also be a determinant in the establishment of an initial maximum number.

In 1973, the Legislature turned down a proposal by then Governor Egan to limit fisheries by initially establishing a maximum number which would have been synonymous with the present law definition of optimum number. That amendment to the Egan administration bill must be interpreted as a desire by the Legislature to buy fishermen out of a fishery, rather than to ruthlessly eliminate them without compensation. As if to reiterate that point, they specifically identified three salmon fisheries that were distressed and specified that the initial maximum number was to be equivalent to the largest number of participants in any of the four most recent years prior to enactment of the law. Although they allowed the Commission broad authority in the establishment of maximum numbers in other fisheries, we feel compelled to follow the basic example established at that time.

In the attachments which you have to this presentation, you will find in Table 17 a breakdown of participation since 1975. Considering the particular patterns of participation in this fishery, we believe that a maximum number in the range of 2,000 to 2,400 will allow all hand trollers with present dependence on this fishery ample opportunity to qualify for a permanent permit if the fishery were limited in 1980. Should we resolve to mutually develop a management program including entry limitation for hand trolling, we would propose that ranges of participants should be considered for management purposes until a reduction can be accomplished either through buy-back or attrition.

This proposal recognizes the necessity of diminishing the original number of permanent permits to an optimum level to minimize the necessity of time and area closures and thus ensure an opportunity to realize reasonable earnings. We do not believe that closures can be eliminated in the near future even if this management proposal is implemented. While we realize that time/area closures are anethema to most of the hand troll fleet, we foresee no mechanism at this time for their elimination -- with the exceptions of Draconian reductions in the number of gear units or removal of allocation guidelines. Without entry limitation, the severity of management restrictions will by necessity be greater.

Reduction from the initial maximum number can be accomplished by two mechanisms. The first is as provided for in present law by using assessments against hand troll gross earnings to purchase permits on the open market. The second would involve some combination of non-transferability and attrition and would require legislative amendment. Such a bill was introduced last year at the request of the Southeast Hand Trollers Association, and has also, been suggested by Governor Hammond as a modification of the Entry Commission's enabling legislation. Limitation of the hand troll fishery in 1980 would not preclude legislative review of this issue because of the timing that would by necessity be followed. The Commission does not yet have access to completed 1978 and '79 participation data. Also, it i not like that a massive fish ticket editing process presently being conducted by Commission staff for the years 1975-78 will be completed before March. Consequently, permanent, transferable permits could not be made available until late in 1980 at the earliest. This would allow the Legislature the entirety of the upcoming session to review the pros and cons of the two distinctly different procedures.

In summary, we are proposing a joint use of Board and Commission regulatory power, to shape the future of the hand troll fishery. Those who would be most adversely impacted by these proposed changes are persons who have invested in relatively large scale operations, capable of high seas fishing and possessing great mobility. It is definitely not our intention to purposefully single out those individuals as the culprits of the hand troll fleet. We would hope that through discussions among the Board, the Commission, and

other interested parties that a mechanism might be developed to "grandfather" those operations that have established themselves as models of the efficient hand troller.

The Commission has met with representatives from the Department of Fish and Game on a number of occasions to discuss the possibilities of implementing a management plan along the lines suggested to you today. While we have mutually agreed in principle to this approach, time constraints precluded us from working on a detailed management proposal to present to you today. It is our hope that you will be able to agree to this approach and to develop an appropriate management regime to accomplish our mutual objective.

Thank you.

Respectfully submitted,

Commercial Fisheries
Entry Commission

December 6, 1979

December 8, 1979

ALASKA BOARD OF FISHERIES

We support a 2,150-permit limited entry program. This program should accommodate mobile, two-line hand trollers. This fishery would have a floating allocation of approximately 20-25 percent. We support a four-line limit on power trollers, except north and west of Cape Spencer outside three miles where a six-line limit will be imposed. We endorse inseason management for both the hand and power troll fishery. Low cost permits within the hand troll fleet are requested.

IN FAVOR	OPPOSED
Sitka Advisory Committee	Point Baker
Yakutat Advisory Committee	Upper Lynn Canal Advisory Committee
for Ketchikan Advisory Committee	Angoon Advisory Committee
Hoonah	
Gastineau Channel Advisory Committee	
Elfin Cove	
Pelican Advisory Committee	

Introduced: 2/21/80
Referred: Resources and Judiciary

IN THE HOUSE BY DUNCAN AND ELIASON

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 350

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled. "An Act relating to limited entry permits for handtrolling."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 16.43.150(h) is amended to read:

(h) Upon the death of an entry permit holder, the entry [PERMANENT] permit shall be transferred by the commission directly to the surviving spouse by right of survivorship unless a contrary intent is manifested or unless the entry permit was issued for handtrolling. When no spouse survives, the rights of the decedent pass as part of his estate unless the rights relate to an entry permit that was issued for handtrolling.

* Sec. 2. AS 16.43.150 is amended by adding new subsections to read:

(i) An entry permit issued for handtrolling shall be forfeited to the commission

(1) upon the death of the permit holder;

(2) upon failure of the permit holder to verify to the commission the landings of a substantial quantity of fish caught by handtrolling each season in the fishery for which the entry permit was issued, except as waived by the commission for good cause.

(j) [redacted], "[redacted]" [redacted] minimum amount of fish which a fisherman must catch to demonstrate an intent to make commercial fishing by handtrolling a substantial part of his occupation. The commission shall establish the minimum amount by regulation for each handtroll fishery for which entry permits have been

issued.

(k) An entry permit issued for handtrolling may be voluntarily transferred at any time to the commission, without compensation.

* Sec. 3. AS 16.43.170(b) is amended to read:

(b) Except as provided in (c) and (e) of this section, the holder of an entry permit may transfer his permit to another person or to the commission upon 60 days notice of intent to transfer under regulations adopted by the commission. No sooner than 60 days nor later than 12 months from the date of notice to the commission, the holder of an entry permit may transfer his permit. If the proposed transferee, other than the commission, can establish present ability to participate actively in the fishery, the commission shall approve the transfer and reissue the entry permit to the transferee.

* Sec. 4. AS 16.43.170 is amended by adding a new subsection to read:

(e) Except as provided in AS 16.43.180(a) and notwithstanding the provisions of (a) - (c) of this section, an entry permit for handtrolling is transferable only to the commission.

* Sec. 5. 16.43.180(b) is amended to read:

(b) The commission shall adopt regulations providing for the temporary transfer of an entry permit issued for any fishery except a handtrolling fishery upon the death of the permittee pending final disposition of the permit as a part of the permittee's estate.

* Sec. 6. AS 16.43.260(a) is amended to read:

(a) The commission shall accept applications for entry permits other than entry permits for handtrolling only from applicants who have harvested fishery resources commercially while participating in the fishery as holders of gear licenses issued under AS 16.05.536 - 16.05.-670 before the qualification date established in (d) or (e) of this section. The commission may accept applications for entry permits for

handtrolling from any applicant but shall give priority to those who have harvested fishery resources as holders of gear licenses or interim-use permits before the qualification date established in (e) of this section.

* Sec. 7. AS 16.43 is amended by adding a new section to read:

Sec. 16.43.274. ISSUANCE AND REISSUANCE OF HANDTROLL PERMITS. (a) The commission may not issue an entry permit for handtrolling in a fishery unless the applicant has demonstrated his present ability to participate actively in the handtroll fishery under regulations adopted by the commission.

(b) An entry permit for handtrolling which is forfeited to the commission under AS 16.43.150(d) or (i) or 16.43.360, transferred to the commission under AS 16.43.150(j) or revoked by the commission under AS 16.43.355, shall be promptly reissued by the commission to an applicant who

(1) submitted an application for an entry permit for handtrolling in the fishery during the initial application period established under AS 16.43.260(b);

(2) harvested fishery resources commercially while participating in the handtroll fishery for which the entry permit was issued as a holder of a gear license or an interim-use permit before the qualification date established in AS 16.43.260(e);

(3) demonstrates present ability to participate in the handtroll fishery for which the entry permit was issued; and

(4) was not previously issued an entry permit for handtrolling in the fishery.

(c) Entry permits shall be reissued under (b) of this section to applicants in order of descending priority classification as provided in AS 16.43.270(a).

(d) If within the lowest priority classification of applicants to which some entry permits for handtrolling may be reissued under (b) of this section, there are more applicants than there are entry permits to be reissued, then the allocation of entry permits for handtrolling within that priority classification shall be by lottery.

(e) After all the applicants described in (b) of this section have been issued entry permits for handtrolling in a fishery, entry permits for handtrolling in the fishery shall be reissued to other applicants in the order in which their applications were received by the commission.

(f) If more than one application was received by the commission on the latest date for which entry permits for handtrolling in a fishery are to be reissued, then the allocation of permits among the applications received that day shall be by lottery.

* Sec. 8. AS 16.43.290 is amended by adding a new subsection to read:

(b) The commission shall establish the optimum number of entry permits for handtrolling in a fishery within two years after issuance of the first entry permit for handtrolling in the fishery. The optimum number of entry permits for handtrolling may never be less than the maximum number established under AS 16.43.240 for the fishery.

* Sec. 9. AS 16.43.300(b) is amended to read:

(b) If the commission decreases the optimum number of entry permits for a fishery, <u>other than a handtroll fishery,</u> the number of entry permits may be reduced only under the voluntary buy-back provisions set out in AS 16.43.310 - 16.43.320.

* Sec. 10. AS 16.43.300 is amended by adding a new subsection to read:

(c) The commission shall review the optimum number of entry permits for a handtroll fishery at two-year intervals. If the optimum number of entry permits for a handtroll fishery exceeds the maximum number of entry permits established under AS 16.43.240 for the fishery,

the commission shall issue additional permits in accordance with the procedure described in AS 16.43.274(b) - (f).

Chapter 43. Regulation of Entry into Alaska Commercial Fisheries.

Article

1 Creation of the Alaska Commercial Fisheries Entry Commission (§§ 16 43 010 — 16 43 080)
2 Powers and Duties of the Commission (§§ 16 43 100 — 16 43 120)
3 Requirements for Entry Permits (§§ 16 43 140 — 16 43 182)
4 Initial Issuance of Entry Permits (§§ 16 43 200 — 16 43 270)
5 Reduction to Optimum Number of Entry Permits (§§ 16 43 290 — 16 43 330)
6 General Provisions (§§16 43 350 — 16 43 380)

Legislative committee report. — For report on ch 79 SLA 1973 (SCS CSHB 126 am S), see 1973 House Journal p 503, 1973 Senate Journal Supplement No 15

Article 1. Creation of the Alaska Commercial Fisheries Entry Commission.

Section

10 Purpose and findings of fact
20 Alaska Commercial Fisheries Entry Commission
30 Term of office; vacancy
40 Quorum
50 Qualifications
60 Compensation of members of the Alaska Commercial Fisheries Entry Commission
70 Legal counsel
80 Employment of personnel

Sec. 16.43.010. Purpose and findings of fact. (a) It is the purpose of this chapter to promote the conservation and the sustained yield management of Alaska's fishery resource and the economic health and stability of commercial fisheries in the public interest and without unjust discrimination

(b) The legislature finds that commercial fishing for fishery resources has reached levels of participation on both a statewide and an area basis, that have impaired or threaten to impair the economic welfare of the fisheries of the state, the overall efficiency of the harvest, and the sustained yield management of the fishery resource (§ 1 ch 79 SLA 1973)

Access to Alaska's Fishery Sub. Ct.
Op. No. 1, 3rd Judicial Dist., 2/5/91, 5/3/91, 5/9/91

Sec. 16.43.020. Alaska Commercial Fisheries Entry Commission. (a) There is established the Alaska Commercial Fisheries Entry Commission as a regulatory and quasi-judicial agency of the state. The commission consists of three members appointed by the governor and confirmed by the legislature in joint session

(b) The governor shall designate one member of the commission as chairman of the commission. The member designated shall serve as chairman for a term of two years, and may be designated chairman for successive two-year terms. (§ 1 ch 79 SLA 1973)

Sec. 16.43.030. Term of office, vacancy. (a) The members of the commission shall be appointed for terms of four years. Initial appointments shall be as follows: one member for two years. Initial appointments shall be as follows: one member for two years, one member for three years, and one member for four years. The governor may remove a commissioner from office for cause including but not limited to incompetence, neglect of duty, or misconduct in office. A commissioner, to be removed for cause, must be given a copy of the charges against him and afforded an opportunity to be publicly heard in person or by counsel in his own defense upon not less than 10 days notice. If a commissioner is removed for cause, the governor shall file with the lieutenant governor a complete statement of all charges made against the commissioner and his findings based on the charges, together with a complete record of the proceedings.

(b) A vacancy on the commission shall be filled by appointment by the governor and the appointment shall be confirmed by the legislature in joint session. A member selected to fill a vacancy shall hold office for the balance of the full term for which his predecessor on the commission was appointed.

(c) A vacancy on the commission does not impair the authority of a quorum of commissioners to exercise all the powers and perform all the duties of the commission. (§ 1 ch 79 SLA 1973)

Sec. 16.43.040. Quorum. Two members of the commission constitute a quorum for the transaction of business, for the performance of a duty or for the exercise of a power of the commission. (§ 1 ch 79 SLA 1973)

Sec. 16.43.050. Qualifications. The commission shall consist of three members with a broad range of professional experience, none of whom has a vested economic interest in an interim use permit, entry permit, commercial fishing vessel or gear, or in any fishery resource processing or marketing business. (§ 1 ch 79 SLA 1973)

Sec. 16.43.060. Compensation of members of the Alaska Commercial Fisheries Entry Commission. Members of the commission are in the exempt service and shall receive an annual salary as established under AS 39.23. (§ 1 ch 79 SLA 1973, am § 5 ch 47 SLA 1974, am § 1 ch 148 SLA 1976, am § 2 ch 263 SLA 1976)

Effect of amendments. — The 1974 amendment rewrote the section.

The first 1976 amendment deleted "payable in equal monthly installments" from the end of the section.

The second 1976 amendment substituted "as established under AS 39.23 for" for "equal to that of a district court judge, payable in equal monthly installments."

Sec. 16.43.070. Legal Counsel. The attorney general is the legal counsel for the commission. He shall advise the commission in legal matters arising in the discharge of its duties and represent the commission in suits to which it is a party. However, the commission may retain additional legal counsel as appropriate. (§ 1 ch 79 SLA 1973)

Sec. 16.43.080. Employment of personnel. (a) The commission may employ those persons necessary to carry out the purposes of this chapter. Employees of the commission are in the exempt service under AS 39.25.110.

(b) In addition to its staff of regular employees, the commission may contract for and engage the services of consultants, experts and hearing officers as necessary. (§ 1 ch 79 SLA 1973)

Article 2. Powers and Duties of the Commission.

Section
100 General Powers
110 Regulations and hearing procedures
120 Application of Administrative Procedure Act

Sec. 16.43.100. General powers. (a) To accomplish the purposes set out in § 10 of this chapter the commission shall

(1) regulate entry into the commercial fisheries for all fishery resources in the state;

(2) establish priorities for the application of the provisions of this chapter to the various commercial fisheries of the state;

(3) establish administrative areas suitable for regulating and controlling entry into the commercial fisheries;

(4) establish, for all types of gear, the maximum number of entry permits for each administrative area;

(5) designate, when necessary to accomplish the purposes of this chapter, particular species for which separate interim-use permits or entry permits will be issued;

(6) establish qualifications for the issuance of entry permits;

(7) issue entry permits as provided in §§ 210 — 220 of this chapter;

(8) establish, for all types of gear, the optimum number of entry permits for each administrative area;

(10) administer the buy-back program provided for in §§ 310 — 320 of this chapter to reduce the number of outstanding entry permits to the optimum number of entry permits;

(11) provide for the transfer and reissuance of entry permits to qualified transferees;

(12) provide for the transfer and reissuance of entry permits for alternative types of legal gear in a manner consistent with the purposes of this chapter;

(13) administer the collection of the annual fees provided for in § 160 of this chapter;

(14) administer the issuance of commercial fishing vessel licenses under AS 16.05.490;

(15) issue educational entry permits to applicants who qualify under the provisions of §§ 275—285 of this chapter.

(b) The commission may do all things necessary to the exercise of its powers under this chapter, whether or not specifically designated in this chapter. (§ 1 ch 79 SLA; § 14 ch 105 SLA 1977, am § 3 ch 123 SLA 1978)

Effect of amendments. — The 1977 amendment effective January 1, 1978, added paragraph (14) to subsection (a).

The 1978 amendment, effective July 9, 1978, added paragraph (15) to subsection (a).

(8) issue interim-use permits as provided in §§ 210-220 of this chapter;

Sec. 16.43.110. Regulations and hearing procedures. (a) The commission may adopt regulations consistent with law necessary or proper in the exercise of its powers or for the performance of its duties under this chapter.

(b) The commission shall adopt regulations, consistent with due process of law, which govern practice and procedure and the conduct of all investigations, hearings and proceedings which it holds.

(c) Common-law rules of evidence apply to investigations, hearings and proceedings before the commission, except when the commission determines that their application is not required in order to assure fair treatment of all parties and that the evidence is relevant and of the sort on which responsible persons are accustomed to rely in the conduct of serious matters.

(d) The commission, each commissioner or an employee authorized by the commission may administer oaths, certify to all official acts, and issue subpoenas and other process to compel the attendance of witnesses and the production of testimony, records, papers, accounts and documents in an inquiry, investigation, hearing, or proceeding before the commission in any part of the state. The commission may petition a court to enforce its subpoenas or other process. (§ 1 ch 79 SLA 1973)

Sec. 16.43.120. Application of Administrative Procedure Act. (a) The administrative adjudication procedures of the Administrative Procedure Act (AS 44.62) do not apply to adjudicatory proceedings of the commission except that final administrative determinations by the commission are subject to judicial review as provided in AS 44.62.560 — 44.62.570.

(b) AS 44.62.010 — 44.62.320 and 44.62.640 apply to regulations adopted by the commission. (§ 1 ch 79 SLA 1973)

Article 3. Requirements for Entry Permits.

Section
140 Permit required
150 Terms and conditions of entry permit, annual renewal
160 Fees
170 Transfer of entry permits
180 Emergency transfers
182 Entry permit deductible as business expense

Sec. 16.43.140. Permit required. (a) After January 1, 1974, no person may operate gear in the commercial taking of fishery resources without a valid entry permit or a valid interim use permit issued by the commission.

(b) A permit is not required of a crewman or other person assisting in the operation of a unit of gear engaged in the commercial taking of fishery resources as long as the holder of the entry permit or the interim use permit for that particular unit of gear is at all times present and actively engaged in the operation of the gear.

(c) A person may hold more than one interim use or entry permit issued or transferred under this chapter only for the following purposes:

(1) fishing more than one type of gear;

(2) fishing in more than one administrative area;

(3) harvesting particular species for which separate interim use or entry permits are issued. (§ 1 ch 79 SLA 1973)

Applied in Kaldveer v. Rippey, Sept. [illegible]
Op. No. 1267 (File No. [illegible]) [illegible]

Sec. 16.43.150. Terms and conditions of entry permit; annual renewal. (a) Each entry permit authorizes the permittee to operate a unit of gear within a specified administrative area.

(b) The holder of an entry permit shall have the permit in his possession at all times when engaged in the operation of gear for which it was issued.

(c) Each entry permit is issued for a term of one year and is renewable annually.

(d) Failure to renew an entry permit for a period of two years from the date of last renewal results in a forfeiture of the entry permit to the commission, except as waived by the commission for good cause.

(e) An entry permit constitutes a use privilege which may be modified or revoked by the legislature without compensation.

(f) An entry permit survives the death of the holder.

(g) Except as provided in AS 16.10.333 — AS 16.10.337, an entry permit may not be

(1) pledged, mortgaged, leased, or encumbered in any way;

(2) transferred with any retained right of repossession or foreclosure; or

(3) attached, distrained, or sold on execution of judgment or under any other process or order of any court. (am § 6 ch 83 SLA 1978)

(h) Upon the death of an entry permit holder, the permanent permit shall be transferred by the commission directly to the surviving spouse by right of survivorship unless a contrary intent is manifested. When no spouse survives, the rights of the decedent pass as part of his estate. (§ 1 ch 79 SLA 1973, am §§ 1, 2 ch 73 SLA 1977)

Effect of amendment. — The 1978 amendment, effective July 1, 1978, added "Except as provided in AS 16.10.333 — 16.10.337" to the beginning of subsection (g).

As the rest of the section was not affected by the amendment, it is not set out.

Sec. 16.43.160. Fees. (a) The commission shall establish annual fees for the issuance and annual renewal of entry permits or interim use permits. The amount paid by a permit holder under the provisions of AS 16.05.480 shall be credited by the commission toward payment of the fee charged under this section. No more than one credit may be obtained annually by a person.

(b) Annual fees established under this section shall be no less than $10 and no more than $750 and shall reasonably reflect the different rates of economic return for different fisheries.

(c) The resident holder of an entry permit or interim use permit who has a net family income falling within the Federal Community Services Administration poverty guidelines, adjusted by the commission to reflect appropriate cost of living differentials, is subject to a maximum annual fee of $15. (§ 1 ch 79 SLA 1973, am § 15 ch 105 SLA 1977, am § 4 ch 123 SLA 1978)

Effect of amendments. — The 1977 amendment, effective January 1, 1978, added "to reflect the cost of administering the program" at the end of the first sentence of subsection (a), substituted "$750" for "$100" in subsection (b), and substituted "Federal Community Services Administration poverty guidelines, adjusted by the commission to reflect appropriate cost of living differentials" for "Federal Social Security Administration guidelines" in subsection (c).

The 1978 amendment, effective July 1, 1978, and retroactive to January 1, 1978, substituted "$15" for "$5" in subsection (c).

Sec. 16.43.170. Transfer of entry permits. (a) Except as provided in AS 16.10.333 — 16.10.337 entry permits and interim-use permits are transferable only through the commission as provided in this section and § 180 of this chapter and under regulations adopted by the commission.

(b) Except as provided in (c) of this section, the holder of an entry permit may transfer his permit to another person or to the commission upon 60 days notice of intent to transfer under regulations adopted by the commission. No sooner than 60 days nor later than 12 months from the date of notice to the commission, the holder of an entry permit may transfer his permit. If the proposed transferee, other than the commission, can establish present ability to participate actively in the fishery, the commission shall approve the transfer and reissue the entry permit to the transferee.

(c) If the number of outstanding entry permits for a fishery is greater than the optimum number of entry permits established under §§ 290—300 of this chapter, the holder of an entry permit who qualified for that entry permit in a priority classification designated under § 250(c) of this chapter may transfer his permit only to the commission. The transfer to the commission shall be made under the buy-back provisions of §§ 310—320 of this chapter.

(d) Repealed by § 9 ch 73 SLA 1977. (§ 1 ch 79 SLA 1973, am § 1 ch 126 SLA 1974, am §§ 3, 4, 9 ch 73 SLA 1977, am § 7 ch 83 SLA 1978)

Effect of amendment.

The 1978 amendment, effective July 1, 1978, added "Except as provided in AS 16.10.333—16.10.337," to the beginning of subsection (a).

As the rest of the section was not affected by the amendment, it is not set out.

Sec. 16.43.180. Emergency transfers. (a) The commission shall adopt regulations providing for the temporary emergency transfer of entry permits and interim use permits when illness, disability, death, required military or government service, or other unavoidable hardship prevents the permit holder from participating in the fishery. To alleviate hardship pending a final determination of the permit holder's eligibility for an entry permit, the commission shall adopt regulations providing for the temporary emergency transfer of an interim use permit issued under § 210(b) of this chapter.

(b) The commission shall adopt regulations providing for the temporary transfer of an entry permit upon the death of the permittee pending final disposition of the permit as a part of the permittee's estate. (§ 1 ch 79 SLA 1973, am § 5 ch 73 SLA 1977, am § 5 ch 123 SLA 1978)

Effect of amendment.

The 1978 amendment rewrote subsection (a).

Sec. 16.43.182. Entry permit deductible as business expense. An entry permit purchased under this chapter is deductible as a business expense as provided in AS 43.20.011(h). (§ 9 ch 73 SLA 1977)

Article 4. Initial Issuance of Entry Permits.

Section
200 Administrative areas
210 Interim use permit; qualifications
220 Terms and conditions of interim use permits
230 Designation of distressed fisheries
240 Determination of the maximum number of entry permits for initial issue
250 Standards for initial issue of entry permits
260 Application for initial issue of entry permits
270 Initial issuance of entry permits

Sec. 16.43.200. Administrative areas. (a) The commission shall establish administrative areas suitable for regulating and controlling entry into the commercial fisheries. The commission shall make the administrative areas reasonably compatible with the geographic areas for which specific commercial fishing regulations are adopted by the Board of Fisheries.

(b) The commission may modify or change the boundaries of administrative areas when necessary and consistent with the purposes of this chapter. (§ 1 ch 79 SLA 1973; am § 30 ch 206 SLA 1975)

Effect of amendment. — The 1975 amendment substituted "Board of Fisheries" for "Board of Fish and Game" at the end of the second sentence of subsection (a).

Sec. 16.43.210. Interim-use permit; qualifications. (a) Pending the establishment of the maximum number of entry permits under § 240 of this chapter and the issuance of entry permits under § 270 of this chapter, the commission shall issue interim use permits under regulations promulgated by the commission for each fishery, to all applicants who can establish their present ability to participate actively in the fishery for which they are making application, except as provided under (e) of this section.

(b) Before the issuance of the maximum number of entry permits for a given fishery, the commission may issue an interim use permit to an applicant who may later become eligible for an entry permit under § 270 of this chapter.

(c) To the extent that the commissioner of fish and game authorizes it under AS 16.05.050(a)(11), the commission may grant an interim use permit to a person to engage in the commercial taking from a fishery on an experimental basis.

(d) The sustained yield management and economic health of the following fisheries is severely impaired as a result, among other factors, of too many units of gear participating in the commercial harvest:

(1) Bristol Bay registration area — drift gillnet fishery;

(2) Cook Inlet registration area — drift gillnet fishery;

(3) Prince William Sound registration area — drift gillnet fishery.

(e) For a fishery specified under (d) of this section, an interim use permit may be issued for 1974 only to an applicant who has harvested the fishery resource commercially while holding a gear license issued under AS 16.05.510(a) — 16.05.570. Before January 1, 1977. (§ 1 ch 79 SLA 1973)

Editor's note. — Alaska Statutes 16.05.536 and 16.05.620, referred to in subsection (a), were repealed by § 12 ch 71 SLA 1972 and § 2 ch 159 SLA 1978, respectively. Alaska Statutes 16.05.540 — 16.05.650 and 16.05.670, referred to in subsection (a), were repealed by § 19 ch 105 SLA 1977, effective January 1, 1978.

Sec. 16.43.220. Terms and conditions of interim-use permits. (a) The commission shall adopt regulations specifying the dates and places of application, the procedures to be followed in renewal of the interim-use permit including the time, place of its renewal, and for any other purpose incident to the administration of interim-use permits for that fishery. An interim-use permit shall expire upon the final determination of the holder's eligibility for an entry permit.

(b) Repealed by § 9 ch 73 SLA 1977.

(c) The holder of an interim-use permit must have the permit in his possession at all times when engaged in the operation of the gear for which it was issued. (§ 1 ch 79 SLA 1973; am § 2 ch 126 SLA 1974; am § 9 ch 73 SLA 1977)

Effect of amendments. — The 1974 amendment, in subsection (b), deleted from the end of the first sentence provisions relating to causes of hardship and to the duration of a temporary transfer of an interim-use permit.

The 1977 amendment repealed subsection (b), which read: The commission shall adopt regulations for the temporary transfer of interim-use permits to alleviate hardship. Interim-use permits are otherwise nontransferable.

Sec. 16.43.230. Designation of distressed fisheries. Pending the determination of maximum numbers of entry permits under § 240 of this chapter and before the initial issue of entry permits under § 270 of this chapter, the commission shall designate as distressed fisheries those for which it estimates that the optimum number of entry permits will be less than the highest number of units of gear fished in that fishery during any one of the four years immediately preceding January 1, 1973. (§ 1 ch 79 SLA 1973)

Sec. 16.43.240. Determination of the maximum number of entry permits for initial issue. (a) Except as provided in § 270(a) of this chapter, the maximum number of entry permits for a distressed fishery designated under § 230 of this chapter shall be the highest number of units of gear fished in that fishery during any one of the four years immediately preceding January 1, 1973.

(b) When the commission finds that a fishery not designated as a distressed fishery under § 230 of this chapter has reached levels of participation which require the limitation of entry in order to achieve the purposes of this chapter, the commission shall establish the maximum number of entry permits for that fishery. (§ 1 ch 79 SLA 1973)

Sec. 16.43.250. Standards for initial issue of entry permits. (a) Following the establishment of the maximum number of units of gear for a particular fishery under § 240 of this chapter, the commission shall adopt regulations establishing qualifications for ranking applicants for entry permits according to the degree of hardship which they would suffer by exclusion from the fishery. The regulations shall define priority classifications of similarly situated applicants based upon a reasonable balance of the following hardship standards:

(1) degree of economic dependence upon the fishery, including but not limited to percentage of income derived from the fishery, reliance on alternative occupations, availability of alternative occupations, investment in vessels and gear,

(2) extent of past participation in the fishery, including but not limited to the number of years participation in the fishery, and the consistency of participation during each year

(b) The commission shall designate in the regulations those priority classifications of applicants who would suffer significant economic hardship by exclusion from the fishery

(c) The commission shall designate in the regulations those priority classifications of applicants who would suffer only minor economic hardship by exclusion from fishery (§ 1 ch 79 SLA 1973)

Determinative factor in allocation of initial permits. — The legislative history rather clearly demonstrates that from the outset the framers of this legislation intended "hardship" to be the determinative factor in the allocation of the initial free limited entry permits Isaakson v Rickey, Sup Ct Op No 1267 (File No 2550), 550 P 2d 359 (1976)

Sec. 16.43.260. Application for initial issue of entry permits. (a) The commission shall accept applications for entry permits only from applicants who have harvested fishery resources commercially while participating in the fishery as holders of gear licenses issued under AS 16 05 536 — 16 05 670 before the qualification date established in (d) or (e) of this section

(b) The commission shall establish the opening and closing dates, places and form of application for entry permits for each fishery The commission may require the submission of specific verified evidence establishing the applicant's qualifications under the regulations adopted under § 250 of this chapter

(c) When an applicant is unable to establish his qualifications for an entry permit by submitting the specific verified evidence required in the application by the commission, he may request and obtain an administrative adjudication of his application according to the procedures established in § 110(b) of this chapter At the hearing he may present alternative evidence of his qualifications for an entry permit

(d) Except as provided in (e) of this section, an applicant shall be assigned to a priority classification based solely upon his qualifications as of January 1, 1973

(e) When the commission establishes the maximum number of entry permits for a particular fishery under § 240 of this chapter after January 1, 1975, an applicant shall be assigned to a priority classification based solely upon his qualifications as of January 1 of the year during which the commission establishes the maximum number of entry permits for the fishery for which application is made (§ 1 ch 79 SLA 1973, am § 3 ch 126 SLA 1974)

Editor's note — Alaska Statutes 16 05 536 and 16 05 620 referred to above were repealed by § 12 ch 71 SLA 1972 and § 11 ch 159 SLA 1968 respectively Alaska Statutes 16 05 510 through 16 05 650 and 16 05 670 referred to above were repealed by § 19 ch 105 SLA 1977 effective January 1, 1978

Effect of amendment — The 1974 amendment substituted "the qualification date established in (d) or (e) of this section" for "January 1, 1973" at the end of subsection (a)

Subsection (e) is unconstitutional — Subsection (e) which limits applications for entry permits to persons holding gear

licenses prior to January 1, 1973, violates the equal protection rights, guaranteed by the state and federal constitutions, of commercial fishermen who obtained gear licenses after January 1, 1973. Isakson v. Rickey, Sup. Ct. Op. No. 1267 (File No. 2550), 550 P.2d 359 (1976).

Holding a gear license before January 1, 1973, does not bear a fair and substantial relation to the purpose of the legislation, which is the segregation of hardship and nonhardship cases. Isakson v. Rickey, Sup. Ct. Op. No. 1267 (File No. 2550), 550 P.2d 359 (1976).

Because persons are automatically excluded from the class eligible to apply for permits, in spite of active participation and economic dependence upon the fishery, the January 1, 1973 classification is under-inclusive with respect to persons allowed to apply for permits. Because persons who have long since retired and have no economic dependence upon the fishery as of the cutoff date are allowed to apply for entry permits, the classification is overbroad with respect to those allowed to apply. Isakson v. Rickey, Sup. Ct. Op. No. 1267 (File No. 2550), 550 P.2d 359 (1976).

Purpose of provision in subsection (a) limiting applications. — In essence, the purpose of the provision in subsection (a) limiting applications for entry permits to those holding gear licenses prior to January 1, 1973 was to segregate hardship and nonhardship cases at the application phase of the permit issuance process. Isakson v. Rickey, Sup. Ct. Op. No. 1267 (File No. 2550), 550 P.2d 359 (1976).

Subsection (a) was not intended to modify the allocation policy of the legislation, but rather was adopted to further that policy by simplifying the ranking process. Isakson v. Rickey, Sup. Ct. Op. No. 1267 (File No. 2550), 550 P.2d 359 (1976).

When the act is viewed as a whole, it becomes apparent that the contested provision in subsection (a) was inserted because it was assumed that those persons who obtained gear licenses after January 1, 1973 would be unable to demonstrate the requisite hardship for an entry permit. Hence, for the sake of administrative convenience, it was decided that they need not even submit applications to the commission. Isakson v. Rickey, Sup. Ct. Op. No. 1267 (File No. 2550), 550 P.2d 359 (1976).

Sec. 16.43.270. Initial issuance of entry permits. (a) The commission shall issue entry permits, for each fishery, first to all qualified applicants in the priority classifications designated under § 250(b) of this chapter and then to qualified applicants in order of descending priority classification, until the number of entry permits issued equals the maximum number of entry permits established under §§ 230 — 240 of this chapter for each fishery, except that no person within a priority classification specified under § 250(b) of this chapter may be denied an entry permit.

(b) If, within the lowest priority classification of qualified applicants to which some entry permits may be issued, there are more applicants than there are entry permits to be issued, then the allocation of entry permits within that priority classification shall be by lottery.

(c) If, at the time entry permits are issued, some applicants are still appealing the findings of an administrative adjudication under § 260 of this chapter, a sufficient number of permits shall be reserved out of the permits to be issued to protect the rights of those applicants, assuming all the appeals will be resolved in favor of the applicants. In the event that all appeals are not resolved in favor of the applicants, the remaining entry permits shall be allocated to the next most qualified applicants as provided in (a) and (b) of this section. (§ 1 ch 79 SLA 1973)

Article 4A. Educational Entry Permits.

Section
275 Education entry permits
277 Term and conditions of eductional entry permit
279 Disposition of fish
281 Accounting of harvest
283 Adoption of regulations
285 Definition

Article
4A Educational Entry Permits (§§ 16.43.275 — 16.43.285)

Effective date of article. — Section 14, ch. 123, SLA 1978 makes this article effective July 9, 1978, in accordance with AS 01.10.070(c).

Sec. 16.43.275. Educational entry permits. (a) In addition to entry permits and interim-use permits, the commission may issue educational entry permits to public, private or denominational educational institutions accredited by the Department of Education or accredited institutions, career or vocational programs approved by the Alaska Commission on Postsecondary Education, or full-time nonprofit residential child care facilities licensed by the Department of Health and Social Services, division of social services, if

(1) the program is offered to students at the junior high school level or above;

(2) the issuance of an educational entry permit is reasonably necessary to the instruction of students under courses offered by the applicant for the educational entry permit;

(3) the program is offered by an institution which is located in the state and has been in operation for at least two years; and

(4) the institution offering the program is not a correspondence institution.

(b) An educational entry permit may only be used in a program conducted by the recipient of the permit for the purpose of training students in the methods of commercial fishing.

(c) The commission may issue educational entry permits notwithstanding the establishment of maximum or optimum numbers under §§ 270 and 290 of this chapter. (§ 10 ch. 123 SLA 1978)

Sec. 16.43.277. Term and conditions of educational entry permit. (a) Educational entry permits may be applied for on an annual basis and shall be issued for a term of one year. The permits are non-transferable.

(b) A recipient may be issued an educational entry permit for each fishery in the administrative area the commission determines to be appropriate, considering the nature of the educational program and the location of the educational or vocational institution. The recipient of an educational entry permit may not be issued educational entry permits in more than one administrative area except as issued by the commission in its discretion upon good cause shown.

(c) An educational entry permit issued under § 275 of this chapter may be used by any agent or employee authorized by the recipient of the educational entry permit.

(d) Annual fees for educational entry permits shall be as specified by commission regulation under the authority of § 180 of this chapter. (§ 10 ch. 123 SLA 1978)

Sec. 16.43.279. Disposition of fish. Fish caught under the authority of an educational entry permit are the property of the recipient of the permit. The recipient may sell the fish and use the proceeds to pay for the costs of the training program. Revenues generated from the sale

of fish harvested under an educational entry permit shall be paid to the general fund to the extent the revenues exceed costs of the training program. (§ 10 ch 123 SLA 1978)

Sec. 16.43.281. Accounting of harvest. The recipient of an educational entry permit shall report to the commission costs and earnings, amount of harvest, and other information the commission requires to monitor training programs of recipients of educational entry permits. (§ 10 ch 123 SLA 1978)

Sec. 16.43.283. Adoption of regulations. (a) Use privileges granted under §§ 275 — 285 of this chapter are subject to the regulations of the Board of Fisheries which may adopt regulations exclusively applicable to the use of educational entry permits.

(b) The commission shall publish regulations relating to the issuance of educational entry permits, establishing eligibility criteria for recipients of the permits, and such other matters as are reasonably necessary to implement §§ 275 — 285 of this chapter. (§ 10 ch 123 SLA 1978)

Sec. 16.43.285. Definition. For the purposes of §§ 275 — 285 of this chapter, the term "recipient" means the entity to which an educational entry permit is issued. (§ 10 ch 123 SLA 1978)

Article 5. Reduction to Optimum Number of Entry Permits.

Section
290 Optimum number of entry permits
300 Revisions of optimum number of entry permits
310 Establishment of buy back funds
320 Administration of the buy back program
330 Issuance of new entry permits

Sec. 16.43.290. Optimum number of entry permits. Following the issuance of entry permits under § 270 of this chapter, the commission shall establish the optimum number of entry permits for each fishery based upon a reasonable balance of the following general standards:

(1) the number of entry permits sufficient to maintain an economically healthy fishery that will result in a reasonable average rate of economic return to the fishermen participating in that fishery, considering time fished and necessary investments in vessels and gear;

(2) the number of entry permits necessary to harvest the allowable commercial take of the fishery resource during all years in an orderly, efficient manner and consistent with sound fishery management techniques;

(3) the number of entry permits sufficient to avoid serious economic hardship to those currently engaged in the fishery, considering other economic opportunities reasonably available to them. (§ 1 ch 79 SLA 1973)

Sec. 16.43.300. Revisions of optimum number of entry permits. (a) The commission may increase or decrease the optimum number of entry permits for a fishery when one or more of the following conditions makes a change desirable considering the purposes of this chapter:

(1) an established long-term change in the biological condition of the fishery has occurred;

which substantially alters the optimum number of entry permits permissible applying the standards set out in § 290 of this chapter;

(2) an established long-term change in market conditions has occurred, directly affecting the fishery, which substantially alters the optimum number of entry permits permissible under the standards set out in § 290 of this chapter.

(b) If the commission decreases the optimum number of entry permits for a fishery, the number of entry permits may be reduced only under the voluntary buy-back provisions set out in §§ 310 — 320 of this chapter. (§ 1 ch 79 SLA 1973)

Sec. 16.43.310. Establishment of buy-back funds. (a) When the optimum number of entry permits is less than the number of entry permits outstanding in a fishery, the commission shall establish and administer a buy-back fund for that fishery for the purpose of reducing the number of entry permits to the optimum number within no more than 10 years, at a rate to be established by the commission.

(b) For each buy-back fund, the commission shall adopt regulations establishing annual assessments on holders of entry permits of not more than seven per cent of the gross value of the total annual catch attributable to a holder's entry permit, except that the holder of a permit who has made no commercial landings in a given year will be assessed the average assessed all other holders of the same type of permit in that year. Assessments will be paid into the specific buy-back fund for which they are collected.

(c) Assessments need not equal annual buy-back fund expenditures within a particular fishery but shall be continued until the buy-back fund for that fishery has been reimbursed. (§ 1 ch 79 SLA 1973)

Sec. 16.43.320. Administration of the buy-back program. (a) The commission shall adopt regulations providing for the purchase of entry permits, vessels, and gear at fair market value with money accumulated in the buy-back fund for each fishery. The buy-back program for a fishery shall terminate when the number of entry permits is reduced to the optimum and the buy back fund has been reimbursed.

(b) When entry permits subject to the restrictions in § 250(c) of this chapter and the vessels and gear related to those permits are offered for sale to the commission, the commission shall purchase the permits and related vessels and gear at fair market value, if sufficient funds are available in the appropriate buy-back fund. (§ 1 ch 79 SLA 1973)

Sec. 16.43.330. Issuance of new entry permits. (a) When the number of outstanding entry permits for a fishery is less than the optimum number established under § 290 of this chapter, the commission shall issue new entry permits to applicants who are presently able to engage actively in the fishery until the optimum number is reached.

(b) The commission shall determine equitable methods of issuance, as appropriate, under (a) of this section that assure the receipt of fair market value for the permits issued. (§ 1 ch 79 SLA 1973)

Article 6. General Provisions.

Section

350. Applications of regulations of Board of

Section

370. Recommendations to the legislature

Fisheries
355 Commission revocation of entry permits
360 Penalties
380 Definitions

Sec. 16.43.350. Applications of regulations of Board of Fisheries. Nothing in this chapter limits the powers of the Board of Fisheries, including the power to determine legal types of gear and the power to establish size limitations or other uniform restrictions applying to a certain type of gear. Holders of interim-use permits or entry permits issued under this chapter are subject to all regulations adopted by the Board of Fisheries (§ 1 ch 79 SLA 1973; am § 31 ch 206 SLA 1975)

Effect of amendment. — The 1975 amendment substituted "Board of Fisheries" for "Board of Fish and Game" in the first and second sentences.

Sec. 16.43.355. Commission revocation of entry permits. (a) The commission may revoke an entry permit if a person knowingly supplies, assists in supplying, or fails to correct false information provided to the commission for the purpose of

(1) permit application; or

(2) permit transfer.

(b) Before revocation, the commission shall serve the permit holder personally or by certified or registered mail with a notice to show cause why the proposed action should not take place. The notice to show cause must

(1) be supported by an affidavit which may be made on information or belief setting out the facts which are the basis of the proposed action;

(2) provide for at least 30 days notice of the place, date, and time of the hearing where the permit holder may present evidence in opposition to the proposed action; unless waived in writing by the permit holder, the hearing place shall be held within the judicial district in which the permit holder resides; if the permit holder resides in the state, the hearing place shall be at the discretion of the commission for those permit holders residing outside the state;

(3) specify the statutes or regulations violated;

(4) state with particularity the action proposed to be taken;

(5) indicate to the permit holder that his ability to permanently transfer the permit which is the subject of the revocation proceedings has been suspended as of the date of the notice and will continue to be suspended until the exhaustion of all administrative and judicial remedies; and

(6) provide other information the commission considers proper.

(c) A permit subject to revocation proceedings under this section may not be transferred after the date of the notice in (b) of this section pending exhaustion of all administrative and judicial remedies arising from action taken under this section.

(d) The revocation hearing shall be conducted before a quorum of commissioners and shall be presided over by a hearing officer appointed by the commission who shall rule on the presentation of evidence and other procedural matters. Within a reasonable time after the conclusion of the hearing, the hearing officer shall submit to the attending commissioners a proposed decision based on the record of the hearing and containing findings of fact, conclusions of law, and recommended action. The attending commissioners shall then review the hearing officer's proposed decision and adopt or amend or reject the contents of the

proposed decision in the written decision of the commission. A copy of the commission decision shall be mailed to each party or his attorney by certified or registered mail.

(e) The failure of a permit holder properly served under (b) of this section to appear at the hearing is not grounds for setting aside any commission action taken. However, the commission may in its discretion order a continuance or second hearing.

(f) The effective date of the commission decision under this section is the date of the notice to show cause first served upon the permit holder under (b) of this section.

(g) The provisions of this section do not apply to the permit of a person who is a bona fide purchaser.

(h) Judicial review of commission determinations under this section is in accordance with AS 44.62.560 — 44.62.570, however, if a hearing de novo is granted under AS 44.62.570(d), the hearing may, in the discretion of the court, be had with a jury sitting if application for the jury hearing is filed with the court no later than 10 days after service of the notice of appeal. (§ 6 ch 123 SLA 1978)

Effective date. — Section 14, ch 123, SLA 1978, makes this section effective July 9, 1978, in accordance with AS 01.10.070(c).

Sec. 16.43.360. Penalties. (a) A person who violates or assists in the violation of a provision of this chapter or a regulation promulgated under this chapter is, upon conviction, guilty of a misdemeanor and is punishable by a fine of not more than $5,000 for a first conviction, and a fine of not more than $10,000 for a second or third conviction. Upon a third conviction, the person shall forfeit all interim use and entry permits held by him and loses eligibility for future issuance or transfer of interim use or entry permits for a period of three years. Upon a first or second conviction under this section, the court may in its discretion order a forfeiture of interim use or entry permits held by him as well as a loss of eligibility for future issuance or transfer of interim use or entry permits or order a suspension of fishing rights under interim use or entry permits held or to be held by him for a period of not more than three years.

(b) A person who knowingly makes a false statement of fact in the application for or renewal of an interim use permit or an entry permit or vessel license application or renewal or in the application for a transfer under §§ 170 — 180 of this chapter, or a person who assists another by knowingly making a false statement of fact in support of the other person's application for issuance or renewal of an interim use permit or an entry permit or vessel license is guilty of a misdemeanor and shall forfeit all interim use permits and entry permits held by him and shall lose eligibility for interim use permits and for entry permits for a period of three years and is punishable by a fine of not more than $5,000.

(c) If a permit holder is convicted of violation of AS 43.20.335 and the violation relates to income derived from commercial fishing under this title, he shall forfeit all interim use permits and entry permits held by him and shall lose eligibility for interim use permits and for entry permits for a period of five years.

(d) If a permit holder is charged by the state with violating a provision of this chapter or a regulation adopted under this chapter, he may not transfer, under § 170 of this chapter, any interim use or entry permit he may hold, until after the final adjudication or dismissal of the charges.

(e) Notwithstanding any other provision of this section, no interim-use or entry permit may be transferred while under suspension, without the consent of the commission.
(§ 1 ch 79 SLA 1973; am § 7 ch 73 SLA 1977; am §§ 7 — 9 ch 123 SLA 1978)

Effect of amendment.

The 1978 amendment, effective July 9, 1978, in the first sentence of subsection (a) inserted "or assists" after "the violation of", substituted "preceding" for "upon", "conviction" and "or" for "and", "third" for "a", substituted "and" for a semicolon following "for a first conviction" and deleted the language providing a penalty for a third conviction from the end of that sentence. The amendment also added the second and third sentences of subsection (a), and in subsection (b), inserted "knowingly" near the beginning and near the middle, "or renewal of" near the beginning, "or vessel license application or renewal" near the beginning and "or renewal" near the middle, deleted a material preceding "fact" near the beginning and near the middle and substituted "vessel license for transfer of an entry permit upon conviction" near the middle and "three years and is punishable by a fine of not more than $5,000" for "five years" at the end. Moreover, the amendment added subsection (e).

As the rest of the section was not affected by the amendment, it is not set out.

Sec. 16.43.370. Recommendations to the legislature. (a) The commission shall submit an annual report to the legislature. The report shall include but not be limited to the following:

(1) a progress report on the reduction of entry permits to optimum levels;

(2) recommendations for additional legislation relating to the regulation of entry into Alaska commercial fisheries.

(b) The commission shall study alternative methods of permit transferability and report its findings and recommendations to the legislature before January 15, 1975. (§ 1 ch 79 SLA 1973)

Sec. 16.43.380. Definitions. In this chapter

(1) "commission" means the Alaska Commercial Fisheries Entry Commission;

(2) "economically healthy fishery" means a fishery that yields a sufficient rate of economic return to the fishermen participating in it to provide for, among other things, the following:

(A) maintenance of vessels and gear in satisfactory and safe operating condition; and

(B) ability and opportunity to improve vessels, gear and fishing techniques, including, when permissible, experimentation with new vessels, new gear, and new techniques;

(3) "fishery" means the commercial taking of a specific fishery resource in a specified administrative area with a specific type of gear;

(4) "gear" means the specific apparatus used in the commercial harvest of a species, including but not limited to purse seines, drift gill nets, set gill nets, and troll gear;

(5) "person" means a natural person and does not include a corporation, company, partnership, firm, association, organization, business trust, or society;

(6) "present ability to actively participate" means the person applying for a permit is physically able to harvest fish in the fishery and has reasonable access to commercial fishing gear of the type utilized in that fishery.

(7) "priority classification" means the allocation of potential permit applicants into reasonable groupings of similarly situated applicants and the priority ranking of those groupings according to the extent to which they satisfy the standards of preference;

(8) "type of gear" means a customary and identifiable classification of gear and shall include

(A) those classifications for which separate regulations are adopted by the Board of Fisheries and for which separate gear licenses are required by AS 16.05.550 — 16.05.630; and

(B) distinct subclassifications of gear such as "power" troll gear and "hand" troll gear;

(9) "unit of gear" means the maximum amount of a specific type of gear which can be fished under a single gear license subject to regulations established by the Board of Fisheries defining the legal requirements for that type of gear. (§ 1 ch 79 SLA 1973; am §§ 32,33 ch 206 SLA 1975)

Effect of amendment. — The 1975 amendment substituted "Board of Fisheries" for "Board of Fish and Game" in paragraphs (8)(A) and (9).

Editor's note. — Alaska Statutes 16.05.550 — 16.05.630 referred to in paragraph (8)(A) were repealed by § 19, ch 105 SLA 1977, effective January 1, 1978. Alaska Statute 16.05.620 had previously been repealed by § 2, ch 159 SLA 1968.

TITLE 20.

Chapter 05.

COMMERCIAL FISHERIES ENTRY COMMISSION

January 1980

CHAPTER 05
COMMERCIAL FISHERIES ENTRY COMMISSION

Article
1 Permits and Vessel License Required (20 AAC 05.010–20 AAC 05.130)
2 Fishery Identification System, Administrative Areas and Annual Fees (20 AAC 05.200–20 AAC 05.240)
3 Designated Fisheries (20 AAC 05.300–20 AAC 05.320)
4 Interim-use Permits (20 AAC 05.400–20 AAC 05.430)
5 Issuance of Entry Permits (20 AAC 05.500–20 AAC 05.579)
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7 Transfer of Entry and Interim-use Permits (20 AAC 05.700–20 AAC 05.770)
8 Administrative Hearings and Adjudications (20 AAC 05.800–20 AAC 05.855)
9 Miscellaneous Provisions (20 AAC 05.900–20 AAC 05.990)

ARTICLE 1
PERMITS AND VESSEL LICENSE REQUIRED

Section
10 (Repealed)
20 (Repealed)
30 (Repealed)
40 (Repealed)
50 (Repealed)
60 (Repealed)
100 Permit required to operate gear
110 Permit required to possess fish or shellfish
115 Personal identification required
120 Incidental taking of fishery resources
130 Vessel license required

20 AAC 05.010. ADMINISTRATIVE AREAS. Repealed 12/18/74.

20 AAC 05.020. FEES. Repealed 12/18/74.

20 AAC 05.030. APPLICATION PROCEDURES. Repealed 12/18/74.

20 AAC 05.040. ANNUAL RENEWAL. Repealed 12/18/74.

20 AAC 05.050. TEMPORARY TRANSFER. Repealed 12/18/74.

20 AAC 05.060. NOTIFICATION OF LOSS OR THEFT. Repealed 12/18/74.

20 AAC 05.100. PERMIT REQUIRED TO OPERATE GEAR. (a) It is unlawful for any person to operate gear, within water subject to the jurisdiction of the state, for the commercial taking of any fishery resource without a valid interim-use or entry permit card issued by the commission authorizing him to operate that type of gear in that fishery unless waived by the commission for good cause.

(b) Repealed 1/1/78.

(Eff. 12/18/74, Reg. 52; am 1/1/78, Reg. 64)

Authority: AS 16.43.100(b)
AS 16.43.110(a)

20 AAC 05.110. PERMIT REQUIRED TO POSSESS FISH OR SHELLFISH. (a) It is unlawful for any person to possess, within water subject to the jurisdiction of the state, any fish or shellfish, taken for a commercial purpose, aboard a fishing vessel commonly used for taking that species of fish or shellfish unless the person has in his possession a valid interim-use or entry permit card allowing him to take the fish or shellfish in his possession with the gear with which the vessel is equipped unless waived by the commission for good cause.

(b) As used in this section, a "commercial purpose" includes any sale, purchase, trade, gift, or any portion of a commercial transaction.

(Eff. 12/18/74, Reg. 52; am 1/1/78, Reg. 64)

Authority: AS 16.43.100(b)
AS 16.43.110(a)

20 AAC 05.115. PERSONAL IDENTIFICATION REQUIRED. (a) Any person who is in possession of an interim-use or entry permit card issued by the commission shall, upon request of any officer authorized by the State of Alaska to enforce this chapter, present personal identification to the officer to establish that the card is in the possession of the person to whom it was issued. The interim-use or entry permit card is not sufficient proof of identity.

(b) Presentation of sufficient proof of identity to the officer within two weeks of the date of request satisfies the requirements of (a) of this section. (Eff. 12/27/79, Reg. 72)

Authority: AS 16.43.100(b)
AS 16.43.110(a)

20 AAC 05.120. INCIDENTAL TAKING OF FISHERY RESOURCES. (a) In Administrative Area B (Statewide) holders of valid interim-use permits for salmon hand troll gear and holders of valid entry permits for salmon power troll gear may take halibut or any other fishery resource with that gear.

(b) No person may take salmon without a valid entry permit or interim-use permit authorizing the taking of salmon.

(c) No person may take King, Tanner or Dungeness crab without a valid interim-use or entry permit authorizing the taking of each of those species of crab.

(d) During the halibut seasons established by the International Pacific Halibut Commission, holders of valid entry permits or interim-use permits authorizing the taking of halibut may take incidentally caught bottomfish and black cod.

(e) The incidental taking of fishery resources not specifically authorized or prohibited in (a) — (d) of this section is authorized for holders of valid interim-use or entry permits so long as the total poundage of all incidental species does not exceed 20 percent of the total weight of each landing.

(f) The provisions of (a) — (e) of this section are not construed as contrary to regulations of the Alaska Board of Fisheries or the Alaska Department of Fish and Game. (Eff. 6/28/74, Reg. 54; am 4/20/76, Reg. 58; am 12/27/79, Reg. 72)

Authority: AS 16.43.100(a)(3)
AS 16.43.100(b)
AS 16.43.110(a)
AS 16.43.350

20 AAC 05.130. VESSEL LICENSE REQUIRED. It is unlawful for any person to operate a fishing vessel required to be licensed under AS 16.05.490 which does not display a valid vessel license as required by sec. 958 of this chapter. (Eff. 1/1/78, Reg. 64)

Authority: AS 16.05.450(b) AS 16.43.100
AS 16.05.490 AS 16.43.100(a)
AS 16.05.510

ARTICLE 2.
FISHERY IDENTIFICATION SYSTEM, ADMINISTRATIVE AREAS AND ANNUAL FEES

Section
200. Fishery identification system
210. Fishery resource codes
220. Gear codes
230. Administrative areas
240. Schedule of annual fees

20 AAC 05.200. FISHERY IDENTIFICATION SYSTEM. (a) For the purpose of issuing interim-use permits and entry permits, administering the collection of annual fees, and other purposes required for the administration of AS 16.43, a fishery identification system is established.

(b) Each fishery is identified using a four-place letter and number code with the first place being a single letter indicating the fishery resource, the second and third place being a two-digit number indicating the type of gear, and the fourth place being a single letter indicating the administrative area. (Eff. 12/18/78, Reg. 521)

Authority: AS 16.43.100(a)(3)
AS 16.43.100(b)
AS 16.43.110(a)
AS 16.43.140(c)
AS 16.43.150(a)
AS 16.43.200(a)
AS 16.43.280(3)

20 AAC 05.210. FISHERY RESOURCE CODES. The letter code from the following schedule will be used to indicate the specific fishery resource for which an interim-use or entry permit is issued.

Code	
A	Abalone
C	Black Cod
M	Bottomfish
D	Dungeness Crab
F	Freshwater Fish
H	Halibut
G	Herring

Code
L Herring Spawn
K King Crab
R Razor Clam
S Salmon
P Shrimp
T Tanner Crab
Z Other
(Eff. 12/18/74, Reg. 52; am 1/21/78, Reg. 65; am 12/27/79, Reg. 72)

Authority: AS 16.43.100(a)(5)
AS 16.43.110(a)
AS 15.43.140(c)

20 AAC 05.220. GEAR CODES. (a) A number code from the following schedule will be used to indicate the specific type of gear for which an interim-use or entry permit is issued

Code
01 purse seine (hand or power)
02 beach seine
03 drift gill net
04 set gill net
05 hand troll
06 longline (vessel under five net tons)
07 otter trawl
08 fishwheel
09 pot gear (vessel register length 50' or less, or undocumented vessel)
15 power troll
17 beam trawl
18 shovel
21 pound*
22 dredge
26 jig
34 herring gill net
37 pair trawl
61 longline (any vessel)
91 pot gear (any vessel)
99 other

*A herring pound permit allows the incidental use of other gear which operated in compliance with a pound permit issued by the commissioner of the Alaska Department of Fish and Game.

(b) Holders of gear code 61 and 91 permits shall notify the commission of any change of vessel used by the permit holder. (Eff. 12/18/74, Reg. 52; am 4/30/76, Reg. 58; am 1/1/78, Reg. 64; am 12/27/79, Reg. 72)

Authority: AS 16.43.100 AS 16.43.140(c)
AS 16.43.110(a) AS 16.43.300(4)

20 AAC 05.230. ADMINISTRATIVE AREAS. (a) For the purpose of issuing interim-use permits and entry permits for all waters subject to the jurisdiction of the State of Alaska, the administrative areas described in the schedule below are established. A letter code from the following schedule will be used to designate the specific administrative area for which an interim-use permit or entry permit is issued.

(1) Administrative Areas

(A)

Code
Letter Name and Description

A Southeastern Alaska Area — all waters between the longitude of Cape Fairweather and the International Boundary at Dixon Entrance.

B Statewide Area — all waters subject to the jurisdiction of the state.

D Yakutat Area — all waters of and adjacent to the Pacific Ocean between the longitude of Cape Suckling and the longitude of Cape Fairweather.

I Prince William Sound Area — all waters of and adjacent to the Pacific Ocean between the longitude of Cape Fairfield and the longitude of Cape Suckling.

H Cook Inlet Area — all waters of and adjacent to the Pacific Ocean north of a line extending east from Cape Douglas to the longitude of Cape Fairfield.

K Kodiak Area — all waters of and adjacent to the Pacific Ocean east of the longitude of Kilokak Rocks at 57° 11' 25" North latitude, 156° 20' 13" West longitude and south of a line extending east from Cape Douglas to the longitude of Cape Fairfield including Kodiak, Afognak and adjacent islands.

Code Letter	Name and Description
I	Chignik Area — all waters on the south side of the Alaska Peninsula between a line extending southeast from Kupreanof Point and the longitude of Kilokak Rocks
M	Alaska Peninsula-Aleutian Islands Area — 1) all waters of and adjacent to the Bering Sea south of the latitude of Cape Menshikof including the Pribilof Islands and 2) all waters of and adjacent to the Pacific Ocean west of a line extending southeast from Kupreanof Point excluding those waters of the Kodiak (K) and Chignik (I) administrative areas
P	Upper Yukon Area — all drainages and watersheds of the Yukon River upstream of the Bonasila River to the Canadian border.
T	Bristol Bay Area — all waters of and adjacent to Bristol Bay westward to a line between Cape Newenham and Cape Menshikof and continuing seaward between the latitude of Cape Newenham and the latitude of Cape Menshikof
U	Southern Alaska Area — all waters of and adjacent to the Arctic Ocean and Chukchi Sea west of 141° West longitude and north of latitude of Point Hope
V	Port Clarence Area — all waters between the latitude of Cape Prince of Wales and the latitude of Cape Douglas
W	Kuskokwim Area — all waters between the latitude of Cape Romanzof and the latitude of Cape Newenham including Nunivak and the St. Matthew Islands and excluding waters of Administrative Area T (Bristol Bay)
X	Kotzebue Area — all waters between the latitude of Point Hope and the latitude of Cape Prince of Wales
Y	Lower Yukon Area — all waters between the latitude of Canal Point Light at 63° 2' South latitude 162° 26' West longitude and 62° South latitude and all drainages and watersheds of the Yukon as far upstream as the Bonasila River
Z	Norton Sound Area — all waters between the latitude of Cape Douglas and the latitude of Canal Point Light including St Lawrence Island

(B) Where regulations of the Board of Fish and Game allow

(i) salmon set gillnet entry permits issued for Administrative Area E (Prince William Sound) are valid in all waters of and adjacent to the Pacific Ocean between the longitude of Cape Fairfield and the longitude of Icy Cape;

(ii) salmon set gillnet and salmon drift gillnet entry permits issued for Administrative Area T (Bristol Bay) are valid in Area T and, prior to June 15 and after August 1 of each year, in all waters of and adjacent to Bristol Bay between the latitude of Cape Menshikof and 160° West longitude

(2) Special King Crab Administrative Areas

Code Letter	Name and Description
A	Southeastern Alaska Yakutat Area — all waters of and adjacent to the Pacific Ocean between the longitude of Cape Suckling and the International Boundary at Dixon Entrance
E	Prince William Sound Area — all waters of and adjacent to the Pacific Ocean between the longitude of Cape Fairfield and the longitude of Cape Suckling
H	Cook Inlet Area — all waters of and adjacent to the Pacific Ocean north of a line extending east from Cape Douglas to the longitude of Cape Fairfield
K	Kodiak Area — all waters of and adjacent to the Pacific Ocean east of the longitude of Cape Kumlik and south of a line extending east from Cape Douglas to the longitude of Cape Fairfield
M	Alaska Peninsula Area — all waters of and adjacent to the Pacific Ocean between the

Code Letter	Name and Description
	longitude of Scotch Cap Light and the longitude of Cape Kumlik including all waters of Isanotski Strait and Bechevin Bay south of a line from Chunak Point to Cape Krenitzen
O	Dutch Harbor Area — all waters south of 54° 36' North latitude between 172° West longitude and the longitude of Scotch Cap Light.
P	Bering Sea Area — all waters of and adjacent to the Bering Sea, Chukchi Sea and Arctic Ocean, north of 54° 36' North latitude
R	Adak Area — all waters south of 54° 36' North latitude between 179° 15' West longitude and 172° West longitude
S	Western Aleutians Area — all waters south of 54° 36' North latitude and west of 179° 15' West longitude

(3) Herring Purse Seine Administrative Areas

(A) Herring purse seine administrative areas, excluding areas B and P, are as follows

Code Letter	Name and Description
A	Specific Southeastern Alaska Area — all water of Lynn Canal north of the latitude of Shrine of St Teresa and south of the latitude of Sherman Rock, excluding all water of Berner's Bay within a line from Pt St Mary to Pt. Bridget and all water of Seymour Canal north of 57° 37' North latitude and all water of and adjacent to the Pacific Ocean south of the latitude of Neva Point and north of a line projected southwest of Cape Ommaney and west of Baranof Island
C	General Southeastern Alaska Area — all water between the latitude of Cape Fairweather and the International Boundary at Dixon Entrance which is not part of area A
D	Yakutat Area — all water of and adjacent to the Pacific Ocean between the longitude of Cape Suckling and the longitude of Cape Fairweather
E	Specific Prince William Sound Area — all water encompassed by a line from a point on Knowles Head at 60° 42' North latitude, 146° 40' West longitude, then west to a point at 60° 42' North latitude, 146° 58' 30" West longitude, then north to a point at 60° 50' North latitude, 146° 58' 30" West longitude, then west to a point at 60° 50' North latitude, 147° 20' West longitude, then north to a point at the mainland at 60° 53' 45" North latitude, 147° 20' West longitude, all water encompassed by a line beginning at a point 60° 35' North latitude, 146° 58' 30" West longitude, then southeasterly to a point at 59° 40' North latitude, 147° 40' West longitude, then westerly to a point at 59° 46' North latitude, 148° 04' West longitude, then northerly to a point at 60° 15' 30" North latitude, 147° 32' West longitude, then northerly to the point of beginning
G	General Prince William Sound Area — all water of and adjacent to the Pacific Ocean between the longitude of Cape Fairfield and the longitude of Cape Suckling which is not a part of area E
H	Cook Inlet Area — all water of and adjacent to the Pacific Ocean north of a line extending east from Cape Douglas to the longitude of Cape Fairfield
J	Westward Area — all water specified as administrative areas K, L, M, T, U, V, W, X and Z in subsection (a)(1)(A) of this section

(4) General Herring Administrative Areas

(A) General herring administrative areas apply to harvest of the herring fishery resource with all types of gear except purse seine gear

(B) General herring administrative areas are those administrative areas specified in subsection (a)(1) of this section except that

areas B, K, L, M, P, T, U, V, W, X, Y and Z are excluded, and an additional area J is established as follows:

Code Letter	Name and Description
J	Westward Area — all waters specified as administrative areas K, L, M, T, U, V, W, X, Y and Z in subsection (a)(1)(A) of this section

(b) Each administrative area listed in (a)(1) of this section shall include all freshwaters of Alaska draining into the ocean between the points on the coastline which designate the boundaries of the administrative area, unless otherwise provided in the description of the administrative area in (a)(1) of this section. (Eff. 12/18/74, Reg. 52; am 5/12/75, Reg. 54; am 4/9/76, Reg. 58; am 2/25/77, Reg. 61; am 1/21/78, Reg. 65)

Authority: AS 16.43.100
AS 16.43.110(a)
AS 16.43.200

20 AAC 05.240 SCHEDULE OF ANNUAL FEES. (a) The annual fee for the issuance or annual renewal of an interim-use or entry permit is established as shown in the following schedule:

Category	Resource, Gear and Area Code	Annual Fee: Resident	Annual Fee: Nonresident
I	K91Q	$250	$750
II	K91D K91H K91K K91M K91R T91B K09Q P07B J22B	200	600
III	D91B K09S K29M K29A K29H D29M	150	450
IV	S01 (all areas) G01 (all areas, except C, D and G) B61B K91A K91E K09A K09E C61B P17B S03 (all areas) C91B C09B S15B S02K	$75	$225
V	S04 (all areas) P09B D09B S08P G21B	40	120
VI	(all others)	20	60

(b) Except as provided in sec. 120 of this chapter, a separate permit is required for each separate fishery resource, gear, and administrative area.

(c) For the purpose of this section, "resident" means a person who, for 12 consecutive months immediately before permit application or renewal, has maintained a permanent place of personal abode within the state and who has not been registered to vote in any other jurisdiction; however, any member of the military service who has been stationed in the state for 12 consecutive months will be considered a resident under this section, and the spouse or dependent children of any such resident or member of the military service will likewise be considered a resident. (Eff. 12/27/79, Reg. 72)

Authority: AS 16.43.100
AS 16.43.110(a)
AS 16.43.140(b)
AS 16.43.150
AS 16.43.160(b)(2), (4) and (5)

Editor's Note: 20 AAC 05.240 is based on a former version of 5 AAC 05.230.

ARTICLE 3
DESIGNATED FISHERIES

Section
300. Distressed fisheries
310. Other designated fisheries
320. Maximum number of entry permits

20 AAC 05.300. DISTRESSED FISHERIES. The commission designates the following as distressed fisheries based upon its estimate that the optimum number of entry permits for these fisheries will be less than the highest number of units of gear fished in these fisheries during any one of the four years immediately preceding January 1, 1973

Salmon Fisheries
(1) Southeastern Alaska (A)
drift gillnet fishery*

(2) Prince William Sound (E)
drift gillnet fishery

(3) Cook Inlet (H)
drift gillnet fishery
set gillnet fishery

(4) Kodiak (K)
purse seine fishery

(5) Alaska Peninsula Aleutian Islands (M)
drift gillnet fishery

(6) Bristol Bay (T)
drift gillnet fishery
set gillnet fishery

*In area A the drift gillnet fishery is below the set gillnet fishery

(Eff. 12/[illegible]/74, Reg. [illegible] am 4/7/75, Reg. [illegible])
Authority: AS 16.43.110(a)
AS 16.43.210

20 AAC 05.310. OTHER DESIGNATED FISHERIES. (a) The commission designates the following fisheries as those which have reached levels of participation which require the limitation of entry

Salmon Fisheries
(1) Southeastern Alaska (A)
purse seine fishery

(2) Yakutat (D)
set gillnet fishery

(3) Prince William Sound (E)
purse seine fishery
set gillnet fishery

(4) Cook Inlet (H)
purse seine fishery*

(5) Kodiak (K)
beach seine fishery
set gillnet fishery

(6) Chignik (L)
purse seine fishery

(7) Alaska Peninsula Aleutian Islands (M)
purse seine fishery*
set gillnet fishery

(8) Statewide (R)
power troll fishery

(9) Kuskokwim (W)
gillnet fishery

(10) Kotzebue (X)
gillnet fishery

(11) Lower Yukon (Y)
gillnet fishery

(12) Upper Yukon (P)
gillnet fishery
fishwheel fishery

(13) Norton Sound (Z)
gillnet fishery

*In area T and area M, the purse seine fishery includes the beach seine fishery.

Herring Fisheries

(1) Specific Southeastern Alaska (A)
purse seine fishery

(2) Specific Prince William Sound (E)
purse seine fishery

(3) Cook Inlet (H)
purse seine fishery

(4) Southeastern Alaska (A)
gillnet fishery*

*In area A, the herring gillnet fishery includes the set gillnet and drift gillnet fisheries.

(b) As used in this article, "power troll" means the taking of a salmon fishery resource with troll lines operated by nonmanual gurdys. (Eff 12/18/74, Reg. 52, am 4/9/76, Reg. 58, am 2/25/77, Reg. 61, am 1/21/78, Reg. 65, am 4/10/78, Reg. 66)

(Authority: AS 16.43.100(b)
AS 16.43.110(a)
AS 16.43.240(b))

20 AAC 05.320 MAXIMUM NUMBER OF ENTRY PERMITS. The maximum number of entry permits for each of the fisheries designated under sec. 300 and 310 of this chapter is established as follows:

Salmon Fisheries	Maximum Number of Entry Permits
(1) Southeastern Alaska (A)	
purse seine fishery	195
drift gillnet fishery	459
(2) Yakutat (D)	
set gillnet fishery	150
(3) Prince William Sound (E)	
purse seine fishery	238
drift gillnet fishery	511
set gillnet fishery	32
(4) Cook Inlet (H)	
purse seine fishery	68
drift gillnet fishery	545
set gillnet fishery	686
(5) Kodiak (K)	
purse seine fishery	355
beach seine fishery	31
set gillnet fishery	183
(6) Chignik (L)	
purse seine fishery	80
(7) Alaska Peninsula Aleutian Islands (M)	
purse seine fishery	111
drift gillnet fishery	155
set gillnet fishery	77
(8) Bristol Bay (T)	
drift gillnet fishery	1669
set gillnet fishery	803
(9) Statewide (B)	
power troll fishery	895
(10) Kuskokwim (W)	
gillnet fishery	810
(11) Kotzebue (X)	
gillnet fishery	214
(12) Lower Yukon (Y)	
gillnet fishery	637
(13) Upper Yukon (P)	
gillnet fishery	90
fishwheel fishery	126
(14) Norton Sound (Z)	
gillnet fishery	195

Herring Fisheries	Maximum Number of Entry Permits
(1) Specific Southeastern Alaska (A) purse seine fishery	35
(2) Specific Prince William Sound (E) purse seine fishery	55
(3) Cook Inlet (H) purse seine fishery	68
(4) Southeastern Alaska (A) gillnet fishery	110

(Eff. 12/18/74, Reg. 52; am 4/7/75, Reg. 54; am 5/12/75, Reg. 54; am 4/9/76, Reg. 58; am 2/25/77, Reg. 61; am 1/21/78, Reg. 65; am 4/30/78, Reg. 66)

Authority AS 16.43.110(a)
AS 16.43.240

ARTICLE 4
INTERIM-USE PERMITS

Section
400 Interim-use permit required
410 Application and annual renewal of interim-use permit
420 (Repealed)
430 Notification of loss or theft

20 AAC 05.400. INTERIM-USE PERMIT REQUIRED. (a) An interim-use permit is required under secs. 100 and 110 of this chapter for any commercial fishery not designated in secs. 300 and 310 of this chapter.

(b) For all applicants for interim-use permits except for a herring spawn fishery, there is a rebuttable presumption that the applicant is unable to participate actively in the fishery if

(1) for set net permits, the applicant has not attained his or her 10th birthdate; and

(2) for all other permits, the applicant has not attained his or her 16th birthdate. (Eff. 12/18/74, Reg. 52; am 12/27/79, Reg. 72)

Authority AS 16.43.110
AS 16.43.110(a)
AS 16.43.210(a)

20 AAC 05.410. APPLICATIONS AND ANNUAL RENEWAL OF INTERIM-USE PERMIT. Application for the issuance or renewal of an interim-use permit must be made to the commission on a form provided by the commission. The application must be signed by the applicant, or his authorized agent, and accompanied by the total annual fee for the permit or permits being applied for or renewed. The commission may require an applicant to submit an affidavit or other evidence supporting his application or renewal. (Eff. 12/18/74, Reg. 52; am 1/1/78, Reg. 64)

Authority AS 16.43.100
AS 16.43.110(a)
AS 16.43.220

20 AAC 05.420. TEMPORARY TRANSFER. Repealed 12/27/79.

20 AAC 05.430. NOTIFICATION OF LOSS OR THEFT. The holder of an interim-use permit must promptly notify the commission of the loss or theft of his interim-use permit, and a request for a duplicate permit must be accompanied by an affidavit establishing the facts surrounding the loss or theft. (Eff. 12/18/74, Reg. 52)

Authority AS 16.43.110(a)
AS 16.43.220(a)

ARTICLE 5
ISSUANCE OF ENTRY PERMITS

Section
500 Form of application
510 Time of application
520 Evidence of qualification
530 Application by dependent's estate
535 Applications for fishwheel entry permits
540 Priority; classification of applicants
550 Issuance of entry permits
560 Annual renewal of entry permit
570 Notification of loss or theft
574 Applications for educational entry permits
577 Educational entry permit gear operators
579 Income from educational entry permits payable to general fund

20 AAC 05.500. FORM OF APPLICATION. Application for the issuance of an entry permit must be made to the commission on a form provided by the commission. The application must be signed by the applicant and accompanied by the total annual fee for the permit being

applied for. (Eff. 12/18/74, Reg. 52)
Authority AS 16.43.100(a)(13)
AS 16.43.100(b)
AS 16.43.110(a)
AS 16.43.260(b)

20 AAC 05.510 TIME OF APPLICATION (a) The application period for entry permits for those fisheries designated in sec. 300 or 310 of this chapter will be from December 19, 1974, through 12:00 midnight March 18, 1975.

(b) The application period for entry permits for those fisheries designated in sec. 310(a)(9)-(13) of this chapter will be from March 10, 1976 until midnight June 10, 1976.

(c) The commission will consider only those entry permit applications that are received on or before the closing date for application for that fishery.

(d) If an application contains errors, omissions or insufficient supporting evidence, the commission will indicate this to the applicant and will give the applicant a reasonable amount of time to correct any defects or insufficiencies in his application.

(e) The commission may extend the time for receipt of an application for a period not to exceed 60 days for good cause shown.

(f) The application period for entry permits for those fisheries designated in secs. 300 and 310(a)(1)-(8) of this chapter for those individuals who harvested salmon commercially in one of these fisheries as a gear license holder for the first time in 1973 or 1974 will be from January 15, 1977 through midnight September 30, 1977. The commission will in its discretion extend the time for receipt of an application for a period not to exceed 30 days for good cause shown.

(g) The application period for entry permits for herring fisheries (1)-(3) designated in sec. 310(a) of this chapter will be from February 25, 1977 through April 25, 1977.

(h) The application period for entry permits for the Southeastern herring gillnet fishery is from March 15, 1978 until midnight June 15, 1978. (11) 12, 18, 74, Rg 52 am 4/9/76, Rep 11/2/76, Rg 52, 78, 74, Rg 61 am 6/14/77, Rg 61 am 10/7/78, Rg 66)

Authority: AS 16.43.100(a) AS 16.43.260(b)
AS 16.43.110 AS 16.43.260(c)

20 AAC 05.520 EVIDENCE OF QUALIFICATIONS. (a) Every applicant shall have the burden of establishing his qualifications for an entry permit. Specific evidence will be requested on the application form for that purpose. The commission may at any time require an applicant to submit additional evidence in affidavit or other form relating to his qualifications.

(b) To the extent practicable, the commission will provide each applicant with a summary compiled from state records and other reliable sources which will indicate, for those years from 1969 to the qualification date, those years that the applicant participated in each fishery as a gear license holder, the consistency of participation each year, the annual catch value of the fishery resource, and vessel ownership. If any. If the applicant verifies the information on this summary is correct, the commission will, subject to the provision of sec. 505(d) of this chapter, accept the information on this summary as sufficient evidence of the facts stated. The applicant may contest the accuracy of any information included in this summary and may supplement this information by establishing additional facts regarding his qualifications with other evidence.

(c) An applicant may be required to submit copies of, or authorize access to, his state and federal income tax returns for the appropriate years, or evidence establishing that he was not required to file, or his Fisherman's Annual Information Report, as a primary source of evidence in support of his application. Tax returns and related information submitted by an applicant are confidential and will not be disclosed in any manner without the express consent of the applicant. When a copy of a tax return is no longer needed by the commission for the purposes for which it was requested, the copy will be destroyed.

(d) Evidence offered by the applicant for an entry permit will be accepted by the commission within the following time limits:

(1) Evidence in support of those applications which were to be submitted to the commission within the time limitations of sec. 510(a) of this chapter will be considered by the commission if received on or before July 1, 1978, unless the applicant is notified otherwise.

(2) Evidence in support of those applications which were to be submitted to the commission within the time limitations of sec. 510(b) of this chapter will be considered by the commission if received on or before September 1, 1978, unless the applicant is notified otherwise.

(3) Evidence in support of those applications which were to be submitted to the commission within the time limitations of sec. 510(f) of this chapter will be considered by the commission if received on or before September 1, 1978 unless the applicant is notified otherwise.

(4) Evidence in support of those applications which were to be submitted to the commission within the time limitations of sec. 510(g) of this chapter will be considered by the commission if received on or before May 1, 1978 unless the applicant is notified otherwise.

(5) Evidence in support of those applications which were to be submitted to the commission within the time limitations of sec. 510(h) of this chapter will be considered by the commission if received on or before December 31, 1978 unless the applicant is otherwise notified.

(e) A commission decision upon evidence submitted under (d) of this section does not constitute a determination for which the applicant may request and receive an administrative hearing under sec. 805 of this chapter if the applicant has already received the opportunity to request and receive an administrative hearing under sec. 805(b)(1) of this chapter. (Eff. 12/18/74, Reg. 52, am 1/21/78, Reg. 65, am 4/30/78, Reg. 66)

Authority: AS 16.43.100(a)
AS 16.43.110(a)
AS 16.43.260(c)

20 AAC 05.530. APPLICATION BY DECEDENT'S ESTATE. (a) If an individual eligible to apply for an entry permit for any fishery designated in sec. 300 or 310(1) - (8) of this chapter should die on or after January 1, 1975, the authorized representative of his estate may apply for an entry permit for that fishery in the name of the decedent within the application period set out in sec. 510 of this chapter. An entry permit so acquired becomes part of the decedent's estate and may be transferred in accordance with the provisions of sec. 750 of this chapter.

(b) If an individual eligible to apply for an entry permit for any fishery designated in sec. 310(9) - (11) of this chapter should die on or after January 1, 1975, the authorized representative of his estate may apply for an entry permit for that fishery in the name of the decedent, within the application period set out in sec. 510 of this chapter. An entry permit so acquired becomes part of the decedent's estate and may be transferred in accordance with the provisions of sec. 750 of this chapter.

(c) If an individual eligible to apply for an entry permit for herring fisheries (1), (2) and (3) designated in sec. 310(a) of this chapter dies after December 31, 1975, the authorized representative of his estate may apply for an entry permit for that fishery in the name of the decedent within the application period set out in sec. 510(g) of this chapter. An entry permit so acquired becomes part of the decedent's estate and may be transferred in accordance with the provisions of sec. 750 of this chapter.

(d) For fisheries not specified in (a) - (c) of this section, if an individual eligible to apply for an entry permit dies on or after the qualification date established in AS 16.43.260(e), the authorized representative of his estate may apply for an entry permit for that fishery in the name of the decedent within the application period set out in sec. 510 of this chapter. An entry permit so acquired becomes part of the decedent's estate and may be transferred in accordance with the provisions of sec. 750 of this chapter. (Eff. 12/18/74, Reg. 52, am 5/20/76, Reg. 58, am 2/25/77, Reg. 61, am 4/30/78, Reg. 66)

Authority: AS 16.43.100(b)
AS 16.43.110(a)
AS 16.43.260(d)

20 AAC 05.535. APPLICATIONS FOR FISHWHEEL ENTRY PERMITS. Applications will be accepted from fishermen who operated fishwheels commercially between 1960 and 1975 with registration numbers issued to them by the Department of Fish and Game. (Eff. 4/9/76, Reg. 58)

Authority: AS 16.43.100(b) AS 16.43.260(d)
AS 16.43.110(a) AS 16.43.260(e)
AS 16.43.260(a)

20 AAC 05.540. PRIORITY CLASSIFICATION OF APPLICANTS. (a) The commission will assign each applicant to a priority classification according to the point system established in secs. 600 - 660 of this chapter.

(b) if the applicant is assigned to a priority classification designated in sec. 640(a) of this chapter as involving significant economic hardship, the commission will either issue the entry permit or send a notice to the applicant indicating that he will receive an entry permit.

(c) If the applicant is assigned to a priority classification not designated in sec. 640(a) of this chapter as involving significant economic hardship, the commission will send a notice of classification to the applicant setting forth the commission's findings of fact with respect to the applicant and the date on or before which a request for a hearing must be received if the applicant disagrees with the commission's determination of his priority classification. (Eff. 12/18/74, Reg. 52)

Authority: AS 16.43.100(b) AS 16.43.260(d)
AS 16.43.110(a) AS 16.43.270(a)

20 AAC 05.550 ISSUANCE OF ENTRY PERMITS. (a) The commission will issue entry permits to all applicants assigned to the priority classifications designated in secs. 600 - 660 of this chapter as involving significant economic hardship.

(b) [illegible]er of permits issued to applica[illegible] to priority classifications designated [illegible]olving significant economic hardship equals or exceeds the maximum number of permits established for the fishery, the commission will immediately send a notice of classification to all remaining applicants and indicate that their applications are denied and will refund all fees submitted by those applicants who do not file a request for a hearing pursuant to sec. 805 of this chapter.

(c) If the number of permits issued to

applicants assigned to priority classifications designated as involving significant economic hardship is less than the maximum number of permits established for the fishery, the commission will issue the remaining permits to applicants in the order of descending priority classifications up to the maximum number less the number required to be reserved to protect the rights of applicants who are still contesting the commission's initial determination or appealing the findings of an administrative adjudication. All other applicants not issued an interim-use permit under (e) or (f) of this section will be issued a notice of denial.

(d) If, at the end of all administrative hearings and judicial appeals, the number of permits remaining to be issued is less than the number of applicants in the highest priority classification to which permits have not been issued, the commission will allocate the permits to the applicants within that classification by lottery.

(e) Permits will be reserved to protect the rights of applicants who are still contesting the commission's initial determination or appealing the findings of an administrative adjudication. When such reservations are made, the commission will determine, on the basis of its original classifications and subsequent adjudications, which applicants would be eligible for entry permits but for the administrative process. The commission may issue interim-use permits to those applicants if it finds that the administrative delay would otherwise preclude participation in the fishery. If the group of potentially eligible applicants includes any who fall within a classification that would require a lottery for their selection, interim-use permits will be issued to all applicants within that classification.

(f) The commission may issue an interim-use permit to an applicant for an entry permit if it finds that administrative delay would otherwise preclude participation in the fishery.

(g) Applicants issued interim-use permits under (e) or (f) of this section or under any other process of law are subject to all buy-back assessments required under AS 16.43.110(a) and (b) if they are ultimately unsuccessful in receiving an entry permit.

(h) Interim-use permits issued under (e) or (f) of this section shall expire upon the commission's final determination of the holder's eligibility for an entry permit.

(i) When the maximum number of entry permits has been issued for a fishery, the commission will immediately notify all remaining applicants that their applications are denied and will refund all fees submitted with those applications. (Eff. 12/18/74, Reg. 52, am 4/9/76, Reg. 58)

Authority AS 16.43.100(a)(7)
AS 16.43.100(b)
AS 16.43.110(a)
AS 16.43.270
AS 16.43.310(a)
AS 16.43.310(b)

20 AAC 05.560. ANNUAL RENEWAL OF ENTRY PERMIT. (a) Annual renewal of an entry permit must be made to the commission on a form provided by the commission. The renewal form must be completed and signed by the permit holder or his authorized agent, and accompanied by the total annual fee for the permit or permits being renewed.

(b) An entry permit is forfeited and reverts to the commission if it has not been renewed by December 31 of the second consecutive calendar year after its issuance or last renewal, except as waived by the commission upon good cause demonstrated within 60 days from the date of forfeiture. (Eff. 12/18/74, Reg. 52, am 1/1/78, Reg. 64)

Authority AS 16.43.110(a)
AS 16.43.150(c)
AS 16.43.150(d)

20 AAC 05.570. NOTIFICATION OF LOSS OR THEFT. The holder of an entry permit must promptly notify the commission of the loss or theft of his entry permit card or certificate and a request for a duplicate must be accompanied by an affidavit establishing the facts surrounding the loss or theft. (Eff. 12/18/74, Reg. 52)

Authority AS 16.43.100(b)
AS 16.43.110(a)

20 AAC 05.575. APPLICATION FOR EDUCATIONAL ENTRY PERMITS (a) Application for educational entry permits must be made upon forms required by the commission and must be accompanied by a written statement from the appropriate governmental agency acknowledging that the applicant is accredited, approved, or licensed as required by AS 16.43.275.

(b) Before permit issuance the applicant shall, upon forms provided by the commission, state the anticipated budget of the fishing activities for which permit application is made.

(c) Before April 1 of the year following permit issuance and before subsequent permit issuance, whichever occurs first, the applicant shall provide copies of all fish tickets for fish harvested under each permit, and, upon forms provided by the commission, shall state

(1) actual operating expenditures under each permit, and

(2) total earnings from fishing activities under each permit.

(d) Failure to submit required information to the commission will, in the commission's discretion, result in permit issuance being withheld, denied, revoked or suspended. (Eff. 12/27/79, Reg. 72)

Authority: AS 16.43.275 AS 16.43.281
AS 16.43.277 AS 16.43.283(b)
AS 16.43.279

20 AAC 05.577. EDUCATIONAL ENTRY PERMIT GEAR OPERATORS (a) Only persons designated by the holder of an educational entry permit may operate gear. Designation must be made on a form provided by the commission.

(b) Each educational entry permit gear operator shall have in his possession a copy of his completed designated agent form and a valid Educational Entry Permit Card while operating gear or while in possession of fish or shellfish as required by secs. 100 and 110 of this chapter. (Eff. 12/27/79, Reg. 72)

Authority: AS 16.43.277
AS 16.43.283(b)

20 AAC 05.579. INCOME FROM EDUCATIONAL ENTRY PERMITS PAYABLE TO GENERAL FUND. (a) As provided in AS 16.43.279, proceeds of the sale of fish taken under the rights conferred by an educational entry permit are payable to the general fund through the commission to the extent the proceeds exceed reasonable operating costs of the training program.

(b) Payment must be made on or before April 1 of the calendar year following the year of operation.

(c) For purposes of this section the term "reasonable operating costs of the training program" means actual operating expenditures of the training program incurred in the calendar year of operation, but excludes payments toward capital having a useful life of more than five years, and excludes wages, grants-in-aid, and all other forms of payment paid to students enrolled in the training program.

(d) Any wages paid under the training program may not be based upon a share or percentage of the value of fish taken. (Eff. 12/27/79, Reg. 72)

Authority: AS 16.43.279
AS 16.43.283(b)

ARTICLE 6
PRIORITY CLASSIFICATION POINT SYSTEM

Section

600 Priority classification system
610 Past participation
620 Economic dependence
630 Point system for designated fisheries
640 Designation of significant and minor hardship classifications
650 Special rules for use of the point system
653 Priority classification system for those fisheries designated in sec. 310(a)(9)(13) of this chapter
656 Point system for fisheries designated in sec. 310(a)(9)(13) of this chapter
659 Designation of significant and minor economic hardship classifications for those fisheries designated in sec. 310(a)(9)(13) of this chapter
660 Definitions
662 Priority classification system for herring fisheries (1)(3) designated in sec. 310(a) of this chapter
664 Point system for herring fisheries (1)(3) designated in sec. 310(a) of this chapter
666 Designation of significant and minor hardship classifications
667 Priority classification system for Southeastern herring gillnet fishery
668 Point system for the Southeastern herring gillnet fishery
669 Designation of significant and minor hardship classifications for the Southeastern herring gillnet fishery
670 Definitions

20 AAC 05.600 PRIORITY CLASSIFICATION SYSTEM (a) For each fishery for which a maximum number of entry permits has been established under sec. 320 of this chapter, the commission will adopt regulations defining priority classifications in terms of a point system for ranking applicants for entry permits. These priority classifications will be based upon a reasonable balance of the hardship standards of degree of economic dependence upon the fishery and extent of past participation in the fishery. The commission will use the following classification system and the guidelines set out in secs. 610 and 620, except for those fisheries where special circumstances are found to require modification of the classification system considering the number of applicants, the variance in their qualifications, the history of the fishery, and the purposes of AS 16.43.

(b) A point scale from 0 — 40 will be established, with 20 points assigned for each of the two hardship standards (1) economic dependence and (2) past participation.

(c) The commission will assign an applicant to one of the 41 priority classifications designated by the numbers 0 through 40, based on the total points to which his qualifications as of the qualification date entitled him under sec. 630 of this chapter. The higher the total number of points, the greater the degree of hardship the applicant would suffer by exclusion from the fishery.

(d) The commission will designate

(1) an upper range of priority classifications of those applicants who would suffer significant economic hardship by exclusion from the fishery, and therefore will receive entry permits as required by AS 16.43.270(a); and

(2) a lower range of priority classifications of those applicants who would suffer only minor economic hardship by exclusion from the fishery and an entry permit originally issued to them by the commission pursuant to AS 16.43.250(a) may therefore have certain restrictions placed upon its transfer as required by AS 16.43.270(c).

(e) The designations made in (d) of this section may leave a middle range of priority classifications that are not subject to either the significant or minor economic hardship provisions of AS 16.43. (Eff. 12/18/74, Reg. 52, am 3/25/77, Reg. 61)

Authority: AS 16.43.100(a) AS 16.43.110(a)
AS 16.43.100(b) AS 16.43.250(a)

20 AAC 05.610 PAST PARTICIPATION. The standard of past participation in the fishery includes the number of years participation in the fishery and the consistency of participation. The commission will determine an applicant's extent of past participation as of the qualification date

established under AS 16.43.260(d) or (e), and will apply the above two factors as follows:

(1) the commission will rank an applicant based on the number of years participation by considering the number of years the applicant has harvested the fishery resource commercially while participating as a gear license holder and his number of years participation as a crewman, with greater weight being given to participation in recent years as a gear license holder;

(2) the commission will rank an applicant based on consistency of participation by considering the number of weeks of the season in which the applicant harvested the fishery resource commercially while participating as a gear license holder. This factor will be given less weight than the number of years of participation (Eff. 12/18/74, Reg. 52)

Authority: AS 16.43.100(a)(6)
AS 16.43.100(b)
AS 16.43.110(a)
AS 16.43.250(a)(2)

20 AAC 05.620 ECONOMIC DEPENDENCE. The standard of economic dependence upon the fishery includes a consideration of percentage of income derived from the fishery, reliance on alternative occupations, availability of alternative occupations, and investment in vessels, gear and set net sites. The commission will determine an applicant's economic dependence as of the qualification date established under AS 16.43.260(d) or (e) and will therefore give primary weight to evidence from the years immediately preceding the qualification date and will consider the above four factors as follows:

(1) the commission will rank an applicant based on the two factors of percentage of income derived from the fishery and reliance on alternative occupations by considering the relation between "annual catch value" and "nonfishing occupational income," expressed as an "income dependence percentage" as these terms are defined in sec. 66(l) of this chapter. Points for income dependence will be awarded only to applicants who harvested the fishery resource commercially while participating as a gear license holder during a year in which income dependence is claimed. A higher income dependence percentage indicates a higher degree of economic dependence upon the fishery;

(2) the commission will rank an applicant based on the factor of investment in vessels, gear and set net sites if the applicant, on the qualification date, was the owner of a vessel, gear or set net site used or to be used in the fishery for which he is applying, or, if the applicant at any time between his last landing in the fishery and the qualification date was the owner of a vessel, gear or set net site used in the fishery, so long as the applicant had fished consistently in the year prior to the qualification date. In the case of a set net site the commission will consider the owner to be the person or persons who could rightfully exercise the power to sell or transfer the set net site according to the accepted customs and usages of the area. In cases where a vessel, gear or set net site was owned jointly or in a corporate capacity, an applicant's points will be determined by multiplying his percentage of ownership interest times the total number of points possible. Fractional points will round off to the nearest whole number, with .5 rounding off to the lower whole number;

(3) the commission will rank an applicant based on the factor of availability of alternative occupations according to his place of domicile (Eff. 12/18/74, Reg. 52)

Authority: AS 16.43.100(a)(6)
AS 16.43.100(b)
AS 16.43.110(a)
AS 16.43.250(a)(10)

20 AAC 05.630 POINT SYSTEM FOR DESIGNATED FISHERIES. (a) Past Participation. Up to a maximum of 20 points will be awarded an applicant for past participation in the fishery applied for based on the following schedule:

(1)

Year Fished as a Gear License Holder		Continuity of Participation as a Gear License Holder (required minimum number of years fished is shown in (c)(1) of this section)
Year	Points	Points
1972	3	2
1971	3	2
1970	2	1
1969	2	1

(2) one point for each additional year of actual participation as a gear license holder in the fishery applied for from 1965 through 1968;

(3) one point for each additional year of actual participation as a gear license holder in the fishery applied for from 1960 through 1964 provided the applicant participated as a gear license holder in the fishery applied for during at least one year from 1965 through 1972;

(4) one point from each year of actual participation as a crewman from 1965 through 1972 in the fishery applied for. Points for crewmen participation and points for participation as a gear license holder may not be claimed in the same year.

(5) if unavoidable circumstances exist such that an applicant's past participation in the fishery is not realistically reflected by points awarded for past participation for the years 1960 through 1972, the commission may award an applicant up to a maximum of 10 points upon a special showing of past participation during the years 1960 through 1972.

(b) to receive credit for past participation as a gear license holder an applicant must have harvested the resource commercially while participating as a gear license holder in a given year.

(b) Economic Dependence. Up to a maximum of 20 points will be awarded an applicant for economic dependence on a fishery based on the following schedule:

(1) income dependence percentage based on harvesting the fishery resource while participating as a gear license holder in the fishery applied for as shown for each fishery in (c)(2) of this section. (Maximum of 10 points possible.)

Year	Minimum Percentage	Points
1973	Percentage A from schedule in (c)(2) of this section	4
1974	Percentage B from schedule in (c)(2) of this section. (In the Prince William Sound purse seine and set net fishery, percentages A and B use the year 1970.)	2
1975	Percentage C from schedule in (c)(2) of this section	6
1976	Percentage D from schedule in (c)(2) of this section. (In the Prince William Sound purse seine	3

fishery, percentages C and D use the year 1971.)

(2) if special circumstances exist such that an applicant's income dependence is not realistically reflected by his income dependence percentage for the years 1971 and 1972, the commission may award an applicant up to a maximum of 10 points based on a special showing of income dependence;

(3) investment as of the qualification date in vessel, gear or set net site used or to be used in the fishery for which application is being made. Applicants for the Southeastern drift gillnet fishery who participated in the Southeastern set gillnet fishery may claim points for the ownership of a set gillnet site, set gillnet gear, drift gillnet gear or drift gillnet vessel as of the qualification date. (Maximum of 6 points possible.)

(A) owns vessel (does not include set net skiffs) ..... 6 points

(B) owns set net site ..... 6 points

(C) owns gear ..... 3 points
(Gear must include the net in salmon net fisheries. In the troll fisheries, gear includes the lines, leaders and lures);

(4) availability of alternative occupations in applicant's place of domicile as of the qualification date. (Maximum of 4 points possible.)

(A) domicile in a census district or county with a population that is more than 80% rural or has a total population of under 10,000 as of the 1970 census ..... 4 points

(B) domicile in a census district or county with a population that is more than 40% rural or has a total population of under 25,000 as of the 1970 census ..... 2 points

(C) domicile in a census district or county with a population that is 40% or less rural or has a total population of 25,000 or more as of the 1970 census ..... 0 points

(D) an applicant from a zero or two point area may receive up to the maximum of four points through a special showing that there is neither a road nor adequate daily transportation service from the applicant's domicile to other potential areas of employment in his census district.

(c) The commission will use the following schedules in determining an applicant's points for consistent participation and income dependence.

(1) consistent participation

Salmon Fisheries	Minimum Number of Weeks Fished To Show Consistent Participation			
	1969	1970	1971	1972
Southeastern Alaska (A)				
purse seine fishery	4	7	6	8
drift gillnet fishery	7	7	6	7
Yakutat (D)				
set gillnet fishery	6	7	7	7
Prince William Sound (E)				
purse seine fishery	3	3	5	
drift gillnet fishery	4	4	4	4
set net fishery	4	4		4
Cook Inlet (H)				
purse seine fishery	2	2	2	2
drift gillnet fishery	1	3	2	1
set gillnet fishery	1	3	2	1
Kodiak (K)				
purse seine fishery	4	4	4	4
beach seine fishery	2	2	2	2
set gillnet fishery	3	3	3	*
Chignik (J)				
purse seine fishery	4	4	4	4
Alaska Peninsula-Aleutian Is. (M)				
purse seine fishery	3	3	3	1
drift gillnet fishery	1	1	1	1
set gillnet fishery	1	1	1	1
Bristol Bay (T)				
drift gillnet fishery	1	1	1	1
set gillnet fishery	1	1	1	1
Statewide (R)				
power troll fishery	6	6	6	6

(2) income dependence

Salmon Fisheries	Minimum Percentages For Income Dependence			
	1971		1972	
	A	B	C	D
Southeastern Alaska (A)				
purse seine fishery	90	70	90	70
drift gillnet fishery	90	70	90	50
Yakutat (D)				
set gillnet fishery	90	60	70	40
Prince William Sound (E)				
purse seine fishery*	90	60	90	60
drift gillnet fishery	80	50	90	50
set net fishery**	80	40	80	40
Cook Inlet (H)				
purse seine fishery	80	40	60	30
drift gillnet fishery	80	40	80	50
set gillnet fishery	90	40	90	40
Kodiak (K)				
purse seine fishery	90	50	80	50
beach seine fishery	90	50	80	50
set gillnet fishery	70	30	70	30
Chignik (L)				
purse seine fishery	90	70	90	70
Alaska Peninsula-Aleutian Is (M)				
purse seine fishery	90	50	90	50
drift gillnet fishery	90	60	90	60
set gillnet fishery	90	50	90	50
Bristol Bay (T)				
drift gillnet fishery	80	40	60	30
set gillnet fishery	80	40	70	
Statewide (R)				
power troll fishery	90	40	90	30

*Prince William Sound purse seine fishery uses income percentages for the years 1970 and 1971 respectively

**Prince William Sound set net fishery uses income percentages for the years 1970 and 1972 respectively

(Eff. 12/18/74, Reg. 52; am 4/7/75, Reg. 54)

Authority: AS 16.43.100(a)(1)
AS 16.43.100(a)(2)
AS 16.43.100(a)(6)
AS 16.43.100(b)
AS 16.43.110(a)
AS 16.43.250(a)(1)
AS 16.43.250(a)(2)

20 AAC 05.640 DESIGNATION OF SIGNIFICANT AND MINOR HARDSHIP CLASSIFICATIONS. (a) The commission designates the priority classifications 1 through 40 as classifications of applicants who would suffer significant economic hardship by exclusion from the fishery, and therefore will receive entry permits as required by AS 16.43.270(a).

(b) The commission designates the priority classifications 0 through 5 as classifications of applicants who would suffer only minor economic hardship by exclusion from the fishery, and an entry permit originally issued to them by the commission pursuant to AS 16.43.250(c) may therefore have certain restrictions placed upon its transfer as required to AS 16.43.170(c). (Eff. 12/18/74, Reg. 52)

Authority: AS 16.43.100(a)(2)
AS 16.43.110(a)
AS 16.43.250(b)
AS 16.43.250(c)

20 AAC 05.650 SPECIAL RULES FOR USE OF THE POINT SYSTEM. (a) All eligible applicants for any designated fishery will receive 0 points for any year in which there was an administrative closure for the entire season.

(b) An applicant who is eligible to apply for an entry permit under the terms of AS 16.43.260(a) and whose participation in a fishery was interrupted by his first enlistment or draft period of military service will be awarded the maximum number of points for past participation for the fishing seasons missed due to that military service as follows. If the applicant did not harvest the fishery resource commercially while participating as a gear license holder prior to the commencement of the military service, then the applicant will receive crewmen participation points for the fishing seasons missed; if the applicant harvested the fishery resource commercially while participating as a gear license holder prior to the commencement of the military service, then the applicant will receive the maximum number of points for past participation for the fishing seasons missed.

(c) To use the special showing provisions in sec. 630(a)(4) (for past participation), (b)(1) (for income dependence) and (b)(4)(D) (for availability of alternative occupations) of this chapter, an applicant must claim a specific number of points and must submit documentation of the facts and circumstances surrounding the claim along with his application for an entry permit. Where necessary, the commission will request additional explanation

or documentation of the facts and circumstances surrounding the claim before making its determination.

(d) Due to the season-long administrative closure of the Prince William Sound purse seine fishery in 1972, those persons who can show that they were the owner or part-owner of a purse seine vessel and would have fished as a purse seine gear license holder in Prince William Sound for the first time in 1972 but for the closure of that fishery are eligible to apply for an entry permit for that fishery. (Eff. 12/18/74, Reg. 52 am 4/7/75, Reg. 54)

Authority: AS 16.43.100(a)(1)
AS 16.43.100(b)
AS 16.43.110(a)
AS 16.43.250(a)(1)
AS 16.43.250(a)(2)

20 AAC 05.653 PRIORITY CLASSIFICATION SYSTEM FOR THOSE FISHERIES DESIGNATED IN SEC. 310(a)(9)-(13) OF THIS CHAPTER. (a) The commission finds that special circumstances (set out in detail in the findings of October 20, 1975, which accompanied the proposed regulations) exist requiring the use of the priority classification system in sec. 656 of this chapter for those fisheries designated in sec. 310(a)(9)-(13) of this chapter.

(b) For each fishery for which a maximum number of entry permits has been established in sec. 320(10)-(14) of this chapter a point system is used for ranking applicants for entry permits.

(c) A point scale of 0-24 is established.

(d) The commission will assign an applicant to one of 25 priority classifications designated by the numbers 0-24, based on the total points to which his qualifications, as of the qualification date entitled him under sec. 656 of this chapter. The greater the degree of hardship the applicant would suffer by exclusion from the fishery, the higher the total number of points. (Eff. 12/9/76, Reg. 58)

Authority: AS 16.43.100(a)(1)-(2) and (6)
AS 16.43.100(b)
AS 16.43.110(a)
AS 16.43.250(a)

20 AAC 05.656 POINT SYSTEM FOR FISHERIES DESIGNATED IN SEC. 310(a)(9)-(13) OF THIS CHAPTER. (a) Past Participation. Up to a maximum of 16 points will be awarded to an applicant for past participation in the fishery applied for based upon the following schedule:

(1) Year fished as a gear license holder*	Schedule (a)**	Schedule (b)**
1975	4	3
1974	3	3
1973	3	3
1972	3	3
1971	2	2
1970	1	2
	16	16

*In the Upper Yukon fisheries, where gear licenses have not been required, only the operation of a boat listed in the commercial fishery as described in sec. 535 of this chapter may qualify for the points listed in the schedule in this subsection.

**Schedule (a) is to be used in all fisheries designated in sec. 310(a)(9)-(13), except the Kotzebue pilot fishery, for which schedule (b) is to be used.

(2) If unavoidable circumstances exist such that an applicant was unable to participate in the fishery during 1974 or during 1975 the commission will in its discretion award the applicant up to a maximum of seven points upon a special showing of past participation.

(b) Economic Dependence. Up to a maximum of eight points will be awarded an applicant for economic dependence on a fishery based on the schedule in this subsection.

(1) Income dependence percentage or maintaining occupational income based on harvesting the fishery resource while participating as a gear license holder in the fishery applied for in 1974 and 1975 is shown in the following schedule:*

Salmon Fishery	Criteria	1975 Points	1974 Points
Kuskokwim (W) gillnet fishery	Income dependence percentage in excess of 60%, or nonfishing occupational income less than $3,000	4	2
	Income dependence percentage in excess of 30%, or nonfishing occupational income less than $6,000.	2	1
Kotzebue (X) gillnet fishery	Income dependence percentage in excess of 80%, or nonfishing occupational income less than $2,000	4	2
	Income dependence percentage in excess of 60%, or nonfishing occupational income less than $4,000	2	1
Lower Yukon (Y) gillnet fishery	Income dependence percentage in excess of 60%, or nonfishing occupational income less than $3,000	4	2
	Income dependence percentage in excess of 30%, or nonfishing occupational income less than $6,000	2	1
Upper Yukon (P) gillnet fishery	Income dependence percentage in excess of 60%, or nonfishing occupational income less than $3,000	4	2
	Income dependence percentage in excess of 30%, or nonfishing occupational income less than $6,000	2	1
Upper Yukon (P) fishwheel fishery	Income dependence percentage in excess of 60%, or nonfishing occupational income less than $3,000	4	2
	Income dependence percentage in excess of 30%, or nonfishing occupational income less than $6,000	2	1
Norton Sound (Z)	Income dependence percentage in excess of 60%, or nonfishing occupational income less than $3,000	4	2
	Income dependence percentage in excess of 30%, or nonfishing occupational income less than $6,000	2	1

*In the Upper Yukon fishwheel fishery, where gear increases have not been required, only the operation of a fishwheel in the same general fishery as described in sec. 555 of this chapter may qualify for the points listed in this subsection.

(2) If unavoidable circumstances exist such that an applicant's income dependence upon the fishery is not realistically reflected by his income dependence in 1974 and 1975, the commission may in its discretion award an applicant up to a maximum of six points based on a special showing of income dependence.

(3) Points will be awarded for investment in fishing gear as of the qualification date *

(A) Owns vessel or gear or both 1 point
(B) Owns fishwheel 1 point

*A maximum of one point may be claimed under this paragraph.

(4) Points will be awarded for availability of alternative occupations in the applicant's place of domicile as of the qualification date.

(A) One point will be awarded an applicant whose domicile is in a census district or county with a population that is 80 percent or more rural or has a total population of under 10,000 as of the 1970 census.

(B) Zero points will be awarded an applicant whose domicile is in a census district or county with population that is less than 80 percent rural or has a total population of more than 9,999.

(C) An applicant from a zero point area may receive one point through a special showing that there is neither a road nor an adequate daily transportation service from the applicant's domicile to other potential areas of employment in his county or census district. (Eff 4/9/76, Reg. 58)

Authority: AS 16.43.100(a)(1),(2) and (6)
AS 16.43.100(b)
AS 16.43.110(a)
AS 16.43.250(a)

20 AAC 05.659. DESIGNATION OF SIGNIFICANT AND MINOR ECONOMIC HARDSHIP CLASSIFICATIONS FOR THOSE FISHERIES DESIGNATED IN SEC. 310(a)(9) (13) OF THIS CHAPTER. (a) Priority classifications 10 through 24 are classifications of applicants who would suffer significant economic hardship by exclusion from the fishery, except in the Kotzebue gillnet fishery where such classifications are 12 through 24.

(b) Priority classifications 0 through 2 are classifications of applicants who would suffer only minor economic hardship by exclusion from the fishery, and an entry permit originally issued to them under AS 16.43.250(c) may therefore have certain restrictions placed upon its transfer as required by AS 16.43.170(c). (Eff 4/9/76, Reg. 58)

Authority: AS 16.43.100(a)(2)
AS 16.43.110(a)
AS 16.43.127(c)
AS 16.43.250(b)
AS 16.43.250(c)

20 AAC 05.660. DEFINITIONS. In secs. 600 through 660 of this chapter

(1) "annual catch value" means the number of pounds of any species of fish caught by an applicant in the fishery for which he is applying, as derived from fish tickets, during a given year, multiplied by the average price per pound paid for the species in that fishery during the year, or the gross amount actually received for the calendar year from harvesting the fishery resource commercially while participating as a gear license holder in the fishery for which he is applying;

(2) "income dependence percentage" means the annual catch value divided by the sum of the annual catch value and the nonfishing occupational income, with the result multiplied by 100;

(3) "nonfishing occupational income" means that portion of earned income that comes from sources other than commercial fishing. It includes gross wages, salaries, professional fees and other amounts received as compensation for personal services actually rendered including cost of living allowances. In the case of an applicant engaged in a trade or business other than commercial fishing, the net profits of such trade or business shall be included as nonfishing occupational income. Pensions, interest, dividends, other investment income, and income received directly from participating in any fishery as a gear license holder or crewman will not be included;

(4) "qualification date" means January 1, 1973, except that in the case of fisheries for which the commission establishes the maximum number of entry permits after January 1, 1975, the qualification date is January 1 of the year during which the commission establishes the maximum number of entry permits for a fishery;

(5) "gear" means the fishing apparatus necessary to harvest the fishery resource commercially. (Eff. 12/18/74, Reg. 52)

Authority: AS 16.43.100(b)
AS 16.43.110(a)

20 AAC 05.662 PRIORITY CLASSIFICATION SYSTEM FOR HERRING FISHERIES (1)-(3) DESIGNATED IN SEC. 310(a) OF THIS CHAPTER. (a) The commission finds that special circumstances exist (set out in detail in the findings of February 1977) requiring the use of the point system in sec. 664 of this chapter for herring fisheries (1)-(3) designated in sec. 310(a) of this chapter.

(b) For each herring fishery for which a maximum number of entry permits has been established in sec. 320 of this chapter, a point system is used for ranking applicants for entry permits.

(c) A point scale of 0 - 9 is established for areas A-1 and H.

(d) A point scale of 0 - 8 is established for area E-1.

(e) The commission will assign an applicant to a priority classification based on the total points to which his qualifications as of the qualification date entitled him under sec. 664 of this chapter. The greater the degree of hardship the applicant would suffer by exclusion from the fishery, the higher the total number of points. (Eff. 2/25/77, Reg. 61)

Authority: AS 16.43.100(a) AS 16.43.110(a)
AS 16.43.100(b) AS 16.43.250(a)

20 AAC 05.664 POINT SYSTEM FOR HERRING FISHERIES (1)-(3) DESIGNATED IN SEC. 310(a) OF THIS CHAPTER. (a) Past Participation. Points will be awarded to an applicant for past participation in the fishery applied for based on the following

(1)

Past Participation as a Herring Purse Seine Interim-Use Permit Holder	Adm. Areas A-1 and H	Adm. Area E-1
Year	Points	Points
1976	2	2
1975	2	1
1974	1	1
Maximum Allowable Award	5	4

(2) If unavoidable circumstances existed such that an applicant was unable to participate during any of the years 1974 through 1976, the commission will in its discretion award an applicant the appropriate point(s) allowable under (a)(1) of this section, upon a special showing of past participation.

(3) "Past participation," for purposes of this section, mean

(A) the commercial taking of the herring resource in herring administrative areas A-1, E-1 or H with a herring purse seine, interim-use permit and appropriate licenses; or

(B) being on the fishing grounds in herring administrative areas A-1, E-1 or H, with the appropriate vessel, gear licenses, and interim-use permit with the intention of taking the herring resource during the time the season was open and the herring resource was harvested.

(b) Economic Dependence. A maximum of four points will be awarded to an applicant for economic dependence on the fishery.

(1) A maximum of three points will be awarded for investment in vessel and gear as of the qualification date (December 31, 1976).

(A) Ownership of a purse seine vessel used or to be used in the herring purse seine fisheries will result in the owner being awarded one point.

(B) Ownership of a herring purse seine used or to be used in the herring fisheries will result in the owner being awarded two points.

(2) One point will be awarded for availability

of alternative occupations if an applicant's domicile as of the qualification date and according to the 1970 U.S. Census, is in a census district or county with a population of 25,000 or less (Eff. 2/25/77, Reg. 61)

Authority: AS 16.43.100(a) AS 16.43.110(a)
AS 16.43.100(b) AS 16.43.250(a)

20 AAC 05.666. DESIGNATION OF SIGNIFICANT AND MINOR HARDSHIP CLASSIFICATIONS. For the herring fisheries (1) — (3) designated in sec. 310(a) of this chapter, the commission designates

(1) priority classifications of applicants with six or more points as those who would suffer significant economic hardship by exclusion from the fishery and therefore will receive an entry permit;

(2) priority classifications of applicants 0 through 2 are those who would suffer only minor economic hardship by exclusion from the fishery and an entry permit originally issued to them by the commission pursuant to AS 16.43.250(c) may therefore have certain restrictions upon its transfer as required by AS 16.43.170(c) (Eff. 2/25/77, Reg. 61)

Authority: AS 16.43.100(a) AS 16.43.250(b)
AS 16.43.110(a) AS 16.43.250(c)
AS 16.43.127(c)

20 AAC 05.667. PRIORITY CLASSIFICATION SYSTEM FOR SOUTHEASTERN HERRING GILLNET FISHERY. (a) The commission finds that special circumstances exist (set out in detail in its findings on this herring gillnet fishery dated January 1978) requiring the use of the point system in sec. 668 of this chapter for the Southeastern herring gillnet fishery.

(b) A point scale of 0 — 21 is established for the Southeastern herring gillnet fishery.

(c) The commission will assign an applicant to a priority classification based on the total points to which he qualifications as of the qualification date entitle him under sec. 668 of this chapter. The greater the degree of hardship the applicant would suffer by exclusion from the fishery, the higher the total number of points. (Eff. 4/30/78, Reg. 66)

Authority: AS 16.43.100
AS 16.43.110(a)
AS 16.43.250(a)

20 AAC 05.668. POINT SYSTEM FOR THE SOUTHEASTERN HERRING GILLNET FISHERY. (a) Past Participation. Up to a maximum of 18 points will be awarded to an applicant for past participation in the fishery based on the following:

(1) **Past Participation as a Herring Gillnet Operator**

Year	Sub-Area	Points
1977	Juneau	3
	Kah Shakes	3
	Other	1
1976	Juneau	2
	Chatk Bay	2
	Gambier Bay	2
	Pybus Bay	2
	Kasaan	2
	Helm Bay	2
	Kah Shakes	2
	Other	2
1975		2
1974		2
1973		1
1972		1

Past Participation as a Crewman

Year	Points
1977	1
1976	1
1975	1
1974	1

(2) For purposes of this subsection, no more than six points may be claimed for participation as a herring gillnet operator in 1977, nor no more than six points as a herring gillnet operator in 1976. Points may not be claimed as an operator and as a crewman in the same year.

(3) If unavoidable circumstances exist such that an applicant's past participation in the fishery is not realistically reflected by points awarded for past participation for the years 1972 through 1977, the commission may award a maximum of 18 points upon a special showing of past participation during the years 1972 through 1977.

(4) For purposes of this subsection, "past participation" means

(A) the commercial taking of the herring resource in herring administrative area A with a gillnet, while holding the appropriate licenses and/or permit; or

(B) being on the fishing grounds in the sub-area with vessel, gear, licenses and interim-use permit and with the ability to and intention of commercially harvesting the herring resource during the time the season was open and the herring resource was harvested; or

(C) being on the fishing grounds in the sub-area during the time when a season opening was anticipated by appropriate Department of Fish and Game personnel but did not materialize, with vessel, gear licenses and interim-use permit and with the ability and intention of commercially harvesting the herring resource.

(5) For purposes of this subsection, sub-areas are as follows:

Sub-area	Statistical Chart Area*
Juneau	111-50 & 115-10
Chatham Bay	112-80 & 113-10
Gambier Bay	110-24
Sylvus Bay	110-22
Kassan	102-60
Helm Bay	101-90
Kah Shakes	01-23
Other	All portions of administrative area A not included above, excluding waters of the Metlakatla Indian Reservation

*As defined by regulations of the Board of Fisheries.

(6) For purposes of this subsection, a person demonstrating the following is presumed to be an "operator" of herring gillnet gear:

(A) had a gear license for herring gillnet gear; and

(B) had the appropriate interim-use permit; and

(C) was licensed to operate the vessel from which that unit of gear was fished; and

(D) had the immediate right to control the vessel and unit of gear being operated.

(7) For the purposes of this subsection, a unit of gear is the aggregate amount of gear operated from a single vessel. The maximum number of participation points available to credit the operation of a unit of gear may not exceed the amount which can be claimed by a single operator.

(8) The commission will, in its discretion, consider other evidence relevant to "operator" status. Where two or more individuals claim to have operated the same unit of gear, the commission will, in its discretion, determine who was the operator based upon all available evidence. If unable to determine which individual was the operator, the commission will award the available operator points proportionally.

(h) Economic Dependence. Up to a maximum of five points will be awarded an applicant for economic dependence on the Southeastern herring gillnet fishery based on the following:

(1) a maximum of four points will be awarded an applicant for investment in vessel and gear:

(A) Ownership of a vessel used or to be used in the commercial gillnet harvest of herring:

(i) one point if owned on May 19, 1977; and

(ii) one point if owned on December 31, 1977.

(B) Ownership of gear used or to be used in the commercial gillnet harvest of herring (available in addition to points claimed in (A) of this subsection)

(i) one point if owned on May 15, 1977; and

(ii) one point if owned on December 31, 1977.

(C) In cases where a vessel or gear is owned jointly or in a corporate capacity, an applicant's points will be determined by multiplying the percentage of ownership interest times the total number of points possible, except in cases where the applicant is the only individual with an ownership interest in the vessel or gear who has applied and been found eligible to apply for a Southeastern herring gillnet permit, in which case the applicant will receive the total number of points possible.

(2) One point will be awarded for availability of alternative occupations in the place of the applicant's domicile as of the qualification date when the place of domicile is in a census district or county with a population that is 50 percent or more rural or has a total population of 25,000 or less as of the 1970 census. (Eff. 4/30/78, Reg. 66)

Authority: AS 16.43.100
AS 16.43.110(a)
AS 16.43.250(a)(11)
AS 16.43.250(a)(21)

20 AAC 05.669. DESIGNATION OF SIGNIFICANT AND MINOR HARDSHIP CLASSIFICATIONS FOR THE SOUTHEASTERN HERRING GILLNET FISHERY. (a) Priority classifications 11 through 23 are classifications of applicants who would suffer significant economic hardship by exclusion from the fishery, and will therefore receive an entry permit.

(b) Priority classifications 0 through 4 are classifications of applicants who would suffer only minor economic hardship by exclusion from the fishery. (Eff. 4/30/78, Reg. 66)

Authority: AS 16.43.100(a) AS 16.43.250(b)
AS 16.43.110(a) AS 16.43.250(c)
AS 16.43.127(c)

20 AAC 05.670. DEFINITIONS. In secs. 667 - 669 of this chapter, unless otherwise specified, "gear" must include 100 or more fathoms of gillnet with mesh of not more than three inches stretched measure, as defined in 5 AAC 39.975(11), with cork and lead line. Additional points will not be awarded for additional nets, nor for gear other than the net. (Eff. 4/30/78, Reg. 66)

Authority: AS 16.43.100(b)
AS 16.43.110(a)

ARTICLE 7
TRANSFER OF ENTRY AND INTERIM-USE PERMITS

Section
700 Requirements for transfer
710 Notice of intent to transfer
720 Application for transfer
730 Transfer and reissuance of entry permits
741 Lease or retained right of repossession prohibited
735 Designation of agents by commission
740 Emergency transfers
750 Transfer on death of the holder
760 Administrative hearings
770 Definitions for secs. 700 - 770

20 AAC 05.700. REQUIREMENTS FOR TRANSFER. (a) The holder of an entry or interim-use permit may transfer that permit only through the commission in accordance with secs. 700 - 727 of this chapter.

(b) It is a violation of this chapter for any permit holder to allow another to use his or her permit without first transferring the permit through the commission in accordance with secs. 700 - 727 of this chapter. The permit holder and the unauthorized transferee will be subject to penalties as provided in AS 16.43.360. (Eff. 12/18/74, Reg. 52, am 12/27/79, Reg. 72)

Authority: AS 16.43.100(a)(11)
AS 16.43.110(a)
AS 16.43.170
AS 16.10.339

20 AAC 05.710. NOTICE OF INTENT TO TRANSFER. (a) The holder of an entry permit not subject to the restrictions of AS 16.43.110(c) or (d) may establish a filing date, effective date, and expiration date for the transfer of his entry permit by filing a notice of in-

tent to transfer with the commission on a form supplied by the commission. The holder need not name a proposed transferee when filing a notice of intent to transfer. The commission will return a copy of the notice of intent to transfer together with a statement of the filing date, effective date, and expiration date for transfer of an entry permit.

(b) A holder may revoke a notice of intent to transfer any time prior to the filing of an application to transfer by filing his written notice of revocation of intent to transfer with the commission.

(c) A holder may file a renewed notice of intent to transfer at any time after the effective date of a notice of intent to transfer. A renewed notice shall simply extend the expiration date if filed over 60 days prior to the expiration date of the previous notice of intent to transfer.

(d) Any person who has applied for an entry permit under sec. 500 of this chapter may file with his application, or later, a notice of intent to transfer an entry permit. The effective date for purposes of transfer shall be the date of the original issuance of the entry permit, or the date 60 days after the filing of the notice, whichever is later. (Eff. 12/18/74, Reg. 52)

Authority: AS 16.43.100(a)(11)
AS 16.43.110(a)
AS 16.43.170(b)
AS 16.43.170(c)
AS 16.43.170(d)

20 AAC 05.720. APPLICATIONS FOR TRANSFER. (a) An application for the transfer of an entry permit may be filed with the commission on or after the effective date and must be filed with the commission on or before the expiration date of the notice of intent to transfer.

(b) Application for the transfer of an entry permit must be made to the commission on a form provided by the commission. The application must be signed by the applicant and the proposed transferee. The applicant and the proposed transferee must certify to facts establishing the present ability of the proposed transferee to participate actively in the fishery, and will be required upon request to produce documentation of those facts and such other information as the commission finds necessary.

(c) An application for the transfer of an entry permit may be withdrawn only upon the written request of both the applicant and the proposed transferee. (Eff. 12/18/74, Reg. 52)

Authority: AS 16.43.100(a)(11)
AS 16.43.110(a)
AS 16.43.170(b)

20 AAC 05.730. TRANSFER AND REISSUANCE OF ENTRY PERMITS. (a) Subject to the provisions of secs. 731 — 740 and 990(b) of this chapter, the commission will approve a request to transfer an entry permit and reissue an entry permit to the proposed transferee if the applicant and proposed transferee (other than the commission) comply with sec. 720(a) and (b) of this chapter.

(b) When the proposed transferee is a loan applicant with the Department of Commerce and Economic Development or the Alaska Commercial Fishing and Agricultural Bank, the commission will approve the request to transfer an entry permit and reissue an entry permit to the proposed transferee when final loan approval has been given by the Department of Commerce and Economic Development or the Alaska Commercial Fishing and Agricultural Bank.

(c) If the commission determines that the proposed transferee's present ability to participate actively in the fishery has not been established, it will so notify the applicant and the proposed transferee, giving its findings of fact and conclusions.

(d) For purposes of this chapter, there is a rebuttable presumption that the proposed transferee is unable to participate actively in the fishery if

(1) for set net permits, the proposed transferee has not attained his or her 10th birthdate, and

(2) for other permits, the proposed transferee has not attained his or her 16th birthdate. (Eff. 12/18/74, Reg. 52, am 12/27/79, Reg. 72)

Authority: AS 16.10.111
AS 16.10.319
AS 16.43.100(a)(11)
AS 16.43.110
AS 16.43.150(g)
AS 16.43.170

20 AAC 05.731. LEASE OR RETAINED RIGHT OF REPOSSESSION PROHIBITED. (a) A request for a permanent transfer of an entry permit is presumed to be pursuant to a lease or retained right of repossession if the proposed transferee or a member of the proposed transferee's immediate family has, within the two years immediately preceding the filing of the request to transfer, held and caused to be permanently transferred a permit for the same fishery as that currently requested. The commission will refuse to approve a request for transfer which is presumed to be pursuant to a lease or retained right of repossession unless

(1) where the entry permit to be transferred is the identical permit previously transferred by the proposed transferee, or member of the proposed transferee's immediate family, the presumption is rebutted by clear and convincing evidence; or

(2) where the entry permit to be transferred not the identical permit, but is for the same fishery as the permit previously transferred by the proposed transferee, the presumption is rebutted by a preponderance of the evidence.

(b) For the purposes of this section, the term "lease or retained right of repossession" does not include gratuitous transfers of an entry permit or approved emergency transfers under AS 16.43.150.

(c) A request for permanent transfer to a person who held that same permit during any [illegible] of the calendar year in which the request for permanent transfer is considered filed will be denied. (Eff. 12/27/79, Reg. 72)

Authority: AS 16.10.333 AS 16.43.100
AS 16.10.339 AS 16.43.150

20 AAC 05.735. DESIGNATION OF AGENTS BY COMMISSION. (a) The commission will in its discretion, designate agents for the purpose of receiving and reviewing notices of intent to transfer and requests for transfer.

(b) Properly completed notices of intent to transfer and requests for transfer received under this section must be date stamped and forwarded to the commission. Properly completed forms are received by the commission on the date received by a designated agent of the commission. (Eff. 12/27/79, Reg. 72)

Authority: AS 16.10.333
AS 16.10.339
AS 16.43.170(a)

20 AAC 05.740. EMERGENCY TRANSFERS. (a) A holder of an entry or interim-use permit under this section or sec. 750(b) of this chapter may apply for an emergency transfer of the entry or interim-use permit to another person by making application to the commission on a form provided by the commission.

(b) The commission will grant an emergency transfer of an entry or interim-use permit if the proposed transferee is not a permit holder in the fishery and is presently able to participate actively in the fishery, and if it is established that illness, disability, death, required military or government service, or other unavoidable hardship prevents the transferor from participating in the fishery.

(c) Where illness, disability, or death precludes communication by the transferor, the commission will, in its discretion, authorize the emergency transfer of an entry or interim-use permit upon application by a person other than the transferor. Such a transfer is subject to revocation at any time upon application by the transferor.

(d) Unless further restricted by the transferor, or otherwise limited by the commission, an emergency transfer will be effective for the remainder of the calendar year.

(e) The proposed transferor and transferee of an emergency transfer under this section shall provide information and executed releases for information the commission determines is reasonably necessary to establish the basis upon which the emergency transfer is requested. Sufficient proof to verify the basis of the transfer must be submitted when the transfer request is made.

(f) An emergency transfer of an entry permit will be approved in favor of a loan applicant securing a period of interim commercial financing if the holder has on file with the commission a notice of intent to transfer and the loan applicant has been issued a letter of loan commitment by the Department of Commerce and

Economic Development or the Alaska Commercial Fishing and Agricultural Bank. Emergency transfers under this subsection expire on the date of formal loan approval and transfer of the permit to the Department of Commerce and Economic Development or the Alaska Commercial Fishing and Agricultural Bank. (Eff. 12/18/74, Reg. 52, am 12/27/79, Reg. 72)

Authority: AS 16.10.339 AS 16.43.110(a)
AS 16.43.100(b) AS 16.43.180(a)

20 AAC 05.750. TRANSFER ON DEATH OF THE HOLDER. (a) An entry permit survives the death of the holder and will be transferred by the commission directly to the surviving spouse by right of survivorship unless a contrary intent is expressed by the holder.

(b) When no spouse survives the decedent or the rights to the permit otherwise pass to the estate, the authorized representative of the deceased holder's estate may apply for an emergency transfer of an entry permit pending final disposition of the permit as a part of the holder's estate by making application to the commission on a form provided by the commission. The emergency transfer must be to a person who is not a permit holder in the fishery and who can establish the present ability to participate actively in the fishery. The commission will approve an application for an emergency transfer under this subsection if the representative establishes that the holder is deceased and that the representative is authorized to request the transfer. Unless further restricted by the authorized representative, an emergency transfer after the death of the holder is effective for the remainder of the year. The authorized representative may annually renew an entry permit and apply for subsequent emergency transfers if he can establish that the permit has not been finally disposed of as part of the deceased holder's estate.

(c) The authorized representative may make final disposition of the entry permit under secs. 700 — 770 of this chapter upon demonstrating authorization for that action from the appropriate judicial authorities, except that a person named to receive that permit by distribution from the estate, rather than by sale from the estate, will receive that entry permit without being subject to the requirements of sec. 730(c).

(Eff. 12/18/74, Reg. 52, am 12/27/79, Reg. 72)

Authority: AS 16.43.100(a)(11)
AS 16.43.110(a)
AS 16.43.150(f)
AS 16.43.170(b)
AS 16.43.180(b)

20 AAC 05.760. ADMINISTRATIVE HEARINGS. Either the holder of an entry or interim-use permit, the authorized representative of the holder, or the authorized representative of a deceased holder's estate may request an administrative hearing and adjudication under the provisions of secs. 800 –855 of this chapter to contest a determination by the commission under secs. 700 — 750 of this chapter. (Eff. 12/18/74, Reg. 52, am 12/27/79, Reg. 72)

Authority: AS 16.43.110

20 AAC 05.770. DEFINITIONS FOR SECS. 700 — 770. In secs. 700 — 770 of this chapter

(1) "transfer" means any conveyance or attempted conveyance of the permit by the holder or any attempt by the holder to authorize another to use the entry permit for the operation of gear in the fishery. It does not include a contract or agreement to convey a permit in the future.

(2) "filing date" means the date upon which a document is delivered to the commission, except that a request to transfer will be considered filed upon the expiration of 60 days following the filing date of the notice of intent to transfer or when delivered to the commission, whichever occurs last.

(3) "effective date" means the date 60 days after the filing date of the notice of intent to transfer, or the date of expiration of a prior notice of intent to transfer, whichever occurs last.

(4) "expiration date" means the date 12 months after the filing date.

(5) "present ability to participate actively" means the person is physically able to harvest fish in the fishery and has reasonable access to commercial fishing gear of the type utilized in that fishery.

(6) "holder" means the person to whom the entry permit is issued;

(7) "authorized representative" means the personal representative duly appointed to administer the estate of a deceased entry permit holder pursuant to the provisions of AS 13.16.245 et seq. or pursuant to comparable provisions of the laws of the jurisdiction of the deceased holder's estate;

(8) "disability" means a serious impairment or loss of physical function;

(9) "illness" means a disease or ailment of such a character as to seriously affect the general soundness and healthfulness of the somatic system and not a mere temporary indisposition which does not tend to undermine or weaken the constitution;

(10) "immediate family" means spouse, child, stepchild, parent, step-parent, brother, step-brother, sister, step-sister, parent-in-law, son-in-law, daughter-in-law, brother-in-law and sister-in-law;

(11) "required governmental service" includes service at the federal, state, or local level required by law or which, if voluntarily performed, is not the permit holder's primary occupation; service without compensation, or service for which only stipend, per diem or expenses are paid is prima facie evidence that the service provided is not the permit holder's primary occupation;

(12) "required military service" means any service in the Armed Forces of the United States or the several states including related branches of service or substituted service where that service is required by law, or voluntary service during time of war or other national or local emergency. (Eff. 12/18/74, Reg. 52, am 12/27/79, Reg. 72)

Authority: AS 16.43.100(b)
AS 16.43.110(a)
AS 16.43.180

ARTICLE 8.
ADMINISTRATIVE HEARINGS AND ADJUDICATIONS

Section
800 Matters covered
805 Request for an administrative hearing
810 Notice of hearing
815 Scope of hearing
820 Rules of evidence
825 Subpoenas, depositions, affidavits and documents
830 Continuances
835 Default
840 Hearing officer's written recommendations
845 Administrative adjudication
850 Reconsideration
855 (Repealed)

20 AAC 05.800. MATTERS COVERED. The provisions of secs. 800 - 890 of this chapter apply to all matters presented to the commission for administrative hearing and adjudication. (Eff. 12/18/74, Reg. 52)

Authority: AS 16.43.100(b) AS 16.43.110(b)
AS 16.43.110(a) AS 16.43.120(a)

20 AAC 05.805. REQUEST FOR AN ADMINISTRATIVE HEARING. (a) An applicant or other party may request an oral or written administrative hearing by filing a request for a hearing with the commission. The request for a hearing must contain a statement of why the commission's determination should be changed and indicate which findings of fact, interpretation of regulation, or interpretation of statute the party believes to be in error. An administrative hearing will be granted upon the determination that the written request for a hearing demonstrates a genuine issue in contention.

(b) The following schedule governs requests for a hearing.

(1) Application classification or denial. The request for a hearing must be received on or before the 45th day following the mailing date of the notice of classification or notice of denial, whichever was earlier.

(2) Ineligibility for the reduced annual fee under sec. 220(b) of this chapter. The request for a hearing must be received on or before the 45th day following the date that the notice of ineligibility for the reduced annual fee was mailed to the applicant.

(3) Transfer of an entry permit under secs. 700 - 770 of this chapter, or of an interim-use permit under sec. 420 of this chapter. The request for a hearing must be received on or before the 45th day following the date that the notice of denial was mailed to the holder and the proposed transferee.

(4) All other commission determinations. The request for a hearing must be received on or before the 45th day following the mailing of the written notice of the commission's determination.

(c) Failure to request a hearing following a determination by the commission as set out in subsection (b) of this section, precludes further administrative consideration except as provided in subsection (d) of this section.

(d) The commission may adjust administrative errors affecting a commission determination during or after the period for requesting a hearing, upon written notice to the applicant or other party. Such adjustment is subject to an administrative hearing for an additional period specified in subsection (b) of this section. (Eff. 12/18/74, Reg. 52)

Authority: AS 16.43.100(b)
AS 16.43.110(a)
AS 16.43.110(b)

20 AAC 05.810. NOTICE OF HEARING. In all cases where an administrative hearing is granted, the commission will determine the time and place of hearing and deliver or mail a notice of hearing to the applicant or other party at least 30 days before the hearing. The applicant or other party may waive the 30-day notice requirement. (Eff. 12/18/74, Reg. 52)

Authority: AS 16.43.100(b) AS 16.43.110(b)
AS 16.43.110(a) AS 16.43.120(a)

20 AAC 05.815. SCOPE OF HEARING. The applicant or other party may present relevant evidence at the hearing, including testimony, affidavits, and documents, in support of the contentions for which the hearing was granted. Depositions, affidavits, and documents that have been stipulated to by the applicant or other party and the commission prior to the hearing will also be entered into the record. (Eff. 12/18/74, Reg. 52)

Authority: AS 16.43.100(b) AS 16.43.110(b)
AS 16.43.110(a) AS 16.43.120(a)

20 AAC 05.820. RULES OF EVIDENCE. (a) Oral evidence may be taken only upon oath or affirmation.

(b) Common law rules of evidence apply except when the hearing officer determines that their application is not required in order to assure fair treatment of the applicant or other party and that the evidence offered is relevant and of the sort on which responsible persons are accustomed to rely in the conduct of serious matters.

(c) The applicant or other party and the hearing officer may

(1) call and examine witnesses;

(2) introduce exhibits;

(3) cross-examine opposing witnesses on matters relevant to the issues even though the matter was not covered in the direct examination. If the applicant or other party does not testify, he may be called and examined by the hearing officer.

(d) The applicant or other party shall bear the burden of proving by a preponderance of the evidence that a determination of the commission is erroneous. (Eff. 12/18/74, Reg. 52)

Authority: AS 16.43.100(b) AS 16.43.110(b)
AS 16.43.110(a) AS 16.43.120(a)
AS 16.43.110(c)

20 AAC 05.825 SUBPOENAS, DEPOSITIONS, AFFIDAVITS AND DOCUMENTS. (a) At the request of an applicant or other party for good cause shown or upon its own motion, the hearing officer may issue subpoena and subpoena duces tecum to compel production of testimony or other evidence at a hearing. The issuance of subpoenas will be governed by the provisions of AS 44.62.430.

(b) In accordance with the provisions of AS 44.12.440 the hearing officer may order that the testimony of a material witness be taken by deposition.

(c) Documents or affidavits intended to be used at a hearing should be submitted to the commission by mail or at a prehearing conference so that they may be stipulated to whenever possible. (Eff. 12/18/74, Reg. 52)

Authority: AS 16.43.100(b) AS 16.43.110(d)
AS 16.43.110(a) AS 16.43.120(a)
AS 16.43.110(c)

20 AAC 05.830 CONTINUANCES. For good cause shown and at his discretion the hearing officer may order the continuance of a hearing. (Eff. 12/18/74, Reg. 52)

Authority: AS 16.43.100(b) AS 16.43.110(b)
AS 16.43.110(a) AS 16.43.120(a)

20 AAC 05.835 DEFAULT. If an applicant or other party does not appear at an oral hearing that has been granted, the hearing officer, unless good cause is shown, may act upon the evidence presently at his disposal without notice to the applicant or other party. (Eff. 12/18/74, Reg. 52)

Authority: AS 16.43.100(b) AS 16.43.110(b)
AS 16.43.110(a) AS 16.43.120(a)

20 AAC 05.840 HEARING OFFICER'S WRITTEN RECOMMENDATIONS. The hearing officer shall prepare a written recommendation in a form which may be adopted as the decision in the case. A copy will be served on the applicant or other party. (Eff. 12/18/74, Reg. 52)

Authority: AS 16.43.110(b) AS 16.43.110(b)
AS 16.43.110(a) AS 16.43.120(a)

20 AAC 05.845 ADMINISTRATIVE ADJUDICATION. (a) The commissioners will adjudicate the matter before them on the basis of the material previously filed with the commission by the applicant or other party, evidence presented at the hearing or introduced into the hearing record, matters officially noticed by the hearing officer under the procedures of AS 44.62.480 and the written recommendation of the hearing officer.

(b) The applicant or other party will be given two weeks from the date of mailing of the hearing officer's written recommendations to submit written comments on that recommendation. If the applicant or other party desires an opportunity to make an oral presentation to the commissioners, he must make the fact known to the commission within the two-week period. Any presentation to the commissioners shall be limited to the record before them and no commissioner may vote unless he has heard any additional oral presentation.

(c) If an applicant or other party fails to act within the two-week period, or fails to appear at the time and place scheduled for oral presentation, the commissioners will grant a second opportunity only upon good cause shown.

(d) The commissioners may adopt the hearing officer's written recommendation in its entirety or in part. If the recommendation is not adopted in its entirety, the commissioners may decide the case upon the record or request additional evidence.

(e) A case requiring additional evidence will be referred to a hearing officer to take that evidence. The hearing officer shall prepare a second written recommendation based upon additional evidence and the original record of the earlier hearing. A copy of the second recommendation will be given to the applicant or other party, and the commissioners will resume the adjudication.

(f) The commissioners' decision will be written and contain findings of fact and determinations of the issues presented.

(g) A decision is effective and final 30 days after it is hand delivered or mailed to the applicant or other party unless a reconsideration

is ordered within that time. (Eff. 12/18/74, Reg. 52)

Authority: AS 16.43.100(b) AS 16.43.110(b)
AS 16.43.110(a) AS 16.43.120(a)

20 AAC 05.850. RECONSIDERATION. (a) The commissioners may order a reconsideration of their decision on their own motion or on petition of the applicant or other party. A petition for reconsideration by the applicant or other party shall set forth specifically the grounds upon which the petitioner believes the decision to be erroneous or specify new evidence he believes will have a substantial bearing on the decision.

(b) The power to order a reconsideration expires 30 days after the hand delivery or mailing of a decision to the applicant or other party. If no action is taken on a petition for reconsideration within the time allowed for ordering reconsideration, the petition is considered denied.

(c) The commissioners may reconsider a matter in the original record or order a supplementary hearing in accordance with sec. 845(e) of this chapter. (Eff. 12/18/74, Reg. 52)

Authority: AS 16.43.100(b) AS 16.43.110(b)
AS 16.43.110(a) AS 16.43.120(a)

20 AAC 05.855. APPEARANCES. Repealed 4/7/75.

ARTICLE 9
MISCELLANEOUS PROVISIONS

Section
900. Communications
910. Remittances and charges
920. Permit files
930. Confidential records and information
940. Designation of salmon net gear permits by area
942. Redesignation of salmon net gear permits by area
944. Issuance of permit cards for designated salmon net area
960. Area registration of salmon net fishing vessel
962. Area reregistration of salmon net fishing vessel
964. Issuance of vessel license area tab
968. Vessel license
960. Power of authorized agent
980. Assistance by designated agent
985. Time of permit renewal and vessel license application
990. Appraised value

20 AAC 05.900. COMMUNICATIONS. (a) All correspondence with the commission should be addressed to the commission at its principal office.

(b) A written communication is considered to be officially filed when delivered to the commission's office unless otherwise specified. A written communication will be considered officially received when delivered to the commission's office or postmarked.

(c) No correspondence signed by an individual staff member or commissioner shall be deemed to state an official determination or decision by the commission unless the signature is preceded by the recital "By Direction of the Commercial Fisheries Entry Commission." The presence of this recital constitutes presumptive evidence that the signatory has been delegated authority to state the commission's action in the particular matter. (Eff. 12/18/74, Reg. 52, am 1/1/78, Reg. 64)

Authority: AS 16.43.100(b)
AS 16.43.110(a)

20 AAC 05.910. REMITTANCES AND CHARGES. (a) Every remittance shall be by money order, bank draft or check payable to the Commercial Fisheries Entry Commission. Remittances in coin or currency will be sent at the risk of the loss of money sent in that manner.

(b) Postage stamps shall not be sent as a remittance unless the sender is so directed.

(c) The commission may charge for costs it incurs in furnishing copies of minutes, reports, orders or any printed or typed material in its possession. (Eff. 12/18/74, Reg. 52)

Authority: AS 09.25.100 AS 16.43.110(a)
AS 16.43.110(b) AS 16.43.110(b)

20 AAC 05.920. PERMIT FILES. The commission will maintain a file of interim permit and entry permit information. The file will contain information pertaining to but not limited to the following:

(11) issuance of the permit to the named applicant

(12) annual renewal of the permit

(13) any assessment

(14) payment of any assessment

(15) forfeiture of the permit.

(16) application for temporary transfer of the permit

(17) temporary or emergency transfer of the permit to the named person

(18) notice of intent to transfer the permit

(19) revocation of notice of intent to transfer the permit

(110) application for transfer of the permit

(111) withdrawal of application for transfer of the permit

(112) reissuance of the permit to named person (Eff. 12/18/74, Reg. 52)

Authority: AS 16.43.100(b)
AS 16.43.110(a)

20 AAC 05.930 CONFIDENTIAL RECORDS AND INFORMATION. (a) Except as provided in (b) of this section the books, records, papers, files, and writings of the commission are public records and are open to inspection by the public during regular office hours.

(b) The following information is confidential and shall not be open to inspection by the public unless waived by the appropriate party:

(1) communications relating to personnel matters and medical or other personal information which under governing personnel practices of the State of Alaska are not public information;

(2) information and data relating to the commission's budget and legislative proposals prior to the time they are acted upon by the governor and the legislature;

(3) communications between legal counsel and the commission or its staff regarding matters requiring confidential legal advice or assistance;

(4) reports concerning the landings of fish, shellfish, or fishery products, annual statistical reports of buyers and processors required by regulation of the Department of Fish and Game, data obtained from research conducted by the Commercial Fisheries Entry Commission in establishing maximum and optimum numbers, and information derived from those reports and that data, except when presented in a manner that prevents the identification of particular reports, data or persons;

(5) copies of state and federal income tax returns provided by an applicant for an interim use permit or entry permit, other statements relating to personal income by such an applicant, information relating to specific monetary transactions between an applicant or permit holder and the commission, and information derived from such reports and statements, except information presented in a manner that prevents the identification of particular reports or persons;

(6) notices of intent to transfer an entry permit or requests to transfer, along with any documents submitted to the commission in support of or related to a request, presented in such a manner as to allow identification of the individual parties to the transaction, after the completion of a transfer, the recipient for transfer is no longer subject to the confidential restrictions of this section. (Eff. 12/18/74, Reg. [illegible]; am 2/28/77, Reg. [illegible]; am [illegible], Reg. [illegible])

Authority: AS 09.25.100
AS 16.43.110
AS 44.17.030

20 AAC 05.940 DESIGNATION OF SALMON SET GEAR PERMITS BY AREA. A person who holds salmon net gear permits for more than one administrative area or his authorized agent shall designate upon a form provided by the commission the single area in which he desires to salmon net fish in that year as required by 5 AAC 39.115, adopted by the Alaska Board of Fisheries. The area so designated must be an area for which the person

holds a valid salmon net permit. (Eff. 5/21/78, Reg. 66)

Authority: AS 16.43.100
AS 16.43.110(a)
AS 16.43.140(c)

20 AAC 05.942. REDESIGNATION OF SALMON NET GEAR PERMITS BY AREA. (a) A person who holds salmon net permits in more than one administrative area and has designated an area of intended fishing as provided in sec. 940 of this chapter may, before the initial annual opening of the salmon net fishery designated, redesignate the area in which he intends to fish.

(b) Redesignation, as provided in (a) of this section, may occur only once each calendar year, unless this limitation is waived by the Department of Fish and Game for good cause.

(c) A person desiring to redesignate the area of intended salmon net fishing as provided in (a) of this section shall submit to the commission

(1) any salmon net permit cards issued by the commission for that year;

(2) a writing indicating the area of intended redesignation which is dated and signed by the permit holder or his authorized agent as provided in sec. 960 of this chapter; and

(3) the appropriate permit renewal fees for the permit corresponding to the redesignated area, if not previously renewed for that year.

(d) Redesignation under this section supersedes the original designation as if the original designation had never been made. (Eff. 5/21/78, Reg. 66)

Authority: AS 16.43.100
AS 16.43.110(a)
AS 16.43.140(c)

20 AAC 05.944. ISSUANCE OF PERMIT CARDS FOR DESIGNATED SALMON NET AREA. (a) A person who holds salmon net permits in more than one administrative area may annually renew all permits so held.

(b) A person who holds salmon net permits in more than one administrative area and who has designated the area of intended salmon net fishing as provided in secs. 940 or 942 of this chapter will be issued a permit card only for the salmon net area so designated. (Eff. 5/21/78, Reg. 66)

Authority: AS 16.43.100
AS 16.43.110(a)
AS 16.43.140(c)

20 AAC 05.950. AREA REGISTRATION OF SALMON NET FISHING VESSEL. (a) A person who owns a commercial fishing vessel to be used to take salmon with net gear, or his authorized agent, shall complete the area registration required by 5 AAC 39.120 by designating upon the vessel license application or renewal form in the space provided by the commission, the vessel's single area of intended salmon net operation for that year.

(b) As used in this section, the term "area" means any one of those areas defined in 5 AAC 39.120(d) except that

(1) in registration area T, vessel registration is also required for a fishing district as specified in 5 AAC 06.350;

(2) in registration areas M, Y, and Z, vessel registration is also required for a fishing subdistrict as specified in 5 AAC 03.370. (Eff. 1/1/78, Reg. 64)

Authority: AS 16.05.480(5) AS 16.43.100
AS 16.05.540 AS 16.43.110(a)

20 AAC 05.952. AREA REREGISTRATION OF SALMON NET FISHING VESSEL. (a) If a person who owns a salmon net fishing vessel or his authorized agent desires to reregister the vessel for a different salmon net registration area as provided in 5 AAC 39.120, he will be issued a new vessel license area tab for the area of reregistration upon receipt by the commission of

(1) a written certification or personal affidavit stating that the vessel has not been used for salmon net fishing in the original area of registration; and

(2) a properly completed reregistration form supplied by the commission

(3) any license area tabs for that vessel previously issued by the commission for that year or

(2) an authorization from the commissioner of the Department of Fish and Game, or his authorized agent stating that a vessel has been lost through sinking, destruction, or extensive mechanical breakdown, or that the vessel operator has suffered serious injury, sickness, or death during open season and

(A) a properly completed reregistration form supplied by the commission

(B) any license area tabs for that vessel issued by the commission for that year

(b) Reregistration under (a)(1) of this section may occur only once each calendar year unless this limitation is waived by the commission for good cause. (Eff. 1/1/78, Reg. 64)

Authority: AS 16.05.450(b) AS 16.43.100
AS 16.05.530 AS 16.43.110(a)

20 AAC 05.954 ISSUANCE OF VESSEL LICENSE AREA TAB. (a) A fishing vessel which has been registered in an area of intended salmon net operation as provided in sec. 950 or 952 of this chapter will be issued a vessel license area tab by the commission for the single area selected for that year.

(b) The vessel license area tab is part of the vessel license and must be affixed to the vessel license at all times of vessel operation.

(c) No vessel owner or operator may possess for each vessel, and no vessel may display, more than one vessel license area tab. (Eff. 1/1/78, Reg. 64)

Authority: AS 16.05.450(b)
AS 16.05.530
AS 16.43.110(a)

20 AAC 05.958 VESSEL LICENSE. (a) A commercial fishing vessel license issued by the commission will include

(1) a number plate

(2) a tab designating the year to be fished, and

(3) in the case of a salmon net fishing vessel, an area tab designating the registration area valid for the area to be fished.

(b) The number plate, year tab, and area tab must be permanently affixed to the vessel for display unless waived by the commission for good cause. (Eff. 1/1/78, Reg. 64)

Authority: AS 16.05.450(b) AS 16.43.100(a)
AS 16.05.520 AS 16.43.110(a)

20 AAC 05.960 POWER OF AUTHORIZED AGENT. (a) By submitting to the commission all properly completed forms required, together with the appropriate fees, an authorized agent may renew an entry permit, renew an interim-use permit, make initial application for an interim-use permit and apply for or renew a vessel license on behalf of his principal.

(b) Unless waived by the commission for good cause, the power of the authorized agent must appear in a dated writing signed by the principal.

(c) Writings sufficient to confer representative power upon the agent include, but are not limited to

(1) power of attorney

(2) letters testamentary

(3) letters of guardianship,

(4) personal affidavit in a summary administrative proceeding, or

(5) marriage certificate.

(d) Unless the written authorization specifically states the contrary or is declared irrevocable by a court of competent jurisdiction, all authorizations are revocable in the same manner and form with which they were created.

(e) The commission will, after a hearing as provided in secs. 800 - 850 of this chapter, refuse to accept an agent's actions on behalf of his principal if the commission finds that the agent consistently, intentionally, or through gross negligence has either supplied false information to the commission or omitted necessary or required information, forms, or fees. Upon such a commission finding, the agent may not thereafter represent any principal before the commission for the period of time the commission specifies.

(f) Nothing in this section affects the ownership of a permit nor confers upon the agent the power to transfer a permit on behalf of the principal.

(g) For the purpose of this section, "principal" means a permit holder, interim-use permit applicant, or vessel owner, represented by the agent. (Eff. 1/1/78, Reg. 64)

Authority: AS 16.05.530
AS 16.43.100
AS 16.43.110(a)

20 AAC 05.980. ASSISTANCE BY DESIGNATED AGENT. (a) Annual applications or renewals under secs. 410 and 560 of this chapter will be accepted by the commission from agents designated by the commissioner of revenue who assist in the completion of annual application or renewal forms. An agent so appointed by the commissioner of revenue may retain 15 percent of the permit fee collected for assisting in the completion of an application or renewal form.

(b) As used in this section, "assist in completion of" means to aid in supplying information which is substantial, material, and necessary for the completion of the application or renewal form, but does not include

(1) assistance in dating or signing the form; or

(2) performance of acts which would normally occur after completion of the application or renewal form, including, but not limited to

(A) addressing envelopes to the commission;

(B) stamping envelopes;

(C) inserting completed forms in envelopes for mailing;

(D) delivering the envelope and form to a United States Post Office station for mailing;

(E) duplication of information supplied by the commission to the applicant or permit holder; or

(F) designation of the salmon net area to be fished under sec. 940 or 942 of this chapter.

(c) On a daily basis as assistance is rendered, designated agents shall forward to the commission completed permit forms together with all fees, less 15 percent if appropriate, and a completed accounting form supplied by the commission. (Eff. 1/1/78, Reg. 64; am 5/21/78, Reg. 66)

Authority: AS 16.05.460 AS 16.43.110(a)
AS 16.05.470(b) AS 16.43.220(a)
AS 16.43.100

20 AAC 05.985. TIME OF PERMIT RENEWAL AND VESSEL LICENSE APPLICATION. (a) Subject to the limitations of secs. 100, 110, 130, and 560 of this chapter, permits may be renewed and vessel licenses applied for at any time after the appropriate forms are made available by the commission. The date of permit renewal or vessel license application is the date upon which the commission receives the renewal or application form substantially completed, along with the appropriate fees.

(b) The commission will issue a permit card or vessel license only upon the filing of a permit renewal or vessel license application form substantially completed together with the appropriate fees, except as waived by the commission for good cause shown. (Eff. 1/1/78, Reg. 64)

Authority: AS 16.05.450(b)
AS 16.43.100
AS 16.43.110(a)

20 AAC 05.990. APPRAISED VALUE. (a) The commission will determine appraised values of entry permits on a quarterly basis to carry out the purposes of AS 16.10.333 – AS 16.10.339. Requests for interim-reevaluation of appraised values will not be considered except from the Department of Commerce and Economic Development.

(b) Appraised values will be based upon the best information available to the commission as compiled from request to transfer forms which are completed by all proposed permit transferees and other sources the commission considers appropriate. Failure of the transferee to com-

plete the request-to-transfer form will result in refusal to issue the entry permit card and the transferee will not be considered as holding a currently valid entry permit card for purposes of this chapter. (Eff. 12/27/79, Reg. 72)

Authority: AS 16.10.339
AS 16.43.170

CHAPTER 10. PROFESSIONAL TEACHING PRACTICES COMMISSION

Sections

10. Coverage
20. Code of ethics and teaching standards
30. Distribution of handbook

20 AAC 10.010. COVERAGE. All members of the teaching profession (as defined in AS 14.20.370) are obligated to abide by the code of ethics and the professional teaching standards adopted by the Professional Teaching Practices Commission. (Eff. 1/30/75, Reg. 53)

Authority: AS 14.20.480

20 AAC 10.020. CODE OF ETHICS AND TEACHING STANDARDS. The code of ethics and professional teaching standards of the Professional Teaching Practices Commission as well as the commission's bylaws, procedures and forms are contained in Alaska State Professional Teaching Practices Commission Handbook for Alaskan Educators (1974 Edition). This handbook is adopted by reference. (Eff. 1/30/75, Reg. 53)

Authority: AS 14.20.450
AS 14.20.460

Editor's note: Additional copies of the handbook adopted in 20 AAC 10.020 and mentioned in 20 AAC 10.010 are available from the Professional Teaching Practices Commission, 1001 West 70th Avenue, Anchorage, Alaska 99502, or from the Department of Education, Pouch F, Alaska Office Building, Juneau, Alaska 99811.

20 AAC 10.030. DISTRIBUTION OF HANDBOOK. Copies of the Alaska State Professional Teaching Practices Commission Handbook for Alaskan Educators shall be conspicuous and available at every educational institution in the state whose employees are members of the teaching profession as defined in AS 14.20.370. (Eff. 1/30/75, Reg. 53)

Authority: AS 14.20.460

Editor's note: Additional copies of the handbook adopted in 20 AAC 10.020 and mentioned in 20 AAC 10.010 are available from the Professional Teaching Practices Commission, 1001 West 70th Avenue, Anchorage, Alaska 99502, or from the Department of Education, Pouch F, Alaska Office Building, Juneau, Alaska 99811.

HB
359

(9)

COMMITTEE REPORT

HOUSE

FURTHER: JUDICIARY

March 7, 1979 Date: 3-16-79

Mr. Speaker:

The Committee on RESOURCES has had HB 359

"An Act relating to salmon enhancement."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[✓] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[✓] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB359	3/15	Fish & Game Dept.	3/15
	3/15	Commercial Fisheries Entry Commission	3/15

Presented by F&G FRED division at 3/15 hearing on HB359

Estimated Annual Salmon Hatchery Returns by Species and Region to Public Facilities

	1975	1976	1977	1978	79 (Forecast)
Pink Salmon					
Southeastern					18,500
Prince William Sound					
Cook Inlet		3700	100	164,900	200,200
A Y K					
Bristol Bay					
Alaska Peninsula					
Kodiak	5500	12500	26900	36400	158800
Subtotal	5500	16200	27,000	201400	377300
Chum Salmon					
Southeastern				3900	34000
Prince William Sound					
Cook Inlet					
A Y K					
Bristol Bay					
Alaska Peninsula					
Kodiak				3400	34000
Subtotal					
King Salmon					
Southeastern		500	700	100	2100
Prince William Sound					
Cook Inlet	100	400	1200	1800	4300

A.Y.K.					
Bristol Bay					
Alaska Peninsula					
Kodiak					
Sub Total	100	1100	1900	1400	6400

Coho Salmon

Southeastern	12100	9800	1000	2600	14500
Prince William Sound					
Cook Inlet	10500	6500	9400	15100	32500
A.Y.K.					
Bristol Bay					
Alaska Peninsula					
Kodiak					
Sub-Total	22600	16,300	10400	17700	47,000

Red Salmon

Southeastern					
Prince William Sound					
Cook Inlet				17300	30400
A Y K					
Bristol Bay					700
Alaska Peninsula					
Kodiak					
Sub Total	—	—	—	17300	31000

Grand Total	28700	33600	37300	241,200	495,700

TESTIMONY BEFORE HOUSE RESOURCES COMMITTEE HB 359

by

Greg Cook, Executive Director
Boards of Fisheries & Game

March 15, 1978

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE

MY NAME IS GREG COOK, EXECUTIVE DIRECTOR FOR THE BOARD OF FISHERIES AND BOARD OF GAME. I WOULD LIKE TO ADDRESS SECTION 8, OF THIS BILL, SINCE IT WILL RESULT IN A MAJOR CHANGE IN THE ADMINISTRATION AND REGULATION OF AQUACULTURE IN ALASKA.

SECTION 8, REPEALS AS 16.10.440 (b). THIS SECTION OF EXISTING LAW GRANTS BROAD REGULATORY AUTHORITY TO THE BOARD OF FISHERIES. THE BOARD OF FISHERIES, ACTING UNDER THIS SECTION OF EXISTING LAW, HAS BEEN ACTIVLLY INVOLVED IN THE AQUACULTURE PROGRAM BY ISSUING PERMITS, SELECTING SITES FOR HATCHERIES, DECIDING ON THE BOUNDARIES OF THE SPECIAL HARVEST AREAS, AND ENSURING THAT THE FINANCIAL REPORTING REQUIREMENTS OF AS 16.10.470 ARE MET. OTHER REGULATORY POWERS ARE ALSO VESTED IN THE BOARD.

THE BOARD OF FISHERIES HAS PLAYED A POSITIVE ROLE IN THESE AREAS IN THE PAST. THE BOARD'S DELIBERATIONS HAVE INCLUDED MUCH PUBLIC TESTIMONY. FOR EXAMPLE, AT THE JANUARY 1979 MEETING IN JUNEAU, 12 MEMBERS OF THE PUBLIC TESTIFIED. IN JUNEAU THE PUBLIC ALSO WAS ABLE TO HEAR PERTINENT DEPARTMENT OF FISH AND GAME STAFF REPORTS, TESTIMONY FROM OTHER STATE AND FEDERAL AGENCY OFFICIALS, AND THE OPINIONS LEADING TO THE FINAL SIONS.

THE PRIVATE NONPROFIT AQUACULTURE PROGRAM IN ALASKA IS NEW. PRIVATE NONPROFIT AQUACULTURE HAS ENGENDERED CONSIDERABLE PUBLIC DEBATE AND PUBLIC PARTICIPATION IN THE DECISION MAKING PROCESS. BROAD INVOLVEMENT

BY THE BOARD OF FISHERIES INSURES THAT THE PUBLIC WILL BE HEARD ON THESE QUESTIONS.

THE BOARD OF FISHERIES HAS PROVIDED A PUBLIC FORUM FOR DISCUSSION OF THE CONCERNS OF THE CITIZENS OF ALASKA. THE BOARD OF FISHERIES IS A RESPONSIBLE GROUP AND WHILE THEY ARE NOT IMMUNE FROM PRESSURE, THEIR STATUS AS PRIVATE CITIZENS AND THE FACT THAT THEIR DELIBERATIONS ARE PUBLIC, MAKES THEM LESS SUSCEPTIBLE TO SPECIAL INTERESTS THAN DEPARTMENT PERSONNEL

THE BOARD OF FISHERIES' INVOLVEMENT IN THE PERMITTING PROCESS HAS ALSO BEEN BENEFICIAL. BY DECIDING TO APPROVE OR DISAPPROVE OF PERMITS FOR PRIVATE HATCHERIES, THE BOARD IS, IN EFFECT, MAKING AN ALLOCATION DECISION. THE FOLLOWING EXAMPLE MAY PERHAPS CLARIFY HOW THIS OCCURS:

IMAGINE A PRIVATE HATCHERY IS PROPOSED TO BE BUILT ON RIVER "A." THEY WISH TO RAISE HUMPIES AND HARVEST THEM WITH GILL NETS. NEREBY THERE IS A SIGNIFICANT SPORT FISHERY FOR COHO. IF THE PRIVATE HATCHERY IS BUILT, AND A NET FISHERY IS BEGUN, THERE WILL BE AN INCIDENTAL CATCH OF COHO SALMON THAT WILL REDUCE THE SPORT FISHERY. SHOULD THIS PRIVATE HATCHERY BE BUILT? ALLOCATION DECISIONS OF THIS TYPE HAVE TRADITIONALLY BEEN MADE BY THE BOARD OF FISHERIES, SINCE THE BOARD MEETS IN PUBLIC AND RECEIVES TESTIMONY FROM ALL INTERESTED PERSONS.

THE EFFECT OF HB 359 AS IT CURRENTLY STANDS IS TO REMOVE THESE DE FACTO ALLOCATION DECISIONS FROM THE BOARD OF FISHERIES. IT WOULD REDUCE THE AMOUNT OF PUBLIC INVOLVEMENT IN THE AQUACULTURE PROGRAM--A PROGRAM WHICH IS INTENDED TO CONTRIBUTE TO THE COMMON PROPERTY FISHERY WITHOUT ADVERSELY AFFECTING NATURALLY OCCURRING STOCKS.

IT IS, OF COURSE, THE PREROGATIVE OF THE LEGISLATURE TO DETERMINE THE LEVEL OF PUBLIC INVOLVEMENT IN THE PRIVATE NONPROFIT BUSINESS OF AQUACULTURE. MY TESTIMONY BEFORE THIS COMMITTEE IS INTENDED SIMPLY TO REMIND YOU OF SOME OF THE BENEFITS TO THE PUBLIC--AND COINCIDENTALLY, TO THE DEPARTMENT OF FISH AND GAME AS WELL--WHICH HAVE RESULTED FROM THE INVOLVEMENT OF THE BOARD OF FISHERIES BY VIRTUE OF THE BROAD REGULATORY AUTHORITY OF AS 16.10.440 (b).

Cordova District Fisheries Union

Headquarters: Box 939, Cordova, Alaska

April 9, 1979

HB 359

Representative Terry Gardiner
Speaker of the House
Pouch V
Juneau, Alaska 99811

Dear Terry:

By the time this letter reaches you, certain decisions will have been made which might or might not make my comments inappropriate or unnecessary. However, because I do have to be on the fishing grounds rather than in Juneau expressing my views, I do hope that my negative reactions to what I understand are possible proposed amendments to HB 359 will be considered. This is not just for the immediate future, but for over the long haul unless we find that reasonable compromises regarding the Board of Fisheries role in the hatchery permitting, brood stock and harvest allocation system are in fact impossible.

I personally feel, with no disrespect intended, that portions of HB 359 which are aimed at stripping all authority from the Alask Board of Fisheries during the process of developing the PNP hatchery system not only verges on, but is, premature paranoia.

After sitting through last December's Board session on the PNP discussion, etc., I can appreciate much of the Regional Corporations' concerns and fears of what roles the Board might play and how they could create significant problems for PNP development. However, even though I don't live and breathe PNP, I am reasonably aware of these concerns and have spent an appreciable amount of time addressing these problem areas with various Board members on my own.

I also attended the portion of this past Board meeting which addressed these issues of concern and during which the Board actually reviewed a permit application and addressed the brood stock problem. Personal at present, I am very much satisfied with the role the Board is playing as expressed by their decision, attitudes, and associated actions on the evening of April 6.

It would be in the best interest of all concerned to review the last tapes of the Board meeting to see if your fears are justified. I sincerely feel they are not.

I think I have a pretty good feel for the PNP concerns since I am a member of the PWS Regional Planning Team and on PWSAC's board. I can also relate to the average fisherman off the street's attitude, which unfortunately is often falsely based due to being uninformed, primarily caused by the nature of the beast.

I sincerely feel that the Board has a role to play in the process, especially in the conflict areas. The Board is still sorting out just what particular areas these entail, but they have come a long way since December. To legislate their role now is definitely premature and unnecessary.

For the most part, it is my opinion that the really controversial issues must be settled by the Board. Let them take the heat, because the Regional PNP associations cannot stand the losses that will be sustained if they are the conflict decision makers.

Sincerely,

Bob Blake
Chairman

BB:jmr

cc: Representative Margaret Branson
Senator Clem Tillion
Senator Bob Mulcahy
Senator Jay Kerttula
Representative Alvin Osterback
Keith Specking
All Regional Aquaculture Corporations
All Fishing Organizations
UFA

HB

360

(9)

COMMITTEE REPORT

HOUSE

FURTHER: JUDICIARY

March 7, 1979 Date: _____

Mr. Speaker:

The Committee on RESOURCES has had HB 360

"An Act relating to late applications for limited entry permits; eff. date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____ CHAIRMAN

H 60 (Rev. 12/78)

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HB360	3/12	Commercial Fisheries Entry Commission	3/15
	3/12	Rep. Gardiner, Rep. Anderson (sponsors)	3/15
	3/12	Fish and Game Dept.	

ALASKA STATE LEGISLATURE

[illegible] Legislature FIRST Session

HOUSE BILL NO. 369

By [illegible]

"An Act relating to late applications for limited entry permits, and providing for an effective date."

Introduced in the House [illegible], 19[illegible]

HISTORY IN THE HOUSE

19	79	
		Read first time and referred to Committee on
Mar.	7	Resources and Judiciary
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	
	Read first time and referred to Committee on
	Reported back with recommendation that
	Read second time and
	Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	
	Received from Senate
	Concurred in Senate amendment thus adopting: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling
	Reported correctly enrolled
	Sent to Governor
	by Governor
	Filed with Lt. Governor
	Chapter No.

81 002

HB360

LAW OFFICES OF FREDERICK TORRISI
P.O. BOX 10047
DILLINGHAM, ALASKA 99576

842-5608

March 12, 1979

Alvin Osterback, Co-chairman
Committee on Natural Resources
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

re: HB 360

Dear Representative Osterback:

As I mentioned in my letter of February 1,1979, a significant number of rural Alaskans failed to obtain limited entry permits to which they were entitled solely because their applications were not timely filed. In an area in which the availability of alternative occupations is minimal, this situation is intolerable economically as well as equitably.

House Bill 360, referred to Natural Resources and Judiciary last week, solves this problem. There is no expense involved, although the Entry Commission will necessarily have to process additional applications. The number of new permits issued will be extremely small in most fisheries, as it was the rare person who had enough points yet still failed to apply. The problem is that these rare persons didn't understand what was happening and are now permanently excluded from the only jobs realistically available to them. I hope you are able to support HB 360 and move it quickly to the House floor.

Please feel free to call or otherwise contact me on this. I am well acquainted with the Commission's position on this subject and would be happy to discuss any problems you may see in the bill.

Thank you for your consideration of this.

Sincerely,

FJT

Frederick Torrisi

HB
390

AGO 126056

HB 390 return to Clerk's office
on 1/25/80 for SS

(9)

COMMITTEE REPORT

HOUSE

1/25/80

FURTHER: JUDICIARY

Date: _____

Mr. Speaker:

The Committee on RESOURCES has had SS HB 390

"An Act relating to boating safety."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

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_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

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_____

_____

_____

CHAIRMAN

H 60 (Rev. 12/78)

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

SPONSOR SUBSTITUTE
HOUSE BILL NO. SSHB 390

By BUCHHOLDT

"An Act relating to boating safety."

Boating safety

Introduced in the House 1/25, 1980

HISTORY IN THE HOUSE

19 80

Jan. 25 Read first time and referred to Committee on: Resources and Judiciary

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:
VOTE

Failed to concur in Senate amendment; asked Senate to recede
VOTE

Senate receded from amendment
VOTE

Senate failed to recede from amendment
VOTE

CC appointed by House

CC appointed by Senate

CC adopted by House
VOTE

CC adopted by Senate
VOTE

To enrolling
Reported correctly enrolled
sent to Governor

by Governor

Filed with Lt. Governor

Chapter No.

6520
Baldwin

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

SPONSOR SUBSTITUTE
HOUSE BILL NO. SSHB 390

By BUCHHOLDT

"An Act relating to boating safety."

Boating safety

Introduced in the House 1/25, 1980

HISTORY IN THE HOUSE

19	
80	Read first time and referred to Committee on
Jan. 25	Resources and Judiciary
	Reported back with recommendation that
	Read second time and
	Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	
	Read first time and referred to Committee on
	Reported back with recommendation that
	Read second time and
	Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	
	Received from Senate
	Concurred in Senate amendment thus adopting: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling
	Reported correctly enrolled
	Sent to Governor
	by Governor
	Filed with Lt. Governor
	Chapter No.

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
* SSHB 390 Boating Safety	2/22/80	call	Rep. Thelma Buchholdt, Sponsor	2/25
	2/22	586-7300	Coast Guard: David Alluminata to testify	2/25
	2/22	486-5438	Harbor Masters Assoc. (Kodiak) George McCorcle, Sec.	2/25
	2/22		Dept. of Public Safety Mike Clemens to testify	2/25

(907) 586-7198

CAPT JOHN C HANSON
CHIEF, MARINE SAFETY DIVISION
SEVENTEENTH COAST GUARD DISTRICT

UNITED STATES
COAST GUARD

P. O. BOX 3-5000
JUNEAU, ALASKA 99802

approx. $250,000 - 300,000 would go to Alaska first year

GB/TP

96TH CONGRESS
1ST SESSION

S. 1957

To amend the Federal Boat Safety Act of 1971 to improve recreational boating safety and facilities through the development, administration, and financing of a national recreational boating safety and facilities improvement program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 30 (legislative day, OCTOBER 15), 1979

Mr. EAGLETON introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

---

A BILL

To amend the Federal Boat Safety Act of 1971 to improve recreational boating safety and facilities through the development, administration, and financing of a national recreational boating safety and facilities improvement program, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Recreational Boating Safety and Facilities Improvement Act of 1979".

RECEIVED

Office of

approved State vessel numbering system is necessary for full eligibility for Federal funds allocated and distributed under this section;

"(2) a cooperative boating safety assistance program with the Coast Guard in that State;

"(3) sufficient patrol and other activity to insure adequate enforcement of applicable State boating safety laws and regulations;

"(4) an adequate State boating safety education program;

"(5) the designation of a State lead authority or agency, which would implement or coordinate the implementation of the State recreational boating safety and facilities improvement program supported by Federal financial assistance in that State, including the requirement that the designated State authority or agency submit required reports in the form prescribed by the Secretary; and

"(6) a facilities improvement program describing boating facility projects, including but not limited to: acquisition of title, or any interest in riparian or submerged land; and capital improvement of riparian or submerged land for the purpose of increasing public access to the waters of the United States, and such an-

cillary facilities as are necessary to insure the safe use of those facilities."

(c) Allocation and distribution of funds under this section is subject to the following conditions:

"(1) Of the total funds available for allocation and distribution, one-third shall be allocated each year for recreational boating safety programs and two-thirds shall be allocated for recreational boating facilities improvement programs.

"(2) Of the funds available for allocation and distribution for recreational boating safety programs, one-third shall be allocated equally among eligible States. One-third shall be allocated so that the amount each year to each eligible State will be in the same ratio as the number of vessels numbered in that State, under a numbering system approved under this Act, bears to the number of vessels numbered in all eligible States. The remaining one-third shall be allocated so that the amount each year to each eligible State shall be in the same ratio as the State funds expended or obligated for the State boating safety program during the previous fiscal year by a State bears to the total State funds expended or obligated for that fiscal year by all eligible States.

"(3) Of the funds available for allocation and distribution for recreational boating facilities improvement programs, one-third shall be allocated each year, equally among eligible States. The remaining two-thirds shall be allocated so that the amount each year to each eligible State will be in the same ratio as the number of vessels numbered in that State bears to the number of vessels numbered in all eligible States.

"(4) The amount received by any State under this section in any fiscal year may not exceed one-half of the total cost incurred by that State in the development, administration, and financing of that State's recreational boating safety and facilities improvement program in that fiscal year.

"(5) No allocation or distribution of funds under this section may be made to any State for the maintenance of boating facilities under an approved State recreational boating safety and facilities improvement program.

"(6) The Secretary is authorized to expend from the funds available for allocation or distribution in any fiscal year those sums, not to exceed two percent of the funds available, as are necessary for the administration of this Act.".

(5) Section 27 is amended to read as follows:

"ESTABLISHMENT OF NATIONAL RECREATIONAL BOATING SAFETY AND FACILITIES IMPROVEMENT FUND

"SEC. 27. There is in the Treasury of the United States a fund known as the National Recreational Boating Safety and Facilities Improvement Fund, consisting of such amounts as may be credited to it as provided in this section. There shall be covered into the fund the amounts specified in section 209(f)(5) of the Highway Revenue Act of 1956 (70 Stat. 397), as amended. Amounts in the fund shall be available, as provided in appropriation Acts, for making expenditures after September 30, 1980, and before October 1, 1984, for the purposes of section 26 of this Act.".

(6) In section 28 by striking subsections (a) and (d) and redesignating subsections (b) and (c) as (a) and (b), respectively.

(7) In section 29 by adding, following the words "boating safety", the words "and facilities improvement" and following the words "costs of" the first time they appear, the word "land,".

(8) Section 30 is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS FOR STATE RECREATIONAL BOATING SAFETY AND FACILITIES IMPROVEMENT PROGRAMS

"SEC. 30. For the purpose of providing financial assistance for State recreational boating safety and facilities im-

provement programs, there is authorized to be appropriated $30,000,000 for each of the fiscal years beginning with fiscal year 1981 through fiscal year 1984, those appropriations to remain available until expended.".

(9) Section 31 is amended—

(a) in subsection (a) to read as follows:

"(a) Amounts allocated and distributed under section 26 of this Act shall be computed and paid to the States as follows: The Secretary shall determine, during the last quarter of a fiscal year, on the basis of computations made pursuant to section 29 of this Act and submitted by the States, the percentage of the funds available for the next fiscal year to which each eligible State shall be entitled. Notice of the percentage and of the dollar amount, if it can be determined, for each State shall be furnished to the States at the earliest practicable time. If the Secretary finds that an amount made available to a State for a prior year is greater or less than the amount which should have been made available to that State for the prior year, because of later or more accurate State expenditure information, the amount for the current fiscal year may be increased or decreased by the appropriate amount.";

and

(b) in subsection (c) by adding, following the word "safety" wherever it appears, the words "and facilities improvement".

(10) Section 32 is amended—

(a) by striking in subsection (a) the words "boating and boating safety" and inserting in lieu thereof the words "boating safety and facilities improvement."; and

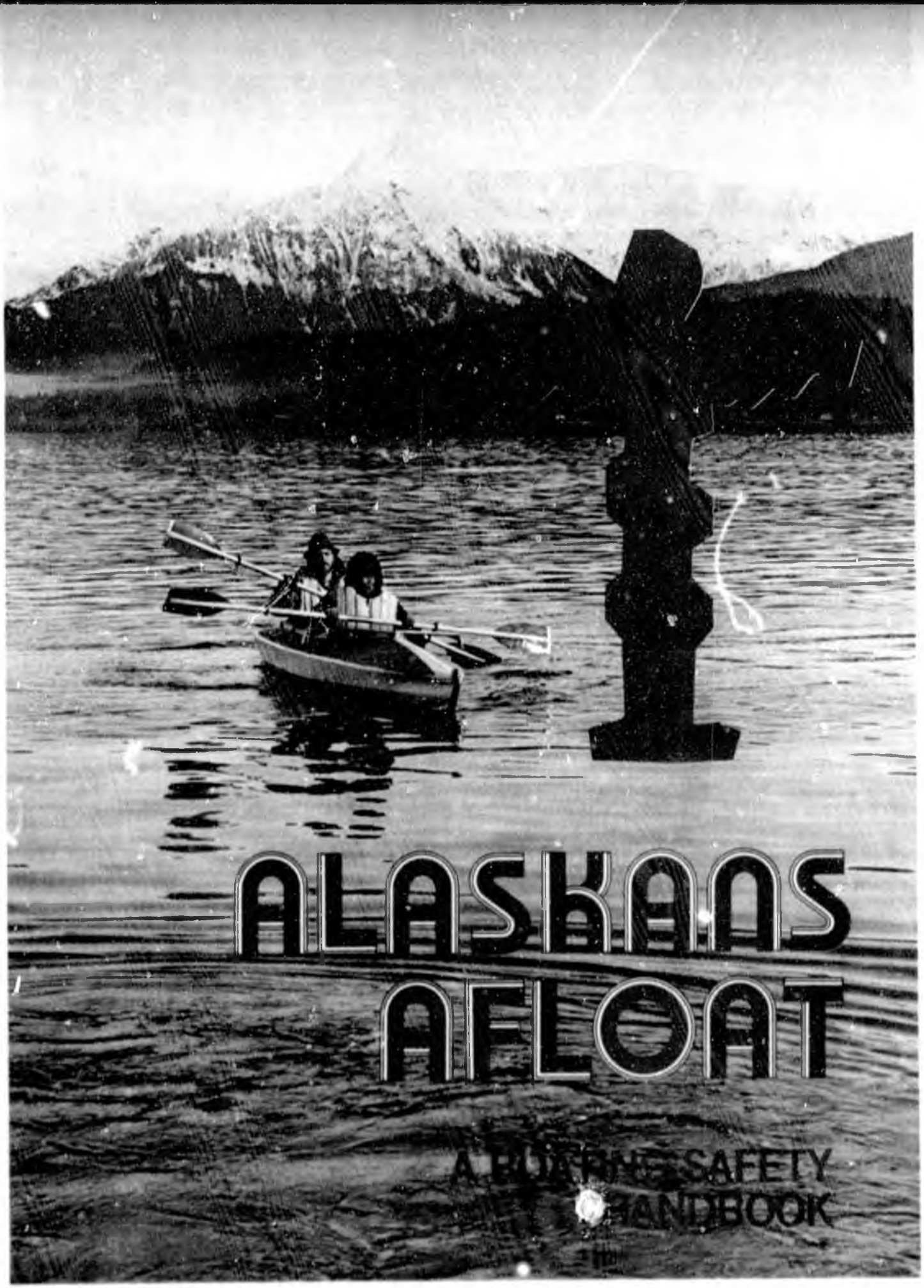
(b) by adding in the first sentence of subsection (b) following the word "safety" the words "and facilities improvement".

SEC. 3. Section 209(f)(5) of the Highway Revenue Act of 1956 (70 Stat. 397), as amended, is amended to read as follows:

"(5) TRANSFERS FROM THE TRUST FUND FOR SPECIAL MOTOR FUELS AND GASOLINE USED IN MOTORBOATS.—The Secretary of the Treasury shall pay from time to time from the trust fund into the recreational boating safety and facilities improvement fund provided for in section 27 of the Federal Boat Safety Act of 1971 (85 Stat. 213), as amended, amounts as are determined by him equivalent to the taxes received, on or after September 30, 1980, under section 4041(b) of the Internal Revenue Code of 1954, as amended, with respect to special motor fuels used as

fuel for the propulsion of motorboats and under section 4081 of that Code with respect to gasoline used as fuel in motorboats. No amounts may be transferred under this section if the transfer would result in increasing the amount in the recreational boating safety and facilities improvement fund to a sum in excess of $30,000,000. The Secretary shall transfer any remaining amounts received into the trust fund from the above sources and not transferred in accordance with the foregoing provision, as determined by him in consultation with the Secretary of Commerce, into the land and water conservation fund provided for in title I of the Land and Water Conservation Fund Act of 1965.".

○


ALASKANS
AFLOAT
A BOATING SAFETY
HANDBOOK

WELCOME ABOARD!

Welcome aboard! The course of study you are about to embark upon is the first of its kind to be used in Alaskan schools. Boating means many things to different people—skiing, fishing, sailing, camping and just plain cruising. Boating is now the nation's most popular form of family recreation.

Almost 200,000 boaters enjoy our State waters annually. Unfortunately, some of those who were out to have a good time never made it back. Many boaters are killed or seriously injured each year. In fact, the accident rate in Alaska is the highest in the nation.

We think that you will find this course to be informative, as well as enjoyable. If you put forth the effort to understand the few basic regulations and practices that affect boating in Alaska, you too can enjoy our waterways without becoming an accident statistic.

So, when you take to the water please keep in mind what you learn from this course, and occasionally refreshen yourself, so that you will truly become a Better Alaskan Boater!

Sincerely,

George P. Asche

George P. Asche,
Captain
UNITED STATES COAST GUARD
Seventeenth Coast Guard District
Boating Safety Division

STATE OF ALASKA
United States Coast Guard

In cooperation with:
Alaskan Native Health Authorities
The American Red Cross
United States Coast Guard Auxiliary
United States Public Health Service

First printing February 1979

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Outdoor Empire Publishing, Inc.
511 Eastlake Ave. E. / P.O. Box C 19000
Seattle, WA 98109

Printed in U.S.A.

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BOATING SAFETY

Boating as an occupation and family sport is growing with each passing day. Our modern industrial technology has given us more leisure time than ever before in our history and, as the population continues to grow, demands for food also mount, thus increasing the need for fishermen.

The purpose of this course is to introduce to all owners and operators of water craft safety requirements and safe practices in the operation and navigation of their boats. The secret of boating safety is keeping out of trouble rather than getting out of trouble after you get into it.

Unfortunately, it is a fact that some of our boaters do manage to get into trouble afloat and, in some cases, end up as "statistics" in the local press.

In 1977, for example, nationally there were 6,815 reported boating accidents involving 8,554 vessels. These accidents resulted in 1,054 fatalities, 1,332 personal injuries and over 11.5 million dollars in property damage. These numbers aren't quite as impressive in Alaska but when you consider that we have 1.7% of the national fatalities with only 0.3% of the registered boats in the nation, you can see we have more than our share. A lot of lives, injuries and money! Can this be prevented? The answer is an emphatic yes! Most boating accidents are the result of a lack of basic knowledge on the part of the boater. Common causes of boating accidents are:

1. Engine too powerful or too heavy
2. High speed turns
3. Overloading
4. Riding on the bow or gunwales
5. Damage from wakes
6. Lack of Personal Flotation Devices
7. Explosion and fire resulting from fuel leaks or spills.
8. Drinking and improper use of drugs

Capsizing

The record shows that year after year more lives are lost as the result of vessels capsizing than any other type of casualty. In most cases it's the operator who is to blame. Improper loading and overloading are the principal reasons for capsizing and ignoring weather warnings ranks next.

When loading your boat, weight should be evenly distributed from *bow* (front) to *stern* (back) and *athwartships* (from side to side). The more weight you put into a boat, the deeper it sinks into the water, thus reducing the amount of *freeboard*. The more you reduce the freeboard, the greater the tendency to swamp or capsize. If a boat is over-loaded or improperly loaded it will usually be difficult to steer. Many boats today have a capacity plate, generally on the instrument panel where it can be easily seen, which indicates its weight-carrying capacity.

Water Conditions

The first factor to consider is the anticipated sea-state or water conditions. It is logical to deduce that if rough water is expected, less weight should be carried. At selected locations in and near boating areas, storm warnings may be displayed by flag hoists or lights. Display points may be Coast Guard stations, marinas, lighthouses or municipal piers.

Activities

The second factor to consider would be the activity in which you expect to engage while under way. Standing up in a small boat is not especially dangerous if it is done carefully in calm water conditions and if the boat is not too heavily laden. By standing up you will change the center of gravity of the boat and if the hull is being buffeted about appreciably, it could cause the boat to capsize or for you to fall overboard. Other factors would be the weight of the equipment, fuel, tools, food and other gear which will be carried.

(Photo courtesy SEATTLE TIMES)

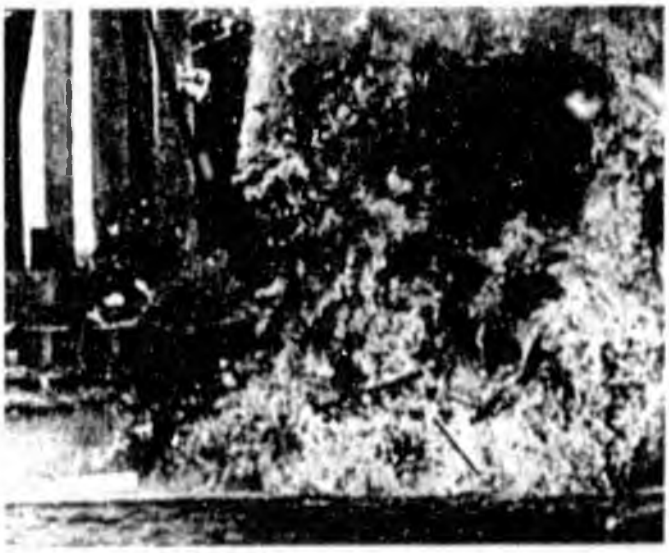
Improper Loading — Result Swamping

Falls Overboard

Falls overboard and vessel sinkings are the second and third major types of casualties resulting in boating fatalities. As a boat operator, you must recognize these dangers and learn how to avoid them. As stated previously, improper loading and overloading are the principal causes of falls overboard and vessel capsizings.

Collisions

The most common type of accident while cruising is collision with another vessel. Failure to maintain an efficient forward lookout, or careless and negligent operation on the part of the operator, are the major causes of most collisions. The second most common type is collision with a fixed object. There is little excuse for this type of accident but in 1977, 3,619 vessels collided with other vessels and 1,063 vessels collided with fixed objects.



Fires and Explosions

Fires and explosions resulted in the most property damage in 1977. A number of things can cause a fire aboard your boat. Among these are careless smoking, spontaneous combustion caused by oil or gasoline soaked rags or paper left aboard (instead of being disposed of on shore), an electrical short, a flame-up of the galley stove or ignition of spilled or leaking gasoline.

Personal Flotation Devices

All federal laws require at least one Coast Guard approved *personal flotation device* aboard and readily available for every person on board the boat. In 1977, over 1,000 persons drowned in boating accidents. Of these, almost half were known to have had personal flotation devices available. Eighty percent of the victims did not use the available devices or used them improperly. Of those who drowned, 20 percent were known not to have had personal flotation devices available and in the case of 30 percent of the victims, it is not known whether or not a person flotation device was available. Most boaters comply with the law which requires them to have an adequate number of Coast Guard approved personal flotation devices aboard. However, in all too many cases these devices were stowed in places where they could not be grabbed quickly when needed. In numerous other instances, nobody knew how to use them. Personal flotation devices are effective only when available and properly used. These devices should be treated as though your life may well depend on them.

Hunting and Fishing

Hunters and fishermen often use their boats as a form of conveyance rather than for boating

enjoyment. Many of them are not aware of the potential dangers of boating and, as a result, it is estimated that in the last few years hunters and fishermen have been involved in approximately 30 percent of all boating accidents. Hunters and fishermen often become so engrossed in their sport that they forget all about the weather. If they happen to notice the weather, they may think they can beat the weather and make it back safely to shore. Hunters and fishermen are well advised to wait in sheltered waters until sea conditions improve before attempting to return home. It could save their lives!

Fishermen may get fishing lines tangled around the propeller, rudder, outboard engine or anchor line. In attempting to disengage these lines they often lean too far over the side, with the result that falls overboard are commonplace.

A hunter should be careful about standing up in a small boat to shoot. The recoil could knock him overboard. Most high-powered rifles and shotguns recoil considerably and should be fired from a sitting position in a small boat. By using common sense most tragedies might be averted.

Water Skiing

Water skiing is increasing in popularity in all parts of the country. Water skiing is a sport. It takes skill, not showing off, to become a good skier. Horseplay brings with it danger to the boat, the skier and anyone in the area. Showing off is the chief cause of accidents in what could be the safest water sport. It can be very safe if the skier wears a Coast Guard approved personal flotation device and the boat operator knows what he is doing.

Skin Diving

An important flag is commonly seen on our waters. It has a red-orange background with a white diagonal stripe from corner to corner. This is the diver's flag. When you see it flying from a boat, or from a float, do not approach too closely or attempt to pass between the flag and the nearby shore. This flag indicates that there are divers down in the area and it requests you to keep clear.

Swimming

Some boaters use their boats as swimming and diving platforms. It is usually best to anchor the boat before the swimming party begins. If yours is a shallow draft boat (one which can float in very shallow water), the wind could cause the boat to drift away at a good rate of speed. One person should remain aboard to act as a life guard and to see that the anchor does not drag. Before anyone dives in, the best swimmer aboard should enter the water cautiously to determine the depth as well as inspect the bottom for underwater obstructions.

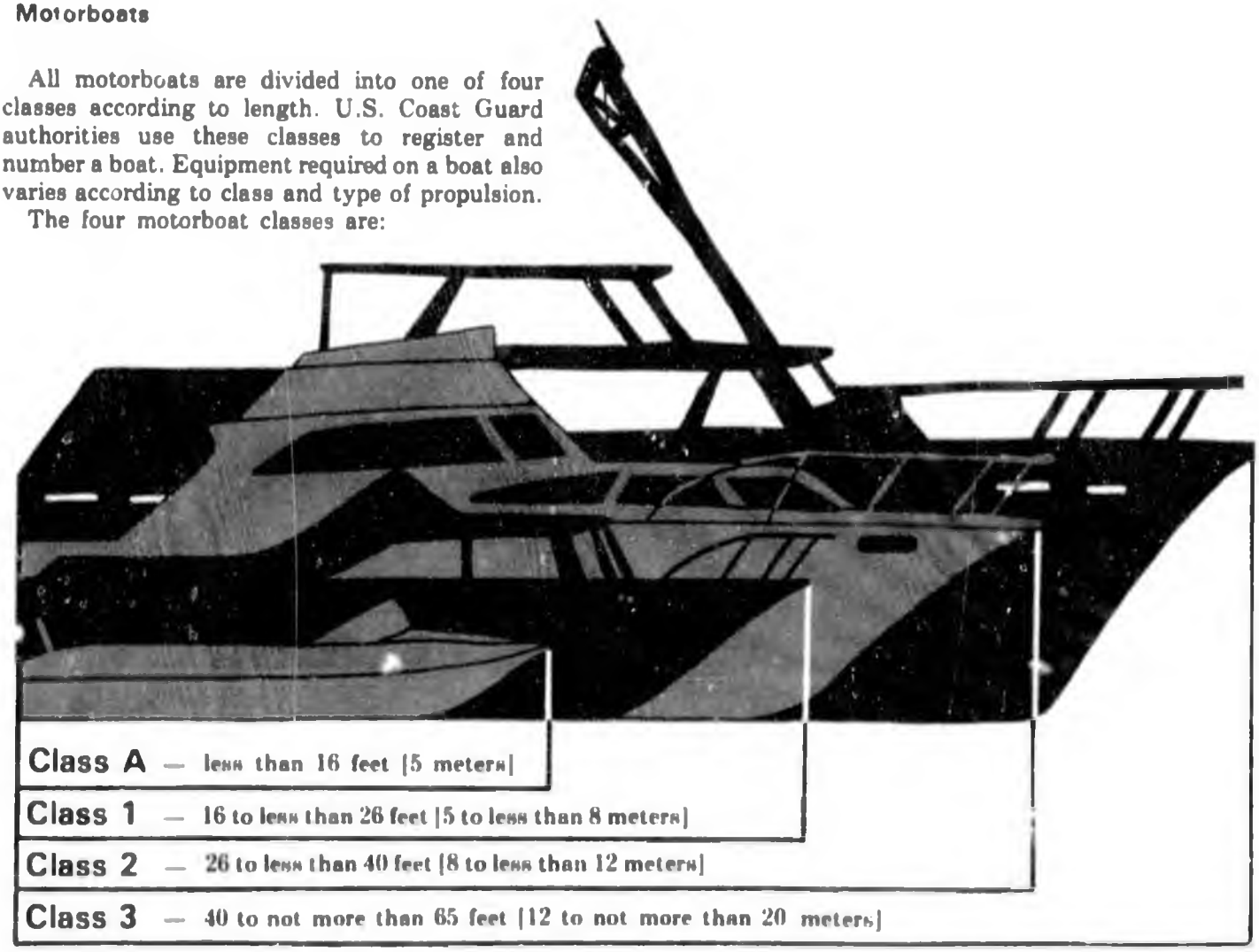
Part I

CLASSIFICATION

Motorboats

All motorboats are divided into one of four classes according to length. U.S. Coast Guard authorities use these classes to register and number a boat. Equipment required on a boat also varies according to class and type of propulsion.

The four motorboat classes are:



Class A — less than 16 feet [5 meters]

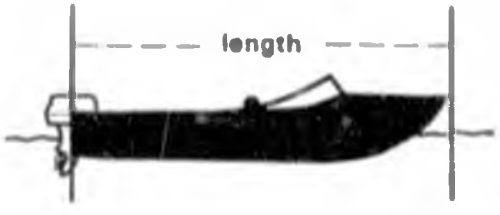
Class 1 — 16 to less than 26 feet [5 to less than 8 meters]

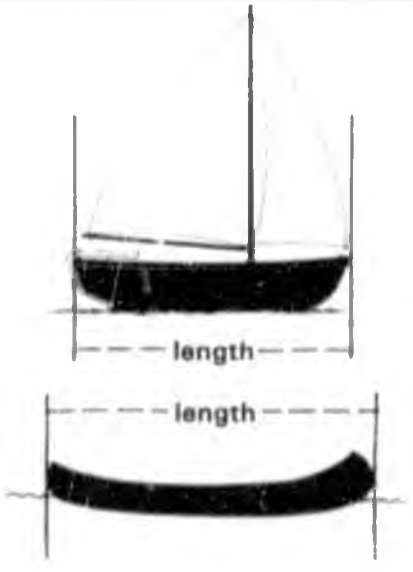
Class 2 — 26 to less than 40 feet [8 to less than 12 meters]

Class 3 — 40 to not more than 65 feet [12 to not more than 20 meters]

How To Measure Length

A boat's length is measured from end to end, parallel to the centerline. Measurement is from outside planking or plating. Outboard motor brackets, fittings or attachments are not included. Some examples of length measurements are:





WATERCRAFT

Within each class are many types of boats. A safe boater must consider the craft's size, shape, proportions, seaworthiness, use and capacity. Many boats have motors. Others are used in sports where power is not needed.

There are many personal decisions to make about brand, cost and materials. Wood, steel, aluminum, fiberglass and ferro-cement are all used in boat building. All have good qualities. Choose the right one to fit your boating needs.

Runabouts

The majority of recreational motorboats are under 26 feet (Classes A and 1) and may be powered by an inboard, outboard or inboard/outdrive motor. The runabout is ideal for water skiing, fishing and cruising.

Canoes

Canoes, usually "people-powered," can be equipped with a small, low horsepower motor on a side mount. Canoes are most often double-ended, pointed at both bow (front) and stern (back). Some have outriggers or motor mounting brackets. Canoes with square sterns that form a motor transom are usually classified as boats with numbers. Canoes are generally round-bottomed. They can be very unstable if not used properly.

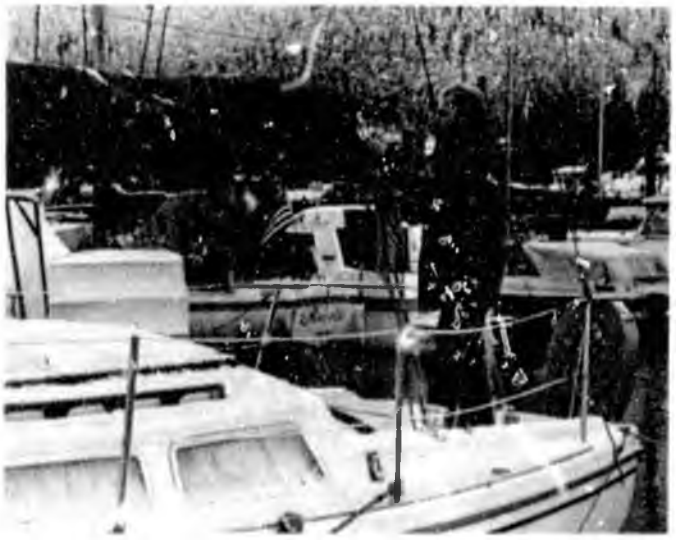
Kayaks

Kayaks are also people-powered. Most modern kayaks are constructed of canvas, fiberglass or wood. They are light and strong, gliding easily through the water. Kayaks have closed decks with cockpit areas for one or two people.

Inflatables

Inflatables are made from neoprene coated fabric to protect from heat and saltwater. Inflatables are easy to move from place to place. They can be pumped up quickly with a foot pump. Inflatables are very buoyant and quite stable. They should have several air chambers (or compartments) so that the boat will still float even if one of the chambers is punctured by accident. Be careful not to drag inflatable boats or scrape them on rocks or rough surfaces. Inflatables may be constructed for use with or without power.

WATERCRAFT



Sailboats

Recreational sailing falls into three main classifications: day sailing, cruising and racing. Boat hulls are designed to meet the specific requirements of each category. Many types, sizes, and rigs (sail and mast arrangement) are available to the sailor. Some sailboats also have power. All sailboats respond in the same basic ways to the forces of wind and water.

Cruisers

A cruiser is a motorboat with overnight accommodations. These include sleeping berths (bunks), a dinette, a head (lavatory) and a galley (kitchen).

Cruisers generally start at not less than 18 feet in length and run on up to 50 feet or more. The largest are usually referred to as motor yachts. Two basic types of cruisers are the express cruiser, which has the main cabin occupying the front half of the boat and a large after deck and steering station in the rear, and the sedan cruiser that features a very long cabin enclosing almost the entire boat.

Express cruisers are better for fishing and activities where a large open deck is important while a sedan cruiser makes a more practical live-aboard boat. Frequently a manufacturer builds the sedan and express models on the same hull with identical power and performance. Either may be equipped with a command bridge.

Day Cruisers

Day Cruisers are small express type cruisers with the forward cabin area limited to a couple of bow bunks and storage area. Many in the 18 to 24-foot sizes have a head and limited galley area. A large open deck makes this type of boat excellent for fishing and other water sports.

WATERCRAFT

Fishing Boats

Sportfishing boats are generally large express cruisers specifically outfitted for fishing in the ocean or large open waters. Commercial fishing boats are likewise outfitted, however, they are built more rugged and less for speed and more for carrying large amounts of fuel and water for several days underway, as well as having large storage bins for the caught fish.

Motor Sailer

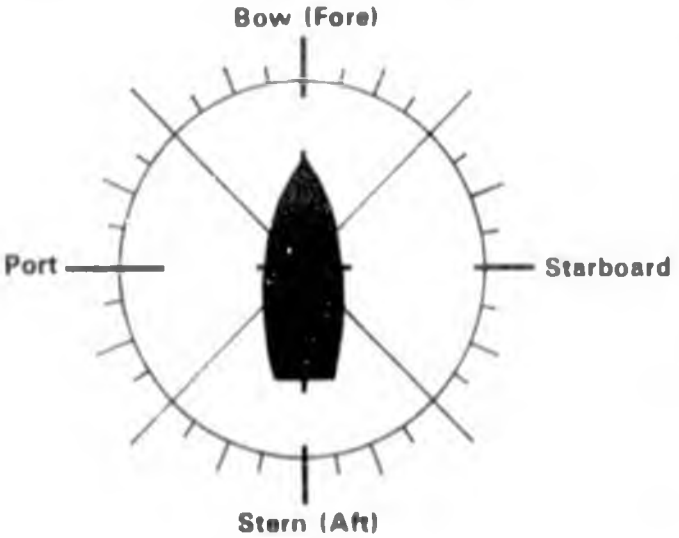
Motor sailers are half motorboat and half sailboat. Sails, smaller than those used on a similar sized sail boat supply the power when there is wind, or are used to steady the boat in heavy seas. Medium inboard power, often diesel, gives good cruise speed without assistance from the wind and sails. The *beam* is generally broad making a deep *keel* unnecessary for stability.

Motor Yacht

Motor yachts are like luxurious homes on large boat hulls. Most major yachts have large fuel and water tanks for long offshore cruises. Each section, such as galley, head, lounge and staterooms can be equipped with all the shoreside conveniences.

Sailor's Terms

Distinguishing between port (left) and starboard (right) is at once the most basic and most confusing for many students. Remember that "port" and "left" match up as four-letter words, while "right" and "starboard" have more letters. Port and starboard colors follow the same rule: port is red (short); starboard is green (longer). Port, left and red are all short words. Starboard, right and green are longer words.



SAILOR'S WORKSHEET 1

1. What is a motorboat? _____

2. Boats are classified according to _____.

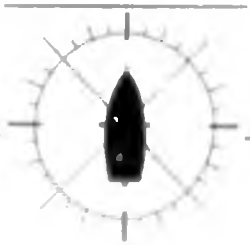
3. Class A boats are less than _____ feet long.

4. Class 3 boats are _____ feet or over.

5. Materials used for making boats include: _____.

6. What are the best materials for making a boat? _____

7. Identify Stern, Bow, Port, Starboard, Fore, Aft.



_____ _____ _____ _____

8. Motors are most often located in the _____ of boats.

9. Give one advantage and disadvantage of an inflatable boat.

   Advantages: _____

   Disadvantages: _____

10. A boat's port side is on the _____

11. A boat's starboard side is on the _____

12. Identify the following boats:

_____

_____

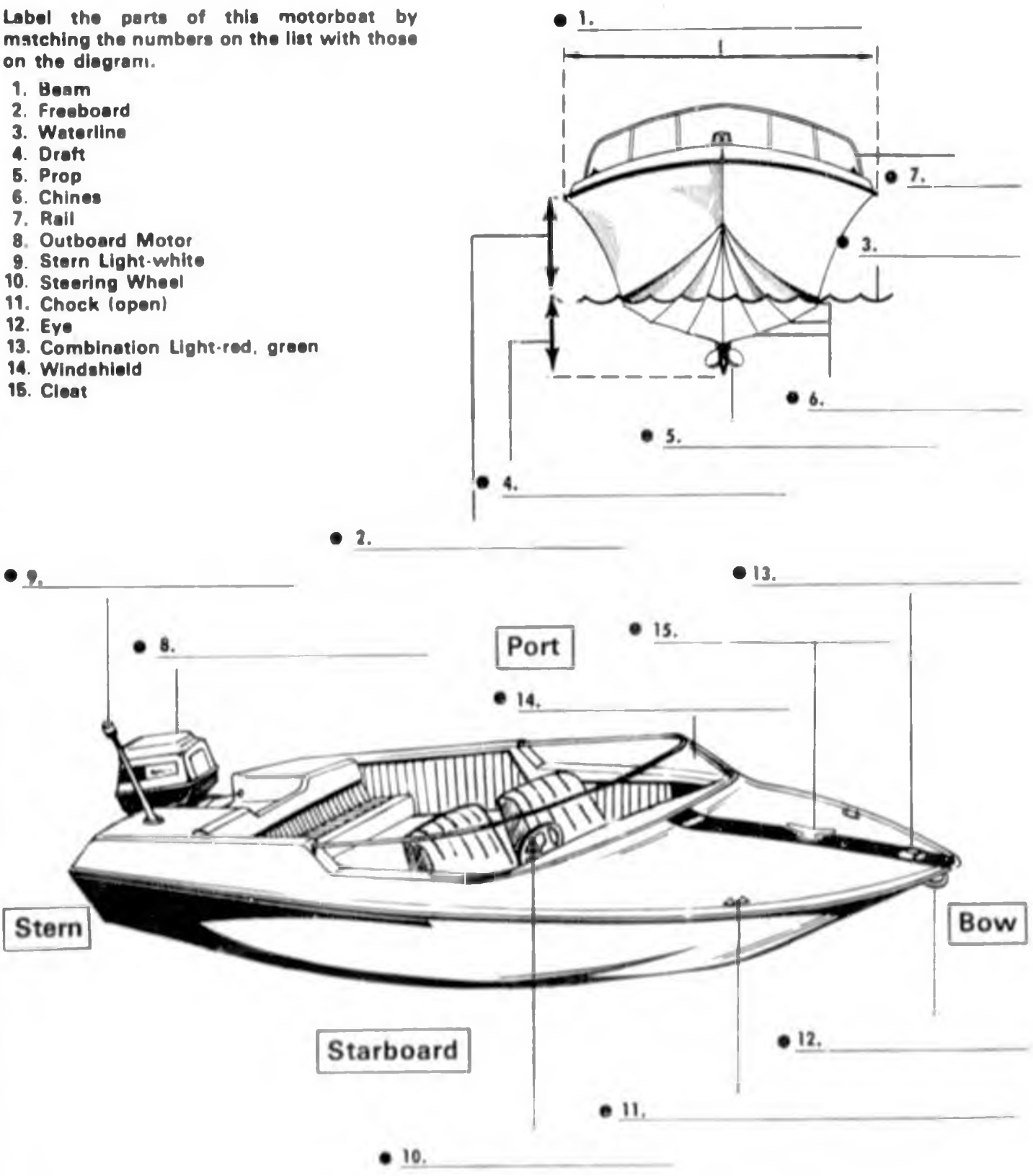
_____

_____

SAILOR'S LANGUAGE

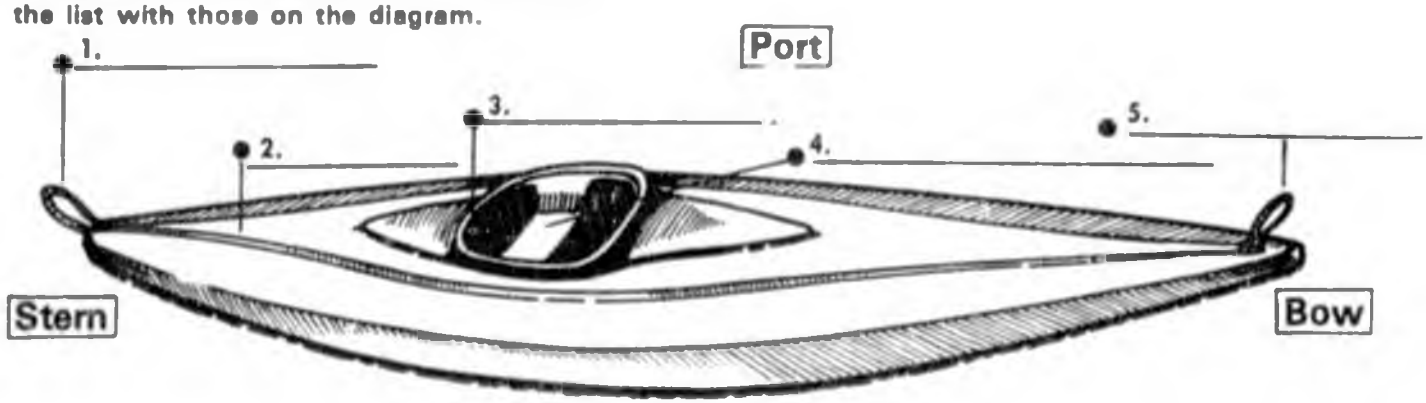
Label the parts of this motorboat by matching the numbers on the list with those on the diagram.

1. Beam
2. Freeboard
3. Waterline
4. Draft
5. Prop
6. Chines
7. Rail
8. Outboard Motor
9. Stern Light-white
10. Steering Wheel
11. Chock (open)
12. Eye
13. Combination Light-red, green
14. Windshield
15. Cleat



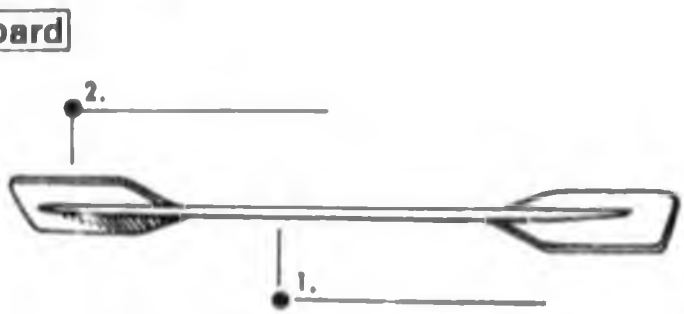
SAILOR'S LANGUAGE

Label the parts of the kayak, kayak paddle and inflatable by matching the numbers on the list with those on the diagram.



Kayak

1. Stern grab loops
2. Deck
3. Molded cockpit lip
4. Cockpit seat
5. Bow grab loops

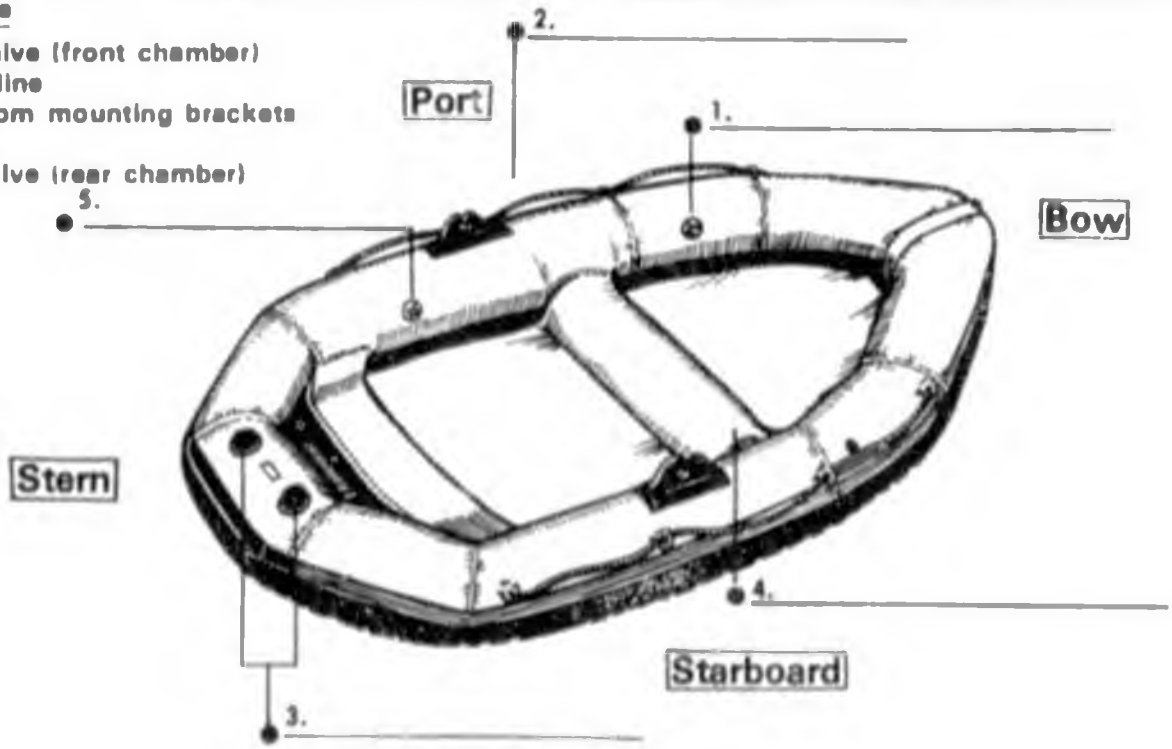


Kayak Paddle

1. Shaft
2. Blade

Inflatable

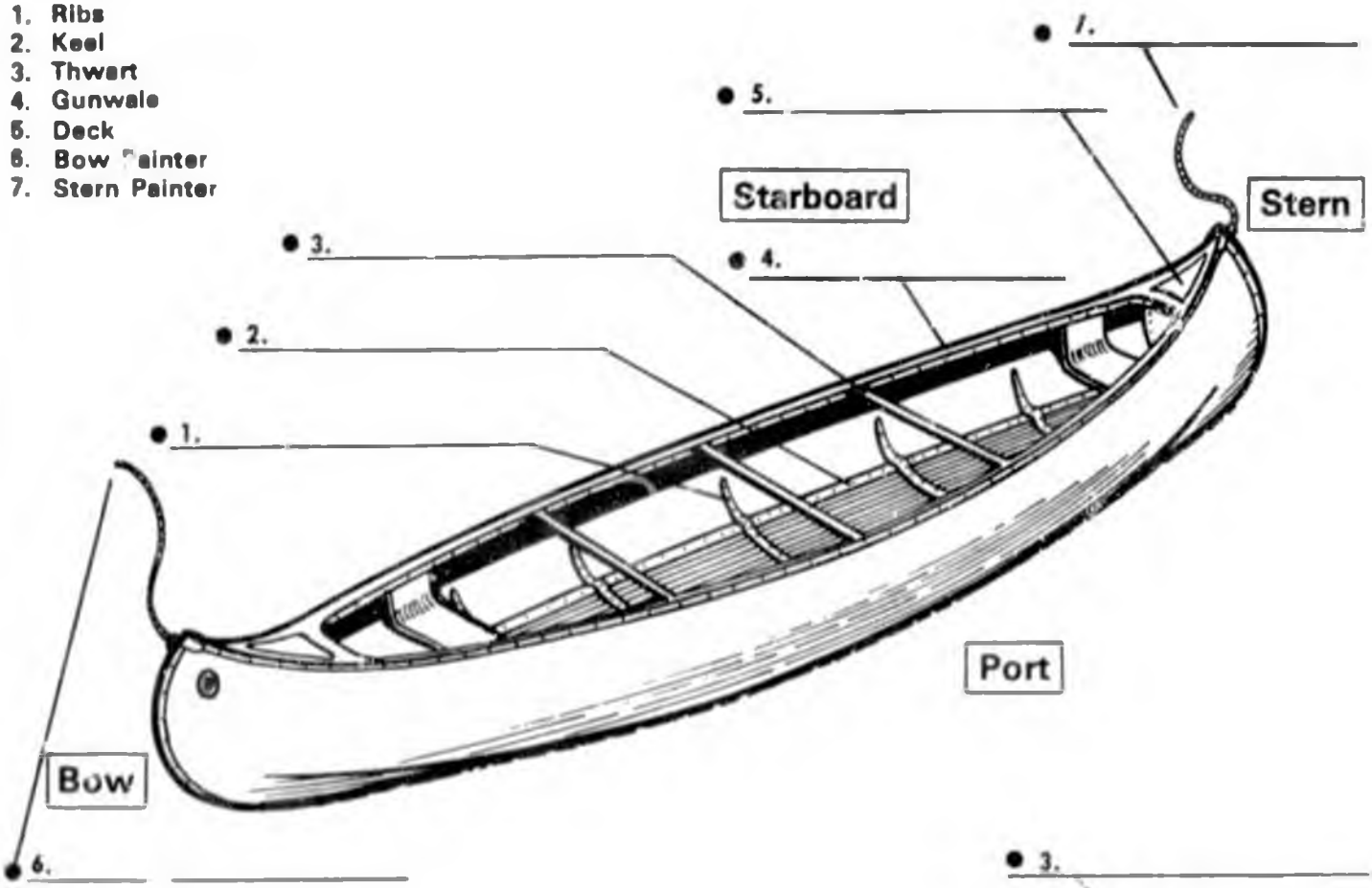
1. Air valve (front chamber)
2. Grab line
3. Transom mounting brackets
4. Seats
5. Air valve (rear chamber)



SAILOR'S LANGUAGE

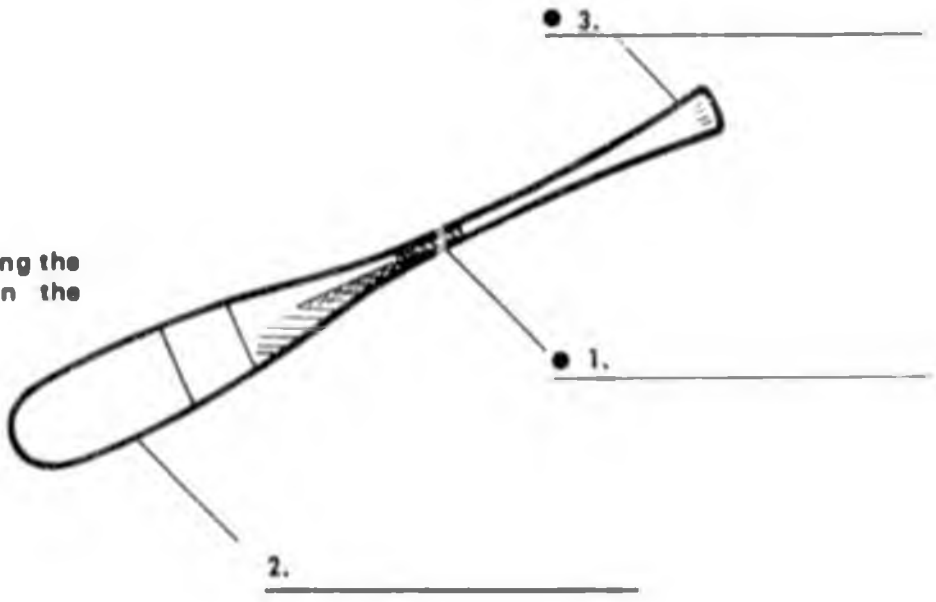
Label the parts of this canoe by matching the numbers on the list with those on the diagram.

1. Ribs
2. Keel
3. Thwart
4. Gunwale
5. Deck
6. Bow Painter
7. Stern Painter



Label the parts of this paddle by matching the numbers on the list with those on the diagram.

1. Shaft
2. Blade
3. Grip



RIVER RUNNING FUN

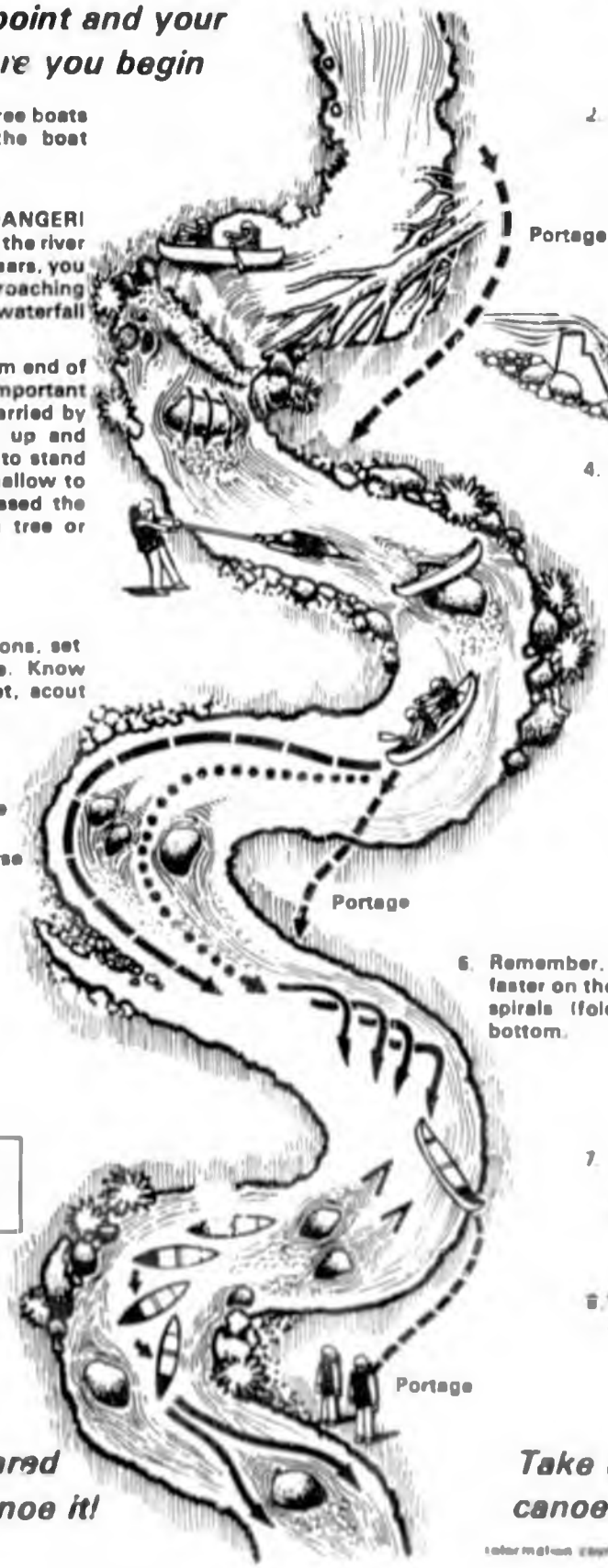
Know your put-in point and your take-out point before you begin

1. Travel in at least groups of three boats while on the river. Keep the boat behind you in sight.

DANGER!
If the river disappears, you may be approaching a waterfall

3. Capsized? Stay at the upstream end of the canoe. Your life is more important to save than equipment. If carried by the current, keep your toes up and your feet together. Never try to stand up unless the water is too shallow to swim. If a heaving line is tossed the rescuer should belay it (to a tree or boulder).

5. When you approach obstructions, set your course well in advance. Know how to approach. If in doubt, scout from shore.



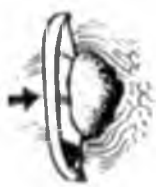
▬ ▬ ▬ ▬ High water course

● ● ● ● ● ● Normal level course

2. Things to avoid: flow through hazards, waterfalls, low dams, high rapids and hydraulics. Even in slow water these can be very dangerous.

HYDRAULIC
Water circulates back and forces a canoe downward

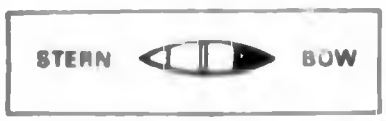
4. When striking an obstruction sideways, lean the canoe downstream, but don't get caught between the canoe and the obstruction. With the upstream gunwale up, the canoe will be easier to remove from the rock.



Upstream gunwale up

Downstream gunwale up

6. Remember, the river current is usually faster on the outside of a bend. It also spirals (folds under) down to the bottom.



7. Upstream V's indicate rocks. Downstream V's with haystacks indicate gaps between rocks.

8. When leaving, secure all equipment and carry trash out with you.

If you are not prepared to swim it; don't canoe it!

Take a Red Cross sponsored canoeing course

Information courtesy American Red Cross

RIVER RUNNING FUN

River Running

River float trips in canoes, kayaks and rafts are becoming more and more popular throughout the entire nation.

The float trip season generally lasts from May to September or longer where a warmer climate permits. Mid-summer, after the spring run-off has filled rivers and streams, is the time when most trips occur. Temperatures ranging from 60-90 degrees F (16-32 degrees C) in the daytime and 40-70 degrees F (4-21 degrees C) at night are suitable for float trips.

The adventurous may float in an assortment of scenery, from meandering rivers through flatland forests to cascading mountain streams. Distances range from day trips less than 10 miles to voyages lasting weeks over hundreds of miles. A field of additional sports are available for the floating enthusiast including fishing, camping, swimming and hiking.

But whatever the schedule and wherever the trip takes place, the floater will find fascinating geological formations, an abundance of wildlife, historical sights and perhaps lots of cold spray.

Basic safety rules are as important for enjoyable river running as for powerboating or sailing. Use the following points as a guide for your next, or first float trip.

1. Wear an approved P.F.D. Be sure each passenger has his/her own P.F.D of correct size.
2. Don't overload the boat with either passengers or gear.
3. Check out your equipment before starting out. An inflatable raft with several air chambers will tend to remain afloat longer if a chamber is punctured.
4. Be familiar enough with the route to plan for proper paddles and/or motors. Pack appropriate camping gear, first aid supplies, warm, easily dried clothing, insect repellent, fishing gear and license, food, tarps and camera. Do not forget to waterproof your personal gear.

5. Be sure of your skills by starting with an easy run. If possible go with experienced river runners to learn the basic strokes and movements of the craft through various types of water.
6. Do not boat alone. Three boats is the usual minimum for a white water run.
7. Fasten down all ropes so that there is no danger of becoming entangled in case you overturn.
8. Beach your vessel overnight a safe distance from the river's edge and tie it securely to a tree or large rock in case of flash flooding, etc. Then carry it back to the water, do not drag it.
9. Stop, get out of your boat, and look over from shore all rapids and other danger spots. If in doubt, carry your boat around the difficulty.
10. Beware of overhanging trees, log jams, brush piles and other obstacles that the water flows through rather than around. You can be pinned against them, possibly under the water, by the force of the current. Pass them on the safety side. Do not grab limbs or debris to control the boat's direction. That's a quick way to swamp!
11. Do not try to run dams. You can be trapped in the recirculating current at the bottom.
12. If you overturn, stay on the upstream side of your boat so that you will not be crushed between it and a rock. In most cases stay with the boat since it won't sink.
13. But cold water can be paralyzing on both mind and body. Get out of it quickly. Do not lose your life trying to save your boat.
14. Stay alert to changing weather conditions while on the water. Get out onto shore before a storm hits.

SAILBOATS

Sailboat Parts

Sailboats have four basic parts: a *hull*, *sail(s)*, *centerboard* (or *keel*) and *rudder*.

Hulls are designed to float a load and move through the water easily. They also help balance the boat when wind applies pressure to the sail.

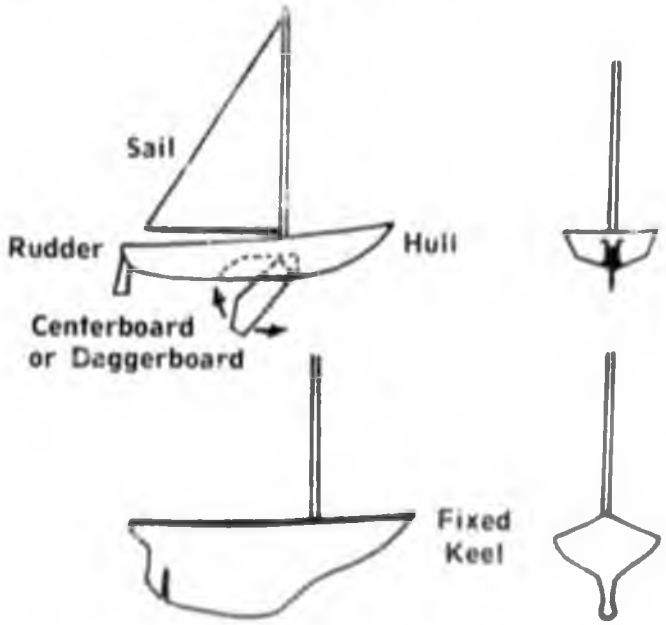
Larger boats have heavy *ballast* or weight packed into the bottom of the boat to prevent tipping. Smaller boats rely on the weight of passengers.

Sails convert wind pressure into movement of the hull. This is done through design, material, craftsmanship, and proper operation and maintenance. Most sails on recreational and competitive boats are made of synthetic material. Because synthetic fibers are damaged by sunlight, sailors must remove the sail or cover it when not in use.

Small sails may be folded after they are dry. They should not be wrinkled. This prevents air from flowing smoothly over the sail's surface.

All sailboats have a stabilizer called a **centerboard** or **keel**. This helps prevent tipping over or capsizing. It also keeps the boat from sliding sideways (leeway) when going across the wind.

Small sailboats use a centerboard. It may be raised or lowered into the water as needed.



Larger sailboats use a **fixed keel**. The keel is part of the hull. It carries additional weight, usually lead or cement. The weight of the keel offsets pull from the sail. Centerboards and keels also help turn a sailboat.

The **rudder** is located at the stern (back) of a boat. It is used to steer the sailboat. Small sailboats have wooden or metal bars called tillers fastened to the top of the rudder. A tiller is the same as a steering wheel on a motorboat. When the tiller is moved to one side, the rudder moves the boat to the opposite side. A sailboat must be moving for the rudder to work.

Why A Sailboat Sails

Two principles are at work when a boat sails. A boat sailing downwind or running is being pushed by wind. A boat sailing against the wind or beating is being pulled by wind. A boat sailing with the wind *abeam* [**reaching**] is using both principles. Reaching is the fastest and easiest way to sail.

When sailing there is a gradual change from one principle to the other. Therefore, sailors must have a constant awareness of wind and its direction. Developing this feeling is essential and difficult for a beginner to master. **Starboard tack** means the wind is passing over the right side of the boat. **Port tack** means the wind is passing over the left side of the boat.

Looking at the illustrations at the bottom of the next page it is easy to see the way sailboats move closer or further away from the direction of the wind. Manuevers closer to the direction of the wind start with a **beat**. When beating as near as possible into the wind at about 45 degrees, the boat is **close-hauled**.

As a boat sails away from the wind it moves on a **close reach** and then a **reach** when abeam to the wind. As it moves further from the wind it enters a **broad reach** and then a **run**. For the last two manuevers the wind is almost directly behind the boat.

To turn a sailboat's bow through the direction of the wind is called a *come about*. An example of this is changing *tack* from one reach to another by sailing the bow through the wind.

Turning the boat from one **broad reach** to the other by moving the stern through the wind is termed *jibing*. The boom on the mainsail must be hauled in when a boat jibes. A wildly swinging boom can knock someone from the deck or tip the boat over. This type of knockdown is called an uncontrolled jibe.

Boats can also change tack from a **broad reach** by coming about with the bow into the wind. This method takes longer, but it is safer for an inexperienced sailor.

A constant hazard to the sailboater is a knockdown. It is most likely to happen when sailing on a reach at right angles to the wind, especially if the boat is moving slowly. A strong gust of wind can blast the sails over and onto the water if an unwary skipper has the main sheet and jib cleated tightly.

SAILBOATS

Sailboat Equipment

Required equipment on a sailboat depends on the laws applicable in your area. Federal requirements are outlined on page 40, but each state may have additional requirements. Equipment also varies according to the boat's classification.

Sailors may decide to carry more than the minimum required equipment. They should judge local wind and water conditions and their skills.

The following equipment is recommended. It may also be required in your area. Check local laws.

1. **Personal Flotation Device** for each person on board. Weak swimmers and non-swimmers should wear one at all times.
2. **Bailer.** Water in the bilge decreases stability. Use a sponge, can or pump.
3. **Lights.** (See page 35.) Also check local laws.
4. **Paddles or Oars** to use when sails are lowered or during periods of calm. Sailboats with auxiliary power should also carry one of these.
5. **Anchor** to keep from being drifted away by currents, tides or high winds.
6. **Extra Line** in addition to a bow line permanently attached to the craft.
7. **Boathook** to use when pushing off during a landing. Also to pick up mooring lines.

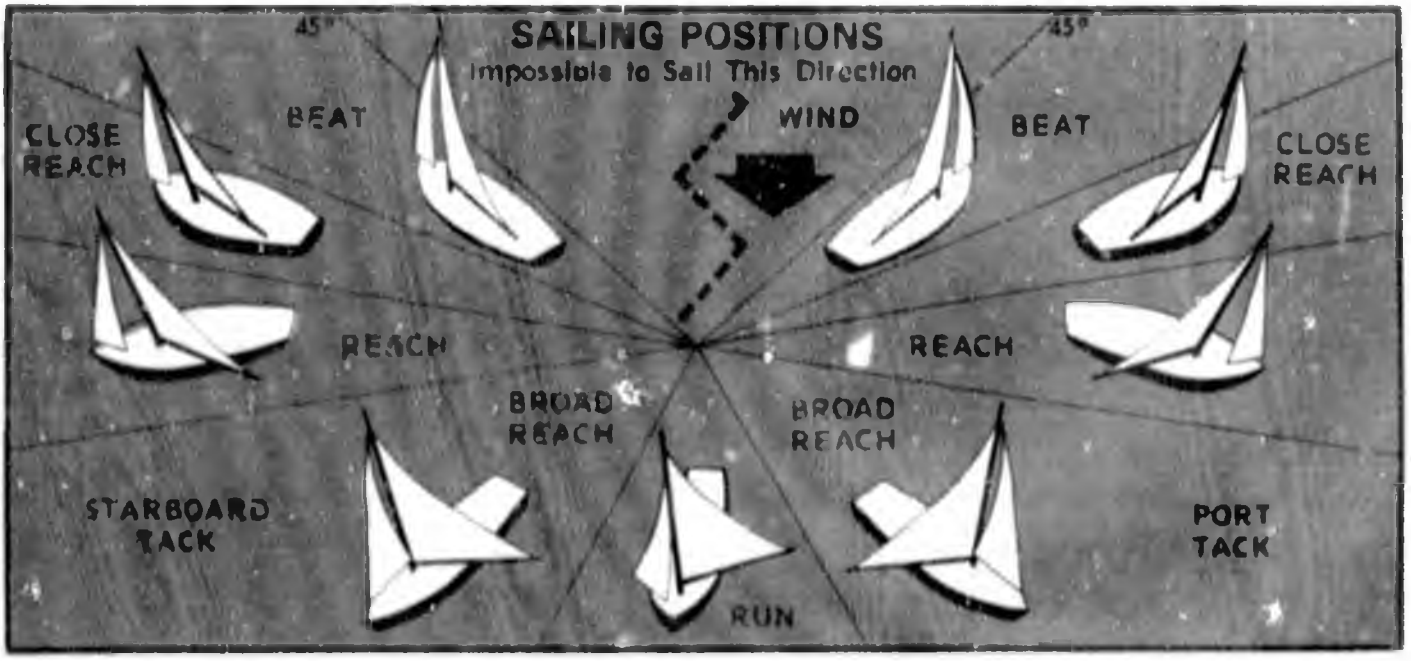
Rules of the Road

Sailors must know the rules of the road in their areas. The rules outline procedures for meeting other boats to prevent collisions. (Also see pages 59-62). Under these rules sailboats have the right of way over motorboats unless they are the overtaking vessel, then they must keep out of the way of the other vessel. Canoes, rowboats and other "people-powered" vessels have the right of way over sailboats. Boats operating with sail and power are classified as motorboats.

When two sailboats meet, the *give-way* [*burdened*] vessel must stay clear of the *stand-on* [*privileged*] vessel. The following situations apply under Inland rules of the road.

1. A sailboat running free, (with wind dead astern), must keep clear of one close hauled, (sailing close to the wind, on a beat).
2. A sailboat close hauled on the port tack, (with wind coming over the port bow or beam), must keep clear of one close hauled on the starboard tack, (with wind coming over the starboard bow or beam).
3. When both boats are running free on opposite tacks, the vessel with the wind on the port side must keep clear.
4. If both boats are running free on the same tack, the boat to *windward* must keep clear.

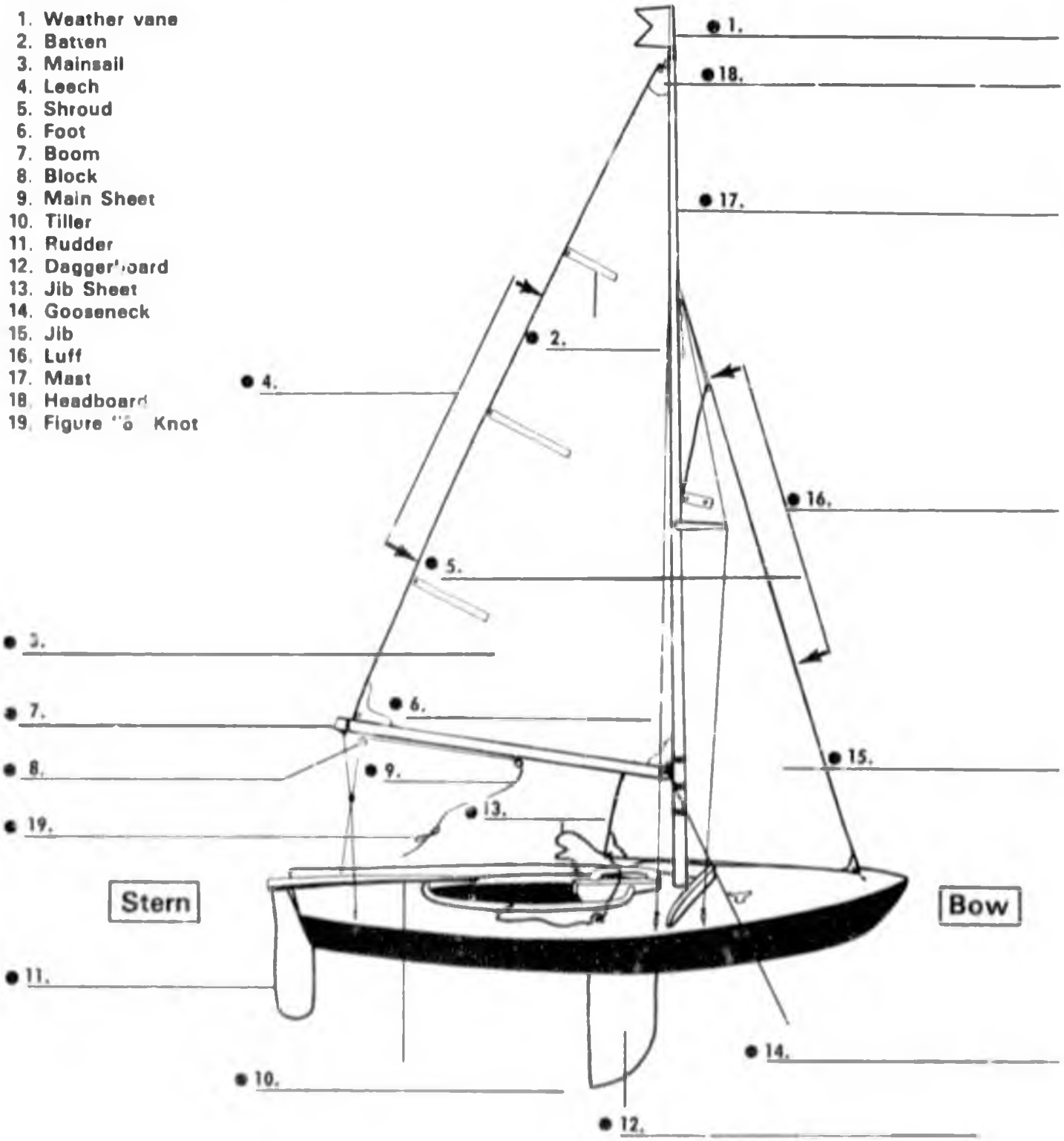
Under International Rules, a boat on the starboard tack always has the right of way. If both boats are on the same tack, the one to *leeward* [*downwind*] has the right of way. If a sailboat with the wind on the port side sees a sailboat to the windward and does not know whether it has the wind on the port side or on the starboard side, it must keep out of the way.



SAILOR'S LANGUAGE

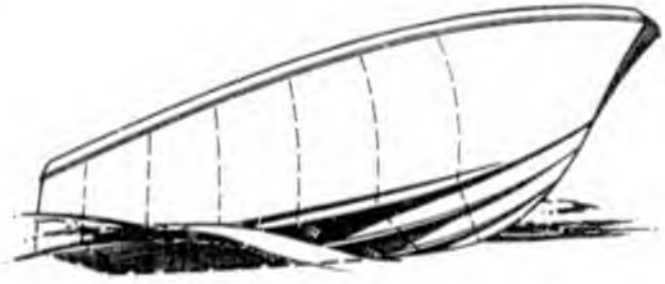
Label the parts of the sailboat by matching the numbers on the list with those on the diagram.

1. Weather vane
2. Batten
3. Mainsail
4. Leech
5. Shroud
6. Foot
7. Boom
8. Block
9. Main Sheet
10. Tiller
11. Rudder
12. Dagger board
13. Jib Sheet
14. Gooseneck
15. Jib
16. Luff
17. Mast
18. Headboard
19. Figure "8" Knot

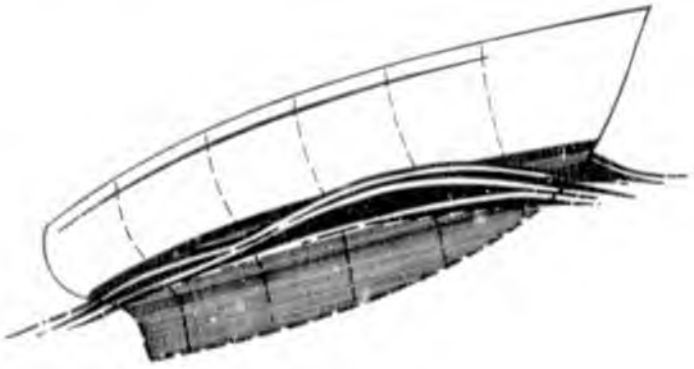


BOAT HULLS

Planing Hull



Displacement Hull



Basic Boat Hulls

Boat hulls are either **displacement** or **planing**. These two types include all the boats that have ever been built. A *planing* hull slides across the water at high speed. More power makes it go even faster. A *displacement* hull ploughs through the water even when more power is added.

How a boat is to be used, and generally the speed at which it is to operate, decides whether it should be a displacement or planing type hull.

Six common hull designs that include planing and displacement hulls are:

1. Flat bottom
2. Round bottom
3. V-bottom
4. Deep V
5. Cathedral
6. Catamaran

Flat bottom square-sided, boats include boxy, home-made utility boats, racing runabouts and deluxe 40 foot houseboats. Flat bottoms plane easily.

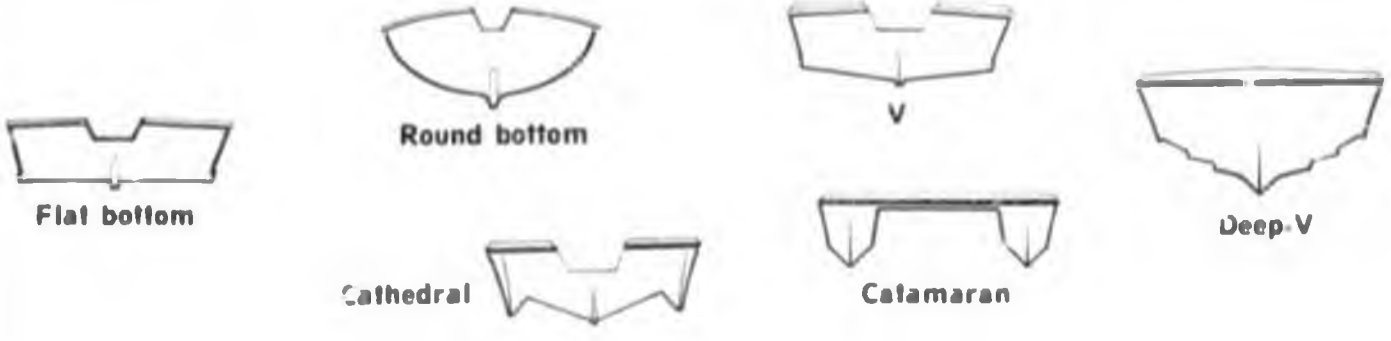
Round bottom boats move easily at slow speeds. They have a great tendency to roll unless they have a large flat area near the stern. Canoes, tugboats and some fishing boats have round bottoms and displacement hulls.

The V-bottom is an improvement over the flat bottom because it is more stable and rides better in rough water. It can be either a planing or displacement hull depending on the design.

The Deep-V is a hull with a sharp or deep V bottom that has been promoted extensively in recent years. It planes well with a stern-drive and offers a very comfortable ride in rough water.

Cathedral hulls are a combination of deep-V and catamaran. See the illustration below. The twin "tunnels" along each side of the main hull trap spray and water to cushion the ride as well as to hold down spray when planing through waves. The cathedral hull design is popular on many fiberglass lines of boats.

Catamaran hulls were probably first used for stability. Any kind of float or raft supported on two pointed logs uses the basic catamaran design. The twin-hulled design can be either planing or displacement, depending on the shape of the two hulls used. In sailboats the twin hulls are normally displacement, but in power boats they are usually planing type bottoms.



REGISTRATION and NUMBERING

Registration

The Federal Boating Safety Act of 1971 requires all undocumented vessels equipped with machine propulsion to be numbered in its state of principal use. This number will be issued by the state where the boat is principally used on a registration form much the same as that for an automobile. If the state does not have an approved numbering system, which Alaska does not, then the Coast Guard will issue the number.

There are certain exceptions to the rule:

1. Boats propelled manually.
2. Certain public vessels (enforcement and rescue).
3. Vessels documented by the United States Coast Guard.
4. Foreign vessels.
5. Ship's lifeboats used solely for lifesaving purposes.
6. Vessels having valid registration in the state of its principal use and not remaining in Alaska over 90 days.
7. Vessels used exclusively for racing.

Registration forms may be obtained from any post office, marina, U.S. Coast Guard Boating Safety Team (P.O. Box 2471, Anchorage, AK 99510) or Boating Safety Office (P.O. Box 3-5000, Juneau, AK 99802).

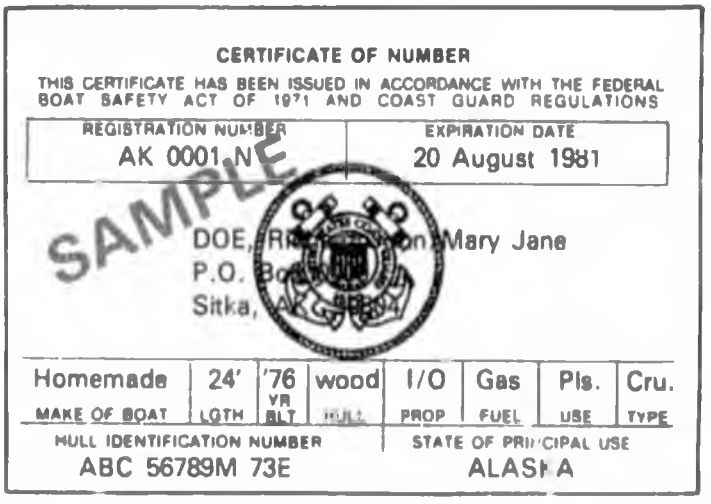
How to Register

Applications to register must be sent to the Boating Safety Office in Juneau. Upon receipt of the required information and the $6.00 fee, the requester will receive a Certificate of Numbers, a set of Registration stickers and information on how to properly apply them to your hull. The boat registration number is the number (beginning with AK) shown in the certificates.

Certificate of Number

The Certificate of Number must be available for inspection on the vessel whenever it is being used on the water. Proper display of the current registration stickers on the vessel next to the AK number is required to permit enforcement officers to determine, without boarding, that the vessel is currently registered.

In addition, personal ID may be required by law enforcement officers.



CERTIFICATE OF NUMBER

THIS CERTIFICATE HAS BEEN ISSUED IN ACCORDANCE WITH THE FEDERAL BOAT SAFETY ACT OF 1971 AND COAST GUARD REGULATIONS

REGISTRATION NUMBER	EXPIRATION DATE
AK 0001 N	20 August 1981

SAMPLE

DOE, R[illegible] Mary Jane
P.O. B[illegible]
Sitka, A[illegible]

Homemade	24'	'76	wood	I/O	Gas	Pls.	Cru.
MAKE OF BOAT	LGTH	YR BLT	HULL	PROP	FUEL	USE	TYPE

HULL IDENTIFICATION NUMBER	STATE OF PRINCIPAL USE
ABC 56789M 73E	ALASKA

The Certificate of Number also has several other purposes:

1. Helps the owner identify the boat if stolen.
2. Provides way to identify boat being driven recklessly.
3. Allows a person to operate the boat in other states without other numbering.
4. Helps identify the owner of a boat that has caused damage, been lost or drifted away.
5. Makes it possible to enforce water laws.
6. Encourages boat operators to use boats carefully because they can be identified by their boat number.

Registration Fees

Original Registration	$6.00
Transfer of Ownership	$6.00
Duplicate Certificate	$1.00
Duplicate Stickers	$.25
Renewal of Number (tri-annually)	$6.00

Display of Numbers and Stickers

The number must be displayed properly on the boat. The law requires:

1. The numbers are to be read from left to right.
2. They must be displayed on the forward half of each side of the bow of the boat.

REGISTRATION and NUMBERING

3. Numbers must be in bold, block letters of good proportion.
4. They must not be less than three inches high.
5. They must be of contrasting color to the boat hull or background.
6. They must be as high above the waterline as practical.
7. No number other than the number assigned can be displayed on the forward half of the vessel.
8. Letters must be separated from numbers by spaces or hyphens.
9. Validation decals must be displayed within six inches of the number.

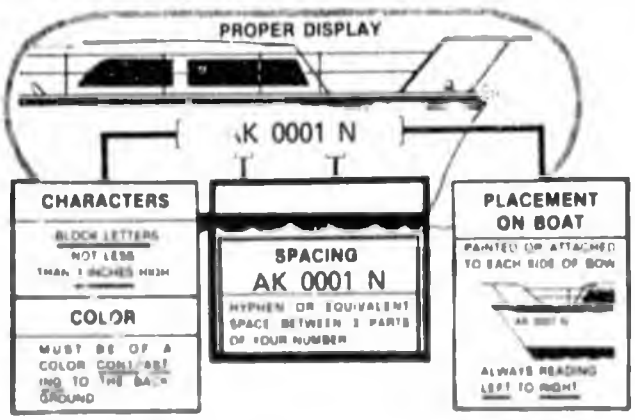
AK-0001-N
OR
AK 0001 N

Notification Requirements

The owner is required to notify the Coast Guard Boating Safety Office in Juneau in writing when ever any of the following takes place:

1. The vessel has been destroyed or abandoned. Notice must be given within 15 days and be accompanied by the Certificate of Number and Certificate of Ownership.
2. The owner's address has been changed. Notice must be given within 30 days.
3. Stolen boat. If a numbered vessel is stolen, the owner or legal owner of the vessel should notify the Coast Guard Boating Safety Office, as well as the enforcement authorities, as soon as possible.
4. The owner shall also notify the Coast Guard if a vessel reported to be stolen is recovered.

How to Display Numbers Correctly



VALIDATION DECAL

Identification Code

Find your code and circle:

*Alaska	AK	Illinois	IL	Nebraska	NB	South Carolina	SC
Alabama	AL	Indiana	IN	Nevada	NV	South Dakota	SD
Arizona	AZ	Iowa	IA	*New Hampshire	NH	Tennessee	TN
Arkansas	AR	Kansas	KA	New Jersey	NJ	Texas	TX
California	CF	Kentucky	KY	New Mexico	NM	Utah	UT
Colorado	CL	Louisiana	LA	New York	NY	Vermont	VT
Connecticut	CT	Maine	ME	North Carolina	NC	Virginia	VA
Delaware	DL	Maryland	MD	North Dakota	ND	*Virgin Islands	VI
*Dist. of Columbia	DC	Massachusetts	MS	Ohio	OH	*Washington	WN
Florida	FL	Michigan	MC	Oklahoma	OK	West Virginia	WV
Georgia	GA	Minnesota	MN	Oregon	OR	Wisconsin	WS
*Guam	GM	Mississippi	MI	Pennsylvania	PA	Wyoming	WY
Hawaii	HA	Missouri	MO	*Puerto Rico	PR		
Idaho	ID	Montana	MT	Rhode Island	RI		

* Application for Certificate of Number available at local Coast Guard station.

CCGDI7-145 (3-77) APPLICATION FOR BOAT NUMBER AK-

1. NAME OF OWNER (FIRST MIDDLE LAST NAME)	2. DATE OF BIRTH	3. CITIZENSHIP

4. MAILING ADDRESS (Include city, state, zip code)

5. MFG's HULL ID NUMBER (IF ANY)	6. PRESENT BOW NUMBER (IF ANY)	7. MFG OF ENGINE

8. MFG OF BOAT	9. LENGTH IN FEET	10. YEAR BUILT

11. HULL MATERIAL	12. PROPULSION	13. FUEL	14. USE		15. TYPE OF VESSEL
☐ Plastic or Fiberglass	☐ Outboard	☐ Gasoline	☐ Pleasure	☐ Commercial Passenger	☐ Runabout
☐ Aluminum	☐ Inboard	☐ Diesel	☐ Livery		☐ Cruiser
☐ Wood	☐ Inboard Outdrive	☐ Other	☐ Dealer	☐ Commercial Fishing	☐ House
☐ Steel	☐ Sail Only	(Specify)	☐ Manufacturer		☐ Sailing
☐ Other (Specify)	☐ Other (Specify)		☐ Other (Specify)		☐ Other (Specify)

16. REASON FOR APPLICATION

☐ ORIGINAL NUMBER ☐ RENEWAL OF NUMBER

☐ TRANSFER OF OWNERSHIP ☐ CHANGE OF STATE OF PRINCIPAL USE

MAIL TO: BOATING SAFETY DIVISION
U. S. COAST GUARD
P. O. BOX 3-5000
JUNEAU, ALASKA 99802

SIGNATURE:

I DECLARE under the penalties prescribed in 18 USC 1001, to the best of my knowledge and belief that I own the vessel described herein and that the description and all matters stated herein are true and correct.

PRIVACY ACT STATEMENT

In accordance with 5 USC 552a(e), the following information is provided to you when supplying personal information to the U. S. Coast Guard.
1. AUTHORITY which authorized the solicitation of the information: The Federal Boat Safety Act of 1971, 46 USC 1451, 1466, 1467
2. PRINCIPAL PURPOSE(s) For which information is intended to be used: Principally used when boat owners are applying registration of undocumented vessel, equipped with propulsion machinery of any type and to have numbers issued by the proper issuing authority in the state in which the vessel is principally used.
3. THE ROUTINE USES Which may be made of the information: (1) For statistical purposes showing alphabetically and numerically the boats have registered. (2) For public inquiry from other states, credit unions, individuals concerned with the purchase of a vessel from someone else. (3) For office to transfer or renew boat registration.
4. Whether or not DISCLOSURE of such information is mandatory or voluntary (Required by law or optional) and the effects on the individual, if any, of not providing all or any part of the requested information: Disclosure of this information is voluntary, but failure to furnish required information would result in non-issuance of a valid certificate of number.

INSTRUCTIONS (Print or Type)

Complete all numbered items. Numbers 2,3,6 and 11-15 are self-explanatory. Special instructions for specific items are as follows:
1 & 4: Name and address of owner only. List additional owners in the space provided below these instructions.
5: Hull Identification Number (assigned by manufacturer). If the boat has a number permanently on the hull, list it here.
7: Manufacturer of engine. Insert name of company that built the engine. If built by the owner or builder is unknown, so state.
8. Manufacturer of Boat. Insert name of company that built the boat. If built by owner or builder is unknown, so state.
9. Length in Feet. Insert length of vessel (to nearest inch) measured from end to end and over the deck, excluding the sheer.
10. Year Built. Insert year built (or model year), if known. If the year is unknown, so state.
16: Reason for Application. Insert 'X' in appropriate box. If application is for a new number as a result of lien holder possession, attach a signed statement explaining the possession in detail. If the Application is for Transfer of Ownership, the reverse of this form must be filled out by the seller and forwarded with this application.

IMPORTANT

Names of additional Owners

Mail Application and check or money order for $6.00 dollars to:
BOATING SAFETY DIVISION
U. S. COAST GUARD
P. O. BOX 3-5000
JUNEAU, ALASKA 99802

Front

BOAT NUMBER	NOTIFICATION OF CHANGE IN STATUS OF VESSEL	APPLICATION FOR DUPLICATE CERTIFICATE OF NUMBER

NAME OF OWNER ON CERTIFICATE OF NUMBER

HULL IDENTIFICATION NUMBER (If Any)

MAILING ADDRESS

CITY, STATE, and ZIP CODE

Check appropriate block and attach Certificate of Number. If Certificate of Number is lost, explain circumstances below.

- ☐ VESSEL DOCUMENTED
- ☐ VESSEL DESTROYED
- ☐ VESSEL STOLEN
- ☐ TRANSFER OF OWNERSHIP (New owners Name _____)
- ☐ VESSEL ABANDONED
- ☐ VESSEL RECOVERED
- ☐ OWNER CHANGE OF ADDRESS
- ☐ CERTIFICATE LOST (Explain)
- ☐ CERTIFICATE DESTROYED

NOTE: Federal Law requires whenever a vessel casualty or accident results in death, injury or property damage, a report must be filed by those involved.

MAIL TO:

BOATING SAFETY DIVISION
U. S. COAST GUARD
P. O. BOX 3-5000
JUNEAU, ALASKA 99802

DATE

SIGNATURE OF PAST OWNER

FEES

ORIGINAL NUMBEP $6.00
RENEWAL OF NUMBER $6.00
TRANSFER OF OWNERSHIP $6.00
DUPLICATE OF CERTIFICATE $1.00

INSTRUCTIONS (Print or Type)

NOTIFICATION OF CHANGE IN STATUS OF VESSEL

1. Complete all items
2. Name and address of present owner. One name only.
3. Attach Certificate of Number.

NOTE: The owner listed on the certificate of number shall remove the number and validation stickers from the vessel when:
(a) The vessel is Documented by the Coast Guard
(b) The certificate becomes invalid, or
(c) There is a change in state of principal use.

INSTRUCTIONS (Print or Type)

APPLICATION FOR DUPLICATE CERTIFICATE OF NUMBER

1. Complete all items.
2. Name and address of present owner. One name only.
3. Mail Application and CHECK or MONEY ORDER to:

BOATING SAFETY DIVISION
U. S. COAST GUARD
P. O. BOX 3-5000
JUNEAU, ALASKA 99802

Back

RESPONSIBILITY

Your Responsibility As a Boater

You may be held responsible for any damage your boat may cause or any injuries suffered by your passengers or others. For instance, if you pass close to a cruiser at high speed and your wake rocks this vessel so that the dishes in the galley are broken, you may be held responsible. If this should happen when hot foods are being prepared or served on board the cruiser and someone suffers serious burns as a result of the violet in a negligent rocking caused by your wake, you may be held liable. You could be summoned into court and equitable civil damages assessed against you. In addition, you might also be cited for operating a motorboat in a negligent manner.

Overloading

Negligent and Grossly Negligent Operation

Negligent operation is the failure to exercise that degree of care necessary under the circumstances to prevent the endangering of life, limb or property of any person. Negligent operation may be caused by the operator's ignorance, inattention, indifference or general careless ness.

Grossly negligent operation implies extreme forms of negligence. Gross negligence is an absence of all care. The term means that the operator of a boat knows that a certain act can create an unreasonable risk of harm, even though he does not necessarily intend to cause harm.

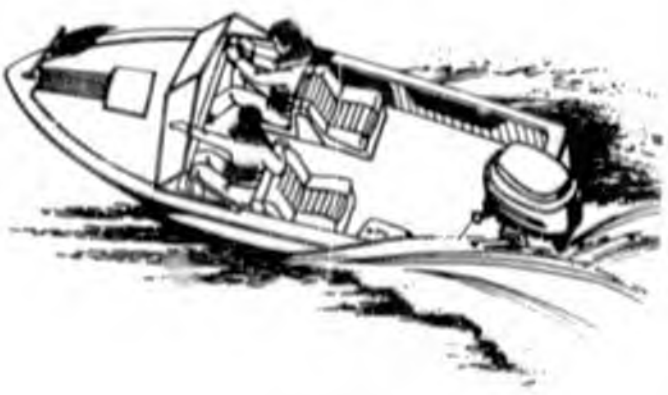
Examples of such operation include but are not limited to:

1. Excessive speed in close proximity to other boats in narrow winding channels or rivers.
2. Excessive speed during periods of reduced visibility.
3. Operating under the influence of intoxicants, drugs, etc., recognizable by erratic operation.
4. Failure to properly moor a vessel which becomes loose and causes damage to another vessel, property or person.

Regarding Speed

Excessive speed can create a dangerous wake causing other boats in the vicinity to ship water, loose equipment or in other ways receive damage. This wake can also threaten the safety of persons in nearby boats. This kind of operation can endanger life, limb and/or property.

Riding on Decks and Gunwales



Speeding

RESPONSIBILITY

Accidents

Boating Accident Reports are used by the U.S. Coast Guard to identify problem areas and major causes of boating mishaps. The reports are confidential and cannot be used in legal matters.

The operator of a vessel involved in an accident shall:

1. Give assistance to other persons involved.
2. Give his name, address, and identification of his boat in writing to any person injured or to the owner of any property damaged in the accident.
3. When a person dies or disappears from a vessel, the operator shall, without delay, by the quickest means available, notify the U.S. Coast Guard Boating Safety office and the nearest enforcement agency having jurisdiction over the waterbody.
4. If there is death or injury to a person, or if there is damage to property of more than $100, the operator shall submit a written report of the accident to the U.S. Coast Guard.

This report shall be made within five days after the accident. In the case of an injury, it must be submitted within 48 hours. Accidents involving death or disappearance must be reported within 24 hours.

Forms are available through harbormaster offices and may also be obtained by writing to the Coast Guard Boating Safety Division, P.O. Box 3-5000, Juneau, AK 99802.

Failure to comply with the above requirements is punishable by a fine up to $500.

Voicing A Complaint

In the case of harrassment or operating negligence by some other party, you have the right and the responsibility to make a complete and accurate report to one of several agencies: city police, Department of Public Safety, harbormaster, State Department of Fish & Game, state troopers and the U.S. Coast Guard.

When reporting, include date, time, description of boat (color, hull design and classification) boat registration numbers, witnesses (names and addresses) and photographs if possible.

RESPONSIBILITY

DEPARTMENT OF TRANSPORTATION U. S. COAST CG-3865 (Rev. 5-75)	BOATING ACCIDENT REPORT	FORM APPROVED OMB No. 04-R3012

The operator of every vessel involved is required to file a report in writing whenever a boating accident results in loss of life; loss of consciousness; medical treatment or disability in excess of 24 hours or property damage in excess of $100. Reports in death and injury cases must be submitted within 48 hours; reports in other cases are required within 5 days. All reports must be submitted (a) to the state where the vessel number is issued (b) if the vessel has no number, where the vessel is principally used (c) the state where the casualty or accident occurred, if it occurred outside the state where the vessel is numbered or the place where the accident occurred. See addresses on reverse.

COMPLETE ALL BLOCKS *(Indicate those not applicable by "NA")*

NAME AND ADDRESS OF OPERATOR

OPERATOR TELEPHONE NO.

AGE

OWNER TELE. NO.

OPERATOR'S EXPERIENCE

THIS TYPE OF BOAT
- ☐ UNDER 20 HOURS
- ☐ 20 TO 100 HOURS
- ☐ 100 TO 500 HOURS
- ☐ OVER 500 HOURS

OTHER BOAT OPERATING EXP.
- ☐ UNDER 20 HOURS
- ☐ 20 TO 100 HOURS
- ☐ 100 TO 500 HOURS
- ☐ OVER 500 HOURS

NAME AND ADDRESS OF OWNER

RENTED BOAT
- ☐ YES
- ☐ NO

NO. OF PERSONS ON BOARD

FORMAL INSTRUCTIONS IN BOATING SAFETY
- ☐ NONE
- ☐ USCG AUXILIARY
- ☐ U.S. POWER SQUADRON
- ☐ AMERICAN RED CROSS
- ☐ STATE
- ☐ OTHER *(Indicate)*

VESSEL NO. 1

BOAT NUMBER	BOAT NAME	BOAT MAKE	BOAT MODEL	MFR HULL IDENTIFICATION NO.

TYPE OF BOAT
- ☐ OPEN MOTORBOAT
- ☐ CABIN MOTORBOAT
- ☐ AUXILIARY SAIL
- ☐ SAIL *(ONLY)*
- ☐ HOUSEBOAT
- ☐ OTHER *(Specify)*

HULL MATERIAL
- ☐ WOOD
- ☐ ALUMINUM
- ☐ STEEL
- ☐ FIBERGLASS *(Plastic)*
- ☐ OTHER *(Specify)*

ENGINE
- ☐ OUTBOARD
- ☐ INBOARD GASOLINE
- ☐ INBOARD DIESEL
- ☐ INBOARD-OUTDRIVE
- ☐ OTHER *(Specify)*

BOAT DATA *(Propulsion)*
- NO. OF ENGINES _____
- MAKE OF ENGINE _____
- HORSEPOWER *(Total)* _____
- YEAR BUILT *(Engine)* _____
- TYPE OF FUEL _____

BOAT DATA *(Construction)*
- LENGTH _____
- WIDTH BEAM _____
- DEPTH *(Inner Transom To Keel)* _____
- YEAR BUILT *(Boat)* _____

ACCIDENT DATA

DATE OF ACCIDENT

TIME _____ AM / _____ PM

NAME OF BODY OF WATER

LOCATION *(Give location precisely)*

STATE

NEAREST CITY OR TOWN

COUNTY

WEATHER
- ☐ CLEAR ☐ RAIN
- ☐ CLOUDY ☐ SNOW
- ☐ FOG ☐ HAZY

WATER CONDITIONS
- ☐ CALM
- ☐ CHOPPY
- ☐ ROUGH
- ☐ VERY ROUGH
- ☐ STRONG CURRENT

TEMPERATURES *(Estimated)*
- AIR _____ °F
- WATER _____ °F

WIND
- ☐ NONE
- ☐ LIGHT (0-8 MPH)
- ☐ MODERATE (9-18 MPH)
- ☐ STRONG (19-31 MI/H)
- ☐ STORM (Over 31 MPH)

VISIBILITY
- ☐ GOOD
- ☐ FAIR
- ☐ POOR

WEATHER ENCOUNTERED
- ☐ WAS AS FORECAST
- ☐ NOT AS FORECAST
- ☐ NO FORECAST OBTAINED

OPERATION AT TIME OF ACCIDENT *(Check all applicable)*
- ☐ CRUISING
- ☐ APPROACHING DOCK
- ☐ WATER SKIING
- ☐ RACING
- ☐ TOWING
- ☐ BEING TOWED
- ☐ DRIFTING
- ☐ AT ANCHOR
- ☐ SIDE TO DOCK
- ☐ FUELING
- ☐ DIVING
- ☐ HUNTING
- ☐ SCUBA DIVING OR SNORKELING
- ☐ OTHER *(Specify)*

TYPE OF ACCIDENT
- ☐ GROUNDING
- ☐ CAPSIZING
- ☐ FLOODING
- ☐ SINKING
- ☐ FIRE OR EXPLOSION *(Fuel)*
- ☐ FIRE OR EXPLOSION *(Other than fuel)*
- ☐ COLLISION WITH VESSEL
- ☐ COLLISION WITH FIXED OBJECT
- ☐ COLLISION WITH FLOATING OBJECT
- ☐ FALLS OVERBOARD
- ☐ FALLS IN BOAT
- ☐ BURNS
- ☐ HIT BY BOAT OR PROPELLER
- ☐ OTHER *(Specify)*

WHAT IN YOUR OPINION CAUSED THE ACCIDENT
- ☐ WEATHER CONDITIONS
- ☐ EXCESSIVE SPEED
- ☐ NO PROPER LOOKOUT
- ☐ OVERLOADING
- ☐ IMPROPER LOADING
- ☐ HAZARDOUS WATERS
- ☐ RESTRICTED VISION
- ☐ FAULT OF HULL
- ☐ FAULT OF MACHINERY
- ☐ FAULT OF EQUIPMENT
- ☐ OTHER *(Specify)*

PERSONAL FLOTATION DEVICES

WAS THE BOAT ADEQUATELY EQUIPPED WITH USCG APPROVED LIFESAVING DEVICES?
- ☐ YES ☐ NO

WERE THEY ACCESSIBLE ☐ YES ☐ NO

WERE THEY USED ☐ YES ☐ NO

WAS THE VESSEL CARRYING USCG-APPROVED

LIFESAVING DEVICES ☐ YES ☐ NO

WERE THEY ACCESSIBLE ☐ YES ☐ NO

WERE THEY USED ☐ YES ☐ NO

FIRE EXTINGUISHERS

WERE THEY INSPECTED, NOT EXPIRED AND NOT CORRODED

- ☐ YES
- ☐ NO
- ☐ NOT APPLICABLE

RESPONSIBILITY

ACCIDENT DESCRIPTION

DESCRIBE WHAT HAPPENED (*Sequence of events. Include Failure of Equipment. If diagram is needed attach separately. Continue on additional sheets if necessary.*)

VESSEL NO. 2

NAME OF OPERATOR	ADDRESS	BOAT NUMBER
TELEPHONE NUMBER		BOAT NAME
NAME OF OWNER	ADDRESS	

WITNESSES

NAME	ADDRESS	TELEPHONE NUMBER
NAME	ADDRESS	TELEPHONE NUMBER
NAME	ADDRESS	TELEPHONE NUMBER

PERSON COMPLETING REPORT

SIGNATURE	ADDRESS	DATE SUBMITTED
QUALIFICATION (*Check one*) ☐ OPERATOR ☐ OWNER ☐ INVESTIGATOR ☐ OTHER		TELEPHONE

(*Do not use*) FOR REPORTING AUTHORITY REVIEW (*See agency data sheet*)

NAME OF REVIEWING OFFICE	DATE RECEIVED	CAUSES BASED ON (*Check one*) ☐ THIS REPORT ☐ INVESTIGATION AND THIS REPORT ☐ INVESTIGATION ☐ COULD NOT BE DETERMINED
PRIMARY CAUSE OF ACCIDENT		REVIEWED BY
SECONDARY CAUSE OF ACCIDENT		

PROPERTY DAMAGE ($) THIS BOAT $ OTHER BOAT $ OTHER PROPERTY $	DESCRIBE PROPERTY DAMAGE
NAME AND ADDRESS OF OWNER (*If Other Than Operator*)	

DECEASED

NAME	ADDRESS	DATE OF BIRTH	WAS VICTIM ☐ SEARCHED ☐ NOT SEARCHED	DEATH CAUSED BY ☐ DROWNING ☐ DISAPPEARANCE ☐ OTHER
NAME	ADDRESS	DATE OF BIRTH	WAS VICTIM ☐ SEARCHED ☐ NOT SEARCHED	DEATH CAUSED BY ☐ DROWNING ☐ DISAPPEARANCE ☐ OTHER
NAME	ADDRESS	DATE OF BIRTH	WAS VICTIM ☐ SEARCHED ☐ NOT SEARCHED	DEATH CAUSED BY ☐ DROWNING ☐ DISAPPEARANCE ☐ OTHER

INJURED

NAME	ADDRESS	DATE OF BIRTH	NATURE OF INJURY	INCAPACITATED OVER 24 HOURS ☐ YES ☐ NO
NAME	ADDRESS	DATE OF BIRTH	NATURE OF INJURY	INCAPACITATED OVER 24 HOURS ☐ YES ☐ NO
NAME	ADDRESS	DATE OF BIRTH	NATURE OF INJURY	INCAPACITATED OVER 24 HOURS ☐ YES ☐ NO

SAILOR'S WORKSHEET 2

1. Name the two basic kinds of hulls.

_____

2. _____ hulls skim along on top of the water.

3. _____ hulls plow through the water.

4. Flat bottom boats: (a) plane (b) plow through water.

5. Round bottom boats are made to go: (a) fast (b) slow.

6. Most _____ have typical displacement hulls.

7. Displacement hulls are made to go at: (a) fixed (b) variable (c) unlimited speeds.

8. Why do boats have numbers?

_____

9. Where can you go to get a Certificate of Number?

_____

10. Boat numbers read from _____ _____ on the port side of the boat and from

_____ on the starboard side of the boat.

11. What must you do if you sell your boat?

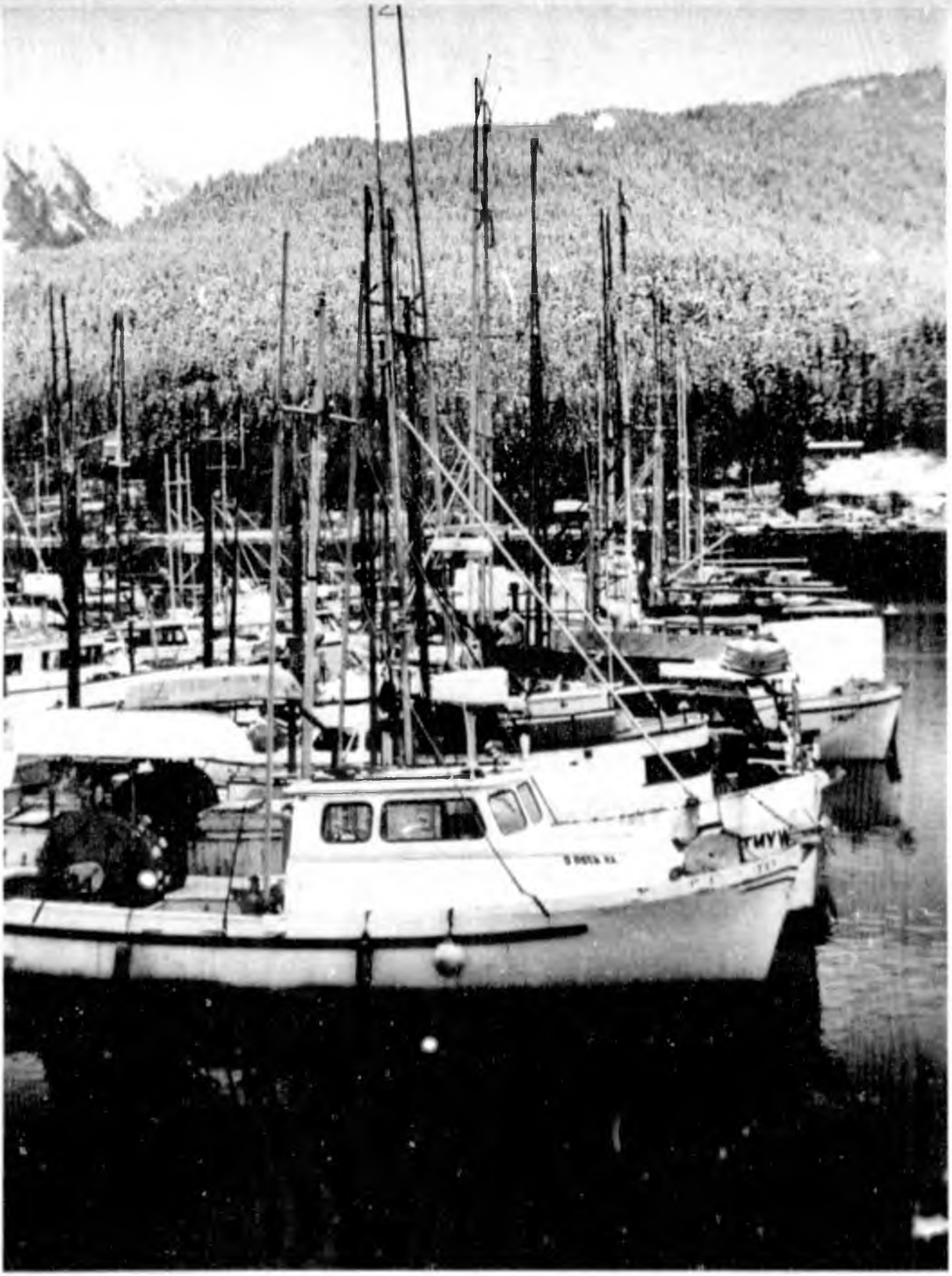
_____

12. How big are the numbers on your boat supposed to be?

_____

13. Write your state identification code.

_____



Part II

PERSONAL FLOTATION DEVICES

Personal Flotation Devices

You are required by Federal Regulations to have at least one Coast Guard approved Personal Flotation Device (PFD) for each person in your boat. You may not use your boat unless all your PFD's are in serviceable condition, are readily accessible, are legibly marked with the Coast Guard approval number and are of an appropriate size for each person on board.

There are several types of personal flotation devices [PFDs] which are one of the boater's most important pieces of safety equipment. They should be kept in serviceable condition and always be readily available.

Vests should be worn by all children and non-swimmers when underway. They should fit snugly.

Life Preserver - Type I

Type I PFD's may use kapok, fibrous glass and/or unicellular plastic foam. They are often jacket or bib design.

Both jackets and bibs come in child and adult size and are marked as such. A snug fit is very important. All approved life preservers are international orange in color.

Type I PFD's contain more than 20 pounds of buoyancy. They are the least comfortable to wear, but the most effective for long exposure and in rough water.

The Type I life preserver is designed to hold the wearer in such a position that, even if injured or unconscious, he will not drown. It has a righting moment which turns the person from a face down position to a face up position.

Buoyant Vest - Type II

Type II buoyant vests come in several designs and colors. Materials are similar to those used in life preservers.

A Type II PFD contains at least 15.5 pounds of buoyancy. It is not as effective as a Type I device in rough water or for long periods. However, a Type II device is more comfortable to wear and it still has a righting movement.

Both Type I and Type II PFD's are designed to turn an unconscious person face up or slightly backward in the water. Properly worn, they will keep a persons' head and shoulders above water.

Neither a life preserver nor buoyant vest is intended as a swimming aid. A PFD is not a water toy.

Type III Devices

Ski Vests are Type III PFD's. They are more comfortable than other PFD types and have at least 15.5 pounds of buoyancy. They are designed for use in water skiing. A ski vest may not turn an unconscious person upright in the water. It should keep a conscious person in a vertical or slightly backward position.

Float coats, canoe vests, sailing vests and hunting vests are also Special Purpose Devices or Type III. These vests are more comfortable so that the boater always wears a personal flotation device while on the water. They will float a person's head out of the water in an emergency such as falling overboard or capsizing.

Throwable Devices - Type IV

Type IV devices include buoyant cushions and ring buoys. Throwable devices provide adequate support for a person in the water or in an emergency. They have a minimum of 16.5 pounds of buoyancy. They do not give the protection available from a life preserver or a buoyant vest.

Buoyant cushions are not recommended to use by children or non-swimmers. They are difficult to hang onto in the water. Do not wear a buoyant cushion for jumping into the water. Hold onto the cushion while entering the water. NEVER wear a cushion on the back. This tends to force the wearer's face into the water.

PERSONAL FLOTATION DEVICES

NEVER use a buoyant cushion as a boat fender.

Ring Life Buoys are Type IV devices used more on cruisers than on runabouts. They should always have about 50 feet of line to attach to the grab rope.

Only Coast Guard-approved personal flotation devices are legal. ALWAYS purchase Coast Guard-approved Personal Flotation Devices. They begin with the number 160.... Most approved devices are comparable priced with so-called improved types. Check the label for designating Coast Guard approval. The information provided on the label is important.

The Coast Guard has not approved ski belts. They do not assure upper body support and may become loose or shift position on the body.

Inflated preservers are not approved. They can be punctured or ruptured easily. Their protection is very uncertain.

Survival Suits

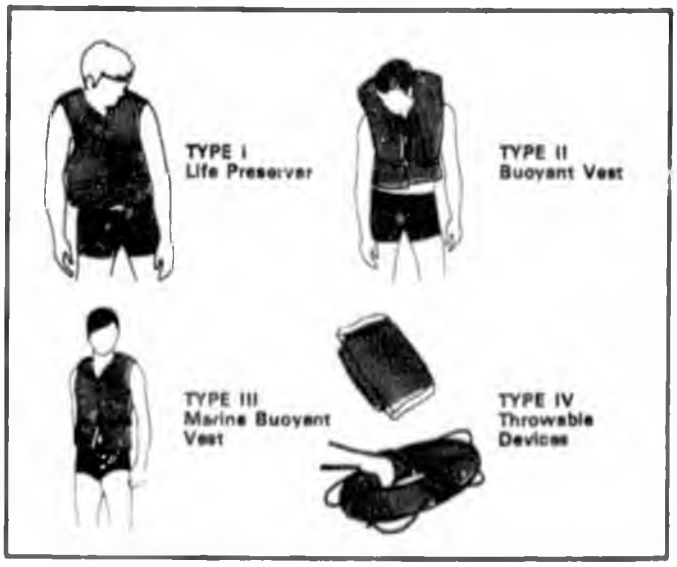
Survival suits and wet suits also are not Coast Guard approved for flotation, but are highly recommended for use in Alaskan waters in addition to using an approved PFD. These suits generally do not have self righting characteristics which will turn an unconscious wearer from a face down position to a vertical or backward position. Survival suits are also quite cumbersome when working on the deck of your boat.

Mandatory Regulations

1. Boats sixteen (16) feet or over in length must be equipped with one Type I, II, or III (wearable) for each person on board, plus one Type IV (throwable) in each boat.
2. Boats less than sixteen (16) feet in length and all canoes and kayaks must be equipped with one Type I, II, III or IV Personal Flotation Device for each person on board.

A skier is considered a person on board in both of these cases.

PFD Classifications



Checking Your PFD

Buoyancy means the force necessary to keep a person's head and chin out of the water while he's afloat. Most people don't have enough natural buoyancy. The difference must be made up by a life preserver. Buoyancy changes with body weight, clothes and breathing.

Test your PFD periodically in shallow water. Keep arms and legs below the surface and assume a relaxed position. In a sitting position in the water note the floating position of your head and chin. Be sure to dry before storing.

Most over-the-shoulder flotation devices have three compartments filled with kapok or similar material. This material is contained in a plastic bag, covered with a canvas-like material. Each of these compartments must be airtight. Check for this by pushing the two ends of the bag toward the middle. If air escapes from the bag, throw it away.

Examine the straps to make sure they are attached. The buckle and metal fastener must be functional.

Most buoyant cushions have three sealed plastic compartments. Check the straps and fabric.

If PFD's become badly torn, stiff or heavy, they should be destroyed and replaced immediately. Life preservers will last many years if given reasonable care. Always dry completely before putting away. Stow in a dry, well-ventilated, easily accessible place. Airing and sun drying is the best. NEVER stow near oil or grease. During winter storage, remove from boat and stow at home.

LIGHTS

Lights

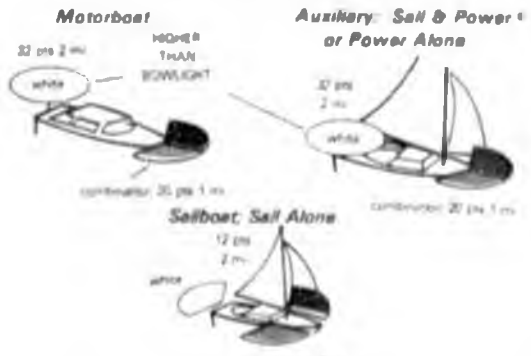
By law, lights are to be exhibited when underway between sunset and sunrise. Light placement and requirements vary with the size and type of boats. There are two types of lighting requirements. These are the **Inland Rules** and the **International Rules**. The Inland apply only to inland waters. The International may be used on inland waters by motorboats and required on the high seas (pg. 59).

All watercraft must display combinations of white, red and green lights shown below. No other lights which can be mistaken for these lights may be displayed.

DEFINITION: **"10 pts. 1 mi." means that the light can be seen by another vessel through an arc of 10 points for a distance of 1 mile.**

VESSELS USING ONLY INLAND WATERS

LESS THAN 26 FEET



NOTE: Auxiliary sailboats under sail alone need not show the 12 pt. stern light but may in lieu of carry, ready at hand, a flashlight or lantern to be exhibited in sufficient time to prevent collision or the appropriate international lights may be shown for a vessel of its size.

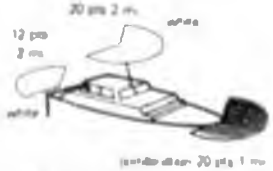
26 FEET TO NOT MORE THAN 65 FEET

EXCEPTIONS: (1 Western River Rules) sidelights for vessels under sail must be visible for 3 miles. (1 Great Lakes Rules) sailing vessels may show a white light in lieu of a stern light upon that portion of the vessel which is being approached by another vessel.

VESSELS USING INTERNATIONAL WATERS

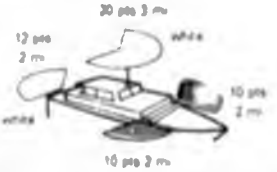
LESS THAN 12 METERS

Carried at Least 1 Meter Higher than Colored Lights



12 TO 20 METERS

Carried at Least 2.5 Meters Above the Gunwale



NOTE: A power driven vessel of less than 7 meters in length and whose maximum speed does not exceed 7 knots may in lieu of the lights prescribed above exhibit an all around white light. Such vessel shall, if practicable, also exhibit sidelights. All vessels less than 20 meters may display either seperate colored sidelights or combined lanterns. All vessels under power, whether under sail or not, are to be considered power driven vessels.

VESSELS UNDER SAIL ALONE

Vessels Under 20 Meters

OPTIONAL for all sailing vessels

OPTIONAL for sailing vessels less than 12 meters (comb red, green and white light 32 pts.)

A sailing vessel of less than 7 meters in length or a vessel under oars shall, if practicable, exhibit the lights prescribed above. If she does not, she shall have ready at hand an electric torch or lighted lantern showing a white light which shall be exhibited in sufficient time to prevent collision.

NOTE: Sidelights of vessels less than 12 meters must be visible for at least 1 mile.

ANCHORED OR ROWING

POWER BOATS under 65 feet and all sailing vessels at anchor must display anchor lights except those under 65 feet in "special anchorage areas". An anchor light is a white light visible to a boat approaching from any direction and is displayed in the fore part of the vessel.

ROWING BOATS, whether under oars or sail, shall have ready at hand a lantern showing a white light which shall be temporarily exhibited in sufficient time to prevent collision.

WHEN ANCHORED

Power-driven vessels and sailing vessels less than 20 meters in length at anchor must display anchor lights. Vessels less than 7 meters in length shall not be required to display anchor lights unless anchored in or near a narrow channel, fairway or anchorage or where other vessels normally navigate. An anchor light is a white light visible for 2 miles to a boat approaching from any direction.

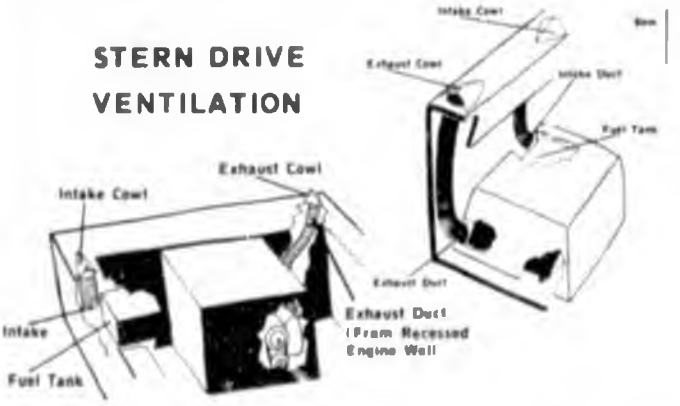
ADDITIONAL EQUIPMENT

Carburetor Backfire Flame Arrestors

Internal combustion engines at times backfire. To safeguard against fire, all motorboats, except outboards and diesels, must have a Coast Guard approved *carbuerator backfire flame arrestor.*

Ventilation

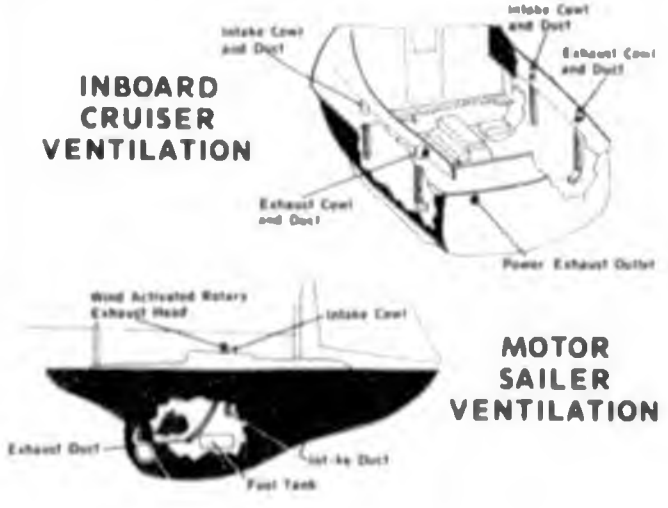
Regulations require ventilation of motorboats if engine and fuel compartments are closed. However, a ventilation system is not required if the boat does not trap explosive or flammable vapors.



Intake ducting must extend from *cowls* at least midway to *bilge , or at least below carburetor air intake level. Also, exhaust ducting must extend from lower bilge to cowls in the atmosphere.*

Mufflers

Noise from a poorly muffled or unmuffled motor disturbs others. More important, it can prevent the motorboat operator from hearing voices, signals or sounds that might alert him to danger.



Whistles and Horns

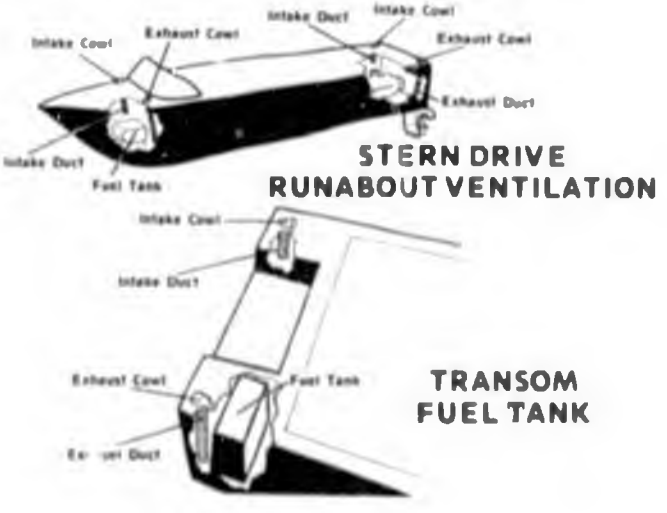
Every motorboat 16 feet (5 meters) and over must have a whistle or horn. Federal regulations specify the type required.

Bells

Boats 26 feet and over must be equipped with a bell that gives a clear tone when struck. When at anchor during fog, mist, falling snow or heavy rainstorms, the boater must ring the bell rapidly about five seconds at one minute intervals. This must be done whether day or night.

Illegal Equipment

Safety patrols and emergency craft are the only boats allowed to use sirens or flashing blue lights.



FIRE

Fire Extinguishers

Fire and explosion causes more total property loss on boats than any other mishap.

When gasoline leaks or spills, the vapors are heavier than air. They collect in the lowest part of the boat, usually the bilge. This vapor is more explosive than gunpowder. One cup of gasoline creates vapors more destructive than 15 sticks of dynamite. Never use matches or flames of any type near gas pumps, lines or tanks.

Boat fires also may be caused by electrical wiring. Usually the current overloads the wire. The wire gets hot and sets the insulation on fire. An extinguisher must be able to put out this fire without giving the user a shock.

Caution: The use of water to extinguish a petroleum fire will usually cause a boat fire to spread.

Law Concerning Extinguishers

All motorboats shall carry fire extinguishers approved by the U.S. Coast Guard. Exceptions are outboard motorboats less than 26 feet in length without permanently installed fuel tanks and which do not have spaces in which explosive or flammable fumes can collect. The minimum size of fire extinguishers approved for use on motorboats are hand portable, either B-I or B-II classification, and are listed below:

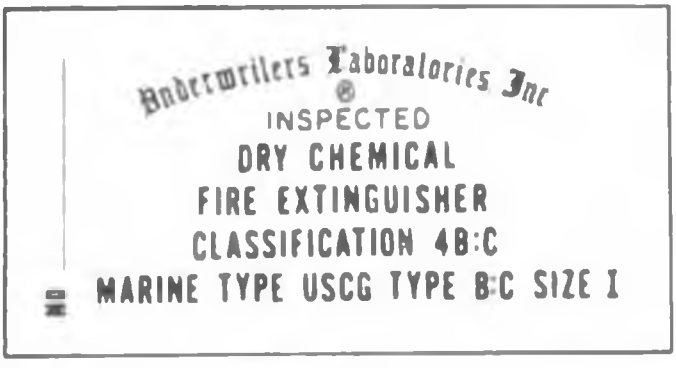
Class of motorboat	*Without fixed system in machinery space*	*With fixed system in machinery space*
A (less than 16 ft.)	1 B-1	None
1 (16 to under 26 ft.)	1 B-1	None
2 (26 to under 40 ft.)	2 B-1 or 1 B-II	1 B-1
3 (40 to 65 ft.)	3 B-1 or 1 B-II and 1 B-1	2 B-1 or 1 B-II

Approved Extinguishers

All extinguishers must be readily accessible (preferably not stowed next to common fire sources), and they must be kept in a serviceable condition. REMEMBER, the number required by law is the minimum. Extra extinguishers provide additional safety.

In addition to labels or any other markings, the extinguisher must bear the label of a testing laboratory which will include either Coast Guard approval numbers or specify "Marine Type USCG." All Carbon tetrachloride extinguishers and others of toxic vaporizing-liquid type such as chlorobromomethane are not approved and are not accepted as required fire extinguishers on any motorboats.

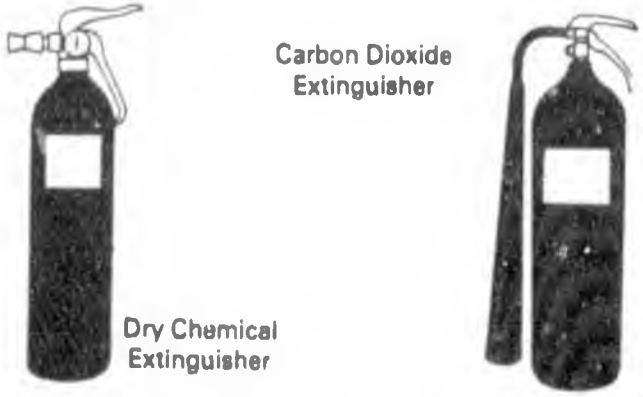
Classification (type-size)	B-1	B-II
Dry Chemical (minimum lbs.)	2	10
Foam (minimum gals.)	1¼	2½
Carbon Dioxide (minimum lbs.)	4	15
Freon Type (minimum lbs.)	2½	None



Types

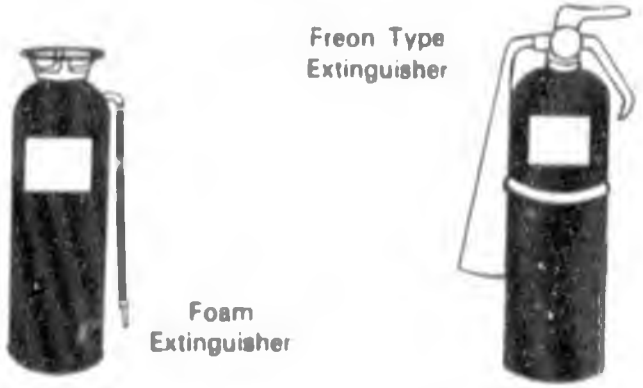
Dry Chemical: Dry chemical extinguishers have two basic parts; a cylinder containing the extinguishing agent, and the valve assembly. The chemical is kept under pressure, and in most cases a gauge or visual indicator is attached to the valve assembly or cylinder to show the expellent charge. Some extinguishers manufactured prior to June 1, 1965 do not have visual indicators, and must be weighed semi-annually to determine their serviceability. Such extinguishers must have a service tag attached indicating service within the last six months. All dry chemical extinguishers should be frequently examined by the boatman for signs of leakage (dry chemical in the nozzle, etc.). During this check, the boater should remove extinguishers from their brackets and shake them vigorously to loose any chemical that might be compacted.

FIRE



Carbon Dioxide Extinguishers: CO2 extinguishers have three basic parts; body, valve assembly and discharge horn. These extinguishers are checked by weighing only. If the total extinguisher weight (gross weight) is reduced by more than 10 percent of the net weight marked on the extinguisher, it is not sufficiently charged and is no longer acceptable. This type of extinguisher is best for use in closed areas and is effective on all types of fires. It is not harmful to clothing, mechanical or electrical parts.

Foam Extinguishers: Foam extinguishers have four basic parts; the tank, ring top, head stopple and inner container. These extinguishers are required to be serviced annually. Periodic checks by the boater should include visual examination of the water level in the tank and the hose. These extinguishers are not recommended for electrical fires.



Freon Extinguishers: Freon extinguishers have four basic parts; body, valve assembly, visual gauge and discharge horn. The freon extinguisher, like the CO2 does not harm clothes, electrical or mechanical parts. These extinguishers should be periodically checked for corrosion and obstructions in the discharge horn. Freon type extinguishers are effective on all types of fires and are best for use in closed areas.

Fire Prevention

The best time to become concerned with fire is before it happens. Almost everyone knows something about fire prevention but many boaters have a false sense of security with all of the water around. Remember, MOST FIRES ARE PREVENTABLE. Here are a few easy checks and precautions:

1. Keep your entire fuel system in good condition. Check tanks, lines, connections, fuel pump and carburetor periodically for leakage. If a leak is spotted, stop the flow, wipe up the spill, discard the cloth in a safe place, ventilate the area until the smell of gas is gone...then get underway. LISTEN TO YOUR NOSE!
2. When fueling your boat, turn off all electrical and internal fuel systems (heaters, stoves, refrigerators). Pilot lights and galley stoves have caused many deaths at the fuel dock. Before leaving the fuel dock, all boat spaces should be ventilated. If your boat is equipped with a blower, make sure that it is run five minutes before you depart.
3. KNOW HOW TO USE YOUR EXTINGUISHERS. All hands should read the instructions for use printed on the extinguisher. If a fire occurs, determine its source. Do not discharge the extinguisher merely in the general direction of the fire, but rather at the base of the fire, in sweeping motions. This is the most effective action to suffocate the fire at its source.

The Fire Triangle

Fuel, heat and oxygen are necesary for fire. Eliminate any one and the fire will go out. Fires are usually extinguished by cooling, smothering or both. The dry chemical, carbon dioxide and foam fire extinguishers do both. For oil and grease fires, direct these agents at the base of the fire.

The three types of fires are combustible materials such as rags or wood; combustible liquids such as gasoline or alcohol; and electrical. Dry chemical, carbon dioxide, foam and freon extinguishers may be used on any of these fires. The most common fire extinguisher is carbon dioxide.

Never use water on a gasoline, oil, grease or electrical fire. Water will spread the first three elements. Since water is a conductor you may receive a damaging shock from an electrical fire. Water can be used to extinguish burning wood, mattresses, rags, paper, rubbish and alcohol.

FIRE

What are the three elements of the fire triangle?

The Fire Triangle

Eliminate any one and the fire will go out.

OXYGEN

Even if a fire appears to be out, it may smolder for a long while and start up again. If possible, soak burning materials over the downwind side of the boat. When the emergency is ended, retrieve refuse to avoid littering the waters.

Follow these steps if fire breaks out underway:

1. Slow or stop the boat. Wind from the boat's motion fans the flames.
2. Keep the fire downwind. If the fire is aft, head the bow into the wind.
   If forward, put the stern into the wind.
3. If the motor catches fire, shut off fuel supply immediately.
4. Display distress signal.
5. Fight the fire.

These actions help prevent the fire from spreading to other parts of the boat.

Before fire breaks out, plan ahead. Decide what should be done to combat a fire in any part of the boat. Always be sure safety equipment is in good working order.

Fueling

Extremely hazardous conditions exist and are often encountered when fueling. Safety rules should be rigidly observed. **When taking on gasoline, all engines should be stopped, galley flames extinguished, hatches, windows and ports secured and electrical devices shut off.** No smoking should be allowed. Diesel fuel, being less flammable, is not as hazardous as gasoline, however, observing the same safety rules is advisable and should contribute to development of "the safety habit".

The gasoline nozzle should contact the fillerpipe deck flange at all times during fueling to prevent the possibility of explosion associated with the spark of static electricity. (Similar precautions should be observed when fueling tanks used with outboards.) The fillerpipe deck flange should be connected to the boat's ground system. Static electricity is generated internally throughout the length of the gas hose by the motion of gasoline and by atmospheric conditions. Modern fuel pump equipment has been designed to prevent this discharge and the danger is, therefore, less than in the past, however, safety precautions are still considered an absolute necessity.

Space should be allowed for fuel expansion. The tank should not be filled to capacity. Approximately five percent should be allowed, based on the average of fuel expansion. It is not necessary to mathematically compute the fuel expansion, experience can be the controlling factor.

When the fueling operation has been completed, any spillage should be wiped up immediately. Exhaust blowers should be operated for a minimum of five minutes before starting engines. This is sometimes difficult to accomplish when the dock is crowded and other boats are waiting to fuel.

It is important to be thoroughly familiar with the

FIRE

dangers of handling gasoline and the necessary precautions to reduce the risk of fire. Become acquainted with the most effective means of extinguishing a gasoline fire. **Gasoline explosions and fires are the leading cause of property damage and one of the significant causes of loss of life and injury on small boats.** Gasoline is used as fuel on the majority of motorboats now in operation, and the boat operator constantly faces the potential hazards of gasoline fire or explosion.

The following Rules for Fueling are reprinted from a publication of the National Fire Protection Association and should be thoroughly learned by every boat operator:

1. Fuel tanks should be properly installed and vented overboard.
2. Fueling should be completed before dark except in emergencies.
3. Whenever a boat is moored at service dock for fueling:
   a. Do not smoke, strike matches or throw switches;
   b. Stop all engines, motors, fans and other devices liable to produce sparks;
   c. Put out all lights and galley fires.
4. Before starting to fuel:
   a. See that the boat is moored securely;
   b. Close all ports, doors and hatches;
   c. Ascertain definitely how much additional fuel the tanks will hold.
5. During fueling:
   a. Keep the nozzle of the hose, or can, in contact with the fill opening to guard against possible static spark;
   b. See that no fuel spillage p[illegible] into the hull or bilges.

Student Activity: Which equirements apply to your boat?

Coast Guard Requirements / Minimum Required Equipment

EQUIPMENT	CLASS A (less than 16 ft) (less than 5m)	CLASS 1 (16 to less than 26 ft.) (5 to less than 8m)	CLASS 2 (26 to less than 40 ft.) (8 to less than 12m)	CLASS 3 (40 to not more than 65 ft.) (12 to not more than 20m)
BACK FIRE FLAME ARRESTOR	One approved device on each carburetor of all gasoline engines installed after April 25, 1940, except outboard motors			
VENTILATION	At least two ventilator ducts fitted with cowls or their equivalent for the purpose of properly and efficiently ventilating the c[illegible]ngers of every engine and fuel tank compartment of boats constructed or decked over after April 25, 1940, using gasoline as fuel or other fuels having a flash point of 110° or less			
PERSONAL FLOTATION DEVICES (PFD)	One approved Type I, II, III or IV device, for each person on board or being towed on water skis, etc.	One approved Type I, II or III device aboard for each person and, in addition, one throwable Type IV device		
BELL, WHISTLE,	All boats must be able to produce navigational signals under rules of the road	Whistle — one hand, mouth, or power operated, audible at least ½ mile	Bell — one, which when struck, produces a clear, bell like tone of full round characteristics One hand or power operated, audible at least 1 mile	One power operated, audible at least 1 mile
FIRE EXTINGUISHER PORTABLE When NO fixed fire extinguishing system is installed in machinery space(s)	At least one B I type approved hand portable fire extinguisher. (Not required on outboard motorboat less than 26 feet in length and not carrying passengers for hire if the construction of such motorboats will not permit the entrapment of explosive or flammable gases or vapors.)		At least two B I type approved portable fire extinguishers, OR At least one B II type approved portable fire extinguisher.	At least three B I type approved portable fire extinguishers, OR at least one B I type Plus one B II type approved portable fire extinguisher.
When fixed fire extinguishing system is installed in machinery space(s)	None	None	At least one B I type approved portable fire extinguisher	At least two B I type approved portable fire extinguishers, OR at least one B II type approved portable fire extinguisher
	B I Type Approved Hand Portable Fire Extinguishers contain Foam, 1½ up to 2½ gallons, or Carbon Dioxide, 4 up to 15 pounds, or Dry Chemical, 2 up to 18 pounds, or Freon 2½ lbs.		B II Type Approved Portable Fire Extinguishers contain Foam, 2½ gallons, or Carbon Dioxide, 15 pounds, or Dry Chemical, 10 pounds.	

MAINTENANCE

Take Care of Your Boat

"Take care of your boat and it will take care of you," is more than just a saying. Marinas, service stations for boats, can be a long way apart. There are no phone booths on the water and passing traffic can't always be counted on. The boater must know how to do things for himself.

To finish a boat trip the way you planned it, two things must happen: The boat must float and the engine must run. Unless you've already capsized, the first problem you'll see to indicate the danger of sinking is water in the bilges, or bottom, of the boat.

Find out where it's coming from — fast! Get life-saving and survival gear ready first. Then find the leak. Check all hull fittings quickly. Be sure you already know what and where they are.

The leak could be coming from: engine water intake, head intake, and discharge, depth finder transducer, rudder post, propeller shaft, bilge pump or galley drains. If the engine water intake line is broken, or any part of the cooling system has sprung a leak, running the engine can pump water into the boat.

If the leak is from a hole in the hull, plug the hole with blankets, clothes or even magazines. If possible, cover the hole with plastic sheeting or a plastic bag from the outside. Head for shore or nearest boat.

Don't wait for an emergency. Take preventive care of your boat. An annual inspection should be made for loose fittings on the hull. Engine and propeller units should be checked regularly.

Whenever you have your boat out of the water check underwater parts for damage. Before you start your engine look for signs of needed repairs.

Check for oil in the bilges every time you set out. Check the dipstick to be sure oil level is high enough. Beware if it goes over the full mark or drops quickly. Watch oil for discoloration or beads of water.

Make sure batteries are properly filled and cables are free of corrosion. A simple cotterpin missing from shift or throttle controls can cause an accident.

Use your nose every time you lift an engine cover or raise a hatch. Sniff for: gasoline, propane, butane, electrical shorts, overheated engine or transmission, stagnant water in the bilges. These smells signal a need for maintenance.

Before you push the starter, run the blower for five minutes with engine hatch open. Whenever you push the starter or turn the key, listen to the engine as it cranks and begins to fire. If it sounds "different" from usual, there may be trouble somewhere.

You don't have to be a trained mechanic to find a problem. Listen, smell, watch and feel. Your boat's talking to you when it doesn't steer properly, shifts hard, backfires or is sluggish.

If you think you have a problem, ask your mechanic or another boater. You'll soon learn to identify important problems and be able to correct many of them yourself. With good maintenance and regular inspection, your boat will be safe and more enjoyable for you and your crew.

Fuel Saving Tips

MAINTENANCE

1. Keep engine well-tuned.
2. Use correct propeller and check it for damage. A nicked or bent propeller slows down the boat and may damage the engine.
3. Be sure engine matches boat. Check mounting for proper tilt.
4. Use proper oil mix in motor. Pour fuel carefully. Reset cap tightly. Keep vent screws closed when not operating to prevent evaporation. Don't overfill to allow for heat expansion.
5. Keep hull clean to reduce friction.

ON THE WATER

1. Drain all water before starting out.
2. Distribute weight properly. Unload excess gear. Don't overload with passengers.
3. Shut off engine when at dock or at rest.
4. Drive in straight line-turns increase motor load.
5. Don't jam throttle ahead at take-off. Plane smoothly and quickly, then throttle back to three-fourths when boat is planed. Most boats operate as well at three-fourths throttle and use half as much fuel. Also applies to water skiing.
6. Plan fishing spots ahead of time. Use trolling motor for minor changes in location.

SAILOR'S WORKSHEET 3

1. Gasoline vapors can be as explosive as _____.
2. Most fires aboard a boat are caused by _____.
3. Where should you fill portable outboard fuel tanks? _____
4. Boat windows, doors and other openings should be: (a) open (b) shut during refueling.
5. What are the three elements of the fire triangle?

_____

6. Fire extinguishers aboard a boat must be kept _____.
7. What are some things you can do to protect your boat against fire? _____

_____

_____

8. What should you do if you spill gasoline aboard a boat? Why?

_____

9. When must a boat show lights? _____
10. How are fire extinguishers classified?

_____

11. A backfire flame arrestor helps reduce the chance of _____.
12. The use of a boat whistle, horn and bell, and signals, indicate (name five):

_____

13. What do the letters PFD signify? _____
14. What is the requirement for PFD's on a boat 16 feet or over? _____

_____

15. Name and describe 4 different types of Coast Guard approved life saving devices:

_____

16. What should you do with a PFD that has become badly torn, stiff or heavy.

_____

17. The survival suit is (a) an approved PFD (b) not an approved PFD.

TRAILERING

Trailer Safety

Your boat trailer is an important part of your boating equipment. All too often, the trailer does not receive the attention that it deserves and demands. After selecting the proper trailer for your boat, continual care in hitching, towing and maintaining is necessary. If any of these areas are neglected, you may be endangering the safety of your boat, your car, your family and yourself.

Normally, the length of the boat determines the length of the trailer. The beam (width) determines the width of the trailer. The boat should fit snugly on the trailer when it is cranked up to the winch support. There should be proper support for the boat's bottom. Most trailers have adjustable rubber rollers with nylon bushings or wooden chocks which are cushioned. These help absorb road shocks and prevent transmission of the shocks to the boat's hull. These supports must be aligned properly to prevent warping the hull.

The first time the boat is placed on the trailer, the rollers and supports should be adjusted to conform to the boat's bottom, and the bolts tightened securely. After the initial adjustments are made, they will probably not need further attention except to check the bolts from time to time to be certain that they haven't worked loose.

Proper tie downs should also be considered in choosing a trailer. Sufficient support for each side of the hull is essential to prevent the boat from shifting while it is on the trailer.

Trailer Load

The trailer must be strong enough to carry the weight that will be placed on it. The load capacity of a boat trailer should not be exceeded. Most trailers will have a data plate that states the maximum load capacity and the correct specifications for the tires. If your trailer does not have such a plate, consult other sources or your dealer for this information. Remember, the "load" placed on a trailer includes the weight of the boat, the engine and all gear that is loaded into the boat. Equal distribution of items placed inside the boat is of vital importance

While trailering, many boaters haul most of their gear in their boats. If this is done, the load should be distributed so that the heaviest items are placed on the bottom of the boat, directly over a supporting roller or chock. The gear should be secured carefully to keep it from shifting around.

Hitching the Trailer

Trailer hitches come in a variety of shapes and sizes. Most boat trailers connect to a ball hitch that is bolted or welded to the towing vehicle. Clamp-on-bumper hitches are not recommended for heavy loads or continual towing. Special heavy duty equalizing hitches are a necessity for trailer tongue weights (the weight a loaded trailer places on the hitch of the towing vehicle) of 250 pounds or greater. The trailer hitch itself should match the size of the ball hitch; NEVER use a ball hitch that is too small. Solid steel ball hitches are preferable.

Tongue Weight

Too much weight on the hitch will cause "tail dragging" of the towing vehicle, impairing steering and raising headlights into the eyes of oncoming traffic. Too little or negative weight on the hitch, and the trailer will sway or "fishtail". The solution to proper distribution is often adjusting the wheel carriage either forward or back. If the carriage cannot be adjusted, relocate movable gear. If this fails to correct the problem, consider another trailer of different design.

Couplings

The coupling hitch on the trailer should have a lock or provisions to prevent loosening due to vibration. Lubricate the hitch for longer wear, quiet turns and to prevent corrosion.

Safety Chains

The trailer must be equipped with at least one, preferably two, safety chains. They should be strong enough to control the trailer if the regular hitch or coupling breaks. Hook the chains in the form of an "X" to the frame of the towing vehicle. Use a bolt to secure the safety chain to the tongue. The chain must have a breaking strength of at least the gross weight of the trailer; solid link chain is best.

Lights

Alaska state law requires two red taillights on the rear that may be combined with the stop and turn signals. Vehicles over 80 inches in width require

TRAILERING

clearance lights. If lights are dunked, waterproof light fixtures should be used. If water is allowed to enter, the lamp may crack and short out the entire lighting system. Water also promotes contact corrosion. Always carry spare lamps. The wire coupling to the towing vehicle should be high enough to stay dry. Never rely on the trailer hitch for ground connection. Four-pole connectors should be used.

Tires should ALWAYS be inflated to manufacturer's recommended pressure. Always carry a spare wheel, jack and bearings that fit the boat trailer. If wheel bearings are always dunked, waterproof bearings and caps should be considered. If water is allowed into the hub, lubricating grease will float away and bearings will burn out or seize, causing damage and a safety hazard. Waterproofed bearings should be inspected prior to each boating season, others more often. Special care should be given when traveling on unimproved roadways with small-diameter wheels.

Car Carrying

1. Protect car top with a carrier or cushion material.
2. Alaska state law requires:
   a. The driver's vision must not be obscured.
   b. The boat being carried may not extend more than 3 feet in front and no more than six feet beyond the rearmost limits of the body of the vehicle.
   c. The vehicle and boat's height may not exceed 13½ feet; total width may not exceed 8 feet.
   d. The object carried may not obscure the vehicle's front or rear lights.
   e. The boat must be tightly secure and visual to all traffic (reflectors, flags, lights).

Towing

Boat trailers must be licensed just as automobiles. Alaska, like most states, has regulations pertaining to trailer ownership and operation. Periodic vehicle inspections made by law enforcement agencies also include boat trailers. Particular emphasis is placed on lights and reflectors, towing hitches, brakes, safety chains, size limitations and weight.

Extra caution is necessary when towing any trailer. The heavier the rig, the more time required to accelerate, pass and stop. For this reason, the maximum speed for vehicles with trailers is 55 miles

per hour. A long rig requires a larger turning radius. Curbs and obstructions should be given wide clearance. Most boats on trailers obstruct the rear view of the driver. When this happens, an additional rear view mirror on the right side of the towing vehicle is required by law. The trailer boatman should be familiar with traffic and highway laws relating to the towing of trailers.

Trailering Hints

The simplest precautions, if observed, will make trailering a boat a pleasant and relaxing experience. The first emphasis would be that the car is capable of the pull required.

Avoid sudden stops. Always allow extra following distance.

If you are passed, air turbulence from a large vehicle will push the trailer to the right. DON'T BRAKE. This gust will move along the trailer immediately and will tend to correct the sway. If you are not traveling at the average speed of traffic on the highway, pull over at the first safe chance to allow others that may be following to pass.

When passing, remember that the trailer adds weight and will reduce acceleration, with this in mind, more room is needed for overtaking. Always change lanes smoothly to avoid whipping the trailer.

Trailer wheels and car wheels do not follow in the same path. One must steer wider on corners and the trailer will stay clear of the curb or other vehicles. On curves, stay well on your side of the center line.

Practice backing maneuvers in an open area. When backing, do not rush. Remember that the trailer will turn in an opposite direction than the car. AVOID

TRAILERING

OVERSTEERING. It is a good idea to have someone outside of the car to help give directional guidance.

If a car engine should ever overheat, do not remove the radiator cap, have the engine idle rapidly to increase air flow. Remember to shut off your air conditioning until the idling temperature returns to normal. Cold water should not be poured over or into a hot engine. Transmission coolers are recommended for towing heavy loads, for long distances or during hot periods.

Launching and Retrieving

Prepare boat for launching at the top of the ramp or parking facility. Remove all tie-down straps, check boat plugs and fasten boat painter. Do not release winch line until boat is in the water. Back trailer to the left if possible; backing left gives better launching visibility. Avoid dunking wheel bearings where possible. Never leave the towing vehicle unattended on the ramp with only the parking brake set. If vehicle must be left while on the ramp, set transmission in "park" or first gear, in addition.

In retrieving your boat, make sure that the boat is properly placed on the trailer. Secure winch line to the bow eye. Pull trailer up steadily to prevent spinning the wheels.

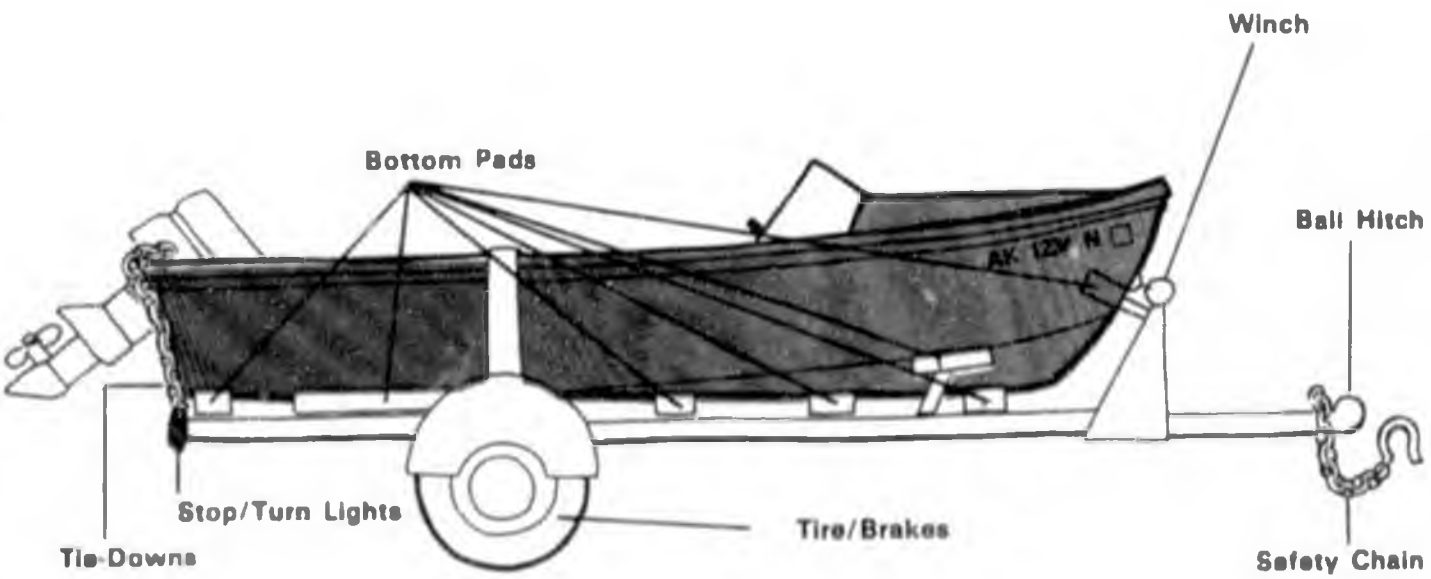
Trailer Safety Precautions

Before leaving home:

1. Be sure that the boat is secured properly on the trailer.
2. Inspect all lines, tie-downs and the winch. Tighten as necessary and replace any that show signs of fraying or strand separation.
3. Determine that all trailer lights are operating satisfactorily.
4. Test the braking system.
5. Inspect the hitch and safety chain.
6. Check tires: pressure, lug bolts and the possible need of tire rotation.

On the road:

1. Drive carefully, allowing for the extra length of the car and trailer when negotiating turns and when passing.
2. Allow more time for stopping.
3. Watch speed limits.
4. Pull well off the road periodically and walk completely around the rig. Examine the tires, the wheel bearings for overheating, test the tie-downs and check any gear which is being carried in the boat.



SAILOR'S WORKSHEET 4

1. List at least four parts to check before pulling a boat trailer.

   _____

2. Trailers give support to the boat's:

   (a) rigging (b) cockpit (c) bottom

3. Light items (a) may (b) may not be carried in the boat when trailering.

4. The ball hitch used on the towing vehicle should match the size of the _____ hitch.

5. The best method to attach a towing hitch, would be to the car's: (a) frame (b) bumper.

6. Why is a safety chain on your trailer hitch necessary?

   _____

7. When pulling a boat trailer you should carry a _____

8. List two ways you can care for your trailer tires. _____

   _____

9. To safely and legally tow a boat and trailer which obstructs the rear view, an additional mirror on the

   _____ side of the car is required.

10. Trailer wheels do not follow the path of car wheels, so you must steer _____ on corners.

11. You need more room to pass other cars when towing because _____

    _____

12. When towing a trailer one should avoid stopping _____ and be sure to allow

    plenty of _____ between you and the car ahead.

13. If your car engine overheats while you are towing a boat you should _____

    _____

14. The vehicle and boat may not be higher than _____ nor wider than _____

15. Be sure the car top boat does not extend more than _____ in front of the vehicle.

16. The car top boat may not extend more than _____ beyond the rearmost limits of the body of the vehicle.

17. Give two examples of assuring that the boat is visible.

    _____

Part III

NAVIGATIONAL AIDS

Navigational aids or signposts are similar to traffic signs. They help guide boaters on bodies of water by:

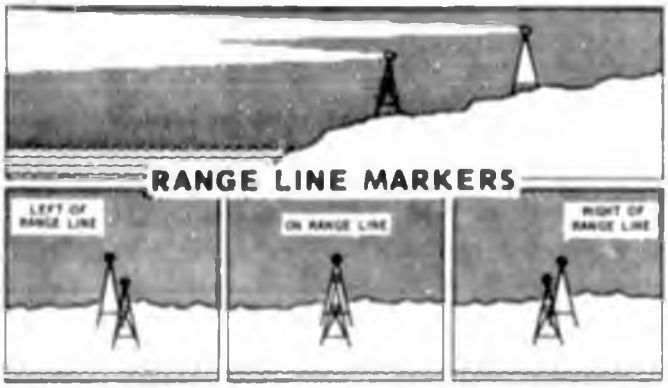
1. Finding location
2. Warning of danger
3. Guiding the boat from place to place
4. Pointing out special marine situations

Aids may be natural structures. Usually, they are artificial markers. They may be floating or non-floating. They are installed and maintained by the U.S. Coast Guard, state or local agencies.

Natural aids are land features such as high peaks, bluffs or beaches. They can also be manmade structures like tall buildings or bridges.

Artificial markers may be lighted or unlighted. Different shapes, sizes and colors mean different directions. Markers are found in the water and along the shore. All boaters should memorize the navigational aids that apply to the waters they travel.

Visual aids include minor and range lights, lighthouses, buoys, signs and daymarks. Electronic and audio signals include radio beacons and fog signals.



Minor Lights

These structures may be painted similarly to lighthouses. They are often black or red, following the buoyage marking system. These lights may have low-powered, continuously operating radio beacons and fog signals.

Range Lights

Range lights may be white, red or green and may be fixed or flashing. They are arranged so when in line (one over the other) they indicate the boater is on a safe course. They are usually visible only in one direction. By steering a course to keep these lights in line, the boater will remain within the channel. Many range lights are located on shore, so a chart is necessary to determine where to change course.

Lighthouses

Lighthouses are found along the coasts and on some interior waterways. They are placed on prominent headlands, at harbor entrances or on isolated dangers. These structures are painted solid colors or with bands or patterns. The lights have colors and flashes which, with the painted patterns, help identify individual lighthouses.

Radio Beacon

Radio beacons are located at many lighthouses, and shore stations. They emit radio signals in the 285 to 324 kilocycle range. Accurate use is limited to about 100 miles. Small craft operators make good use of the system, which is simple to operate and relatively low cost.

Fog Signals

Most lighthouses and some buoys and minor lights are equipped with sound. These aid the mariner when visibility is low. Charts and light lists for the area should be used for positive identification. CAUTION: Buoys fitted with bells, gongs or whistles sounded by wave motion may ring at irregular intervals. Positive identification is not always possible.

Buoys

Buoys are artificial markers. They use color, shape, numbers, light and sound to guide boaters along a safe course. Used with the right charts, they help find position. When visibility is low, buoys with gongs, bells or whistles indicate danger to boaters.

Red Right Returning

Seafarers use the phrase "red right returning" to remind them of the correct course among red and black buoys. It means that red buoys are always passed on your right or *starboard* side when returning to port from open sea (or upstream.) The opposite also holds true. When leaving port toward sea, red buoys are left and black buoys are starboard. Red buoys are always even-numbered. Black buoys are odd-numbered.

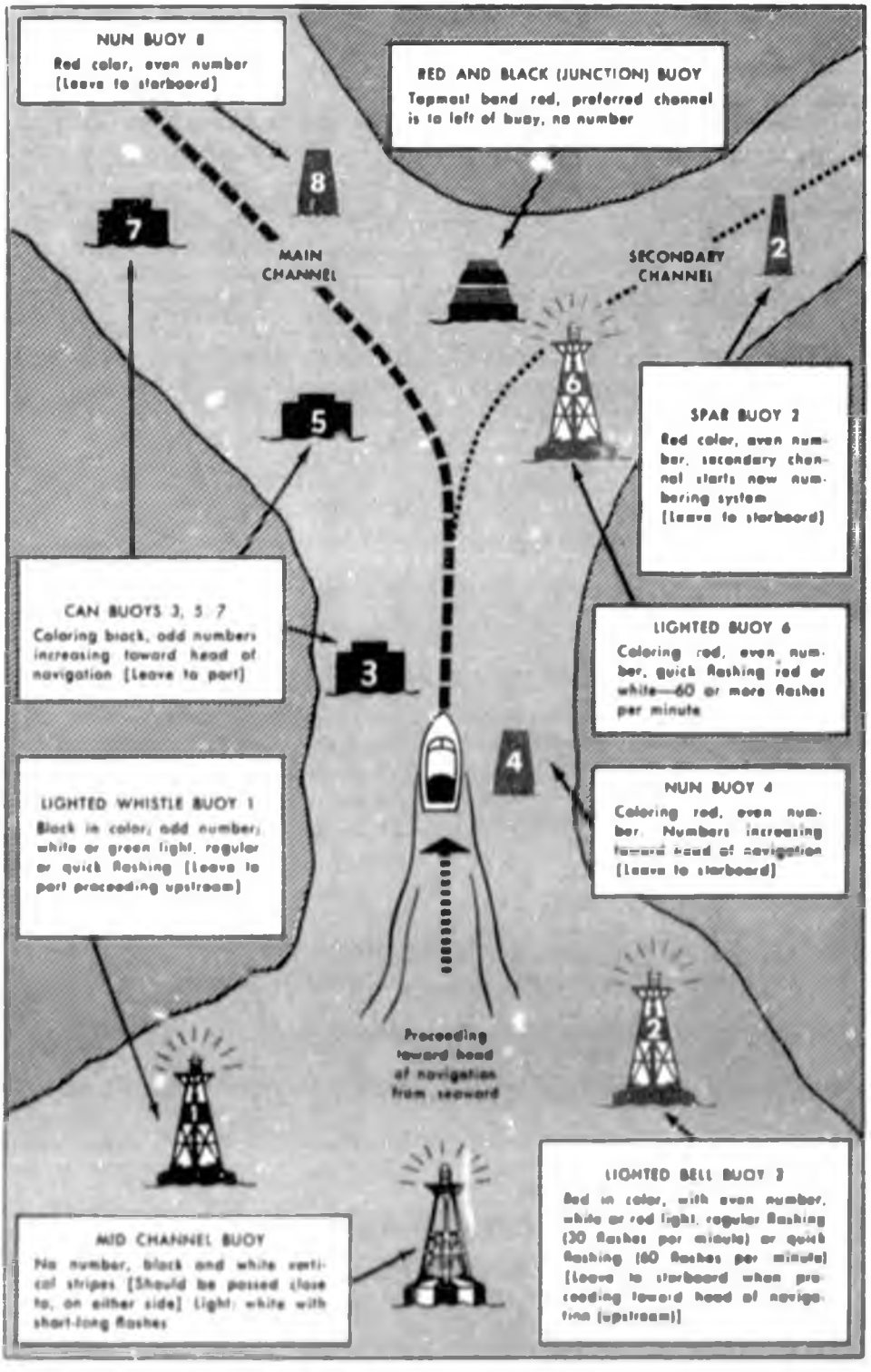
On some channels it is difficult to determine the seaward direction. On these waters you must compare the aids you see with a nautical chart. Some examples of these are the Atlantic and Gulf coasts and the Great Lakes.

On most rivers it is assumed that red is to starboard (right) while proceeding from sea to river head. Don't be confused by local terminology that describes left bank and right bank with the flow of the river. To be sure, use a nautical chart.

Sometimes buoys are missing, adrift, or off the chartered position or station. Heavy storms, ice flows or collisions may move a buoy. Even buoys on the correct station should be passed at a distance. They may be very close to the danger they mark. Report misplaced buoys to the proper authorities.

NAVIGATIONAL AIDS

Federal Channel Marker System



SAILOR'S WORKSHEET 5

1. Name four ways that navigational aids guide the boater.

_____

2. What are four natural aids to navigation?

_____

_____

3. U.S. waters are marked with a _____

4. The red nun or red spar buoy should be on the _____ side when going upstream or entering a channel from a larger body of water.

5. The black can or black spar buoy should be on the _____ side when going upstream or entering a channel from a larger waterway.

6. Red nun or red spar buoys have _____ numbers.

7. Black can or black spar buoys have _____ numbers.

8. Identify the navigational aids:

A. _____

B. _____

C. _____

A.

B.

C.

9. Name five different kinds of navigational aids.

_____

10. What are the three R's in boating and what do the mean?

_____

_____

COMPASS

The Compass

While not required by law for the private boater an accurate compass is probably one of the most important and interesting pieces of equipment on a boat. In its simplest form the compass is a needle that points to North.

Small boat compasses use a compass card instead of a needle. This is simply a round disk that sits on top of the magnetized needle or bar. Around the compass card on the frame of the compass are the degrees of the entire compass, 360 total.

Contrary to common belief, the compass card or the needle of the compass does NOT turn. It stands still and the boat along with the frame of the compass turns around it. Because of this you can look at the compass and see which direction you are going by reading the lubber line against the compass card. In a way, the compass card is like having a little world floating in front of you, and no matter how you change course it is constantly in the same position as the earth you are boating on.

Practice cruising by course, that is, draw a line across the chart (maps of water areas are properly called charts) from where you start to where you wish to go. Note the degrees of your course and hold that course with your compass until you reach your destination. Did you steer a straight line or did you have to change your heading often? With a little practice you'll find that steering a course with your compass will leave a straight wake behind your boat, proof that you're not zig zagging your way across the water.

To understand better how to use a compass, simply hold a boat compass in your hands, note the degrees by using the lubber line that is your course to a point across the room. Holding the compass steady, walk across the room holding your course. Now turn around and come back. If you do it properly you'll add or subtract exactly 180 degrees.

Practice finding the return course by adding or subtracting 180 degrees. Remember the answer always has to be LESS than 360 degrees. For example if your outbound course is 40 degrees, you can return to your starting point by cruising 220 degrees. Never confuse 030 with 300 degrees. Most compasses do not show the last zero, therefore, 3 on your compass indicates 30 degrees and the number 30 means 300.

Once you have your compass properly adjusted for your boat, keep metal objects, especially anything with a magnet like a flashlight, small radio or stereo speaker as far away as possible. Magnetized or large metal objects may turn your compass card from several feet away. Electric wiring is always suspect if it runs close to your compass. Be sure to check your compass by switching on and off all the electrical

switches. Snapping on the running lights could change your compass card by several degrees or make it fail completely. Digital wrist watches have been reported to change compass headings by as much as five degrees.

Nautical Charts

Most lakes and rivers have some kind of chart available to help the boater avoid danger areas and find his way from one point to another. Large bodies of water, bays, rivers, oceans and lakes have been charted by the National Ocean Survey.

NOS charts provide much detailed information about water depth, marker buoys, dangers under the water and over it, as well as an accurate picture of shorelines and waterways.

Estimating one's position on the water is always difficult because distance is deceiving over the water. The best rule for deciding where you are is to identify at least three landmarks or navigational aids in as much of a complete circle as possible. Compare their positions to the chart you are using.

Keeping an eye on only one point is a good way of going aground or running over rocks that are plainly marked on your chart. Learning to recognize the landmarks and navigational aids is a skill that only comes with practice.

WEATHER

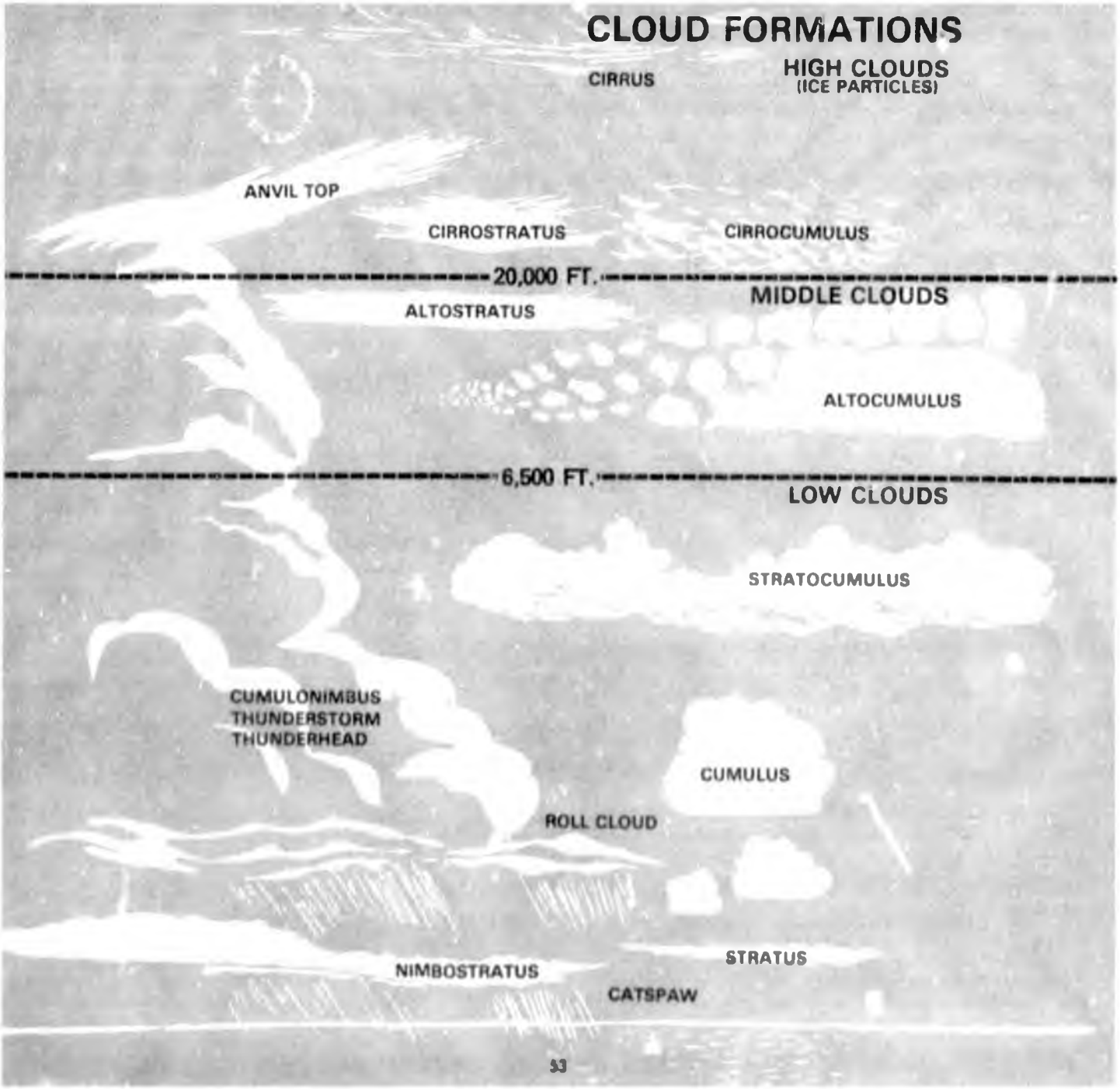
Weather is uncertain and difficult for even a professional to predict. Always watch for signs of changing weather. Check reports and forecasts often.

While no rules are always true, here are a few guidelines to help determine weather changes.

Bad weather changes come from the west. T is is usually true. A storm to the west will likely hit soon. It seldom passes by. Storms to the north or east may pass over. But, be prepared! There is also a good chance of getting caught right in the middle of it.

Watch for wind shifts. This usually means weather is changing.

Check the barometer. Moving air creates pressure changes when it passes over the earth. A barometer registers air pressure. When pressure is heavy, the baron er has a high reading. A rising barometer indicates fair weather ahead. When pressure is high, clouds are high in the sky. Low clouds usually accompany low pressure.



WEATHER

Winds and Currents

Winds and *currents* can greatly affect a motorboat's course. If a boat sits deep in the water, it will be influenced more by current than wind. Likewise, a high-riding boat will be affected more by wind than current. In plotting a course, take winds and currents into account. Before taking a motorboat into strong currents or winds, practice safe handling in calm waters.

Always allow *leeway* for current and wind. When underway, check navigational signs and aids frequently. If one has been missed, do not proceed. Turn back until the proper course is re-established. If lost, anchor and wait for help. Remember, always allow for leeway, which does not affect the compass, to stay on course.

A motorboat in a river or stream is best handled going against the current. Going down stream, the boat must go faster than the current. Otherwise, it cannot be steered. Never drift in strong currents. Current speed is changeable. In narrow channels, current speed increases. In wider channels, the current usually decreases.

Currents and winds can be very helpful to the boater. Learn to use them to advantage.

Tides

The movement of tides affect water speed and depth. Water depth may vary by 10 feet or more on tidal waters. A safe course at noon may be dangerous three hours later. Learn to read and understand tide tables.

Wind-barometer Table

Wind Direction	Barometer Reduced to Sea Level	Character of Weather
SW to NW	30.10 to 30.20, steady	Fair, with slight temperature changes for 1 or 2 days.
SW to NW	30.10 to 30.20, rising rapidly	Fair followed by rain within 2 days.
SW to NW	30.20 and above, stationary	Continued fair with no decided temperature change.
SW to NW	30.20 and above, falling slowly	Slowly rising temperature, fair for 2 days.
S to SE	30.10 to 30.20, falling slowly	Rain within 24 hours.
S to SE	30.10 to 30.20, falling rapidly	Wind increasing in force, with rain within 12 to 24 hrs.
SE to NE	30.10 to 30.20, falling slowly	Rain in 12 to 18 hours.
SE to NE	30.10 to 30.20, falling rapidly	Increasing wind and rain within 12 hours.
E to NE	30.10 and above, falling slowly	In summer, with light winds, rain may not fall for several days. In winter, rain in 24 hours.
E to NE	30.10 and above, falling fast	In summer, rain probably in 12 hours. In winter, rain or snow, with increasing winds, will often set in when the barometer begins to fall and the wind sets in NE.
SE to NE	30.00 or below, falling slowly	Rain will continue 1 or 2 days.
SE to NE	30.00 or below, falling rapidly	Rain with high wind, followed within 36 hours by clearing, and in winter, colder.
S to SW	30.00 or below, rising slowly	Clearing in a few hours, fair several days.
S to E	29.80 or below, falling rapidly	Severe storm imminent, followed in 24 hours by clearing, and in winter, colder.
E to N	29.80 or below, falling rapidly	Severe NE gale and heavy rain; in winter, heavy snow and a cold wave.
Going to W	29.80 or below, rising rapidly	Clearing and colder.

NOTE: The table includes general statements about the weather and can be very useful. However, the latest official Weather Bureau forecast should be used whenever the forecast is available. These forecasts are available on scheduled marine radioplane broadcasts, from commercial radio stations, and from the Weather Bureau offices.

WEATHER

Weather Signals

When potentially dangerous wind or sea conditions exist or are forecast, storm signals are displayed. These include small craft, gale, storm and hurricane warnings. Small craft warnings are directed to craft of many sizes and designs. Do not set out in storm warnings unless the boat can handle conditions forecast. Check with local weather stations, Coast Guard radio or Weather Bureau broadcasts (162.55 MegaHertz) for the latest weather forecast. Also check local weather and sea conditions.

When afloat, watch for these signs of dangerous weather ahead:

1. **Dark, threatening clouds** may indicate a squall or thunderstorm.
2. Watch for a **steady increase in wind or sea.** Pay special attention to increasing winds blowing against a strong tide. Steep waves may form, capable of capsizing a boat.
3. **Heavy static on the AM radio** may indicate thunderstorms nearby.
4. Always check **radio weather broadcasts** and warnings.

Fog can be a serious threat to the boater. It forms frequently in coastal waters, especially during summer. Fog may reduce visibility to only a few feet. Landmarks and navigational aids disappear. At first sign of fog, the boater should proceed to buoy. If practical, he should then return to harbor.

It is wise to record compass course and time between buoys upon departure and return to harbor. This easy reference may someday help avoid disaster.

Sea Anchor

Caught in Foul Weather

1. Reduce speed. Proceed with caution.
2. Head for nearest shore that is safe to approach. Stay in protected area until storm subsides if one is near.
3. Head bow into waves at slight angle. Watch for floating debris.
4. Secure loose items. Have emergency gear ready.
5. Keep bilges free of water.
6. Seat passengers on bottom of boat near center line. Put on life jackets.
7. If motor fails...drag sea anchor (tackle box, bucket or shirt with neck and sleeves knotted) from bow.

National Weather Service Storm Advisories

SAILOR'S WORKSHEET 6

1. Though not required by law the _____ is one of the most important pieces of navigational equipment.
2. A road _____ is for highway use; a _____ is for navigational use.
3. A barometer registers _____
4. Low clouds usually accompany: (a) high (b) low pressure.
5. In addition to wind, a motorboat's course can be affected by _____
6. What is leeway?

   _____
7. Identify the following storm signals:

   (a) _____

   (b) _____

   (c) _____

   (d) _____

8. What is the first thing you should do if caught in foul weather?

   _____
9. You should _____ _____ your boat into the waves if caught in bad weather.
10. What is a sea anchor?

    _____
11. Three articles which can be used as sea anchors in an emergency are:

    _____
12. Bad weather usually comes from the _____

Part IV

RULES of the ROAD

Understanding the Rules of the Road

A word of encouragement, you will not be expected to quote all the rules of the road. However, no matter where you do your boating, others have the right to assume that you know what you are doing. Remember, when you take the wheel or tiller, there is a presumption of knowledge! If you fail to observe the rules the fact that you did not know them will not be accepted as a valid defense.

Navigational skills, like driving skills, are meaningless without a set of basic rules of the road. These rules are often common sense guidelines. The reason for having rules is to prevent collision. They supply uniform patterns of passing, direction and safe operating behavior. They help prevent accidents.

(The Rules taught in this course are primarily Inland Rules of the Road. International Rules are similar, however, there are a few major differences, especially in sound signals, lights and shapes. For further information, refer to CG-169 Navigation Rules and CG-169-1 Colregs).

The determination of where Inland Rules begin and International Rules cease is at times difficult. A general rule is: "the waters inshore of a line approximately parallel with the general trend of the shore, drawn through the outermost buoy or other aid to navigation of any system of aids are inland waters". Many charts also show the location of these divisions. See CG-169-1 for further information in given areas.

Safety Tips and Regulations

1. Reckless or Careless Operation

Avoid causing harm or injury to any person, boat or property. Respect the property and rights of others on the water. **No person should operate any vessel or manipulate any water skis, aquaplane or similar device in a reckless or negligent manner so as to endanger the life, limb or property of any person.**

2. Operator Awareness

Always keep a sharp lookout for other boats, swimmers or obstacles. Never operate a boat while under the influence of alcohol or drugs.

3. Speed Regulations

When no limits are posted, operate the boat so it will not endanger others. The boat must be able to stop safely within the clear distance ahead. When passing near marinas, fishing areas, swimming areas, boat servicing buoys or similar activities, reduce speed. Skippers are responsible for damage caused by wakes.

Every vessel shall, under conditions of reduced visibility, go at a moderate speed with careful regard for existing circumstances and conditions. Other actions such as speeding in confined or restricted areas, "buzzing" or "wetting down" others, skiing at prohibited times or in restricted areas, can also be construed to be reckless or negligent operation.

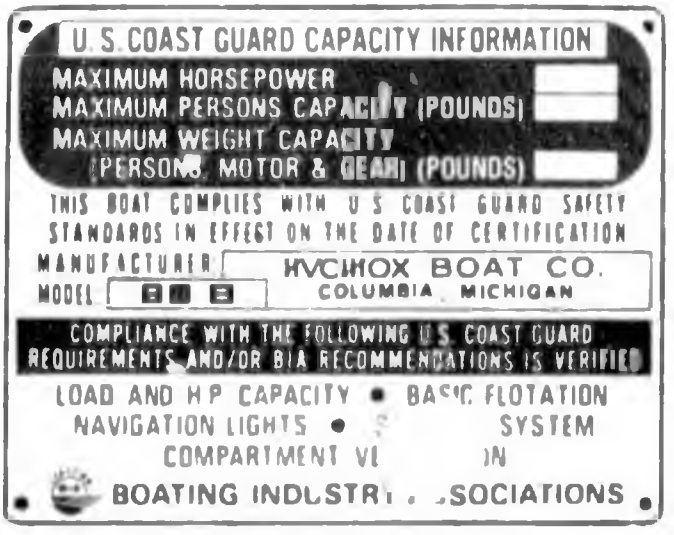
4. Restricted Areas

Some waterways limit boat or motor size use. Check federal regulations before departing. In some cases, a launching permit may be necessary.

5. Overloading

Consider weather and existing conditions. Never load a boat with passengers or cargo beyond its safe carrying capacity. For a guide, check the manufacturer's load capacity plate.

This plate is found inside the boat in full view of the operator's station. It gives maximum load and horsepower rating. It is mandatory on new boats, single hull vessels under 20 feet and can be helpful matching motor to boat.



Outboard Capacity Plate

RULES of the ROAD

6. Riding on Decks or Gunwales

Riding on the bow, gunwale or transom of a vessel propelled by machinery underway when such position is not protected by railing or other reasonable deterrent to falling overboard or riding in a position or manner which is obviously dangerous. (This does not apply to a vessel's crewmen in the act of anchoring, mooring or making fast to dock or another vessel or the necessary management of a sail.)

7. Interference with Navigation

Never obstruct a channel or fairway or interfere with the travel of other boats. Avoid anchoring in heavily traveled areas. Do not block launching areas.

8. Mooring to Buoys

The only buoys you are permitted to moor to are mooring buoys. Mooring to a navigation buoy or other aid to navigation is illegal.

9. Sewage Disposal

No person shall maintain or operate in or upon the navigable waters of any lake, reservoir or fresh water impoundment of this state any vessel which is equipped with a toilet unless such toilet is sealed or otherwise rendered inoperable or designed so that no human excreta can be discharged into such waters.

10. Water Skiing

Have at least two persons aboard a boat towing a waterskier; the operator and observer who must be 12 years of age or older. Skiing from sunset to sunrise is extremely dangerous.

Water skis and aquaplanes will not be operated in a manner to endanger safety of persons or property. Passing the towline over another vessel or skier or navigating between a vessel and its tow is also prohibited.

Although skiers are not required to wear Coast Guard approved life jackets, they are considered persons "on board". If an approved PFD is not worn by the skier, one must be on board.

Definitions

As we develop the subject, we will be using terms which may be unfamiliar or new. Because these rules are in fact laws, exact definitions become very important. The following terms will appear throughout this Chapter, so let's "define our terms" before we proceed further.

Vessel - The word "vessel" includes every description of water craft, including nondisplacement craft and seaplanes, used or capable of being used as a means of transportation on water.

Motorboat - Any vessel propelled by machinery, including any sailing vessel under sail AND power.

Sailing Vessel - Any vessel which is under sail alone, including any power vessel under sail alone.

Underway - Not at anchor, aground or made fast to the shore.

Danger Zone - The area from dead ahead of a vessel to two points abaft the the starboard beam.

Right-of-Way - The right and duty to maintain course and speed.

Stand-On [Privileged] Vessel - The vessel which has the right-of-way.

Give-Way [Burdened] Vessel - The vessel which must keep clear of the stand-on vessel.

Visible (when applied to lights) - Visible on a dark, clear night.

Short Blast (on whistle) - A blast of about one second duration.

Prolonged Blast (on whistle) — A blast of four to six seconds duration.

Long Blast — A blast of eight to twelve seconds duration.

Right of Way

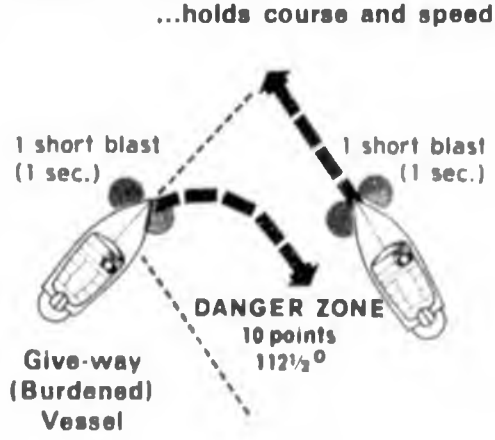
On the water, the stand-on (privileged) vessel has the right-of-way. The give-way (burdened) vessel must give way. At night, running lights indicate which boat has the right-of-way. The lights give information about size, direction, speed and the way it is turning. A green light is on the starboard side of the boat; a red light on the port side. If a red light is visible, that boat is the stand-on vessel. The location of the white stern light helps tell what the other boat is doing. Always use common sense. This is especially important at night. The other boator may not know what the lights mean. Proceed slowly and with caution. If both boats obey the rules of the road, the maneuver is completed without danger and a collision is avoided.

Note: Under Inland, Great Lakes and Western Rivers rules of the road, signals are sounded for intention of movement. Under International rules of the road, the signals are only given when the movement is being executed.

RULES of the ROAD

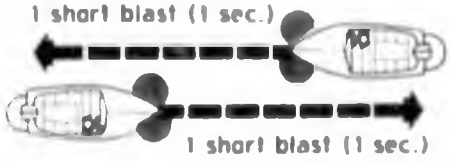
The following diagrams indicate the proper, safe way to maneuver in several situations. These rules of the road are used on waters throughout the country. Learn them well.

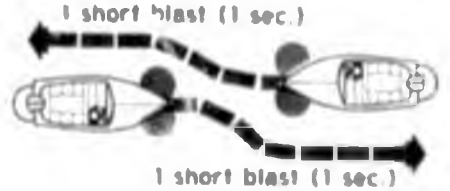
Crossing Situation



When two motorboats are approaching each other at right angles with risk of collision, the motorboat having the other boat on its port (left) side shall hold its course and speed and the other shall keep out of the way by directing its course to starboard (right) or if necessary, by slowing, stopping or reversing.

Meeting Situation





When meeting head-on, or nearly so, either vessel shall signal its intention with one short blast which the other vessel shall answer promptly. Each vessel shall then turn to its starboard (right) and pass with the other vessel on its port (left) side. When two powerboats are meeting head to head or nearly so, neither is the stand-on vessel.

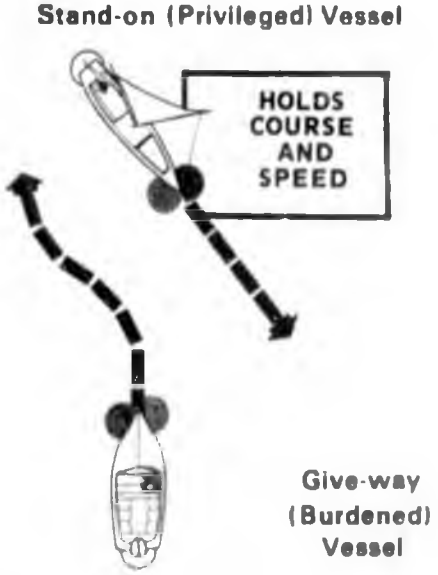
When courses are so far to the starboard of each other as not to be considered as meeting head-on but risk of collision still exists, either vessel shall immediately give two short blasts which the other vessel shall answer promptly by two short blasts and each shall pass with the other vessel on its starboard.

When two motorboats are running in the same direction and the vessel astern desires to pass, it must give the sound signals indicated above.

If the course ahead is not safe for passing, the stand-on (privileged) vessel shall indicate so by four or more short rapid blasts under Inland rules and five or more short rapid blasts under International rules.

A motorboat approaching another motorboat from the stern and overtaking it shall keep out of the way of the overtaken vessel. The vessel being overtaken shall hold its course and speed.

RULES of the ROAD



Sailboats, Other Vessels

A sailboat usually has right-of-way over motorboats—except when the sailboat is the overtaking boat or when it is under power. The motorboat then keeps clear and passes astern of the sailboat.

Boats propelled by oars or paddles have the right-of-way over motorboats. Small pleasure craft must yield to large vessels in narrow channels. Large craft cannot move as easily as small boats.

Other Situations

At any time when there is danger of collision and conditions prevent immediate compliance by either vessel with the other vessel's signals, the danger signal shall be sounded and both vessels shall be stopped or backed, if necessary, until signals for passing with safety are sounded and understood.

A motorboat nearing a bend in a channel where vessels approaching from the other direction cannot be seen, shall signal with long long blast (8 to 12 seconds) under Inland rules and with one prolonged blast (4 to 6 seconds) under International rules which should be answered with the same signal by any approaching motorboat within hearing.

Motorboats shall keep to the starboard side of narrow channels whenever safe and practicable.

Motorboats shall give and answer signals for passing when in sight of each other and passing or meeting within one-half mile. A vessel does not signal when another vessel is seen directly ahead crossing her course. Unnecessary use of sound signals prohibited. When boats are put in reverse, a signal of three short blasts will be made.

Traffic Hazards

Never water ski or cut in front of a tow. The pilot has a blind spot in front of the barges. He may not spot a fallen skier or a disabled boat.

Also stay away from the sides or back of the tow. Strong suction currents can draw a boat into the propellers. A dangerous current may also extend several hundred feet astern of the towboat.

It is important to avoid even moored barges. Currents can pull a boat underneath. Do not launch a boat upstream of a moored barge. A boat with a hard-to-start motor may drift down before the boater realizes the danger.

Fog Signals

The law prescribes signals to identify vessels under conditions of reduced visibility such as fog, mist, heavy rain or snow.

1. One prolonged blast (4 to 6 seconds) every two minutes under International rules and every minute under Inland rules must be sounded by a motorboat underway and not towing.

2. One prolonged blast followed by two short blasts every two minutes under International rules and every minute under Inland rules must be sounded by a motorboat underway and towing another vessel. The vessel being towed must sound one prolonged and three short blasts every two minutes under International rules.

3. A sailboat underway must sound one prolonged blast followed by two short blasts every two minutes under International rules. Under Inland rules, a sailboat on a starboard tack must sound one blast every minute, two blasts every minute if on a port tack and three blasts in succession every minute if running free.

4. Bell ringing rapidly for about five seconds at interval of one minute is the signal given by a vessel at anchor under both Inland and International rules.

A motorboat hearing a fog signal apparently forward of its beam shall stop engines and navigate with caution until danger of collision is over.

SAILOR'S WORKSHEET 7

1. The purpose of the Rules of the Road is to prevent _____

   What should you do if no speed limits are posted?

   _____

3. Who is responsible for the damage caused by the wake of a boat?

   _____

4. The only kinds of buoys that may legally be used for mooring are _____ buoys.

5. What vessels must obey the Rules of the Road?

   _____

6. A boat with the right-of-way is called the _____ boat.

7. A boat which does not have the right-of-way is called the _____ boat.

8. In a crossing situation the boat to _____ has the right-of-way.

9. What must you do if your boat is being overtaken by another boat?

   a. Slow down.

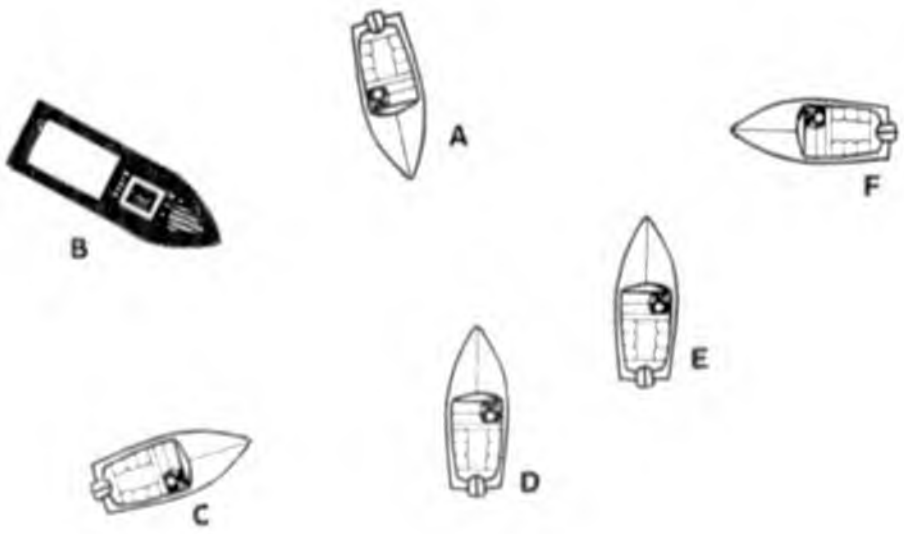
   b. Speed up.

   c. Hold your course and speed.

   d. Turn to starboard.

Test continues on page 63.

SAILOR'S WORKSHEET 7



10. C and D are in _____ situation under Inland rules. C signals with one short blast. D answers by sounding _____. (5 points each)

11. D and E are in a situation of _____ . _____ is the give-way (burdened) vessel _____ must maintain course and speed.

12. A and D are meeting _____ _____ or nearly so. Both boats must _____ and pass each other on the _____ side.

13. Between E and F, _____ is the stand-on (privileged) vessel and _____ must turn to _____

14. If B is a large freighter in a narrow channel what must C and D do?

_____

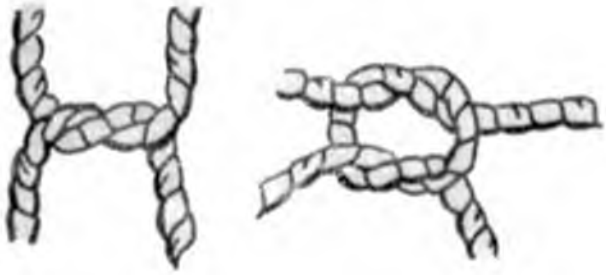
KNOTS

A line is a rope that is being used on board. A boater doesn't throw the rope. In nautical terms, he heaves a line.

Lines protect people and boats and when used with care, can last for many years. In tying knots, "practice makes perfect."

A boater uses six basic knots. Learn them well.

1. Square Knot
2. Bowline
3. Anchor Bend
4. Clove Hitch
5. Figure Eight
6. Half Hitch



Square Knot

Simple to make (so everyone says), the square knot is used for many applications for light duty work.

Bowline

Handiest of the knots, the bowline is probably the most difficult of those presented here. Use it whenever an eye or loop is needed. The bowline will neither slip nor jam.

Anchor Bend

The anchor bend is used to fasten a line to a ring or anchor. It is also called a fisherman's knot.

Clove Hitch and Half Hitch

The clove hitch is simply two loops with an end tucked under. This knot is used to secure the boat to a piling or similar structure for a short stay. For securing longer than thirty minutes, use two half hitches to lock the clove hitch.

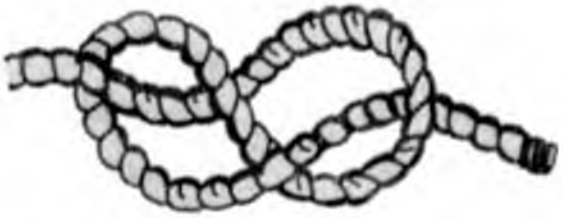


Figure Eight

This knot is principally used as a stopping knot. It is placed at the end of a line to keep it from running through a block jam cleat or other opening. The figure eight can also be used temporarily in place of "whipping" to prevent a line from unraveling.

How To Make Fast To A Cleat

The knot above, when finished, is a figure 8 with one loop reversed. Note that by snubbing the free end back under, the knot can be released without disturbing the boat. Most boaters take a half dozen figure 8's before locking with the reverse; two or three will do.

Here are some basic rules to keep lines strong and safe:

1. Keep them free from mud, dirt and grease.
2. Keep them coiled and stowed in a dry place. This helps prevent kinks and rot.

PREPARATION

When you prepare for your first cruise, remember that a boat is very unsafe if it is not loaded properly. Careful loading of supplies and equipment as well as the safety of passengers is the responsibility of the skipper.

Loading

When loading, stow all supplies securely, and well out of the way. Use a checklist to make sure all equipment is aboard, and always:

1. Keep deck areas clear.
2. Fasten gear to prevent shifting.
3. Distribute all weight evenly.
4. Never overload a vessel.

Loading

Boarding

When passengers are ready to board, the skipper should let them know which area of the boat they may or may not use. Assist them in putting on their PFD's. Make sure mooring lines remain secured to keep the boat steady while boarding.

When boarding a small boat from a dock or low pier, step aboard *amidship* (center of the boat). Stay low and hold onto the gunwales to keep your balance.

Don't carry equipment when boarding. Keep your hands free and have someone on the dock pass supplies to you after you are aboard.

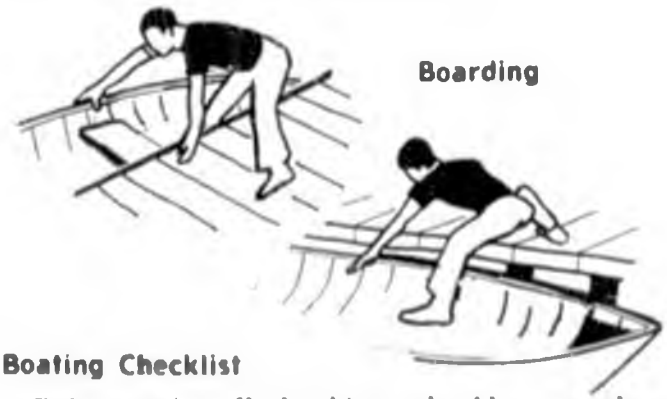
If the boat is moored by bow lines or beached bow first, board over the bow. This will keep the craft stable.

When passengers are aboard, the skipper must make sure their weight is distributed evenly so the boat is *trim*. Total weight of the passengers, motor and gear should not exceed Coast Guard or BIA capacity plate limitations.

(See page 58 for more information on the capacity rating plate.)

Heavy loads decrease a boat's *freeboard* (amount of space between the boat's rail and the waterline. If loaded too heavily, small waves or wakes may swamp the boat. Check your load before getting underway. Make sure the boat is not overloaded.

Passengers should remain seated at all times. If changing seats or standing is necessary, reduce speed to slow or stop completely. When moving, keep low and use the gunwales for balance.



Boarding

Boating Checklist

Before casting off, the skipper should go over these final safety checks. Double checking and even triple checking is a good idea.

- ☐ 1. Safety equipment, including anchor and line and distress flag, aboard and accessible.
- ☐ 2. Coast Guard approved PFD for each person on board. (Plus one throwable device on vessels 16 ft. or over.)
- ☐ 3. Lines coiled and out of way.
- ☐ 4. Ample fuel in tanks.
- ☐ 5. Paddles or oars on board.
- ☐ 6. Lights and whistles in working order.
- ☐ 7. Boat doesn't leak.
- ☐ 8. Water is bailed.
- ☐ 9. Bilges clean, clear, free from gasoline vapors.
- ☐ 10. No fuel leaks.
- ☐ 11. Spilled gasoline wiped up.
- ☐ 12. Weather report OK for boating.
- ☐ 13. Gear fastened and out of way.
- ☐ 14. Passengers seated; boat trim.
- ☐ 15. Mooring lines snug.
- ☐ 16. Propeller clear of weeds, rocks, etc.
- ☐ 17. Motor safety chain attached to boat.
- ☐ 18. Motor shut off valve open.
- ☐ 19. Tool kit and extra parts on board.
- ☐ 20. Skipper is alert and sober, aware of local regulations,...and in the right frame of mind.

PREPARATION

BOATING FLOAT PLAN

This plan for boats is similar to that used by airplane pilots. When you plan to boat, especially on larger waters, it is a good idea to leave information with friends or relatives.

The boating float plan is designed to assist officers in locating you if something should happen.

Leave this plan with the local marina operator, one of your relatives, or a close friend. (Be sure to cancel the plan when you return.)

Float Plan

1. DESCRIPTION OF BOAT Inboard _____ Outboard _____

A. Boat number and or name _____
B. Size _____
C. Make _____
D. Capacity _____
E. No. Engines _____
F. Horsepower _____
G. Fuel: Gas _____
Diesel _____
Capacity _____

2. NO. PERSONS ON BOARD _____
Names and Addresses _____

3. RADIO EQUIPMENT
A. Ship to Shore _____
B. Citizens Band _____
Channel monitored _____

4. TRIP PLAN
From _____
Via _____
Estimated Time of Arrival _____
Departure Time (variance level) _____

5. AUTOMOBILE PARKED AT _____ License number _____

6. I WILL ADVISE TRIP PROGRESS
Phone _____ Time _____ Other _____

7. IF NOT AT DESTINATION BY _____ (Hour) _____ (Day) _____
Notify agencies shown below _____
_____ and advise of this plan.
Signed _____

8. IF EMERGENCY ARISES
Contact Coast Guard at _____
_____
LOCAL Law Enforcement Officer _____

Equipment for Safety Afloat

Items E = essential 1 D = desirable 2	Class A (to 16')			Class 1 (16' to 26')			Class 2 (26' to 40')			Class 3 (40' to 65')		
	Open waters	Semi-protected	Protected	Open waters	Semi-protected	Protected	Open waters	Semi-protected	Protected	Open waters	Semi-protected	Protected
Anchor, cable (line, chain, etc.)	E	E	E	E	E	E	E	E	E	E	E	E
Bailing device (pump, etc.)	E	E	E	E	E	E	E	E	E	E	E	E
Boat hook				D	D	D	E	E	E	E	E	E
Bucket (for fighting/bailing)	E	E	E	E	E	E	E	E	E	E	E	E
Compass	E	E	D	E	E	D	E	E	E	E	E	E
Distress signals	E	E	E	E	E	E	E	E	E	E	E	E
Emergency drinking water	E	D		E	D		E	D		E	D	
Fenders	D	D	D	D	D	D	D	D	D	D	D	D
First-aid kit and manual (10- to 50-unit)	E	E	E	E	E	E	E	E	E	E	E	E
Flashlight	E	E	E	E	E	E	E	E	E	E	E	E
Mooring line							D	D	D	D	D	D
Light list	D	D		E	E	D	E	E	E	E	E	E
Local chart(s)	E	D		E	E	E	E	E	E	E	E	E

Items	Class A (to 16')			Class 1 (16' to 26')			Class 2 (26' to 40')			Class 3 (40' to 65')		
	Open waters	Semi-protected	Protected	Open waters	Semi-protected	Protected	Open waters	Semi-protected	Protected	Open waters	Semi-protected	Protected
Mirror (for signaling)	D	D		D	D		D	D		D	D	
Mooring lines	E	E	E	E	E	E	E	E	E	E	E	E
Motor oil and grease (extra supply)				D	D	D	D	D	D	D	D	D
Oars, spare	E	E	E	E	E	E						
Radio direction finder				D			D			D		
Radio, telephone	D			D	D		D	D		D	D	
Ring buoy(s) (additional)	D	D	D	D	D	D	D	D	D	D	D	D
Sheet pins (if used)	E	E	D	E	E	D						
Depth sounding device, (lead line, etc.)	D	D		D	D	D	E	E	E	E	E	E
Spare batteries	D	D	D	D	D	D	D	D	D	D	D	D
Spare parts	E	D		E	E	D	E	E	D	E	E	D
Tables, current								D	D		E	E
Tables, tide			D			D		D	D		E	E
Tools	E	D		E	E	D	E	E	D	E	E	D

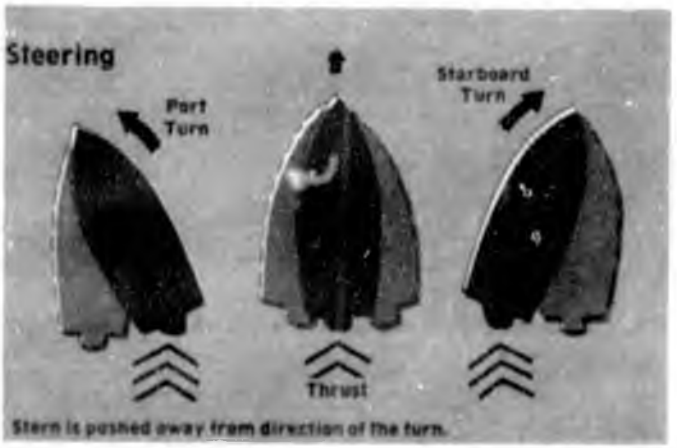
1. Equipment is required by conscientiousness and good sense but not necessarily by law.
2. Equipment can be useful in some circumstances.

THE FIRST CRUISE

With the equipment loaded and passengers aboard, the skipper is ready for the first cruise. Keep the mooring lines secured and start the engine in neutral. If using an outboard with starting cord, remember to stay seated. If operating an inboard, ventilate the engine compartment for at least five minutes before starting.

Be sure the area is clear before leaving the dock. Cast off lines, signal and pull away slowly. Coil lines and stow them out of the way.

On the first cruise, be sure to take along an experienced adult boater. Then practice making slow turns. Remember the stern moves in the direction it is pushed by the motor. Practice until you feel comfortable at the controls.



Leaving the Dock or Pier

Here are a few tips for casting off and leaving the dock.

With the wind or tide holding the boat to the dock:

1. Cast off stern line. Keep bow line secured.
2. Turn the motor or rudder to carry the stern away from the pier.
3. Shift into forward, go slowly ahead against the bow line.
4. After the stern swings away from the pier, shift to reverse to gain slack in the bow line. Cast off and back away from the dock until clear.
5. Shift to forward and leave the moorage at slow speed.

On the lee side of the dock:

1. Cast off lines.
2. Use an oar or paddle and push to keep the boat clear of dock.
3. Let the wind or current carry the boat out away from the dock.
4. Shift to forward and angle slowly away from the dock.

Once underway, pull in the fenders and make sure all lines are in and coiled. Travel at a slow no-wake speed until away from docks, floats, swimmers and other craft.

Skipper's Duties When Underway

After the boat is loaded and you've maneuvered out of the dock area, the skipper's responsibilities don't end. When underway, always:

1. Be thoroughly familiar with the way the boat handles. Know the distance it takes to stop after throttling down, the turning radius, most efficient cruising speed, etc.
2. Avoid taking any unnecessary risks that may endanger the crew or boat. Always choose the safest course.
3. Frequently check your position in relation to landmarks and aids to navigation. Know where you are at all times.
4. Note the weather, wind and current, if they are changing and how it is affecting the boat.
5. You now know the rules of the road, (page 58), be sure to follow them. In heavy traffic areas slow down and be extra cautious.
6. Always stop to render assistance to those in danger or distress. This means anything from a stalled engine to more serious situations.
7. In addition to the boat, the skipper is responsible for the passengers. Make sure they stay seated and act in a safe, responsible manner while aboard.

Cruising

An overnight cruise is a pleasant way to enjoy boating. There is adventure afloat, things to do and places to see.

First check the boat over carefully. Then chart a course. Stow extra parts and tools aboard. A portable radio is a must for weather reports. Compass, flashlights, drinking water, extra line, toilet articles, insect repellant, warm bedding and matches should all be aboard before setting out.

Be sure to allow plenty of time to reach your destination. Be familiar with the other ports along the way.

Keep a log. Its fun and gives you a record of your trip and everything that happened.

Use the motor wisely. Full speed ahead burns up extra gas and saves little time. On boats with planing hulls, get up to planing speed as soon as possible, then slow to about 70 percent power while staying on the plane. Conserve our energy resources.

MOORING

Docking

It is a good idea to practice docking in open water with an anchored float. Learn how the current and wind can move the boat from every direction.

When docking, head into the current and wind whenever possible. This gives better control of the boat. If the wind is stronger than the current, head into the wind.

When approaching a dock, move slowly. Have fenders in place and lines ready. Be ready to use forward, neutral and reverse gears. Ramming into a dock will damage both it and the boat. A good skipper doesn't bump any part of the craft. Ease the boat into the landing.

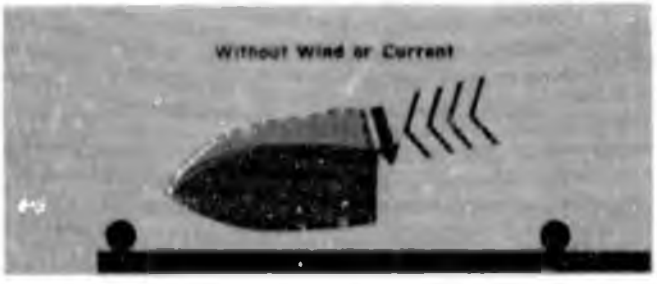
When close, toss lines to someone on the pier. If no one is available, pull the boat into the dock with a boat hook or your hand. Step ashore with the bow line. Secure this line first and then the stern line, if headed into the wind or current. Don't shut off the engine until all lines are fast.

When heaving or throwing lines make sure they are coiled. Heave them underhand for a smoother toss. Use enough line to allow for changes in water level and motion caused by rough water.

Learn how to dock in all possible weather conditions. Here are some basic guidelines for several different situations.

Without Wind or Current

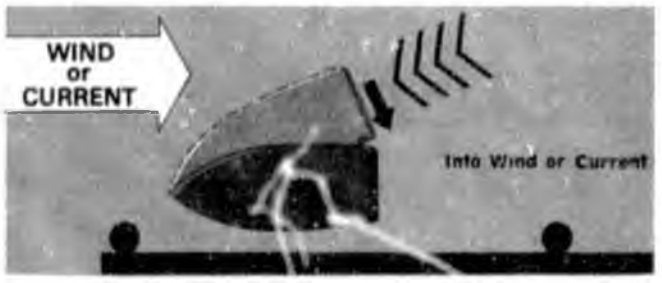
When there is no wind or current, the skipper should approach the dock at a very slight angle (10 to 20 degrees). When the bow is close to the dock, shift the craft into reverse to slow headway. Then ease into the landing.



Into the Wind or Current

When the wind or current is coming from the bow, approach the dock at a slight angle (20 to 30 degrees). When the bow is close to the pier, turn the boat so it is parallel to the dock.

The stern will then swing into the landing. If necessary, shift into reverse to slow the boat.



With Wind or Current from the Dock

When the wind or current is coming from the direction of the pier, again approach slowly, this time at a fairly sharp (45 degree) angle. At the dock, shift into neutral and secure a bow line. Turn the rudder hard the direction away from the dock. Next slowly go forward against the bow line. This will cause the stern to move to the landing.

With Wind or Current toward the Dock

With the wind or current moving into the landing, approach so the boat is parallel to the dock. Shift into neutral and let the wind and current carry the craft into the pier. It may be necessary to do some steering.

With Wind or Current Astern

Docking with the wind and current coming from behind the boat is very difficult, and should be avoided if possible. If not, be ready to continually use reverse gear to slow momentum. Approach the dock at a slight angle. When the bow is close, use reverse to slow headway. Make fast the stern line first, then the bow line.

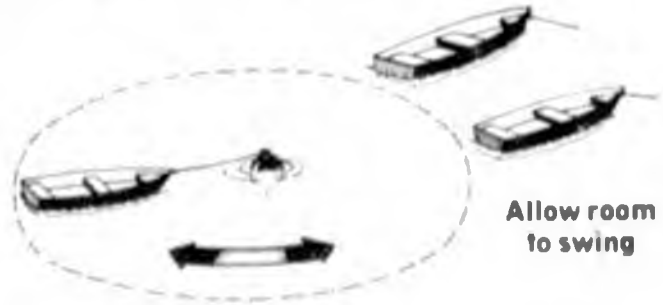
ANCHORING

Anchoring

At times the boater may wish to anchor to swim, eat, fish or just to relax. When anchoring, choose a spot with a level holding bottom, protection from the wind, and water of suitable depth. Such an anchorage is good for overnight and frees the skipper from worrying about the weather.

If mooring away from wharves or piers, allow enough clearance for a full circle swing of the boat and the swing of boats moored nearby. Don't depend on the current alone to keep the boat in line. Use an extra anchor with at least six times as much line as the depth of the water in which anchored. A long line cushions the shock of rough water and winds on the boat. It helps hold the anchor better. Be sure that all lines are tied fast and don't jam or slip.

Before thinking about how to anchor, decide where to anchor. The navigation chart can help find a good protected, flat bottomed spot to anchor.



Move the bow slowly to the spot where the anchor will lie. Slow down, use reverse gear to control motion. Then lower the anchor over the side, hand over hand. Never stand in the coils of line on deck. Don't attempt to heave the anchor by casting from the side of the boat. Lower it as described above, then, the possibility of fouling the anchor is minimized.

With the anchor on the bottom and the boat slowly in reverse, line can be payed out as the boat takes it, preferably with a turn of line around the cleat. Stop the line when it is out about six times the depth of the water: The anchor will get a quick sure bite into the bottom. Shorten the line if needed, make line fast and shut off the motor.

After the boat is anchored, line it up with a landmark on the far shore. Then you'll be able to tell if it does begin to drift.

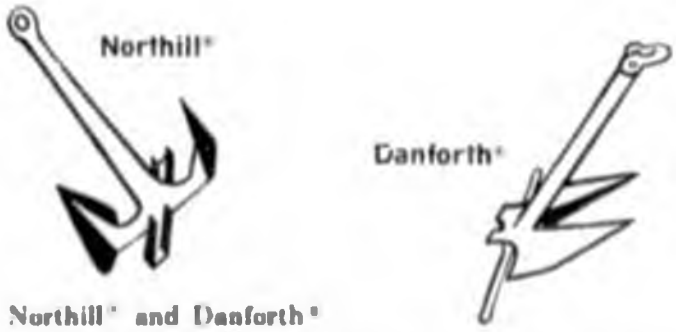
Types of Anchors

For many years, anchors were limited to relatively few types. The Navy® anchor was the most popular. Improved variations of each type appeared and radically new designs, based on holding power rather than weight evolved.

The Danforth® and the Northill® are the most popular small boat anchors. The Danforth® is perhaps the most common type. This anchor has tremendous holding power for its weight. In the Danforth® anchor, the flukes are long and sharp. It is designed so heavy strains will bury the anchor completely.

To choose the right anchor, proportion the anchor weight to the boat length. A small anchor of ½ pound per foot, a medium anchor of 1 pound per foot and a large anchor of 2 pounds per foot.

Types of Anchors



Northill® and Danforth®

These popular lightweight anchors are among the most popular. They hold well on most bottoms, once set properly.

Mushroom

Often used for long-term moorage, this anchor works best in sand and mud.

Stockless or Navy®

The Navy® anchor is a heavyweight. It uses weight for its holding power. It is used primarily on large vessels.

SAILOR'S WORKSHEET 8

1. When mooring a boat, it is best to hea _____ and the _____.
2. An anchor line should usually be _____ _____ times the depth of the water anchored in.
3. An anchor should be: (a) thrown out (b) lowered over the side.
4. Name these five basic knots used in boating.

_____ _____

_____

_____

_____

_____

5. The figure eight knot is used primarily as a _____
6. Line that is to be stowed should be in a dry _____ _____ _____ place.
7. The _____ is used for light duty work.
8. The _____ is used to tie a line temporarily to a pile or bollard.
9. The _____ _____ is known as the handiest of knots.
10. A _____ _____ would be used in securing a line over a cleat.

COAST GUARD
1462

Part V

ACCIDENTS

An accident can happen whenever you're afloat. If another boat is in distress, offer aid. However, do not interfere with rescue operations by others with better knowledge or equipment.

Accidents usually occur without warning. Never stand up in a small boat when underway, fishing or starting the motor. It only leads to trouble. Remember, riding on decks or gunwales is unwise and in some states illegal. A quick stop or turn may toss a person overboard into the propeller. Always decrease speed gradually when stopping in a boat with a low transom. The wake may swamp the boat. Accidents are often caused because a basic safety rule has been ignored or broken. Common causes of boating accidents are:

1. Engine too big or too heavy
2. High speed turns
3. Overloading
4. Riding on decks or gunwales
5. Damage from wakes
6. Lack of Personal Flotation Devices
7. Explosion and fire during fueling or leakage

Small open boats capsizing cause more fatalities than any other boating accident. Some examples of these are fishing and hunting boats and whitewater rafts. Usual causes of capsizings are:

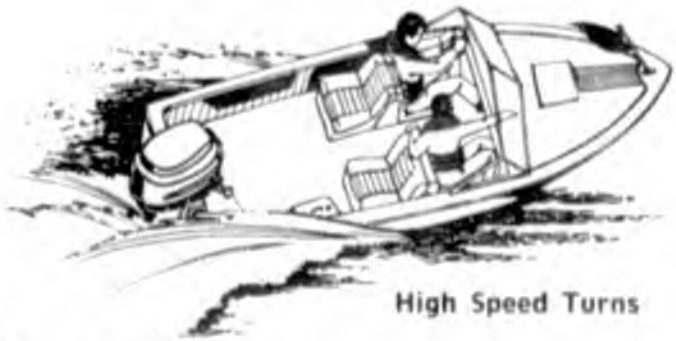
1. Taking the boat into waters beyond its capability of operating safely.
2. Overloading boat with passengers and equipment.
3. Inexperienced boaters operating in unsafe waters.

An overloaded boat loses buoyancy and stability. The boat then capsizes easily. Sometimes the wake of a passing boat or a passenger's sudden movement is enough to capsize an overloaded boat. *AN OVERLOADED BOAT IS A DANGEROUS BOAT.*

Should the boat capsize, grab a lifesaving device. Swim to the boat and hold on. Do not try to swim to shore. It is usually farther than it looks. And, it is easier to spot an overturned boat than a swimmer. As a general rule, wear a personal flotation device and stay with the boat until help comes.

Causes of Accidents

Engine Too Big or Too Heavy

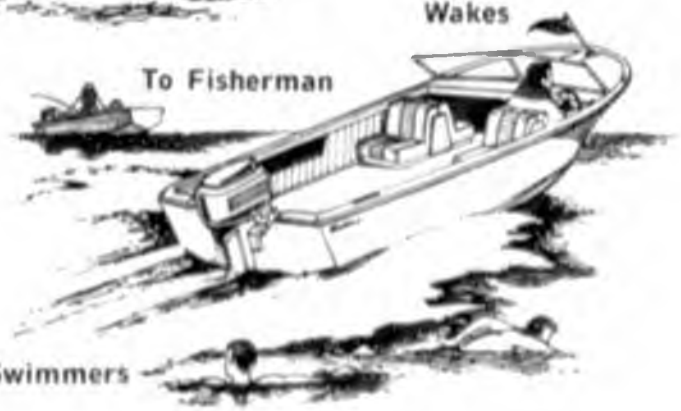


High Speed Turns

Overloading

Damage from Wakes

To Fisherman



Riding on Decks or Gunwales

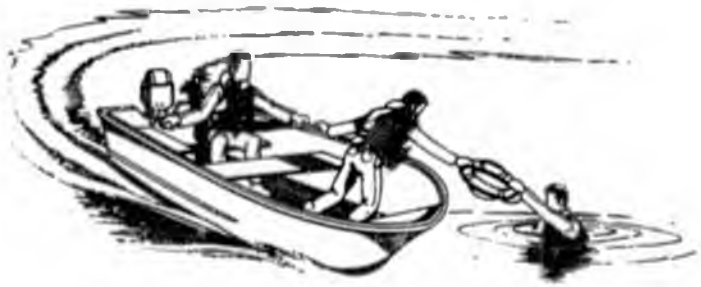
To Swimmers

ACCIDENTS

Person Overboard

In the event of a person overboard, follow these procedures:

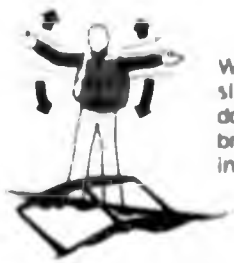
1. Swing stern away by turning the wheel toward the side the person went over.
2. Toss him a life saving device...even if he can swim. A life ring is the preferred device. It can be thrown farther and is easier to hang on to. However, use whatever device is nearest. Time is essential.
3. Slow the boat.
4. Keep the person in view. Other persons onboard should act as lookouts. At night, direct the best possible lights on the victim.
5. Try to approach the person from downwind or into the waves. Always use common sense and good judgement. Consider existing conditions, water temperature, physical condition and ability of the victim and what other help is available.
6. If someone aboard is capable, he may put on a life saving device with a line attached to the boat. He should then enter the water to assist the person needing help.
7. Assist the person in boarding the boat. It is difficult to climb into a boat from the water. If a person is hurt or cold, he may require help.
8. Depending on the size and construction of the boat, the person should be brought in over the bow or stern.
9. Always stop the motor when someone is going over the side or coming aboard.



Distress Signals

Blink white light for SOS — 3 dots, 3 dashes, 3 dots.

Flash mirror to sun.



Wave arms slowly up and down. Hold bright cloth in hands.

Spread dye on water. Turns green or orange.

Light a fire using oil or diesel in a metal pail. DO NOT USE GASOLINE!

Sound horn, whistle or bell rapidly and repeatedly.

Ignite red or orange smoke signal, rocket or flare.

Wave orange flag.

Display orange cloth.

Send "may day" over radio.

ACCIDENTS

Assistance and Rescue

When helping others, remember:

1. Always be ready to help if possible.
2. Help save lives, but never risk a life to save equipment.
3. Never take unnecessary chances. Use equipment to save lives.
4. Don't panic.

Get lifesaving devices ready. Approach the accident cautiously. Watch for people in the water. Toss lifesaving devices to those who do not have them. Give

help first to anyone who seems to be having trouble. Talk to the people in the water. They can tell you if they are all right.

To pick a person from the water, approach slowly and stop motor alongside. Heave a line and bring him in over the stern or bow. Balance the boat so it does

not roll too much when people crawl aboard. Do not overload the boat.

If there are more people requiring help than the boat will safely hold, bring aboard those most in need of help. Be sure all others have adequate life saving devices. Heave a line to the others and secure it to the stern cleat. This will allow them to be towed slowly to shore and will also prevent an overloading situation.

Survival in the Water

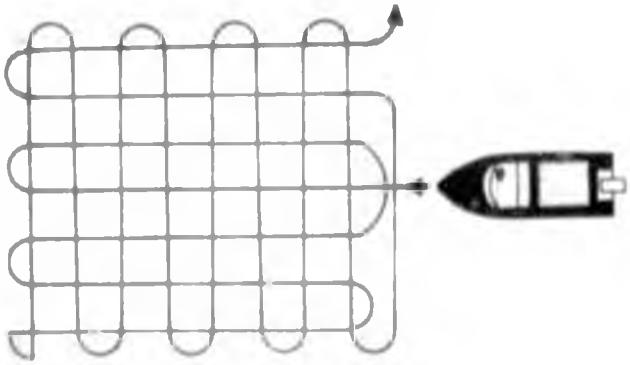
You may fall overboard or be forced into the water from a boat accident. Don't panic or fight the water. Swim slow and easy to conserve strength. Hang onto the boat unless it is in danger.

Any piece of equipment will help you float and signal for help. In a fire or explosion throw overboard anything that floats. Tie a rope to the boat and to the floating gear. If the boat is on fire you can then float a safe distance away and not lose the boat. Floating debris is easier to see than one person in the water.

Clothing can preserve body heat and help you float. Take it off only if it hampers movement. Fasten clothing around neck to hold in air. Keep arms under water. Hold air in trousers around the knees by bending legs. Hunters and fishermen can use air trapped in boots if they are kept underwater. You can also use clothing as a signaling device.

You may begin to lose body heat through hypothermia. (See page 79) If exhausted or losing consciousness, tie yourself to anything that floats.

Typical Search and Recovery Pattern



Accident Reporting

Boating accident reports help state and federal authorities reduce or eliminate future accidents.

Accidents include capsizing, collision, foundering, flooding, fire, explosion and disappearance of people or equipment other than by theft.

The operator of a boat involved in an accident is responsible for filing a report with the appropriate authorities. Reports are generally required for accidents that result in death or injury or in loss or damage over $100. Know the requirements for your area.

SAILOR'S WORKSHEET 9

1. What are the seven most common causes of boating accidents?

_____

2. An overloaded boat is a _____ boat.

3. If you see another boat in trouble you should _____.

4. If a boat is in trouble but is being aided by another boat better equipped than yours you should _____

_____

5. What are some things you can do to help people who are in the water following a boating accident?

_____

_____

_____

6. What is the first thing you should do if a person falls off your motorboat?

_____

7. Number these statements in the order you would follow in the event of a person overboard from your motorboat.

___ Stop the motor.
___ Swing the stern away from the person overboard.
___ Bring the person aboard over the bow or the stern.
___ Throw the person a lifesaving device.
___ Slow the boat.
___ Approach the person slowly from downwind or into the waves.

8. How many of the 10 distress signals can you name?

_____

9. Who is responsible for reporting a boating accident?

_____

10. What are three reasons a boat capsizes?

_____

11. If forced into the water from a boating accident, you should: (a) swim to nearest shore (b) stay with the boat unless it's in danger.

12. When in the water, clothing can preserve _____ and help prevent

_____.

FIRST AID

First Aid Courses

Learn as much about good boating and safety afloat as possible. Take an approved first aid course from the American Red Cross or other organization. Equip the boat with marine first aid kit. Include enough supplies to take care of nearly every kind of minor accident that might occur. Have information needed to use these supplies properly.

Remember — the first duty of a skipper is the safety of passengers, crew and boat.

Injuries

The most likely dangers are burns, serious bleeding, broken bones, drowning and shock.

Some first aid will be necessary while the injured person is being taken back to shore for professional help.

Shock

Shock can cause death if not treated promptly, even though the injury itself may not be serious enough to cause death. Any person with a serious injury should be treated for shock even though shock symptoms have not appeared.

Bleeding

Most bleeding can usually be controlled by applying a pad of clean cloth directly over the wound with elevation if injuries permit. For more serious bleeding, a large cloth should be applied and bandaged into place. Make sure it is not too tight.

If a limb is injured and the blood is bright red and spurting, pressure on the supplying arteries is needed. The pressure points are on the inner side of the arm midway between the shoulder and elbow and on the upper leg at the center of the angle where the leg joins the body. Direct pressure and elevation should also be continued.

Burns

A burn is a serious, painful injury and should be treated carefully. First aid objectives are to prevent infection, relieve pain and treat for shock.

There are three degrees of burns. **First degree** burns redden the skin, **second degree burns form a blister, and third degree** burns char or destroy tissues.

Broken Bones

If a person breaks a bone while aboard, keep the

INJURY	WATCH FOR THESE SIGNS	TREATMENT
Broken Bones	Pain, tenderness, deformity and possible bleeding.	Immobilize broken ends and adjacent ends. Control bleeding with direct pressure. Keep still and treat for shock.
Burns	**Degrees** 1st — Skin is red. 2nd — Skin is blistered. 3rd — Skin is charred.	Burned area should immediately be immersed in cold water. 70° Add ice to cool water but do not apply to burned surface. Apply a cold pack to difficult areas. 3rd degree — apply a thick, dry, sterile dressing to keep air out.
Heart Failure Epilepsy	Victim is obviously ill with no apparent external injury. Clutching chest, convulsions.	Send for help immediately. Loosen collar, assist to a sitting or reclining position which ever makes breathing easier. Help with prescribed medicine. For convulsions do not restrain victim.
Objects in eyes, ears and nose.	Local irritation, tearing and wetting.	Eye. Don't rub. Lift particles out with corner of clean handkerchief. If unsuccessful or particle embedded, cover both eyes and get medical attention. Ear and nose. Get medical attention, don't try to remove.
Poisoning	Blurred vision, stomach cramps, vomiting, headaches, convulsions or deep sleep.	Get medical help immediately. If victim is conscious, dilute the poison by having them drink a glass of milk or water. DO INDUCE VOMITING. Contact a poison control center for further instructions.
Shock	Pale, clammy skin, irregular breathing, fast, weak, pulse. Possible unconsciousness.	If breathing is regular and no chest injuries exist, raise hips and legs. If conscious and unnauseated, give liquids, but never alcohol. Never force fluids on unconscious person. Keep victim comfortable.
Sunburn	Red, painful skin and chills. Fever and shock occasionally accompany severe sunburns.	Apply cold compress to sunburned area. Get medical help for severe sunburns. Prevention: Use sunscreen lotion before and during timed exposures to sun. Stop exposure when burn is first noticed.
Unconsciousness	Victim is not awake, does not respond to external stimuli.	Keep victim lying down. Cover to keep warm. Turn head to side in case of vomiting. Get medical attention. Stand by to give artificial respiration if breathing stops. Liquids or foods should never be given to an unconscious person.

broken limb from moving. Stop the bleeding.

If a person in the water is suspected of having a broken back or neck, **Do Not Remove Him From The Water!** Keep head above surface and summon aid of a rescue service.

Carbon Monoxide Poisoning

Carbon monoxide gas is a by-product of gasoline engines. It may also be produced by catalytic heaters, charcoal, gas lanterns and gas stoves. Know the symptoms and how to treat them.

Carbon monoxide is odorless and tasteless. It is extremely toxic in small quantities. **Symptoms are dizziness, ringing in the ears, headache, nausea, loss of motion and unconsciousness.** To treat, get the victim in fresh air. If necessary apply mouth to mouth resuscitation and get medical help. Precautions against carbon monoxide poisoning are to keep lots of fresh air flowing through the boat, to zig-zag the course and to run faster than the wind. If you have a catalytic heater, be sure to have adequate ventilation. Do not leave the heater burning through the night.

Mouth to Mouth Resuscitation

Mouth to mouth resuscitation should be used for people who have stopped breathing because of: **drowning, electric shock, foreign objects in the throat, head and chest injuries, heart attack, poisoning, shock, smoke suffocation, smothering and stroke.**

A Person May Not Be Dead Just Because He Stops Breathing! A person who stops breathing might live if someone starts mouth to mouth resuscitation. The victim's lips, tongue and nails may have turned blue. This simply means he needs air. Start mouth to mouth resuscitation right away. This will give him air more efficiently than any other way known. It will not hurt him and it might save his life.

Mouth to mouth resuscitation means blowing air into a person through his mouth and then letting the air come out. Be sure his mouth is empty and his tongue hasn't slipped back in his throat. Breathe deeply, hold his nose shut and blow air in his mouth. Watch for his chest to rise. When his chest rises, let the air come out of him. Repeat this cycle until he starts breathing on his own. If he should stop again, keep breathing for him. Blow 12 times a minute—about as often as you breathe yourself.

Don't waste time by moving him to shore or going for help. Clear the mouth of obstructions as soon as possible by delivering four sharp back blows with the heel of your hand over the victim's spine between the shoulder blades, placing your other hand on his chest to support him. Whenever possible, the victim's head should be lower than his chest to utilize the effect of gravity.

If he is pulled from the water, lay him on his back. Pull his shoulder up over your knee to raise his chest and start mouth to mouth resuscitation. Water may come out between breaths. **Getting Air Into His Lungs Is More Important Than Draining The Water.**

If the air won't go in, pull his lower jaw forward. Start blowing into his mouth with at least ten fast breaths. If air does not go in, his head may not be at the proper angle or there may still be something in his throat. Use your left thumb to hold his mouth open and reach in with your finger to pull out the object and to clear his throat.

1. Begin immediately
2. Place victim on back.
3. Clear mouth of foreign matter or any obstructions.
4. Tilt the head back gently to open the airway. Place one hand under the neck (behind the head) and the other on the forehead.
5. Pinch the nostrils closed, using the hand that is on the forehead.
6. Place your mouth over mouth of victim and blow.
7. First blowing effort should determine whether or not victim has any obstructions.
8. Remove your mouth and listen for the return rush of air that indicates air exchange.
9. If you are not getting air exchange, recheck head and jaw position and clear victim's mouth again.
10. You should be able to see victim's chest rise.
11. Normal rate: 12 per minute for adults, 20 shallow breaths for children.

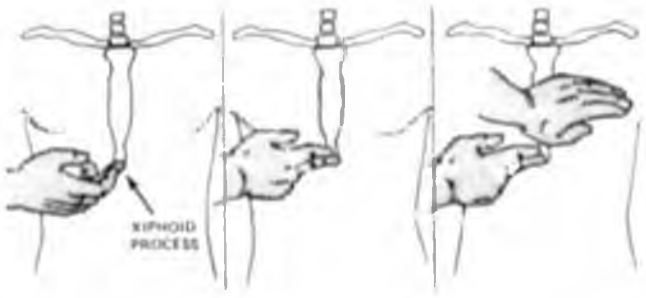
If the above maneuver does not succeed, then try the Manual Thrust method:

FIRST AID

The Manual Thrust Method

1. Stand behind the victim and wrap your arms around their waist.

2. Place the thumb side of your fist against the victim's abdomen, slightly above the navel and below the ziphoid process (tip of the breastbone)



3. Grasp your fist with your other hand and press it into the victim's abdomen with a quick upward thrust.

4. Repeat the back blow and the manual thrust until they are effective or the victim becomes unconscious.

If the victim is unconscious, follow the above procedures, but add the Finger Probe:

Open the victim's mouth with one hand, insert the index finger of your other hand down the inside of the cheek and deep into the throat to the base of the tongue. Then use a hooking action to dislodge the foreign body and maneuver it into the mouth so that it can be removed. Sometimes it is necessary to use the index finger to push the foreign body against the opposite side of the throat to dislodge and lift it. Be careful not to force the object deeper into the airway. If the foreign body comes within reach, grasp it and remove it.

After clearing the throat of any obstructions, put your mouth to his and breathe for him. If in the water, hold the person by locking your arm under his, tilt his head back as far as possible and begin.

If the victim is a child, hold him up by his ankles, with his head down, and slap hard between the shoulder blades to loosen the object. Then clear his throat and start mouth to mouth resuscitation again.

Hypothermia

The loss of body heat is probably the greatest hazard to the survival of a person in the water. The rate of body heat loss depends on water temperature, the protective clothing worn, physical condition, age, sex, and the manner in which the survivor conducts himself. (When a person swims, blood is forced through the large muscles of the upper body and it is cooled as it flows close to the skin surface. Upon return to the heart and deep body tissues, this cooled blood lowers the core temperature of the body.)

An abnormally low body core temperature can be recognized by a variety of symptoms. Very early during exposure, the body tries to combat the excessive heat loss both by constricting its surface blood vessels (to reduce heat transfer by blood to surface) and by shivering (to produce more body heat). However, if the exposure is severe, the body is unable to conserve or produce enough heat. Its core temperature begins to fall, creating a condition known as "hypothermia". As the body core temperature ap-

Hypothermia Chart

Water Temperature (F)	*Exhaustion or Unconsciousness*	*Expected Time of Survival*
32.6	under 15 min.	under 15-45 min.
32.5-40.0	15-30 min.	30-90 min.
40-50	30-60 min.	1-3 hr.
50-60	1-2 hr.	1-6 hr.
60-70	2-7 hr.	2-40 hr.
70-80	3-12 hr.	3-indefinitely
over 80	indefinitely	

NOTE: In the water temperature we find in Alaska, 35°-42°F, the symptoms of hypothermia occur very rapidly.

proaches 95°F, it starts to fall more rapidly. As the temperature continues to fall, signs of pain, tiredness, poor coordination, numbness, poor speech and mental confusion appear. As the internal temperature decreases into the 80s, unconsciousness may result, as well as a bluishness of the skin, collapse of the veins in the skin, enlargement of the pupils, muscle stiffness, irregular heart rate and a weak, barely detectable pulse. Death may occur when the core temperature range is between 80°to 85°F but it is more likely to occur when the body core temperature drops below 80°F.

If you are involved in a boat casualty and are forced to abandon, your survival procedure should be preplanned.

1. Locate and wear a personal flotation device as quickly as possible. This is probably the single most important item of survival equipment, and it may increase a person's survival time (but unless assistance is available, death may occur ultimately due to loss of body heat. When a person is forced to exert energy to stay afloat, i.e., treading water, swimming, heat loss increases and survival time decreases).

2. Try to enter the water in a lifeboat or raft. By doing so, you will avoid wetting your insulation and losing your valuable body heat to the water.

3. Wear several layers of clothing. If you are fortunate enough to stay dry and enter the water in a lifeboat or raft, the trapped air within your layers of clothing will provide excellent insulation. (It has been shown that body areas that are wet can lose heat over 200 times faster than if the same area were dry and exposed to the same temperatures.) However, if you become wet in abandoning your boat, the layers of clothing, although wet will slow down the rate of body heat loss. Clothing having thickness such as waffle-weave underwear, woolens and pile lined garments are excellent for building up layers. An ideal outer layer of clothing would be a waterproof or coated fabric windbreaker or foul weather garment. Should you be afloat in the water, a waterproof outer garment having close fitting wristlets, anklets and collar reduces the passage of water through those openings and helps to cut down body heat loss.

4. Protect your head, neck, groin and the sides of your chest; for these are areas of rapid heat loss to cold water. In addition, waterproof or water-repellent insulation gloves or mittens with a snug fit at the wrists reduce the water exchange at the hands, preserve body heat and prolong the usefulness of the hands in performing helpful maneuvers. Insulated boots and layers of socks impact the same protection to the feet. A great deal of body heat can also be conserved by covering the head with an effective hood (An unprotected head could lose up to ½ of the body's total heat production at 40°F, up to ¾ at 5°F. This loss is even greater at lower temperatures, especially when the head is wet). Useful head covers include woolen hats, foam rubber scuba-type hoods, ski-hats or foul weather hoods. The neck can be protected with a towel, scarf or other cover.

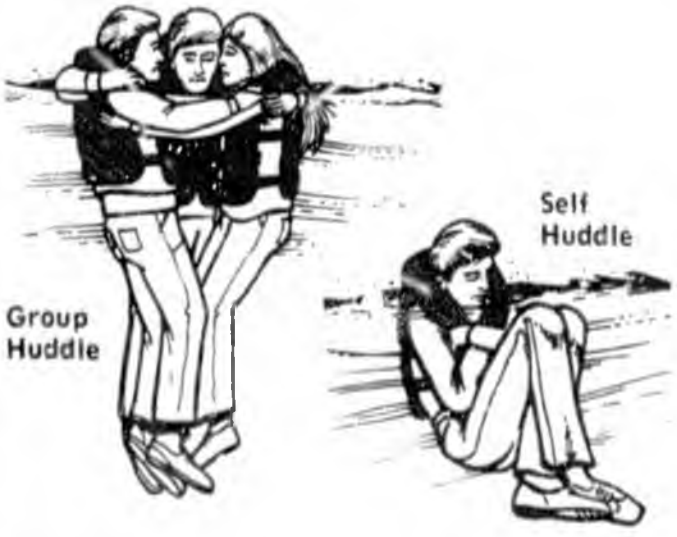
5. You must enter the water directly, try to minimize the shock of sudden cold immersion. A sudden plunge into the cold water can cause rapid death or an uncontrollable rise in breathing rate resulting in an intake of water into the lungs. If jumping is necessary, try to hold your breath, pinch your nose and, in general, avoid swallowing water during the plunge.

6. Once in the water, orient yourself and try to locate the boat, lifeboats, liferafts or other floating objects. If you were unable to prepare yourself, button up now as much as possible. In cold water you may experience violent shivering and great pain in the limbs. These are natural body reflexes that are not dangerous.

7. While afloat in the water, do not attempt to swim unless it is to reach a nearby craft, a fellow survivor or a floating object on which you can lean or climb (but remember, distances on water are deceptive, your goal may appear closer than it actually is). Unnecessary swimming motion will "pump" out the warmed water between your body and the clothing layers and increase the rate of body heat loss. In addition, unnecessary movements of your arms and legs send warm blood from your body's inner core to its cold outer layer. This results in a very rapid heat loss. Remain as still as possible in the water, however painful it may be. Remember pain will not kill you but heat loss will.

8. The body position you assume in the water is very important in conserving your body heat. Tests show that the best body position is the HELP position (Heat Escape Lessening Position) wherein you hold your knees up to your chest in a "doubled up" fashion with your arms tight against the side of your chest. This position minimizes the exposure to the cold water of your groin and chest sides, both areas of high heat loss. Try to keep your head and neck out of the water.

Another heat conserving position is to huddle closely to one or two others afloat, making as much body contact as possible.



The HELP Position

9. Try to board a lifeboat, raft or other floating platform or object as soon as possible. Remember, you lose body heat about 25 times faster in water than in air. Since the effectiveness of your insulation has been seriously reduced by water soaking, you must now try to shield yourself from wind to avoid a wind-chill effect. If you manage to climb aboard a lifeboat, shielding can be accomplished with the aid of a canvas cover or tarpaulin or an unused garment. Huddling close to the other occupants of the lifeboat or raft will also conserve body heat.

10. Keep a positive attitude about your survival and rescue. This will improve your chances of extending your survival time until rescue comes. Your will-to-live does make a difference.

The treatment of hypothermia will of course depend on both the condition of the survivor and the facilities available. Generally speaking, survivors who are rational and capable of recounting their experiences, although shivering dramatically, merely require removal of all wet clothes and replacement with dry clothes or blankets. Hot sweet drinks and rest in a warm environment are also recommended.

In more serious cases, where the victim is semiconscious, unconscious or apparently dead, contact should be made immediately with a ship or shore medical facility. While awaiting medical instructions, administer the following first aid care to the survivor immediately:

1. After removing the victim from the cold water, gently transfer him to a warm environment.

2. Remove his clothes only if it can be done with a minimum of movement of the victim's body. Do not massage him.

3. Lay the unconscious or semiconscious victim in a face up and slightly head down position, unless vomiting occurs.

4. If available, administer warm, humidified oxygen by face mask. The oxygen will not only assist victims if they are having difficulty breathing or have a low respiratory rate but it will also provide core rewarming. Of course, mouth-to-mouth resuscitation is always advisable if the victim is having problems breathing and no other form of assistance is available.

5. Begin to rewarm the victim actively. Do not delay! Even conscious hypothermia victims have died following apparently successful rescues because rewarming attempts were delayed or were inadequate. Any of the following warming methods are recommended preferably in the order given:

a. Place the survivor in a bath of stirred hot water at a temperature of 105°110°F or a temperature in which an observer can comfortably leave his arm. Keep the arms and legs out of the bath, to delay the return of blood circulation to the extremities.

b. Apply hot, wet towels or blankets at 115 F° to the victim's head, neck, groin, chest and abdomen. Again, do not attempt to warm his arms and legs.

c. Apply your own body warmth by direct body-to-body contact with the victim. A blanket should then be wrapped around you and the victim to conserve the heat you are supplying. Just wrapping a hypothermia victim in a blanket without a heat source is ineffective because he is not generating sufficient heat to rewarm himself.

6. In no case should the victim be given alcohol. Alcohol dilates the "peripheral" blood vessels and also depresses mental ability. A person who drinks to increase their survival time will probably die happier, but sooner.

7. Unconscious victims should be given nothing to eat or drink.

Cold Water Drowning

Every year approximately 75 people drown in Alaska making drowning the second leading cause of

accidental death. This statistic is made even more tragic because many of those deaths may have been avoided. Recent medical research has indicated that victims, who in the past have been considered beyond help, may be saved despite long submergence and the absence of any sign of life. This is particularly true if the water is cold (as it is in Alaska) and the victim is young.

Sudden face contact with cold water (below 70 degrees F) sometimes touches off a primitive response called the "mammalian diving reflex". This complex series of body responses shuts off blood circulation to most parts of the body except the heart, lungs and brain. Thus, what little oxygen remains in the blood gets transported to the brain where it is needed the most. Even though there may be very little oxygen in the blood, it can be enough since the cooled brain requires much less oxygen than normal.

Procedures for revival of drowning victims are similar to regular hypothermia procedures; however, there are several important differences. These procedures follow:

1. Clear the air passage and begin mouth to mouth rescue breathing and external heart massage (CPR) IMMEDIATELY. DO NOT worry about getting water out of the victim's lungs...the body will absorb it quickly.

2. Prevent the victim from losing more body heat, but DO NOT rewarm the victim. Improper rewarming may harm the victim.

3. Get the victim to the nearest medical facility QUICKLY. CPR must be continued uninterrupted until the victim is under the c[illegible] of competent medical personnel.

4. Do not give up. DROWNING VICTIMS LOOK DEAD. Their skin is blue and cold to the touch. There is no detectable heart beat or breathing. The eyes are fixed and dilated, and there is no other sign of life. However, if the water was cold there is still a good chance of survival.

5. Children and young people are the most frequent drowning victims. However, they are also good candidates for resuscitation since they have a more pronounced "Diving Reflex". In research at the University of Michigan Hospital, two thirds of the cold water drowning victims that were successfully resuscitated were 3[illegible] years old and younger. The colder the water and the younger the victim, the better the chance for survival.

Mouth to mouth resuscitation should begin immediately.

Wind Chill Factor

As we have noted, your body is continually producing and losing heat. Wind increases heat loss by reducing the thin layer of warm air next to your skin. This heat loss increases as wind speed increases. When air temperature is below freezing and the wind takes away heat faster than your body can replace it, you get frostbite. The danger of frostbite to exposed skin increases as the air temperature goes down or the wind speed goes up. The combined effect of wind and temperature is expressed in the wind chill chart as an equivalent temperature. This expresses the effective temperature acting upon exposed flesh.

Any movement of air past your body, such as that produced by walking, running, skiing or riding in an open vehicle, has the same cooling effect as wind. You should consider this in addition to natural wind when you use the windchill chart.

Any clothing or material which reduces or stops the effect of wind will give protection to the area covered but don't try to estimate this protection when you use the windchill chart. Of course wet clothing or footgear has a much reduced insulating value and will result in body heat loss nearly equal to that of exposed flesh.

Here's how you use the chart: find the estimated or actual wind speed in the left-hand column and the actual temperature in degrees F across the top. Come across and down. The intersection on the chart is the equivalent temperature — the effective temperature acting upon exposed flesh. Precautions should be taken accordingly.

Wind Chill Chart

Estimated Wind Speed in MPH	Actual Thermometer Reading (F)											
	50	40	30	20	10	0	-10	-20	-30	-40	-50	-60
	Equivalent Temperature (F)											
Calm	50	40	30	20	10	0	-10	-20	-30	-40	-50	-60
5	48	37	27	16	6	-5	-15	-26	-36	-47	-57	-68
10	40	28	16	4	-9	-21	-33	-46	-58	-70	-83	-95
15	36	22	9	-5	-18	-32	-45	-58	-72	-85	-99	-112
20	32	18	4	-10	-25	-39	-53	-67	-82	-96	-110	-124
25	30	16	0	-15	-29	-44	-59	-74	-88	-104	-118	-133
30	28	13	-2	-18	-33	-48	-63	-79	-94	-109	-125	-140
35	27	11	-4	-20	-35	-51	-67	-82	-98	-113	-129	-145
40	26	10	-6	-21	-37	-53	-69	-85	-100	-116	-132	-148
(wind speeds greater than 40 mph have little additional effect)	LITTLE DANGER			INCREASING DANGER			GREAT DANGER					
	(DANGER FROM FREEZING OF EXPOSED FLESH)											

SAILOR'S WORKSHEET 10

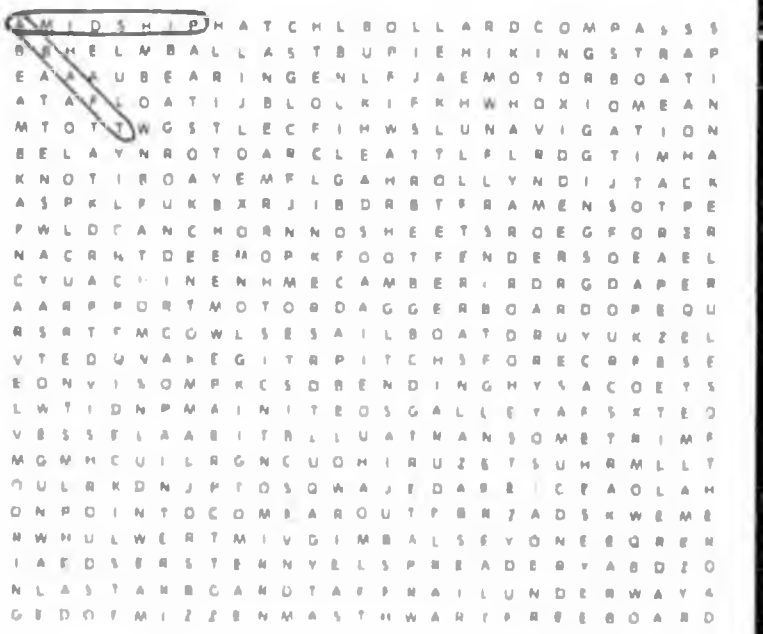
1. All boats should have a marine _____ kit on board.
2. First aid courses are offered by the American _____.
3. Blowing air into a person through his mouth or nose and then letting the air come out is called _____ resuscitation.
4. Applying a pad of clean cloth directly over a wound is one method of stopping _____ _____.
5. Symptoms of dizziness, ringing in ears, headache, nausea and unconsciousness indicate _____ poisoning.
6. Hypothermia is the _____
7. Pretend you have the following emergencies on board your boat. Read the list of injuries and write the letter indicating the right treatment in the space provided.

INJURY		TREATMENT
_____ Unconsciousness	A.	Immobilize broken ends and adjacent joints. Control bleeding with direct pressure. Keep still and treat for shock.
_____ Sunburn	B.	Burned area should immediately be immersed in cold water. 70° Add ice to cool water but do not apply to burned surface. Apply a cold pack to difficult areas. 3rd degree — apply a thick, dry, sterile dressing to keep air out.
_____ Poisoning	C.	Send for help immediately. Loosen collar. Assist to a sitting or reclining position which ever makes breathing easier. Help with prescribed medicine. For convulsions do not restrain victim.
_____ Shock	D.	Eye: Don't rub. Lift particles out with corner of clean handkerchief. If unsuccessful or particle embedded, cover both eyes and get medical attention. Ear and nose: Get medical attention, don't try to remove.
_____ Broken Bones	E.	Get medical attention immediately. Check for antidote on poison container. If none available, have person drink lots of water or milk. Do not induce vomiting. Contact poison control center immediately for further instructions.
_____ Burns	F.	If breathing is regular and no chest injuries exist, raise hips and legs. If conscious and unnauseated, give liquids, but never alcohol. Never force fluids on unconscious person. Keep victim comfortable.
_____ Objects in Eyes	G.	Apply cold compress to sunburned area. Get medical help for severe sunburns. Prevention: Use sunscreen lotion before and during timed exposures to sun. Stop exposure when burn is first noticed.
_____ Heart Failure	H.	Keep victim lying down. Cover to keep warm. Turn head to side in case of vomiting. Get medical attention. Stand by to give artificial respiration if breathing stops. Liquids or foods should never be given to an unconscious person.

GLOSSARY

Can you find all 112 nautical terms hidden in the puzzle?

Words can be found across, down and diagonally on the page. Some terms are easy. If you can't find them all, look in the glossary for words marked with a square.



■**Abaft** — Toward the stern

■**Abeam** — Amidship, at a right angle to the keel.

■**Aboard** — On, in or into a boat.

■**Afloat** — On the water.

■**Aft** — Describing the after section of a vessel, or things to the rear of amidship and near the stern.

■**Aground** — Touching bottom.

Ahead—Forward on a line with the boat's keel.

Alee—To the leeward side.

■**Amidship** — Describing the mid-section of a vessel, either with reference to length or width.

■**Anchor** — A forging or casting shaped to grip the sea bottom and, by means of a cable or rope, hold a boat in a desired position.

■**Astern** — Toward the stern. An object that is aft of a boat is said to be *astern of the boat.*

■**Athwart** — Across.

Athwartship—At right angle to the boat's keel.

Awash—At the level of the water.

■**Aye**—*Yes* while aboard a boat or ship.

■**Bail**—To remove water from a boat.

Come About—To change course or tack in a sailboat.

■**Ballast** — Heavy material such as iron, lead or stone placed in the bottom of the hold to keep a vessel steady.

■**Battens** — Thin strips of wood, plastic or other material set in pockets and sewed into the sail to hold or improve the set of a sail. On some racing boats the battens extend from leech to mast.

■**Beacon** — A post or buoy placed over a shoal or bank to warn vessels, also a signal mark on land.

■**Beam** — Imaginary line amidship at right angles to keel of vessel. Also vessel's width amidship.

■**Bearing** — The direction or point of the compass in which an object is seen.

Bight—A loop in any part of a line except the end, also a cove.

■**Belay** — To make fast to a cleat or belaying pin, also to cancel an order.

■**Below** — Beneath or under the deck. One *goes below* when going down into the cabin.

■**Bend** — To fasten by means of a bend or knot.

■**Bilge** — The lower internal part of a boat's hull, adjacent to the keelson.

■**Block** — A device with sheaves or pulleys through which the direction of a sheet or line can be controlled and by which extra leverage can be obtained.

■**Bollard** — A strong post for holding lines fast.

■**Boom** — A spar used to extend the foot of the sail.

■**Bow** — The forward part or front of the boat.

Bridle—A span of line with the ends secured and another line secured at its center for towing or lifting.

Bulkhead — Vertical partition in a boat.

Buoy — A floating, anchored navigational aid.

Burdened Vessel — One which must stay clear of vessels having right-of-way. The give-way vessel.

■**Caulking; Calking** — Forcing a quantity of filler material into the seams of the planks in a boat's deck or hull to make them watertight.

Camber — The arch of a deck, sloping downward from the center toward the sides.

Capacity Plate — Must be in full view of the operator's station. Gives maximum weight capacity and horsepower rating.

■**Capsize** — To turn over.

Carburetor Backfire Flame Arrestor — Required equipment on all motorboats except outboards and diesels. Reduces chance of backfire in internal combustion engines.

■**Cardinal Points** — The four main points of a compass.

■**Carvel** — A system of planking in which the outside planking of a boat is flush. The edges meet, giving the shell a smooth surface.

Cast Off — To let go or untie a line.

Catamaran — Sailboat with two narrow hulls connected by a deck, plus two rudders.

■**Centerboard** — A pivoting board or metal plate, housed in a slotted trunk, which can be raised or lowered. When lowered it reduces a sailboat's tendency to sideslip when tacking.

■**Chart** — A map of a body of water that contains necessary piloting information.

■**Chine** — The intersection of sides and bottom of flat

or V-bottom boats.

■ **Cleat** — A piece of wood or metal with projecting ends to which lines are made fast.

Clew — The rear lower corner of a sail.

■ **Clinker** — A method of planking in which the lower edge of each strake overlaps the upper edge of the strake next below. (also called lapstrake.)

■ **Cockpit** — A well or sunken space in the afterdeck of a small boat for the use of the helmsman and crew. Forward cockpits are common in motor cruisers.

■ **Come About** — To change course or tack in a sailboat.

■ **Compass** — The instrument which shows the course of a vessel.

Course — The point of the compass toward which the boat is being steered.

■ **Cowls** — Hooded openings used for ventilation.

■ **Current** — The movement of the water in a horizontal direction.

■ **Daggerboard** — A vertical sliding centerboard on a sailboat.

Dead Ahead — Directly forward of a boat, on a line extending from the keel.

■ **Deck** — Any permanent covering over a compartment, hull or any part thereof.

■ **Dinghy** — A small open boat.

Displacement Hull — Type of hull that plows through the water even when more power is added.

Documented Vessel — Vessel registered with the U.S. Coast Guard.

■ **Draft** — The depth of the vessel below the water line, measured vertically to the lowest part of the hull.

Drift — The amount a boat is pushed off course by the current.

■ **Dry Rot** — A fungus decay which causes wood to become brittle and to fall apart.

Ease Off — To slack off.

■ **Ebb** — The reflex of the tide.

■ **Estuary** — An inlet or arm of the sea.

■ **Fathom** — Six feet.

Fend Off — To hold off when making a landing or coming along side.

■ **Fenders** — Objects placed along the side of the boat to protect the hull from chafing.

■ **Flare** — The outward spread of the boat's sides from the waterline to the rail at the bow.

■ **Foot** — The lower edge of a sail.

■ **Fore** — Used to distinguish the forward part of a boat or things forward of amidships.

Forward — Toward the bow.

■ **Frame** — Ribs of the hull, extending from the keel to the highest continuous deck.

Freeboard — Vertical distance measured on a boat's side amidships from the waterline to the gunwale.

Galley — The kitchen area of a boat.

Gimbals — The brass ring in which a compass sets to keep it level.

Give-Way [Burdened] Vessel · One which must stay clear of vessels having the right-of-way.

■ **Gunwale** — The upper edge of a boat's side. (Pronounced gun-nel.)

■ **Halyard** — A wire and/or line used to hoist and lower a sail or the line to hoist a flag or signal.

■ **Hatch** — An opening in a boat's deck to allow persons or cargo to go below.

■ **Head** — A marine toilet.

Headway — moving ahead or speed through the water.

Heave — To throw.

Heel — To lean or tip but not capsize.

■ **Helm** — The wheel or tiller by which a ship is steered.

■ **Hiking Strap** — A strap attached to floorboards or a centerboard trunk under which a crewman can hook his foot allowing him to hike his body out over the side of the boat.

■ **Hull** — The body of a boat.

Hypothermia — A physical condition when the body loses heat faster than it can produce it.

Inboard — Toward the center of the boat.

■ **Jib** — A triangular sail set on a stay, forward. A genoa jib is larger in size and is used for more speed.

■ **Jibe** — To tack before the wind in a sailboat.

■ **Keel** — A permanently positioned, principal fore-and-aft backbone member of a boat's hull used for stability and/or ballast.

■ **Knot** — To bend a line. Also, a unit of speed equal to one nautical mile (6,076.10 feet) an hour.

■ **Lee** — The opposite side from which the wind blows.

Leech — The after edge of a fore-and-aft sail.

■ **Leeward** — Situated on the side turned away from the wind. (Opposite of windward.)

Leeway — The amount a boat is carried leeward by the wind's force.

Line — Rope that is aboard or around a boat.

■ **List** — Leaning or inclining of vessel toward the side.

Log — A record or diary of a vessel's journey.

Lubber Line — A mark or permanent line on a compass that shows the center line of the boat.

■ **Luff** — The forward edge of a fore-and-aft sail. Also to cause the sail to flutter.

■ **Main** — The principal mastand sail.

■ **Mainsail** — The largest sail hoisted on the mast.

Mast — A spar set upright to support rigging and sails.

■ **Mizzen Mast** — The aftermost mast of a ship.

■ **Mooring** — Commonly, the anchor, chain, buoy, pennant, etcetera by which a boat is permanently anchored in one location.

Mooring Buoy — A buoy you may legally moor to instead of an anchor.

Motorboat — Any watercraft propelled by machinery, whether or not such machinery is the principal source of propulsion. For numbering purposes, the term shall not include a vessel which has a valid marine document issued by the U.S. Coast Guard or any federal agency successor thereto.

Navigation—Directing a ship from port to port.

Nun Buoy — A conical red buoy bearing an even number and marking the starboard side of a channel from seaward.

Oar — A long wooden instrument with a flat blade at one end, used for propelling boats.

Outboard—Away from the center or toward the outside of the boat.

Painter — A line attached to the bow of a boat used for making it fast.

PFD — Personal flotation device.

Pitch — The fore or aft movement as the bow and stern rise and fall due to wave action.

Planing Hull — Type of hull that is shaped to glide easily across the water at high speeds.

Point—One of 32 points of the compass equal to 11¼ degrees. There are 10, 12, 20 and 32 point lights indicating the arc of the compass through which they are visible. A 32 point light is one visible from every point in the compass or all around the horizon. A sailboat's ability to sail close to the wind.

Port — The left side of a boat when you are facing toward the bow, also a destination.

Privileged Vessel—The vessel with the right-of-way. Also called the stand-on vessel.

Propeller — Equipment piece connected to lowest part of drive shaft on all motors. It spins to move boat.

Rib – An athwartship frame on a boat.

Rigging—The general term for all the lines or ropes.

Roach—The curved stern edge of a sail.

Roll — The sideward motion of a boat caused by wind and waves.

Rudder — A device used for steering and maneuvering, attached to a stern or rudder post — not necessary on outboards because the unit can to moved to change direction of thrust.

Rules of the Road — The international regulations for preventing collisions at sea.

Sailboat — A boat powered by wind and sails which may or may not have an auxiliary engine.

Scope — The length of the anchor line or chain. 6 to 1 scope means that the length of the anchor line from the boat to the anchor is 6 times the depth of the water.

Scupper — A hole allowing water to run off the deck.

Sea Anchor—A drag thrown over the bow to keep a boat pointed into the wind or sea.

Sheets—Lines used to trim a sail.

Shrouds — Those wires or lines that run down from a mast to the sides of the boat and serve as bracing.

Spar — General term for masts, yards, booms, etc.

Spar Buoy — (or black can. Buoy) — A channel marker bearing an uneven number and showing the port side of a channel from seaward.

Spinnaker — A light sail, usually of considerable spread, roughly triangular and fully cut, which is hoisted forward of the mast and used for increased speed when reaching or running.

Splice—To join two lines together permanently by weaving them together.

Spreader — A bar or strut that projects from a mast in order to spread shrouds or stays and give better support to a mast.

Squall—A brief storm that arrives suddenly.

Stand-On (Privileged) Vessel — The vessel with the right-of-way.

Starboard — The right side of a boat when you are facing toward the bow.

Stay- A line or wire to support a mast in a fore-and-aft direction.

Stern — The after end or back of a boat.

Stem—The upright post or bar of the bow.

Stow—To pack the cargo.

Strake — Planks running fore and aft on the outside of a vessel.

Tack — To come about, so that the wind from one side is brought around to other.

Taffrail—The rail around a boat's stern.

Thwart—A seat extending horizontally on a boat.

Tide — The alternate rise and fall of waters caused by the gravitational attraction of moon and sun.

Tiller — A bar or handle for turning a boat's rudder or an outboard motor.

Transom — The planking which forms the after end of a small square-stern boat. (Outboard motors are

Trapeze — A wire secured near the top of the mast, with a seat or sling on its lower end. In strong breezes a crewman can support himself in the trapeze and extend himself far out over the water to counteract the heeling force of the wind.

Trim — To arrange weights in a vessel in such manner as to obtain desired draft at bow and stern.

Trimaran — Sailboat with three hulls, the center one being the largest.

Unbend — To cast off or untie.

Underway — Vessel in motion, i.e., when not moored, at anchor or aground.

Vessel—Watercraft, other than seaplanes, capable of being used as transportation on the water.

Wake — Moving waves, track or path that a boat leaves behind it, when moving across the waters.

Waterline—A line on a boat's hull which indicates proper trim.

Way — Movement of a vessel through the water. Technically it is *under way* when not at anchor, aground or made fast to the shore. The common usage is interpreted as progress through the water: *Headway* when going forward and *Sternway* when it is going backwards or astern.

Well — Area at the rear of a boat in which the motor is sometimes installed.

Whipping—A method of preventing the ends of a line from unraveling.

Windward—Toward the wind.

WHAT MAKES A GOOD SKIPPER?

1. *The first duty of a good skipper is the safety of the boat and its passengers.*

2. *A good skipper is always in control of the craft and the situation.*

3. *A good skipper knows the laws and rules and obeys them.*

4. *A good skipper does not stretch his ability or that of the boat.*

5. *A good skipper knows the job, the boat and its equipment.*

6. *A good skipper studies boating and updates knowledge.*

7. *A good skipper keeps a checklist on safety equipment and goes over it each time before casting off.*

8. *A good skipper takes all necessary supplies aboard.*

9. *A good skipper does not waste fuel supplies or energy.*

10. *A good skipper always plots the safest course and stays on it.*

11. *A good skipper is thoughtful of other boats and people.*

12. *A good skipper is always alert to danger.*

13. *A good skipper aids others in danger or distress.*

14. *A good skipper does not take chances.*

15. *A good skipper thinks before acting.*

16. *A good skipper keeps the craft clean and shipshape.*

17. *A good skipper keeps a log.*

Are you a good skipper?

THIS WON'T
SAVE YOUR LIFE
UNLESS YOU'RE
WEARING IT
DEPARTMENT OF TRANSPORTATION

SS HB 390

Revenue to State if boating bill passes

$ 450,000 /yr on registration or more
@ $5/boat ~ 200,000 on titling

250,000 if fed. law passes

+ penalties

900,000

Coast Guard budget
200,000

Registration can be done by 1 person in Juneau
Public Safety may try to budget offices all over state
Motor Vehicle Field offices could handle it all - little added expense

Do State Police & Troopers have boats now

SSHB 390

David Alluminate
586-7300
Testifing

Sec. for Harbormasters Ass.
George V. McCorkle
Harbor Master Kodiak
Box 1397
99615
486-5438
3682

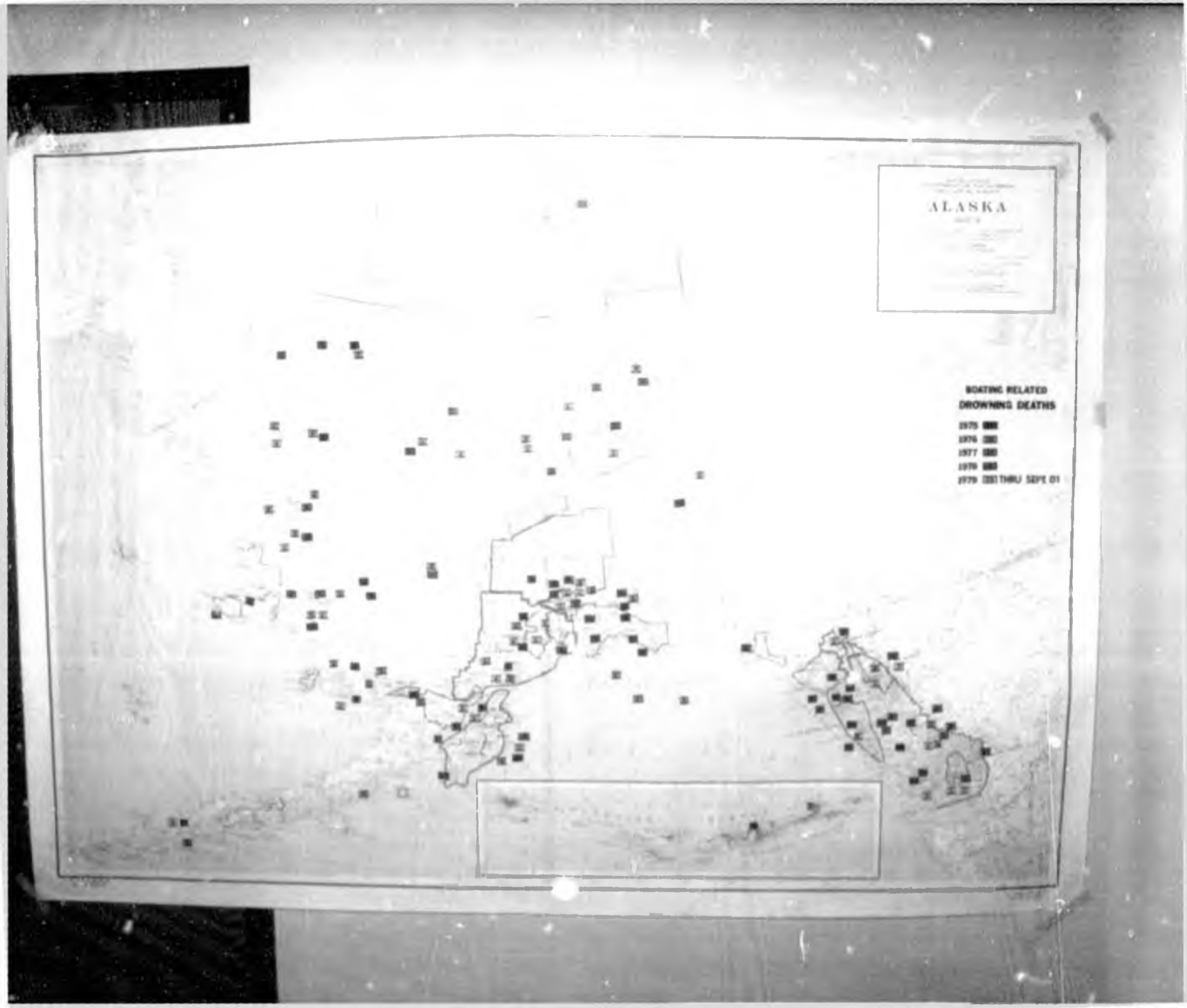
Notify other HB390 is scheduled

Find letter from Harbormaster Ass.

4322

3:00 Mon 25th
Public Safety

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.


ALASKA
BOATING RELATED
DROWNING DEATHS
1975
1976
1977
1978
1979 THRU SEPT 01

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

Public Law 92-75
92nd Congress, H. R. 19
August 10, 1971

An Act

To provide for a coordinated national boating safety program.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Boat Safety Act of 1971". Federal Boat Safety Act of 1971.

DECLARATION OF POLICY AND PURPOSE

SEC. 2. It is hereby declared to be the policy of Congress and the purpose of this Act to improve boating safety and to foster greater development, use, and enjoyment of all the waters of the United States by encouraging and assisting participation by the several States, the boating industry, and the boating public in development of more comprehensive boating safety programs; by authorizing the establishment of national construction and performance standards for boats and associated equipment; and by creating more flexible regulatory authority concerning the use of boats and equipment. It is further declared to be the policy of Congress to encourage greater and continuing uniformity of boating laws and regulations as among the several States and the Federal Government, a higher degree of reciprocity and comity among the several jurisdictions, and closer cooperation and assistance between the Federal Government and the several States in developing, administering, and enforcing Federal and State laws and regulations pertaining to boating safety. 85 STAT. 213 85 STAT. 214

DEFINITIONS

SEC. 3. As used in this Act, and unless the context otherwise requires—

(1) "Boat" means any vessel—

(A) manufactured or used primarily for noncommercial use; or

(B) leased, rented, or chartered to another for the latter's noncommercial use; or

(C) engaged in the carrying of six or fewer passengers.

(2) "Vessel" includes every description of watercraft, other than a seaplane on the water, used or capable of being used as a means of transportation on the water.

(3) "Undocumented vessel" means a vessel which does not have and is not required to have a valid marine document as a vessel of the United States.

(4) "Use" means operate, navigate, or employ.

(5) "Passenger" means every person carried on board a vessel other than—

(A) the owner or his representative;

(B) the operator;

(C) bona fide members of the crew engaged in the business of the vessel who have contributed no consideration for their carriage and who are paid for their services; or

(D) any guest on board a vessel which is being used exclusively for pleasure purposes who has not contributed any consideration, directly, or indirectly, for his carriage.

(6) "Owner" means a person who claims lawful possession of a vessel by virtue of legal title or equitable interest therein which entitles him to such possession.

(This Act is 16 pages long)

(7) "Manufacturer" means any person engaged in—

(A) the manufacture, construction, or assembly of boats or associated equipment; or

(B) the manufacture or construction of components for boats and associated equipment to be sold for subsequent assembly; or

(C) the importation into the United States for sale of boats, associated equipment, or components thereof.

85 STAT. 214
87 STAT. 215

(8) "Associated equipment" means—

(A) any system, part, or component of a boat as originally manufactured or any similar part or component manufactured or sold for replacement, repair, or improvement of such system, part, or component;

(B) any accessory or equipment for, or appurtenance to, a boat; and

(C) any marine safety article, accessory, or equipment intended for use by a person on board a boat; but

(D) excluding radio equipment.

(9) "Secretary" means the Secretary of the Department in which the Coast Guard is operating.

(10) "State" means a State of the United States, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the District of Columbia.

(11) "Eligible State" means one that has a State boating safety program which has been accepted by the Secretary.

APPLICABILITY

SEC. 4. (a) This Act applies to vessels and associated equipment used, to be used, or carried in vessels used, on waters subject to the jurisdiction of the United States and on the high seas beyond the territorial seas for vessels owned in the United States.

(b) Sections 5 through 11 and subsections 12(a) and 12(b) of this Act are applicable also to boats moving or intended to be moved in interstate commerce.

(c) This Act, except those sections where the content expressly indicates otherwise, does not apply to—

(1) foreign vessels temporarily using waters subject to United States jurisdiction;

(2) military or public vessels of the United States, except recreational-type public vessels;

(3) a vessel whose owner is a State or subdivision thereof, which is used principally for governmental purposes, and which is clearly identifiable as such;

(4) ships' lifeboats.

BOAT AND ASSOCIATED EQUIPMENT STANDARDS AND USE

SAFETY REGULATIONS AND STANDARDS

SEC. 5. (a) The Secretary may issue regulations—

(1) establishing minimum safety standards for boats and associated equipment, and establishing procedures and tests required to measure conformance with such standards. Each standard shall be reasonable, shall meet the need for boating safety, and shall be stated, insofar as practicable, in terms of performance;

(2) requiring the installation, carrying, or using of associated equipment on boats and classes of boats subject to this Act; and prohibiting the installation, carrying, or using of associated equipment which does not conform with safety standards established

under this section. Equipment contemplated by this clause includes, but is not limited to, fuel systems, ventilation systems, electrical systems, navigational lights, sound producing devices, fire fighting equipment, lifesaving devices, signaling devices, ground tackle, life and grab rails, and navigational equipment.

(b) A regulation or standard issued under this section—

(1) shall specify an effective date which is not earlier than one hundred and eighty days from the date of issuance, except that this period shall be increased in the discretion of the Secretary to not more than eighteen months in any case involving major product design, retooling, or major changes in the manufacturing process, unless the Secretary finds that there exists a boating safety hazard so critical as to require an earlier effective date; what constitutes major product redesign, retooling, or major changes shall be determined by the Secretary;

(2) may not compel substantial alteration of a boat or item of associated equipment which is in existence, or the construction or manufacture of which is commenced before the effective date of the regulation; but subject to that limitation may require compliance or performance to avoid a substantial risk of personal injury to the public that the Secretary considers appropriate in relation to the degree of hazard that the compliance will correct; and

(3) shall be consistent with laws and regulations governing the installation and maintenance of sanitation equipment.

PRESCRIBING REGULATIONS AND STANDARDS

SEC. 6. In establishing a need for formulating and prescribing regulations and standards under section 5 of this Act, the Secretary shall, among other things—

(1) consider the need for and the extent to which the regulations or standards will contribute to boating safety;

(2) consider relevant available boat safety standards, statistics and data, including public and private research, development, testing, and evaluation;

(3) consider whether any proposed regulation or standard is reasonable and appropriate for the particular type of boat or associated equipment for which it is prescribed;

(4) consult with the Boating Safety Advisory Council established pursuant to section 33 of this Act regarding all of the foregoing considerations.

DISPLAY OF LABELS EVIDENCING COMPLIANCE

SEC. 7. The Secretary may require or permit the display of seals, labels, plates, insignia, or other devices for the purpose of certifying or evidencing compliance with Federal safety regulations and standards for boats and associated equipment.

DELEGATION OF INSPECTION FUNCTION

SEC. 8. The Secretary may, subject to such regulations, supervision, and review as he may prescribe, delegate to any person, or private or public agency, or to any employee under the supervision of such person or agency, any work, business, or function respecting the examination, inspection, and testing necessary for compliance enforcement or for the development of data to enable the Secretary to prescribe and to issue regulations and standards, under sections 5 and 6 of this Act.

EXEMPTIONS

SEC. 9. The Secretary may, if he considers that boating safety will not be adversely affected, issue exemptions from any provision of this Act or regulations and standards established thereunder, on terms and conditions as he considers appropriate.

FEDERAL PREEMPTION

SEC. 10. Unless permitted by the Secretary under section 9 of this Act, no State or political subdivision thereof may establish, continue in effect, or enforce any provision of law or regulation which establishes any boat or associated equipment performance or other safety standard, or which imposes any requirement for associated equipment, except, unless disapproved by the Secretary, the carrying or using of marine safety articles to meet uniquely hazardous conditions or circumstances within the State, which is not identical to a Federal regulation issued under section 5 of this Act.

ADMISSION OF NONCONFORMING FOREIGN-MADE BOATS

SEC. 11. The Secretary of the Treasury and the Secretary may, by joint regulations, authorize the importation of a nonconforming boat or associated equipment upon terms and conditions, including the furnishing of bond, which will assure that the boat or associated equipment will be brought into conformity with the applicable Federal safety regulations and standards before it is used on waters subject to the jurisdiction of the United States.

PROHIBITED ACTS

SEC. 12. (a) No person shall—

(1) manufacture, construct, assemble, introduce, or deliver for introduction in interstate commerce, or import into the United States, or if engaged in the business of selling or distributing boats or associated equipment, sell or offer for sale, any boat, associated equipment, or component thereof to be sold for subsequent assembly, unless—

(A) it conforms with regulations and standards prescribed under this Act, or

(B) it is intended solely for export, and so labeled, tagged, or marked on the boat or equipment and on the outside of the container, if any, which is exported.

(2) affix, attach, or display a seal, label, plate, insignia, or other device indicating or suggesting compliance with Federal safety standards, on, in, or with a boat or item of associated equipment, which is false or misleading;

(3) fail to furnish a notification as required by section 15(a) or exercise reasonable diligence in fulfilling the undertaking given pursuant to section 15(c) of this Act.

(b) No person shall be subject to any penalty contained in this section if he establishes that he did not have reason to know in the exercise of due care that a boat or associated equipment does not conform with applicable Federal boat safety standards, or who holds a certificate issued by the manufacturer of the boat or associated equipment to the effect that such boat or associated equipment conforms to all applicable Federal boat safety standards, unless such person knows or reasonably should have known that such boat or associated equipment does not so conform.

(c) No person may use a vessel in violation of this Act or regulations issued thereunder.

(d) No person may use a vessel, including one otherwise exempted by section 4(c) of this Act, in a negligent manner so as to endanger the life, limb, or property of any person. Violations of this subsection involving use which is grossly negligent, subject the violator, in addition to any other penalties prescribed in this Act, to the criminal penalties prescribed in section 34.

(e) No vessel equipped with propulsion machinery of any type and not subject to the manning requirements of the vessel inspection laws administered by the Coast Guard, may while carrying passengers for hire, be used except in the charge of a person licensed for such service under regulations, prescribed by the Secretary, which pertain to qualifications, issuance, revocation, or suspension, and related matters.

(f) Section 12(e) of this Act shall not apply to any vessel being used for bona fide dealer demonstrations furnished without fee to business invitees. However, if on the basis of substantial evidence the Secretary determines, pursuant to section 6 hereof, that requiring vessels so used to be under the control of licensed pe ns is necessary to meet the need for boating safety, then the Secretary may promulgate regulations requiring the licensing of persons controlling such vessels in the same manner as provided in section 12(e) of this Act for persons in control of vessels carrying passengers for hire.

TERMINATION OF UNSAFE USE

SEC. 13. If a Coast Guard boarding officer observes a boat being ed without sufficient lifesaving or firefighting devices or in an overloaded or other unsafe condition as defined in regulations of the Secretary, and in his judgment such use creates an especially hazardous condition, he may direct the operator to take whatever immediate and reasonable steps would be necessary for the safety of those aboard the vessel, including directing the operator to return to mooring and to remain there until the situation creating the hazard is corrected or ended.

INSPECTION, INVESTIGATION, REPORTING

SEC. 14. (a) Every manufacturer subject to the provisions of this Act shall establish and maintain records, make reports, and provide information as the Secretary may reasonably quire to enable him to determine whether the manufacturer has acted or is acting in compliance with this Act and the regulations issued thereunder. A manufacturer shall, upon request of an officer, employee, or agent authorized by the Secretary, permit the officer, employee, or agent to inspect at reasonable times factories or other facilities, books, papers, records, and documents relevant to determining whether the manufacturer has acted or is acting in compliance with this Act and the regulations issued thereunder.

(b) All information reported to or otherwise obtained by the Secretary or his representative pursuant to subsection (a) of this section containing or relating to a trade secret or other matter referred to in section 1905 of title 18 of the United States Code or 42 Stat. 23.
authorized to be exempted from public disclosure by subsection 552(b) of title 5, United States Code, shall be considered confidential 80 Stat. 383.
for the purpose of that section of title 18, except that, upon approval by the Secretary, such information may be disclosed to other officers, employees, or agents concerned with carrying out this Act or when relevant in any proceeding under this Act.

NOTIFICATION OF DEFECTS; REPAIR OR REPLACEMENT

SEC. 15. (a) Every manufacturer who discovers or acquires information which he determines, in the exercise of reasonable and prudent judgment, indicates that a boat or associated equipment subject to an applicable standard or regulation prescribed pursuant to section 5 of this Act either fails to comply with such standard or regulation, or contains a defect which creates a substantial risk of personal injury to the public, shall, if such boat or associated equipment has left the place of manufacture, furnish notification of such defect or failure of compliance as provided in subsections (b) and (c) of this section, within a reasonable time after the manufacturer has discovered the defect.

Notification, recipients.

(b) The notification required by subsection (a) of this section shall be given to the following persons in the following manner—

(1) by certified mail to the first purchaser for purposes other than resale: *Provided*, That the requirement for notification of such first purchaser shall be satisfied if the manufacturer exercises reasonable diligence in creating and maintaining a list of such purchasers and their current addresses and sends the required notice to each person on said list at the address appearing thereon;

(2) by certified mail to subsequent purchasers, if known to the manufacturer;

(3) by certified mail or other more expeditious means to the dealers or distributors of such manufacturer to whom such boat or associated equipment was delivered.

Contents.

(c) The notification required by subsection (a) of this section shall contain a clear description of such defect or failure to comply, an evaluation of the hazard reasonably related thereto, a statement of the measures to be taken to correct such defect or failure to comply, and an undertaking by the manufacturer to take such measures at his sole cost and expense.

(d) Every manufacturer shall furnish to the Secretary a true or representative copy of all notices, bulletins, and other communications to dealers or distributors of such manufacturer or to purchasers or subsequent purchasers, of boats or associated equipment of such manufacturer, regarding any defect relating to safety in such boats or associated equipment or any failure to comply with a standard, regulation, or order applicable to such boat or associated equipment.

Public information.

The Secretary may publish or otherwise disclose to the public so much of the information contained in such notice or other information in his possession as he deems will assist in carrying out the purposes of this Act, but shall not disclose any information which contain or relates to a trade secret unless he determines that it is necessary to carry out the purposes of this Act.

(e) If through testing, inspection, investigation, research, or examination of reports carried out pursuant to this Act the Secretary determines that any boat or associated equipment subject to this Act—

(1) fails to comply with an applicable standard or regulation prescribed pursuant to section 5; or

(2) contains a defect which relates to safety,

and if the Secretary determines that notification provided under this section is appropriate, he shall notify the manufacturer of the boat or associated equipment of such defect or failure to comply. The notice shall contain the findings of the Secretary and shall include a synopsis of the information upon which the findings are based. Upon receipt of such notice, the manufacturer shall furnish the notification described in subsection (c) to the persons designated in subsection (b), unless the manufacturer disputes the Secretary's determination, in

which case the Secretary shall afford such manufacturer an opportunity to present his views to establish that there is no failure of compliance or defect relating to safety. Where the Secretary determines it is in the public interest, he may publish notice of such proceeding in the Federal Register and afford interested persons, including the Boating Safety Advisory Council, an opportunity to comment thereon. If after such presentation by the manufacturer the Secretary determines that such boat or associated equipment does not comply with an applicable standard or regulation, or that it contains a defect related to safety, the Secretary may direct the manufacturer to furnish the notification specified in subsection (c) of this section to the persons specified in subsection (b) of this section.

Notice; publication in Federal Register.

(f) For purposes of section 15, the term "associated equipment" includes only such items or classes of associated equipment as the Secretary shall by regulation or order prescribe after determining that the application of the requirements of this section to such items or classes of associated equipment is reasonable, appropriate, and in furtherance of the purposes of this Act.

"Associated equipment."

(g) The Secretary is authorized to promulgate regulations defining and establishing procedures and otherwise furthering the purposes of this section.

Rule making powers.

RENDERING OF ASSISTANCE IN CASUALTIES

SEC. 16. (a) The operator of a vessel, including one otherwise exempted by subsection 4(c) of this Act, involved in a collision, accident, or other casualty, to the extent he can do so without serious danger to his own vessel, or persons aboard, shall render all practical and necessary assistance to persons affected by the collision, accident, or casualty to save them from danger caused by the collision, accident, or casualty. He shall also give his name, address, and the identification of his vessel to any person injured and to the owner of any property damaged. The duties imposed by this subsection are in addition to any duties otherwise imposed by law.

Vessel operator, duties.

(b) Any person who complies with subsection (a) of this section or who gratuitously and in good faith renders assistance at the scene of a vessel collision, accident, or other casualty without objection of any person assisted, shall not be held liable for any civil damages as a result of the rendering of assistance or for any act or omission in providing or arranging salvage, towage, medical treatment, or other assistance where the assisting person acts as an ordinary, reasonably prudent man would have acted under the same or similar circumstances.

Liability exemption.

NUMBERING OF CERTAIN VESSELS

VESSELS REQUIRING NUMBERING

SEC. 17. An undocumented vessel equipped with propulsion machinery of any type shall have a number issued by the proper issuing authority in the State in which the vessel is principally used.

STANDARD NUMBERING

SEC. 18. (a) The Secretary shall establish by regulation a standard numbering system for vessels. Upon application by a State the Secretary shall approve a State numbering system which is in accord with the standard numbering system and the provisions of this Act relating to numbering and casualty reporting. A State with an approved system is the issuing authority under the Act. The Secretary is the issuing authority in States where a State numbering system has not been approved.

46 USC 527 note.

(b) If a State has a numbering system approved by the Secretary under the Act of September 2, 1958 (72 Stat. 1754), as amended, prior to enactment hereof, the system need not be immediately revised to conform with this Act and may continue in effect without change for a period not to exceed three years from the date of enactment of this Act.

(c) When a vessel is actually numbered in the State of principal use, it shall be considered as in compliance with the numbering system requirements of any State in which it is temporarily used.

(d) When a vessel is removed to a new State of principal use, the issuing authority of that State shall recognize the validity of a number awarded by any other issuing authority for a period of at least sixty days before requiring numbering in the new State.

(e) If a State has a numbering system approved after the effective date of this Act, that State must accept and recognize any certificate of number issued by the Secretary, as the previous issuing authority in that State, for one year from the date that State's system is approved, or until its expiration date, at the option of the State.

(f) Whenever the Secretary determines that a State is not administering its approved numbering system in accordance with the standard numbering system, or has altered its system without his approval, he may withdraw his approval after giving notice to the State, in writing, setting forth specifically wherein the State has failed to meet the standards required, and the State has not corrected such failures within a reasonable time after being notified by the Secretary.

EXEMPTIONS

SEC. 19. (a) The Secretary, when he is the issuing authority, may exempt a vessel or class of vessels from the numbering provisions of this Act under such conditions as he may prescribe.

(b) When a State is the issuing authority, it may exempt from the numbering provisions of this Act any vessel or class of vessels that has been exempted under subsection (a) of this section or otherwise as permitted by the Secretary.

DESCRIPTION OF CERTIFICATE OF NUMBER

SEC. 20. (a) A certificate of number granted under this Act shall be pocket size, shall be at all times available for inspection on the vessel for which issued when the vessel is in use, and may not be valid for more than three years. The certificate of number for vessels less than twenty-six feet in length and leased or rented to another for the latter's noncommercial use of less than twenty-four hours may be returned on shore by the vessel's owner or his representative at the place from which the vessel departs or returns to the possession of the owner or his representative. A vessel which does not have the certificate of number on board shall be identified while in use, and comply with such other requirements, as the issuing authority prescribes.

Transfer, notice.

(b) The owner of a vessel numbered under this Act shall furnish to the issuing authority notice of the transfer of all or part of his interest in the vessel, or of the destruction or abandonment of the vessel, within a reasonable time thereof, and shall furnish notice of any change of address within a reasonable time of the change, in accordance with prescribed regulations.

DISPLAY OF NUMBER

SEC. 21. A number required by this Act shall be painted on, or attached to, each side of the forward half of the vessel for which it was

issued, and shall be of the size, color, and type as may be prescribed by the Secretary. No other number may be carried on the forward half of the vessel.

SAFETY CERTIFICATES

SEC. 22. When a State is the issuing authority it may require that the operator of a numbered vessel hold a valid safety certificate issued under terms and conditions set by the issuing authority.

REGULATIONS

SEC. 23. The issuing authority may prescribe regulations and establish fees to carry out the intent of sections 17 through 24 and section 37 of this Act. A State issuing authority may impose only terms and conditions for vessel numbering (1) which are prescribed by this Act or the regulations of the Secretary concerning the standard numbering system, or (2) which relate to proof of payment of State or local taxes.

FURNISHING OF INFORMATION

SEC. 24. Any person may request from an issuing authority vessel numbering and registration information which is retrievable from vessel numbering system records of the issuing authority. When the issuing authority is satisfied that the request is reasonable and related to a boating safety purpose, the information shall be furnished upon payment by such person of the cost of retrieval and furnishing of the information requested.

STATE BOATING SAFETY PROGRAMS

ESTABLISHMENT AND ACCEPTANCE

SEC. 25. In order to encourage greater State participation and consistency in boating safety efforts, and particularly greater safety patrol and enforcement activities, the Secretary may accept State boating safety programs directed at implementing and supplementing this Act. Acceptance is necessary for a State to receive full rather than partial Federal financial assistance under this Act. The Secretary may also make Federal funds available to an extent permitted by subsection 27(d) of this Act to national nonprofit public service organizations for national boating safety programs and activities which he considers to be in the public interest.

BOATING SAFETY PROGRAM CONTENT

SEC. 26. (a) The Secretary shall accept a State boating safety program which—

(1) incorporates a State vessel numbering system previously approved under this Act or includes such a numbering system as part of the proposed boating safety program;

(2) includes generally the other substantive content of the Model State Boat Act as approved by the National Association of State Boating Law Administrators in conjunction with the Council of State Governments, or is in substantial conformity therewith, or conforms sufficiently to insure uniformity and promote comity among the several jurisdictions;

(3) provides for patrol and other activity to assure enforcement of the State boating safety laws and regulations;

(4) provides for boating safety education programs;

(5) designates the State authority or agency which will administer the boating safety program and the allocated Federal funds; and

(6) provides that the designated State authority or agency will submit reports in the form prescribed by the Secretary.

(b) The requirements of subparagraph (a) (2) of this section shall be liberally construed to permit acceptance where the general intent and purpose of such requirements are met and nothing contained therein is in any way intended to discourage a State program which is more extensive or comprehensive than suggested herein, particularly with the regard to safety patrol and enforcement activity commensurate with the amount and type of boating activity within the State, and with regard to public boat safety education, and experimental programs which could enhance boating safety.

ALLOCATION OF FEDERAL FUNDS

SEC. 27. (a) The Secretary shall allocate the amounts appropriated to the several States as soon as practicable after July 1 of each fiscal year for which the funds are appropriated.

(b) In order to encourage and assist the States in the development of boating safety programs during the first three fiscal years for which funds are available under this Act, the funds shall be allocated among applying States having a boating safety program, or which indicate to the Secretary their intention to establish boating safety programs in accordance with section 25 of this Act. One-half of the funds shall be allocated equally among the applying States. The other half shall be allocated to each applying State in the same ratio as the number of vessels propelled by machinery numbered in that State bears to the number of such vessels numbered in all applying States.

(c) In fiscal years after the third fiscal year for which funds are available under this Act the moneys appropriated shall be allocated among applying States. Of the total available funds one-third shall be allocated each year equally among applying States. One-third shall be allocated so that the amount each year to each applying eligible State will be in the same ratio as the number of vessels numbered in that State, under a numbering system approved under this Act, bears to the number of such vessels numbered in all applying eligible States. The remaining one-third shall be allocated so that the amount each year to each applying eligible State shall be in the same ratio as the State funds expended or obligated for the State boating safety program during the previous fiscal year by a State bears to the total State funds expended or obligated for that fiscal year by all the applying eligible States.

Limitation.

(d) The Secretary may allocate not more than 5 per centum of funds appropriated in any fiscal year for national boating safety activities of one or more national nonprofit public service organizations.

ALLOCATION LIMITATIONS; UNOBLIGATED OR UNALLOCATED FUNDS

SEC. 28. (a) Notwithstanding the allocation ratios prescribed in section 27 of this Act, the Federal share of the total annual cost of a State's boating safety program may not exceed 75 per centum in fiscal year 1972, 66⅔ per centum in fiscal year 1973, 50 per centum in fiscal year 1974, 40 per centum in fiscal year 1975, and 33⅓ per centum in fiscal year 1976. No State may receive more than 5 per centum of the Federal funds appropriated or available for allocation in any fiscal year.

(b) Amounts allocated to a State shall be available for obligation by that State for a period of three years following the date of allocation. Funds unobligated by the State at the expiration of the three-year period shall be withdrawn by the Secretary and shall be available with other funds to be allocated by the Secretary during that fiscal year.

(c) Funds available to the Secretary which have not been allocated at the end of a fiscal year shall be carried forward as part of the total allocation funds for the next fiscal year for which appropriations are authorized by this Act.

DETERMINATION OF STATE FUNDS EXPENDED

SEC. 29. In accordance with regulations prescribed by the Secretary computation by a State of funds expended or obligated for the boating safety program shall include the acquisition, maintenance, and operating costs of facilities, equipment, and supplies; personnel salaries and reimbursable expenses; the costs of training personnel; public boat safety education; the costs of administering the program; and other expenses which the Secretary considers appropriate. The Secretary shall determine any issues which arise in connection with such computation.

AUTHORIZATION FOR APPROPRIATIONS FOR STATE BOATING SAFETY PROGRAMS

SEC. 30. For the purpose of providing financial assistance for State boating safety programs there is authorized to be appropriated $7,500,000 for the fiscal year ending June 30, 1972, and $7,500,000 for each of the four succeeding fiscal years, such appropriations to remain available until expended.

PAYMENTS

SEC. 31. (a) Amounts allocated under section 27 of this Act shall be computed and paid to the States as follows:

(1) During the first three fiscal years that funds are available the Secretary shall schedule the initial payment to each State at the earliest possible time after application and compliance with subsection 27(b) of this Act.

(2) For fiscal years after the third fiscal year for which funds are available, the Secretary shall determine during the last quarter of a fiscal year, on the basis of computations made pursuant to section 29 of this Act and submitted by the States, the percentage of the funds available for the next fiscal year to which each eligible State shall be entitled. Notice of the percentage and of the dollar amount, if it can then be determined, for each State shall be furnished to the States at the earliest practicable time. If the Secretary finds that an amount made available to a State for a prior year is greater or less than the amount which should have been made available to that State for the prior year, because of later or more accurate State expenditure information, the amount for the current fiscal year may be increased or decreased by the appropriate amount.

(b) Notwithstanding any other provision of law, the Secretary shall schedule the payment of funds consistent with the program purposes and applicable Treasury regulations, so as to minimize the time elapsing between the transfer of funds from the United States Treasury and the subsequent disbursement thereof by a State.

Failure to comply, payments termination.

(c) Whenever the Secretary, after reasonable notice to the designated State authority or agency, finds that—

(1) the boating safety program submitted by the State and accepted by the Secretary has been so changed that it no longer complies with this Act or standards established by regulations thereunder; or

(2) in the administration of the boating safety program, there has been a failure to comply substantially with the standards established by the regulations;

the Secretary shall notify the State authority or agency that no further payments will be made to the State until the program conforms to the established standards or the failure is corrected.

Records, availability for audit.

(d) The Secretary shall, by regulation, provide for such accounting, budgeting, and other fiscal procedures as are necessary and reasonable for the proper and efficient administration of this section. The Secretary and the Comptroller General of the United States shall have access for the purpose of audit and examination, to any books, documents, papers, and records that are pertinent to Federal funds allocated under this Act.

CONSULTATION AND COOPERATION

SEC. 32. (a) In carrying out his responsibilities under this Act the Secretary may consult with State and local governments, public and private agencies, organizations and committees, private industry, and other persons having an interest in boating and boating safety.

Coast Guard, utilization.

(b) The Secretary may advise, assist, and cooperate with the States and other interested public and private agencies, in the planning, development, and execution of boating safety programs. Acting under the authority of section 141 of title 14, United States Code, and consonant with the policy defined in section 2 of this Act, the Secretary shall insure the fullest cooperation between the State and Federal authorities in promoting boating safety by entering into agreements and other arrangements with the State whenever possible. Subject to the provisions of chapter 23, title 14, he may make available, upon request from a State, the services of members of the Coast Guard Auxiliary to assist the State in the promotion of boating safety on State waters.

63 Stat. 505.

14 USC 821.

BOATING SAFETY ADVISORY COUNCIL

SEC. 33. (a) The Secretary shall establish a National Boating Safety Advisory Council (hereinafter referred to as "the Council"), which shall not exceed twenty-one members, whom the Secretary considers to have a particular expertise, knowledge, and experience in boating safety. Insofar as practical, to assure balanced representation, members shall be drawn equally from (1) State officials responsible for State boating safety programs, (2) boat and associated equipment manufacturers, and (3) boating organizations and members of the general public. Additional persons from those sources may be appointed to panels to the Council which will assist the Council in the performance of its functions.

Membership.

(b) In addition to the consultation required by section 6 of this Act the Secretary shall consult with the Council on any other major boat safety matters related to this Act.

(c) Members of the Council or panels may be compensated at a rate not to exceed the rate provided for Federal classified employees of grade GS–18 when engaged in the duties of the Council. Members, while away from their homes or regular places of business, may be allowed travel expenses, including a per diem in lieu of subsistence as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently. Payments under this section shall not render members of the Council employees or officials of the United States for any purposes. Compensation. 5 USC 5332 note. 80 Stat. 499; 83 Stat. 190.

CRIMINAL PENALTIES

SEC. 34. Any person who willfully violates section 12(c) of this Act or the regulations issued thereunder shall be fined not more than $1,000 for each violation or imprisoned not more than one year, or both.

CIVIL PENALTIES

SEC. 35. (a) In addition to any other penalty prescribed by law any person who violates subsection 12(a) of this Act shall be liable to a civil penalty of not more than $2,000 for each violation, except that the maximum civil penalty shall not exceed $100,000 for any related series of violations. Whenever any corporation violates section 12(a) of this Act, any director, officer, or executive employee of such corporation who knowingly and willfully ordered or knowingly and willfully authorized such violation shall be individually liable to the civil penalties contained herein, in addition to the corporation: *Provided, however*, That no such director, officer, or executive employee shall be individually liable under this subsection if he can demonstrate, by a preponderance of the evidence, (1) that said order or authorization was issued on the basis of a determination, in the exercise of reasonable and prudent judgment, that the nonconformity with standards and regulations constituting such violation would not cause or constitute a substantial risk of personal injury to the public, and (2) that at the time of said order or authorization he advised the Secretary in writing of his action under this proviso.

(b) In addition to any other penalty prescribed by law any person who violates any other provision of this Act or the regulations issued thereunder shall be liable to a civil penalty of not more than $500 for each violation. If the violation involves the use of a vessel, the vessel, except as exempted by subsection 4(c) of this Act, shall be liable and may be proceeded against in the district court of any district in which the vessel may be found.

(c) The Secretary may assess and collect any civil penalty incurred under this Act and, in his discretion, remit, mitigate, or compromise any penalty prior to referral to the Attorney General. Subject to approval by the Attorney General, the Secretary may engage in any proceeding in court for that purpose, including a proceeding under subsection (d) of this section. In determining the amount of any penalty to be assessed hereunder, or the amount agreed upon in any compromise, consideration shall be given to the appropriateness of such penalty in light of the size of the business of the person charged, the gravity of the violation and the extent to which the person charged has complied with the provisions of section 15 of this Act or has otherwise attempted to remedy the consequences of the said violation. Secretary, civil penalty. Powers.

Collection referral.

(d) When a civil penalty of not more than $200 has been assessed under this Act, the Secretary may refer the matter for collection of the penalty directly to the Federal magistrate of the jurisdiction wherein the person liable may be found for collection procedures under supervision of the district court and pursuant to order issued by the court delegating such authority under section 636(b) of title 28, United States Code.

82 Stat. 1113.

INJUNCTIVE PROCEEDINGS

Boats or equipment, U. S. jurisdiction.

Notice, hearing opportunity.

SEC. 36. The United States district courts shall have jurisdiction to restrain violations of this Act, or to restrain the sale, offer for sale, or the introduction or delivery for introduction, in interstate commerce, or the importation into the United States, of any boat or associated equipment which is determined not to conform to Federal boat safety standards, upon petition by the Attorney General on behalf of the United States. Whenever practicable, the Secretary shall give notice to any person against whom an action for injunctive relief is contemplated and afford him an opportunity to present his views, and except in the case of knowing and willful violation, shall afford him a reasonable opportunity to achieve compliance. The failure to give notice and afford such opportunity does not preclude the granting of appropriate relief.

CASUALTY REPORTING SYSTEMS

SEC. 37. (a) The Secretary shall prescribe a uniform vessel casualty reporting system for vessels subject to this Act, including those otherwise exempted by paragraphs (1), (3), and (4) of section 4(c).

(b) A State vessel numbering system and boating safety program approved under this Act shall provide for the reporting of casualties and accidents involving vessels. A State shall compile and transmit to the Secretary reports, information, and statistics on casualties and accidents reported to it.

State reports to Secretary.

Fatal casualties.

(c) A vessel casualty reporting system shall provide for the reporting of all marine casualties involving vessels indicated in subsection (a) of this section and resulting in the death of any person. Marine casualties which do not result in loss of life shall be classified according to the gravity thereof, giving consideration to the extent of the injuries to persons, the extent of property damage, the dangers which casualties create, and the size, occupation or use, and the means of propulsion of the boat involved. Regulations shall prescribe the casualties to be reported and the manner of reporting.

(d) The owner or operator of a boat or vessel indicated in subsection (a) of this section and involved in a casualty or accident shall report the casualty or accident to the Secretary in accordance with regulations prescribed under this section unless he is required to report to a State under a State system approved under this Act.

(e) The Secretary shall collect, analyze, and publish reports, information, or statistics together with such findings and recommendations as he considers appropriate. If a State accident reporting system provides that information derived from accident reports, other than statistical, shall be unavailable for public disclosure, or otherwise prohibits use by the State or any person in any action or proceeding against an individual, the Secretary may utilize the information or material furnished by a State only in like manner. Reports and recommendations, publication.

APPROPRIATIONS AUTHORIZATION

SEC. 38. There is authorized to be appropriated amounts as may be necessary to administer the provisions of this Act.

85 STAT. 227

85 STAT. 228

GENERAL REGULATIONS

SEC. 39. The Secretary may issue regulations necessary or appropriate to carry out the purposes of this Act.

SAVINGS PROVISION

SEC. 40. Compliance with this Act or standards, regulations, or orders promulgated hereunder shall not relieve any person from liability at common law or under State law.

MISCELLANEOUS PROVISIONS

SEC. 41. (a) The following are repealed: Repeals.

(1) Section 7, as amended, and sections 13 and 14 of the Motorboat Act of 1940, Public Law 76–484, April 25, 1940 (54 Stat. 165); 70 Stat. 154;

(2) The Federal Boating Act of 1958, Public Law 85–911, September 2, 1958 (72 Stat. 1754), except subsections 6(b) and 6(c) thereof; 72 Stat. 1755. 46 USC 526f, 526l, 526m.

(3) The Act of March 26, 1960, Public Law 86–396 (74 Stat. 10); and 46 USC 527 note.

(4) The Act of August 30, 1961, Public Law 87–171 (75 Stat. 408). 46 USC 526u.

(b) Subsection (c) of section 6 of the Federal Boating Act of 1958, September 2, 1958 (72 Stat. 1754), is amended to read as follows: 46 USC 527, 527a, 527e, 527h.

"(c) Such Act of April 25, 1940 (46 U.S.C. 526-526t), is further amended by adding at the end thereof the following new section: 46 USC 526u.

"'SEC. 22. (a) This Act applies to every motorboat or vessel on the navigable waters of the United States, Guam, the Virgin Islands, the Commonwealth of Puerto Rico, and the District of Columbia, and every motorboat or vessel owned in a State and using the high seas, except that the provisions of this Act other than sections 12, 18, and 19 do not apply to boats as defined in and subject to the Federal Boat Safety Act of 1971.

"'(b) As used in this Act—

"'The term "State" means a State of the United States, Guam, the Virgin Islands, the Commonwealth of Puerto Rico, and the District of Columbia.'" "State."

46 USC 390 et seq.

(c) Any vessel, to the extent that it is subject to the Small Passenger Carrying Vessel Act, May 10, 1956 (70 Stat. 151), or to any other vessel inspection statute of the United States, is exempt from the provisions of this Act.

(d) Nothing contained in this Act shall be deemed to exempt from the antitrust laws of the United States any conduct that would be unlawful under such laws, or to prohibit under the antitrust laws of the United States any conduct that would be lawful under such laws.

(e) Regulations previously issued under statutory provisions repealed, modified, or amended by this Act continue in effect as though promulgated under the authority of this Act until expressly abrogated, modified, or amended by the Secretary under the regulatory authority of this Act.

54 Stat. 163. 46 USC 526. 72 Stat. 1754. 46 USC 527 note.

(f) Any criminal or civil penalty proceeding under the Motorboat Act of 1940, as amended, or the Federal Boating Act of 1958, as amended, for a violation which occurred before the effective date of this Act may be initiated and continue to conclusion as though the former Acts had not been amended or repealed hereby.

Approved August 10, 1971.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 92-124 (Comm. on Merchant Marine and Fisheries).
SENATE REPORT No. [illegible] accompanying [illegible] (Comm. on Commerce).
CONGRESSIONAL RECORD, Vol. 117 (1971):
July 8, considered and passed House.
July 13, considered and passed Senate, amended, in lieu of [illegible].
July 29, House concurred in Senate amendment.

AN ALASKAN TRAGEDY

WE'RE #1 WITHOUT EVEN TRYING

Since the turn of the century, boating has steadily grown to become one of the nations's most popular pastimes. Correspondingly, the boating accident statistics have also grown. As the years went by the Congress enacted several pieces of legislation to deal with the growing problem. Finally, on August 10, 1971, the Federal Boat Safety Act was signed into law establishing minimum standards which would provide the public with reasonably safe boats and equipment. At the same time the Act stressed the need for the individual states to enact equivalent legislation of their own, thus motivating the public to boating safety awareness through public education and operator and equipment requirements.

With the enactment of the Federal Boat Safety Act of 1971, the vast majority of states have recognized the inherent dangers associated with boating and during the ensuing years 47 states have enacted boating safety legislation which squarely faced the problems head on. Their actions and subsequent programs have significantly turned the tide of rising boating accidents and deaths within their states. These programs have received national acclaim for the advancements that have been made in the field of boating safety education and public protection.

To better coordinate their activities among themselves, the National Association of State Boating Law Administrators (NASBLA) was formed to serve as a viable public forum for reviewing and improving upon the federally approved state boating programs. In those states where there is no Federally approved state boating program, such as Alaska, the Coast Guard acts as the boating law administrator for areas that fall under Federal jurisdiction. Consequently, as one of only three states with this very limited federal boating safety program, Alaska's boaters are paying dearly through personal injury, loss of life and loss of property.

HERE IS JUST AN EXAMPLE.....

Alaska has more than 3 million lakes that comprise about 5.2 million acres. They may range in size from the small Arctic ponds to the 1,000 square mile Iliamna Lake. In 1978, the tragedy of boating deaths struck eight times on Alaska's lakes.

However, many more deaths occur each year on our inland rivers and in particular along Alaska's largest, the Yukon. Last year nearly a third of Alaska's boating deaths occurred on these inland rivers.

The most boating deaths occured along Alaska's 34,000 miles of coastline. In 1978, seventy-one deaths were reported on Alaska's coastal waterways and in addition to these fatalities over $2 million dollars in personal property was lost in boating accidents.
In all, ninety-eight boating fatalities occurred on Alaskan waters last year, second only to motor vehicle fatalities as the largest category of accidental deaths. When this figure is compared with the rest of the United States, Alaska has by far the worst boating record—— over 7 times the National average and 2 times more fatalities than the next leading state. (Depicted in Tables 1 and 3).

The three states with largest boating population, California, Texas, and Minnesota, rank 22nd, 35th, and 45th respectively, in the number of boating fatalities. Yet, each state alone has over 500,000 registered boats, more than 15 times the number of boats registered in Alaska. It is interesting to note that Alaska, New Hampshire, and Washington (the only three states without a state boating safety act) rank 1st, 3rd, and 8th in number of boating fatalities.

Another thing to be remembered in the case of California and Texas, is that the boating season in many areas of these states last year round, unlike Alaska, which has a boating season of 6 months or less.

It is evident from these statistics that Alaska has a severe boating problem when compared to the rest of the United States. What can we do to solve this problem or at least bring it under control?

The most effective and proven means for dealing with this problem would be to legislate a comprehensive state boating safety program.

How is a state boating safety program going to change Alaska's unenviable record of boating activity?

First of all, it will identify and charge a state agency with the responsibility for implementing a coordinated boating safety program. Not just another law enforcement program of the Department of Public Safety, but more importantly a means to implement a comprehensive public education program.

Why an education program?

With a state as vast as Alaska the emphasis needs to be focused on public education with public protection programs as a companion when necessary. The resources and expertise of the Department of Education would be utilized to assist in the development and operation of a public education program. In addition, the Coast Guard can be called upon for assistance, training and advice for program development in order to establish effective programs.

How would public protection be handled with the new law?

In addition to the education program, incorporation of the Federal boating regulations into the state boating law, as proposed, would provide procedures and policies for dealing with violators, as well as provide for the minimum operator requirements for safety equipment and boat operation. Specific sections of the act will empower state law enforcement officials with the necessary authority to carry out its provisions. Existing manpower from the Department of Public Safety could be utilized for public protection purposes without the necessity of recruiting more personnel to enforce boating laws.

Doesn't Alaska currently have state boating laws?

The existing state boating statutes cover only minimum operator requirements, which in many cases are inaccurate. This vagueness leaves the law ineffective and consequently, rarely enforced.

What about the Coast Guard, don't they enforce the federal boating laws in Alaska?

Yes, they do, but the key word here to remember is Federal. In the Federal Boat Safety Act of 1971, the Congress designated the Coast Guard as the administrator of the federal boating program and in the following year the Coast Guard inaugurated a nationwide public boating safety program. In Alaska a full time staff of ten was assembled solely to carry out the federal boating safety program, however, because of this limited manpower the program was restricted to only coastal waters. Well, needless to say, in those seven years Alaska's boating population has almost doubled, but the Coast Guard's program hasn't expanded, even in the coastal areas. In the beginning there was an initial drop in the number of fatalities, but the number of boating deaths has soared with the growing boating population. In addition to that, almost half of the boating deaths in Alaska occur on inland rivers and lakes, places that are inaccessible to the Coast Guard or in many cases out of their jurisdiction. Each year the number of complaints received by the Alaska State Troopers, the Coast Guard and other state and federal agencies concerning the negligent operation of boats continues to mount, especially along the inland rivers. Sure the Coast Guard does a good job with the resources they have available, but this growth in boating activity has reduced their effectiveness to that of a token program, with no change in sight.

Won't a new boating law create more regulations for the boater?

No! Only existing regulations will continue to be enforced. What a boating law will do is enable the state to administer and pursue a boating program with little or no federal interference thereby shifting boating control from the federal government to the state.

With the passage of a state boating safety act, where will the revenues come from to administer these programs?

Current federal funding assistance for state boating programs is scheduled to run out in Fiscal Year 1980. Other proposals have also included the establishment of Federal marine fuel taxes which would then be dispursed to only those states with Federally approved boating laws, such as this one being proposed for Alaska. The state could expect to receive somewhere in the neighborhood of $250,000 from the proposed marine fuel tax bill.

One in-state source of revenue, but a fairly small one, would be a boat and outboard motor titling program. With the existing Coast Guard registration system, a Certificate of Numbers is not unequivocal proof of ownership. A titling program is sorely needed, both to protect the owner and any lienholders on a boat or outboard motor.

Another source of in-state revenue available and by far the largest, would be monies generated by a state operated boating registration program. At the present time this program is administered on behalf of the Federal government by the Coast Guard in Juneau, with all the revenuues from this program being deposited in the U. S. Treasury. None of the revenues remain in Alaska!! The program, administered on a yearly basis utilizing the fee structure as proposed, will generate approximately $500,000 per year to directly support the state boating programs, an amount commensurate with the cost to administer the programs to be undertaken by this law.

What advantages are there to numbering boats?

Most importantly, boats need to be numbered to aid in search and rescue. For example, if a boat is found adrift or capsized, in just a matter of minutes the boat owner can be identified through the numbers on the hull and a check can be made with owner, relatives or neighbors to determine if there was anyone on board or if the boat was just adrift.

The boat registration program also provides an added benefit for the prosepective boat buyer. Financial institutions will more readily lend money for the purchase of boats if some form of previous ownership can be provided.

For commercial fishermen who are applying to the Limited Entry Commission to fish in Alaskan waters, boat registration lends to the proof of vessel ownership, both past and present, as required by the Commission.

With the future development of the bottom fisheries industry, the registration of boats will be essential to facilitate effective management of those fisheries.

Boat numbers also fulfill other useful purposes. Among them law enforcement, educational contact, accident reporting and consumer defect notification.. Whether used for tracing a person for the negligent operation of a boat, to provide boating safety materials, or to notify a consumer of a possible product defect, all protect and serve the public welfare.

With the passage of a comprehensive state boating safety program won't the Coast Guard reduce its effort in boating safety in Alaska?

Quite the contrary, the Coast Guard has a dedicated committment to boating safety in Alaska. The presence of a state boating safety program would lend a new dimension to the Coast Guard's role in this area. Specifically, the Coast Guard would assist the State in establishing its own program, provide training to educators and peace officers, and work hand and hand with state and local agencies.

But what if the legislature fails to enact a state boating safety law, what will the consequences be?

With no possibility of the Coast Guard expanding their boating program, the number of boating accidents and fatalities will continue to soar as the boating population grows.

Without a doubt the proposed state boating law will provide the boaters of Alaska with a program designed to meet their special needs without burdening the non-boater.

STATISTICS

1. Alaska has the highest fatality rate in the United States —— over 7 times the National average.

2. Next to motor vehicle fatalities, boating deaths represent the largest category of accidental deaths in Alaska.

3. Of the 98 deaths that occurred on Alaskan waters in 1978, approximately 50% occurred inland —— in areas presently inaccessible to the Coast Guard or out of their jurisdiction.

PRESENT STATE LAW

1. The present state boating laws are contained in Title 5, Amusements and Sports, of the Alaska State Statutes; Chapter 25, Watercraft.

2. The present law in many cases is obsolete. Being passed in 1961, the Federal laws have superseded much of the Alaska State law.

3. The remaining sections represent only a skelton law enforcement program, which is rarely enforced.

PROPOSED STATE LAW

1. Establishes a coordinated boating education program utilizing the Department of Education and other state agencies as needed..

2. Incorporates the Federal boating statutes into the state law.

3. Will establish a more effective state "public protection" program.

PROGRAM FUNDING

1. Federal Assistance

a. State Boating Funds -- These are due to expire in FY 80.

b. Proposed Marine Fuel Taxes -- Being considered by Congress to fund Federally approved state boating programs. The state could expect to receive approximately $250,000 from this proposal.

2. State Revenues -- approximately $500,000 will be generated from a boat registration program, based on the proposed fee schedule contained in the law. (Additional revenues may be raised from a Titling program as proposed).

COAST GUARD ASSISTANCE

1. Training and assistance will be provided by the Coast Guard for initial development of educational programs.

2. Initial training of law enforcement officers to assist in the development of an effective public protection program.

3. The Coast Guard will continue its coastal boarding program for enforcement of boating safety laws.

4. The Coast Guard will continue with present educational programs -- in relation to the Coast Guard Auxiliary.

5. The Coast Guard will remain a viable support agency for state assistance.

ADVANTAGES TO STATE IN ESTABLISHING A BOATING SAFETY PROGRAM

1. The State will assume management, administration and control versus the present Federal intervention.

2. Revenues will remain in Alaska, available for state usage, instead of being deposited with the Federal government.

3. Offers programs and protection to the entire state, not just coastal areas.

1. Expand the benefits to more than ten times the present level.

TABLE 1 TEN LEADING STATES
IN BOATING FATALITIES FOR 1977*

1.	Alaska	120.00	6.	North Carolina	29.94
2.	W. Virginia	48.00	7.	Louisiana	27.94
3.	Mississippi	46.47	8.	New Jersey	26.44
4.	Montana	40.00	9.	Virginia	26.27
5.	Connecticut	30.97	10.	Washington	25.69

*Number of deaths per 100,000 boats
U. S. National Average equals 16.49

TABLE 2 ACCIDENTAL DEATHS IN ALASKA FOR 1977*

1.	Motor Vehicles	32.3
2.	Water Transportation	14.5
3.	Aircraft	10.2
4.	Drownings	8.8
5.	Falls	5.8
6.	Fire	5.4
7.	Environmental Factors	3.9

8.	Poisoning	2.7
9.	Firearms	2.4
10.	Suffocation	0.5

*Number per 100,000 people

TABLE 3 TEN LEADING STATE
IN RECREATION BOATING FATALITIES FOR 1978*

1.	ALASKA	196.8*	6.	KENTUCKY	30.4
2.	HAWAII	87.6	7.	MISSISSIPPI	27.2
3.	NEW HAMPSHIRE	43.4	8.	WASHINGTON	26.0
4.	W.VIRGINIA	32.0	9.	LOUISIANA	25.2
5.	WYOMING	31.5	10.	MARYLAND	25.2

Number of deaths per 100,000 boats
U.S. National Average equals 21.9
*Number of deaths per 100,000 with commercial boating deaths equals 272.2

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SSHB 390

Title An Act relating to boating safety

Requested by _____ Date 2/15/80

II. FISCAL DETAIL

Agency Affected Public Safety

Program Category Affected Public Protection

BRU, Program, or Subprogram(s) Affected Boating Safety

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		300.0	1,087.5	1,087.5		
200 TRAVEL		50.0	120.0	120.0		
300 CONTRACTUAL		250.0	627.0	627.0		
400 COMMODITIES		55.0	74.0	74.0		
500 EQUIPMENT		400.0	223.2	25.0		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		1,055.0	2,131.7	1,933.5		

FUNDING (Thousands of Dollars)

GENERAL FUND		1,055.0	2,131.7	1,933.5		
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		10	21	21		
PART TIME		5	27	27		
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

FY82 would be the first year of full program operation. FY81 estimates contain most of the $623.2 initial equipment budget, which includes 18 vehicles, $252.0; 18 boats, $217.0; and radios, $46.7. Salary and benefit costs for FY82 staff are summarized: Director, Information Officer, and Secretary, $120.6; 3 regional supervisors, $121.5; 8 journeyman Boating Safety Officer IIs, $293.6; 7 BSOIs, $239.5; 15 summer aides, $161.2; and the equivalent of 6 full-time clerical positions, $126.1. Computer hardware and software is estimated at $100.0. To fund interagency needs, $100.0 is budgeted.

Costs are based upon mid 1980 prices, no inflation is added. Space, utility, communications, travel, commodities, office equipment, etc. needs are estimated for each position. More detail is available.

IV. DATE February 15, 1980 PREPARED BY Mike Clemens

AGENCY Public Safety

PHONE 465-4336

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev 12/79)

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200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		(70.0)	(140.0)	(280.0)		

FUNDING (Thousands of Dollars)

GENERAL FUND		(70.0)	(140.0)	(280.0)		
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Sec. on III)

The purpose of this fiscal note is to explain that revenue would be collected under the proposed Certificate of Number and Certificate of Title Fees. Estimating 25,000 boats in Alaska, about $250,000 would be collected annually for certificates of number ($10 per boat) assuming full compliance. Certificates of title would generate $25,000 ($5,000 x 5) assuming 20% of the boats were sold each year. Outboard motors (25 hp & up) are estimated to be on 20% of all boats; title transfer fees would generate $5,000 per year (25,000 x 20% = 5,000 x 20% = 1,000 x $5 = 5,000). $250,000 + $25,000 + $5,000 = $280,000.

Revenue would increase gradually, but would not approach its full potential until at least the third year of the program. Original certificates of title would account for a larger proportion of overall revenue at first, but would later be substantially reduced. No estimate is included for cash penalties for violation of the statutes or regulations on boating safety.

IV. DATE February 15, 1980 PREPARED BY Mike Clemens
AGENCY Public Safety
PHONE 465-4336

Original Legislative Finance
cc: Budget and Management
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33-001 (Rev. 12/79)

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Sec. 05.20.110. Exclusion of transportation devices under jurisdiction of other agencies from chapter. This chapter does not extend to the department or to political subdivisions authority to prescribe regulations pertaining to transportation facilities or devices subject to the regulatory jurisdiction of other state or local agencies. (§ 9 ch 109 SLA 1960)

Sec. 05.20.120. Definitions. In this chapter, unless the context otherwise requires:

(1) "department" means the Department of Public Safety;

(2) "device" means a device which is designed and operated for the conveyance or movement of persons and which is used as a source of or aids in the promoting of entertainment, pleasure, play, relaxation or instruction, including but not limited to ski tows, roller coasters, merry-go-rounds and Ferris wheels. (§§ 1, 2 ch 109 SLA 1960)

Chapter 25. Watercraft.

Article
1. Safety Requirements (§§ 05.25.010—05.25.020)
2. Accidents and Liability (§§ 05.25.030—05.25.040)
3. General Provisions (§§ 05.25.050—05.25.100)

Article 1. Safety Requirements.

Section
10. Safety requirement
20. Water skis and surfboards

Sec. 05.25.010. Safety requirement. (a) Every watercraft operated on inland waters shall carry and exhibit between sunset and sunrise at least one white light to show all around the horizon.

(b) Every watercraft operated on inland waters shall carry at least one life preserver, or lifebelt, or ring buoy, or other device of the sort approved by the United States Coast Guard for each person on board, so placed as to be readily accessible. Every watercraft carrying passengers for hire shall carry, so placed as to be readily accessible, at least one life preserver of the sort approved by the United States Coast Guard for passenger carrying watercraft for each person on board.

(c) Every motor-driven watercraft operated for hire shall carry a fire extinguisher capable of promptly and effectually extinguishing burning gasoline. (§ 4 ch 63 SLA 1961)

Legislative committee report.—For legislative committee report on original bill, see House Journal (1961), page 106.

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Article 2. Accidents and Liability.

Section
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Sec. 05.25.030. Collisions, accidents and casualties. (a) The operator of a watercraft involved in a collision, accident or casualty shall give to other persons affected by the collision, accident or casualty such assistance as may be necessary to save them from or minimize any danger caused by the collision, accident or casualty, and to give his name, address and identification of his watercraft in writing to any person injured and to the owner of any property damaged in the collision, accident or casualty.

(b) In the case of collision, accident, or casualty involving a watercraft, the operator of the watercraft, if the collision, accident or casualty results in death or injury to a person or damage to property in excess of $100, shall file with the department a full description of the collision, accident or casualty, including such information as the department, by regulation, requires. (§ 6 ch 63 SLA 1961)

Sec. 05.25.040. Owner's civil liability. The owner of a watercraft is liable for injury or damage caused by the negligent operation of his watercraft whether the negligence consists of a violation of a state statute, or neglecting to observe ordinary care in the operation of the watercraft as the rules of the common law require. The owner is not liable, however, unless his watercraft is used with his express or implied consent. It is presumed that his watercraft is being operated with the knowledge and consent of the owner, if at the time of the injury or damage, it is under the control of his spouse, father, mother, brother, sister, son, daughter, or other member of his immediate family. This chapter does not relieve any other person from a liability which he would otherwise incur, and does not authorize or permit recovery in excess of injury or damage actually incurred. (§ 8 ch 63 SLA 1961)

Article 3. General Provisions.

Section
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60. Prohibited operation
70. Exemptions
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Supplement

Sec. 05.25.050. Declaration of policy. It is the policy of this state to promote safety for persons and property in and connected with the use, operation and equipment of vessels in recreational pursuits in inland waters and to promote uniformity of laws relating thereto. (§ 1 ch 63 SLA 1961)

Sec. 05.25.060. Prohibited operation. (a) No person shall operate a watercraft whether for recreational purposes or any other purpose or manipulate water skis, surfboard, or similar device on inland waters in a reckless or negligent manner so as to endanger the life or property of another person.

(b) No person shall operate a watercraft whether for recreational purposes or any other purpose or manipulate water skis, surfboard, or similar device on inland waters while under the influence of any intoxicating liquor, narcotic drug, barbiturate or marijuana. (§ 3 ch 63 SLA 1961)

Sec. 05.25.070. Exemptions. Watercraft and persons operating watercraft are exempt from this chapter except § 60(b) of this chapter when participating in the area set aside for a public regatta, race, marine parade, tournament or exhibition on inland waters. (§ 7 ch 23 SLA 1961)

Sec. 05.25.080. Enforcement. Every peace officer may enforce this chapter and in the exercise of enforcement may stop and board watercraft subject to this chapter. (§ 9 ch 63 SLA 1961)

Sec. 05.25.090. Penalties. A person who violates any provision of this chapter is guilty of a misdemeanor and is punishable by a fine of not more than $500, or by imprisonment of not more than six months, or by both, for each violation. (§ 10 ch 63 SLA 1961)

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(3) "operate" means to navigate or otherwise use a watercraft for recreational purposes as opposed to business, subsistence or commercial purposes;

(4) "watercraft" means every description of vessel, other than a seaplane on the water, used or capable of being used as a means of transportation on water and devoted to recreational pursuits unless otherwise expressly provided in this chapter; and excepting vessels having a valid marine document issued by the United States or foreign governments. (§ 2 ch 63 SLA 1961)

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HB390

1577 'C' Street, Suite 304 • Anchorage, Alaska 99501 • Phone 907-274-3611

1979 ANNUAL CONVENTION

Resolution 79-32

WHEREAS, an amendment to the Federal Boating Safety Act of 1971 was recently introduced in Congress (H.R. 4310) by Representative Biaggi of Pennsylvania, and

WHEREAS, the primary purpose of this amendment is to "improve recreational boating safety and facilities through the development, administration, and financing of a national recreational boating safety and facilities improvement program," and

WHEREAS, for the State of Alaska to become eligible for this federal funding, Alaska must institute a Boating Safety Act, and

WHEREAS, in 1978 and 1979, 170 individuals died in water-related accidents, and 19 others as a result of drowning, and

WHEREAS, the act will enable the State of Alaska to provide statewide boating safety sessions,

NOW THEREFORE BE IT RESOLVED, that the Alaska Federation of Natives urges the enactment of a "Recreational Boating Safety and Facilities Improvement Act".

RESOLUTION COMMITTEE RECOMMENDATION Do Pass

CONVENTION RECOMMENDATION Do Pass

STATISTICS

1. Alaska has the highest fatality rate in the United States --- over 7 times the National average.

2. Next to motor vehicle fatalities, boating deaths represent the largest category of accidental deaths in Alaska.

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3. Will establish a more effective state "public protection" program.

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5. The Coast Guard will remain a viable support agency for state assistance.

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1. The State will assume management, administration and control versus the present Federal intervention.

2. Revenues will remain in Alaska, available for state usage, instead being deposited with the Federal government.

3. Offers programs and protection to the entire state, not just coastal areas.

4. Expand the benefits to more than ten times the present level.

HB
416

(9)

COMMITTEE REPORT

HOUSE

FURTHER:

March 20, 1979 Date: 3/21/79

Mr. Speaker:

The Committee on RESOURCES has had HB 416

"An Act allowing the sale of unpasteurized milk."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[/] replace with CS for [ ] same title [ ] new title

and recommends

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

HB416 Sale of Unpasteurized Milk

AGO 125388

Hearing 4/15/80 - Passed 4/15/80 as CS

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Sale of Unpasteurized Milk

BILL	DATE INFORME	LETTER/ PHONE	INFORMED	HEARING DATE
CS HB 416	4/10		Special Agriculture Committee, Rep. Carney, Camm	4/15
	4/11		Division of Agriculture, DNR Nick Carney	4/15
	4/11		Matanuska Maid Dairy Jack Flint	4/15
	4/11		Rep. Duncan, Rep. Rogers	4/15
	4/11		Sealand Lou Kidle	4/15

Matanuska Maid, Inc.

814 W. Northern Lights Blvd.
Anchorage, Alaska 99503
(907) 277 - 2446

January 31, 1980

The Honorable Patrick J. Carney
Alaska State Legislature
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Pat:

Pursuant to your call yesterday regarding the dating of fresh milk in our market place, I find that dairy plants outside the state are coding their milk with 15 to 20 day "pull dates" after bottling. If the stores have milk from outside and it has reached the "pull date' or is getting within a day or two of that date, they usually "special" this product until it is disposed of.

Various other states regulate "pull dates"; for instance, Maryland 7 days, Florida 10 days, New Jersey 5 days. Some of the states have not yet adopted a regulation concerning this matter; as you are well aware this is a relatively new objective.

A recent article in Hoard's Dairyman by noted milk experts in Wisconsin indicated it was evident that after six days milk started to deteriorate in quality, flavor, etc.

Very truly yours,

Jack Flint
General Manager

Matanuska Maid, Inc.

814 Northern Lights Blvd. Anchorage, Alaska 99503
(907) 277-2446

—A farmer owned cooperative—

December 7, 1978

Mr. Allen Lynn, Director
Department of Agriculture
State of Alaska
510 South Alaska
Palmer, AK 99645

For distribution to the
Milk Advisory Board
December 12, 1978

Dear Mr. Lynn:

Matanuska Maid has been engaged in the production and processing of dairy products in the State of Alaska since 1940. Since that time, the members of Matanuska Maid have successfully competed in the market place with their locally produced products and have assured the Alaskan consumer of a wholesome and adequate supply of fresh milk. Even during times of great disastrous acts of God, shipping strikes, and other such interruptions in the normal flow of commerce, the Alaskan milk producer has contributed greatly to the health and welfare of the State of Alaska. During these last three decades, the dairy farmer has surmounted many, many problems including surpluses, being a victim of reduced markets because of Class 3 milk products being shipped into the area and sold at lesser prices, and unfair trade practices creating chaotic conditions within the industry.

Milk production in Alaska as reported in the "Alaska Farm Reporter" declined by 15% in September of this year compared to the same month a year ago. This really is no surprise with the decline in raw milk price and the adverse milk feed/price ratio.

I believe the dairy industry should be favorably compared to the "Delta Barley" project by the State administration. With the present amount of fluid milk that is being shipped into Alaska (except Southeastern) there is room for at least 30 more dairy farms of an average size that is present today. It is necessary to consider that the market for this milk is already here. It is not necessary to export this product from the United States with its international complications. From the time the milk is produced by the farmer, the processing plants are already established and the distribution system is in place and working.

Milk control programs have been operating in the other states since the early 1930s. The regulation of fluid milk markets did not originate in this country. These regulations started in Holland, spread to France and England, then to Canada, Australia, New Zealand and the United States.

In 1962 the legislature for the State of Alaska recognized the importance of some type of needed regulation concerning the marketing of milk and passed the necessary enabling legislation entitled "The Marketing of Milk" that we are discussing. This statute creates a milk advisory board and determines the duties of the Director of Agriculture of the State of Alaska regarding dairy products. This statute is not unlike laws created by legislatures in many other states. The objectives of milk control legislation are laid down in various ways in the individual state laws. A major objective of practically all states is the assurance of an adequate supply of wholesome milk at fair and reasonable prices to the farmers as well as the consumer. All state control advisory agencies have authority to require licensing of distributors and have the power to investigate, inspect and audit, as well as require reports from processors. Other objectives noted in about one-third of the state laws are orderly marketing and the regulation of fair trade practices. Benefits to farmers through establishing fair prices and fostering intelligently directed production is another aim. It should be noted that 95% of all fluid milk is priced under state control laws or federal marketing orders. A total of 37 states have state milk control programs.

Some of the major characteristics of state milk control programs are: 17 states and Puerto Rico were establishing producer prices in 1976, 15 states were authorized to set wholesale prices and 14 states were authorized to set retail prices. The widening of market areas, as well as the price cutting activities and known competition associated with such extensions, has led a number of other states to enact laws regulating trade practices and sales below cost for fluid milk. In 1976 trade practices extended to 28 states and Puerto Rico. Eleven states without authority to set prices had laws prohibiting sales of milk below cost. All but 3 states that set retail prices also prohibited sales below cost.

Because milk is an essential food, it is especially vulnerable to predatory trade practices. It is a commodity which must be produced, processed, distributed and consumed in less than three weeks. Because of the short life of the product, a dairy farmer or a processor can be put out of business in a short time if predatory practices develop which make it impossible to market the product. In prior years, Alaska was somewhat immune from the milk markets in the lower 48 because processing techniques and transportation difficulties did not make it feasible to move milk from these markets to Alaska. However, with improved processing techniques and transportation, it has now become economically feasible to move milk from the lower 48 into the larger population centers of Alaska. This pressure being applied to the Alaskan dairy industry is very severe and the only way that the

Alaskan dairy industry will survive is to implement the Statute that was established in 1962.

It is apparent that the present state administration and the legislature desires to encourage the entire agricultural industry in Alaska. This is recognized by the fact that the state has recently sold acreage in the Big Delta area for the so-called Barley Project with a budget this year of some $5,000,000 and with an anticipated projected budget of approximately $20,000,000. To continue this effort of encouraging agriculture within the State, I believe that it is necessary to develop a milk control program. I believe it is necessary to provide the Alaskan farmer with a level of income commensurate with that received by other segments of our economy and to enable farmers to maintain a progressive industry in the face of ever-increasing costs. It is also necessary to insure the consumer an adequate supply of milk for our growing population and to provide for sense of uses within the State. It is interesting to note that on Thursday, June 19, 1958, Mr. James Wilson, Commissioner of Agriculture stated that there were approximately 100 families engaged in dairying throughout the State that year. Now there are 10. That figure has declined by about 90%.

Milk is one of the best buys in the grocery store today at $.34 per pound. No other high protein, high mineral and vitamin food can match that price per pound and it is 100% edible.

Some of the existing problems that presently plague the dairy industry are:

1. Sales below cost
   a. Even though these sales may account for only 10 to 12% of the entire market they cause major disruption.

2. Unrealistic pull dates on the products
   a. 18 days to 25 days
   b. A recent article in Hoard's Dairyman dated October 10, 1978, reported on a study done by Lester Hankin, Walter Dillman, and George Stephens.

      They state in part "age of samples in retail stores and schools varied from 0 to 16 days. Average age was 4.3 days in 1970-71 and 4.7 days in 1974 and 1975. In 1975 the average age of samples with unsatisfactory flavor score was 6.2 days."

      Many states have regulations concerning "pull dates" on dairy products and they are controlled in various ways. They seem to range from 5 to 7 days from the date of production

Alaska State Legislature

PATRICK M. O'CONNELL
REPRESENTATIVE
DISTRICT 13

ROUTE 2, BOX 743
SOLDOTNA, ALASKA 99669
(907) 262-4218

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811

House of Representatives

February 28, 1979

Mrs. Carolyn Nicholas
Box 177
Kenai, Alaska 99611

Dear Mrs. Nicholas:

It was with a good deal of interest that I received today your letter inquiring about legislation that would allow the sale of raw milk in the state of Alaska. I suppose the letter particularly caught my eye because I myself was raised on a dairy farm in Wisconsin.

Upon doing a bit of preliminary checking I understand that several years ago it was legal to sell raw milk but that such provisions in the law were repealed some ten or twelve years ago.

I have forwarded a copy of your letter and the accompanying information to Representative Patrick Carney of Wasilla who, prior to coming into the Legislature, operated a dairy farm for several years in the Matanuska Valley. He has indicated an interest in helping to develop some legislation along the lines you request.

It will undoubtedly take a bit of time and a considerable amount of research to try to come up with a workable piece of legislation which will not only make it possible to sell raw milk but which would protect the legitimate public health interests of Alaskan citizens.

As you suggest there would need to be accompanying legislation of some sort that would provide for a state testing program.

Again, my initial reaction to your bill is one of interest. Perhaps upon digging into the subject further I may conclude that there are more problems than immediately meets the eye. However, there is only one way to find out and therefore I intend to research the subject further.

Very respectfully,

Patrick M. O'Connell
Representative

POC:mcrs
cc. P. Carney

Kenai, Alaska
February 16, 1979

Representative Pat O'Connel$_1$
House of Representatives
Juneau, Aslaka

Dear Mr. O'Connell:

I am enclosing the pages from the Oregon laws and regulations pertaining to fluid milk. I an most interested in seeing that Alaska have one like it or similar.

Laws and regulations applicable to raw milk willbe found ~~under~~under ORS 621.072, 621.077, 621.117, 621.124 and ORS Chapter 603, sections 24-600.5, 24-602.5, 24-603.5, 24-624.5, 24-650.6, 24-656.01 and 24-658.5.

There are other states that have a raw milk bill but I singled out Oregon because it was closest to Alaska. I know that the Matanuska Maid company and other Companies like that would b. opposed to selling raw milk in Alaska.

I am sure that you are aware that many small farmers and homesteaders in Alaska do sell raw milk even though it is illegal to do so. These people are few at this time but hopefully with the passage of such a bill there would be others that would build up a large herd and sell on a larger scale. Right now to do such a things would mean some capital behind you because of the pasturizing plant bhat would have to be set up.

There would be an expense by the State to put something like this together but I feel that the additional people that they would need to test the cows would be off-set by the revenue gained from the farmers. and the income they would derive from it.

I would be very interested to know your feelings on the subject and I will be sending copies to both Hugh and Clem.

Sincerely,

Carolyn Nicholas

Carolyn Nicholas
Box 177
Kenai, Alaska

hapter, may approve by regulation the procedures, processes, practices, methods and he use of the Ring Test or the Whey Test. [1957 c.346 §6]

GRADES AND STANDARDS OF QUALITY FOR FLUID MILK

621.055 Definitions for ORS 621.055 to 621.124. As used in ORS 621.055 to 621.124, unless the context requires otherwise:

(1) "Distributor" means a person purchasing, only, unpasteurized fluid milk and causing it to be processed, including pasteurization, and bottled for distribution and sale for human consumption.

(2) "Fluid milk" includes milk and any other product made by the addition of any substance to milk or to any milk product which is produced, processed, distributed, sold, offered for sale or exposed for sale for human consumption in liquid form and shall include the fluid milk products for which a standard of identity has been established by the department.

(3) "Milk" means the lacteal secretion of cows and goats.

(4) "Nonprocessing distributor" means a person who sells fluid milk in consumer sized units under his own brand or trade name, which fluid milk has been processed and packaged for such person by a distributor or producer-distributor.

(5) "Person" means and includes any individual, partnership, association or corporation and his or its agents.

(6) "Producer" means a person engaged in the production on a dairy farm of unpasteurized fluid milk, but who does not bottle fluid milk for distribution and sale for human consumption.

(7) "Producer-distributor" means a person producing unpasteurized fluid milk on a dairy farm and bottling such milk, either pasteurized or unpasteurized, on the premises where produced for distribution and sale for human consumption; but a producer-distributor may purchase unpasteurized milk from a producer and distribute such milk after pasteurization.
[Amended by 1955 c.714 §11; 1959 c.346 §2]

621.060 Establishing standards of quality and identity. (1) Official state standards of quality shall be established by the department for fluid milk, both pasteurized and unpasteurized, in the manner prescribed by ORS 632.900 to 632.935.

(2) The standards of quality established shall be based upon:

(a) The health of the cows and goats;

(b) The physical facilities of dairies and milk processing plants;

(c) The standard of sanitary maintenance of dairies and milk processing plants including equipment used therein, the cleanliness of operating personnel, and the cleanliness of adjacent land areas;

(d) The physical facilities for the transportation of fluid milk, and the methods and standards of sanitary maintenance of such facilities;

(e) The quality of the fluid milk as shown by an examination by means suitable to the determination of its quality, and also, the factors affecting the nutritional value of fluid milk as a human food; and

(f) Any other factor found by the department, upon hearing, to affect the quality, odor, flavor or wholesomeness of fluid milk.

(3) Definitions and standards of identity for fluid milk may be established by the department.
[Amended by 1971 c.789 §1]

621.062 Deviation from standard of identity prohibited. No person shall process, distribute, sell, offer for sale or expose for sale fluid milk which does not conform to a standard of identity established by the department.
[1959 c.346 §3]

621.065 Designation of grades. There shall be two standards of quality established for fluid milk. The highest standard of quality established for fluid milk shall be designated as "grade A." The other standard of quality shall be designated as "grade B."
[Amended by 1955 c.714 §12]

621.070 License required to use grade designation. No person shall use any grade designation on bottle caps, in advertising, on labels or in any other manner connected with the sale of fluid milk, unless the person has obtained from the department a license to use the grade designation.

621.072 Licensing to use grade designation; determination of fees. (1) The department shall issue a license to use the grade designation "grade A" or "grade B" to any person who:

(a) Makes written application for a license; and

(b) Is engaged in the business of producing or distributing, or both, fluid milk; and

(c) Meets the requirements of the particular grade designation for which application is made.

(2) If a person carries on both the activities of a producer and of a producer-distributor such person shall obtain a separate license for each such activity.

(3) Before and after issuing a license under ORS chapter 621 the department shall as it deems necessary inspect the physical facilities of the applicant's dairy or plant and such other factors as may relate to the production or distribution of fluid milk. The physical facilities must conform to the requirements created by regulation for the production and distribution of fluid milk meeting the standards of quality for which the license to use the particular grade designation is sought.

(4) Each license issued under this section expires one year from the date of its issuance unless sooner revoked and may be renewed upon application of the licensee. Each application for a license or annual renewal thereof shall be accompanied by a license fee. The fees for the several types of licenses shall in so far as reasonable and practical be based upon the cost of inspection. If a business under one entity or ownership is required to obtain more than one type of license under ORS 621.055 to 621.291, the fees shall be adjusted by the department in order that an owner is not required to pay more than a total of $120 during each license period.

(5) The fees which shall be established by the department, shall not exceed the following for each annual license:

Producer	$55
Producer-distributor	$80
Distributor	$80
Nonprocessing distributor	$50

(6) The department may refuse to issue or renew, or may suspend or revoke a license for any violation of ORS 621.055 to 621.120 or rule thereunder.

[Formerly 621.075; 1967 c.254 §1; 1971 c.773 §8]

621.076 [Formerly 621.080; repealed by 1963 c.48 §5]

621.075 [Amended by 1955 c.714 §13; renumbered 621.072]

621.077 Bacterial standards. All fluid milk shall conform to the same bacterial standards.

[Formerly 621.082]

621.079 Milk sampler's licenses required for certain operations. (1) Each person who operates or drives a farm pickup milk tank truck for the purpose of transporting milk in bulk from a farm, other than a farm owned or controlled wholly or in part by such person, to any receiving point shall obtain a license from the department as provided by subsections (1) to (3) of ORS 621.081 authorizing such person to take samples of milk for bacteriological analysis by the department.

(2) Each distributor who receives milk in producer containers shall designate at least one plant employe who shall obtain a license as provided by subsections (1) to (3) of ORS 621.081 from the department authorizing such person to take samples of milk for bacteriological analysis by the department.

[1959 c.145 §§2, 3]

621.080 [Amended by 1959 c.145 §9; renumbered 621.074]

621.081 Milk sampler's license; fee. (1) Each applicant for a milk sampler's license shall be required to demonstrate satisfactorily by written examination given by the department an adequate knowledge of milk sanitation as it relates to the sampling and handling of fluid milk and cream for bacteriological analysis. Each application for a license shall be accompanied by a fee of $10. The fee shall not be refunded for any reason.

(2) Examinations for licenses shall be given by the department at least once annually in Salem, and at such other places as appears by the volume of applications to be necessary and practical.

(3) The department shall issue licenses to the applicants it finds to be qualified. Each license shall be valid for so long as the licensee is employed in a position where milk sampling is necessary, unless revoked or suspended by the department.

(4) The department may revoke or suspend or refuse to reissue the license of any person licensed to take milk samples as provided by ORS 621.079 who fails to take such samples as are required by the department or who does not or has not complied with the provisions of ORS 621.079 to 621.083 or regulations promulgated under the authority of ORS 561.190 or 621.079 to 621.083.

[1959 c.145 §§4, 5, 6, 8; 1963 c.48 §3; 1971 c.773 §9]

621.082 [1955 c.714 §16; renumbered 621.077]

(b) Which is not labeled on the container or container cap with the name and address of the producer, distributor, nonprocessing distributor or producer-distributor of the milk and the applicable state grade; except that containers of unpasteurized fluid milk shipped by producers to a milk plant for pasteurization and which are identified by shipper name or number shall not be required to be so labeled.

(2) No person shall bottle unpasteurized fluid milk except on the premises where it is produced.

(3) No producer or a producer-distributor shall sell or offer for sale fluid milk during the period while such producer's or producer-distributor's license to use a grade designation on fluid milk has been suspended under ORS 621.120.

(4) No distributor shall knowingly purchase fluid milk from any person whose license to use a grade designation has been suspended under ORS 621.120.

(5) No distributor shall knowingly purchase fluid milk from any person who has not received a license under ORS 621.072.

(6) Each container of fluid milk sold, exposed for sale, or offered for sale, by a nonprocessing distributor shall be labeled on the container or on the container cap with either the name and address of the distributor or producer-distributor processing and bottling the fluid milk or with a code number, assigned by the department, identifying such distributor or producer-distributor.

[Amended by 1955 c.714 §14]

621.117 Distributor or producer-distributor may sell only milk that is pasteurized or from disease-free herd; exception. No distributor or producer-distributor shall sell, offer or expose for sale any fluid milk for human consumption which has not been pasteurized or produced by a disease-free herd, except that when not more than one reactor animal appears when the herd is tested for brucellosis, milk may still be sold if the animal is slaughtered as provided in ORS chapter 597 and the herd is retested twice at 30- to 60-day intervals and no reactors appear. If one or more reactors appear at either of such tests the herd must regain a disease-free status.

[1955 c.714 §9(3); 1957 c.346 §3; 1969 c.182 §5]

621.118 Pasteurization equipment; supervision by licensed pasteurizer operator. (1) Where pasteurization equipment is used by a distributor or producer-distributor, the pasteurization process shall be under the direct supervision of a pasteurizer operator licensed under ORS 621.266, and the provisions of ORS 621.261, 621.266 and 621.276 apply to such pasteurizer operator and the pasteurization process. If the pasteurizer operator fails to comply with the regulations promulgated by the department under ORS 621.261, his license may be revoked or suspended or otherwise limited.

(2) No distributor or producer-distributor shall operate or permit the operation of any pasteurization equipment except under the direct personal supervision of a person licensed as a pasteurizer operator under ORS 621.266.

[1955 c.714 §9(1), (2)]

621.119 Falsely representing milk pasteurized prohibited. No person shall falsely represent by word, design, device or by any other means that any fluid milk has been pasteurized.

[1955 c.714 §9(4)]

621.120 Suspension of grade use privilege. (1) In addition to the powers conferred on the department pursuant to ORS 621.055 to 621.115, the department may suspend the privilege of any person to use a grade designation on containers of fluid milk produced or distributed by him. The power of suspension may be exercised by the department for any violation of ORS 621.055 to 621.120, or of the regulations promulgated under the authority of those sections.

(2) No suspension shall be for a period longer than 10 days; except that in all cases the department shall assure itself that the violation for which the suspension was imposed has been corrected by the person against whom it was imposed before the suspension is lifted.

(3) No suspension shall be imposed unless the department has, within the three months immediately preceding the violation for which the suspension is to be imposed, first notified in writing the person to be suspended that a further violation of the same character will be grounds for suspension by the department. The notice of suspension shall be in writing and shall state length of the suspension and the reason for the suspension.

(4) The provisions of ORS chapter 183 do not apply to suspensions imposed under

authority of this section, however, appeal shall be in the manner provided by ORS 183.480 and 183.500. Nothing in this subsection shall be construed to deprive any person of the right to present any defense he may have to a criminal prosecution instituted for violation of ORS 621.035 to 621.115, nor shall it deprive him of the right to a declaratory judgment in a proper case.
[Amended by 1961 c.425 §14]

621.124 Milk not to be sold if from diseased animals or from animals that have not been tested or retested for brucellosis. (1) As used in this section "test" means a test for brucellosis performed by a veterinarian in a manner approved by the department.

(2) The tests required by this section shall only be made by state, assistant state or deputy state veterinarians employed or appointed by the department, or veterinarians employed by the United States Department of Agriculture.

(3) No person shall sell, offer or expose for sale any fluid milk with knowledge that such milk has been produced from a herd of cows or goats one or more of which are infected with brucellosis at the time the milk was produced, or with knowledge that all animals in such herd have not been tested or retested for brucellosis.
[1957 c.348 §5 (enacted in lieu of ORS 621.125)]

621.125 [Amended by 1955 c.14 §1; repealed by 1957 c.348 §4 (ORS 621.124 enacted in lieu of ORS 621.125)]

DAIRY PRODUCTS PLANTS

621.151 Title of ORS 621.151 to 621.291. ORS 621.151 to 621.291 shall be known and may be cited as the Oregon Dairy Products Plant Act.
[1953 c.686 §30]

621.152 Definitions for ORS 621.151 to 621.291. As used in ORS 621.151 to 621.291, unless the context requires otherwise:

(1) "Contract milk hauler" means a person who, under the terms of a contract or agreement for hire or pay, accepts and transports bulk milk from the premises of milk producers, receiving or transfer stations to milk or other dairy products plants.

(2) "Cream" means that portion of milk which consists of milk fat.

(3) "Dairy products" means butter, all known varieties of cheese, frozen desserts and frozen dessert mixes containing milk, cream or nonfat milk solids; and evaporated, condensed, sterilized, concentrated, powdered, dried or fermented milk, whey, cream or skimmed milk processed for human consumption.

(4) "Dairy products plant" means:

(a) Any establishment in which milk is received, processed or used in manufacturing dairy products for human consumption

(b) Any place or premises in or at which milk is received or collected.

(c) Any contract milk hauler, or person having mobile equipment, including bulk tank truck, used in the transportation of milk or cream.

(d) Any nonprocessing cooperative, corporation, association or person serving as a marketing agent for producers.

(5) "Department" means the State Department of Agriculture.

(6) "Disease-free herd" shall mean a herd of cows or goats which is not an infected herd as defined in this subsection. "Infected herd" shall mean a herd of cows or goats in which a reactor animal has been discovered by any of the tests authorized by law, and which has not regained its disease-free status following such slaughter of reactor animals and retesting of the herd as may be prescribed by the department pursuant to ORS chapter 596 or other applicable law.

(7) "Licensee" means a person licensed to operate a dairy products plant pursuant to the provisions of ORS 621.151 to 621.291.

(8) "Milk" means the lacteal secretion of cows or goats.

(9) "Milk hauler or receiver" means a person who, in the course of his employment, accepts bulk milk or milk products from a producer, milk plant, receiving or transfer station, and transports such commodity to a milk or dairy products plant.

(10) "Pasteurize" means the process established by the department pursuant to ORS 621.261, by which each particle of milk, cream or any dairy product is treated, usually by heat, for the purpose of destroying or rendering harmless bacterial organisms, including pathogenic organisms and viruses.

(11) "Producer" means a person who produces milk to be sold to a dairy products plant.

(12) "Unreasonable amount of sediment" means milk or cream which contains more

FLUID MILK AND CREAM

Definitions

[ED. NOTE: Unless otherwise specified, sections 24-600.5 through 24-679.5 were adopted by the Department of Agriculture January 18, 1960 and filed with the Secretary of State January 19, 1960 as Administrative Order AD 630.]

24-600 [Repealed 1-19-60 by AD 630.]

24-600.5 DEFINITIONS. As used in this order and sections 24-600.5 to 24-678.5, unless the context otherwise requires:

(1) "Distributor" means a person purchasing, only, unpasteurized fluid milk and causing it to be processed, including pasteurization, and bottled for distribution and sale for human consumption.

(2) "Fluid milk" includes milk and any other product made by the addition of any substance to milk or to any milk product which is produced, processed, distributed, sold, offered for sale or exposed for sale for human consumption in liquid form and shall include the fluid milk products for which a standard of identity has been established by the department.

(3) "Milk" means the lacteal secretion of cows and goats.

(4) "Nonprocessing distributor" means a person who sells fluid milk in consumer sized units under his own brand or trade name, which fluid milk has been processed and packaged for such person by a distributor or producer-distributor.

(5) "Person" means and includes any individual, partnership, association or corporation and his or its agents.

(6) "Producer" means a person engaged in the production on a dairy farm of unpasteurized fluid milk, but who does not bottle fluid milk for distribution and sale for human consumption.

(7) "Producer-distributor" means a person producing unpasteurized fluid milk on a dairy farm and bottling such milk, either pasteurized or unpasteurized, on the premises where produced for distribution and sale for human consumption; but a producer-distributor may purchase unpasteurized milk from a producer and distribute such milk after pasteurization.

(8) "Contract milk hauler" means a person who, under the terms of a contract or agreement for hire or pay, accepts and transports bulk milk from the premises of milk producers, receiving or transfer stations to milk or other dairy products plants.

(9) "Milk hauler or receiver" means a person who, in the course of his employment, accepts bulk milk or milk products from a producer, milk plant, receiving or transfer station, and transports such commodity to a milk or dairy products plant.

(10) "Certified laboratory" is an industry or commercial laboratory which has been certified by the department's chief laboratory officer or his official representative for tests specified in these fluid milk regulations and may be limited to a specific test, to a specific method, and to specific products.

Hist: Subsections 8, 9, 10 filed 9-27-71 as AD 951 (18-71)

Standard of Identity

24-602 [Repealed 1-19-60 by AD 630.]

24-602.5 STANDARD OF IDENTITY. The following standards of identity for fluid milk and the products of fluid milk are hereby established:

(1) "RAW MILK" is unpasteurized milk the milkfat content of which is not less than 3.25 percent and the solids-not-fat content is not less than 8.25 percent.

(2) "PASTEURIZED MILK" is milk which has been pasteurized and the milkfat content of which is not less than 3.25 percent and the solids-not-fat content of which is not less than 8.25 percent.

(3) "HOMOGENIZED MILK" is pasteurized milk which has been homogenized, the milkfat content of which is not less than 3.25 percent and the solids-not-fat

least 1.0 percent egg yolk solids, sugars, and flavoring (spices). A maximum of 0.6 percent stabilizer and emulsifiers may be added. [See paragraph (c) of this subsection.]

(c) All eggnogs and eggnog products shall be pasteurized in approved and properly operated equipment so that every particle is heated and continuously held for the following minimum specified times and temperatures:

(A) 155° F. and held at or above this temperature for at least 30 minutes or

(B) 175° F. and held at or above this temperature for at least 30 seconds.

(26) OPTIONAL INGREDIENTS. The following safe and suitable ingredients may be used:

(a) Carriers for vitamins A and D may be added.

(b) Concentrated skim milk, nonfat dry milk, refined lactose, or other milk derived ingredients to increase the nonfat solids content of food may be added; provided, that the ratio of protein to total nonfat solids of the food, and the protein efficiency ratio of all protein present shall not be decreased as a result of adding such ingredients.

(c) When one or more of the optional milk derived ingredients in (b) of this subsection are used, emulsifiers, stabilizers, or both, may be added in an amount not more than 2 percent by weight of the solids in such ingredients. Emulsifiers, stabilizers, and nutritive sweeteners may be added to half and half and to cream products.

(d) Nonfat dry milk solids used in recombined or reconstituted milk or milk products, as defined in subsection (12) of this section, or added to pasteurized fluid milk products to increase the milk-solids-not-fat (S.N.F.) content shall meet the sanitation standards contained in the 1971 edition of the "Recommended Sanitation Ordinance for Condensed or Dry Milk Products Used in Grade A Pasteurized Milk Products".

(e) Food grade acids.

(27) "PROTEIN FORTIFIED" fluid milk products are fluid milk products to which nonfat milk solids or other approved milk derived protein have been added to at least a total of 10 percent milk derived nonfat solids. The ratio of protein to total nonfat solids of the product and the protein efficiency ratio of all protein present, shall not be decreased as a result of adding such ingredients. The phrase "Protein Fortified" preceding the product name, or the phrase "Fortified with Protein" following the name shall be the standardized name.

(28) "ACIDIFIED MILK AND MILK PRODUCTS" are milk and milk products obtained by the addition of food grade acid(s) to pasteurized milk, lowfat milk, skim milk (nonfat milk), resulting in a product acidity of not less than 0.50 percent expressed as lactic acid.

Hist: Filed 7-18-61 as AD 677
Filed 3-20-63 as AD 720
Filed 5-31-63 as AD 723
Filed 6-30-67 as AD 844(16-67)
Effective 6-30-67
Filed 7-1-68 as AD 883(13-68)
Effective 7-1-68
Amended 5-21-69 by AD 899(5-60)
Effective 6-1-69 (Section 30)
Effective 10-1-69
Amended 6-8-70 by AD 921(7-70)
Effective 7-1-70
Amended 9-27-71 by AD 952(19-71)
Effective 1-1-72(Section 30)
Amended 9-5-74 by AD 1044(34-74)
Effective 10-1-74

LABELING, ADVERTISING, AND DISPLAY

24-603.5 LABELING. All final delivery containers used for the sale of fluid milk or any product of fluid milk for which a standard of identity has been established shall be plainly labeled and marked with:

(1) Standard of identity NAME as set forth in OAR 603-24-602.5.

(2) GRADE of the contents.

(3) The word "pasteurized" if the products have been pasteurized or the word "ultra-pasteurized" if they are thermally processed at or above 280° F. for at least 2 seconds. In the standards of identity the words "pasteurized" and "ultra-pasteurized" are interchangeable de-

pending upon heat treatment during processing.

(4) The word "raw" if the contents are raw.

(5) The word "homogenized" if the contents have been homogenized.

(6) The name and post office address including zip code of the distributor, producer-distributor, or nonprocessing distributor. This shall be the legal business name and in the case of a corporation, only by the actual corporate name, which may be preceded or followed by the name of the particular division of corporation. In the case of an individual, partnership, or association, the name under which the business is conducted shall be used.

(7) The phrase "within the limits of good manufacturing practice" refers to a reasonable deviation from the declared standard or label claim.

(8) The quantity of contents shall be declared and only in units of half pint, 10 fl. oz., pint, quart, half gallon, gallon, 2-1/2 gallons, or multiples of gallons. The term "net" or "net contents" are optional; however, qualifying words such as "liquid" and "fluid" are prohibited. For containers less than half pints the quantity declaration shall be expressed in fluid ounces (Fl. oz.). In case of sour cream, cultured sour cream, cultured half and half, yogurt and yogurt products the quantity statement may be in net weight (net wt.), avoirdupois, but only in units of 8, 16, and 32 ounces. Net weight of 16, 32, and for wholesale containers greater than 32 oz., dual quantity statement is required, e.g., net wt., 16 oz. (1 lb.) or net wt. 32 oz. (2 lbs.).

(9) Identity of the milk plant at which the contents are pasteurized and bottled. In case of a nonprocessing distributor a code number assigned by the department may be used in lieu of the name and address of the milk plant at which the milk is pasteurized and bottled.

(10) The label shall show the list of ingredients including the common name of edible stabilizers or emulsifiers if stabilizers or emulsifiers have been added. When modified starch is added as an optional ingredient, the product name on the principal display panel shall be immediately followed by the terms "with starch" or "with starch added". The following product grouping may be listed by their common name:

(a) Skim milk, concentrated skim milk, and nonfat dry milk may be declared as "skim milk".

(b) Milk, concentrated milk, and dried milk may be declared as "milk".

(c) Bacterial cultures may be declared by the word "cultured" followed by the name of the substrate, e.g., "made from cultured skim milk or cultured buttermilk".

(d) Sweetcream buttermilk, concentrated sweetcream buttermilk, and dried sweetcream buttermilk may be declared as "buttermilk".

(e) Cheese whey, concentrated cheese whey, and dried cheese whey may be declared as "whey".

(f) Cream, dried cream, and plastic cream (sometimes known as concentrated milkfat) may be declared as "cream".

(g) Butteroil and anhydrous butterfat may be declared as "butter".

(h) Dried whole eggs, frozen whole eggs, and liquid whole eggs may be declared as "eggs".

(i) Dried egg whites, frozen egg whites, and liquid egg whites may be declared as "egg whites".

(j) Dried egg yolks, frozen egg yolks, and liquid egg yolks may be declared as "egg yolks".

(k) Sugar (sucrose) shall be declared as "sugar", and invert sugar may be declared as "sugar".

(l) Sweeteners derived from corn may be declared as "corn sweeteners".

(11) Labeled grade of milk product shall not be higher than the lowest grade of any one constituent of fluid milk of which it is composed.

(12) The words "selected", "select", "premium", "special", "superior", "better", or similar terms either specifying or implying that the contents of the enclosure are select, selected, or of higher quality than ordinary grade A milk or grade B, as the case may be, shall not be permitted, unless there is prominently displayed in close connection with the above-mentioned terms a qualifying statement subject to approval by the depart-

shown on the No. 2 standard sediment chart disc.

Hist: Amended 9-27-71 by AD 951(18-71)

24-619.5 HOMOGENIZATION TEST STANDARD. Compliance with homogenization standard shall be deemed to be met providing the sample of milk or fluid milk products labeled "homogenized", when examined after 48 hours of quiescent storage, shows no visible cream separation occurs in the milk and the milkfat percentage of the milk in the top 100 ml. of milk in a quart bottle, or of proportionate volumes in containers of other sizes, does not differ by more than 10 percent from the milkfat percentage of the remaining milk as determined after thorough mixing.

Hist: Amended 9-5-74 by AD 1044(34-74)
Effective 10-1-74

24-620 [Repealed 1-19-60 by AD 630.]

24-620.5 PHOSPHATASE TEST STANDARD. The phosphatase test standard shall be deemed to be met providing the sample of milk and milk products labeled "pasteurized" when examined shows a negative reaction as determined by the modified Sanders-Sager Method, contained in the latest edition of "Standard Methods for Examination of Dairy Products" published by American Public Health Association or an equivalent method. Four samples of pasteurized milk and two samples of milk products shall be examined each sampling period.

Hist: Amended 9-5-74 by AD 1044(34-74)
Effective 10-1-74

24-621.5 ABNORMAL MILK STANDARD. Compliance with the abnormal milk standards for retail raw milk and raw milk for pasteurization shall be determined by examination or testing for total somatic cells of at least four samples of milk from each producer or producer-distributor every six-month period. The somatic cell count shall be determined by the Wisconsin mastitis test (W.M.T.), the direct microscopic somatic cell count (D.M.S.C.C.), or any other test giving comparable results and approved by the department.

Hist: Filed 7-1-68 as AD 883(13-68)
Effective 7-1-68
Amended 9-5-74 by AD 1044(34-74)
Effective 10-1-74

24-622 [Repealed 1-19-60 by AD 630.]

24-622.5 SAMPLING PERIOD STANDARD means the examination or testing of at least four samples of milk and milk products during any consecutive six-month period for compliance with the standards set forth in OAR 603-24-614.5 to 24-621.5, inclusive.

Hist: Filed 7-1-68 as AD 883(13-68)
Effective 7-1-68
Amended 9-5-74 by AD 1044(34-74)
Effective 10-1-74

24-623.5 ACCEPTABLE QUALITY OF FLUID MILK. "Acceptable quality of fluid milk" is that which is free of objectionable flavors and odors and is normal in appearance. Flavors and odors, including those of obnoxious weeds which are not removed by plant processing, are objectionable for grade A use, but slight or moderate feed flavors and odors which are normally removed during the processing are not objectionable. The blend temperature of the milk in farm tank shall not rise above 50° F. at any time during the second or subsequent milkings.

Hist: Filed 9-27-71 as AD 951(18-71)
Amended 9-5-74 by AD 1044(34-74)
Effective 10-1-74

24-624 [Repealed 1-19-60 by AD 630.]

24-624.5 INSPECTION STANDARD means the sanitary inspection of each

licensed producer dairy at least once and each distributor and producer-distributor at least twice every six months period for compliance with the sanitary regulations established for the various grades of milk as contained herein.

24-626 [Repealed 1-19-60 by AD 630.]

24-626.5 OTHER METHODS OF TESTING. Nothing contained in 24-614.5 to 24-621.5 shall be construed as preventing the use of any other method of examining or testing milk and milk products for compliance with the standards contained in these sections which have been demonstrated to be accurate and are approved by the department.

Hist: Filed 7-1-68 as AD 883(13-68)
Effective 7-1-68

PROCEDURES FOR THE EXAMINATION AND TESTING OF MILK AND MILK PRODUCTS; ENFORCEMENT

24-630 [Repealed 1-19-60 by AD 630.]

24-630.5 THE COLLECTION, TRANSPORTATION, AND ANALYSES OF MILK SAMPLES. Sampling, bacterial plate counts, coliform counts, temperature tests, phosphatase tests, sediment tests, and other laboratory tests used in the examination of milk and milk products to determine standards of quality shall conform to the procedures as contained in the thirteenth edition of "Standard Methods for the Examination of Dairy Products" published in 1972 by the American Public Health Association or to any other method approved by the department. Such examination may include such other chemical and physical analyses as the department may deem necessary.

Hist: Filed 7-1-68 as AD 883(13-68)
Effective 7-1-68
Amended 9-5-74 by AD 1044(34-74)
Effective 10-1-74

24-631.5 STANDARDS FOR LICENSED MILK SAMPLERS. Tank truck drivers and milk plant personnel licensed to officially sample milk for bacterial analysis from farm bulk milk tanks or producer containers at receiving plants shall use the following equipment and sampling procedures:

(1) Milk Sampling: Equipment.

(a) Devices used for taking samples of milk shall be one of the following as designated by the department:

(A) Metal pipette constructed of stainless steel or aluminum seamless tube 18 to 24 inches long and having a diameter of not less than 1/4 inch or more than 1/2 inch.

(B) Metal dipper made of stainless steel or its equivalent, smooth joints, with at least a 12-inch handle and having a capacity of not less than 10 milliliters.

(C) Single-service approved type paper pipette 18 to 24 inches in length with a diameter not less than 1/4 inch.

(D) Vacuum sampling tube of a type approved by the department having a capacity of not less than 5 milliliters.

(E) Clean sterile metal or single-service pipettes shall be individually wrapped or carried in a clean dust-tight case or cylinder. Where sampling dipper is used, truck sampling or pump compartment shall be provided with a metal cylinder for storage of dipper in a chlorine sanitizing solution of not less than 200 PPM between samplings.

(F) Sample bottle where used shall be clean and sterile. Bottle shall have a capacity of not less than 2 oz. and be of a wide mouth design at least equivalent to a french square style bottle with metal or plastic screw cap with approved type liner. Pre-sterile plastic bag may be approved as an alternate sample container.

(G) Sample case or compartment.

(i) Tank trucks used in taking delivery of milk from farm bulk milk holding tanks shall be equipped with a metal or plastic dust-tight compartment for storing sample bottles. The compartment shall be so constructed that samples can be iced or temperature otherwise controlled so as to not exceed 40° F. while

shall not prevent the initiation of other enforcement actions as are available.

Hist: Filed 7-1-68 as AD 883(13-68)
Effective 7-1-68
Amended 9-5-74 by AD 1044(34-74)
Effective 10-1-74

24-641.5 GRADING. (1) Each shipment or pick-up of grade A fluid milk shall be graded as to its acceptable quality by a licensed grader. If it is not acceptable and is rejected as unfit for grade A use, a record (forms supplied by the department) is to be made showing:
(a) Producer's name and number
(b) Market or pooling agent
(c) Date and time
(d) Quantity
(e) Cause for rejection
(f) Disposition of the rejected milk.
(2) The original copy of the record is to be forwarded to the department, Dairy and Consumer Services Division, not later than seven days following the rejection.

Hist: Filed 9-27-71 as AD 951(18-71)
Amended 9-5-74 by AD 1044(34-74)
Effective 10-1-74

24-642.5 TESTS AND ANALYSES. In addition to official laboratory results, certified laboratories using recognized standard methods may perform tests and analyses for standard plate count, coliform count, phosphatase, growth inhibitors (antibiotics), added water (cryoscope), abnormal milk, and potable water for which they are certified and such results may be acceptable as official. Tests and analyses of finished products performed by the processor of that product are not acceptable as official, unless approved by the department.

Hist: Filed 9-27-71 as AD 951 (18-71)

PRODUCER AND PRODUCER-DISTRIBUTOR REQUIREMENTS

24-650 [Repealed 1-19-60 by AD 630.]

24-650.5 [Repealed 9-5-74 by AD 1044 (34-74).]

24-650.6 RAW MILK AND CREAM STANDARDS. The following standards for raw milk and cream are hereby established:
(1) "GRADE A RAW MILK" is fluid milk bottled on a dairy farm where produced by a disease-free herd, which is in conformance with all the items of sanitation specified in OAR 603-24-656.01 to 24-656.22, and the examination and tests of which, as determined in accordance with OAR 603-24-614.2 to 24-640.5, for each sampling period reveal that the bacteria count does not exceed 20,000 per milliliter, the temperature does not exceed the average of 45° F., the sediment content is not in excess of a No. 2 sediment test, and the somatic cell count does not exceed the limit (See OAR 603-24-639.5), and the bacterial inhibitor test is negative.
(2) "GRADE A RAW CREAM" is cream which conforms to all the requirements of grade A raw milk, as defined in subsection (1) of this section, except that the somatic cell count is not applicable.
(3) "GRADE A RAW MILK FOR PASTEURIZATION" is fluid milk produced by a disease-free herd on a dairy farm in conformance with all the items of sanitation specified in OAR 603-24-656.01 to 24-656.21, except the provisions of OAR 603-24-656.22 (Bottling and Capping) and such portions of other items or sections as are herein indicated, when delivered to the milk plant, and the examination and tests of which, as determined in accordance with OAR 603-24-614.2 to 24-640.5, for each sampling period reveal that the bacteria count does not exceed 80,000 per milliliter, the temperature does not exceed the average of 45° F. nor the blend temperature of milk in a farm tank does not exceed 50° F. at any time during the second or subsequent milkings, and the sediment content is not in excess of a No. 2 sediment test. Provided further, that the milk is defined as acceptable quality under OAR 603-24-623.5, and the bacteria inhibitor test is negative.

Hist: Filed 9-5-74 as AD 1044(34-74) Effective 10-1-74

24-652 [Repealed 1-19-60 by AD 630.]

24-652.5 [Repealed 9-5-74 by AD 1044 (34-74).]

24-654 [Repealed 1-19-60 by AD 630.]

24-654.5 [Repealed 9-5-74 by AD 1044 (34-74).]

Producer Regulations

24-656 [Repealed 1-19-60 by AD 630.]

[ED. NOTE: Unless otherwise specified sections 24-656.01 to 24-656.22 were adopted by the Department of Agriculture June 27, 1968 and filed with the Secretary of State July 1, 1968 as AD 883 (13-68). Effective July 1, 1968. Repeals AD 676.]

24-656.01 HEALTH OF COWS AND ABNORMAL MILK. (1) All herds of cows producing milk for human consumption as defined in OAR 603-24-600.5 and for which a standard of identity has been established in OAR 603-24-602.5 shall be in compliance with the laws of the state of Oregon and regulations promulgated thereunder relating to tuberculosis and brucellosis.

(2) No person shall sell, offer or expose for sale any milk with knowledge that such milk has been produced from a herd of cows or goats one or more of which are infected with brucellosis or tuberculosis at the time the milk was produced, or with knowledge that all animals in such herd have not been tested or retested for brucellosis or tuberculosis.

(3) Brucellosis:

(a) Raw milk producer-distributor herds must be officially blood tested at least once every six months. In cases of dairy cattle, three brucellosis ring tests (BRT) at approximately equal intervals on commingled milk may be substituted only for every other routine six-month blood test. All herds with suspicious BRT results must be officially blood tested within twenty-one days. Where not more than one reactor (from official blood test) appears, raw milk may continue to be bottled and sold if animal is removed for slaughter and herd retested twice at thirty to sixty-day intervals and no reactor appears. If one or more reactors appear at either of such tests, no more raw milk may be sold for human consumption until the herd regains a disease-free status by following the retest schedule as shown in subparagraph (D) of paragraph (b) of this subsection.

(b) Herds producing raw milk for pasteurization:

(A) Herds must be officially milk ring tested at least three times per year.

(B) All dairy herds and all eligible cattle in such herd or herds showing a suspicious reaction to the brucellosis ring test (BRT) shall be tested by the official blood test within 21 days from the time the results of the BRT test are forwarded by the department to the owner of such herd or herds.

(C) Reactors to an official blood test in a dairy herd must be removed from the milking herd and all the remaining animals shall be officially blood tested at 30 to 60-day intervals until two successive clean blood tests are obtained, followed by a third blood retest not less than 2 months nor more than 4 months from the date of the second clean 30 to 60-day retest. The first retest shall not be made less than 30 days after removal of the reactor animal or animals. Until the third successive clean retest has been completed, the department shall not again declare the herd to be brucellosis-free or consider removing the herd from quarantine.

(D) Out-of-state producers in a certified brucellosis-free area as determined by USDA-State Cooperative program are deemed to be in compliance with the Oregon brucellosis test requirements.

(4) Tuberculosis:

(a) Raw milk producer-distributor herds:

(A) Herds must be tested at least once every twelve months.

(B) Raw milk for human consumption cannot be bottled and sold from infected herds until a tuberculosis disease-free status is regained as outlined in subparagraph (B) of paragraph (b) of this section.

(b) Raw milk for pasteurization:

(A) All animals over two years of age must be tested at least once every six years.

(B) If a tuberculosis reactor animal is found in a dairy herd as a result of the test, the entire herd shall be placed under quarantine and all cattle in the herd must be retested in not less than 60 or more than 90 days from the date of removal of reactors. If this test shows no reactors, the herd may then be released from quarantine. If a reactor is found on any retest, the herd shall be retested in the same manner as provided in case reactors are found on an original test. If no tuberculosis lesions are found on the slaughtered reactor animals, the herd thereafter needs only one clean test for release from quarantine. Dairy herds must be tested within 21 days following the time that the owner is notified of the infection. Retesting shall be carried out as required above.

(C) Out-of-state producers in a modified accredited tuberculosis-free area as determined by United States Department of Agriculture-State Cooperative program are deemed to be in compliance with Oregon tuberculosis test requirements.

(5) Cows which show an extensive induration of one or more quarters of the udder upon physical examination and/or secreting abnormal milk shall be temporarily excluded from the milking herd. Cows giving bloody, stringy, or abnormal milk shall be excluded from the herd until re-examination shall show that the milk has become normal.

(6) Milk from quarters of cow's udder treated with antibiotics for udder infection shall not be sold for human consumption for a minimum of 72 hours after the last treatment or withheld according to manufacturer's recommendation.

(7) For other diseases such tests and examinations as the department may require after consultation with the State Veterinarian shall be made at intervals and according to methods prescribed by him, and any diseased animals or reactors shall be disposed of as he may require.

(8) Most recent brucellosis blood test and tuberculosis test certificates or copies thereof, shall be posted in milk house or placed on file in office of the milk inspection service.

Hist: Amended 9-5-74 by AD 1044(34-74) Effective 10-1-74

Milking barn, stable, or parlor - construction

24-656.02 CONSTRUCTION AND MAINTENANCE OF MILKING BARN, STABLE, OR PARLOR. A milking barn, stable, or parlor shall be provided on all dairy farms, in which the milking herd shall be housed during the milking time operations, and constructed and maintained in accordance with the following:

(1) Gutters, floors, and feed troughs shall be constructed of good quality concrete or equally impervious material. Floors shall be easily cleaned (brushed surfaces permitted) and shall be graded to drain and maintained in good repair and free of excessive breaks or work areas that may create pools. Water under pressure shall be plumbed to the milking stable and be available for washing floors.

(2) Walls and ceilings shall be finished with smooth surfaced wood, tile, smooth surfaced concrete, cement plaster, brick, or other equivalent materials with light colored surfaces. Walls may be painted a darker color up to 60 inches in height from the floor. Walls, partitions, doors, shelves, windows, and ceilings shall be kept in good repair; and surfaces shall be refinished whenever wear or discoloration is evident. A curb at least 12 inches in height shall be required in all new

containers, equipment, and utensils by insects and rodents and by chemicals used to control such vermin.

(5) Pesticides approved by the department shall be used in accordance with manufacturer's direction and shall be used so as to prevent t' 'amination of milk, milk contain ment, utensils, feed, and water

24-656.22 BOTTLING AND CAPPING. (1) Raw fluid milk and milk products shall be bottled on the dairy farm where produced by means of an approved bottling machine equipped with a cover and readily cleanable, automatic filler valves. Filler valves shall be equipped with an apron or other approved device to prevent water or condensation from gaining entrance to the final delivery container during filling process. Where automatically operated bottler is used the infeed conveyor from the bottle washer to the filler shall be equipped with an over-head shield. Bottles shall be capped with a mechanical capper which is an integral part of the bottling machine. Hand capping is prohibited. Caps and single service containers shall be purchased in sanitary containers and stored in a clean dry place.

(2) The cap or cover shall protect the pouring lip to at least the largest diameter.

(3) Final delivery containers shall be washed and subjected to an approved bactericidal treatment to reduce bacterial count to less than one per milliliter of capacity and stored in a room where used in an inverted position at a sufficient height above the floor to prevent contamination of containers.

(4) Filling, capping, and labeling of raw fluid milk final delivery containers shall be done by the licensee or under his direct supervision.

Grade B Raw Milk and Cream

24-658 [Repealed 1-19-60 by AD 630.]

24-658.5 GRADE B RAW MILK AND GRADE B RAW CREAM are fluid milk and cream which conform to all the requirements of Grade A Raw Milk and Grade A Raw Cream as found in 24-650.5 and 24-652.5, and which conform to all the sanitation requirements contained in 24-656.01 to 24-656.22 except:

(1) Milking Stable. The floors may be of tongue and groove wood construction but must be smooth, tight, kept clean and in good repair.

(2) Milkhouse. The milkhouse may consist of one room which may open directly into milk stable if cows are not housed therein between milking periods and no roughages are fed in the stable. The milk house shall be equipped with at least a two-compartment wash sink.

(3) Bottling and Capping. Final delivery containers must be filled by an approved mechanical method. A hand operated filling valve may be used if it is equipped with a condensation diverting apron. Final delivery containers may be manually capped if a sanitary parchment covering is placed underneath a plug or disc-type cap. The parchment or similar water-impervious material shall be of sufficient size to extend over the edge of the pouring lip of the final delivery container.

Hist: Filed 5-18-61 as AD 656
Amended by AD 676, filed 7-18-61
Filed 7-1-68 as AD 883 (13-68)
Effective 7-1-68

24-660 [Repealed 1-19-60 by AD 630.]

24-660.5 GRADE B RAW MILK FOR PASTEURIZATION is fluid milk which conforms to all the requirements of Grade A Raw Milk for Pasteurization as found in 24-654.5 and all the sanitation requirements contained in 24-656.01 to 24-656.26 except:

(1) Milking Stable. The floors may be of tongue and groove wood construction but shall be smooth, tight, kept clean and in good repair.

(2) Milkhouse. Floors and walls may be of tongue and groove wood construction, but shall be smooth, tight, kept clean and

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill 416
Title Relating to the Sale of Unpasteurized Milk
Requested by Representative Carney Date 4/15/80

II. FISCAL DETAIL
Agency Affected Department of Natural Resources
Program Category Affected NRMEC
BRU, Program, or Subprogram(s) Affected Agricultural Inspection
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	0	307.9	338.7	372.7	409.7	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	8	8	8	8	8	
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See Attachment.

IV. DATE 4/15/80 PREPARED BY [signature]
AGENCY Division of Agriculture
PHONE 745-3236

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (Hon. Legislator Named)

33 001 (Rev 12/79)

From: Dick

FISCAL REPORT ON THE PROPOSED HOUSE BILL NO. 416

a)	Requirement for six field men - Grade 14	
	1 - Stationed - Fairbanks	$25,692.00
	1 - Stationed - Glenallen	$25,692.00
	2 - Stationed - Kenai	$47,664.00
	2 - Stationed - Palmer	$42,552.00
		$141,600.00
b)	One Clerk Typist coordinating results and paperwork - Grade 7	$13,348.00
c)	One Dairy Microbiologist - Grade 14	$21,276.00
		$36,624.00
	TOTAL SALARIES	$175,224.00
d)	State Benefits @ 30%	$53,467.00
e)	Transportation - car rental and mileage	$32,400.00
f)	Office space @ $2 per sq. ft.	$28,200.00
g)	Miscellaneous equipment and costs	$5,000.00
h)	Contractual animal health testing	$10,000.00
		$129,067.00
	Inflation @ 10% per year	$30,289.00
	TOTAL ESTIMATED COST PER YEAR	$334,580.00

HB

516

(9)

COMMITTEE REPORT

HOUSE

2/6/80

FURTHER: FINANCE

Date: 3/6/80

Mr. Speaker:

The Committee on RESOURCES has had SSHB516

"An Act establishing the office of fisheries development."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[✓] replace with CS for [✓] same title [ ] new title

and recommends

[ ] AND attaches a "Lette of Intent" [✓] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

AGO 125389

2/26/80 - Hearing. Tabled with intention of drafting up a "purpose" clause to add to bill

3/6/80 - Hearing. Reported out as CS SS HB516

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
SSHB 516	2/21	In person	Dr. Frank Orth	2/26
	2/22	3789	Rep. Jack Fuller	2/26
	2/22	4100	Fish & Game Dept.	2/26
	2/22	2500	Commerce - Commissioner Webber	2/26
	2/26	3502	Governor's Bottomfish Coordinator's office Jim Edenso, Mia Spear	2/26
	2/26	3502	Keith Spalding, Gov.'s spec. assistant	2/26
			Fish & Game	3/6
			Commerce - Fred Muller	3/6
			Mia Spear - Bottomfish office	3/6

Structure of Fisheries Development Office
Proposed in SSHB516

1. The office will be composed of seven (7) staff members:

   Program Director
   (3) Development Specialists (Fisheries)
   Marketing/product Development Specialist
   Management Assistant
   Research Analyst

   Support will be provided by the equivalant of one full-time typist.

2. The office will encompass:

   a. Functions assigned to the bottomfish coordinator (special assistant) and research analyst presently operating in the Office of the Governor.

   b. Fisheries development, assistance and support activities of two existing development specialists in the Division of Economic Enterprise.

   c. Four new staff positions will provide better ability to handle marketing and product development issues, to more efficiently acquire, organize and distribute data and information to the public and generally to perform the lead/coordinating role defined in the legislation.

3. The Department of Commerce and Economic Development is presently assessing the organizational structure and operating procedures of the Division of Economic Enterprise. Specifically, how the fisheries development office will be organized within the department or where it will be physically located has not yet been determined. The function of the office is viewed as extremely important and it will be organized in such a manner so as to be as visible and effective as possible. Possible alternatives range from the creation of a new division to the formation of a special unit within the Division of Economic Enterprise.

4. To compliment the creation of an office of fisheries development, two additional administrative actions will be encouraged:

   The first is to establish a process to achieve routine public and industry involvement in the shaping of State policies and programs related to fisheries resource/industry development and to provide an opportunity for the monitoring and review of the fisheries development office activities. Active public involvement is also an integral part of the bottomfish development plan.

The second is to encourage the establishment of clear and specific working policies and operating guidelines for every unit of State government whose activities affect commercial interests of the fishing industry. It is felt that the goals of the administration fo. fisheries resource/industry development clearly communicated to each agency would provide an important influence.

RR/kkk3/3

Personnel Services*		Amount
Program Director		$ 57,746
Development Specialist III (C&ED - Range 20)		55,809
Development Specialist III (C&ED - Range 20)		45,723
Development Specialist III (New - Range 20)		44,146
Research Analyst II (Governor's Office - Range 16)		36,066
Marketing/Product Development Specialist (New - Range 20)		44,146
Management Analyst II (New - Range 16)		33,798
Typist (New - Range 8)		20,511
	ST	$337,945

Travel		
Operation of Policy Group - Bottomfish Plan Development/Monitoring (3 meetings) of 15 people - 45 trips @ $250 each and 90 days PD @ $60)		26,650
Staff Travel: 50 trips @ $250 and 100 days PD at $60, 15 trips @ $500 and 60 days PD @ $50, 2 trips @ $900 and 28 days PD @ $100		33,600
	ST	$ 60,250

Contractual		
Phone (7 people x $1,500)	$	10,500
Postage (7 people x $600)		4,200
Printing (2 annual reports & 30 pubs. x 200 pages x 500 copies, plus 10%)		84,000
Space Expense (150 sq. ft. x 7 people x $15/sq. ft.)		15,750
Studies Mandated in SSHB 516		
1. Types of Private Investment (½ in 1981, ½ in 1982)	$	85,000
2. Types of Organizations (½ in 1981, ½ 1982)		15,000
3. Organizational Assistance (½ in 1981, ½ 1982)		45,000
4. Economic Incentives (½ in 1981, ½ in 1982)		25,000
Bottomfish projects submitted in Governor's Budget, plus $200,000 contingency		2,525,500
Pink Salmon Marketing Project Submitted in C&ED Budget		40,000
	ST	$2,849,950

*Personnel burden calculated, H.I. $127/employee, FICA .0665 x gross ($1,975 max.), variable .1529 x gross

Commodities		Amount
General Office (7 people x $500)		$ 3,500
		$ 3,500
Equipment		
Office Equipment (7 people x $1,500)		$ 10,500
		$ 10,500
	TOTAL	$3,262,145

Amount contained in Governor's Budget Encompassing State Bottomfisheries Program (FY '81)	$2,741,200
Amount Contained in Governor's Budget Encompassing Present Fisheries Development Activities of the Department of Commerce and Economic Development	136,100
Total Amount Currently Budgeted by Governor for Activities to be Consolidated	$2,877,300
Amount Presently Unbudgeted and Judged to be Required for Operation of Office	$3,262,145 -2,877,300 $ 384,845

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SSHB 516
Title Office of Fisheries Development
Requested by Osterback Date 2/8/80

II. FISCAL DETAIL
Agency Affected Department of Commerce & Economic Development
Program Category Affected Development
BRU, Program, or Subprogram(s) Affected Commissioner's Office, Div. of Economic Enterprise
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES		151.7	166.9	183.6	202.0	222.2
200	TRAVEL		27.8	34.8	43.4	54.3	67.9
300	CONTRACTUAL		197.3	217.0	130.0	143.0	157.3
400	COMMODITIES		1.9	2.1	2.3	2.5	2.8
500	EQUIPMENT		6.2	.5	.6	.6	.7
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		384.9	421.3	359.9	402.4	450.9

FUNDING (Thousands of Dollars)

GENERAL FUND		384.9	421.3	359.9	402.4	450.9
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		4	4	4	4	4
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The budget represents amounts required for operations of office over and above amounts contained in Governor's FY 81 budget submission covering existing functions to be incorporated (Bottomfisheries program - $2,741,200; Division of Economic Enterprise - $136,083).

Annual budget change generally assumes a 10 percent increase per year in all catagories except travel which is estimated to increase 25 percent per year.

IV. DATE 3/4/80 PREPARED BY Richard E. Reynolds
AGENCY Division of Economic Enterprise
PHONE 465-2018

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

Draft

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSSHB 516
Title Office of Fisheries Development
Requested by Osterback Date 2/8/80

II. FISCAL DETAIL
Agency Affected Department of Commerce & Economic Development
Program Category Affected Development
BRU, Program, or Subprogram(s) Affected Division of Economic Enterprise
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		82.9	91.2	100.3		
200 TRAVEL		18.8	23.4	29.3		
300 CONTRACTUAL		259.0	284.9	139.0		
400 COMMODITIES		1.0	1.1	1.2		
500 EQUIPMENT		3.0	3.3	3.6		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		364.7	403.9	273.4		

FUNDING (Thousands of Dollars)

GENERAL FUND		364.7	403.9	273.4		
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3	3	3		
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This budget excludes previously submitted bottomfish funding required in the Governor's budget. Annual budget change assumes a 10 percent increase per year in all categories except travel which is estimated to increase 25 percent per year.

Revised fiscal note prepared 3-4-80

IV. DATE 2/26/80 PREPARED BY Richard E. Reynolds
AGENCY Division of Economic Enterprise
PHONE 2018

Original Legislative Finance
cc Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

IN THE HOUSE BY OSTERBACK AND FULLER

CS for SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 516

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act establishing the office of fisheries development."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*Section 1. AS 44.33 is amended by adding new sections to read:

ARTICLE 11. OFFICE OF FISHERIES DEVELOPMENT.

Sec. 44.33.502. OFFICE OF FISHERIES DEVELOPMENT. There is established in the Department of Commerce and Economic Development the office of fisheries development.

Sec. 44.33.504. COORDINATION OF STUDIES AND DEVELOPMENT ACTIVITIES:

(a) This office shall be the lead agency in state government for fisheries development. The office shall coordinate all fisheries development-related studies, recommendations, proposals and activities made or conducted by the departments and agencies of the state. As far as practicable, the office shall coordinate the fisheries development-related studies, recommendation, and proposals made in this state with similar activites in other states.

(b) The office shall make suggestions to departments and agencies of the state with respect to appropriate activities which would further the development of the state's fisheries.

Sec. 44.33.506. COMPREHENSIVE BOTTOMFISH PLAN. The office of fisheries development shall establish a comprehensive bottomfish development plan which shall include detailed project schedules and budgets, and a method for monitoring the performance of bottomfish projects included in the plan. The office shall determine and emphasize in the bottomfish plan those projects which most compliment the needs of private sector fishery entities, especially industry-wide activities like AFDF. The office shall amend the plan as necessary.

Sec. 44.33.508. ANNUAL REPORT. The office shall prepare an annual report. The report shall include a summary of fisheries development activities in the state, a description of the actions taken by the office to coordinate fisheries development activities, a summary of the plan esteblished under AS 44.33.506, and suggestions for the more efficient development of the fisheries of the state. The office shall distribute copies of the report to the governor and commissioners of Community & Regional Affairs, Fish & Game, Revenue, Labor, Transportation/Public Facilities, and to each legislator.

Sec. 44.33.510. DEFINITION. For the purposes of AS 44.33.502 44.33.510 (1) "office" means the office of fisheries development. (2) "Fisheries Development" means commerce, taxation, finance, marketing, economics, and business aspects of fisheries.

*Section 2. (a) The office of fisheries development established in AS 44.-33.502., enacted by section 1 of this Act, shall conduct studies to identify:

(1) types of private investment in the Alaska fisheries industry which are most likely to occur before January 1, 1990;

(2) types of organizations for the harvesting, processing, and marketing of bottomfish species which are consistent with market conditions and conductive to participation by Alaska residents;

(3) methods for the state to assist residents with the formation of the organizations determined under (2) of this subsection, including enabling legislation, organizational grants, educational assistance, and direct organizational and technical assistance; and

(4) economic incentives and other means to encourage development of the fish and shellfish industry in a manner consistent with market conditions and beneficial to the Alaska economy and to Alaska residents.

(b) The office shall prepare a report summarizing the findings of the studies required by this section and shall distribute copies of the report to the governor and the legislature by February 1, 1982 and annually thereafter.

Proposed Ammendment To
CS SS HB 516

from B. Mule

Sec. 44.33.503 INTENT

It is the intent of the legislature that:

(a) the State encourage, and provide for, greater development and eventual maximization of Alaskan fisheries, consistent with public interest;

(b) the State do everything in its power to assure development and utilization of Alaskan fisheries by residents of the State. alleviating the effects of apparent ownership or control of major segments of the fishing industry by non-resident interests;

(c) the State combine the various government agencies dealing with fisheries development into a single, effective agency so that benefits of this developing industry accrue to Alaskans and the effort of the State is not fragmented.

Alaska State Legislature

REPRESENTATIVE
ALVIN OSTERBACK
BOX 71
SAND POINT, ALASKA 99661
(907) 383-2383

CO-CHAIRMAN
HOUSE RESOURCES COMMITTEE

WHILE IN JUNEAU
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465-3781

House of Representatives

DISTRICT 18

ADAK
AKNIOK
ARUTAN
ATKA
BELKOFSKI
CHIGNIK
CHIGNIK LAGOON
CHIGNIK LAKE
COLD BAY
FALSE PASS
IVANOF BAY
KARLUK
KING COVE
LARSEN BAY
NELSON LAGOON
NIKOLSKI
OLD HARBOR
PERRYVILLE
PORT LIONS
SAND POINT
SQUAW HARBOR
ST GEORGE
ST PAUL
UGANIK BAY
UNALASKA

MEMORANDUM

DATE: February 20, 1980

TO: Terry Gardiner, Speaker
House of Representatives

FROM: Representative Alvin Osterback al Osterback

This is to request travel and two days per diem for Dr. Frank Orth of Belluvue, Washington to attend a House Resources hearing on February 26. On that day we plan to have a hearing on SSHB 516 and HB 697 which resulted from the conclusions of the 1980 Interim Bottomfish report. As Dr. Orth was instrumental in the drafting of these bills it would be most helpful to have him at the hearing. Please make arrangements for the travel and per diem.

Thank you.

Address:

Frank Orth and Associates
225 108th Avenue, North East
Suite 311
Belluvue, WA 98004

Phone 206-455-3507

M E M O R A N D U M

To: House Resources Committee

From: John Sund, A.A. Rep. Gardiner

Date: February 27, 1980

Re: HB 516

It is my understanding that during the committee's consideration of HB 516 on February 26, a memorandum consisting of two pages titled "Fisheries Legislation Analysis" with my name penned in as the author was circulated to the committee.

I wish to clarify several things regarding that memorandum. The memorandum consists of eight pages only of which the first two pages were given to the committee. Secondly, the memorandum was prepared by Mr. Wally Miller at the request of Representative Gardiner when Mr. Miller was a consultant to the Aquaculture Policy Study Committee. I have enclosed a copy of the entire memorandum for the committee's review as it was given to the staff of the House Resources Committee.

The basic thrust of the memorandum states that if the state if going to address the issue of a comprehensive fishery development approach, it should do so in an organized and comprehensive manner. The portions of the memorandum that were not distributed to the committee lay out basic areas that should be addressed and some basic elements to the plan that should be included.

A second memorandum which was not distributed to the staff of the House Resources Committee is also attached for your review. Although the first portion of the memorandum deals with discussion of discounting techniques as that applies to resource evaluation may not be of interest to the committee members, the latter portion of the memo deals with the establishment of the lead agency concept for developing programs which involve more than one state department. The proposed legislation which is attached to the memo is a copy of the Washington State lead agency statutes.

Since the proposed bill HB 516 uses the words "lead agency" in its draft it is perhaps appropriate for the committee to address the concept of how lead agencies operate in other states.

I apologize for the confusion this may have created with the committee, but I felt an obligation to provide the committee members an opportunity to be cognizant of the entire memorandum on this subject.

MEMORANDUM

February 4, 1980

TO: Members of the Aquaculture Policy Study Committee

FROM: Wallace G. Miller WGM

SUBJECT: Additional Comments - Final Report

I have been requested to elaborate upon two items contained in the final report. The first item has to do with why we did not explicitly recommend the use of discounting revenues and costs in the Return on Investment and Cost Benefit Analysis Models. The second is a request for additional information about the duties and responsibilities associated with the designation of a lead agency.

With regard to the use of discounting the current practice of most economists is to discount future revenues and costs in order to: (1) express future revenues and costs in terms of today's dollars and; (2) to provide a means for evening out differing peaks and valleys in cost and revenue streams.

In our report we gave considerable thought to the effect that discounting could have on the aquaculture project selection process. We recommended that discounting not be used unless it could be assured that it would not create a bias toward selecting short-term projects over long-term projects. We also recommend that the economic analysis be conducted using constant dollars (i.e., 1979) and current dollars (reflecting future estimates of costs and prices) in order to take into account possible economic changes in the fishery.

The following table shows a discount rate of 15% for a 10 year period.

Year	Discount Factor*
1	.850
2	.723
3	.614
4	.522
5	.444
6	.377
7	.321
8	.273
9	.232
10	.197

* Slight error due to rounding.

As the table would indicate, a dollar of revenue obtained in year one would be roughly twice as valuable as a dollar obtained in year five and over four times as valuable as a dollar of revenue obtained in year ten. Fisheries resource development is a long-term proposition. An over emphasis on short-term rewards through the application of discounting could introduce a bias in the project selection process.

This problem with discounting has been recognized by other economists dealing with fisheries development projects.

The Food and Agriculture Organization of the United Nations and FAO Fisheries Technical Paper 149 entitled, Manual on the Identification and Preparation of Fishery Investment Projects makes the following comments regarding discounting. (pages 6-7) "...the present value of relatively longer-term (fisheries) benefits is very low. It must be said, because it has been all too often the basis of private decision-making, that in principle, and at high discount rates, larger immediate benefits can have a greater present value than a smaller stream of benefits continuing in perpetuity."

"The flaw in this argument is that the use of discounting methods expresses the present worth of a project to present people in a specified economic environment. It says nothing about the worth, or otherwise, of a present project to future people, whose calculus with respect to such a project would be quite different. It may reasonably be argued from the theory of Consumers Surplus that future generations would prefer some fish to no fish at all, and at the expense...of the present generation."

Notwithstanding this very valid concern about the bias which discounting could introduce in the project evaluation process, the author of the FAO report goes on to endorse the discounting procedure without recommending any satisfactory method to counteract the bias.

The author also states that, "The simple Rate of Return may be used because os its ease of calculation as a preliminary indication of particular use to the analyst at the (project) identification stage."

In summary, we have stopped short of recommending the use of a particular discounting technique because we see no way of counteracting the short-term bias which could be introduced by this procedure particularly in the species selected for aquaculture projects (i.e., pinks over coho because of the earlier return) as well as in the type of aquaculture project to be undertaken.

Finally, and perhaps most importantly the role of economic analysis needs to be placed in perspective along with other factors which much be considered in evaluating an aquaculture project. According to Gordon Campleman, author of FAO Fisheries Technical Paper 149, "This is to say that the purpose of project appraisal (economic analysis) is less to establish a uniquely probable rate of return on the capital involved than to reveal the financial and economic "bones" of a project and to establish its ranking among other competing possible projects in the economy at large, similarly measured.* In the final analysis, the appraisal specialist cannot assume the role, of the investor. Even where none of the figures and computations are disputed, final acceptance or rejection of a project depends, in large part, upon the feel of the investor or financing institution for the degree of risk involved, their evaluation of non-quantifiable social effects, political factors, etc."

With regard to the request for additional information regarding the duties and responsibilities of a lead agency designation, I have attached a copy of a section of Washington Administrative Code WAC 197-10-200 through WAC 197-10-260 which deals with the application of the lead agency concept as it is used in the implementation of the State Environmental Policy Act.

This application of the lead agency concept is a general model which allows for different state or different local government agencies to assume lead agency responsibility for making threshhold determinations of environmental impact and for preparing environmental impact statements.

The use of the lead agency is a relatively new concept in governmental organization. It serves a critically important role which is often overlooked or neglected by traditional government bureaucratic organizations. For example, Alaskan fisheries issues cut across federal agencies (NMFS, NPFMC) state agencies (ADF & G, C & ED, DE to name but a few. Without a formalized lead agency system in place, coordination and communication among the bureaucratic entities becomes hapenstance, if indeed they occur.

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* Emphasis supplied by underlining.

If a lead agency system were implemented for Alaskan fisheries the roles and responsibilities, where they are currently, clearly definable can be specified in the system. As new issues arise which have not been previously defined and assigned to a lead agency, the lead agency system has provisions for the assignment of this new responsibility. In essence the use lead agency concept is designed to overcome the two most often voiced complaints about bureaucratic organization. These are: bureaucratic statement, "That's not my responsibility," and the equally bureaucratic turfism position, "That program belongs in my organization." The lead agency concept can help overcome needless delay and reduce haggling over turf by afixing responsibility through a formal process.

The use of the lead agency concept is being implemented in new ways. For example, in a tri-county area, one county will assume lead agency responsibility for public transportation while another will assume the responsibility for public health services in the tri-county area. To be sure there is plenty of arguments as to whether preferential treatment is accorded to the residents of a county with lead agency status, however, the continued use of this new form of government suggests to me that it is preferable to each county unit of government attempting to be all things to its residents.

I believe the application of a lead agency concept which formally defines the roles and responsibilities of the federal, state and regional associations involved in the salmon aquaculture program is a critically important step forward toward creating a cohesive Alaskan Salmon Resource Development Program. In fact, without such a structural foundation, I believe it will be difficult, if not impossible, for such a program to exist in a state beyond only a hollow name.

LEAD AGENCY

WAC 197-10-200 LEAD AGENCY--RESPONSIBILITIES. The lead agency shall be the only agency responsible for complying with the threshold determination procedures of WAC 197-10-300 through -390; and the lead agency shall be responsible for the supervision, or actual preparation, of draft EISs pursuant to WAC 197-10-400 through -495, including the circulation of such statements, and the conduct of any public hearings required by this chapter. The lead agency shall also prepare or supervise preparation of any required final EIS pursuant to WAC 197-10-550 through -695.

WAC 197-10-203 DETERMINATION OF LEAD AGENCY--PROCEDURES. (1) The first agency receiving or initiating a proposal for a major action, or for any part of a proposal when the total proposal involves a major action, shall determine the lead agency for that proposal. To ensure that the lead agency is determined early, agencies shall determine the lead agency for all proposals for a major action they receive, unless the lead agency has been previously determined or the agency receiving the proposal is aware that another agency is in the process of determining the lead agency. The lead agency shall be determined by using the criteria in WAC 197-10-205 through -245.

(2) If the acting agency determines that another agency is the lead agency, it shall mail to such lead agency a copy of the application it received, together with its determination of lead agency and explanation thereof. If the agency receiving this determination agrees that it is the lead agency, it shall so notify the other agencies with jurisdiction. If it does not agree, and the dispute cannot be resolved by agreement, the agencies shall immediately petition CEP for a lead agency determination pursuant to WAC 197-10-260.

(3) If the acting agency determines that it is the lead agency, it shall immediately mail a copy of its determination and explanation thereof to all other agencies with jurisdiction over the proposal. The acting agency shall then proceed, as the lead agency, to the threshold determination procedure of WAC 197-10-300 through -390. If another agency with jurisdiction objects to the lead agency determination, and the dispute cannot be resolved by agreement, the agencies shall immediately petition CEP for a lead agency determination pursuant to WAC 197-10-260.

(4) Any agency receiving a lead agency determination to which it objects shall either resolve the dispute, withdraw its objection, or petition to CEP for a lead agency determination within fifteen days of receiving the determination.

(5) To make the lead agency determination, an acting agency must determine to the best of its ability the other agencies with jurisdiction over the proposal. This can be done by requesting the information from a private applicant,

or through consultation with the information centers established pursuant to RCW 90.62.120 within the Environmental Coordination Procedures Act of 1973 (ECPA).

WAC 197-10-205 LEAD AGENCY DESIGNATION--GOVERNMENTAL PROPOSALS. The lead agency for all proposals initiated by an agency shall be the agency making the proposal. In the event that two or more agencies share in the implementation of a proposal, the agencies shall by agreement determine which agency will assume the status of lead agency. For the purposes of this section, a proposal by an agency does not include proposals to license private activity.

WAC 197-10-210 LEAD AGENCY DESIGNATION--PROPOSALS INVOLVING BOTH PRIVATE AND PUBLIC CONSTRUCTION ACTIVITY. When the total proposal will involve both private and public construction activity, it shall be characterized as either a private or a public project for the purposes of lead agency designation, depending upon whether the primary sponsor or initiator of the project is an agency or from the private sector. Any project in which agency and private interests are too intertwined to make this characterization shall be considered a public project. The lead agency for all public projects shall be determined pursuant to WAC 197-10-205.

WAC 197-10-215 LEAD AGENCY DESIGNATION--PRIVATE PROJECTS FOR WHICH THERE IS ONLY ONE AGENCY WITH JURISDICTION. For proposed private projects for which there is only one agency with jurisdiction, the lead agency shall be the agency with jurisdiction.

WAC 197-10-220 LEAD AGENCY DESIGNATION--PRIVATE PROJECTS REQUIRING LICENSES FROM MORE THAN ONE AGENCY, WHEN ONE OF THE AGENCIES IS A COUNTY/CITY. For proposals for private projects which require licenses from more than one agency when at least one of the agencies requiring a license is a county/city, the lead agency shall be the county/city within whose jurisdiction is located the greatest portion of the proposed project area, as measured in square feet. For the purposes of this section, the jurisdiction of a county shall not include the areas within the limits of cities or towns within such county.

WAC 197-10-225 LEAD AGENCY DESIGNATION--PRIVATE PROJECTS REQUIRING LICENSES FROM MORE THAN ONE STATE AGENCY. (1) For private projects which require licenses from more than one state agency, but require no license from a county/city, the lead agency shall be one of the state agencies requiring a license, based upon the following order of priority:

(a) Department of ecology.
(b) Department of social and health services.
(c) Department of natural resources.
(d) Department of fisheries.
(e) Department of game.
(f) Utilities and transportation commission.
(g) Department of motor vehicles.
(h) Department of labor and industries.

(2) For private projects requiring a license from more than one state agency, but requiring no license from a county/city, and when none of the state agencies requiring a license is on the above list, the lead agency shall be the licensing agency which has the largest biennial appropriation.

(3) When, due to the provision of subsection (1) of this section, an agency would be the lead agency solely because of its involvement in a program jointly administered with another agency, the other agency shall be designated the lead agency for proposals for which it is primarily responsible under agreements previously made between the two agencies for joint operation of the program.

WAC 197-10-230 LEAD AGENCY DESIGNATION--SPECIFIC PROPOSALS. Notwithstanding the lead agency designation criteria contained in WAC 197-10-205 through -225, the lead agency for proposals within the areas listed below shall be as follows:

(1) For all governmental actions relating to thermal power plants for which certification is required under Chapter 80.50, RCW, the lead agency shall be the thermal power plant site evaluation council: PROVIDED, That for any public project requiring such certification and for which the study authorized by RCW 80.50.175 will not be made, the lead agency shall be the agency initiating the project.

(2) For all private projects relating to the utilization of geothermal resources subject to Chapter 79.76, RCW, the lead agency shall be the department of natural resources.

(3) For all private projects requiring a license or other approval from the oil and gas conservation committee pursuant to Chapter 78.52, RCW, the lead agency shall be the department of natural resources, except that for projects subject to RCW 78.52.125, the EIS shall be prepared in accordance with that section.

(4) For all private activity requiring a license or approval under the Forest Practices Act of 1974, Chapter 76.04, RCW, the lead agency shall be the department of natural resources: PROVIDED, That for any proposal which will require a license from a county/city acting under the powers enumerated in RCW 76.09.240, the lead agency shall be the county/city requiring the license.

(5) For all private projects requiring a license or lease to use or affect state lands, the lead agency shall be the state agency managing the lands in question: PROVIDED, That this subsection shall not apply to the sale or lease of state-owned tidelands, harbor areas or beds of navigable waters, when such sale or lease is incidental to a larger project for which one or more licenses from other state or local agencies is required.

(6) For all proposals which are being processed under the Environmental Coordination Procedures Act of 1973 (ECPA), Chapter 90.62, RCW, the lead agency shall be determined by the department of ecology; except that when county/city licenses are applied for prior to filing the ECPA application, a lead agency shall be determined pursuant to the standards of these guidelines prior to granting such county/city licenses.

(7) For private projects which require the issuance of a National Pollutant Discharge Elimination System (NPDES) permit under § 402 of the Federal Water Pollution Control Act (33 USC § 1251, et seq.), for a pulp or paper mill or oil refinery, the lead agency shall be the department of ecology.

(8) For proposals to construct a pipeline greater than six inches in diameter and fifty miles in length, used for the transportation of crude petroleum or petroleum fuels or oil or derivatives thereof, or for the transportation of synthetic or natural gas under pressure, the lead agency shall be the department of ecology.

(9) For proposals that will result in an impoundment of water with a water surface in excess of forty acres, the lead agency shall be the department of ecology.

(10) For proposals to construct facilities on a single site designed for, or capable of, storing a total of one million or more gallons of any liquid fuel, the lead agency shall be the department of ecology.

(11) For proposals to construct any new oil refinery, or an expansion of an existing refinery that shall increase capacity by ten thousand barrels per day or more, the lead agency shall be the department of ecology.

(12) For proposals to construct any new metallic mineral processing plant, or to expand any such existing plant by ten percent or more of design capacity, the lead agency shall be the department of ecology.

WAC 197-10-235 LOCAL AGENCY TRANSFER OF LEAD AGENCY STATUS TO A STATE AGENCY. For any proposal for a private project where a city or town with a population of under five thousand or a county of fifth through ninth class would be the lead agency pursuant to the designation criteria of WAC 197-10-210 through -230, and when one or more state agencies are agencies with jurisdiction over the proposal, such local agency may at its option transfer the lead agency duties to that state agency with jurisdiction appearing first on the priority listing in WAC 197-10-225. In such event the state agency so determined shall be the lead agency and the agency making the transfer shall be an agency with jurisdiction. Transfer is accomplished by the county, city or town transmitting a notice of the transfer together with any relevant information it may have on the proposal to the appropriate state agency with jurisdiction. The local agency making the transfer shall also give notice of the transfer to any private applicant and other agencies with jurisdiction involved in the proposal.

WAC 197-10-240 AGREEMENTS AS TO LEAD AGENCY STATUS. Nothing herein shall prohibit an agency from assuming the role of lead agency as a result of an agreement among all agencies with jurisdiction.

WAC 197-10-245 AGREEMENTS BETWEEN AGENCIES AS TO DIVISION OF LEAD AGENCY DUTIES. Two or more agencies may by agreement share or divide the responsibilities of lead agency through any arrangement agreed upon. In such event, however, the agencies involved shall designate one of them as the nominal lead agency, which shall be responsible for complying with the duties of the lead agency under these guidelines. Other agencies with jurisdiction shall be notified of the agreement and determination of the nominal lead agency.

WAC 197-10-260 DISPUTE AS TO LEAD AGENCY DETERMINATION --RESOLUTION BY CEP. (1) In the event that the agencies with jurisdiction are unable to determine which agency is the lead agency under these guidelines, any agency with jurisdiction may petition CEP for such determination. Such petition shall clearly describe the proposal in question, and include a list of all licenses and approvals required for the proposal. Any such petition shall be filed with CEP within fifteen days after receipt by the petitioning agency of the determination to which it objects. Copies of the petition shall be mailed to any private applicant involved, as well as to all other agencies with jurisdiction over the proposal. The applicant and agencies with jurisdiction may file with CEP a written response to the petition within ten days of the date of the initial filing.

(2) Within fifteen days of receipt of a petition, CEP shall make a written determination of the lead agency, which shall be mailed to the applicant and all agencies with jurisdiction. CEP shall make its determination in accordance with these guidelines; or in the event the guidelines do not control, the lead agency shall be the agency whose action, license, or licenses will have the greatest effect on the environment.

WAC 197-10-270 ASSUMPTION OF LEAD AGENCY STATUS BY ANOTHER AGENCY WITH JURISDICTION. When there has been an assumption of lead agency status by another agency with jurisdiction over a proposal, pursuant to WAC 197-10-345, the lead agency responsibilities regarding threshold determination procedures (WAC 197-10-300 through -390) transfer to the new lead agency.

FISHERIES LEGISLATION ANALYSIS

A. Proposed Legislation Analyzed

HB 553 - The bill would require Alaska Department of Commerce and Economic Development to provide solutions to the Bristol Bay salmon marketing problem.

HB 518 - The bill would create a Fisheries Development Committee.

HB 517 - The bill would appropriate $1,250,000 to ADC & ED to provide a grant to the Alaska Fisheries Development Foundation for bottomfish development.

HB 519 - The bill would appropriate $300,000 to the Fisheries Development Committee.

HCR 36 - This Concurrent Resolution would require the Governor to create a bottomfish plan.

HB 516 - The bill would establish an Office of Fisheries Development in ADC & ED.

HCR 37 - The concurrent resolution would require ADC & ED to prepare a bottomfish plan.

B. Major Legislative Goals

The major goals of the proposed legislation appear to be:

1. To establish a new office for fisheries development (which may encompass shellfish, bottomfish and salmon) which has lead agency responsibility in conducting studies and formulating recommendations as well as to provide a single point of responsibility and accountability for coordinating fisheries studies and development activities carried out by other state agencies.

2. To provide for legislative oversight over the development of bottomfish in Alaska and adjacent waters.

3. To encourage the executive branch to develop a bottomfish plan for the State of Alaska.

4. To provide solutions to the Bristol Bay salmon marketing problems.

C. Analysis of Proposed Legislation

The goals expressed in the legislation are straight forward. Action and results are desired in several areas of the fishery and the importance of this desire is pointedly made by the proposed creation of an legislative oversight committee and the proposed language contained in HCR 36.

Based upon our recent analysis of the Alaskan fishery we have expressed many similar concerns addressed by the proposed legislation.

For example, whereas the proposed legislation calls for the creation of an Office of Fisheries Development, we recommend that a lead agency be designed to coordinate all Alaskan fisheries resource development activities including shellfish, bottomfish and salmon. The Alaskan fishery is very dynamic and while Bristol Bay salmon might be this year's problem, king crab could for example, be a major issue next year. What we have recommended is a more general fisheries authority which would allow the lead agency to stay on top of a broader spectrum of issues. Hopefully, this broader authority will help avoid the need in the future to resort to crisis management measures to obtain desired results.

For the most part the establishment of an Office on Fisheries Development and the designation of a lead agency goes after the same point: we need a central, responsible organization which can be held accountable for fisheries development. While we suggested ADF & G could be designed the lead agency, such a designation could also be assigned to ADC & ED.

A second recommendation included in our study which is not fully addressed in the proposed legislation is the scope and content of the plan to be prepared.

For example, we proposed that an Alaskan Fisheries Resource Development Plan be created. (This responsibility could be assigned to the proposed office or a lead agency, which in turn could be ADC & ED.)

The scope of the Alaskan Fisheries Resource Development plan would initially cover three areas. These are:

Bottomfish
Salmon
Shellfish
(Others may be added later)

While we recognize the urgent need to get moving on bottomfish, unless some meaningful effort is undertaken in the other areas we could get back into a crisis management situation (like the Bristol Bay salmon problem) which typically results in last minute temporary fixes to the problem.

The content of the Alaskan Fisheries Development Plan, for each species as appropriate, would include:

1. A Stock Assessment - This portion of the plan would identify species demographics (number, size, geographic distribution, etc.) as well as estimates of harvest rates based upon such factors as reproduction cycle, predation, disease, growth and maturation characteristics, breeding, feeding, survival rates and other relevant factors.

2. A Harvest Capability Assessment - This portion of the plan would identify all of the vessels by gear type as well as other harvesting methods, including average harvest capability, maximum capability, minimum harvest rates to sustain operations. The number of crew and on-board personnel would also be idenfified.

3. A Processing Capability Assessment - This portion of the plan would identify all of the processing vessels, plants and other processing modes available in the Alaskan fishery.

4. A Market Capacity Assessment - This portion of the plan would identify current and potential markets by species and stocks, tonage, quality, price and customer for Alaskan fisheries product.

5. Stock/Harvest/Processing/Marketing Alternatives - The intent of this portion of the plan is to identify the alternative rates under differing economic and biological assumptions at which the various stocks can be harvested, processed and marketed. Against these estimates the capability to harvest can be compared to determine averages and shortages in fleet composition by gear type and for targeted species.

The third element which can now be introduced is the processing capability

If we accept the idea that an allowable harvest rate by species and stocks can be established, and further that the existing fleet, or as supplemented by foreign vessels if necessary in selected fisheries, can accomplish the harvest, the next step is to ensure that processing facilities to support the harvest are available on land or on vessels.

The next critical steps in this chain of activities is the marketing of the catch. In Seattle recently a fisherman gave his catch of bottomfish away free because there was no market for them. Beyond this simple example market quotas need to be set which on the one hand ensure adequate compensation to fishermen and on the other, reasonable satisfaction of the market demand. These market quotas need to be compared to the species and stocks available as well as the harvest capability and finally, defining the alternative means for bringing each of these four elements into reasonable balance.

As you can see item 5 requires a substantial interaction between stocks; harvesting; processing and marketing. Many alternatives are available and the goal should be to achieve a reasonable balance among these interacting elements. Once a reasonable balance is agreed upon by the affected parties the next step would be to <u>perpare a plan</u> to achieve the desired balance. (Technically, the stock assessment, harvest capability assessment, processing capability assessment and market capacity assessment are not plans but instead are <u>facts</u> upon which a solid plan can be based.

Assuming that sufficient alternative mixes of the four elements are examined and general agreement is achieved on a particular mix, the next step is to prepare a plan to carry out the desired mix. The elements of the plan are:

6. <u>A Harvest Regulation and Development Plan</u> - The objective of this plan is to either through regulation and/or economic incentives to bring the harvest capability into balance with the allowable harvest rates.

7. <u>A Processing Regulation and Development Plan</u> - The objective of this plan would be to establish quality control and grading standards as well as economic incentives to help match the various processing capabilities required to the geography of the harvest volumes. (The quality control and grading aspect could be made a separate plan if additional emphasis is desired.)

8. <u>A Marketing Plan</u> - Based upon the stocks, harvest and processing capability as well as current market demands, the objective of this plan would be to define those courses of action which would result in achieving a full harvest of available species and stocks, which are fully processed to high standards and which allows fishermen to make a good living and processors a fair profit.

9. A Transportation and Port Facilities Plan - The objective of this plan will be to identify the transportation modes (air, water, land) and equipment necessary to support the marketing plan. Port and such ancillary facilities as repair, fuel storage, etc. need to be included to ensure that the post processing delivery system functions smoothly.

Realistically, if Alaska is to fully enjoy the benefits of its Alaskan fishery, three additional elements to the Alaskan Fisheries Resource Development Plan need to be included. These are described as follows:

10. An Alaskan Fisheries Research Plan - Even a casual reading of Alaskan Fishermen or in discussions with fisheries biologists, fishermen and processors the topic of the need for more information about many different aspects of the fishery invariable arises. Without a scientific and research information foundation, management of the fishery will continue to be based upon "gut feel" and other equally arbitrary bases. A consolidated federal/state research center, as we recommended could provide great support to ensuring that the resource is protected and harvested at biologically justifiable rates.

11. An Alaskan Fisheries Financing Plan - If Alaska is going to increase its share of the rewards (as compared to Seattle or foreign based fishermen) it must be prepared to invest in vessels, research and technology, transportation and port facilities. The plan should identify the types of economic incentives required as well as a realistic budget level for the new Office or lead agency.

12. An Alaskan Fisheries Legislation Plan - The proposed legislation provides an excellent start and with some consideration given to the points raised in this analysis could provide the full direction required to achieve the stated goals.

D. Organization Analysis

In the preceding Section C, an attempt was made to briefly define the elements of an Alaskan Fisheries Resource Development Plan which addresses the fishery in a functional manner. The suggested planning framework recognizes the need to obtain facts through assessments as well as the need to study the alternative means of achieving the desired balance among species availability, harvest capability, processing capability and market capacity.

In addition Section C identifies some specific steps which the State of Alaska should be prepared to take if the State is to realistically realize some of the desired benefits from the fishery.

The definition of the elements of a plan, of and by itself, is no guarantee that the plan will be accomplished. Two additional requirements are necessary. The first is for an organization to be created which has the expertise and resources to develop a good plan; the second is for an organization which has sufficient authority to ensure the plan is implemented.

Leaving aside for a moment, the expertise and resources requirement, the authority requirement is of critical importance because it, in the final analysis, will determine whether a good plan gathers dust on a shelf or becomes the roadmap for management decision-making.

In examining the present organizational entities now involved in managing the Alaskan fishery, it is clear that presently no single organization has sufficient authority to carry-out a plan.

Regardless of whether a new Office of Fisheries Development or a lead agency is designated, careful consideration must be given to providing the selected organization with sufficient authority so that the organization can be held accountable for its success or failure in achieving planned results. Some of the types of authorities which could be assigned to the proposed new Office or lead agency are listed below. Again, the point is made that an organization can only be held accountable if it has the authority to act.

1. Place new Office Director on the Board of ADF & G.

2. Place International Fisheries Coordinator in the office.

3. Place Bottomfish Coordinator in the office.

4. Place Office Director on North Pacific Council.

5. Place Aquaculture Coordinator in the office and formalize organization of regional aquaculture association.

6. Give office "A-95" review and approval authority over all government financial fisheries research and development activities including projects approved by the Renewable Resources Corporation as they pertain to fisheries development.

7. Place aquaculture loan approval in office.

8. Place office staff members on regional aquaculture planning teams.

9. Create a state/federal fisheries development task force with new office director as chairman.

10. Negotiate agreements with Forest Service, National Marine Fisheries and the North Pacific Council which clearly establishes Alaska's right to ensure heavy consideration is given to Alaska's Fisheries Development Plan.

11. Create a permanent legislative oversight committee on fisheries and charge it with responsibility to perfect the statutory framework necessary for the office to accomplish its job in a business-like manner.

12. Require annual reports showing progress against the plan.

At first glance the 12 organizational steps may seem excessive, however, it is important to remember that results can only be demanded from those who have the authority to act. This is not to suggest that all 12 organizational actions are fully inclusive or that all 12 are necessary to achieve the desired results. Others will have to decide on the most appropriate level of authority which is capable of producing the desired results.

Assuming that a balance between organizational authority and desired results can be achieved, the next step is to define the expertise and resources required to perform. Given the wide range of possible organizational options it is difficult to estimate the numbers of staff required to perform the work. However, it is possible to define some of the types of skills which will be required to perform the assigned work. These include:

1. Fisheries Biologists (species generalists)
2. Economists
3. Data Processing System Designers and Programmers
4. Fisheries Scientists (species or particular area specialists)
5. Fisheries Marketing Experts
6. Processing and Quality Control Experts
7. Fishing Fleet (gear type) Experts
8. Transportation/Port Facilities Experts
9. Fisheries Research Scientists
10. Competent Management

HB
517

(9)

COMMITTEE REPORT

HOUSE

1/15/80

FURTHER: Finance

Date: 1/29/80

Mr. Speaker:

The Committee on RESOURCES has had HB 517
"An Act
"Making a special appropriation to the Department of Commerce and Economic Development for grants to the Alaska Fisheries Development Foundation; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[✓] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[✓] replace with CS for HB 517 [✓] same title [ ] new title

and recommends 2 FNs

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

Kath Wallington
Bob Grussendorf
Jeff Lowery
Paul Thomas
Alvin Osterback
Rick Halford
John B. Miller

MEMBERS HAVING OTHER RECOMMENDATIONS:

Brinds - Vote.

Alvin Osterback
CHAIRMAN

H 60 (Rev. 12/78)

(9)

COMMITTEE REPORT

HOUSE

1/15/00

FURTHER: Finance

Date: 1/

Mr. Speaker:

The Committee on RESOURCES has had HB 517

"An Act
"Making a special appropriation to the Department of Commerce and Economic Development for grants to the Alaska Fisheries Development Foundation; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for HB 517 [ ] same title [ ] new title

and recommends 20 Pass

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Heard →

Miller →

MEMBERS HAVING
OTHER RECOMMENDATIONS:

← Miles
" Ward
" Ivan

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED (Bettimae Jones lined up testimony)	HEARING DATE
HB517	1/24/80	276-7315	Alaska Fisheries Development Foundation Al Burch, Member of Board of Directors, and 1st Vice Pres. to testify	1/29/80
	1/25/80	4100	Dept. of Fish and Game	1/29
	1/28/80	2018	Dept. of Commerce; Fred Mulfer to provide fiscal note	1/29

CSHB 517 H. Resources 1/7/80

AGO 125386

Hearing held 1/29/80 - Reported out as CS HB 517

Memo to: Jack Fuller

HB517 "Special Appropriation ($1,250,000) to Commerce Dept. for grants to Alaska Fisheries Development Foundation."

This Fdtn. is a private fdtn. orginally funded by federal funds. Their office is in Anchorage – exec. director is Sara Hemplill. Al Burch, a member of the foundation's Board of Directors (who lives in Kodiak) is to testify. This foundation is one of the strongest factors in fisheries development in the private sector.

These yearly grants are to be used for projects consistent with the goals established by the legislature by resolution for bottomfish development or which would transfer bottomfish harvesting or processing from other states or countries to Alaska's bottomfish industry.

The foundation must receive specified amounts of matching funds from private Alaskan bottomfish industry. The yearly grants to the foundation deminish in size while the matching funds from private sector must increase in proportion each year. A means of encouraging and stimulating involvement of private industry in bottomfish development.

– Will to add wording in Sec. 2 to spell out what bottomfish "goals" of legislature are. Will have proposed Committee substitute to add this done by lawyer before ... hrg.

Original sponsors: Osterback and Fuller

Funding Information

General Fund	$1,250,000
Other Funds	$ -0-
	$1,250,000

IN THE HOUSE BY THE RESOURCES COMMITTEE

CS FOR HOUSE BILL NO. 517

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Commerce and Economic Development for grants to the Alaska Fisheries Development Foundation; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. The sum of $1,250,000 is appropriated from the general fund to the Department of Commerce and Economic Development for distribution in the form of grants to the Alaska Fisheries Development Foundation in the following amounts in the fiscal years ending on June 30 of the following years, subject to sec. 2 of this Act:

1981	$500,000
1982	375,000
1983	250,000
1984	125,000

* Sec. 2. The grants provided in sec. 1 of this Act may only be used for projects of the Alaska Fisheries Development Foundation which

(1) have as a primary purpose the transfer to the Alaska bottomfish industry of bottomfish harvesting or processing technology from other states or countries; or

(2) are consistent with the following goals:

(A) to maximize economic benefits to Alaskans;

(B) to maximize private-sector participation and to minimize public-sector involvement;

(C) to avoid public-sector expenditure commitments which

exceed the dollar value of benefits created by the expenditure; and

(D) to avoid undesirable environmental, cultural, and social effects.

* Sec. 3. The grants for 1982, 1983 and 1984 in sec. 1 of this Act may not be distributed until the Alaska Fisheries Development Foundation receives the following amounts in the applicable year as matching funds from the private bottomfish industry in Alaska:

1982	$125,000
1983	250,000
1984	375,000

* Sec. 4. The unexpended and unobligated portion of the appropriation made by this Act lapses into the general fund June 30, 1984.

* Sec. 5. This Act takes effect July 1, 1980.

P. Duplication
administration

The feds.
Spur the
Foundation money
that the Governor

State mind - has a document -
all state agencies -

Governor office - policy for AFDC.
Medicaid Eligibles (covered services
Inherent -
Burden Approved → Attorney Gen
Rejected notice,

1.8 million ---- 1978
1.6 million ---- 1979

Jim Lyons + 20,000 7
Billmyer former Adult

Dr. Wade
Dr. Applewhite
Dr. Wilson

HB517

ALASKA'S FISHING INDUSTRY

Sara Hemphill
Executive Director
Alaska Fisheries Development Foundation, Inc.

Since the end of the gold rush era, the fishing industry has played a key role in the Alaskan economy. This industry, like so many others, has been noted for its boom or bust character with the demise of one fishery forcing the development of another.

The vagaries of harvesting a dynamic migratory resource which is sensitive to climatic changes and a part of a complex ecosystem which we have just begun to study are many. Aside from the natural biological problems which face the harvester/hunter vis a vis what, where and how much will be his catch, it is the man-made and perceived impediments which present industry with the majority of its hurdles. And yet this industry thrives despite increasingly shorter seasons for established fisheries.

While the development of the vast year-round groundfish fishery presents a partial solution to the boom/bust, short season problem, full domestic utilization of this fishery is still several years away and will require extensive coordination and cooperation on the part of all involved, not to mention substantial capital investments, both private and public.

In the interim, the high valued fisheries will continue to dominate the picture. Increased landings in established fisheries was the rule in 1979 with shrimp and troll salmon the notable exceptions. The predicted domestic harvest for 1980 promises even more of the same for Alaska as well as increased activity in the whitefish industry.

STATUS OF THE FISHERIES

A brief recap of the 1979 fishing activity will serve as a general scenario of what Alaska can expect in the near future.

The salmon catch of 87.4 million was the largest since 1941 and is expected to increase next year. The 1979 Bristol Bay fishery significantly exceeded predictions and thus caught the industry by surprise. Plagued with regulations and limits

as a result of increased effort, the troll fishery is gradually waning. As a general rule, increased effort has resulted in a smaller per capita take.

The combination of the glut of salmon and market concentration in Japan has resulted in a love/hate situation which is proving troublesome. It affects prices in all fisheries.

To date, the shell fish catch promises to exceed last year's 334-million pounds. Again, tanner crab landings should surpass king crab. The alarmingly short twenty-two day king crab fishery is a matter of concern despite its estimated harvest of 118,000,000 pounds. Price cuts from $1.01 to $ .86 after fishing had begun will provide topics for lively conversation at the very least. The shrimp harvest has again significantly dropped off from 1978 landings. The impending moratorium in foreign take of tanner in 1981 with a 50% cutback in 1980 is hopefully a sample of the hardline the United States is going to follow from now on.

Significantly increased interest in the herring-sac-roe fishery has been demonstrated on all fronts. The domestic harvest has grown dramatically from 0 to 13,000 mt in five years. An early run this spring in Bristol Bay took many by surprise and especially hurt out-of-state fishermen who could not respond soon enough to the alert. This fishery is the last small vessel fishery which is available to the active fishermen living in the Bering Sea area and is one which they have identified as the prime target for their development efforts. One can look for possible legislation and regulations encouraging the small boat fleet.

The "very" managed halibut fishery maintained its 20 million pound harvest in spite of increased effort. As with tanner crab, this fishery will see a moratorium on foreign involvement within two years. The blackcod landings have increased dramatically this year and approach the 4000 mt domestic quota. Despite the fact that the Japanese have a two-year supply of pot caught sablefish from California and Oregon, the market is ever strong for Alaskan line caught blackcod - a situation about which the quality-conscious longline fishermen are very happy.

The limited entry question is becoming livelier and promises to dominate a sizeable portion of the management and decision-making sessions. The king crab fishermen are

"safe" at least for the immediate future; the impending moratorium on foreign take of tanner crab and the developing groundfish fishery pick up the slack harvesting capacity. The halibut fishery is in a somewhat different state. Overfished and with stocks still in a slight decline, the fishermen will face a moratorium on new licenses in 1980, leading to limited entry in this fishery in 1981. Many propose the same course of action for blackcod. Though there is talk among the biologists of decline in blackcod stocks, both in size of individual fish and total poundage, such statements are vehemently contradicted by the fishermen.

Interest in the whitefish fishery is burgeoning and ranges from jigging machines for 30 foot vessels to 250-300 foot factory freezers. Landings from the Gulf of Alaska are up over last year and promise to increase significantly in 1980. Tax breaks and loan guarantee programs have encouraged the construction of new large highly-efficient multi-species vessels; these costly boats will demand year-round fishing in order to stay afloat.

A promising trend generally toward the rebuilding of the stocks of many fisheries is attributed to the reduced foreign harvest and improved management under the 200 mile limit law. Stock availability and harvesting capacity, however, are only part of the picture in predicting the future of Alaskan fisheries.

While full systems are in place and functioning for the harvesting and processing of traditional, high-value fish, such is not the case with the lower value, high volume whitefish. Impediments to the domestic development abound and such issues as the availability of markets, both foreign and domestic; pending and contemplated federal and State legislation and regulation; the availability of private investment capital; degree of real and perceived foreign involvement and control in the industry; extent of infrastructure support facilities including steady affordable labor; ability of the industry to develop technical expertise, both on shore and off shore; the posture and attitude of industry members toward each other; and the degree of cooperation and coordination between the industry and the local, State and federal entities all will play key roles in the future development of the Alaskan fishing industry.

Though numerous and imposing, the impediments are ones about which something can be done; they are man-made. If properly managed, the resource is infinite. With the world food protein shortage on the rise and the annual yield of finfish from waters off Alaska holding steady at 1.5 million metric tons, the bottomline is: the fish are here! Alaska's future is promising though not promised.

Traditional fisheries are being stressed both from a steady decline in the resource as well as increased effort. Thus, management schemes will underscore natural economic incentives and encourage development of underutilized species to fill the ever-widening gap between supply and demand. Because the participants are, for the most part, small operations with sizeable cash flow problems and a myriad of roadblocks to circumvent, it will take organization and cooperation on the part of all to realize Alaska's potential.

Having occupied the seat at the bottom of the totem pole in the national scheme of priorities, both Alaska and the fishing industry historically have had an uphill battle. Rather than viewing all the impediments as problems, we can approach them positively as opportunities upon which to build in order to guide and expedite development to suit our needs.

Full domestic utilization of Alaskan whitefish is still at least ten years away and thus difficult to describe. Assuming the biomass of available fish remains constant, one industry forecaster predicted the following as a possible scenario for full utilization of whitefish total allowable catch (TAC).

SOUTHEASTERN ALASKA

Ten, less than 100 foot longline vessels, could realize on an annual basis a catch of 1.47 million pounds each and thus fully harvest the 6700 metric tons (mt) of Southeastern TAC for sablefish, Pacific cod and rockfish. The trawl fish TAC of 15,700 mt would require eight 60-80 foot trawlers to average 4.3 million pounds each annually.

WESTERN GULF OF ALASKA

TAC for sablefish, cod and rockfish of 14,300 mt would be harvested most cost effectively by eight 90-120 foot longline vessels averaging annually 3.9 million pounds apiece. The trawl fishery in this area has a TAC of 289,000 mt which

would most efficiently be harvested by a combination of twenty 80-100 foot trawlers and thirty-four 100-130 foot trawlers averaging annually six and fifteen million pounds apiece, respectively.

BERING SEA

In the Bering Sea, six 110-170 foot longline freezers could each average 5.5 million pounds annually to fill the sablefish and Pacific cod TAC of 15,000 mt or 33 million pounds. It is suggested that in order to encourage a local fishery that an additional cod quota of 20,000 mt could be harvested by seventy-three St. Pierre dories resulting in .6 million pounds per year per vessel. The remaining vast fishery amounting to a TAC of 1,406,500 mt would be harvested most efficiently by a combination of ten 120-130 foot trawlers averaging 20 million pounds per year, thirty-three 140-200 foot block freezers averaging 30 million pounds annually and thirty-two 250-300 foot filleting ships handling an average of 59 million pounds per year.

The hypothesis would involve 234 vessels with an investment of $944,100,000 and $197,500,000 investment in shore processing and maintenance facilities. It would employ 5,000 fishermen, 6,000 processing workers and plant support staff. The total private sector investment in Alaska would be $1,141,600,000

This scenario does not consider the public expenditures which must necessarily accompany and will exceed such private investment. Nor does it account for the upgrading and modification of vessels in the existing fleet, a situation we can count on. Thus, adjustments can and should be made accordingly in the scenario to account for such participation.

The above is only a single game plan which, with the exception of the Aleutian dories, assumes that the most efficient vessels for targeting the year-round fishery are large (over 80 foot) all-weather boats with substantial hold capacity and state of the art equipment. It assumes further a trend toward on-shore processing where facilities currently exist and off-shore processing where they do not. There are, of course, a myriad of combinations which might occur. One thing is certain: it is a fact that the fishing industry will continue to play a major and ever-expanding role in Alaska's future.

Alaska Fisheries Development Foundation, Inc.

805 West Third Avenue
Anchorage, Alaska 99501
(907) 276-7315

February 9, 1980

Mary Levan, Administrative Assistant
Committee on Natural Resources
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mary:

Sorry for the delay sending the audit information - we moved our office this week. Please note new address, the phone number is the same.

Enclosed is a copy of the State of Alaska Special Review of December 18, 1978 (which you probably already have) and Financial Statements for the nine months ended June 30, 1979 and for the year ended September 30, 1979.

Thanks for the copy of CSHB517, sorry your secretary resigned, let me know if you need anything else. I tried to reach John Crandall (465-3706) on January 30th regarding the scheduling before the Finance Committee but he hasn't called me back yet. Presumably we will hear when it is set.

Sincerely,

Bettymae Jones

Bettymae Jones
Secretary

bj
encs

Copies to House Finance 2/19/80

ALASKA FISHERIES DEVELOPMENT FOUNDATION, INC.

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

for the year ended September 30, 1979

COOPERS & LYBRAND

ALASKA FISHERIES DEVELOPMENT FOUNDATION, INC.

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

for the year ended September 30, 1979

COOPERS & LYBRAND

CERTIFIED PUBLIC ACCOUNTANTS

IN PRINCIPAL AREAS OF THE WORLD

The Board of Directors
Alaska Fisheries Development
Foundation, Inc.
Anchorage, Alaska

We have examined the balance sheet of Alaska Fisheries Development Foundation, Inc. as of September 30, 1979, and the related statements of revenues, expenses and transfers, changes in fund balances and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of Alaska Fisheries Development Foundation, Inc. at September 30, 1979, and the results of its operations and changes in financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the change, with which we concur, in the method of accounting for grant revenues as described in Note 3 to the financial statements.

Coopers & Lybrand

Anchorage, Alaska
November 19, 1979

ALASKA FISHERIES DEVELOPMENT FOUNDATION, INC.

BALANCE SHEET, September 30, 1979

ASSETS	Unrestricted Fund	Restricted Federal Grant Fund	Total All Funds
Cash	$ 2,979		$ 2,979
Due from Restricted Federal Grant Fund	20,543		20,543
Receivables:			
Reimbursable grant expenses		$49,451	49,451
Other	963	377	1,340
Total current assets	24,485	49,823	74,313
Office furniture and equipment	1,333		1,333
Total assets	$25,818	$49,828	$75,646
LIABILITIES AND FUND BALANCES			
Notes payable	$17,000		$17,000
Accounts payable		$27,451	27,451
Accrued interest	148		148
Accrued payroll taxes		1,834	1,834
Due to Unrestricted Fund		20,543	20,543
Total liabilities	17,148	49,828	66,976
Contingencies (Note 5)			
Fund balances	8,670		8,670
Total liabilities and fund balances	$25,818	$49,828	$75,646

The accompanying notes are a part of the financial statements.

STATEMENT OF REVENUES, EXPENSES AND TRANSFERS

for the year ended September 30, 1979

	Unrestricted Fund	Restricted Funds State Grant	Restricted Funds Federal Grant	Total All Funds
Revenues:				
Grants		$38,012	$88,774	$126,786
Donations	$7,096			7,096
Dues	1,201			1,201
Total revenues	8,297	38,012	88,774	135,083
Expenses:				
Consulting services		3,847	32,124	35,971
Salaries and payroll taxes		12,391	20,476	32,867
Travel - executive director		4,778	4,601	9,379
Travel - board of directors	7,096	1,722	3,510	12,328
Secretarial services		644	7,727	8,371
Accounting fees		4,304	1,796	6,100
Telephone		1,583	4,503	6,086
Employee relocation		5,751		5,751
Office supplies and expenses		16	8,302	8,318
Rent		300	3,838	4,138
Newsletter		2,509		2,509
Postage		167	564	731
Interest	148			148
Total expenses	7,244	38,012	87,441	132,697
Excess of revenues	1,053		1,333	2,386
Transfer for purchases of furniture and equipment financed by grantor and capitalized in Unrestricted Fund	1,333		(1,333)	
Net increase in fund balances	$2,386	$	$	$ 2,386

The accompanying notes are a part of the financial statements.

STATEMENT OF CHANGES IN FUND BALANCES

for the year ended September 30, 1979

	Unrestricted Fund	Restricted Funds State Grant	Restricted Funds Federal Grant	Total All Funds
Fund balances, October 1, 1978:				
As previously reported	$44,296			$ 44,296
Adjustments (Note 3):				
To segregate Restricted State Grant Fund	(38,012)	$38,012		
Reclassification of unexpended grant funds as deferred revenue		(38,012)		(38,012)
As restated	6,284			6,284
Fiscal 1979 activity:				
Revenues	8,297	38,012	$88,774	135,083
Expenses	(7,244)	(38,012)	(87,441)	(132,697)
Transfer to (from)	1,333		(1,333)	
Fund balances, September 30, 1979	$ 8,670	$	$	$ 8,670

The accompanying notes are a part of the financial statements.

STATEMENT OF CHANGES IN FINANCIAL POSITION

for the year ended September 30, 1979

	Unrestricted Fund	Restricted Funds State Grant	Restricted Funds Federal Grant	Total All Funds
Working capital provided (used):				
From operations:				
Excess of revenues over expenses	$ 1,053		$ 1,333	$ 2,386
From (to) other:				
Purchase of office equipment and furniture			(1,333)	(1,333)
Increase in working capital	$ 1,053		$	$ 1,053
Changes in components which increased (decreased) working capital:				
Cash	$(3,305)	$(75,424)		$(78,729)
Due from (to) other funds	20,543		$(20,543)	
Receivables	963		49,828	50,791
Notes payable	(17,000)			(17,000)
Accounts payable		12,412	(27,451)	4,961
Accrued interest	(148)			(148)
Accrued payroll taxes			(1,834)	(1,834)
Accrued director's fee		5,000		5,000
Deferred revenue		18,012		18,012
Increase in working capital	$ 1,053	$	$	$ 1,053

The accompanying notes are a part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

1. Organization and Summary of Significant Accounting Policies:

Organization

The Alaska Fisheries Development Foundation, Inc. (incorporated March 6, 1978 as Alaska Fisheries Development Corporation) was organized for the purpose of identifying the research and development needs of the Alaskan fishing industry, and soliciting funding for projects and studies which address those needs.

The Foundation is an Alaska nonprofit corporation exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

Significant Accounting Policies

The financial statements of the Foundation have been prepared on the accrual basis of accounting. To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes.

Revenues received that are restricted to program use in periods subsequent to the end of the accounting period are recorded as deferred revenues and will be recognized as earned when the services are performed. Expenses are recognized when incurred.

Contributions are considered unrestricted funds unless the contribution has been restricted to a specific program or purpose by the donor. Noncash contributions are valued at their fair market value at the date received.

Office furniture and equipment acquired by purchase are recorded at cost. Those acquired by contributions are recorded at their estimated fair value at the time of donation. All fixed assets are accounted for in the Unrestricted Fund. Purchases of furniture and equipment and related debt service payments financed by grants in the Restricted Funds are accounted for as transfers from such funds to the Unrestricted Fund. Depreciation will be computed on the straight-line method over the estimated useful lives of the related assets.

2. Description of Funds:

Unrestricted Fund - This fund accounts for all sources of revenue or expenditures not related to grants or contracts and all transactions not required to be accounted for in another fund.

Restricted Fund

State Grant Fund - This fund accounts for all grants received from the State of Alaska and for which the donor has restricted usage to a specific purpose or program. This fund has accounted for grant proceeds totaling $' 0,000 awarded in 1978 by Acts of the State Legi ature for the purpose of establisl ing an office in Alaska and hiring an executive director ($100,000) and to establish bottom fish research ($10,000).

Federal Grant Fund - This fund accounts for all grants and contracts received from the Federal government and the use of which are restricted to a specific purpose or program. This fund currently accounts for a grant from the National Oceanic and Atomospheric Administration, National Marine Fisheries Service for an implementation plan of a groundfish fishery off Alaska.

3. Restatement of Financial Statements:

The beginning fund balance of the Unrestricted Fund has been restated to reflect accounting practices recommended in Statement of Position 78-10 Accounting Principles and Reporting Practices for Certain Nonprofit Organizations issued in December 1978 by the American Institute of Certified Public Accountants and to segregate the Restricted State Grant Fund.

This statement recommends that grants should be accounted for in the statement of revenues and expenses to the extent that expenses have been incurred for the purpose specified by the grantor during the period. Amounts received but not yet expended should be accounted for as deferred revenue until grant restrictions are met.

The effects of the required retroactive accounting change upon beginning fund balances of the Unrestricted Fund and Restricted State Grant Fund are detailed in the adjustments reflected in the accompanying statement of changes in fund balances.

4. Notes Payable:

Note payable to bank on February 1, 1980, bearing 13½% interest; without collateral	$10,000
Note payable to bank on demand, bearing 13½% interest; without collateral	7,000
	$17,000

5. Contingencies:

Reimbursement claims under Federal and State grants are subject to audit and adjustment by grantor agencies. In the opinion of management, no material liability exists with respect to such contingencies.

PRELIMINARY

STATE OF ALASKA

A SPECIAL REVIEW
OF THE
ALASKA FISHERIES DEVELOPMENT
CORPORATION

uary 25, 1978 - September 30, 1978

DIVISION OF LEGISLATIVE AUDIT
Juneau, Alaska

A SPECIAL REVIEW
OF THE
ALASKA FISHERIES DEVELOPMENT
CORPORATION

January 25, 1978 - September 30, 1978

Commissioner, Department of Commerce and Economic Development	H. Phillip Hubbard
Deputy Commissioner, Department of Commerce and Economic Development	Bertram L. Wagnon
President, Alaska Fisheries Development Corporation	Ronald Jensen

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

THE LEGISLATURE

FINANCE DIVISION
POUCH W—STATE CAPITOL

BUDGET AND AUDIT COMMITTEE

JUNEAU, ALASKA 99811

December 18, 1978

Members of the
Legislative Budget and Audit Committee:

In accordance with the provisions of Title 24 of the Alaska Statutes, the attached report is submitted for your review.

A SPECIAL REVIEW
OF THE
ALASKA FISHERIES DEVELOPMENT
CORPORATION

January 25, 1978 - September 30, 1978

Gerald L. Wilkerson, CPA
Legislative Auditor
Division of Legislative Audit

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PURPOSE OF THE REVIEW

In accordance with the provisions of Title 24 of the Alaska Statutes, a special review of the Alaska Fisheries Development Corporation (AFDC) was conducted to determine:

1. The extent and nature of financial transactions relating to $110,000 in funding received from the State.

2. The progress AFDC has made towards meeting the stated goals and objectives relating to the above funding.

3. Progress made by AFDC towards obtaining other sources of funding to ensure AFDC's continued existence.

ORGANIZATION AND FUNCTION

The Alaska Fisheries Development Corporation (AFDC) is a private, not-for-profit corporation, chartered on March 6, 1978. The purpose of the Corporation as defined by its Articles of Incorporation is "to provide a non-political, non-partisan, industry-wide organization interested in the commercial development of fisheries and aquatic products"; and "to conduct business and plan industry research and development needs, secure financing, administer projects and disseminate results and conclusions".

As of November 10, 1978, the voting membership of AFDC included ten harvester groups and thirteen processing companies. In addition, there are fifteen non-voting associate members, including interested businesses and associations.

The corporate powers of the Corporation are vested in the Board of Directors, which is made up of ten directors. Five Board members are harvesters who are elected from each of five geographic regions designated by the Articles of Incorporation; the other five members are processors who are elected without regional consideration. Nominations for the directors are submitted by the Corporation's membership; nominees are elected by the voting members of the Corporation at the Corporation's annual meeting.

In addition to the ten voting Board members, the Board also includes eight ex officio members.

The Corporation received $110,000 in 1978 from the State of Alaska, through the Department of Commerce and Economic Development in two separate grants. A $10,000 grant was to be used to establish a bottomfish research association. The purposes of the $100,000 grant was to allow AFDC to establish an office in Alaska and hire an executive director.

AFDC publishes a newsletter to keep its members up-to-date on the Corporation's activities and new developments in the bottomfish industry. Four newsletters have been published since March, 1978.

Compliance

The following is an analysis of the requirements the Alaska Fisheries Development Corporation (AFDC) must meet in order to be in compliance with the two grants given it by the State of Alaska:

1. $10,000 grant awarded to AFDC to establish a bottomfish research association.

Alaska Fisheries Development Corporation was formed as of March 6, 1978. Per its Articles of Incorporation, one of the purposes of the Corporation is to plan research for the commerical development of fisheries and aquatic products. The Corporation is specifically interested in bottomfishing.

2. $100,000 grant awarded to AFDC to establish an office in Alaska and hire an executive director.

Sara Hemphill was hired as executive director of AFDC as of October 15, 1978. Ms. Hemphill had worked with the Corporation as a consultant since its inception. She had also served on the Board of Directors as a harvester representative from the Yakutat-and-South-to-Sitka region.

To select an executive director, the Board of Directors of AFDC appointed five of its members to a Search Committee to make a recommendation for the executive director position. The Search Committee, after studying the resumes received from nineteen applicants, interviewed five of the applicants determined to be best qualified. The Search Committee recommended to the Board that Ms. Hemphill be offered the position after determining that she was most qualified for the job. The full Board of Directors then voted to offer Ms. Hemphill the job.

Ms. Hemphill accepted the job and has moved from Seattle to Anchorage to assume the duties as executive director. Her salary as executive director is $45,000 annually. Office space was rented by the Corporation at Alaska Pacific University in mid November, 1978.

The $100,000 grant also stipulates that the Corporation shall submit a financial report to account for all State and Federal funds received by the Corporation. These reports are to be submitted to the Department of Commerce and Economic Development by June 30 of each year. The first report will be due June 30, 1979.

Financial

As of September 30, 1978, Alaska Fisheries Development Corporation incurred expenses of $71,988 compared with revenues of $116,284, per the Corporation's financial statements on pages 10 through 15. This leaves a fund balance of $44,296.

Of the $71,988 in expenses, actual expenditures as of September 30, 1978, amounted to $34,576; accounts payable and accrued executive director's fees amounted to $32,412 and $5,000 respectively.

During our review, we noted that the $110,000 received from the State was put directly into a checking account. In the future, excess funds should be invested in order to take advantage of any interest income that accrues. The funds can then be transferred to a checking account as needed.

Program Evaluation

In February of 1978, AFDC applied to the National Marine Fisheries Service (NMFS), under the U. S. Department of Commerce, for $1.45 million in Saltonstall-Kennedy (S-K) funds. It was intended by the drafters of the S-K Act that S-K funds be used for fisheries research; AFDC's proposal involved research in the bottomfish industry.

At the time AFDC submitted its proposal and up until December, NMFS and the U. S. Department of Commerce promised AFDC that it would receive the funds applied for.

However, as of late December, no Federal funds have been awarded to AFDC. The decision to award the S-K funds to AFDC has been forestalled in the Federal budgeting process. Therefore, the status of S-K funding is uncertain until a decision is made during the 1979 Congressional session.

Alaska Fisheries Development Corporation is presently looking into a possible alternative source of funding from the Economic Development Administration, U. S. Department of Commerce, in the form of grants-in-aid. These grants would probably be limited to approximately $100,000 for administration purposes.

SUPPLEMENTAL INFORMATION

RECEIVED
DEC 28
LEGISLATIVE
AUDIT

ALASKA FISHERIES DEVELOPMENT CORPORATION

Cordova, Alaska

FINANCIAL STATEMENTS

SEPTEMBER 30, 1978
(Unaudited)

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Notes to Financial Statements	5

JOHNSON AND MORGAN
CERTIFIED PUBLIC ACCOUNTANTS
ANCHORAGE ALASKA

Board of Directors
Alaska Fisheries Development Corporation
Cordova, Alaska

The accompanying balance sheet of Alaska Fisheries Development Corporation (a nonprofit corporation) as of September 30, 1978, and the related statement of revenues, expenditures and changes in fund balance for the seven-month period then ended were not audited by us and accordingly we do not express an opinion on them.

Johnson + Morgan
Certified Public Accountants

December 1, 1978

ALASKA FISHERIES DEVELOPMENT CORPORATION

BALANCE SHEET

SEPTEMBER 30, 1978
(Unaudited)

Assets

	(Restated)
Cash	$81,708
Total	$81,708

Liabilities and Fund Balance

Accounts payable	$32,412
Accrued acting executive director's fees	5,000
Total liabilities	37,412
Fund balance	44,296
Total	$81,708

The accompanying notes are an integral part of these financial statements.

ALASKA FISHERIES DEVELOPMENT CORPORATION

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

FOR THE SEVEN-MONTH PERIOD ENDED SEPTEMBER 30, 1978
(Unaudited)

	(Restated)
Revenues:	
State of Alaska	$110,000
Membership fees	6,000
Donations	284
Total revenues	116,284
Expenditures:	
Professional services	39,676
Acting executive director's fees	5,000
Travel and lodging--board of directors	8,433
Travel and lodging--acting executive director	6,947
Printing and Xeroxing	3,977
Newsletter	2,500
Advertising	600
Postage	1,107
Secretarial services	118
Telephone	2,680
Meeting expenses	870
Total expenditures	71,988
Excess of revenues over expenditures	$ 44,296
Fund balance, beginning of period	$ -
Fund balance, end of period	$ 44,296

The accompanying notes are an integral part
of these financial statements.

ALASKA FISHERIES DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1978
(Unaudited)

Note 1 Summary of Significant Accounting Policies

a) The corporation maintains its books and records on the cash basis of accounting and adjusts to the accrual basis for financial statement purposes.

b) The Alaska Fisheries Development Corporation intends to apply for tax exempt status under Sec. 501 of the Internal Revenue Code. As of September 30, 1978, no application had been filed.

Note 2 Accounts Payable

The accounts payable at September 30, 1978, are as follows:

Payable To	For	Amount
Stafne & Hemphill	Professional services	$29,580
Members of the board of directors:	Travel and lodging	2,816
	Other expenditures	16
		$32,412

Note 3 Professional Services

The amount expended for professional services ($44,676) was for services performed by Stafne & Hemphill, for the period from January through August of 1978, in preparing proposals for Alaska Fisheries Development Corporation and in negotiations with various agencies on behalf of the corporation.

Note 4 General

Alaska Fisheries Development Corporation was formed in March, 1978, as a nonprofit educational and scientific research and development organization with the purpose of providing a nonpolitical, nonpartisan, industry-wide organization interested in the commercial development of fisheries and aquatic products in Alaska.

Note 5 Restatement

These financial statements have been restated to correct an overreporting of expenditures for professional fees and travel and lodging and a corresponding overreporting of accounts payable.

LAWS OF ALASKA

19[illegible]

Source | Chapter No.

FCCS HCSSB 118 | 21

AN ACT

Making miscellaneous appropriations to the Municipality of Anchorage, the Department of Revenue, the Legislative Affairs Agency, the Steering Council for Alaska Lands, and the Department of Commerce and Economic Development, and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA

* Section 1 The sum of $60,000 is appropriated from the general fund to the Municipality of Anchorage to fund the youth employment services program

* Sec. 2 The sum of $35,000 is appropriated from the general fund to the Department of Revenue to fund participation by that department in a study which will analyze the extent of investment in tanker vessels, costs of the use of those vessels and rates charged for the use of those vessels in the transport of Alaskan crude oil

* Sec. 3 The sum of $35,000 is appropriated from the general fund to the Legislative Affairs Agency to defray the costs of the Legislative Council's investigation of the extent of investment in tanker vessels, costs of the use of those vessels, and rates charged for the use of those vessels in the transport of Alaskan crude oil

* Sec. 4 The sum of $58,000 is appropriated from the general fund to the Steering Council for Alaska Lands to provide [illegible] for public television and radio that provide the public with a balanced presentation of the national public interest lands issues under Sec. 17(d)(2) of the Alaska Native Claims Settlement Act (P.L. 92-203)

* Sec. 5 The sum of $20,000 is appropriated from the general fund to the Department of Commerce and Economic Development for the purpose of a grant to establish a [illegible] research association

LAWS OF ALASKA

1978

Source

CSHB 898 am

Chapter No.

97

AN ACT

Making a special appropriation to the Department of Commerce and Economic Development for allocation to the Alaska Fisheries Development Corporation; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. The sum of $100,000 is appropriated from the general fund to the Department of Commerce and Economic Development to be allocated to the Alaska Fisheries Development Corporation for the purpose of establishing an office in Alaska and hiring an executive director. The Alaska Fisheries Development Corporation shall, as a condition to the receipt of the money appropriated in this section, promise to provide to the Department of Commerce and Economic Development on June 30 of each year an accounting of all expenditures of state and federal funds received by the corporation.

* Sec. 2. The unexpended and unobligated portion of this appropriation lapses into the general fund June 30, 1979.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.070(c).

Approved by the Governor July 5, 1978
Actual Effective Date July 6, 1978

LISTING OF CONTACTS

The following persons were contacted by our auditors for information used in preparing this report:

Sara S. Hemphill
Executive Director
Alaska Fisheries Development Corporation

Constance Taylor
Secretary-Treasurer
Alaska Fisheries Development Corporation

Terry Leitzell
Assistant Administrator for Fisheries
National Marine Fisheries Service
U. S. Department of Commerce

Steve Perles
Legislative Assistant
Senator Ted Stevens' Washington, D. C. Office

Tom Roach
Legislative Aide
Senator Mike Gravel's Washington, D. C. Office

Jim Edenso
Bottomfish Coordinator
Office of the Governor
State of Alaska

Richard Eakins
Director
Department of Commerce and Economic Development, Division of Economic Enterprise, State of Alaska

Richard Reynolds
Development Specialist - Fisheries
Department of Commerce and Economic Development, Division of Economic Enterprise

HB
529

AGO 125387

Hearing 3/25/80 - Reported out as CS with DO PASS

(9)

COMMITTEE REPORT

HOUSE

1/14/80

FURTHER: Judiciary

Date: 1-2 _____

Mr. Speaker:

The Committee on Resources has had HB 529

"An Act relating to fish disease control."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Fish Disease Control

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB 529	3/21	4100	Dept of Fish & Game	3/25
	3/21	3720	Rep. Gardiner	3/25
	3/21	3500	Governor Hammond's Office	3/25
	3/21	586-2820	United Fishermen of Alaska	3/25
	3/24	4100	American Fisheries Society, Stan Moberly	3/25

Introduced: 1/14/80
Referred: Resources and
Judiciary

IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

HOUSE BILL NO. 529

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to fish disease control."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 16.05.251(a)(8) is amended to read:

(8) investigating and determining the extent and effect of fish disease, predation, and competition among fish in the state, exercising control measures considered necessary to the resources of the state;

* Sec. 2. AS 16.05.251(a)(10) is amended to read

(10) prohibiting and regulating the live capture, possession, transport, or release of native or exotic fish or their eggs;

* Sec. 3. AS 16.05 is amended by adding a new section to read:

Sec. 16.05.868. FISH HEALTH INSPECTIONS. For any fish health inspection the department determines is necessary the department may substitute for its own inspection the inspection of a professional fish health specialist who is certified by the American Fisheries Society, Fish Health Section.

* Sec. 4. AS 16.10.460 is amended by adding a new subsection to read.

(b) The cost of any inspection performed by the department under AS 16.10.400 -- 16.10.470 will be borne by the department.

* Sec. 5. AS 16.10.420(9) is repealed.

HB529

Alaska State Legislature
House of Representatives

POUCH V
JUNEAU, ALASKA 99811
OFFICIAL BUSINESS

M E M O R A N D U M

To: Representative Alvin Osterback
Chairman, House Resources Committee

From: Representative Terry Gardiner T.G.

Date: February 27, 1980

Re: Amendment to HB 529

Attached is a proposed amendment to HB 529. The purpose of the amendment is to clarify in the proposed legislation the standards of people who are qualified to do fish health inspections in the state. It is my concern that all fish health inspections be held to the same standard and that there not be two standards imposed in the state, (1) the Department of Fish and Game and, (2) all other people involved in the fisheries.

The language I have proposed as an amendment to the bill will clarify the issue that all fish health inspections that the department determines necessary are performed by a competently certified person. It leaves the discretion of whether to have a fish health inspection or not with the department, but that once the department decides to form an inspection or require one that the qualifications of the person doing this inspection is set out in statute.

AMENDMENT TO HB 529

The following language is proposed as an amendment to Section 3 of HB 529.

Sec. 16.05.86E. FISH HEALTH INSPECTIONS. All fish health inspections the department determines necessary shall be performed by a professional fish health specialist certified by the American Fisheries Society, Fish Health Section.

Justification: The proposed amendment makes it clear that all fish health inspections will be based on the same standards and performed by a competently certified person.

CS HB 529

as reported

out of House

Resources

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 529
Title An Act relating to fish disease control
Requested by Rules Committee by request of Gov. Date

II. FISCAL DETAIL
Agency Affected Department of Fish and Game
Program Category Affected Natural Resources
BRU, Program, or Subprogram(s) Affected Division of F.R.E.D.
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		57.8	62.4	67.4	72.8	78.6
200 TRAVEL		19.0	20.5	22.2	23.9	25.8
300 CONTRACTUAL		5.0	5.4	5.8	6.3	6.8
400 COMMODITIES		18.2	19.7	21.2	22.9	24.8
500 EQUIPMENT		5.0	5.4	5.8	6.3	6.8
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL		105.0	113.4	122.4	132.2	142.8

FUNDING (Thousands of Dollars)

GENERAL FUND		105.0	113.4	122.4	132.2	142.8
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2.0	2.0	2.0	2.0	2.0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

To implement comprenensive fish disease control program which will provide diagnostic screening and prevention programs for twenty (20) scientific/educat.onal Acquaculture permist and fifteen (15) Private Non-Profit (PNP) Acquaculture permits.

100	2 Microbiologists, range 16 @ 28.9 each.	57.8
200	Travel and per diem for 35 annual on-site diagnostic screening visits and additional visits/prevention and control programs.	19.0
300	Private laboratory testing.	5.0
400	Scientific supplies.	18.2
500	Laboratory equipment.	5.0
	Inflation at 8% per year for following years.	
	TOTAL:	$105.0

IV. DATE 1/10/80 PREPARED BY Russell H. Clark
AGENCY Department of Fish and Game
PHONE 8465-4120

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
Keith Specking, Office of the Governor

33-001 (Rev. 12/79)

HB
544

CSHB5 HB 544 Categories H. Resources 79/80
Fishing ~~Effective Date~~

AGO 125370

Hearing held — Jan. 22 — held over for legal opinion
" " Jan. 24 - Reported out as CSHB544

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB544	1/18/80	4100	Dept. of Fish & Game To testify: Greg Cook, Exec. Dir. of Boards of Fisheries & Game	1/22/80
	1/18/80	3718	Rep. Parr, Sponsor	1/22/80

// Resources

Greg Cook said he'd comment on the proposed numbering section. Since he hasn't done it on paper, I assume he'll be making the comment on [illegible]

STATE
of ALASKA

MEMORANDUM

TO: House Judiciary Committee

DATE: January 21, 1980

FILE NO:

TELEPHONE NO: 465-4108

FROM: Gregory F. Cook
Executive Director
Boards of Fisheries and Game

SUBJECT: Personal Consumption Fishery; House Bill 544

In response to the January 21, 1980 telephone request from Sandra Stringer of your office, enclosed is a copy of Proposal #428, Personal Consumption Fishery which was before the Board of Fisheries during its Fall 1979/1980 regulatory meeting. The proposal was rejected and the Board instead adopted a management plan for the Copper River salmon fisheries (#80-66-FB) which is also enclosed.

BACKGROUND INFORMATION

The Copper River subsistence fishery has existed for many years. Prior to construction of the Richardson Highway, participants in this fishery were mainly local residents. As road conditions improved and more leisure time became available, the number of non-local fishermen increased. These new participants in the fishery have come primarily from the Fairbanks and Anchorage areas.

Increased fishing pressure and poor returns of fish to the Copper Rive system in recent years has required the Board of Fisheries to take action to restrict commercial, sport and subsistence fisheries in the Copper River area. Restricting these fisheries has been a complex and difficult task. Consequently, the Board has considered a variety of alternatives before taking action. One alternative approach, suggested by the Board itself, was to create a category to be known as "personal consumption" fisheries. Such a classification would remove the fishery from the legislatively-mandated priority of subsistence.

This option was rejected by the Board of Fisheries at their public meeting in December 1979. The Board also rejected a second alternative proposed which called for differentiation among subsistence users by gear type only. The Board elected instead to develop a management plan: The plan's goal is to insure that subsistence needs are met first for those most dependent on the resource. Other subsistence users whose level of dependence is generally lower receive a lower priority as specified in AS 16.05.251(b).

PERSONAL CONSUMPTION FISHERY

428. 5 AAC 41.001-900. PERSONAL CONSUMPTION FISHERY. Establish a personal use category of fishermen that allows the taking of fish by gear not allowed under current sport fishing regulations. Fish taken under the regulations of this chapter could only be used for personal consumption, not for barter, trade, or sale.

The proposed regulation reads as follows:

ARTICLE 1.
STATEWIDE PROVISIONS.

5 AAC 41.001. APPLICATION OF THIS CHAPTER. (a) Regulations in this chapter apply to personal consumption fishing for finfish, shellfish, and aquatic plants.

(b) The regulations of this chapter do not prohibit the personal consumption of finfish, shellfish, or aquatic plants legally taken under the subsistence, commercial, and sport fishing regulations of this title.

(c) The unlawful possession of fish (5 AAC 39.197), the definitions (5 AAC 39.975) and the abbreviations and symbols (5 AAC 39.997) set forth and defined in ch. 39 of this title are applicable to the regulations in this chapter.

5 AAC 41.005. PERSONAL CONSUMPTION FISHING PERMITTED. Finfish, shellfish, and aquatic plants may be taken for personal consumption only as provided in this chapter.

5 AAC 41.010. METHODS, MEANS, AND GENERAL RESTRICTIONS. (a) Fish may be taken for personal consumption only by dip net.

(b) Fish may be taken for personal consumption only by residents.

(c) It is unlawful to buy, sell, trade, or barter personal consumption caught fish or their parts.

5 AAC 41.015. PERSONAL CONSUMPTION FISHING PERMITS AND REPORTS. (a) Finfish, shellfish, and aquatic plants may be taken only under the authority of a personal consumption fishing permit issued by the commissioner or a local representative of the department.

(b) The following permit conditions apply unless otherwise specified by the personal consumption fishing regulations in this chapter:

(1) the numbers of fish taken for personal consumption may not exceed the limits set out in the permit;

(2) permits must be obtained from a local representative of the department prior to personal consumption fishing;

(3) permits must be retained in the possession of the permittee and be readily available for inspection while taking or transporting the species for which the permit is issued;

(4) the permit may designate the species and numbers of fish to be harvested, time and area of fishing, the type and amount of fishing gear and other conditions necessary for management or conservation purposes;

(5) if specified on the permit, each personal consumption fisherman shall keep accurate daily records of the catch involved, showing the number of fish taken by species, location and date of the catch and such other information as the department may require for management or conservation purposes;

(6) personal consumption fishing reports must be completed on forms provided by the department and submitted to the department office from which the permit was issued at a time specified by the department for each particular area and fishery;

(7) if applicable, the total annual possession limit for the permittee must be entered on each permit by the department representative issuing the permit; if applicable the department representative issuing the permit shall require from an applicant documented proof of residency, income, or other criteria required by regulation, or in the absence of such documentation, a signed affidavit setting forth duration of residency, income, or other criteria required by regulation, to determine the applicable annual possession limit and residency of the applicant;

(c) If the return of catch information necessary for management and conservation purposes is required by a personal consumption fishing permit, a permittee who fails to comply with such reporting requirements is ineligible to receive a personal consumption permit for that activity during the following calendar year, unless the permit applicant demonstrates to the department that failure to report was due to loss in the mail, accident, sickness, or other unavoidable circumstances.

5 AAC 41.020. DEFINITIONS. In this chapter

(1) "personal consumption fishing" means the taking, attempting to take or possession of finfish, shellfish, or aquatic plants by an individual for consumption as food by that individual or his immediate family;

(2) "dip net" means a bag-shaped net suspended from a frame, which may not exceed five feet in any outside dimension, is attached to a single handle and is operated by hand.

ARTICLE 12.
PRINCE WILLIAM SOUND AREA.

5 AAC 41.600. DESCRIPTION OF THE PRINCE WILLIAM SOUND AREA. The Prince William Sound area includes all waters of Alaska between the longitude of Cape Fairfield and the longitude of Cape Suckling.

5 AAC 41.605. DESCRIPTION OF DISTRICTS AND SUBDISTRICTS. (a) The Upper Copper River district consists of all waters of the main Copper River from the confluence of the Slana River downstream to an east-west line crossing the Copper River at the confluence of the unnamed stream located approximately 1 /4 mile below the U.S.G.S. gauging cable across the Copper River, as designated by Alaska Department of Fish and Game regulatory markers;

(b) the Chitina subdistrict consists of all waters of the main Copper River from the downstream edge of the Chitina-McCarthy Road Bridge downstream to an east-west line crossing the Copper River at the confluence of the unnamed stream located approximately 1-1/4 mile below the U.S.G.S. gauging cable across the Copper River, as designated by the Alaska Department of Fish and Game regulatory markers.

5 AAC 41.610. FISHING SEASONS. In the Chitina subdistrict of the Upper Copper River district, salmon may only be taken from June 1 through September 30.

5 AAC 41.620. LAWFUL GEAR AND GEAR SPECIFICATIONS. Salmon may be taken only by dip net.

5 AAC 41.625. WATERS CLOSED TO PERSONAL CONSUMPTION FISHING. All waters of the Prince William Sound area, except for those in the Chitina subdistrict are closed to personal consumption fishing.

5 AAC 41.630. PERSONAL CONSUMPTION FISHING PERMITS. Salmon may only be taken under the authority of a personal consumption fishing permit. Only one permit per year will be issued to an individual or household.

5 AAC 41.64[illegible]. PERSONAL CONSUMPTION BAG AND POSSESSION LIMITS. The total annual possession limit for each permit is as follows:

(1) 15 salmon for a permit issued to an individual not a member of a household under (2) of this section;

(2) 30 salmon for a permit issued to the head of a houshold.

Justification: This is an alternative to existing regulations in response to a request by the Board of Fisheries at the March 1979 meeting.

Proposed by: Staff on request of the Board of Fisheries.

Favor: Jerome M. Messeth (70-71)
CR-PWS Adv.Cmte. (204)
Gastineau Ch.Adv.Cmte. (211)
Kodiak Adv.Cmte. (234)

Oppose: Naknek-Kvichak Adv. Cmte. (116)
Fairbanks Adv.Cmte. (183)
Commercial Fishermen of Cook's Inlet (216)

Action Taken:

ALASKA BOARD OF FISHERIES

COPPER RIVER SALMON MANAGEMENT PLAN

I. INTRODUCTION: The purpose of this plan is to insure an adequate escapement of salmon into the Copper River system and to provide management guidelines for equitable allocation of the harvestable resource.

II. COPPER RIVER SALMON RUN

A. This policy governs only those salmon which pass the department sonar counters located at the Million Dollar Bridge.

B. The Commercial Fisheries Division shall manage the Copper River commercial fishery to attain a total escapement into the Copper River of 350,000 salmon to insure that adequate escapement reach the spawning gounds and provide for a sport and subsistence harvest. The desired weekly escapements are shown in Table 1.

C. The Commercial Fisheries Division shall manage the subsistence fishery on the Copper River consistent with AS 16.05.251(b) and to insure adequate escapement by restricting the subsistence harvest to the following levels (Table 2) based on escapement as determined by sonar evaluations and any other appropriate means.

D. The department shall prepare application forms to obtain information necessary to determine what persons are qualified to receive subsistence permits described in Section III.

III. PERMITTING

A. Subsistence Permits: Permits may be issued to persons who show the greatest level of need for subsistence salmon on the basis of:

--- Customary and direct dependence upon the resource as the mainstay of one's livelihood,
--- Local residency, and
--- Availability of alternative resources.

1. Class A Permit: A Class A Permit may be issued to any person who satisfies all of the following criteria:

a. Dependency

i. 55 years of age or older

ii. Annual income of no more than the amount identified in 5 AAC 01.630(b) (2) (B) and as

the income criteria regulation may be from time to time amended.

iii. Use of a fishwheel to catch fish in the Copper River in ten of the last twelve years.

c. Residency

i. Proximity to the resource as determined by Copper River residency as follows:

A Copper River Basin resident is an Alaska resident (as defined in Title 16) who for the preceding twelve consecutive months has maintained his place of residence and voting residence (if applicable) in the area described below and who does not maintain a permanent residence or voting residence elsewhere. The area includes Game Management Units 11, 13-A, 13-B, 13-C, 13-D as described in 5 AAC 90.010 and the Jacksina River drainage to its confluence with the Nabesna River.

2. Class B Permit: A Class B Permit may be issued to any person who is a Copper River Basin resident as defined above.

3. Class C Permit: A Class C Permit may be issued to any state resident who applies to and is determined by the Commissioner of Fish and Game or his delegate as a person who satisfies all of the following criteria:

a. Household size of three persons or more,

b. Household having one or more persons over 55 years old,

c. No more than one full-time employed person in the household,

d. Participation in the fishery for eight of the last ten years, and

e. Annual household income not to exceed $10,000.

4. Class D Permit: A Class D Permit may be issued to any resident of the State of Alaska as defined in Title 16.

B. Permitting

1. When escapements of less than 300,000 are projected, the face value (number of fish allowed per permit) of permits as described in 5 AAC 01.630 may be reduced to insure that all permittees would be allowed to fish.

2. When escapement projections improve significantly during the season, face values of permits may be increased up to

full value as described in 5 AAC 01.630.

3. Permits must be returned no later than October 31 or a permit for the following year may be denied as provided in 5 AAC 01.015(c).

4. During closed fishing periods, the Chitina permit issuing station may be closed or operated at reduced hours to reduce manpower costs.

C. Delayed Season Opening

When sonar counts prior to June 1 indicate less than 250,000 projected escapement, the subsistence season opening may be delayed up to ten days to allow more accurate assessment of run strength and confirm appropriate allowable harvest allocations.

IV. COPPER RIVER SUBSISTENCE CHINOOK SALMON FISHERY:

When the Copper River dip net subsistence fishery is closed to the taking of sockeye salmon, it may be open to the taking of chinook salmon between June 1 through July 10, up to seven days per week.

V. COPPER RIVER SUBSISTENCE COHO SALMON FISHERY:

If the Copper River subsistence fishery is closed or restricted because of an inadequate escapement of sockeye and chinook salmon, the fishery may be reopened September 1 for the taking of coho salmon, which constitute the majority of the salmon at that time. By September 1, the escapement of sockeye and chinook salmon has essentially passed through the area. Also by this time, the subsistence fishery effort has decreased and constitutes less than five percent of the total effort on the fishery.

VI. UPPER COPPER RIVER SOCKEYE SALMON SPORT FISHERY:

When projected sockeye salmon escapements to the upper Copper River fall below 250,0000, sport fishing for sockeye salmon shall be closed.

VII. COPPER RIVER CHINOOK SALMON COMMERCIAL FISHERY:

During years when commercial sockeye salmon fishery closures are in effect, limited chinook salmon harvests may be allowed under the following conditions:

A. The incidental catch of sockeye salmon may not exceed ten percent of chinook salmon weekly harvest quotas when less than 250,000 sockeye salmon escapement is projected. When 250-350,000 sockeye salmon escapement is projected, the incidental catch may not exceed twenty percent.

B. Maximum drift gill net per vessel shall be 150 fathoms of 8 ¼-inch or larger mesh.

C. Fishing periods may not exceed six hours in length and fishing time will be set to avoid periods of maximized catch potential.

There will be two fishing periods per week unless more than 80 percent of the week's quota is taken during the first period.

D. When weekly quotas are not obtained, no more than ten percent of that quota may be taken in the following week.

E. 1. Weekly quotas for 1980 are as follows:

Week*	Harvest Allocation
21	2,000
22	4,000
23	3,000
24	1,000

2. Adjustments of up to one week may be made in the overall harvest allocation timing to compensate for seasonal variations due to early or late spring breakup or other environmental conditions.

* Statistical weeks are in numerical sequence beginning with week number one (1), which is the week ending with the first Saturday of the calendar year.

ADOPTED: January 11, 1980
Anchorage, Alaska

VOTE: 6/0

Table 1. Expected upriver escapement by week based upon percent of average weekly sockeye salmon catch from the Copper River District to produce 350,000 desired escapement and 250,000 minimum escapement.**

Dates	Week	Average Catch	Years	Percent	Cumulative Percent	Minimum Escapement	Cumulative Escapement	Expected Average Escapement	Cumulative Expected Average Escapement	Minimum Expected Sonar Escapement (Cumulative)	Average Expected Sonar Escapement (Cumulative)
May 14-20	20	32,602	(9)	4.7	4.7	11,750	11,750	16,440	16,440	*	*
21-27	21	102,868	(15)	14.8	19.5	37,000	48,750	51,790	68,230	11,750	16,440
28- 3	22	144,653	(16)	20.9	40.4	52,250	101,000	73,140	141,370	48,750	68,230
June 4-10	23	132,503	(18)	19.1	59.5	47,650	148,650	66,840	208,210	101,000	141,370
11-17	24	76,753	(18)	11.1	70.6	27,750	176,400	38,840	247,050	148,650	208,210
18-24	25	61,650	(18)	8.9	79.5	22,250	198,650	31,140	278,190	176,400	247,050
25- 1	26	48,838	(17)	7.0	86.5	17,500	216,150	24,490	302,680	198,650	278,190
July 2-	27	33,387	(18)	4.8	91.3	12,000	228,150	16,790	319,470	216,150	302,680
9-15	28	27,032	(18)	3.9	95.2	9,750	237,900	13,640	333,110	228,150	319,470
16-22	29	16,415	(18)	2.4	97.6	6,000	243,900	8,390	341,500	237,900	333,110
23-29	30	10,429	(18)	1.5	99.1	3,750	247,650	5,240	346,740	243,900	341,500
30- 5	31	4,660	(17)	0.7	99.8	1,750	249,400	2,440	349,180	247,650	346,740
Aug. 6-12	32	1,476	(17)	0.2	100.0	500	249,900	690	349,870	249,400	349,180
13-19	33	298	(13)	0.04		100	250,000	130	350,000	249,900	349,870
										250,000	
AVERAGE		693,564				250,000		350,000^	350,000^^^		350,000^^^

^ Escapement upriver.

^^ 80,000 - 90,000 additional spawners required for Copper River Delta spawning areas.

^^^ Actual escapement requires subtraction of subsistence and sport fishery take.

TABLE 2: COPPER RIVER SUBSISTENCE FISHERY ALLOCATION PLAN

PROJECTED ESCAPEMENT	ALLOWABLE HARVEST	PERMITTEES 1/	LEVEL OF PARTICIPATION
Less than 150,000	3-5,000	Class A 2/	7 days/week
150-200,000	8-10,000	Class A Class B and C	7 days/week 2 days/week (Saturday-Sunday)
200-250,000	13-15,000	Class A Class D	7 days/week 2 days/week (Saturday-Sunday)
250-300,000	18-20,000	Class A Class D	7 days/week 3 days/week (Friday-Sunday)
300-350,000	23-25,000	Class A Class D	7 days/week 5 days/week (Thursday-Monday)
More than 350,000		Unrestricted	

1/ No distinction is drawn to gear type.

1/ Special permits are estimated to be 25-30 permits

SUMMARY OUTLINE OF TESTIMONY ON HB 544

Prepared by
Gregory F. Cook, Executive Director
Boards of Fisheries and Game
Alaska Department of Fish and Game

Presented to the House Resources Committee
January 22, 1980

HB 544 SEEKS TO PREVENT THE DEPARTMENT AND THE BOARD OF FISHERIES FROM MAKING NEW CATEGORIES OF FISHERIES, SUCH AS "PERSONAL CONSUMPTION" FISHERIES. IN CONTRAST TO THE BOARD OF FISHERIES, NO SUCH AUTHORITY IS CURRENTLY PROVIDED THE DEPARTMENT UNDER TITLE 16. THE ISSUE MAY NOW ACTUALLY BE MOOT SINCE THE BOARD OF FISHERIES REJECTED A PROPOSED REGULATION TO CREATE SUCH A PERSONAL CONSUMPTION CATEGORY AT THEIR DECEMBER, 1979, PUBLIC MEETING. NONETHELESS, YOU MAY FEEL THAT SOME ACTION IS STILL APPROPRIATE. TO ASSIST YOU, I HAVE SOME BRIEF BACKGROUND INFORMATION TO PRESENT.

FIRST, THE COPPER RIVER SUBSISTENCE FISHERY--BOTH FISHWHEEL AND DIPNET--WILL BE MANAGED IN 1980 ACCORDING TO THE COPPER RIVER MANAGEMENT PLAN. (COPIES OF THAT PLAN ARE AVAILABLE.) THE PLAN PROVIDES FOR ALLOCATION OF SOCKEYE SALMON AMONG DIFFERENT ALASKANS BASED ON A VARIETY OF CRITERA. THOSE CRITERIA WERE SELECTED BASED ON THE MANDATES OF THE "SUBSISTENCE LAW" (CHAPTER 151, SLA 1978), AND EMPHASIZE:

1. CUSTOMARY AND TRADITIONAL DEPENDENCE
2. AVAILABILITY OF ALTERNATIVE RESOURCES
3. LOCAL RESIDENCY

NEXT IT SHOULD BE EMPHASIZED THAT THE LAW MANDATES A PRIORITY FOR ALL SUBSISTENCE USES. THOSE USES TAKE PRIORITY OVER ALL COMMERCIAL AND ALL SPORT USES.

FINALLY, THE BOARD OF FISHERIES IS CONCERNED THAT THE LEVEL OF SUBSISTENCE USE SHOULD, IN MOST INSTANCES, BE KEPT WITHIN CUSTOMARY AND TRADITIONAL LEVELS OF USE. FOR EXAMPLE, IT HAS COME TO THE BOARD'S ATTENTION THAT AN INCREASING NUMBER OF FISHERMEN ARE NOW DRIVING TO RAMPART TO FISH THE YUKON WITH GILLNETS AND PARTAKE OF THE SUBSISTENCE PRIORITY. AN UNLIMITED EXPANSION OF SUBSISTENCE USE IN THIS AREA, AS WELL AS OTHERS, COULD, IN SOME INSTANCES, CAUSE A CLOSURE OF COMMERCIAL AND/OR SPORT FISHERIES. THIS MAY OR MAY NOT BE IN THE PUBLIC'S BEST INTERESTS.

A FUNDAMENTAL QUESTION WHICH YOU MAY WISH TO CONSIDER IN EVALUATING HB 544 IS HOW BROAD DO YOU WISH THE SUBSISTENCE PRIORITY TO BE? AT THE PRESENT TIME, THE BOARD OF FISHERIES MAY CLASSIFY NEW, NON-CUSTOMARY, NON-TRADITIONAL USES AS SOMETHING DIFFERENT FROM SUBSISTENCE. THIS REMOVES THOSE NON-TRADITIONAL ACTIVITIES FROM THE SUBSISTENCE PRIORITY. I SUGGEST THAT YOU LEAVE THIS AUTHORITY TO CLASSIFY WITH THE BOARD OF FISHERIES.

TO EXPRESS YOUR CONCERN FOR THIS ISSUE OF CLASSIFICATION, YOU MAY WISH TO CHANGE THE FORM ONLY OF THIS BILL. THE NEW FORM COULD BE A HOUSE JOINT RESOLUTION. THE RESOLUTION COULD REQUEST PRIOR CONSULTATION WITH THE LEGISLATURE BEFORE THE BOARD MAKES A DECISION TO RECLASSIFY A FISHERY FROM SUBSISTENCE TO ANOTHER CATEGORY. IN THIS MANNER, YOU WOULD LEAVE THE BOARD OF FISHERIES FREEDOM TO CONTINUE TO MANAGE THE RESOURCE, YET STILL MAKE VERY CLEAR YOUR CONCERNS.

THE BOARD OPPOSES PASSAGE OF HB 544. THE BOARD FEELS IT IS IMPORTANT TO PREVENT NEW, NON-TRADITIONAL USES OF FISHERY RESOURCES FROM RESTING UNDER THE BROAD UMBRELLA OF SUBSISTENCE. THE ABILITY TO CREATE NEW CATEGORIES OF FISHERIES IS AN IMPORTANT TOOL IN PREVENTING THE UNLIMITED EXPANSION OF NEW, NON-TRADITIONAL "SUBSISTENCE" FISHERIES.

THANK YOU.

HB

566

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AGO 12539

2/5/80 - hearing - tabled

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS
Cantwell Research Station Reindeer Project

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB566	2/1/80		Rep. Moss, prime sponsor	2/5/80
	2/4/80	Phone	Repa. Bettisworth, Branson, Carney, Fuller, Hurlbert, Miller, Rogers, Schacht, Zharoff (Co-sponsors)	2/5/80
	2/4/80		Univ. of Alaska, Fairbanks notified by Rep. Moss's office.	2/5/80

HB 566

UNIVERSITY OF ALASKA, FAIRBANKS
Fairbanks, Alaska 99701
INSTITUTE OF ARCTIC BIOLOGY

November 6, 1979

Representative H. Pappy Moss
P. O. Box 182
Delta, Alaska 99737

Dear Pappy,

I was pleased to have had the opportunity of talking to you in Nome last week but regret we did not have time to discuss the reindeer industry or the Cantwell Reindeer Research Station. Three items are of considerable importance and I will describe them briefly at this time. Hopefully, you will want further information and I will be more than pleased to meet with you at your convenience.

I have a critical need for feed for the research reindeer at Cantwell. In fact, if feed does not become available very soon, I will have to destroy the herd this winter. This situation has come about because of rising costs and falling financial support for research. You mentioned the wisdom of tying the reindeer project into the Delta agricultural project. I have the reindeer, facilities and assistance needed for the required experimental feeding programs. Moreover, these reindeer are not now on a specific research project. Thus, if the State or a farmers coop can donate the feeds needed for the research, I will be pleased to initiate it immediately.

Secondly, the Cantwell Reindeer Station was built and supported almost entirely by federal grants and contracts. The buildings are all from military surplus and most of the construction and maintenance has been done on weekends, holidays, etc. by friends in Cantwell, my graduate students and me. I have now visited nearly every reindeer research station in Scandanavia and in Siberia and I can state without qualification that we in Alaska have the best equipped and most functional station for reindeer research in the world.

The funds that supported this station came from an Atomic Energy Commission Contract that began in 1967 and terminated in 1977. Since that time I have kept the station "open" through small grants from the Bureau of Indian Affiars and the Reindeer Herders Association in Nome (really BIA funds!).

Continued...

UNIVERSITY OF ALASKA
INSTITUTE OF ARCTIC BIOLOGY

I am most embarrassed by the fact that the station manager, Mr. Danny Berberick, receives no salary for his efforts in keeping the station "presentable", for feeding the reindeer, for conducting tours for the several thousand tourists that visit the station each summer, and for any and all maintenance jobs that attend such a research facility. His only compensation is the privelege of living in a military surplus house trailer - he even has to pay for his own utilities! In brief, there should be some means for state support of this facility and the reindeer, at least until we can build a more elaborate and extensive station on the Seward Peninsula. I will enclose a "bare bones" budget for your consideration.

Lastly, I have been asked and encouraged to submit a supplement to the University of Alaska, Fairbanks budget request to establish research and teaching programs on behalf of the reindeer industry. I will deliver this proposal to Representative Brian Rogers this week. I am also getting letters in support of the proposal from the Reindeer Herders Association, the Nome Chamber of Commerce, village and regional native corporations, and in addition, resolutions passed by the Rural Area Development Council and the Reindeer Sub-Committee of the Alaska Cooperative Land Managers Task Force. I sincerely hope you will give this program your enthusiastic support and that you will encourage your fellow representatives on the agricultural and finance committees to do the same.

Respectfully,

JACK R. LUICK
Professor

JRL/dgh

cc: Rep. P. Moss
Rep. Pat Carney
Lynn Hale

PLEASE REPLY BY e-mail

BUDGETS FOR CANTWELL RESEARCH STATION

I. "Bare Bones Budget" to Assure Our Research Potential is Maintained:

Salaries	
Station Caretaker @ 25% time	$ 5,000
Staff Benefits	1,000
Reindeer Feed	
12 Reindeer @ $300/Yr./Reindeer	3,600
Misc.-Operating Costs and Repairs	2,400
	$12,000/Yr.

II. "Minimal Operating Budget":

This budget will pay the costs of maintaining and operating the Cantwell Station and in addition, will provide a decent salary for the station caretaker.

Salaries	
Station Caretaker @ 50% fulltime	$10,000
Summer Help (Improvements & Repairs)	6,000
Staff Benefits	2,000
Reindeer Feed	
12 Reindeer @ $300/Yr./Reindeer	3,600
Utilities, Telephone, Fuels, Postage, etc.	2,400
Supplies and Miscellaneous Expenses	3,000
Travel	
(Intra-state, i.e. delivery of Supplies, Freight)	1,000
Equipment	
(e.g., To Replace Existing Equipment)	2,000
	$30,000

UNIVERSITY OF ALASKA, FAIRBANKS
Fairbanks, Alaska 99701
INSTITUTE OF ARCTIC BIOLOGY

November 6, 1979

Mr. Danny Karmun
c/o Reindeer Herders Association
Kawerak, Inc.
P. O. Box 505
Nome, AK 99762

Dear Danny,

In reviewing budgets that make funds available to me for reindeer research and for providing other assistance to the Reindeer Herders Association, I note that the situation is grim. Indeed I should advise you now that it is most unlikely that I will be able to participate in the grazing seminar in Anchorage, the December work session in Kotzebue and the workshop in Candle in February - moreover, unless something opens up soon, I will have to destroy the small (12 reindeer) research herd at Cantwell as there are no funds to buy feed for them.

On the other hand, I hope to have sufficient funds to continue the research programs that center on the antler industry and on possible adverse handling effects of reindeer in June in order to remove their antlers while in velvet. I think these areas are of such very great importance that all funds available to me should be used to assure a successful completion of the research.

I regret that I will be unable to participate in your seminars and workshops, but know that others can provide all the information and guidance you presumably need as you strive to develop new programs. I refer especially to Dave Scott, Bob Pegau, Dr. Dieterich, Mike Harker, and Dave Swanson.

Sincerely yours,

JACK R. LUICK
Professor

JRL/dgh

cc: Mike Harker
Rep. Pappy Moss
Ed Nygard
Gary Longley, Jr.

HB566

KAWERAK, INC.

P.O. BOX 948 • NOME, ALASKA 99762

(907) 443-5231

January 21, 1980

Dr Jack F Luick
University of Alaska
Institute of Arctic Biology
Fairbanks, AK. 99701

Dear Jack:

Received your letter today regarding the Cantwell research station and want you to know that the Reindeer Herders Association enthusiastically supports continued funding of this station until a research center can be developed on the Seward Peninsula.

The need for continued applied research as well as the need for basic research are utmost on our list of priorities. Any discontinuation of such program would indeed be devastating to the growth of the reindeer industry.

We support your actions and wish to heartily thank you and your associates for your efforts in working with us to develop a successful reindeer industry.

Again, we recognize the importance of continious funding and hope to work closely with you, the House Agriculture Committee and the State Legislature to ensure the continuation of these studies.

Sincerely,

The Reindeer Herders Association
Linda A. Zummer, Coordinator

cc: Bob Dieterich
Pappy Moss
Jack Fuller
Special Agriculture Committee

LZ/pe

(9)

COMMITTEE REPORT

HOUSE

1/18/80

FURTHER: FINANCE

Date: Feb. 5, 1980

Mr. Speaker:

The Committee on RESOURCES has had HB 566

"An Act making a special appropriation to the University of Alaska for support of the Cantwell research station reindeer project; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

H 60 (Rev. 12/78)

ALASKA STATE LEGISLATURE

EIGHTH Legislature SECOND Session

HOUSE BILL NO. 566

By MOSS, BETTISWORTH, BRANSON, CARNEY, FULLER, HURLBERT, MILLER, ROGERS, SCHAEFFER AND ZHAROFF

"An Act making a special appropriation to the University of Alaska for support of the Cantwell research station reindeer project; and providing for an effective date."

Sp appro - Cantwell research station reindeer project

Introduced in the House 1/16, 19 60

HISTORY IN THE HOUSE

19 60

Read first time and referred to Committee on

Jan. 18 Resources and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:
VOTE

Failed to concur in Senate amendment; asked Senate to recede
VOTE

Senate receded from amendment
VOTE

Senate failed to recede from amendment
VOTE

CC appointed by House

CC appointed by Senate

CC adopted by House
VOTE

CC adopted by Senate
VOTE

To enrolling
Reported correctly enrolled
Sent to Governor

by Governor

Filed with Lt. Governor

Chapter No.

11-002

NANA DEVELOPMENT CORPORATION, INC.
4706 HARDING DRIVE, ANCHORAGE, ALASKA 99503
TELEPHONE (907) 276-6030

February 26, 1980

Representative Pat Carney
Agriculture Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Carney:

Senator Ferguson requested that we develop a scaled-down version of the Seward Peninsula Reindeer Research and Extension Station for inclusion in the Senate's agricultural package. Enclosed is a copy of the proposal that was developed by Sig Restad from the Agriculture Experiment Station, Jack Luick from the University of Alaska, Linda Zummer and myself.

The funding requested in the proposal would allow us to take the initial step towards developing a first class reindeer research station. The station can then continue to grow along with the reindeer industry.

If you have any questions about the proposal, please let me know.

Thanks for your continued interest in programs for the reindeer industry.

Sincerely,

Lynn Zeltlin Hale
Fisheries Development Specialist

LZH/mt

Enclosure

cc Representative Pappy Moss
Kelly Fyke

SEWARD PENINSULA REINDEER RESEARCH AND EXTENSION STATION

Introduction

Domestic reindeer were first introduced to Alaska in the late 1800's to provide a reliable food supply for the people of Northwest Alaska. While the size and success of the State's reindeer industry has fluctuated over the last 90 years, the need for a dependable meat supply in this part of Alaska remains. Currently, there are about 26,000 head of reindeer in Alaska; most are located on the Seward Peninsula. Recent range studies by USDA's Soil Conservation Service indicate that the Seward Peninsula's carrying capacity is much greater, about 250,000 animals. This number of animals could provide a sustained yield of close to 3 million pounds of meat annually. Reindeer meat is excellent quality and is preferred by Northwest Alaskan residents. In addition, the reindeer industry through the direct employment of herders and the sale of antlers makes a substantial contribution to this region's economy - an area where other economic opportunities are limited.

While the reindeer industry has great promise and can make a significant contribution to Alaska's agricultural development, its growth has been impeded both by a lack of knowledge about reindeer as a livestock animal and the application of already existing knowledge to Alaska's reindeer industry.

The objective of this proposal is to develop a reindeer research and extension station on the Seward Peninsula which would specifically address the research and extension needs of the reindeer industry. The need for such a reindeer station on the Seward Peninsula has been recognized by reindeer herders, scientists and government agencies for a number of years. All other northern latitude nations with reindeer populations have invested much time and money in reindeer research, but Alaska has done very little.

A Seward Peninsula Research and Extension Station would serve as a focal point for educators, researchers, extension agents and the reindeer industry. Applied research, disease control and animal husbandry programs would be the station's initial focus. Extension personnel would analyze and transfer the results of research and techniques developed both at the station and by other nations to the herders. The station also would provide a location for training programs and workshops.

Station Development

The Seward Peninsula Reindeer Research Station will be developed in a series of steps. It is recommended that a Station Advisory Committee composed of one representative each of the Reindeer Herders' Association; Division of Agriculture, Department of Natural Resources; the University of Alaska; and the U. S. Department of Agriculture oversee the planning and operation of the Station.

Until station facilities are constructed, research and administrative staff will work out of the Nome reindeer slaughterhouse. This use of the Nome slaughterhouse makes maximum use of existing facilities and provides a base of operation on the Seward Peninsula while the station's other facilities are being constructed. Initial facilities at the station site will consist of fenced pastures, corrals, one multipurpose building, a bunkhouse, and an animal barn and storage shed. As the station grows, additional facilities can be added.

This facility will complement existing research facilities and teaching programs at the University of Alaska by providing a Seward Peninsula field station.

SEWARD PENINSULA REINDEER
RESEARCH AND EXTENSION CENTER

-Budget-

Category			
1000	Personal Services		$177,000
	Station Manager	$ 48,000	
	Chief Scientist	70,000	
	Herdsman	40,000	
	Clerical (50%)	9,000	
	Research Assistant (62.5%)	10,000	
	Extension Agents (2)	*	
2000	Travel		11,000
	Advisory Committee	4,000	
	Station Personnel		
	Intrastate	4,000	
	Out of State	3,000	
3000	Contractual Services		143,000
	Research Personnel	100,000	
	Laborer	11,000	
	Labratory Analyses	7,000	
	Veterinary Services	3,000	
	Charter, freight	10,000	
	Fuel (heat, generator)	10,000	
	Miscellaneous	2,000	
4000	Commodities		33,000
	Veterinary Supplies	3,000	
	Laboratory Supplies	7,000	
	Building Supplies	5,000	
	Office Supplies	1,000	
	Field Research Supplies	3,000	
	Animal feeds	7,000	
	Plant Science Supplies	2,000	
	Fuels, gas	3,000	
	Miscellaneous	2,000	

*The Cooperative Extension Service has budgeted for two reindeer extension agents for the Seward Peninsula ($162,000). These agents would work out of the Reindeer Station.

-Continue-

Category			
5000	Equipment		$102,000
	Office Furniture	$ 3,000	
	Office Machines	3,000	
	Laboratory	15,000	
	Carcass Research	5,000	
	Animal handling	1,000	
	Veterinary	8,000	
	Tools	2,000	
	Animal Balance	4,000	
	Communication	1,000	
	Education	10,000	
	Farm	50,000	
6000	Land Buildings		513,000
	Nome Slaughterhouse Renovation/ Lease	35,000	
	Bunkhouse	75,000	
	Fencing	100,000	
	Corrals, Pens	9,000	
	Animal Barn	75,000	
	Generator Shed	9,000	
	Animal Purchases, herd nucle's (100)	30,000	
	Survey cost (land and site)	30,000	
	Utilities	50,000	
	Animal Research Laboratory Complex	100,000	
7000	Grants, Claims		

GRAND TOTAL $979,000

REINDEER RESEARCH

INSTITUTE OF ARCTIC BIOLOGY

University of Alaska

Fairbanks, Alaska

FOREWORD

This brochure is presented by the Institute of Arctic Biology chiefly for the benefit of agencies and persons concerned with the development of Alaska's reindeer industry. Additionally, information is provided for scientists and others interested in conducting scientific investigations with reindeer and caribou at the Institute of Arctic Biology and its various Field Stations. Attention is focused on the research and training potential of the Institute's Cantwell Reindeer Research Station, a facility developed in 1967/68 under contract with the U.S. Atomic Energy Commission primarily for studies on the passage of fallout radionuclides through arctic and subarctic food chains. In 1973 a grant from the National Institutes of Health enabled us to upgrade the Station to the extent that we can now undertake research activities in direct support of the reindeer industry. As an added benefit, the village of Cantwell is located in the heart of the Alaska Range, adjacent to Mt. McKinley National Park and far from the disturbing influences of urban environments – circumstances that make the Station ideally suited for educational activities such as Reindeer Workshops, Apprenticeship Programs, Conferences, Seminars, etc. The Station also offers living accommodations for students, staff and families as well as an extensive library of scientific reports, review articles, bibliographies and reference volumes from the world's literature on reindeer biology and husbandry.

– J. R. LUICK

ADMINISTRATION

The Cantwell Reindeer Research Station is administered by the University of Alaska through its Institute of Arctic Biology. Research and teaching activities are conducted under grants and contracts awarded by federal and state agencies in furtherance of their proprietory interests, goals and missions. Inquiries for further information regarding use of the Station should be addressed as follows:

Professor Jack R. Luick
Institute of Arctic Biology
University of Alaska
Fairbanks, Alaska 99701, U.S.A.
Telephone: AC907/479-7657

SCIENTIFIC STAFF

A Task Force of scientists and educators from the University of Alaska [Institute of Arctic Biology (IAB), Alaska Cooperative Wildlife Research Unit (ACWRU), Institute of Agricultural Sciences (IAS) and Cooperative Extension Service (CES)], supported by colleagues in the U.S. Bureau of Land Management (BLM), U.S. Bureau of Indian Affairs (BIA) and Alaska Department of Fish and Game (ADFG), has been organized to provide research and educational programs on behalf of the reindeer industry. This Task Force is staffed with specialists representing several areas that concern reindeer herders and several are already working on problems that will be confronting the industry shortly, e.g. transportation corridors across reindeer ranges, chemical pollution of rangelands and rivers, oil and gas pipelines, multiple use of grazing lands, etc.

TABLE OF ORGANIZATION

	Name	Affiliation	Area of Interest
A	University Staff that would contribute to research activities		
	Luick, Jack R	IAB	Director of Reindeer Research and Educational Programs, Reindeer Husbandry
	Dieterich, Robert A	IAB	Co Director, Reindeer Diseases and Veterinary Medicine
	McKendrick, Jay D	IAS	Range Vegetation
	Scarborough, William B	CES	Marketing and Extension
	Thomas, Wayne C	IAS	Economics and Business Management
	White, Robert G	IAB	Reindeer Nutrition
B.	Collaborators willing to assist in research and educational programs as needed		
	Cameron, Raymond D.	ADFG	Reindeer and Caribou Biology/Ecology
	Chapin, F. Stuart	IAB	Vegetation Research
	Holleman, Dan F	IAB	Communication Systems
	Klein, David R.	ACWRU	Range Ecology and Wildlife Management
	Lent, Peter C.	ACWRU	Reindeer Behavior and Predator Control
	Mitchell, William W.	IAS	Agronomics
	Pegau, Robert E.	ADFG	Range Management
	Scott, David	BLM	Land Resources and Management

APPLIED RESEARCH AND EDUCATION

Examples of several educational and research programs are listed to reflect the potential of the University of Alaska through its Cantwell Reindeer Research Station to provide direct and prompt assistance to the reindeer industry. The extent to which these areas and/or programs are activated depends for the most part only upon the level of funding received from concerned agencies.

Short Term Research Programs that could be initiated with minimal delay, results obtained within 1 - 3 years after activation, for example:

Management and marketing problems associated with the development of a reindeer cow/calf operation.

Develop techniques for processing and marketing reindeer antlers by the Reindeer Herders Association for sale to foreign markets.

Study the economic advantages, if any, of producing reindeer steers for market (studies with beef cattle indicate that reindeer herders may receive greater economic return from marketing of reindeer bull carcasses).

Course studies on communication systems for locating reindeer herds and for communication networks between home base, reindeer herds, snow travelers, aircraft, etc.

Develop low cost, semi permanent, emergency shelters for herders (transportable, relatively indestructable, etc. such as geodesic domes, Yurts, etc.).

Develop and test various methods of fencing rangelands to control the movement of reindeer (and caribou).

Establish dog kennels to breed and train reindeer herding dogs.

Continuing Programs in applied reindeer husbandry research (could be activated in relatively short time but need support for several years to yield maximum benefits to reindeer herders).

Predator control (including non-lethal methods of predator control to satisfy the concern of naturalists, ecologists, etc.).

Warble fly research.

By-product research (hides, blood, ground meat, bone, etc.).

Import and maintain herds of special reindeer for breeding purposes, e.g. Hargin strains from Siberia, Pearyi reindeer from Spitzbergen, woodland caribou from British Columbia.

Disease research, especially toward the control and/or elimination of brucellosis.

Range management programs and rotational grazing schemes.

Revegetation studies and "cultivated" crop production.

Development of markets for reindeer meat and meat by-products.

Emergency feeds and feeding programs to prevent starvation during inclement weather.

Educational and Instructional Programs

Reindeer workshops for novice and/or experienced herders.

Apprenticeship program (instruction and practical experience in reindeer herding to prepare prospective herders for advanced training with experienced herders on the Seward Peninsula).

Specialized courses such as:

- Meat cutting and processing.
- Antler processing for foreign markets.
- Diseases of reindeer.
- Breeding and selection programs for herd improvement.
- Business management, economics and bookkeeping.

Conferences and seminars for administrators, legislators and/or supervisors.

Reindeer Herder Newsletter (news and research reports).

Paraveterinary training.

Apprenticeship training for herders.

CANTWELL REINDEER RESEARCH STATION

The Cantwell Reindeer Research Station was established during the spring of 1968 to fulfill the need for a research area where studies with reindeer could be conducted under natural grazing conditions. Located along the east boundary of Mt. McKinley National Park (63°23' N, 148°56' W) at Mile Post 319.5, Alaska Railroad, the Cantwell-Broad Pass area has long been grazed by indigenous caribou and moose, and from 1922 to 1928 was the center of a U.S. Government reindeer herding operation.

The Station is located near the junction of the Denali and McKinley highways, approximately half way between Fairbanks and Anchorage. The two sections of land (520 hectares) assigned to the University by the U.S. Department of the Interior, Bureau of Land Management, are approximately 1/3 mile from the village of Cantwell and consist, for the most part, of a relatively treeless hill with discrete areas of typical taiga vegetation. Situated approximately at the top of Broad Pass, elevation 2,250', the area is drained to the north by Cantwell Creek and the Jack River, both tributaries of the Nenana River. Drainage to the south leads to the middle fork of the Chulitna River. The average annual snowfall is 113" (record snowfall 190" in 1946-47) and the average temperature during the coldest month, January, is 2.1°F, while the average high temperature in July, the warmest month, is 52°F (record low -45°F occurred in February 1947 while the record high 89°F was recorded in June 1961).

To date, 28 hectares of this land have been subdivided into 8 grazing paddocks. Lane fences from these paddocks lead to the reindeer handling area, which contains working and cutting corrals, a field laboratory building, and an animal research barn. These buildings provide shelter for the experimenters during inclement weather, laboratory bench space, equipment and supplies for initial treatment and/or preservation of biological samples, and reindeer holding pens, metabolism stalls, etc. Electrical power is supplied by a 5 kw gasoline generator adjacent to the field laboratory building.

The main Station in Cantwell consists of three 10' x 60' house trailers which provide living accommodations for scientists, students and technicians. There is also a 20' x 80' research laboratory, library and study area, an experimental Greenhouse and a Conference Center (under construction). Communication between researchers in the field and at the Station is made possible through a radio communication network that includes aircraft, portable units (on foot, truck, snow machine, etc.) and base station.

Although research efforts have emphasized nutritional and environmental physiology of reindeer, the Station is being used increasingly by wildlife behaviorists, plant and animal ecologists, lichenologists, microbiologists, etc. Because of its location in the heart of the Alaska Range with easy access to both taiga and mountain tundra vegetation and wildlife, the facility has attracted visiting scientists from other states and abroad as well as researchers from within Alaska. Indeed, in so far as is known, the Cantwell Reindeer Research Station is the only facility in the world devoted to studies on the fundamental biology of *Rangifer tarandus*, the reindeer and caribou. In 1972, scientists associated with the Station sponsored the First International Reindeer/Caribou Symposium, a conference that attracted more than 150 reindeer scientists from the several circumpolar nations.

The Station is sponsored by the Institute of Arctic Biology, University of Alaska, the Atomic Energy Commission, and the Cantwell Store (Herman Cotter and Robert Smith, Props.).

BUILDINGS AND LIVING QUARTERS

Office and Living Quarter Buildings (12' x 60'); all utilities and completely furnished.

Staff Headquarters and Living Quarter Buildings (12' x 20'); all utilities and completely furnished.

Bunkhouse (12' x 60'); furnished for six (6) men.

Library and Office (one end of bunkhouse building); library contains a complete collection of research reports, text books and reference books pertinent to reindeer husbandry. Research reports on reindeer production are obtained weekly through a world wide literature searching service (ASCA). Copies of these reports are obtained through arrangement with the University of Alaska library.

Mechanical, Electrical and Plumbing Shop (approximately 250 sq. feet).

Research Laboratory and Veterinary Health Care Building (20' x 80',.

Field Research Laboratory (10' x 20').

Field Research Barn (10' x 20').

Feed Storage Shed (10' x 20').

Corrals and Animal Feeding Facility

Experimental Greenhouse.

Conference Center (under construction); this building will be used for workshops, lectures and demonstrations, special briefing sessions, conferences and seminars at various levels, etc. It will also provide office and study areas as well as the library and reference collection.

LABORATORIES AND RESEARCH FACILITIES

Nutrition Research Laboratory; fully equipped.

Meats Research Laboratory; basic equipment including meat saw, meat grinder and large whole carcass grinder on order other equipment undoubtably will be needed to complete this area.

Veterinary Research Facility including pathology and diagnostic laboratory, surgery, autopsy and post-operative care. This facility is scheduled for completion summer of 1975.

Field Research Barn is available in the fenced grazing area and can be used to supplement research activities in the new research laboratory building. Additional reindeer research facilities are available at the Institute of Arctic Biology where specialized apparatus such as controlled environment chambers, a whole body ^{60}Co irradiator "Bossy Nova", respiration apparatus, etc. are available for intensive physiological and nutritional research studies.

UTILITIES AT THE RESEARCH STATION

Propane, fuel oil, water, telephone, CB radio communication network, electricity (220 volt/3 phase) and sewage disposal system.

VEHICLES

Dodge Crew Cab Truck, two wheel drive.

Dodge Crew Cab Truck, four wheel drive.

Dump Truck (on order).

Dozer with bucket and/or blade (on order).

Two "Sno Tracs" (all terrain vehicles).

Miscellaneous Trailers (water, flat bed, cargo, etc.).

SUPPORTIVE FACILITIES AND EQUIPMENT AT CANTWELL

Boom truck.*

Dozer with Blade.*

Back hoe and bucket loader.*

Grader.*

Restaurant.

Store.

Laundry.

Living quarters.

Garage.

Available storage.

Railroad off loading facilities.

Post Office.

Alaska Department of Fish and Game, Cantwell Station.

Alaska State Troopers, Cantwell Station.

Alaska Railroad; passenger and freight service.

Fairbanks Air Service; passenger and freight service.

* Available for hire at minimal rates.

This figure shows the bunkhouse, greenhouse and the foundation for a log Conference Center which will be used for instructional purposes, seminars, and will also house the reindeer library.

The main office building at the Station Headquarters also functions as a communications center and kitchen.

Reindeer library for use by researchers at the Cantwell Station contains an up-to-date collection of research reports from Reindeer Stations in the USSR, Scandinavia, Canada and Alaska. The world's literature is searched weekly through a computer-programmed searching service and copies of pertinent reports are obtained for our reindeer libraries at Cantwell and at the Institute of Arctic Biology.

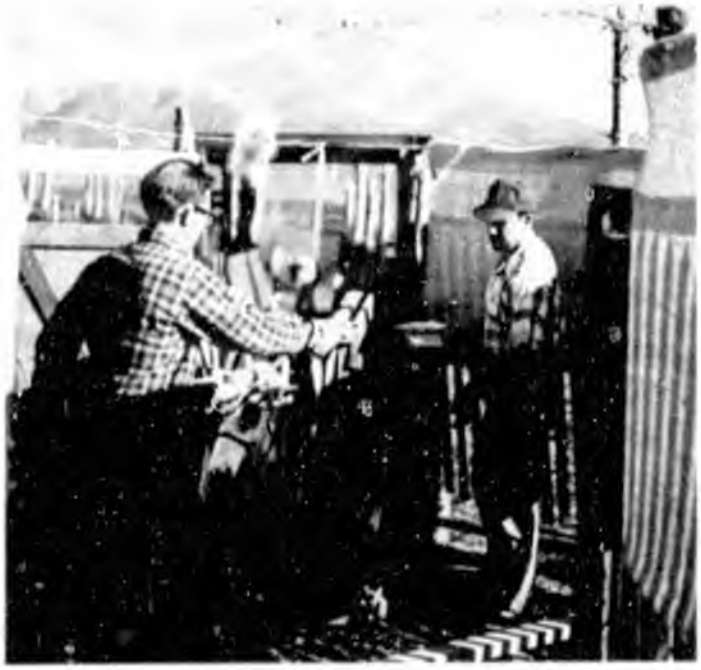
Reindeer Research Laboratory also includes areas for surgery and pathology, autopsy, meats research, metabolism and physiology, and a small animal vivarium.

An aerial photograph of the research area and adjacent rangelands. (Panorama Mountain appears in the background.)

Cantwell resident Frank Second Chief is shown feeding the reindeer during winter, 1970.

This photograph shows Cantwell resident Mike Pedro operating a steam jenny to thaw holes in the permafrost for fence posts.

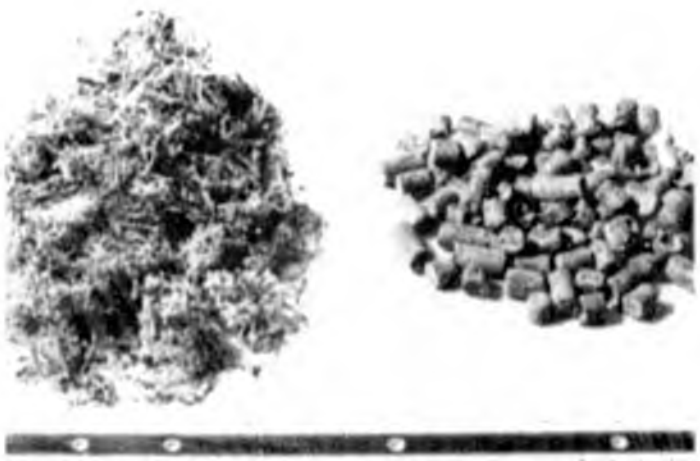
Food storage building (right) and "self-feeder" (left) within the main grazing paddock.



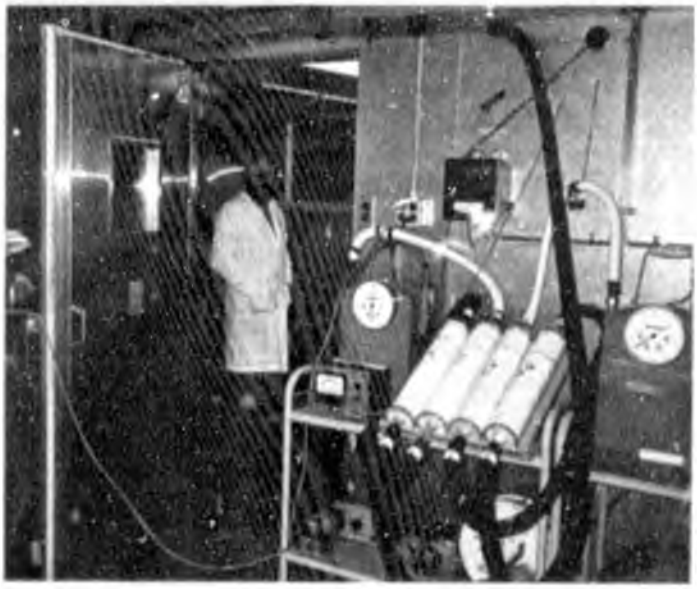
Radioecologists F. W. Whicker (left) and D. F. Holleman are shown weighing a young male reindeer in the Cantwell corral.

Cantwell resident Bud Carlson is shown at the field laboratory building. Strong winter winds frequently cause severe drifting and compacting of snow, especially in the immediate vicinity of corrals and research buildings.

All-terrain vehicles "Sno-Tracs" and pick-up trucks are available for researchers working in the field.

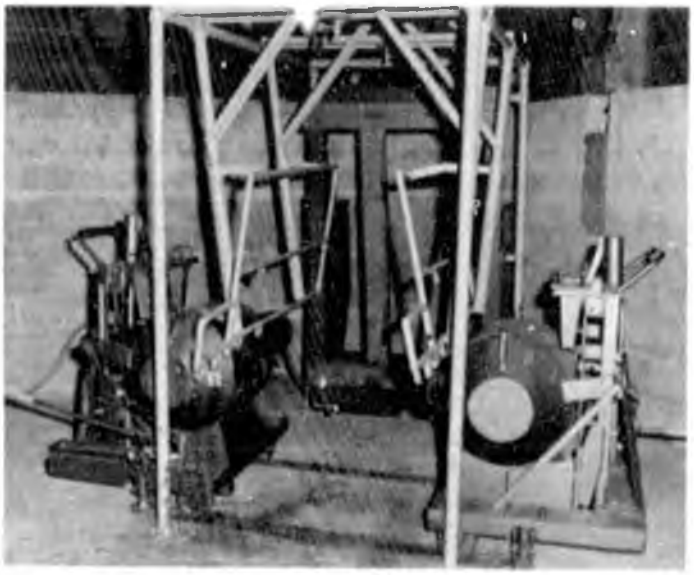


This photograph shows hand-picked lichens (left) and lichens that have been made into pellets (right) for use during nutrition experiments.



This photograph shows J. R. Luick standing inside the controlled environment chamber at the Institute of Arctic Biology where two reindeer are being maintained for studies on the effects of environment on body composition.

J. R. Luick (left) and D. F. Holleman (right) are shown discussing the liquid scintillation counter that is used to measure radioactive isotopes in various biological samples.



Cobalt-60 (^{60}Co) irradiator at the Institute of Arctic Biology which is used for studying the effects of ionizing radiation on body function.

The photograph shows the portable scintillation counter being used to measure the radioisotope body burden of male reindeer "Pierre".

Visiting Norwegian scientist Dr. Hans Staaland collects a sample of saliva from an esophogeal fistulated reindeer. This fistula also enables researchers to collect samples of food actually selected by the reindeer while grazing on rangelands.

J. R. Luick measuring the depth of the rump fat pad (in this case, 3") that was deposited on a well nourished male caribou during the brief summer period of fattening.

Dr. R. G. White observes an experimental reindeer that is fitted with a respiration mask for studies on its energy requirement during various types of activity.

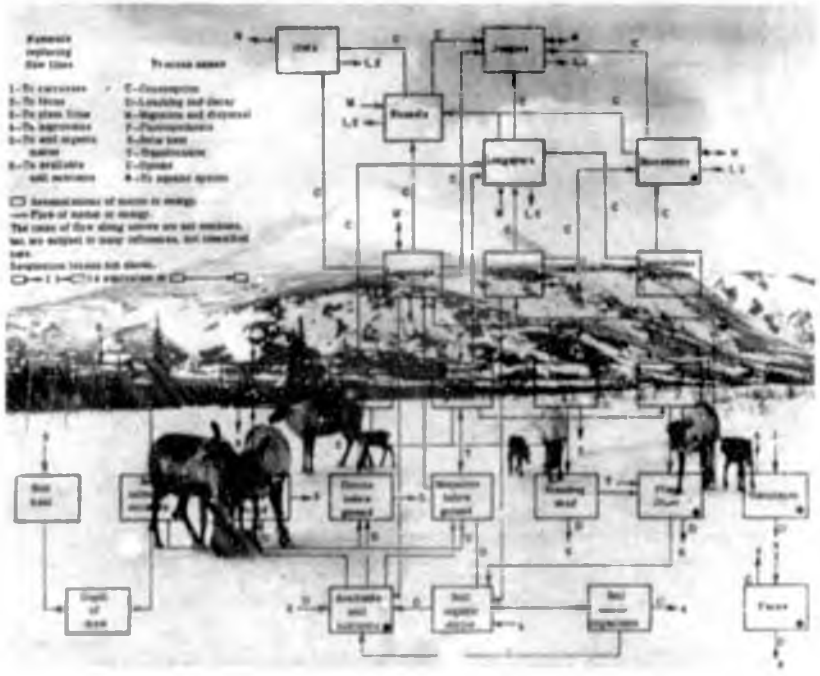
Reindeer "Pierre" has a full set of antlers by mid June. The growth of this antler rack was induced by changing the length of daylight hours.

Cantwell resident Tex Allbright holds a large gray wolf which he trapped along the fence lines at the Cantwell Reindeer Station during the winter 1968-69.

Norwegian reindeer scientist Eigil Reimers (left) and Dr. R. G. White have just obtained a sample of reindeer milk.

Drs. M. K. Yousef (left) and R. D. Cameron (right) are shown inserting a tube into the rumen of a reindeer. This tube will be used to remove samples of fluids and food from the reindeer's stomach when needed for the experimental study.

Research scientist M. K. Yousef with reindeer "Pierre" during an experiment to determine the heat production of reindeer during summer. Dr. M. Yousef is now stationed at the University of Nevada at Las Vegas.



This photograph shows an overlay block diagram of a proposed model for an arctic ecosystem. Research with reindeer at Prudhoe Bay, sponsored by the International Biological Programme, provided information needed to complete and make operational this model.

From left to right, research assistant Steve Person, Dr. White and veterinary student Paul Frelier, performing field surgery on a tranquilized caribou at Prudhoe Bay.

Dr. Robert White and Paul Frelier leading two reindeer to a new grazing area at Prudhoe Bay, summer 1972. These reindeer were flown from the Cantwell Research Station to Prudhoe Bay for studies relating to caribou biology in the vicinity of the oil fields.

Ecosystem studies included determining the role of maternal milk in the nutrition and energy balance of her calf, seasonal changes in milk composition and the effects of nutrition on milk synthesis. The photograph shows the lactating female cow with a rumen fistula plug and a backpack for instruments needed for the continuous infusion of ^{14}C-labeled metabolites.

Dr. Robert G. White lectures students on the importance of nutrition in successful reindeer breeding.

Extension specialist Bill Scarborough demonstrates a tanning method as one way to utilize reindeer by-products.

Veterinarian Robert Dieterich shows students how to judge the age of reindeer by examining teeth.

Instructor Robert A. Pegau, Alaska Department of Fish and Game (Nome) shows a species of lichen to Robert Akpik (Point Ley). Others in the photograph are, left to right, Nancy Akpik (Point Ley), Dr. R. D. Cameron (ADF&), Chuck Wheeler (Nome), Dr. R. G. White, Ed Shavings and Dale Smith (Nunivak Island), Bob Tidd (BIA, Bethel) and Norman Ongtowasruk (Wales).

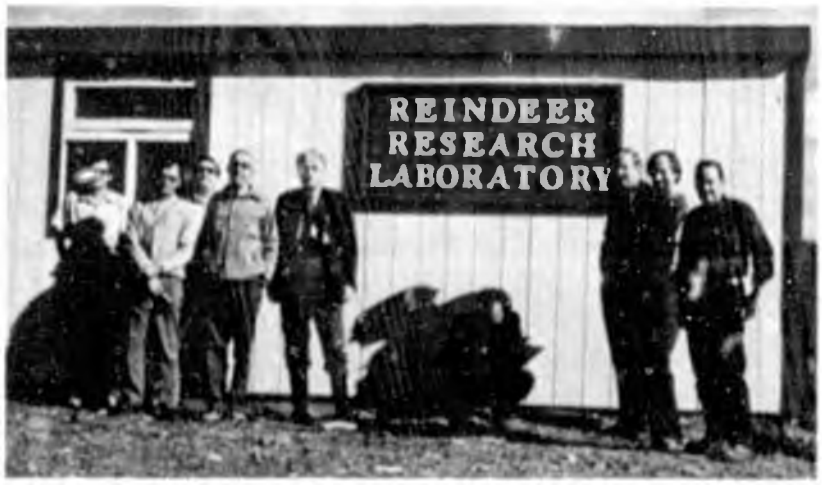
Students Abel Akpik (left) and Dale Smith (right) practice roping reindeer "cowboy style".

Participants in the Reindeer Herders Workshop watch veterinarian R. A. Dieterich castrate a young male reindeer. Students shown standing, left to right, are Norman Ongtowasruk (Wales), Chuck Wheeler (Nome), Jimmy Kvamme (Aniak), Bill Scarborough, Instructor, University of Alaska, Bob Tidd (BIA, Bethel) and Ed Shavings (Nunivak Island).

Veterinarian R. A. Dieterich shows Kvamme how to clean and dress a wound that has been contaminated with insect larvae.

Two aircraft were used to demonstrate techniques for locating a reindeer herd to participants in the Reindeer Workshop. Pilot veterinarian Robert Dieterich demonstrated how radar and other all-weather aircraft locator techniques can be used to find reindeer regardless of weather conditions. Alaska Department of Fish and Game range specialist Bob Pegau (Nome) also used the aerial classroom technique to instruct students on evaluation of reindeer ranges from the air.

In August 1974 three reindeer scientists from the USA visited Soviet Reindeer Stations at Norilsk and Yakutsk in Siberia. The photograph shows the USA and USSR reindeer group on the tundra ranges near Norilsk. USA scientists included D. R. Klein (left), Cooperative Wildlife Research Unit, James Hemming, Bureau of Land Management (third from left), and J. R. Luick, University of Alaska (sixth from left). Soviet scientists Edward Borozdin, A. D. Mukhachev and Nadia Borozdin (second, fourth and fifth from left, respectively) represent the Extreme North Agricultural Research Institute at Norilsk.



Three scientists from the USSR visited the Cantwell Station during summer 1974. These included Professor V. L. Kontrimavichus, Institute of Biological Problems of the North, Magadan (second from left), Dr. V. D. Denisov, Department of Nature Preserves, Moscow (fifth from left) and Dr. V. Borisov, Central Laboratory on Nature Conservation, Moscow (kneeling).

Dr. Edward Borozain and Chief herder Spiridon Balin, kneeling center, point out symptoms of brucellosis in a male reindeer. Photograph taken on tundra range near Norilsk, Siberia.

This photograph shows Dr. Robert White explaining research activities to the Soviet delegation at the Cantwell Reindeer Station, September 1974.

In 1972, reindeer scientists at the University of Alaska sponsored the First International Reindeer/Caribou Symposium, a highly successful four-day meeting that was attended by more than 150 reindeer scientists and wildlife biologists representing all the circumpolar nations. This photograph shows Norwegian reindeer scientist, Dr. Sven Skjenneberg, telling Symposium participants about research activities at the Norwegian State Tame Reindeer Institute, Harstad, Norway.

UNIVERSITY OF ALASKA, FAIRBANKS
Fairbanks, Alaska 99701
INSTITUTE OF ARCTIC BIOLOGY

Lynne: The purpose of this letter is to get these programs back into the public eye again. Thanks — FRL

November 6, 1979

Representative Brian Rogers
Room 710 F Gruening Building
University of Alaska
Fairbanks, AK 99701

Dear Representative Rogers:

I enclose copies of two programs for teaching and research that were proposed for the FY81 University of Alaska budget on behalf of the reindeer herders of Alaska. According to the Director of the Agricultural Experiment Station, Dr. James Drew, these program requests were deleted from the AES and SALRM budget requests because they could not be accommodated within the 19% ceiling placed on the developmental budget.

I am also enclosing resolutions that were adopted by the Rural Area Development Council in Kotzebue (10/14/76) and in Nome (5/18/78) and by the Reindeer Herders Association in Nome (8/31/76). In addition, you should receive letters in support of these programs from : Mr. John Shaeffer, NANA Reindeer Corporation, the Nome Chamber of Commerce, the Reindeer Herders Association, the Reindeer Sub Committee of the Alaska Cooperative Land Managers Task Force (Mr. Ted Freeman, Chairman), the Sitnsauk Native Village Corporation, the Nome Eskimo Community and the Alaska Federation of Natives.

As you are doubtlessly aware, much of this renewed interest in the reindeer industry stems directly from the rapidly developing velvet antler industry. For example, I estimate that this year the sale of velvet antler (a renewable agricultural resource!) probably grossed about 1.5 million dollars. Further, if this stimulus to increase herd sizes continues until the herds reach the carrying capacities of the ranges, the annual gross income on the Seward Peninsula alone, based on 1979 prices, will probably exceed 5 million dollars. Most important, when this occurs Alaska's reindeer industry will be producing a very significant amount of meat that is preferred by it's native peoples.

Continued...

UNIVERSITY OF ALASKA
INSTITUTE OF ARCTIC BIOLOGY

The purpose of the enclosed programs is to provide the research needed by our producers in order to achieve their very realistic goals. Further, they will provide the teaching aids, curricula and training programs that are needed to develop a reindeer industry that is founded on modern livestock industry techniques.

Please advise if there is anything more I can do to assure that these programs get consideration by the legislature this year.

Respectfully,

JACK R. LUICK
Professor

JRL/dgh

enc.

cc: Rep. H. Pappy Moss
Rep. Pat Carney
Rep. Jack Fuller
Senator Frank Ferguson
Mr. Dan Karmun
Dean James Drew
Lynn Hale

6 COMPONENT INCREMENT

FY 81

ABBREV. TITLE
CR/AES - Applied Reindeer Research

COVER PROGRAM: UNIVERSITY OF ALASKA

EXPLAIN WHICH COVER PROGRAM OBJECTIVE IS AFFECTED, AND HOW.

The reindeer industry has requested research assistance on reindeer. This program would emphasize research to: (1) develop husbandry practices that will assist in a transition from meat to broader orientation toward by-product development; (2) develop disease control and animal management as it relates to changing herd practices and related organizational systems; (3) develop markets and reindeer products; (4) develop improved range management techniques; and (5) improve nutritional practices and management.

BRIEFLY DESCRIBE WHAT THIS INCREMENT PURCHASES IN TERMS OF MANPOWER AND OTHER RESOURCES.

Research Animal Scientist	$ 53.9 K		
Range Scientist	47.2		
Research Veterinarian	15.0		
Staff Benefits @ 21.0%	24.4		
Animal Technician Grade 12	19.5		
Administrative Assistant Grade 12	19.5		
Clerical Assistant Grade 9 - 6 mos.	8.5		
Staff Benefits @ 24.1%	11.4		
Graduate Research Assistants (2)	16.0		
Travel	8.0		
Contractual Services	7.0		
Commodities	5.0		
Equipment (snowmachine, sled, ½-ton p.u.)	16.0	TOTAL	$251.4 K

CODE	EXPENDITURES BY OBJECT	AMO
100	PERSONAL SERVICES	21
200	TRAVEL	
300	CONTRACTUAL SERVICES	
400	COMMODITIES	
500	EQUIPMENT	1
600	LANDS, BLDGS, ETC.	
700	GRANTS, CLAIMS, ETC.	
800	MISCELLANEOUS	
	TOTAL	25
	FEDERAL RECEIPTS	
	GENERAL FUND MATCH	
	GENERAL FUND	25
	PROGRAM RECEIPTS	
	STUDENT FEES	
	INDIRECT COST RECOVERY	
	OTHER RESTRICTED RECEIPTS	

POSITION CODE		TEMPORARY	TOTAL MAN
No. PFT	No. PFT		66
NM	NM	MM	

CHECK ONE:
Continuation ☐
New Services ☑

INCREMENT CLASS (circle one)
1 2 3 4

PRIORITIES

Component	BRU	MAU	Core Program	GOVE
8 / 27	/	/	/	ACC / REA

MAU UA/FAIRBANKS BRU ORGANIZED RESEARCH COMPONENT Agricultural Experiment Station DATE REVISED 7/9/79

6 COMPONENT INCREMENT

ONE PAGE ONLY!

02-1035

13 PERSONAL SERVICES
REQUEST FOR NEW POSITION

FY 81

POSITION TITLE	RANGE/STEP	BARG. UNIT	LOCATION		APPROV.	DISAPP
Professor of Animal Science				GOV.		
TYPE OF POSITION ☐ PFT ☐ PBT / MAN MONTHS 12	PRIORITY		FORM 12 PAGE/LINE	LEG.		

TYPE OF EXPENDITURE		AMOUNT
1	2	3
PERSONAL SERVICES:		
SALARY	53,900	
BENEFITS	11,300	
FICA		
HEALTH INS.		
TOTAL PERSONAL SERVICES		65,200
TRAVEL		8,000
CONTRACTUAL		7,000
COMMODITIES		5,000
EQUIPMENT		16,000
OTHER		
TOTAL COST		101,200

CODE	FUNDING SOURCE	
	FEDERAL RECEIPTS	
	GENERAL FUND MATCH	
	GENERAL FUND	101,200
	RECEIPTS	
	STUDENT FEES	
	INDIRECT COST RECOVERY	
	OTHER RESTRICTED RECEIPTS	

DISTRIBUTION	
DITION	101,200

JUSTIFICATION: The reindeer industry has requested research assistance on reindeer. This program would emphasize research to: (1) develop husbandry practices that will assist in a transition from meat to broader orientation toward by-product development; (2) develop disease control and animal management as it relates to changing herd practices and related organizational systems; (3) develop markets and reindeer products; (4) develop improved range management techniques; and (5) improve nutritional practices and management.

This position will provide leadership for a comprehensive Reindeer Research Program. This program also includes the following personnel:

Range Scientist (12 months)
Range Veterinarian (3 months)
Animal Technician (12 months)
Administrative Assistant (12 months)
Clerical Assistant (6 months)
2 Graduate Research Assistants

A/FAIRBANKS UNIT ORGANIZED RESEARCH COMPONENT Agricultural Experiment Station DATE REVISED 7/9/79

13 PERSONAL SERVICES REQUEST FOR NEW POSITION

FY 81

1	POSITION TITLE: Assistant Professor of Range Science			RANGE/STEP	BARG. UNIT	LOCATION		APPROV.
							GOV.	
2	TYPE OF POSITION: ☐ PPT ☐ TPT	MAN MONTHS: 12		PRIORITY		FORM 12 PAGE/LINE	LEG.	

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY		47,200	
5	BENEFITS		9,900	
6	FICA			
7	HEALTH INS			
8	TOTAL PERSONAL SERVICES			57,100
9	TRAVEL			
10	CONTRACTUAL			
11	COMMODITIES			
12	EQUIPMENT			
13	OTHER			
14	TOTAL COST			57,100

	CODE	FUNDING SOURCE	
15		FEDERAL RECEIPTS	
16		GENERAL FUND MATCH	
17		GENERAL FUNDS	57,100
18		PROGRAM RECEIPTS	
19		STUDENT FEES	
20		INDIRECT COST RECOVERY	
21		OTHER RESTRICTED RECEIPTS	

21	CONTINUATION	
22	ADDITION	57,100

JUSTIFICATION: The reindeer industry has requested research assistance on reindeer. This program would emphasize research to: (1) develop husbandry practices that will assist in a transition from meat to broader orientation toward by-product development; (2) develop disease control and animal management as it relates to changing herd practices and related organizational systems; (3) develop markets and reindeer products; (4) develop improved range management techniques; and (5) improve nutritional practic and management.

This position will provide research support for a program in Applied Reindeer Research.

MAU UA/FAIRBANKS BRU ORGANIZED RESEARCH COMPONENT Agricultural Experiment Station DATE REVISED 7/9/79

13 PERSONAL SERVICES REQUEST FOR NEW POSITION

FY 81

1	POSITION TITLE: Research Veterinarian			RANGE/STEP	BARG. UNIT	LOCATION	GOV. / LEG.
2	TYPE OF POSITION: ☐ PFT ☐ PPT	MAN MONTHS: 3		PRIORITY		FORM 12 PAGE/LINE	GOV. / LEG.

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY		15,000	
5	BENEFITS		3,200	
6	FICA			
7	HEALTH INS			
8	TOTAL PERSONAL SERVICES			18,200
9	TRAVEL			
10	CONTRACTUAL			
11	COMMODITIES			
12	EQUIPMENT			
13	OTHER			
14	TOTAL COST			18,200

	CODE	FUNDING SOURCE	
15		GENERAL RECEIPTS	
16		GENERAL FUND MATCH	
17		GENERAL FUND	18,200
18		PROGRAM RECEIPTS	
19		STUDENT FEES	
20		INDIRECT COST RECOVERY	
21		OTHER RESTRICTED RECEIPTS	

21	CONTINUATION	
22	ADDITION	18,200

JUSTIFICATION: The reindeer industry has requested research assistance on reindeer. This program would emphasize research to: (1) develop husbandry practices that will assist in a transition from meat to broader orientation toward by-product development; (2) develop disease control and animal management as it relates to changing herd practices and related organizational systems; (3) develop markets for reindeer products; (4) develop improved range management techniques; and (5) improve nutritional practices and management.

This position provides technical support to a program in Applied Reindeer Research.

MAU UA/FAIRBANKS BBU ORGANIZED RESEARCH COMPONENT Agricultural Experiment Station DATE REVISED 7/9/79

13 PERSONAL SERVICES REQUEST FOR NEW POSITION

FY 81

1	POSITION TITLE: Animal Technician			RANGE/STEP	BARG. UNIT	LOCATION
2	TYPE OF POSITION: ☒ PERM. ☐ TEMP.	MAX MONTHS: 12		PRIORITY		FORM 12 PAGE/LINE

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY		19,500	
5	BENEFITS		4,700	
6	FICA			
7	RETIREMENT			
8	TOTAL PERSONAL SERVICES			24,200
9	TRAVEL			
10	CONTRACTUAL			
11	COMMODITIES			
12	EQUIPMENT			
13	OTHER			
14	TOTAL COST			24,200

	CODE	FUNDING SOURCE	
15		FEDERAL RECEIPTS	
16		GENERAL FUND MATCH	
17		GENERAL FUND	24,200
18		RESTRICTED RECEIPTS	
19		STUDENT FEES	
20		INDIRECT COST RECOVERY	
21		OTHER RESTRICTED RECEIPTS	

21	CONVERSION	
22	ADDITION	24,200

JUSTIFICATION. The reindeer industry has requested research assistance on reindeer. This program would emphasize research to: (1) develop husbandry practices that will assist in a transition from meat to broader orientation toward by-product development; (2) develop disease control and animal management as it relates to changing herd practices and related organizational systems; (3) develop markets and reindeer products; (4) develop improved range management techniques; and (5) improve nutritional practice and management.

This position provides technical support to a program in Applied Reindeer Research.

NAU UA/FAIRBANKS BRU ORGANIZED RESEARCH COMPONENT Agricultural Experiment Station DATE REVISED 7/9/79

13 PERSONAL SERVICES REQUEST FOR NEW POSITION

FY 81

1	POSITION TITLE: Administrative Assistant			RANGE/STEP	BARG. UNIT	LOCATION	GOV. / AGENCY
2	TYPE OF POSITION: ☒ PFT ☐ PPT	MAX. MONTHS: 12		PRIORITY		FORM 12 PAGE/LINE	LEG.

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY		16,500	
5	BENEFITS		4,700	
6	FICA			
7	HEALTH INS			
8	TOTAL PERSONAL SERVICES			24,200
9	TRAVEL			
10	CONTRACTUAL			
11	COMM. SERVICE			
12	EQUIPMENT			
13	OTHER			
14	TOTAL COST			24,200

	COST	FUNDING SOURCE	
15		GENERAL RECEIPTS	
16		GENERAL FUND MATCH	
17		GENERAL FUND	24,200
18		[illegible] RECEIPTS	
19		STUDENT FEES	
20		INDIRECT COST RECOVERY	
21		OTHER RESTRICTED RECEIPTS	

21	CORRELATION	
22	RECEIPTION	24,200

JUSTIFICATION: The reindeer industry has requested resear assistance on reindeer. This program would emphasize research to: (1) develop husbandry practices tha will assist in a transition from meat to broader orientation toward by-product development; (2) develop disease cont and animal management as it relates to changing herd practices and related organizational systems; (3) devel markets and reindeer products; (4) develop improved ran management techniques; and (5) improve nutritional prac and management.

This provision provides administrative support to a pro in Applied Reindeer Science.

NAU UA/FAIRBANKS BUD. ORGANIZED RESEARCH COMPONENT Agricultural Experiment Station DATE REVISED 7/9/79

6 COMPONENT INCREMENT

FY 81

ABBREV. TITLE
SALRM

Applied Reindeer Research - Teaching Program

COVER PROGRAM

UNIVERSITY OF ALASKA

EXPLAIN WHICH COVER PROGRAM OBJECTIVE IS AFFECTED, AND HOW.

The University of Alaska by Alaska statutes has the responsibility for research, extension and education for the development of agriculture and Alaska's natural resources. This increment addresses the education portion of a program to develop the reindeer industry in Alaska and will support:

1. The training of Extension personnel and field based teachers as well as the support of back-up specialists for specific problems and concerns of the reindeer industry.
2. The development of curriculum and workshops and support for instruction fees and travel costs for planning and organization of the program.
3. The development of educational materials and teaching aids for items such as horn cutting, animal first aid, range plants, castration, and disease recognition and control

BRIEFLY DESCRIBE WHAT THIS INCREMENT PURCHASES IN TERMS OF MANPOWER AND OTHER RESOURCES.

Personal Services - 6 man months of professional salary

Travel - $ 4,000 to organize, develop and deliver educational services

Contractual Services - $12,000 for air charters, back-up specialists, duplication of teaching materials, postage, and phone rental

Commodities - $ 4,000 Supplies for teaching and office support of the educational program.

CODE	EXPENDITURES BY OBJECT	AMOUNT
100	PERSONAL SERVICES	15,763
200	TRAVEL	4,000
300	CONTRACTUAL SERVICES	12,000
400	COMMODITIES	4,000
500	EQUIPMENT	
600	LANDS, BLDGS., ETC.	
700	GRANTS, CLAIMS, ETC.	
800	MISCELLANEOUS	
	TOTAL	35,763
	FEDERAL RECEIPTS	
	GENERAL FUND MATCH	
	GENERAL FUND	
	PROGRAM RECEIPTS	
	STUDENT FEES	
	INDIRECT COST RECOVERY	
	OTHER RESTRICTED RECEIPTS	

POSITION COUNT		TEMPORARY	TOTAL NO. MAN MOS.
No. PFT ___	No. PPT ___		
MM ___	MM 6	MM ___	6

CHECK ONE:

Continuation ☐

New Services (XX)

INCREMENT CLASS CODE (circle one)

1 2 3 4 5

PRIORITIES

Component	UNU	MAU	Cover Program	GOVERNOR
5/5	5/5	/	/	ACCEPT / REJECT

MAU ___ UNU ___ COMPONENT Academic/SALRM/IPS ___ DATE REVISED ___

6

COMPONENT INCREMENT

ONE PAGE ONLY!

13 PERSONAL SERVICES REQUEST FOR NEW POSITION

FY 81

1	POSITION TITLE: Applied Reindeer Research - Teaching Program			RANGE/STEP	BARG. UNIT	LOCATION: Fbks.	GOV.	APPROV.
2	TYPE OF POSITION: ☐ PFT ☒ PPT	MAX MONTHS: 6		PRIORITY: 5/5		FORM 12 PAGE/LINE	LEG.	

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY		
5	BENEFITS		
6	FICA		
7	HEALTH INS		
8	TOTAL PERSONAL SERVICES		15,763
9	TRAVEL		1,000
10	CONTRACTUAL		12,000
11	COMMODITIES		4,000
12	EQUIPMENT		
13	OTHER		
14	TOTAL COST		35,763

	CODE	FUNDING SOURCE	
15		FEDERAL RECEIPTS	
16		GENERAL FUND MATCH	
17		GENERAL FUND	
18		PROGRAM RECEIPTS	
19		STUDENT FEES	
20		INDIRECT COST RECOVERY	
21		OTHER RESTRICTED RECEIPTS	

31	CONTINUATION	
32	ADDITION	X

JUSTIFICATION:

The University of Alaska by Alaska statutes has the responsibility for research, extension and education for th development of agriculture and Alaska's natural resoruces. This increment addresses the education portion of an effort to develop the reindeer industry in Alaska.

This increment is to provide the following support:

1. develop and train teaching aides and materials;
2. support training for the Extension personnel and field based teachers;
3. provide for back-up specialist assistance as necessary for specific industry problems; and,
4. provide leadership in developing a general curriculum.

MAU _____ ORU _____ COMPONENT Academic/SALRR/IRS DATE REVISED _____

ALASKA RURAL DEVELOPMENT COUNCIL - 10/14/76

Resolution No. 3

regarding

DEVELOPMENT OF A REINDEER INDUSTRY

WHEREAS, there is and will continue to be a severe shortage of meat available from within the Northwest and northern Alaska regions due to restrictions on caribou harvest, and

WHEREAS, NANA Regional Corporation has undertaken to establish a reindeer herd which will be able to provide a relatively cheap and reliable source of meat in Northwest Alaska, and

WHEREAS, NANA Regional Corporation desires to manage this herd on a basis of maximum sustainable yield consistent with maintenance of the range, and

WHEREAS, NANA Regional Corporation intends to increase the herd as rapidly as possible consistent with maintenance of the range,

NOW, THEREFORE, BE IT RESOLVED that the Alaska Rural Development Council endorses the attempts of NANA to develop the reindeer industry in Northwest Alaska, and

BE IT FURTHER RESOLVED that federal and state agencies are encouraged to continue and increase their technical educational and financial support for the reindeer industry, including establishment of a reindeer research facility in northwest Alaska, and

BE IT FURTHER RESOLVED that said agencies be encouraged to assist NANA Regional Corporation in establishing programs of cooperation with the Soviet Union and North European nations to exchange technology, train personnel, increase herds by importation of breeding stock, and ship meat directly to Alaska if feasible, and

BE IT FURTHER RESOLVED that the members of this Council will endeavor to assist NANA and other herd owners to efficiently manage and increase the herds so as to meet the food needs of the people of NW Alaska.

ALASKA RURAL DEVELOPMENT COUNCIL - May 17-18, 1978

Nome, Alaska

Resolution Regarding Research and Education on Reindeer

WHEREAS, University of Alaska personnel, such as Dr. Jack Luick, of the Institute of Arctic Biology, have spent years developing research data and collecting information beneficial to the changing conditions of the reindeer industry with very limited financial support, and

WHEREAS, Continued support of this work is very uncertain, and

WHEREAS, Changing conditions such as the sale of reindeer antlers and possible changes in land ownership require a continual evaluation of reindeer management needs, and

WHEREAS, Data for making these management decisions requires considerable research and education capabilities now,

HEREBY BE IT RESOLVED that the Alaska Rural Development Council at its May 17th and 18th Nome meeting, urges the Alaska State Legislature to support, through the University of Alaska, an expanded program of applied reindeer research and education, and

BE IT FURTHER RESOLVED that this resolution be sent to the following:

Governor of Alaska
President of the Alaska Senate
Speaker of the House
President, University of Alaska
President, Board of Regents, University of Alaska

HB
590

(9)

COMMITTEE REPORT

HOUSE

1/22/80

FURTHER:

Date: _____

Mr. Speaker:

The Committee on RESOURCES has had HB 590

"An Act relating to the removal of herring from the state."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____
CHAIRMAN

H 60 (Rev. 12/78)

HB 590

AGO 125392

8

Hearing 1/31/80 — Tabled

Hearing 2/12/80

Hearing 2/25/80 - Reported out as CS

(second CS — see correct version stapled to this folder)

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES

Alvin Osterback, Chairman

Pouch V, State Ca
Juneau, Alaska 9
(907) 465-3715

HEARING NOTIFICATIONS

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	H
HB590	1/24	586-6336	Rick Lauber, Pacific Seafood Processors Assoc.	1
	1/24	3720	Rep. Gardiner, Sponsor	1,
	1/25	586-2820	United Fishermen of Alaska Sharon Macklin, Exec. Dir. to testify	1/
	1/25	283-7001	Salamatof Seafood (Kenai) Tom Waterer, Pres. to testify	1/
	1/25	772-4294 and 206-282-0988	Icicle Seafoods	1/
	1/25	4100	Dept. of Fish & Game	1/
	1/25	2020	Dept. of Commerce Div. of Economic Enterprise Dir. Dick Eakins	1/
	2/1	4100	Dept. of Fish & Game.	2
	2/1	3720	Rep. Gardiner	2.
			Rep. Gardiner, Fish & Game	2,

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM February 21, 1980

SUBJECT: Herring (CSHB 590)

TO: Representative Terry Gardiner
Attn: Sharon Stoops, A.A.

FROM: Kenneth E. Vassar
Legislative Counsel

Enclosed is the committee substitute you requested for House Bill 590. Section 1 of the bill amends AS 16.10.172 by providing that stripping of herring, while generally wasteful and to be discouraged, is acceptable in some parts of the state because of the lack of local industries and abundance of herring in those parts of the state. Section 1 further declares that the areas described in AS 16.10.173(f) (added by Section 2 of the bill) are such areas where herring stripping is acceptable.

The guidelines established in the amendments to AS 16.10.172 in Section 1 of the bill are not exactly the same as those in Greg Cook's memo which you provided with your request. Greg had suggested that biological, social and economic factors combine in certain areas of the state to make stripping acceptable. I have some concerns about the local or special legislation questions this bill raises (which I will discuss later in this memo), and one of those questions relates to the fair and substantial relationship between the classification created in Section 2 of the bill - setting apart certain areas of the state for special treatment - and a matter of statewide concern. A legislative finding that biological, social and economic factors in certain areas of the state justify special treatment for those areas seems vague and not likely to assist a court in determining how the classification fairly and substantially relates to a problem you are seeking to resolve. Therefore, I talked with Greg to see if some more specific guidelines could be devised. The result is the two-pronged approach incorporated in Section 1 relying on (1) the lack of a local industry and (2) an abundance of herring.

The more specific guidelines will go far toward establishing the fair and substantial relationship between the classification and the problem to be solved; however, it does not end the inquiry. Article II, sec. 19, Constitution of the State of Alaska provides in part:

> "The legislature shall pass no local or special act if a general act can be made applicable."

Essentially, an act challenged as local or special is analyzed in the same manner as an act challenged as violative of equal protection. Abrams v. State, 534 P.2d 91 (1975); State v. Lewis, 559 P.2d 630 (1977). However, there is one significant difference between the two analyses. Under equal protection analysis, the act must fairly and substantially relate to a legitimate state interest or concern. Under local or special legislation analysis, the interest or concern is, at least in part, determined to be "legitimate" only if it is statewide in nature. That is, even though the act may treat certain areas of the state or certain groups of people differently from other areas or groups, it is not local or special if it fairly and substantially relates to a matter of statewide concern or interest. Thus, in Abrams, the court found the incorporation of the Eagle River-Chugiak Borough to be a matter which is not of statewide interest or concern and found the legislation authorizing the formation of that borough to be local legislation. On the other hand, in Lewis, the court found the capital move to be a matter of statewide concern, and legislation which fairly and substantially related to the capital move was not found to be local or special.

The question in this bill, then, is whether stripping of herring is a matter of statewide concern. Presumably, the argument in favor of the bill would be to the effect that the distinct and unique circumstances in this area of the state justify treating it differently from others. However, a similar type of argument was made to justify the incorporation of Eagle River-Chugiak as a borough. The court stated:

> "We do not find this justification persuasive. Numerous other localities within organized boroughs can also claim to be unique in certain respects." 534 P.2d at 95.

I think stripping of herring is probably not a matter of statewide concern; therefore, I would anticipate that this bill would be considered local legislation. Even though an act is found to be local legislation, it is nevertheless permissible if no general act can be made applicable. However, I think a general act can be made applicable in this case. Using the same or similar guidelines established in Section 1 of the bill, the Board of Fisheries could be instructed to discover the areas of the state where those circumstances exist and to allow stripping in those areas by regulation.

Finally, if stripping of herring is found to be of statewide interest, the fair and substantial relationship between the classification and the interest rests upon the guidelines established in Section 1 of the bill. One of those guidelines is a finding that herring exists in abundance in the area. Aside from the policy considerations, it seems that linking such a finding to an area of the state by a legislative enactment is risky business. These kinds of circumstances change from time to time. How quickly they are likely to change, I do not know. However, it is possible that, by making this finding, the legislation may fairly and substantially relate to the area at the time the legislation is enacted while losing, either gradually or suddenly depending upon the state of the herring population, its fair and substantial relationship over time. This would require the legislature to either act as a board of fisheries to keep track of the herring population and make amendments to the law as needed or to allow the law to lose its fair and substantial relationship to the area over time. If the former occurs, it would seem that the legislature will have stepped over into an executive function; if the latter occurs, new questions of equal protection would arise.

KEV:ljb

Enclosure

(HB590) - Question of Constitutionality of prohibiting the taking of herring out of state before processing.

According to both Ken Vassar (legislative lawyer) and Greg Cook (Fish & Game) this is probably unconstitutional

→ 1930's supreme court case about shrimp in North Carolina or Louisiana -- Same situation except that a "shrimp war" was going on. Court ruled it was illegal to require processing in one state.

→ This bill would interfere with federal inter-state commerce laws & regs.

Alaska Administrative Code - Register 70, July 1979
AAC 39.198 states that foreigners (not legally admitted to U.S.) cannot take ~~herring~~ fish from Alaska before it has been processed

Also is State statute regarding ~~king~~ live Crab
AS 16.10.240 Says no live crab can be shipped or sent out of Alaska. But, it says that crab may be shipped live via air freight after pre-packaging.

(See also 16.05.685(i). Unlawful to process crab on a commercial crab fishing vessel unless vessel remains within one registration area from time crab is caught to time of dock delivery).

AS 16.10.172 concerns utilization of herring (may not harvest roe & waste the rest)

~~AS 16.10.~~

AS16.05.920 Unlawful to ... taking, transporting, selling or purchasing fish ... contrary to ... Regulations

Carl Rosier noted these statutes and says that Alaska has no primary processing laws

Salamatof Seafoods, Inc.

P. O. Drawer 4220 Kenai, Alaska 99611 Phone: (907) 283-7000

February 22, 1980

Chairman Alvin Osterback
House Resource Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Chairman:

This letter is for the purpose of conveying my aporeciation for the opportunity to appear before your Committee on the matter of HB 590. It is also for the purpose of relating my impression of testimony made during that meeting of February 21, 1980.

Before addressing the issue specifially, I must extend to you my apology for any impression you may have had that my testimony was more aggressive than necessary. I feel, however, that the matter of HB 590 is of extreme importance economically to the State and industry, and further, I am not used to being put in a position of when once recognized by the Chair of having to defend myself against somewhat pointed arguments from the floor, regardless of their legitimacy.

As President of an Alaskan corporation which has rightfully earned a ranking position in the industry, I must stick to my testimony that regardless of all else, the portion of the Bill titled, Section 16.10.175 Removal of Herring From The State, must pass. Amendments should clarify, however, as follows:

1. Icing should not be qualified as a processing technique;

2. Salting should only be allowed in the case of food herring with roe content under 5%, and in such case should be packaged as food in cartons containing less than 200 lbs. This will additionally allow easier enforcement of the 5% rule.

It is my sincere belief that given the proper economic incentive the industry can indeed handle the upcoming harvest to a processed state within the State's jurisdiction. If there is any question regarding frozen capacity, when coupled with stripping capacity, there is little doubt that the industry can process the 1980 Berring Sea catch within the State's jurisdiction.

Opponents of this bill show little care about the economics of the consideration or the impact to the State and existing State processors. They rather are arguing towards self-serving goals with the

defense that "no one can prove to us that the product can be handled and, therefore, we who are serving foreign interests or non-resident fishermen must be recognized in our right to the product. Further, we say that salted Bering Sea herring tendered to in-State processors is not economically feasible and, therefore, will not be accomplished".

To the first argument I say that before it happened, no one could have conceived such a massive and effectual air lift of Bristol Bay sockeyes in 1979, nor could anyone guarantee that such a massive flotilla of floating processors could have frozen so much salmon in the NakNek-Kvichak areas.

Additionally, it was inconceivable until this past season that a majority of 1979 Bristol Bay sockeyes would be frozen rather than canned. The quality and spoilage considerations for salmon are much greater than for herring. Regardless, the industry successfully processed to the frozen state much more Bristol Bay salmon in 1979 than is necessary to completely process by all means the 1980 Togiak herring catches.

It follows that whenever economic incentive exists, industry can and will develop accordingly sufficient processing capacity. In the case of herring processing, it will only require employment of existing capacities. It is up to the State to set the guidelines now in February of 1980 towards the goal of how the State wishes to develop its valuable herring resource. Arguments at this date will only be reinforced by the supposition that processing goals can not be met.

If this Bill is effective in the future, however, it will then be the case that arguments are reinforced by claims of economic displacement, jeopardy of established business, and a multitude of other arguments as to why the State should not require in-State processing. Referring to the "illogical" argument that Togiak herring can not be sucessfully tendered or air lifted to other processing areas of the State, either fresh or salted, it should be considered that, that is exactly what is being done now by foreign interests over much greater distances; and, yet, salted or lightly salted herring are transported as distant as Korea, Vancouver, or Seattle destinations for processing.

It should be quite apparent that in-State tendering would be easier than out of State tendering since the product would not be moved as far, it is probably more economically feasible. It certainly is of much, much greater importance by way of economic return to the State.

The last item I wish to emphasize is that if there is any question about the capacity to process the 1980 herring harvest to the frozen state, those questions are of a lesser magnitude than what will happen to the State's processors without some protection. However, if the ultimate goal is to give the maximum guarantee towards maximum processing capacity in the State, then questions will be removed if stripping of herring is allowed and carcasses allowed to be discarded in all processing areas beyond a 50-mile radius of a fish meal rendering plant.

The discharge of unused carcases is not really an economic waste, nor is it a biological waste, it is only an aesthetic problem.

Herring are by number the most prodigious fish species in the world. We are harvesting roe herring (greater than 5%) strictly for the roe which is of much higher economic value than the entire carcass. Even then, our harvests are strictly monitored. If a two-year adjustment period is granted to the industry towards full utilization of the herring carcass by product of the vast Bering Sea harvest, then any further question can be removed about processing capacity. This is true only, however, if the privilege is extended to processing areas outside of the Togiak district where a large number of large-capacity shore facilities exist.

In the case of our company's situation, we operate an approximate 30,000 sq. ft. plant on the Kenai River; we have large freezing and stripping capacities, and are preparing both production lines. We wish to freeze as much herring as is possible, however, any carcasses which are unusable, we would propose to run through our plant's offal grinding system, which would be discharged in deep water as is permitted to us by State and EPA authorities for salmon and related wastes.

The final point I would like to stress to you, Mr. Chairman, is that you must consider very carefully not only the testimony you are hearing on HB 590, but you must also consider very seriously who is giving the testimony, what is their purpose, and is the purpose consistent with the best possible goals of the State. I believe seriously "that you and the Resource Committee are charged with the obligation to effect for the State and its residents the absolute maximum in-State benefit wherever possible; very little else should be considered".

As one significant resident employer, I would like to offer the suggestion, as President, that our company's interests are the same as those best suited to meet that goal. We wish to continue our business totally in State. We ask only for the benefit that we will have fair access to our State's resources, and to a much favored status in comparison to foreign or non-resident processing interests. If the State and its Resource Committee does not do its utmost to help in-State processors now when in-State processors desperately need the help,

then I would suggest that ultimately there would be none left; and if the industry suffers further setbacks, you will be left with nothing but foreign processing ships and probably very sporadic markets for the State's resident fishermen.

Mr. Chairman and honorable Committee members, I hope you will consider seriously the balances and impact of your decision.

Sincerely,

SALAMATOF SEAFOODS, INC.

Tom Waterer, President

Tom Waterer

TW:dle
cc: House Resource Committee Members: Patrick J. Carney
C. V. Chatterton
Samuel R. Cotten
Richard I. Eliason
John G. Fuller
Richard W. Halford
Bill Miles
Fred S. Zharoff

House of Representatives Speaker, Terry Gardiner

Encs: Testimony Outline - House Resource Committee
Revised HB 590 (with alterations)
February 18, 1980 letter to City of Kenai
Kenai Peninsula Borough letters of endorsement (6)

House Resource Committee
February 7, 1980

I. INTRODUCTION

A. Company - 100% Alaskan owned; incorporated in the State in 1973:

Size, volume, position in industry, particularly in herring, employment, 1979 raw fish tax discussions.

B. Personal -

Time in industry, 18 years fisherman - processor.
Formal education in Biological Sciences.

II. ORIENTATION

Alaska should review its entire philosophies regarding management of its fishing industry. In light of the fact that its 1979 ex-vessel values alone were on the order of 700 Million Dollars, this thought should surely bear some consideration.

However, true impact of fisheries is fact that in addition to this 700 Million is added substantial payrolls of the State's processors and the notable multiplier effect this has on Alaskan economy, especially in light of the fact that generally these are imported - dollars injected directly into the private sector.

Noting that the socio-economic impact is so great it stands that some consideration be given to how best to manage the economics of a fishing as to the best benefit of Alaska and its citizens.

In my opinion HB 590 is one of first examples of such legislation.

The unfortunate reality - usually fisheries are managed only on premise that when a biological surplus exists it should be harvested by whatever means available w/o due consideration of the particular socio economics involved. This, of course, is as much a fallacy as is conservation for the sake of conservation. I say, what purpose is there for Alaska to allow harvest if there is not maximum benefit to the State and its citizens to do such? It is time that biological management be counled with economic management and by economic management I mean maximizing economic benefit to State, its resident fishermen, its processors.

DEFINE PROCESSING IN CASE OF HERRING

I strongly advocate Alaska proceed stepwise toward maximizing value added within the State. Since processing in the fishing industry is very labor intensive, Alaska can only benefit by such direction. Benefit to labor, transport, taxes, etc.

In the case of HB 590, we strongly support it and suggest that since Alaska herring industry is just now experiencing a rapid growth, now is the time to set the guidelines by which to create the most value to the State via in-State processing, and at the same time insure the quality reputation.

Without protection of bills such as HB 590, in-State processing will not only not develop, but will likely decline once the alternate modes of handling are developed. This is especially true for herring, since roe in fish can be easily preserved in unprocessed state long enough to allow cheap bulk transport to outside and generally foreign processing facilities where plants already exist, and labor is tremendously cheaper.

What's at stake -- herring -- a probably 1980 1st whole value to processors at up to 100 Million Dollars, depending upon actual volume harvested, quality and current market development. If fully realized, and if property regulated, the large bulk of those dollars can enter the economy; and being new dollars to the State, would be magnified greatly in impact due to the related multiplier of the particular economies.

What is the worst case if HB 590 doesn't pass?

- *Multitude of Canadian processing plants waiting idle, even greater Japanese trampers carrying lightly salted fish to Korea and Japan. These are being prepared now.

- *1979 Togiak example

  Trampers, 300-400 ft. tanker barges

- *Once proven, these could transport from SE, CI, PWS, anywhere.

Since out-of-state operators have a greater tendency to attract non-resident fishermen and since this is a developing non-limited fishery, there are a multitude of fishermen from Bellingham, Seattle, Astoria, San Francisco, and S_____ wishing to join these operations.

In a worse case analysis, an out-of-state fisherman, tenderman, barge, or tramper operator, travel to Bristol Bay to harvest and transport the fish out. In 1979 the Bristol Bay case was about $600/ton. Alaska gets 3% or $18 return.

Extending the worst case to 40-50,000 State-wide harvest, Alaska gets $720,000-$900,000 in raw fish tax--nothing else.

Obviously this won't result, for all herring close to 50% value is likely lost.

We are required to capitalize in Alaska labor, identify each carton by packer origin, and our Ala a health number, where is this, and Alaska quality contro[illegible] tanker operations hauling product to Canada or Korea?

* Processing does exist in Alaska. Bering Sea must apply.
Canadian herring restrictions.

Rep. Cotter (Sam) Rules House Committee

Steven Noyer Dir. Commercial Fisheries

Similar
Unprocessed fish is now required
Classifying processing

*Foreign not acceptable any
cooking, canning, salting - 20%, freezing.

*Salting not acceptable - in every case the purpose is to get roe.

**Processing required 2 man days/ton for roe

16.10.162

It is policy of legislature process shall be eliminated
Ref. to item 3.

*No reason to utilize carcase.

1979 take (52,000,000 (9,000,000 is bait)
(900,000 kelp
(43,000,000 roe

Bristol Bay 70% salted

Herring is most numerous species in world.

**Salting accomplishes nothing.

Salamatof Seafoods, Inc.

P O Drawer 4220 Kenai, Alaska 99611 Phone (907) 283-7000

February 18, 1980

City of Kenai
P.O. Box 580
Kenai, Alaska 99611

Attn: Mayor Vincent O'Reilly

Gentlemen:

This letter will serve to advise you of a very important bill currently in the House which we believe has the potential to provide tremendous economic impact upon the City of Kenai and the entire Borough. Enclosed you will find a copy of HB 590, relating to a requirement to effect processing of herring within the State's jurisdiction. As President of Salamatof Seafoods, Inc., a substantial employer in the City of Kenai and the Kenai Peninsula Borough, I solicit your support for this most important bill.

It has the impact of not only creating employment, but also of plant utilization and in-State quality control. Stepwise this bill may create a vehicle for further guidelines requiring the maximum value added to be realized within the State for all species of our seafood resources. This I strongly advocate.

Referring specifically to herring, I have included an outline from my testimony before the House Resource Committee on Thursday, February 7th. The notes are not fully descriptive since it was my outline, however, the points are basically:

1. If Alaska wishes to receive the maximum benefit from a seafood harvest, it must so direct the processing industry by legislative action, otherwise, overhead and labor will be utilized elsewhere wherever possible.

2. The adverse market reputation for quality of Alaskan seafood can only be overcome by greater quality control measures. This, in turn, can only be scrutinized as processing occurs within the State's jurisdiction.

3. The current economic depression of the Alaskan seafood industry and especially of the Kenai Peninsula processors can be in part lessened by proper utilization of the vast herring resource just recently proven economically so important.

4. In a worst case analysis and in an industry based out of State, there would be left to the State only $18 per ton or less by way of taxes for the herring harvested. This correlates to a State-wide return of $720,000-$900,000. If a best case analysis is a stake, a first wholesale value by in-State processors of up to $100 Million Dollars of new dollars in 1980 can be realized. These new dollars, in turn, have even greater

impact when the particular multipliers are realized via the economics involved.

5. Our industry rule of thumb is that each ton of herring processed to the roe finished product requires about two man days of labor. If the projected Bristol Bay harvest were all processed to the roe state, it would create about 60,000 man days of employment for process workers. This is in addition to the employment of the fishermen and tendermen levels. Processing to a frozen state would require comparable labor plus capital investment only of a slighter consequence. Salting or brining of herring requires an inconsequential labor impact and, hence, a tremendous economic loss to the State and Borough.

6. Of the 1980 Bristol Bay harvest, we estimate it is probable that a minimal 20% will be processed by Kenai Peninsula processors if the product is not taken from them via foreign bulk transport means. If this is the case, at stake is a minimum 12,000 man days of labor plus the sales dollars generated into the economy by the particular Borough seafood processors involved. This will have impact upon the transportation industry and related supply industry and numerous other segments of our local economy.

7. In both the Canadian province of British Columbia and the state of California, the tremendous impact of requiring in-province or in-state processing has been realized. In each of those areas, legislation for the purpose of limiting the exports of unprocessed seafood, and especially herring, has been effected much more strictly than is proposed by HB 590. In both of those areas it has been realized that if the resource is to be harvested, it should be for the maximum economic benefit, which can only be realized by the export of the finished product.

I thank you for your consideration of this hastily prepared message. The time factor involved is that currently the matter will be brought before House Committee again on Thursday, February 22nd. I solicit a strong and immediate support of this bill to our Representatives as you deem appropriate.

Sincerely,

SALAMATOF SEAFOODS, INC.

Tom Waterer, President
TW:dle
Enc: HB 590
Testimony Outline - House Resource Committee

cc: House Speaker Terry Gardiner
Senator Clem Tillion
Representative Hugh Malone
Mayor Tom Bearup - Soldotna
Mayor Jon Gilman - Kenai Pen. Bor.
Mr. Frank McIlhargey, Econ. Dev. Coun
Mr. George Ford, Kenai Chamb. Commerc

CITY OF KENAI

"Oil Capital of Alaska"

P. O. BOX 580 KENAI, ALASKA 99611
TELEPHONE 283 - 7535

February 19, 1980

9:40 a.m.
Night Letter to:

Honorable Clem Tillion, Senator
Honorable Patrick O'Connell, Rep.
Honorable Hugh Malone, Rep.

Dear Sir:

Please accept my full and strongest support for HB 590 concerning herring processing.

Successful passage would be meaningful to the industry and the interests of this city.

Sincerely,

Mayor Vince O'Reilly

cc: Tom Waterer, Salamatof Seafoods, Inc.

VOR:kh

Kenai Chamber of Commerce
P. O. Box 497
Kenai, Alaska 99611
(907) 283-7989

February 20, 1980

house Resource Committee
Alaska State House of Representatives
Pouch "V" State Capitol Building
Juneau, Alaska 99811

Dear Committee Members:

The Greater Kenai Chamber of Commerce has passed a motion in support of Hb 590.

Since the fish processing industry is a substantial segment of our economy we have a local interest in this bill. Many summer jobs are provided by the local processors. Herring processing is advantageous because it extends the season for these employees. The additional dollars also circulate in our community to the benefit of the local businesses and, therefore, all of our citizens.

We also feel that in-state manufacturing, refinement, or processing of Alaska's natural resources is a goal that should be pursued within practical limitations. There is no question about the practicality of herring processing.

We urge passage of HB 590.

Respectfully submitted,

Richard I. Morgan
Chairman--Legislative Committee

City of Soldotna
BOX 409 PHONE 262-9107
SOLDOTNA ALASKA 99669

CITY OF OPPORTUNITY

February 20, 1980

Mr. Tom Waterer, President
Salamatof Seafoods, Inc.
Post Office Drawer 4220
Kenai, Alaska 99611

Dear Tom:

I would like to lend my support to the passage of HB 590.

I support any effort to enhance the economic development of the area and the State of Alaska.

Knowing of your expertise in the area of fish processing I take a position of support toward the goals of Alaskan Processors to process herring to the fullest degree within the State prior to marketing outside.

If I can be of further assistance, please feel free to contact me.

Sincerely,

Thomas R. Bearup

Thomas R. Bearup
Mayor

TRB/sf

KENAI PENINSULA BOROUGH

BOX 850 • SOLDOTNA, ALASKA 99669
PHONE 262-4441

DON GILMAN
MAYOR

February 20, 1980

Resources Committee
House of Representatives
Alaska State Legislature
Pouch V
Juneau, AK 99811

Subject: House Bill 590

Dear Sirs:

This requests your favorable consideration and passage of House Bill 590, proposing a requirement to effect minimum processing for herring in-state.

Where there is an industrial capability in-state to accomodate processing which will inject add-on value from fisheries resources into the State's economy and create additional employment for local residents, it would be in the best interests of Alaska that implementing legislation be effected.

House Bill 590 is a means toward this end and I ask that you support this bill.

Sincerely,

Frank McIlhargey
Economic Development Director

FMcI:tm

CITY OF KENAI

"Oil Capital of Alaska"

P. O. BOX 580 KENAI, ALASKA 99611
TELEPHONE 283 - 7535

February 19, 1980

9:40 a.m.
Night Letter to:

Honorable Clem Tillion, Senator
Honorable Patrick O'Connell, Rep.
Honorable Hugh Malone, Rep.

Dear Sir:

Please accept my full and strongest support for HB 590 concerning herring processing.

Successful passage would be meaningful to the industry and the interests of this city.

Sincerely,

Mayor Vince O'Reilly

cc: Tom Waterer, Salamatof Seafoods, Inc.

VOR:kh

KENAI PENINSULA BOROUGH
BOX 850 • SOLDOTNA ALASKA 99669
PHONE 262-4441

DON GILMAN
MAYOR

February 20, 1980

Tom Waterer, President
Salamatof Seafoods, Inc.
P. O. Drawer 4220
Kenai, Alaska 99611

Dear Tom:

This is to acknowledge receipt of your letter of Feb. 18, 1980, concerning House Bill 590.

After reviewing your letter and the testimony that you gave to the House Resources Committee on Thursday, Feb. 7th, I have determined that I personally am in full accord with your points.

This letter is written to endorse House Bill 590 and if I can be of personal assistance to you in your efforts to secure passage of this bill, please notify me immediately.

Sincerely,

Donald E Gilman

Donald E. Gilman, Mayor
Kenai Peninsula Borough

DEG:mw

PROPOSED CHANGES

HB 590

Original sponsors: Gardiner and Moss

IN THE HOUSE BY THE RESOURCES COMMITTEE

CS FOR HOUSE BILL NO. 590

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to herring; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. LEGISLATIVE FINDINGS AND POLICY ON HERRING STRIPPING.

(a) Notwithstanding AS 16.10.172, the legislature finds that in certain circumstances the processing technique described in AS 16.10.172(3), commonly referred to as "stripping", provides benefits of such importance to the state economy that the benefits outweigh the waste even if discard of the carcass is involved in the process.

(b) It is the policy of the legislature that the stripping process wherein the carcass is discarded is acceptable only if the herring is taken from waters in which the herring population is large enough to support a stripping industry ~~without substantially reducing the availability of the herring for other uses,~~ and only if the ~~stripping~~ discarding process is conducted in an area of the state where in which adequate meal or local ~~industry either does~~ reduction facilities do not exist within a 50-mile radius or, if it does exist, is insufficient to provide reasonable economic support to the people who live in the area.

WE PREFER SECTION 2 TO BE DELETED, HOWEVER, IF INCLUDED SHOULD READ AS FOLLOWS:

* Section 2. HERRING STRIPPING.

(a) The legislature finds that the area of purchase described in (b) of this section is an area where the ~~stripping~~ purchase of herring for roe is acceptable under the criteria established in sec. 1 of this Act.

(b) Notwithstanding AS 16.10.173 and until July 1, 1981, or 1982 or 1983, *(options) ~~the stripping of commercially taken herring for the purpose of removing and selling the roe product~~ discard is authorized if herring is taken from, and ~~the stripping process occurs within~~, an area north of 58 degrees latitude; south of 60 degrees latitude; east of 162 degrees 10 minutes 30 seconds longitude; and west of 158 degrees 53 minutes 30 seconds longitude.

* Section 3. AS 16.10 is amended by adding a new section to article 3 to read:

Section 16.10.175. REMOVAL OF HERRING FROM STATE.

(a) It is unlawful for a person to remove herring from the state before the herring has been frozen or otherwise processed for shipment.

(b) In this section, "processed for shipment" includes, but is not limited to, ~~salting~~ no stripping or salting of the herring; however, it does not include salting of the herring if five percent or more of the body weight of the herring consists of roe. Such salted herring should be packed in cartons no larger than 200 lbs. net, as is consistent with packaging requirements for food products.

* Section 4. This Act allows easier enforcement and takes effect immediately in accordance with AS 01.10.070(c).

evasion of other applicable state and federal laws and regulations.

(f) The provisions of this section apply to foreign vessels and aliens in the internal waters and the territorial sea of the state.

(g) As used in this section

(1) "aliens" means aliens not admitted to the United States with immigrant or other resident alien status under the immigration and naturalization laws of the United States;

(2) "existing ports" means those Alaskan marine ports designated in 19 C.F.R. sec. 1.2;

(3) the phrase "foreign vessels and aliens" includes foreign vessels staffed with aliens, foreign vessels staffed with U.S. citizens, and U.S. vessels staffed with aliens; and

(4) "foreign vessels" means vessels not documented under the laws of the United States or documented under the laws of a state.

Authority: AS 16.05.251 AS 16.05.910
AS 16.05.475 AS 16.05.920
AS 16.05.905 AS 16.05.940

ARTICLE 2.
SALMON FISHERY

Section
230. Gear
240. General gear specifications and operation
250. Gill net specifications and operation
260. Seine specifications and operation
270. Troll specifications and operation
280. Identification of stationary fishing gear
290 Closed waters

5 AAC 39.230. GEAR. Only those gill nets, seines, troll lines, fishwheels, spears or other appliances as provided for in chs. 03 - 39 of this title may be used to take salmon.

Authority: AS 16.05.250(3)

5 AAC 39.240. GENERAL GEAR SPECIFICATIONS AND OPERATION. (a) A salmon fishing vessel shall operate, assist in operating, or have aboard it or any boat towed by it, only one legal limit of salmon fishing gear in the aggregate except as otherwise provided in this title.

(b) Unhung gear sufficient for mending purposes may be carried aboard fishing vessels.

(c) A purse seine, hand purse seine or beach seine may not be fished simultaneously with gill net gear by any individual or vessel.

(d) Salmon fishing nets shall be measured, either wet or dry, by determining the maximum or minimum length of the cork line when the net is fully extended with traction applied at one end only.

(e) The interim-use or entry permit card holder is responsible for the operation of the net.

Authority: AS 16.05.251(4)

5 AAC 39.250. GILL NET SPECIFICATIONS AND OPERATION. (a) The trailing of gill net web is prohibited at any time or place where fishing is not permitted.

(b) Set gill nets shall be removed from the water during any closed period.

(c) Gill net web must contain no less than 25 filaments until December 31, 1978. After December 31, 1978, gill net web must contain no less than 30 filaments.

Authority: AS 16.05.251(4)

5 AAC 39.260. SEINE SPECIFICATIONS AND OPERATION. (a) In the use of purse seines and hand purse seines, not more than one anchor may be used to hold the seine, lead and seine boat during a set.

(b) Repealed 3/26/76.

(c) A purse seine is considered to have ceased fishing when all the rings are out of the water.

(d) A hand purse seine is considered to have ceased fishing when both ends of the seine are fast to the vessel.

(e) A beach seine is considered to have ceased fishing when all of the lead line is above the water on the beach.

(f) Where the use of leads is permitted, a purse seine vessle may not have or use more than one lead of legal length and depth, without purse

(3) press releases and announcements in local newspapers and commercial radio stations;

(4) telegrams and commercial radio facilities.

Authority: AS 16.05.060

5 AAC 39.197. UNLAWFUL POSSESSION OF FISH. No person may possess, purchase, sell, barter or transport fish within the state or within waters subject to the jurisdiction of the state if that person knows or has reason to know that the fish were taken or possessed in contravention of chs. 01 – 39 of this title.

Authority: AS 16.05.251(a)(10) and (b)

5 AAC 39.198. COMMERCIAL FISHING AND RELATED OPERATIONS BY ALIENS NOT LAWFULLY ADMITTED TO THE UNITED STATES. (a) Foreign vessels or aliens or both are prohibited from

(1) the catching, taking, or harvesting of fish resources;

(2) the tendering, offloading, or other movement or handling of fish resources until processing has been completed;

(3) the processing of fish resources; or

(4) any attempt at, preparation for, or assistance of the foregoing, with the intent of disposing of the fish resources for profit, or by sale, barter, trade, or in commercial channels.

(b) As used in this section, "processing" means completion of

(1) cooking,

(2) canning,

(3) smoking,

(4) salting, which means uniformly mixing at a minimum salting level of at least 20 percent of the weight of the fish resources,

(5) drying, or

(6) freezing.

(c) Aliens and foreign vessels are not prohibited from transporting fish resources outside the state, or engaging in other business activities respecting fish resources, after processing has been completed. Any vessel used pursuant to this authorization, whether domestic or foreign

(1) must not be equipped for the harvesting of fish resources; and

(2) must be in compliance with applicable state and federal laws.

(d) The commissioner, after consultation with the Board of Fisheries, may, under conditions and limitations determined by him, grant a limited exception to this section with respect to a particular fishery and permit foreign vessels to process fish resources at an existing or constructive port, or to transport fish resources outside the state from an existing or constructive port that processing takes place, if he determines after investigation that

(1) the volume of fish resources expected to be taken in the fishery under current regulations exceeds the anticipated processing capability of facilities operated by United States processors;

(2) there is no practical opportunity for United States processors to make emergency arrangements to handle the excess volume;

(3) there is a likelihood of substantial wastage of fish resources taken in the fishery if foreign processing or transportation capacity is not utilized; and

(4) there is no significant likelihood of clandestine foreign fishing operations if the exception is granted.

(e) With respect to paragraph (d) of this section the commissioner may recognize and designate constructive ports, provided

(1) the ports are within the internal waters of the state;

(2) there is no existing port within reasonable running time from fishing grounds which are the subject of a substantial fishery; and

(3) there is no significant opportunity for clandestine violations of (a) of this section or

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 590
Title An Act relating to herring process
Requested by House Resources Committee Date 1-30-80

II. FISCAL DETAIL
Agency Affected Department of Fish and Game
Program Category Affected Natural Resource Management
BRU, Program, or Subprogram(s) Affected Commercial Fisheries
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

III ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This act has no fiscal impact on the Department of Fish and Game.

IV. DATE 1-30-80 PREPARED BY Russell H. Clark
AGENCY Department of Fish and Game
PHONE 465-4120

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33 001 (Rev. 12/79)

1979

Herring

3500 Tons Salted on Foreign Bottoms
(Canada + Japan)

1000 Tons Salted + cut to Seward + Todd's

9000 Tons Frozen

20,000 – 40,000 lbs

5,000 – 12,000 Transparency
2,000 – 3,000 Tendering
15,000

1978

90% Salted on Foreign Bottoms

SB 391--Penalties for fish buyers who purchase fish from non-permit holders, and for fishermen who catch fish without permits (same as HB 630)

SB 392--Requires specific identification and a picture on limited entry permits issued.

RICHARD B LAUBER

To: Rep Osterbeck

I came across this article and thought it might be of interest to you and your Committee when considering HB 590

Rick

Japan's Roe Market In Shambles—NW Concerned

By Bruce Ramsey
Marine Writer

The largest bankruptcy in the history of the Japanese fishing industry has sent waves of concern through the Northwest seafood industry.

The victim, according to the Japan Times, was Hokusho Co., one of the largest Japanese wholesalers of imported herring roe (eggs) from the U.S. and Canada. Hokusho left behind debts of 31 billion yen, or about $129 million, owed to 130 creditors. It is not known how many of those creditors are Americans.

According to the English - language Japan Times, the Japanese government has offered low - interest loans to prevent further bankruptcies among fish wholesalers.

Herring roe has been a lucrative part of the Northwest and Alaska seafood industry. The fishery only lasts a few days as it moves northward, from San Francisco Bay to northern Puget Sound to Vancouver Island to Southeastern Alaska to Togiak, Alaska, on the Bering Sea. But it is probably the most rewarding fishery in terms of dollars - per - hour.

Industry sources say the collapse of Hokusho has left the Japanese roe market — the world's only roe herring market — in shambles. They relate a tale of avarice and miscalculation stretching across the North Pacific.

Roe is made into "kazunoko," a delicacy eaten only by Japanese, and only during Shogatsu, the three - day New Year's celebration. This Oriental caviar is traditionally believed to promote virility in men.

In 1972, the Japanese government abolished a government monopoly in roe imports, throwing open the business to the powerful Japanese trading companies. What followed, according to the Japanese newspaper Asahi Shimbun (as quoted in the Alaska Fishermen's Journal) was a frenzied struggle for market share among the top trading companies, including Marubeni, Taiyo and Mitsubishi.

The height of the competition came during last spring's herring roe fishery off the west coast of Vancouver Island. The year before, the season has ended with roe herring at $350 a ton at Togiak. Last spring, the fishery companies sent boats stuffed with cash to the herring grounds.

The market price was bid to the $2,000 to $3,000 level, and briefly hit $5,000 (Canadian dollars) a ton. At this price, a lucky fisherman could pay for his boat in one well - placed seine.

Gary Spitz, president of the B.C. Fisheries Association, said last May that one fisherman hauled in $1.2 million (Canadian). This was by no means an average catch, but it stirred up a kind of Klondike fever among many fishermen.

When the wholesale markets for herring roe opened last fall in Osaka, the prices were double the 1978 prices. There was little traded, but prices refused to fall.

The newspapers picked up the story, charging a conspiracy to corner the market and demanding an investigation. "Who's to Blame for the Kazunoko Insanity?" screamed a headline in the Dec. 15 Asahi Shimbun.

Prices stayed high as the Shogatsu holiday approached. "Everybody believed that the market is way up there," said a source in a Japanese seafood company. "Our sources in Tokyo kept telling us the market is fake, that if you look at the volume traded, you'll see it is very low."

He said the high price was mainly achieved by allied companies buying and selling to each other. "This product was never going anywhere," the source said. "It was never leaving the cold storage."

But the Japanese housewife, who was assumed to be willing to pay almost any price for the kazunoko, broke with tradition during the New Year's celebration in January. She boycotted it. Industry sources say only half the kazunoko was sold, and the wholesale price plunged from about $25 a pound to about $9.

The price collapse broke Hokusho and reportedly caused a substantial loss to Mitsubishi.

"This obviously has caused a great shock at Mitsubishi," said Reid Rogers, chairman of Seattle's New England Fish Co. (Nefco). "We anticipate they will continue in the seafood business once they sort themselves out.

"The bankruptcy had no direct impact on Nefco. We had no direct credits with the company that went bankrupt."

A Mitsubishi spokesman said the Seattle office didn't know anything more than what they read in the Japanese newspapers.

The crash has cast a pall over the upcoming roe herring fisheries off Vancouver Island, Southeastern Alaska and Togiak. At 1979 prices, these fisheries had been regarded as a kind of Irish Sweepstakes, with many small losers but a few huge winners for those who found the herring.

"I can't find a buyer in roe herring," says Lyle Johnson, president of Alaska Canada Fisheries Inc., Seattle. "They smile a lot and say, 'Very risky, very risky.' Canada radically cut the quota (from 11,000 metric tons to 4,000) but even that didn't get them excited.

"I think there'll be a market by the time the season starts in Togiak, in May," said Johnson. "But there's nothing happening in roe herring now between the Japanese buyer and the independent U.S. processor."

NEW
CS

Original sponsors: Gardiner and Moss

IN THE HOUSE BY THE RESOURCES COMMITTEE

CS FOR HOUSE BILL NO. 590

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to herring."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 16.10.172 is amended to read:

Sec. 16.10.172. LEGISLATIVE POLICY ON UTILIZATION OF HERRING. (a) The legislature finds the following: (1) extensive and valuable herring populations are available for harvest in waters subject to the jurisdiction of the state; (2) commercial markets are available for herring processed in several forms; (3) one processing technique presently employed involves deliberately permitting decomposition of the herring carcass to allow for removal and subsequent sale of the roe product, with the consequence that the flesh is unusable and discarded. The legislature finds that in certain circumstances the processing technique described in (3) of this section, commonly referred to as "stripping", provides benefits of such importance to the state economy that the benefits outweigh the waste involved in the process. [DECLARES THAT THE PROCESS REFERRED TO IN (3) OF THIS SECTION IS WASTEFUL AND DOES NOT CONSTITUTE UTILIZATION OF THIS RESOURCE FOR THE MAXIMUM BENEFIT OF THE PEOPLE.]

(b) It [THEREFORE, IT] is the policy of the legislature that the stripping [THIS] process is acceptable (1) only if the herring is taken from waters in which the herring population is large enough to support a stripping industry described in (2) of this subsection without substantially reducing the availability of the herring for other uses; and (2) the stripping process is conducted in an area of the state where

local industry either does not exist or, if it does exist, it is insufficient to provide reasonable economic support to the people who live in the area. The legislature finds that the areas described in AS 16.10.173(f) are areas where the stripping of herring roe is acceptable [SHOULD BE ELIMINATED TO THE FULLEST EXTENT POSSIBLE].

* Sec. 2. AS 16.10.173(a) is amended to read:

(a) Unless otherwise authorized by this chapter it [IT] is unlawful for a person, as defined in AS 01.10.060 and including a joint venture, to waste or to cause to be wasted any commercially taken herring.

* Sec. 3. AS 16.10 is amended by adding new sections to article 3 to read:

Sec. 16.10.174. HERRING STRIPPING. The stripping of commercially taken herring for the purpose of removing and selling the roe product is authorized if the herring is taken from, and the stripping process occurs within, an area north of 58 degrees latitude; south of 60 degrees latitude; east of 162 degrees 10 minutes 30 seconds longitude; and west of 158 degrees 53 minutes 30 seconds longitude.

Sec. 16.10.175. REMOVAL OF HERRING FROM STATE. (a) It is unlawful for a person to remove herring from the state before the herring has been frozen or otherwise processed for shipment.

(b) In this section, "processed for shipment" includes, but is not limited to, icing, stripping or salting of the herring; however, it does not include salting of the herring if five percent or more of the body weight of the herring consists of roe.

CITY OF KENAI

"Oil Capital of Alaska"

P. O. BOX 580 KENAI, ALASKA 99611
TELEPHONE 283 - 7535

February 19, 1980

9:40 a.m.
Night Letter to:

Honorable Clem Tillion, Senator
Honorable Patrick O'Connell, Rep.
Honorable Hugh Malone, Rep.

Dear Sir:

Please accept my full and strongest support for HB 590 concerning herring processing.

Successful passage would be meaningful to the industry and the interests of this city.

Sincerely,

Mayor Vince O'Reilly

cc: Tom Waterer, Salamatof Seafoods, Inc.

VOR:kh

Kenai Chamber of Commerce
P. O. Box 497
Kenai, Alaska 99611
(907) 283-7989

February 20, 1980

House Resource Committee
Alaska State House of Representatives
Pouch "V" State Capitol Building
Juneau, Alaska 99811

Dear Committee Members:

The Greater Kenai Chamber of Commerce has passed a motion in support of HB 590.

Since the fish processing industry is a substantial segment of our economy we have a local interest in this bill. Many summer jobs are provided by the local processors. Herring processing is advantageous because it extends the season for these employees. The additional dollars also circulate in our community to the benefit of the local businesses and, therefore, all of our citizens.

We also feel that in-state manufacturing, refinement, or processing of Alaska's natural resources is a goal that should be pursued within practical limitations. There is no question about the practicality of herring processing.

We urge passage of HB 590.

Respectfully submitted,

Richard I. Morgan
Chairman--Legislative Committee

KENAI PENINSULA BOROUGH
BOX 850 • SOLDOTNA, ALASKA 99669
PHONE 262-4441

DON GILMAN
MAYOR

February 20, 1980

Resources Committee
House of Representatives
Alaska State Legislature
Pouch V
Juneau, AK 99811

Subject: House Bill 590

Dear Sirs:

This requests your favorable consideration and passage of House Bill 590, proposing a requirement to effect minimum processing for herring in-state.

Where there is an industrial capability in-state to accomodate processing which will inject add-on value from fisheries resources into the State's economy and create additional employment for local residents, it would be in the best interests of Alaska that implementing legislation be effected.

House Bill 590 is a means toward this end and I ask that you support this bill.

Sincerely,

Frank McIlhargey
Economic Development Director

FMcI:tm

City of Soldotna
BOX 409 PHONE 262-9107
SOLDOTNA ALASKA 99669

CITY OF OPPORTUNITY

February 20, 1980

Mr. Tom Waterer, President
Salamatof Seafoods, Inc.
Post Office Drawer 4220
Kenai, Alaska 99611

Dear Tom:

I would like to lend my support to the passage of HB 590.

I support any effort to enhance the economic development of the area and the State of Alaska.

Knowing of your expertise in the area of fish processing I take a position of support toward the goals of Alaskan Processors to process herring to the fullest degree within the State prior to marketing outside.

If I can be of further assistance, please feel free to contact me.

Sincerely,

Thomas R. Bearup

Thomas R. Bearup
Mayor

TRB/sf

KENAI PENINSULA BOROUGH
BOX 850 • SOLDOTNA, ALASKA 99669
PHONE 262-4441

DON GILMAN
MAYOR

February 20, 1980

Tom Waterer, President
Salamatof Seafoods, Inc.
P. O. Drawer 4220
Kenai, Alaska 99611

Dear Tom:

This is to acknowledge receipt of your letter of Feb. 18, 1980, concerning House Bill 590.

After reviewing your letter and the testimony that you gave to the House Resources Committee on Thursday, Feb. 7th, I have determined that I personally am in full accord with your points.

This letter is written to endorse House Bill 590 and if I can be of personal assistance to you in your efforts to secure passage of this bill, please notify me immediately.

Sincerely,

Donald E Gilman

Donald E. Gilman, Mayor
Kenai Peninsula Borough

DEG:mw

Salamatof Seafoods, Inc.

P. O. Drawer 4220 Kenai, Alaska 99611 Phone: (907) 283-7000

February 18, 1980

City of Kenai
P.O. Box 580
Kenai, Alaska 99611

Attn: Mayor Vincent O'Reilly

Gentlemen:

This letter will serve to advise you of a very important bill currently in the House which we believe has the potential to provide tremendous economic impact upon the City of Kenai and the entire Borough. Enclosed you will find a copy of HB 590, relating to a requirement to effect processing of herring within the State's jurisdiction. As President of Salamatof Seafoods, Inc., a substantial employer in the City of Kenai and the Kenai Peninsula Borough, I solicit your support for this most important bill.

It has the impact of not only creating employment, but also of plant utilization and in-State quality control. Stepwise this bill may create a vehicle for further guidelines requiring the maximum value added to be realized within the State for all species of our seafood resources. This I strongly advocate.

Referring specifically to herring, I have included an outline from my testimony before the House Resource Committee on Thursday, February 7th. The notes are not fully descriptive since it was my outline, however, the points are basically:

1. If Alaska wishes to receive the maximum benefit from a seafood harvest, it must so direct the processing industry by legislative action, otherwise, overhead and labor will be utilized elsewhere wherever possible.

2. The adverse market reputation for quality of Alaskan seafood can only be overcome by greater quality control measures. This, in turn, can only be scrutinized as processing occurs within the State's jurisdiction.

3. The current economic depression of the Alaskan seafood industry and especially of the Kenai Peninsula processors can be in part lessened by proper utilization of the vast herring resource just recently proven economically so important.

4. In a worst case analysis and in an industry based out of State, there would be left to the State only $18 per ton or less by way of taxes for the herring harvested. This correlates to a State-wide return of $720,000-$900,000. If a best case analysis is a stake, a first wholesale value by in-State processors of up to $100 Million Dollars of new dollars in 1980 can be realized. These new dollars, in turn, have even greater

impact when the particular multipliers are realized via the economics involved.

5. Our industry rule of thumb is that each ton of herring processed to the roe finished product requires about two man days of labor. If the projected Bristol Bay harvest were all processed to the roe state, it would create about 60,000 man days of employment for process workers. This is in addition to the employment of the fishermen and tendermen levels. Processing to a frozen state would require comparable labor plus capital investment only of a slighter consequence. Salting or brining of herring requires an inconsequential labor impact and, hence, a tremendous economic loss to the State and Borough.

6. Of the 1980 Bristol Bay harvest, we estimate it is probable that a minimal 20% will be processed by Kenai Peninsula processors if the product is not taken from them via foreign bulk transport means. If this is the case, at stake is a minimum 12,000 man days of labor plus the sales dollars generated into the economy by the particular Borough seafood processors involved. This will have impact upon the transportation industry and related supply industry and numerous other segments of our local economy.

7. In both the Canadian province of British Columbia and the state of California, the tremendous impact of requiring in-province or in-state processing has been realized. In each of those areas, legislation for the purpose of limiting the exports of unprocessed seafood, and especially herring, has been effected much more strictly than is proposed by HB 590. In both of those areas it has been realized that if the resource is to be harvested, it should be for the maximum economic benefit, which can only be realized by the export of the finished product.

I thank you for your consideration of this hastily prepared message. The time factor involved is that currently the matter will be brought before House Committee again on Thursday, February 22nd. I solicit a strong and immediate support of this bill to our Representatives as you deem appropriate.

Sincerely,

SALAMATOF SEAFOODS, INC.

Tom Waterer, President
TW:dle
Enc: HB 590
Testimony Outline - House Resource Committee

cc: House Speaker Terry Gardiner
Senator Clem Tillion
Representative Hugh Malone
Mayor Tom Bearup - Soldotna
Mayor Don Gilman - Kenai Pen. Bor.
Mr. Frank McIlhargey, Econ. Dev. Coun.
Mr. George Ford, Kenai Chamb. Commerce

I. INTRODUCTION

A Company - 100% Alaskan owned; incorporated in the State in 1973:

Size, volume, position in industry, particularly in herring, employment, 1979 raw fish tax discussions.

B. Personal -

Time in industry, 18 years fisherman - processor.
Formal education in Biological Sciences.

II. ORIENTATION

Alaska should review its entire philosophies regarding management of its fishing industry. In light of the fact that its 1979 ex-vessel values alone were on the order of 700 Million Dollars, this thought should surely bear some consideration.

However, true impact of fisheries is fact that in addition to this 700 Million is added substantial payrolls of the State's processors and the notable multiplier effect this has on Alaskan economy, especially in light of the fact that generally these are imparted dollars injected directly into the private sector.

Noting that the socio-economic impact is so great it stands that some consideration be given to how best to manage the economics of a fishing as to the best benefit of Alaska and its citizens.

In my opinion HB 590 is one of first examples of such legislation.

The unfortunate reality - usually fisheries are managed only on premise that when a biological surplus exists it should be harvested by whatever means available w/o due consideration of the particular socio-economics involved. This, of course, is as much a fallacy as is conservation for the sake of conservation. I say, what purpose is there for Alaska to allow harvest if there is not maximum benefit to the State and its citizens to do such? It is time that biological management be coupled with economic management and by economic management I mean maximizing economic benefit to State, its resident fishermen, its processors.

DEFINE PROCESSING IN CASE OF HERRING

I strongly advocate Alaska proceed stepwise toward maximizing value added within the State. Since processing in the fishing industry is very labor intensive, Alaska can only benefit by such direction. Benefit to labor, transport, taxes, etc.

In the case of HB 590, we strongly support it and suggest that since Alaska herring industry is just now experienceing a rapid growth, now is the time to set the guidelines by which to create the most value to the State via in-State processing, and at the same time insure the quality reputation.

Without protection of bills such as HB 590, in-State processing will not only not develop, but will likely decline once the alternate modes of handling are developed. This is especially true for herring, since roe in fish can be easily preserved in unprocessed state long enough to allow cheap bulk transport to outside and generally foreign processing facilities where plants already exist, and labor is tremendously cheaper.

What's at stake -- herring -- a probably 1980 1st whole value to processors at up to 100 Million Dollars, depending upon actual volume harvested, quality and current market development. If fully realized, and if property regulated, the large bulk of those dollars can enter the economy; and being new dollars to the State, would be magnified greatly in impact due to the related multiplier of the particular economies.

What is the worst case if HB 590 doesn't pass?

*Multitude of Canadian processing plants waiting idle, even greater Japanese trampers carrying lightly salted fish to Korea and Japan. These are being prepared now.

*1979 Togiak example

Trampers, 300-400 ft. tanker barges

*Once proven, these could transport from SE, CI, PWS, anywhere.

Since out-of-state operators have a greater tendency to attract non-resident fishermen and since this is a developing non-limited fishery, there are a multitude of fishermen from Bellingham, Seattle, Astoria, San Francisco, and S_____ wishing to join these operations.

In a worse case analysis, an out-of-state fisherman, tenderman, barge, or tramper operator, travel to Bristol Bay to harvest and transport the fish out. In 1979 the Bristol Bay case was about $600/ton. Alaska gets 3% or $18 return.

Extending the worst case to 40-50,000 state-wide harvest, Alaska gets $720,000-$900,000 in raw fish tax--nothing else.

Obviously this won't result, for all herring close to 50% value is likely lost.

We are required to capitalize in Alaska labor, identify each carton by packer origin, and our Alaska health number, where is this, and Alaska quality control on tanker operations hauling product to Canada or Korea?

* Processing does exist in Alaska. Bering Se st apply.
Canadian herring restrictions.

Rep. Cotter (Sam) Rules House Committee

Steven Noyer Dir. Commercial Fisheries

Similar
Unprocessed fish is now required
Classifying processing

*Foreign not acceptable any
cooking, canning, salting - 20%, freezing.

*Salting not acceptable - in every case the purpose is to get roe.

**Processing required 2 man days/ton for roe

16.10.162

It is policy of legislature process shall be eliminated
Ref. to item 3.

*No reason to utilize carcase.

1979 take (52,000,000 (9,000,000 is bait)
(900,000 kelp
(43,000,000 roe

Bristol Bay 70% salted

Herring is most numerous species in world.

**Salting accomplishes nothing.

(4) better manage the fishery by providing a visible means of determining how much gear is actually being fished."

Sec. 16.10.130. Penalties for violation of § 120 of this chapter. A person who violates § 120 of this chapter is guilty of a misdemeanor, and upon conviction is punishable by imprisonment for not more than six months, or by a fine of not more than $1,000 or by both. (§ 2 ch 26 SLA 1959)

Editor's note. — Section 4, ch. 103, SLA 1977, effective August 1, 1978, amended this section to read as follows: "**Sec. 16.10.130. Penalties for violation of §§ 120 — 125 of this chapter.** A person who violates §§ 120 — 125 of this chapter is guilty of a misdemeanor and upon conviction is punishable by imprisonment for not more than six months, or by a fine of not more than $1,000, or by both.

Section 1, ch. 103, SLA 1977, provides: "INTENT. It is the intent of this Act to require positive identification of shellfish pots or buoys, or both, used in the taking of king crab within areas in which the Board of Fisheries has regulations limiting the total amount of gear allowed per vessel in order to

(1) more adequately enforce shellfish pot limits for king crab;

(2) assist in preventing the theft of gear;

(3) prevent the transfer of gear to prohibited areas; and

(4) better manage the fishery by providing a visible means of determining how much gear is actually being fished."

Article 3. Herring Spawn.

Section
140 — 170. [Repealed]
172 Legislative policy on utilization of herring
173 Utilization of commercially taken herring

Secs. 16.10.140 — 16.10.170.
Repealed by § 2 ch 91 SLA 1970.

Sec. 16.10.172. Legislative policy on utilization of herring. The legislature finds the following: (1) extensive and valuable herring populations are available for harvest in waters subject to the jurisdiction of the state; (2) commercial markets are available for herring processed in several forms; (3) one processing technique presently employed involves deliberately permitting decomposition of the herring carcass to allow for removal and subsequent sale of the roe product, with the consequence that the flesh is unusable and discarded. The legislature declares that the process referred to in (3) of this section is wasteful and does not constitute utilization of this resource for the maximum benefit of the people. Therefore, it is the policy of the legislature that this process should be eliminated to the fullest extent possible. (§ 1 ch 9 SLA 1977)

Effective date. — Section 2, ch. 9, SLA 1977, provides: "This Act takes effect January 1, 1978."

Sec. 16.10.173. Utilization of commercially taken herring. (a) It is unlawful for a person, as defined in AS 01.10.060 and including a joint venture, to waste or to cause to be wasted any commercially taken herring.

(b) As used in this section, "waste" means the failure to use the flesh of commercially taken herring for reduction to meal, production of fish food, human consumption, food for domestic animals, scientific or educational purposes, or round herring bait. Normal, inadvertent loss of flesh associated with the uses described in this subsection which cannot be prevented by practical means does not constitute waste. The commissioner may authorize other uses of commercially taken herring not inconsistent with the intent of this section and § 172 of this chapter at his discretion upon receipt of a request accompanied by a detailed justification.

(c) For purposes of this section, "flesh" means all muscular body tissue surrounding the bony skeleton of the herring.

(d) The Board of Fisheries may adopt regulations under the Administrative Procedure Act (AS 44.62) it considers necessary for implementation of this section. The board may delegate its authority under this section to the commissioner.

(e) The provisions of this section do not apply to herring taken commercially in the Bering Sea (including appurtenant bays, sounds, estuaries, and water of the state) north of 56° North Latitude, until January 1, 1979. (§ 1 ch 9 SLA 1977)

Effective date. — Section 2, ch. 9, SLA 1977, provides: "This Act takes effect January 1, 1978."

Article 4. Migratory Fish and Shellfish.

Section
180 Legislative findings
190 Regulations
200 Unlawful taking prohibited
210 Unlawful sale or offer prohibited
220 Penalties for violation of §§ 200 and 210 of this chapter
230 Exemptions

Sec. 16.10.180. Legislative findings. The legislature finds and recognizes these facts.

(1) Migratory fish and migratory shellfish are present in commercial quantities inside and outside the territorial waters of the state.

(2) Migratory fish and migratory shellfish taken from the waters of the state are indistinguishable, in most cases, from those taken from the adjacent high seas.

(3) Substantial quantities of migratory fish and migratory shellfish move inshore and offshore intermittently and at various times during a given year and in so doing often enter and leave territorial waters of the state.

Effect of amendment. — The 1975 amendment deleted "rule or" preceding "regulation" near the middle of the section and substituted "Board of Fisheries" for "board" near the middle and near the end.

Cited in Hjelle v. Brooks, 424 F. Supp. 595 (D. Alas. 1976).

Sec. 16.10.220. Penalties for violation of §§ 200 and 210 of this chapter. A person who violates §§ 200 and 210 of this chapter is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than $5,000 or by imprisonment for not more than one year, or by both. (§ 5 ch 121 SLA 1960)

Sec. 16.10.230. Exemptions. Sections 180 — 220 of this chapter do not apply to

(1) those species of salmon in international waters of the Pacific Ocean which are regulated by the International Pacific Salmon Fisheries Commission or by laws of the United States or rules or regulations promulgated under those laws;

(2) the use of nets for fishing for or taking salmon for the purposes of scientific investigation authorized by state law; and

(3) existing laws and regulations prohibiting the taking of salmon by means of nets on the high seas. (§ 6 ch 121 SLA 1960)

Article 5. Transportation of Fish and Shellfish.

Section

240 Transportation of King, Dungeness or Tanner crab

250 Penalty

Sec. 16.10.240. Transportation of King, Dungeness or Tanner crab. No person may take out of, ship, transport, or send from this state any live King crab, species Paralithodes camtschatica, live Dungeness crab, species Cancer magister, or live Tanner crab, species Chionoecetes bairdi, except that all of these species may be shipped live via air freight after pre-packaging. (§ 1 ch 33 SLA 1962, am § 2 ch 3 SLA 1966; am § 1 ch 14 SLA 1969)

Legislative committee reports. — For report on ch. 5, SLA 1960 (SB 182), see 1960 House Journal, pp. 50, 51. For report on ch. 14 SLA 1969 (SB 172 am S), see 1969 House Journal, p. 216.

Sec. 16.10.250. Penalty. A person, association, or corporation violating § 240 of this chapter or contributing to or cooperating in the violation of § 240 of this chapter is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than $5,000, or by imprisonment for not more than one year, or by both. Each unlawful removal of live crab is a separate offense. Vessels and equipment used in or in aid of a violation of § 240 of this chapter may be seized and disposed of as provided in AS 16.05.190. Conviction under § 240 of this

Article 7. General Provisions.

Section	Section
905. Alien activities prohibited	930. Exempted activities
910. Penalty	940. Definitions
920. Certain acts made unlawful	950. Title of the chapter

Sec. 16.05.905. Alien activities prohibited. Alien persons not lawfully admitted to the United States are prohibited from engaging in commercial fishing activities or taking marine mammals in the territorial waters of the State of Alaska as they presently exist or may be extended in the future. (§ 1 ch 85 SLA 1964)

Sec. 16.05.910. Penalty. Any alien person who violates § 905 of this chapter is guilty of a misdemeanor, and upon conviction is punishable by a confiscation and forfeiture of the fishing vessel used in such violation, or by imprisonment of any such person for not more than one year, or by fine of not more than $10,000, or by all or any two of the foregoing punishments. (§ 2 ch 85 SLA 1964)

Sec. 16.05.920. Certain acts made unlawful. (a) Unless permitted by this chapter or by regulation made under this chapter, it is unlawful for a person to take, possess, transport, sell, offer to sell, purchase or offer to purchase fish, game or marine aquatic plants, or any part of fish, game or aquatic plants, or a nest or egg of fish or game

(b) No person may knowingly disturb, injure or destroy a notice, signboard, seal, tag, aircraft, boat, vessel, automobile, paraphernalia, equipment, building or other improvement or property of the department used in the administration or enforcement of this chapter, or a poster or notice to the public concerning the provisions of this chapter, or regulation adopted under this chapter, or a marker indicating the boundary of an area closed to hunting, trapping, fishing or other special use under this chapter. No person may knowingly destroy, remove, tamper with, or imitate a seal or tag issued or used by the department or attached under its authority to a skin, portion, or specimen of fish or game, or other article for the purpose of identification or authentication in accordance with this chapter or a regulation adopted under this chapter. (§ 28 art I ch 94 SLA 1959, am § 3 ch 110 SLA 1970)

State may regulate extraterritorial fishing. — Paramount rights in the seabed and subsoil beyond the three-mile limit were vested in the federal government. However, that principle of federal exclusivity does not preclude state regulation of fishery resources in the waters over the seabed. State v. Sarmiski, Sup. Ct. Op. No. 1339 (File No. 2544), 536 P.2d 929 (1976).

Enforcement of the state's regulatory scheme in a case involving scallop fishing activities in extraterritorial waters was within the sphere of the state's prerogative to regulate extraterritorial fishing. State v.

Criterion in determining cost of license. — In determining the amount to be paid for fishing gear licenses, the criterion is the residence of the operator of the gear. 1959 Op. Att'y Gen., No. 38.

Sec. 16.05.680. Unlawful purchases. It is unlawful for a person, his agent, or his representative

(1) to have in his employ a fisherman who is not licensed under § 480 of this chapter,

(2) to purchase fish from a fisherman who is not so licensed, if the fisherman is not exempt under § 660 of this chapter from the license requirement of § 480 of this chapter without regard to the employment or purchase, or

(3) to purchase fish from an association which is not exempt under § 662 of this chapter. (§ 10 art III ch 94 SLA 1959; am § 2 ch 96 SLA 1963; am § 2 ch 73 SLA 1970)

Editor's note. — Section 11, ch. 105, SLA 1977, effective January 1, 1978, amended this section to read as follows: "It is unlawful for a person, his agent, or his representative

"(1) to have in his employ, in the harvesting, transporting or purchasing of fish, a fisherman who neither is licensed under § 480 of this chapter nor is the holder of a permit issued under ch. 43 of this title,

"(2) to purchase fish from a fisherman who neither is the holder of a permit issued under ch. 43 of this title, nor is exempt under § 660 of this chapter, or

"(3) to purchase fish from an association other than one to which a permit has been issued under § 662 of this chapter."

Sec. 16.05.685. Processing on commercial crab fishing vessels. (a) It is unlawful to process any species of crab on a commercial crab fishing vessel unless

(1) the vessel remains within one registration area from the time the crab is caught to the time of dock delivery;

(2) the operator of the vessel notifies the department of proposed changes in location before moving to another registration area, and

(3) the operator of the vessel provides quarters for inspectors of the department who may inspect the crab catch on the vessel at any time.

(b) The restrictions set out in (a) of this section do not apply to processing aboard the fishing vessel for and as donations to charity, for consumption aboard the vessel, or for dockside retail sales from the vessel.

(c) In this section,

(1) "process" means to butcher, cook, chill, or freeze crab for commercial use,

(2) "registration area" means a specific king crab registration area as designated by regulation of the Board of Fisheries and includes the Bering Sea shellfish area and the western Aleutian Islands king crab area. (§ 2 ch 70 SLA 1974, am § 12 ch 206 SLA 1975)

Effect of amendment. — The 1975 amendment substituted "Board of Fisheries" for "Board of Fish and Game" in paragraph (2) of subsection (c).

HB
599

(9)

COMMITTEE REPORT

HOUSE

1/21/80

FURTHER:

Date: 1/30/80

Mr. Speaker:

The Committee on RESOURCES has had HB 599

"An Act relating to ox and buffalo."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] same title
[ ] new title
[ ] replace with CS for _____

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB599	1/25	3727	Rep. Carney, Chrman Ag. Sub-committe (Sponsor)	1/29/80
	1/25	745-3236	State Div. of Agriculture	1/29/80
	1/25	272-9225	Oomingmak (Musk O., cooperative)	1/29
	1/25	624-3822	Unalakleet Native Corp	1/29
	1/25	624-3891	Unalakleet Musk Ox Farm	1/29
	1/25	4110	Division of Game - Ron Somerville	1/29
	1/25	278-3537	Alaska Bison - MuskOx Assn. (Bob Courtney)	1/29
	1/25	656-1238	Koyukon Native Corp. (Jim Farnor)	1/29
	1/25	206-842-4849	John Teal, Dir. of INAR	1/29
	2/1	3727	Rep. Carney	2/7
	2/1	4100	Fish & Game Dept.	2/7

HB 599 & CSHB599 [illegible]
Work Ov and Buffalo

AGO 125393

Hearing 1/31/80: Tabled until special committee appointed to come up with CS comes up with it (Carney, Cotton, Chatterton)

2/7/80: Reported out w/ unanimous DO PASS as CSHB599 with new title

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 599
Title An Act relating to musk ox and buffalo
Requested by _____ Date 1/28/80

II. FISCAL DETAIL
Agency Affected Department of Fish and Game
Program Category Affected Natural Resources Management
BRU, Program, or Subprogram(s) Affected Division of Game and Boards of Fish and Game
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
Fish and Game Fund		(29.0)	(29.0)	(29.0)	(29.0)	(29.0)

POSITIONS

FULL TIME		-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This Act would eliminate the sale of musk oxen tags. Based on current tag sale information, this would reduce revenue to the Fish and Game Fund by $29,000.00.

Detail	No. Tags	Price Each	$Total
resident	18	$500	9,000
nonresident	20	$1,000	20,000
			29,000

IV. DATE 1-29-80 PREPARED BY for Russ Clark
AGENCY Department of Fish and Game
PHONE 465-4120

Original Legislative Finance
cc Budget and Management
Prime Sponsor (First Legislator Named)

33 001 (Rev 12/79)

Pat moved to adopt CS599
Mr. Farmer from Galena testified
Bob Hinman. = Dept. pleased
w/ this CS - protects those who
own domestic animals & reduced
workload on F&G. But questioned
term "lawfully possessed" - how would
this affect animals which F&G
gives scientif permits, etc. for.
Hinman wants "lawfully owned & possessed"
Farmer moved to amend w/ lawfully owned
rather than possessed

STATE OF ALASKA

Inter Department Route Slip

TO:
MAIL STATION NUMBER 3100

DEPARTMENT Legislature

ATTENTION Bill Mulligan

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
☐ Contact Me	☐ Return For Approval
☐ Prepare Reply	☐ Necessary Action
☐ For Your File	☐ Your Information

Remarks:

FROM:
MAIL STATION NUMBER 1100

DEPARTMENT Fish & Game

BY Krause DATE 3/27

02-002 (REV.10/73)

HB599

Miles

RECEIVED
MAR - 7 1990
GOVERNOR'S OFFICE

Billy Love
Delta Jct.
Alaska 99737

COMMISSIONER'S OFFICE
RECEIVED
MAR 11 1990
DEPARTMENT OF FISH AND GAME

Dear Sirs:

By unanimous vote, Fish and Game Advisory Board for Delta Junction, disapproved the passage of House Bill 599.

Reference: Buffalo

We believe Fish and Game has performed in an admirable fashion with the resources available. Some of the comments about the cantankerous Guild of the Buffalo herd. are guided only through extensive management and improved forage. We feel if domestic buffalo are released free ranging in the Delta area there will be little mingling of the herds and it will exceed the carrying capacity of the land.

Billy W. Love

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

SUBPORT BUILDING
JUNEAU, ALASKA 99801

March 27, 1980

Mr. Billy W. Lowe
Delta Advisory Committee
Mile 1380
Delta Junction, Alaska 99737

Dear Mr. Lowe:

Thank you for the copy of your note to the Governor's Office regarding HB 599. We in the Department, especially the Game Division and the Board of Game, appreciate your support of our past management practices for the Delta bison herd. The concerns which your local Fish and Game Advisory Committee voiced are appropriate for consideration by the Legislature. Consequently, I have taken the liberty of forwarding your letter to the Resources Committee of the House and the Senate. Additionally, I have enclosed a draft letter of intent scheduled for introduction on the floor of the House when HB 568 is considered.

Again, let me repeat my personal thanks to the people of the Delta area for their strong support for maintaining the integrity of the wild, free-roaming buffalo.

Sincerely,

Russell W. Clark

for Ronald O. Skoog
Commissioner

Enclosure

11-R11LH

Original sponsor: Special Agriculture Committee

IN THE HOUSE BY THE RESOURCES COMMITTEE

CS FOR HOUSE BILL NO. 599

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the authority of the Board of Game and the Department of Fish and Game over domestic animals."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 16.05.940 is amended by adding a new paragraph to read:

(28) "domestic ~~birds~~ and mammals" includes musk oxen, bison and reindeer, if they are lawfully ~~possessed~~ owned by a person and they are used for domestic purposes, including but not limited to, agricultural work, food, or production of clothing materials.

Ch t moves to delete "birds"

Pat moves to report bill out

STATE OF ALASKA

Inter-Department Route Slip

TO:
MAIL STATION NUMBER 3110

DEPARTMENT Investigations

ATTENTION Glenn Osterback

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
☐ Contact Me	☐ Return For Approval
☐ Prepare Reply	☐ Necessary Action
☐ For Your File	☐ Your Information

Remarks:

FROM:
MAIL STATION NUMBER 3110

DEPARTMENT Investigations

BY [illegible] DATE 3/21

02-002 (REV. 10/73)

Osterback

RECEIVED
MAR - 7 1980
GOVERNOR'S OFFICE

Billy Love
Delta Jct
Alaska 99737

COMMISSIONER'S OFFICE
RECEIVED
MAR 11 1980
DEPARTMENT OF FISH AND GAME

Dear Sir:

By unanimous vote, Fish and Game Advisory Board for Delta ~~Junction~~, disapproved the passage of House Bill 699.

Reference: Buffalo

We believe Fish and Game has proposed as the most feasible option with the resources available. Some of the comments about the controlled Guided Hunts for buffalo bulls are granted only through extreme management and improved forage. We feel if the excess buffalo are released free range in the Delta area there will be total mingling of the herds and it will exceed the carrying capacity of the land.

Billy W. Love

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

SUBPORT BUILDING
JUNEAU, ALASKA 99801

March 27, 1980

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Delta Advisory Committee
Mile 1380
Delta Junction, Alaska 99737

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Again, let me repeat my personal thanks to the people of the Delta area for their strong support for maintaining the integrity of the wild, free-roaming buffalo.

Sincerely,

Ronald O. Skoog
Commissioner

Enclosure

DK:tlm

TESTIMONY TO HOUSE RESOURCES COMMITTEE ON HB 599

GREGORY F. COOK, EXECUTIVE DIRECTOR
BOARDS OF FISHERIES AND GAME
ALASKA DEPARTMENT OF FISH AND GAME
FEBRUARY 4, 1980

THE ALASKA BOARD OF GAME ENCOURAGES PRIVATE INDIVIDUALS TO RAISE EITHER MUSKOXEN, REINDEER, OR BISON FOR PRIVATE USES, SUCH AS LIVESTOCK. TO FACILITATE THIS, THE BOARD HAS PASSED REGULATIONS TO IMPLEMENT AS 16.40.010 (THE "SURPLUS ANIMALS" LAW). SIMILARLY, THE DEPARTMENT HAS ESTABLISHED PROCEDURES FOR IMPORTING ANIMALS INTO ALASKA SUCH AS BISON OR REINDEER. THESE EXIST' ; PROCEDURES ARE TODAY BEING USED SUCCESSFULLY. FOR EXAMPLE, THESE PEOPLE NOW HAVE PERMITS:

A) MR. BURTON, KODIAK - 100 BISON
B) MR. WOELKERS, SEWARD - 5 BISON
C) PUBLIC SCHOOL, SOLDOTNA - 3 BISON

THERE IS NO LEGAL IMPEDIMENT TO PRIVATE PERSONS OBTAINING AND IMPORTING ANIMALS.

THE BOARD AND THE DEPARTMENT SHARE A COMMON CONCERN: CONSERVATION OF WILDLIFE RESOURCES. OUR CONCERN DERIVES FROM THE SAME SOURCE: THE ALASKA CONSTITUTION. BECAUSE OF OUR STATE CONSTITUTION, THE BOARD AND THE DEPARTMENT ARE DUTY-BOUND TO SEE THAT EXISTING WILDLIFE RESOURCES--THE ANIMALS THEMSELVES AND THE HABITAT THEY DEPEND UPON FOR SURVIVAL--CONTINUE IN PERPETUITY.

IN 1979, THE BOARD OF GAME HELD A SERIES OF THREE PUBLIC HEARINGS TO DETERMINE WHETHER OR NOT DISPOSITION OF WILD, ALASKAN BISON INTO PRIVATE

HANDS WOULD BE ADVISABLE. THE OVERWHELMING PUBLIC RESPONSE (OVER 200 PEOPLE TESTIFIED) WAS NO± KEEP THE DELTA BISON AS A WILD, FREE-ROAMING HERD± ANY "SURPLUS" SHOULD BE KEPT FOR THE ENTIRE PUBLIC, NOT PRIVATE PARTIES.

THE BOARD OF GAME HAS HONORED THIS EXPRESSION OF PUBLIC WILL. BASED ON THE LARGE NUMBER OF APPLICANTS FOR HUNTING LICENSES, AND THE LARGE NUMBER OF PEOPLE WHO ENJOY USES OF THE BISON THAT DO NOT INVOLVE TAKING (SUCH AS VIEWING, PHOTOGRAPHY, ETC.), THE BOARD DID NOT DECLARE ANY BISON "SURPLUS" AND DID NOT TRANSFER ANY BISON INTO PRIVATE OWNERSHIP. INSTEAD, THE BOARD IS ENCOURAGING PRIVATE PARTIES TO PURCHASE BISON ON THE OPEN MARKET IF THEY WANT DOMESTIC ANIMALS. AS THE PUBLIC STATED, WILD HERDS SHOULD BE KEPT WILD FOR THE USE OF ALL ALASKANS.

IN SUMMARY, I WISH TO STRESS TWO THINGS:

1. THE BOARD DOES NOT OPPOSE RAISING BISON, REINDEER, OR MUSKOXEN PRIVATELY;

2. THE BOARD STRONGLY ENCOURAGES THE LEGISLATURE TO SUPPORT THE WILD HERDS OF BISON, MUSKOXEN, AND CARIBOU FOR THEIR UNIQUE VALUES TO THE ENTIRE PUBLIC. ALASKA'S WILD HERDS OF BISON AND MUSKOXEN ARE SMALL AND THEY NEED YOUR PROTECTION.

Telephone discusssion with Mr. Wendell Jackson, South Dakota Department of Fish, Game, and Parks, Division of Custer State Park, January 31, 1980.

The Custer State Park encompasses 73,000 acres. Because of its size it warrants a separate division within the Department of Fish, Game, and Parks. In the park are free ranging, managed herds of elk, sheep, and bison. The bison are the primary source of income and this income is used to fund the Custer State Park Division (it pays almost all administrative costs).

There are approximately 1400 head of bison in the park. They graze over an area of 25,000 acres and are rounded up once each year to vaccinate for brucellosis. Hunting permits are issued for the mature bulls (over 3 years old, the bulk are 4-10 years) for $1250.00. These permits are open to anyone, resident or not, and the average is 10 to 15 permits per year. The herd is decreased to 950 head annually, through hunting and auctioning. Of the 400 head which are auctioned, 200 are calves, the remainder being yearlings or two year olds. The average auction price is $603.00. The principal source of income for the park is from this auction. 500 of the remaining 950 head are mature cows. There are concessions and a motel in the park and a few bison are slaughtered annualy to provide meat for these services. The bison are classified as "domestic" (as they are in all states Mr. Jackson was familiar with) but they are "treated same as domestic stock with health requirements".

The elk are hunted only by permit. There are 170 permits issued

per year and 70% of the hunters issued permits get their game. Elk were slaughtered by the state in the past but issuing hunting permits seems to be a better method.

By Kelly Fike, Aide
Special Agriculture Committee

HB
630

AGO 125394

3/3 Teleconference

4/24 Hearing

4/29 Reported Out

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

SS HB 630 : Purchasing of fish without a permit / Fishermen's I.D. cards

LL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
SS HB	4/18	3738	Rep. Nels Andersen, sponsor	4/24
630	4/21		Dept. of Public Safety (Requested new fiscal note)	
		6-3456	Commercial Fisheries Entry Commission	
		6-2820	United Fishermen of Alaska	
		6-6366	Pacific Seafood Processors - Rick Lauber	
		276-2181	Pacific Pearl - Royal Devaney	
		4100	Dept. of Fish & Game - Ken Parker	
		2300	Dept. of Revenue (Requested new fiscal note)	

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Taking & Sale of fish without a Permit; fishermen's I.D cards

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
SS HB 630	3/21	4100	Dept of Fish & Game	3/27
	3/21	37358	Rep Ruby Anderson	3/27
	3/21	4322	Dept of Public Safety	3/27
	3/24	6 3456	Commercial Fisheries Entry Commission	3/27
	3/21	[illegible]	United Fishermen of Alaska	3/27
	3/24	[illegible]	Pacific Seafood Processors Assoc - Rick Lauber	3/27
	3/21	[illegible]	Dept of Fisheries	3/27

Rep Anderson
Full bill
explain

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

TELECON.

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
Teleconference on HB 665 SS HB 630	2/27	465-4100	Fish & Game Dept. - Mary Jablonski	3/3
	2/27	586-3456	Commercial Fisheries Entry Commission Bob Simon, Commissioner John Williams, Commissioner	3/3
	2/25		Public Service Announcements to All teleconference sites: Anchorage, Barrow, Bethel, Dillingham, Fairbanks, Juneau, Kenai, Ketchikan, Kodiak, Kotzebue, Nome, Sitka	3/3
	2/28	586-2820	United Fishermen of Alaska	3/3
	2/29	586-3340	Pam Finley, Atty.	3/3
	2/29	586-3456	Requested Fiscal note from Commercial Fisheries Entry Commission for HB665	3/3
	2/29	4322	Requested Fiscal note on SSHB630 from Public Safety	3/3
	2/29	3460	Labor Dept.	3/3
	3/3	2300	Revenue Dept.	3/3

(9)

COMMITTEE REPORT

2/18/80

HOUSE

FURTHER:

Date: 1 9 80

Mr. Speaker:

The Committee on RESOURCES has had SSHB 630

"An Act relating to the taking and sale of fish without an entry permit or interim-use permit."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[✓] replace with CS for [ ] same title [ ] new title

and recommends

[ ] AND attaches a "Letter of Intent" [✓] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

CS SS HB 630

as reported out of

Resources Committee

(with relevant fiscal notes)

Revenue - Labor / Public Safety

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSSHB 630
Title: Relating to limited entry and providing penalties for taking and sale of fish [illegible] without a permit or interim-use permit Date 4/24/80

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected General Government
BRU, Program, or Subprogram(s) Affected Administration and Support, Office of the Commissione
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		70.4	75.3	80.6	86.2	92.3
200 TRAVEL		2.5	2.7	2.9	3.1	3.3
300 CONTRACTUAL		48.0	51.4	55.0	58.8	62.9
400 COMMODITIES		.5	.5	.6	.6	.7
500 EQUIPMENT		1.2				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		122.6	129.9	139.1	148.7	159.2

FUNDING (Thousands of Dollars)

GENERAL FUND		122.6	129.9	139.1	148.7	159.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2/24mm	2/24 mm	2/24mm	2/24mm	2/24mm
PART TIME						
TEMPORARY						

III ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Section 1 requires that the Commissioner of Revenue revoke or suspend certain fish processor and buyer licenses as governed by AS 44.62. A staff conferee and typing position will be required. Contractual hearing officer funds will be needed.

Positions - 1 PFT Hearing Officer, R 24 @ $3,339 = 40.1
Benefits - 6.0, FICA - 2.7, H.I. - 1.4 = 10.2

1 PFT Clerk Typist III, R 9 @ $1,277 = 15.1
Benefits - 2.4, FICA - 1.0, H.I. - 1.4 = 4.8

70.4

(continued on next page)

IV [illegible] April 24, 1980 PREPARED BY [illegible]
AGENCY Revenue
PHONE 465-2[illegible]

cc: Legislative Finance
Budget and Management
Prime Sponsor (First Legislator Named)

3-[illegible] (Rev. 1/79)

CSSHB 630 (continued)

Travel		=	2.5
Contractual -	Communications	=	2.0
	Hearing Officer - 15 Hearings @ 3.0 ea.	=	45.0
	Miscellaneous - Equipment Rental		1.0
			48.0
Commodities			.5
Equipment			1.2

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for Sponsor Substitute for House Bill No. 620

Title An Act relating to limited entry and providing penalties for taking a

Requested by (sale of fish without entry permit or interim use permit.

Requested by: House Resources Committee Date: 4/23/80

II. FISCAL DETAIL

Agency Affected Revenue

Program Category Affected Fiscal Services

BRU, Program, or Subprogram(s) Affected Audit Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE April 23, 1980 PREPARED BY

AGENCY Department of Revenue, Audit Division

PHONE 465-2320

Original Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33 (01) (Rev. 12/79)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SSHB 630

Title "An act relating to the taking & sale of fish w/o entry or interim-use permit"

Requested by Representative Osterback Date 3/3/80

II. FISCAL DETAIL

Agency Affected Public Safety

Program Category Affected NRMEC/Public Protection

BRU, Program, or Subprogram(s) Affected

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL		0	0	0		

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No fiscal impact is projected. Applicants for a Fishermen's Identification Card (proposed AS 16.10.267) would need to use an existing field office of the Division of Motor Vehicles.

No additional cost is projected for the Division of Fish and Wildlife Protection for enforcement. (Similar comment was made on SB 391).

IV. DATE 3/3/80 PREPARED BY Michael Clemens

AGENCY Public Safety

PHONE 465-4322

cc: Original Legislative Finance
Budget and Management
Bill Sponsor (First Legislator Named)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for Sponsor Substitute for House Bill 630

Title An Act relating to limited entry and providing penalities...etc.

Requested by House Resources Date 4/24/80

II. FISCAL DETAIL

Agency Affected Labor

Program Category Affected Worker Protection

BRU, Program, or Subprogram(s) Affected Wage and Hour Administration

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Committee Substitute does not impact this department.

IV. DATE April 24, 1980 PREPARED BY Jim Souby

AGENCY Labor

PHONE 465-2730

Original Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

53-001 (Rev. 12-79)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSSHB 630
Title: Relating to limited entry and providing penalties for taking and sale of fish without a permit or interim-use permit Date 4/24/80

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected General Government
BRU, Program, or Subprogram(s) Affected Administration and Support, Office of the Commissioner
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		70.4	75.3	80.6	86.2	92.3
200 TRAVEL		2.5	2.7	2.9	3.1	3.3
300 CONTRACTUAL		48.0	51.4	55.0	58.8	62.9
400 COMMODITIES		.5	.5	.6	.6	.7
500 EQUIPMENT		1.2				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		122.6	129.9	139.1	148.7	159.2

FUNDING (Thousands of Dollars)

GENERAL FUND		122.6	129.9	139.1	148.7	159.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2/24mm	2/24mm	2/24mm	2/24mm	2/24mm
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Section 1 requires that the Commissioner of Revenue revoke or suspend certain fish processor and buyer licenses as governed by AS 44.62. A staff conferee and typing position will be required. Contractual hearing officer funds will be needed.

Positions - 1 PIT Hearing Officer, R 24 0 $1,149 - 40.1
Benefits - 6.1, FICA - 3.7, H.I. - 1.4 - 10.2

1 PIT Clerk Typist III, R 0 0 $1,277 - 15.1
Benefits - 2.1, FICA - 1.0, H.I. - 1.4 - 4.0

70.4

(continued on next page)

IV. DATE April 24, 1980 PREPARED BY P. A. Wall
AGENCY Revenue
PHONE 465-2411

Original Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

31 001 (Rev 12/79)

CSSHB 630 (continued)

Travel		= 2.5	
Contractual - Communications		= 2.0	
	Hearing Officer - 15 Hearings @ 3.0 ea.	= 5.0	
	Miscellaneous - Equipment Rental	1.0	
			48.0
Commodities		.5	
Equipment		1.2	

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS for Sponsor Substitute for House Bill No. 630
Title An Act relating to limited entry and providing penalties for taking s
~~Requested by~~ (sale of fish without entry permit or interim-use permit.
Requested by: House Resources Committee Date: 4/23/80

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected Fiscal Services
BRU, Program, or Subprogram(s) Affected Audit Division
(Note: If more than one budget component is affected, separate line item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS None

FULL TIME					
PART TIME					
TEMPORARY					

III ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE April 24, 1980 PREPARED BY
AGENCY Department of Revenue, Audit Division
PHONE 465-2320

Original Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

30 (80) (Rev. 12/79)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SSHB 630
Title "An act relating to the taking & sale of fish w/o entry or interim-use permit"
Requested by Representative Osterback Date 3/3/80

II. FISCAL DETAIL
Agency Affected Public Safety
Program Category Affected NRMEC/Public Protection
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0			

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No additional impact is projected. Applicants for a Fisherman's Identification Card (proposed AS 16.10.267) would need to use an existing field office of the Division of Motor Vehicles.

No additional cost is projected for the Division of Fish and Wildlife Protection for enforcement. (Similar statement was made on SB 191).

IV. DATE 3/3/80 PREPARED BY Michael Clemens
AGENCY Public Safety
PHONE 465-4322

Original to: Legislative Finance
Budget and Management
Prime Sponsor (Last Legislator Named)

33.001 (Rev. 12/79)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for Sponsor Substitute for House Bill 630
Title An Act relating to limited entry and providing penalities...etc.
Requested by House Resources Date 4/24/80

II. FISCAL DETAIL

Agency Affected Labor
Program Category Affected Worker Protection
BRU, Program, or Subprogram(s) Affected Wage and Hour Administration
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

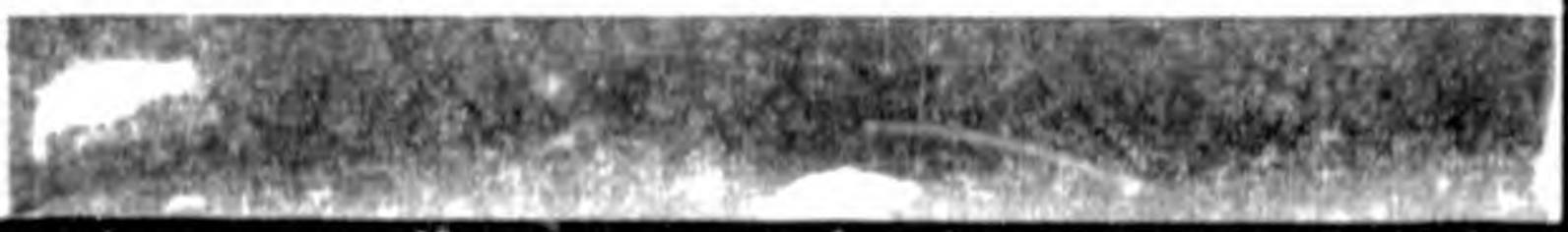
FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Committee Substitute does not impact this department.

IV. DATE April 24, 1980 PREPARED BY Jim Scoby
AGENCY Labor
PHONE 465-2130

Original Legislative Finance
cc Budget and Management
Prime Sponsor (First Legislator Named)



THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SSHB 630
Title "An act relating to the taking & sale of fish w/o entry or interim-use permit"
Requested by Representative Osterback Date 3/3/80

II. FISCAL DETAIL
Agency Affected Public Safety
Program Category Affected NRMEC/Public Protection
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, LTC						
TOTAL	0	0	0			

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No fiscal impact is projected. Applicants for a Fisherman's Identification Card (proposed AS 16.10.267) would need to use an existing field office of the Division of Motor Vehicles.

No additional cost is projected for the Division of Fish and Wildlife Protection for enforcement. (Similar comment was made on SB 391).

IV DATE 3/4/80 PREPARED BY Michael Cleaver
AGENCY Public Safety
PHONE 465-4322

Original Legislative Finance
cc Budget and Management
Prime Sponsor (First Legislator Named)

33.001 (Rev. 12/79)

SSHB 630

TELEGRAM

ALASCOM, INC.
PHONE: 266-6412
JUNEAU, AK 99802

1/23 11 1 44

02553 NL ANCHORAGE ALASKA 179 04-22 4 15P AST

PMS REP ALVIN OSTERBACK

CO-CHAIRMAN OF HOUSE RESOURCES COMMITTEE

JUN

RE SSHB630 SEC. 2.AS16.10.294(C) IS AMENDED TO READ

(C) IF A LICENSED FISH PROCESSOR OR PRIMARY FISH BUYER FAILS TO FULFILL HIS OBLIGATION AS SET OUT IN AS16.10294 OR PURCHASES RAW FISH IN VIOLATION OF AS16.10.265, HIS LICENSE SHALL BE SUSPENDED FOR A PERIOD OF TIME THE COMMISSIONER DETERMINES IS APPROPRIATE. AFTER THREE SUSPENSIONS HIS LICENSE MAY BE PERMANENTLY REVOKED.

PACIFIC PEARL SEAFOODS STRONGLYOBJECTS TO THIS AMENDMENT TO SSHB630. WE FEEL THAT THE RESPONSIBILITY FOR POLICING THE FISHERMEN SHOULD NOT FALL ON THE PROCESSOR. THIS IS A JOB FOR THE DEPARTMENT OFPUBLIC SAFETY, IT IS WHAT THEY ARE GETTING PAID FOR. OUR EMPLOYEES WORKING THE FISH TENDERS ARE ONLY PART TIME AND ARE NOT HIRED TO TAKE THE RESPONSIBILITY OF HAVING OUR LICENSE SUSPENDED OR REVOKED.

THE LIABILITY TO US AS PROCESSORS IN THIS SITUATION IS FAR TOO GREAT AND CANNOT BE JUSTIFIED. WE CNNOT LIVE WITH IT OR OPERATE UNDER THOSE CONDITIONS. WE STRONGLY URGE--DEMAND--THAT THIS AMENDMENT BE DELETED FROM SSHB630.

ROYAL J. DEVANEY ALASKA SERVICES MANAGER PACIFIC PEARL SEAFOODS

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Sponsor Substitute for House Bill 630
Title An Act re[illegible] the taking and sale of fish without an entry permit
Requested by A[illegible] Date 2/25/80

II. FISCAL DETAIL
Agency Affected Labor
Program Category Affected Worker Protection
BRU Program, or Subprogram(s) Affected Wage and Hour, Administration
(Note If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	0	77.3	77.3	77.3	77.3	77.3
200 TRAVEL	0	8.5	9.1	9.7	10.4	11.1
300 CONTRACTUAL	0	17.2	18.4	19.6	21.0	22.5
400 COMMODITIES	0	.8	.9	1.0	1.0	1.1
500 EQUIPMENT	0	3.3	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
TOTAL	0	107.1	105.7	107.6	109.7	112.0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	107.1	105.7	107.6	109.7	112.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	3	3	3	3	3
PART TIME	0	0	0	0	0	0
TEMPORARY	0	2	2	2	2	2

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

a. Assumes effective date July 1, 1980.

b. [illegible]

c. [illegible]

IV. [illegible]

	Wage & Hour Investigator I		RANGE	RANG UNIT	LOCATION		APPROV
	PFT		15 A	GGU	Juneau		
			PRIORITY	1			

	2,132 P/P	25,584
	.1542	3,945
	.06	1,701
	127 x 12	1,524

	Wage & Hour Technician I		12	GGU	Juneau	ADV	APPROV	DISAPP
	027	12		1		LEG		

5.68 P/H	11,814
.1542	321
Obt's	1,793
1.7 x 12	1,224
	5,172
	1,006
	1,200
	1,200

Pers. Svcs.: Salary schedule effective 3/16/80.
Trave Estimate of 2 - 3 trips between Anchorage and Juneau travel and per diem.
Contractual: Cost per position for proposed FY '81 budget and amendment (99.0 + 13).
Commodities: Cost per position for FY '81 budget (5.2 + 12).
Equipment: Desk, chair, etc. (one time cost).

Justification for position: The position is needed to assist the investigator in the preparation of regulations, correspondence with fish buyers, data processing, and to insure compliance with the law, audit records, and to assist with hearings.

FOR OMB USE ONLY

13 REQUEST FOR NEW POSITION

FY 81

1	POSITION TITLE: Clerk Typist II						
2	PFT	STAFF MONTHS: 12					

4	Salary	1,207 P/M	14,484
5		.1542	2,233
6	CA	.0665	963
7		107 x 12	1,284
8			19,264
9			-
10			5,280
11			220
12			1,320
13			
14			

	XXXX	FOR BASE YES ONLY

AA RE NUMBER: _____

1							
2		060	Juneau	SOV			
3				LEG			

Pers. Svcs: Salary schedule effective 3/1o/80.
Contractual Services: "os pst position in this BRU (99.C ÷ 15).
Commodities: Cost per position for FY '81 budget (5.2 ÷ 19).
Equipment: Desk, chair, etc.

Justification for Position: This position will need all the necessary tools of the trade.

This position is required to do the necessary t/p ; filing, and general clerical back up for the other two positions.

AGENCY: Labor

13 REQUEST FOR NEW POSITION

FY 81

SSHB 630

BILL ANALYSIS

ASSIGNMENT DATE_____

UNASSIGNED_____

DEPARTMENT	SPONSOR (PRINCIPAL)	BILL NO.
Public Safety	Representative Nels Anderson	SSHB630

DEPARTMENT POSITION

Support with amendment

DIVISION DIRECTOR	DATE	COMMISSIONER	DATE
Colonel Fred Woldstad, FWP Robert J. Rowan, DMV	3-17-80	William R. Nix	3-17-80

GOVERNOR'S OFFICE USE

☐ POSITION NOTED ☐ POSITION APPROVED ☐ POSITION DISAPPROVED

BY: DATE:

SUMMARY

(1) RELATED BILLS (SIMILAR OR CONFLICTING)

(2) OTHER AGENCIES AFFECTED BY BILL

(2) a. ORGANIZATIONAL SUPPORT FOR BILL	(2) b ORGANIZATIONAL OPPOSITION TO BILL

(3) PROGRAM EFFECTS OF BILL

Would be no fiscal impact as long as applicant are required to use existing field offices of the Division of Motor Vehicles.

(4) FISCAL IMPACT ☐ NONE ☐ FISCAL ANALYSIS ATTACHED

(5) AMENDMENTS PROPOSED

#1: Page 2, line 1, change AS28.15.080 to 28.15.111 (080 no longer exists)

#2: Change 16.10.26" (c) from "class B misdemeanor" to "Class A Misdemeanor in accordance with AS 11.56.210.

(6) COMMENTS

The bill does solve a major problem being now detected in the various fisheries throughout the state, that being the lease or loan of entry permits.

Personal identification is important to the integrity of the permits and this bill does support the picture ID, and the inspection by peace officers. Do not see any reason for another type of identification card, however as bill permits two forms of photographic ID presently in use, those being the drivers license, and/or personal identification card. The personal identification card presently has room to include the entry permit number if so desired.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Sponsor Substitute for House Bill 630
Title An Act relating to the taking and sale of fish without an entry permit
Requested by Anderson Date 2/25/80

II. FISCAL DETAIL
Agency Affected Labor
Program Category Affected Worker Protection
BRU, Program, or Subprogram(s) Affected Wage and Hour, Administration
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES	0	77.3	77.3	77.3	77.3	77.3
200	TRAVEL	0	8.5	9.1	9.7	10.4	11.1
300	CONTRACTUAL	0	17.2	18.4	19.6	21.0	22.5
400	COMMODITIES	0	.8	.9	1.0	1.0	1.1
500	EQUIPMENT	0	3.3	0	0	0	0
600	LAND & STRUCTURES	0	0	0	0	0	0
700	GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
	TOTAL	0	107.1	105.7	107.6	109.7	112.0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	107.1	105.7	107.6	109.7	112.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	3	3	3	3	3
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

a. Assume effective date July 1, 1980.

b. Salary schedule effective 3/15/80. No increase for inflation.

c. Non-personal services expenditures (200-400) increase at 7% inflation rate.

IV. DATE February 25, 1980 PREPARED BY James Scuby
AGENCY Labor
PHONE 465-2720

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev 12/79)

	POSITION TITLE	RANGE/STEP	BARG. UNIT	LOCATION		APPROV.	DISAPP
1	Wage & Hour Investigator I	16 A	GGU	Juneau	GOV		
2	TYPE OF POSITION: PFT; STAFF MONTHS: 12; NP No.: ; PCN No.:	PRIORITY: 1		FORM 12 PAGE/LINE	LEG.		

3	TYPE OF EXPENDITURE	1	2	AMOUNT 3
	PERSONAL SERVICES:			
4	SALARY	2,132 P/M	25,584	
5	BENEFITS	.1542	3,945	
6	FICA	.0665	1,701	
7	HEALTH INS	127 x 12	1,524	
8	TOTAL PERSONAL SERVICES			32,754
9	TRAVEL			7,500
10	CONTRACTUAL			6,750
11	COMMODITIES			280
12	EQUIPMENT			1,250
13	OTHER			
14	TOTAL COST			48,534

	CODE	FUNDING SOURCE	
15		FED RCPTS	
16		GF MATCH	
17		GEN FUND	48,534
18		I/A RCPTS	
19		PGM RCPTS	
20		OTHER	
21	CONTINUATION		
22	ADDITION	XXXX	FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

Pers. Service: Salary schedule effective 3/16/80.
Travel: Extensive travel to all areas in the state.
Contractual Services: Cost per position for proposed FY '81 Budget plus amendment. (99.0 ÷ 19), plus chartering cost to remote areas.
Commodities: Cost per position for FY '81 Budget (5.2 ÷ 19).
Equipment: Desk, Chair, dictating equipment, etc.

Justification for position: This position is needed to promulgate regulations to implement that act. To investigate violations and to hold hearings on suspensions and revocations. This investigator will be required to hold hearings in locations where possible violations may reside, to interview witnesses, and to gather evidence.

AGENCY Labor

PROGRAM AREA Worker Protection

BRU Wage & Hour

COMPONENT Wage & Hour Admin.

13 REQUEST FOR NEW POSITION

REVISED DATE

FY 81

	POSITION TITLE	RANGE/STEP	BARG. UNIT	LOCATION		APPROV.	DISAPP
1	Wage & Hour Technican I	12	GGU	Juneau	GOV		
2	TYPE OF POSITION: PFT; STAFF MONTHS: 12; RP No.: ; PCN No:	PRIORITY: 1		FORM 12 PAGE/LINE	LEG		

	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES:		
4	SALARY 1,628 P/M	19,536	
5	BENEFITS .1542	3,012	
6	FICA .0665	1,299	
7	HEALTH INS 127 x 12	1,524	
8	TOTAL PERSONAL SERVICES		25,371
9	TRAVEL		1,000
10	CONTRACTUAL		5,200
11	COMMODITIES		280
12	EQUIPMENT		1,000
13	OTHER		
14	TOTAL COST		32,851

	CODE	FUNDING SOURCE	
15		RECEIPTS	
16		DEDICATED	
17		GEN FUND	32,851
18		FEDERAL	
19		PROGRAM	
20		OTHER	
21	CONTINUATION		
22	ADDITION	XXXX	

FOR B&M USE ONLY

AA RPT NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

Pers. Svcs.: Salary schedule effective 3/16/80.
Travel: Estimate of 2 - 3 trips between Anchorage and Juneau travel and per diem.
Contractual: Cost per position for proposed FY '81 budget and amendment (99.0 ÷ 19).
Commodities: Cost per position for FY '81 Budget (5.2 ÷ 19).
Equipment: Desk, chair, etc. (one time cost).

Justification for position: The position is needed to assist the Investigator I in the preparation of regulations. To correspond with fish buyers, fish processors, and fishermen regarding compliance with the law, to audit records, and to assist with hearings.

This position will also need to be outfitted with a desk and other office equipment.

AGENCY Labore

PROGRAM AREA Worker Protection

BRU Wage & Hour

COMPONENT Wage & Hour Admin.

13 REQUEST FOR NEW POSITION

FY 81

REVISED DATE

1

	POSITION TITLE				RANGE/STEP	BARG UNIT	LOCATION		APPROV.	DISAPP.
1	Clerk Typist II				7	GGU	Juneau	GOV		
2	TYPE OF POSITION	STAFF MONTHS	HP No.	PCN No.	PRIORITY		FORM 12 - PAGE/LINE	LEG		
	PFT	12			1					

3	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES SALARY	1,207 P/M	14,484	
5	BENEFITS	.1542	2,233	
6	FICA	.0665	963	
7	DEDUCTIONS	127 x 12	1,524	
8	TOTAL PERSONAL SERVICES			19,204
9	TRAVEL			-
10	CONTRACTUAL			5,200
11	COMMODITIES			280
12	EQUIPMENT			1,000
13	OTHER			
14	TOTAL COST			25,684

	CODE	FUNDING SOURCE	
15		FEDERAL	
16		GF MATCH	
17		GEN FUND	25,684
18		I/A RECPTS	
19		P/P RECPTS	
20		OTHER	
21	CONTINUATION		
22	ADDITION	XXXX	FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

Pers. Svcs: Salary schedule effective 3/16/80.
Contractual Services: Cos per position in this BRU (99.0 ÷ 19).
Commodities: Cost per position for FY '81 budget (5.2 ÷ 19).
Equipment: Desk, chair, etc.

Justification for Position: This position will need all the necessary tools of the trade.

This position is required to do the necessary typing, filing, and general clerical backup for the other two positions.

AGENCY Labor

PROGRAM AREA Worker Protection

BRU Wage & Hour

COMPONENT Wage & Hour Admin.

FY 81

13 REQUEST FOR NEW POSITION

REVISED DATE

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S
JUNEAU, ALASKA 99811

April 24, 1980

The Honorable Alvin Osterback
Co-Chairman
House Resources Committee
Room 118 - Capitol Building
Juneau, Alaska 99811

Dear Mr. Osterback:

Re: CS for Sponsor Substitute for House Bill No. 630

The Department of Revenue was furnished a draft copy of CS for Sponsor Substitute for House Bill No. 630, an Act relating to limited entry and providing penalties for the taking and sale of fish without an entry permit or interim-use permit, with a request for a Fiscal Note on that portion of the bill concerning the Department of Revenue.

For the consideration of the House Resources Committee, I am enclosing copies of Fiscal Notes prepared by Gary Jenkins, Director, Audit Division, and P. A. Wall, Director, Administrative Services Division of the Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

cc: The Honorable Bill Miles
Co-Chairman
House Resource Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Gary Jenkins, Director
Audit Division
Department of Revenue

P. A. Wall, Director
Administrative Services Division
Department of Revenue

04 02L00

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S
JUNEAU, ALASKA 99811

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House Resources Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Gary Jenkins, Director
Audit Division
Department of Revenue

P. A. Wall, Director
Administrative Services Division
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS for Sponsor Substitute for House Bill No. 630
Title An Act relating to limited entry and providing penalties for taking & ~~Requested by~~ (sale of fish without entry permit or interim use permit.
Requested by: House Resources Committee Date: 4/23/80

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected Fiscal Services
BRU, Program, or Subprogram(s) Affected Audit Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE April 24, 1980 PREPARED BY
AGENCY Department of Revenue, Audit Division
PHONE 465-2320

Original Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

38 001 (Rev. 12/79)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSSHB 630
Title Relating to limited entry and providing penalties for taking and sale of fish
~~Appropriation~~ without a permit or interim-use permit Date 4/24/80

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected General Government
BRU, Program, or Subprogram(s) Affected Administration and Support, Office of the Commissioner
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		70.4	75.3	80.6	86.2	92.3
200 TRAVEL		2.5	2.7	2.9	3.1	3.3
300 CONTRACTUAL		48.0	51.4	55.0	58.8	62.9
400 COMMODITIES		.5	.5	.6	.6	.7
500 EQUIPMENT		1.2				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		122.6	129.9	139.1	148.7	159.2

FUNDING (Thousands of Dollars)

GENERAL FUND		122.6	129.9	139.1	148.7	159.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2/24mm	2/24mm	2/24mm	2/24mm	2/24mm
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Section 1 requires that the Commissioner of Revenue revoke or suspend certain fish processor and buyer licenses as governed by AS 44.62. A staff coniceroo and typing position will be required. Contractual hearing officer funds will be needed.

Positions - 1 PFT Hearing Officer, R 24 O $4,609	40.1
Benefits - 6.0, FICA - 3.7, U.I. - 1.5	10.2
1 PFT Clerk Typist III, R 8 O $1,977	15.3
Benefits - 2.3, FICA - 1.0, U.I. - 1.5	4.8
	70.4

(continued on next page)

IV. DATE April 24, 1980 PREPARED BY L. A. Wall
AGENCY Revenue
PHONE 465-2411

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

CSSHB 630 (continued)

Travel		= 2.5	
Contractual -	Communications	= 2.0	
	Hearing Officer - 15 Hearings @ 3.0 ea.	= 45.0	
	Miscellaneous - Equipment Rental	1.0	
			48.0
Commodities		.5	
Equipment		1.2	

Robert Stevenson
Revenue Dept. - 11th floor S.O.B.

Need fiscal note before House Resources Mtg. Thurs. April 24 3pm

Original sponsor: Anderson

IN THE HOUSE BY THE RESOURCES COMMITTEE

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 630

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to limited entry and providing penalties for the taking and sale of fish without an entry permit or interim-use permit."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 16.10 is amended by adding new sections to read:

Sec. 16.10.265. PURCHASE OF FISH FROM PERMIT HOLDERS. (a) A licensed fish processor or primary fish buyer may purchase raw fish only from a seller who holds an entry permit or an interim-use permit issued or transferred to the seller in accordance with AS 16.43.

(b) When a fisherman sells fish to a fish processor or primary fish buyer, the fisherman shall have in his possession an entry permit or interim-use permit issued or transferred to him under AS 16.43 and

(1) a picture identification card; or

(2) if the entry permit or interim-use permit was transferred to the fisherman under AS 16.43.180, an emergency transfer slip completed in accordance with AS 16.43.180 and with regulations of the Alaska Commercial Fisheries Entry Commission adopted under AS 16.43.180.

(c) If requested by a fish processor or primary fish buyer or by a peace officer, the fisherman shall present the picture identification card or emergency transfer slip required to be in his possession under (b) of this section for inspection.

(d) If a licensed fish processor or primary fish buyer purchases raw fish in violation of this section, the commissioner of revenue shall suspend his license for a period of time the commissioner of revenue

determines is appropriate. After three suspensions his license may be permanently revoked by the commissioner of revenue. Proceedings to suspend or revoke a license under this subsection are governed by the Administrative Procedure Act (AS 44.62).

(e) In (b)(1) of this section "picture identification card" means an identification card issued by a local, state, or federal agency which bears a photograph of the person to whom the card is issued. A "picture identification card" may include, but is not limited to, a motor vehicle operator's license issued under AS 28.15.080, an identification card issued under AS 18.65.310, or a fishermen's identification card issued under AS 16.10.267.

Sec. 16.10.267. FISHERMEN'S IDENTIFICATION CARDS. (a) Upon payment of a $5 fee, the Department of Public Safety shall issue a fishermen's identification card to a person who requests one. The fishermen's identification card shall be identical to an identification card issued under AS 18.65.310 except that the fishermen's identification card may include the number of an entry permit possessed by the person identified on the card.

(b) A person may obtain a fishermen's identification card by applying to the Department of Public Safety on forms and in the manner prescribed by the Department of Public Safety.

(c) A person who knowingly makes a fraudulent written statement or application for a fishermen's identification card concerning age, race, sex, entry permit number or other identifying characteristics, is guilty of a class B misdemeanor.

(d) It is a class B misdemeanor for a person to possess, use, produce or manufacture a fraudulent fishermen's identification card.

(e) It is a class B misdemeanor for a person to allow a fishermen's identification card issued to him to be used by another person.

* Sec. 2. AS 16.10.296 is amended to read:

Sec. 16.10.296. DEFINITIONS. In AS 16.10.265 - 16.10.296 [AS 16.10.270 - 16.10.296], unless the context otherwise requires,

(1) "commissioner" means the commissioner of labor;

(2) "fish" means any species of aquatic fin fish, invertebrates and amphibians, shellfish, or any other raw fishery resource, in any stage of its life cycle, found in or introduced into the state;

(3) "fish processor" means a person engaging or attempting to engage in a business for which a license is required under AS 43.75.010 - 43.75.090;

(4) "primary fish buyer" means a person, other than a cooperative corporation organized under AS 10.15, engaging or attempting to engage in the business of originally purchasing or buying any raw fishery resource in intrastate, interstate, or foreign commerce.

* Sec. 5. AS 16.43.360(a) is amended to read:

(a) A person who violates or assists in the violation of a provision of this chapter or a regulation promulgated under this chapter is, upon conviction, guilty of a misdemeanor and is punishable by a fine of not more than $5,000 for a first conviction, and a fine of not more than $10,000 for a second or third conviction. Upon a third conviction, the person shall forfeit all interim-use and entry permits held by him and loses eligibility for future issuance or transfer of interim-use or entry permits for a period of three years. Upon a first or second conviction under this section, the court may in its discretion order a forfeiture of interim-use or entry permits held by him as well as a loss of eligibility for future issuance or transfer of interim-use or entry permits or order a suspension of fishing rights under interim-use or entry permits held or to be held by him for a period of not more than three years. This subsection does not apply to violations of AS 16.43.

140(a).

* Sec. 4. AS 16.43.360 is amended by adding a new subsection to read:

(f) A person who violates the provisions of AS 16.43.140(a), upon conviction, shall forfeit the value of the fish caught by the person in the course of the violation. In addition, the person is subject to the following penalties:

(1) a fine of not less than $1,000 or more than $5,000 upon the first conviction;

(2) a fine of not less than $5,000 or more than $10,000 and loss of all fishing privileges in the state, including subsistence, sport and commercial fishing privileges, for two years after the date of conviction upon the second conviction;

(3) forfeiture of the vessel and gear used in the violation and imprisonment for a period of not less than three months or more than one year upon each conviction after the second.

Revenue Dept. - 11th floor S.O.B.

Original sponsor: Anderson

Need fiscal note before House Resources Mtg. Thurs. April 24 3pm

IN THE HOUSE BY THE RESOURCES COMMITTEE

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 630

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to limited entry and providing penalties for the taking and sale of fish without an entry permit or interim-use permit."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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(1) a picture identification card; or

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(c) If requested by a fish processor or primary fish buyer or by a peace officer, the fisherman shall present the picture identification card or emergency transfer slip required to be in his possession under (b) of this section for inspection.

(d) If a licensed fish processor or primary fish buyer purchases raw fish in violation of this section, the commissioner of revenue shall suspend his license for a period of time the commissioner of revenue

determines is appropriate. After three suspensions his license may be permanently revoked by the commissioner of revenue. Proceedings to suspend or revoke a license under this subsection are governed by the Administrative Procedure Act (AS 44.62).

(e) In (b)(1) of this section "picture identification card" means an identification card issued by a local, state, or federal agency which bears a photograph of the person to whom the card is issued. A "picture identification card" may include, but is not limited to, a motor vehicle operator's license issued under AS 28.15.080, an identification card issued under AS 18.65.310, or a fishermen's identification card issued under AS 16.10.267.

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(2) a fine of not less than $5,000 or more than $10,000 and loss of all fishing privileges in the state, including subsistence, sport and commercial fishing privileges, for two years after the date of conviction upon the second conviction;

(3) forfeiture of the vessel and gear used in the violation and imprisonment for a period of not less than three months or more than one year upon each conviction after the second.

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER

P. O. BOX 1149
JUNEAU, ALASKA 99811

March 10, 1980

Ms. Mary Levan
Administrative Assistant
House Resources Committee
Pouch V
Juneau, Alaska 99811

Dear Ms. Levan:

Thank you for taking the time to discuss Sponsor Substitute for HB 630 with me last week. I am providing a corrected Fiscal Note with sufficient copies for the committee's bill folders. My apologies for the most embarrassing error in our original submission.

Please advise if the bill should be rescheduled for hearing.

Sincerely,

Judy G. DuBois
Legislative Liaison

Enclosures

07-G9L11

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Sponsor Substitute for House Bill 630
Title An Act relating to the taking and sale of fish without an entry permit
Requested by Anderson Date 2/25/80

II. FISCAL DETAIL
Agency Affected Labor
Program Category Affected Worker Protection
BRU, Program, or Subprogram(s) Affected Wage and Hour, Administration
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES	0	77.3	77.3	77.3	77.3	77.3
200	TRAVEL	0	8.5	9.1	9.7	10.4	11.1
300	CONTRACTUAL	0	17.2	18.4	19.6	21.0	22.5
400	COMMODITIES	0	.8	.9	1.0	1.0	1.1
500	EQUIPMENT	0	3.3	0	0	0	0
600	LAND & STRUCTURES	0	0	0	0	0	0
700	GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
	TOTAL	0	107.1	105.7	107.6	109.7	112.0

FUNDING (Thousands of Dollars)

GENERAL FUND	0	107.1	105.7	107.6	109.7	112.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	3	3	3	3	3
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

a. Assume effective date July 1, 1980.

b. Salary schedule effective 3/16/80. No increase for inflation.

c. Non-personal services expenditures (200-400) increase at 7% inflation rate.

IV. DATE February 25, 1980 PREPARED BY James Souby
AGENCY Labor
PHONE 465-2720

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

	POSITION TITLE			RANGE/STEP	BARG. UNIT	LOCATION		APPROV.	DISAPP
1	Wage & Hour Investigator I			16 A	GGU	Juneau	GOV		
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12	HP No.	PCN No.	PRIORITY: 1	FORM 12 PAGE/LINE	LEG.		

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
	PERSONAL SERVICES:			
4	SALARY	2,132 P/M	25,584	
5	BENEFITS	.1542	3,945	
6	FICA	.0665	1,701	
7	HEALTH INS	127 x 12	1,524	
8	TOTAL PERSONAL SERVICES			32,754
9	TRAVEL			7,500
10	CONTRACTUAL			6,750
11	COMMODITIES			280
12	EQUIPMENT			1,250
13	OTHER			
14	TOTAL COST			48,534

	CODE	FUNDING SOURCE	
15		I/A RCPTS	
16		GF MATCH	
17		GEN FUND	48,534
18		I/A RCPTS	
19		PGM RCPTS	
20		OTHER	
21	CONTINUATION		
22	ADDITION	XXXX	FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION

Pers. Service: Salary schedule effective 3/16/80.
Travel: Extensive travel to all areas in the state.
Contractual Services: Cost per position for proposed FY '81 Budget plus amendment. (99.0 ÷ 19), plus chartering cost to remote areas.
Commodities: Cost per position for FY '81 Budget (5.2 ÷ 19).
Equipment: Desk, Chair, dictating equipment, etc.

Justification for position: This position is needed to promulgate regulations to implement that act. To investigate violations and to hold hearings on suspensions and revocations. This investigator will be required to hold hearings in locations where possible violations may reside, to interview witnesses, and to gather evidence.

AGENCY Labor

PROGRAM AREA Worker Protection

BRU Wage & Hour

COMPONENT Wage & Hour Admin.

FY 81

13 REQUEST FOR NEW POSITION

REVISED DATE

	POSITION TITLE			RANGE/STEP	BARG. UNIT	LOCATION		APPROV.	DISAPP
1	: Wage & Hour Technican I			12	GGU	Juneau	GOV		
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP No.	PCN No.	PRIORITY: 1	FORM 12 PAGE/LINE	LEG.		

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
	PERSONAL SERVICES			
4	SALARY	1,628 P/M	19,536	
5	BENEFITS	.1542	3,012	
6	FICA	.0665	1,299	
7	REACTIONS	127 x 12	1,524	
8	TOTAL PERSONAL SERVICES			25,371
9	TRAVEL			1,000
10	CONTRACTUAL			5,200
11	COMMODITIES			280
12	EQUIPMENT			1,000
13	OTHER			
14	TOTAL COST			32,851

	CODE	FUNDING SOURCE	
15		FED RCPTS	
16		GF MATCH	
17		GEN FUND	32,851
18		I/A RCPTS	
19		PGM RCPTS	
20		OTHER	
21	CONTINUATION		
22	ADDITION	XXXX	FOR B&M USE ONLY

AA REF NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

Pers. Svcs.: Salary schedule effective 3/16/80.
Travel: Estimate of 2 - 3 trips between Anchorage and Juneau travel and per diem.
Contractual: Cost per position for proposed FY '81 budget and amendment (99.0 ÷ 19).
Commodities: Cost per position for FY '81 Budget (5.2 ÷ 19).
Equipment: Desk, chair, etc. (one time cost).

Justification for position: The position is eded to assist the Investigator I in the preparation of regulations. To correspond with fish buyers, fish processors, and fishermen regarding compliance with the law, to audit records, and to assist with hearings.

This position will also need to be outfitted with a desk and other office equipment.

AGENCY Labore

PROGRAM AREA Worker Protection

BRU Wage & Hour

COMPONENT Wage & Hour Admin.

13 REQUEST FOR NEW POSITION

REVISED DATE

FY 81

	POSITION TITLE			RANGE/STEP	BARG UNIT	LOCATION		APPROV	DISAPP
1	Clerk Typist II			7	GGU	Juneau	GOV		
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12	HP No.	PCN No.	PRIORITY: 1	FORM 12 - PAGE/LINE	LEG		

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
	PERSONAL SERVICES			
4	SALARY	1,207 P/M	14,484	
5	BENEFITS	.1542	2,233	
6	FICA	.0665	963	
7	HEALTH INS	127 x 12	1,524	
8	TOTAL PERSONAL SERVICES			19,204
9	TRAVEL			-
10	CONTRACTUAL			5,200
11	COMMODITIES			280
12	EQUIPMENT			1,000
13	OTHER			
14	TOTAL COST			25,684

	CODE	FUNDING SOURCE	
15		FED RCPTS	
16		GF MATCH	
17		GEN FUND	25,684
18		PGM RCPTS	
19		PORT RCPTS	
20		OTHER	
21	CONTINUATION		
22	ADDITION	XXXX	FOR B&M USE ONLY

RA RE NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

Pers. Svcs: Salary schedule effective 3/16/80.
Contractual Services: Cos per position in this BRU (99.0 ÷ 19).
Commodities: Cost per position for FY '81 budget (5.2 ÷ 19).
Equipment: Desk, chair, etc.

Justification for Position: This position will need all the necessary tools of the trade.

This position is required to do the necessary typing, filing, and general clerical backup for the other two positions.

AGENCY: Labor

PROGRAM AREA: Worker Protection

BRU: Wage & Hour

COMPONENT: Wage & Hour Admin.

13 REQUEST FOR NEW POSITION

FY 81

REVISED

as of 3/25/80 - still in Senate Resources

Introduced: 2/5/80
Referred: Resources and Judiciary

Similar to SSHB630

BY THE RESOURCES COMMITTEE BY REQUEST

IN THE SENATE

SENATE BILL NO. 391

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the taking and sale of fish without an entry permit or interim-use permit."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 16.10 is amended by adding a new section to read:

Sec. 16.10.265. PURCHASE OF FISH FROM PERMIT HOLDERS. A licensed fish processor or primary fish buyer may purchase raw fish only from a seller who holds an entry permit or an interim-use permit issued or transferred to the seller in accordance with AS 16.43.

* Sec. 2. AS 16.10.294(c) is amended to read:

(c) If a licensed fish processor or primary fish buyer fails to fulfill his obligations as set out in AS 16.10.290 or purchases raw fish in violation of AS 16.10.265, his license shall be suspended for a period of time the commissioner determines is appropriate. After three suspensions his license may be permanently revoked.

* Sec. 3. AS 16.10.296 is amended to read:

Sec. 16.10.296. DEFINITIONS. In AS 16.10.265 - 16.10.296 [AS 16.10.270 - 16.10.296], unless the context otherwise requires,

(1) "commissioner" means the commissioner of labor;

(2) "fish" means any species of aquatic fin fish, invertebrates and amphibians, shellfish, or any other raw fishery resource, in any stage of its life cycle, found in or introduced into the state;

(3) "fish processor" means a person engaging or attempting to engage in a business for which a license is required under AS 43.75.010 - 43.75.090;

(4) "primary fish buyer" means a person, other than a co-operative corporation organized under AS 10.15, engaging or attempting to engage in the business of originally purchasing or buying any raw fishery resource in intrastate, interstate, or foreign commerce.

* Sec. 4. AS 16.43.360(a) is amended to read:

(a) A person who violates or assists in the violation of a provision of this chapter or a regulation promulgated under this chapter is, upon conviction, guilty of a misdemeanor and is punishable by a fine of not more than $5,000 for a first conviction, and a fine of not more than $10,000 for a second or third conviction. Upon a third conviction, the person shall forfeit all interim-use and entry permits held by him and loses eligibility for future issuance or transfer of interim-use or entry permits for a period of three years. Upon a first or second conviction under this section, the court may in its discretion order a forfeiture of interim-use or entry permits held by him as well as a loss of eligibility for future issuance or transfer of interim-use or entry permits or order a suspension of fishing rights under interim-use or entry permits held or to be held by him for a period of not more than three years. <u>This subsection does not apply to violations of AS 16.43.-140(a).</u>

* Sec. 5. AS 16.43.360 is amended by adding a new subsection to read:

(f) A person who violates the provisions of AS 16.43.140(a), upon conviction, shall forfeit the value of the fish caught by the person in the course of the violation. In addition, the person is subject to the following penalties:

(1) a fine of not less than $1,000 or more than $5,000 upon the first conviction;

(2) a fine of not less than $5,000 or more than $10,000 and loss of all fishing privileges in the state, including subsistence,

sport and commercial fishing privileges, for two years after the date of conviction upon the second conviction;

(3) forfeiture of the vessel and gear used in the violation and imprisonment for a period of not less than three months or more than one year upon each conviction after the second.

HB
665

(9)

COMMITTEE REPORT

HOUSE

2/4/80

FURTHER:

Date: 2.9.80

Mr. Speaker:

The Committee on RESOURCES has had HB 645

"An Act relating to late applications for limited entry permits; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [✓] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[✓] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

AGU 125395

Teleconference 3/3/80

Hearing 4/24/80

Reported Out 4/29/80

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Late Applications for Limited Entry Permits

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB 665	4/21		Rep. Nels Anderson, Sponsor Commercial Fisheries Entry Commission (Requested new fiscal note) Dept. of Fish & Game United Fishermen of Alaska Alaska Legal Services - Dillingham Rural Cap - Dave Katzig	4/24

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

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Alvin Osterback, Chairman

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(907) 465-3715

HEARING NOTIFICATIONS

TELECON.

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
Teleconference on HB 665	2/27	465-4100	Fish & Game Dept. - Mary Jablonski	3/3
SS HB 630	2/27	586-3456	Commercial Fisheries Entry Commission Bob Simon, Commissioner John Williams, Commissioner	3/3
	2/25		Public Service announcements to All teleconference sites: Anchorage, Barrow, Bethel, Dillingham Fairbanks Juneau, Kenai, Ketchikan, Kodiak, Kotzebue, Nome, Sitka	3/3
	2/28	586-2820	United Fishermen of Alaska	
	2/29	586-3340	Pam Finley, Atty.	
	2/29	586-3456	Requested fiscal note from Commercial Fisheries Entry Co for HB665	
	2/29	4322	Requested fiscal note on SSHB630 - Public Safety	
	2/29	2700	Labor Dept.	
	3/3	235-8184	C. Michael Hough, Homer - notified at request of Rep. Pat O'Con.	

This version reported out of Resources 4/29/80

Introduced: 2/4/80
Referred: Resources

IN THE HOUSE BY ANDERSON

CS HOUSE BILL NO. 665

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to late applications for limited entry permits; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. FINDINGS. The legislature finds that

(1) many persons who were otherwise qualified for limited entry permits have not received permits solely because of their failure to submit an application to the Alaska Commercial Fisheries Entry Commission before the closing date for applications set by the commission in accordance with AS 16.43.260(b);

(2) in order to prevent economic distress among fishermen and their dependents, to regulate entry into the commercial fisheries without unjust discrimination, and to ensure that permits are awarded on the basis of hardship, as defined in AS 16.43.250, it is necessary to ensure that persons eligible for permits are not denied permits solely because of a failure to apply in a timely fashion.

* Sec. 2. APPLICATIONS FOR LIMITED ENTRY PERMITS. Notwithstanding the provisions of AS 16.43.260 relating to closing dates for application periods, the Alaska Commercial Fisheries Entry Commission shall accept applications for limited entry permits, for those fisheries for which the application periods have closed, from all persons who meet the eligibility requirements of AS 16.43.260(a) but who failed to apply for limited entry permits for the fisheries within the time period established by the Alaska Commercial Fisheries Entry Commission for the fisheries. Persons who have previously submitted applications to the Alaska Commercial Fisheries Entry Commission after

the closing dates of the application period for the fisheries, but before the effective date of this Act shall be considered to have applied under this section. The Alaska Commercial Fisheries Entry Commission shall process applications received under this section as if they had been submitted during the application period set by the commission, except that the commission shall afford an additional reasonable period of time for the submission of supporting evidence. The application period established in this section shall open on the effective date of this Act and shall close on December 31, 1980. Commercial Fisheries Entry Commission shall substantially complete the processing of timely applications before the implementation of this act.

* Sec. 3. The Alaska Commercial Fisheries Entry Commission shall process applications received under sec. 2. of this Act in accordance with regulations applicable to the fishery into which entry is sought except as otherwise provided in sec. 2 of this Act. The Alaska Commercial Fisheries Entry Commission shall issue permits to persons applying under this Act who demonstrate hardship equal to that shown by persons previously issued permits, except that no permits shall be issued to persons who would suffer only minor economic hardship from exclusion under AS 16.43.250(c). The Alaska Commercial Fisheries Entry Commission may issue permits in excess of the maximum number of permits established for a fishery under AS 16.43.230 - 16.43.240 for the purposes of this section. This section does not authorize the Alaska Commercial Fisheries Entry Commission to revoke a permit previously issued.

* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-070(c).

MEMORANDUM State of Alaska

TO: Robert J. Simon
Chairman
Commercial Fisheries Entry
Commission

DATE: March 6, 1980

FILE NO:

TELEPHONE NO:

FROM: Derrill L. Johnson
Director of Administration
Commercial Fisheries Entry
Commission

SUBJECT: Financial Analysis of HB-665 - Late Application Bill

You asked that I prepare a preliminary estimate of the incremental costs should HB 665 be enacted. I utilized the following assumptions: (1) we will receive 5,000 handtroll applications in FY 81; (2) the late application period will generate 5,000 additional applications; (3) the 600 case backlog in adjudications is to be completed prior to awarding permits under the new application period; and (4) the Commission's intent is to finalize the processing of the new applications in two years. There is no provision for application assistance or other type of professional services added to this estimate.

You have noted that HB 665 does not have a Finance Committee referral at present. Additionally, there seems to be at least some question as to whether the bill will be amended in a manner which will affect the fiscal impact. Hence, I hope this memorandum suffices until a formal fiscal note is required. Because of the short time allowed to complete this estimate, I believe there could be a 5% change in the final figure of 1,154.7 even if the bill is not amended.

Category	Backlog	Late Applications	Total Projection
PERSONAL SERVICES			
1. Hearing Officer (20A) @ 3039/mo.	145,872 (4)	145,872 (4)	291,744 (8)
2. Legal Assistant (10A) @ 1564/ o.	37,536 (2)	37,536 (2)	75,072 (4)
3. App. Tech. (13A) @ 1870/mo.	22,440 (1)	89,760 (4)	112,200 (5)
4. Sec. I (10A) @ 1564	37,536 (2)	37,536 (2)	75,072 (4)
5. Clerk Typist III (8A) @ 1393/mo.	16,716 (1)	--	16,716 (1)
6. Programmer III (18A) @ 2640/mo.	--	31,680 (1)	31,680 (1)
	260,100	342,384	602,484
Benefits 30%	78,030	102,715	180,745
	338,130	445,099	783,229

TOTAL: 783.3

Category	Backlog	Late Applications	Total Projection	
TRAVEL				
To hold adjudication and oral hearings with fishermen regarding their pending applications.	5,000	40,000	45,000	
			TOTAL:	45.0
CONTRACTUAL				
310-Phone Charges/Long Distance	3,600	4,060	7,660	
Installation of new system		10,000	10,000	
Postage	6,000	19,000	25,000	
320-Forms, Cards, Apps.			5,000	
ADF&G Plates			2,000	
Central Duplicating			5,000	
Advertising			30,000	
330-Space Leasing @ 110 sq.ft./ person, storage and file space.				
1200 sq.ft. @ 1.60/ft. for Backlog	19,200		19,200	
2800 sq.ft. @ 1.60/ft. for Late Applications		44,800	44,800	
360-General Leasing				
Xerox		6,000	6,000	
Data Processing Services		28,536	28,536	
4 terminals--1 @ 300/mo. terminal + controller;	300			
3 @ 120/mo.-terminal only	360			
2 modems @ 40/mo.	80			
1 4-wire line @ 80/mo.	80			
Transaction processing 228/ terminal/mo.	912			
Network charges 124/terminal/ mo.	496			
Disk storage $3.58/meg-40 megs. 143.20/mo.	150			
	2,378/mo.			
	28,536			
Sub-Total for Contractual Services:			183,196	

Category	Backlog	Late Applications	Total Projection	
360-(cont'd) - balance carried forward			183,196	
Maintenance				
Pitney Bowes Postage Machine				
Data Processing and Xerox				
Miscellaneous Maintenance		4,584	4,584	
390-Staff Development: Training in Administrative law and procedures, secretarial training and records management instruction and investigative procedures in accordance with the Administrative Procedures Act.	2,500	2,500	5,000	
		TOTAL:	192,780	192.8
COMMODITIES	4,000	9,000	13,000	
General office supplies, paper, ribbons, card stock, envelopes, letterhead, etc.		TOTAL:		13.0
EQUIPMENT				
Purchase one 4-station Lexitron Work Processing Center:				
Units 2 Model 1303 @ 14,570/ea. - 29,140				
Units 1 Model 1303E @ 10,951/ea. - 10,951				
Units 1 Model 1202E @ 9,351/ea. - 9,351				
to support the correspondence generated by 8 Attorneys, 4 Investigators/Legal Assistants, 5 Application Techs. and 1 Programmer			49,442	

Category		Backlog	Late Applications	Total Projection
EQUIPMENT (cont'd) - balance carried forward				49,442
Maintenance and Setup Charges to be allocated equally to both Backlog and Late Applications				10,173
Office Setup:				
Executive Desks	@ 472.00 (18)	3,304	5,192	8,496
Desk Chairs	@ 450.00 (18)	3,150	4,950	8,100
Coat Racks	@ 48.00 (14)	336	336	672
File Cabinets-				
4-Drawer LL	@ 307.00 (8)	1,228	1,228	2,456
4-Drawer SL	@ 272.00 (6)	272	1,360	1,632
2-Drawer LL	@ 221.00 (4)	442	442	884
2-Drawer SL	@ 198.50 (9)	594	1,182	1,776
5-Drawer Lt.L	@ 752.00 (6)	--	4,512	4,512
Bookcase-				
3 Shelves	@ 168.00 (18)	1,512	1,512	3,024
Conf.Rm.Table	@1058.00 (1)	--	1,058	1,058
Working Table	@ 95.00 (8)	380	380	760
4-Tier Out-baskets	@ 17.00 (23)	170	221	391
Wastebaskets	@ 20.00 (23)	200	260	460
Pentaflex Frms (Legal)	@ 8.00 (64)	256	256	512
Pentaflex Frms.	@ 6.00 (102)	228	384	612
Tape Recorders- (Portable)	@ 296.00 (8)	1,184	1,184	2,368
Sec. Desk	@ 662.00 (5)	1,986	1,324	3,310
Chair	@ 346.00 (5)	1,038	692	1,730
Typing Stand	@ 166.00 (11)	664	1,162	1,826
Transcriber*	@ 537.00 (4)	1,074	1,074	2,148
Dictation*	@ 537.00 (11)	2,685	3,222	5,907
*Dictaphone 2500 Model				
Typewriter-Correcting Selectric	@1000.00 (8)	4,000	4,000	8,000
Calculators	@ 150.00 (2)	150	150	300
		24,853	36,081	
			TOTAL:	120,549 120.6
			GRAND TOTAL:	1,154.7

Support
HB665

'80 APR 28 PM 10 33

TELEGRAM

LA34 1510 11.10 JA01 0038 11.11 04/29/80

TO JUNEAU
FROM DILLINGHAM

PLEASE RELAY THE MESSAGES BELOW TO REPRESENTATIVE ALVIN OSTERBACK AND THE OTHER MEMBERS OF THE HOUSE RESOURCES COMMITTEE

TO REP. ALVIN OSTERBACK, CHAIRMAN, HOUSE RESOURCES COMMITTEE AND ALL OTHER COMMITTEE MEMBERS
FROM: EILEEN CHUCKWUK LEWIS, BOX 46, ALEKNAGIK, ALASKA

PLEASE PASS HB665. I AM IN SUPPORT OF HB665 AND HOPE THAT IT BECOMES LAW.

TO REP. ALVIN OSTERBACK, CHAIRMAN, HOUSE RESOURCES COMMITTEE AND ALL OTHER COMMITTEE MEMBERS

FROM: HARRY AND DAISY BARNES, P. O. BOX 111, DILLINGHAM, ALASKA
RONNIE, ANDREW, AND HARRY BARNES, P. O. BOX 111, DILLINGHAM, ALASKA 9957

I URGE YOU TO PASS HB665. WE ARE IN FULL SUPPORT OF THIS BILL BECAUSE IT WOULD RE-OPEN THE APPLICATION FOR LATE FILERS. THANK YOU FOR YOUR CONSIDERATION.

LA34 1929 12.10 JA01 0044 12.10 04/29/80

TO JUNEAU FROM DILLINGHAM

PLEASE RELAY THE MESSAGE BELOW TO REPRESENTATIVE ALVIN OSTERBACK, CHAIRMAN, HOUSE RESOURCES COMMITTEE AND ALL OTHER MEMBERS OF THE COMMITTEE WITH A COPY TO REPRESENTATIVE NELS ANDERSON.

I SUPPORT HB665, THE LATE FILER'S BILL. I HOPE THIS PASSES THE LEGISLATURE TO BECOME LAW THIS SESSION. PLEASE SUPPORT THIS BILL.

SIGNED: TATIANA MCCORMICK, BOX 157, DILLINGHAM, ALASKA 99576

LA34 1651 11.27 JA01 0040 11.27 04/29/80

TO JUNEAU
FROM DILLINGHAM

PLEASE RELAY THE MESSAGES BELOW TO:

REP. ALVIN OSTERBACK, CHAIRMAN, HOUSE RESOURCES COMMITTEE AND ALL MEMBERS OF HOUSE RESOURCES

FROM: NINA HANSEN NICHOLSON, AND HERBERT NICHOLSON, BOX 177, DILLINGHAM ALASKA 99567

PLEASE PASS HB665 FROM YOUR COMMITTEE TODAY. WE URGE YOUR SUPPPORT OF THIS BILL. WE ARE IN FULL SUPPORT OF THIS BILL AND WOULD LIKE TO SEE THIS BILL BECOME LAW THIS LEGISLATIVE SESSION. THANK YOU FOR YOUR CONSIDERATION.

LA32 1975 12.22 JA01 0049 12.22 04/29/80

3

TO REP. AL OSTERBACK, SENATOR HOHMAN, REP. PHIL GUY
FROM CARL BERRY
PO BOX 962
BETHEL, ALASKA 99559 543-3301

I AM IN SUPPORT OF HB 465 FOR THE FOLLOWING REASON. I DID APPLY FOR MY LIMITED ENTRY PERMIT ON TIME BUT FAILED TO LET THE COMMISSION KNOW THAT I WAS DOWN SOUTH IN SCHOOL DURING ONE YEAR OF THE EFFECTED YEARS. IF THIS BILL PASSES, I AM SURE MY CASE COULD BE REVIEWED AGAIN AND A LIMITED ENTRY PERMIT ISSUED TO ME. PLEASE SUPPORT HB 465 AND HELP ALL FISHERMAN IN ALASKA.

THANK YOU

TO REPRESENTATIVE ALVIN OSTERBACK AND OTHER MEMBERS OF THE HOUSE RESOURCES COMMITTEE

FROM OLGA AND MIKE SAM, CHIGNIK LAGOON, ALASKA 99565

I AM IN SUPPORT OF HB665 ON OPENING THE LIMITED ENTRY APPLICATION.
I HOPE THIS BILL WILL PASS THROUGH THE LEGISLATURE.

TO JUNEAU
FROM DILLINGHAM

PLEASE RELAY THE MESSAGE BELOW TO REPRESENTATIVE ALVIN OSTERBACK, CHAIRMAN HOUSE RESOURCES COMMITTEE AND ALL HOUSE RESOURCES COMMITTEE MEMBERS

ALSO: SENATOR GEORGE HOFMAN, REPRESENTATIVE NELS ANDERSON, SENATOR CLEM TILLION

FROM: GEORGE CHUCKWUK, BOX 46, ALEKNAGIK, ALASKA

PLEASE PASS HB668, AN ACT PERTAINING TO LATE FILERS THAT YOU HAVE IN YOUR COMMITTEE. I SUPPORT THIS BILL AND WOULD LIKE TO SEE IT PASSED THIS LEGISLATIVE SESSION. THANK YOU.

LA34 3593 16.16 JA01 0128 16.16 04/28/00

TO: REPRESENTATIVE ALVIN OSTERBACK AND ALL MEMBERS OF THE HOUSE RESOURCES COMMITTEE

FROM: OLGA SAM AND MIKE SAM, CHIGNIK LAGOON, ALASKA 99565

I AM IN SUPPORT OF HB 665, ON REOPENING THE LIMITED ENTRY APPLICATION. I HOPE THIS BILL WILL PASS THROUGH THE LEGISLATURE.

6

LA34 0865 09.40 JA01 0029 09.49 04/29/90

TO JUNEAU FROM DILLINGHAM

PLEASE RELAY THE MESSAGES BELOW TO REP. ALVIN OSTERBACK AND THE OTHER MEMBERS OF THE HOUSE RESOURCES COMMITTEE WITH COPIES TO REP. NELS ANDERSON, SEN. GEORGE HOUMAN, SEN. BOB MULCAHY, SEN. CLEM TILLION AND SENATOR JOHN SACKETT.

TO REP. ALVIN OSTERBACK AND ALL MEMBERS OF THE HOUSE RESOURCES COMMITTEE
FROM: ELIA PHILLIPS, PERRYVILLE, ALASKA

I SUPPORT HB 645, THE LATE FILER'S BILLS AND URGE PASSAGE.

TO REP. ALVIN OSTERBACK AND ALL MEMBERS OF THE HOUSE RESOURCES COMMITTEE
FROM: BOBBY ANDREW, BOX 99, DILLINGHAM, ALASKA 99576

I'M IN SUPPORT OF HB645 TO RE-OPEN APPLICATION TIME TO THOSE WHO WERE LATE. HAVING FISHED THE BRISTOL BAY REGION AND A RESIDENT I HOPE THIS BILL WILL HELP SOME OF US WHO FISHED IN PRIOR YEARS TO QUALIFY FOR A PERMIT THIS TIME.

I STRONGLY URGE YOUR SUPPORT AND PASSAGE OF THIS BILL THIS LEGISLATIVE SESSION

TO REP. ALVIN OSTERBACK, CHAIRMAN OF HOUSE RESOURCES, AND ALL COMMITTEE MEMBERS

FROM: WASSILLIE TIMURPHY, BOX 43, N I STUYAHOK, ALASKA 99574

I HOPE YOU PASS HB645 SO THAT IT BECOMES LAW. PLEASE PASS THIS BILL SO THAT THE ONES WHO NEED IT WILL BE ABLE TO GET LIMITED ENTRY PERMITS.

TO REPRESENTATIVE ALVIN OSTERBACK, CHAIRMAN, HOUSE RESOURCES COMMITTEE AND ALL MEMBERS OF THE HOUSE RESOURCES COMMITTEE

FROM: ANNIE KAWAGLIA AND WASSILLIE KAWAGLIA, BOX 16, DILLINGHAM, AK 99576

I WOULD LIKE YOU AND YOUR COMMITTEE TO PASS HB645, THE LATE FILERS ACT THAT IS IN YOUR COMMITTEE. PLEASE PASS THIS BILL. THANK YOU.

TO REP. ALVIN OSTERBACK, CHAIRMAN, HOUSE RESOURCES AND ALL COMMITTEE MEMBERS

FROM: LILLIAN A. HINDS, BOX 82, DILLINGHAM, ALASKA 99576

PLEASE PASS HB645, THE LATE FILER'S BILL THAT IS IN YOUR COMMITTEE. I SUPPORT THIS BILL AND HOPE THAT IT WILL BECOME LAW.

LA34 0005 09.41 JA01 0016 09.41 04/22/80

6

TO JUNEAU FROM DILLINGHAM

PLEASE RELAY THE MESSAGES BELOW TO REP. ALVIN OSTERBACK, CHAIRMAN HOUSE RESOURCES COMMITTEE AND ALL COMMITTEE MEMBERS, WITH COPIES TO REP. NELS ANDERSON, SENATOR GEORGE HOFMAN, SENATOR CLEM TILLION, SENATOR BOB MULCAHY, AND SENATOR JOHN SACKETT

TO REP. ALVIN OSTERBACK AND ALL MEMBERS OF THE HOUSE RESOURCES COMMITTEE

FROM: WILLIAM AND MARY ANN JOHNSON, DILLINGHAM, ALASKA 99576

WE URGE YOUR PASSAGE OF HB665, THE LATE FILER'S APPLICATION BILL THAT IS BEFORE YOUR COMMITTEE. WE ARE IN SUPPORT OF HB665.

TO REP. ALVIN OSTERBACK AND ALL MEMBERS OF THE HOUSE RESOURCES COMMITTEE
FROM: DORIS A. LARSON, BOX 83, DILLINGHAM, ALASKA 99576

PLEASE SUPPORT PASSAGE OF HB665 THAT IS IN YOUR COMMITTEE AND AWAITING ACTION
I FULLY SUPPORT HB665 AND HOPE THAT IT BECOMES LAW.

TO REP. ALVIN OSTERBACK AND ALL MEMBERS OF THE HOUSE RESOURCES COMMITTEE
FROM: BERNICE L. BEYANO, DILLINGHAM, ALASKA 99576

I SUPPORT HB665, THE LATE FILERS BILL. I HOPE THAT YOU AND ALL THE COMMITTEE MEMBERS WILL VOTE FOR PASSAGE OF THIS VERY IMPORTANT BILL.

TO REP. ALVIN OSTERBACK AND ALL MEMBERS OF THE HOUSE RESOURCES COMMITTEE
FROM: WILLIAM A. JOHNSON, DILLINGHAM, ALASKA 99576

I SUPPORT THE LATE FILER'S BILL, HB665. I URGE YOUR PASSAGE OF THE BILL BEFORE YOU IN COMMITTEE AND HOPE THAT IT BECOMES LAW THIS LEGISLATURE.

John W. Yuklek
Gen. Delivery
Ekwok, Ak.
99580

Alan Osterback
House Resources Committee
Room 12
Juneau, Alaska
99811

Dear Mr Osterback,

I am writing to you concerning HB 665, Sate appreciation for Limited Entry Permits.

My father Simeon Yuklek and Stepfather Stephan Lewis both eligible to apply for permits. My brother Stephan Lewis was not old at the time of application. My father was a Yupik speaking Eskimo, who spoke little English and didn't know about the application process. My father still doesn't read and write at the time and my brother I had just graduated. I have just moved of my wife's home village to Ekwok to be closer to her family. By the time I found out about the application period

My brother died in 1975 and my father in 1977. Since I am the only living male in the Yukluk family, I think I should be allowed to apply for a permit and carry on with the only livelihood I have ever known, fishing.

When you vote on HB. 665 please consider my situation.

Sincerely yours,

April 23, 80

Alvin Osterback
House Resources Committee
Pouch V
Juneau, Alaska 99811

Re: H.B. 665 - Late Applications for Limited Entry Permits

Dear Sir:

I wish very much to be able to apply for a limited Entry Permit.

It was my life time occupation since I was a young man for only 3 months out of a year. Some times less than 3 months.

Thank You,
Sincerely Yours,
John Moore

P.S. Sometimes I need some monies to get by the winter seasons.

HB 665

Alexander Creek
4-24-80

Alvin Austerback
House Resource Com.

Dear Sir:

For five years I fished on the "West" side of Nushagak Bay, Bristol Bay. Fish returns were then, from '68 thru '72, very poor & fishing time greatly restricted. It was a poor living. Then came "limited entry". I had few funds then for any purpose & didn't relize by not applying that I would have my chance to apply.

I still have my beach site & my old F-number (2337) but have had to fish part time for someone else

because I have no entry permit.

I want to make a living for myself & feel I can now, that management has improved our in-shore fish run. To do this I need to have my "entry permit".

Please support House Bill # 665.

Sincerely

Karen Thiele
Alexander Creek.
Ak. 99695

HB665

Earl Rhode
Alexander Creek
April 27, 1980

House of Representatives
State of Alaska
Allen Osterback

Am writing you in regards to reopening the application period for fishing permits in Bristol Bay.

We fished the Bay beginning in 1948 thru 1952, two years, then in 1965, 1966, 1967, 1968, 1969, 1970 and 1972. I held both drift and set net licenses and fished both alternately, in the years 1967 thru 1972 with 1971 being the only year when I did not do any drift gillnetting.

I did not apply for a drift permit for two reasons, first, I thought I could make a living every year on the beach setnetting, and didn't want to afford the $20.00 for the drift permit.

Since 1973 we've had a severely curtailed season on the Kvichak section every year since then

except for 1979 when we were allowed to fish the entire season. Even 1975 when we expected, and had, a good run we weren't allowed an opening on the Kuchak section until the 6th of July, when the run was at least half over. For the above reasons I would like a chance to re-apply for a drift gillnet permit so I can continue to fish while the Kuchak section is closed for escapement reasons.

I thank you for proposing to reopen the application period for gillnet fishing permits in Bristol Bay.

Respectfully,
Earl Tuck
Alexander Creek
Alaska 99695

LAGA 2522 13.56 JAB1 0077 13.56 04/29/00

PLEASE RELAY THE MESSAGES BELOW TO: REPRESENTATIVE ALVIN OSTERBACK, CHAIRMAN OF THE HOUSE RESOURCES COMMITTEE AND ALL MEMBERS OF HOUSE RESOURCES COMMITTEE

ALSO: REPRESENTATIVE NELS A. ANDERSON, JR., SENATOR GEORGE HOHMAN, SENATOR GLEN TILLION, SENATOR BILL SUMNER, SENATORY BOB MULCAHY, AND SENATOR JOHN SACKETT.

FROM: ARTHUR SHARP, CHRISTOPHER SHARP, HARRY MOORE, RAYMOND MOORE, AND LOUIE SMALL, ALL FROM TWIN HILLS, ALASKA

MESSAGE: WE ARE IN SUPPORT OF HB665, THE LATE FILERS BILL THAT WAS INTRODUCED BY REP. ANDERSON. THIS BILL WHICH WILL BE IN THE HOUSE RESOURCES COMMITTEE TOMORROW IS ONE THAT WOULD HAVE A VERY GOOD EFFECT ON US IF IT IS PASSED. THERE ARE SOME PEOPLE WHO WOULD BE ABLE TO OBTAIN A LIMITED ENTRY PERMIT UNDER THIS BILL WHO ARE DEPENDENT UPON FISHING AS THEIR MAIN SOURCE OF INCOME. WE HOPE THAT YOU WILL PASS THIS BILL.

FROM: WALTER KUKU, SASSA KUKU, NICK SHARP, DORA NICHOLAI, AND JOHN SHARP
TWIN HILLS, ALASKA

WE ARE IN FAVOR OF HB665, THE LATE FILERS BILL THAT IS BEFORE YOU IN COMMITTEE. PLEASE VOTE IN FAVOR OF PASSING THIS BILL. THANK YOU.

FROM: GEORGE PLEASANT, DANIEL SHARP, JOHN MARK, STELLA SHARP, AND WALTER HAMILTON, ALL FROM TWIN HILLS, ALASKA

PLEASE VOTE FOR PASSING HB665 TO OPEN UP LIMITED ENTRY TO LATE FILERS. THIS WOULD BE A GOOD THING FOR THOSE WHO CANNOT GET PERMITS BECAUSE THEY WERE LATE IN FILING FOR PERMITS BEFORE.

PLEASE RELAY THE MESSAGE BELOW TO:
REPRESENTATIVE ALVIN OSTERBACK, CHAIRMAN, HOUSE RESOURCES COMMITTEE AND ALL MEMBERS OF THE HOUSE RESOURCES COMMITTEE

ALSO: REPRESENTATIVE NELS A. ANDERSON, JR., SENATOR GEORGE HOHMAN, SENATOR CLEM TILLION, SENATOR BILL SUMNER, SENATOR BOB MUCAHY AND SENATOR JOHN SACKETT

FROM: FERDINAND SHARP, NANCY SHARP, KATIE MOORE, GEORGE KUKU, ANDREW MOORE, AND MARY KUKU, ALL FROM TWIN HILLS, ALASKA

WE URGE YOU TO VOTE FOR PASSING HB 665, THE ACT FOR LATE FILERS TO APPLY FOR L'MITED ENTRY PERMITS. PLEASE PASS THIS VERY IMPORTANT BILL.

FROM: TERESA MARK, SAM FULLMOON, NETTIE FULLMOON , TWIN HILLS, ALASKA

WE HOPE YOU WILL PASS THE BILL FOR LATE FILERS FROM YOUR COMMITTEE. WE REALLY HOPE THAT HB665 WILL PASS FOR THE BENEFIT OF THOSE WHO DID NOT GET THEIR LIMITED ENTRY PERMITS THE FIRST TIME AROUND, BECAUSE FOR SOME REASON OR ANOTHER THEY WERE LATE. THANK YOU SO MUCH.

LA32 2073 14.50 JA01 0096 14.50 04/28/00

3

TO REP. AL OSTERBACK, SENATOR HOFFMAN, REP. PHIL GUY

FROM SAMUEL SNYDER
PO BOX 05
BETHEL, ALASKA 99559

I SUPPORT HB 445 AND DO HOPE YOU DO TOO.

THANK YOU.

LA32 1707 11.35 JA01 0036 11.35 04/29/80

TO JUNEAU INFORMATION FOR REP. AL OSTERBACK
FROM BETHEL INFORMATION FOR PHILLIP ALEXIE
BETHEL, ALASKA

RE: HOUSE BILL 665 - LATE APPLICATION BILL

I FISHED IN BRISTOL BAY FOR ALASKA PACKERS FOR 12 YEARS. I OWNED MY OWN BOAT AND GEAR. I QUIT FISHING AFTER THE 1972 FISHING SEASON. A LAWYER HERE IN BETHEL TELLS ME THAT IF I HAD APPLIED FOR A BRISTOL BAY LIMITED ENTRY PERMIT, I WOULD HAVE RECEIVED IT. SINCE I WAS IN JAIL DURING THE APPLICATION PERIOD, I COULD NOT FILL OUT AN APPLICATION. PLEASE MAKE HOUSE BILL 665 LAW, SO THAT I CAN GET A BRISTOL BAY FISHING PERMIT.

THANK YOU.

LA32 2011 12.20 JA01 0053 12.20 04/20/80

3

TO JUNEAU INFORMATION FOR REP. AL OSTERBACK, SENATOR HOHMAN, REP. PHILLIP GUY

FROM BETHEL INFORMATION FOR GABRIEL ASICKSIK
PO BOX 34
BETHEL, ALASKA 99559 543-3591

RE: HOUSE BILL 665 - LATE APPLICATION BILL

I SUPPORT, AND HOPE YOU DO, THE LATE APPLICATION BILL FOR LIMITED ENTRY. TO GIVE YOU MY CASE, I DID RECEIVE A LIMITED ENTRY PERMIT IN 1975 THEN IN 1976, WAS UNABLE TO FISH DUE TO VERY BAD HANDS, THEN IN 1977, WENT TO RENEW MY PERMIT AND WAS TURNED DOWN. I HAD SENT THE COMMISSION MY MONEY AND IT WAS RETURNED TO ME THAT SAME YEAR. I DO HOPE I WILL BE ABLE TO GET MY LIMITED ENTRY PERMIT BACK AND WILL BE WILLING TO PAY FOR ALL THE BACK RENEWAL YEARS THAT WOULD BE OWED ON IT.

THANK YOU AND FEEL FREE TO WRITE ME REGARDING THIS PROBLEM.

HB665

Cathlamet, WA 98612
February 15, 1980

Alaska State Legislature
House Resources
Juneau, Alaska 99811

Re: H.B. 665

Honorable Gentlemen:

I applied for a permit to fish in Alaska in 1977 and was denied and given 30 days to appeal in Suprior Court, which I did and lost. I appealed to the Supreme Court, but on the basis of the Apokedak decision my attorneys deem it futile to proceed. They did, however, tell me about H.B. 665. I encourage you to pass it.

In my case I did not recieve a notice of the Permit System.

I fished in Alaska from 1929 to 1942 when I was frozen on a job in a shipyard. In 1953 I went back and fished through 1970 when I came down with double lobar pneumonia and emphesema and was in and out of hospitals for the next four years. In 1976 I felt well enough to go fishing but was told it was closed. So in 1977 when it was opened for those who did not have enough points to qualify in 1974 and 1975 I decided to apply since I had more than the required amount of points. I was denied because I had not fished in 1974 and 1975. It was at this time I was given 30 days to appeal to the Superior Court.

In the case of the Treaty Indians vs. Washington State, the Federal Government sent out officials who served injuctions on each and every fisherman that held a license and I think that the Entry Commission could at least have sent notices by registered mail.

I hope you can find a way to solve some of the inequities involved as to the n 'ives, residents, and non-residents that-shall we say-"missed the boat".

May the Legislature give every effort to pass H.B. 665.

Respectfully yours,

Britanus K. Vik

LAW OFFICES OF
ALASKA LEGAL SERVICES CORPORATION
P. O. BOX 181
DILLINGHAM, ALASKA 99576
TELEPHONE 842-5653

February 22, 1980

HB665

Alvin Osterback, Co-chairman
House Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: House Bill 665
Limited Entry-Late Applicants

Dear Representative Osterback:

I would like to take this opportunity to discuss the problem addressed by House Bill 665 prior to the tele conference hearing currently scheduled for March 3, 1980. This bill would establish a new application period for those persons who failed to submit an application within the time periods set for their particular fishery.

The reasons for the failure to apply in time are numerous and were by and large outside of the individual person's control. The chief reason was the lack of understanding by persons that there was an application period and that they were in fact eligible to apply. These problems were most prevalent in the rural areas of the state where people were isolated from the communications media and application assistance. Language difficulties posed a particular problem in those areas of the state (Bristol Bay and the Yukon-Kuskokwim area) where English is a second language.

This bill does not make any substantive changes in the Limited Entry Act, and the eligibility and point requirements would remain the same following passage. It would merely allow those persons who were originally eligible for a permit to now apply and recieve that for which the law states they are otherwise qualified.

This legislation is important for a number of reasons. First of all, it is obviously very important to the individual person who now cannot pursue his or her chosen occupation. This is particularly poignant in the case of rural Alaskan residents who do not have other employment opportunities available to them. Secondly, it is important to rectify an injustice which resulted from the implementation of a radically new law.

Finally, this legislation would not have any appreciable effect on the condition of Alaska's fisheries. It would mean a very small increase in the number of permits in any particular fishery and the majority of these new permits would be issued to Alaskan residents who were least able to comply the application procedure for the reasons mentioned above.

I plan to present further testimony to your committee in Juneau on March 3rd. If you have any specific questions, or have need for further information, please feel free to contact me.

Sincerely,

ALASKA LEGAL SERVICES CORPORATION

David B. Snyder
Supervising Attorney

DBS:ml

cc: Representative Bill Miles
Co-Chairman, House Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

House Resource Committee Members
Fred Zharoff
P t Carney
Samuel Cotton
Jack Fuller
C.V. Chatterton
Richard Eliason
Richard Halford

Representative Nels Anderson, Jr.
House Majority Leader
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Representative Terry Gardiner
Speaker of the House of Representatives
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

HANIGAN & JOHNSON
Attorneys at Law
Hanigan Building
P. O. BOX [illegible] TEL. 206-795-3494
CATHLAMET, WASHINGTON 98612

GEORGE F. HANIGAN
FRED A. JOHNSON

February 25, 1980

Alaska State Legislature
House Resources Committee
Juneau, Alaska 99811

Re: HB 665

Gentlemen:

Adoption of House Bill 665 is respectfully urged.

We have referred several people to the Alaska Commercial Fisheries Entry Commission relative to what would have appeared to be great injustices committed by the Commission itself, including situations involving illness or disability.

The prior permit holders were not given notice in some instances, and inadequate notice in other instances. Additionally, our clients have written the Commission and have received no acknowledgment of receipt of the communications, and that has been the experience of this writer personally. When acknowledgment is belatedly made by the Commission, it then flips the coin by stating contact was not timely, totally ignoring earlier communication.

We are all aware that innocent mistakes, oversights, etc., exist. However, the citizenry may well be warranted in its belief relative to the Commission that it has intentionally "pigeon-holed" or "round filed" communications with citizens having business with it.

I am aware of the seriousness of this allegation, as I am myself an elected official, serving as Prosecuting Attorney for this County. I sincerely believe that the State of Alaska has by bureaucratic fiat deprived people of their property rights, accomplished not by reason of the law being incorrect, but rather

Continued Page Two:

by administrative error, ommission, ove ight or other excuse to reduce workload.

I trust that these comments will be of assistance to you.

Very sincerely,

George F. Hanigan

cc: Mr. and Mrs. Willian Fowler
Pamela L. Finley, Esq.

GFH/pm

LAW OFFICES OF
ALASKA LEGAL SERVICES CORPORATION
P C BOX 181
DILLINGHAM, ALASKA 99576
TELEPHONE 842 5653

MEMORANDUM

TO: House Resources Committee,
Nels A. Anderson, Jr.

FROM: Fred Torrisi/David Snyder

RE: H.B. 665 - Limited Entry Late Applications

DATE: March 3, 1980

A. The Problem

In 1975, a number of persons failed to file applications for limited entry permits. Most of these persons live in rural Alaska and cannot afford to purchase permits. So despite the fact that they had enough points to qualify for their permits, they cannot obtain them and are consequently forced out of the only occupation available, unless they can find employment crewing for someone else.

This situation was caused by many factors. The Commercial Fisheries Entry Commission provided application assistance which reached many people, but without such assistance those persons not literate in English had no chance of understanding the 8 page application and accompanying 41 page instruction booklet. In the villages of Bristol Bay, many people were not planning to fish because of the poor predictions for 1975 and didn't realize that a failure to apply would forever bar them from fishing. Older persons under the same misconception didn't apply while their daughters and sons applied but failed to qualify --leaving the entire family without permits.

Rural Alaskans were impacted the most by the application process because of their lack of sophistication and their geographical and cultural remoteness from Limited Entry. And those same persons,--who perhaps speak only Yup'ik and don't understand Limited Entry even today--are precisely the ones unable to purchase permits on the (inflated) open market. [1]

[1] The continuing problems encountered by rural Alaskans are discussed in Dr. Langdon's report to the Limited Entry Study Group, January 17, 1980, see, e.g., pp 25-26, 49-54, 66-73; see also J. Anthony Koslow's (1980) report for the legislature "Limited Entry Policy and the Bristol Bay Salmon Fishermen,: recommendation #4 at p.22.

B. H.B. 665

House Bill 665 requires the Entry Commission to accept applications for another six months and to issue permits to those persons providing enough points under the regulations already in effect. It is clear that most of these people will be resident Alaskans and no one not eligible in 1975 will be made eligible by this law.

The bill is necessary because the Entry Commission does not think it has the authority to accept applications now and it hasn't accepted any (except for those in which Postal or Commission error was proved) since May 18, 1975. While some fisheries already have the number of permits originally authorized by the Commission, the "optimum number" has not been determined for any fishery and there is no evidence that the acceptance of late applications will adversely impact any of them. It may well be found that improved management techniques and the 200 mile limit have increased the number of returning salmon in Alaskan waters; if not, the Commission should commence with the "buy back" program already authorized by the legislature.

C Commission Opposition

The Entry Commission on February 25, 1980, released its analysis of HB 665, suggesting that it not be passed or that it be substantially amended. The main thrust of its content was that there were so many persons entitled to permits that didn't get them, that serious effects on the existing program would result if applications were accepted now. The Commission also raises many administrative problems.

It is ironic that the Commission uses the magnitude of its own failure to oppose the attempt to resolve the problem. While no State monies are required to implement HB 665, it might be appropriate to consider a Commission request for funds to hire an additional person or two; it is certainly not appropriate to consider administrative inconvenience to the Commission on the same level as the hardship caused those men and women who failed to obtain the permit to which they were entitled by statute. (In today's market, the administrative cost does not amount to the value of even one entry permit in some fisheries.)

The Commission memorandum of last week is too lengthy to answer in detail here; but we ask that none of its conclusions be accepted without further discussion. For example, its methodology in estimating the number of entry permits which would be issued as a result of this bill is flawed by two basic assumptions: (1) that the set of persons who failed to apply have identical (statistically) characteristics of past participation and economic dependence as those who applied in 1975 and (2) that everyone who failed to apply in 1975 would apply in a new application period. Neither assumption is valid and the estimates of new permits made in the report are twice as high as can actually be expected.

We remain available at the above phone number to discuss HB 665 with any interested legislator.

Feb. 26th 1980

RE. House Bill 665
Limited Entry Late Applicants

Dear Mr. Alvin Osterback
I cant make it to the hearing in Dillingham march 3rd so I am writing to let you know that I would like to House bill is passed.
I made a late application for my set net permit and hope to get it if the bill is passed. Please vote for the bill

Nick Abalama Sr.
P.O. Box 58
Egegik, Alaska 99579

LOREN DOMKE
ATTORNEY AT LAW
P.O. BOX 1216
JUNEAU, ALASKA 99802

TELEPHONE (907) 586-1102

March 5, 1980

The Honorable Alvin Osterback
and the Honorable Bill Miles,
Co-Chairmen
House Resources Committee
Pouch V, State Capitol Building
Juneau, Alaska 99811

Re: H.B. 665

Dear Representatives Osterback and Miles:

I have been asked by clients, some of whom are your constituents, to propose an amendment to the late applications bill. My clients are not late applicants, but are fishermen who have submitted timely applications but have not had their qualifications for an entry permit thoroughly reviewed by the Commission. Their problem is that they have not made timely requests for an administrative hearing or have not timely submitted evidence supporting point claims under the regulations. H.B. 665 as it now reads does not apply to such individuals.

For this reason, we would like to see the addition of one change in the bill which would permit their applications to be evaluated in the same manner as those of late applicants. We suggest the inclusion on page 2, line 7 after the word "evidence" of one sentence to read:

> "Persons who have previously submitted applications may raise new issues under the regulations and may submit supporting evidence and shall have their applications reviewed in the same manner as individuals who initially failed to apply but meet the eligibility requirements of AS 16.43.260(a)."

This single amendment in the bill would not contribute significantly to the workload of the Commission's applications processing staff and would insure that all fishermen received

a thorough and impartial review of their qualifications for a permanent entry permit. Your consideration of this amendment is greatly appreciated.

Yours very truly,

Loren Domke

LD:bld

Conformation Copy

Send to House Resources 3-18-80

TO [illegible]
FROM DILLINGHAM

PLEASE RELAY THE TWO MESSAGE BELOW TO REPRESENTATIVE ALVIN OSTERBACK, CHAIRMAN OF HOUSE [illegible] COMMITTEE TO BE PRESENTED AS TESTIMONY ON HOUSE BILL 660, [illegible] BILLS

FROM GEORGE SMITH, FOX [illegible] TOGIAK ALASKA

I'M [illegible] I CAN'T MAKE IT FOR THE HEARING. I HAVE NO WAY OF [illegible] TO TAKE OVER TO DILLINGHAM AND BACK. I [illegible] I CAN'T SPEAK ENGLISH OR WRITE. [illegible] MESSAGE WAS TAKEN BY DAVID [illegible], ALASKA LEGAL SERVICES FROM GEORGE SMITH

[illegible] FAX FOR [illegible] AK. [illegible] ALASKA

[illegible] ON THE [illegible] IN [illegible]. I'M [illegible] FROM [illegible] PERMIT. I HAVE [illegible] BUT ONLY AS A [illegible] I CAN [illegible] I [illegible] [illegible] I [illegible] [illegible] I CAN [illegible]

STATE OF ALASKA

LEGISLATIVE INFORMATION OFFICE

Dillingham

For your files on
HB 665 - Late Filers Bill

We are pleased to send the enclosed material in response to your recent request.

Dorothy R. Larson

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
Regional Information Office
Pouch 229
Dillingham, Alaska 99576

HB 665

March 4, 1980

Representative Al Osterback,
Chairman, House Resources
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Osterback:

Enclosed are copies of letters written to Representative Nels Anderson that were read into the record at the public teleconference on HB665 yesterday for your record.

Also enclosed is a copy of a resolution from the Bristol Bay Native Association that they ask that I telecopy you today to include in the record for public testimony on HB665. I have just telecopied this resolution to your office via the Juneau Information Office.

Enclosed is a copy of all the participants in yesterday's public teleconference.

I would like to thank you for taking the time to make sure that all our witnesses were heard from Bristol Bay since many of them were here from villages in the outlying area as far away as Egegik and Dondalton. They expressed their appreciation in being heard, too.

This teleconference was quite fascinating to people who had never participated in one before. It was aired live over the local radio station KDLG which you know reaches down to your neck of the woods as well as most of Bristol Bay.

We had at least 50 people here in my office which comfortably holds 10 people, so you can imagine the crowd.

Sincerely,

Dorothy M Larson

Dorothy M. Larson

February 26, 1980
Manokotak, Alaska
99628

Hals. Anderson, Jr.
House of Representatives
Pouch - 7 Capital
Juneau, Alaska 99811

Dear Representative Anderson:

I would like to testify for support of House Bill 669. I feel it will alleviate some of the unemployment in the Bristol Bay Area.

I have been set netting on Igushik Beach in the Bristol Bay Area for seventeen years. (1955 - 1973) ...ing during the summer months has always been my only income and the only work I can do.

I am unable to fish my set net site during the summer months only because my application was filed late.

It has been a hardship not being able to have a limited entry Permit because my family can't things they most need and also I am now without employment both during the summer and winter. In Manokotak, where I have lived most my life, jobs are for only few.

Sincerely yours,

Sandra Kumgta

Sandra Kumgta

February [illegible]
[illegible], Idaho
[illegible]

Mala Anderson, Jr.
House of Representatives
Fourth [illegible] - Capital
Juneau, Alaska 99811

Dear Representative Anderson:

I would like to [illegible] House Bill 655 if [illegible] that belong to the earth.

[illegible] am 64 years old [illegible] It is been my year [illegible] I would like [illegible] because [illegible].

I am a Vet and [illegible] Harry and since I [illegible] on fishing all my life.

[illegible]

[illegible], Idaho

February 26, 1980
Manokotak, Alaska
99628

Hals Anderson, Jr.
House of Representatives
Pouch V - Capital
Juneau, Alaska 99811

Dear Representative Anderson:

I would like to testify to urge passage of House Bill 665. I feel House Bill 665 would help clear up some of the problems with limited Entry.

I have fished most of my life as a fishing partner and have fished as a set net gear holder. (1964 and [illegible] set netting in the Bristol Bay has been my only source of income. Not getting a permit would give me back my traditional summer job. But having a permit has caused a hardship because I am unable to set net anymore.

I didn't file my permit because I didn't know about limited Entry until that next year, which was too [illegible]

Sincerely yours,

Tom Gale

BRISTOL BAY NATIVE ASSOCIATION
P.O. Box 189
Dillingham, Alaska 99576

BOARD EXECUTIVE COMMITTEE

RESOLUTION NO. 80-11

WHEREAS, many rural residents of the State of Alaska, in particular the Bristol Bay region have not received limited entry permits for which they were otherwise qualified, solely because of their failure to submit timely applications to the Commercial Fisheries Entry Commission; and,

WHEREAS, the individual persons failure to submit a timely application was due to factors beyond his or her control: namely, the lack of understanding by such individuals of their rights under the Limited Entry Act and of the need to submit an application or be forever barred from pursuing their livelihood; the shortness of the application period; the geographical remoteness of the communities in which such individuals lived from the centers of communication and application assistance, and the misinformation prevalent concerning the standards of eligibility for limited entry permits; and,

WHEREAS, these individuals are now prevented from participating in one of the few only occupations they have known, or that is available to them in their community; and,

WHEREAS, the State of Alaska has an obligation to rectify the injustice caused by the implementation of the Limited Entry Act.

NOW THEREFORE BE IT RESOLVED that the Bristol Bay Native Association supports House Bill 665 and the establishment of a new application period for limited entry permits.

SIGNED _____
President
William P. Johnson

CERTIFICATION:

I, the undersigned secretary of said Association, do hereby certify that the Executive Committee is composed of 10 members, of whom 6 were present at a meeting this 27 day of February, 1980, and that the foregoing resolution was adopted by the affirmative vote of 6 members.

SIGNED _____
SECRETARY
Joseph L. Clark

BRISTOL BAY NATIVE ASSOCIATION
P.O. BOX 179
DILLINGHAM, ALASKA 99576
PHONE (907) 842-5257

MEMORANDUM

TO: House Resources Committee

✓ Rep. Alvin Osterback, Co-Chairman
Rep. Bill Miles, Co-Chairman
Rep. Fred Zharoff, Vice-Chairman
Rep. Pat Carney
Rep. Samuel Cotten
Rep. [illegible] Fuller
Rep. C. W. Chatterton
Rep. Richard Elkins
Rep. Richard Fallon

FROM: Fred [illegible] Angasan, Executive Director

DATE: March [illegible], 1980

Re: Lake Iliamna Regulation

Dear Mr. Chairman, Members of House Resources Committee:

Enclosed is a resolution, 80-11, passed by the Bristol Bay Native Association Executive Committee at its regular monthly meeting held January 27th & 28th, 1980.

Resolution is self-explanatory, therefore does not require explanation.

FTA/mff

cc: Nels A. Anderson, Representative
Terry Gardiner, Member of the House
Clem Tillion, President of the Senate

Enclosure: Resolution 80-11 Lake Iliamna Regulation

BRISTOL BAY NATIVE ASSOCIATION
P.O. Box 189
Dillingham, Alaska 99576

EXECUTIVE COMMITTEE

RESOLUTION NO. 80-1

WHEREAS, many rural residents of the State of Alaska, in particular the Bristol Bay region have not received limited entry permits for which they were otherwise qualified, solely because of their failure to submit timely applications to the Commercial Fisheries Entry Commission; and,

WHEREAS, the individual persons failure to submit a timely application was due to factors beyond his or her control namely, the lack of understanding by such individuals of their rights under the Limited Entry Act and of the need to submit an application or be forever barred from pursuing their livelihood; the shortness of the application period, the geographical remoteness of the communities in which such individuals lived from the centers of communication and application assistance, and the misinformation prevalent concerning the standards for eligibility for limited entry permits; and,

WHEREAS, these individuals are now prevented from participating in one of the few only occupations they have known, or that is available to them in their community; and,

WHEREAS, the State of Alaska has an obligation to remedy the injustice caused by the implementation of the Limited Entry Act.

NOW THEREFORE BE IT RESOLVED that the Bristol Bay Native Association supports House Bill 665 and the establishment of a new application period for limited entry permits.

SIGNED _____
President

CERTIFICATION

I, the undersigned secretary of said Association, do hereby certify that the Executive Committee is composed of [illegible] members, of whom [illegible] were present at a meeting this [illegible] day of February, 1980, and that the foregoing resolution was adopted by the affirmative vote of [illegible] members.

SIGNED _____
SECRETARY

JA04 0004 10.07 JA01 0011 10.07 03/04/00

9 #6

TO: MEMBERS OF HOUSE RESOURCES:
REP. OSTLUNDBACK
REP. MILES
REP. ZHAROFF
REP. CARNEY
REP. COTTEN
REP. FULLER
REP. CHATTERTON
REP. ELIASON
REP. HALFORD
FM: C. KELVIN KAMBAK
BOX 426
SITKA, AK. 99835
RE: LIMITED ENTERY
DA
1. WHILE DISCUSSING LIMITED ENTRY PLEASE CONSIDER MY OPTIONS:
--LICENSES ARE FOR HARVESTING RESOURCES BELONGING TO ALL ALASKANS
--PERMITS SHOULD FIRST BE AVAILABLE TO PRESENT AND FUTURE ALASKANS
2. TO INSURE WE HARVEST THIS RESOURCE I SUGGEST:
--ALL PERMITS SHOULD BE RETURNED TO THE STATE WHEN THE HOLDER LEAVES FISHERY
--PERMITS TO BE REISSUED BY LOTTERY. WEIGHTED CONSIDERATION FOR APPLICANTS: TEN YEAR RESIDENT RECEIVES TEN CHANCES. TWENTY YEAR RESIDENT RECEIVES TWENTY CHANCES
---NUMBER OF PERMITS ADJUSTED TO BENEFIT; RESOURCES, PERMIT HOLDERS
3. THANKS FOR YOUR CONSIDERATION. KEEP UP THE GOOD WORK.
SIGNED
C. KELVIN KAMBAK
DK

KENNETH R. HAMM
ATTORNEY AT LAW

P.O. Box 1243
Bethel, Alaska 99559
(907) 543-2385

March 5, 1980

Mr. Bill Miles
Mr. Alvin Osterbach
Co-Chairmen
House Resources Committee
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

RE: HB 665

Dear Mr. Miles and Mr. Osterbach:

I'm an attorney in Bethel who has worked with limited entry problems in the Bethel service area for the past three and a half years, first as an attorney with Alaska Legal Services, and now with Nunam Kitlutsisti. I would like to take this opportunity to make some very brief comments on HB 665.

HB 665 is a very narrow bill aimed at a specific problem: persons who have enough points to obtain a permit but failed to apply in a timely fashion. It is my understanding that the Commission is claiming that the passage of such a bill will result in a flood of new permit holders which will overcrowd the fishery. My experiences do not lend credence to this assertion. During the past three and one-half years I have spoken with approximately 250 individuals concerning the problems they have had with limited entry permits. Out of that number only 10 or 15 would receive permits if a new application period were opened. Although the Commission might expect numerous applications if such an application period were opened, I do not believe that the administrative problem which this would create justifies the continued denial of permits to persons who have enough points but failed to apply in a timely fashion.

These persons who had enough points but failed to apply on time were not at fault. There seem to be two classes of persons who failed to apply on time. The first class consists of individuals who were not physically present in the area during the application period and had no knowledge of the limited entry system or application period until it was too late. The reasons for such absence are varied: military service, higher education, and incarceration are but a few. The second class of such individuals are generally older, fail to understand English, and are culturally and geographically isolated from the Commission's chain of paperwork. Both classes of individuals were long-time commercial fishermen who depended upon the industry for their income and will suffer severe financial hardship if they continue to be excluded from the fishery. I can see no rational justification for continuing to exclude this handful of individuals from the fishery.

The one concern which I have about HB 665 is that it does not go far enough. The bill would simply open a new application period. The bill does not guarantee that persons with sufficient points will receive permits since they are still required to apply for a permit. Needless to say, many of the reasons that persons failed to apply during the original application period, such as linguistic differences, cultural and geographical isolation, and absence from the State, continue to the present day, and it might be expected that these reasons will continue to frustrate the smooth flow of paperwork. Consequently, I recommend that the bill contain a provision that simply requires the Commission to inspect its records and automatically issue permits to those persons with a sufficient number of points. Such a provision would insure that the problem which the bill seeks to address is actually corrected.

In the absence of such a provision, the bill should require a lengthy application period (at least one additional year) coupled with strong outreach requirements insuring that persons with sufficient points are notified by the Commission of the new application period and informed that they appear to qualify for a permit.

Sincerely,

Kenneth R. Hamm

Kenneth R. Hamm
Attorney at Law

cc: [illegible] of the [illegible] Resources Commission
[illegible] Anderson
[illegible] Gardner
[illegible] Gillmor
[illegible] Holmes

March 4, 1980

HB 665

Dear Mr. Osterback,

I am writting to you in the support of the house bill 665. This bill must pass & I hope it does for the sake of us Alaskan Fishermen. We have fished all our lives in Alaska until they came out with this limited entry hogwash. How many of us Alaskans that depends on seasonal fishing to support our families, must work elsewhere for odd jobs which hardly pay to support a family. And most of us fishermen in Alaska are not skilled in most good paying jobs to support our families

Sincerely Yours
Ruben Lincoln
White Mtn. Alaska
99784

TO: ALL LEGISLATORS

FROM: CARL HOKANSON, 100 MCKINLEY, ST. 7A, ANCHORAGE 99504 333 1745

I STRONGLY SUPPORT THE BILL TO SUSPEND TAXES AND TO MAKE CASH PAYMENTS
TO [illegible] CENTS TO CHILDREN SHOULD REMAIN PART OF THIS
BILL. IT IS MEN AND WOMEN WITH DEPENDENTS WHO MOST NEED THE MONEY.
[illegible] FAMILIES SHALL TWO INCOMES NOT WOULD ANY BENEFIT FROM THIS
[illegible].

Sunzie
Please take up

603

John Westervelt
B.O.X 36
Akhiok, Ak. 99551
7- mar. 1980

H. Osterback
Chairman, Fish. Resources
Panel V
Juneau, Ak. 99801

Dear Mr. Osterback,

— I understand they had a meeting in Willingham Mar. 3rd and I cannot. — I might go to that meeting cause it costs hauling mail from Akhiok to Willingham then back to Akhiok. — I had history of commercial license back in 1957, 1960, 1961 1962, 1963, 1964, 1965; 1966, 1967, 1968, 1969, 1970, 1971, 1972 1973 ~~1974~~ 1975, 1976, 1978, 1979, but did not fish in 1974 cause — I was working for Alaska Fisheries in Seattle. — I then — I filled out application for permit in 1974 but, didn't get enough point for permit. — In 1967 I fished in Chignik Area in 1968 or 69 — I fished with my older brother he went then I

→

fished myself at the end or latter part of the season at least two weeks using a company boat. In 1960 right up to 1979 I fished with my father (Earl). I've been trying, trying get my permit. I went to Alaska Legal Services office in Dlg about permit they had told me about having a meeting in Dlg. Mar. 3rd to testify for a permit eventually I didn't go to the meeting they had in Dlg. I hopefully will put another application for a permit.

Sincere
John Westcott

Alvin Ostrosack, Co-Chairman
House Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Mar 13, 1980

Dear Mr. Ostrosack

I support House Bill 665
Cause when the Limited Entry
Permits came in and when I had to
go to work out of town, and I
had my wife take the application
to Alaska Legal Services, and they
told her I didn't have the points
and they told her not to send in
my application in, so she didn't.
and when I got home from out
of town. she told me and I was
late, and then I have sent in my
Application in Juneau. couple of
times. and I get the same Answer
all the time. and now that I am
back. where I was born, and want
to live here. since most of my
Children are on their own. and
the wife want to live here.

our

I have a hard time to make a living, since she dont want me to leave here for more that a time. and that what it takes if I have to work for wages. but if I could fish most of the time. I wont be gone over six weeks then I would be home with her. and the two children that is still home with me.

Sincerely yours.
Vinnie Rolfe

LA34 1562 12.58 JA01 0052 12.58 03/18/80

TO JUNEAU
FROM DILLINGHAM

PLEASE RELAY THE TWO MESSAGE BELOW TO REPRESENTATIVE ALVIN OSTERBACK, CHAIRMAN OF HOUSE RESOURCES COMMITTEE TO BE PRESENTED AS TESTIMONY ON HOUSE BILL 665, LATE FILERS BILLS

FROM: GEORGE SMITH, BOX 36, TOGIAK ALASKA

I'M SORRY I CAN'T MAKE IT FOR THIS HEARING. I HAVE NO WAY OF PAYING MY FARE OVER TO DILLINGHAM AND BACK. I WOULD LIKE TO APPLY FOR A PERMIT.
I CAN'T SPEAK ENGLISH OR WRITE. (THIS MESSAGE WAS TAKEN BY DAVID SNYDER,
ALASKA LEGAL SERVICES FROM GEORGE SMITH)

FROM: PAT KOHLER, JR., ALEKNAGIK, ALASKA

I WAS WORKING ON THE PIPELINE IN 1975. I NEVER GOT ANY PAPERS FROM JUNEAU FOR MY PERMIT. I HAVE BEEN FISHING SINCE 1963, BUT ONLY AS A PULLER SINCE I CAN'T GET MY PERMIT. I WANT THE LEGISLATURE TO PASS THE
LAW SO I CAN APPLY FOR MY PERMIT.

Juneau L.I.O.

Please give a copy to the following Legislators:

Osterback	Fuller
Miles	Chatterton
Zharoff	Eliason
Parnoy	Halford
Cotton	Anderson
Gardiner	Tillion

from Bethel

March 3, 1980

Dear People,

My name is Joseph A. Therchik and I am a Fisherman for many years starting from when I was a young man.

My problem is this, when the deadline came around for applying for permits I was away from home attending training. I heard nothing about this deadline until I returned home to fish in 1976 and the deadline had passed by then. I tried to apply even though it was latebut was denied because the deadline had passed.

I am in favor of this House Bill 665 and feel it should be passed so that people as myself who missed the deadline can get their permits and make a living. If I got my permit I would fish it and this would help me with my many bills as I support my parents.

THANKYOU,

Joseph A. Therchik

JOSEPH A. THERCHIK

RESOLUTION NO. 80-10

A RESOLUTION SUPPORTING HOUSE BILL 665 AND THE ESTABLISHMENT OF NEW APPLICATION PERIOD FOR LIMITED ENTRY PERMIT.

WHEREAS, many rural residents of the State of Alaska, including the Yukon-Kuskokwim Delta region have not received limited entry permits for which they were otherwise qualified, solely because of their failure to submit timely applications to the Commercial Fisheries Entry Commission; and,

WHEREAS, the individual persons failure to submit a timely application was due to factors beyond his or her control: namely, the lack of understanding by such individuals of their rights under the Limited Entry Act and of the need to submit an application or be forever barred from pursuing their livelihood; the shortness of the application period; the geographical remoteness of the communities in which such individuals lived from the centers of communication and application assistance, and the misinformation prevalent concerning the standards of eligibility for limited entry permits; and,

WHEREAS, those individuals are now prevented from participating in one of the few or only occupations they have known, or that is available to them in their community; and,

WHEREAS, the State of Alaska has an obligation to rectify the injustice caused by the implementation of the Limited Entry Act,

NOW, THEREFORE, BE IT RESOLVED that the Lower Yukon/Kuskokwim Aquaculture Association supports House Bill 665 and the establishment of a new application period for limited entry permits.

DATED: 2-28-80

James R. Charlie, Sr.
Vice-President

4

LA61 3995 17.18 JA01 0089 17.18 03/25/80

TO: SENATOR BOB MULCAHY
TO: REPRESENTATIVE FRED ZHAROFF
TO: ALL MEMBERS OF THE HOUSE RESOURCES COMMITTEE
Chairmen

AN EMPHATIC YES FOR HOUSE BILLS 665 AND 808. I AM PERSONALLY ACQUAINTED WITH RESIDENT FISHERMEN SUFFERING HARDSHIPS BY PRESENT LIMITED ENTRY RESTRICTIONS, FROM FALSE PASS TO KETCHIKAN. MYSELF INCLUDED. LET US OLD TIMERS GET BACK INTO FISHING ALASKA.

HAROLD BUMPH
BOX 1215
KODIAK, AK. 99615

LA61 4032 17.30 JA01 0091 17.30 03/25/80

4

TO: SENATOR BOB MULCAHY
TO: REPRESENTATIVE FRED ZHAROFF
TO: ALL MEMBERS OF THE HOUSE RESOURCES COMMITTEE
Chairmen

SIRS:

I WOULD LIKE TO GO ON RECORD OF SUPPORTING HB'S 665 AND 808. THE PAST BILLS WERE TO HARD ON OUR PEOPLE AND THERE SHOULD HAVE BEEN MORE WAYS FOR OLD-TIMERS OF THIS STATE TO QUALIFY FOR A PERMIT - LET'S TAKE CARE OF OUR OWN PEOPLE FIRST. BEING A 32 YR. RESIDENT THESE BILLS ARE OF IMPORTANCE.

YOURS TRULY,
ANTHONY PEREZ
BOX 6
KODIAK, ALASKA 99615

LA61 4047 17.34 03/25/80 JA01 0001 07.36 03/26/80

4

TO: SENATOR BOB MULCAHY
TO: REPRESENTATIVE FRED ZHAROFF
TO: ALL MEMBERS OF THE HOUSE RESOURCES COMMITTEE
Chairmen

I BOB ALDRICH, DIRECTOR OF COUNSELING FOR THE KODIAK COUNCIL ON ALCOHOLISM WISH TO EMPHATICALLY ENDORSE HOUSE BILLS 66[illegible] AND 808. DURING MY FOUR YEARS IN KODIAK I HAVE BEEN OVERWHELMED BY THE INJUST AND BLATENT DISCRIMINATION USED IN ISSUING LIMITED ENTRY PERMITS.

I FEEL THAT IT IS HIGH TIME TO LET "ALASKAN FISHERMAN" FISH IN ALASKAN WATERS.

SINCERELY,
BOB ALDRICH
KODIAK, ALASKA 99615

HB 665

Longview, Wash

Dear Sir

I am writing to respectfully ask for the passage of Bill RE. H B 665 that is coming up for vote. A lot of fishermen from this area have a lot at stake with this Bill.

Thank you very much

Jamie McHugh

NOTE

AFTER FIVE DAYS RETURN TO

Jamie McHugh

ZIP CODE

15¢ OLIVER WENDELL HOLMES

House Natural Resources Committee

HB 665

CITY OF TOGIAK

TOGIAK, ALASKA

RESOLUTION NO. 01

A RESOLUTION SUPPORTING HOUSE BILL 665 AND THE ESTABLISHMENT OF NEW APPLICATION PERIOD FOR LIMITED ENTRY PERMIT.

BE IT RESOLVED IN SUPPORT OF HOUSE BILL 665 THE CITY COUNCIL AND RESIDENTS OF TOGIAK, ALASKA HEREBY STATE THE FOLLOWING:

WHEREAS, many rural residents of the State of Alaska, including the Bristol Bay region have not received limited entry for which they were otherwise qualified, solely because of their failure to submit timely applications to the Commercial Fisheries Entry Commission; and,

WHEREAS, the individual persons failure to submit a timely application was due to factors beyond his or her control: namely, the lack of understanding by such individuals of their rights under the Limited Entry Act and of the need to submit an application or be forever barred from pursuing their livelihood; the shortness of the application period; the geographical remoteness of the communities in which such individuals lived from the centers of communication and application assistance, and the misinformation prevalent concerning the standards of eligibility for limted entry permits; and,

WHEREAS, these individuals are now prevented from participating in one of the few or only occupations they have known, or that is available to them in their community; and,

WHEREAS, the State of Alaska has an obligation to rectify and injutice caused by the implementation of the Limited Entry Act,

NOW, THEREFORE, BE IT RESOLVED that the Togiak City Council and residents of Togiak supports House Bill 665 and the establishment of a new application period for limited entry permits.

APPROVED this 4th day of March, 1980

Andrew Franklin
President

ATTEST:

Anuska T Batilla
Secretary

Residents

David B Nanalook
William P Pungowiyi
Nellie Blue
Henry Tevan

PAGE

Residents:

	NAME:
Togiak	Lucy Mark
Togiak	Emma Agayjak
Togiak	Nancy Evatt
Togiak	Willie J. Agayjak
Togiak	David A. Agayjak
Togiak	Robert Cowdin
Togiak	Annie Kritz
Annie Kamkoff	Annie Mark
David Wassillie	Alfred Henry Timothy Mark
Togiak	William K. Snyder
[illegible] Kritz	William Lockpeluk
Helen M. Andrews	Joe Alexie
Jenny M. Basilla	Richard Toyukak
Timothy Nicholai Sr	Elena Wahgan
Henry Tungan	Jimmy A. Tuluk
Richard Mark	Mary H. Moore
[illegible]	Nicholai
Togiak	Joe Mark
Togiak	Elena Jorgie
Togiak	Mike Jackie

PAGE

Residents:

Sam Desuk (16 Tog.)	Tuck Togusak Tog
Nellie Paul (Togiak)	Fannie Togusak Togiak
Dan Pavian	Togiak
[illegible]	Togiak
Martin Apasik	Togiak Ak
George Chanchyak	togiak Alaska
Frank Sockpuk (Draft Permit School permit.)	Togiak
Walter Kuken	Togiak
Wasili Walker	Togiak
Robert Nicholai	Togiak
Samuel Lee	Togiak
Joe J Brilla	Togiak
Harry M Moore	Togiak
[illegible] Dukuga	Togiak
Louis Dyasuk	Togiak
Andrew Dyasuk	Togiak
Annuska Dyasuk	Togiak
Johnson Dyasuk	Togiak
Martha Echuck	Togiak
Willi T Echuck Sr	Togiak

Residents:

Teddy Coopchiak	Togiak A.K
Natalia Coopchiak	Togiak
Jeb Coopchiak	Togiak A.K.
Joseph Nick	Togiak, AK
Jeb Smith	Togiak, AK
Alice P. Sutton	Togiak, Ak
Moses Nick	Togiak "
Mary Nicholai	Togiak, Ak
Annie Blue	Togiak
Bobby Blue	togiak a a
Wassilie Chuckbrook	Togiak Ak.
Frank P. Petuse	Togiak, AK
Mary K. Petuse	Togiak AK
Johnny Moore	twin Hill
Evan Togusak	Togiak, Ak
Dave Mankoff	Togiak Ak.
Peter Sr. Smith	Togiak Alaska 99678
Samson Myojak	Togiak Alaska 99678
X Anne Myojak	Togiak, Alaska 99678
X Nancy Zachar	Togiak

PAGE

Residents:	NAME
Anuska Ayojiak	Togiak
Helen Ridlon	Togiak
George Smith Sr	Togiak
Charlie Kozenda	
Matilda Kramme	Togiak
Margaret Wassillie	Togiak
Nora E Komakpeak	Togiak Alaska 99678
Mary Ann Wassillie	Togiak, Ak 99678
Clara J Andrews	Togiak 99678
Herbert Brockuk	Togiak 99678
Elizabeth Okitkaya	Togiak, ak 99678
John Nick	Togiak AK 99678
Henry Togiuak	Togiak
Sonny Tikitlig	Togiak
Mary L Daniels	Togiak ak 99678
Willie Nicholai	Togiak
Ewan Kamkoff	Togiak
Mary Ann	Togiak
Joshua Andrew	Togiak.
Doris Pyatuk	

HB665 in favor

Alvin Osterbeck
House Resources Committee
Alaska Legislature
Juneau,

April 19, 1982

Dear Mr. Osterbeck

I have set netted in Cutbank in South Naknek since 1959. I have fished every year since 1959 except for one year in 1972.

When I went to get my permit, the guy who was helping fill them out said if I didn't fish in 1972 I couldn't get my permit. When he told me this, I didn't try to apply for my permit.

Since I am leaving Cove in, I have been fishing with my mother, I would like to fish my own set net site if I could get my permit. I hope I can apply for my permit again.

I live in Naknek, Alaska and have lived here since I was born in 1942.

Thank You

Elaine Ruckle

cc. Nels Anderson

HB 665 - In favor

P.O. Box 125
So. Naknek, Ak.
99670

14 April 1980

Dear; Rep. Osterback

I am writting to let you know that I am infavor of the late files bill # HB665.

I was born and raised in Bristol Bay and fishing was my only income. I went into the marine corps, and was not informed about the limited entry and nothing was sent to me. When I got discharged I could not fish with my own boat like I planned.

I am trying to get a permit under this bill, with the help of Alaska legal services.

Many people in this area support this bill.

Andrew O. Peterson Jr.

HB 665 - in favor

April 17, 1980

Dear Mr. Alvin Osterback,

I am writing in regards to the bill to open a new application period for limited entry permits. It is important to me and my family that we have a permit since I have a family of four and plan to increase in the future. And what my husband makes being a crew member isn't enough to provide sufficiently for the year. We have to ask for subsistance from another source during the winter months to get our food, clothing, and fuel.

The reason I didn't apply for the permit when other people were first applying, I was away in school out in Oregon. Since then I married and have a family of four. It's been six years we've been living here and there, living with

people. We're trying to get settled but it's hard not having a permit. And wanting a home for us. We need a permit very bad. Having one will help us get what we need.

Thank You,

Sincerely,

Mr. Mrs. Paul Panamaroff
Koliganek, Alaska
-99576-

Right now we are living with people in Dillingham. Hopefully we'll be moving to Koliganek after finding if my husband makes enough to build a small house.

Helen M. Chythlook
Box 11
Dillingham AK 99577

April 17, 1980

Alvin Osterback
House Resources Committee
Pouch V
Juneau AK 99811

RE: H.B. 665 - Late Applications
for Limited Entry Permits

Dear Mr. Osterback:

I am writing to you because I support H.B. 665 - Late Applications for Limited Entry Permits Bill. I was denied the privilege of getting my Limited Entry Permit because the Limited Entry Commission said I applied too late. So, I have been using my mother's permit to commercial fish salmon.

Since fishing is my main occupation, I would like to get my own permit, so that I can transfer mom's permit back to her, and be satisfied with myself of owning my own permit.

I only work on C.E.T.A. eligible jobs, when they're available, but at $700.00 a month take-home-pay, that's not very much. The C.E.T.A. monies that I earned have all been "eaten-up' by monthly living expenses. Especially here in Dillingham, house and apartment rents range from $550.00 - $1,000.00 a month. This does not include utilities and heating expenses, or for food, clothing expenses. If it were not for my partial dependance on subsistance foods, I don't think I would make it financially.

It's tough living in small towns and villages. I'm sure you already assume that. A lot of the Native people here in Bristol Bay also use bush airplane taxis to get around and they are all charter rates. We need the fishing money we earn to survive, both financially and economically.

Let me give you a sample village Native family so that you can visualize what village living is really like. Most of the Native persons who were denied permits parents are older, the approximate age of their parents are between 50 to 65 plus. The Native parents, who were never educated, except to 4th grade, live mainly on subsistence foods, such as: salmon, wild berries, wild greens in the summer; moose, late wild berries, fish, ducks in the fall; trout, pike fish, ptarmigan, stored berries, seal in the winter and spring. The parents are getting some monthly public assistance funds from the State--Old Age Benefits, which varie, an approximate amount received per month for both parents could be $400.00 a month, if the parents are eligible.

This Old Age Benefits is the older Native parents monthly income. Again, this money goes for living expenses, such as stove oil, gas, and bush plane fares, as well as food expenses. Could you stretch $400.00 a month on all that with 6 children to feed and clothe and still meet your living expenses?

The above example, is a typical village lifestyle for most of the way the Natives of Bristol Bay life.

Therefore, I strongly urge you to pass the House Bill 665 - for Late Applications for Li ited Entry Permits, for us Alaska Natives who did not get Limited ntry Permits, and feel that something has been taken out from us, the right to salmon fish in our own Bristol Bay waters with the pride that we will have cash for the harsh winter, after the salmon season closes.

Sincerely,

Helen M. Chythlook

Helen M. Chythlook

cc: Fred Torresi, Attorney, Dillingham
Dave Snyder, Alaska Legal Services

HB 665

April 16, 1980

From; Gilly Jacko
Pedro Bay (907)793-8001
Alaska 99647

Subject; H.B. 665-Late Applications for Limited Entry Permits.

To Whom It May Concern;

Dear Sir's,

I want to apply for a limited entry permit. I live in a small village of Pedro Bay Alaska. I have tried to get my permit for several years now, but to date I have not. I fished for Red Salmon cannery for about Ten years. I also fished for Alaska Packers for over Twenty years. I am an old man, but I have lots of children, We live from fishing, I raised my whole family from fishing. I and my family need the chance to live like other people, with a permit. With a permit in the family we can live again, my children are fisherman but without a permit, I had a fishing license before that, the same year it went to limited entry, nobody let me know about it, nobody came here and told me that it went to limited entry. The next year after that we had a fire in the house, and my old licenses were burned up in that fire, then I had nothing to show that I had over therty years of fishing in Bristol Bay. I tried since then to get my permit but its hard for me because I need somebody to help me. The fact is that the reason I did not know to apply for a permit when people were first applying is that I did not know about it, nobody told me you had to apply for it, then that year I went fishing, they said I could not, because I needed that permit, and I have been trying for it since then, but to no progress. If I get my permit, I will not sell it to anyone, I will keep it in my family, for me and Momma, for my Sons, for us to use like we did before in raising our families. I have lots of grandchildren that there papas could work for me for percentage of the catch,. I and my wife, my sons and my son-in-laws, not to mention all my grandchildren need that permit, we make our sole living from fishing, our life is baised on fishing, Please help us, we need to live good again, like other people are souposted to live. Now they tell me to apply again, but it dont look good, we need that permit for this season, for 1980 fish run. Please follow with the House Bill No. 665, We lived our whole lives from fishing, our ancestors lived from fishing, Please help us.
You make your living at what you do best, We also do the same thing as you. If you were told you could not make your living, what would you do then ? We need our living back, Please give it to us.
Please comply at once with this urgent letter, as Me and my family, as humans, need to fish again.

Sincerly Yours,

Gilly Jacko

HB 665

FREDERICK TORRISI
Attorney

Box 10047
Dillingham, Alaska 99576
842-5608

April 14, 1980

Alvin Osterback, Co-Chairman
Resources Committee
House of Representatives
Pouch V
Juneau, Alaska 99811

re: HB 665

Dear Representative Osterback:

After the teleconference hearing on HB 665, during which over 50 persons testified in support of the bill, the United Fishermen of Alaska mailed the enclosed letter to an unknown (but large) number of permit holders. It is my understanding that many of these persons have written to oppose the bill since then. Because the primary beneficiaries of the bill are rural Alaskans, many of whom live in small villages without access to the media, I would like to respond to what I perceive as a misdirected effort by those misinformed by the UFA letter.

First of all, the Commission report which supplied the 560 figure for Bristol Bay drift was refuted by attorneys practicing in Anchorage, Homer, Kodiak and Dillingham at the teleconference. Yet UFA and the Commission continue to use the figure as if it were true, and UFA made matters worse by speaking of 560 new permits as if the bill created rights heretofore nonexistent. In fact, 560 is the maximum theoretical number of such permits possible if absolutely everyone who failed to apply in 1975 did so this time and if the correlation between preprinted (computerized) points and actual points were the same as in the original period. Clearly this would not be true, in that many of the persons failing to apply in 1975 did so because they did not have a chance at proving enough points to obtain a permit. The only ones with enough points to get a permit who failed to apply were those misinformed of the nature and procedure involved--primarily rural Alaskans.

Those of us representing persons failing to apply by the deadline know by experience that most persons who will try to obtain a permit if HB 665 becomes law will fail to prove enough points to do so. None of the nonresidents who have called me in this regard appear to have enough points, and in fact few of the local people seeking drift permits would actually qualify. But those who did miss the opportunity to obtain a permit have suffered a devastating loss, as was evident at the teleconference, and that loss becomes no less of one because 3000 opportunists might also try to take advantage of a new application period. The bill does not change the point system in any way, a point not made by UFA and not understood by the Outside persons who think HB 665 will allow them to receive permits for which they were not--and are not--qualified.

From the beginning, limited entry has been misunderstood by large numbers of those who had to deal with it. As one who was in Dillingham in 1974-75, I can tell you that explaining the concept and application procedure was a formidable task. Many village residents don't understand today what has occurred, and especially older persons. Because the 1975 ADF&G forecast was poor, many local persons ignored the limited entry publicity (such as there was; KDLG was not on the air then, on the assumption that they would apply the following year. Others who had retired didn't apply because they failed to appreciate that a new species of property had been created and that their sons and daughters might not be able to qualify for permits because they lacked the requisite number of points.

In the last five years, many of these people, or their children, have learned what has occurred. While a new application period would not reach everyone, it would place permits in the hands of a sizable number of Alaskans, for whom there exists no alternative source of income. This result is well worth the administrative inconvenience to the Commission caused by re-applying the 1975 point system to new applications; it would appear in any event that the CFEC budget needs to be increased.

Please contact me if you have questions on any of the foregoing. As the UFA letter indicates, there are alot of misconceptions about HB 665, and in fairness to the disenfranchised men and women denied permits, it is necessary to correct these before the Committee votes on the bill

Thank you.

Sincerely,

Frederick Torrisi
Attorney

FT/tm

cc: Nels Anderson, Jr., Majority Leader
Terry Gardiner, Speaker
Senator George H. Hohman
Senator Bill Sumner

UNITED FISHERMEN OF ALASKA

Sharon Macklin
Executive Director

TO: ALASKA'S FISHERMEN

FROM: PHIL DANIEL
Executive Advisor, UFA

Limited Entry is in big trouble! There is a bill before the legislature, that, if passed would create 560 new drift permits in the Bristol Bay drift fishery alone. That would amount to a 30% increase in the number of permits that presently exist in that fishery. Unfortunately, no one knows how many new permits would be issued in the other limited fisheries in the state. These figures are simply not available.

This bill, HB 665, is known as the "late filer bill", and it would establish a new application period for people who failed to apply for permits during the two previous application periods. At least 4,000 people would be allowed to apply. Needless to say, drastic increases in the number of fishermen entering the fishery will most likely result in losses of fishing time.

The United Fishermen of Alaska is trying to ammend the bill to get the numbers down. If that approach fails, we will be forced to try and kill the bill. You should be advised, however, that this legislation has strong support in the legislature.

We need your support! The most effective weapon that UFA has rests on your willingness to make yourself heard. We desperately need a flood of letters and telegrams to key legislators.

Please write or send telegrams to the following members of the legislature: Representative Nels Anderson, Representative Alvin Ott (chairman of the House Finance Committee), Representative Terry Gardiner (Speaker of the House), Senator Clem Tillion (President of the Senate), Senator Bill Sumner, and Senator George Hohman, as well as your local senator and representative. Send your letters addressed to: Pouch V, Juneau, Alaska 99811. It is not possible to overemphasize the importance of doing so immediately!

Please be polite. You should emphasize the fact that there is already too much gear in most of our fisheries, that we cannot afford further reductions in fishing time and that we are looking at dismal price projections for this coming year.

You should also be advised that the UFA's lobbying effort is in financial difficulty. We have tried to raise money for what we assumed would be a major Limited Entry battle this year. The crisis is now upon us, and the money has not come in. Some of you have contributed, and we appreciate your support very much. The fact remains, however, that most fishermen have failed to respond. If you believe that large increases in the amount of gear in your fishery is desirable, then you should do nothing. On the other hand, if you view this bill as a danger, you should send a check to the Limited Entry Defense Fund, c/o the United Fishermen of Alaska, 197 S. Franklin Street, Juneau, Alaska 99801.

If more money does not come in we will be forced to cut down on our lobbying effort.

A personal note: If it becomes necessary to cut back, I will be the first to go. Since there are other things that I would just as soon be doing, it's not such a bad idea from my viewpoint. In my opinion, however, we are in deep trouble, and I am not convinced that we can afford a cut in the lobbying effort at this time.

Phil Daniel

LIMITED ENTRY DEFENSE FUND
c/o U.F.A. 197 S. Franklin St., Juneau, AK 99801

Enclosed is: _____

NAME _____

ADDRESS _____ CITY _____ STATE _____ ZIP CODE _____

COMMENTS: _____

Lucy E. Gloko
P.O. Box 8
Manokotak, AK
99628

April 16, 1980

Nels Anderson Jr.
House of Representatives
Pouch V-- Capitol
Juneau, Alaska 99811

Dear Representative Anderson,

I am in support of HB 665 I am in favor of applying for a entry permit.

I have fished most of my life as a fishing partner and have fished as a set net gear holder. (1964- 1966) Set netting in Bristol Bay has been my only source of income. If I am awarded a permit it would give me back my traditional summerjob. Not having a permit has caused a hardship because i am unable to set net anymore.

I failed to file for a permit since I was not aware of the Limited Entry but until it was to late the following year.

Sincerely Yours;

Lucy E. Gloko

Lucy E. Gloko

cc:
Governor Jay Hammond
Alvin Caterbock
House Resources Committee

RESOLUTION NO. [illegible]

A RESOLUTION SUPPORTING HOUSE BILL 665 AND THE ESTABLISHMENT OF NEW APPLICATION PERIOD FOR LIMITED ENTRY PERMIT.

WHEREAS, many rural residents of the State of Alaska, including the AYK region have not received limited entry permits for which they were otherwise qualified, solely because of their failure to submit timely applications to the Commercial Fisheries Entry Commission; and,

WHEREAS, the individual persons failure to submit a timely application was due to factors beyond his or her control: namely, the lack of understanding by such individuals of their rights under the Limited Entry Act and of the need to submit an application or be forever barred from pursuing their livelihood; the shortness of the application period; the geographical remoteness of the communities in which such individuals lived from the centers of communication and application assistance, and the misinformation prevalent concerning the standards of eligibility for limited entry permits; and,

WHEREAS, these individuals are now prevented from participating in one of the few or only occupations they have known, or that is available to the in their community; and,

WHEREAS, the State of Alaska has an obligation to rectify the injustice caused by the implementation of the Limited Entry Act,

NOW, THEREFORE, BE IT RESOLVED that the [illegible] supports House Bill 665 and the establishment of a new application period for limited entry permits.

DATED: March 13, 1980

James Wilson Mayor

[illegible] Vice Mayor by City of Nyac

[illegible] member

[illegible] member

[illegible] member

[illegible] member

March 5, 1980

P. O. Box 114
Dillingham, Alaska 99576

Representative Alvin Osterback
Chairman, House Resources Committee
House of Representatives
Pouch V
Juneau, Alaska 99811

Representative Nels A. Anderson, Jr.
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Osterback and Anderson:

I would like to present written testimony for the record on HB 665. I am in favor of HB 665 and would like you to read the following information that gives an example of someone who is considered a late filer.

Frank Brothers, my son-in-law began fishing with me in Bristol Bay in 1967. In 1968 and 1969, Mr. Brothers worked in Kodiak as a fisherman. In 1970, he fished my boat because I was disabled and couldn't fish. Following that, he fished as a partner in 1971, 72, and 73. He then went to work on the pipeline. While working on the pipeline, he wrote for information on getting a limited entry permit. He was sent the information and an application. He sent the application back to the Commission and did not receive an answer or acknowledgement of receipt of the application. He wrote again and they wrote back and told him he was too late and that he missed the filing deadline. He figured that he was ineligible and continued to work in the fishery as a boatpuller. In 1976 he reapplied for a limited entry permit, but was refused or denied because he did not meet the filing deadline. Mr. Brothers had enough points, however. The reason his application was denied was because of the filing deadline.

He has worked as a fisherman for many years and has a wife and four children and they are all dependent upon fishing as their main source of income and livelihood.

Is there any way for your people to check on this for me and for my son-in-law Frank Brothers? I would appreciate receiving an answer after you have had a chance to look into this case with the Limited Entry Commission offices. I will be looking forward to hearing from you. Can you please send a copy of my letter to the Limited Entry Commission? Thank you very much for your time and help in this matter.

Sincerely,

Frank Hiratsuka

Frank Hiratsuka, Sr.

For

LA61 3986 17.12 JA01 0086 17.12 03/25/80

10

TO: SENATOR BOB MULCAHY
TO: REPRESENTATIVE FRED ZHAROFF
TO: ALL MEMBERS OF THE HOUSE RESOURCES COMMITTEE,

Halford
Chatto, Hayes, Eliason
Osterback, Miles, [redacted]
Conney, Cotten, Fuller

I CAME HERE LAST YEAR FROM FLORIDA. I CAN APPRECIATE A LIMITED ENTRY PROGRAM MAINLY FOR KEEPING THE "FISH POPULATION" UP.

HOWEVER, IN REGARD TO HB 808 AND 665 I FEEL THAT FAIRNESS AND RESPECT TO THE "OLD TIMERS" HERE HAS BEEN NEGLECTED. THEY SHOULD BE ALLOWED PERMITS SIMPLY BECAUSE THEY ARE ALASKA[illegible]DENTS AND HAVE BEEN FOR SOME TIME. THE INCOME THEY MAKE FISHING STAYS HERE IN ALASKA WHERE AS A LOT OF PERMIT OWNERS TAKE THEIR MONEY BACK TO THE "LOWER 48" WITH THEM. I THINK THESE ALASKANS SHOULD BE ALLOWED PERMITS.

JOHN A. SPRAGUE
KODIAK, AK. 99615

LA61 39e9 17.06 Ja01 0084 17.06 03/25/80

10

TO: SENATOR BOB MULLAHY
TO: REPRESENTATIVE FRED ZHAROFF, ALVIN OSTERBACK, BILL MILES, CHAT CHATTERTON, RICHARD ELIASON, RICHARD HALFORD, PATRICK CARNEY, SAMUEL COTTEN, JOHN FULLER

I FULLY SUPPORT HB 808 AND 665 IN LIMITED ENTRY FOR ALL PIONEER FISHERMAN OF ALASKA DURING THE EARLY DAYS OF ALL THE HARDSHIPS AND THEY DESERVE EQUAL RIGHTS. I BELIEVE THESE TWO BILLS DO PROVIDE.

AS A RESIDENT OF ALASKA OF OVER 30 YEARS AND NOW I LIVE IN KODIAK, I URGE THESE BILLS TO BE PASSED.

FRANK LEE
BOX 3198
KODIAK, AK. 99615

LA34 3392 15.29 JA01 0062 15.29 03/25/80

TO JUNEAU
FROM DILLINGHAM

PLEASE RELAY THE MESSAGE BELOW TO REPRESENTATIVE NELS ANDERSON'S OFFIC
E,
AND REPRESENTATIVE ALVIN OSTERBACK, CHAIRMAN OF THE HOUSE RESOURCES CO
MMITTEE
AND OTHER MEMBERS

THOMAS TINKER CAME INTO THE LEGISLATIVE INFORMATION OFFICE TO URGE SUP
PORT
OF HB665. THE LATE FILERS BILL. HE FISHED MOST OF HIS LIFE AND SERVED
IN
THE MARINE CORPS DURING 1972 TO 1974 AND WAS AWAY DURING THE APPLICATI
ON PERIOD
FOR LIMITED ENTRY PERMITS. HE WOULD URGE THAT THIS BILL BE PASSED FOR
THOSE
PEOPLE WHO MISSED THE APPLICATION THE FIRST TIME AROUND SO THAT THEY C
AN BE
GIVEN A CHANCE TO RE-APPLY FOR LIMITED ENTRY PERMITS. THIS IS THE MAI
N SOURCE
OF INCOME.

FROM: THOMAS TINKER, BOX 26, ALEKNAGIK, ALASKA 99555
E

Nunam Kitlutsisti
P.O. Box 267
Bethel, Alaska 99559

Mr. Bill Miles
Mr. Alvin Osterbach
Co-Chairmen
House Resources Committee
Alaska House of Representatives
Pouch V
Juneau, AK 99811

Re: HB 665

Dear Representatives Miles and Osterbach:

Enclosed please find a petition from residents of Tuntutuliak, Alaska, in support of HB 665 regarding "late" applications for limited entry permits. The petition was mailed to our office and I am forwarding to you.

Sincerely,

Kenneth R. Harm
Fisheries Coordinator

cc: Mr. James Charles
Tuntutuliak

We the citizens of Tuntutuliak, Alaska support the House Bill No. 665 introduced by Rep. Nels Anderson.

James A. Charles
Eddie R. Angapak
Nancy G. Jimmie
John Paila
[illegible]
Peter Joseph Sr.
William Macelli
[illegible]
Katie A. [illegible]
Anna C. Andrew
[illegible]
[illegible] Charles
Annie Joseph.
Leon White
Phyllis White
Martina Chris
Penny Lupie
Dave Enoch
[illegible]
[illegible] Andrew
Willie K. Andrew
Kathy Daniel

City of Napakiak

GENERAL DELIVERY
NAPAKIAK, ALASKA 99634
(907) 543-2062

Mary

Representative Alvin Osterback
House Resource Committee
Pouch V
Juneau, Alaska 99811

March 14, 1980

Dear Alvin:

Enclosed you should find Resolution 80-10 and signed by the City Council of Napakiak. The City Council met with the community on March 13, 1980 and when this Resolution was presented the Council voted to support the Resolution concerning HB 665.

Thank you for accepting this Resolution.

Sincerely,

Fritz J. Willie
City Manager

FJW/men

1 law since 1st input in files

File: FISH & Game

KENNETH R. HAMM
ATTORNEY AT LAW
P.O. Box 1243
Bethel, Alaska 99559
(907) 543-2385

March 5, 1980

Mr. Bill Miles
Mr. Alvin Osterbach
Co-Chairmen
House Resources Committee
Alaska House of Representatives
Pouch V
Juneau, Alaska 99811

RE: HB 665

Dear Mr. Miles and Mr. Osterbach:

I'm an attorney in Bethel who has worked with limited entry problems in the Bethe service area for the past three and a half years, first as an attorney with Alaska Legal Services, and now with Nunam Kitlutsisti. I would like to take this opportunity to make some very brief comments on HB 665.

HB 665 is a very narrow bill aimed at a specific problem: persons who have enough points to obtain a permit but failed to apply in a timely fashion. It is my understanding that the Commission is claiming that the passage of such a bill will result in a flood of new permit holders which will overcrowd the fishery. My experiences do not lend credence to this assertion. During the past three and one-half years I have spoken with approximately 250 individuals concerning the problems they have had with limited entry permits. Out of that number only 10 or 15 would receive permits if a new application period were opened. Although the Commission might expect numerous applications if such an application period were opened, I do not believe that the administrative problem which this would create justifies the continued denial of permits to persons who have enough points but failed to apply in a timely fashion.

Those persons who had enough points but failed to apply on time were not at fault. There seem to be two classes of persons who failed to apply on time. The first class consists of individuals who were not physically present in the area during the application period and had no knowledge of the limited entry system or application period until it was too late. The reasons for such absence are varied: military service, higher education, and incarceration are but a few. The second class of such individuals are generally older, fail to understand English, and are culturally and geographically isolated from the Commission's chain of paperwork. Both classes of individuals were long-time commercial fishermen who depended upon the industry for their income and will suffer severe financial hardship if they continue to be excluded from the fishery. I can see no rational justification for continuing to exclude this handful of individuals from the fishery.

The one concern which I have about HB 665 is that it does not go far enough. The bill would simply open a new application period. The bill does not guarantee that persons with sufficient points will receive permits since they are still required to apply for a permit. Needless to say, many of the reasons that persons failed to apply during the original application period, such as linguistic differences, cultural and geographical isolation, and absence from the State, continue to the present day, and it might be expected that these reasons will continue to frustrate the smooth flow of paperwork. Consequently, I recommend that the bill contain a provision that simply requires the Commission to inspect its records and automatically issue permits to those persons with a sufficient number of points. Such a provision would insure that the problem which the bill seeks to address is actually corrected.

In the absence of such a provision, the bill should require a lengthly application period (at least one additional year) coupled with strong outreach requirements insuring that persons with sufficient points are notified by the Commission of the new application period and informed that they appear to qualify for a permit.

Sincerely,

Kenneth R. Hamm

Kenneth R. Hamm
Attorney at Law

cc: Members of the House Resources Committee
Nels Anderson
Terry Gardiner
Clem Tillion
George Holman

LAW OFFICES OF
ALASKA LEGAL SERVICES CORPORATION
P. O. BOX 181
DILLINGHAM, ALASKA 99576
TELEPHONE 842-5853

March 28, 1980

Representative Alvin Osterback, Co-Chairman
House Resources Committee
Alaska State Legislature
Pouch U
Juneau, Alaska 99811

Re: House Bill 665

Dear Representative Osterback:

Enclosed is a statement in support of HB665 which was submitted to me. Please have this included in the record of proceedings.

I have been speaking with Nels Anderson's office in regards to this bill. I hope to be in Juneau during April for any further hearings before your committee and to help support this bill.

If you have any further specific concerns regarding this bill, please do not heisitate to contact me.

Sincerely,

ALASKA LEGAL SERVICES CORPORATION

David J. Snyder
Supervising Attorney

DBS:ml

Enclosures

RE: Statement in Support of House Bill 665

From: Timothy E. Troll, City Manager, St. Mary's, Alaska.

First I want to thank you for the opportunity to make this statement. I am sorry that I cannot be here personally but my duties in St. Mary's prevent it.

Before becoming the Manager for the City of St. Mary's I was an attorney for Legal Services Corporation in Bethel and spent a large part of my time working to obtain permits for people in this area. I consider the work I did in the area of Limited Entry law to be the most rewarding and most important work I did.

House Bill 665 is needed to correct a grave injustice that has occurred in the administration of the Limited Entry law. I completely disagree with those opinions you may have heard that this law will open the floodgates to new permit applicants. It certainly will not in the AYK fisheries. Regardless, I don't think this consideration the most important. House Bill 665 does no more than implement what is already required by the existing law.

I would like to read to you Section 16.43.270.

> Sec. 16.43.270. Initial issuance of entry permits. (a) The commission shall issue entry permits, for each fishery, first to all qualified applicants in the priority classifications designated under § 250(b) of this chapter and then to qualified applicants in order of descending priority classification, until the number of entry permits issued equals the maximum number of entry permits established under §§ 230 — 240 of this chapter for each fishery, except that no person within a priority classification specified under § 250(b) of this chapter may be denied an entry permit.

You will note that the last sentence in this section says 'that no person within a priority classification specified under §250(b) of this chapter may be denied an entry permit." Referring to §250(b) it says: "The commission shall designate in the regulations those priority classifications of applicants who would suffer significant economic hardship by exclusion from the fishery. The sole criteria established is economic hardship. Time of application is not a factor in determining hardship. As such according to §270(a) any person who has enough points to receive a permit will suffer economic hardship if excluded from the fishery and thus cannot be denied a permit.

On the Kuskokwim that point level is eight (8) and on the Lower Yukon that point level is ten (10). Any person who comes within these point levels cannot be denied a permit under the present law, even if he did not submit a timely application.

To add to the unfairness of using an application deadline to exclude people from the fishery consider that the Entry Commission knew most of the persons entitled to receive permits before it sent out the applications. In many cases the Commission preprinted points on the application and often the points preprinted were enough for a permit. Why didn't the Commission just send a permit? What was the need for having an application at all? Three of my clients at Legal Services had precisely this problem. Each was sent an application with enough points preprinted to receive a permit. By the Commission's own standards these individuals suffer significant hardship by exclusion from the Fishery, yet they are excluded. Their exclusion is at bottom a penalty for not reading or understanding english.

2

Mrs. Farris R. Crookston
286 N. 2650 E.
Layton, Utah 84041

April 1, 1980

Representative Allen Osterbach

Dear Sir:

I have been trying for three years to get my limited entry permit to no avail of course. I was a late filer. Not because I didn't know about filing but because I didn't think I qualified. (See enclosures).

I know you are busy - and I have included most of the correspondence concerning it. If you can't take time to read it all - please read my letters to the Commission and the red lined portions of the last letter from the Commission.

Since then I have called several times and they said they would pull my file and give me a new random - but they didn't. Also I think it is worthy to note that they accepted my check for the permit - told me they would give me a permit, then subsequently did not - but they did keep the check. That has been almost three years. It seems to me that if they kept my money then I should get the permit.

I have fished all my life with my husband on Palmate. I lived in Bonneville since 1965 and still do - I need and desire that permit. Please help me get it.

Passage of SB 66 will ensure ... Please vote for it.

Very hopefully yours,

Farris R. Crookston

August 31, 1977

Gentlemen:

According to your instructions you will not accept this application for an entry permit. I am submitting it irregardless of the instructions and for good reason.

It would have been submitted in the beginning had it not been for confusion created by the commission itself as to who could qualify for such a permit.

I fished side by side with my husband on our set net site since 1965. I had gear license (probably) during the years 1970, 1971, 1972, 1973, 1974. My sons held them from 1965 through 1969 and would have applied for entry permits had not the same confusion you created existed in their minds.

I have never had a commercial license because the law states that a wife fishing with her husband need not have one.

I have never delivered fish in my name because we saw no need for more than one account at the cannery for a family operation. All fish were delivered in my husbands name.

I own half of the set net site and half of the gear.

The confusion of which I speak was generated when we first received application for entry permits. The implication (at least in our minds) was that it would take 20 points to qualify for such a permit and since my husband was the only one with 20 or more points he was the only one of us to apply. Never in our wildest dreams did we ever imagine that 6 points would ever qualify one of us.

About a year ago I wrote and explained some of these things, and rather than a reply, we received a list of names of people who might sell. I don't want to buy one. I want my own. Couldn't you have sent some information at that time and at least tried to be helpful?

My husband phoned the other day and found out the 6 points was all that was necessary to qualify. Weren't we naive not to recognize that the 20 points mentioned would eventually be lowered to 6 points? On that basis, I had three sons and one daughter that may have qualified.

I therefore submit the following application and ask for special consideration because I refuse to believe that the Great State of Alaska is so rigid and unbending that they will not help solve a problem which they themselves generated.

We need one entry permit. [illegible] help us get it.

Respectfully yours,

Sophia [illegible]

S.K.E.

01 A6LH

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

COMMERCIAL FISHERIES ENTRY COMMISSION

POUCH KB - JUNEAU 99811

November 9, 1977

Mrs. Farris Crookston
286 N. 2650 E.
Layton, Utah 84041

Dear Mrs. Crookston:

Governor Hammond has requested that I reply directly to your letter to him concerning your application for an entry permit for the Cook Inlet set net fishery. Please excuse the delay in acknowledging the letter you sent to the Entry Commission on August 31, 1977, along with an entry permit application form. The form you used was for a special group of applicants made eligible under a State Supreme court decision and is part of a different application process. Consequently, it got routed into a different part of the system.

Your letter of August 31st indicates that you did not apply during the original application period which ran from December 19, 1974 through May 1975 because of confusion created by the Commission that caused an implication in your mind that it would take 20 points to qualify for a permit.

Item 8 on the original application form is a box containing the following statement:

> "Any time you have 20 or more verifiable points, you will receive an entry permit and you may skip to part 3 on the reverse side. Since permits may be awarded to those with fewer verifiable points, all other applicants, including those uncertain of points, are urged to complete all lines from 9 - 24."

Page 2 of the general instructions for these applications repeats that information.

Under the cover sheet for the instructions, the first item is a letter from then acting chairman of the Commission, Roy A. Rickey. The third paragraph of that letter begins,

"Should you need assistance in completing the application, do not hesitate to call our Juneau office (area code 907 586-3456) if you cannot find anyone to help you locally." Concerning other points raised in your letter of August 31st:

1) The instructions on pgs. 5 and 6 explain specifically what it is necessary to do to receive credit for active participation as a gear license holder if fish were not landed in your name.

2) The instructions concerning crewman credit on pgs. 7 and 8 explain what is to be done to receive crewman credit in years when you did not fish as a gear license holder.

3) The note at the bottom of pg. 8 of the instructions explains the procedure to be followed if you were a crewman for your husband and not required to have commercial license.

If you were confused, there was an opportunity to telephone or write the Entry Commission, or contact one of its agents, to receive application assistance. Your file does not indicate any such contact with the Commission.

While the application process is admittedly complex, the Entry Commission has made all reasonable efforts to be clear, to dispell confusion, and to provide application completion assistance. It is regrettable that you did not submit an application during the 1974-75 application period. If you can demonstrate that you were clearly misled or erroneously advised by the Commission or one of its agents, then the Commission may be able to accept a late application from you, depending on the nature of the evidence submitted. Given the information currently before the Commission, there is no authority under which we may accept a late application from you.

Sincerely,

Allan Adasiak
Chairman

AA:eb

cc: Jay S. Hammond
Governor

November 16, 1977

State of Alaska
Commercial Fisheries Entry Commission
Pouch RR
Juneau, Alaska

Dear Mr. Adasiak:

It was with a great deal of disappointment that I read your letter dated November 9, however I feel fully justified in asking that you reconsider my case. Fishing Cook Inlet is our life and our lively-hood. What ever else we do during the year is secondary and the day we arrive in Utah at the end of the season is the day we begin our preperations for our return trip back to Kenai. Mr. Adasiak, we need that permit, please help me get it.

There is no new information, no new facts, but may I point out to you some things I feel are worth the consideration of the Commission.

In your letter, which I include here for your convience, you mention that my application was misrouted and that was the reason for the delay in answering. You merely asked to be excused for your confusion, yet I attached a note directly to the application stating that it was a late application and not of the catogory mentioned. If your people were confused by my one paragraph, then try to imagine, if you can, the confusion that we must have felt as we ploughed through 41 pages of instructions, maps and directions, you sent to us. Not to mention the 10 or 12 years of fish slips closing statements and old applications for gear license and etc.. We were confused.

In your closing paragraph you mention that if I can demonstrate I was misled or erroneously advised that you could reconsider my position. I think I can demonstrate that we were clearly misled by the very paragraph (item 8) that you quote as that portion which clarifies the matter. It all boils down to what you communicated or thought you communicated to me, and I didn't think you said what you thought you said. The inclusion of the word fewer makes the whole paragraph highly subjective depending on ones point of view. For example, "a lot of snow" to a person in southern Utah could mean 10 or 15 inches, but a lot of snow to a person in northern Utah would have to mean 10 or 15 feet, and thats a pretty broad interpretation for four simple words.

A person who saw no need for limited entry and was against it would probably have applied after reading item 8 if they had only one point. We felt that limited entry might be a fine thing and talked about the fact that perhaps Alaska had a system that might hold up in court after a couple of failures, and we adopted the position that, and this is in the God's truth, that fewer than 20 points might mean 19 points or maybe even drop as low as 18 points. We never even once considered that it might go as low as 15 points. We felt at the time that I might have 10 or 12 points and never once did it cross our minds that fewer than 20 might some day mean 6.

That brings me to the top of page two of your letter. Having taken the position that we did on item 8 we felt in our hearts that a call to Juneau would only serve to varify our conviction that fewer might mean 18 or 19 points. We did not pursue points 1, 2 and 3 because we felt we had already been defeated by item 8, so naturally there is no record of a phone call or inquiry. We filed for a permit for my husband, put the directions away and considered the matter closed until we learned this summer that 6 points could have qualified me. If this is not a clear cut demonstration of clearly being mislead, however unintentional on your part, then I shall probably never see one.

It is easy for you to look back in retrospect and tell me now what I should have done then, but that is hardly necessary, I can do that.

Another point: Can you honestly say that at the time the document was written that you thought 6 points might qualify a person? If you didn't then your position on item 8 was much like mine, and if you did, then don't you feel you could have made it more clear by indicating that fewer than 20 points could have meant as few as 6 points.

I told the only other fisherman down here, that I know of, that I was reapplying for an entry permit, and his reply was that it wouldn't do any good because one had to have 20 points to qualify. He (Ben Carlson) has fished in Kenai since about 1958, and had the very definite impression that a permit could not be granted with less than 20 points. That was in October of this year, and he got his impression from the same 41 sheets of instruction as I did. I was clearly not the only one who was misled. His address is 92 S. 2nd E. box 234, Richmond, Utah 84321. If you care to contact him or I can get a written notorized statement from him if it would be helpful.

You also mentioned in your last paragraph that if I could demonstrate I was clearly misled by the Commission on one of your agents that you would reconsider my application.

On August 31, 1977 I submitted a letter and application to the Commission asking for consideration on the very matter we are discussing. Sometime later I received a form letter from the Commission acknowledging receipt of the application. The letter stated that the application had been accepted, that my twenty dollars was on deposit and that they hoped to have all of the applications processed sometime in November. It further stated that if I had the necessa " 6 points I would receive an entry permit. If I did not have the necessary 6 points that my money would be refunded to me. Since I had at least 6 points I was fully confident that my entry permit was assured.

May I quote from your closing paragraph, "It is regrettable that you did not submit an application during the 1974-75 application period." This is clearly an admission that I had the necessary points to qualify, otherwise there would be nothing to regret.

Further my son Kent Crookston Star Route 4957 Hoyard Road, Palmer, Alaska 99645, called the Commission to see if he might qualify for a permit. While on the phone he inquired about the status of my application. He was told that my application was received and a special hearing would be held considering it. He too would file a signed notorized statement to that effect for your inspection.

About a week before I received your disappointing letter, Norma Perlman of Kuna, Idaho called me and offered to sell me her permit because she had a buyer for it and wanted to give me a chance to buy it. She had given me first rights of refusual last spring. I told her of the letter I had received from the Commission. She felt as I did, that my entry permit would be forth comming, an so offered her permit to the other party. I mention this to point out how sure I was of the information I received from the Commission. Now I find that the information was erroneous. There will be no entry permit forth comming. I think this demonstrates that I have been given erroneous information by the Commission or one of its agents. I therefore ask that the Commission accept my late application, and that they make a decision in my favor.

I will get signed statements from the two parties and forward them to you for inclusion but feel this letter cannot wait for them now.

I committed no crime in filing late, I ask to be excused for my ignorance or stupidity, or whatever you choose to call it. I cannot offer you any documentation other than that which I have mentioned. My only weapon is the truth and I pray to God that you will recognize it as such. I am a deeply religious person and would offer you nothing else.

I do not seek a permit to resell at a profit, I seek it to use, then pass on to my sons for their use when we turn our set net site over to them at some future date.

I further ask, Mr. Adasiak, that you reverse your decision and that you become my personal champion in convincing the Commission that they should issue me an entry permit.

This probably sounds like I am trying to rationalize for my own short comings, or blame the Commission. Please rest assured that such is not the case. I feel as you do, that the Commission tried in everyway to make the information say what you wanted it to say. Unfortunately that is seldom possible, not necessarily because of the complexity of the system so much as the complexity of the human mind. I only hope I am capable now of conveying to you that which I think I said.

If you can think of anything I might be able to send you that would be of help, please advise me as to the nature of it and I will try and supply it to you.

What more can I say? I rest my case and I thank you very much.

Respectfully yours,

Harris Crookston

01 A6LH

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

COMMERCIAL FISHERIES ENTRY COMMISSION

POUCH RB - JUNEAU 99801

November 30, 1977

Mrs. Farris Crookston
286 N. 2650 E.
Layton, Utah 84041

Dear Mrs. Crookston:

We are most sorry to inform you that the Commission cannot under the Limited Entry Law and regulations accept your late application for a Cook Inlet set net entry permit.

The Commission is authorized to issue 686 entry permits for the Cook Inlet set net fishery. By regulation, an application period extending through April 18, 1975 was established in which applications were accepted. An additional application period for selected individuals not included in the original application period was later ordered by the Alaska Supreme Court. Only where an application was lost in the mail, or where the Commission erred in advising an individual, has the Commission deviated from these application periods. The reason for an application period may not be readily apparent: it is because until all applications are finally before the Commission and processed, no final decisions on the point level of issuance can be made. All permits for the Cook Inlet set net fishery have now been issued.

The Commission cannot accept the proposition that it misadvised you in its statements in the application form and accompanying instructions. We recognize that the application was complex; this was caused primarily by the complexity of the law itself, by the requirement that we obtain all information relevant to an applicant's qualifications, and by the fact that the application was necessarily designed to apply to applicants for 19 different salmon fisheries.

To be quite frank, the Commission had no idea what number of points would be required for issuance of a permit for each of the 19 salmon fisheries addressed by the application form. The issuance level simply was contingent upon too many factors over which the Commission then had no control or knowledge, including:

- the Commission did not know how many eligible fishermen would apply for their permit
- the Commission had no computerized form of data for years prior to 1969
- the Commission had no accurate information concerning the number of applicants that would qualify for set net site ownership
- the Commission had no data for estimating the number of crewman participation points that would be awarded
- the Commission was unable to project what portion of the entry permit applicants would qualify for income dependence points

In short, the issuance level would not be known until all applications were finally processed. We did, however, encourage every eligible applicant to apply for his or her entry permit.

It is also most unfortunate that you did not contact the Commission during the application period to obtain assistance in determining your actual point qualification. According to the information you have to date given us, together with existing state records, it appears that you would have qualified for in excess of 20 points, and thus would have received a permit at the outset. You did hold gear licenses each year from 1965 to 1972, and apparently fished with your husband during all the time he fished. This represents 16 points. You also fished with him each year in at least a crewmember capacity (by assisting the fishing operation) in each year from 1965 to 1966. For this you would have received four points. You also qualified for at least four points for investment in set net gear and site, as you apparently recognize. This is a total of 24 points, and we have not addressed the possibility of income dependence points (a potential of 10 points).

Furthermore, based just on the information you apparently had during the application period, it appears you could have demonstrated qualification for 18 or more points (which you believed to be within the realm of possibility). You knew you had a gear license in 1970 and 1972 (since you sent us these licenses), and that you had participated at least as a crewman every other year

from 1965 to 1971. This is a total of 14 points. You also knew that you qualified for at least four points for site and gear ownership, or four more points. This equals 18 points without any consideration of potential points for income dependence upon the fishery.

We can understand your distress at finding that you would have qualified for an entry permit had you applied, but the Commission has no other choice at this time. I am sorry we cannot be of assistance to you.

Sincerely,

John N Garner
Commissioner

LETS GIVE THEM A CHANCE NOW!

VOTE FOR HB665

City of Kotzebue
Kotzebue, Alaska
99752

The Honorable Representative Helen Peterkin
Alaska State Legislature
Room V
Juneau, Alaska 99811

CITY OF KWETHLUK

RESOLUTION NO. [illegible]

RECEIVED 4-9-80

A RESOLUTION SUPPORTING HOUSE BILL 665 AND THE ESTABLISHMENT OF NEW APPLICATION PERIOD FOR LIMITED ENTRY PERMIT.

WHEREAS, many rural residents of the State of Alaska, including the Yukon-Kuskokwim region have not received limited entry permits, for which they were otherwise qualified, solely because of their failure to submit timely applications to the Commercial Fisheries Entry Commission; and

WHEREAS, the individual persons failure to submit a timely application was due to factors beyond his or her control; namely, the lack of understanding by such individuals of their rights under the Limited Entry Act and of the need to submit an application or be otherwise barred from pursuing their livelihood; the shortness of the application period; the geographic remoteness of the communities in which such individuals reside from the locations of information and application centers; and the unusual conditions prevalent during the fishing season which made it impossible for many to enter permits; and

WHEREAS, these individuals are now precluded from participating in the new or only experimental fisheries, even though they have fished, or their livelihood is available to them in these areas; and

WHEREAS, the State of Alaska has an obligation to restore the losses occasioned by the implementation of the Limited Entry Act;

NOW, THEREFORE, BE IT RESOLVED that the State Legislature supports House Bill 665 and the establishment of a new application period for limited entry permits.

PASSED and APPROVED this [illegible] day of [illegible], 19[illegible]

[illegible]
Mayor

ATTEST: [illegible]
City Clerk

[illegible]
City Administrator

City of Kwethluk
Kwethluk, Alaska 99621

The Honorable Representative Chet Long
Alaska State Legislature
[illegible]
[illegible]

RECEIVED
4-9-80

CITY OF KWETHLUK

RESOLUTION NO. 80-[illegible]

A RESOLUTION SUPPORTING HOUSE BILL 665 AND THE ESTABLISHMENT OF NEW APPLICATION PERIOD FOR LIMITED ENTRY PERMIT.

WHEREAS, many rural residents of the State of Alaska, including the Yukon, Kuskokwim region have not received limited entry permits for which they were otherwise qualified, solely because of their failure to submit timely applications to the Commercial Fisheries Entry Commission; and

WHEREAS, the individual persons failure to submit a timely application was due to factors beyond his or her control; namely, the lack of understanding by such individuals of their rights under the Limited Entry Act and of the need to submit an application or be forever barred from pursuing their livelihood; the shortness of the application period; the geographical remoteness of the communities in which such individuals lived from the centers of communication and application assistance, and the misinformation prevalent concerning the standard of eligibility for limited entry permits; and

WHEREAS, these individuals are now prevented from participating in one of the few or only occupations they have known, or that is available to them in their community; and

WHEREAS, the State of Alaska has an obligation to rectify the injustice caused by teh implementation of the Limited Entry Act;

NOW, THEREFORE, BE IT RESOLVED that the State Legislature support House Bill 665 and the establishment of a new application period for limited entry permits.

PASSED and APPROVED this [illegible] day of [illegible], 19[illegible].

[illegible]
Mayor's signature

ATTEST: [illegible]
City Clerk

[illegible]
City Administrator

HB665

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K-STATE CAPITOL
JUNEAU, ALASKA 99811

465-3600
April 25, 1980

Representative Nels A. Anderson, Jr.
Eleventh Legislature -
Second Session
Pouch V
Juneau, Alaska 99811

Re: HB 665

Dear Representative Anderson:

Yesterday, at House Resource Committee Hearings on HB 665, you requested that this department prepare a legal opinion on the constitutionality of that legislation. The legislation would provide for a second application period for fisheries currently placed under limited entry, and would allow the commission to exceed the maximum numbers established in AS 16.43.230-240 to accommodate additional permits issued under the legislation.

As I informed the committee orally yesterday, the legislation suffers no clearly fatal constitutional deficiency. There is, however, a constitutional question which the legislation raises which cannot be disregarded. Under existing law, the commission sets issuance levels for each fishery according to its point system -- that issuance level reflecting the number of permits which can be issued in a particular fishery without exceeding the maximum numbers established pursuant to statute. For example, if the maximum

CC-CBLM

number for a particular fishery is 1,000, and the commission determines, after reviewing all the timely applications, that 1,000 persons have finally been classified at 17 or more points, the issuance level will, of course, be 17.

The maximum number, in turn, is set at historical gear intensity levels. AS 16.43.230-240. In light of the Alaska Supreme Court's recent decision in CFEC v. Apokedak, _____ P.2d ____ (Op. No. 2011; February 5, 1980), we believe there is little question that it is constitutionally permissible for the legislature to initially freeze gear intensity in a particula fishery to historical levels. Since the commission's point system had been previously upheld by the court (Younker v. CFEC, 598 P.2d 917 (Alaska 1979)), there would appear to be no question that the commission may properly distinguish, in our hypothetical fishery, between persons with 16 points, and persons with 17 points, as long as the issuance level is tied to the maximum numbers established in §§ 230-240.

Under HB 665, however, testimony before the committee indicates that no one knows how many additional permits, above the maximum number, may be issued if the legislation passes. As a result, the distinction between those with 16, and those with 17 points may become blurred if substantial numbers of additional permits are issued by legislative choice. Thus, a person with 16 points may now be able to argue that the legislature has voluntarily abandoned the maximum number concept, and has not replaced it with any other independently

derived gear intensity figure which would justify an issuance level of, again, 17.

A response, of course, would be that the Act already envisions that maximum numbers may be exceeded in order to accommodate all those gear license holders who would suffer significant hardship by exclusion from the fishery. AS 16.43.250(a). Since the legislature has already, properly, accommodated this type of "hardship" in the point scheme, it is likewise competent for the legislature to accommodate the perceived "hardship" created by the legislature's previous establishment of application deadlines. The analogy is less than clean. First, under HB 665, late applicants would be eligible for permits at the issuance level, rather than at the "significant hardship" level. Second, even if this aspect of HB 665 were amended, in most fisheries the bill would result in the maximum numbers being exceeded for reasons other than the accommodation of those who have demonstrated significant hardship, since, under the bill, those with less than 20 points would be able to retain their permits, even if the consequence of that retention was the substantial exceeding of the maximum number.

Again, it is difficult to judge the likely success of this argument. The legislature should retain substantial flexibility to adjust any particular piece of legislation to deal with a particular problem which arises after the fact. We would hope, after the supreme court's decision in CFEC v.

Apokedak, supra, that the law is no different in Alaska. Whatever the ultimate resolution of this question by the supreme court, we would be less than honest in failing to note that some in this state have been less thar restrained in their eagerness to initiate litigation concerning limited entry. This department currently handles some 150 limited entry law suits, and, although recent court decisions have substantially reduced our incoming case load, the cold fact remains that there is a tendency in this state to grope for grounds for litigation on this program, regardless of the merits of the arguments concocted. */ As a result, this department is, perhaps, overly conservative in its concern over any legislative initiative which would raise additional legal issues -- irrespective of their weight.

In sum, we believe that the better view of the law is that HB 665 is constitutional. In all likelihood, however, it will result in additional litigation. First, litigation may arise with respect to the issue that I have described in this letter. Second, this legislation envisions a second application period, with, of course, a second application deadline. We haven't the slightest doubt that the same

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*/ Much of this litigation involves late application cases where inadequate notice was alleged. Three separate superior courts have ruled that the commission clearly satisfied any conceivable notice requirement.

complaints raised with respect to the initial application period will also be raised with respect to the second application period established by the legislature -- regardless of the efforts taken by the commission to notify persons of the pendency of this deadline. As you are awar , the efforts arranged by the commission, with respect to providing notice of the initial application deadline, in large part through the Bristol Bay Native Association in your area, were undertaken because many concerned parties believed, and represented through a consent agreement with the state, that these steps would be adequate to notify potential applicants. For some reason, many of those parties no longer believe those efforts were adequate. Given this course of conduct, we are deeply concerned that a second, unfortunate round of fault finding may well occur with respect to the efforts which would be initiated under this bill.

If you have any further questions, please feel free to contact me.

AVRUM M. GROSS
ATTORNEY GENERAL

By: Jonathan K. Tillinghast
Assistant Attorney General

JKT/jb
cc: Representative Al Osterback
John Williams, Commissioner
CFEC

HB 665 rec'd 4/25/80

ALASKA LEGAL SERVICES CORPORATION
P O BOX 130
DILLINGHAM, ALASKA 99576

April 28, 1980

Alvin Osterback, Co-Chairman
House Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

RE: HB 665

Dear Representative Osterback:

I have just received a copy of an opinion letter dated April 25, 1980 from Jonathan Tillinghast of the Attorney Generals office which finds that HB 665 would be constitutional. Mr. Tillinghast's comments at the April 24th hearing were somewhat ambiguous and I thought you would want to know his final opinion.

Mr. Tillinghast states that there is a possibility that there will be additional litigation which of course is true for any piece of legislation. However, the constitutional questions do not seem to be significant and the Bill is clearly constitutional as now written.

The only change that we have proposed to the bill as written is to prohibit issuance of permits to persons who would suffer only "minor economic hardship" by exclusion from a fishery as defined by the Commercial Fisheries Entry Commission. This would be accomplished by adding the following words after the second sentence of Section 3 of the bill:

", except that no permits shall be issued to persons who would suffer only minor economic hardship from exclusion under A.S. 16.43.250(c)."

PROPOSED AMENDMENT

I appreciated the opportunity to be able to address the Committee on this issue which is of paramount concern to the rural citizens of this state. I would like to reiterate my support for this bill and my belief that no adverse impacts will be felt by fishermen or the fishery.

If you have any further questions concerning this legislation, please feel free to contact me.

Sincerely yours,
ALASKA LEGAL SERVICES CORP.

David B. Snyder

David B. Snyder
Supervising Attorney
cc: House Resource Committee Members

HB665

Rural Alaska Community Action Program, Inc.

CPC RESOLUTION #80-1

ENTITLED: "In Support of HB 665"

WHEREAS, Representative Nels Anderson has introduced Legislation (HB 665) which would permit certain individuals to file applications for Limited Entry Permits, in spite of the fact that certain deadlines have passed; and,

WHEREAS, one of the identified problems with the present Limited Entry Statute is that many Alaskan Residents, primarily rural residents, were denied the opportunity to apply during the allotted time; and,

WHEREAS, although estimates vary as to the number of persons who may qualify for Entry Permits under the terms of the Legislation, it is safe to say that the overall impact would be minimal, especially in light of the demonstrated biological recovery of the Salmon Resource;

now, therefore be it

RESOLVED: That the Citizen's Participation Conference does hereby support and endorse HB 665, and urges the Alaska Legislature to pass said bill.

DATED this 20th day of March, 1980, in Juneau, Alaska.

Gordon Jackson

Gordon Jackson, President
RurAL-CAP Board of Directors

Phil

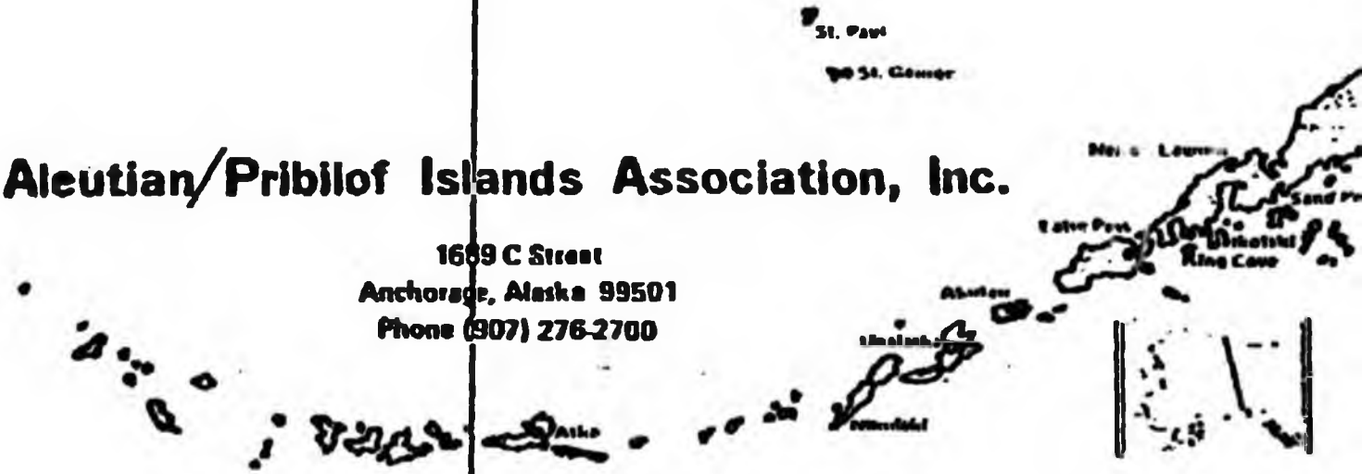
Phil Smith, Director
RurAL CAP

Administration • P.O. Box 3-3908, Anchorage, Alaska 99501 • (907) 279-2511

HB665

Aleutian/Pribilof Islands Association, Inc.

1689 C Street
Anchorage, Alaska 99501
Phone (907) 276-2700



Resolution #80- 2

A Resolution Supporting House Bill 665 and the Establishment of a New Application Period for Limited Entry Permits.

WHEREAS: Many rural residents of the State of Alaska, including the Aleutian Peninsula region have not received limited entry permits for which they were otherwise qualified, solely because of their failure to submit timely applications to the Commercial Fisheries Entry Commission; and

WHEREAS: The individual persons failure to submit a timely application was due to factors beyond his or her control: namely, the lack of understanding by such individuals of their rights under the Limited Entry Act and of the need to submit an application or be forever barred from pursuing their livelihood; the shortness of the application period; the geographical remoteness of the communities in which such individuals lived from the centers of communication and application assistance, and the misinformation prevalent concerning the standards of eligibility for limited entry permits; and

WHEREAS: These individuals are now prevented from participating in one of the few or only occupations they have known, or that is available to them in their community; and

WHEREAS: The State of Alaska has an obligation to rectify the injustice caused by the implementation of the Limited Entry Act,

NOW THEREFORE BE IT RESOLVED, that the Aleutian/Pribilof Islands Association, Inc. supports House Bill 665 and the establishment of a new application period for limited entry permits.

PASSED this 14th day of February, 1980

ATTEST:

Secretary

Chairman, Board of Directors
Aleutian/Pribilof Islands Association, Inc.

To: House Resources Committee
re: HB 665
April 24, 1980
from: David B. Snyder, Alaska Legal Services, Dillingham
Fred Torrisi, Dillingham

a. The persons affected.

In 1975, the Commercial Fisheries Entry Commission began the implementation of a unique program of limiting entry into Alaska's fisheries. That year, 13 salmon fisheries were limited. Applications were accepted through May 18, 1975. Except for persons proving postal error or Commission misadvice, no-one who failed to apply for an entry permit by the deadline has been able to fish in any of these fisheries as a gear license holder since then.

A separate application period was established for the Arctic-Yukon-Kuskokwim areas in 1976. In this area also, a number of persons eligible for permits under the Limited Entry law failed to apply and lost forever their right to harvest salmon as a gear license holder.

It is our sincere belief that most of the persons who met the hardship standard for entry permits established by AS 16.43.250 but who failed to apply, were Alaska residents. The Commission, faced with the task of reaching thousands of widely scattered fishermen, mailed cards to those persons whose eligibility could be programmed on its computer, and issued press releases which were widely disseminated in newspapers and radio. But no radio station was in operation in Bristol Bay until after May 18, 1975, and no newspaper of general circulation exists even now.

In retrospect, it is apparent that a much longer application period should have been held. When the Alaska Native Claims Settlement Act was passed, 2 years was given to enroll everyone and Congress later passed a late application law to catch those who were missed. The Commission could have held the application period open for a long time while simply requiring that permits be obtained prior to actually fishing. Instead, understandably anxious to begin the final classification of applicants so that the issuance level of the point system could be determined, a shorter period was used (less than six months) and people missed the cut-off date.

The 1975 application period was fraught with problems. Former Commissioner Jay Stovall, in a letter dated February 5, 1980, recalls that he told an eligible set net fisherman in Bristol Bay that he had virtually no chance for a permit because he didn't have enough points. In fact, so few eligible persons applied in that fishery that everyone received a permit. Others recall hearing that 20 points were required for a permit; in fact, 20 points guaranteed a permit. This was the first year of a novel program and many mistakes were made.

The ADF&G forecast for the Bay in 1975 was very bad. Those electing not to fish often didn't realize that they needed to apply in order to fish in future years. After generations of applying for licenses annually, it took some families some time to realize what the concept of limited entry was all about.

The Commission did outreach to contact people, but it took hours just to complete one application even after one was familiar with the 40 page instruction booklet. The literacy rate in western Alaska is among the worst in the country,

and a large percentage of people either don't understand English at all, or speak it as a second language.

Older persons were especially likely to miss the deadline, because they didn't understand the fact that their daughters and sons would not necessarily be able to obtain permits on their own. Of the more than 200 late applicants represented by Alaska Legal Services, many are older Alaska Natives who do not read (or often speak) English.

Other persons failed to apply because they didn't get any notice at all. Some were away at school, others in the military. Still others filled out the cards requesting applications and thought that the card itself was the application. But whatever the reason, it is apparent that the less sophisticated, the poor and the uneducated were the ones most often losing the permits.

b. HB 665

The bill before the Committee does not change the point system or make anyone eligible for permits who was previously ineligible. It does not "open things up." What it does is allow the Commission to exceed the "maximum numbers" to accept late-filed applications, until December 31, 1980.

The "maximum numbers" represent the amount of gear in the water during the highest year between 1969 and 1972. For example, in the Bristol Bay drift fishery the maximum number was 1669 (although there are about 1700 permits issued for that fishery for various reasons including the Isakson Supreme Court decision). The optimum number of units of gear (AS 16.43.290) has not been determined for any fishery, nor has the buy-back authorized by AS 16.43.310 been implemented. It is possible that the optimum number may exceed the "maximum" number in some fisheries; the United Fishermen of Alaska are supporting a bill (HB 1015) to issue new permits in those fisheries which have "recovered" since 1975.

If the improved management techniques and the 200 mile limit do not result in Alaska's fisheries being able to support more gear (a questions perhaps as much related to marketing as biology), then the buy-back is the remedy--not denying permits to those who depend on fishing for their livelihood.

c. Testimony prior to 4/24/80.

Approximately 50 persons testified at the teleconference hearing held March 3, 1980, and no-one testified against the bill. Persons failing to apply explained what happened to them and the consequences during the last five years. Clearly this is a bill which will benefit these Alaskans far more than will the tax repeal or distribution of oil wealth; this bill will return to them their chosen occupation.

The letters and telegrams since that date have been somewhat divided on the bill, but in numbers they overwhelmingly support it due to the presence of numerous resolutions and petitions. Village councils of several western Alaska villages have passed resolutions supporting the bill, and the City of Togiak filed a petition signed by about a hundred residents. The Aleutian-Pribilof Island Association, Inc., the Kodiak Area Native Association, the lower Yukon-Kuskokwim Aquaculture Association, the Rural Alaska Resources Association

and the Bristol Bay Native Association all passed resolutions supporting the bill, and the Citizens' Participation Conference held in Juneau endorsed it as well. It is significant that organizations and municipalities of the region primarily impacted by the bill support it (in this writer's examination of the letters written against the bill, only two were found from residents of western Alaska).

d. The number of permits likely to be issued.

Anyone fishing as a gear license holder between 1960 and 1972 is eligible to apply for a permit. The point system is then used to determine if one will qualify for a permit. Because applications have not been processed for those not applying before the deadline, it is impossible to predict exactly how many new permits will be issued.

It is, however, possible to perceive certain factors and draw inferences with respect to the number of permits likely to result. Because the Commission has attempted to do this in its memorandum of 2/25/80 for the Bristol Bay drift gillnet fishery, some discussion of this fishery may be instructive.

According to computer records some 813 eligible applicants failed to timely apply for permits for this fishery. As noted earlier, many of these persons had the belief that 20 points were required for permits and elected not to apply. It is our opinion that the magnitude of the problem is illustrated by the fact that so many eligible persons failed to apply--but it does not follow that several hundred permits will be issued in this fishery if HB 665 becomes law.

The Commission memo states that its computer has information verifying only 9 eligible applicants at 17 points or more (the issuance level in this fishery), but goes on to postulate 551 will end up proving 17 points. This of course assumes that everyone applies in a second application period, an assumption clearly invalid, although it is again impossible to state exactly how many would in fact apply.

But more importantly, the Commission's second assumption is also erroneous. Although only 37 persons have more than 11 points (according to computer info), and 634 have less than 6 points, the Commission assumes 551 will obtain permits by projecting actual point totals by analogy to the class of persons who in fact applied in 1975. That correlation, while placing an upper limit on permit awards is clearly inapplicable directly to non-filers because many non-filers in fact made conscious decisions not to apply because they did not have very many points.

It is not a contradiction to say a) the application period failed because a lot of people failed to apply, and b) most of those people won't qualify for permits. In the ideal system, all eligible persons will apply and those who qualify will receive permits. But if two fishermen receive applications with -0- preprinted points and one has fished all his life and the other fished only one year, the former is far more likely to apply--leaving the latter on the computer run of eligible persons who failed to apply. For those who did not comprehend the nature of limited entry or received no actual notice--the persons this bill seeks to help--the correlation is true; but for that large group of more informed persons who knew they had little chance of qualifying for permits, it is not.

In three fisheries, so few applications were received that permits were issued at -0- points. We suggest that section 3 of the proposed bill be amended by adding, at the end of the second sentence, the words "except that no permit shall be issued to persons who would suffer only minor hardship from exclusion under AS 16.43.250(c)." This would require, for example, that permits only be issued in the Bristol Bay set net fishery to those proving more than 6 points. Those suffering hardship were supposed to receive permits; those suffering only minor hardship can properly be excluded in those fisheries for which the maximum number has been reached.

e. Administrative burden on the Commission.

The Commission is administering a program of tremendous importance to Alaskans, and it should be funded in an amount sufficient to enable it to do its job. The amount of outreach assistance spent in Bristol Bay in 1975 was less than the present value of one drift gillnet permit there.

The fiscal note submitted with this bill includes a substantial amount to clear up the Commission's backlog of cases; if it is funded in the amount requested, it should be made clear that applicants under the new application period should receive permits to which they are entitled expeditiously.

f. Conclusion.

It is true that some persons will receive permits under this bill who consciously elected not to apply for them in the original application period. It is also true that in some years, in some fisheries, there will be an increased amount of gear in the water when there shouldbe less.But neither of these reasons is sufficient to refuse to award permits to the persons who testified at the teleconference and who inhabit virtually every village of southwestern Alaska. The "maximum numbers" are a completely arbitrary set of gear limitations which were selected as a starting point to limit entry; the Commission has yet to determine optimum numbers. While everyone excluded by limited entry may cry for a change, one group stands out as equitably entitled to their permits as the intended beneficiaries of the original act: those who would suffer hardship by exclusion from the fishery for which they were eligible. HB [illegible] would rectify this inequity. If the State's marketing efforts fail, or if the determination is made in a given fishery that the resource cannot support the number of units of gear in the water, then the buy-back provisions of the statute should be implemented. Neither of these conclusions is evident at this point, and it is unfair to penalize qualified fishermen by forever excluding them from the fishery.

Against

HB665

TELEGRAM

ALASCOM, INC.
PHONE: 586-6442
JUNEAU, AK 99802

B 02235 NL TDA EKWOK AK 187 04-28 418P AST

PMS REP ALVIN OSTERBACK

JUNEAU

JOHN AND VALERIE YUKLUK OF EKWOK SUPPORT HB665 LATE APPLICATIONS FOR LIMITED ENTRY PERMITS. OUR FUTURE DEPENDS ON THIS BILL I JOHN YUKLUK AND THE SON OF SIMEON YUKLUK AND BROTHER OF STEPHAN YUKLUK WE WERE ELIGIBLE FOR PERMITS BUT DIDNT APPLY BECAUSE MY FATHER COULDNT READ OR SPEAK ENGLISH. MY BROTHER WAS IN JAIL DURING THE APPLICATION. I FISHED MOST OF MY LIFE AS A DECKHAND WITH MY FATHER AND BROTHER AND OTHER PEOPLE AND I WOULD LIKE TO BE ABLE TO APPLY FOR MY FATHER OR BROTHER PERMITS SINCE THEY ARE BOTH DECEASED. I WAS IN SCHOOL AT MT EDGECUMBE DURING THE FILING PERIOD. SINCERELY

JOHN AND VALERIE

APR 28 PM 9 18

April 16, 1980

House Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Sirs:

I do not support H.B. 665 for the following reasons:

With a possibility of larger boats after December 31, 1981 in the Bristol Bay area, the outer limits will probably have to expand to fit the needs of the larger fleet.

With the amount of gear in the water now it is ortrageous. With excess gear it will be worse than maggots, especially when the runs are in certain areas and most of the fleet concintrates in that area.

I feel people selling thier permits, the state should have fisrt priority. Then lease the- to the people who depend or have a hardship if they depend on the fishery for cash economy. Of course at a low price, or depending on the catch. Then after the permits have been paid off by leasing each year, issue them to the qualified people who depend on the fishery for a living. For your information I do not have a permit, and do not wish to obtain one at this time. I am a fishing partner though.

Sincerely,

Marilyn Nelson

Marilyn Nelson

MN/mn

Thomas H. Wagoner
Box 3969
Kenai, AK 99611

April 3, 1980

Alvin Osterback
Pouch V
Juneau, Alaska 99811

Dear Sir:

In reaponse to HB 665, I would like to express my opposition to this bill based upon the following reasons:

1. I have watched the fishing time become less and less in the Cook-Inlet during the last ten years.

2. Since limited entry began, fishermen have been able to improve their equipment by investment in newer and safer boats, many of which have been financed by State loans, if HB 665 passes our fishing time will be diminished accordingly and the State of Alaska may be the owner of a rather large fleet of modern gillnetters.

3. Prices being quoted today surely will be a large economic blow to most of the Gillnetters in Alaska without having fishing time reduced by the addition of more permits to various areas.

One thing that stands out more than any other factor when reviewing the limited entry program is: This program is presently working, so give it a chance to totally succeed. I am not requesting total immunity from scrutiny since all programs should be subject to a critical review from time to time; however, with this in mind, please be reminded that many areas, such as Cook Inlet where I fish, produced fish enough to average $18,000 to $22,000 gross income per boat in the drift fleet during 1978 which was the best season in the last 20 years.

Respectfully,

Thomas H. Wagoner

3-27-80

Dear Sir -

I am writing to protest bill HB665. I feel there is already too much gear in most of our fisheries so that we cannot afford further reductions in fishing time. We are also looking at dismal price projections for this coming year. It is hard enough making a living at fishing, please do not make it harder!

Sincerely -

Tom Pirtle
Box 774
Cordova AK
99574

Re: HB 665

3/26/80

Dear Rep. Osterback:

As a life time fisherman & one who was granted one limited entry permit (SE Seine) and who saved and worked hard in order to purchase another (power Troll) & thus broaden my fishing activities I urge you to seriously consider NOT increasing the no. of permits

Fishermen in SE AK have already been severely restricted in area openings, fishing time, gear & now are experiencing huge fuel price increases (1st mile) along with depressed prices for our fish. The forecast for a poor SE Seine year plus perhaps tighting of limit Seiner restrictions does not brighten the picture.

Having entered other fisheries (i.e. longline) I find the same problems is already developing in

That area.

Obviously There are some Tough years ahead – Those of us who will Keep fishing regardless because this is what we done to do world just like a fighting chance to make a living.

Sincerely,
Mac Johnson

P.O. Box 929
Sitka Ak 99835

JAGC 0002 14:07 JAGC 9103 14:08 03/06/80

TO: ALL LEGISLATORS
FOR [illegible] SESSION

THE FOLLOWING IS FROM ROGER INGMAN, COMMERCIAL FISHERMAN, 7316
GLACIER, CRAIG, KETCHIKAN, ALASKA 99901
AS A COMMERCIAL FISHERMAN I AM CONCERNED ABOUT THE IMPACT HB 665
WILL HAVE ON ALL IF IT PASSES. I FISH THE LIMITED SALMON PURSE
SEINE FISHERY IN SOUTHEAST ALASKA. THIS FISHERY IS ALREADY IS
ALREADY OVERGROWN, PAST ITS OPTIMUM NUMBER OF PERMITS. THE
FISHERY SOURCE IS IN BAD ENOUGH SHAPE WITHOUT OVERCROWDING IT WITH
MORE BOATS. I FEEL THE PURPOSES OF LIMITED ENTRY WOULD BE VERY
BADLY INFRINGED IF THIS BILL PASSES. COMPLETE

JAGC 0005 14:14 JAGC 9105 14:14 03/06/80

TO: ALL LEGISLATORS
FROM: [illegible]

THE FOLLOWING MESSAGE IS FROM SOUTHEAST ALASKA SEINE BOAT OWNERS
[illegible] ASSOCIATION. PRINCE [illegible] KETCHIKAN
ALASKA [illegible].

[illegible] IS DEEPLY CONCERNED ABOUT THE IMPACT HB [illegible]
[illegible] IN PARTICULAR THE SALMON SEINE FISHERY IN
SOUTHEAST. THIS FISHERY IS ALREADY UNDER A HEAVY STRAIN AND [illegible]
[illegible] BOATS ON THE GROUNDS OR IT [illegible]. WE WOULD ASK THE
[illegible] RECONSIDER THIS MATTER MORE THOROUGHLY BEFORE MAKING
[illegible]. IT IS IMPORTANT TO FIND OUT THE PROBABLE NUMBERS OF
[illegible] WHICH WOULD BE ISSUED IN EACH FISHERY. THANK YOU

Homer AK. Mar. 26

To Representative Alvin Osterback

Dear sir

Please Sir do any thing you can to keep any thing from getting by that would increase the number of salmon fishermen (HB 665) for one. This thing of 8 to 16 days a season is bad enuf without makeing it worse , thats Cook Inlet.

Last summer was the first time in years That I lost Money salmon fishing , the other time I blew an engine.

Yours Truely Clarence Platt

MR. CLARENCE W. PLATT
BOX 1
HOMER, AK

3-26-80

DEAR SIR

I AM A COMMERCIAL FISHERMAN OF COOK INLET. MY NAME IS LEO STEPHON. I'M AGAINST OPENING LIMITED ENTRY AT THIS TIME, THERE IS NO JUSTIFICATION FOR IT AT THIS TIME.

THERE ARE ENOUGH FISHERMAN NOW IN COOK INLET. WE HAVE 12 H. FISHING PERIODS 2 DAYS A WEEK. IF THE TIDES ARE WRING WE FISH ABOUT 8 HOURS PER DAY. OPENING LIMITED ENTRY NOW WELL BRING ON MORE FISHERMAN FOR THE SAME AMOUNT OF FISH. OUR FISHING TIME WELL BE REDUCED TO ONE DAY A WEEK. MAKING A LIVING OF FISHING IS HARD ENOUGH NOW.

I AM AGAINST, HB 665

Leo Stephon

127 N. PARK ST. MT. VIEW

PNCH. AK. 99504

LA11 1285 11.05 JA01 0022 11.05 03/28/80

5

TO REPS. ANDERSON, OSTERBACK, GARDINER, AND SENATORS HOYMAN AND TILLIO
N

FROM KEN MUELLER, PHD.
SRA BOX 382X, ANCHORAGE 99504
344-9014

CONGRATULATIONS ON HB 630 AND SB 391 AND 392 (GOOD CONTROLS). PLEAS
E
DO NOT SUPPORT HB 665 BECAUSE OF IT'S DISASTEROUS EFFECTS ON BRISTOL
BAY, I.E., OVER THREE HUNDRED FISHERMEN DO NOT HAVE MARKETS, DOCKING
SPACE NOT AVAILABLE, EXCESSIVE GEAR IN THE WATER. THANK YOU FOR YOUR
SUPPORT.

GERD METZ

HUNTING COORDINATOR

3121 CATALOCHE • ANCHORAGE ALASKA 99504 • PHONE (907) 272 9040

Representative
Alvin Osterback
Juneau Ak. 99811
Pouch V

Anchorage, March 25th 19[illegible]

I, as a fisherman of the Brisol Bay & a holder of a Limeted Entry Permit, strongly oppose the bill HB665.
I did not qualify for a permit & had to pay a handsome sums in order to keep on fishing.
Twice those people had a chance to apply for permits & failed to do them & now, since fishing became a big business, everybody wants a permit without paying for it.
I would like to hear your answer on this.

Sincerely

Gerd Metz

JOHN HARSILA
2501 NORTHEAST 130
SEATTLE WA 98125

ALASCOM

Mailgram®

UNITED STATES POSTAL SERVICE

26 March 1980
5412 E. 22nd Ave
Anchorage, Ak 99504
Ph: 907 333-8461

Representative Alvin Osterback
Pouch V
Juneau, Ak 99811

RE: HB 665

Dear Rep. Osterback:

On our Cook Inlet fish sites we have five permits, which are more than adequate. We have been fishing in Cook Inlet for more than 12 years. Every year our records verify that less and less salmon are being caught by us and our fellow Limited Entry permit fishermen along the West Foreland Cook Inlet Sites. The only fact sustaining the Commercial Fisherman's living is the fact that salmon prices keep increasing every year due to the fact that there is less fish.

To allow HB 665 to pass would be disastrious to the Commercial Limited Entry Fishermen. We already have enough Alaskan citizens trying to make a living from commercial fishing.

Sincerely,

Charles F. Davis
A. Lurene Davis

1238 N. W. Norcross Way
Seattle, Washington 98177

March 27, 1980

The Honorable Alvin Osterback
Representative for the State of Alaska
Pouch V
Juneau, Alaska 99811

Sir:

I urge you to vote against HB 665.

There is already too much gear in Alaska and to issue more permits would ultimately result in the loss of fishing time. We cannot afford this because of the price projection for the coming year.

I have fished in Bristol Bay and the Port Moller area for thirty years. Many of us have many thousands of dollars invested in gear. Please don't put this in jeopardy.

Sincerely yours,

Elmer T. Hjorten

Mar 28, 1980

Robert White
Box 916
Gold Beach, Ore
97444

Box 916
Gold Beach, Ore.
97444

Dear Sir

I just read there is a bill before the legislature to increase the number of permits in the fisheries.

It is a fact the current number of fisherman is able to flood the market so please dont add any more year to the fishery.

Yours truly,

Robert White

April 1, 1980

Dear Concerned Legislator:

I am a commercial fisherman and am married to one. I would like to express my concern about HB 665, the 'late-filers' bill.

I genuinely feel there were several people left out of the Limited Entry system through no fault of their own. Anyone who did not apply because their village was not properly notified, or because a language barrier was not considered should have a chance to file, even this late.

So--Please, please, please look at some compromises.

If HB 665 goes through as it is now, not only those deserving permits, but also financial speculators will be able to enter the fishery. There were many people who did not apply back then because they did not think the fishery could provide enough income and they did not realize the potential growth of the value of the permit. To safeguard against unscrupulous 'carpetbaggers', make any new permits non-transferable.

I urge you to consider that if you support this bill in its present form, you shake the whole basis of the fishery. Limited Entry was voted on by the people of the state to protect us from encroachment from outside the state. Limited Entry must remain. Without it, we would have tremendous numbers of fishermen, bot residents and non-residents, and no one would be able to make a living. The vast majority of fishermen do not make what those in Bristol Bay or Chignik have recently made. Please look at statewide fishing net incomes.

The Limited Entry Commission already has laws it can act upon to increase the number of permits in any fishery that has recovered biologically and economically to stand extra fishing effort. Please pursue this angle. The Commission right now seems to be unwilling to do this; it is afraid of lawsuits. Push it; push it hard to allow more permits. And see that those persons who most deserve a permit under the 'late-filers' bill get first priority. Make the Commission do its job.

To summarize. If you feel you must pass this bill, please amend it. It would be far better though, to use existing legislation to allow more permits to be issued.

Thank you for your time. Work to protect the right of fishermen to earn a living!

Alice Bartoo

Alice Bartoo
Box 847
Juneau, AK 99802

Representative Alvin Osterback:

Concerning HB 665 ("late Filer Bill")

With fuel prices nearly double last years; boat maintenance, gear and all other expenses up nearly as much fishermen are looking at a 25%-50% decrease in price! Further, the Alaska Dep. of Fish & Game has announced extensive cutbacks and closures will have to be effected this season due to more gear and pressure in the fisheries than they can sustain.

Please consider that HB 665 will further this problem of too much gear, and cause even more restrictions. Fishermen simply cannot afford further restrictions in fishing time and remain in business.

Sincerely,

Robert Derris
Box 1234
Petersburg, Alaska
99833

Yakutat ak. 99689 - afsa-1-80

4/2/80

Representative Osterback - sir:-
Bill #HB 565 - No no, no, Yakutat area is already over fished, no more permits. We have short weeks now. Beginning 1½ days a week to decide the fish among the fishermen we already have. Yakutat has had dozens of downings of rookies trying to learn. Rivaling for sets causes disapearances. - Frank W. Johnson

HB665

Kauffman
R.R. 4-4253-5
Juneau, AK
99803

3-30-80

Dear Rep Alvin Osterbuck,

I am a fisherman and deeply concerned about HB. 666 - a bill to issue Limited Entry permits to those who filed late.

Yes, I have a vested interest in the outcome of that legislation. My objection is this. The increase or decrease of limited entry permits is a process that ~~involves~~ should involve the Dept. of Fish and Game Limited Entry commission, and State Board of Fisheries. If they feel an increased number of permits should be issued because the resource has comeback and can stand it that is fine. But to have the legislature mandate permits in the political arena, where the issuance of a large number of permits would be tantamount to buying votes is ridiculous.

I well remember the effort put out to get people to respond in qualifying for a permit. Some folks did not get permits who had a good case - however if they were fishermen and not speculators they applied permits and continued to fish. Such opportunities are not denied anyone - many people have worked their way into fishing under limited entry. H.B. 665 would put too much gear in the water and result in a loss in fishing time, I oppose it.

Thank you, Dave Kauffman

Mar 26

Dear Rep Osterbauer,

We are against the passage of bill HB615, for several reasons. For one, it is not fair for the state to [illegible] offering free permits [illegible] who had to pay alot of money [illegible] eligible to my Classic Ram permit) & have to resort to making it [illegible] investment or break to get mine. If they start having to cut to free, this [illegible] for me. My two permits I value will [illegible] anything I will not only have missed out on a free permit but my investment because [illegible] ing ATV + the addition of [illegible] by would be devastating. There isn't enough room or money to handle them. Thank A.P

DALE D. DONER
BOX 7
ANCHOR POINT, AK
99556

SAN FRANCISCO
the City of the Golden Gate

FISHERMAN'S WHARF, SAN FRANCISCO

One of the most picturesque sights in San Francisco is this scene of Fisherman's Wharf. Here many hundreds of fishing boats berth daily. On the street side are located San Francisco's outstanding, world renowned Sea Food Restaurants

Color photo by Igor Stchogoleff

ANCHOR POINT, AK
MAR
26
PM

address

Rep. Alvin Austerman
Pouch V
Juneau
Alaska
99811

Dear Alvin;
Please vote against Bill HB 665 We have too much gear in the fisheries now. Can't afford more cuts in our fishing time.
Walt W Doner

P.O. Box 80,
Skamokawa, Wa. 98647,
March 26, 1980.

Senator Clem Tillion,
President of the Senate,
Alaska State Legislature,
Pouch V,
Juneau, AK 99811.

Dear Senator Tillion,

We are writing regarding House Bill 665, the "late filer" bill which would effectively end limited entry in the Bristol Bay area. Commercial fishing is our source of living, and half our income comes from Bristol Bay. Although expansion of permits seems reasonable in the light of the 1979 season and the 1980 prediction, we feel that this is a short-sighted view. We have not forgotten the lean years from 1970-1978, and a thirty percent increase in licences in future lean years could well be disastrous for those of us who depend upon the fishery for a living.

The Bristol Bay fishery is cyclical in nature, with some years being very good and some being very poor, and a few moderate years in between. We would like to see the fishery managed so that full-time fishermen can make a living from it. There is no doubt about the efficiency of the present fleet to harvest the largest runs into the Bay. The problem is one of markets, and the legislature could be very helpful in providing assistance in developing such markets. We are looking at a poor price this year simply because the markets are not available, and of course the State of Alaska will lose revenue for this same reason. Rather than expanding the fleet to directly compete for an already limited market, which in turn will drive down prices and tax revenues, we would like to see an aggressive market program on the part of the State.

It should also be pointed out that increasing the number of licenses will create undue political pressure on the Alaska Dept. of Fish and Game during the lean years, to open the seasons when they should perhaps remain closed. We would suggest that the Bristol Bay fleet not be permitted to expand until several years of this cycle have gone by. We suspect that those who now want permits in order to make a "quick buck" will vanish as soon as the going gets a little rough, leaving those of us who are committed to the fishery facing a shorter season and curtailed income.

Thank you for your attention to this very important issue.

Yours truly,

Kent Martin
Irene Martin

Kent and Irene Martin.

cc: Sen. Sumner, Hohman, Rep. Anderson, Waterbeck, Gardiner

LA11 0316 13.24 JA01 0077 13.24 03/31/80

1

TO SENATORS DANKWORTH, TILLION, HOHMAN, AND REPS. HAYES, MONTGOMERY, OSTERBACK, GARDINER

FROM KEN MUELLER, PHD.
STAR ROUTE A 382X
ANCHORAGE, AK 99507

344-9014

LIMITED ENTRY PROBLEMS HAVE BEEN CORRECTED WITH HB 630, SB 391 AND 392.
A "LATE FILERS BILL" IS A LEGISLATIVE OVER-REACTION AND WILL SPELL DISASTER FOR BRISTOL BAY (300 ARE WITHOUT MARKETS, DOCKING SPACE NOT AVAILABLE, GEAR CONFLICTS, LOSS OF FISHING TIME AND LOW PRICES). PLEASE
STOP HB 665. THANK YOU FOR YOUR SUPPORT.

© Moore Business Forms, Inc

March 28, 1980
Kirkland, Washington

Representative Alvin Osterback
Pouch V
Juneau, Alaska 99811

Dear Sir:

In reference to the late-filer legislation, please note that many areas of Alaska are hard hit by depleted runs and overfishing.

Copper River's five hour King season, no red season, and no immediate relief in sight is an example. Prince William Sound has a disaster forecast, The Southeast has a poor forecast, and Kodiak and the Cook Inlet forecasts are not too good, either.

Limited Entry has made it possible for fishermen to borrow to purchase safe efficient vessels which are not paid for and may never be. It has saved loss of life and accident. It has made it possible for families to man boats and thereby earn an acceptible living which also improves family life.

These late filers could have and would have filed if they had forseen a monetaryvalue in the permits, most of them boat pullers who still have the same opportunity as before to fish.

Many fishermen who had quit filed and got in by the skin of their teeth so to speak, only to immediately sell the permit, thus adding to the already overfished conditions.

These late filers could be put on a waiting list to be issued a permit if and when an area needed more fleet to efficiently make the harvest. Meanwhile, they still have the original option of boat-pulling.

I do not like to see a fishing and the livelihood of a fleet destroyed by these people who were too lackadaisical to get on the ball when there may have been a chance which they were not interested in. Most of them would be no threat to the active fleet, but the industrious enterpriser who they would sell their permits to would hurt the fisheries.

I speak with over 40 years experience as a boat owner and fisherman.

Sincerely yours,

Carl (Rusk) Becker

Carl R. Becker
13912 103rd N.E.
Kirkland, Wa. 98033

March 27, 1980

Representative Alvin Ostedack
Pouch V
Juneau, Alaska 99811

Capt Lucalacchi
3651 - 23rd Ave
San Francisco, Ca 94132

Honorable Sir:

Any increase in permits at this time would be an increase in problems the fish buyers and the fishermen find themselves in.

Lot of fish were lost due to spoilage do long strings of boats had to wait a long period of time to unload, result rotten fish.

As you know this year we face a depressed market a big decrease in price

Please sir Vote NO on Bill HB665

Thanking you

Yours truly
Capt Lucalacchi

A & A BOAT STORAGE INC.

2911 Kenoyer Ct. • Bellingham, WA 98225 • (206) 671-0229
P.O. Box 198 • Naknek, Alaska 99633 • (907) 268-4219

March 27, 1980

Dear Sir,

In regards to Bill HB 665, concerning limited entry, please do your best to see that it does not pass. I've been a Bristol Bay fisherman for seventeen years and I am thirty-nine years old. If you are a true fisherman you make sure your applications and permits are in order.

In the past, and it looks like again in the future, the problem will be in handling the fish. The land base processors have never been able to handle the run regardless of the size. There are too many boats at present and another 560 wouldn't even make sense.

I wish I could go into one of the major problems which is Japanese involvement in American processing and marketing of our Salmon, But that will come in the future.

It is important that you look to the future when the cycles are down and weigh the impact of 30% more permits in the Bay. It would really be a disaster!

I appreciate you taking the time to read this letter and hope you will consider the viewsof the fishermen when making your decision on Bill HB 665.

Yours Truly,

Nick Aliotti

Kenneth R. Hunnicutt
Box 301
Cordova AK 99574

Dear Sirs

I am concerned about the future of fishing. We simply [illegible] and should the pollution [illegible] [illegible] [illegible]

1. [illegible]
2. [illegible]
3. [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Respectfully,

Kenneth Hunnicutt

3-26-80

ALVIN Osterback

I'm writing in regard to HB665 first of all I'm strongly opposed to any more gear. There has been more than enough time to apply for permits when they were being issued. It seems to me the real issue is high prices for permits if they weren't transferable about half the applicants would drop out & the fact of a couple good years seems to attract the other half. If in fact they were fishermen they would of made sure they applied when the rest of us did.

I fished Bristol Bay in 1972 the year used to base the amount of gear. what my question is where are all the boats coming from.

it seems every year theres more boats. I know for a fact theres many boats fishing with out perm.ts each year. it seems to me the law could be inforced instead of continuing to add more gear.

with the prices looking bad this year and maybe many years to come because of Japanese control and added gear I for one might a new boat last season and many more people with much larger investments than mine I just wonder how were gonna pay for our investments.

I would support Non-transferrable permits except to the immediate family I would certainly want to be able to give my sons my permit when I quit fishing.

thank you

Dennis Brown
Copper Center AK 99573

3-26-80

Representative Alvin Odlerbeck

Dear Sir

as a 43 yr. Resident and 15 yr Cook Inlet Salmon fisherman I Respectfully Request you do Not Support H.B. 665.

I believe anyone who did Not apply with all previous opportunities has little Grounds to apply Now & know in the case of Cook Inlet we do Not Need any More Gear in the water to further reduce our already Severely restricted fishing time. add to that the dismal forecast both for runs and price in the Inlet & hope you can see why I feel as I do

Sincerely

Lionel S. Hardenson

Star Rt Box 450

Anchor Point, AK. 99556

Clyde W. Smith
Rt. 2 Box 595
Buckley, WA. 98321

March 27, 1980

Mr. Alvin Osterbeck;

Please do not vote for the increase in Limited Entry permits. An increase would cut fishing time and decrease the value of permits. There are plenty of permits issued already.

Thank youkindly,

Sincerely,

Clyde Smith

3/27/80

Rep. Alvin Osterback
Pouch V
Juneau, Alaska 99811

Dear Alvin,

I am writing to you in regard to HB665 which allows late filing for limited entry permits.

In my opinion, all of the salmon fisheries of Alaska are troubled by too much gear. This has been a problem since statehood and before.

Since retiring from ADF&G, I spent the '77 season on a skiff in S.E. Alaska and the last 2 on a power troller. There are a lot of boats, more than enough to harvest the fish, in both of these fisheries.

I urge you not to support this bill. More gear will mean less fishing time for all.

Sincerely,
Stan Swanson

4-4-80

Representative Alvin Osterbach
Pouch V
Juneau, Ak.

Dear Mr. Osterbach,

I am writing to you about the bill #2663. I understand this will allow more people to file for limited entry permits.

As a powertroller in Southeast Alaska, I am concerned. Naturally I would not like to see many more permits in our fishery. We are already loosing fishing time yearly the way it is.

I hope you will fully consider the disadvantages and harm this bill will cause as well as the benefits.

Thank you,

Murray R. Hayes
Box C 8471
Ketchikan, Ak

April 2, 1980

Representative Alvin Osterback
Pouch V
Juneau, Alaska 99811

Dear Sir:

I am writing this letter in regard to HB665, "The late filer bill."

There is already plenty of fishing gear in most of our fisheries. Anything that would increase the amount of gear would result in a loss of fishing time.

On the surface it may look as if todays fishermen are getting rich, while in reality expenses are extremely high and most fishermen have very large mortgage and interest payments to make.

The market for salmon doesn't look very good at the present time. I'm sure that we are facing a sizable reduction in price.

With the above mentioned points in mind I am opposed to any legislation that would increase the amount of gear in Alaska waters.

Thank's for your consideration in this matter.

Sincerely,

Kenneth G. Tator

3

1811 2335 13.52 JA01 0023 13.52 04/04/80

TO REP. MILES AND REP. OSTERBACK AND ALL MEMBERS OF THE HOUSE
RESOURSCES COMMITTEE
REP. RAMONA BARNES

FROM: RON KUCZEK
6008 WINDING WAY
ANCHORAGE 99501 333-1162

JOE FOUTS
6208 STAEDEM DRIVE
ANCHORAGE 333-6025

I WOULD LIKE TO VOICE MY STRONG OPPOSITION TO HOUSE BILL 665. WITH TH
E
PROJECTION FOR VERY LOW PRICES THIS YEAR, COUPLED WITH THE MARKETING
PROBLEMS ASSOCIATED WITH SALMON PRODUCTS AND A GENERAL EXCESS SUPPLY,
I FIND IT DIFFICULT TO ACCEPT ANOTHER APPLICATION PERIOD. THIS IS
DOUBLY TRUE WHEN YOU CONSIDR THAT THERE HAVE BEEN TWO PREVIOUS
APPLICATION PERIODS TO ENABLE INDIVIDUALS TO APPLY THAT HAD FAILED TO
DO SO. INSTEAD, I PROPOSE THAT A SYSTEM OF "USE YOUR PERMIT OR LOSE
IT" WOULD BE FAR MORE APPROPRIATE. THIS SYSTEM WOULD ENABLE OTHER
FISHERMEN TO ENTER THE FISHERY AND NOT DESTROY THE VALUE I HAVE PAID
TO ACQUIRE MY PERMIT BY FURTHER SATURATING THE FISHERIES WITH EXCESS
GEAR.

THANK YOU FOR YOUR CONSIDERATION.

March 31, 1980

Bert Nagel
Box 843
Petersburg, Alaska 99833

Representative Alvin Ostrchack

I wish to express my opposition to H.R. 665. The passage of this bill would threaten the economic viability of many current permit holders as well as put additional stress on fishery resources and their management.

I'm a Bristol Bay permit holder. Last year was a good season: the price was right and the fish were there. This year, however, things aren't quite so rosy. Sure, there'll be plenty of fish but the collapse of the Japanese salmon(as well as crab and herring) market will result in my earning 40 or 50 percent of what I did in 1979. Still, if I'm lucky, if none of my equipment breaks down, if the canneries don't put me on a catch quote, and if the fish pattern predictions are correct, I might make a living from the coming season, not much more.

One must not loose sight of the forest for the trees; one must look beyond a sequential year or two to measure the viability of any given fishery whether it be in Bristol Bay or Southeast. The Bristol Bay fishery is a cyclic boom and bust phenomenon which tends to repeat itself in 5 year intervals: one good year, [illegible] and three poor ones. On the good season, perhaps with the help of the mediocre year, the fisherman is expected to earn enough money to finance his operations over a five year period. From this vantage the [illegible] of the wealthy Bristol Bay fisherman quickly evaporates.

Allowing more people into the fishery would hurt on the good years but on the bad ones, on the ones when the fishermen get by on the skin of their teeth, the increased competition would be financially ruinous for many current permit holders.

Further, this bill is unsound from the standpoint of resource management and threatens to exacerbate the quality control problems now facing the industry. Better prepared this year than in 1979, the processors still admit that the fishermen can catch more fish than they will be able to handle. If the current permit holders can readily supply all the fish that can be processed and more, to add more fishermen to the fleet would only increase the harvesting of fish which would ultimately go to waste and rot. Such practices are ecologically criminal

I encourage you to vote no on H.R. 665; my vote goes to the man who does so.

Thank You,

B. Nagel

Bert Nagel

March 29, 1980

POUCH V
Juneau, Alaska 99811

Dear Representative Alvin Osterbeck:

Regarding Bill HB665 to establish new application permits.

As you well know how things are this year, especially with a big run predicted, and we are looking at a dismal price projections for this coming year.

I understand considerable processors are cutting down on boats and many do not have a market. Also, the processors are using it as a wedge to keep prices down. Just imagine how many will suffer - also, by having less fishing time in future lean years.

Many of us have gone over our heads in debt by purchasing new boats and gear, as you will see in the bay this year. I know of two who purchased new boats and have no market.

Whoever did not apply for permits had two chances to do so in the past. They had equal opportunities.

Furthermore, I do not see where the Alaska Legislature should tell us how much we should ask for selling our business, because that's what it is - A BUSINESS!

Sincerely,

Robert A. Bonanno

Robert A. Bonanno
11 Robinsdale Road
Martinez, California
94553

March 28, 1980

Phil [illegible]niel
Executive Advisor
United Fisherman of Alaska
197 South Franklin
Juneau, Alaska 99801

Dear Sir:

I just received a letter from you folks and must say I'm appalled to think that legislation is trying to increase the entry permits.

I fought for limited entry knowing that someday I would have to pay for the privilege of making a living in Alaska and the entry program was necessary to help insure that living.

I feel I was cheated once in the beginning by having to serve two years in the military, one in Vietnam. I did this at the time with no reservations because I believed we were in a just war only to find out it was not. Those two years could have meant a free permit for me. I came home to no job but was "lucky" to have landed a job later on a fishing vessel in Southeast Alaska.

After that year, I had the fishing fever and still have. I spent eight years in the fishing industry and then decided to venture into my own business of gillnetting. I sold literally everything I had including home, vehicles and almost all personal effects that I had collected so as I could fish. I competed with almost 300 gillnetters (Free Pt.) for most of the year in an area that would support only half that number. After paying all depts, I was left with nothing which I accepted as dues especially for my first year of skippering.

Now I am being told that we stand a good chance of losing what we have because of a group of people who feel they deserve the right to fish. Where were they when limited entry began? I was working my rear off trying to get the money to operate a business and now I may lose what I have.

I don't understand why these special interest groups may get something for little or nothing, for something I paid for dearly and am still paying for. When will fare play mean something. What will happen to the fishermen in the end, the little guy who sweated blood for his opportunity to make a living. I've always been an optimist in my work - but find little to be optimistic about now.

I would like to donate money sincerely but I'm so broke that I'm having a tough time getting even enough money to start the fishing season.

Respectfully yours,

[signature]
Donnie W. Bartlett
F/V [illegible]
2918 E. Blackburn Rd.
Mount Vernon, WA [illegible]

cc: Phil Daniel
Executive Advisor, U.F.A.
Rep. Nels Anderson
Rep. Alvin Osterbuck
Rep. Terry Gardiner
Senator Clem Tillion
Senator Bill Sumner
Senator George Holman

Representative Alvin Ostenback

April-9-1980

Dear Mr. Ostenback

May I have a moment of your time please to point up a few items of interest to consider before voting on HB-665.

By way of introduction, I am a resident of Auke Bay, Alaska and engaged in commercial fishing not part time but year around.

Limited Entry is here. You helped put it into effect. The year after its startup we were asked to prove we really wanted this program in its entirety. The choice was made. We wanted it to work just as it had been designed to do, limit the amount of gear in proportion to available stocks in each fishery.

As can be seen by the last several years fishery returns through Limited Entry, the control of amount of gear, is working. Our returning runs are building.

Bristol Bay this year will be a bonanza Remember Several years back, these fishermen were asking the state for financial disaster aid, because of poor returns.

Happy days were on the way up.

Since we now know that a plus has been made with the Entry program, lets look at that program further.

Reflecting then on these facts, how can we possibly think of undermining a good working program, Limited Entry. Devastating and far reaching results will follow if we allow this bill, HB-665 into law. Bill after Bill will be introduced for each one who has a special interest.

The Limited Entry program was voted on by <u>all of us</u>, it passed the test. Let us not now start tearing it down. Let us instead strengthen that program to help build those runs in each fishery. Above all make it work as it was intended to - by controlling the amount of gear in the fisheries.

Thank you -

Eugene K. Holmstrand
Box 373
Auke Bay, Alaska 99821

APRIL 1, 1980

DEAR REP. OSTERBACK,

IN A YEAR WHEN THE PRICE OF FISH COULD BE HALF, THE COST OF FUEL DOUBLE, AND THE HEALTH OF MOST OF THE SALMON FISHERIES IS IN QUESTION, I FIND IT HARD TO BELIEVE THAT OUR LEGISLATURE IS CONSIDERING ISSUING MORE PERMITS. I REFER YOU TO HB 666, THE "LATE FILER" BILL PROPOSED BY NELS ANDERSON. THE PROBLEMS THAT WOULD ARISE IF SUCH A BILL WERE PASSED WOULD BE DEVISTATING AND FAR REACHING. JUST THE PROVING OF QUALIFICATIONS SEEMS AN IMPOSSIBLE TASK FOR EVEN INCOME TAX RECORDS ARE NOT AVAILABLE AFTER THIS LENGTH OF TIME. THEN TOO, CONSIDER BRISTOL BAY SET NET PERMITS WERE ISSUED AT "0" POINTS. YOU JUST HAD TO HAVE FISHED TO QUALIFY. THE NUMBERS OF PERMITS ISSUED WOULD HAVE NO BEARING ON WHETHER THAT PARTICULAR FISHERY COULD HANDLE THAT AMOUNT OF EXTRA GEAR.

IT SEEMS TO ME THAT ONE OF THE REASONS THIS TYPE OF LEGISLATION HAS BEEN INTRODUCED IS TO APPEASE THE PUBLIC BY ALLOWING MORE PERMITS TO BE ISSUED. IN THE LIMITED ENTRY BILL, PROVISIONS FOR JUST THAT HAVE ALREADY BEEN MADE. IF SUFFICIENT RECOVERY OF A FISHERY WARRENTS ADDITIONAL PERMIT MAY BE ISSUED. THE CRITERIA

MUST BE ESTABLISHED AS TO WHAT CONSTITUTES A RECOVERED FISHERY. BOTH BIOLOGICAL AND ECONOMICAL FACTORS HAVE TO BE CONSIDERED. AT PRESENT, THESE NEW-ISSUE PERMITS WOULD BE AUCTIONED OFF TO THE HIGHEST BIDDER. THIS STILL DOESN'T ADDRESS THE PROBLEM OF MAKING THESE PERMITS MORE AVAILABLE TO THE AVERAGE PERSON INTERESTED IN GETTING INTO THE FISHERY. I FEEL AN APPRENTICESHIP PROGRAM ALONG WITH A TARGETED LOAN PROGRAM COULD HELP SATISFY THIS NEED. "LATE FILERS" COULD APPLY FOR AN APPRENTICESHIP AND BE RANKED HIGH. FOR NAUTICAL AND FISHING EXPERIENCE WOULD BE IMPORTANT QUALIFICATIONS.

I URGE YOU TO CONSIDER THIS SERIOUSLY BEFORE A VOTE IS TAKEN ON HB 665.

SINCERELY,

Kerry J. Becker

KERRY J. BECKER. FISHERMAN (NON-PERMITEE)
P.O. BOX 373
NUKE BAY, ALASKA 99821

3/31/80

Representative Alvin Osterbeck
Juneau, Alaska

Dear Mr. Osterbeck,

I am writing to protest against passage of Bill HB 665, now before the state Legislature. Passage of this bill would undermine limited entry by allowing a flood of new permits into fisheries that are already overloaded with gear, suffering from reduced fishing time and facing a depressed market in 1980.

As a permit holding fisherman in Bristol Bay I am not looking for an unfair advantage - just some consistency and stability within the system.

Please give limited entry a chance to work by voting against HB665.

Sincerely,
David Goth
South Naknek,
Alaska

3-3-80

Dear Representative Osterback:

I am writing to you regarding HB 665 which would allow a large number of limited entry permits to enter into an already overcrowded fishery. I for one know because I have not been able to fish the Copper River Flats for the last two years and it looks like the same story this year. This is directly related to the amount of gear in that fishery. I know the Bristol Bay area produces a big year but they have been known to have some real lean ones too. Before gear must help that situation. Before we keep allowing more gear to come in. Let's see how this current limited entry works out. Before half of these recent applicants did not care about fishing, until the permit price went up, now everyone and their uncle wants to play fisherman. I really think we

some folks who missed out on permits that should be fishing today but there is already too many people in the zone already. Because of the value of their permit, it forces them to stay and fish harder. Next step is, the powers that be will start cutting down our fishing time, length of gear and the heart and spirit of the Alaskan fishermen who was out there long before limited entry came around. We need a break, we are all not getting big checks like many are led to believe. At this time I ask that you vote against allowing any significant amount of gear into the fisheries

Thankyou very much.

Registered 16 years Tom Keenan

Fisherman 14 years 2716 LORE RD.

ANCHORAGE AK 99507

P.S. Would you please discuss this with the other representatives or it is tough to contact each and everyone of them Thankyou

HB665

April 1, 1980

The Honorable Alvin Osterback
House of Representatives
Pouch V
Juneau, Alaska 99811

RE: H B 665

Dear Mr. Osterback:

As the holder of entry permit S03A 56637K, I would like to express my objection to any change in limited entry laws that would materially increase the number of permits.

I am in the process of moving to Petersburg, and, of investing well over $100,000 in the salmon fishery. This investment could not be justified if it were not for limited entry.

While regulation of the catch maintains the resource, limited entry maintains a viable and efficient harvesting industry.

Last year's excesses in Bristol Bay did not reflect a deficiency in harvesting capability. Rather, they demonstrated deficiencies in transportation and processing of the catch. More gear in the fishery would only have aggravated the problems.

Poor price expectations for 1980, in part, reflect a glut of relatively poor quality fish processed in 1979. Accordingly, you might do well to emphasize quality assurance programs to protect this vital aspect of the industry.

Very truly yours,

R. W. Isett
245 Park Lane - Apt. 210
Palatine, Illinois 60067

HB665

April 8, 1980

Dear Representative, A. Osterback:

I respectfully urge you to vote against bill HB665, known as the "late filer bill". This bill presently before the legislature, if passed would create 560 new drift permits in the Bristol Bay drift fishery alone.

On the surface this bill looks good, in that it would create over 1200 new jobs in the Bristol Bay area alone, while increasing state revenues from license fees and income taxes. This bill would be god sent if the salmon runs are good every year. Unfortunately, this is not so. Lets look back to 1972, 1973 and 1974. In these years over 95% of the fishermen lost money in this area. In 1972, for example, 200 to 300 fishermen went home early on the verge of bankruptcy. (Please review the reprint of Anchorage Daily News enclosed.)

Presently, the companies operating in the Bristol Bay area cannot process the fish fast enough to keep up with the fishermen we now have fishing in these waters. When this happens, the fishermen are put on limit or are told not to deliver fish until they can catch up. What would happen if we had 560 new permits?

I would urge the state of Alaska to attract mor companies to process the fish that are caught before we can think of adding more permits.

Very truly yours,

E. S. Bertelsen

E. S. Bertelsen

HB 665

Representative Alvin Osterback

We, the undersigned, wish to protest HB-665 (the Late Filer Bill, which will grant approximately 500 additional permits for Bristol Bay alone). We feel that there are more than enough units of gear already fishing in Bristol Bay. Also, there are over one hundred sixty-five (165) known fishermen without markets at present.

We also feel that this bill would benefit more outside fishermen than residents, because the ratio of present drift permits is much higher for outside fishermen. With the present number of permits, the fishermen can catch all the fish that the processors can handle on good years, and on poor years we are on the beach because of too many fisherman for the fish available.

If this Bill is passed, 500 additional permits would put everyone in the fishery on a poverty level in the poorer cycle years, which is 3 out of 5.

Name	Address
Michael M Artola	Box 58 Naknek, Alaska 99633
Ryan Boyd	143 " " "
Theodore Bakke	73 " " "
George Wilson	Box 198 " " "
John Lindquist	Box [illegible] " " "
K A Jacka	Box 30 " " "
Fred W Pike	Box 5 " " "
Thomas P Mahlen	Box 103 " " "
Nicholas Tramp Jr	Box 103 Naknek, Ak
Wendell Magnia	Box 200 Naknek, Ak
David Agdahl	Box 171 Naknek, Ak
John D Lovell	Box 12 Naknek, Ak
Leslie Johnson	Box 157 Naknek, Ak
Everett Anderson	Box 13 Naknek Ak
Art Lee	Box 152 " "
Randal Morjala	Box 201 " "
[illegible]	[illegible] Naknek Ak
Steve Berg	Box 39 Naknek, Alaska
Gordon Hunt	Box 55 Naknek Ak

We, the undersigned, wish to protest HB-665 (the Late Filer Bill, which will grant approximately 500 additional permits for Bristol Bay alone). We feel that there are more than enough units of gear already fishing in Bristol Bay. Also, there are over one hundred sixty-five (165) known fishermen without markets at present.

We also feel that this bill would benefit more outside fishermen than residents, because the ratio of present drift permits is much higher for outside fishermen. With the present number of permits, the fishermen can catch all the fish that the processors can handle on good years, and on poor years we are on the beach because of too many fisherman for the fish available.

If this Bill is passed, 500 additional permits would put everyone in the fishery on a poverty level in the poorer cycle years, which is 3 out of 5.

Name	Address
Randy Bryson	Ugashik N/R
Allen Copeland Jr.	Box 202 Naknek AK
Benedine Hodgins	Box 108 Naknek Alaska
Wilmer B. Tompson	Box 103 " "
Rasmus Kvasnikoff	Box 108 " "
Stan Chmiel	Naknek. AK.
Clyde K Doty	Box 146 " "
John Lundgren Jr.	Box 101 " "
Robert Dodson	Box 107 " "
K. Williams	Box 162, Naknek, Ak. 99633
Tim J Cook	Box 142 Naknek, Ak. 99633
John C Knutsen	Box 143 Naknek, Ak 99633
Helen M Newman	Box 63. Naknek Ak 99633
Henry C Newman	Box 63 Naknek Ak. 99633
Walter Carlson	Box 2844 Kodiak AK 99615
Ralph Agnew Sr.	Box 334 King Salmon Ak. 99613

MEMORANDUM State of Alaska

TO: The Honorable Nels Anderson
Majority Leader
House of Representatives

DATE: February 25, 1980

FILE NO:

TELEPHONE NO:

FROM: The Commercial Fisheries Entry Commission

SUBJECT: HB 665: Additional Application Period for Limited Entry Permits

SUMMARY

Based upon data reflecting participation of gear licensees during the years 1969 to 1974, the Commission staff has determined that there are approximately 4,144 known eligible individuals who failed to file a timely application during the application periods for the 19 fisheries originally placed under limitation. An unknown number of fishermen who operated gear from 1960-68 were also eligible to apply.

There were 602 individuals known to be eligible to apply in the Arctic-Yukon-Kuskokwim (AYK) fisheries who did not file timely applications. Those 6 fisheries were limited in 1976 based upon fishing histories in the years 1970 through 1975.

Of the number who failed to file timely applications during the various application periods, 393 submitted late applications for the original 19 fisheries, and 69 submitted late applications for the AYK fisheries. These applications were ot accepted by the Commission.

Of the non-filers described above for the original 19 fisheries, 442 had pre-printed point totals at or above the current issuance levels for entry permits. In the AYK fisheries, 28 non-filers had pre-printed points at or above the issuance level.

The possible impacts of a new application period on selected fisheries is reflected by an analysis of the known non-filers in the Bristol Bay drift gill net and Kuskokwim gill net fisheries. We have estimated the probability of successfully verifying sufficient points to award a permit for all known non-filers with pre-printed histories. That analysis indicated a probability of 551[1] new permits being issued in the Bristol Bay drift fishery and 50[2] in the Kuskokwim fishery.

[1] 4 additional permits would be issued to non-filers with pre-printed points at or above the issuance level.

[2] 12 additional permits would be issued to non-filers with pre-printed points at or above the issuance level.

In determining the feasibility of providing a new application period we believe it is not possible or advisable to limit the affected class to less than all eligible applicants as defined in present law.

A large number of additional permits would likely have adverse effects on the economic health and stability of the fisheries, increase management burdens, be expensive for the State, and would cause considerable administrative burden. The precedential effect on future fisheries placed under limitation is of concern to us and the question of whether or not the new application period would affect limited herring fisheries should be considered. Also, it was impossible to determine the number of additional individuals who may be eligible to apply based upon participation from 1960 to 1968. Every eligible applicant would have an excellent chance of being awarded a permit in many of the set gill net fisheries.

Should the Legislature decide to provide a new application period, the Commission offers the following suggestions for consideration as possible statutory provisions:

1. permits be issued only to those who can demonstrate they would suffer significant economic hardship by exclusion from the fishery;
2. the new class of permits would be non-transferable;
3. evaluat on of the new applications be stayed until the original application process has been completed;
4. the new permits would be usable onl, in years when the predicted returns are higher than the average for the particular fisheries;
5. prohibit the award of multiple permits to the same applicant;
6. provide for permits awarded via point-pooling be non-transferable;
7. applicants under the new application period would not be eligible for interim-use permits pending the outcome of point verification;
8. provide that estates not be eligible to apply; and
9. provide that each provision of the new legislation be non-severable from the rest.

HISTORY

Nineteen (19) salmon fisheries were the first fisheries subject to entry limitation. They included all net fisheries (except those in the AYK region) and the statewide power troll fishery. After establishing a maximum number for each fishery, an application period began in November 1974 and ended in April 1975. Persons with known participation as gear licensees from 1969 to 1972 were sent "yellow cards" indicating that they were eligible to apply for permits and could use a detachable portion of the yellow card to request a pre-printed application from the Commission. Yellow cards were also made generally available throughout the State. Upon receipt of a yellow card, the Commission would print information about the applicant and as many points as could be determined from state records on an application form. (Points were pre-printed in the categories of past participation and consistent participation in 1969 through 1972, residency, and vessel ownership. No income dependence points were pre-printed.) These pre-printed applications were sent to the requestors at the addresses provided on the returned portions of the yellow cards. Any interested person could also obtain a blank application in any of the numerous locations around the state.

In 1976, the Commission brought under limitation the six salmon fisheries of the AYK region. All known eligible applicants, based upon participation data from 1970 through 1975, were mailed pre-printed applications at their last known address. The application period for these fisheries ran from March 10 to June 10, 1976.

Isakson

A Supreme Court ruling allowed those persons who were licensed gear operators for the first time in 1973 and 1974 to apply for entry permits in the original 19 fisheries. This so-called Isakson application period ran from January through September of 1977. People who had recorded landings as gear licensees during this period and who did not have recorded participation in the period 1969 to 1972 were sent application packets.

Non-Filers

Utilizing the computerized records of fishing histories from 1969-74 for the original 19 limited salmon fisheries and 1970-75 records for the AYK salmon fisheries, and the various application files of the Commission, we have estimated that at least 4,785 additional eligible applications could have been timely submitted in all salmon fisheries limited through 1976. A more detailed analysis follows:

Original 19

Commission records indicate that 4,142 applications could have been submitted by fishermen with fishing histories in the years 1969-74. Of that total, 442 have pre-printed point totals at or above the issuance levels for the various fisheries. The Commission also received requests for pre-printed applications from 1,817 people

without a history of participation during that time period. A more detailed breakdown of the status of various non-applicants follows:

1. 511 pre-printed applications were mailed to eligible applicants at their request, but were not returned to the Commission;

2. 2,306 known eligible applicants with fishing history during the period 1969-72 did not contact the Commission;

3. 934 persons who may have been eligible to apply during the Isakson application period did not return applications that were mailed to their last known addresses;

4. 181 applications with pre-printed points were returned late and were not accepted;

5. 279 applications were received late and not accepted from individuals for which the Commission had no computerized history of participation;

6. 1,817 individuals without computerized histories requested applications but did not return them;

7. 574 AYK applications were mailed with pre-printed history but were not returned to the Commission.

Bristol Bay Drift Gill Net

We have completed a probability analysis for the Bristol Bay drift gill net fishery to estimate how many eligible applicants that have pre-printed point totals below the issuance level for that fishery (17 points) might eventually verify sufficient points to receive a permit if a new application period was established. This was accomplished by determining the success rate of all applicants who

submitted applications with from 0 to 16 pre-printed points. Based upon that analysis, we estimate that 551 applicants would receive permits for this fishery. This total, plus four applications with more than 16 pre-printed points, could result in an additional 555 drift permits in the Bristol Bay fishery if another application period were opened utilizing the same standards of issuance as utilized in the original application period.

AYK

In the 6 AYK fisheries, 574 pre-printed applications were not returned to the Commission. As of January 21, 1980, an additional 28 applications with pre-printed points were returned late and were not accepted. Also, 41 applications with no pre-printed history were received late.

Of the 602 unaccepted and known eligible applications, 24 have sufficient pre-printed points to automatically receive a permit at present issuance levels. An additional 11 have point totals at a level insufficient to receive a permit at present but may eventually qualify for one depending upon the outcome of adjudications and appeals.

Kuskokwim Gill Net

We have completed a probability analysis for the Kuskokwim gill net fishery in the same manner as was explained for the Bristol Bay drift gill net fishery. Besides the 12 applications which currently have pre-printed points totals above the issuance level,

we have estimated that an additional 50 applications would eventually be awarded sufficient points to receive a permit. This makes a possible total of 62 additional permits in this fishery.

SUMMARY OF LATE APPLICATION DATA BY FISHERY

(Original Nineteen Fisheries)

Fishery	Eligible[1] Requested	Eligible[2] No Request	Received Late[3] Elig.	Inelig.	Total[4]	Automatic Issue[5] Resident	Nonresident	Total[6]
Southeast Purse Seine	11	45	1	4	61			0
Southeast Drift Net	29	92	6	7	134			0
Statewide Power Troll	61	308	8	11	388	2	0	2
Yakutat Set Net	14	33	3	6	56	2	0	2
Prince William Sound Purse Seine	13	38	2	8	62			0
Prince William Sound Drift Net		177	7	6	231	1	0	1
Prince William Sound Set Net	6	5	0	1	12	7	2	9
Cook Inlet Purse Seine	3	18	0	0	21	1	0	1
Cook Inlet Drift Net	46	228	22	29	324	2	1	3
Cook Inlet Set Net	32	139	4	5	180	34	2	36
Kodiak Purse Seine	16	130	7	7	161	1	0	1
Kodiak Beach Seine	1	13	0	1	15	11	0	11
Kodiak Set Net	12	71	4	4	91			0

Fishery	Eligible[1] Requested	Eligible[2] No Request	Received Late[3] Elig.	Inelig.	Total[4]	Automatic Issue[5] Resident	Nonresident	Total[6]
Chignik Purse Seine	1	5	1	8	15			0
Peninsula-Aleutian Purse Seine	7	27	0	8	42			0
Peninsula-Aleutian Drift Net	5	41	1	6	53			0
Peninsula-Aleutian Set Net	6	17	0	7	30			0
Bristol Bay Drift Net	151	602	60	65	878	9	0	9
Bristol Bay Set Net	56	317	27	55	454	263	106	369
							TOTAL:	444

(6)

[1] Applications with pre-printed points for the years 1969 through 1972 which were requested on yellow cards and mailed to the applicants, but which were not returned to the Commission.

[2] Applications with pre-printed points for the years 1969 through 1972 which were not requested by the applicants, not mailed, and for which no "blank" applications were submitted.

[3] Applications received late and not accepted by the Commission. Eligible applications are those with pre-printed history for 1969 through 1972. Ineligible applications are those with no pre-printed history. Figures through January 21, 1980.

[4] Total applications in preceding four columns.

[5] Number of permits that would be automatically issued (at current point levels) to the preceding non-filers and late applicants if they were allowed to apply in a new application period. Residency was determined by the most current address on file with the Commission, 1969-1980.

[6] Total number of permits with pre-printed points above the current issuance levels.

SUMMARY OF LATE APPLICATION DATA BY FISHERY

(Arctic-Yukon-Kuskokwim Fisheries)

Fishery	Eligible[1] Applications Not Submitted	Eligible[2] Applications Submitted Late	Ineligible[3] Applications Submitted Late	Total[4]	Automatic[5] Issue
Upper Yukon Gill Net	18	1	6	25	0
Upper Yukon Fishwheel	20	5	14	39	0
Kuskokwim Gill Net	178	8	8	194	12
Kotzebue Gill Net	83	3	1	87	8
Lower Yukon Gill Net	191	9	7	207	6
Norton Sound Gill Net	84	2	5	91	2

[1] Mailed applications with pre-printed points for the years 1970 through 1975 which were not returned to the Commission.

[2] Applications with pre-printed points for the years 1970 through 1975 which were submitted late and not accepted.

[3] Applications with no pre-printed history which were submitted late and not accepted.

[4] Total of the preceding three columns.

[5] Total number of permits that would be automatically issued at current point levels if the applications were submitted in a new application period. Does not include the eleven applications which, if submitted, would be still pending a final decision in certain fisheries.

PROBABILITY OF PERMIT ISSUANCE TO ELIGIBLE LATE APPLICANTS
BY PRE-PRINTED POINT LEVEL FOR THE
BRISTOL BAY DRIFT GILL NET FISHERY

Pre-Printed[1] Point Level	Number[2] Awarded	Number[3] Denied	Total Number[4] Received	Percent[5] Awarded	Late and[6] Non-Applicants	Projected Awards
16	165	1	166	99.40%	9	8.95
15	89	0	89	100.00	3	3.
14	79	2	81	97.53	12	11.7
13	51	0	51	100.00	8	8.
12	46	2	48	95.84	5	4.8
11	105	11	116	90.52	30	27.2
10	75	6	81	92.60	10	9.3
9	60	5	65	92.31	31	28.6
8	58	9	67	86.57	25	21.65
7	34	10	44	77.28	18	13.9
6	53	20	73	72.61	61	44.3
5	75	42	117	64.11	112	71.8
4	25	7	32	78.13	26	20.3
3	58	42	100	58.00	205	118.9
2	19	22	41	46.35	80	37.1
0*	38	28	66	57.58	211	121.5
	1,030	207	1,237		846**	551

Pre-printed above issuance level: 4

TOTAL: 555

[1] Points were pre-printed based upon fishing data from 1969 through 1972 in the areas of past participation, consistent participation, residence, and vessel ownership. No points were pre-printed for the years 1960 through 1968 or income dependence and crewman participation in any year. In this fishery a very high percentage of fishermen were awarded income dependence points. (This factor, together with the 1960-1968 history, accounts for the high probability of permit issuance.)

[2] Actual number of applications awarded permanent entry permits.

[3] Actual number of applications denied permanent entry permits. This figure includes those applications still in the hearing and adjudication processes and those that were denied due to late submittal.

[4] Total number of applications received by the Commission for each point category below the present issuance level.

[5] Percent of the total applications received that were awarded permanent entry permits. This percent is the estimate of the probability of issuance of an entry permit at each point level.

[6] Number of eligible applications (with pre-printed history for the years 1969-1972) which were either not submitted or submitted late.

[7] Number of permits that would be awarded if the eligible non-applicants and late applicants submitted applications in a new application period, as projected by the probability of issuance of a permit at each point level below automatic issuance.

* Multiple Operators - more than one fisherman using the same ADF&G number. Individuals with no history other than as multiple operators were printed out at zero points.

**We believe there is a possibility of at least a 5% error in this estimate, due to an inability to verify the number of eligible non-filers using the application control log books.

PROBABILITY OF PERMIT ISSUANCE TO ELIGIBLE LATE APPLICANTS BY PRE-PRINTED POINT LEVEL FOR THE KUSKOKWIM GILL NET FISHERY

Point[1] Level	Number[2] Awarded	Number[3] Denied	Number[4] Pending	Total[5] Received	Percent[6] Awarded	Late and[7] Non-Applications	Projected[8] Awards
7[4]	6	0	1	7	86	2	1.7
6	31	6	4	41	76	21	16.0
5	86	27	10	123	70	24	16.8
4	5	5	0	10	50	7	3.5
3	15	73	30	118	13	69	9.0
2	2	21	0	23	9	26	2.3
1	1	38	0	39	3	25	.8
							50.1
						Pre-printed above issuance level:	12
						TOTAL:	62

[1] Points were pre-printed based upon fishing data from 1970 through 1975. Unlike the original nineteen fisheries, AYK fisheries points were pre-printed for all of the qualifying years.

[2] Actual number of applications awarded entry permits.

[3] Actual number of applications denied entry permits. This figure includes those applications still in the hearing and adjudication processes and those applications that were denied due to late submittal.

[4] Number of applications pending a final determination of the issuance point level in this fishery. At present, all applications with 6 or fewer points are denied, all applications with 8 or more points are awarded, and applications with 7 points are issued interim-use permits pending final determination of their eligibility for an entry permit.

[5] Total number of applications received by the Commission in each point category below the present issuance level.

[6] Percent of the total applications received that were awarded permanent entry permits. This percent is the estimate of the probability of issuance of an entry permit at each point level below automatic issuance.

[7] Number of eligible (with pre-printed history for the years 1970-1975) applications which were either not submitted or submitted late.

[8] Number of permits that would be awarded if the eligible non-applicants and late applicants submitted applications in a new application period, as projected by the probability of issuance of a permit at each point level.

EQUITY

This section will discuss several issues which bear heavily on the question of whether another application period is necessary or desirable. The Commission realizes the likely possibility that a class of fishermen may exist who, through no fault of their own, did not take full advantage of the application process because they did not comprehend the importance of the one-time-only application process, did not know that they could submit multiple applications, or were geographically located in such a place as to not hear of the implementation of limited entry. However, there is an even larger class of eligible fishermen who did not submit applications because of a conscious decision not to apply for as many reasons as there are members of this class. After several attempts to distinguish the first group from the second, the Commission is convinced that no fair and equitable way can be devised to allow a specific class of persons to apply while excluding others who are similarly situated. Additionally, we believe that use of the application process as a means of screening out otherwise eligible applicants is a misuse of the methodology utilized to limit entry into commercial fisheries. The major criteria should be the relative hardship realized by exclusion rather than who will and will not be allowed to apply.[1] Following is a discussion of several factors that will be affected by the passage of HB 665.

[1] The Commission obviously believes that the class of eligible applicants should be limited to gear operators, since they are the only class specifically addressed by the limited entry law.

Biological Impact

One of two prime considerations of entry limitation is to ease or arrest the growth of pressure of exploitation on a biological resource. At present, the salmon fisheries are subjected to greater fishing pressure than any time in recent history. This is due to the establishment of high maximum numbers, an overage of permit issuances due to court rulings, and increased individual fishing pressure through greater capital investment (resulting in higher efficiency) and increased average individual fishing time. Further issuance will increase management costs and uncertainty.

Economic Impact

The other primary consideration of entry limitation is to create an environment of economic stability which will not exist in an open entry fishery. Additional permits will increase the cost of harvesting the same number of fish (thus diminishing the value of a public resource) and could affect the value of existing permits which have been freely transfered. It should be noted that Bristol Bay has been declared a disaster area several times with the present level or fewer units of gear participating in the fishery.

Availability of Evidence

The establishment of relative hardship is accomplished by measuring several indicators in the two general areas of past participation and economic dependence, and ranking individuals by use of

a point system. Specific evidence is required to verify point claims. Valuable evidence is embodied in tax records, records of expenses, and records of gear and vessel ownership as of certain dates. Much documentary evidence that was available in 1975 at the close of the original application period will now no longer be available. Federal and State tax records for the crucial years of 1971 and 1972 have been destroyed or are in the process of being destroyed by the responsible government agencies.

Consequently the Commission would have to accept less conclusive evidence to treat new applicants in a manner similar to the original applicants, which would have the concomitant disadvantage of subjecting the system to more frequent occurrences of fraudulent claims. Should this indeed prove necessary, we believe that the estimate of an additional 555 permits in the Bristol Bay drift gill net fishery is realistically possible.

Low Issuance Levels

A number of set gill net fisheries had original permits issued at either very low point levels, or zero points in the cases of the Bristol Bay and Prince William Sound set net fisheries and the Kodiak beach seine fishery. If a new application period is established, these fisheries could realize phenomenal increases in effort now that there is general knowledge of the value of entry permits. The situation is exacerbated by the large, unknown number of fishermen who participated prior to 1969 and who did not submit original applications

because they had departed from the fisheries. It is safe to assume that a great number of those individuals would take advantage of a new application period.

Legal Issues

The Commission has defended in court both the notice provided of the application periods and the efficacy of the application assistance programs. In all three Superior Court rulings, the Commission efforts have been upheld. If the Legislature suggests that the necessity of the new application period is due to the failure of the Commission to fulfill its responsibility to supply adequate notice or assistance, it would destroy a precedent that we believe the Commission needs to preserve.

As presently drawn, the bill would allow the estates of all eligible applicants who have died since January 1, 1973 to apply during the new application process. Additionally, the passage of HB 290 provided for point pooling and would allow additional permits to be issued as a result of combining points from new and timely applications.

Expense

Another application process would cost a substantial amount for the Commission to administer, especially considering the great interest in the program at this time, and because of the high hearing rate that can be expected in response to the loss of otherwise verifying evidence.

600 Applications Still Pending

Another application period at this time could cause additional expense and uncertainty for those applicants from the original application period who are still awaiting a final decision from the Commission. At the least, we would hope that their interests would be provided for before giving special consideration to a new class of applicants who had the same application opportunities as the original applicants.

Late Application Handling

We have reviewed Commission records of late application handling at the close of the original application periods. After the regulatorily established deadlines, the Commission provided for a period when applications could be accepted for good cause. The Commission was very lenient in accepting applications during this period. There was a changing policy, however, if applications were received after the good cause period. After the original good cause period which ended in 1975, the Commission first responded to late applicants by saying that they had "no discretion" to accept late applications. Later, some applications were accepted through special showings. Most recently, we have utilized a two-part test to determine whether or not late applications should be accepted. Hence, all late applicants were not treated equally. This will be true of any quasi-judicial agency, however, just as a court of law develops new precedents in time.

Unequal Opportunity

Even though it would seem that late applicants might generally have the same opportunity as the original applicants, they would generally have an advantage over many of the original applicants. As the Commission has progressed through several hundred adjudications, and the courts have overturned some Commission regulations and interpretations, new rules have developed. Points that would not have been awarded under the original application program would now be available to new applicants. So long as the benefits of the new rules only accrued to a few, it did not dramatically affect the equities of the situation. However, a whole new class of applicants would all benefit from the new rules, to the comparative disadvantage of those who submitted timely applications and were denied permits.

One-Time-Only

While we may all wish to believe that giving everyone one more chance would provide for the ultimate fairness, it most probably would not be a one-time-only demand for such a second chance. Already, roe herring fisheries have been limited and some eligible fishermen missed the application deadline. Would this new application period apply to those individuals as well?

We also worry about the precedential considerations for all fisheries limited in the future. Will, or should, the fishing public expect the Legislature to provide one more opportunity to apply after each fishery is limited? It is clear that the greatest number of late and

non-applicants will be associated with the original salmon fisheries that were limited. As long as the present system is utilized, there will be some fishermen who do not file timely applications in the future when additional f sheries are limited. You may wish to reevaluate the use and necessity of the present application process to ameliorate future application deadline problems.

FURTHER CONSIDERATION

Should the Legislature decide that the equities lie with establishing a new application period, then we offer the following suggestions for your consideration to mitigate the possible negative impacts of such a decision.

Non-Transferrable Permits

Many fishermen advise the Commission that if they could get a permit they would not sell it, but only want to fish until retirement. If this attitude is embodied in the minds of those who would be served by the new application period, then non-transferrable permits would not be seen as detrimental. Additionally, non-transferrable permits would not interfere with the present system of free transfer of permits.

Should you wish to pursue this point in more detail, you might also consider providing a mechanism for the Commission to reissue these non-transferrable permits based upon some hardship ranking system, or simply to have them retire with the holder.

Should the Legislature decide that these permits are to be freely transferable, then you may wish to consider some way to recover for the State some portion of the windfall benefit which is being given to the late applicants.

Different Issuance Standards

The Commission believes that many fisheries would be drastically harmed if a new application period were established utilizing the same

standards of issuance as used in the original application periods. We feel it is imperative to raise the standards of issuance for this class of applicants.

AS 16.43.250(b) provides for the establishment of a class of persons who would suffer significant economic hardship if excluded from the fishery, and AS 16.43.270(a) directs the Commission to issue permits to every applicant in this class regardless of whether that would require issuing more than the maximum number established for a fishery. You may wish to consider requiring that a new applicant, in order to qualify for a permit, must meet the standards established by the Commission in implementing AS 16.43.250(b).

New Applications Considered After Final Classification of Original Applications

To ensure fair treatment for those applicants still awaiting final agency action on their applications, we request that you provide for evaluation of the new applications only after final evaluation of the timely submitted applications.

Special Use Standards

In addition to providing for non-transferable permits as suggested above, you may wish to consider limiting the use of permits issued under the new application period. One example would be to provide for the Commission, in conjunction with the Department of Fish and Game, to allow these permits to be fished in years when conditions are better than average for a particular fishery.

Prohibition of Awards of Multiple Permits

If it is the Legislature's intent to alleviate hardship with the passage of this legislation, you may wish to consider prohibiting the award of a permit to an applicant who has previously received a permit by application. To receive one permit by application indicates that the applicant was at least aware of the necessity to submit a timely application. Those applicants who for some reason were constrained from applying in all fisheries for which they were eligible most likely applied in the fishery that they were most interested in.

Point Pooling

The provisions of an amendment enacted last year would allow points from these new applications to be pooled with points on any other application submitted by that fisherman so long as the same gear type was involved. If it is the Legislature's intent to allow point pooling to be applicable to applications submitted under HB 665, we suggest that you consider providing for such permits to be non-transferable.

Ineligible for Interim-Use permits Pending Final Evaluation

Present legislation provides for the Commission to allow those applicants who still have a mathematical possibility of receiving an entry permit to fish in the pendency with an interim-use permit. We have found that the durational use of these interim permits is often a primary motive for pursuing an application which will more than

likely be denied. We strongly urge that the Legislature preclude the issuance of interim permits to new applicants who are awaiting final agency action.

Estates

We suggest that you consider changing the qualification characteristics from those presently provided for in AS 16.43.260. That language would allow the estates of all eligible fishermen who have died since January 1, 1973 (for the original 19 fisheries) or January 1, 1976 (for the AYK fisheries) to apply for entry permits. This change is especially valid if you wish to implement the suggestion of providing for non-transferable permits.

Non-Severability

Should you decide that some conditions be placed on any permits issued as a result of a late application period, and that those conditions are tantamount to achieving something resembling equity, then you may wish to add a non-severability clause to the conditions.

Buy-Back

It would seem quite evident that the 1973 Legislature believed that the Commission would initiate a buy-back program shortly after the salmon fisheries were limited. Now, seven years later, buy-back is still some time in the future. Should you decide to allow for additional permit issuance through a supplementary application period, we

would suggest that the Legislature consider the question of buy-back and when it might be appropriate to begin the process.

We hope that our comments are of some use. Please do not hesitate to ask if we may be of further assistance.

For an Act entitled; "An Act relating to the limitation of entry into various fisheries; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

Section 1. FINDINGS. The Legislature finds that

(1) many persons who are otherwise qualified for entry permits into certain fisheries have not received them solely because of their failure to submit an application to the Alaska Commercial Fisheries Entry Commission before the closing date for applications set by the Commission in accordance with AS 16.43.260(b);

(2) many persons whose past participation in and economic dependence upon certain fisheries, measured under AS 16.43.250 and the regulations promulgated thereunder, demonstrates that they would suffer hardship by exclusion from the fisheries, were not adequately notified of the nature of a limited entry fishery or the significance of the original application period;

(3) in order to prevent economic distress among fishermen and those dependent upon them for a livelihood, to regulate entry into the commercial fisheries without unjust discrimination, and to ensure that permits are awarded on the basis of hardship, as defined by AS 16.43.250, it is necessary to ensure that persons who were eligible for permits but who were not given adequate notice as to the nature of a limited entry fishery or the significance of the original application period are not denied permits solely because of a failure to apply in a timely fashion;

(4) the factors relevant to a determination in a given fishery as to whether adequate notice was given of the nature of a limited entry fishery and the significance of the original applfcation period are

(a) the percentage of eligible applicants who failed to timely file applications in the fishery,

(b) the average educational level of persons eligible to apply in the fishery and any cultural and language barriers to an understanding of the nature of a limited entry fishery or the significance of the application period,

(c) the communications system available during the application period to publicize limited entry and the closing date for applications, and

(d) the availability and effectiveness of outreach assistance in those areas in which such assistance would be reasonably necessary for the completion of applications;

fisheries, it is apparent that many persons were not adequately notified of the nature of a limited entry fishery and of the significance of the original application period, and that it is necessary to provide for a new application period in those fisheries in order to prevent economic distress among fishermen and those dependent upon them for a livelihood, to regulate entry into the commercial fisheries without unjust discrimination and to ensure that permits in that region are awarded on the basis of hardship as defined in AS 16.43.250;

(6) the number and percentage of eligible applicants failing to timely file applications for entry permits is significantly less in fisheries other than those in Bristol Bay, and insufficient information is available to determine the adequacy of notice in those fisheries, it is therefore necessary to establish a process for the Commission to investigate these fisheries for the purpose of making such a determination.

Section 2. PURPOSE. It is the purpose of this act to direct the Alaska Commercial Fisheries Entry Commission to accept applications for entry permits in the Bristol Bay salmon fisheries and to establish a process for determining whether adequate notice was given in the other salmon fisheries of the nature of a limited entry fishery and the significance of the original application, by reference to the factors listed in section 1 of this act, in order to prevent economic distress among fishermen and those dependent upon them for a livelihood, to regulate entry into the commercial fisheries without unjust discrimination and to ensure that permits are awarded on the basis of hardship.

Section 3 APPLICATIONS FOR ENTRY PERMITS IN BRISTOL BAY.

(a) Notwithstanding the provisions of AS 16.43.260(b), the Commission shall accept applications for entry permits for the Bristol Bay salmon fisheries from all persons who meet the eligiblity requirements of AS 16.43.260(a) but who failed to apply within the time period established by the Commission. Persons who have previously submitted applications to the Commission after the closing date but before the effective date of this Act shall be considered to have applied under this section. The application period established by this section shall open on the effective date of this act and close on December 31, 1980.

(b) The Commission shall process applications received under this Act in accordance with its regulations applicable to the fishery into which entry is sought, except that a reasonable period of time is to be afforded for the

submission of supporting evidence. Permits shall be issued to persons applying under this Act who demonstrate hardship equal or greater than that shown by persons previously issued permits in that fishery notwithstanding the fact that such issuance causes the maximum number established by the Commission under AS 16.43.230-240 to be exceeded. This section does not authorize the Commission to revoke a permit previously issued.

Section 4. APPLICATIONS FOR ENTRY PERMITS IN SALMON FISHERIES OTHER THAN BRISTOL BAY.

The Commission shall research each salmon fishery which is subject to limited entry as of January 1, 1980, for the purpose of determining whether adequate notice was given as to the nature of a limited entry fishery and the significance of the original application period, utilizing the factors set forth in section 1 of this Act. The Commission shall annually prepare a report to the Legislature recommending in which fishery a new application period should be established and the scope and extent of the application period. The Commission shall have researched all fisheries and made its recommendations pursuant to this section by January 1, 1983.

Alaska State Legislature

TELECONFERENCE HEARINGS

* PST

TELECONFERENCE CONTACT SHEET — TAKEN BY deborah

TOPIC: 'Limited Entry'

COMMITTEE: House Resources

DATE: ~~3/3/80~~

DAY: Thursday

TIME: ~~1pm~~ 3 PM

SCHEDULED DURATION: 2 hrs

SITES PARTICIPATING:

CONFERENCE MODE: Audio ✓ Video ____

PERSONS PARTICIPATING — SITE

chairman: Rep OSTERBACK — JUNEAU

CONTACT ADMINISTRATOR

PHONE 3738

DATE SCHEDULED ~~3/3/80~~

LOCATION VALDEZ

MODERATOR Pat Hickok

PUBLICITY:

___ Invitational

✓ Committee making contacts

___ PSAs ___ date ___ quantity

___ News Release ___ date ___ quantity

___ Summary to be provided

___ Text to be provided

___ Quotes to be provided

___ Direct Mail ___ date ___ quantity

___ Phone ___ date ___ quantity

___ Post at Info. Office

___ Post other local locations

SPECIAL NOTES:

* info. on exact # of sites to be supplied

JUNEAU LOCATION:

Rm. 119

POST-TELECONFERENCE NOTE:

Participants	3
Observers	16
Total	19

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811

Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE: March 3, 1980
LOCATION: VALDEZ, ALASKA
SUBJECT: LIMITED ENTRY

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Walter Day	Day Self	Box 448 Valdez	835-4318		✓
Polly E Day	PH + Day	Box 1011 Cordova	424-3355		✓
Peggy Day	myself	Box 788 Valdez	835-4404		✓
Lavina A Day	Self	Box 788 Valdez	835-4404		✓
Ed Sattler	"	Box 213 Valdez	835-4559	✓	
Paul L Ferrin	"	Box 434 Valdez	835-4550	✓	
Helen L Long	—	Box 503 Valdez	—		
Del Ferrin	✓	BOX 272 "	835-4550		
Pat Holtnes		Box 213	835-4539		
Lowell Lindgren		Box 725 Valdez	835-4484	✓	
Marylou Cotter	Self	PO Box 422 Valdez	835-4413	✓	?

Alaska State Legislature

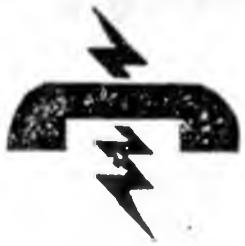
TELECONFERENCE HEARINGS

DATE: March 3, 1980
LOCATION: VALDEZ, ALASKA
SUBJECT: LIMITED ENTRY

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Peggy N. Killen	JELF	Box 154	465-4	✓	
Harold L. Allen	S.C.F	Box 469	7416	✓	
Phyllis Day	Self	Box 68 Cordova	424/5555	✓	
Tom Horton	Self	Fox [illegible]	4453	✓	
Pat Murphy	Self	Box 787	21-8	✓	

Alaska State Legislature

TELECONFERENCE HEARINGS



Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Patrick A Day

Here to Testify V

REPRESENTING SELF

Here to Observe _____

MAILING ADDRESS P.O. Box 788 Zip 99686

TELEPHONE NUMBER 835 4404

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Patrick A Day
(signature)

EVALUATION: Have you participated in other legislative teleconferences? No If so, how many? _____

How did you learn about this hearing?
SENATOR KERTTULA

Would you have participated in this hearing if the network were not available? YES

If yes, did you use the network

___ instead of travel

___ instead of phone conversations

V instead of mailed testimony?

Are you also providing written testimony? No

DATE 3/3 SUBJECT HB665 LOCATION VALDEZ

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811
Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Peggy Day

Here to Testify X

REPRESENTING myself

Here to Observe _____

MAILING ADDRESS Box 788, Valdez AK Zip 99686

TELEPHONE NUMBER 907(835-4404)

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

[illegible]
(signature)

EVALUATION: Have you participated in other legislative teleconferences? [illegible] If so, how many? _____

How did you learn about this hearing?
[illegible]

Would you have participated in this hearing if the network were not available? [illegible]

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

X instead of mailed testimony?

Are you also providing written testimony? [illegible]

DATE [illegible] SUBJECT [illegible] HB 665 LOCATION [illegible] VALDEZ

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Legislative Teleconferencing Network
State Capitol . Pouch V . Juneau . 99811

Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Robert E. Day — Here to Testify ✓

REPRESENTING Pat Day — Here to Observe ____

MAILING ADDRESS Box 641 CORDOVA, AK Zip 99574

TELEPHONE NUMBER 424-3355

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Robert E Day
(signature)

EVALUATION: Have you participated in other legislative teleconferences? NO If so, how many? ____

How did you learn about this hearing?
Local Bulletin

Would you have participated in this hearing if the network were not available? YES

If yes, did you use the network

____ instead of travel
____ instead of phone conversations
✓ instead of mailed testimony?

Are you also providing written testimony? No

DATE ~~1/22 & 23/80~~ 23 SUBJECT ~~AFOC Sunset Review~~ HB 645 LOCATION ~~Anchorage~~ VALDEZ

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME _____ Here to Testify ✓

REPRESENTING _____ Here to Observe _____

MAILING ADDRESS _____ Zip _____

TELEPHONE NUMBER _____

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

_____
(signature)

EVALUATION: Have you participated in other legislative teleconferences? _____ If so, how many? _____

How did you learn about this hearing?

_____

_____

Would you have participated in this hearing if the network were not available? _____

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE _____ SUBJECT _____ LOCATION _____

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811

Phone: 465-4980

send
To H. Resources

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LA11 1323 10.37 JA01 0027 10.56 03/04/00

TO POYE
FR KATHI

WITNESSES AT HOUSE RESOURCES HEARING, HB 630, 631 & 665

ROBERT J. ROWAN
JACK MCLEAN(FOR FRANK CORREA)
MIKE DOUGH
NICK CHUKAUI OFI
DOUGLAS POPE
BOB LOHR
DEP. ROBERT BROWN

P. O. Box 578
Girdwood, Alaska 99587
April 17, 1980

Representative Alvin Osterback
Pouch V
Juneau, Alaska 99811

Dear Alvin:

I have been trying to get my limited entry permit since 1974, when I was ill-advised by Commissioner Jay Stovall that I did not qualify. The enclosed letter is the latest sent to the Commission; it is in reply to their denial of my application. The second letter is a copy of the reason for my late application and outlines the tremendous amount of research I have accomplished while compiling data to support my claim. The third letter is one I finally received from former Commissioner Stovall after I had completed my application and had submitted it. I forwarded it onto the Commission, but was still denied a permit.

I know that I am not the only one that has fallen afoul of this bureaucratic bungle, so I am offering to share my information with you to assist other justified applicants. Please let me know if I can help clean this up; and, if you can do anything to expedite my hearing or issuance of a permit, please do.

Thank you for your attention to this matter.

Sincerely yours,

Richard H. Jensen

RHJ:cj

Enclosures

P. O. Box 578
Girdwood, Alaska 99587
April 17, 1980

Ms. Kathy Bailey
Application Technician
State of Alaska
Commercial Fisheries Entry Commission
Pouch KB
Juneau, Alaska 99811

Dear Ms. Bailey:

I have your letter of April 10 acknowledging the return of my check to Richard L. E. Jensen in Anchorage; also acknowledging that I am requesting an administrative hearing. In confirmation of this, I hereby resubmit my original check for $20.

The reason for this request is self-explanatory by examination of the sworn documents submitted with the application. I am entitled to a limited entry permit; and, except for the explicit ill-advice of one of the original commissioners who was engaged in traveling around the State advising and assisting groups of fishermen applicants, would have participated in the past five seasons. Without conjecture, I have been deprived of more than $300,000 income.

Instead of this participation, I have months of time and effort involved amassing proof of my claim to a right that was taken from me and immersed in a jungle of bureaucratic requirements that emerge as barrier after barrier in attempting to regain the original freedom. I will give you one example: After I first discovered the fact in late 1977 that others in like circumstances were seeking and receiving limited entry permits, I inquired of some of my friends in staff positions with Fish and Game. They admitted some knowledge of this situation, but could not tell me of the special circumstances, nor did they have limited entry applications or regulations. I talked then to some of the returning fishermen who were gearing up for the 1978 season. They confirmed the fact that the commission was issuing belated permits. I then wrote the commission; and after an exchange of letters, received an application along with regulations and instructions. This packet arrived three years, six months and 19 days after I originally contacted a commissioner in regards to acquiring same. I immediately set out to complete the application as per the instructions - line by line. Throughout the application, the emphasis is on point accumulation. The supporting data is all relevant to verifying these points. I spent months locating and digging through 24 years of business records; I spent more months going the alternate method of seeking affidavits from the best sources I knew. I still was

nowhere near the required 20 points last summer when I finally called Commissioner Ingraham. During our conversation, he casually mentioned that if I could prove fishing effort between 1960 and 1972; and in addition, provide the proof of being ill-advised by a representative of the commission, I quite likely could receive a permit; since few, if any, points were required for set net permits in Bristol Bay. "Stop, hold the phone and say that again"---he repeated the statement. I was flabbergasted! Nowhere on the application or in the instructions does it remotely indicate that the Bristol Bay set gill net fishery was so far under quota that any qualified applicant would be issued a permit. Had this been made evident, I could have submitted this application a week after I received it, e.g., August 1978.

Perhaps this frustrating example will in a slight way indicate the desire for some form of recourse.

Sincerely yours,

Richard H. Jensen

RHJ:cj

Enclosure: Personal check #1441 in amount of $20.

cc: Representatives Nils Anderson, Bill Miles and Alvin Osterback

P. O. Box 578
Girdwood, Alaska 99587
December 28, 1979

Commercial Fisheries Entry Commission
Pouch K B
Juneau, Alaska 99811

Gentlemen:

Along with my application, I submit this explanation concerning its tardiness. In late 1974, I took the responsibility for my family of staying abreast of the new limited entry law and its implementation. Therefore, this explanation is valid for Iris E. Jensen as well as Richard L. E. "Duffy" Jensen, my son, who are also applying.

In the first place, we did not receive any yellow cards put out by the Commission for requesting applications; nor did we get pre-printed applications which many fishermen received. In fact, I did not know of the information packets and application forms until several years later. My only source of information in 1974 was the newspapers, the radio and other fishermen (who were as confused as I).

However, sometime in December of 1974, I made a point of meeting with Commissioner Jay Stovall as he passed through Anchorage International Airport. We had lunch and I talked to him about getting our limited entry permits. He asked if we had fished during the 1969 through 1972 seasons. I told him "no"; and he said he was not sure, but that he thought we would not be eligible. Although he said that all the rules were not "cut and dried" as yet. As he left, I told him I would keep in touch. Meanwhile, we still received no official notice from the Commission. Which, in retrospect, indicates to me it was the Commission's opinion, at that time, that we were not eligible to fish in the Bristol Bay set net fishery. Had I received the packet, I could have read the criteria for myself. Moreover, I recall hearing via the news media reports from Juneau, that the fishing seasons of 1969 through 1972 were emerging as a critical period toward qualifying for permits; all of which supported Commissioner Stovall's original guessitimation.

Some weeks later, on January 17, 1975, to be exact, my wife and I went to Juneau for Governor Jay Hammond's inauguration. On January 19, I took advantage of the trip to visit Commissioner Stovall again and talk about our limited entry permits. We visited Jay in his home; and I explained that we wanted to continue fishing in the Bay and needed permits in order to do so. His response at that time was very positive; stating that if we had not participated in the fishery during the 1969 through 1972 season, we could not qualify for permits.

I reminded him that my son had been in Vietnam most of those years and while he was gone, I had paid our tidelands lease fees and maintained the sites and gear. He replied that leased sites would have no bearing on the issuance of a permit; he failed to mention, however, that military service would be an important factor. I was bitterly disappointed at this news and my wife and I had a lengthy discussion about the inequities of losing another of our rights which we had pioneered way back prior to statehood. She recalls my conversation with Commissioner Stovall and attests to its truthfulness by affidavit (Exhibit B1).

After this second meeting with Stovall, I resigned myself to the fact that we had been excluded from the fishery and notified my son, Duffy. Since we had known the Stovail family very well for 20 years, we had no reason to doubt his official advice--either then or now. Thus, the deadline of March 13, 1975, which I had noted on my desk calendar (Exhibit B2) came and went, as did the extended deadline of May 13, 1975. We had no applications on file; and furthermore, we did not seek an interim permit for that season since it was forecast to be a "scratch" year and we would have no permits for the following one anyway.

I never did receive anything from the Commission which gave us notice or recognized our possible eligibility for a permit, nor did I catch it in the newspaper legal notices. It was not until 1977, while I was in Bristol Bay during the fishing season, when I learned that late applications were being processed and set gill net permits were still being issued. This rekindled my interest and I talked to many of my friends who had fished with us. After some investigation, I found that many eligible applicants had missed getting permits for the same reason that I had. Specifically, they had been ill-advised by a representative of the Commission. In many cases in the Naknek/Kvichak area, this bad advice came from the agent assigned to the Bristol Bay Native Association who was designated to assist the local natives with their applications. (See Exhibit B)

By this time, Commissioner Stovall had left the Commission and I had no personal contact with him or the other commissioners; but, I talked to friends in the Department of Fish and Game about my chances of seeking a belated set net permit. They advised contacting the Commission directly, which I did on June 1978 (see Exhibit B3). I received a reply from Commissioner Garner (Exhibit B4) and after an exchange of letters (Exhibits B5, B6, B7) finally received a packet of limited entry instructions and application forms. Thus, for the first time, in July 1978, did I get a chance to see the requirements for a permit. As I read them, I realized that we had, indeed, been eligible to apply prior to the 1975 deadline; and I began wondering why we had been advised against it? What had happened to change the picture? These two questions had to be answered in order to reconcile the great difference between the written regulations and the spoken word.

I immediately set out to complete my application and compile the documentation to compute my points. The requirements were very confusing, but I learned that the Commission had scheduled a public hearing in Naknek and planned to attend it in order to get some assistance. October 12, 1978, was the hearing date; but the meeting generated more noise and confusion than information, and I left still with the impression that it took 20 points to qualify for a set net permit in Bristol Bay. One fact that emerged from the meeting that amazed me was the number of eligible fishermen who after four years did not have permits. I searched

through all of our old records diligently for supporting information, but found that most of them had been destroyed by wind and rain. Those that I found appear with the applications, however, most of the evidence is in the form of sworn affidavits. Compiling these has been a long, slow process.

Last summer, I visited the Anchorage office of Fish and Game seeking an affidavit and other information. A friend suggested a call to Commissioner Dave Ingraham. On November 28, 1979, I called the Commissioner in frustration over my application and the documentation necessary for my points. I explained my problems with the point scoring; he stopped me then, and asked two questions: No. 1 - Had we fished in Bristol Bay during the period 1960 to 1972? Upon receiving an affirmative answer, he asked question No. 2 - Had we filed a timely application, and if not, why not? I described the previous advice I had received from Commissioner Stovall on the two occasions I had talked with him in 1974 and early 1975. After my explanation, Commissioner Ingraham stated that if we were able to substantiate that one fact to the Commission, we might be granted permits, since very few points were required for set gill nets in Bristol Bay. This statement regarding the low-point requirements for Bristol Bay set nets completely surprised me, because according to inferences in the instructions, it would require a substantial point-showing to acquire any permit. Here, then, was another quandary. At any rate, Commissioner Ingraham ended by stating that if we could prove that we were, indeed, ill-advised, we quite likely could get permits.

I flew down to Bristol Bay on December 11, 1979, and spent a week talking to other fishermen about the problems they encountered while seeking their late permits. In all cases, I found confusion and outright ill-advice which had been passed out by various spokesmen for the Commission. For instance, quite a few fishermen who had first been in the set net fishery and then advanced to drift netting during the 1969-1972 period were told they could not qualify for their set net permits; although some fishermen have since received them. All of this brought back to mind the discrepancy I encountered between what I had been told as opposed to what the regulation read. There had to be an answer and I felt that I must resolve this mystery in order to satisfy the Commission that I had, indeed, been misinformed. I left the Bay with that intention.

I called Commissioner Stovall, whom still lives in Juneau and whom I have not seen in three or four years. I reminded him of the several conversations we had concerning our set net permits. He remembered the occasions, but did not remember telling me that we could not qualify. He said that in most cases, where there was any doubt, he had recommended filing anyway. That sounded like he was hedging, since his last advice to me had been a definite "no." I was again mystified and wondered if there was some kind of a conspiracy going on, or had the ground rules been changed somewhere along the way and the prudent advice changed accordingly. I think that I have established this is exactly what did happen, particularly in the case of the Bristol Bay set gill net fishery.

Several weeks after my telephone conversation with former Commissioner Stovall, I sought out Mr. Darwin Biwer who served on the Commission for four years. He joined the Commission in July 1973, three months after it was formed by legislative action. He was the state fisheries biologist until 1976, and thereafter, succeeded Allan Adasiak as Executive Director while continuing to serve as biologist

for the balance of his tenure. He told me that he had attended the preliminary hearings all over the state with Chairman Roy Rickey and other commissioners. He said that the resultant regulations and the overall point system which applies statewide were designed to fairly well screen out the non-professional fisherman who was not currently engaged in the fishery; in other words those who had not engaged in their fishery during the 1969 through 1972 seasons. And, he claims they did a pretty g f job except in Bristol Bay where there are very few professional fishermen. Here the Commission found, after the fact, that the point system allowed entry into the set gill net fishery of almost everybody who had fished during the entire qualifying period between 1960 and 1972. However, by the time this fact did emerge, the final application deadline of May 18, 1975, had long since past.

I have talked with Mr. Biwer at length on this point and he acknowledges that because of the above-misjudgement of the points required, the various representatives of the Commission could easily have ill-advised many fishermen who were, indeed, eligible to apply, that they "could not qualify," and with good conscience. He further admits that later as it became apparent to the Commission that the points required to qualify for a Bristol Bay set gill net permit were going to be very low, that a different word went out from the Commission to these fishermen.

It seems that the critical point here is found in the, quote, "those fishermen eligible to apply," unquote (all 1960 to 1972 participants); and those who, quote, 'could qualify for a permit," unquote, as deemed by the Commission (1969 to 1972 participants). In other words, it was the Commission's view that only current professional fishermen who could tally the higher points awarded for 1969-1972 participation would be able to get limited entry permits. This did not prove to be true. At that point in time, t s mistaken assumption thwarted not only us, but others as well. In our case, we received neither applications or notices from the Commission or any of the regulations. Furthermore, when we made great effort to seek out a commissioner who knew of our personal involvement in the Bristol Bay fishery, we were ill-advised that we 'did not qualify for a permit"; thus, we passed the deadline without a timely application on file. I believe that when former Commissioner Stovall is questioned about this application, and as he recalls those early days prior to implementation of the Act, he will agree that the possibility certain y existed for misinformation having been dispersed to interested applicants in the Bristol Bay set net fishery.

With this lengthy explanation, I rest my case.

Sincerely yours,

Richard H. Jensen

RHJ:cj

Enclosures

P. S. I am awaiting a letter or affidavit from former Commissioner Stovall, hopefully, that will verify my contention.

(3)

Rt. 3, Box 5050
Juneau, Alaska

February 5, 1980

Richard H. Jensen
P. O. Box 578
Girdwood, Alaska 99587

Dear Dick,

In answer to your letter of January 17, 1980, I thought I had better put some of my statements on this matter in a letter to you rather than by telephone. As you are aware, I will not be available for any Commission hearings from about March 15 to September 10. During this period I will either be in Bristol Bay or in transit to or from the Bay with the brine tender "Balena".

I do remember talking to you and discussing your Bristol Bay fishing history during your visit to Juneau for Govenor Hammond's first inauguration. At that time my personal feelings were that any one who had not fished commercialy after 1966 would stand very little, if any, chance of receiving a permit. I think that my statement to you was that "you had about the same chance as a snowball in Hell".

As we are well aware, it did not work out that way in the Bristol Bay set net fishery. Had you made application I am sure that you would have qualified for a permit, particularly in view of your owner hir of fishing equipment and the tideland lease from the State of Alaska on your set net site. At the time I left the Commission in 1977 we had not received enough applications to match the maximum number of permits to be issued in that fishery. Of more than twenty fisheries this was the only fishery where that occurred. All of the other fisheries received many more applications than there were permits to be issued.

I hope this will be of help to you and I am certainly sorry that my pessimism at the time influenced you in not making application before the dead line.

If I can be of any further help please feel free to call on me.

Sincerely,

Charles J. Stovall

Alaska State Legislature

TELECONFERENCE HEARINGS

* PST

TLLECONFERENCE CONTACT SHEET — TAKEN BY deborah

TOPIC: 'Limited Entry'

COMMITTEE: House Resources

DATE: 3-3-80 Monday

TIME: 3:00 pm PST DURATION: 2 hrs
1:00 pm PST

SITES PARTICIPATING

CONFERENCE MODE: Audio ✓ Video ____

CONTACT Adelhaide

PHONE 3738

DATE SCHEDULED ____

LOCATION ____

MODERATOR ____

PUBLICITY:

___ Invitational
✓ Committee making contacts
___ PSAs ___ date ___ quantity
___ News Release ___ date ___ quantity
___ Summary to be provided
___ Text to be provided
___ Quotes to be provided
___ Direct Mail ___ date ___ quantity
___ Phone ___ date ___ quantity
___ Post at Info. Office
___ Post other local locations

PERSONS PARTICIPATING	SITE
chairman: Rep OSTERBACK	JUNEAU
will be discussing these bills only.	
1. HB 66	Bethel
2. HB 631	Dillingham
3. SS HB 630	Kodiak

SPECIAL NOTES:

* info. on exact # of sites to be supplied

JUNEAU LOCATION:

Rm. 119

POST-TELECONFERENCE NOTE:

Participants	11
Observers	6
Total	17

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811

Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE: 3-3-80

LOCATION: Bethel

SUBJECT: Limited Entry Bills.

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE (8)	HERE TO TESTIFY (7)
Frank Fox duty	Nunam Kitlutsisti	P.O. Box 267 Bethel AK 99559	543 2956	✓	✓
Wilson E Simon Sr	Self	PO Box 291 Bethel, AK 99559	543-2015		X
Arthur T. Nelson	Self	P.O. Box 231 Bethel Alaska 99559			X
Lenny Pootlook	Self	Box 309 Bethel		✓	
Peter Alexie Sr.	Self	Box 392 Bethel		✓	X
Lloyd Kent		Box 232 Bethel			X
David Daniel	Self	Box 32 Bethel	543-2814	✓	
Robert Polty	Self	Box 243	543 2302	✓	X
Kimberly Martin	Alaska Legal Ser	Box 298	2237	✓	
Ken Hamm	Nunam Kitlutsisti	Box 1243	543-2385		X
Joe Kaneshiro	Self	Box 908 Togiak Bay tk 99637	536-8001	✓	✓

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE:

LOCATION:

SUBJECT:

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Yako Andrew	Self	P.O. Box 452 Bethel	543-2184	✓	4
Don Branch	NLSC	P.O. Box 248 Bethel	543-2238	✓	
George I Keene	Self (sending written)	Knightdale, NC	543-2032		4
Sophie A. Keene	~~Beneficiary~~ father	Box 583 Bethel	543-2174	✓	
[illegible]	Self Eq	Box 471 B[illegible]	2153		4
John Ticer	Kuskokwim - Self	[illegible] Dr. Kwik AK	2033	✓	

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE: 3/3/80
LOCATION: KOTZEBUE
SUBJECT: Limited Entry
630-631-665

NAME	REPRESENTING	ADDRESS	PH #	HERE TO OBSERVE	HERE TO TESTIFY
NORMAN CLACK	Self	Box 226 KOTZEBUE	NONE	✓	

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE: March 3, 1980

LOCATION: KTN Info Office - Court Rm.

SUBJECT: Limited Entry - HB 665 & SSHB 630

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Robert ALmquist	Myself	Box 3148			X
Albert Fuller	MYSELF	924 PARK AVE UPR KTN	225-3812		X
Warren Branch	"	PO Box 5912	225 7065		
Laird Jones		Box N-27 Ward Cove	247-2618		X
BILL HAMILTON	MYSELF	2030 [illegible]	5-4161	X	

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Laird. Jones

Here to Testify X

REPRESENTING Alaska Native Brotherhood camp 14

Here to Observe _____

MAILING ADDRESS Box A-27, Ward Cove, AK ~~9975~~ Zip 99928

TELEPHONE NUMBER 247-2618

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Laird Jones
(Signature)

EVALUATION: Have you participated in other legislative teleconferences? Yes If so, how many? 1

How did you learn about this hearing?

Heard Leg Affairs ad in SE Sent

Would you have participated in this hearing if the network were not available? Probably Not

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE 03/03/90 SUBJECT A B C S S Limited Entry LOCATION Juneau

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811

Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Robert A ALmquist — Here to Testify X

REPRESENTING Fisherman - "Myself" — Here to Observe X

MAILING ADDRESS Box 3148 — Zip 99901

TELEPHONE NUMBER 5-3657

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

R A Almquist
(signature)

EVALUATION: Have you participated in other legislative teleconferences? No If so, how many? _____

How did you learn about this hearing?
From AL Feller whom had called Nels Anderson's office + also by calling Nels Anderson's office myself.

Would you have participated in this hearing if the network were not available? Yes??

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? No.

DATE 3-7-80 SUBJECT Permits LOCATION Ketchikan

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811
Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

SUBJECT: HB 665 - late applications for limited entry permits
SSHB 630 - taking and sale of fish without an entry permit or interim-use permit

COMMITTEE: House Resources

DATE: March 3, 1980

TIME: 3:00 p.m.

SITES PARTICIPATING: ALL

CONFERENCE MODE: Audio

LOCATION: Ketchikan Info Office, Room 301

MODERATOR: Sandy Wendte

NOTES:

CONFIRMATION OF CONFERENCE CENTER: yes

PUBLICITY:

Invitational -

	Date	Quantity
PSAs		
News releases (local)		
News releases (outlying media)		
Direct mail		
Phone contacts		3
Other:		3

NUMBER IN ATTENDANCE 5
NUMBER TESTIFYING 3

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811

Phone: 465-498.

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME ALBERT G. FELLER Here to Testify YES

REPRESENTING MYSELF Here to Observe _____

MAILING ADDRESS 634 PARK FIVE VPR-KTN Zip 99901

TELEPHONE NUMBER 225-3812

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Albert G. Feller
(signature)

EVALUATION: Have you participated in other legislative teleconferences? no If so, how many? _____

How did you learn about this hearing?
ROBERT ALMQUIST - KTN

Would you have participated in this hearing if the network were not available? yes

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE _____ SUBJECT permit LOCATION KTN

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811
Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

* PST

TELECONFERENCE CONTACT SHEET — TAKEN BY deborah

TOPIC: 'Limited Entry'

COMMITTEE: House Resources

DATE: ~~3/3/80~~ DAY: Thursday

TIME: ~~1:00 PM~~ 3 PM SCHEDULED DURATION: 2 hrs

SITES PARTICIPATING:

CONFERENCE MODE: Audio ✓ Video ____

CONTACT ADELMAIDE

PHONE 3738

DATE SCHEDULED ____

LOCATION ____

MODERATOR ____

PERSONS PARTICIPATING	SITE
chairman: Rep OSTERBACK	JUNEAU

PUBLICITY:

___ Invitational

✓ Committee making contacts

___ PSAs ___ date ___ quantity

___ News Release ___ date ___ quantity

___ Summary to be provided

___ Text to be provided

___ Quotes to be provided

___ Direct Mail ___ date ___ quantity

___ Phone ___ date ___ quantity

___ Post at Info. Office

___ Post other local locations

SPECIAL NOTES:

* info. on exact # of sites to be supplied

JUNEAU LOCATION:

Rm. 119

POST-TELECONFERENCE NOTE:

Participants 9

Observers 7

Total 16

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811

Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Frank Correa Here to Testify ☑

REPRESENTING _____ Here to Observe ☐

MAILING ADDRESS P.O. 3599 ANCHORAGE AK Zip 99510

TELEPHONE NUMBER 243-3626

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

_____
(signature)

EVALUATION: Have you participated in other legislative teleconferences? No If so, how many? _____

How did you learn about this hearing?

_____

_____

Would you have participated in this hearing if the network were not available? YES

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE 2-3-88 SUBJECT [illegible] LOCATION Local

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Mike Hough

Here to Testify X

REPRESENTING clients who are late applicant

Here to Observe X

MAILING ADDRESS Box 291, Homer Zip 99603

TELEPHONE NUMBER 907-235-8184

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

M. Hough
(signature)

EVALUATION: Have you participated in other legislative teleconferences? No If so, how many? _____

How did you learn about this hearing?

Rep Anderson

Would you have participated in this hearing if the network were not available? yes

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE 3/3/90 SUBJECT HB 665 LOCATION Anch

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FO

NAME ~~Frank Correa~~ Jack McLean

Here to Testify ✓

REPRESENTING Frank Correa

Here to Observe _____

MAILING ADDRESS 3542 North Point Dr Zip 99502

TELEPHONE NUMBER 243-3626

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

J McLean
(signature)

EVALUATION: Have you participated in other legislative teleconferences? No If so, how many? 2

How did you learn about this hearing?

Called Nikki (Pedersen)

Would you have participated in this hearing if the network were not available? Yes

If yes, did you use the network

_____ instead of travel

✓ instead of phone conversations

✓ instead of mailed testimony?

Are you also providing written testimony? Not at this time

DATE 3-3-80 SUBJECT Lake Clark LOCATION Anc

Alaska State Legislature

TELECONFERENCE HEARINGS

(1)

(2)

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

HB-630

NAME ROBERT J. ROWAN

Here to Testify X

REPRESENTING DIVISION OF MOTOR VEHICLES DEPT OF Public Safety

Here to Observe _____

MAILING ADDRESS P.O. Box 960 Anchorage Zip 99510

TELEPHONE NUMBER 269-5551

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Robert J. Rowan
(signature)

EVALUATION: Have you participated in other legislative teleconferences? No If so, how many? _____

How did you learn about this hearing?

Dept of Public Safety Helpline

Would you have participated in this hearing if the network were not available? _____

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE 3-3-80 SUBJECT HB-630 LOCATION ANC

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Nick Shurbaloff

Here to Testify ✓

REPRESENTING self

Here to Observe _____

MAILING ADDRESS PO Box 222 Zip 99615

TELEPHONE NUMBER 456-5748

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Nick Shurbaloff
(signature)

EVALUATION: Have you participated in other legislative teleconferences? _____ If so, how many? _____

How did you learn about this hearing?

_____

_____

Would you have participated in this hearing if the network were not available? _____

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE 3/21/30 SUBJECT HB 685 LOCATION JNU

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Douglas Pope — Here to Testify X

REPRESENTING Legislature — Here to Observe X

MAILING ADDRESS _____ Zip _____

TELEPHONE NUMBER _____ _____

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Douglas Pope
(signature)

EVALUATION: Have you participated in other legislative teleconferences? _____ If so, how many? _____

How did you learn about this hearing?

_____

_____

Would you have participated in this hearing if the network were not available? _____

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE 3/3/80 SUBJECT Limited Entry LOCATION ANC

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Bob Lohr

Here to Testify X

REPRESENTING Rural CAP

Here to Observe _____

MAILING ADDRESS Box 3-3905 Anchorage Ak. Zip 99501

TELEPHONE NUMBER 279-2511

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Robert G. Lohr
(signature)

EVALUATION: Have you participated in other legislative teleconferences? yes If so, how many? 1

How did you learn about this hearing?

Leg. Liaison

Would you have participated in this hearing if the network were not available? no

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

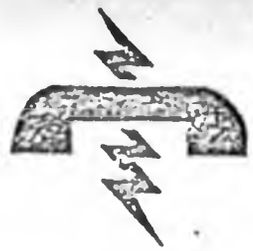
_____ instead of mailed testimony?

Are you also providing written testimony? no

DATE 3/3/89 SUBJECT Limited Entry LOCATION Anc.

Alaska State Legislature

TELECONFERENCE HEARINGS



(2) (1)

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME S.J. Robert Brown Here to Testify ✓

REPRESENTING State Fish & Wildlife Protection Here to Observe _____

MAILING ADDRESS PO Box 6188 Annex, Anchorage AK Zip 99502

TELEPHONE NUMBER 269-5054

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

R E Brown
(signature)

EVALUATION: Have you participated in other legislative teleconferences? No If so, how many? _____

How did you learn about this hearing?
I was Formed by Juneau - Dept of Public Safety

Would you have participated in this hearing if the network were not available? Yes

If yes, did you use the network
✓ instead of travel
_____ instead of phone conversations
_____ instead of mailed testimony?

Are you also providing written testimony? Yes

DATE 3/11/80 SUBJECT HB 630 LOCATION Anchorage

Legislative Affairs Agency
Legislative Teleconferencing Network Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME John Kurala — Here to Testify _____

REPRESENTING Mself — Here to Observe V

7401 Tiffany Square Dr

MAILING ADDRESS Anch Ak — Zip 99502

TELEPHONE NUMBER 243 1579

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

John Kurala
(signature)

EVALUATION: Have you participated in other legislative teleconferences? CO If so, how many? _____

How did you learn about this hearing?

Rep Vic Kohring

Would you have participated in this hearing if the network were not available? _____

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

C instead of mailed testimony?

Are you also providing written testimony? C

DATE 3/3/98 SUBJECT HB 165 LOCATION Juc

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Hannelore Mucalu — Here to Testify ____

REPRESENTING Myself — Here to Observe ✓

1001 Tall Spruce Dr

MAILING ADDRESS Anchorage, Alaska Zip 99502

TELEPHONE NUMBER 243 1879

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Hannelore Mucalu
(signature)

EVALUATION: Have you participated in other legislative teleconferences? ____ If so, how many? ____

How did you learn about this hearing?

Rep. Nels Anderson

Would you have participated in this hearing if the network were not available? ____

If yes, did you use the network

____ instead of travel

____ instead of phone conversations

__✓__ instead of mailed testimony?

Are you also providing written testimony? No

DATE 3/3/80 SUBJECT HB 665 LOCATION HRC

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Helen R. Edenshaw — Here to Testify _____

REPRESENTING Self — Here to Observe ✓

MAILING ADDRESS 9419 Brayton Dr. Spirit Zip 99507

TELEPHONE NUMBER 349-3837

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Helen R. Edenshaw
(signature)

EVALUATION: Have you participated in other legislative teleconferences? No If so, how many? _____

How did you learn about this hearing?
Call from Duncan from Nels Anderson Office

Would you have participated in this hearing if the network were not available? _____

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? No

DATE 3/3/80 SUBJECT Fisheries Policy LOCATION Anch

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Mike Tammeus

Here to Testify _____

REPRESENTING _____

Here to Observe ✓

MAILING ADDRESS PO Box 572 Homer AK Zip 99603

TELEPHONE NUMBER 235 8046

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Mike Tammeus
(signature)

EVALUATION: Have you participated in other legislative teleconferences? No If so, how many? _____

How did you learn about this hearing?

I mail

Would you have participated in this hearing if the network were not available? _____

If yes, did you use the network

_____ instead of travel

✓ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? No

DATE 4/2/90 SUBJECT Boundary Study LOCATION Anch

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Fred Anderson — Here to Testify ____

REPRESENTING SELF — Here to Observe X

2907 La Honda Drive

MAILING ADDRESS Anchorage AK Zip 99503

TELEPHONE NUMBER ____

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Fred Anderson
(signature)

EVALUATION: Have you participated in other legislative teleconferences? NO If so, how many? ____

How did you learn about this hearing?

Adel Heid Herman
of Nels Anderson's Office

Would you have participated in this hearing if the network were not available? ____

If yes, did you use the network

____ instead of travel
X instead of phone conversations
____ instead of mailed testimony?

Are you also providing written testimony? NO

DATE 5/7/90 SUBJECT Natural Gas LOCATION Anc

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Norman N Anderson Here to Testify _____

REPRESENTING Self Indust Here to Observe X

MAILING ADDRESS Box 971 Makuck, Alaska Zip 99633

TELEPHONE NUMBER 268-4753

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Norman N Anderson
(signature)

EVALUATION: Have you participated in other legislative teleconferences? N.C. If so, how many? _____

How did you learn about this hearing?

Fish Board

Would you have participated in this hearing if the network were not available? Yes

If yes, did you use the network

_____ instead of travel

X instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? No

DATE 3/3/92 SUBJECT Norton Sound Policy LOCATION Nome

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Josephine McLean

Here to Testify _____

REPRESENTING _____

Here to Observe ✓

MAILING ADDRESS 7542 North Point Drive Zip 99502
Anchorage, AK

TELEPHONE NUMBER 243-3626

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Josephine McLean
(signature)

EVALUATION: Have you participated in other legislative teleconferences? No If so, how many? 15 occasions

How did you learn about this hearing?

Nils Andreasen

Would you have participated in this hearing if the network were not available? _____

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE 3-3-80 SUBJECT HB 665 LOCATION Fbx

Legislative Branch

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE: 3/3/80
LOCATION: KODIAK
SUBJECT: HB-665, 630, 631

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
MIKE MULLAN	Self	Port Lions AK	—		✓
WAYNE MARSHALL	KANA	Box 172, Kodiak	486-5721		✓
MATT JAMIN	ALFC clients	Box 304 Kodiak	486-4178		✓
C. LODFELTER-GORDON K.					✓

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Cloedfelter Gordon K

Here to Testify ✓

REPRESENTING SELF

Here to Observe ____

MAILING ADDRESS Box 1936 Kodiak AK Zip 99615

TELEPHONE NUMBER 486-3669

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Gordon K Cloedfelter
(signature)

EVALUATION: Have you participated in other legislative teleconferences? ✓ If so, how many? 2-

How did you learn about this hearing?

PAPER & RADIO

Would you have participated in this hearing if the network were not available? POSSIBLE BUT COST PROHIBITIVE

If yes, did you use the network

____ instead of travel

____ instead of phone conversations

____ instead of mailed testimony?

Are you also providing written testimony? WILL SEND TO BOF & TO FISHERIES

DATE MAR 3-80 SUBJECT LIMITED ENTRY LOCATION Kodiak AK

Legislative Affairs Agency
Legislative Teleconferencing Network
[illegible] Juneau 99811

Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME MIKE MULLAN

REPRESENTING SELF

Here to Testify _____

Here to Observe _____

MAILING ADDRESS PORT LIONS, AK Zip 99655

TELEPHONE NUMBER _____

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

mike Mullan
(signature)

EVALUATION: Have you participated in other legislative teleconferences? NO If so, how many? _____

How did you learn about this hearing?

_____

_____

Would you have participated in this hearing if the network were not available? NO

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? NO

DATE 3/13/90 SUBJECT Limited Entry LOCATION Kodiak

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811

Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME MATT JAMIN

Here to Testify X

REPRESENTING ALASKA LEGAL SERVICES CORP.

Here to Observe _____

MAILING ADDRESS BOX 304, KODIAK Zip 99615

TELEPHONE NUMBER 486-3490

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Matt Jamin
(signature)

EVALUATION: Have you participated in other legislative teleconferences? NO If so, how many? _____

How did you learn about this hearing?

_____

_____

Would you have participated in this hearing if the network were not available? _____

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? NO

DATE 2/7/90 SUBJECT Limited Entry LOCATION Kodiak

Legislative Affairs Agency
Legislative Teleconferencing Network
Capitol Pouch Y . Juneau . 99811
Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Wayne Marshall — Here to Testify X

REPRESENTING Kodiak Area Native Association — Here to Observe ____

MAILING ADDRESS Box 172 Kodiak zip 99615

TELEPHONE NUMBER (907) 486-5721

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Wayne P. Marshall
(signature)

EVALUATION: Have you participated in other legislative teleconferences? yes If so, how many? 2

How did you learn about this hearing?
Legislative Affairs Kodiak & Dillingham Legal Services

Would you have participated in this hearing if the network were not available? Would not have, I submit written comments later

If yes, did you use the network

X instead of travel

X instead of phone conversations

X instead of mailed testimony? primarily mailed testimony

Are you also providing written testimony? Perhaps

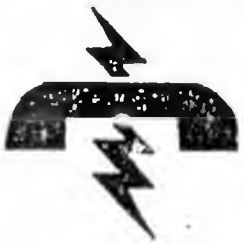
DATE 3/3/80 SUBJECT HB 605 LOCATION Kodiak

Legislative Affairs Agency
Legislative Teleconferencing Network
[illegible] - 99811

Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS



* PST

TELECONFERENCE CONTACT SHEET — TAKEN BY deborah

TOPIC: 'Limited Entry'

COMMITTEE: House Resources

DATE: ~~3/5/80~~

DAY: Thuesday

TIME: ~~1:00 p.m.~~ 3 PM

SCHEDULED DURATION: 2 hrs

SITES PARTICIPATING:

CONFERENCE MODE: Audio ✓ Video ____

CONTACT ADELHARDT

PHONE 3738

DATE SCHEDULED ____

LOCATION Tent. Juc

MODERATOR Mary K

PERSONS PARTICIPATING — SITE

chairman: Rep. OSTERBACK — JUNEAU

PUBLICITY:

___ Invitational

✓ Committee making contacts

___ SAs ___ date ___ quantity

___ News Release ___ date ___ quantity

___ Summary to be provided

___ Text to be provided

___ Quotes to be provided

___ Direct Mail ___ date ___ quantity

___ Phone ___ date ___ quantity

___ Post at Info. Office

___ Post other local locations

SPECIAL NOTES:

* info. on exact # of sites to be supplied

JUNEAU LOCATION:

Rm. 119

POST-TELECONFERENCE NOTE:

Participants 3

Observers 2

Total 5

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811

Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE: 3/3/80

LOCATION: Mat-Su

SUBJECT: Limited Entry

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
RONALD W. KIVISAREN	MYSELF	1543½ K St. ANCH. 99501	277-8347	X	
Pauline K Kivisanen		SR Box 5224 Wasilla Alaska	376-5019	X	
ARVID E. KIVISANEN JR.		[illegible] Arch AK	344-3055		✓
& Darlene Stadem	Self & Lynda Stadem	[illegible]	[illegible]	X	✓
Thomas Stevens	Self Box [illegible]	[illegible]	[illegible]		✓

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME ARVID E. WAISANEN JR

Here to Testify X

REPRESENTING SELF

Here to Observe _____

MAILING ADDRESS [illegible] Zip [illegible]

TELEPHONE NUMBER [illegible]

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

[illegible]
(signature)

EVALUATION: Have you participated in other legislative teleconferences? [illegible] If so, how many? _____

How did you learn about this hearing?

[illegible]

[illegible]

Would you have participated in this hearing if the network were not available? [illegible]

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE [illegible] SUBJECT [illegible] LOCATION [illegible]

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch V . Juneau . 99811
Phone: 465-4980

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME RONALD W. HAISANEN

Here to Testify _____

REPRESENTING MYSELF

Here to Observe _____

MAILING ADDRESS 1543½ K ST. ANCHORAGE Zip 99501

TELEPHONE NUMBER 907-277-8347

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:.

_____
(signature)

EVALUATION: Have you participated in other legislative teleconference? NO If so, how many? _____

How did you learn about this hearing?

1) HUGH STEVENSON

2) REP. CHENEY'S OFFICE

Would you have participated in this hearing if the network were not available? _____

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE 3-3-93 SUBJECT [illegible] LOCATION [illegible]

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol Room Y Juneau 99811

Phone: 465-4980

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Pauline Waisanen

Here to Testify ____

Here to Observe X

REPRESENTING ____

MAILING ADDRESS SR Box 5224 Wasilla Alaska Zip 99687

TELEPHONE NUMBER 376-5019

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:.

Pauline K Waisanen
(signature)

EVALUATION: Have you participated in other legislative teleconferences? No If so, how many? ____

How did you learn about this hearing?
Mr Carney's Office

Would you have participated in this hearing if the network were not available? [redacted]

If yes, did you use the network

____ instead of travel

____ instead of phone conversations

____ instead of mailed testimony?

Are you also providing written testimony? No

DATE March 3, 1980 SUBJECT Limited Entry LOCATION Wasilla, Alaska

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol Pouch X Juneau 99811
Phone: 465-4980

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Darlene Stedem

Here to Testify X

REPRESENTING Self/Household Student

Here to Observe

MAILING ADDRESS PO Box 867 Wasilla Zip 99687

TELEPHONE NUMBER 376 2117

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:

Darlene Stedem
(signature)

EVALUATION: Have you participated in other legislative teleconferences? No If so, how many? _____

How did yo learn about this hearing?

Would you have participated in this hearing if the network were not available? No

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? _____

DATE 2-3-90 SUBJECT Special Ed Cuts LOCATION Wasilla

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811

Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

Please Print.
To be returned to Teleconference Moderator.

PARTICIPATION FORM

NAME Thomas L Johnson

REPRESENTING self

Here to Testify _____

Here to Observe X

MAILING ADDRESS SR 12721 Wasilla Zip 99687

TELEPHONE NUMBER 376-5036

BROADCAST CONSENT: This proceeding may be broadcast live or recorded for later broadcast by radio or television stations. Please indicate your consent by signing below:.

Thomas L Johnson
(signature)

EVALUATION: Have you participated in other legislative teleconferences? no If so, how many? _____

How did you learn about this hearing?

Pat Chenoweth called me

Would you have participated in this hearing if the network were not available? no

If yes, did you use the network

_____ instead of travel

_____ instead of phone conversations

_____ instead of mailed testimony?

Are you also providing written testimony? yes

DATE March 1, 1990 SUBJECT Education LOCATION Wasilla

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch V . Juneau . 99811

Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE: March 3, 1980

LOCATION: Dillingham

SUBJECT: Limited Entry

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE T TESTIF
Wassillie Hansen	self	NEW STUYAHOK			X
YAKO TUNGIUNG	SELF	KOLIGANEK			X
ANNIE AMATUNAK	SELF	TOGIAK			X
SAM FOX	SELF	DILLINGHAM			X
FRED TORRISI	SELF	DILLINGHAM			X
EVAN CHUNAK	SELF	NEW STUYAHOK			X
EVAN FLETCHER	SELF	DILLINGHAM			X
LUCY GLOKO	SELF	MANOKOTAK			X
RANDOLF ALVAREZ	SELF	NAKNEK			X
ORVILLE BRASWELL	SELF	DILLINGHAM			

BETHEL (WALLY)
WILSON SYMON, SR.
ARTHER P. NELSON

ANCH (EFFIE)
Robt. J. Rowan
Sgt. Robt. Brown

Dhan (Dorothy)
Herman Anderson, Manatokek

KODIAK (MARY JO)
WAYNE MARSHALL, KODIAK AREA ASSOC
Mike Mullan, self
MATT JAMIN, AK. LEGAL SVCES

KOTZEBUE (MARY)

SITKA (Charlie)

Ketchi (Sandy)
Robt. Almquist
Albert Sellee

NOME (BOB)

VALDEZ (PAT)

WASILLA
ARVID WAISANEN

EEK

HENRY MITCHELL

SOLDOTNA
LOTTIA EDELMAN, Kenai Peninsula Fishermans Assoc.

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE: 3/3/80
LOCATION: SOLDOTNA
SUBJECT: LIMITED ENTRY
HB's 630/631/665
House Resources Committee

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Lottie Edelman	Kenai Pen. Fishermen's Assn	Box 752, Rt 2, Soldotna	7-4258		X
[illegible]	[illegible]	[illegible]	262-4[illegible]	X	

Alaska State Legislature

TELECONFERENCE HEARINGS

LIMITED ENTRY TELECONFERENCE
-HOUSE RESOURCES-

03/03/00 13:23 JAN1 9070 13:23 03/03/00

DILLINGHAM

LIN MOSEBATOS FOR LIMITED ENTRY TELECONFERENCE
[illegible] IN DILLINGHAM

BELOW IS A TENTATIVE LIST OF PEOPLE FOR THE TELECONFERENCE ON LIMITED ENTRY THIS AFTERNOON:

[illegible], REPRESENTING SELF, DILLINGHAM
[illegible], ATTORNEY, DILLINGHAM
[illegible], SELF, NEW STUYAHOK
[illegible], SELF, NEW STUYAHOK
[illegible], SELF, DILLINGHAM
[illegible], SELF, MANOKOTAK
[illegible], SELF, NUNAPITCHUK
[illegible], SELF, DILLINGHAM

THERE ARE SEVERAL THAT I AM NOT SURE WILL TESTIFY, THEY ARE MAYBES:
[illegible] OYALUK, NEW STUYAHOK
[illegible], DILLINGHAM
[illegible]
[illegible], DILLINGHAM

[illegible], SELF, NEW STUYAHOK
[illegible], SELF, KOLIGANEK
[illegible], SELF, TOGIAK

THE ROYAL ARE TO TESTIFY

[illegible], NEW STUYAHOK WILL NOT BE TESTIFYING AT THIS TIME

[illegible], REPRESENTING SELF, MANOKOTAK, ALASKA WILL BE TESTIFYING TODAY

JOHN J. KNUTSEN, REPRESENTING SELF AND OTHERS, MAY BE TESTIFYING THIS AFTERNOON.

[illegible], WILL BE PRESENTING WRITTEN TESTIMONY TO THE COMMITTEE

Alaska State Legislature

TELECONFERENCE HEARINGS

LIMITED ENTRY TELECONFERENCE

— HOUSE RESOURCES —

LA02 2232 15:24 JA01 0107 15:24 03/03/80

TO DEBRAH
FROM WALY

BETHEL

ADDITIONAL NAMES THAT ARE GOING TO TESTIFY.

RALPH HOPE, BETHEL
[illegible] NICHOLSON, BETHEL
[illegible] NUNAM KIKLUTSISTI, BETHEL
[illegible] ANDREW, BETHEL
GEORGE [illegible], BETHEL.

I ALSO HAVE LISTS ADDITIONAL OBSERVERS.

[illegible]

SIOUX FROM MAXINE

FAIRBANKS

THE FOLLOWING IS A LIST OF PARTICIPANTS IN THE HOUSE RESOURCES LIMITED ENTRY TELECONFERENCE 3/3/80.

1. HENRY W.E. MITCHELL, 1ST & HALL ST., FAIRBANKS AK 99701 PH. 452-02[illegible]
   [illegible] (CHIEFS CONFERENCE)

OBSERVERS:
1. ROY A PARNELL, 1ST & HALL ST. FAIRBANKS, AK 99701 PH. 452-0251
2. [illegible] KIRKPATRICK, 1ST & HALL ST. FAIRBANKS AK 99701 PH. 452-2721

[illegible] (CHIEFS CONFERENCE)

FOR THE HOUSE RESOURCES COMMITTEE — KODIAK
RE: WITNESSES AT YESTERDAY'S HEARING ON LIMITED ENTRY

WAYNE MARSHALL....KODIAK AREA NATIVE ASSOCIATION
MATT JAMIN....ALASKA LEGAL SERVICES CLIENTS
MIKE MULLAN...SELF
GORDON [illegible]....SELF (WILL BE SENDING WRITTEN TESTIMONY)

[illegible]

Legislative Affairs Agency
Legislative Teleconferencing Network
State Capitol . Pouch Y . Juneau . 99811

Phone: 465-4980

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE: 3/3/80
LOCATION: Juneau
SUBJECT: Limited Entry

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Bob Lohr	RuralCAP	ANCHORAGE			X
Jack McLean	Self	ANCHORAGE			X

REP. OSTERBACK

written
testimony on HB 665 -
from tel conf. on
3/3/80

BRISTOL BAY NATIVE ASSOCIATION
P.O. Box 189
Dillingham, Alaska 99576

BOARD EXECUTIVE COMMITTEE

RESOLUTION NO. 80-11

WHEREAS, many rural residents of the State of Alaska, in particular the Bristol Bay region have not received limited entry permits for which they were otherwise qualified, solely because of their failure to submit timely applications to the Commercial Fisheries Entry Commission; and,

WHEREAS, the individual persons failure to submit a timely application was due to factors beyond his or her control; namely, the lack of understanding by such individuals of their rights under the Limited Entry Act and of the need to submit an application or be forever barred from pursuing their livelihood; the shortness of the application period; the geographical remoteness of the communities in which such individuals lived from the centers of communication and application assistance, and the misinformation prevalent concerning the standards of eligibility for limited entry permits; and,

WHEREAS, these individuals are now prevented from participating in one of the few only occupations they have known, or that is available to them in their community; and,

WHEREAS, the State of Alaska has an obligation to rectify the injustice caused by the implementation of the Limited Entry Act.

NOW THEREFORE BE IT RESOLVED that the Bristol Bay Native Association supports House Bill 665 and the establishment of a new application period for limited entry permits.

SIGNED William P. Johnson
President
William P. Johnson

CERTIFICATION:

I, the undersigned secretary of said Association, do hereby certify that the Executive Committee is composed of 10 members, of whom 6 were present at a meeting this 27 day of February, 1980, and that the foregoing resolution was adopted by the affirmative vote of 6 members.

SIGNED _____
SECRETARY
Joseph L. Clark

Alaska State Legislature

TELECONFERENCE HEARINGS

DATE: March 3, 1980

LOCATION: Dillingham

SUBJECT: Limited Entry

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Wassillie Hansen	self	NEW STUYAHOK			X
YAKO TUNGIUNG	SELF	KOLIGANEK			X
ANNIE AMATUNAK	SELF	TOGIAK			X
SAM FOX	SELF	DILLINGHAM			X
FRED TORRISI	SELF	DILLINGHAM			X
EVAN CHUNAK	SELF	NEW STUYAHOK			X
EVAN FLETCHER	SELF	DILLINGHAM			X
LUCY GLOKO	SELF	MANOKOTAK			X
RANDOLF ALVAREZ	SELF	NAKNEK			X
ORVILLE BRASWELL	SELF	DILLINGHAM			

DIVISION OF [illegible] SERVICES
CHARITY B. KADOW, DIRECTOR
Judy D. Hopkins, Asst. to Director
1024 West Sixth Avenue - Anchorage, Alaska 99501
(907) 274-8518

LEGISLATIVE INFORMATION NETWORK
Sharon Andrew, Coordinator
Room 30, State Capitol
Pouch Y, Juneau 99811
465-4648

LEGISLATIVE TELECONFERENCE NETWORK
Sioux Plummer, Coordinator
Room 30, State Capitol
Pouch Y, Juneau 99811
465-4980

ANCHORAGE INFORMATION OFFICE
Carol Dickason
1024 West Sixth Avenue
Anchorage 99501
278-3668

BARROW TELECONFERENCE CENTER *
Borough Assembly Room, North Slope
Borough Building, Barrow

BETHEL INFORMATION OFFICE
Ruth Richardson "WALLY"
Kuskokwim Inn Annex
P.O. Box 886, Bethel 99559
543-3541

DILLINGHAM INFORMATION OFFICE
Dorothy Larson
Old Court Room, Combined State Facil.
Pouch 229, Dillingham 99576
842-5319

FAIRBANKS INFORMATION OFFICE
Trudy Cain
101 College Road, Building F
Room 252, Fairbanks 99701
452-4448

JUNEAU INFORMATION CENTER
Room 30, State Capitol
Pouch Y, Juneau 99811
465-4648

KENAI PENINSULA INFORMATION OFFICE **
Rhoda Eady
Cordova Building, Spur Highway
P.O. Drawer 3280, Soldotna 99669
262-9364

KETCHIKAN INFORMATION OFFICE **
Sandy Wendte
415 Main Street, Room 301
Ketchikan 99901
225-9675

KODIAK INFORMATION OFFICE **
Mary Jo Simmons
Kodiak Island Borough Building
P.O. Box 668, Kodiak 99615
486-4881

KOTZEBUE INFORMATION OFFICE
Mary Schaeffer
Eskimo Building, 333 Front Street
P.O. Box 667, Kotzebue 99752
442-3880

MAT-SU INFORMATION OFFICE **
Mary Kvalheim
Parks Highway and Knik Road
Pouch N, Wasilla 99687
376-3704

NOME INFORMATION OFFICE
Bob Scott
2nd Floor Conf. Room, State Bldg.
P.O. Box 1630, Nome 99762
443-5555

SITKA INFORMATION OFFICE **
Charles Bickenheuser
210 Lake Street
P.O. Box 737, Sitka 99835
747-6276

VALDEZ TELECONFERENCE CENTER *
Pat Hickok
City Council Chambers
P.O. Box 713, Valdez 99686
835-4890 (home address and phone)

*On-call moderators - contact through LEGISLATIVE TELECONFERENCE NETWORK
**Open December 15 through end of legislative session; treat as * during interim

WASHINGTON, D.C. TELECONFERENCE SITES

Office of the Governor

Office of Senator Mike Gravel

Office of Senator Ted Stevens

Those Wishing to Testify Please Sign In:

Want to testify on Bill number:	Name:	Representing:
665	Patrick Farley	Robertson, Monagle, Eastaugh & Bradley
630	Rick Lauber	Pacific Seafood Processors Assn.

HB665

Nick Shevaloff - Kodiak

Doug Pope, Atty supports bill

Bob Loht - RURALCAP
supports bill

Evan ~~Abbee~~ Fleture

Arvid Wiseman - Wasilla

Ralf Horn - Bethel

Herman Andreson - Bristol Bay

Dir. of Motor Vehicles

Pg. 2 on I.D. card - could use I.D. card they already use & add fishing number

Paragraph (C) should be class A misdemeanor, rather than class B

HB 665

1. Nick Sherameloff ANCHORAGE
2. Doug Pope - ANCHORAGE
3. Bob [redacted] Lohn, ACAP - ANCHORAGE
4. Lyman Wilson, Sr., Bethel
5 Evan Lecture, Dillingham
6 Bobby Nicholson, Bethel
7. Harvey Wiseman, Wasilla
8 Ralph & Wm Bethel
9 Herman Anderson Dillingham
10. [redacted] Fay - Dillingham Dillingham
11. Nancy Mitchell, Palm.
12. [illegible] JNU "JNU"
13. Leo A. Laird HAINES - JNU
14. David Snider Dillingham - JNU
15. [redacted] Sally Adelman - Kenai
16. Robert Glavinovich, Ketchikan
17 Albert Sellis, KTKN
18 Larry Jones KTKN
19. Wayne Marshall KODIAK Kodiak
20. Mike Miller Kodiak
21 Mat Salmon Kodiak

Stadem

22. Darlene [illegible] — Mat-Su
23 Tom Johnson - Mat-Su
24. Walter Day — Valdez
25. Patrick Day — Valdez
26 Peggy Day — Valdez
27 Randolph — Dillingham
(4) 28. Robert Brown, Anch
[illegible]

29 Fred Chimes, Dillingham
30. JOE
31. Evan Chimes, Dillingham Nel Stuyahok
32. Jennie Vavala, Togiak Dillingham
33. Robert J Lopez Anchorage
34. Jack McLean Anchorage Bethel
35. Mike Huff Anchorage —

36. Gus Agalak Nel Stuyahok Dillingham
37. Charlie Jacko - Pedro Bay Dillingham
39. [illegible] Andrew — Bethel
38 Floyd — Bethel
40. Joe Churchill Chignik Bay
41. [illegible] Emmonak Nel Stuyahok, Dillingham
42 Jake Smith Kwigillingok Dillingham
43. Ray Knight Togiak Dillingham
[illegible]
44 [illegible] Dillon - Dillingham
45. Joe Beaman Dillingham
46. Tom Lanigan Toksook, Dillingham
47. Richard Allen, Dillingham -
48. Willie Chanchak Arsenial Dillingham
49. Mrs. Ally. Balger, Dillingham
50. Isaac Mute, Bethel
51. [illegible] Wm Nelson - Bethel
52 Laura Snider
(crane) 26 pairs

Valdez

1. Walter Day – Delfos
2. Robert E. Day – "
3. Pat Day – "
4. Peggy Day – "
5. Patrick A. Day – "

6. Ed Haultnan – " } observer may testify
7. Basil Fervier – " }
8. Mary Ann Alley – Observer – may testify

PLEASE LET PAT KNOW at end of round robin that you have list.

[illegible] JNC1 0197 15:26 03/03/00

[illegible]

BETHEL

[illegible]

ADDITIONAL NAMES THAT ARE GOING TO TESTIFY.

RALPH HORN, BETHEL
[illegible] NICHOLSON, BETHEL
[illegible] NUNAM KITLUTSISTI, BETHEL
[illegible] ANDREW, BETHEL
GEORGE PLEAS, BETHEL.

I ALSO HAVE EIGHT ADDITIONAL OBSERVERS.

THANKS

[illegible] 0737 [illegible] JNC1 0005 14:52 03/03/00

[illegible]

DILLINGHAM

[illegible] REPRESENTING SELF, MANOKOTAK, ALASKA WILL BE [illegible] TODAY.

JOHN J. KNUTSEN, REPRESENTING SELF AND OTHERS, MAY BE TESTIFYING THIS AFTERNOON.

[illegible] LORETTA, WILL BE PRESENTING WRITTEN TESTIMONY TO THE COMMITTEE [illegible] WILL NOT BE TESTIFYING TODAY.

[illegible]

[illegible].

(N)

BETHEL (WALLY)

WILSON SYMON, SR.
ARTHER P. NELSON

(N)

ANCH (Effie)

Robt. J. Rowan
Sgt. Robt. Brown

(N)

DHAM (Dorothy)

Herman Anderson, MANOKOTAK

(M)

KODIAK (MARY JO)

WAYNE MARSHALL, KODIAK AREA ASSOC

Mike Mullan, self
MATT SAMIN, AK. LEGAL SVCES

(1)

KOTZEBUE (MARY)

(2)

SITKA (Charlie)

(7)

Kenai (Sandy)

Robt. Almquist
Albert Sellee

(8)

NOME (BOB)

(9)

VALDEZ (PAT)

(10)

WASILLA

ARVID WAISANEN

(11)

TBD

HENRY MITCHELL

(12)

SOLDOTNA

LOTTIA EDELMAN, Kenai Penin. Fishermans Assoc.

STATE OF ALASKA

LEGISLATIVE INFORMATION OFFICE

DILLINGHAM, ALASKA

We are pleased to send the enclosed material in response to your recent request.

Dorothy Larson

I have marked in red the ones who actually testified.

Alaska State Legislature

TELECONFERENCE HEARINGS

1pm

DATE: March 3, 1980

LOCATION: Dillingham

SUBJECT: Limited Entry Teleconference

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Jackie Knutsen		Box 187 Dillingham Alaska	842-5389	X	
Herman Anderson		Manokotak School Manokotak, Alaska			X ✓
Sam Fox		Box 10034 Dillingham	842-5958		X ✓
Yolanda Micotti Muhic		Box 118 Dillingham, AK	842-5617		
Emma Fletcher		Dillingham ak.	None		X ✓
Dan Chythlook		Dillingham	842-5512		
Frank Agli		BOX 10223 DILLINGHAM AK.	842-5550	X	
Randy Alvarez		Box C NAKNEK AK	268-4478	X	X ✓
Fred TORRISI		BW 10047 Dillingham	842-5108		✓ ✓
Moses Ayojak		Box 104 Togiak		X	
Annie Amatanuck		Togiak			✓ ✓

Alaska State Legislature

TELECONFERENCE HEARINGS

1PM
DATE: March 3, 1980
LOCATION: Dillingham
SUBJECT: Limited Entry Teleconference

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Andrew Dyasuk Andrew Dyasuk		Togiak			✓
Marilyn Delson	~~BBNA~~	Bx 189, DLG	5257	✓	
Anuska Kusegta Anuska Kusegta	(Herman Anderson testified on her behalf)	Manokotak, AK 99628		✓	✓✓
Gusty R. Chythlook Gusty R. Chythlook	Self.	Aleknagik, AK.	5960	✓	
Chuhak Evan Chuhak Jr.		New Stuyahok Alaska			✓✓
Tunguing Yako Tunguing		Koliganek			✓✓
Gloko Lucy Gloko	(Herman Anderson testified on her behalf)	Manokotak			✓
Braswell Oswald A Braswell					
David Yako		Aleknagik		✓	
Lee Hill Lee Hill		Aleknagik.		✓	
Kevin O'Lea		Nondalton		✓	

Alaska State Legislature

TELECONFERENCE HEARINGS

1 p.m
DATE: March, 1, 1980
LOCATION: Dillingham
SUBJECT: Limited Entry
HB 665
HB 630

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Jim Bingman (Bingmen)	Self	Box 82 Dlg AK	5949	✓	✓
Mary Harbeson (Harbeson)	self	PO 10188 Dlg AK	—	✓	—
Nellie Coolidge (coolidge)	Self	Box 1 Aleknagik	—	✓	—
James Maud	Self	Box 1 "	—	✓	—
Fannie L. Bavilla (Bavilla)	Self	Box 88 Togiak	✓	✓	✓
Charlie Jacko	Billie Jacko	Pedro Bay, AK 99647	793-8001		✓
Hunt O'Yodlik (O'yaluk)		New Stuyahok Alaska			✓
Oleanna Hansen		Portage Creek		✓	
Waseuly Pitka		Portage Creek		✓	
Emma Shef		Dillingham Ak			
Roy White (white)	self	Egegik	246 3430	✓	✓

Alaska State Legislature

TELECONFERENCE HEARINGS

1 PM

DATE: March 1, 1980

LOCATION: Dillingham

SUBJECT: Limited Entry
HB 665
HB 630

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Richard Alto	Self	Egegik AK	246 3430	✓	✓
Isabelle Douglas Douglas		Egegik, AK	246 3430	✓	
Leon Kinikalk Kinikalk		Egegik			
THOMAS TILDEN	SELF	DILLINGHAM	5291		✓
Kay E. Larson	BBNA	Dlg, Ak	5257		(written) ✓
VAL [illegible]	Self	Dlg Ak	5257 5763		
Helen Chythlook	self	Dlg. AK	5582		✓
Joel Bolger Joel Bolger	ALSC	DLG AK	5582		✓
Carl Larson		Dlg Ak			
Harry Barnes Harry Barnes		DLG			
Gus A Johnson		DLG	5685	—	

Alaska State Legislature

TELECONFERENCE HEARINGS

1:00 p.m
DATE: March 3, 1980
LOCATION: Dillingham
SUBJECT: Limited Entry
HB665
HB638

NAME	REPRESENTING	ADDRESS	PHONE	HERE TO OBSERVE	HERE TO TESTIFY
Richard Clark		Dillingham			
Nina Nicholson		Dlg	842-5652		X
Steven C. Johnson		D16 AK 99576	842-5652	X	
Oscar Flensburg					X
John A. Libbey		Dlg	842-5525	X	
Charles Mueller		Dlg			

ANCHORAGE
DAILY NEWS

VOL. XXVI, NO. 62 — ANCHORAGE, ALASKA, SATURDAY, JULY 15, 1972 — 24 PAGES — PRICE TEN CENTS

. . . Your Paper!
Weekdays call 277-4444 before 9 a.m.
Sunday only call hours 9-30
277-4444 or 272-8561

The Weather:
Mostly Cloudy
Tide and Tides Information, Page 2

Bristol Bay fish run fails

Land group named

JUNEA (AP) — Gov. William Egan today announced the appointment of eight persons, four by the state and four by Interior Secretary Rogers Morton, to the new State-Federal Land-Use Planning Commission.

The commission was required under provisions of the Alaska Native Land Claims Settlement Act.

AMONG OTHER things, Egan said, the commission will help administer the settlement act, particularly in the identification of public easements across Native-selected lands for recreation and commerce.

Appointed by Egan were:

— Dr. Max Brewer, state Commissioner of Environmental Conservation and former long-time director of the Naval Arctic Research Laboratory at Barrow.

— Natural Resources Commissioner Charles Herbert, a minerals geologist.

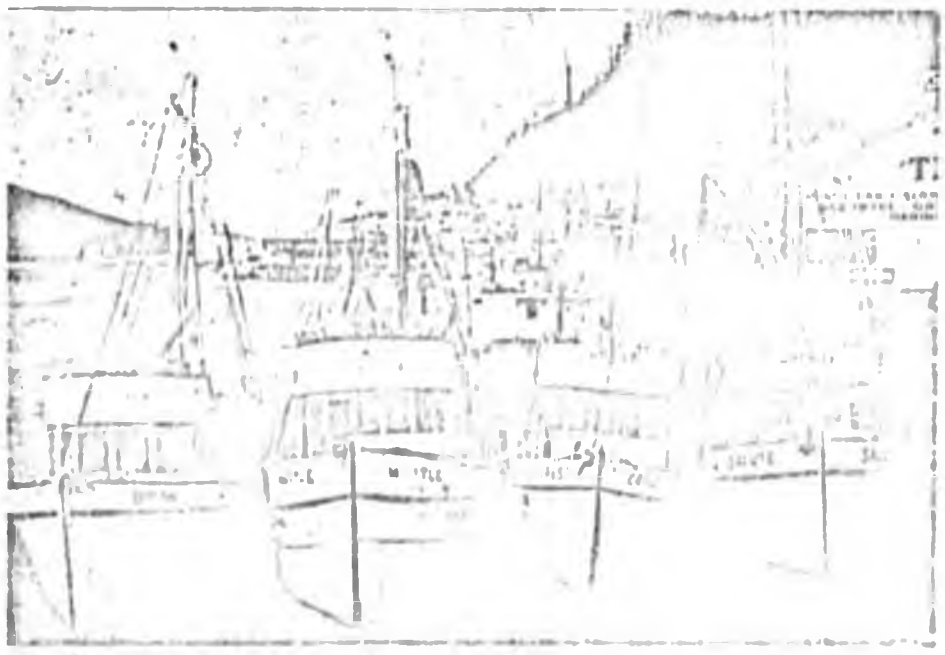
— JAMES BURLYE, owner of a title insurance company in Palmer who once served on the Federal Alaska Rural Rehabilitation Corp. and was a member of the first state legislature and,

— Harry Carter of Kodiak, executive director of the Alaska Federation of Natives.

Egan said Morton had named

(Continued on Page 2)

Bullets and bombs in



Alaska fishing boats, at a pier in a coastal fishing community. Commercial fishing is a major source of income in coastal towns from Southeastern to Southwestern Alaska. If fish runs during the short summer seasons do not achieve expectations, the economic base of coastal communities is severely threatened.

An analysis:
Half the salmon show up

By JOHN WISE
Daily News Fisheries Editor

Another fishing disaster now hits the Bristol Bay

Only about one half of the expected salmon of red salmon run to the rivers in the region that is normally Alaska's richest single fishery.

And this failure is on top of what had been forecast as a "poor year"

most Bristol Bay runs 2.3 million were taken in the commercial fishery and slightly under 2.7 million got past fishing gear to provide seed for future

An additional factor in the situation is the fact that there appears to be no additional escapement to add to spawning banks for the future even though fishing has been halted for

years or are at different from one that [illegible] for three years in the high area.

From the standpoint of the fishermen who depend on Bristol Bay salmon for their livelihood the present situation [illegible]

A preliminary survey indicates that "high boat" for the region will not exceed 4,000 salmon this season and the average catch is not known yet.

Tough winter ahead for salmon fishermen

By ALLAN FRANK
Daily News Staff Writer

The winter in Bristol Bay, regardless of the weather, is going to be the worst ever, according to state Senate President Jay S. Hammond, R-Naknek.

Hammond lives near the Naknek-Kvichak red salmon fishery that currently is producing more fear of the future than fish.

He runs the Lake Clark Lodge and a guiding service while his wife Bella handles a several thousand operation about two and a half miles from their home.

"The situation for commercial is an absolute bust, some people have taken less than 50 fish. The most any commercial has caught is 200 fish. In my 20 years down here, I've never seen it have so," Hammond said Friday.

"MY WIFE caught not over 150 fish in her net and my fishing partner's maybe 150. We know it's not going to be a poor year, but not like this. Last year, which was a poor year, my wife had about 5,000 to 6,000 fish. We're not even in the ballpark this year," he said.

Hammond said that boat owners, who must sell enough fish at 27 cents a pound to offset a minimum of $1,000 in expenses, were in a very tough spot.

"I've been trying to call Gov. Egan all day, but he's just coming back from Moose," Hammond said, "and the phones here aren't working too well.

"It's going to be a lean and rough winter here. I want the governor to come out to take a look at things to see what we can do to get it on a much broader base in the welfare programs among other things.

"[illegible] Many people on fishing are going to be really strapped. Most of the 6,000 Bristol Bay residents will be impacted by the poor run and as a result cannot, in real the economy machine that guided the Kenai and the Kuskokwim."

An average red salmon fisherman this year would be grossing around 27 cents a pound, and total salmon meal to catch about 1,350 fish before

Thanks to the Times

If today's Daily News looks different — it is. It was printed on the small press of the Anchorage Daily Times.

Early Friday, The Daily News press came to a halt. An electrical wiring problem was temporarily fixed, but not until after four pages were dropped from the Friday morning edition, creating a late morning delivery. The press [illegible] In fact, we borrowed one of the printing units that a small newspaper in Kodiak, who uses it evenings around the clock to meet its deadlines, was flown here from Los Angeles.

Meredith, our thanks to Robert B. Atwood, editor and publisher of the Daily Times, and all those at the Times who have been so helpful.

Board rules Garrigues

once served on the Federal Alaska Rural Rehabilitation Corp. and was a member of the first state legislature; and,

— Harry Carter of Kodiak, executive director of the Alaska Federation of Natives.

Egan said Morton had named:

(Continued on Page 2)

Bullets and bombs in Belfast

By COLIN FROST
Associated Press Writer

BELFAST, Northern Ireland (AP) — British troops and Irish guerrillas firing rockets battled across Belfast Friday in some of the heaviest fighting the embattled city has seen.

Ten persons were killed in the battles Friday and early Saturday — a woman, five soldiers and four civilian men. The toll in three years of sectarian fighting rose to 416, with 225 killed this year alone.

THE WOMAN was killed in cross-fire between British troops and snipers as she stood in the doorway of her home.

A bomb planted in a car on Atlantic Avenue exploded, damaging six houses. Troops dispatched to the scene came under heavy sniper fire.

In London, the Ministry of Defense announced it was making a "substantial number" of additional armored vehicles in Northern Ireland. Each can carry a dozen troops.

BATTLES continued through the afternoon with concentrated assaults on two police stations in West Belfast and sniping attacks on many points in the city.

Bombs blazed here and fluttered in Britain and damaged the waterfront co-

(Continued on Page 2)

Half the salmon show up

By JOHN WEISS
Our Fisheries Editor

Another fishing disaster has hit the Bristol Bay.

Only about one half of the anticipated volumes of red salmon were in the runs in the region that is normally Alaska's richest single fishery.

And the half-runs is on top of what had been forecast as a "very poor" year. To make things worse, the fishing effort that had been mounted for the season was almost as large as that of 1971 which was a relatively "good" year.

The total of all Bristol Bay river systems' runs — harvests as well as escapement — was barely over five million red salmon, according to Larry VanRay, management biologist for the Alaska Department of Fish and Game.

This compares to a forecast published last fall by the department for total runs of 10.3 million reds.

It compares to roughly 40 million fish that constituted the big 1970 season — just about one eighth as much by the numbers but probably somewhat better than that because the individual fish were larger this year than those of the 1970 runs.

Of the five million fish in the current Bristol Bay runs 2.3 million were taken in the commercial fishery and slightly under 2.7 million got past fishing gear to provide seed for future.

An additional dismal feature in the situation is the fact that there is not to be no additional escaping fish to add to spawning stocks for the future even though fishing has been halted for more than a week in the major locations.

What caused the shortage of fish is being probed by the state scientists. There is some vague hope that couple of the salmon simply remained out in ocean pastures and that they could appear with runs that will come-on next season, but that's strictly speculation at this point.

"What we seem to be short of is the 'two-ocean' fish," VanRay said to King Salmon yesterday.

Indicators that had been relied on for the 10.3 million fish forecast anticipated that over half of the 1972 red salmon would be three "two-ocean" types which is a term used by biologists to describe a salmon that spends two years at sea as different from one that goes for three years in the high seas.

From the standpoint of the fishermen who depend on Bristol Bay salmon for the livelihood the present situation is dismal.

A preliminary survey indicates that "high boat" for the region will not exceed 4,000 salmon this season and the average catch is no better than 2,000. This figure are for a boat with a two-man crew and the cash yield involved in "gross stock" and not net earnings.

There were 2618 fishing units registered for the 1972 season and fairly less than 100 fewer than last year and are within 150 of the registration for the record 1970 harvesting effort.

The result of the excessive fishing effort coupled with the abnormally small show of fish makes it certain that there are more fishermen who failed to make canneries in Bristol Bay this season than those who made even a modest payday.

Data have not been gathered and totaled yet about the results from processors' standpoints. But it is certain

(Continued on Page 2)

"It's going to be a lean and rough winter here. I want the governor to come out to take a look at Garrigus to see what it's like this year. It will have a rough impact on the welfare programs, among other things.

"PEOPLE WHO rely totally on fishing are going to be really stopped. Most of the 4,000 Bristol Bay residents will be impacted by the poor run, and to a lesser extent, so will the cannery workers from Bethel, the Kodiak and the Peninsula," Hammond said.

As average red salmon (sockeye) this year weighs about six pounds or at 27 cents a pound, most boat owners need to catch about 1,500 fish before they begin to make any money.

About 1,700-1,800 boats, usually with crews of two, have been fishing in Bristol Bay this season as have about 700-800 setnetters, according to Hammond.

He estimates that about 40 per cent of the fishermen are non-residents and an additional 20 per cent reside in Alaska, but far from Bristol Bay.

"I KNOW of only two people with boats who will make their expenses. They lucked out and caught a couple of thousand fish," he said.

Nick Moscon and his son, Tommy, who fish from the 32-foot gillnetter Tommy M, were among the lucky fishermen.

"We didn't do very well, but we caught a few, probably 2,400 fish. We

Continued on Page 2)

working around the clock to correct the problem, was flown here from Los Angeles.

Meanwhile, our thanks to Robert B. Atwood, editor and publisher of the Daily News, and all those at the Times who have been so helpful.

Board rules Garrigues had conflict

By LINDA BILLINGTON
and PAM MILLSAP
Daily News Staff Writers

"I'm not surprised, but I had figured they'd just plain call my bids to the wall," said Borough Assemblyman James Garrigus Friday upon learning that a board of ethics had ruled he had a conflict of interest in clearing land for the controversial Carr's shopping center in Nunaka Valley.

The board, created by an ordinance which Garrigus ironically introduced, decided that the former assembly president should have disclosed his interest in the project before voting June 12 on an appeal by Nunaka Valley homeowners.

THE DECISION came about six hours after the four-member board held a public hearing on the Garrigus complaint, which was inaugurated by the valley property owners after they saw Garrigus clearing the land for the center.

However, the board, in a letter from board chairman Richard Albert, pointed out that the ordinance does not "specifically define just what private or financial interest would cause a conflict. Therefore, the board recommended that the Borough Assembly, which has the final word in the issue, not take any action against Garrigus. In addition, the board suggested that the ordinance be amended to clarify the muddy ethical waters.

Albert, who heads the board composed of Borough Chairman John Arpkhead and Assemblymen Ed Wilkinson and Don Mardi, declined to comment on the decision. Albert said only that the board would submit its report and recommendations to the assembly at the body's Monday meeting.

GARRIGUES maintained after the decision that the "main purpose of the board in here with me is to stop people from using their position as assemblymen from getting financial benefit doing business for the borough."

Regarding an amendment to disclose his interests in advance of doing business with a private firm before a contract is actually signed, he said, "would mean putting yourself in a really vulnerable position where your competitors are concerned."

Garrigus, who is running for the State House from District 19, said he thought he could continue with his campaign: "I don't feel what I did was out of line."

Chairwoman!

MIAMI BEACH, Fla. (AP) — Breaking with tradition, Democratic presidential nominee George McGovern chose a woman on Friday to become national chairman of the party he now controls.

Jean Westwood of West Jordan, Utah, who helped manage McGovern's campaign, was the Democrat's choice for the party's national chairman.

Lieutenant Governor Lawrence F. O'Brien, twice the party's chairman,

Police seek Paul McNutt in connection with deaths

City Police issued arrest warrants Friday for the "for questioning" of a man wanted for questioning in the double shotgun slaying of two Anchorage men, but so far the leads have proven to be dead ends.

A police spokesman Friday declined the specificity of the wanted man, Paul McNutt, also known as Paul Pritchard, being a suspect in the slayings. "We just think he has valuable information that could be very helpful in the case," he said.

Lt. Lt. STAROSTA for McNutt, a five-foot-nine-inch-tall and prosecution man, is highlighting the investigation of the deaths of Roy John Combs Jr., 33, and Donald Lee Haynes, 36. Both men were gunned down by a shotgun or shotguns in the back of Snow-

Ann on Spenard Road early Tuesday. Combs was part-owner of the club Haynes worked as a cook there.

Although several persons have called in to report knowledge of the 40 year-old McNutt, whose last known address was the Ventura Hotel, police information officer Sgt. Ron Otte said that followup on the calls had produced no new information. "Either he wasn't there or it was the wrong person."

McNutt had been pronounced wanted in the past for the theft of firearms and had been seen at the club several days before the shooting, according to a police investigator.

"We don't know if McNutt is in Anchorage or not," Otte said. "We don't even have any idea if he's in the

(Continued on Page 2)

Mrs. George McGovern, wife of the senator, waves to the delegates at the Democratic National Convention Wednesday night in Miami Beach, Fla., after her husband was the Democratic presidential nomination on the first ballot.

Smooth time!

By DON BAGBY

MIAMI BEACH — The Democratic National Convention has ended and officials and delegates say they are pleased at how smoothly things went.

"It's beautiful," said Convention Manager Richard Murphy, surveying the situation Friday.

PART OF the relative serenity and apparent good will prevailing here — despite two all night sessions last Monday and Tuesday — could be attributed to the convention's reform rules, which allow more delegates to participate in decision-making and provide important new outlets for letting off steam.

But what apparently has caused this convention to jell, in contrast to the violence and disorder of 1968, was an early general acceptance here of the inevitability of presidential candidate George S. McGovern.

The Convention floor, while not the model of decorum, seemed at times like a gigantic social gathering, with delegates and newsmen wandering around freely and relaxed. Their sense of vigilance reduced, convention planners accordingly eased back on the tight security precautions originally in force and allowed large

(Continued From Page 1)

— Celia Hunter of Fairbanks, executive secretary of the Alaska Conservation Society, and charter member of the Bureau of Land Management's Advisory Board for Alaska;

— ANCHORAGE Mayor George Sullivan, a transportation executive and former deputy U.S. Marshal at Nenana;

— Dr. Richard Cooley, an economist, geographer and geography and environmental studies program chairman at the University of California at Santa Cruz, and author of three books and various articles about Alaska, and,

— Joseph H. Fitzgerald, former state chairman of the Federal Field Committee for Development Planning in Alaska and coordinator for the Alaska Earthquake Recovery Program, now living at Seeley Lake, Mont.

COCHAIRMEN of the commission are Egan and Jack O. Horton, former Deputy Undersecretary of Interior, appointed to the new post by President Nixon last March. Egan's representative on the commission will be state Atty. Gen. John Havelock.

Egan said the commission's long-range charge is to undertake planning, based on public hearings and information supplied by government agencies, "which will help in determining the areas best suited for permanent federal ownership and what lands should be disposed of to private parties."

The goal, Egan said, is to insure that "economic growth and development is orderly, planned and compatible with the environmental objectives and the economic and social well-being of the residents of Alaska."

THE STATE effectively will have a veto over any recommendation issued by the commission. The claims act provided that the commission's recommendations will require concurrence of both the state and federal co-chairmen.

Egan called the new commission "one of the most important ever established as far as Alaska's orderly development is concerned." He praised the appointments who he said "together represent a vast storehouse of knowledge and expertise on Alaska's land use needs."

Cochran helps Pilots dump Hawaii 7-1

Greg Cochran, seldom used while at Arizona State University as a freshman, whose last effort as a Glacier Pilot was four innings of relief last Saturday, put in his bid for more work Friday night.

Only a second year pitcher, Cochran, relying on a fastball 75 per cent of the time, brushed aside the Hawaii All-Stars with three hits while his teammates pelted Ed Mason five times as much en route to a 7-1 victory at Mulcahy Park.

Cochran, now 1-1, experienced a first base bag, and Ernie Trebaito's shot that bounded off the Pilot's hurler and rolled behind the mound in the sixth, he breezed through the Lanes.

Meanwhile the Pilots, with three hits each from Roy Hyer, Mickey Aguirre and Dave Oliver, tagged Mason early, often and late, the exceptions being the eighth when Anchorage failed to push across at least one run.

Soap box derby today, pg. 18

Brief spasm of trouble only twice, once in the first inning when the Hawaiians scored their only run with the assistance of two base on balls, and in the fourth when with two down he walked Josh Ladra and gave up a double to Timmy Hamana. But he fanned center Ron Smock to end the frame and preserve the Pilots 3-1 lead.

In going the distance the 18-year-old Cochran, struck out seven and walked four. Except for Ladra's infield single in the second, Hamana's double that carried fair just inside the

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The Quality Jewelry Store to Serve You.
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[illegible] Shopping Center — 279-2723

Fear of fire management said there were 21 new fires Thursday, most of them small and causing no major difficulties.

The Anchorage and Glennallen areas are starting to get cool, overcast weather which may dampen the spread of the lightning fires which has caused about 200 fires this week.

"The late season really zapped us," said one BLM spokesman describing the frantic pace of the fire control offices this week.

Smooth time...

(Continued From Page 1)

numbers of non-delegates access to the floor with only the flimsiest of credentials required.

STREET demonstrators, including some diverse groups who have been camping in nearby Flamingo Park, were of good humor and although they marched from the park to the convention hall from time to time, they never attempted to gain entry or otherwise disrupt the proceedings.

A noisy contingent of New Left demonstrators, disturbed over McGovern's latest statement on Vietnam, marched on Wednesday to his headquarters hotel, the Doral, and occupied the lobby for several hours. The protesters did not appear to be angry at McGovern, only anxious to have reassurance of his position against maintaining a U.S. presence in Indochina. McGovern, electric bullhorn in hand, finally quieted them by appearing and answering their questions.

MONDAY NIGHT'S fight over the California delegation's credentials took the starch out of even the most vehement anti-McGovern partisans and removed all reasonable doubt over the direction of events here. By Wednesday only a handful of token candidates remained in the race against the South Dakotan, while Hubert H. Humphrey and Edmund S. Muskie, booed out before the balloting, urged party unity.

Half the salmon...

(Continued From Page 1)

that the pack of canned red salmon is going to be substantially under what had been expected, a condition that could result in another increase in prices for a product that is already at an all-time record high of $48 per case.

Preliminary figures indicate that some Bristol Bay canners diverted salmon into freeze stocks this season which will affect the eventual canned pack with an additional reduction complicating the failure of the runs.

Tasks in summer, so far unconfirmed, that appear to state and federal authorities have been issued to alleviate an anticipated disastrous economic situation that will almost certainly confront communities in Bristol Bay that relied almost totally on the salmon fishing.

Sun and Tides

HOURS OF DAYLIGHT
18 Hours, 28 Minutes

Sunset Today ..... 10:10 p.m.
Sunrise Tomorrow ..... 3:39 a.m.

TIDES AT ANCHORAGE

Hig[illegible]

Tough winter in Bristol Bay...

(Continued From Page 1)

probably broke even, but there's a lot of people down here who probably didn't get that," Nick Mennen said.

"In the 24-hour fishing period we caught 1,100, and in the two 12 hour periods we went out we got 700 and 600. We knew it would be poor, but I thought we might get 3,500," he said.

KENNETH R. MIDDLETON, regional supervisor for the commercial fisheries division of the Alaska Fish and Game Department, said the anticipated harvest, presently 2.3 million fish, is "only 50 per cent of what we forecast."

The season in Bristol Bay will be reopen July 17, although Middleton said, the catch is expected to be minimal since the run usually has ended by then.

He added that hard winters and severe ice packs have been rough on salmon eggs and young fish, which may account for the bad run of sockeyes and the small (40,000) king salmon run which is off about 35-50 per cent.

Some fishermen feel that the high seas Japanese fishery, which took about 400,000 sockeyes, and interception of migrating Bristol Bay salmon by fishermen at False Pass also may have adversely affected the run.

MIDDLETON said Fish and Game Department scientists are trying to figure out what has caused the disaster in Bristol Bay. Hammond, Egan and others will be calculating how to offset the economics of "a grim winter."

The economic consequences already are apparent. Terry Shawdrick, who earns his daily bread by busing cannery workers and fishermen between King Salmon and Naknek, said business is way off.

"Business is down because most of the canneries were running limited operations. Already 200 to 300 independent fishermen have gone home and most of them were on the verge of not [illegible] broke," Shawdrick said. "All you can really say is, it was a bum year."

Paul McNutt
... sought by police

Bullets and bombs in Ireland

(Continued From Page 1)

ter of Londonderry, the province's second largest city.

The British army, also joining in low-profile policy of the past three months, manned the Divis Street housing development, half a mile from Belfast's city center, searching for arms and gunmen of the Irish Republican Army. Troops stayed posted on the development's roofs and balconies to flush out snipers.

MORE THAN 700 troops on the western outskirts of the city fought a night-long battle with gunmen operating from the Roman Catholic area of a modern housing development.

The army claimed 35 gunmen were hit in battles throughout Belfast.

William Whitelaw, Britain's administrator for the province, told the House of Commons that 9,000 rounds were fired at troops from the Divis Street complex.

"ROCKET launchers have also been used in the area by terrorists for the first time," he said. Declaring this increased the risk of damage and casualties, Whitelaw announced he had ordered the army to "control the area from which the attacks were launched."

A clarification

The Daily News would like to clarify the Alaska Supreme Court action on reapportionment complaints by Eagle River as reported in Friday's edition.

Justice Robert Erwin met with Eagle River residents early Friday morning and agreed to hand carry the complaints to Juneau.

The court waived its rules to consider the complaints and stated reasons for denying the complaints in the court's final order.

Erwin then hand carried the written order from Juneau to Borough Assemblyman Ed Willis.

ANCHORAGE
DAILY NEWS

[illegible] newspaper serving
(Check Service Desired)

[illegible]

Published daily by Anchorage Publishing Company
at 120 East 42nd, Anchorage, Alaska 99503. Phone
Circulation: 277-6582

Monthly Home Delivery Rates

Daily Sunday

No chess replay

REYKJAVIK, Iceland (AP) — Bobby Fischer charged Friday that tournament organizers seemed to "upset and provoke me" deliberately, but an appeals committee rejected his request to replay the chess game he forfeited to Boris Spassky.

The world champion from the Soviet Union was awarded Thursday's second game in the championship match when Fischer refused to appear, staying in his hotel suite, because he objected to three moving picture cameras in the hall.

Thus Spassky, who won the first game, was 2-0 in the 24-game series. He needs 10 more points to retain the title. A victory counts one point and a draw half a point.

Fischer said that if the forfeit ruling were reversed and all cameras were removed he would go ahead with the match. The demand came despite the fact the movie and television rights allowed the Icelandic Chess Federation to offer a record $125,000 purse for both players.

Gunnalur Thoroarinsson, president of the Icelandic federation, said the cameras would be removed, but that Spassky's game point would stay. That still left the future of the champion-

was stopped by Fischer's disqualification, the organizers would not pay the loser's share. This meant that Fischer could not only lose his chances at the title but a great sum of money.

As the loser he would be entitled to $46,875 from the chess federation, $46,000 from a purse of about $125,000 offered by British financier James Slater, and $27,500 from television and movie rights.

In a statement issued by the Icelandic Chess Federation, Fischer charged that organizers "have upset and provoked me deliberately" by not telling him in advance that cameras would be present and invisible.

He previously had said he would play although he could not see or hear the cameras, knowing that there were three inside the partition.

Arthur Bisguier, Fischer's lawyer, who arrived in the morning from New York, announced upon the ruling. Asked if Fischer would appeal for the third game Sunday, he replied "I can't comment on that."

Vadim Zhukov, Spassky's second, and Viktor Ponarin, from the Soviet Sports Committee, urged strict application of the tournament rules.

These provide that the clock must be started if a player doesn't appear on time for a game and after one hour

Introduced: 4/2/80
Referred: Resources

IN THE HOUSE BY ANDERSON

HOUSE BILL NO. 665

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to late applications for limited entry permits; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. FINDINGS. The legislature finds that

(1) many persons who were otherwise qualified for limited entry permits have not received permits solely because of their failure to submit an application to the Alaska Commercial Fisheries Entry Commission before the closing date for applications set by the commission in accordance with AS 16.43.260(b);

(2) in order to prevent economic distress among fishermen and their dependents, to regulate entry into the commercial fisheries without unjust discrimination, and to ensure that permits are awarded on the basis of hardship, as defined in AS 16.43.250, it is necessary to ensure that persons eligible for permits are not denied permits solely because of a failure to apply in a timely fashion.

* Sec. 2. APPLICATIONS FOR LIMITED ENTRY PERMITS. Notwithstanding the provisions of AS 16.43.260 relating to closing dates for application periods, the Alaska Commercial Fisheries Entry Commission shall accept applications for limited entry permits, for those fisheries for which the application periods have closed, from all persons who meet the eligibility requirements of AS 16.43.260(a) but who failed to apply for limited entry permits for the fisheries within the time period established by the Alaska Commercial Fisheries Entry Commission for the fisheries. Persons who have previously submitted applications to the Alaska Commercial Fisheries Entry Commission after

the closing dates of the application perio for the fisheries, but before the effective date of this Act shall be considered to have applied under this section. The Alaska Commercial Fisheries Entry Commission shall process applications received under this section as if they had been submitted during the application period set by the commission, except that the commission shall afford an additional reasonable period of time for the submission of supporting evidence. The application period established in this section shall open on the effective date of this Act and shall close on December 31, 1980.

* Sec. 3. The Alaska Commercial Fisheries Entry Commission shall process applications received under sec. 2. of this Act in accordance with regulations applicable to the fishery into which entry is sought except as otherwise provided in sec. 2 of this Act. The Alaska Commercial Fisheries Entry Commission shall issue permits to persons applying under this Act who demonstrate hardship equal to that shown by persons previously issued permits. The Alaska Commercial Fisheries Entry Commission may issue permits in excess of the maximum number of permits established for a fishery under AS 16.43.-230 - 16.43.240 for the purposes of this section. This section does not authorize the Alaska Commercial Fisheries Entry Commission to revoke a permit previously issued.

* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-070(c).

To: House Resources Committee
re: HB 665
April 24, 1980
from: David B. Snyder, Alaska Legal Services, Dillingham
Fred Torrisi, Dillingham

a. The persons affected.

In 1975, the Commercial Fisheries Entry Commission began the implementation of a unique program of limiting entry into Alaska's fisheries. That year, 19 salmon fisheries were limited. Applications were accepted through May 18, 1975. Except for persons proving postal error or Commission misadvice, no-one who failed to apply for an entry permit by the deadline has been able to fish in any of these fisheries as a gear license holder since then.

A separate application period was established for the Arctic-Yukon-Kuskokwim areas in 1976. In this area also, a number of persons eligible for permits under the Limited Entry law failed to apply and lost forever their right to harvest salmon as a gear license holder.

It is our sincere belief that most of the persons who met the hardship standard for entry permits established by AS 16.43.250 but who failed to apply, were Alaska residents. The Commission, faced with the task of reaching thousands of widely scattered fishermen, mailed cards to those persons whose eligibility could be programmed on its computer, and issued press releases which were widely disseminated in newspapers and radio. But no radio station was in operation in Bristol Bay until after May 18, 1975, and no newspaper of general circulation exists even now.

In retrospect, it is apparent that a much longer application period should have been held. When the Alaska Native Claims Settlement Act was passed, 2 years was given to enroll everyone and Congress later passed a late application law to catch those who were missed. The Commission could have held the application period open for a long time while simply requiring that permits be obtained prior to actually fishing. Instead, understandably anxious to begin the final classification of applicants so that the issuance level of the point system could be determined, a shorter period was used (less than six months) and people missed the cut-off date.

The 1975 application period was fraught with problems. Former Commissioner Jay Stovall, in a letter dated February 5, 1980, recalls that he told an eligible set net fisherman in Bristol Bay that he had virtually no chance for a permit because he didn't have enough points. In fact, so few eligible persons applied in that fishery that everyone received a permit. Others recall hearing that 20 points were required for a permit; in fact, 20 points guaranteed a permit. This was the first year of a novel program and many mistakes were made.

The ADF&G forecast for the Bay in 1975 was very bad. Those electing not to fish often didn't realize that they needed to apply in order to fish in future years. After generations of applying for licenses annually, it took some families some time to realize what the concept of limited entry was all about.

The Commission did outreach to contact people, but it took hours just to complete one application even after one was familiar with the 40 page instruction booklet. The literacy rate in western Alaska is among the worst in the country.

and a large percentage of people either don't understand English at all, or speak it as a second language.

Older persons were especially likely to miss the deadline, because they didn't understand the fact that their daughters and sons would not necessarily be able to obtain permits on their own. Of the more than 200 late applicants represented by Alaska Legal Services, many are older Alaska Natives who do not read (or often speak) English.

Other persons failed to apply because they didn't get any notice at all. Some were away at school, others in the military. Still others filled out the cards requesting applications and thought that the card itself was the application. But whatever the reason, it is apparent that the less sophisticated, the poor and the uneducated were the ones most often losing the permits.

b. HB 665

The bill before the Committee does not change the point system or make anyone eligible for permits who was previously ineligible. It does not "open things up." What it does is allow the Commission to exceed the "maximum numbers" to accept late-filed applications, until December 31, 1980.

The "maximum numbers" represent the amount of gear in the water during the highest year between 1969 and 1972. For example, in the Bristol Bay drift fishery the maximum number was 1669 (although there are about 1700 permits issued for that fishery for various reasons including the Isakson Supreme Court decision). The optimum number of units of gear (AS 16.43.290) has not been determined for any fishery, nor has the buy-back authorized by AS 16.43.310 been implemented. It is possible that the optimum number may exceed the "maximum" number in some fisheries; the United Fishermen of Alaska are supporting a bill (HB 1015) to issue new permits in those fisheries which have "recovered" since 1975.

If the improved management techniques and the 200 mile limit do not result in Alaska's fisheries being able to support more gear (a questions perhaps as much related to marketing as biology), then the buy-back is the remedy--not denying permits to those who depend on fishing for their livelihood.

c. Testimony prior to 4/24/80.

Approximately 50 persons testified at the teleconference hearing held March 3, 1980, and no-one testified against the bill. Persons failing to apply explained what happened to them and the consequences during the last five years. Clearly this is a bill which will benefit these Alaskans far more than will the tax repeal or distribution of oil wealth; this bill will return to them their chosen occupation.

The letters and telegrams since that date have been somewhat divided on the bill, but in numbers they overwhelmingly support it due to the presence of numerous resolutions and petitions. Village councils of several western Alaska villages have passed resolutions supporting the bill, and the City of Togiak filed a petition signed by about a hundred residents. The Aleutian-Pribilof Island Association, Inc., the Kodiak Area Native Association, the lower Yukon-Kuskokwim Aquaculture Association, the Rural Alaska Resources Association

and the Bristol Bay Native Association all passed resolutions supporting the bill, and the Citizens' Participation Conference held in Juneau endorsed it as well. It is significant that organizations and municipalities of the region primarily impacted by the bill support it (in this writer's examination of the letters written against the bill, only two were found from residents of western Alaska).

d. The number of permits likely to be issued.

Anyone fishing as a gear license holder between 1960 and 1972 is eligible to apply for a permit. The point system is then used to determine if one will qualify for a permit. Because applications have not been processed for those not applying before the deadline, it is impossible to predict exactly how many new permits will be issued.

It is, however, possible to perceive certain factors and draw inferences with respect to the number of permits likely to result. Because the Commission has attempted to do this in its memorandum of 2/25/80 for the Bristol Bay drift gillnet fishery, some discussion of this fishery may be instructive.

According to computer records some 813 eligible applicants failed to timely apply for permits for this fishery. As noted earlier, many of these persons had the belief that 20 points were required for permits and elected not to apply. It is our opinion that the magnitude of the problem is illustrated by the fact that so many eligible persons failed to apply--but it does not follow that several hundred permits will be issued in this fishery if HB 665 becomes law.

The Commission memo states that its computer has information verifying only 9 eligible applicants at 17 points or more (the issuance level in this fishery), but goes on to postulate 551 will end up proving 17 points. This of course assumes that everyone applies in a second application period, an assumption clearly invalid, although it is again impossible to state exactly how many would in fact apply.

But more importantly, the Commission's second assumption is also erroneous. Although only 37 persons have more than 11 points (according to computer info), and 634 have less than 6 points, the Commission assumes 551 will obtain permits by projecting actual point totals by analogy to the class of persons who in fact applied in 1975. That correlation, while placing an upper limit on permit awards is clearly inapplicable directly to non-filers because many non-filers in fact made conscious decisions not to apply because they did not have very many points.

It is not a contradiction to say a) the application period failed because a lot of people failed to apply, and b) most of those people won't qualify for permits. In the ideal system, all eligible persons will apply and those who qualify will receive permits. But if two fishermen receive applications with -0- preprinted points and one has fished all his life and the other fished only one year, the former is far more likely to apply--leaving the latter on the computer run of eligible persons who failed to apply. For those who did not comprehend the nature of limited entry or received no actual notice--the persons this bill seeks to help--the correlation is true; but for that large group of more informed persons who knew they had little chance of qualifying for permits, it is not.

In three fisheries, so few applications were received that permits were issued at -0- points. We suggest that section 3 of the proposed bill be amended by adding, at the end of the second sentence, the words "except that no permit shall be issued to persons who would suffer only minor hardship from exclusion under AS 16.43.250(c)." This would require for example, that permits only be issued in the Bristol Bay set net fishery to those proving more than 6 points. Those suffering hardship were supposed to receive permits; those suffering only minor hardship can properly be excluded in those fisheries for which the maximum number has been reached.

e. Administrative burden on the Commission.

The Commission is administering a program of tremendous importance to Alaskans, and it should be funded in an amount sufficient to enable it to do its job. The amount of outreach assistance spent in Bristol Bay in 1975 was less than the present value of one drift gillnet permit there.

The fiscal note submitted with this bill includes a substantial amount to clear up the Commission's backlog of cases; if it is funded in the amount requested, it should be made clear that applicants under the new application period should receive permits to which they are entitled expeditiously.

f. Conclusion.

It is true that some persons will receive permits under this bill who consciously elected not to apply for them in the original application period. It is also true that in some years, in some fisheries, there will be an increased amount of gear in the water when there shouldbe less.But neither of these reasons is sufficient to refuse to award permits to the persons who testified at the teleconference and who inhabit virtually every village of southwestern Alaska. The "maximum numbers" are a completely arbitrary set of gear limitations which were selected as a starting point to limit entry; the Commission has yet to determine optimum numbers. While everyone excluded by limited entry may cry for a change, one group stands out as equitably entitled to their permits as the intended beneficiaries of the original act: those who would suffer hardship by exclusion from the fishery for which they were eligible. HB 665 would rectify this inequity. If the State's marketing efforts fail, or if the determination is made in a given fishery that the resource cannot support the number of units of gear in the water, then the buy-back provisions of the statute should be implemented. Neither of these conclusions is evident at this point, and it is unfair to penalize qualified fishermen by forever excluding them from the fishery.

MEMORANDUM

TO: Representative Nels A. Anderson, Jr.

FROM: David Snyder

RE: HB 665 - Limited Entry Late Applicants

DATE: March 6, 1980

I. The numbers of Eligible Applicants

The Commercial Fisheries Entry Commission has determined that there are a total of 3,904 individuals who, based upon their participation as gear license holders in the years 1969 - 1974, were eligible but failed to apply for limited entry permits in the original 19 salmon fisheries which came under limited entry in 1975. These persons would obviously not all apply under a new application period and would obviously not all qualify by demonstrating the requisite number of points in their respective fisheries.

Of this total, 934 persons were eligible to apply under the "Isakson" period (established following the Supreme Court's decision in the Isakson case). These were individuals who were gear license holders for the first time in 1973 or 1974 and who consequently have little chance of qualifying for permits except in three lowpoint fisheries. This is due to the fact that points were only awarded for a person's pre-1973 participation or investment in the fishery. Therefore, less than 3,000 persons would have realistic chances at obtaining permits in most fisheries.

Further, a very high number of these eligible persons (1182) are found in the two Bristol Bay fisheries. When those two fisheries are excluded, it becomes apparent that the number of potentially eligible applicants in the remaining 17 fisheries is very low (2970 - 1182 = 1798). Of course the number qualifying will be much lower due to an inability to prove the requisit points.

The reasons for the very high percentage of persons not applying in Bristol Bay can be attributed in large measure to language and cultural barriers prevalent in Bristol Bay which resulted in people not understanding the need to apply to continue to exercise their right to fish. There will obviously be a number of outside residents who will qualify for permits in Bristol Bay, but I think the chart at pages 8 or 9 of the Commission's memo to you graphically demonstrates the preponderance of residents in the automatic issuance pool should there be another application period. These overwhelming percentages hold true both in Bristol Bay and in the other fisheries statewide.

I believe further that higher percentages of residents are found at other higher point levels where an applicant has a realistic chance at proving sufficient points to be awarded a permit. This is due again in large measure to the greater sophistication and English speaking ability among Seattle and other outside fishermen who were most likely to have applied for a permit if they had a chance. Bristol Bay residents did not have sufficient knowledge to make this decision.

For these same reasons, the Commission's estimate for new entrants in the Bristol Bay drift fishery is inflated. That estimate is predicated upon the premises that the same percentage of persons qualifying during the original application period would also qualify under a new one and that all late applicants would apply. In addition, the total number of eligible late applicants used in the Commission's formula on page 11 should be 813 (derived from the table on page 9) rather than 846. This would further reduce the Commission's estimate of the number of persons actually able to qualify for a permit.

II. The Commission's Proposed Amendments

The Commission has suggested several possible amendments for consideration by the legislature. Most of the proposals suffer from the same defect. They establish classifications which would offend the equal protection clauses of the Alaska and United States Constitutions.

Notwithstanding that problem, some of the proposals are the result of an unrealized perception that too many new permits will be issued under a new application period. For the reasons outlined above, it appears that the only fisheries which potentially could experience a substantial increase are those in Bristol Bay; and the Commission's estimates there are most probably at least twice as high as would actually result. If the Commission decides in the future that the permit level of any particular fishery exceeds the "optimum number" of permits (figures which have not yet been set by the Commission) then the Commission could decide to implement the buy-back provision already authorized by the legislature.

The Commission proposes the following ideas:

a) Issuing permits to those who can demonstrate significant hardship (20 points). This provision would most assuredly be attacked in the Courts as a denial of equal protection under the law. It would establish two classes of persons; those who applied under the original application period and those who did not. Persons having the same fishing history and displaying the same degree of hardship if denied a permit (i.e. the same point total) would be denied a permit. For example in the Bristol Bay drift fishery, original applicants needed 17 points whereas new applicants would need 20 points.

a) continued

In order to be upheld, a legislative classification must be rational, or as the Supreme Court of Alaska has stated, must be fairly and substantially related to permissible governmental objective. It would be impermissible to treat similarly situated applicants differently, solely for the reason that they did not understand or know of the need to apply for a permit.

b) Non-transferable permits. This provision suffers from the same defect as the first proposal. It also is unnecessary as it does not address the question of issuance over the optimum number (if the Commission does set the optimum numbers and if permits have been issued over that number). Assuming that does become a problem, non-transferability will not solve it because natural attrition through death or retirement will take a long time to reduce the number of permits being fished. A buy back program would be the only way to quickly address this potential issue.

c) Making estates ineligible to apply. This would likewise raise grave equal protection questions.

d) Multiple permits to individuals. The same equal protection problems would obtain in treating new applicants differently.

e) Use of permits only during "good' years. This proposal calls for an evaluation of the "average" fish conditions (presumably projected returns, necessary escapement totals and the allowable catch figures) and an evaluation of the projected totals in each category for each separate fishery. This proposal would unreasonably increase management burdens.

f) Considering new applications only after the original application process was completed. This system would unreasonably delay the right of persons who are otherwise qualified to receive permits, from engaging in fishing. It has been almost 5 years since the original application period ended and it is probable that several more years will pass before all applications are finally decided.

g) Non-severability clause. This proposal is unnecessary as the bill is presently written. However, if the above provisions were adopted, non-severability would mean that the entire bill would be overturned.

h) Denying interim use permits until point verification was completed. This proposal seems to be directed towards easing the administrative burdens attendant upon a new application period. Rather than further delay the issuance of permits to eligible and deserving individuals, the legislature should insure that the Commission has adequate funding to process the applications expeditiously.

HB
691

(9)

COMMITTEE REPORT

HOUSE

2/8/80

FURTHER: FINANCE

Date: _____

Mr. Speaker:

The Committee on RESOURCES has had HB 801

"An Act providing for the issuance of general obligation bonds in the amount of $4,115,200 for the purpose of paying the cost of capital improvements for fisheries resources protection and enhancement facilities; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____ CHAIRMAN

H 60 (Rev. 12/78)

AGU 125396

Hearing 2/14/80 - Tabled to gather more info on boats available, costs, etc.
Suggested re-wording (by Public Safety) was adopted

2/26/80 - REPORTED OUT AS CS
DO PASS

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB691	2/13/80	3500	Keith Specking, Governor's office will provide fiscal note Bob Stickles of Public Safety will testify Commissioner Skoog (Fish & Game) will testify	2/19/80
	2/22		Dept. of Public Safety — Bob Lockman to testify	2/26/80

B. F. JENSEN & ASSOCIATES

NAVAL ARCHITECTS · MARINE ENGINEERS

101 SALMON BAY OFFICE BLDG 4215 21st AVENUE WEST

SEATTLE, WASHINGTON 98199

AREA CODE 206 — 284-1274

June 18, 1979
File No. A155

Mr. Peter Van Horsen
P. O. Box 1005
Kodiak, Alaska 99615

Subject: 121 Ft. Patrol Vessel Plans

Enclosures: Two copies of each of the following B. F. Jensen & Associates, Inc., P. S. Plans:

(1)	Dwg. No. 449-1	Outboard Profile
(2)	Dwg. No. 449-2, Sh. 1	General Arrangements, Main Deck & Hold
(3)	Dwg. No. 449-2, Sh. 2	General Arrangements, Focsle, Boat & Bridge Decks
(4)	Dwg. No. 449-3, Sh. 1	Contract Lines
(5)	Dwg. No. 449-6	Structural Inboard Profile
(6)	Dwg. No. 449-7, Sh. 1	Midship and Typical Sections Fwd.
(7)	Dwg. No. 449-7, Sh. 2	Transverse Sections Aft
(8)	Dwg. No. 449-8	Deck and Hold Structural Plans
(9)	Dwg. No. 449-9	Shell Plating and Framing Plan
(10)	Dwg. No. 449-10	Deck House & Pilot House Structural Plans
(11)	Dwg. No. 449-11, Sh. 1	Misc. Structural Details
(12)	Dwg. No. 449-11, Sh. 2	Misc. Structural Details
(13)	Dwg. No. 449-12, Sh. 1	Machinery Arrangement
(14)	Dwg. No. 449-12, Sh. 2	Machinery & Ventilation Arrangement
(15)	Dwg. No. 449-13, Sh. 1	F. O. System, Bilge & Washdown Piping; Fills, Vents & Sounding Tubes
(16)	Dwg. No. 449-13, Sh. 2	Fire System, Drains, Soil Drains & F. W. Service System
(17)	Dwg. No. 449-14	Electrical One Line Diagram

Dear Peter:

Enclosed you will please find two copies of each of the above listed plans per your request of 11 June 1979. Enclosed you will please also find a billing for

reproduction and postage charges.

Based on the 1975 cost of $1,900,000.00 for the 121 Ft. vessel, MARCO estimates that the current price would be $2,900,000.00. Please note that this estimate is current. If the construction was one year from now, the price could increase by approximately fifteen per cent (15%).

If you have any further questions, please do not hesitate to contact our office.

Very truly yours,

B. F. Jensen & Associates, Inc., P. S.

Ben Jensen

BFJ;ljw
Encl.

Harvesting fish and wildlife resources is big business; with an adequate state investment in management and enforcement, these resources will be renewable. Commercial fishermen operating from Kodiak and Dutch Harbor alone have invested about one billion dollars (400 boats x 2.5 million dollars per boat). Significant investments are also made in other statewide fisheries and in the developing bottomfish industry. Commercial fishing statewide produces about 400 to 500 million dollars in annual income. Estimates vary, but about half of that income stays in Alaska. Commercial fishing will produce an estimated $26 million in taxes and license fees for the state in FY-81.

Without calculating the value of sport fish and game harvested, the Alaskan economy significantly benefits from these user groups. Sport fishing contributes about 125 million dollars annually (250 thousand fishermen at 500 dollars average expenditure each); sport hunters contribute about 80 million dollars annually (80 thousand hunters spending an average of one thousand dollars each); the guiding industry contributes about 25 million dollars annually.

Fish and wildlife resources are a multi-billion dollar state asset which is primarily protected by voluntary compliance with management regulations. It is difficult to estimate the percentage of violations deterred by enforcement patrols. Only a small percentage of all potential violations are detected.

To prevent illegal harvesting and detect violations, enforcement officers must patrol where fishing or hunting is allowed or might occur. Without comparable equipment, it can't be done. There are specific evidence requirements for any violations detected so that illegal harvesting might be sucessfully prosecuted. Crabpots must be pulled and examined to see if they are being used illegally, and if so, confiscated for evidence.

Without an adequate state investment for enforcement equipment, officers will be unable to conduct routine patrols efficiently. Enforcement efforts have been hampered by motor breakdowns in the past when the fishery opening was very brief and timely enforcement critical.

It does not seem prudent to depend upon fishermen's short-run compliance with government rules to adequately protect the state's long-term potentially renewable resources. While voluntary compliance from law-abiding citizens has been the backbone of American society, recent economic pressures should cause decision makers to reassess the underlying philosophies about protecting the state's fish and wildlife resources. While the Department of Public Safety, Division of Fish and Wildlife Protection has been given the responsibility for enforcement, no commensurate spending authority has been provided. Without adequate equipment funding, there is a significant chance that enforcement will be both inefficient within available funds, and ineffective in protecting the potentially renewable resource.

CATEGORY NRMEC AGENCY Public Safety PROGRAM Fish & Wildlife Protection

01 1031 (7/79)

31 ANALYTIC STATEMENT (Six-Year Capital Program)

REVISED DATE

000448

120' boat operating costs

	Initials	Date
Prepared By		
Approved By		

Burroughs Form H558 Bull - Form G558 Grove

200			fuel/lubricants moving/mooring towing		7.0	
300						
	310	long distance		1.0		
	320	photo processing		.8		
	330	messages		2.0		
	340	repairs & maintenance		55.0	(yard per.	each year)
		radio & electronics		3.0		
	350	shore power		2.0		
	360	rental of misc.		.2		
		estimate of tug rental (breakdown - charter)		4.0		
		vehicle mileage		.5		
	390	laundry		.5		
		freight costs (rail/supplies)		1.0		
		PSC / Inv. Clearance-3x3/m (FAA, Int. R.V.)		1.8		
		insurance (variable 4.2)		52.1		
					123.9	
100						
	420	food		10.0		
		misc. reclamation		1.0		
	460	fuel		270.0	50 gal/hr x 12 hr/day x 250 days = 150,000 gal	
					150,000 gal x 1.88	$ 270.0
		oil		3.0	for FY-83 1.17 (1	
		parts & supplies		15.0	x 24%	
	470	professional supplies		.8	x 24%	
	480	office supplies		.2	1.80	
	490	license & registration tags		.5		
					300.5	
500			equipment estimate	10.0		
					10.1	
					765.6	

120' operating costs

	Initials	Date
Prepared By		
Approved By		

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		1st Sgt 20A Kodiak	Corp. 77A Kodiak	Trooper 76A Kodiak	LT 21A(S) Kodiak	Boat Eng. 16A(G) Kodiak		Cook Part Time
1	Salary/mo				2794	2031		
2	annual	31176	29460	27372	33528	24372		
3	OT	9908	10,073	9751	13924	8681	} 59187	
4	SD/Standby	967	983	900	1100+	900×50 2000×58	}	
5	Benefits	6934	6,681	6270	8006	5729		
6	FICA	1975	1,975	1975	1975	1975		
7	Health Ins.	1524	1,524	1521	1524	1524		
8								
9		52484	+ 50696	+ 47,792(2)	+ 60,057	+ 45381	= 304,202	
10		52.5	50.7	47.8	60.0	45.4	÷ 20.	
11							374.2	

16 of 49

Burroughs Form M-558 Buff - Form 0558 Gold

assume
- full salary costs needed for FY-82 even tho boat not available until Sept (10/12 or 83.3% of other costs included except travel + equipment)
- budget salary figures used (without retro or new agreements)
- for LT + Boat Eng SD + Stands estimated
- Cost time cook salary estimated

Note
- rotational items Not included
- FLIP flyer dry cleaning cost included

PROJECT TITLE	LOCATION(S)	AREA SERVED	ELECTION DISTRICT(S)
120 Foot Patrol Vessel	Kodiak	Kodiak-Dutch Harbor	15, 16

OBJ. NO(S)	OPERATING BUDGET BRU(S)	NAME(S) BUDGET COMPONENT NUMBERS	START DATE	COMPLETION DATE
1		Marine Enforcement - Vessels 04-47-07	10-80	6-81

PROJECT NARRATIVE

I. Project Need

1. Fisheries Value.

a. Shellfish harvest in the Bering Sea, off Kodiak and the Peninsula or Aleutians during 1978 totaled $172.4 million. Vessels and catch value will continue to increase.

b. The shellfish industry is a multi-billion dollar asset in the short-run (next 5-10 years) not counting direct or indirect taxes and overall economic value to coastal regions. (FY-81 fisheries taxes and license fees will generate a $26 million deposit to the State General Fund.)

2. Jurisdiction

a. The North Pacific Fisheries Management Council proposes management plans for Federal approval. Existing regulations and treaties prevail until pre-empted by Federal management plans implemented under the 200 mile law.

b. The National Marine Fisheries Service (NMFS) and USCG have Federal enforcement responsibility. Their authority has been extended to the State by a Co-operative Enforcement Agreement.

PROJECT TYPE

- ☐ Building Construction (C)
- ☐ Other Improvement (I)
- ☒ Equipment (E)
- ☐ Land (L)
- ☐ Professional Services (P)
- ☐ Other (O)

PROJECT CHARACTERISTICS

- ☐ Totally New Facility
- ☐ Addition to Existing Facility
- ☐ Renovation of Existing Facility
- ☐ Major Maintenance or Repair
- ☐ Supplement Previously Authorized Funds to Enable Completion
- ☐ One of Several Phases
- ☐ Major External Funding Source
- ☒ Other

NO	YES	SITE FEATURES
☐	☐	Site Currently Owned?
☐	☐	All Utilities Available?
☐	☐	Access Already Available?

APPROPRIATION REQUEST

1002	FED. RCPTS	
1003	G/F MATCH	
1004	GEN. FUND	4,060.0
1005	I/A RCPTS.	
	G.O. BONDS	
	TOTAL	

GOVERNOR'S RECOMMENDATION

APPROVED ☐ DEFERRED ☐ DISAPPROVED ☐

1002	FED. RCPTS.	
1003	G/F MATCH	
1004	GEN. FUND	
1005	I/A RCPTS.	
	G.O. BONDS	
	TOTAL	

OPERATIONAL COST & NO. PERSONNEL INCREASE (DECREASE)		FIRST OPERATING YEAR 82	ULTIMATE ANNUAL YEAR 83
FUNDING SOURCE	FED. RCPTS		
	GEN. FUND	520.0	520.0
TOTAL ANNUAL OPERATIONAL COST		520.0	520.0
POSITION (FTE)		6	6

PREVIOUS YR-PRIORITY: n/a

AGENCY PRIORITY: 81-2

GOVERNOR'S PRIORITY: 81-2

CATEGORY NRMEC AGENCY Public Safety PROGRAM Fish & Wildlife Protection

01 1035a (7/79)

35a PROPOSED CAPITAL PROJECT

REVISED DATE 10/31/79

000459

CAPITAL PROJECT EXPENDITURES (CASH FLOW)	TOTAL	BUDGET YEAR	BUDGET YEAR Plus 1	BUDGET YEAR Plus 2	BUDGET YEAR Plus 3	BUDGET YEAR Plus 4	REMAINING COST
Planning and Engineering							
Land							
Construction							
Equipment							
Administration and Other							
Total Annual Expenditure (Capital Cost)							

CONTINUATION OF NARRATIVE

c. Geographic boundaries of jurisdiction for the State are unchanged. The 3 mile limit remains within State boundaries. The 200 mile law (FCMA, PL94-265) Sec. 306 (a) says that it will not interfere with State jurisdiction (See Alaska Supreme Court Opinion # 1232-1-19-79 re: State Bering Sea jurisdiction over State fisherman) except via specified precedures. Foreign fishermen are still prohibited from fishing inside the twelve mile limit and must follow Federal management plan regulations while fishing inside the 200 mile limit.

d. General State management jurisdiction may not be sustained beyond three miles, but specific jurisdiction (over vessels registered in Alaska) will remain. Overlapping jurisdictions will occur, e.g. the Federal approval of hand trolling outside the 3 mile limit when hand trolling inside the 3 mile limit was closed. Though the Federal government would not recognize State jurisdiction, the State could prosecute a vessel registered in Alaska for violating its laws outside the three mile limit.

e. Since present Federal enforcement emphasizes foreign fishermen, domestic fishermen are virtually unregulated. As fuel costs and general inflation continue to impact USCG vessel operating budgets, no enforcement expansion can be expected. Under an existing agreement, the State may enforce Federal regulations on domestic fishermen. If no State enforcement capability exists over domestic (including Alaskan) fishermen, there will be little leverage to gain increased enforecement efforts from the Federal government.

3. Fisheries Management

Historic abundance has not returned, although a decline in key fisheries recently reversed. Several factors determine overall potential for each fishery to remain healthy and capable of optimum sustained yield. An important factor is enforcement. Without sufficient probability of detection, fisheries crimes will not be deterred. It is likely that the average undetected commercial fisheries violation grosses over $10,000 per crewmember.

CATEGORY NRTEC AGENCY Public Safety PROGRAM Fish & Wildlife Protection

PROJECT TITLE 120 Foot Patrol Vessel Kodiak

35b PROPOSED PROJECT ANALYSIS

REVISED DATE

000460

01-1035b (7/79)

4. Enforcement Coverage

a. Ideal coverage would be attained: 1. when 75% of the registered vessels in a fishery could be sighted and a third boarded during routine patrols in an open season, and 2. when combined aircraft/vessel patrols have a 50% probability of detecting any violation in a closed season.

b. While the formula for adequate coverage sounds nice and is patterned after USCG patrol standards designed to detect 50% of all violations and deter 80% of all potential violations, several practical problems are encountered. Efficiency not effectiveness is measured, though a more accurate proxy may not be available. There is no practical way to determine impact of increasing coverage upon violations deterred or detected. Within general plans, the vessel commander must use judgment to best use his patrol time and maximize deterrence.

c. Existing coverage, though not presented via detailed statistical analysis, is not adequate to protect a multi-billion dollar asset.

5. Assumptions

a. Laws (regulations) will continue as a basic tool of fisheries management. Economic incentives for fisheries violations will remain high or increase (relative inelasticity of demand for food).

b. User group pressures for optimum management (includes enforcement) will increase.

c. Enforcement capabilities must match those of the resource-user in order to patrol while vessels are fishing

- staff: training, experience
- equipment: seaworthiness, comms., range, speed, berthing, electronics, etc.

d. Cross deputization will not shift any substantial domestic enforcement burden to NMFS

- burden will remain with State for domestic fishermen
- the USCG will not contract with the State for enforcement of Akaskan fisheries

CONTINUATION FORM

CATEGORY NRMFC AGENCY Public Safety PROGRAM Fish & Wildlife Protection

PROJECT TITLE 120 Foot Patrol Vessel Kodiak

REVISED DATE

000461

DI 1033 (7/79)

e. Housing at Dutch Harbor will not be available for crewmember families thereby requiring that any major enforcement vessel use Kodiak as homeport.

f. Aircraft enforcement patrols encourage compliance, but cannot identify people involved in detected violations; vessels are needed to pull pots and verify shellfish violations.

g. There are normally no "crime scenes" to investigate after the violation has occurred; physical evidence of fisheries violations is not usually available for follow-up investigations.

h. Rarely can cases be successfully prosecuted with only circumstantial evidence, e.g. an early fishing citation based upon minimum time required for transit between strings of pots, pot pulling time, transit to processor under existing weather conditions in the specific vessel.

i. Inability to follow-up anonmyous tips about fisheries violations by actual investigation will tend to discourage violations being reported by uninvolved observers concerned about resource crimes.

6. Significant Background Relationships

a. Fish & Game Management biologists are consulted in local and regional enforcement planning, but research needs preempt enforcement concerns. Biologists aboard fishing vessels, by permission, would likely eliminate future research opportunities if violations were reported or enforcement emphasized. Fish ticket information about catch location is important for research or management needs even when catches are reported from closed areas, or are otherwise illegal.

Without voluntary catch location supplied by fisherman, statistical validity of research would suffer. Conflicts emerge because fish tickets are presently not available to enforcement staff unless obtained by warrant.

Even though ADF&G biologists are being trained in enforcement techniques, ADF&G staff cannot be programmed as a significant enforcement tool, which is not necessarily inappropriate given conflicting operational objectives.

CONTINUATION FORM

CATEGORY NRMEC AGENCY Public Safety PROGRAM Fish & Wildlife Protection

PROJECT TITLE 120 Foot Patrol Vessel Kodiak

01-1033 (7/79)

REVISED DATE

000462

b. The Board of Fisheries has significnat impact on enforcement. It would be difficult to overemphasize their impact on the practical aspects of regulation enforceability.

c. The Commercial Fisheries Entry Commission has significant impact on the practical aspects of enforcement which would be aided by: Limited entry cards with photos; elimination of pre-stamped fish tickets; elimination of duplicate cards at canneries; and similar enforcement-oriented approaches.

7. References discussing various aspects of commercial fishing, the 200 mile limit, Federal enforcement plans, and the State's economic interests can be provided upon request. The ADF & G Commercial Fisheries FY-81 policy budget submission contains much background information and statistics. Further research is being done and may be available to decision makers before FCC deliberations in the next session.

II. Project Description

1. The 120 foot twin screw steel hulled fisheries enforcement vessel will be basically built from specifications put out for bid in 1975 when the lowest bid exceeded available funds and the 100 foot "Vigilant" was purchased instead. Some modifications in design may be made based upon experience with the "Vigilant" and with other major enforcement vessels.

2. General requirements will include:

a. Seaworthiness, boarding capability, and small boat operations;

b. On deck pot storage capability (about 175 pots);

c. Fuel economy, endurance, adequate berthing;

d. Electronic gear (Loran, radar, aircraft radios, ship radios, etc.) with back-up capability;

e. Crab pot pulling gear.

III. Capital Cost

1. B.F. Jensen & Associates (Naval Architects - Marine Engineers) of Seattle made a June 18, 1979 cost extimate of $2,900,000 based upon Marine Construction and Design calculations. That firm was low bidder on the first steel hulled

CONTINUATION FORM

CATEGORY NRMEC AGENCY Public Safety PROGRAM Fish & Wildlife Protection

PROJECT TITLE 120 Foot Patrol Vessel Kodiak

REVISED DATE

000463

OI 1033 (7/79)

enforcement vessel. Inflation is estimated at 15% per year, and a factor of 10% is added to help insure that another cost-compromise does not result in a less-than-optimum enforcement vessel.

2. Detailed calculations:

$2,900,000	
x 1.15%	inflation 6-79 to 6-80
3,335,000	
x 1.05	inflation 6-80 to 10-80 (bid award)
3,501,750	
x 1.15	for cost overrun protection (5%); in-state vender preference (5%)
$4,027,000	and equipment outfitting (5%)
33,000	for Marine Architect assistance
$4,060,000	

IV. Estimated Operating Cost

1. FY-79 "Vigilant" operating costs are used to project operating costs for the new vessel:

Personal Services	$ 266,000	(6 positions)
Travel	7,000	
Contractual Services	46,000	
Commodities	66,000	($33,000 fuel)
Equipment	10,000	
	$ 395,000	
	100,000	(fuel use and cost difference)
	$ 495,000	

2. Shipyard overhaul/maintenance periods would be needed at least every 2 years at a minimum cost of $50,000.

3. Bering Sea patrols will likely produce seizure of 175 pots. (@ $500/pot = $87,500 deposited to the State General Fund if maximum number seized and transported). (Not included as off-setting revenue).

CONTINUATION FORM

CATEGORY NR&EC AGENCY Public Safety PROGRAM Fish and Wildlife Protection

PROJECT TITLE 120 Foot Patrol Vessel Kodiak

REVISED DATE 10/31/79

000464

V. Alternatives

1. More efficient use of existing vessels: Assuming that inflationary fuel costs are funded, no significant increase in efficiencies can be obtained from the present vessel. (Internal Audit agrees.)

2. Use of other vessels as enforcement platforms:

   a. USCG: Emphasizes foreign enforcement, virtually no domestic enforcement - although policy will theortically balance later. NMFS relies 100% on USCC for patrols.

   b. ADF&G: Research and enforcement needs are incompatible except on rare occasions.

   c. Charter: Peak season prices are prohibitive especially in view of recent budget cuts, serious intangible factors also contribute to owner reluctance to charter.

   d. Seizure: The '75 American Eagle violation is being pursued in the courts with no successful forfeiture to date. Courts may be unlikely to award vessels in view of recent cases where fines have been slight compared to cash value of the stolen fish. It would take a flagrant, major violation to evoke forfeiture of a major vessel.

   e. Aircraft: Without vessels, aircraft are useful for only certain types of enforcement, e.g. finfish area closures.

3. Crab pots fishing illegally total at least 8,000 and could be as high as 20,000. Unmarked pots fish year round (dead crab act as bait) and can be pulled virtually undetected by any boat able to sell crab thus harvested.

   There appears to be no short-run alternative except to pull unmarked pots, seize them, and transport them back to port for future sale. In the long run, the ability of the State enforcement vessel to selectively seize pots will likely encourage vessels to recover and mark pots left by vessels now sunk or for illegal fishing.

CONTINUATION FORM

CATEGORY NIMEC AGENCY Public Safety PROGRAM Fish & Wildlife Protection

PROJECT TITLE 120 Foot Patrol Vessel Kodiak

DI 1033 (7/78)

REVISED DATE

000465

4. This request would fund another vessel for the high-value shellfishery based from Kodiak and Dutch Harbor. The alternative of doing nothing cannot be recommended under any foreseeable circumstance. The "Vigilant" alone is providing some enforcement, but was a cost-compromise enforcement vessel. With 35,000 miles of coastline (twice that of the lower 48) and a multi-billion dollar fisheries asset, a second major enforcement vessel is a conservative estimate of need and was included in long range plans back in 1974.

5. If a suitable vessel were located, an existing 145-165 remodeling/outfitting contract may prove cost-effective without sacrificing enforcement mission or significantly increasing operating cost. This is not likely for several reasons, but the possibility will be explored.

6. Several sophisticated enforcement technologies are theoretically feasible and have been investigated by the Federal government (NMFS, USCG, Congress-Office of Technology Assessment), but no innovations will be implemented in the near future. Aircraft-vessel combined operations will continue to be standard for some time. The only known imminent change to USCG enforcement equipment is crab pot pulling gear for the 230' USCG Storis which patrols in the Bering Sea, although the USCG reserves the right to reprogram funds for other uses. Enforcement or equipment priorities are not dictated by the co-operative enforcement agreement.

CONTINUATION FORM

CATEGORY NRMEC AGENCY Public Safety PROGRAM Fish & Wildlife Protection

PROJECT TITLE 120 Foot Patrol Vessel Kodiakc

REVISED DATE

000466

01 1033 (7/79)

Department of Administration
Division of General Services & Sup

BID ABSTRACT

[X] Formal [ ] Informal Subject PATROL VESSEL

Agency DEPARTMENT OF PUBLIC SAFETY Opening OCT. 10, 1975 Invitation to Bid 7271

ITEM	CAMPBELL INDUSTRIES	TACOMA BTBUILDG	HAROLD HANSEN BOAT	MARCO	MARTINAC SHPBUILDG			
1.	3,103,923 00	2,085,000 00	1,945,459 00	1,897,150 00	2,429,805 00			

NO AWARD WILL BE MADE DUE TO INSUFFICIENT FUNDS. THIS PATROL VESSEL

M. L. Monier
12/1/75

G.L. White S.P.A.

approval date (S.C. Ltd

B.F. JENSEN & ASSOCIATES

BID #7271 LETTERS SENT

Sent fed express 12/1/77 BFJ

OFFSHORE INDUSTRIES, INC.
4315 11th AVE. N.W.
✓ SEATTLE, WASHINGTON 98107

MARINE CONSTRUCTION & DESIGN CO. (MARCO)
2300 WEST COMMODORE WAY
✓ SEATTLE, WASHINGTON 98199

MARINE POWER & EQUIPMENT CO.
1441 N. NORTHLAKE WAY
SEATTLE, WASHINGTON 98103

J.M. MARTINAC SHIPBUILDING CORP.
401 EAST 15th STREET
TACOMA, WASHINGTON 98421

TACOMA BOATBUILDING CO., INC.
✓ 1840 MARINE VIEW DRIVE
TACOMA, WASHINGTON 98422

NICHOLS BROS. BOATBUILDERS, INC.
1396 EAST BAYVIEW AVENUE
FREELAND, WASHINGTON 98249

BAYSIDE MACHINE WORKS, INC.
✓ ROUTE EAST BOX 101A
NEWPORT, OREGON 97365

SAN DIEGO MARINE CONSTRUCTION CORP.
✓ P.O. BOX 2803
SAN DIEGO, CALIFORNIA 92112

MARINE IRON WORKS
✓ SHIPBUILDING DIVISION
1720 MARINE VIEW DRIVE
TACOMA, WASHINGTON 98422

DAKOTA CREEK SHIPYARD
P.O. BOX 1646
BLAINE, WASHINGTON 98230

CAMPBELL INDUSTRIES
FOOT OF EIGHTH AVENUE
P.O. BOX 1870
SAN DIEGO, CA 92112

FULTON SHIPYARD
✓ FULTON SHIPYARD ROAD
P.O. BOX 400
ANTIOCH, CA 94509

BETHLEHEM STEEL CORP.
✓ BOX 7963
SAN FRANCISCO, CA. 94120

MARCO
2300 WEST COMMODORE WAY
SEATTLE, WASHINGTON 98199

TODD SHIPYARD CORP.
✓ 1801 16th AVENUE S.W.
SEATTLE, WA 98124

HAROLD HANSEN BOAT COMPANY
1124 OLD HIGHWAY 99
MARYSVILLE, WASHINGTON 98270

Gulf Coast

Levingston Shipbuilding
POB 968
Orange, Texas 77630

Colberg Shipyard
POB 1298
Stockton CA 95201

TO BIDDERS
THIS IS NOT AN ORDER

STATE OF ALASKA
DIVISION OF SUPPLY
POUCH C
JUNEAU ALASKA

THIS FORM REFERS TO IS NUMBER 7271

RETURN BID IN THE ENCLOSED ENVELOPE OR IN AN ENVELOPE ON WHICH THE ABOVE NUMBER APPEARS

☐ QUOTATIONS
☒ SEALED COMPETITIVE BIDS WILL BE RECEIVED IN SINGLE COPY BY THE STATE UNTIL 3:00P M ON October 10, 1975 AT WHICH TIME THEY WILL BE OPENED AT 10th Floor, State Office Builing Juneau, ALASKA

IN COMPLIANCE WITH THIS INVITATION AND SUBJECT TO ALL CONDITIONS SPECIFIED THE UNDERSIGNED OFFERS AND AGREES TO FURNISH ANY OR ALL OF THE ITEMS UPON WHICH PRICES ARE QUOTED AT THE PRICE SET OPPOSITE EACH ITEM BY THE TIME SPECIFIED HEREON

BID ENTERED

AT (IN INVITATION)	DATE DELIVERY REQUIRED	TO BE DELIVERED TO
September 9, 1975	August 15, 1976	SEE BELOW

F.O.B. POINT(S) AND ROUTE F.O.B. Afloat in the Shipbuilder's Yard, U.S. West Coast Port

PATROL VESSEL

The State of Alaska is soliciting bids for the construction of one (1) 121 foot Twin Screw Steel hulled Fisheries Patrol Vessel in accordance with the specifications entitled "Specifications for Construction of a 121 foot Patrol Vessel for State of Alaska, Department of Public Safety", B.F. Jensen & Associates, File No. 449 Dated August 1975.

Sealed bids shall be mailed or delivered to: Department of Administration, Division of General Services & Supply, 10th Floor, State Office Building, Pouch C, Juneau, Alaska 99811. Bids shall be received on or before 3:00 P.M. of the opening date in accordance with the instructions and conditions listed on Page Two (2) of this bid, at which time they will be opened publicly.

PLANS AND SPECIFICATIONS:

A set of plans and specifications may be obtained from the Office of B.F. Jensen & Associates, 101 Salmon Bay Office Building, 4215 21st Ave. West, Seattle, Washington 98199, upon receipt of $100.00 deposit per set. A refund of $65.00 ($35.00 non-refundable) will be paid for each set of plans and specifications returned to B.F. Jensen within 30 days after the bid opening date.

DELIVERY: The successful bidder will be required to deliver the vessel afloat at the Builder's Yard, United States West Coast Port. Delivery shall be made on or before August 15, 1976.

LIQUIDATED DAMAGES: It will be agreed between the successful bidder and the State of Alaska that actual damages will be assessed for the late delivery in the amount of one hundred ($100.00) dollars per day for each calendar day beyond August 15, 1976 to September 14, 1976 and three hundred ($300.00) dollars per day after September 14, 1976 until date of delivery.

BID GUARANTEE: The Bidder shall submit a bid bond, surety deposit, special notice account or certificate of deposit assigned to the State of Alaska in the amount of 5% of the bid. This guarantee must accompany the bid and those that fail to do so will be considered non-responsive. This shall be held as a guarantee that the bidders shall not withdraw said bid within sixty (60) days after said opening, and shall execute such further contractual documents, if any, as may be requested by the terms of the bid, as accepted, and give bonds with good and sufficient surety or sureties, as may be required, for the faithful performance and proper fulfillment of the resulting contract. Deposits or checks will be returned to the bidder upon completion of the sixty (60) day period.

THIS BID CONSISTS OF THREE (3) PAGES.

IMPORTANT: Bid must be complete. See reverse side for instructions, conditions, and requirements pertaining to Alaska Bidder preference and the Civil Rights Act. Any offer and acceptance resulting from this invitation to bid shall be expressly limited to the terms and conditions as shown on this form and its attachments.

SIDNEY J. LaMONICA PURCH. AGT.
(907) 465-2255

PURCHASING AUTHORITY

mes

DATE OF BID

INDICATE IF YOU QUALIFY FOR 5% ALASKA BIDDER PREFERENCE
YES ☐ NO ☐

BIDDER

BY AND FOR THE BIDDER

INSTRUCTIONS TO BIDDER:

1. All equipment offered must be new and of the latest model currently advertised to the general market, unless otherwise specified by this bid invitation.

2. Samples of items, when required, must be furnished at no cost to the State. On request, samples will be returned at the bidder's expense provided they were not consumed in testing.

3. Prices should be stated in units of quantity specified, with packing included.

4. Time of proposed delivery must be stated in definite terms if different from that stated by the State. If time varies for different items, the bidder shall so state. Delivery date is defined as the date upon which delivery is required at the ultimate destination.

5. If the item bid upon has a trade name or brand, such trade name or brand must be stated in the bid

6. All bids shall be submitted exclusive of Federal, State, and local taxes. However, if the bidder believes that certain taxes are properly payable by the State, he may list such taxes separately, in each case directly below the prospective item bid price.

7. Assignment of contract or subcontracts shall not be permitted, and claims of subcontractor due to cancellation of contract will not be recognized.

8. AWARDS Tentative award(s) will first be made on all formal competitive bids and will become final award(s) after five days therefrom, providing no protest has been received by the Department of Administration. This five-day period permits an aggrieved bidder to appeal, in writing, to the Department of Administration for hearing and redetermination of final award. Notice of appeal must be furnished (by the aggrieved bidder) to all interested parties. (Note: Formal competitive bids are defined as those issued for purchases of all materials, supplies, or services estimated to cost in excess of $1,000.)

9. Bidders are instructed to use this and attached for in submitting bids.

CONDITIONS

1. Formal bids will be rejected if not received at the issuing office prior to the time set for bid openings. If there is doubt that your bid will be received timely, telegraphic notices that the bid is in the mail will reserve the right to have your bid read when it is received. Such notices must be received at the office of the Division of General Services/Supply handling the bid prior to the scheduled bid opening hour, and the written bid must be post-marked no later than "AM" of the day of opening.

2. Where the description of an item includes both specifications and a brand name and number, the specification shall govern in case of conflict. Brand name and number are for reference as to the type and quality required and do not preclude offers of a comparable or better product, provided full specifications and descriptive brochures accompany the offer. Failure to include fully descriptive literature may be cause to reject the offer.

3. The State reserves the right to reject any and all bids, to waive minor deviations from the specifications, and to waive any informalities in bids received, whenever such rejection or waiver is in the best interest of the State, and unless otherwise specified by the bidder, to accept any items in the bid. It also reserves the right to reject the bid of a bidder who has previously failed to perform properly or complete on time contracts of a similar nature, or a bid of a bidder who is not in a position to perform to contract.

4. In case of error in the extention of prices in the bid, the unit prices will govern.

5. In case of default of the contractor, the State of Alaska may procure the articles or services from other sources and hold the contractor responsible for any excess cost occasioned thereby.

6. In case of damage to State property in fulfilling this contract, the contractor shall reimburse the State to the extent of such damage.

7. The contractor shall hold and save the State, its officers, agents and employees, harmless from liability of any nature or kind, including costs and expenses, for or on account of any or all suits or damages of any character whatsoever resulting from injuries or damages sustained by any person or persons or property by virtue of performance of this contract, unless such suits or damages arise from carelessness or negligence on the part of the State or its employees in the performance of their assigned duties. The State shall not be liable for any costs incurred by the bidder in bid preparation.

8. Time, in connection with discount offered, shall be computed from date of the delivery of the material at destination when final inspection and acceptance are at this point, or from date correct bill or invoice is received, whichever is later.

9. No officer or employee of the State of Alaska shall be admitted to any share or part of this contract or of any benefit that may arise therefrom unless it may be made with a corporation for its general benefit.

BIDDERS MUST COMPLY WITH CIVIL RIGHTS ACT

By signature on this form, the vendor indicates that he is complying with the applicable portion of the federal Civil Rights Act of 1964 and the Equal Opportunity Employment Act and the regulations issued thereunder by the State and federal Government. If any bidder fails to comply with the Act or the Regulations issued thereunder, the State reserves the right to terminate the contract.

5% ALASKA BIDDER PREFERENCE - (Alaska Statutes 37.05.730)

A bid shall be awarded to an Alaska bidder if his bid is not more than five percent higher than the lowest nonresident's bid. An Alaska bidder is defined as one who

(a) holds a current Alaska business license,

(b) submits a bid for goods or services under the name as appearing on his current Alaska business license,

(c) has maintained a place of business in the State of a period of six months immediately preceding the date of his bid.

Check the box on the front a indicates your eligibility.

PERFORMANCE BOND: The successful bidder will be required to furnish to the State of Alaska a performance bond equal to one hundred percent (100%) of the contract.

BIDDER'S PROTECTIVE CLAUSE: There shall be no obligation to deliver any or all of the products or services included in this invitation in the customary manner when such deliveries are prevented or hindered by acts of God, strike, or partial or total interruption or loss or shortage of transportation facilities, fire or lockout, commandering of raw materials, products, plants or facilities or by other similar or different acts of Civil or Military authorities or by other like causes beyond the control of the bidder.

AWARD: Award will be made to the low bidder meeting the specifications available from B.F. Jensen and providing suitable delivery time. The State of Alaska reserves the right to reject any or all portions of this Invitation to Bid in order to stay within appropriated funding.

PAYMENT SCHEDULE: Payments to the builder will be made in accordance with the following schedule:

a. Fifteen Percent (15%) upon execution of this agreement and contract.
b. Twenty-five Percent (25%) when the keel of the vessel is laid.
c. Twenty-five (25%) when the main and auxiliary engines are installed.
d. Twenty-five Percent (25%) when the vessel is completely ready for launching, including the completion of the Deck House.
e. Balance of the ten percent (10%) on delivery of vessel to State or the State's representative, upon acceptance in accordance with the specifications and drawings.

GENERAL CHARACTERISTICS OF VESSEL:

Length Overall, Molded		121'-6"
Length on Design Waterline		110'-0"
Breadth, Molded		28'-0"
Depth, Molded		12'-6"
Draft, Amidship to Design Waterline		10'-0"
Power - Twin Screw Diesel		
Total Maximum SHP		2050
Compliments, Officers and Crew		~~12~~ 6
Weights and Capacities		
Diesel Fuel	Approx.	42,000 gal.
Potable Water	Approx.	5,000 gal.
Lubricating Oil	Approx.	330 gal.
Gasoline (small boat fuel)	Approx.	850 gal.
Helicopter Fuel	Approx.	350 gal.

CHANGE ORDERS: Any work in the nature of change in the original plans and specifications which may result in additions or reductions in the basic contract price may be submitted in writing to the State along with the basic price adjustment accruing from such change. Such changes in the contract price can be authorized only by the Division of General Services & Supply in writing. Work accomplished without such authorized change in the contract price shall be at the contractor's expense.

BID PRICE: Bid price on the vessel is to be shown in the space below. Price quoted shall be firm and is not subject to escalation unless authorized in writing by the State of Alaska, Division of General Services & Supply, Juneau, Alaska

PRICE FOR VESSEL: $ _____

ALTERNATE DELIVERY TIME: _____ DAYS A.R.O.

FOR STATE USE ONLY: THIS INVITATION TO BID COVERS PR-12-00035

STATE OF ALASKA
DEPARTMENT OF ADMINISTRATION
DIVISION OF GENERAL SERVICES & SUPPLY
POUCH C
JUNEAU, ALASKA 99811

PATROL VESSEL
AMENDMENT #1

INVITATION TO BID # 7271
TO BE OPENED: OCTOBER 10, 1975
3:00 P.M.

This amendment required to delete the 100% performance bond requirement on Page 3 of this invitation. However, the State of Alaska reserves the right to reject any bid if a subsequent background search reveals that the apparent low bidder is financially unsound or incompetent.

NOTE: The attached Equal Opportunity Clause shall be considered a part of this Invitation to Bid.

BIDDER _____

DATE _____

SIGNATURE _____

Sidney J. LaMonica

SIDNEY J. LaMONICA, PURCHASING AGENT

NOTE: A SIGNED COPY OF THIS AMENDMENT MUST ACCOMPANY BID.

STATE OF ALASKA
DEPARTMENT OF ADMINISTRATION
DIVISION OF GENERAL SERVICES & SUPPLY
POUCH C
JUNEAU, ALASKA 99811

PATROL VESSEL

AMENDMENT #2

October 2, 1975

INVITATION TO BID #7271
To Be Opened October 16, 1975
3:00 P.M.
CHANGE OPENING DATE FROM October 10, 1975 to October 16, 1975.

This amendment required to modify the plans and specifications entitled "Specifications for construction of a 121 foot patrol vessel for State of Alaska, Department of Public Safety", B.F. Jensen & Associates, file No. 449 dated August 1975.

These plans and specifications are hereby modified in accordance with the following attachment:

"Modification No. 1 to the Plans and Specifications dated September 25, 1975".

NOTE: Modification No. 1 has previously been forwarded to prospective bidders by the office of B.F. Jensen and Associates.

BIDDER _____

DATE _____

SIGNATURE _____

Sidney J. Lamonica,
Purchasing Agent

NOTE: A SIGNED COPY OF THIS AMENDMENT MUST ACCOMPANY BID.

MODIFICATION NO. 1

TO THE PLANS AND SPECIFICATIONS

for

121-FOOT PATROL VESSEL

for

STATE OF ALASKA

DEPARTMENT OF PUBLIC SAFETY

DATED: September 25, 1975 - File No. 449

The following modifications apply to the Specifications:

SECTION 7 INSULATION AND LININGS

Art. 1, (page 7-1) part b. Engine Room Bulkheads Fr. 16 & Fr. 23; 2nd line -

After: - - - 2-inch thick SONOLEAD,

Add: "Supreme",

Art. 1, (page 7-1) part c. Below Deck Quarters, Main Deckhouse, Pilot House and Upper Deckhouse Overhead Insulation, 2nd and 3rd lines

Delete: - 3-inches thick Johns-Manville BX-Spintex, or equal, minimum density 3.25 pounds per cubic foot.

Substitute: - 3-inches, total thickness, Owen-Corning, 703 board, or equal, made up from a layer of 1-inch board and a layer of 2-inch board.

Art. 1, (page 7-2) part g. Miscellaneous Insulation, 2nd line

After: - - - 2-inch thick SONOLEAD,

Add: "Supreme"

SECTION 19 FURNITURE AND FURNISHINGS

Art. 3, (page 19-3) part e. Chart Table, last par., 3rd, 4th, and 5th lines

Delete: Small drawers and lockers shall be provided under to stow navigating equipment and a shelf for electronic equipment shall be provided over.

Substitute: Small drawers and lockers shall be provided under the chart table. A shelf for electronic equipment shall be provided on the bulkhead over the chart table.

Art. 3, (page 19-3)

Add: part j. Furniture in the Lounge

The lounge on the main deck, Fr. 19 to 23, shall be provided with furniture generally as shown on the Main Deck Arrangements, Dwg. No. 449-2 Sht.-1. The Contractor shall submit details of the design and construction of all furniture to the Owner for approval before purchasing items or proceeding with the construction and installation.

The conference table and table in front of the settee shall be 29½-inches high. Tops shall be constructed of plywood overlaid with teak "desk top type" Formica, or equal. Low teak sea rails shall be fitted around the edges of each table. The tables shall be fixed to steel pipe pedestals attached to the deck. Chairs at the conference table shall be swiveling, pedestal type attached to the deck. Backs, arms and seats shall be upholstered. Settee shall be built-in, with upholstered back and seats. Two upholstered arm chairs shall be provided. Provision shall be made for lashing the arm chairs under the settee table in heavy weather.

SECTION 51 MAIN PROPULSION MACHINERY

Art. 3, (page 51-2) Front Power Take-off and Fire Pump Drive, 2nd par.

Delete: Entire paragraph.

Substitute: Power take-off shall be a Marine Construction and Design Co., or equal, unit consisting of a Marco, Model E1460 FPTO Drive Adaptor; Koppers, Size 90 coupling; Twin Disk, Model SP114P stub shaft clutch, brackets, etc. Unit shall be modified as required to adapt to the G.M., 16 V-149, marine engine.

Art. 4, 4th par.

Add: An approved stainless steel, bellows type, flexible connection shall be installed in each branch exhaust line from each engine (two per engine).

SECTION 56 DIESEL OIL SYSTEM

Page 56-2 After last paragraph.

Add: A register type fuel oil meter, calibrated to read in gallons, shall be provided in the discharge of the fuel oil transfer pump. Meter shall be a Tokheim, 2-inch, Series 1400, line type, or equal, rotary fuel oil meter.

SECTION 73 PUMPS

Art. PUMP SCHEDULE, part E, Diesel Oil Transfer Pump (page 73-2)

Change: 1 hp to 5 hp.

The following modifications apply to the Plans:

Dwg. No. 449-2 Sht 1 General Arrangements Main Deck and Hold

Main Deck Arrangements

Frame 18 port - window over galley sink - Add following note:

"Vertical Drop window"

Dwg. No. 449-2 Sht 2 General Arrangements Foc'sle, Boat & Bridge Decks

Captain's Day Room and Captain's State Room

Drop window P&S noted to port in Captain's Day Room - Add "sloping".

Note to read: "Sloping Drop Window P&S.

(Note: The vessel to be provided with a total of three drop windows; one vertical sliding drop window in the galley, a sloping, sliding drop window in the Captain's Day Room and a sloping, sliding drop window in the Captain's State Room.)

INVITATION TO BID

ON

CONSTRUCTION

OF

121 FOOT PATROL VESSEL

FOR

STATE OF ALASKA

DEPARTMENT OF PUBLIC SAFETY

August 20, 1975
File No. 449

The following is an outline of information to include on the "Invitation to Bid".

1. General

The State of Alaska invites sealed bids with the intent of establishing a contract for the construction of one 121 foot, twin screw steel patrol vessel in accordance with the Specifications entitled: "Specifications for Construction of 121 foot Patrol Vessel for State of Alaska, Department of Public Safety," B.F. Jensen & Associates, File No. 449 dated August 1975.

2. General Characteristics of Vessel

Length Overall, Molded		121'-6"
Length on Design Waterline		110'-0"
Breadth, Molded		28'-0"
Depth, Molded		12'-6"
Draft, Amidship to Design Waterline		10'-0"
Power - Twin Screw Diesel		
Total Maximum SHP		2050
Compliments, Officers and Crew		~~12~~ 6
Weights and Capacities		
Diesel Fuel	Approx.	42,000 gal.
Potable Water	Approx.	5,000 gal
Lubricating Oil	Approx.	330 gal.
Gasoline (small boat fuel)	Approx.	850 gal.
Helicopter Fuel	Approx.	350 gal.

3. Plans and Specifications

A set of Plans and Specifications may be obtained from the office of B.F. Jensen & Associates, 101 Salmon Bay Office Building, 4213 21st Ave. West, Seattle, Washington 98199, upon receipt of a deposit of $100.00 per set, of which $65.00 will be refunded upon return of each set of Plans and Specifications ($35.00 non-refundable) within 30 days after the date of the opening of bids. Plans and Specifications are for use in preparing a bid in response to this invitation and are not to be used for any other purpose.

4. Bidding Time and Delivery of Bids.

Plans and Specifications available from the office of B.F. Jensen & Associates on or after September 2nd, 1975. Sealed Bids shall be mailed or delivered to Department of Administration, Division of General Services/Supply, 10th Floor, State Office Building, Pouch C, Juneau, Alaska 99811. Bids shall be received on or before 3:00 P.M. Pacific Daylight Savings Time, Friday, October 10th, 1975.

5. Building Time

Ten months from date of award.
Tentative award October 16, 1975 - Delivery August 15, 1976.

6. Performance Bond

Performance bond equal to one hundred per cent (100%) of the Contract.

7. Delivery of Vessel

Vessel shall be delivered afloat at Building Yard at United States West Coast Port.

8. Liquidated Damages

Liquidated damages in the amount of one hundred ($100.00) dollars per day for each calendar day beyond August 15, 1976 to September 14th, 1976 and three hundred ($300.00) dollars per day after September 14, 1976 until date of delivery.

PLEASE NOTE

THE ORGINAL FILE CONTAINS AN OVERSIZED DOCUMENT THAT IS UNSUITABLE FOR FILMING. PLEASE REFER TO THE ALASKA STATE ARCHIVES TO VIEW THE ORIGINAL.

DESCRIPTION: BLUEPRINTS

IDENTIFICATION XEROXED BELOW

SYM	REVISIONS	BY	DATE

B. F. JENSEN & ASSOCIATES

NAVAL ARCHITECTS MARINE ENGINEERS

101 SALMON BAY OFFICE BLDG.
4715 21ST AVE WEST
SEATTLE, WASHINGTON 98199

121 FT PATROL VESSEL

DECK HOUSE & PILOT HOUSE STRUCTURAL PLANS

CHKD NILSON		DATE AUGUST 1979	
SCALE 1/4"=1'-0"		DWG NO 449-10	REV
DRAWN J.R. C.E.			

PLEASE NOTE

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IDENTIFICATION XEROXED BELOW

SYM	REVISIONS	BY	DATE

B. F. JENSEN & ASSOCIATES

NAVAL ARCHITECTS MARINE ENGINEERS

101 SALMON BAY OFFICE BLDG
4215 21st AVE WEST
SEATTLE, WASHINGTON 98199

121 FT PATROL VESSEL

OUTBOARD PROFILE

CHKD NILSON	DATE AUGUST [illegible]
SCALE 1/2" = 1'-0"	DWG NO 449-1
DRAWN O.K. LE	

PLEASE NOTE

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DESCRIPTION: BLUEPRINTS

IDENTIFICATION XEROXED BELOW

SYM.	REVISIONS	BY	DATE

B. F. JENSEN & ASSOCIATES

NAVAL ARCHITECTS MARINE ENGINEERS

101 SALMON BAY OFFICE BLDG.

4215 21st AVE. WEST

SEATTLE Washington 98199

121 FT PATROL VESSEL

STRUCTURAL MIDSHIPS PROFILE

LINES		DATE
SCALE	DWG NO	REV
DRAWN	449 - 3	

PLEASE NOTE

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DESCRIPTION: BLUEPRINTS

IDENTIFICATION XEROXED BELOW

BY	REVISIONS	BY	DATE

B F. JENSEN & ASSOCIATES
NAVAL ARCHITECTS MARINE ENGINEERS
101 SALMON BAY OFFICE BLDG
4215 21st AVE WEST
SEATTLE WASHINGTON 98199

121' PATROL VESSEL
GENERAL ARRANGEMENTS
MAIN DECK & HOLD

CHKD: NILSON DATE AUGUST 1975
SCALE: 1/4" = 1' 0" DWG NO. REV
DRAWN D.K. IK, CE 449-2 SHT 1

PLEASE NOTE

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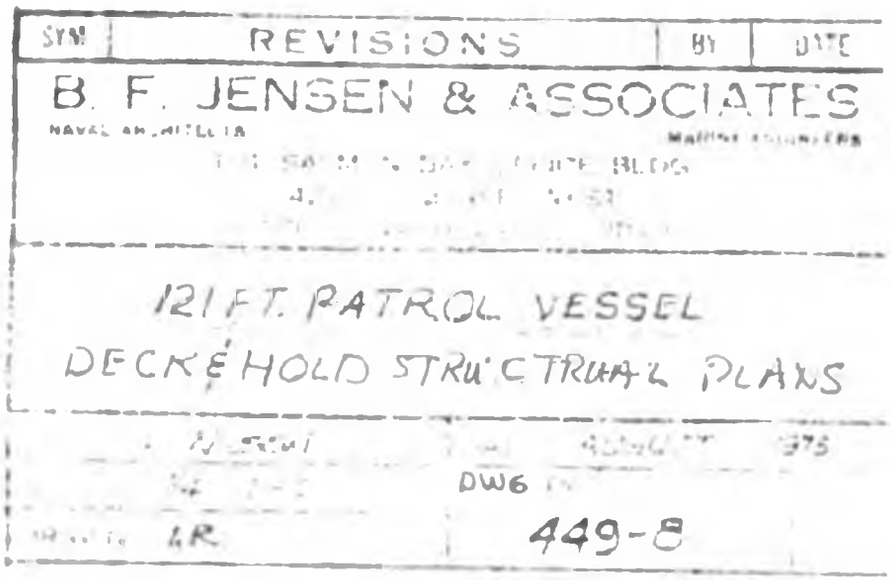

PLEASE NOTE

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DESCRIPTION: BLUEPRINTS

IDENTIFICATION XEROXED BELOW

SYM	REVISIONS	BY	DATE

B. F. JENSEN & ASSOCIATES
MARINE ENGINEERS
101 SALMON [illegible] OFFICE BLDG
4715 [illegible] AVENUE
SEATTLE, WASHINGTON [illegible]

121' PATROL VESSEL
GENERAL ARRANGEMENTS
FOCSLE, BOAT & BRIDGE DECKS

NUMERAL	[illegible] AUGUST [illegible]
[illegible]	1/4" = 1'-0"
[illegible] SCALE	MAP - SHT 2

Resources/ Senate hearing this Wed. 1:30

Introduced: 2/8/80
Referred: Resources and Finance

Ours:

Tues. Feb. 19 3p.m.

IN THE HOUSE (also SB 344) BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

HOUSE BILL NO. 691

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing for the issuance of general obligation bonds in the amount of $4,218,800 for the purpose of paying the cost of capital improvements for fisheries resources protection and enhancement facilities; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. For the purpose of paying the cost of capital improvements for fisheries resources protection and enhancement facilities, general obligation bonds of the state in the principal amount of not more than $4,218,800 shall be issued and sold. The full faith, credit, and resources of the state are pledged to the payment of the principal of and interest and redemption premium, if any, on these bonds. These bonds shall be issued under the provision of AS 37.15 as those provisions read at the time of issuance.

* Sec. 2. (a) If the issuance of these bonds is authorized by the qualified voters of the state, a special fund of the state to be known as the "1980 Fisheries Resources Facilities Construction Fund" shall be established, to which shall be credited the proceeds of the sale of bonds described in sec. 1 of this Act except for accrued interest and premiums.

(b) There is appropriated from the "1980 Fisheries Resources Facilities Construction Fund" to the Department of Public Safety the amount of $4,218,800, for the purchase of one 120-foot patrol vessel to be based at Kodiak.

Bob Stitzel Public Safety

* Sec. 3. If the issuance of these bonds is authorized by the qualified

voters of the state, the amount of $14,800 or as much of that amount as is found necessary is appropriated from the general fund of the state to the state bond committee to carry out the provisions of this Act and to pay expenses incident to the sale and issuance of the bonds authorized in this Act. The amounts expended from the appropriation authorized by this section shall be reimbursed to the general fund from the proceeds of the sale of the bonds authorized by this Act.

* Sec. 4. The amount withdrawn from the public facility planning fund for the purpose of advance planning for the improvements financed under this Act shall be reimbursed from the proceeds of the sale of bonds authorized by this Act.

* Sec. 5. The question whether the bonds authorized in this Act are to be issued shall be submitted to the qualified voters of the state at the next general election and shall read substantially as follows:

Proposition

State General Obligation Fisheries Resources Facilities Construction Bonds $4,218,800

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $4,218,800 for the purpose of paying the cost of capital improvements for fisheries resources protection and enhancement facilities?

Bonds Yes [ ]

Bonds No [ ]

* Sec. 6. This Act takes effect immediately in accordance with AS 01.-10.070(c).

12-1.6LH

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF PUBLIC SAFETY

DIVISION OF ADMINISTRATIVE SERVICES / POUCH N - JUNEAU 99811

February 4, 1980

The Honorable Bill Sumner
Senator, Alaska State Senate
Pouch V
Juneau, Alaska 99811

HB691

Subject: Senate Bill 344

Dear Senator Sumner:

The 120 foot patrol vessel referenced in Senate Bill 344 will be stationed in Kodiak to serve the Kodiak/Dutch Harbor areas. If the bond package is approved by the Legislature and the voters, we anticipate receipt of the vessel some time in September, 1981.

The priority enforcement project for this vessel will be in the crab fishery in the Kodiak/Dutch Harbor areas. The Alaska Department of Fish and Game and our Division of Fish and Wildlife Protection conservatively estimate that between 8,000 and 20,000 unmarked and unclaimed illegal pots fish the gulf and Bering Sea year-round. The toll these pots have on the resource is really unknown, and until now we have not had the ability to calculate, with any reasonable degree of success, what that toll is. We feel we will be able to do this with the new boat because it will be capable of carrying approximately 175 crab pots. This will give us two enforcement vessels operating in the Kodiak area, and coverage of the fisheries should increase substantially.

We feel that the primary purpose of the Division of Fish and Wildlife Protection is to provide the enforcement necessary to ensure the successful completion of Fish and Game's management plans. In the Kodiak area, as an example, we have been unable to provide the necessary level of enforcement due to a lack of adequate vessels to patrol the waters in and around Kodiak and Dutch Harbor. Upon receipt of this boat there is still no guarantee that all fishing violations or crabbing violations will be detected. However, the degree at which violations occur should be reduced substantially due to the fact that there are now more vessels operating in the area. As indicated above, the primary objective of this new vessel will be in the crab fishery but it will also be doing work in the salmon, shrimp and bottomfish fisheries as well. In addition, the vessel will play a large role in search and rescue missions that we conduct along the Chain.

The Department of Public Safety considered this 120 foot vessel its top capital budget priority, as evidenced by the Commissioner's list of priorities submitted to the Governor. I would like the opportunity, at your convenience, to meet and further discuss the potential uses and benefits of this vessel.

Sincerely,

Robert J. Stickles

Robert J. Stickles
Director

RJS/bh

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

HB691

I. REQUEST

Bill/Resolution No. SB 344 - "An Act providing for $4,218,800 in GO bonds for
Title fisheries resource protection facilities" (120 foot patrol vessel).
Requested by Sen. Sumner Date 1/29/80

II. FISCAL DETAIL

Agency Affected Public Safety
Program Category Affected NRMEC
BRU, Program, or Subprogram(s) Affected Vessel Section (Marine Enforcement)
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES			324.2	324.2	324.2	
200 TRAVEL			7.0	7.0	7.0	
300 CONTRACTUAL			103.2	123.9	123.9	
400 COMMODITIES			250.3	300.5	300.5	
500 EQUIPMENT			0	10.0	10.0	
600 LAND & STRUCTURES				-	-	
700 GRANTS, CLAIMS, ETC.				-	-	
TOTAL	0	0	684.7	765.6	765.6	

FUNDING (Thousands of Dollars)

GENERAL FUND	0	0	684.7	765.6	765.6	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	0	6	6	6	
PART TIME			1	1	1	
TEMPORARY						

III ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Crewmember salary and benefit costs are: Lt. $60.0; 1st Sgt. $52.5; Cpl. $50.7; 2 troopers $47.8 each; Boat Engineer II $45.4; and a part-time cook $20.0. These costs include sea pay, similar to overtime and shift differential, to compensate crewmembers for shipboard duty. Both salary and other costs are comparable to the Vigilant's operating needs.

In contractual services, major items are: $55.0 for repairs & maintenance and $55.1 for insurance. In commodities, fuel use is estimated at 50 gallons/hour for 12 hours/day during 250 days at sea. The 150,000 gallons needed would cost $270.0 using $1.80/gallon as the price for diesel fuel.

Estimating vessel delivery on 9-1-81, major FY82 operating costs have been adjusted except for salary. Crew training is needed on other vessels until acceptance of the new vessel. Present costs are used for all expenses except fuel estimated at FY83 cost.

IV. DATE 1/29/80 PREPARED BY Mike Clements
AGENCY Public Safety
PHONE 465-4336

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

12-L6LH

SB 344
HB 691

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF PUBLIC SAFETY

DIVISION OF ADMINISTRATIVE SERVICES / POUCH N – JUNEAU 99811

February 1, 1980

The Honorable Bob Mulcahy
Senator, Alaska State Senate
Pouch V
Juneau, Alaska 99811

HB691
Subject: Senate Bill 344

Dear Senator Mulcahy:

HB691
The 120 foot patrol vessel referenced in Senate Bill 344 will be stationed in Kodiak to serve the Kodiak/Dutch Harbor areas. If the bond package is approved by the Legislature and the voters, we anticipate receipt of the vessel some time in September, 1981.

The priority enforcement project for this vessel will be in the crab fishery in the Kodiak/Dutch Harbor areas. The Alaska Department of Fish and Game and our Division of Fish and Wildlife Protection conservatively estimate that between 8,000 and 20,000 unmarked and unclaimed illegal pots fish the gulf and Bering Sea year-round. The toll these pots have on the resource is really unknown, and until now we have not had the ability to calculate, with any reasonable degree of success, what that toll is. We feel we will be able to do this with the new boat because it will be capable of carrying approximately 175 crab pots. This will give us two enforcement vessels operating in the Kodiak area, and coverage of the fisheries should increase substantially.

We feel that the primary purpose of the Division of Fish and Wildlife Protection is to provide the enforcement necessary to ensure the successful completion of Fish and Game's management plans. In the Kodiak area, as an example, we have been unable to provide the necessary level of enforcement due to a lack of adequate vessels to patrol the waters in and around Kodiak and Dutch Harbor. Upon receipt of this boat there is still no guarantee that all fishing violations or crabbing violations will be detected. However, the degree at which violations occur should be reduced substantially due to the fact that there are now more vessels operating in the area. As indicated above, the primary objective of this new vessel will be in the crab fishery but it will also be doing work in the salmon, shrimp and bottomfish fisheries as well. In addition, the vessel will play a large role in search and rescue missions that we conduct along the Chain.

Attached is a fiscal note for operating the vessel, beginning in FY82.

The Department of Public Safety considered this 120 foot vessel its top capital budget priority, as evidenced by the Commissioner's list of priorities submitted to the Governor. I would like the opportunity, at your convenience, to meet and further discuss the potential uses and benefits of this vessel.

Sincerely,

Robert J. Stickles

Robert J. Stickles
Director

RJS/bh

Attachment

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 13, 1980

The Honorable Alvin Osterback
Co-Chairman
House Resources Committee
and
The Honorable Bill Miles
Co-Chairman
House Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representatives Osterback and Miles:

HB 691 contains several typographical errors that need to be corrected. They are as follows:

Title, delete words "and enhancement" immediately following word "protection"

Sec. 1, page 1 line 13, delete words "and enhancement"

Sec. 2, page 1 line 22, after word "Resources" add word "Protection"

Sec. 2, page 1 line 25, after word "Resources" add word "Protection"

Sec. 5, page 2 line 16, after word "Resources" add word "Protection"

Sec. 5, page 2 line 21, delete words "and enhancement" immediately following word "protection".

Sincerely,

Keith W. Specking
Legislative Assistant
to the Governor

Possible alternative
style boat
for vessels
in HB 591

SPECIFICATION

FOR

MARCO 122' CRAB VESSEL

MARCO
SEATTLE

7300 WEST COMMODORE WAY ■ SEATTLE WASHINGTON 98199 USA

TELEPHONE (206) 285-3200 CABLE MARCO TELEX 32-0098

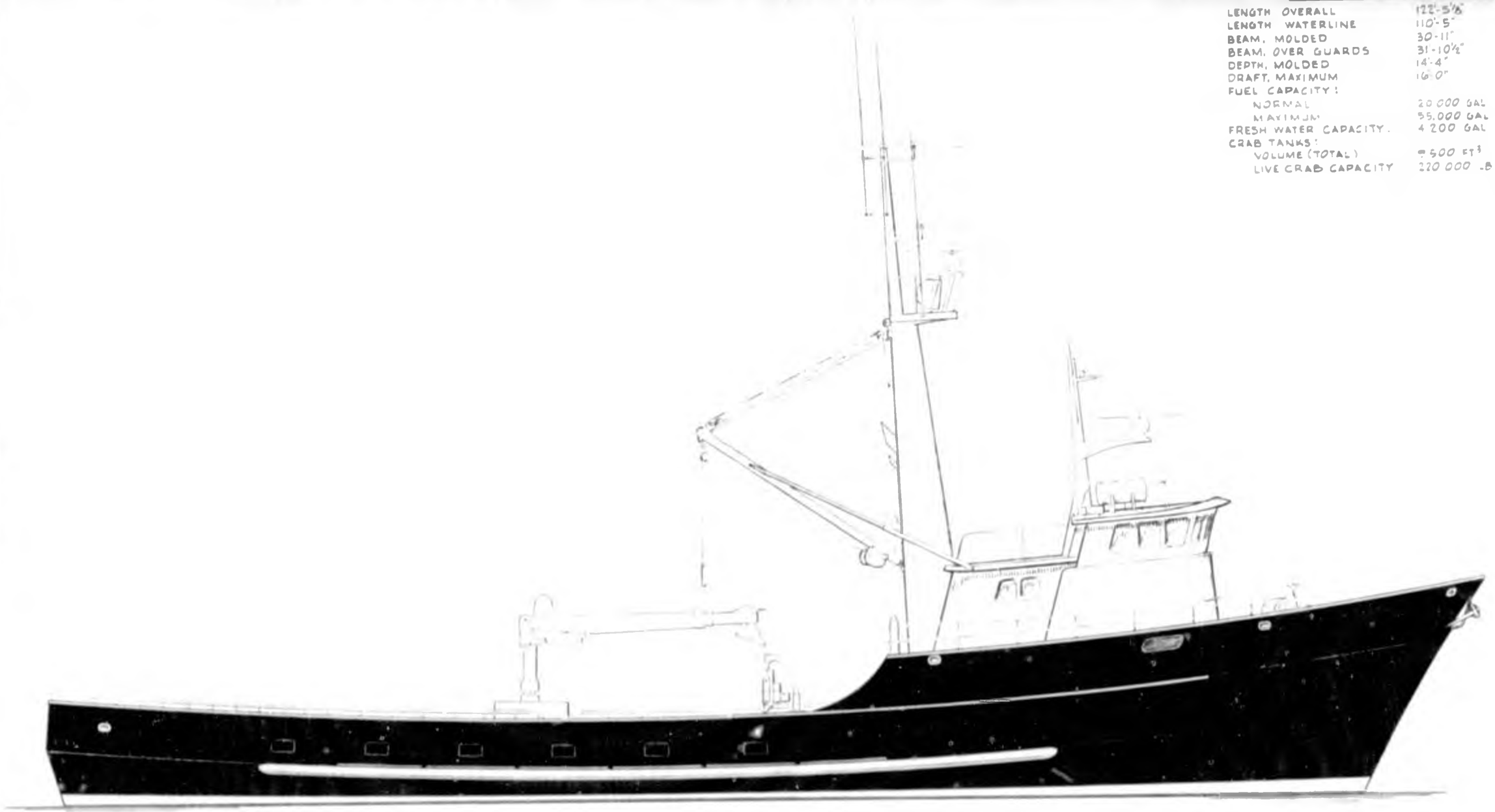
SPECIFICATION

FOR

MARCO 122' CRAB VESSEL

CHARACTERISTICS

LENGTH OVERALL	122'-5⅞"	37.32 m
LENGTH WATERLINE	110'-5"	33.66 m
BEAM, MOLDED	30-11"	9.42 m
BEAM, OVER GUARDS	31'-10½"	9.72 m
DEPTH, MOLDED	14'-4"	4.37 m
DRAFT, MAXIMUM	16'-0"	4.88 m
FUEL CAPACITY:		
NORMAL	20,000 GAL	75,700 L
MAXIMUM	55,000 GAL	208,200 L
FRESH WATER CAPACITY:	4,200 GAL	15,900 L
CRAB TANKS:		
VOLUME (TOTAL)	9,500 FT³	269 m³
LIVE CRAB CAPACITY	220,000 LB	100,000 kg



MARINE CONSTRUCTION & DESIGN CO.

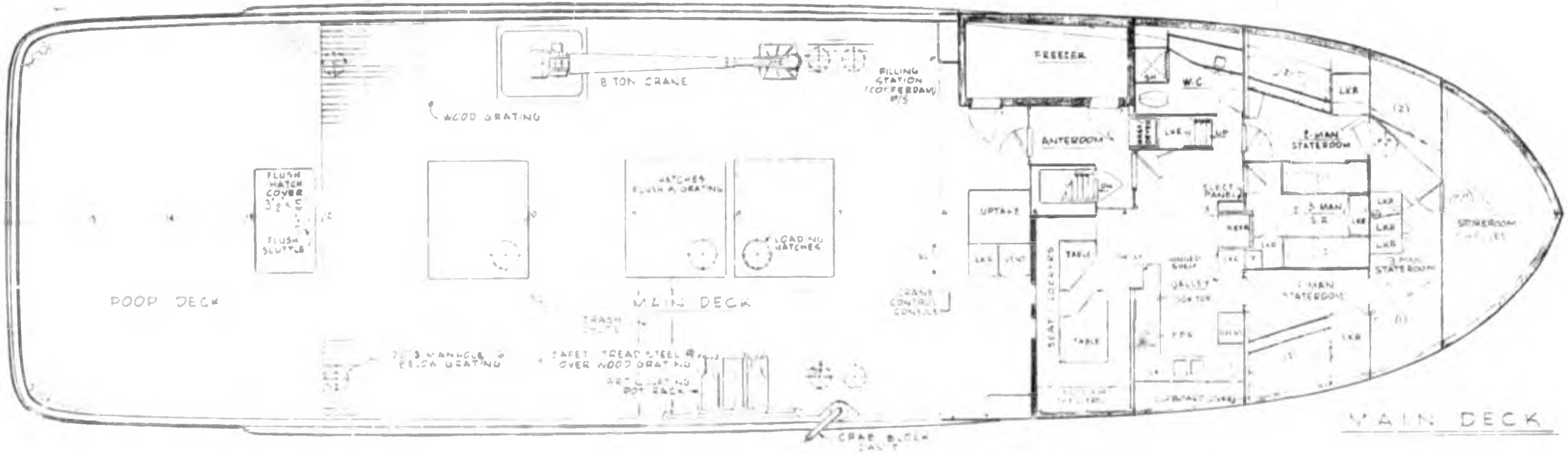
122' x 31' CRAB VESSEL

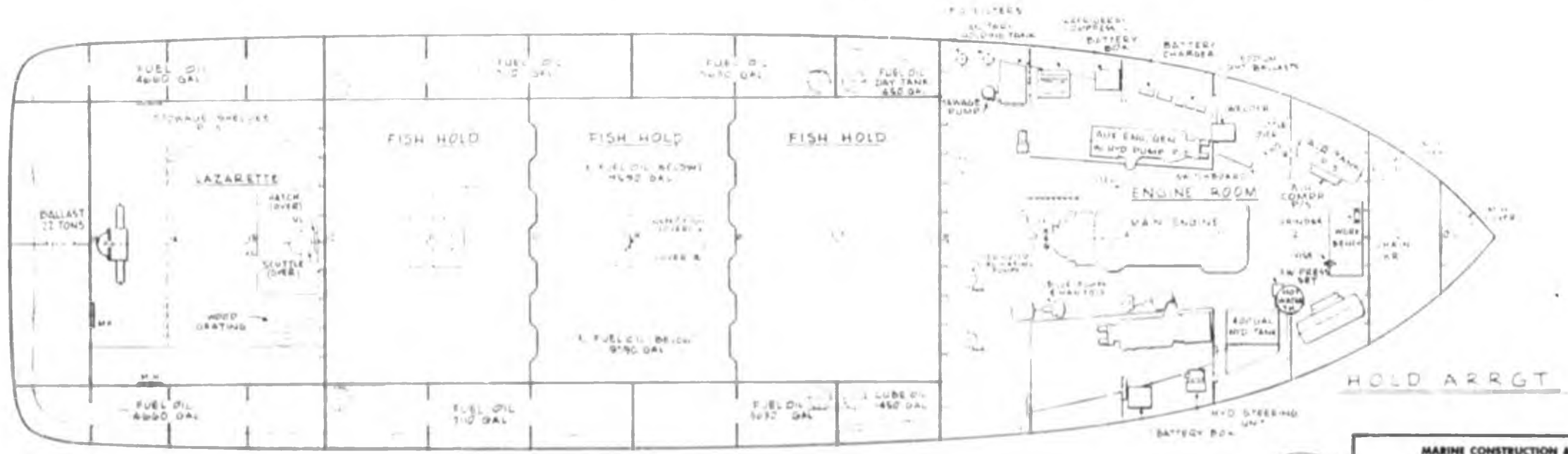
OUTBOARD PROFILE

NOTE: [illegible]

E-225-1-1100-1

MARCO SEATTLE





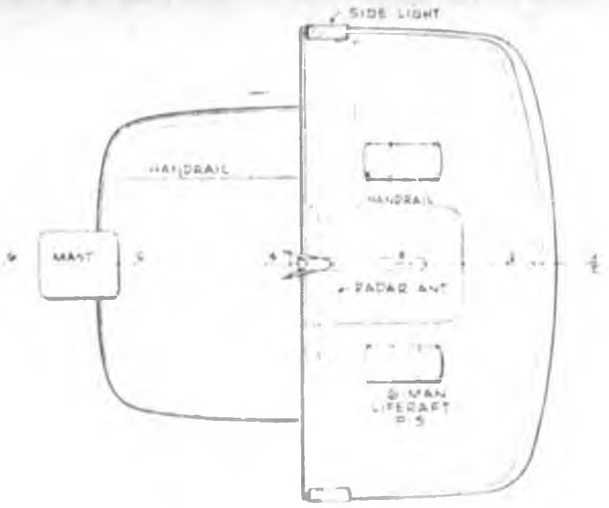
NOTE: [boilerplate]

MARINE CONSTRUCTION & DESIGN CO.

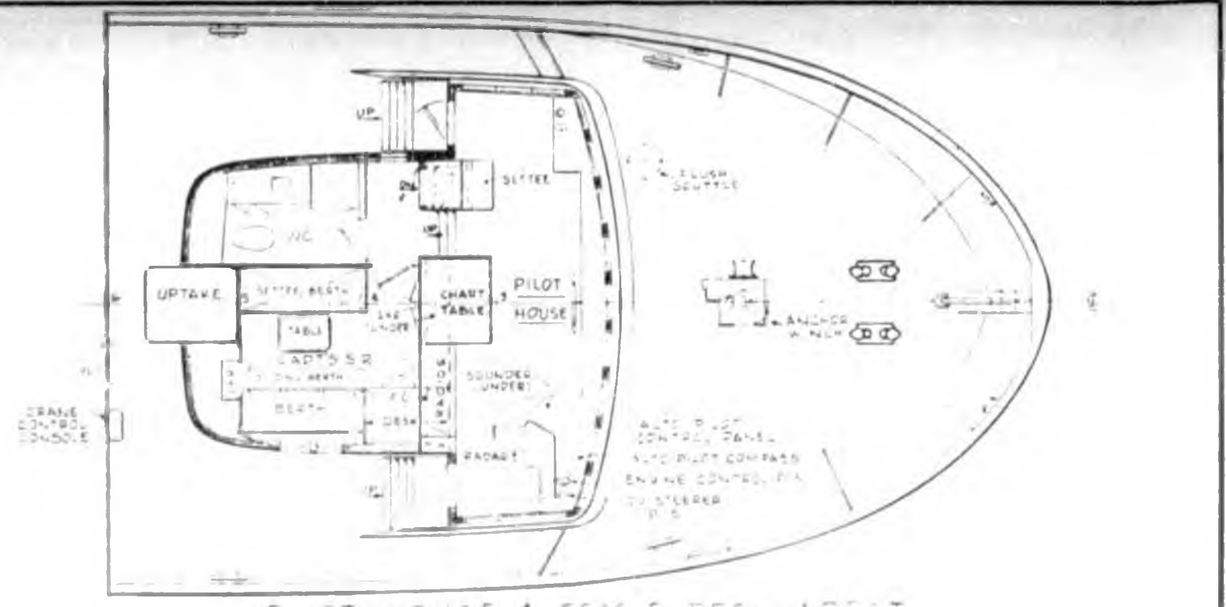
122' x 31' CRAB VESSEL

GENERAL ARRANGEMENT
MAIN DECK & HOLD

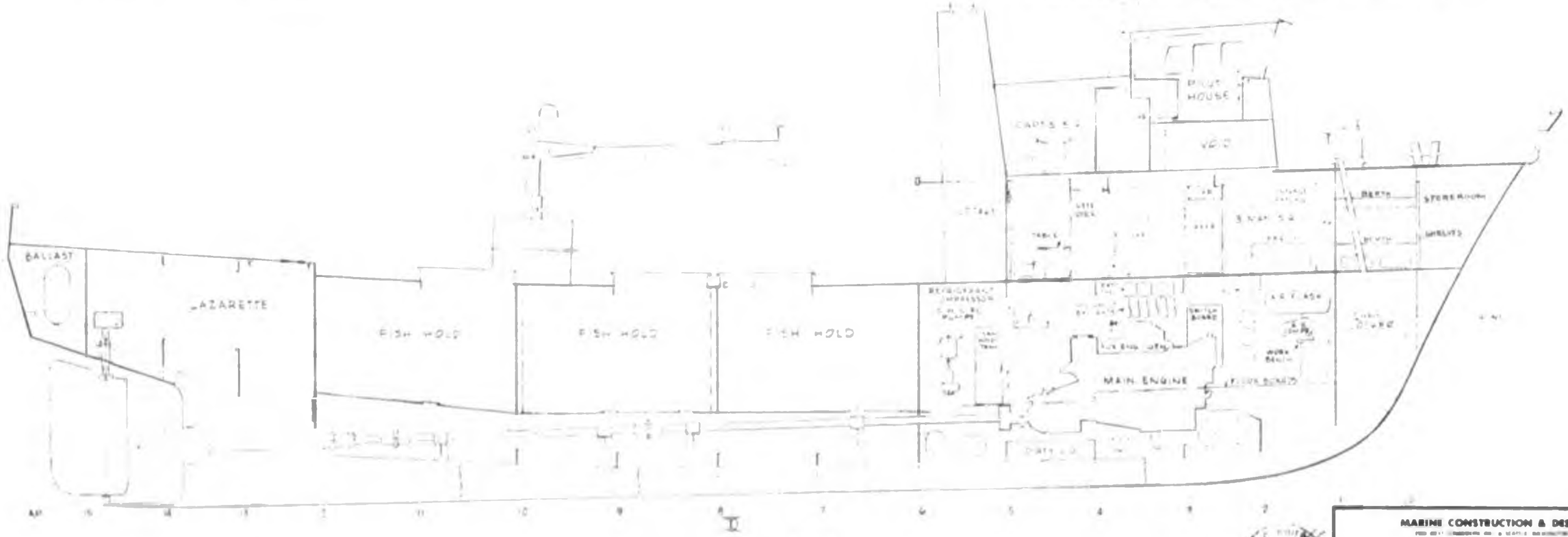
DWN 2-6-76 LB	APPD	SCALE 1/8" = 1'-0"	MARCO SEATTLE
CHK	DATE 8-17-76		
DWG NO. E-225-3-1100-27	REV A		



HOUSE TOP ARRGT



PILOT HOUSE & FOCSLE DECK ARRGT



INBOARD PROFILE

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MARINE CONSTRUCTION & DESIGN CO.

122' • 31' CRAB VESSEL

GENERAL ARRANGEMENT
INBOARD PROFILE & PILOT HOUSE

LASALLE	BJ	100
OK	5-1-78	
E-225-3 100-3-7		

MARCO SEATTLE

MARCO "STARLITE" - 122' Combination Crab Boat - August 26, 1978

MARCO "ARCTIC SEA" - 122' Combination Crab Boat - July 15, 1978

SPECIFICATIONS

for the

122' MARCO CRAB VESSEL

Designed and Built by

MARCO SEATTLE
2300 West Commodore Way
Seattle, Washington 98199

Specification E-225-1

Revised 22 February 1980

1100 INTRODUCTION

It is the intent of these specifications to describe the construction, equipment and outfit of the MARCO 122' Basic Crab Vessel.

The vessel will be arranged especially for the North Pacific King crab fishery but is easily adapted to trawling, scalloping, and other fisheries. Particular attention has been given to the general safety and economy of the vessel's operation by providing adequate stability, freeboard and ease of maintenance.

1200 PRINCIPAL CHARACTERISTICS

Length, overall	122'-5"
Length, design water line	111' 4"
Beam, maximum	31' 10 1/2"
Beam, molded	30' 11"
Depth, molded amidships	14' 4"
Draft, aft, crabbing (approx.)	16' 0"
Hold Capacities:	
Crab tank volume, (uninsulated)	9,500 ft^3
Crab capacity (approx.)	220,000 lb
Tank Capacities:	
Fuel oil - normal	20,000 gal
- maximum	55,000 gal
- day tank	1,400 gal
Fresh water	4,000 gal
Lube oil	1,400 gal
Dirty oil	400 gal

1300 GENERAL ARRANGEMENT

General

The vessel will have the general arrangements and appearance as indicated on Drawings E225-1-1100-1E,-2E and -3C. The foc's'le and house have been kept well forward, thus reserving the maximum clear space aft for crab pot stowage.

Deck House

The foc's'le deck forward provides area for anchoring a ' mooring equipment and is protected by a flared bulwark of 4' 6" maximum height at stem. The captains quarters and toilet are in the house on this level with interior ladder access from foc's'le and up to pilot house. The pilot house, with bridge deck raised 4', is arranged with enclosed wings each side and with windows all around for good visibility of fishing operations. Two doors open aft from wings.

Fo'c'sle Area

The fo'c'sle contains three staterooms and crew's toilet, large stowage area forward, galley and mess areas. An anteroom is provided to separate the living areas from the main deck. Walk-in freezer is outboard to port. Access to the engine room is to port.

Main Deck

The main deck aft provides clear area for crab pot hauling and storage. Three hatches with bolted covers give access to fish holds.

The large deck area provides adequate space for future installation of trawling gear. The poop deck aft is 12" above main deck level.

Below the Main Deck

The hull is divided into five main areas by four watertight bulkheads, as follows:

Fore Peak: Chain locker

Engine Room: Contains the main engine, two auxiliary diesel generators sets, salt water circulating pumps, bilge pumps, hydraulic power systems, piping, air compressors, fresh and sanitary water pumps, freezer compressor, welding machine, etc..

Fish Holds: The three fish holds are formed by the engine room bulkhead, outboard longitudinal bulkheads, and three transverse bulkheads aft. The hold bottoms are steel plate, providing a clean and easily maintained surface. The double bottom tanks below the fish holds, and the wing tanks outboard of the holds are fitted for fuel oil.

Lazarette: The lazarette contains fuel tanks, steering gear, and stowage space for ship's gear.

Aft Peak: The aft peak tank is piped for ballast.

2100 HULL STRUCTURE

The entire hull is of welded steel construction, with longitudinal hull and deck framing supported by transverse watertight bulkheads and transverse web frames. Steel will be ASTM A-36 or equal.

All steel plating, framing and bulkheads are wheelabraded and coated with zinc weld-through primer before construction.

Hull and Fo'c'sle Scantlings

Stem	10" x 1 1/4" plate
Keel, center vertical - forward	3/4" plate
Keel, center vertical - aft	3/8" plate
Box keel side plates - aft	3/8" plate
Keel shoe - forward	10" x 1" plate
Keel shoe - aft	12" x 1" plate
Rudder shoe	12" x 2" flat bar
Horn bar	1 1/4" x 12" flat bar
Stern tube	12" Sch. 80 pipe
Stern frame	1 1/2" plate
Web frames	14" x 4" x 5/16" flg. plate
Floors	3/8" plate with 3" flg.
Longitudinal framing:	
Bottom	3 1/2" x 3 x 5/16" angle
Sides	3 1/2" x 3 x 5/16: angle
Main deck, aft	4" x 1/2" flat bar
Main deck, forward	3 1/2" x 3/8" flat bar
fo'c'sle deck	3 1/2" x 3/8" flat bar
Plating:	
Sides	3/8" plate
Bottom	3/8" plate
Transom	3/8" plate
Main deck	5/16" plate
Poop deck	5/16" safety tread plate
Fo'c'sle deck & aft bulkhead	1/4" plate
Bulwark & fo'c'sle side	5/16" plate
Bulwark cap main deck	3" x 6" x 5/16" rect. tubing
Bulwark cap forward	3" x 6" x 1/4" rect. tubing
Main deck guard	10" Sch. 80 pike (split in 1/2 sec.)
Tie rails	2 1/2" Sch. 80 pipe
Bulkheads:	
Upper plate	1/4" plate
Lower plate	5/16" plate
Fairing plate under davit	20" x 5/16" plate - 20' long - stb.
Bilge keel	/2" x 12" plate & 2" round bar
Bilge keel doubler	/2" x 12" plate
Tank drains	1" stainless steel pipe plugs in each built-in tank

2200 DECK/PILOT HOUSE

The entire deck house is of welded steel construction.

Deck House Scantlings

House front	1/4" plate
Bridge Deck	3/16" plate
Sides and aft bulkhead	3/16" plate
House top	3/16" plate
Interior bulkheads	3/16" plate
House front stiffeners	4 x 3 x 5/16" Angles
House side stiffeners	4 x 3 x 5/16" Angles
House after bulkhead stiffeners	3 x 2 x 1/4" Angles
House top stiffeners	3 1/2" x 5/16" flat bar

3100 MAIN PROPULSION MACHINERY

3110 Main Engine and Gear

Caterpillar D399 4-cycle diesel engine, turbo-charged and aftercooled, rated 1125 continuous BHP at 1225 rpm with 4.22 to 1 hydraulic reverse/reduction gear, Model 7261.

Engine is equipped with the following:

Engine mounted instruments
Oil and fuel filters (full flow and by-pass type)
Fresh water cooling with separate heat exchangers for jacket water and aftercooler water
Alarm sensors for low cooling water, low oil pressure, high water temperature and high gear oil temperature
Air starting
Main engine mounted on "Fabreeka" mountings and chocks

3120 Propeller Shaft, Bearings and Propeller

Shafting is hot rolled steel, AISI C1018, turned and polished intermediate shafts are approximately 6-7/16" diameter tail shaft is 7-1/2" diameter with stainless liners, protected with three layers of fiberglass tape and four coats of polyester resin between liners.

Intermediate shaft bearings are babbitted cast iron. Stuffing box is cast bronze.

Stern bearing is flanged type rubber.

Four blade stainless steel propeller is 86" diameter, with conical tail nut balanced, ground and polished. Propeller is installed with Neoprene O-ring, stainless gland ring and welded rope guard.

3130 Main Engine Controls and Instruments

Two-station single-lever Mathers Model AD-12, or equal, mechanical/pneumatic engine controls for throttle and clutch, with fully automatic proportional delay type shaft brake. Controls are located in pilot house, with one fast idle lever starboard side. Air starting and stopping is controlled in engine room.

Engine Room Instruments

Tachometer, engine oil temperature, engine oil pressure, jacket water temperature, fuel pressure, gear oil temperature, gear oil pressure, left and right manifold air temperature, left and right exhaust temperature, start air pressure.

3130 Controls and Instruments (Continued)

Wheel House Instruments

Tachometer, engine oil pressure, gear oil pressure, jacket water temperature, fuel pressure, starting air pressure.

3200 AUXILIARY MACHINERY

Two Caterpillar 3306 turbo-charged aftercooled diesel engines, driving 240-volt, 155 KW prime rated, 3-phase, 4-wire, 60-cycle generators.

Engine will be equipped with the following:

Engine-mounted instruments and automatic shut-down.
Lube and fuel oil filters
24-volt electric starters
PTO adapters for hydraulic pump drives

3300 NON-STRUCTURAL TANKS

400-gallon hydraulic oil tank with sight gage.
5-gal. main engine cooling expansion tank

200-gallon sewage holding tank
3-gallon oil storage tank, sight gage and valves for intermediate shaft bearing lubrication.

3400 PIPING SYSTEMS

3405 Main Engine Cooling

Fresh water cooling with heat exchanger and salt water pump. After cooler fresh water cooled with separate heat exchanger.

Auxiliary Engine Cooling

Fresh water cooling with heat exchanger and salt water circulating pumps.

3415 Sea Chests

Three sea chests fabricated of 16" diameter x 1/2" wall pipe are located in the engine room to serve to crab circulating system. A sea chest with separate suctions P/S of the keel provides water for engine cooling, salt water flushing, and wash down.

3420 Engine Exhaust Piping

Independent exhaust systems will be provided with silencers and stainless steel flexible connections, suitable for main and auxiliary engines. Exhausts discharge out after side of box mast.

3400 PIPING SYSTEMS (continued)

3425 Fuel piping

2" extra heavy black suction piping from after fuel tanks to engine room day tank.

Fuel strainer
Electric power transfer pump, 50 gpm, 5 hp Worthington 6 GAUM or equal, with automatic transfer to day tank on demand
Westphalia OTA-2-00-066 fuel oil centrifuge with independent transfer
Rotary hand transfer pump, 10 gpm, Blackmer or equal.
Standard black piping or Gates hose from day tank to engines with bronze gate valves for fuel filter.

Fuel transfer meter - 50 gpm 1 1/2" Gas Boy #4060
A fuel transfer manifold permits transfer of fuel from any tank except day tank, to any other tank.

Double primary filter for main engine.
Single primary filter for each auxiliary engine.

3430 Bilge Pump and Piping

Pumping will be done with two electric motor driven bilge pumps.

Pumps: Two 3" x 3" Flomax #15, self-priming, 270 gpm centrifugal pumps each direct connected to a 10 hp, 3600 rpm electric motor.

Piping: Bilge suctions with intake screens are provided in the following compartments and are connected to the bilge manifold in the engine room:

Aft Peak	2" pipe
Lazarette	3" pipe
Engine room	2 1/2" pipe
Shaft alley	2" pipe

A 1" discharge valve is provided on the main deck, with 1" by 100' wash-down and fire hose and flange adaptor for shore connection.

3435 Salt Water Flushing System

A 1/2 hp electric motor driven pressure set, Jacuzzi 5RM2AP/S with hydrocell, provides salt water for toilet flushing. Piping is galvanized.

3440 Fresh Water System

Pressure system: 1/2 hp electric motor driven fresh water pressure set, Jacuzzi 5RM2A/S with Aqua Genie located in the engine room.

3400 PIPING SYSTEMS (Continued)

3400 Fresh Water System (continued)

Piping: 1/2 " hot and cold fresh water galvanized piping and copper tubing to galley, toilets and washer. Hot and cold outlets are mounted at bulkhead #5 on Main deck.

Hot water heater: A 52 gallon, 4000 watt electric Sears or equal domestic type water heater is provided and piped to the galley sink, lavatories, showers and washer.

3445 Crab Tank Sea Water Circulating System

Pumps: Three Deming 6" x 6" #4021-6M A1, vertical centrifugal circulating pumps. Each pump rated 1600 gpm at 38' TDH with 25 hp electric motor.

Piping: Each crab tank is supplied through 6" galvanized pipe header and six 3" perforated plastic pipes each hold. All joints will be easily accessible for inspection. Check valves are installed in each circulating header to prevent loss of water from crab tank due to pump stoppage. The system is designed so that any tank can be circulated while one is pumping down. 6 " galvanized suction runs thru shaft alley. An emergency bilge suction in the engine room will be connected to one of the circulating pumps.

3450 Hydraulic System

The basic hydraulic system takes suction from the 400 gallon tank in the engine room. Oil for each pump passes through a 140 Micron suction strainer. The port and starboard auxiliary engines each drive two Vickers 3525 double pumps through Marco DP 26 HPD's. High pressure lines supply oil to anchor winch, crane, pot boom winch, pot rack, Kinghauler and line coiler, with a 3-position selector valve provided to recirculate oil to tank if no equipment is being operated. Another selector valve diverts oil to either the anchor winch or the boom winch - pot/rack - Kinghauler circuit.

Control valves for crane and pot/boom winch are located in engine room and operated remotely by hydraulic pilot-pressure valves at main deck and foc's'le deck consoles. Pilot control oil is provided by two electric motordriven 5 gpm Vickers pumps, one of which is for stand-by. The anchor winch control valve is mounted on the winch. Kinghauler/coiler valve and pot rack valves are located at starboard bulwark.

All return oil passes through two Gresen 10-Micron filters. Piping throughout will be pickled black pipe with suitable hose connections to pumps and driven equipment.

3400 PIPING SYSTEMS (Continued)

3455 Fills, Vents and Sounding

One 3" fuel fill pipe is located at frame 6 main deck, to starboard. 2" vents run into bulwark cap, with 3" screened outlet protected by foc's'le. Oil spill cofferdam is fitted around each fill and vent station.

Fuel oil day tank vents back to main fuel tanks.

Fresh water fill and vent are located port and starboard at foc's'le bulkhead. Fill is 2"; vent 1 1/2".

Three 2" vents lead from crab holds to weather deck at crane and at foc's'le bulkead.

3460 Drains

Galvanized pipe drains are connected to each sink and plumbing fixture. Trapped deck drains are provided in each interior wet space. Waterclosets drain to sewage tank. A 3" x 3" Cornell pump Model 3NLT-3-4 discharges sewage to deck flange or to lockable through-hull valve with automatic transrer system.

3465 Compressed Air System

Two electric driven air compressors, rated at 5 CFM free air to 180 psi with 1.5 hp motors are located in engine room with two 11 cu. ft. air receivers for 200 p i working pressure. An air outlet is provided in the engine room and on deck. Air is piped to wipers in pilot house and to horn on mast.

3470 Lubrication Systems

1/2" copper tube carries oil from 3-gallon tank in engine room fiddley to the four line shaft bearings.

Dirty oil system utilizes Worthington 3 GAM reversible rotary pump 15 GPM at 50 PSI with 2 HP electric motor. Oil may be pumped from main and auxiliary engines into dirty oil tank. The same pump discharges to shore connection flange on main deck.

3475 Crank Case Vents

Pipe vents shall run from engine crank cases to goosenecks along side mast.

3500 STEERING ARRANGEMENT

Rudder will be welded single plate type with 5 1/2" diameter steel rudder stock with continuous stainless steel liner (6" O.D.). Pintle is 4" diameter stainless steel turning in 4" I.D. 'Cutless' gudgeon bearing. Stuffing box is nylon bushed.

A Wagner Model T-19 manual hydraulic steering system with 7-1/2 HP electro-hydraulic power unit shall be installed. Electric stations are located at the starboard and port bridge wings and actuate solenoid valves at power unit. Solenoid valves may also be actuated by auto pilot.

Wagner D-16 helm pump with 36" mahogany wheel is mounted on centerline.

Emergency tiller is provided in Lazarette, with padeyes for owner furnished tackle.

Hydraulic lines shall be pickled black pipe with flexible hose at power unit and T-head unit.

3600 REFRIGERATION

A walk-in freezer of about 390 cu. ft. capacity shall be installed in the port aft corner of the foc's'le. There is an interior door in the anteroom for galley frozen stores and exterior door on deck for the bait section of the freezer. A 2 HP Lehigh compressor is located in the engine room and cools the space with cold plates.

3700 HEATING AND VENTILATION

Heating

Electric heaters shall be 2000 watt, flush mounted and located as follows:

Pilot house - two
Captain's Quarters - two
Crew's quarters - one each stateroom
Galley and Mess - three
Water closets - one each
Forward storeroom - one

Ventilation

Engine room air supply: Forced air supply through one 7000 CFM 2 hp axial fan 'Acrovent' or equal with intake located in after foc's'le overhead.

Engine room exhaust: Exhaust to be through uptake in mast.

3700 HEATING AND VENTILATION (Continued)

Pilot house: Natural ventilation through windows and interior doors.

Foc'sle air supply: Forced air supply through one 1280 CFM blower, Barry or equal, with intake in after foc'sle bulkhead and discharges in the crew's staterooms and Captain's stateroom. Mess and galley exhaust through 400 CFM Nutone fan in range hood. Each toilet has a 120 CFM Vent-Axia exhaust fan.

Lazarette air supply: Two ducts run between engine room and lazarette 750 CFM blower, Barry or equal, will be mounted in the engine room.

4100 ELECTRICAL LIGHT AND POWER

General

The vessel shall be equipped with a 125/216 volt 3 phase, 4 wire, 60 hertz electrical system. Motors over 1 hp shall be rated at 230 volts, but powered by 216 volt, 3 phase system. Normal lighting shall be 125 volt, single phase except fixtures greater than 1000 watts shall be 216 volt, single phase. Emergency engine room lighting shall be 24 volt DC.

Power Generating system

AC System: Two 155 kw prime rated 125/216 volt, 3 phase auxiliary diesel generators shall be provided, each capable of carrying the entire electrical load of the vessel (see section 3200).

DC Systems: Two 24 volt battery banks, each consisting of two 140 ampere hour 4-D (12-19) batteries with a 10 amp Ratelco charger # VM 24102, shall be supplied for the starting circuit of the auxiliary engines. Either battery bank may be selected to supply the alarm panel and engine room emergency lights. A 12 volt battery, charger and 12 volt power supplies for electronics are described in section 4200.

Power Distribution Equipment

Main Switchboard: A compact, marine type, drip proof, dead front split bus switchboard shall be provided in the engine room. Equipment provided in the board shall be as follows:

1. Main circuit breaker for each generator and for shore power.

2. All bus to be copper

3. Control section including panel style ammeter and voltmeter and reed type frequency meter for each generator.

4. Panelboard section including circuit breakers for pumps, blowers, 24 VDC battery chargers, welder, sodium vapor lights, engine room lights, and feeders to two branch circuit panelboards.

4100 ELECTRICAL (Continued)

5. Mechanical interlock preventing parallel operation of generators or feeding back into shore power electrical system.

6. Bus tie circuit breaker.

Shore Power: A 120/208 3 phase 4 wire shore power receptacle, Crouse Hinds # AREA 10476-S22, shall be mounted on the vessel. A 100 ' length of # 6/4 SO cord terminating in a Crouse Hinds # ACP 10477-S22 plug shall be furnished for connection to a shore power source.

Panelboards: Two branch circuit panelboards shall be provided for power distribution to the wheelhouse and the main deck. Panels shall be 225 AMP 42 circuit load centers, Square D # Q042W suitable for flush mounting. Two 40 AMP 2 Circuit panels, Square D # Z02S, shall be provided for the DC circuits supplying the main alarm panel.

Battery Switch: A 200 AMP knife switch shall be provided to disconnect each auxiliary engine circuit from its battery.

Conductors: Cables for feeders and branch circuits shall primarily consist of shipboard cable types SGA, SJ, BSP, or HOF. In dry interior locations multiconductor PVC of brake cable shall be acceptable. Welding cable or SO cord may be used for connection to equipment when flexibility is required.

Welding Cable: Two 75' lengths of # 1/0 welding cable shall be provided for welding leads.

Enclosures: All enclosures shall be suitable for the environment in which they are located. No hubs, holes, or knockouts shall be left open. Suction boxes and splice boxes located in wet locations shall be of weatherproof construction cast brass, aluminum, or glass polyester. Boxes in damp locations may be sheet steel Nema 12 phosphatized and painted. Junction boxes and outlet boxes in dry locations may be sheet steel with a close fitting cover.

Panelboards and motor starters situated in dry locations have Nema 1 enclosures.

Raceways: Electrical conduit, when use, shall be rigid.

Control Devices:

1. Across the line magnetic motor starters shall be provided for all three phase motors. Non-reversing starters shall be 600 volt 3 pole with 3 thermal overloads, Allen Bradley type # 709. Reversing starters shall be type # 705.

4100 ELECTRICAL (Continued)

2. Forward-off reverse selector switch for the dirty oil pump shall be Allen-Bradley # 800S-3SA.

3. Pushbuttons for the whistle solenoid shall be Cole-Hersee # M 608.

4. CO_2 switch is furnished as a part of the CO_2 fire extinquishing system.

5. Pressure switches for use with the salt water and fresh water pumps are furnished with the units. Pressure switches for the fuel oil transfer pump shall be Barksdale # DITA3SS.

6. Toggle switches shall be Bryant # 4801.

7. Relays for switching of the sodium lights shall be Allen-Bradley type # 702L.

8. Whistle solenoid shall be ASCO # 8211D2.

Wiring Devices:

1. Non-watertight toggle switches shall be heavy duty Bryant # 4801, 4802, or 4803 located as shown on the plans. A Bryant #4801-PLR shall be located in the anteroom by the freezer door. A Bryant # 4822 shall be used as a selector switch for the engine room emergency light.

2. Non-water tight duplex receptacles shall be Hubbell # 5252. Receptacles shall be located as follows:

1 - In anteroom
2 - In engine room
4 - In galley
1 - In mess area
8 - In pilot house
2 - In captain's Quarters
1 - In crew's toilet room
1 - In captain's toilet room
2 - In crew's stateroom
1 - In storeroom
1 - for refrigerator
1 - for washer
1 - In void under pilot house

3. Watertight toggle switches shall be cast brass manufactured by Pauluhn. A combination switch/receptacle located in the lazarette shall be Cat. # 2532. A combination switch/pilot light # 889 shall be located on the main deck next to the freezer door.

4. Watertight receptacle on the main deck shall be a Pauluhn # 2524.

5. Welding receptacle in the main deck locker shall be a Bryant # 9306.

POWER UTILIZATION EQUIPMENT

Navigation lights: shall be # 9S4461 located as follows:

Running lights - one port, one starboard.
Range light - one on mast
Stern light - one on aft side of mast
Anchor light - one on mast

Fishing Lights: Shall be Pauluhn # 767B one each red over white on mast.

Floodlights: High pressure sodium floodlights, shall be Widelight # TLS1000. Quartz floodlights shall be Widelight # L-1500, Floodlights shall be located as follows:
2 - 1500 w. Quartz - on mast for starboard working area and aft deck.
2 - 1500 w. Quartz - on mast facing outboard.
4 - 1000w. sodium - on mast platform facing forward.
Ballasts shall be located in engine room.

Watertight Deck Lights: Shall be cast brass with globe and guard. Location and type to be as follows:

2 - in freezer	- Pauluhn # 717B
2 - port and starboard deck	- Pauluhn # 776B
1 - forward deck light	- Pauluhn # 776D
4 - deck lights on house aft	- Pauluhn # 717B
2 - Lazarette(crab tank)	- Pauluhn # 717B

Interior Lights: Non-watertight lights shall be incandescent or fluorescent located as follows:

1 - in lazarette	- #77.4	- 2' fluor
13 - in engine room	- Metalux # VT240A	- 4' fluor
2 - in galley	- #77.5	-2' fluor
1 - in engine room stair well	- #77.4	-2' fluor
1 - in anteroom	- #77.5	-2' fluor
3 - in mess	- #77.5	-2' fluor
1 - in crew's head	- #77.5	- 2'fluor
1 - in crew's head	-#153.2	-mirror light
3 - in crew's quarters	-#77.5	-2' fluor
7 - in crew's quarters	-Swivelier # 59X-0188	-bunklight
1 - in storeroom	- #77.4	- 2' fluor
2 - in captain's head	- #77.5	- 2' fluor
1 - in captain's quarters	- #77.5	- 2' fluor
2 - in captain's quarters	- #77.5	- 2' fluor
2 - in wheelhouse	- # 77.5	- 2' fluor
1 - in wheelhouse	- # 141.2 w/red filter	- chart lt.
1 - in wheelhouse	- Guest # 910	- console lt.
1 - in wheelhouse	-# 77.5	- 2' fluor
2 - in wheelhouse stairwell	- Prescolite # WB 24	- incandescent
2 - in engine room	- #9546651	- 24v. emerg. lt.
2 - in wheelhouse void	- Pauluhn #729B	- incandescent
2 - in engine room (crab tank)	- #9546656	- incandescent

4200 ELECTRONIC EQUIPMENT

A. Radars

One Decca Model 916-48 mile mounted on mast platform.
One Decca Model 926-60 mile on lower mast bracket.
One magnifier and VRM on Model 926 (without interswitch).

B. Recording Sounder

Simrad Model EX 380 600 fathom range with 10 x 20 transducer.

C. Depth Indicator

Raytheon DE726B 120-fathom/360-foot with 7041K transducer.

D. Lorans

Two Northstar 6000 Dual Loran C with auto tracking.
8 foot whip antennas.

E. VHF radio-telephone

Raytheon Model 50A or Equal
25 watts output, 55 channel.
Morad VHF-156 antenna and mounts.

F. Main Single Side-band, radio telephone

Northern Model N-550 Single Sideband Radiotelephone, 150 watt P.E.P. output, 12/24 channel, with 10 Simplex A crystals, 9 simplex B Crystals, and 2 Duplex crystals. System to include RF gain and squelch option, Northern Model N-555 antenna coupler, Morad WH-17 antenna with M-6 antenna mounts. System operates on 115 volts A.C..

G. Auto Pilot

Sperry BT Magnetic Auto Pilot System, complete with magnetic compass, amplifier, interconnect cables, junction box, electronic box, steering selector control, two rudder angle indicators, rudder angle transmitter unit, heeling error tube, and two curved quandrantal arms with 3 inch spheres.

H. Gyrocompass

One Sperry Model SR-130 Gyrocompass System, consisting of master compass, static inverter, transmission unit, power adapter, interconnect cables, one standard repeater flush-mounted in console, and one 45° heading selector

I. Intercommunication System

4-station, Raytheon Model 350 master panel in pilot house.
Slave talk-back station in mess room.
Slave talk-back station in starboard stateroom.
Weatherproof talk-back station under fo'c'sle overhead.

4200 ELECTRONIC EQUIPMENT LIST (Continued)

J. Wind-Speed Indicator

Danforth White # M50SC

K. Emergency Radio-Telephone

Northern Model N-571 Single Sideband Radiotelephone. 100 watt P.E.P. output, 11/22 channel, with 6 Simplex A crystals, 4 Simplex B Crystals, and 1 Duplex crystals. System to include Northern Model N-700 Antenna Coupler, Morad WH-17 Antenna, with M-6 Antenna Mounts. System operates on 12 volts D.C. with a separate 10 volt sealed battery, and 6 AMP Ratelco battery charger.

L. C.B. Radio-Telephone

Cobra Model 21XIR or equal citizen band transceiver, 40 channel with M-6 antenna and mounts.

M. 12 Volt Power Supplies

Four Newman Model 115-12-6B or equal power supplies are provided for 12 volt equipment in the pilot house (except the emergency radio telephone).

4300 ALARMS

A master alarm panel will be mounted in the engine room with silencing switches and indicating lights for each of the following systems. A green light indicates normal operation and a red light indicates malfunction or non-operation. The alarm bell will be located in the anteroom. An additional alarm panel with red warning lights, is located in the pilot house, which indicates malfunction only.

Main Engine

High temperature, low oil pressure expansion tank low water level, and gear oil high temperature alarms.

Auxiliary Engine

High temperature and low oil pressure alarm, set to ring before automatic shutdown.

Bilge

High water sensors located in engine room and lazarette bilges.

Hydraulic Oil Tank

Low level alarm set for 200 gallons remaining.

Fuel Oil Day Tank

Low level alarm set below automatic fuel transfer.

Sewage Holding Tank

High level alarm.

4300 Alarms (Continued)

Flow Alarm

Three flow alarm senders for crab sea water system will be provided to work in conjunction with the basic alarm panel in the engine room.

Bearing Temperature

Install four main shaft bearing temperature sensors with readouts in engine room entry. Connect the system to main alarm bell.

4400 ANODIC HULL PROTECTION

Hull anodes will be 24-pound weld type cast with high purity zinc as supplied by Federated Metals Corporation or Bunker Hill Corporation. A total of 24 will be uniformly distributed on rudder, skeg, bottom, and bilge keels. One 12-pound zinc anode will be installed in each sea chest. Four 24-pound zincs will be welded in each crab tank. Three 1" Sentinal or equal pencil anodes are fitted in crab circulating pipes adjacent to pumps.

5000 JOINER, CARPENTER INSULATION

5100 JOINER AND CARPENTER WORK

Interior Bulkheads and Sheathing (General)

Joiner bulkheads will be 3/4" plywood
Sheathing will be 3/8" plywood
Galley, mess, Captain's and crew's staterooms and pilot house will be formica or equal; carpet will be behind crew's berths on bulkheads.
Overheads in quarters will be 24" x 24" Armashield, or equal.
All wood trim will be oiled teak.

5120 Pilot House

Steering console with autopilot, radar and sounder at starboard station.
Chart table with three chart drawers
Overhead will be 3/4" Formica faced plywood.
Captain's chair(starboard)

Captain's Quarters

One double berth starboard with 3 drawers underneath
One hanging locker
One table and settee with Naugahyde covered polyfoam cushions and 2 drawers underneath
One desk with fixed sliding chair
One single berth and hanging locker to port
One file cabinet

5160 Crew's Quarters

Three staterooms provided with the following:

Berths with 2 drawers under lower berths.
Hanging locker and stowage racks.
Bulkhead mirror

5150 Mess Room (Starboard aft)

Pedestal tables with Formica covering and condiment rack.
Dinette seat lockers with Naugahyde covered polyfoam cushions.
Storage shelf above dinette.

Galley (Starboard)

Formica covered counter.
Drawers and lockers with doors above and below counter top.
Locker over refrigerator.
Stainless behind stove units.

5100 JOINER AND CARPENTER WORK (Continued)

Captain's and Crew's Toilets

Built-in counter with stainless wash basin
Built-in medicine locker, mirror, soap dish, etc.
Shower with rod and curtain.
Overheads will be 3/3" formica faced plywood.
Anteroom

Stacked clothes dryer and washer are located at forward bulkhead.
Engine room entry will be lined with 1/4" perforated board.
Overhead will be 3/8" formica faced plywood.

5180 Forward Storeroom

The storeroom will have two storage shelves port, starboard, and forward, set in angle frames.

Lazarette

The lazarette will be fitted with 2 x 4 wood grating from forward bulkhead aft to the second web frame.

Shelving shall be provided port and starboard from forward bulkhead to after bulkhead, and shall be 3 feet deep and two courses high, with suitable sea rails.

5190 Main Deck

2 x 6 flat fir grating on main deck, between fo'c'sle deck and raised poop. Top surface will be flush with the hatches and poop. The grating will be free of surface obstructions which might snag pots.

Crab Holds

Removable fore and aft pen boards are located on the hold bottom below the outboard hatch coamings in each tank These boards are the full length of the holds and are 3" x 12" rough fir, three high.

5200 DOORS, PORTS, WINDOWS AND HATCHES

5210 Doors

Interior doors - 9 required, constructed of mahogany plywood faced with formica.
Two exterior doors in Pilot House - aluminum with two safety glass windows (Dutch door starboard side.).
One weathertight door in after fo'c'sle bulkhead with 6" fixed light
One weathertight aluminum door to engine room.

5200 DOORS, PORTS, WINDOWS AND HATCHES (Continued)

Ports and Windows

Front and side pilot house windows will be 1/2" heat tempered glass in aluminum frames. All others are 3/8" heat tempered glass.

2 - Vent top windows in Captain's quarters: 1-port, 1-starboard
2 - fixed windows located in captain's quarters starboard side.
17 - fixed windows located in pilot house.
2 - drop windows located in pilot house sides.
1 - Vent top and one fixed window located in mess aft.
4 - 8" fixed lights in hold bulkheads.

Hatches

3 - Steel flush, watertight main hatches, each with 20" galvanized Baier
1 - lazarette hatch 3 1'2 x 5' flush, bolted watertight with 20" galvanized Baier
2 - quick acting flush, watertight deck scuttles, 20" Baier or equal, for engine room and fo'c'sle crew escape.

Manholes

Bolted manholes shall be fitted in each built-in oil and fresh water tank, and to the forepeak void.

5300 INSULATION

Living Quarters

Hull and house sides exposed to weather in main deck living quarters, pilot house and captain's stateroom are sprayed with 1" Cafco or equal. Deck heads in main living quarters exposed to weather will be covered with 1" Microlite or equal, with F.S.K. vapor barrier. 1" Cafco will also be applied to outside of uptake in galley and pilot house.

Engine Exhausts

All engine exhaust pipes and silencers will be lagged with 1" Temp-Mat blanket throughout.

Freezer Compartment

Sides and overhead of freezer compartment are lined with 6" Spinglas and sheathed with 3/4" marine grade plywood. The bottom is insulated with 6" Foamglas and covered with 3/4" plywood and fiberglass.

Void under Holds

Polyurethane foam outboard of shaft alley (2 lbs./CF).

Forward Storeroom and Lazarette

The forward storeroom and lazarette above the waterline will be coated with Chemshield 1503R insulating paint, applied to 40 mils. thickness.

6100 PAINTING AND PREPARATION

Sandblasting and Painting Preparation

All steel plating, framing and bulkheads are wheel-abraded and inorganic zinc prime coated before construction. All exterior shell plating, decks, bulwarks, and crab tanks have the welded areas sandblasted to bright steel. All sandblasted surfaces are to be prime coated within two hours.

Painting Schedule

Bottom Paint:

1	Devran	230	Red/Brown	8 MILS
1	Devran	230	Black	8 MILS
1	Devran	216	Anti-Fouling	2 MILS

Hull Exterior:

2	Cathacote	302	Inorganic Zinc	2 1/2 MILS
1	Devran	201	Primer	2 MILS
1	Devran	229	Finish Coat	2 MILS

Deck (Under Grating and Inside of Bulwarks):

2	Catacote	302	Inorganic Zinc	3 MILS
1	Devran	201	Primer	2 MILS
1	Kel-Kote	206	Coal Tar Compound	To Cover

Foc'sle and P.H. Top (Non-Skid Areas):

1	Cathacote	302	Inorganic Zinc	3 MILS
1	Devran	201	Primer	2 MILS
1	Kel-Kote	206	Coal Tar Compound	To Cover

Crab Tanks

2	Devran	244 HS	Tank Coating	4 MILS (Each Coat)

Fresh Water Tanks:

1 Cement Wash

Interior (Exposed Steel):

1	Brolite	P-93	Zinc Chromate	1-2 MILS
1	Brolite		Flat Undercoat	4 MILS
1	Brolite		Gloss Finish	2 MILS

6100 PAINTING AND PREPARATION - Continued

Voids, Chain Locker:

1 Devran	201	Primer	2 MILS
1 Devran	230	Black Anti-corrosive	2 MILS

Spray one coat water base latex paint over Cafco insulation. Paint draft marks with contrasting color, port and starboard, fore and aft.

Paint name both sides of bow and on centerline aft, 3' logo on stem, and provide basic labels. One contrasting stripe will be applied around the pilot house.

6200 CEMENT AND SPECIAL COATINGS

Cement

Cement will be installed in bilge areas to facilitate drainage.

Deck Coverings

Main deck over engine room will be covered with 1" light weight aggregate and epoxy sub-base.

Exposed deck areas within the foc's'le and upper house shall be finished with 3-M 'Colorflake' or Armstrong 'Commendation' carpeting.

6300 GALLEY AND ACCOMMODATION EQUIPMENT

Ranges and Ovens	General Electric deluxe cabinet mount oven Model JKS 06 General Electric push button counter top range Model JP 651 Frigidaire electronic built-in oven, RWM7 Jenn-air counter top barbecue, Model 2360
Double Sink	Stainless steel, with trap and swing spout
Refrigerator	Frigidaire 17 cu. ft. with freezer, Model PCI 170T, 2 door
Waterclosets	Flush type in crew's and captain's toilets
Shower Stall	30" x 30" for each toilet with rod and curtain
Lavatories	Stainless steel in crew's and captain's toilets
Mattresses	polyfoam with cotton ticking
Washer and Dryer	Westinghouse stack type LA 170/DE 170

6400 DECK OUTFIT

6410 Mooring Equipment

Main anchor 2,000 lb. Navy or equal
120 fathoms 1-1/8" stud link chain, galvanized
11" diameter anchor roller
3 - closed chocks in bulwark aft
6 - closed chocks in foc's'le bulwark
4 - double bitts, 2 forward, 2 aft
2 - 100' x 2" polypropylene mooring lines
12 - 12" x 24" hinged aluminum freeing ports
4 - 30" cleats on foc's'le deck

6400 Deck Outfit (continued)

6420 Safety and Navigation Outfit

10 - life jackets
2 - ring buoys
8 - fire extinguishers. (1) 15# CO_2 and (2) 10# Dry chem in engine room; (1) 10# dry chem in ante room; (2) 2 1/2 #Dry chem in fo'c'sle (galley and quarters); (2) 2 1/2 # Dry Chem in pilot house and captains quarters.
2 - inflatable life rafts, Elliott or equal, 6-man capacity
Magnetic compass starboard side - 4" Ritchie DP60

Bronze bell 8"
Air horn, Cunningham Model 3A or equal
Three windshield wipers, air driven Trico or equal
Three defrosters, Arvin # 29H60
Install engine room fixed CO_2 system consisting of six 75 lb. bottles with remote control in anteroom and automatic blower shutdown.

6430 Ladders and Handrails

Inside ladders are provided to engine room, fo'c'sle deck, and pilot house.
Outside inclined ladders lead from main deck to fo'c'sle deck and from fo'c'sle deck to bridge wings port and starboard.
Vertical ladders are provided in lazarette and at engine room and fo'c'sle emergency escapes.
1 1/2" pipe handrails are fitted on fo'c'sle deck sides and aft.
1 1/4" pipe stormrails are fitted on deck house , sides, and front.
3/4" rungs are welded inside and outside mast.

6440 Masts and Booms

Masts

Main mast is tapered rectangular box shape, fabricated of 5/16" and 1/4" plate and built integral with deck house.
Suitable brackets are provided for radar antennas, range light, air horn, crab lights and radio antennae with 5' x 8' mast platform.

Pot Boom

Pot boom to starboard will be 28' x 6" pipe with 3" and 4" pipe adjustable strut.

6450 Running Rigging

Pot boom topping lift: 3/4" polypropylene, 5 parts with 6" wood blocks and 5/8" wire safety pendent.

Pot boom fall: 75' x 1/2" wire rope whip with 10" galvanized oval block, and fabricated 1 1/4" steel pot hook.

6400 DECK OUTFIT (Continued)

6460 Engine Room Outfit

Engine room floor plates will be aluminum diamond plate. A Steel work bench will be located in the forward part of the engine room with a 5" vise and drawers under. A stowage locker for miscellaneous fittings and filters will be provided. A Sears 230 amp welding machine will be wired to a receptacle in the main deck locker.

6500 DECK MACHINERY

Deck Machinery for a basic King Crab vessel will consist of:

Marco Model A5031 hydraulic anchor winch, with wildcat, single gypsy and local controls.

Rowe 8 ton crane to port with base raised 36", complete with Marco W3000 winch, 110' of 1/2" 6 x 37 wire cable and pot basket.

W3000 Marco winch for pot boom with 75' of 1/2" 6 x 37 wire.

6600 FISHING GEAR

The fishing gear for a basic King Crab vessel will be as follows:

Marco KingHauler J0111 with 5" galvanized pipe davit.

Marco J2111 KingCoiler.

Marco double-acting pot rack with 3" Sch. 80 galvanized pipe frame and two T-J 4" x 1 3/4" x 22" hydraulic cylinders. and manual dogs.
8' x 30' x 1/4" steel safety treat plate on deck grating fitted aft of pot rack.

Aluminum crab loading hopper.

MARCO SEATTLE
2300 West Commodore Way
Seattle, Washington 98199

SPECIAL CONDITIONS

In addition to the work described in the attached Specifications, the Builder will accomplish the following:

1) Upon completion of the hull, Builder shall arrange for Customs admeasurement through the U. S. Coast Guard. Builder will supply a Master Carpenter's Certificate and provide other necessary information to Purchaser as required for documentation. Upon assignment of official number, same will be marked into the vessel's structure and the name and hailing port shall be painted in accordance with Maritime Law.

2) Upon completion of the vessel, Builder will conduct dock and sea trials, testing all systems and equipment and demonstrating the vessel's capability to Purchaser's satisfaction. Fuel and lube oil for the trials will be supplied by Builder.

3) Builder will conduct an inclining test and provide a stability report to Purchaser.

4) At the time of acceptance, Builder will provide Purchaser with two sets of Marco standard general information books, which include basic instructions, major equipment lists with model and serial numbers, electrical and piping diagrams, arrangement plans, docking plan, propeller shafting and rudder details, together with manufacturers' instruction manuals where available.

5) Upon completion of trials and correction of any deficiencies, the vessel will be cleaned of all shipyard gear and debris, the painting touched up and the entire vessel left in shipshape condition.

6) The Builder will provide signal flags, bunting, flowers, champagne bottle and public address system for the christening of the vessel. An additional sum of $1,000 will be allowed for Purchaser's reception.

122' BASIC CRABBER

Addendum No. 1
to
Specification E-225-1
dated
22 February 1980

Reference drawings: E-225-3-1100-1-7, -2-7, -3-7, Rev. A

3300 Non-Structural Tanks

Delete the 200-gallon sewage holding tank.

3460 Drains

Delete the 3" x 3" Cornell Model 3NLT-3-4 sewage pump with automatic transfer system and 3" main deck discharge.

Substitute a Red Fox Model RF-05-MP USCG Type II marine sanitation device rated for 8 persons continuous and up to 12 intermittent (4-day duration).

Unit to be equipped with the following:

1) Air regulator and gauge to reduce ship's air supply to 4 SCFM at 2 PSI

2) High-level alarm sensor in the discharge sump

Install a 2"-dia. galvanized steel overboard discharge line with bronze gate and check valves. A 2"-dia. galvanized steel vent will be discharged 19' above the main deck at the after side of the mast.

5180 Forward Stateroom

Convert the forward storeroom into a 3-man stateroom complete with lockers and additional door to port. Relocate the fixed CO_2 bottles to the engine room.

HB
697

AGO 125397

2/26/80 Reported Out as CS

(~~with word changes suggested by Keith Speckart & Public Safety~~)

With new fiscal note & Letter of Intent

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB697	2/22	4170	Dept. of Fish & Game	
	2/22	2800	Dept. of Education (4685) Jerry Hiley, Coordinator for Adult and Continuing Education	

(9)

COMMITTEE REPORT

HOUSE

2/8/80

FURTHER: FINANCE

Date: 2/26/80

Mr. Speaker:

The Committee on RESOURCES has had HB 697

"An Act creating the fisheries education steering committee; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[✓] replace with CS for HB697 [✓] same title [ ] new title

and recommends DO PASS

[✓] AND attaches a "Letter of Intent" [✓] New Fiscal Note

[ ] reports it back without recommendation

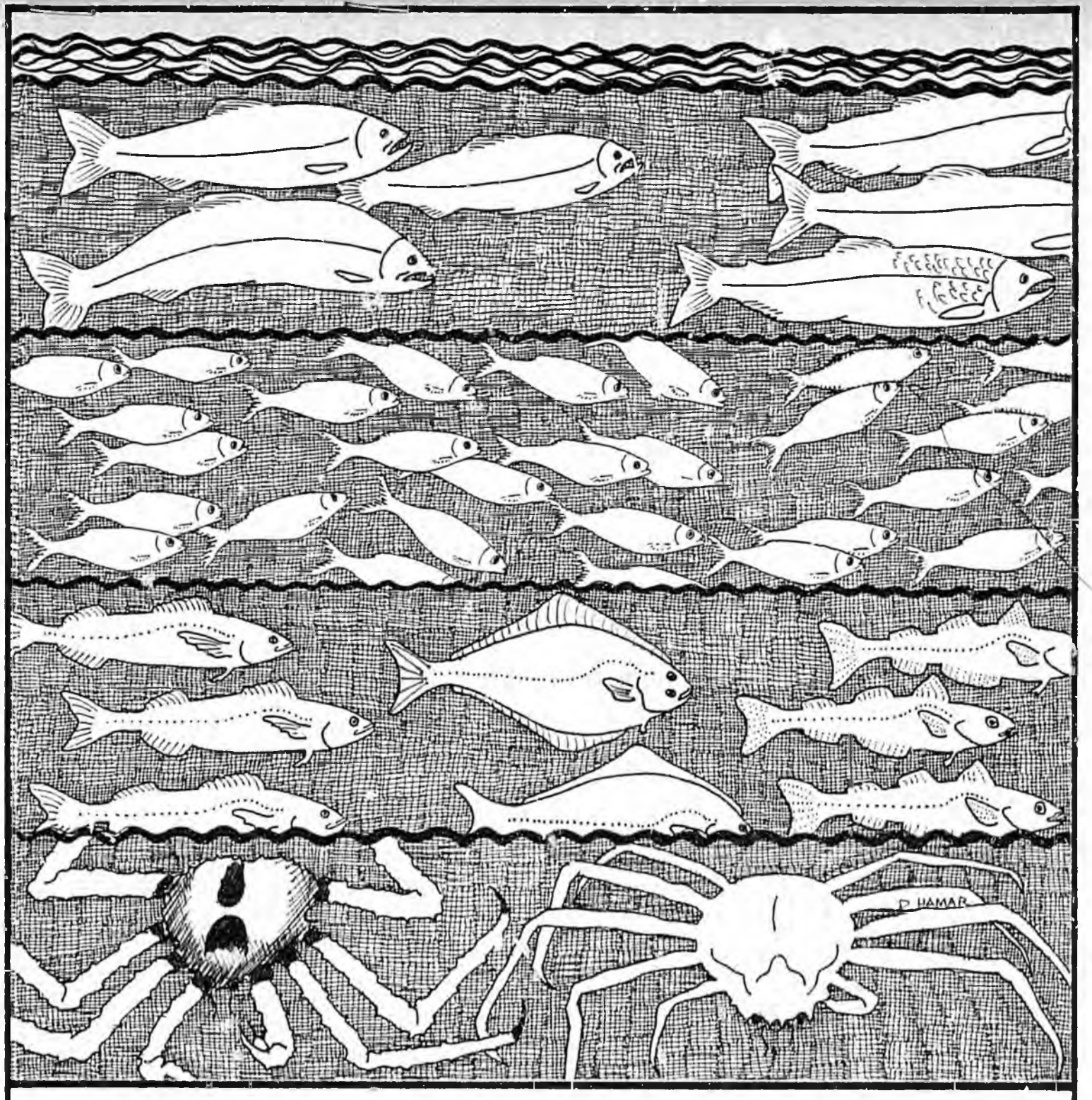
[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Edwin Carlstrom
CHAIRMAN

(Rev. 12/78)



A Plan for the Organization of Vocational and Technical Fisheries Education for the State of Alaska

A Plan for the Organization of Vocational and Technical Fisheries Education for the State of Alaska

Submitted to:
The State of Alaska
Office of the Governor
Bottomfish Coordinator
and the
Alaska Department of Education
Juneau, Alaska
October 19, 1979

By:
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Lee, Pennington and Associates
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Juneau, Alaska 99801
907-586-3056

PREFACE:

This report provides a brief overview of some of the problems of fisheries education in the State of Alaska. A complete analysis with a set of fully developed scenarios is, due to constraints of time, beyond the scope of this project. This is a brief outline of a possible organizational and communication network with which the State may maximize the efficiency of current efforts and resources and direct additional future development. It should be emphasized that no current efforts should be abandoned, but should be more fully developed in a coordinated fashion.

The material used in this report came from many sources. Much of it is the result of the author's impressions during four years as an Education Specialist for the Alaska Marine Advisory Program and from conversations with many people vitally interested in Alaska fisheries education. A letter signed by Ms. Marilou Madden (Department of Education) at the outset of this project elicited a wide variety of responses which have proven to be of great value in compiling this document. Funding for this report was provided by the Office of the Governor, through the Department of Commerce and Economic Development and the Department of Education.

Particular credit is due to Jim Edenso, Bottomfish Coordinator, Office of the Governor; Tony Mecklenberg and Richard Reynolds (Department of Commerce and Economic Development); John Doyle and Hank Pennington (Marine Advisory Program); and Jerry Hiley (Department of Education) for their help.

I. INTRODUCTION

The fishing industry in Alaska is of prime importance. Since fisheries are renewable resources, they supercede the long-term value of even oil and gas, which will eventually be depleted. The advent of the 200 mile limit law helps to insure the future conservation and proper management of our fish stocks through the foreseeable future. At the present time, Alaska is dependent on traditional fisheries for a very few of the potentially marketable species. The white fish resources have traditionally been harvested and processed only by foreign interests. Many other resources are currently underutilized or not harvested at all. However, the state's fishermen and processors, as well as investors, are carefully examining the white fish resource and other domestically underutilized resource fisheries to insure Alaska's status as a major producer of the world's seafood.

One of the major factors hindering, or at least slowing, the development of Alaskan fisheries, is the lack of a statewide coordinated fisheries education and training program. The past and current efforts at education and training in this vital field have been either sporadic or redundant, and often marred by an inability to satisfy the needs of the fishing industry.

Past problems have been addressed primarily at the local level. The needs of the fisheries community (e.g., fishermen, processors, etc.) have been approached most consistently by the Alaska Sea Grant Program through its subsidiary, the Alaska Marine Advisory Program, with aid from other state-supported programs. Since funds, personnel and time are limited, these programs are severely over-extended at present. Several of the state's community colleges have made various attempts to develop vocational or technical fisheries programs. In terms of investment of funds and effort, the most notable has been the Kodiak Community College. Both Juneau-Douglas and Prince William Sound Community College are either actively pursuing fisheries programs or are attempting to organize them. Sheldon Jackson, a private two-year college which is located in Sitka, has developed a successful vocational aquaculture program and is looking toward possible expansion in other areas of fisheries education.

Various rural high schools in the state have attempted to establish vocational or technical programs in either fisheries or aquaculture, but their rate of success has been rather low. There are several reasons for the lack of success in these programs. A high rate of teacher turnover, lack of involvement by local fishing community members, and academic ability of students, are among the reasons for a low rate of success in these programs.

The University of Alaska, through Sea Grant and other University branches, is also involved with fisheries education. Other than the extension oriented Marine Advisory Program, the University's efforts are primarily aimed at the more esoteric aspects of management and basic or applied marine and fresh water research - topics that are outside the scope of this report.

II. REVIEW OF EXISTING EFFORTS

A. Alaska Sea Grant Program

The University of Alaska Marine Advisory Program, under joint funding from the National Office of Sea Grant and the Cooperative Extension Service, has historically been the leading agency in fisheries education within the state. Sea Grant's effectiveness is limited in meeting the statewide demands because of underfunding and understaffing. While the Marine Advisory program represents an excellent effort (certainly the best in the state to date), it is severely limited both geographically and topically. The vast areas of southwestern, western and arctic Alaska are represented by only one agent supported on a nine-month contract. It is also of interest that he is the only member of the program staff that is fluent or even conversant in both English and any of the native languages.

The inevitable result of this understaffing is difficulty in focusing on the development and maintenance of long-range programs. Much of the effort must be expended in answering immediate and often unforeseen problems. Those workshops and fisheries institutes that have been carefully planned over an adequate time period have usually been effective and relevant. The biggest drawback is that there has not been enough of them.

It does not appear that the problems associated with underfunding and understaffing will be solved in the near future. As an example, for several years one of the greatest needs in the state fisheries has been for a gear specialist; associated, ideally, with the Marine Advisory Program. Yet, funding for this position has been impossible to secure. One answer to this problem could be the development of much broader cooperation and coordination with all other fisheries education entities within the state which would insure a more effective approach.

The Sea Grant Program outside of the Marine Advisory efforts, is also involved with pertinent fisheries education. Their mission is to perform applied research on scientific problems that impinge on any aspects of marine resource utilization, including, but not limited to, fisheries.

An example, is the on-going research program of Drs. Nishiyama and Niebauer and their students relative to the problems of the Kodiak shrimp populations. The information produced by this study will have strong implications both in shrimp management and more effective methods of shrimp fishing.

Much of the Sea Grant effort (as well as most of the other University efforts) is aimed at the higher education level with little relevance to vocational education for the average fisherman. Education of this sort is outside the realm of upper division university course work. The role of the Alaska Sea Grant Program (ASGP) is more appropriately in the training of research and management personnel.

B. Community Colleges

1. Juneau-Douglas Community College: JDCC is deeply committed to a fisheries technology program. Their current curriculum includes the following courses: small boat construction and repair; repair and maintenance of gas and diesel engines; and an assortment of regular classes and clinics (short courses). Courses are offered in welding, which stress repair and fabrication using all common techniques (e.g., oxy-acetylene, arc). Hydraulics maintenance and repair are also offered, and self-help programs on such topics as navigation and marine electronics are planned. (M. Metty, Personal Communication).

   In preparation for future development of their fisheries education program, JDCC has purchased a shoreside facility, formerly known as the "Northern Commercial Property." Although plans for its use are still undefined, it seems clear that this property will house JDCC's entire marine and fisheries programs. It is ideally located with a ways and a small boat yard for repair and maintenance of smaller commercial fishing vessels. It will be the only such facility in Alaska that is tied to an educational institution and thus presents some ideal and unique educational opportunities. One other similar facility is planned for Alaska, the Alaska Skill Center at Seward on the southcentral coast, discussed elsewhere in this report.

   In planning for future fisheries education, JDCC has advertised two openings for "gear specialists": one in the area of white fish fisheries; and one to be more of a generalist. The effort is constructive, but the needs do not seem well articulated. More appropriate at this juncture would be the creation of a single position of "fisheries education coordinator", whose primary function would be to clearly plan both present and future curriculum and facility needs relevant to the fishing industry. The fisheries education coordinator could then work to build the program around the two positions advertised at this time.

2. Prince William Sound Community College: PWSCC's efforts are still at the proposal stage, although the course outline is certainly impressive and comprehensive. The course descriptions indicate a strong attempt toward the development of a technical fisheries program similar to that found at the Rhode Island School of Fisheries. Dr. John Devens, Campus President, has told me that students are already signed up for this program; however, other than a fisheries coordinator, faculty and facilities are not in place. The PWSCC effort requires extensive funding, with both Federal and state support. Two factors are even more important than funding to insure the ultimate success of this program: (1) patient and long-term time allotment and (2) very careful selection of instructors for the program. Judging from the experience of the Rhode Island School of Fisheries, seven to ten years may be required to successfully establish and demonstrate the merits of a fisheries technical school. Without the exact combination of familiarity with the region fisheries and fishermen and the ability to communicate and teach on the part of every member of the faculty, the program cannot succeed.

3. Kodiak Community College: An ambitious program in fisheries technology was established at KCC in 1972. The program was expanded in 1974 to include a two-year course in seafood processing (Atkinson, 1974). Kodiak was envisioned by the University to be the ideal location for this program. There were indications of strong support for the concept throughout all phases of the industry, yet by 1978, the program was virtually dead. In my discussions with various representatives of the industry and the community college, the reasons for this appear to be: (1) the program was not structured to meet the needs of the industry in terms of format or content; (2) not enough time was allotted to bring the program to fruition; and (3) while the instructional staff was well qualified, in terms of their experience and academic ability, they were evidently unable to build a rapport with the various segments of the industry and to take direction from them in structuring the program. This last is of extreme importance, but it is also necessary to be able to go one step further and intuitively anticipate needs that the industry does not express.

   KCC has not lost its determination to take a strong lead in Alaskan fisheries education. A recent grant proposal has been submitted and funded to reimplement the program on a different level. The approach is to develop a multi-agency cooperative effort on an island-wide basis.

This will involve not only KCC, but also Kodiak High School's existing fisheries program, and all the region's village high schools. Much of the effort will be devoted to the development of modular material that can be used in or out of the classroom. Emphasis will not be restricted to the harvesting end of the fisheries but will also stress the many ancillary skills needed by today's modern fishermen to compete successfully in the business world. In conjunction with the University's Criminal Justice Center, a strong multi-level fisheries law component is being built-in. If the new Kodiak program lives up to its promise, it could serve as a model for all regional fisheries education development programs throughout the state.

4. Other Community Colleges: Kuskokwim Community College is in the process of organizing a land resources program, including fisheries and wildlife management, leading to an A.A. degree. The nucleus of their fisheries program will encompass the river fisheries of the river country of Western Alaska. Ketchikan Community College, Sitka Community College as well as others about the state, have expressed interest in various aspects of technical programs. Most offer some sort of marine technology programs, including small engine repair and maintenance as well as related courses.

5. Sheldon Jackson College: While Sheldon Jackson is a private college, and thus lies outside the domain of the community college system, it is practical to consider it within that province, for the purposes of this report. Since it is a two-year college, SJ's interest in fisheries are currently limited to salmon aquaculture, although both the staff and the administration have expressed interest in expanding into a much broader program, possibly including, training for the white fishery. (Charles Bovee, Personal Communication).

In its speciality, SJ provides the only upper level academic aquacultural training within Alaska. It is a successful program, but limited in potential by a rather small and defined job market available to graduates from the program. SJ draws students from all over the state, as well as from the lower 48 states. Courses include not only the standard fish husbandry and fish biology offerings, but also a strong "hands-on" approach to the hatchery work, and courses in mechanical equipment operation and maintenance, emergency medical care, and fish pathology. (Mel Sieffert, Personal Communication).

Due to the restricted job market, it is impractical for other two-year programs in the State to try and duplicate the aquacultural curriculum offered by SJ, unless, for some unforeseen reason, their program was to be discontinued.

C. Secondary Schools:

Secondary schools have expressed strong interest in both fisheries and aquaculture programs, but with few exceptions, most attempts at these programs have met with limited success.

In looking at these programs, one can find several common denominators that contribute to the lack of success: lack of experienced teachers; high rate of teacher turnover; and lack of information resources. Inadequate funding and lack of community support are also cited as reasons. Complicating the situation are factors unique to rural Alaskan schools such as poor communication within and between interested districts and individual teachers. Too often mistakes made in one region are simply repeated by other districts because there is no forum of interested parties that can initiate an exchange of ideas, experience and information.

Yet the secondary school fisheries picture is not entirely bleak. Several schools have made strong, sustained and successful efforts. For example, Ketchikan and Kodiak have long been leaders in the field of fisheries. Kake, Ketchikan and Sand Point have established hatchery programs that show good potential.

These specialized programs at the secondary level often miss a valid point. Too often competency in writing, reading and computation is slighted in favor of special interest courses. If we are going to train young Alaskans to take over our resources and industries, we cannot afford to slight their ability to communicate and to develop mathematical skills. They must be competent in these areas before they can enter the specialities. This does not preclude the use of fisheries as a vehicle to approach the basics. Indeed, every rural teacher should be encouraged to use all the resources at hand to individualize his or her curriculum and materials to local relevancy.

Another problem that may contribute to the failure of fisheries programs at the secondary level lies in the selection of student participants. If they are not highly motivated toward the fishing industry, they will be unable to extract the maximum benefit from the program. Ultimately, the program is apt to become a holding pen for students who are merely passing time.

D. Alaska Skill Center:

The Alaska Skill Center in Seward is a unique institution in the state. Although it presently does not offer fisheries courses, parts of the curriculum (e.g., welding, diesel, mechanics) are strongly applicable to the fishing industry. Many of the courses are open entry/open exit and all have definite practical orientation.

ASC is currently looking at participation in the development of the shipyard at the mouth of the 4th of July Creek. If implemented, this facility will directly influence the Alaska fishing industry as a training facility for future boatwrights and repairmen. However, it will not, and cannot, meet all the vocational or technical education needs in this area for the state. There will always be a strong need for the dissemination of this knowledge at the village level. For many rural residents it is impractical or undesirable to travel to Seward for their education. At the recent Aleutian-Pribilof Bottomfish Conference at St. Paul (September 1979), this idea was expresssed by many of the Aleut representative attending the meeting.

E. State Government:

In addition to the University system and the State Department of Education, the state government is becoming increasingly interested in fisheries education.

In the past year, the State Department of Commerce and Economic Development and the Office of the Governor have sponsored projects of an educational nature, including several white fish harvesting demonstration projects, fishing trials, and jointly sponsored with the Marine Advisory Program a class on white fish processing. The latter was held last in Kodiak in April 1979, involving personnel from Scandivania and conveyed up-to-date information on all phases of white fish processing. A processor's training manual (in press) has resulted from this course.

In the FY '81 budget request recently submitted by DCED are two line item requests directly relevant to fisheries education. The first is entitled Bottomfish Production Trials/Demonstration and requests monies from the general fund to provide demonstration projects in cooperation with the Alaska Fisheries Development Foundation. The second budget request deals with three phases of fisheries education: (1) to establish a fisheries education coordination committee; (2) to implement the training of a "cadre of qualified resident instructors"; and (3) direct involvement in fisheries education at the community college level. This is exemplary of the support needed to provide the impetus for an organized fisheries education and trainirg effort within Alaska, which in turn, will allow future generations of Alaskans to be masters of their own resources.

F. Alaska Fisheries Development Foundation has proposed a $90,000 budget for a training component in their planned ground fisheries demonstration project. In cooperation with the Marine Advisory Program, an on-board training program will be implemented. This program will be limited, by restricted bunk space on existing Alaska fishing vessels, and the rigors of utilization of new and unfamiliar fishing gear, economic constraints, etc. (AFDF, 1979). Yet even with all these restrictions, AFDF does offer a sound, if modest, start on this problem of training in this emerging field. The on-board efforts will be supplemented by workshops and media development and presentations in the primary fishing ports. This will include extensive news coverage and the development of specialized audio visual materials which may be used as a foundation for future training efforts.

III. ALASKAN FISHERIES EDUCATION NEEDS

The needs in Alaskan fisheries education can be viewed from several standpoints. Regional needs are quite diverse and these should be considered if one is establishing or bolstering fisheries in coastal or river-based fisheries. For example, the fishing communities of Southeastern Alaska and Kodiak can expect to harvest, process and market a much broader range of resources than the communities of the Arctic-Yukon-Kuskokwim regions. Yet certain common themes are prevalent throughout the state. One of these themes was best summed up by James Branson, Executive Director of the North Pacific Fisheries Management Council, during a recent conversation, "Our job would be many times simplified if the fishermen had, somewhere in their background, some strong knowledge about the resources." The state is embarking on a new bottomfish enterprise, one which is capturing the imagination of everyone from fishermen to bureaucrats. The question "what is a bottomfish?" remains very difficult for most to answer. The herring fishery is emerging as a very profitable operation in the Southern Bering Seacoast villages and other districts, but many fishermen know little of the basic biology of the resource. Throughout the state, salmon has been the richest of the traditional fisheries. However, the life histories of the five species are poorly understood by the average fisherman. In all schools, at all levels, one of the greatest needs is basic resource information. This may be approached in the schools by abandoning the textbooks which are traditionally oriented toward terrestrial botany and zoology, and training with a local marine ecosystems approach. This involves much greater innovative effort on the part of the teacher, but would prove more effective in the long run. An excellent example of this sort of program is that instituted by Ms. Lucile Holden of Ketchikan High School about nine years ago, and with which she is still working.

Another statewide need which has been expressed in almost all communities which I have visited is fiscal management; for business management, financial planning, taxes. Other fiscal matters are becoming increasingly important to insure the greatest rewards for their efforts. In today's increasingly complex and inflationary society, this will become even more important.

With the emerging white fish fishery, Alaska fishermen must learn to use modern and complex equipment and deal with non-traditional (for Alaskans) resources. Machines such as the new Mustad Autoline system, on-board heading and gutting equipment, and new advanced methods of on-board refrigeration must be mastered in order for the bottomfish fisherman to compete successfully on the world market.

Boat repair and fabrication, diesel mechanics, electronics and navigation all are becoming increasingly important to Alaska's successful fishermen. For the small boat fishermen, the skipper needs to be familiar with all of those skills, while on larger vessels, crew members with specialized skills in these fields are important, and at shore-based support facilities (such as the proposed Alaska Skill Center or the Juneau-Douglas Community College Boatyards), individuals with these skills will be in demand.

In examining Alaskan fisheries education needs, it is helpful to look at two possible "systems" approaches: vocational education and technical education. Ultimately, both approach the same goal of strong fisheries education and training for future members of the industry.

Vocational fisheries education may be best addressed by the community college system, the Alaska Skill Center and Sheldon Jackson College through a network which will be described later in this report. It should be directed toward specific needs, with materials which are modular in concept and format and suitable for delivery to either small audiences throughout a given region or on board a vessel for crew use. The new Kodiak Community College program can provide an excellent model for such a delivery system. The viability of this concept may be thoroughly tested with this program before implementation in other regions.

Technical education, on the other hand, should provide a resident a two or four year program leading to degrees in some aspect of commercial fisheries. An example of such a program is found at the University of Rhode Island Department of Fisheries and Marine Technology.

The technical approach to Alaskan fisheries education is highly desirable for Alaska. It does not, however, answer our immediate needs, due to the length of time required to put a technical school of fisheries into place and nurture it to success. Captain G.A. Motte, Chairman of Rhode Island's Department of Fisheries and Marine Technology, spoke of problems they encountered in getting started; at the outset, there was opposition from the skippers to hiring a classroom trained crewperson. It was difficult to convince students that it was a valid expense of time, money and effort to spend two, three, or four years in the classroom when he or she could be at sea, earning a paycheck.

In the ten years that the department has been in existence, the attitudes gradually changed. Now skippers demand that their prospective crew members have attended the URI program, and the waiting list calls for more candidates than the school can accept. As a result, they are highly selective in accepting students, though it has taken ten years to reach their present status.

Alaska needs to have a technical school of this type and caliber. It will not, however, answer our immediate problems. Even if all our fisheries education efforts were focused on this approach, we could not meet the immediate needs of our people and industry. This is not to say that we should not work toward this goal, but rather we should start today with a well-organized and strongly funded vocational education network. Even with an excellent, well-accepted technical school in place, the vocational network will still be extremely important. Because of Alaska's size and diverse needs, there should be no redundancy in ultimately approaching fisheries education from both directions. Besides, even the finest technical school can only answer the needs of a limited segment of future Alaskan fishermen. There will always be a majority of people who cannot afford, for one reason or another, to attend such a school, as well as people who need only courses on particular discrete topics. These people may be best served on an out-reach basis through the community college or other vocational programs.

The College of Fisheries, Navigation, Marine Engineering and Electronics in St. John's Newfoundland may serve as a useful example for Alaskans to consider. Newfoundland, located on the east coast of the continent, has much in common with Alaska. Fishing is a major industry; the ports are frequently small and remote and communication problems between population centers are similar to those of rural Alaska. While there is a strong on-campus program at St. John's, each year since the school opened in 1964 a third or more of the enrollment has been through the extension program of travelling schools.

While the majority of course offerings detailed in their "List of Programs" are offered principally at the St. John's campus, most of the courses are of one and two weeks duration and are designed to upgrade skills of people who are already in the industry.

It was not possible for Lee, Pennington and Associates' personnel to visit the St. John's campus due to the school's summer break. However, it would be highly desirable for us, or someone interested in Alaska fisheries education delivery systems to do so.

IV. ORGANIZING ALASKAN FISHERIES EDUCATION EFFORTS

Does Alaska's fisheries education effort need organization? In my mind, the answer is yes. We have too often seen programs attempted, only to watch them fail. We have witnessed duplicative efforts leading to redundancy because of poor communications. We have regions and schools which are unable to profit from mistakes or successes of other entities simply because they don't have knowledge of them. We have heard repeated requests from rural residents for stronger programs in fisheries, but no one seems to know where to find assistance to set up fisheries education programs, or how to maintain them at functional and efficient levels.

Currently, there are two major entities vitally interested in promotion of fisheries education within the State of Alaska: The Alaska State Department of Education and the University of Alaska. Other agencies and associations have also expressed interest and need. The various native associations and corporations, the Alaska Native Foundation, Alaska Fisheries Development Foundation, various state departments (e.g., Department of Fish and Game, Department of Commerce and Economic Development) and others, all have strong contributions to make. However, it would be an inefficient expense of effort and capital for all these entities to plunge into this effort without some form of organized coordination.

Since the two major organizations (DOE and U of A) in fisheries education approach this topic from rather different, or at least rarely overlapping approaches, it would be logical for representatives of their governing boards (the State Board of Education and the Board of Regents, respectively; as well as a representative from the Post-Secondary Commission) to form an oversight board to oversee the policy formulation for fisheries education. They, however, are not necessarily in touch with the needs of the industry, or the rural fisherman, and they haven't the time to follow up policy or delivery. To fill this role, a coordinating council, whose members would be appointed by the oversite board should be directly responsible for implementation at the state level. Members of this council should include at least one representative from the community college system, the Governor's Office, the Alaska Native Foundation, the Department of Education, the University of Alaska Sea Grant/ Marine Advisory Programs, and other interested groups.

The council should have a person in the role of secretary, to carry out the council's directives. It is desirable to have this person housed either within the community college system or the central office of the Department of Education. A major role to be carried out will be interfacing with the fisheries coordinators at the various community colleges and other institutions. A flow chart of this organization is presented. (Table 1).

On the next level fisheries coordinators should be responsible for developing and disseminating materials, not only within their own institutions, but also through the rural secondary schools of their region. In the village, it will be the role of the principal teacher or his or her designee to further disseminate the materials to skippers and other interested people.

Perhaps the most critical part in this scheme lies at the village level. It will require a great deal of grass roots effort to establish strong and effective liaisons between the village fishermen and the rest of the program. An accurate needs assessment for each village served within a region, with priorities for answering those needs, is extremely delicate and very important. It is essential, if this program is to work, that it demonstrates its ability to meet local needs very early in the program, and continue to do so. The proposed Kodiak Community College fisheries program offers an excellent opportunity to demonstrate this ability on a regional scale before the entire program is implemented statewide.

Needs at the village level may be communicated through the principal teacher and the coordinators, to the coordinating council. Furthermore, in this fashion, an effective talent bank system may be set up to operate on a statewide basis.

This talent bank would consist of a roster of people with definite skills for use throughout the State, much in the fashion of the present DOE Talent Bank. Funding for the fisheries education talent bank should be handled in a similar manner to or as a part of the DOE talent bank system.

While this organizational scheme would encompass most situations, demonstration projects and fishing trials conducted by the State and Alaska Fisheries Development Foundation are special cases. The need for projects of this nature can be communicated through the channels outlined above, and the coordination council and the local educational agency may be of great assistance in staging them. However, it may be more expeditious and advantageous to have them funded directly.

I believe, however, that one requirement must be written into each and every demonstration project: they must be designed to develop a local information core. Too often the Alaska fishing industry has had to (and will, in the future, have to) rely on out-of-state or foreign expertise, particularly in the white fish industry. Recognizing that we must take our expertise from whatever available resources, we should also be training a cadre of people within our own industry to not only use new equipment and fishing techniques, but also to pass this information on to other Alaskan fishermen, processors, and marketers. It is unlikely that we will ever be totally independent of out-of-state expertise. Indeed, it would not be in our best interest to become totally dependent on local expertise. It would, however, make good economic and educational sense to reduce this dependency gradually.

There is another possible approach to the reduction of dependence upon foreign and out-of-state expertise. This lies in the strengthening of the existing Marine Advisory Program, especially in the area of gear specialists. As mentioned earlier in this report, MAP has attempted to add a gear specialist to its staff, but funding has been unavailable. Most of the State demonstration projects include various specialized gear uses. Therefore, it would be in the best interest of the State and its fishing industry to directly fund at least one, and preferably three gear specialists for statewide service within MAP. While three gear specialists may seem extravagant, consider the expense in constantly importing outside knowledge to the vast reaches of the Alaska coastline. Again, the development of these specialists could be effectively aided by close involvement of the MAP with the coordinating council.

It should be realized, however, that merely adding to the Marine Advisory staff will not be sufficient to provide the needed fisheries education effort. This step should be regarded as a supportive measure to help fill the gaps while a completed and functional statewide fisheries education network is being developed. Subsequently, there will still be a need to maintain that Marine Advisory expertise throughout the state to supplement the proposed educational delivery system.

It is our recommendation that this proposal be implemented on a regional basis since Kodiak Community College has been awarded a grant to initiate a Regional Community College - community fisheries program, we suggest that Kodiak is the logical site to act as a model for future efforts. After one year of operation, the program should be expanded and initiated in another region, utilizing and adopting materials and experience developed in Kodiak. Further expansion could be accomplished step-wise each successive year.

The first year operating costs, though, partly depend on already appropriated funds (see attached Kodiak Community College project budget Table 2). The added funds needed will cover initiation of the state network, and preliminary work on needs assessment of individual regions to be served by the plan at a later date. These expenses should cover the selection of the five-member oversight board (Board of Education, Board of Regents, Post-Secondary Commission), as well as their attendant travel expenses; the selection, travel and meeting costs of a state fisheries education coordinator; and finally the costs of initial needs assessment and preparation for implementing the program in the successive regions. Possible funding patterns are outlined in Table 3.

V. PROPOSED BUDGET

1st Year Operation

1.	Oversight Board Expenses	$ 3,000
2.	Selection and Operational Expenses-Coordinating Committee	5,000
3.	Travel Coordination Committee	6,000
4.	State F. E. Coordinator	
	a. Salary	36,000
	b. Secretary	20,000
	c. Fringe at 17.5%	9,800
	d. Travel	7,000
	e. Communication	5,000
5.	Subsequent Needs Assessment (to be contracted)	60,000
	Total First Year	$151,800

2nd Year Operation

1.	Oversight Board	3,000
2.	Coordinating Committee	10,000
3.	a. State F. E. Coordinator salary	38,000
	b. Support	21,000
	c. Fringe at 17.5%	11,000
	d. Travel	8,000
	e. Communication	5,000

4.	Subsequent Needs Assessment	60,000
5.	Curriculum Development (contract)	60,000
6.	Community College Coordinator Salary	38,000
7.	Support	15,000
8.	Fringe	9,000
9.	Travel and per diem for regional teachers	4,000
10.	Community College Coordinator travel	3,000
11.	Supplies	11,000
12.	Evaluation	16,000
13.	Communication	4,000
14.	Printing	5,000
	Total Second Year	$321,000

Beyond the second year the Kodiak Community College program must be refunded to continue it. As a rough prediction it will cost approximately $200,000 a year to maintain the program. Using that figure in conjunction with the state advisors first year cost to estimate the total overall costs of runnning this program on a coastal statewide basis at the following locations: Ketchikan, Juneau, Prince William Sound, Kodiak, Kenai, the Aleutian Region, Bethel, Nome, and Barrow, one arrives at an annual cost of $1,800,000.

There are, however, some problems with using this estimate. For example, there is currently no community college in the Aleutian Region. It has been suggested that a fisheries extension center be placed at Dutch Harbor to act in this capacity. Expenses of running this sort of program in the Aleutian Region may be perceptibly higher than in other regions, but this will also be offset by lower costs at other centers, such as Nome or Barrow where the commercial fisheries, while potentially very important, will probably always remain at a far lower intensity than those of the more southern centers.

VI. SUMMARY

The Alaskan fishing industry is of vital importance to the future of this state. It stands on the edge of great expansion into new fisheries, new processing techniques, new markets, and new regions of the state. No longer is it a local cottage industry, but, instead, is now a rapidly growing multimillion dollar investment in which all Alaskans share directly or indirectly.

To allow this industry to provide maximum benefit for all of our citizens, be they producers, processors, marketers, investors, or consumers, we must initiate a coordinated fisheries education program, designed to (1) reach every portion of the state concerned with fisheries; (2) produce readily usable educational materials for all segments of the fishing industry statewide; (3) tailor these materials to local relevance; (4) make use of all available means to transfer out-of-state expertise into our educational system.

To accomplish these ends, Lee, Pennington and Associates recommends the following:

1. Setting up an educational and communications network consisting of:

    a. An oversight board consisting of two members of the Board of Education, two from the Board of Regents, and one from the Post-Secondary Commission;
    b. A coordinating council consisting of representatives from the community college system and all pertinent public and private agencies; and
    c. Developing a statewide coordinated vocational fisheries program which would be regionally specialized and associated with the community colleges, university extension centers or other suitable regional entities.

2. The materials developed by this effort be modular in nature, and be suitable for non-classroom teaching.

3. The Kodiak Community College Program be used as a model for this effort, and that this program be fully supported financially.

4. Using the Kodiak experience and materials, a similar program be instituted and fully supported in at least one other coastal community college during the following year. Thereafter, one or two new programs should be added each year.

5. Those agencies responsible for funding these programs should realize that, in order to be successful, there must be a long term commitment of time, funds and energy.

6. The Marine Advisory Program be strengthened by the addition of one to three gear specialists for statewide service.

7. Ultimately, the State should consider supplementing their vocational fisheries by the development of Technical Fisheries Education College, similar to Rhode Island's School of Fisheries.

Alaska Fisheries
Education Organization
Flow Chart

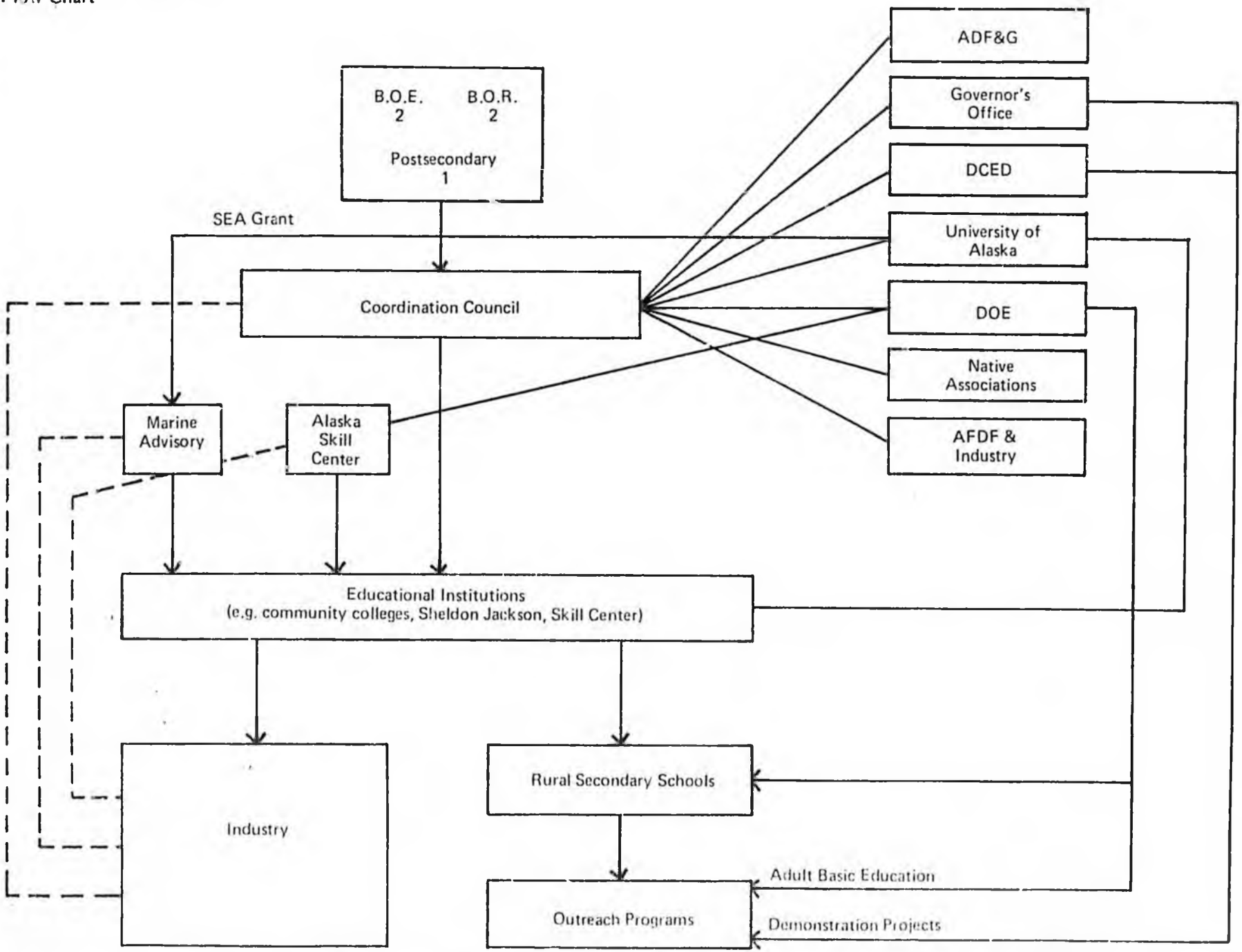
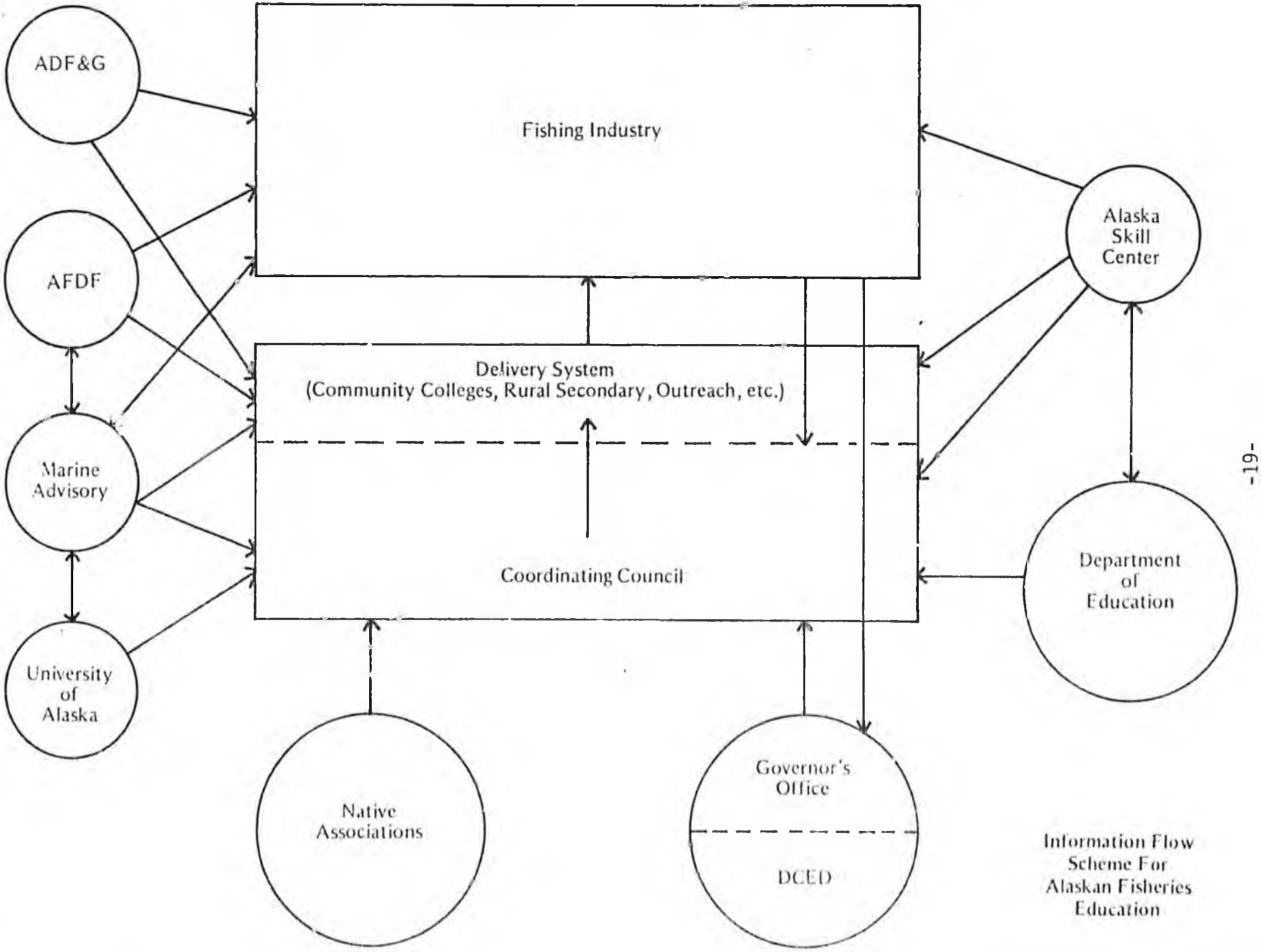


TABLE 2

KODIAK COMMUNITY COLLEGE FISHERIES PROGRAM BUDGET

State Budget Account Number	Account Title	Budget Amount Initial	Revised Date
310	Coordinator Salary - 18 months	$54,000.00	
330	Secretary Salary - 24 months	28,800.00	
350	Employee Benefits 17.5%	14,490.00	
400	Professional & Techincal Services		
	Project Initiator - 3 months	3,000.00	
	Technical Writers for Modules Curriculum Development	40,000.00	
	Contracted Service plus travel & per diem - NWRL & Criminal Justice Center		
	Substitutes for Teachers	1,350.00	
	Teachers Release Time (H.S.)	1,000.00	
426	Travel and Per Diem		
	6 villages on Kodiak Island Teachers Training	2,520.00	
	Coordinator Travel - Program Development & Implementation	2,700.00	
		1,500.00	
451	Supplies	5,000.00	
140	Communications	2,400.00	
	Project Evaluation	15,000.00	
	Printing Costs	5,000.00	
	Administrative Overhead 10%	17,376.00	
	TOTAL REQUESTED	$194,136.00	



Information Flow Scheme For Alaskan Fisheries Education

LITERATURE CITED

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Atkinson, Clinton, 1974. The Role of the University of Alaska in the Research and Development of Alaskan Fisheries. Part 1: A Program of Training and Education. University of Alaska.

December 1979

Alaska House of Representatives

COMMITTEE ON NATURAL RESOURCES
POUCH V • JUNEAU, ALASKA 99811

February 26, 1980

CSHB 697

LETTER OF INTENT BY THE
HOUSE RESOURCES COMMITTEE

CSHB 697 Section 1 (a)(1) states that one member of the Fisheries Educations Steering Committee is from the Department of Commerce and Economic Development and selected by the Commissioner. It is the intention of the House Resources Committee that if and when there is established within the Commerce Department an Office of Fisheries Development, the member of the Fisheries Education Steering Committee selected from the Commerce Department shall be from that Office of Fisheries Development and selected by the head of the Office of Fisheries Development.

Signed,

Representative Alvin Osterback,
Chairman, House Resources Committee

CO-CHAIRMEN
REP. ALVIN OSTERBACK (465-3715) • REP. BILL MILES (465-3779)
VICE CHAIRMAN
REP. FRED ZHAROFF
REP. PAT CARNEY • REP. C.V. "CHAT" CHATTERTON • REP. SAM COTTEN
REP. DICK ELIASON • REP. JACK FULLER • REP. RICK HALFORD

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Committee substitute for H. B. 697

Title Fisheries Education Steering Committee

Requested by Osterback, Fuller and Phillips Date 2/8/80
revised 2/26/80

II. FISCAL DETAIL

Agency Affected Department of Education

Program Category Affected Adult and Continuing Education

BRU, Program, or Subprogram(s) Affected Adult Education and Vocational Training

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES						
200	TRAVEL		36.0	40.0	44.4	49.3	54.7
300	CONTRACTUAL		30.0	33.3	37.0	41.1	45.6
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		66.0	73.3	81.4	90.4	100.3

FUNDING (Thousands of Dollars)

GENERAL FUND		66.0	73.3	81.4	90.4	100.3
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		-0-				
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

I. Section 1(a) - Assume eight meetings for Education Steering Committee per year - 9 members
Object Code 200 Travel - $250 x 9 members x 8 meetings = $18,000
Per Diem - $250 x 9 members x 8 meetings = $18,000
Total 200 $36,000

II. Section 1(c) - Object Code 300 Contractual Services 30.0
This would permit the Department of Education, on behalf of the Steering Committee, to contract for whatever consultant work required to accomplish the task.
FY-81 impact 57.0

III. Assume 11% inflation in succeeding fiscal years.

IV. DATE 2/13/80 PREPARED BY [signature]
AGENCY Department of Education
PHONE 465-2200

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

02-001B (Rev. 10/76)

STATE of ALASKA

MEMORANDUM

TO: The Honorable Alvin Osterback
House of Representatives
Alaska State Legislature

DATE: January 30, 1980

FILE NO:

Thru: Marshall L. Lind, Commissioner
Department of Education

TELEPHONE NO:

FROM: Gerald Hiley, Administrator
Adult and Continuing Education
Department of Education

SUBJECT: House Concurrent Resolution 38, Fisheries Education

In regard to subject resolution, we would like to supply you a copy of a fisheries education study completed by Dr. Richard Lee for the Bottomfish Coordinator's Office and the Department of Education.

Although the recommendations in this report are not exactly what you have suggested in your resolution, we feel both could be synthesized for the good of the fishing industry.

If you have any questions concerning this report, we would be most happy to discuss them at your convenience.

Attachment

Mary
Call Lind's office
Then left out report

HB
767

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF BANKING, SECURITIES, SMALL LOANS & CORPORATIONS

POUCH D
JUNEAU, ALASKA 99811

February 27, 1980

Honorable Fred F. Zharoff
Chairman, Foreign Investment Committee
House of Representatives
Mail Stop: 3100
Juneau, Alaska 99811

Dear Mr. Zharoff:

Please find attached a signed copy of my memorandum giving a section-by-section analysis along with the fiscal note on HB 767.

As you know, we discussed the bill this past week in your office. I would be happy to discuss HB 767 and the amendments to SB 112 with you at your convenience.

Sincerely,

Julius J. Brecht
Director

JJB:aw
Enclosure

08-H14LH

MEMORANDUM State of Alaska

TO: Members of the Committee

DATE: February 22, 1980

FILE NO:

TELEPHONE NO:

FROM: Julius J. Brecht, Director
Division of Banking & Securities
Department of Commerce & Economic Development

SUBJECT: Section-by-Section Analysis of HB 767

This bill, at least in part, evolved out of discussions between Pat Dougherty (on contract for the Resources Committee to conduct a study of foreign investment in the Alaska seafood industry), the division staff, and myself. However, I have not had the opportunity to review and comment on the bill until now.

Much of the discussion of the intent of the bill centers on what constitutes "control" of a corporation sufficient to require reporting by an alien affiliate. Furthermore, there are jurisdictional questions as to whether the department can, as a practical matter, get corporation A doing business in Alaska to report on its affiliation with corporation B, located in some other state which is, in turn, affiliated with corporation C located in some other country. I have requested two opinions from the Department of Law in this regard, but have not as yet received them. Much of the analysis of whether or not the department can accomplish what the committee wants, i.e., disclosure of corporations C's involvement in A, using the example above, depends on those opinions. The opinions should be out within the next week or so.

Nevertheless, I do have the following specific comments regarding the provisions of the bill with the qualifications just discussed. The "Sec." number refers to the sections of the bill:

Sec. 1 (AS 10.05.250). This section makes a number of drafting style changes regarding the reorganization of a corporation, and, in addition, it requires a specific description of the nature of the affiliation between a surviving or controlling corporation and its alien affiliation. A similar requirement is imposed on domestic corporations at the time of incorporation (See, Sec. 3), foreign corporations in applying for a certificate of authority under AS 10.05 (See, Sec. 7), and on both domestic and foreign corporations at the time of submission of their corporate annual reports (See, Sec. 9). Presumably, one is to read the nature of the affiliation in the context of the definition of "affiliate" found at Sec. 14, however, there may be some difficulty in interpretation of this requirement on the part of the filer. See, Sec. 14 for further discussion.

Sec. 2 (AS 10.05.255(a)(3)). This provision requires that the articles of incorporation of a domestic corporation incorporating after the effective date of the bill must include reference to a code number identifying the nature of its business activity. A similar requirement is imposed by the bill on domestic and foreign corporations filing their annual corporate reports with the department (See, Sec. 8) and for applications for certificate of authority for foreign corporations wishing to do business in the State (See, Sec. 6). The proposed amendments submitted by the division to SB 112, include requiring that corporations furnish information on the "primary business activities" of the corporation in their biennial corporate reports. The division would very likely use the SIC code presently used by the Department of Revenue in issuing business licenses. However, I suggest that the provision on business activity not be specifically tied to a "code," i.e., I recommend that the approach taken in the amendments to SB 112 be used.

Sec. 3 (AS 10.05.255(a)(13)). This section requires that the articles of incoporation of a domestic corporation include a specific description of the nature of the affiliation between the corporation and its alien affiliates. See, Sec. 1.

Sec. 4 (AS 10.05.519(a)(1)). This section reduces the delinquency period from six to three months for purposes of the department to involuntarily dissolve a corporation. The amendments to SB 112 provide for a two-month period. That amendment is preferred.

Sec. 5 (AS 10.05.519(a)(6)). This section adds a new ground for the department to involuntarily dissolve a corporation and that being a misrepresentation of a material matter in an application, report, affidavit, or other document submitted under the chapter. It should be noted that similar language already applies to foreign corporations under AS 10.05.675(5). The provision of Sec. 519(a)(6) ties into AS 10.05.777 providing for interrogatories by the commissioner, and also will complement AS 10.05.783, providing that it is a misdemeanor to fail to answer truthfully such interrogatories. It should be noted that the amendments to SB 112 provide, in addition, that a domestic corporation may be involuntarily dissolved, if it is 30 days delinquent in filing a notice of change of an office, director, alien affiliate, or five percent shareholder.

Sec. 6 (AS 10.05.615(5)). This section requires that a foreign corporation, in applying for a certificate of authority to do business in Alaska, must give a code indicating the primary business activity of the corporation. See, Sec. 2 discussion. It should be noted that more than one code might apply to the operations of a corporation.

Sec. 15 (AS 10.05.825(20)). The definition of "person" is greatly expanded to include joint ventures, companies (i.e., unincorporated businesses), firms, societies, and estates. There may be some difficulty in applying this definition on a case-by-case basis. See, Sec. 14 for further discussion.

Sec. 16 (AS 10.05.825(22)). A new definition is provided for "alien" in an attempt to clean up the language of AS 10.05.702(8) and 825 (18). In addition, a definition of "state" is provided although I am not sure that it is needed.

Sec. 17. This section establishes the effective date of the bill as January 1, 1981. However, if the division is to be ready to process the additional corporate report data coming in at that time, additional personnel should be in place and familiar with the operation. I recommend that the effective date of the bill should be July 1, 1981.

In addition to the above comments, I would recommend that the definition of the "commissioner" be amended to mean "the commissioner of commerce and economic development or his designee." In this way the investigative responsibilities required by the bill can be handled directly by the division similar to the investigations conducted by the division in administering the Alaska Securities Act and the Alaska Uniform Lands Sales Practices Act.

Furthermore, at present, AS 10.05 does not prohibit an entity from holding itself out as a corporation when, in fact, it is not a domestic corporation or registered as a foreign corporation doing business in the state. The division has been made aware of at least one example where the term "Inc." is used by a business in Anchorage when, in fact, it is not registered under AS 10.05. This misrepresentation is not in the best interest of the Alaskan public. I recommend that appropriate language be added to make it unlawful for one to hold themselves out as incorporated when, in fact, they are not.

My comments on this bill have been necessarily brief. Several similar provisions are also found in the amendments to SB 112. It is my hope that the provisions of the two bills can be made compatible. I stand ready to discuss the bill at the convenience of the committee.

JJB/sa5/2

ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 767
Title Act Relating to Disclosing Alien Affiliates
Requested by Resources Committee Date

II. FISCAL DETAIL
Agency Affected Commerce & Economic Development
Program Category Affected Consumer Protection
BRU, Program, or Subprogram(s) Affected Banking, Securities, Corporations
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81*	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES		37.0	74.0	75.0	75.0	76.0
200	TRAVEL		5.0	10.0	10.0	10.0	10.0
300	CONTRACTUAL		15.0	8.0	9.0	10.0	11.0
400	COMMODITIES		2.0	2.0	2.0	2.0	2.0
500	EQUIPMENT		5.0	-0-	-0-	-0-	-0-
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		64.0	94.0	96.0	97.0	99.0

FUNDING (Thousands of Dollars)

GENERAL FUND		64.0	94.0	96.0	97.0	99.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3	3	3	3	3
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The above figures are based on a number of assumptions: 1) that approximately 10% of the business corporations or 1000 corporations have foreign affiliates (the division is aware of approximately 500 that have filed alien affiliate information, however, because of the confusion raised by the language of AS 10.05.702(8) and 10.05.825(18) there may be at least another 500 corporations that should file); 2) that the division could send out letters of inquiry to corporations on file that have not filed alien affiliate information either on a selective basis or to all of them asking specific questions about alien affiliation; 3) that the division could in addition review the filings of upwards of 100 to 200 corporations with some amount of detail; 4) that in addition the division could investigate in more detail and pursue upwards of 20 corporations that either resist or otherwise require comprehensive investigative effort to gain the information required by the bill; 5) that a clear definition of "control" can be devised in the best interest of the reporting corporations and the division in conducting investigations;

IV. DATE 2/22/80 PREPARED BY Julius J. Brecht, Director
AGENCY Division of Banking & Securities
PHONE 465-2521

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

6) that the Department of Law can provide the legal support necessary to pursue discovery of corporate records located outside of the state and can demonstrate in actions brought in courts in other states that there exists sufficient control between the corporation doing business in Alaska and an affiliate once, twice, or more removed doing business in another country; 7) that the Department of Law would be responsible for its own expenses in supporting the division on the investigations.

The implementation of the program under the above assumptions would require a trained investigator, and two administrative/clerical people to process the filings and aid in investigations. The travel budget would be primarily for the investigator but also include allowances for witness travel for enforcement actions. The contractual budget includes provision for redesign and printing of forms and data processing revisions, maintenance, and operation of the on line data system with alien affiliate and other information required by the bill. The commodities/equipment budget would include necessities for the three new employees including a micro fiche reader.

* It should be pointed out that the division recommends that the bill become effective on July 1, 1980 rather than January 1, 1981. See, bill analysis. However, this fiscal note has been prepared using the January effective date.

STATE OF ALASKA

Inter-Department Route Slip

TO:
MAIL STATION NUMBER 3100

DEPARTMENT House of Representatives

ATTENTION House Resources Comm.

☐ Approval	☐ Note & Return
☐ Signature	☐ Initial & Return
☐ Comment	☐ Return As Requested
☐ Contact Me	☐ Return For Approval
☐ Prepare Reply	☐ Necessary Action
☐ For Your File	☐ Your Information

Remarks:

H.B 767

FROM:
MAIL STATION NUMBER 0800

DEPARTMENT Commerce + Econ. Dev.

BY D Cooke DATE 2/26/90

02-002 (REV.10/73)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 767
Title Act Relating to Disclosing Alien Affiliates
Requested by Resources Committee Date

II. FISCAL DETAIL
Agency Affected Commerce & Economic Development
Program Category Affected Consumer Protection
BRU, Program, or Subprogram(s) Affected Banking, Securities, Corporations
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81*	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES		37.0	74.0	75.0	75.0	76.0
200	TRAVEL		5.0	10.0	10.0	10.0	10.0
300	CONTRACTUAL		15.0	8.0	9.0	10.0	11.0
400	COMMODITIES		2.0	2.0	2.0	2.0	2.0
500	EQUIPMENT		5.0	-0-	-0-	-0-	-0-
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		64.0	94.0	96.0	97.0	99.0

FUNDING (Thousands of Dollars)

GENERAL FUND		64.0	94.0	96.0	97.0	99.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3	3	3	3	3
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The above figures are based on a number of assumptions: 1) that approximately 10% of th business corporations or 1000 corporations have foreign affiliates (the division is awa of approximately 500 that have filed alien affiliate information, however, because of th confusion raised by the language of AS 10.05.702(8) and 10.05.825(18) there may be at least another 500 corporations that should file); 2) that the division could send out letters of inquiry to corporations on file that have not filed alien affiliate information either on a selective basis or to all of them asking specific questions about alien affiliation; 3) that the division could in addition review the filings of upwards of 100 to 200 corporations with some amount of detail; 4) that in addition the division could investigate in more detail and pursue upwards of 20 corporations that either resist or otherwise require comprehensive investigative effort to gain the information required by the bill; 5) that a clear definition of "control" can be devised in the bes interest of the reporting corporations and the division in conducting investigations;

IV. DATE _____ PREPARED BY Julius J. Brecht, Director
AGENCY Division of Banking & Securities
PHONE 465-2521

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

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* It should be pointed out that the division recommends that the bill become effective on July 1, 1980 rather than January 1, 1981. See, bill analysis. However, this fiscal note has been prepared using the January effective date.

(9)

COMMITTEE REPORT

HOUSE

2/14/80

FURTHER:

Date: _____

Mr. Speaker:

The Committee on RESOURCES has had HB 767

"An Act relating to the disclosure of alien affiliates in Alaska businesses; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] same title

[ ] replace with CS for _____ [ ] new title

and recommends _____ _____

[ ] AND attaches a "Letter of I tent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

H 60 (Rev. 12/78)

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND... Session

HOUSE BILL ..... NO. 767

By THE RESOURCES COMMITTEE....

7463
Vanasse

"An Act relating to the disclosure of alien affiliates in Alaska businesses; and providing for an effective date."

Alien affiliates

Introduced in the House 2/14, 1980

HISTORY IN THE HOUSE

1980		
Feb.	14	Read first time and referred to Committee on Resources
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19		
		Read first time and referred to Committee on
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19		
		Received from Senate
		Reported correctly enrolled
		Sent to Governor
		..... By Governor
		Filed with Lt. Governor
		Chapter No. .....

31-002

HB

773

AGO 125399

3/11/80 Hearing & reported out with ~~all~~ "DO NOT PASS" recommendations except 1.

(9)

COMMITTEE REPORT

HOUSE

2/18/80

FURTHER:

Date: 3/11/80

Mr. Speaker:

The Committee on RESOURCES has had HB 773

"An Act requiring the Department of Revenue to compute and report average wholesale prices for Alaska salmon."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [✓] do not pass

[ ] do pass with attached amendments(s)

[✓] replace with CS for HB 773 [ ] same title [✓] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Alan Stevens

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Lyman D. Nutt DO NOT PASS
Scott Hutchison DO NOT PASS
Joe Quinn DO NOT PASS
Al Adams DO NOT PASS
Bill Hudson DO NOT PASS

Alan Austerman
CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB 773	3/7	In person (2300)	Dept. of Revenue, Denna Cline Will provide fiscal note	3/11
	3/7	3720	Rep. Gardiner, Sponsor	3/11
	3/7	586-2820	United Fishermen of Alaska will testify	3/11
	3/10	586-1324	Rick Lauber, Pacific Seafood Processors Assoc.	3/11

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 773
Title An Act requiring Department of Revenue to compute and report average
Requested by House Resources Comm. (wholesale prices for Alaska salmon.
Date: 3/4/80

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected Fiscal Services
BRU, Program, or Subprogram(s) Affected Audit Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES		3.7	4.0	4.2	4.5	4.9
200	TRAVEL						
300	CONTRACTUAL		.5	.5	.6	.6	.7
400	COMMODITIES		.1	.1	.1	.1	.1
500	EQUIPMENT		.3	.3	.3	.4	.4
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		4.6	4.9	5.2	5.6	6.1

FUNDING (Thousands of Dollars)

GENERAL FUND		4.6	4.9	5.2	5.6	6.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME		1	1	1	1	1
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memorandum to R. D. Stevenson dated 3/4/80.

IV. DATE March 4, 1980 PREPARED BY [signature]
AGENCY Department of Revenue, Audit Divis
PHONE 465-2320

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: March 4, 1980

FILE NO:

TELEPHONE NO.

SUBJECT: House Bill No. 773

FROM: Gary L. Jenkins
Director
Audit Division

This bill would reinstate a requirement which had existed in chapter 75 of Title 43 whereby the Department of Revenue would be required to obtain the average wholesale price of canned salmon for a 5-month period of each calendar year. The results of the survey would then be reported to the Legislature not later than the 60th day of each regular session. The bill would put this requirement in Title 44 of the statutes which lists other general authorities and responsibilities of the Department of Revenue.

One problem with the placement of this law in Title 44 would be that there would be no enforceable penalties that could be asserted for failure of a fish processor to supply the requested information. It is recommended that some type of a civil penalty be established to ensure that we are able to obtain the necessary information.

The implementation of this function will require the addition of a seasonal Tax Examiner for a 2-month period.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S – JUNEAU 99811

March 4, 1980

The Honorable Alvin Osterback
Co-Chairman
House Resources Committee
Room 118 - Capitol Building
Juneau, Alaska 99811

Dear Mr. Osterback:

Re: House Bill No. 773

House Bill No. 773, an Act requiring the Department of Revenue to compute and report average wholesale prices for Alaska salmon, was introduced in the House on February 18, 1980 and was referred to the House Resources Committee.

For the consideration of the House Resources Committee, I am enclosing a copy of a Fiscal Note prepared by Gary Jenkins, Director, Audit Division, Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson

R. D. Stevenson
Special Assistant

cc: The Honorable Bill Miles
Co-Chairman
House Resources Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Gary Jenkins, Director
Audit Division
Department of Revenue

04-D2LH

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: March 4, 1980

FILE NO.

TELEPHONE NO.

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: House Bill No. 773

This bill would reinstate a requirement which had existed in chapter 75 of Title 43 whereby the Department of Revenue would be required to obtain the average wholesale price of canned salmon for a 5-month period of each calendar year. The results of the survey would then be reported to the Legislature not later than the 60th day of each regular session. The bill would put this requirement in Title 44 of the statutes which lists other general authorities and responsibilities of the Department of Revenue.

One problem with the placement of this law in Title 44 would be that there would be no enforceable penalties that could be asserted for failure of a fish processor to supply the requested information. It is recommended that some type of a civil penalty be established to ensure that we are able to obtain the necessary information.

The implementation of this function will require the addition of a seasonal Tax Examiner for a 2-month period.

HB

784

Leng

AGO 125400

4/24/80 Reported Out as CS
w/ DO PASS

(9)

COMMITTEE REPORT

HOUSE

2/18/80

FURTHER: JUDICIARY

Date: 4/24/80

Mr. Speaker:

The Committee on RESOURCES has had HB 784
"An Act relating to the maximum length of salmon net vessels."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for HB 784 [ ] same title [ ] new title

and recommends DO PASS

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Maximum Length of Salmon Net Vessels.

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB 784			Rep. Nels Andersen, Sponsor United Fishermen of Alaska Dept. of Fish & Game Greg Cook, Exec. Dir. of Boards of Fisheries and Game to testify Commercial Fisheries Entry Commissi	4/24

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Maximum length of Salmon Net Vessels

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB 784	3/7	3738	Rep. Nels Andersen, Sponsor	3/14
	3/7	4100	Fish & Game	3/14
	3/7	586-2820	United Fishermen of Alaska Sharon Macklin, Exec Dir., to testify	3/14
	3/10	586-3301 or 789-9862	Bob Willand - [redacted] Alaska Native Brotherhood (will testify)	3/14
		586-3249	Ronald John, Seiner	
	3/10	———	Mtg. canceled for 3/14 - called UFA, Rep. Andersen, Bob Willand, Fish & Game	

Meeting Canceled

Original sponsor: Anderson

IN THE HOUSE BY THE RESOURCES COMMITTEE

CS FOR HOUSE BILL NO. 784

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the maximum length of salmon net vessels."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. LEGISLATIVE FINDINGS. The legislature finds that

(1) overly efficient harvest of salmon by net vessels is detrimental to future fishing seasons and to the equitable distribution of the fishery resources in fisheries with a limited number of units of gear and a limited total catch per season;

(2) the limitations on the length of salmon net vessels imposed by AS 16.05.835 are designed to prevent overefficiency in harvest while still allowing as many fishermen as possible to participate in the fishery safely and with optimum efficiency;

(3) the state waters north and west of a line running 225 degrees true through Cape St. Elias are particularly vulnerable to overharvest of salmon if the limitations on length of vessels included in AS 16.05.835 are not imposed.

* Sec. 2. AS 16.05.835 is amended to read:

Sec. 16.05.835. MAXIMUM LENGTH OF SALMON <u>NET</u> [SEINE] VESSELS. <u>(a)</u> No salmon seine vessel may be longer than 50 feet, official Coast Guard register length, [AND 58 FEET OVERALL LENGTH] except

<u>(1)</u> vessels that have fished for salmon with seines in waters of the state before January 1, 1962, as 50-foot, official Coast Guard register length vessels; <u>and</u>

<u>(2) vessels that fish for salmon with seines in the south-</u>

New CS (version reported out of Resources) is section (b) only - everything else deleted

eastern waters of the state only.

(b) No vessel used to fish for salmon with a gill net in the waters of the state within Bristol Bay may be longer than 32 feet, overall length. For the purposes of this section, "overall length" means the overall length of the hull excluding rollers used for deployment or retrieval of anchors or nets.

(c) In (a) of this section, "southeastern waters of the state" means the waters of the state south and east of a line running 225 degrees true through Cape St. Elias.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

BOARD OF FISHERIES/BOARD OF GAME
DEPARTMENT OF FISH AND GAME

SUBPORT BUILDING
JUNEAU, ALASKA 99801

TESTIMONY TO HOUSE RESOURCES COMMITTEE
ON CSHB 784
by
Gregory F. Cook, Executive Director
Boards of Fisheries and Game

The Board of Fisheries appreciates this opportunity to present testimony regarding the 32-foot boat limit for salmon fishing vessels in Bristol Bay.

In December 1979, the Board of Fisheries took action to repeal 5 AAC 06.341, effective December 31, 1981. This regulation had been the basis for the 32-foot limit in Bristol Bay. The Board's primary concern in taking this action was to allow fishermen to enhance their capability to improve the quality of fish delivered. The Board voted to not make this regulation effective until the 1982 fishing season in order to give individuals a chance to decide whether to change boat size and to acquire needed financing. In addition to allowing planning time for fishermen, this delay allows ship builders time for retooling.

Before making their decision the Board listened to extensive public testimony. The Board recognizes that this subject is highly emotional, yet it is important to analyze the issue as one of conservation and development of fishery resources. In all the testimony presented by Department biologists and the public, no real management purpose for the limit was described. On the other hand, there did seem to be valid arguments favoring repeal of the boat limit. These considerations, as noted above, centered on the need for improving the quality of fish sold from Bristol Bay and providing the means for this quality enhancement.

Several regulatory sessions of the Board of Fisheries are scheduled to occur before the repeal takes effect. If significant new evidence is presented to the Board showing a particular boat size to be uniquely advantageous, a new limit for the Bay could be enacted.

To summarize, the Board's action rests on these two premises: (1) the 32-foot boat limit does not significantly affect resource management in Bristol Bay; (2) removal of the limit will give fishermen greater flexibility to upgrade the quality of fish delivered in Bristol Bay and sold around the world.

HB 784

BRISTOL BAY NATIVE ASSOCIATION
P. O. BOX 169
DILLINGHAM, ALASKA 99576
PHONE (907) 842-3322

December 1, 1978

The Honorable Nels Anderson, Jr.
Representative
P.O. Box 234
Dillingham, Alaska 99576

Dear Representative Anderson:

At their regular November meeting, the Executive Committee of BBNA directed me to express their support of a 32-foot limitation for vessels participating in the salmon and herring fisheries in Bristol Bay.

As you know, many local people have already invested in 32-foot vessels because of the existing limitation in the salmon fishery; therefore, their investment must be protected. A 32-foot vessel can not successfully compete with a larger one; therefore an unfair burden would be placed on local people if larger boats were allowed to enter the Bristol Bay fisheries.

For these reasons, the Executive Committee supports the 32-foot limitation on vessels in Bristol Bay. Your support will be appreciated.

Sincerely yours,

BRISTOL BAY NATIVE ASSOCIATION, INC.

Kay E. Larson

(Mrs.) Kay E. Larson
Deputy Director

KEL/mc

TELEGRAM

[illegible] INC.
PHONE 586-6442
JUNEAU, AK 99802

#

02117 TDA SAND POINT ALASKA 25 03-04 1215P AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

THE PENINSULA MARKETING ASSOCIATION AND THE PURSE SEINERS OF THE PENINSULA ARE OPPOSED TO THE REMOVAL OF SIZE LIMIT ON 58 FOOT ALASKA LIMIT SEINERS.

DICK JACOBSEN, PRESENT

PENINSULA MARKETING ASSOCIATION

3991

WORK ORDER REQUEST FORM

No. 95

KEYWORDS: Fishing Vessel Lengths

Herring Waste

ASSIGNED TO Kreinheder

Froelich

REQUEST FOR: BILL ☐ RESOLUTION ☐ RESEARCH ☐ OTHER ☒

SUBJECT

7 called 2/28 to correct

REQUESTED FOR Rep. Osterback (cc to Halford) BY Sam Cotten EXT.

* DELIVER TO Osterback/Legal Services--Ken Vassar TAKEN BY Kreinheder

INSTRUCTIONS, EXPLANATIONS 1) Combine HB 784 and HCR 54, both relating to maximum fishing vessel lengths. Add section from HCR 54 which would maintain 58' seine limit for Kodiak, Aleutians, and western Alaska. 2) Write a letter of legislative intent to accompany the revised bill. 3) Review proposed CSHB 590, relating to herring to determine if bill would work and if necessary references to existing wanton waste statutes have been made.

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED ☐

AUTHORIZED TO CONFER WITH

RETURN

TO REQUESTER

APPROVED: Director, Legal Services

Director, Research

REVIEWED

IN 1:55 a.m. 2/20/80 DUE 2/29/80

TYPED - Draft DATE

Final DATE

PROOFED DELIVERED

SPECIAL INSTRUCTIONS TO TYPIST/PROOFREADER

DRAFT ☐ FINAL ☐

LA-L 10

HB 784

BRISTOL BAY NATIVE ASSOCIATION
P. O. BOX 179
DILLINGHAM, ALASKA 99576
PHONE (907) 842-3322

December 1, 1978

The Honorable Nels Anderson, Jr.
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P.O. Box 234
Dillingham, Alaska 99576

Dear Representative Anderson:

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For these reasons, the Executive Committee supports the 32-foot limitation on vessels in Bristol Bay. Your support will be appreciated.

Sincerely yours,

BRISTOL BAY NATIVE ASSOCIATION, INC.

Kay E Larson

(Mrs.) Kay E. Larson
Deputy Director

KEL/mc

HB784

P.O. Box 10159
Dillingham, Alaska 99576
April 11, 1979

Board of Fisheries
Alaska Department of Fish and Game
Subport Building
Juneau, Alaska 99811

Dear Sirs:

I understand that you are currently considering a repeal of the 32' limitation on vessel size for commercial salmon fishing use in Bristol Bay.

I hope you are not considering passing the repeal merely as a "favor" to Bristol Bay fishermen, without considering the long-term impacts you will be placing on the fishermen of Bristol Bay.

When I first thought of the repeal, I said "Why not?" I only thought of the comfort of fishing in a larger vessel. Now, after serious consideration, I believe that the repeal would not be in the best interest of the most numerous and typical Bristol Bay fishermen.

Probably the greatest impact the repeal would have in Bristol Bay would be the less fishing time the fishermen will face in the future.

The current fishing fleet of Bristol Bay is the most highly efficient fleet the salmon fishery has ever faced in history. We have seen the birth of the newer and faster fiberglass vessels in the Bay. The more compact and powerful engines, along with the hydraulic systems, the power reels and rollers, have led to the greater efficiency. We have also seen radars, depth fathometers and fish finders, along with the new "Loran C" installed in more and more of the vessels.

Probably the single factor which has most dramatically increased the efficiency of the Bristol Bay fleet in recent years has been the introduction of the "brailer system" of delivery. Soon, the days will vanish when the salmon are peughed singly from the vessels onto the tenders. The salmon are now handled by the hundreds in brails, dramatically cutting down the delivery time of fishermen, increasing their harvesting capability.

With the introduction of larger vessels in Bristol Bay, the efficiency of the fleet will increase even more dramatically. The main reason being that the larger vessels would be able to accomodate a larger number of crew members capable of "picking clean" 150 fathoms of gillnet full of fish in much less time than the usual two crewmembers you would find on most vessels in the Bay today. With the larger vessels, more space would become available for crew members to sleep in, move about in the cabin, and "pick" fish.

I have heard that if the repeal is passed, captains would immediately order larger vessels, and then hire low salaried college students from outside to help them "pick" their nets faster. I have also heard that more and more fishermen would take family members out fishing as crew members.

The purpose of having a larger number of crew members is to effectively "pick and clean" 150 fathoms of gillnet as soon as possible, so that the cleaned net could be set out again, catching more fish within a twelve hour period, especially if the fishing is heavy.

Another reason the efficiency of the fleet will be increased if larger vessels were allowed in the Bay is because the larger vessels would be able to accomodate more gallery supplies and fuel, allowing them to fish for extended periods, especially when the fishing is not heavy.

The efficiency of the fleet will also become apparent during the king season on the Nushagak River, noted for its king runs. The king salmon "run" up the river during high winds, and are commonly known as rough water fish. If larger vessels are introduced into Bristol Bay, they would be more capable of taking a larger number of king salmon since the larger vessels would be able to fish in more severe weather than the 32' vessels. While the 32' vessels must seek shelter during rough weather, the larger vessels could be harvesting more kings.

This same "pattern" of greater harvesting capability for larger vessels will also develop with the silver salmon season in Bristol Bay. The silver salmon, like the kings, "run" in rough weather also.

Probably the greatest advantage large vessel owners would have over 32' vessel owners will be felt in the red salmon season during rough weather. Weather in the Bay is highly unpredictable. There are seasons frequent with "bad" weather, and seasons with relatively calm weather. If there is a 30 to 35 mph wind present within the Bay during heavy red runs, the 32' vessels would be able to only harvest up to 1,500 reds to keep on the safe side. Yet, the larger vessels would be able to "take on" more reds in rough weather. Once again, the larger vessels would have an advantage over the smaller 32' vessels.

I strongly believe that the local Commercial Fisheries Division will seriously consider the efficiency and harvesting capability of the fishing fleet when the Department calls for an opening within the emergency order period. Instead of providing a twelve hour period to the fleet, the Department could very well begin granting six hour periods because of the increased harvesting capability of the fleet, and concern of the Department to obtain the needed escapement.

I am concerned that the Department could very well being imposing restrictions on the fishing time allowed to fishermen during the king season also. With more boats harvesting more kings, reds, and silvers, I am sure the Department will be more concerned about obtaining their escapement.

I believe that the greatest hardship that will be felt in Bristol Bay will be placed upon the hundreds of setnetters in the Bay. The setnetters of the Bay will be greatly impacted if the efficiency of the fleet is dramatically increased by the introduction of larger vessels. There are times when the setnetters "catch" reds moving into the beach, and if the efficiency of the fleet is substantially increased, it means less salmon moving into the beach to be caught by the setnetters.

Setnetting in Bristol Bay is not always profitable, especially during the bleak years. The increased efficiency of the fleet by the introduction of larger vessels would certainly mean less salmon for setnetters. Larger vessels would "scoop up" salmon schools near setnet sites in less time, affecting the amount of salmon to be caught and income to be made by the setnetters.

The statement that most fishermen in Bristol Bay will not begin purchasing larger vessels if the 32' limitation was repealed, must be closely considered. The passage of the Commercial Fishing Loan Program by the State Legislature has opened up an attractive and effective financing resource for the fishermen in Bristol Bay. The impact of the loan program has been far reaching, much greater impact is expected if the loan program receives additional funds.

The fishermen of Bristol Bay currently recognize the advantages of having a wider, higher, and more powerful 32' vessel. If one were to examine the type of vessels a number of highliners at the Columbia Wards Fisheries cannery in Ekuk have ordered, one would find that the vessels are higher, wider, and usually are accompanied by a more powerful and compact engine. One fishermen in Bristol Bay has recently ordered a 14' wide 32' vessel which will have a twin screw of 3208 Cats to power the vessel. I am sure wider vessels are being ordered in the Naknek/Kvichak River also.

The statement that the efficiency of the fleet will not be increased if larger than 32' vessels were introduced into the Bay must be carefully considered. The question of why more and more highliners are purchasing higher and wider vessels clearly reflects the greater holding capacity the fishermen would like to have in their vessels.

Once the fishermen of Bristol Bay being realizing the greater efficiency and harvesting capabilities of the larger vessels, they will immediately seek financial resources to purchase larger vessels, and if the loan program is reactived, they will take full advantage of the program.

In terms of the larger vessels providing benefits to fishermen interested in participating in the new emerging bottomfisheries in the Bering Sea, the only place they would probably use their larger vessels would be in the Togiak/Kulukak Bay herring fishery. For the fishermen of Bristol Bay to fully participate in the high seas bottomfisheries in the Bering Sea, they would need 100' to 150' vessels, which cannot be effectively used in the shallow based gillnet salmon fishery.

I have even heard that a number of the smaller purse seine vessels participating in the Togiak/Kulukak Bay herring fishery were more successful in the purse seine fishery than the larger vessels. I have heard directly from the Department of Fish and Game that one 28' vessel in the fishery was one of the highliners. I see the capability of Bristol Bay 32' vessels effectively competing in the herring fishery.

Another long-term impact which could result in Bristol Bay if larger vessels were permitted would be the possible request and granting of an extension to the lower limit line of fishing districts, especially in Nushagak and Naknek/Kvichak River districts.

As more and more larger vessels are introduced into the Bay, more fishermen will being "pushing" for an extension of the lower limit lines because with deeper draft vessels, such fishermen will say that the lower limit should be extended for safety reasons. The Bristol Bay fishing districts consists of much shallow water and sand bars, and the fishermen with larger vessels would want to fish in deeper water for safety reasons.

If the lower limit is extended, it would be the numerous setnetters and skiff fishermen who would be adversely affected by the extension. The larger vessels would be able to fish further out, catching the salmon as they move up the river systems.

Salmon stocks steadily "move" up the fishing districts; with many of the early stocks of salmon being caught at the lower limits. This situation exists within the Nushagak River, and,

without question, the larger vessels will have the most advantage of benefiting from an extended lower limit.

I have also heard that many of the "upriver" villagers would benefit from utilizing larger vessels for hauling oil and grubstakes during the fall. I believe this statement should be closely examined also. The river system to many of the upriver communities in Bristol Bay pose serious shallow water routes, and I am sure many of the villagers would not "rush into" purchasing larger vessels for hauling cargo to the villages.

I also believe that the Board of Fisheries must consider the physical situation of Bristol Bay, and consider the impacts expected with larger vessels existing in the Bay. Currently, a number of the canneries in Bristol Bay are facing serious storage facilities for their fishermen and vessels. The Peter Pan cannery in Dillingham was "forced" to deny the winter storage of vessels for a number of fishermen, resulting in the fishermen having to store their vessels outside facing the elements. If larger vessels are introduced, the storage problem will be compounded, and those fishermen who cannot afford to construct private warehouses will have to store their vessels outisde with little protection from vandalism. A number of vessels were recently vandalized in the Dillingham Boat Harbor because many of the fishermen had no place to store their vessels.

Consideration should also be given to the size of Dillingham Boat Harbor, the only man-made harbor in Bristol Bay which plays an important role to the protection of hundreds of vessels on the Nushagak River. If larger than 32' vessels were to being parking in the harbor, immediate work would need to be done to enlarge the harbor, otherwise the safety of many boats in the Nushagak River will become jeopardized.

I have heard that a number of fishermen who participate in the Togiak/Kulukak herring fishery with vessels larger than 32', and have purchased a Bristol Bay drift gillnet salmon permit have urged the passage of the repeal for the 32' limitation, so they can conveniently enter the Bristol Bay salmon fishery without purchasing a 32' vessel.

In conclusion, I believe that the introduction of larger vessels will solely benefit those fishermen who purchase or currently own larger vessels, and will certainly not benefit the 32' boat fishermen, skiff fisheries, and setnetters of Bristol Bay.

I urge you to vote against the repeal for the 32' limitation, and consider the number of fishermen it will adversely affect in Bristol Bay.

I hope you fathom my concerns.

Sincerely yours,

Andrew Golia

Back-Up Info on HB 784

Bristol Bay — A Report to the Alaska Board of Fisheries

By Greg Cook, Exec. Dir. of Bds of Fish & Game

Data Gathered April — Dec. 1979

INTRODUCTION

In December of 1978, the Lower Bristol Bay Advisory Committee proposed repeal of the 32-foot limit on salmon fishing vessels in Bristol Bay. 5 AAC 06.341. The Board tabled that proposal for further study. This report is based on a visit to Bristol Bay made in April, 1979, at the direction of the Board of Fisheries. The visit was made by Greg Cook, Executive Director of the Boards of Fisheries and Game. A total of 337 resident Bristol Bay fishermen were contacted in 15 villages. Also, the Western Alaska Cooperative Fishermen's Marketing Association, Jim McConnell, president of the Dillingham branch of the National Bank of Alaska, and several cannery managers were interviewed.

Public meetings were held in 15 different villages. Advance notice for the meetings was provided by Kay Larson of the Bristol Bay Native Association and Radio Station KDLG. I took minutes at each meeting and notes of each individual's testimony are on file in Juneau for inspection.

Meetings were conducted in the following manner: A statement of the issue was given, then the floor was opened for discussion. Translators were necessary in several villages. Each time a translator was needed, one local resident was able to serve in that capacity. I tried to summarize the arguments on each side of the issue when discussions seemed to be over. This often made people aware of more points of view and stimulated a renewal of discussion. This report is a product of those meetings.

VILLAGE BY VILLAGE SUMMARY

1. Dillingham; April 23; 20 people contacted; all opposed to changing the limit.

2. Togiak; April 24; 31 people contacted; all opposed to changing the limit.

3. Twin Hills; April 24; 30 people contacted; all opposed to changing the limit.

4. Manakotak; April 24; 27 people contacted; all opposed to changing the limit.

5. South Naknek; April 25; 12 people contacted; 11 people opposed to changing the limit, 1 favored the change.

6. North Naknek; 37 people contacted; all opposed to changing the limit.

7. Egegik; April 26; 32 people contacted; 30 opposed to changing the limit, 2 favored to changing to 36 feet.

8. Pilot Point; April 27; 14 people contacted; 7 people favored eliminating the limit, 3 opposed, 4 silent.

9. Port Heiden; April 27; 25 people contacted; all favored changing to 36 feet, but nothing larger.

10. Kokhanok; April 28; 9 people contacted; 7 opposed to the change, 2 favored changing (facetious).

11. Iliamna; April 28; 7 people contacted; all opposed to changing the limit.

12. New Halen; 26 people contacted; all opposed to changing the limit.

13. Koliganek; April 29; 29 people contacted; all opposed to changing the limit.

14. New Stuyahok; April 30; 24 people contacted; all opposed to changing the limit.

15. Ekwok; May 1; 14 people contacted; all opposed to changing the limit.

CONCLUSION

The controversy over the 32-foot limit is often emotional. Arguments on each side encompass social and economic, as well as biological issues. Much of the thinking is necessarily conjectural since vessels larger than 32-feet have never yet participated in the Bristol Bay salmon fishery. Judging from the intensity of the participation in the public meetings that form the basis of this report, the Board's decision on 5 AAC 06.341 will be closely watched by all Bristol Bay fishermen.

The vast majority of Bristol Bay resident fishermen who were contacted during the April, 1979, Board of Fisheries survey, strongly oppose any change in the 32-foot limit regulation. The biggest single reason expressed for their opposition was the anticipated effect that such a change would have on income distribution in Bristol Bay. Local resident fishermen are convinced that bigger boats would lead to a few rich operators profiting to the detriment of the majority of fishermen. "The rich will get richer and the poor will get poorer."

A recurring theme in the villages was fear of purse seine gear being introduced in the Bay. Allowing larger boats was seen as the first step towards allowing seine gear, moving fishing district boundary lines farther seaward, and eventually over-fishing and depleting the resource.

Support for changing the 32-foot limit was found exclusively on the Alaska Peninsula. Residents of Port Heiden favor a new limit of 36-foot vessels. They want slightly bigger boats for greater comfort and safety in rough weather. They do not advocate bringing in vessels larger than 36-feet. Residents of Pilot Point strongly advocate removal of any size limit whatsoever. They argue that this would enable fishermen to present a higher quality product during the salmon season, permit entry into other fisheries without necessitating purchase of a second vessel, and encourage true entrepreneurs.

SUMMARY OF ARGUMENTS FAVORING REPEAL OF THE 32-FOOT LIMIT

-- More efficient, carry more crew, gas and food, spend more time fishing and less time making deliveries, going for gas, etc.

-- Greater safety in rough weather.

-- Better ability to fish king salmon. Kings are a rough weather fish in Bristol Bay.

-- Increased comfort. Port Heiden people in particular feel this desire since they travel further than other Bristol Bay residents in order to reach an open fishing district.

-- Could be used in other areas of Alaska where 32-foot boats are inappropriate.

-- Could be used for other fisheries such as bottomfish, crab, herring.

-- More room would give space for a slush ice machine. This would encourage delivery of a higher quality product, allow for watertight compartments, and enable the fishermen to spread the fish out more so that they wouldn't get "squished."

-- Fishermen are now independent; there's no need to be tied to a cannery's apron strings either by history or because of canneries' unwillingness to renovate their storage facilities and docks.

-- Professional fishermen should have the latitude to develop as rapidly as they wish. "Laissez-faire" is the best approach.

-- 32-feet is too small to be versatile.

-- Greater fuel efficiency.

-- Financing would be easy at a rate of 4 3/4 percent interest (contact Alec Griechen for his loan source).

-- When people have big boats, canneries will build facilities to accommodate them.

-- It's cheaper to have one boat to use in all fisheries.

SUMMARY OF ARGUMENTS OPPOSED TO CHANGING THE 32-FOOT LIMIT

-- Puts 32-foot boats at a competitive disadvantage. Rich people will buy the bigger boats and get richer, poor people will end up with less fishing time and less fish.

-- Inability of small boats to fish as long before needing to resupply.

-- Would make Bristol Bay more attractive to outsiders since they could then use their bigger boats in Bristol Bay. This would result in outsiders buying out the limited entry permits held by local Bay residents.

-- 32-foot boats are fine for fishing herring. To say the bigger boats would be useful in bottom fishing is specious; no boat can fish the shallow water where the salmon run and at the same time be versatile enough to fish out on the high seas where the bottomfish are.

-- The Bay is too shallow for deep draft boats.

-- Deep draft boats can't go up the rivers. Villagers would be disadvantaged since upriver people would need a second boat in order to haul their supplies and travel up and down the river. While repealing the 32-foot limit would make one boat practical for outsiders, it would necessitate two boats for upriver people if they wanted to remain competitive.

-- A decrease in fishing time for small boats would result since larger vessels could take on more fish in rough weather and harvest the allowable catch quicker.

-- People in the villages can't afford bigger boats; they have no collateral for loans and banks just laugh at them when they try to get loans based on fishing ability. Upriver villages have an especially difficult time securing financing.

-- The Commercial Fisheries Entry Commission has studied the possibility of buying back permits in Bristol Bay and bigger boats would mean they'd buy back more permits.

-- 32-foot vessels now adequately harvest 100 percent of the resource. The real problem is inadequate processing capacity.

-- Shorter openings would result (because the fleet would be more efficient). This would hurt setnetters, 32-foot boat fishermen, and skiff fishermen.

-- Could lead to requests for changing the fishing boundary limits, thereby increasing the fishing pressure on mixed stocks.

-- There are not storage facilities adequate to accommodate larger vessels over winter. Existing storage facilites are already overcrowded and inadequate. Harbors are only designed for 32-foot vessels. More dredging would be required in Dillingham, the only harbor in Bristol Bay. Docks are old and cannot support the extra weight that bigger boats would require. Booms and hoists are barely adequate for lifting existing 32-foot boats; larger vessels would be too heavy for this equipment.

-- Fear that seiners would return to the Bay's salmon fishery.

-- Management of the fishery would be harder in weak years if efficiency of the fleet increases. For example, in one twelve hour period, 70 percent of the total allowable catch for a weak run year can now be taken.

-- Shorter openings would make problems for setnetters who really need a full tidal cycle in order to work their nets.

-- Salmon is the sole basis for the economy in Bristol Bay; few alternative employment opportunities exist.

-- There would be a serious decline in the value of existing 32-foot vessels.

-- There is no good reason for change; management is good now with the 32-foot boats.

-- New boats would just mean fishing harder to pay off the vessel; there would be no real increase in income for fishermen who only fish salmon.

-- Bigger boats will get a higher percentage of the fish available and leave less for the small boats who are even more income dependent on the fishery.

-- Larger boats would fish the kings harder; king returns are now strong.

-- Larger boats would want more fathoms of gear.

-- Canneries already have trouble processing in peak years. Changes in delivery patterns that would result from larger vessels could prove chaotic.

-- Bigger boats might mean that canneries would cease buying from some small operators since they could receive all the fish they could process from a more limited number of fishermen.

-- Bigger boats will mean a higher dropout rate as gill nets are hauled higher to reach the deck.

-- overcapitalization

-- It would complicate deliveries to salmon scows. Vessels tie up one behind the other and skiffs tied up to 50-foot boats tied up to skiffs will cause problems.

-- The Bristol Bay fishery is just now getting to the point where all the locals can really make a living from the fishery. Why should the Board change the fishery to benefit outsiders?

-- Fear of shorter openings.

-- Bristol Bay residents rarely own limited entry permits for other fisheries. They would have a hard time amortizing the investment in a larger boat since they would not be able to fish other areas of Alaska where limited entry has been instituted.

-- Small boats won't be able to compete with bigger, more stable boats in rough weather.

-- Who will want to buy 32-foot boats that are owned now if 36-foot or 40-foot boats with greater efficiency are allowed?

-- The 32-foot limit acts to equalize competition between skiff fishermen and big boats.

-- Bad-weather-and-fishermen's-strikes-are-the-prime-contributors-to escapement. If bigger boats are allowed to fish, this will complicate management.

-- A decrease in the amount of money made by locals will increase the number of locals that have to go on welfare and BIA assistance.

-- Larger vessels will mean an unequal rate of drift; this will result in more gear conflicts among drifters.

-- Big money will buy up the limited entry permits and more local people will end up sitting on the beach. Kids in the villages who don't have permits and who might benefit from an increase in the number of limited entry permits will never get them if an increase in boat size is allowed. A greater investment is required for a bigger boat. Village children who are potential beneficiaries of an increase in the number of permits will not get this opportunity if bigger boats become the norm.

-- Any change in size will act to frustrate the goal of limited entry: limiting the ability to take.

-- Entry into the fishery will be so expensive that it will become a virtual recreational fishery for doctors and lawyers.

-- All the support facilities of canneries are geared to 32-foot boats: hydraulics, docks, storage, parts inventories. Change will mean canneries will have to make massive capital investments.

-- Bristol Bay Borough could lose an important part of its tax base if boats are no longer stored in the Borough on the day that taxes are assessed.

-- Increased interception by Alaska Peninsula people and Sand Point people.

-- It will increase the number of requests for more gear types.

-- It will result in enforcement problems in the area since big boats could overnight there.

-- Outsiders on big boats will be able to fish continuously during the openings; small boats must deliver and lose fishing time.

-- Longer boats won't necessarily mean they will be any less beamy.

LETTER OF INTENT

HOUSE RESOURCES COMMITTEE

CSHB 784

The House Resources committee is reporting out CSHB 784 because it embodies the best possible salmon fishing vessel length limitations for all waters of the state and for both seine and gillnet vessels.

It is the intent of the committee to protect the salmon resources of the state, as well as the equitable distribution thereof, by maintaining the 58-foot salmon seine vessel length limit in the northern and western waters of the state. The nature of the resource in these waters, the historic participation patterns, and local factors such as availability of larger vessels and the desires of fishermen all require that the 58-foot limit be continued for these waters. The committee recognizes that length limitations on salmon seine vessels pre ent over-efficiency of harvest which results in shorter seasons and concentration of limited seasonal catches among few fishermen, i.e., those who can afford the bigger boats. These factors and considerations do not exist or apply with respect to the salmon resources and seine fisheries in other parts of the state as they do in the northern and western waters.

It is also the intent of the committee to perpetuate the historic 32-foot overall length limit on Bristol Bay gillnet vessels, which has previously been imposed only by regulation. This limit is desirable not only for the reasons mentioned regarding the seine vessel limit, but also because of the unique characteristics of Bristol Bay itself which make 32 feet the most efficient, as well as the safest, limit for gillnet vessels.

_____

Representative Osterback
Co-Chairman

HOUSE RESEARCH AGENCY
Pouch Y - State Capitol
Juneau, Alaska 99811
465-3991

MEMORANDUM February 29, 1980

TO: Ken Vassar
Legislative Counsel

FROM: Peter B. Froehlich
House Research Agency

RE: Fishing Vessel Length (HB 784 and HCR 54)

At the request of Representative Osterback, I am forwarding to you a copy of a proposed CSHB 784 which is the result of combining HB 784 with HCR 54. Also attached is a draft letter of intent which explains some of the rationale behind the bill.

Please contact me if you have any questions.

PBF/dp

cc: Representative Osterback
Representative Halford

HOUSE RESEARCH AGENCY
Pouch Y - State Capitol
Juneau, Alaska 99811
465-3991

MEMORANDUM February 29, 1980

TO: Representative Alvin Osterback
Co-Chairman House Resources Committee

FROM: Peter B. Froehlich
House Research Agency

RE: Fishing Vessel Length (HB 784 and HCR 54) and Herring (proposed CS for HB 590)
Research Request No. 95

You recently asked this agency 1) to combine HB 784 and HCR 54 concerning fishing vessel length; 2) to write a letter of intent to accompany the revised bill; and 3) to review HB 590 concerning herring.

I have attached to this memorandum a proposed CS for HB 784 in response to request number 1) and a draft letter of intent in response to request number 2). Copies of the bill and letter also have been sent to Ken Vassar, Legislative Counsel, as you requested. Please note that the proposed CS for HB 784 includes a section entiteld "legislative findings" which states largely the same considerations as does the draft letter of intent. Because findings adopted by the entire legislature are of more weight than a letter of intent from one committee, you might consider whether, in your view, a letter is necessary or desirable.

I have also reviewed the proposed CS for HB 590 concerning herring. In my view, the bill would "work," in the sense that it would allow herring stripping and carcass disposal in the area described, notwithstanding existing AS 16.10.172 and 16.10.173.

Several observations and alternatives on drafting approach come to mind, however. First, in order to achieve codification of CSHB 784 in the Alaska Statutes, it could be drafted to amend AS 16.10.172 by adding the two subsections in Section 1 of the bill. This approach would be even more desirable for Section 2 of the bill which could be drafted to amend AS 16.10.173. The simplest approach to Section 2 of the bill would be to merely amend AS 16.10.173(e) by changing the January 1, 1979, cut-off date and, if desired, also the geographic description "Bering Sea (including bays, sounds, estuaries, and water of the state) north of 56° north latitude." In fact, it would be possible to accomplish the apparent purpose of proposed CSHB 590 by this means alone, omitting Section 1 and Sections 2(a) and (c).

In conclusion, the proposed CS bill is not in conflict with any "wanton waste" statute since the only statute on that subject (former AS 16.05.830) was repealed by ch. 73 SLA 1968. The only statutes with which consistency must be considered are AS 16.10.172 and AS 16.10.173 relating to herring specifically.

If any further questions arise on these matters, please contact me.

PF/dp

cc: Representative Halford

Introduced: 2/18/80
Referred Resources and
Judiciary

IN THE HOUSE BY RESOURCES

CS FOR HOUSE BILL NO. 784

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the maximum length of salmon net vessels."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

Section 1. LEGISLATIVE FINDINGS. The legislature finds that

(1) overly efficient harvest of salmon by net vessels is detrimental to future fishing seasons and to the equitable distribution of the fishery resources in fisheries with a limited number of units of gear and a limited total catch per season;

(2) the limitations on the length of salmon net vessels imposed by AS 16.05.835 are designed to prevent over-efficiency in harvest while still allowing as many fishermen as possible to participate in the fishery safely and with optimum efficiency;

(3) the state waters north and west of a line running 225 degrees true through Cape St. Elias are particularly vulnerable to overharvest of salmon if the limitations on length of vessels included in AS 16.05.835 are not imposed.

Section 2. AS 16.05.835 is amended to read:

Sec. 16.05.835. MAXIMUM LENGTH OF SALMON NET [SEINE] VESSELS. (a) No salmon seine vessel may be longer than 50 feet, official Coast Guard register length, AND 58 FEET OVERALL LENGTH except

(1) vessels that have fished for salmon with seines in waters of the state before January 1, 1962, as 50-foot, official Coast Guard register length vessels; and

(2) vessels that fish for salmon with seines in the southeastern waters of the state only.

(b) No vessel used to fish for salmon with a gill net in the waters of the state within Bristol Bay may be longer than 32 feet, overall length. For the purposes of this section overall length means the straight line measurement between the extremities of the hull proper.

(c) In (a) of this section, "southeastern waters of the state" means the waters of the state south and east of a line running 225 degrees true through Cape St. Elias.

HB784
G. Cook
ADF&G

THE 32' LIMIT IN BRISTOL BAY

A REPORT TO THE

ALASKA BOARD OF FISHERIES

BY

GREG COOK, EXECUTIVE DIRECTOR

BOARDS OF FISHERIES AND GAME

Data Gathered In

April and December, 1979

HISTORICAL BACKGROUND

present controversy over methods and means of taking salmon in stol Bay emerges from a unique historical context. The passage that ows is excerpted from The Silver Fleece: An Economic Study of the stol Bay Region, April, 1958, Alaska Rural Development Board.

decline in numbers of fish has forced changes in methods of opera- n and the type of gear used. The early gill net boats were 25-foot umbia River double enders with a centerboard and a spirit sail. se boats were operated by two men--a netter and a boat puller. dually, the design of the boats improved, and in 1922 the first ered boats were brought into the Bay. The same year saw the opera- n of the first purse seiners in the area. These two developments ved to be extremely efficient fish catching devices, and Federal ulating authorities could foresee danger to the runs if they were mitted to become established. In addition, the cannery operators lized that their tight control over the fishery might be destroyed by e introduction of outside seiners and the power boats. As a result, tion was immediate and regulations were issued forbidding the use of rse seiners and power boats in Bristol Bay.

nce the sailboat was less maneuverable and much slower than the power ats, it was much less efficient in finding and catching fish. The sire to catch more fish eventually caused the canneries to seek ways d means of circumventing the restriction on power boats. The monkey at was the answer. This boat was essentially a tow boat which could e on to half a dozen or more sailboats and tow them to the fishing ounds. Thus rapid moves could be made by the sailboats and they came almost as mobile and efficient as power boats. Realizing that e purpose of the "sailboat only" regulation was being defeated by the nneries, the Fish and Wildlife Service removed this restriction in 1, permitting power boats up to 32 feet in length to operate in the y.

th the advent of power, a major economic revolution has been occurring Bristol Bay. Prior to 1951, private ownership of fishing boats and ear was almost unknown. The canneries owned the boats and gear and ired fishermen to man them, usually bringing the great majority from ie states. Locally hired fishermen were very much in the minority.

ie introduction of power boats provided a compact, efficient fishing chine that was not financially out of reach for a number of the more gressive local fishermen. The advantages of private ownership were mediately apparent to the fishermen, especially since the independent erators received considerably more for their fish than did the company shermen. As a result, the number of privately owned boats in the Bay, pecially on the Nushagak, has increased each year since 1951. This vement toward independent operation of fishing boats has greatly ncreased the bargaining power of the local people. They have become an nsistent voice at the annual hearings held by the Fish and Wildlife rvice to determine regulatory measures. In addition, as more local eople are able to become independent of a large cannery, they are able o come to much more equitable terms on the price of fish. As a result, he increase in independent fishermen has had far reaching effects on he Bristol Bay economy.

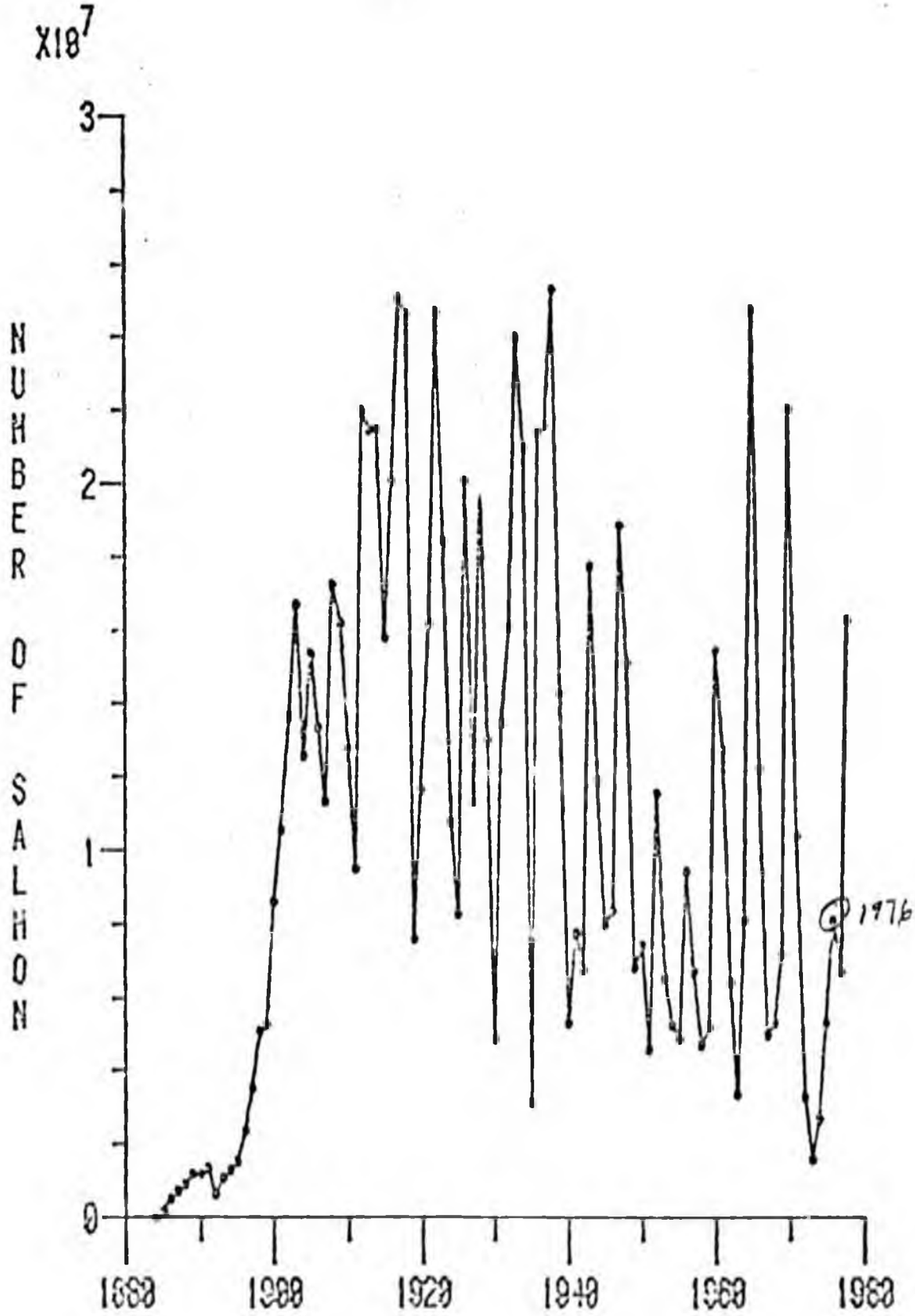
ECONOMIC INFORMATION

Data obtained from CFEC show the average price paid for Bristol Bay drift gill net entry permits. In 1975, those permits averaged $1,165; by 1978, the average price paid for a Bristol Bay limited entry permit was $21,638. Data are also available which show the average income of individuals who participated in the Bristol Bay drift gill net fishery. The average fisherman sampled in the CFEC survey earned 98 percent of his gross fishing income from salmon drift gillnetting; 77 percent of the total Bristol Bay drift gill net fleet grossed under $20,000 in 1976. See attached graph to assess the relative strength of the 1976 harvest.

One consideration in evaluating these data is the rapid rate of inflation which all Alaskans have experienced from 1976 until the present. Inflation at the present time is estimated to be in the neighborhood of 14 percent a year. Although 1976 was a weak year for red salmon, it was a high year for chums. Pink salmon in Bristol Bay are an even year fish so the pink salmon income component was significant in 1976. An additional factor which should be taken into consideration is the rise in prices paid for all salmon products since 1976.

In 1976, approximately 31 million sockeye were harvested in Bristol Bay. One and one-half million king salmon, three million pinks, eight and one-half million chums, and 100,000 coho.

Source: February, 1979 CFEC Summary
of Cost and Net Return Information
for the Bristol Bay Drift Gillnet Fishery



BRISTOL BAY COMMERCIAL SALMON HARVEST, 1884–1978.

From "The 32' Limit in Bristol Bay – A Report to the Alaska Board of Fisheries" By Greg Cook, Exec. Dir. of Bds of Fish & Game

Data Gathered April – Dec. 1979

INTRODUCTION

In December of 1978, the Lower Bristol Bay Advisory Committee proposed repeal of the 32-foot limit on salmon fishing vessels in Bristol Bay. 5 AAC 06.341. The Board tabled that proposal for further study. This report is based on a visit to Bristol Bay made in April, 1979, at the direction of the Board of Fisheries. The visit was made by Greg Cook, Executive Director of the Boards of Fisheries and Game. A total of 337 resident Bristol Bay fishermen were contacted in 15 villages. Also, the Western Alaska Cooperative Fishermen's Marketing Association, Jim McConnell, president of the Dillingham branch of the National Bank of Alaska, and several cannery managers were interviewed.

Public meetings were held in 15 different villages. Advance notice for the meetings was provided by Kay Larson of the Bristol Bay Native Association and Radio Station KDLG. I took minutes at each meeting and notes of each individual's testimony are on file in Juneau for inspection.

Meetings were conducted in the following manner: A statement of the issue was given, then the floor was opened for discussion. Translators were necessary in several villages. Each time a translator was needed, one local resident was able to serve in that capacity. I tried to summarize the arguments on each side of the issue when discussions seemed to be over. This often made people aware of more points of view and stimulated a renewal of discussion. This report is a product of those meetings.

VILLAGE BY VILLAGE SUMMARY

1. Dillingham; April 23; 20 people contacted; all opposed to changing the limit.

2. Togiak; April 24; 31 people contacted; all opposed to changing the limit.

3. Twin Hills; April 24; 30 people contacted; all opposed to changing the limit.

4. Manakotak; April 24; 27 people contacted; all opposed to changing the limit.

5. South Naknek; April 25; 12 people contacted; 11 people opposed to changing the limit, 1 favored the change.

6. North Naknek; 37 people contacted; all opposed to changing the limit.

7. Egegik; April 26; 32 people contacted; 30 opposed to changing the limit, 2 favored to changing to 36 feet.

8. Pilot Point; April 27; 14 people contacted; 7 people favored eliminating the limit, 3 opposed, 4 silent.

9. Port Heiden; April 27; 25 people contacted; all favored changing to 36 feet, but nothing larger.

10. Kokhanok; April 28; 9 people contacted; 7 opposed to the change, 2 favored changing (facetious).

11. Iliamna; April 28; 7 people contacted; all opposed to changing the limit.

12. New Halen; 26 people contacted; all opposed to changing the limit.

13. Koliganek; April 29; 29 people contacted; all opposed to changing the limit.

14. New Stuyahok; April 30; 24 people contacted; all opposed to changing the limit.

15. Ekwok; May 1; 14 people contacted; all opposed to changing the limit.

CONCLUSION

The controversy over the 32-foot limit is often emotional. Arguments on each side encompass social and economic, as well as biological issues. Much of the thinking is necessarily conjectural since vessels larger than 32-feet have never yet participated in the Bristol Bay salmon fishery. Judging from the intensity of the participation in the public meetings that form the basis of this report, the Board's decision on 5 AAC 06.341 will be closely watched by all Bristol Bay fishermen.

The vast majority of Bristol Bay resident fishermen who were contacted during the April, 1979, Board of Fisheries survey, strongly oppose any change in the 32-foot limit regulation. The biggest single reason expressed for their opposition was the anticipated effect that such a change would have on income distribution in Bristol Bay. Local resident fishermen are convinced that bigger boats would lead to a few rich operators profiting to the detriment of the majority of fishermen. "The rich will get richer and the poor will get poorer."

A recurring theme in the villages was fear of purse seine gear being introduced in the Bay. Allowing larger boats was seen as the first step towards allowing seine gear, moving fishing district boundary lines farther seaward, and eventually over-fishing and depleting the resource.

Support for changing the 32-foot limit was found exclusively on the Alaska Peninsula. Residents of Port Heiden favor a new limit of 36-foot vessels. They want slightly bigger boats for greater comfort and safety in rough weather. They do not advocate bringing in vessels larger than 36-feet. Residents of Pilot Point strongly advocate removal of any size limit whatsoever. They argue that this would enable fishermen to present a higher quality product during the salmon season, permit entry into other fisheries without necessitating purchase of a second vessel, and encourage true entrepreneurs.

SUMMARY OF ARGUMENTS FAVORING REPEAL OF THE 32-FOOT LIMIT

-- More efficient, carry more crew, gas and food, spend more time fishing and less time making deliveries, going for gas, etc.

-- Greater safety in rough weather.

-- Better ability to fish king salmon. Kings are a rough weather fish in Bristol Bay.

-- Increased comfort. Port Heiden people in particular feel this desire since they travel further than other Bristol Bay residents in order to reach an open fishing district.

-- Could be used in other areas of Alaska where 32-foot boats are inappropriate.

-- Could be used for other fisheries such as bottomfish, crab, herring.

-- More room would give space for a slush ice machine. This would encourage delivery of a higher quality product, allow for watertight compartments, and enable the fishermen to spread the fish out more so that they wouldn't get "squished."

-- Fishermen are now independent; there's no need to be tied to a cannery's apron strings either by history or because of canneries' unwillingness to renovate their storage facilities and docks.

-- Professional fishermen should have the latitude to develop as rapidly as they wish. "Laissez-faire" is the best approach.

-- 32-feet is too small to be versatile.

-- Greater fuel efficiency.

-- Financing would be easy at a rate of 4 3/4 percent interest (contact Alec Griechen for his loan source).

-- When people have big boats, canneries will build facilities to accommodate them.

-- It's cheaper to have one boat to use in all fisheries.

SUMMARY OF ARGUMENTS OPPOSED TO CHANGING THE 32-FOOT LIMIT

-- Puts 32-foot boats at a competitive disadvantage. Rich people will buy the bigger boats and get richer, poor people will end up with less fishing time and less fish.

-- Inability of small boats to fish as long before needing to resupply.

-- Would make Bristol Bay more attractive to outsiders since they could then use their bigger boats in Bristol Bay. This would result in outsiders buying out the limited entry permits held by local Bay residents.

-- 32-foot boats are fine for fishing herring. To say the bigger boats would be useful in bottom fishing is specious; no boat can fish the shallow water where the salmon run and at the same time be versatile enough to fish out on the high seas where the bottomfish are.

-- The Bay is too shallow for deep draft boats.

-- Deep draft boats can't go up the rivers. Villagers would be disadvantaged since upriver people would need a second boat in order to haul their supplies and travel up and down the river. While repealing the 32-foot limit would make one boat practical for outsiders, it would necessitate two boats for upriver people if they wanted to remain competitive.

-- A decrease in fishing time for small boats would result since larger vessels could take on more fish in rough weather and harvest the allowable catch quicker.

-- People in the villages can't afford bigger boats; they have no collateral for loans and banks just laugh at them when they try to get loans based on fishing ability. Upriver villages have an especially difficult time securing financing.

-- The Commercial Fisheries Entry Commission has studied the possibility of buying back permits in Bristol Bay and bigger boats would mean they'd buy back more permits.

-- 32-foot vessels now adequately harvest 100 percent of the resource. The real problem is inadequate processing capacity.

-- Shorter openings would result (because the fleet would be more efficient). This would hurt setnetters, 32-foot boat fishermen, and skiff fishermen.

-- Could lead to requests for changing the fishing boundary limits, thereby increasing the fishing pressure on mixed stocks.

-- There are not storage facilities adequate to accommodate larger vessels over winter. Existing storage facilites are already overcrowded and inadequate. Harbors are only designed for 32-foot vessels. More dredging would be required in Dillingham, the only harbor in Bristol Bay. Docks are old and cannot support the extra weight that bigger boats would require. Booms and hoists are barely adequate for lifting existing 32-foot boats; larger vessels would be too heavy for this equipment.

-- Fear that seiners would return to the Bay's salmon fishery.

-- Management of the fishery would be harder in weak years if efficiency of the fleet increases. For example, in one twelve hour period, 70 percent of the total allowable catch for a weak run year can now be taken.

-- Shorter openings would make problems for setnetters who really need a full tidal cycle in order to work their nets.

-- Salmon is the sole basis for the economy in Bristol Bay; few alternative employment opportunities exist.

-- There would be a serious decline in the value of existing 32-foot vessels.

-- There is no good reason for change; management is good now with the 32-foot boats.

-- New boats would just mean fishing harder to pay off the vessel; there would be no real increase in income for fishermen who only fish salmon.

-- Bigger boats will get a higher percentage of the fish available and leave less for the small boats who are even more income dependent on the fishery.

-- Larger boats would fish the kings harder; king returns are now strong.

-- Larger boats would want more fathoms of gear.

-- Canneries already have trouble processing in peak years. Changes in delivery patterns that would result from larger vessels could prove chaotic.

-- Bigger boats might mean that canneries would cease buying from some small operators since they could receive all the fish they could process from a more limited number of fishermen.

-- Bigger boats will mean a higher dropout rate as gill nets are hauled higher to reach the deck.

-- overcapitalization

-- It would complicate deliveries to salmon scows. Vessels tie up one behind the other and skiffs tied up to 50-foot boats tied up to skiffs will cause problems.

-- The Bristol Bay fishery is just now getting to the point where all the locals can really make a living from the fishery. Why should the Board change the fishery to benefit outsiders?

-- Fear of shorter openings.

-- Bristol Bay residents rarely own limited entry permits for other fisheries. They would have a hard time amortizing the investment in a larger boat since they would not be able to fish other areas of Alaska where limited entry has been instituted.

-- Small boats won't be able to compete with bigger, more stable boats in rough weather.

-- Who will want to buy 32-foot boats that are owned now if 36-foot or 40-foot boats with greater efficiency are allowed?

-- The 32-foot limit acts to equalize competition between skiff fishermen and big boats.

-- Bad-weather-and-fishermen's-strikes-are-the-prime-contributors-to escapement. If bigger boats are allowed to fish, this will complicate management.

-- A decrease in the amount of money made by locals will increase the number of locals that have to go on welfare and BIA assistance.

-- Larger vessels will mean an unequal rate of drift; this will result in more gear conflicts among drifters.

-- Big money will buy up the limited entry permits and more local people will end up sitting on the beach. Kids in the villages who don't have permits and who might benefit from an increase in the number of limited entry permits will never get them if an increase in boat size is allowed. A greater investment is required for a bigger boat. Village children who are potential beneficiaries of an increase in the number of permits will not get this opportunity if bigger boats become the norm.

-- Any change in size will act to frustrate the goal of limited entry: limiting the ability to take.

-- Entry into the fishery will be so expensive that it will become a virtual recreational fishery for doctors and lawyers.

-- All the support facilities of canneries are geared to 32-foot boats: hydraulics, docks, storage, parts inventories. Change will mean canneries will have to make massive capital investments.

-- Bristol Bay Borough could lose an important part of its tax base if boats are no longer stored in the Borough on the day that taxes are assessed.

-- Increased interception by Alaska Peninsula people and Sand Point people.

-- It will increase the number of requests for more gear types.

-- It will result in enforcement problems in the area since big boats could overnight there.

-- Outsiders on big boats will be able to fish continuously during the openings; small boats must deliver and lose fishing time.

-- Longer boats won't necessarily mean they will be any less beamy.

APPENDICES

Photos - Bristol Bay

Resolutions (Ekwok, Twin Hills, Bristol Bay Borough)

Direct Correspondence (Golia, Bristol Bay Native Association)

ALSO AVAILABLE FOR INSPECTION:

1) Bristol Bay Biography, Ken Middleton, November 30, 1961

2) The Silver Fleece: An Economic Study of the Bristol Bay Region
Alaska Rural Development Board, April, 1958

3) "Towards Computerized Fisheries Management in Bristol Bay", Alaska Geographic, Bristol Bay Region, Vol. 5, #3, p. 75

BRISTOL BAY BOROUGH
BOX 189
NAKNEK, ALASKA 99633

COMMISSIONER'S OFFICE
RECEIVED
JUN 22 1979
DEPARTMENT OF FISH AND GAME

7/9

RESOLUTION NO. 79-7

A RESOLUTION REQUESTING THE STATE OF ALASKA'S BOARD OF FISH AND GAME NOT TO ALLOW AN INCREASE IN THE SIZE OF COMMERCIAL FISHING BOATS WITHIN BRISTOL BAY.

THE BOROUGH OF BRISTOL BAY, ALASKA RESOLVES:

WHEREAS, the people of Bristol Bay depend on the Salmon fishing for their livelihood and,

WHEREAS, currently no commercial fishing boat used for salmon fishing within Bristol Bay can exceed 32 feet in length and,

WHEREAS, allowing larger commercial fishing boats within the Bristol Bay fishery would deprive residents of their livelihood and,

WHEREAS, any changes in the allowable length of commercial fishing boats within the Bristol Bay would create undue economic hardship on the people of Bristol Bay.

THEREFORE BE IT RESOLVED that the Bristol Bay Borough Assembly hereby requests the Alaska Board of Fisheries, the Alaska Department of Fish and Game and the Division of Commercial Fisheries to restrict all Commercial Fishing Boats used in the harvest of all fish within Bristol Bay to a maximum length of thirty two (32) feet.

BE IT FURTHER RESOLVED that copies of this Resolution shall be sent to Governor Jay S. Hammond, Senator George Hohman, Representative Nels Anderson, Commissioner Department of Fish and Game, Director, Division of Commercial Fisheries, and members of the Alaska Board of Fish & Game.

Passed this 18th day of June, 1979.

Mayor

ATTEST:

Borough Clerk

RESOLUTION OF THE VILLAGE OF EKWOK

Date: 4/8/79
Time 3 O'clock
Place: V.C. House

Members present:

Phillip Akelkok, President
Tom Nelson, Vice-President
Luki Akelkok, Treasurer
Juanita Hurley, Secretary
Fred Hurley, Member
Wm. Hurley, Member

Members absent:
Alex Nelson
Mike Acouvak

Guests:
Tom Hurley
John Nickolai
John Yukluk
Robert Nelson

The meeting was called to order by Phillip Akelkok, their was talk on the repeal of the 32 ft. boats as to where we stood.

The Village of Ekwok is against bigger boats, all the fisherman of Ekwok are staying with 32 ft. boats.

A motion was made by Tom Hurley that as spokesman in behalf of the fisherman, they are all for staying with 32 ft. boats.

Seconded by Tom Nelson

Motion carried.

The resolution was discussed as to whether we want to go through as assistance through B.B.N.A. or B.I.A..
The vote was 6 for it and 1 against.

Discussed the phone hours, from 9-5 was agreed upon.

Discussed Board member for B.B.A.H.C.

Floor was opened for nominations for board members. a motion was made by Tom -Nelson that Jim Hurley be rep. for meetings.

Seconded by John Yukluk. Motion carried.

Fred Hurley was nominated for alternate by John Yukluk.

Seconded by Tom Nelson. Motion carried

Meeting adjourned.

WE THE UNDERSIGNED RESIDENTS OF TWIN HILLS HEREBY OPPOSE THE REPEAL OF THIRTY TWO (32) FOOT LIMITATION IN BRISTOL BAY.

Moses Toyukak Sr.
Robert N. John Sr.
Doris Akaran
Andrew Victor
Henry J. Pleasant Sr.
Lillian M. Pleasant
Raymond Moore
Annie John
Fritz Sharp
Daniel Sharp
Kathleen W. Sharp
Nettie P. Fullerton
Sam Fullerton
John Charles Hunt
Teresa A. Mark
Louie Small
Rose Small
Katie Moore
Julius Pleasant
George Kuku
Mary Kuku
Sadie Kuku
Walter Kuku
Ernest John
Henry J. Pleasant Jr.
Grace Akakaguk
Julia M. Pleasant
Mary John
Lucy M. Sharp
Dora Nicholai

7. Fishing in Bristol Bay is highly intense. We can process fish on our vessels only if fishing is slow.

4/19/79

P.O. Box 10159
Dillingham, Alaska 99576
April 11, 1979

Board of Fisheries
Alaska Department of Fish and Game
Subport Building
Juneau, Alaska 99811

Dear Sirs:

I understand that you are currently considering a repeal of the 32' limitation on vessel size for commercial salmon fishing use in Bristol Bay.

I hope you are not considering passing the repeal merely as a "favor" to Bristol Bay fishermen, without considering the long-term impacts you will be placing on the fishermen of Bristol Bay.

When I first thought of the repeal, I said "Why not?" I only thought of the comfort of fishing in a larger vessel. Now, after serious consideration, I believe that the repeal would not be in the best interest of the most numerous and typical Bristol Bay fishermen.

Probably the greatest impact the repeal would have in Bristol Bay would be the less fishing time the fishermen will face in the future.

The current fishing fleet of Bristol Bay is the most highly efficient fleet the salmon fishery has ever faced in history. We have seen the birth of the newer and faster fiberglass vessels in the Bay. The more compact and powerful engines, along with the hydraulic systems, the power reels and rollers, have led to the greater efficiency. We have also seen radars, depth fathometers and fish finders, along with the new "Loran C" installed in more and more of the vessels.

Probably the single factor which has most dramatically increased the efficiency of the Bristol Bay fleet in recent years has been the introduction of the "brailer system" of delivery. Soon, the days will vanish when the salmon are peughed singly from the vessels onto the tenders. The salmon are now handled by the hundreds in brails, dramatically cutting down the delivery time of fishermen, increasing their harvesting capability.

With the introduction of larger vessels in Bristol Bay, the efficiency of the fleet will increase even more dramatically. The main reason being that the larger vessels would be able to accomodate a larger number of crew members capable of "picking clean" 150 fathoms of gillnet full of fish in much less time than the usual two crewmembers you would find on most vessels in the Bay today. With the larger vessels, more space would become available for crew members to sleep in, move about in the cabin, and "pick" fish.

I have heard that if the repeal is passed, captains would immediately order larger vessels, and then hire low salaried college students from outside to help them "pick" their nets faster. I have also heard that more and more fishermen would take family members out fishing as crew members.

The purpose of having a larger number of crew members is to effectively "pick and clean" 150 fathoms of gillnet as soon as possible, so that the cleaned net could be set out again, catching more fish within a twelve hour period, especially if the fishing is heavy.

Another reason the efficiency of the fleet will be increased if larger vessels were allowed in the Bay is because the larger vessels would be able to accomodate more gallery supplies and fuel, allowing them to fish for extended periods, especially when the fishing is not heavy.

The efficiency of the fleet will also become apparent during the king season on the Nushagak River, noted for its king runs. The king salmon "run" up the river during high winds, and are commonly known as rough water fish. If larger vessels are introduced into Bristol Bay, they would be more capable of taking a larger number of king salmon since the larger vessels would be able to fish in more severe weather than the 32' vessels. While the 32' vessels must seek shelter during rough weather, the larger vessels could be harvesting more kings.

This same "pattern" of greater harvesting capability for larger vessels will also develop with the silver salmon season in Bristol Bay. The silver salmon, like the kings, "run" in rough weather also.

Probably the greatest advantage large vessel owners would have over 32' vessel owners will be felt in the red salmon season during rough weather. Weather in the Bay is highly unpredictable. There are seasons frequent with "bad" weather, and seasons with relatively calm weather. If there is a 30 to 35 mph wind present within the Bay during heavy red runs, the 32' vessels would be able to only harvest up to 1,500 reds to keep on the safe side. Yet, the larger vessels would be able to "take on" more reds in rough weather. Once again, the larger vessels would have an advantage over the smaller 32' vessels.

I strongly believe that the local Commercial Fisheries Division will seriously consider the efficiency and harvesting capability of the fishing fleet when the Department calls for an opening within the emergency order period. Instead of providing a twelve hour period to the fleet, the Department could very well begin granting six hour periods because of the increased harvesting capability of the fleet, and concern of the Department to obtain the needed escapement.

shorter openings

I am concerned that the Department could very well being imposing restrictions on the fishing time allowed to fishermen during the king season also. With more boats harvesting more kings, reds, and silvers, I am sure the Department will be more concerned about obtaining their escapement.

I believe that the greatest hardship that will be felt in Bristol Bay will be placed upon the hundreds of setnetters in the Bay. The setnetters of the Bay will be greatly impacted if the efficiency of the fleet is dramatically increased by the introduction of larger vessels. There are times when the setnetters "catch" reds moving into the beach, and if the efficiency of the fleet is substantially increased, it means less salmon moving into the beach to be caught by the setnetters.

Setnetting in Bristol Bay is not always profitable, especially during the bleak years. The increased efficiency of the fleet by the introduction of larger vessels would certainly mean less salmon for setnetters. Larger vessels would "scoop up" salmon schools near setnet sites in less time, affecting the amount of salmon to be caught and income to be made by the setnetters.

The statement that most fishermen in Bristol Bay will not begin purchasing larger vessels if the 32' limitation was repealed, must be closely considered. The passage of the Commercial Fishing Loan Program by the State Legislature has opened up an attractive and effective financing source for the fishermen in Bristol Bay. The impact of the loan program has been far reaching, much greater impact is expected if the loan program receives additional funds.

The fishermen of Bristol Bay currently recognize the advantages of having a wider, higher, and more powerful 32' vessel. If one were to examine the type of vessels a number of highliners at the Columbia Wards Fisheries cannery in Egegik have ordered, one would find that the vessels are higher, wider, and usually are accompanied by a more powerful and compact engine. One fisherman in Bristol Bay has recently ordered a 14' wide 32' vessel which will have a twin screw of 320B Cats to power the vessel. I am sure wider vessels are being ordered in the Naknek/Kvichak River also.

The statement that the efficiency of the fleet will not be increased if larger than 32' vessels were introduced into the Bay must be carefully considered. The question of why more and more highliners are purchasing higher and wider vessels clearly reflects the greater holding capacity the fishermen would like to have in their vessels.

Once the fishermen of Bristol Bay being realizing the greater efficiency and harvesting capabilities of the larger vessels, they will immediately seek financial resources to purchase larger vessels, and if the loan program is reactived, they will take full advantage of the program.

In terms of the larger vessels providing benefits to fishermen interested in participating in the new emerging bottomfisheries in the Bering Sea, the only place they would probably use their larger vessels would be in the Togiak/Kulukak Bay herring fishery. For the fishermen of Bristol Bay to fully participate in the high seas bottomfisheries in the Bering Sea, they would need 100' to 150' vessels, which cannot be effectively used in the shallow based gillnet salmon fishery.

I have even heard that a number of the smaller purse seine vessels participating in the Togiak/Kulukak Bay herring fishery were more successful in the purse seine fishery than the larger vessels. I have heard directly from the Department of Fish and Game that one 28' vessel in the fishery was one of the highliners. I see the capabilit, of Bristol Bay 32' vessels effectively competing in the herring fishery.

Another long-term impact which could result in Bristol Bay if larger vessels were permitted would be the possible request and granting of an extension to the lower limit line of fishing districts, especially in Nushagak and Naknek/Kvichak River districts.

As more and more larger vessels are introduced into the Bay, more fishermen will being "pushing" for an extension of the lower limit lines because with deeper draft vessels, such fishermen will say that the lower limit should be extended for safety reasons. The Bristol Bay fishing districts consists of much shallow water and sand bars, and the fishermen with larger vessels would want to fish in deeper water for safety reasons.

If the lower limit is extended, it would be the numerous setnetters and skiff fishermen who would be adversely affected by the extension. The larger vessels would be able to fish further out, catching the salmon as they move up the river systems.

Salmon stocks steadily "move" up the fishing districts; with many of the early stocks of salmon being caught at the lower limits. This situation exists within the Nushagak River, and,

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

[illegible] larger vessels will have the most advantage from an extended lower limit.

I have also heard that many of the "upriver" villagers [illegible] purchasing larger vessels for hauling oil [illegible] during the fall. I believe this statement should be closely examined also. The river system to many of the upriver communities in Bristol Bay pose serious shallow water hazards, and I am sure many of the villagers would not "rush into" purchasing larger vessels for hauling cargo to the villages.

I also believe that the Board of Fisheries must consider the physical situation of Bristol Bay, and consider the impacts associated with larger vessels existing in the Bay. Currently, a number of the canneries in Bristol Bay are facing serious storage facilities for their fishermen and vessels. The Peter Pan cannery in Dillingham was "forced" to deny the winter storage of vessels for a number of fishermen, resulting in the fishermen having to store their vessels outside facing the elements. If larger vessels are introduced, the storage problem will be compounded, and those fishermen who cannot afford to construct private warehouses will have to store their vessels outside with little protection from vandalism. A number of vessels were recently vandalized in the Dillingham Boat Harbor because many of the fishermen had no place to store their vessels.

Consideration should also be given to the size of Dillingham Boat Harbor, the only man-made harbor in Bristol Bay which plays an important role to the protection of hundreds of vessels on the Nushagak River. If larger than 32' vessels were to being parking in the harbor, immediate work would need to be done to enlarge the harbor, otherwise the safety of many boats in the Nushagak River will become jeopardized.

I have heard that a number of fishermen who participate in the Togiak/Kulukak herring fishery with vessels larger than 32', and have purchased a Bristol Bay drift gillnet salmon permit have urged the passage of the repeal for the 32' limitation, so they can conveniently enter the Bristol Bay salmon fishery without purchasing a 32' vessel.

In conclusion, I believe that the introduction of larger vessels will solely benefit those fishermen who purchase or currently own larger vessels, and will certainly not benefit the 32' boat fishermen, skiff fisheries, and setnetters of Bristol Bay.

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

I urge you to vote against the repeal for the 32' limitation, and consider the number of fishermen it will adversely affect in Bristol Bay.

I hope you fathom my concerns.

Sincerely yours,

Andrew Golia

Andrew Golia

cc: BOF 4/19/79 mtg

Val N. Angasan
P.O. Box 89
Dillingham, Alaska 99576

April 24, 1979

Mr. Greg Cook, Executive Director
Alaska Board of Fisheries
Alaska Department of Fish and Game
Subport Building
Juneau, Alaska 99811

Dear Mr. Cook:

Re: Opinion of 32' vessel length
in Bristol Bay

I would like to express my opinion on two proposals which would have repealed the 32-foot keel length regulation on Bristol Bay salmon drift gillnet vessels. First of all, qualifications are in order.

I have commercially fished salmon on the beach in Bristol Bay from 1957 to 1967, ten years. I have commercially fished salmon on a drift gillnet vessel in Bristol Bay from 1968 to the present, ten years. I do have a permanent commercial fisheries entry permit (which I have earned), and intend to use the permit until I transfer it to my son. I grew up in a fishing village which is in the heart of the Bristol Bay salmon fishery, South Naknek. Over the years, I have done nothing but listened and learned from elderly fishermen who resided in California, Oregon, Washington, and Alaska. I, for one, have the utmost respect for the professional fishermen who have fished in Bristol Bay, even before I was born.

As I stated before, the people of Bristol Bay are natural conservationists. When the typical Bristol Bay resident feels that a resource has become over-harvested, he would discontinue harvesting. I strongly feel that if the Bristol Bay residents were the only ones extracting the living fish and game resources, there would be absolutely no need for any regulatory authority in Bristol Bay. Since the fish and game resources in Alaska belong to the people of Alaska, we have regulatory authorities and many individuals participating in the harvests. I am thankful that you have taken the time to visit the people whom your Board's decisions most affect. It has been said before, and I am sure you have found out that the economy of Bristol Bay is based on its fishery industry.

Today, most Bristol Bay residents are thankful for the North Pacific Fisheries Management Council and the Alaska Board of Fisheries for practicing conservative management in the past and turning over the harvest of salmon to the U.S. residents. In the last three or four years the local reputation of the Alaska Department of Fish and Game has improved tremendously.

Finally, the fishing associations and the ADF & G are talking to each other. I belong to the Alaska Independent Fishermen's Marketing Association. The AIFMA has decided to assess themselves $17.50 per 50 fathoms for research and development. In the near future, I can see the ADF & G presenting proposals to AIFMA for which to futhur assist them with their management goals.

I think realistically that if the Alaska Board of Fisheries repeals the 32-foot keel length, not only will the Republican Administration be hurting themselves politically, but also the reputation of sound management and public relations of the Alaska Board of Fish, resulting in ADF & G's reputation falling back about 25 years. I think you will probably have an uprise in Bristol Bay. Why? Because we have a healthy fishery. If the Alaska Board of Fish does things like making the fishery too efficient to shorten our fishing time, you will see an uprise in Bristol Bay. When a commercial fishery becomes too efficient, the fishing is no longer a people fishery. As a result of the shorter fishing periods, the distribution of income will change drastically. Some people will make it, and some will not. I am sure you are aware of past and present management practices of the Alaska Board of Fish which have resulted in a very small group of fishermen benefiting, and many others not. I hate to see the old English tradition of class society come to Bristol Bay; the very rich and the very poor. I hope not, and do not think that this is the intent of our State and Federal Governments. Now at least we have a haphazard people fishery. To repeal the 32' keel length would have the same effect as putting more gear in the water. I don't think any sensible fishermen would want the effects of more gear in the water.

I think that if a few people can change the destiny of the Bristol Bay people, then something is drastically wrong and will have to be changed.

I think that the legislature went far enough by enacting a limited entry law and excluding many future Bristol Bay fishermen. I think the people are tired of having a few people telling them what to do and what not to do.

One final statement, I believe that if the Alaska Board of Fish repeals the 32-foot keel length, it would be contrary to the intent of the legislature when they enacted the limited entry law.

Sincerely yours,

Val N. Angasan

VNA:ls

cc: Alaska Board of Fish Members
The Honorable Governor Jay S. Hammond
The Honorable Representative Nels A. Anderson , Jr. House Majority Leader
The Honorable Representative Terry Gardiner, House Speaker
The Alaska Fisherman News
Trefon Angasan, Sr., Father
Kay E. Larson, Deputy Director, Bristol Bay Native Association
Comm. Office
Comm. Fish

Editor's note. — The repealed section derived from § 27, art. I, ch. 94, SLA 1959.

Sec. 16.05.831. Waste of salmon. (a) It is unlawful for a person to waste salmon intentionally, knowingly, or with reckless disregard for the consequences. In this section, "waste" means the failure to utilize the majority of the carcass, excluding viscera and sex parts, of salmon which are to be

(1) sold to a commercial buyer or processor;

(2) utilized for consumption by humans or domesticated animals; or

(3) utilized for scientific, educational, or display purposes.

(b) The commissioner may authorize other uses of salmon upon request if he finds that to do so would be consistent with maximum and wise use of the resource.

(c) A person who violates this section or a regulation adopted under it is punishable by a fine of not more than $10,000, or by imprisonment for not more than six months, or by both. In addition, a person who violates this section is subject to a civil action by the state for the cost of replacing the salmon wasted. (§ 3 ch 89 SLA 1975; § 3 ch 99 SLA 1975)

Editor's note. — This section is set out as it appears in ch. 99, SLA 1975. Chapters 89 and 99, SLA 1975, are virtually identical except that ch. 99 contains a § 5, providing for an effective date of the act.

Section 1, chs. 89 and 99, SLA 1975, provides, in subsection (b): "It is the intent of sec. 3 of this Act to control the waste of salmon resources."

HB784

Sec. 16.05.835. Maximum length of salmon seine vessels. No salmon seine vessel may be longer than 50 feet, official Coast Guard register length, and 58 feet overall length except vessels that have fished for salmon with seines in waters of the state before January 1, 1962, as 50-foot, official Coast Guard register length vessels. (§ 1 ch 252 SLA 1970)

Sec. 16.05.840. Fishway required. If the commissioner considers it necessary, every dam or other obstruction built by any person across a stream frequented by salmon or other fish shall be provided by that person with a durable and efficient fishway and a device for efficient passage for downstream migrants. The fishway or device or both shall be maintained in a practical and effective manner in the place, form and capacity the commissioner approves, for which plans and specifications shall be approved by the department upon application to it. The fishway or device shall be kept open, unobstructed, and supplied with a sufficient quantity of water to admit freely the passage of fish through it. (§ 30 art I ch 94 SLA 1959)

Sec. 16.05.850. Hatchery required. If a fishway over a dam or obstruction is considered impracticable by the commissioner because of cost, the owner of the dam or obstruction, in order to compensate for the loss resulting from the dam or obstruction shall, at his option: (1)

LA61 2794 17.23 JA01 0103 17.23 02/28/00

TO ALL MEMBERS OF THE HOUSE RESOURCES COMMITTEE:
REPRESENTATIVES..ALVIN OSTERBACK, BILL MILES, FRED ZHAROFF, PATRICK CARNEY, SAMUEL COTTEN, CHAT CHATTERTON, JOHN FULLER, RICHARD ELIASON, RICHARD HALFORD

I AM IN FAVOR OF RETAINING THE SEINE VESSEL LENGTH AS IT IS AT PRESENT ON KODIAK ISLAND. THE REPEALING OF THIS LAW WOULD SPELL DISASTER TO THE BAY SEINE AND GILLNET FISHERIES THAT ARE THE MAINSTAY OF KODIAKS' SALMON FISHERY.

PLEASE INCLUDE KODIAK IN ANOTHER TELECONFERENCE REGARDING THIS MATTER.

LEON FRANCISCO

PLEASE SEND A COPY OF THIS MESSAGE TO SENATOR BOB MULCAHY AS WELL..T.J.

9
Leave length Vessel

CSHB 784

HB

791

(9)

COMMITTEE REPORT

HOUSE

FURTHER:

2/18/80

Date: _____

Mr. Speaker:

The Committee on RESOURCES has had HB 791

"An Act repealing the prohibition of the use of a drum or reel in the operation of a purse seine for taking fish; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

_____

_____

_____

_____
CHAIRMAN

H 60 (Rev. 12/78)

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

HOUSE BILL NO. 791

By GARDINER

"An Act repealing the prohibition of the use of a drum or reel in the operation of a purse seine for taking fish; and providing for an effective date."

Prohibition use of drum or reel for taking fish

Introduced in the House 2/18 , 19 60

HISTORY IN THE HOUSE

19 80

Feb. 18 Read first time and referred to Committee on

Resources

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed

Signed by Speaker

Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19 Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed

Signed by President

Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19 Received from Senate

Reported correctly enrolled

Sent to Governor

By Governor

Filed with Lt. Governor

Chapter No.

Petersburg Vessel Owners Association
P. O. Box 232 Phone 772-4793
Petersburg, Alaska 99833

April 14, 1980

The Honorable Terry Gardiner
Speaker of Alaska House of Representatives
State Capitol
Juneau, Alaska 99811

Dear Representative Gardiner:

Our organization would like to go on record as being opposed to HB 791, the act repealing the prohibition the use of a drum for purse seining.

Respectfully yours,

PETERSBURG VESSEL OWNERS ASSOCIATION

Jean A. Curry

Jean A. Curry, Secretary

cc: House Resource Committee
Representative Osterback
Representative Haugen
Senator Tillion

HB
811

(9)

COMMITTEE REPORT

HOUSE

2/12/80

FURTHER:

Date: _____

Mr. Speaker:

The Committee on RESOURCES has had HB 511

"An Act relating to price disputes between fishermen and fish processors; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[✓] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____ CHAIRMAN

H 60 (Rev. 12/78)

HB 811
Price Disputes-Fishermen & Processors

AGO 125402

3/11/80 Hearing & Reported out with all "DO PASS"

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB 811	3/7	2701	Dept. of Labor Glen Lundell, Deputy Commissioner and Ed Orbeck, Commissioner to testify	3/11
	3/7	586-7820	United Fishermen of Alaska	3/11
	3/10	586-1324	Rich Lauber, Pacific Seafood Processors Assoc.	3/11

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER

P. O. BOX 1149
JUNEAU, ALASKA 99811

February 29, 1980

Ms. Mary Levan
Administrative Assistant
House Resources Committee
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Ms. Levan:

Please find attached a Position Paper and Fiscal Note for House Bill 811, "An Act relating to price disputes between fishermen and fish processors..." If you schedule a hearing on the bill, I would appreciate being notified so that a representative may attend.

Thank you for the opportunity to comment.

Sincerely,

Judy DuBois

Judy DuBois
Legislative Liaison

Attachments

Copies of fiscal note and Labor Dept Position paper are in Reps. files.

07-G9LH

Bill No. House Bill No. 811

Title "An Act relating to price disputes between fishermen and fish processors; and providing for an effective date."

Date February 29, 1980

Contact: Glenn Lundell
Deputy Commissioner

The change proposed in this bill will not have an adverse effect on mediation results as long as other steps are not precluded during that time period, such as fact gathering and analysis; meetings by the Governor, or designated representatives with industry and fishermen groups; and exertion of pressure on both groups by the Governor's Office.

However, it should not be expected that final agreements on price disputes will be reached that much earlier by beginning sooner because successful mediation relies heavily on the exhaustion of normal negotiation procedures, to the point that both parties have a strong incentive to participate. The principal benefit of earlier requests for mediation may be the exposure of pertinent facts bearing on prices and costs that much sooner.

The Department of Labor does not object to the change proposed, with recognition of the above factors, and the further understanding that mediation cannot involve the fish processing companies as a group under current federal anti-trust/price fixing laws.

POSITION PAPER/Department of Labor

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill Number 811

Title An Act relating to price disputes between fishermen and fish processors;

Requested by House Resources Committee Date 2/26/80

II. FISCAL DETAIL

Agency Affected Labor

Program Category Affected Social Services

BRU, Program, or Subprogram(s) Affected Office of the Commissioner

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The impact and effectiveness of this bill is impossible to assess. Requests for mediation services cannot be predicted. Additional travel costs could result as the timeframe is increased.

IV. DATE February 26, 1980 PREPARED BY James M. Souby

AGENCY Labor

PHONE 465-2720

Original: Legislative Finance

cc: Budget and Management

✓ Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

HB
835

(9)

COMMITTEE REPORT

HOUSE

2/18/80

FURTHER: FINANCE

Date: _____

Mr. Speaker:

The Committee on RESOURCES has had HB 835

"An Act relating to nonresident big game tag fees; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] same title

[/] replace with CS for _____ [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Big Game Tags

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
*HB 835	4/3/80		Rep. Hurlbert	4/8/80
	4/3/80		Alaska Proffessional Hunters Assoc. (Randy Smith)	4/8/80
	4/3/80		Dept. of Fish & Game Bob Hinman, Game Div. to testify	4/8/80
	4/3		Mr. Jack O'Donnell, guide	4/8/80
			Dept. of Revenue	

(6) Visitor's special sport fishing license — valid for the period inscribed on the license

(A) For 10-day license 15

(B) For one-day license 5

(7) Nonresident sport fishing license 30

(8) Nonresident hunting license 60

(9) Nonresident hunting and sport fishing license 90

A nonresident may not take a big game animal without previously purchasing a numbered, nontransferable, appropriate tag, issued to him as provided in (16) of this subsection. The tag shall be affixed to the animal immediately upon capture and shall remain affixed until the animal is prepared for storage, consumed, or exported.

(10) Nonresident hunting and trapping license 200

(11) Repealed by § 2 ch 32 SLA 1968.

(12) Repealed by § 2 ch 32 SLA 1968.

(13) Fur dealers:

(A) Resident fur dealer license 50

(B) Nonresident fur dealer license 200

(14) Taxidermists:

(A) Resident taxidermy license 75

(B) Nonresident taxidermy license 200

(15) Fish, fur or game farming license 100

(16) Nonresident big game tags:

(A) Bear, black, each 100

(B) [deleted]

(C) Bear, brown or grizzly, each 250

(D) Bear, polar, each 250

(E) Bison, each 250

(F) Caribou, each 200

(G) Deer, each 35

(H) Elk, each 125

(I) Goat, each 125

(J) Moose, each 200

(K) Sheep, each 250

(L) Walrus, each 250

(M) Wolf, each 50

(N) Wolverine, each 50

(17) Repealed by § 2 ch 32 SLA 1968.

(18) Resident tags for bear, brown or grizzly, each 25

(19) Resident or nonresident permit application fee (all species for which a limited drawing is conducted, except musk oxen) 5

(20) **[Effective January 1, 1980]** King salmon (Oncorhynchus tshawytscha) and steelhead trout (Salmo gairdneri) sport fishing permit (permit required north of Yakutat only) 5

A person who possesses a 25-cent license under (1) or (5) of this subsection may receive a king salmon and steelhead trout sport fishing

AB835

Regulations promulgated under this section must be in accordance with the Administrative Procedure Act (AS 44.62). State v. Tanana Valley Sportsmen's Ass'n, Sup. Ct. Op. No. 1716 (File No. 3433), 583 P.2d 854 (1978).

While this section, which authorizes the Board of Game to adopt regulations providing for subsistence hunting, does not specifically refer to the Administrative Procedure Act (AS 44.62), it appears clear that it merely sets forth an additional purpose for which regulations may be promulgated. State v. Tanana Valley Sportsmen's Ass'n, Sup. Ct. Op. No. 1716 (File No. 3433), 583 P.2d 854 (1978).

Issuance of permits based on verbal instructions to agents held improper. — The issuance of permits for the killing of caribou in certain specified areas of the state based on verbal instructions to the permit agents as to the need of individual applicants does not conform to requirements of the Administrative Procedure Act (AS 44.62). State v. Tanana Valley Sportsmen's Ass'n, Sup. Ct. Op. No. 1716 (File No. 3433), 583 P.2d 854 (1978).

Nothing in the Administrative Procedure Act (AS 44.62) authorizes the Board of Game to impose requirements not contained in written regulations by means of oral instructions to agents. Such verbal additions to regulations involving requirements of substance are unauthorized and unenforceable. State v. Tanana Valley Sportsmen's Ass'n, Sup. Ct. Op. No. 1716 (File No. 3433), 583 P.2d 854 (1978).

Reasonable basis for Board of Game's quota of caribou to be killed. — See State v. Tanana Valley Sportsmen's Ass'n, Sup. Ct. Op. No. 1716 (File No. 3433), 583 P.2d 854 (1978).

Sec. 16.05.260. Advisory committees.

Cited in State v. Tanana Valley Sportsmen's Ass'n, Sup. Ct. Op. No. 1716 (File No. 3433), 583 P.2d 854 (1978).

Article 3. Licensing of Sport Fishing and Hunting.

Section

340. License and tag fees

Sec. 16.05.340. License and tag fees.

(a) Fees for licenses and tags are as follows:

(1) Resident sport fishing license $10

However, the fee is 25 cents for a resident who is blind.

(2) Resident hunting license 12

(3) (A) Resident hunting and trapping license 15

(B) Resident trapping license 8

(4) Resident hunting and sport fishing license 22

(5) [Effective January 1, 1980] Resident hunting, trapping, and sport fishing license 25

However, the fee is 25 cents for the head of a family or a dependent member of his family or one solely dependent upon himself for support upon proof presented by the applicant that the applicant

(A) is obtaining or has obtained assistance during the preceding six months under any state or federal welfare program to aid the indigent, or

(B) has an annual family gross income of less than $5,600 for the year preceding application.

HB-835

Jack O' Donnell
Registered Guide
P.O. Box 394
Petersburg, Alaska 99833
(907) 772-4805

Feb.15,1980

Representative Al Osterback
House of Representatives
Juneau, Alaska
99811

Dear Mr. Osterback,

I have just attended a meeting of the Guide Licensing and Control Board in Juneau on Feb, 13 concerning possible additional curtailment of Guiding activities due to the apparent decline of our Brown Bear population in S.E. Alaska. The actual bear hunting season on Admiralty Island has now been shortened to 20 days for all practical purposes for spring hunting with the remaining area also shortened to about the same practical hunting time in spring and also curtailed sharply in fall. It would appear that only eliminating the guide business entirely or limiting the business to a small percentage of the existing guides, with a small quota divided proportionately, is about all that is really left for additional curtailment. Historically there has been about 60-80 Brown bear taken each year for the past 25 years in S.E. Alaska and this figure is the optimum amount the Dept. of Fish and Game feels can be harvested annually without depleting the Bear population to a dangerous level. The Dept. of Fish and Game would like to hold the level of Brown bear kill at no more than 60 Bear annually with a fifty fifty percentage of the tak e distributed between guided hunts (non resident) and resident hunters.

Each season it becomes apparent more and more new residents are actively participating in the bear hunting season to acquire a bear trophy. Until 1977 it cost a resident nothing to take a Brown bear tag and since then it costs only $25.00 for a resident, $250.00 for a non resident. There was general agreement among those present at the meeting that our Bear are being given to the public rather cheaply. If one can afford to spend several hundred dollars to have a trophy prepared by a taxidermist surely a Brown bear tag costing $100 for a resident hunter and a similar increase to $300 or more for a non-resident hunter is not too severe. This also will deter we feel the rapidly snowballing amount of resident hunters who each season participate more and more throughout the area. It also will possibly change the image of taking a Brown bear trophy even by a resident hunter to a respectable challenge of sportsmanship, and a privilege.

It is time the public realizes that our game in Alaska is not a never ending source of cheap hunting pleasure. Everyone knows that raising the cost of game tags is not a popular idea with one's constituents but it certainly is a much better alternative to limiting hunts than a permit system or drawing.

Marc Jensen, Chairman of the Guide Licensing and Control Board advised the guides present at their meeting to meet as a group with you when it might be convenient for you to give us an audience. However, as you know it costs almost an arm and a leg to remain each additional day in Juneau for each of us and nearly all guides were off and away to their respective towns when the meeting adjourned after public testimony except one or two local Juneau guides. I am hopeful my letter and possibly others from other guides would carry as much weight as would our interrupting your busy schedule to give us an audience where we all showed at once. Thank You.

Jack O'Donnell

Jack O'Donnell
Box 304
Petersburg, Alaska 99833

HB835

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 835
Title An act relating to nonresident big game tag fees
Requested by House Resources Committee Date March 1, 1980

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected Fish and Game Support
BRU, Program, or Subprogram(s) Affected Fish and Game Licensing
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL						

FUNDING (Thousands of Dollars) Revenue Effects

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
Game Management Fund		360.1	378.1	431.0		

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
After the last increase in fees in 1977, the number of nonresident tags sold decreased approximately 25% from the previous year although increased fees resulted in an overall 30% increase in nonresident big game tag receipts. Applying those figures to the currently proposed increase, anticipated sales for FY 1981 are:

	Tags Sold	Gross Receipts
FY 1981 (anticipated)	5,156	$ 1,560,435.00
FY 1980 (to date)	6,874	1,200,335.00
Difference	(1,718)	$ 360,100.00

Receipts have continued to increase at the rate of 5% (FY 1979) and 14% (FY1980 to date.)

IV. DATE March 6, 1980 PREPARED BY Linda Gene Lockridge
AGENCY Department of Revenue
PHONE 465-2376

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

3-1 001 (Rev. 12/79)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 835
Title An act relating to nonresident big game tag fees
Requested by House Resources Committee Date March 1, 1980

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected Fish and Game Support
BRU, Program, or Subprogram(s) Affected Fish and Game Licensing
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL	2.1					
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	2.1					

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND	2.1					
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Anticipated expenditures will be for the printing of revised Big Game Records and shipping revised forms to approximately 400 vendors statewide.

IV. DATE March 6, 1980 PREPARED BY Linda Gene Lockridge
AGENCY Department of Revenue
PHONE 465-2376

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH S – JUNEAU 99811

March 10, 1980

The Honorable Alvin Osterback
Co-Chairman
House Resources Committee
Room 118 - Capitol Building
Juneau, Alaska 99811

Dear Mr. Osterback:

Re: House Bill No. 835

House Bill No. 835, an Act relating to nonresident big game fees, was introduced in the House on February 18, 1980 and was referred to the House Resources and Finance Committees.

For the consideration of the House Resources Committee, I am enclosing copies of Fiscal Notes prepared by Linda Gene Lockridge, Fish and Game Licensing Section, Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

cc: The Honorable Bill Miles
Co-Chairman
House Resources Committee

The Honorable Russ Meekins
Chairman
House Finance Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

F. A. Wall, Director
Administrative Services Division
Department of Revenue

04-D7LH

HB
836

(9)

COMMITTEE REPORT

HOUSE

3/18/80

FURTHER:

Date: 3/25/80

Mr. Speaker:

The Committee on RESOURCES has had SSHB 836

"An Act relating to alien and non-resident hunters; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[✓] replace with CS for [ ] same title [ ] new title

and recommends

[ ] AND attaches a "Letter of Intent" [✓] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

H. Resources 7/80

Nonresident Hunters

AGO 125406

Heard 3/25/80 - Reported out as CS

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Alien and Nonresident Hunters

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
SS HB	3/10	4981	Rep. Hurlbert, Sponsor	3/25
836	3/17	243-4977	Alaska Professional Hunters Assoc., Randy Smith	3/25
	3/21	4100	Dept. of Fish and Game	3/25
	3/21	586-2821	Jim Keeline, guide (will testify)	3/25
	3/21	4522	Dept. of Public Safety	3/25
	3/21	7201-1653	Guide Licensing & Control Board Marc Jensen, Chairman	3/25

Randy Smith
Notif. when 118 836

ALASKA PROFESSIONAL HUNTERS ASSOC.
P O BOX 4 1932
ANCHORAGE, ALASKA 99509

344-4284

SEE ALASKA WITH
JIM H. KEELINE
Registered Guide & Pilot

PHOTOGRAPHIC & SIGHTSEEING TRIPS
FISHING — Delta Varden Salmon
HUNTING — Dall Sheep Black Bear Caribou Moose
Brown Bear Glacier Bear

Wants to testify

2½ Mile N. Douglas
Juneau, Alaska 99802

P.O. Box 1333
Tel (907) 586 2827

CSSSHB 836

As reported

out of Resources

&

new fiscal note

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

MEMORANDUM March 26, 1980

SUBJECT: Nonresident alien hunters
CSSSHB 836

TO: House Resources Committee
ATTN: Mary Levan, AA

FROM: Kenneth E. Vassar
Legislative Counsel

Enclosed is the committee substitute you requested for sponsor substitute for House Bill 836. The fees for licenses established in this bill for nonresident aliens are generally higher than the fees for the same licenses for residents, and the fee for one type of license (hunting and trapping) is 20 times the fee for the same license for residents. I realize you are in a rush to receive this bill, so I have not conducted any research into the equal protection questions these fees raise; I believe that the United States Supreme Court has upheld state fees for fish and game licenses for nonresidents which were as much as seven times the fee for the same licenses for residents and has ruled unconstitutional fees for nonresident licenses which were 100 times the fee for resident licenses. Whether the court would uphold a nonresident fee which is 20 times the resident fee, I cannot say with certainty.

Also, I am confused by the special visitor's sport fishing license fee established in the bill. When would a nonresident alien be considered a visitor and thus eligible for this special fee rather than the general nonresident alien sport fishing fee established in the bill? I realize this simply parallels the special visitor's license already included in AS 16.05.340(a)(6), but I am not sure I understand that provision either.

KEV:jdn

Enclosure

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSSS for House Bill No. 836
Title An Act relating to alien and nonresident hunters.
Requested by House Resources Committee Date 3/28/80

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected Fiscal Services
BRU, Program, or Subprogram(s) Affected Audit Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memorandum to R. D. Stevenson dated 3/28/80.

IV. DATE March 28, 1980 PREPARED BY (N. David Ziemer)
AGENCY Department of Revenue, Audit Division
PHONE 465-2320

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33 001 (Rev. 12/78)

ALASKA

MEMORANDUM

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: March 28, 1980

FILE NO:

TELEPHONE NO:

FROM: N. David Ziemer
Chief, Audit Services
Audit Division

SUBJECT: CS SS HB No. 836

This memorandum of fiscal impact has been prepared at the request of Mary Levan, Administrative Assistant to the House Resources Committee.

CS SS HB 836 would require nonresident hunters to use the services of registered guides while in Alaska. It would also raise both hunding and fishing fees for this class of visitor. From usage figures developed by the Alaska Professional Hunters Association, this bill would increase revenues by $240,820 each year. This increase was computed with two assumptions:

1. The number of nonresident - alien hunters will decrease 25% from current figures due to increased fees and the required use of a guide.

2. The number of nonresident - alien fishermen will remain the same.

There would not be any added fiscal impact to the Department of Revenue.

IV. DATE March 28, 1980 PREPARED BY (N. David Ziemer)
AGENCY Department of Revenue, Audit Division
PHONE 465-2320

Original Legislative Finan e
cc Budget and Management

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CSSS for House Bill No. 836
Title An Act relating to alien and nonresident hunters.
Requested by House Resources Committee Date 3/28/80

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected Fiscal Services
BRU, Program, or Subprogram(s) Affected Audit Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS None

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memorandum to R. D. Stevenson dated 3/28/80.

IV. DATE March 28, 1980 PREPARED BY (N. David Ziemer)
AGENCY Department of Revenue, Audit Division
PHONE 465-2320

Original Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33 001 (Rev. 12/78)

ALASKA

MEMORANDUM

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: March 28, 1980

FILE NO:

TELEPHONE NO:

FROM: N. David Ziemer
Chief, Audit Services
Audit Division

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2. The number of nonresident - alien fishermen will remain the same.

There would not be any added fiscal impact to the Department of Revenue.

IV. DATE March 28, 1980 PREPARED BY (N. David Ziemer)
AGENCY Department of Revenue, Audit Division
PHONE 465-2320

Original Legislative Finance
cc Budget and Management

CSSSHB836

as reported
out of
House Resources
(with new fiscal
note)

SEC. 16.05.340 Lic And Tag FEES.

ALIEN HUNTING AND FISHING LICENSE

Special license for Aliens. . . . . .

FEES FOR ALIEN LICENSES ARE AS FOLLOWS:

Hunting license. $150.00

Hunting and Sportfishing license.. . . .$200.00

Hunting and Trapping license.. . . . . .$300.00

Fur Dealers license. $500.00

Taxidermy license. $500.00

ALIEN FISHING LICENSES:

Alien Visitor's special Sportfishing license

Valid for one (1) day. $10.00

Valid for Ten (10) days. $25.00

Alien Sportfishing license. $50.00

"Alien" Means a person who is not a citizen of the United States and whose permanent place of abode is not the United States.

Am To HB-836 Proposed by Alaska Proffessional Hunters Assoc.

1977 Sport Fish & Game Receipts

	Initials	Date
Prepared By	RS	3-25
Approved By		

Type of License	Number	Gross		
NR Hunting	4345	260700 #		195525
Alien 25%	1086	- 65175		162900
		195,525		358425.00
Alien Lic Fee / 150.00	162900.00			- 260700.00
				$ 97,725.00
NR Hunting & Fishing	1002	90180 #		67635
Alien 25%	251	- 22545		50200
		67635.00		117835.00
Alien Lic Fee / 200.00	50,200.00			- 90180.00
				$ 27655.00
NR Hunting & Trap	53	10600 #		7950.00
Alien 25%	14	- 2650		4200.00
		7,950.00		12150.00
Alien Lic Fee / 300.00	4200.00			- 10600.00
				$ 1550.00
Total NR Hunt -	$ 126,930.00			
Total NR Fish -	168,701.25			$ 295,631.25
NR Fish	12411	372330 #		279247.50
Alien 25%	3103	- 93082.50		155 50.00
		279,247.50		$ 34,397.50
Alien Lic Fee / 50.00	155,150.00			- 372,300.00
				$ 62,097.50
NR 10-Day Fish	34473	517095 #		387821.25
Alien 25%	8618	- 129273.75		215450.00
		387821.25		603271.25
Alien Lic Fee / 25.00	215450.00			- 517095.00
				$ 86,176.25
NR 1-Day Fish	16346	81730 #		61297.50
Alien 25%	4086	- 20432.50		40860.00
		61297.50		102157.50
Alien Lic Fee / $ 10.00	40,860.00			- 81730.00
				$ 20,427.50

(9)

COMMITTEE REPORT

HOUSE

3/18/80

FURTHER:

Date: 3/25/80

Mr. Speaker:

The Committee on RESOURCES has had SSHB 836

"An Act relating to alien and non-resident hunters; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[✓] replace with CS for SS HB 836 [ ] same title [ ] new title

and recommends DO PASS

[ ] AND attaches a "Letter of Intent" [✓] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

BILL ANALYSIS

ASSIGNMENT DATE_____

UNASSIGNED_____

DEPARTMENT	SPONSOR (PRINCIPAL)	BILL NO.
Public Safety		HB 836

DEPARTMENT POSITION

Amendment needed

DIVISION DIRECTOR	DATE	COMMISSIONER	DATE
Col. Fred Woldstad for JC	2/28/80	William R. Nix	2/28/80

GOVERNOR'S OFFICE USE

☐ POSITION NOTED ☐ POSITION APPROVED ☐ POSITION DISAPPROVED

BY: DATE:

SUMMARY

(1) RELATED BILLS (SIMILAR OR CONFLICTING)
(2) OTHER AGENCIES AFFECTED BY BILL

(2) a. ORGANIZATIONAL SUPPORT FOR BILL		(2) b. ORGANIZATIONAL OPPOSITION TO BILL

(3) PROGRAM EFFECTS OF BILL

(4) FISCAL IMPACT: ☒ NONE ☐ FISCAL ANALYSIS ATTACHED

(5) AMENDMENTS PROPOSED:

(6) COMMENTS

There is a conflict between 16.05.407 (e) (2) (b) and 16.05.940 (14) - Definition of resident. In 16.05.407 (e) (2) (b), it requires a person, who is not a citizen of the United States, to maintain a permanent place of abode in the State of Alaska for at least 36 consecutive months for the purpose of taking big game animals without the requirement of having an Alaska guide.

However, in 16.05.940 (14), an alien, who has maintained his permanent place of abode in the State for one year, is considered a resident for the purpose of this chapter. There was an amendment to paragraph (14) in 1974, substituting "one year" for "three years".

 SSHB836

Sec. 08.54.100. Qualifications for a master guide license. A person is entitled to be licensed as a master guide if he

(1) has legally hunted in the state for a part of each of 10 years during which time a substantial source of his income was from guiding or related activities directly contributing to his experience and competency as a guide;

(2) meets all the requirements of a registered guide and has been actively engaged in licensed guiding activities in the state for at least five years preceding application;

(3) has not been convicted of a violation of federal or state sport fishing, game or guiding laws or regulations within the preceding five years;

(4) has consistently performed in a superior manner as evidenced by required reports submitted to the board and by inquiries made by the board to at least two of the guide's clients of record; and

(5) meets additional qualifications which the board may require. (§ 1 ch 17 SLA 1973)

Editor's note. — Section 3, ch. 17, SLA 1973, provides: "A person licensed as a registered or master guide, class-A assistant guide or assistant guide as of March 14, 1973 shall, upon application, be issued a registered guide license, master guide license, class-A assistant guide license or assistant guide license, respectively."

Sec. 08.54.110. Qualifications for registered guide license. A person is entitled to be licensed as a registered guide if he

(1) is 21 years of age or more;

(2) is a resident of the state and maintains a permanent place of abode in the state;

(3) has practical field experience in the handling of firearms, hunting judging trophies, field preparation of trophies, first aid and photography;

(4) is familiar with the terrain and transportation problems in the district for which the license is requested;

(5) has passed the qualification examination prepared and administered by the board;

(6) has demonstrated to the board sufficient standards of competence and ethical conduct and has not been convicted of a crime involving moral turpitude;

(7) has legally hunted in the state for all or part of each of five years in a manner directly contributing to his experience and competency as a guide;

(8) has been licensed as and performed the services of an assistant guide in the state for a part of each of three years;

(9) submits a written recommendation to the board from a registered guide for whom the applicant has worked;

(10) is capable of performing the physical duties associated with guiding activities;

(11) has been favorably recommended in writing by two hunters that he has guided or assisted in guiding during each year of his three years as an assistant guide, wh[illegible]mendations have been solicited by the board from a list pr[illegible] applicant;

(12) meets additional q[illegible] which the board may require. (§ 1 ch 17 SLA 1973)

Cross reference. — See editor's note under AS 08.54.100.

Sec. 08.54.120. Qualifications for a class-A assistant guide license. A person is entitled to be licensed as a class-A assistant guide if he

(1) has been employed for at least one season as a licensed assistant guide;

(2) has had at least 20 years experience in the guide district in which he is to be employed; for the purposes of this paragraph physical presence at some time of the year during each of the 20 years constitutes adequate evidence of experience, and military service outside the state for no more than six years shall be accepted as part of the required 20 years experience;

(3) has been recommended in writing as qualified by a registered or master guide to the board. (§ 1 ch 17 SLA 1973)

Cross reference. — See editor's note under AS 08.54.100.

Sec. 08.54.130. Privileges and limitations of class-A assistant guides. A class-A assistant guide

(1) may not contract for hunts;

(2) shall be under the supervision of a registered or master guide who has contracted with the client for whom the class-A assistant guide is conducting the hunt;

(3) may take charge of a camp and conduct hunts from it without the registered or master guide necessarily being present in the area if the registered or master guide is physically present in the state and is actively supervising in guiding activities. (§ 1 ch 17 SLA 1973)

Sec. 08.54.140. Qualifications for assistant guide license. A person is entitled to be licensed as an assistant guide if he

(1) is 19 years of age or more;

(2) is a resident of the state;

(3) is favorably recommended to the board, in writing, by a registered guide;

(4) meets additional qualifications which the board may require;

(5) is in sound physical condition. (§ 1 ch 17 SLA 1973)

Cross reference. — See editor's note under AS 08.54.100.

Sec. 08.54.142. Qualification for transporter license (a) No person may engage in the activity of transporting unless he is licensed as a transporter under this chapter. A person may be licensed as a transporter if he

(1) is a resident of the state;

(2) is familiar with the terrain and transportation problems in the district or districts for which the license is requested;

(3) obtains a business license to do business as a transporter under AS 43.70.030.

(b) No person may engage in the activity of transporting by air without an air commerce certificate as required by AS 02.05.040. (§ 2 ch 106 SLA 1976)

Editor's note. — Section 1, ch. 106, SLA 1976, provides: "**Purpose.** It is the purpose of this Act to protect the safety of the citizens of the state and better manage and protect its resources by licensing persons who transport hunters for hire so that reasonable standards and guidelines will be met and activities affecting the state's game resources will be more accurately monitored and assessed."

Section 10, ch. 106, SLA 1976, provides: "Nothing in this Act gives a person licensed as a transporter a right as an air carrier which he does not otherwise hold under law."

Sec. 08.54.144. Restriction to transportation. (a) A licensed transporter may transport persons whose primary purpose is the taking of big game or the associated removing of big game meat and parts of big game, with the intent of receiving monetary or material remuneration for the transportation.

(b) Air carriers who transport persons between airports, landing strips or other landing areas officially listed in the United States government Flight Information Publication, Alaska Supplement, as revised, or the United States government Sectional Aeronautical Charts, as revised, are exempted from the license requirements for transporters under this chapter but shall comply with the reporting provisions as prescribed in AS 02.05.170(f).

(c) Master guides, registered guides, class A assistant guides or assistant guides are exempted from the license requirements for transporters under this chapter but shall comply with the reporting provisions as prescribed in AS 02.05.170(f). (§ 2 ch 106 SLA 1976)

Editor's note. — Section 10, ch. 106, SLA 1976, provides: "Nothing in this Act gives a person licensed as a transporter a right as an air carrier which he does not otherwise hold under law."

Sec. 08.54.146. Transporter report. A transporter shall maintain a record of (1) the names and addresses of all persons he transports; (2) the type of game transported; (3) an estimate of the quantity of meat

transported; (4) the date of transporting; and (5) if known, the locality where the game was taken. The report shall be submitted to the Department of Fish and Game within 90 days after transporting the game. After receiving a report required under this section, the Department of Fish and Game shall send a copy of it to the Department of Public Safety. (§ 2 ch 106 SLA 1976; am § 4 ch 133 SLA 1976)

Revisor's note (1976). — AS 08.54.146 was added by § 2, ch. 106, SLA 1976, and amended by § 4, ch. 133, SLA 1976. Since the two acts appear to be inconsistent, and ch. 106 is superseded by ch. 133, only the later enactment has been given effect here.

Effect of amendment. — Section 4, ch. 133, SLA 1976, substituted "ninety days" for "thirty days" in the second sentence.

Editor's note. — Section 10, ch. 106, SLA 1976, provides: "Nothing in this Act gives a person licensed as a transporter a right as an air carrier which he does not otherwise hold under law."

Sec. 08.54.150. Responsibility of registered or master guide for violations. A registered or master guide contracting for a hunt is equally responsible under § 200 of this chapter for a violation of a federal or state sport fish, game or guide statute or regulation committed by a class-A assistant guide or assistant guide while in the course of his employment. (§ 1 ch 17 SLA 1973)

Sec. 08.54.170. License fees. (a) License fees for engaging in the profession of guiding are:

(1) master guide license, annual	$75
(2) registered guide license, annual	75
(3) class-A assistant guide, annual	15
(4) assistant guide license, annual	10

(b) The license fee for a master guide, registered guide, class-A assistant guide or assistant guide license is in addition to the fee required for a hunting or fishing license.

(c) The license fee for a transporter is $10. (§ 1 ch 17 SLA 1973; am § 3 ch 106 SLA 1976)

Effect of amendment. — The 1976 amendment added subsection (c).

Editor's note. — Section 10, ch. 106, SLA 1976, provides: "Nothing in this Act gives a person licensed as a transporter a right as an air carrier which he does not otherwise hold under law."

Sec. 08.54.180. Examination fee. An applicant for a guide examination shall pay a fee of $25. (§ 1 ch 17 SLA 1973)

Sec. 08.54.185. Additional fees. In addition to the license and examination fees provided for under this chapter, master guides and registered guides are subject to fees imposed under AS 16.05.340(e). (§ 4 ch 268 SLA 1976)

Legislative committee report. — For report on ch. 268, SLA 1976 (FCCS HCS CSSSSB 335), see 1976 House Journal, p. 910.

Sec. 08.54.190. Expiration and renewal. (a) A master guide, registered guide, class-A assistant guide, assistant guide or transporter license expires on December 31, following issuance.

(b) No license may be issued to a class-A assistant guide or assistant guide who has failed to renew his license for two consecutive years unless he again meets the qualifications for initial issuance of the license.

(c) A master or registered guide who fails to renew a license is not required to requalify under § 100(2) or § 110(8) of this chapter, respectively. (§ 1 ch 17 SLA 1973; am § 12 ch 127 SLA 1974; am § 10 ch 106 SLA 1976)

Effect of amendments. — The 1974 amendment substituted "class-A assistant guide" for "class-A guide" in subsection (b).

The 1976 amendment substituted "assistant guide or transporter license" for "or assistant guide license" in subsection (a) and added "following issuance" to the end of that subsection.

Editor's note. — Section 10, ch. 106, SLA 1976, provides: "Nothing in this Act gives a person licensed as a transporter a right as an air carrier which he does not otherwise hold under law."

Legislative committee report. — For report on ch. 127, SLA 1974 (SCSHB 817 am S), see 1974 House Journal p. 657.

Sec. 08.54.200. Grounds for disciplining a licensee. (a) The board shall hold a hearing to determine if disciplinary action is necessary if

(1) complaints concerning the licensee have been filed with the board from three or more clients of separate parties; or

(2) a licensee has been charged with a violation of federal or state sport fish, game or guide statutes or regulations; or

(3) a licensee has been convicted of a violation of federal or state sport fish, game or guide statute or regulation.

(b) After a hearing, the board may revoke, suspend, or deny renewal of a license if the board finds that the licensee

(1) engaged in unethical activity, unsafe activity, or activity which adversely affects the natural resources of the state when such activity is unrelated to the legal and legitimate purposes of the contract hunt; or

(2) violated a provision of a federal or state sport fish, game or guide statute or regulation.

(c) After a hearing, the board shall revoke a license if the board finds that the licensee

(1) does not meet the qualifications specified by statute or regulation for the class of license held;

(2) is incompetent as a master guide, registered guide, class-A assistant guide, or assistant guide;

(3) has been convicted of two violations of federal or state sport fish, game or guide statutes or regulations.

(d) No person who is disciplined under this section may engage in any guiding or transporting activity during the period of license revocation

or disciplinary action. No person licensed under this chapter may hire or work for a guide whose license is suspended or revoked under this section.

(e) If the board revokes a license i shall notify the Department of Revenue, and the person whose license has been revoked shall return the license to the Department of Commerce and Economic Development. (§ 1 ch 17 SLA 1973; am § 2 ch 43 SLA 1975; am § 5 ch 106 SLA 1976; am § 47 ch 218 SLA 1976)

Effect of amendments. — The 1975 amendment substituted "Department of Commerce" for "Department of Fish and Game" in subsection (e).

The first 1976 amendment inserted "or transporting" in subsection (d).

The second 1976 amendment substituted "Department of Commerce and Economic Development" for "Department of Commerce" at the end of subsection (e).

Editor's note. — Section 10, ch. 106, SLA 1976, provides: "Nothing in this Act gives a person licensed as a transporter a right as an air carrier which he does not otherwise hold under law."

Sec. 08.54.210. Unlawful acts. (a) It is unlawful for

(1) a master guide, registered guide, class-A assistant guide, assistant guide or transporter to fail to timely report to the Department of Public Safety, division of fish and wildlife protection, and in no event later than 30 days, violations by a client of a state fish, game or guiding statute or regulation;

(2) a master guide, registered guide, class-A assistant guide, assistant guide or transporter to aid the commission of a violation of this chapter or of AS 16.05 or a regulation promulgated under either chapter, or permit the commission of a violation in his sight without attempting to prevent it, short of using force, and without reporting it;

(3) a person to guide or transport as defined in this chapter without being licensed under this chapter and without having the license in his actual possession; however, for purposes of transporting by air, in the case of a corporation, company, partnership or other business entity, the license may remain at the principal place of business of the business entity;

(4) a person to advertise as or represent himself to be a licensed master guide, registered guide, class-A assistant guide, assistant guide or transporter without being currently licensed, or to falsely advertise services;

(5) a person to guide as defined in this chapter without having a current valid hunting and fishing license in his possession.

(6) a master or registered guide to employ or have under his supervision more than three assistant guides at the same time.

(7) a person to guide as defined in this chapter without paying a fee as prescribed in AS 16.05.340(e).

(b) A person who violates (a)(1) — (6) of this section is guilty of a misdemeanor and upon conviction is punishable by a fine of not more than $1,000 or by imprisonment for not more than one year, or by both,

and may have his license revoked for a period up to five years. However, a person who engages in guiding or transporting activity during the period his license is suspended or revoked under this chapter is guilty of a felony punishable, upon conviction, by a fine of not more than $5,000 and by imprisonment for not less than one year nor more than three years. In addition to punishment for a felony, all guns, fishing tackle, boats, aircraft, automobiles or other vehicles, camping gear and other equipment and paraphernalia used in, or in aid of, guiding or transporting activity engaged in during the period of suspension or revocation shall be confiscated by persons authorized to enforce this chapter. A person who violates (a)(7) of this section, upon conviction, is subject to the same license revocation provision as for a violation of (a)(1) — (6) of this section and, in addition, is punishable by a fine of not more than $5,000, or by imprisonment for not more than one year, or by both. (§ 1 ch 17 SLA 1973; am §§ 3, 4 ch 43 SLA 1975; am § 6 ch 106 SLA 1976; am § 3 ch 133 SLA 1976; am §§ 5, 6 ch 268 SLA 1976)

Effect of amendments. — The 1975 amendment substituted "Department of Public Safety, division of fish and wildlife protection" for "Department of Fish and Game" in subsection (a)(1) and, in subsection (b), deleted "outfitting or" preceding "guiding activity," substituted "his license is suspended or revoked under" for "of disciplinary action under § 200(e) of," and inserted "upon conviction" in the second sentence, deleted "under § 200(e) of this chapter" following "for a felony," and substituted "guiding activity engaged in during the period of suspension or revocation" for "a violation of § 200(e) of this chapter" in the third sentence.

The first 1976 amendment, in subsection (a), substituted "assistant guide or transporter" for "or assistant guide" in paragraphs (1), (2) and (4), deleted "fish and game" following "division of fish and wildlife protection" in paragraph (1), inserted "or transport" near the beginning of paragraph (3). In subsection (b) the amendment inserted "by" preceding "imprisonment" in the first sentence, and inserted "or transporting" in the second and third sentences.

The second 1976 amendment added paragraph (6) of subsection (a).

The third 1976 amendment added paragraph (7) of subsection (a), and in subsection (b), inserted "(a)(1) — (6) of" in the first sentence and added the fourth sentence.

While none of the 1976 amendments gave effect to the others, all have been given effect in this section as it is set out in this Supplement.

Editor's note. — Section 10, ch 106, SLA 1976, provides: "Nothing in this Act gives a person licensed as a transporter a right as an air carrier which he does not otherwise hold under law."

Legislative committee report. — For report on ch. 268, SLA 1976 (FCCS HCS CSSSSB 335), see 1976 House Journal, p. 910.

Sec. 08.54.220. Injunction against unlawful action. When in the judgment of the board a person or corporation or other entity has engaged in an act in violation of § 130 and §§ 200 — 210 of this chapter or the regulations promulgated under them, the board may apply to the appropriate court for an order enjoining the act. Upon a showing by the board that the person is engaging in the act, the court shall grant injunctive relief or other appropriate order without bond. (§ 1 ch 17 SLA 1973; am § 5 ch 43 SLA 1975)

Effect of amendment. — The 1975 amendment substituted "§ 130 and §§ 200 — 210" for "§§ 100 — 200" and "them" for "§ 50 of this chapter" in the first sentence.

Article 3. General Provisions.

Section
240. Definitions

Sec. 08.54.240. Definitions. In this chapter

(1) "board" means the Guide Licensing and Control Board;

(2) "guide", "guides" or "guiding" means assisting another person to take game with the intent of receiving monetary or material remuneration for the services, by accompanying and directing that person personally or through a licensed assistant guide for the duration of a hunt, and not solely for the purpose of providing transportation services;

(3) "resident" means a person who maintains a place of residence within the state; has not claimed residency in another state for the immediately preceding 12 months; shows by all attending circumstances that his intent is to make this state his permanent residence;

(4) "unethical activity" means

(A) deception in any degree involving prospective or actual clients either before, during, or following contract hunts;

(B) misrepresentation either through private communication or public advertising of the nature, type, duration, cost, or other conditions of contract hunts.

(C) making a guaranty that a species or certain number of species of game will be taken on a contract hunt.

(5) "transporting" or the "activity of transporting" means conveying a person by any lawful means to an area for remuneration or material benefit in excess of normal operating costs, when the primary purpose of the person being conveyed is the taking of big game and the associated removing of big game meat and parts of big game after big game has been taken; big game as used in this paragraph means game which, if taken by a nonresident, would require a big game tag. (§ 1 ch 17 SLA 1973; am §§ 7, 8 ch 106 SLA 1976; am § 2 ch 133 SLA 1976)

Effect of amendments. The first 1976 amendment deleted "accompanying, guiding, or" preceding "assisting another person" near the beginning of paragraph (2), added the language beginning "by accompanying and directing that person" to the end of that paragraph, and added paragraph (5).

The second 1976 amendment added paragraph (4)(C).

Editor's note. — Section 10, ch. 106, SLA 1976, provides: "Nothing in this Act gives a person licensed as a transporter a right as an air carrier which he does not otherwise hold under law."

Chapter 56. Hotels and Boardinghouses.

Section
10. Registration of travelers
20. Effect of refusal to register
30. Penalty for noncompliance
40. Disposition of fines
50. Liability for valuables
60. Baggage liability
70. Definitions

STATE OF ALASKA
THE LEGISLATURE

POUCH V STATE CAPITOL
JUNEAU ALASKA 99811
907 465 [illegible]

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM March 26, 1980

SUBJECT: Nonresident alien hunters
CSSSHB 836

TO: House Resources Committee
ATTN: Mary Levan, AA

FROM: Kenneth E. Vassar
Legislative Counsel

Enclosed is the committee substitute you requested for sponsor substitute for House Bill 836. The fees for licenses established in this bill for nonresident aliens are generally higher than the fees for the same licenses for residents, and the fee for one type of license (hunting and trapping) is 20 times the fee for the same license for residents. I realize you are in a rush to receive this bill, so I have not conducted any research into the equal protection questions these fees raise; I believe that the United States Supreme Court has upheld state fees for fish and game licenses for nonresidents which were as much as seven times the fee for the same licenses for residents and has ruled unconstitutional fees for nonresident licenses which were 100 times the fee for resident licenses. Whether the court would uphold a nonresident fee which is 20 times the resident fee, I cannot say with certainty.

Also, I am confused by the special visitor's sport fishing license fee established in the bill. When would a nonresident alien be considered a visitor and thus eligible for this special fee rather than the general nonresident alien sport fishing fee established in the bill? I realize this simply parallels the special visitor's license already included in AS 16.05.340(a)(5), but I am not sure I understand that provision either.

KEV:jdn

Enclosure

SPORT FISH & GAME RECEIPTS
Calendar Year 1979
Final - January 1, 1979 thru December 31, 1979
Prepared January 14, 1980

CODE	TYPE OF LICENSE	NUMBER	GROSS	NET	NET/SPORT	NET/GAME	NET/GENERAL
201	R. Sport Fishing	83,782	$ 836,726.58	$ 793,793.33	$ 793,793.33	$----------	$---------
202	R. Hunting	22,618	271,416.00	259,240.47	----------	259,240.47	---------
203-A	R. Hunt/Trap	2,170	32,550.00	30,909.33	----------	28,536.43	2,372.90
204	R. Spt. Fish/Hunt	29,004	638,088.00	604,913.93	274,960.90	329,953.03	---------
205	R. Fish/Hunt/Trap	9,328	233,200.00	220,723.25	88,289.31	114,632.27	17,801.67
206	NR. 10-Day Spt. Fish	34,473	517,095.00	492,039.41	492,039.41	----------	---------
207	NR Sport Fishing	12,411	372,330.00	353,964.63	353,964.63	----------	---------
208	NR Hunting	4,345	260,700.00	248,300.74	----------	248,300.74	---------
209	NR Fish/Hunt	1,002	90,180.00	85,562.50	28,462.04	57,100.46	---------
210	NR Hunt/Trap	53	10,600.00	10,022.98	----------	6,030.43	3,992.55
211	NR 1-Day Spt. Fish	16,346	81,730.00	77,531.45	77,531.45	----------	---------
212	NR Military Spt. Fish	6,980	69,800.00	66,448.15	66,448.15	----------	---------
213	NR Military Small Hunt	[979]	11,748.00	11,127.95	----------	11,127.95	---------
214	NR Military Fish/Hunt	[878] 1857	19,316.00	18,431.46	8,377.93	10,053.53	---------
217-3B	R. Trap	1,465	4,395.00	4,189.10	----------	1,532.94	2,656.16
218	Duplicate License	2,905	5,810.00	5,524.47	----------	----------	5,524.47
120	Fish/Fur/Game Farm	4	400.00	381.41	----------	----------	381.41
121	R. Fur Dealer	105	5,250.00	4,942.74	----------	----------	4,942.74
122	NR Fur Dealer	5	1,000.00	931.56	----------	----------	931.56
123	R. Taxidermy	37	2,775.00	2,604.56	----------	----------	2,604.56
124	NR Taxidermy	2	400.00	382.82	----------	----------	382.82
200	Permit Fees	18,915	96,595.00	94,665.50	----------	94,665.50	---------
201-B	R. Blind Spt. Fish	10	2.50	2.37	2.37	----------	---------
203-A	R. 25c Hunt/Fish/Trap	8,334	2,083.50	1,981.92	660.57	1,149.51	171.84
SUBTOTAL		256,151	$3,564,190.58	$3,388,616.03	$2,184,530.09	$1,162,323.24	$41,762.68
215	R. Big Game Tags	3,538	90,825.00	87,481.14	----------	87,481.14	---------
216	NR. Big Game Tags	7,301	1,290,050.00	1,229,716.83	----------	1,229,716.83	---------
TOTAL		266,990	$4,945,065.58	$4,705,814.00	$2,184,530.09	$2,479,521.23	$41,762.68

	RESIDENT TAGS	
B/G Bear	3,533	$88,325.00
Muskox	5	2,500.00
TOTAL	3,538	$90,825.00

Gross	$4,945,065.58	
Cost	239,251.58	4.83%
Net	$4,705,814.00	

Residents entitled to Sport Fish	130,458		55%
Non-residents entitled to Sport Fish	72,090	202,548	
Residents entitled to Hunt	71,454		10%
Non-residents entitled to Hunt	7,257	78,711	
Residents entitled to Trap	21,297		.002%
Non-residents entitled to Trap	53	21,350	

Less Military = 5480
7.5%

	NON-RESIDENT TAGS		
B/G Bear	1,036	$ 259,000.00	- 311 -
Black Bear	1,262	126,200.00	- 379 -
Deer	390	13,650.00	
Moose	1,837	367,400.00	- 552 -
Sheep	661	165,250.00	- 198 -
Elk	12	1,500.00	
Goat	392	49,000.00	- 118 -
Caribou	1,381	276,600.00	- 415 -
Wolf	249	12,450.00	
Wolverine	60	3,000.00	
Bison	-----	----------	
Muskox	15	15,000.00	
Walrus	4	1,000.00	
Total	7,301	$1,290,050.00	

30% Aliens

1.35 Tags/hunter

	NUMBER SOLD EACH YEAR BY CLASS	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
201	R. Sport Fishing	39,442	40,503	44,139	47,883	50,593	54,561	66,409	76,892	80,824	81,782
202	R. Hunting	22,148	21,453	19,957	23,875	19,699	16,205	17,003	21,470	21,803	22,618
203-A	R. Hunt/Trap	1,042	854	862	1,059	1,109	1,181	1,328	2,063	1,947	2,170
204	R. Spt. Fish/Hunt	22,951	25,686	27,635	29,937	32,394	34,779	37,380	30,403	29,885	29,004
205	R. Fish/Hunt/Trap	3,955	4,167	4,387	5,343	6,239	7,551	9,606	9,153	9,141	9,328
206	NR. 10-Day Spt. Fish	17,187	17,662	19,486	22,166	21,702	24,228	26,706	23,564	28,600	34,423
207	NR Sport Fishing	20,790	18,405	19,269	14,374	14,009	19,953	20,777	12,766	12,935	12,411
208	NR Hunting	9,004	8,033	8,067	7,046	6,636	5,417	5,390	3,636	3,552	4,345
209	NR Fish/Hunt	3,506	3,476	3,597	1,639	1,680	1,640	1,711	803	787	1,002
210	NR Hunt/Trap	9	16	10	23	24	26	37	52	67	53
211	NR 1-Day Spt. Fish	--------	--------	--------	--------	--------	--------	--------	11,174	14,800	16,346
212	NR Military Spt. Fish	--------	--------	--------	--------	--------	--------	--------	6,527	7,447	6,980
213	NR Military Small Hunt	--------	--------	--------	--------	--------	--------	--------	841	1,077	979
214	NR Military Fish/Hunt	--------	--------	--------	--------	--------	--------	--------	987	912	828
217-3B	R. Trap	815	672	822	1,137	890	759	1,210	1,589	1,480	1,469
218	Duplicate License	--------	--------	1,154	1,537	1,611	1,487	2,218	2,748	2,949	2,905
120	Fish/Fur/Game Farm	16	21	18	4	5	1	2	2	2	4
121	R. Fur Dealer	--------	--------	--------	126	136	121	136	107	189	105
122	NR Fur Dealer	--------	--------	--------	2	3	4	3	4	7	5
123	R. Taxidermy	--------	--------	--------	56	42	36	41	45	63	37
124	NR Taxidermy	--------	--------	--------	3	--------	2	--------	1	1	2
	R. Fur Dealer-Taxid.	159	166	171	--------	--------	--------	--------	--------	--------	--------
	NR Fur Dealer-Taxid.	13	7	6	--------	--------	--------	--------	--------	--------	--------
	Reg & Master Guides	346	352	379	233	--------	--------	--------	--------	--------	--------
	Asst Guides	458	555	495	60	--------	--------	--------	--------	--------	--------
	Class "A" Asst Guide	52	65	79	18	--------	--------	--------	--------	--------	--------
200	Permit Fe	--------	--------	--------	--------	--------	--------	--------	218	20,034	18,915
201-B	R. Blind Spt. Fish	4	1	-	2	3	5	3	2	13	10
203-A	R. 25c Hunt/Fish/Trap	5,359	5,595	5,936	6,658	6,256	5,004	5,281	5,463	6,887	8,334
215	R. Big Game Tags	--------	--------	--------	--------	--------	--------	--------	2,937	3,449	3,538
216	NR Big Game Tags	12,602	11,955	11,866	8,339	8,331	6,956	7,415	5,775	5,426	7,301
TOTAL		160,058	159,644	168,301	171,544	173,362	179,936	202,656	219,242	257,227	266,990

GROSS SPORT FISH AND GAME LICENSE RECEIPTS 1970 thru 1979

1977 NR Hunting - 68%
NR Hunting & Fishing - 47%
NR Big Game Tags - 78%

STATE OF ALASKA
DEPARTMENT OF REVENUE
FISH AND GAME LICENSING

GROSS SPORT FISH AND GAME LICENSE RECEIPTS 1970 THRU 1979

CODE	TYPE OF LICENSE	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
201	R. Sport Fishing	$ 197,210	$ 202,515	$ 220,695	$ 239,415	$ 252,965	$ 272,805	$ 332,045.00	$ 763,250.00	$ 838,190.00	$ 816,726.50
202	R. Hunting	155,036	150,171	139,699	147,125	137,823	113,435	119,021.00	250,110.00	261,621.00	271,414.00
203-A	R. Hunt/Trap	10,420	8,540	8,420	10,599	11,090	11,810	13,280.00	30,300.00	29,205.00	12,550.00
204	R. Sat. Fish/Hunt	275,412	308,232	331,500	359,246	388,728	417,348	448,560.00	665,406.00	657,420.00	638,088.00
205	R. Fish/Hunt/Trap	59,325	62,505	65,805	80,145	[illegible]	113,765	144,090.00	227,555.00	228,525.00	211,200.00
206	NR. 10-Day Spt. Fish	86,935	89,320	97,430	221,660	217,020	242,280	267,060.00	349,080.00	428,875.00	517,085.00
207	NR Sport Fishing	207,900	184,050	192,690	287,480	320,180	399,040	415,540.00	380,480.00	388,010.00	372,330.00
208	NR Hunting	90,040	80,330	80,670	141 320	132,720	108,740	107,800.00	206,680.00	213,120.00	260,700.00
209	NR Fish/Hunt	70,120	69,520	71,840	65,560	67,200	65,600	68,640.00	70,670.00	70,830.00	90,180.00
210	NR Hunt/Trap	900	1,600	1,000	4,600	4,800	5,200	7,400.00	10,400.00	13,600.00	10,600.00
211	NR 1-Day Spt. Fish	----------	----------	----------	----------	----------	----------	----------	55,870.00	74,000.00	81,730.00
212	NR Military Spt. Fish	----------	----------	----------	----------	----------	----------	----------	65,270.00	74,470.00	69,800.00
213	NR Military Small Hunt	----------	----------	----------	----------	----------	----------	----------	10,092.00	12,924.00	11,748.00
214	NR Military Fish/Hunt	----------	----------	----------	----------	----------	----------	----------	21,714.00	20,064.00	19,116.00
217-18	R. Trap	2,445	2,016	2,466	3,411	2,670	2,277	3,630.00	4,767.00	4,440.00	4,395.00
218	Duplicate License	----------	----------	2,308	3,074	3,222	2,974	4,636.00	5,496.00	5,898.00	5,810.00
120	Fish/Fur/Game Farm	80	105	90	400	500	100	200.00	100.00	200.00	400.00
121	R. Fur Dealer	----------	----------	----------	2,520	2,720	2,420	2,720.00	5,320.00	9,450.00	5,240.00
122	NR Fur Dealer	----------	----------	----------	200	300	400	100.00	800.00	1,400.00	1,000.00
123	R. Taxidermy	----------	----------	----------	2,700	2,100	1,800	2,050.00	3,375.00	4,725.00	2,775.00
124	NR Taxidermy	----------	----------	----------	450	----------	300	----------	200.00	200.00	400.00
	R. Fur Dealer-Taxid.	3,180	3,320	3,420	----------	----------	----------	----------	----------	----------	----------
	NR Fur Dealer-Taxid.	1,300	700	600	----------	----------	----------	----------	----------	----------	----------
	Reg. & Master Guides	17,300	17,600	18,950	11,650	----------	----------	----------	----------	----------	----------
	Ass't Guides	2,290	2,775	2,475	330	----------	----------	----------	----------	----------	----------
	Class "A" Ass't Guide	520	650	790	180	----------	----------	----------	----------	----------	----------
200	Permit Fees	----------	----------	----------	----------	----------	----------	----------	1,090.00	101,130.00	96,595.00
201-B	R. Blind Spt. Fish	4	1	1	2	3	5	3.00	.50	3.25	2.50
205-A	R. 25c Hunt/Fish/Trap	1,339	1,398	1,484	1,864	1,564	1,251	1,320.25	1,365.75	1,721.75	2,081.50
SUBTOTAL		$1,181,756	$1,184,318	$1,242,333	$1,403,720	$1,619,260	$1,741,020	$1,937,895.25	$3,129,391.25	$3,439,822.00	$3,564,160.50
215	R. Big Game Tags	----------	----------	----------	----------	----------	----------	----------	89,575.00	94,775.00	90,825.00
216	NR Big Game Tags	424,415	391,860	404,410	293,625	744,950	617,025	698,075.00	994,945.00	993,640.00	1,290,050.00
TOTAL		$1,606,171	$1,578,178	$1,646,743	$2,357,345	$2,364,210	$2,358,045	$2,635,970.25	$4,218,911.25	$4,528,237.00	$4,945,035.50

SSHB 836

Bill,

Here's the dope you wanted from the morgue on alien hunters.

But there's more.

A fellow here in town by the name of Bruno Zedler is a wealth of information on the foreign hunter and guide racket. He is ~~xxxxxxxxxx~~ a naturalized U.S. citizan and Alaskan from Germany and is familiar with the local guides who cheat by putting out too many hunters in too many spike camps and the germans who are booking hunts in germany and bringing their clients over here, hunting with them and going back.

He also knows of booking agents in Europe which arrange hunts here for guides who subsequently hire europeans to do the guiding. One guy, by the name of Hans, has hunted here for about three years without a guiding license. He worked, as did the Obwaller fellow mentioned in the articles, for one of the Brunners.

If you need more, call me. Also Bill Ballinger with the guide board is continueing the state probe into the case against Mort Mason, the fellow who hired Obwaller from Germany.

Bill Blessington

Examples Of Waste Cited

Foreign Guides Work Openly

By BILL BLESSINGTON
Times Outdoor Editor

A lack of game law enforcement and loose restrictions on alien hunters have allowed a full-blown international ring of foreign guides and clients to operate openly in Alaska without licenses or regard for wanton waste laws. NOV 1 1979

"I worked for one guide who had eight spike camps set up with individual guides," one German-speaking assistant guide told The Anchorage Times this week.

"And we had two other Germans guiding for us the whole season," he added.

The man, who asked that his name not be used, said he personally saw five moose and two caribou wasted by hunters, who left them in the field, or by the guide, who oversaw their operation and let the meat spoil next to a runway at their base camp. The nameless assistant guide is a 10-year resident of Alaska and was legally licensed to guide hunters this year under the supervision of a registered guide.

The incidents took place on the far side of the Alaska Range, between Lake Clark and Rainy Pass.

And from the same area came reports of at least two "freelance" German-speaking guides who packed their hunters in Europe and came over with them, departing Alaska at the end of the hunting season without benefit of licenses either to guide or do business.

Confirmation about the foreign guiding ring came from two other sources, one an Austrian professional hunter who guided in Alaska as an unlicensed assistant guide this year, and from a local hunter who gave three German-speaking men a ride in his plane.

The Austrian, Otto Obwaller of Fieberbrunn in the Tirol, was involved in apparent wanton waste of a moose which was left untouched after a German client cut the head off for the antlers.

Obwaller said he knew of three other Germans working for Alaskan guides this year. In addition, he admitted that this season was his third year working in Alaska as a pirate guide for two Alaskan registered guides. State law prohibits non-residents from guiding.

Local hunter Bill Hudak reported two weeks ago that he encountered three German-speaking men along a river just west of the Alaska Range in September. Two of the men were being guided by the third who told Hudak that their hunt had been arranged in Germany.

Two years ago, Obwaller said, he began working for a well-known Anchorage guide who paid him $60 a day and gave him a bonus for each animal his hunters bagged. Then, according to Obwaller's story, the guide had one other German professional hunter. Last year, said Obwaller, the guide employed an additional German as a guide for a total of three. "If somebody from the Fish and Game showed up," he said, "(the guide) told us to say that we were just packers."

Obwaller claimed he had a falling out with the guide over pay and didn't plan to return to Alaska this year. One of his former German speaking colleagues referred him to another Anchorage guide for this past season and Obwaller said he was paid $80 per day with a $200 bonus per animal.

German-speaking guides are in such high demand that a few local registered guides seem willing to take the risks connected with hiring them.

"A lot of the Germans who come over here to hunt are older people," said the anonymous assistant guide. "Many of them are in their 50s, 60s and 70s and they don't speak any English. They specifically ask for German-speaking guides."

"This registered guide charged between $4,000 and $6,000 per hunt," he continued. "I know that fellow had in excess of 20, maybe 25 hunters go through his camps in five weeks."

"And the state only gets between $100 and $250 per hunt for tags and fees. It's no wonder the state ain't got no money to go and enforce the laws."

"I was in camp for 47 days," he said, "and we never saw a protection officer."

Wanton waste is common, according to the assistant guide, because the foreign hunters don't know what to expect in Alaska and aren't familiar with the size of moose and caribou.

"I was in camp one day and two Germans hiked in with caribou racks on their backs. In the course of their conversation, I learned that they had no intention of salvaging the meat because of the distance."

"The hunters don't seem to have any judgment for the vastness of the area. They are in good shape because many of them come from Austria or Germany where they are very active and hunt in the mountains to stay in shape so they hunt a full eight hours away from camp in all directions. Then when they down a moose or something, there's no way they can salvage the meat be-

John Vania, regional game supervisor for the Alaska Department of Fish and Game, says the alien hunter problem has surfaced rapidly in the past year.

"Five or 10 years ago," he said, "the European hunter was the best hunter in the field. They took every scrap of meat out and they worked like heck for their game. They were really good hunters. NOV 1 1979

"Now, they can come over here cheap and instead of getting a lot more of the good hunters like we used to, we're getting a lot of slobs."

Vania has been requested by one legislator to prepare a bill that would put tighter controls on alien and non-resident hunters. NOV 1 1979

State officials are familiar with the alien guiding operations as well as international booking operations that bring large numbers of foreign hunters into the state seeking moose, caribou and black bear.

"There's one Swede who brings in a bunch of hunters every year," said game biologist Ray Cramer. "Last year he brought in 40 and I'm sure he brought in the same number this year. That's all he does — look for places to hunt and broker the ticket sales and collect the money from other Swedes. He goes all over the world."

Cramer said the booking agent was tough with his hunters about wanton waste and observing local laws. "He told me he went in to pick up two hunters who just had the moose racks and he gave them 24 hours to go back and get the meat or they would have to find their own way back to Sweden."

"They got the meat and took it to a village so it wasn't wasted," Cramer continued. "We put one protection officer on his operation for a season and he couldn't find any waste at all."

Vania says the increasing numbers of non-resident and alien hunters will eventually create friction between themselves and Alaskans seeking big game on smaller and smaller areas.

Are We Giving It Away?

By Bill Blessington
Times Outdoor Editor

OCT 1 1 1979

Only a week or so ago, this writer had the unfortunate experience of seeing the meat from a great Alaskan animal wasted.

A big moose — a trophy bull in the prime of his life — shot and left to rot. Only the antlers taken out of the woods, eventually stolen.

Its not the first time I've seen such waste but that makes it no easier.

Who did it? I can say and probably will have to under oath.

Who's ultimatly responsible? I don't know. The parties who pulled the trigger and cut the head off have left the country. When the moose was shot, it was done with the hunter's full knowledge of the laws about wanton waste. What can you do when you remind someone of the law and all they do is shrug? The licensed guide involved did what he could to arrange salvage of the meat as soon as he arrived on the scene.

It would be dead wrong to portray Alaska's hunters and guides as lawbreakers. The vast majority of them respect the law and go out of their way to make sure that game is taken fairly.

But a single incident such as the one I saw, despicable as it was, should not be taken out of context. The context, however, bothers me.

It's simply too easy to break the game laws in Alaska and get away with it. A very thin brown line of less than 70 men and women is the only buffer between the rip off artists or those who don't care and the game which most of us love.

I recently spent a couple of days at Lake Hood, watching planeloads of hunters return to town. The obvious non-residents, dressed in green wool with jaunty caps and tweeds, carried their caribou horns, moose racks and bags to waiting taxis.

But then something struck me as odd. Only baggage came off the planes. I failed to see any meat. It wasn't one plane, it was one after the other, as long as the pass was open.

It is possible that the meat was given to natives for their winter supply. It's also possible that a lot of it was eaten in camp by a crew of hungry hunters.

But it's also possible that Alaska is selling its game too cheaply. A policy which not only insults Alaskans and sportsmen but threatens the herds themselves.

Jack Carter bags 3 ducks

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ANCHORAGE NEWS

Jack Carter bagged three ducks during a full day of shooting Friday on the Knik River, one of his hunting partners reported.

The President's son — visiting the state for the first time ever — "hit just about every bird he shot at" during a generally slow day of hunting, said Brad Snodgrass of Palmer.

"It was a fair shoot," Snodgrass said. "We could have done a lot better...There were a lot of birds in the area but not many hunters out there to move them around."

Two Secret Service agents joined the 31-year-old Carter and two others for the hunt at a blind owned by Snodgrass. Before going out, Carter purchased the required $60 nonresident hunting license and a $7.50 duck stamp.

In all, Snodgrass said, the six-member party brought down "seven or eight" ducks.

Carter told The Daily News prior to the hunt that he hadn't done much duck hunting in his native state. "Georgia isn't on any of the flyways," he said.

The co-owner of a grain elevator in Calhoun, Jimmy Carter accompanied his wife, Judy, to Anchorage for her appearance as a keynote speaker before the Alaska Association of Community Education. As director of career education for the Palmer School District, Sr. Grass helped to host the Carters during their visit.

The Carters also delivered a round of speeches at area schools and interviews. They were scheduled to return home today.

Before leaving town, however, Carter was greeted by a blast from the Alaska Waterfowl Association, which issued a statement through secretary Dick White of Anchorage criticizing the duck hunt as being "in quite poor taste."

White said the association's board of directors were "quite incensed about the son of the President who has locked up our lands...coming up here to go duck hunting. It's the epitome of the ancient feudal landlord system."

President Carter's declaration of 17 national monuments in Alaska last December banned sport hunting on some 56 million acres of land, but allowed continued subsistence hunting. The Knik River area where his son hunted Friday was not affected by the presidential order.

Foreigners Flock To Alaska To

By BILL BLESSINGTON
Times Outdoor Editor

"Zie elk!"

"Zie elk!" OCT 1 1 1979

Less than 100 yards ahead of me was a fine specimen of Alaskan bull moose and a guide. Behind me, was an excited German hunter and his wife who had just spotted the animal in the gathering dusk.

The moose watched us, obviously nervous about the intrusion into his rutting ground. His antlers stood out like twin beacons above his head, their whitened tips and palms in contrast with the rain-soaked brush on a slight rise behind him.

The German, Conrad Wineber, slipped his pack to the ground and after being told to shoot by the guide, Austrian Otto Obwaller, moved ahead of us.

Wineber made no attempt to use cover as I stood frozen. He pushed ahead five yards and ran a round into the chamber of his 375 H & H.

"Shoot, shoot," said Obwaller.

The moose climbed up on top of a ten — foot bank in a single easy movement. He stood there glaring at us.

With an ear-splitting roar, the heavy Saur spoke. I listened for the "thwock" of the bullet hitting its' target. Another shot, a third shot, and still no sign that the moose had been hit.

The bull looked off into the brush and took a few steps, disappearing neatly in a scrub of alders and black spruce.

"I don't think he hit it, I didn't hear anything," I said to Obwaller.

The German moved forward, his excitement obvious.

When the guide and I reached the spot where the moose had been standing, there was no sign of blood or hair which would have indicated a hit. I briefly relaxed, thinking that my pack wouldn't get any heavier over the next four miles to a lake where we were scheduled to be picked up.

Off to my left, a small bull looked on, probably wondering what all this new noise had to do with the mating season.

Then another shot rang out forty yards away through the brush. A second shot came just a minute afterward.

"Conrad, zu nabst?" shouted Wineber's wife Erica.

"Ja, ja!" came the muffled reply.

The moose had fallen after being cleanly hit and travelling about 50 yards. The huge animal died quietly from the heart/lung shots.

The moose was not a gantic trophy as far as moose go, but it was a trophy nonetheless for Wineber, a chemist with a German industrial combine.

The brow tines were almost perfectly matched with five well-shaped points on each side. The palms of the antlers stretched 61 inches, both sides almost perfectly symmetrical.

After a photo session, Obwaller began preparing the trophy by severing the moose's head at the atlas joint.

The skinning of the head was to be left for the hunter. An eventual wall mount was planned in the European fashion where the entire skull is left attached to the antlers and mounted on a plaque.

The young bull was still circling us slowly, his curiousity obviously getting the better of his natural sense of wariness. At one point, he stood calmly thirty yards away and watched for several minutes without moving.

Without a sound, he finally moved off. The rutting ground his if he could defend it.

Moose hunting in Alaska has many scenarios. They range from unfortunate ones like this where the hunters did not salvage the meat to those involving horses, bulls standing next to the highway, riverboats and airboats, tent camps on riverbanks and airplanes.

Residents and non-residents alike hunted the woodland giants this year, most of them legally and a very few illegally.

But it is clear that several factors are compounding to increase the pressure drastically on Alaska's moose. Some of them have to do with laws, some of them with administrative decisions both here and in the Iron Curtain countries, some of them with international currency, some with terrorism, some with simple greed.

More and more areas are being closed to hunting in Alaska.

This year sportsmen were shut out of 41 million acres of the state where national monuments were created and placed under the control of the park service.

At the time of the action, President Carter indicated the measure would be temporary. But that term has become a lawyer's term. The net effect of the closure is permanent, at least as far as the Alaska hunter is concerned. And when hunting is closed in one area and left open in others, hunting pressure builds in the areas left open.

Although the D2 bills in Congress set up park preserves which may be open to hunting, a ringer is present in the word "may". If the Wrangells ever reopen to legal hunting, it will be only on a permit basis and, thanks to court rulings, Alaskans will likely get no preference for having their needs for hunting taken care of first.

More than likely, national permit drawings might be held for the white

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sheep, caribou and bears of the Wrangells. And that means tens of thousands of applications from anti-hunting and anti-gun groups who feel they can "save the animals" by foiling legitimate hunters.

The other major increase in hunting pressure in Alaska this year comes from the international scene.

Alaska is cheap and Alaska is a fad.

Hunting in Europe, according to guides, hunters and tourism officials, is expensive, if it is available at all.

"We just don't have the places to hunt that you do," explained Neils Tuxen of Denmark.

As a result, European hunters are used to paying top dollar for hunting and travelling long distances. Good hunting can still be found in some parts of Germany, Austria and the Scandanavian countries. But the best European hunting is behind the Iron Curtain, a fact which has not escaped the attention of tax collectors.

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"A good deer in Rumania costs about $10,000," explained one hunter.

"They have a very modest fee for a license and a guide but they charge you so many dollars per gram of horn."

"You literally go out on a hunt and when the guide points out the deer, you count dollars to make sure you have enough for the animal."

Animals taken under thge Eastern European system are "sold" to the hunters on the basis of a complicated formula involving weight and size of trophies. The bigger the buck, the bigger the bill.

Hunters, however, don't touch the meat, which is sold in butcher shops as a delicacy. For them, Alaskan wanton waste laws and the packing of meat are something new.

Another hunter said a bear hunt in Russia or Bulgaria could easily run as high as $12,000 when the costs of transportation, guides, lodging, trophy fees, licenses and duties were added up.

In Alaska, a non-resident hunter pays $2[illegible] for a tag which would allow him to take any big game animal in the state with the exception of musk ox.

During the past year, a constant downward valuation of the dollar in relation to European currencies has meant lower and lower air fares from Europe to Alaska. Additional savings are also realized by hunters who book two or three week hunts and travel on discount fares.

The net result, according to Bernd Guetschow, the German consul in Alaska, is "that hunting here in Alaska for Germans is cheaper than hunting 300 miles away in Eastern Europe."

"The cost of a guided hunt here is about $5,000," said Guetschow, "which compares with $7,000 or $8,000 there."

In addition to the financial attractiveness of the Alaskan hunt, there has been a closure of most of Africa to legal hunting. The great game herds of Kenya, Mozambique, Gabon and other third world nations have been decimated by poaching and fueled by escalating Asian prices for hides and horns.

The African countries where hunting is still allowed include South Africa and Rhodesia. In Rhodesia, armed guards with automatic rifles accompany hunters on jaunts for plains game. Many parts of South Africa are similarly stressed because of military priorities and terse border situations.

The Middle Eastern countries of Iran and Iraq have closed to sportsmen because of revolution and a growing distrust of foreigners.

Alaska, for now, has some good hunting left. How long the hunting will stay good is a matter of speculation but some signs are evident that the pressure is being felt.

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"It is exotic," said Guetschow and it has a great appeal to Europeans looking for a new place to hunt.

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man who took President
on duck hunting says criti-
hunt by some people was
..."

Snodgrass of Palmer took
er and friend Joe Miguel of
nd Times Outdoor Editor
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Service men hunting in the
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Alaska Waterfowl Associa-
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...s said Carter was "very
... easy to get along
didn't get into any big polit-
ssions. We talked about
...ing in Alaska and quail
Georgia."
as aware his father had an-
gered people in Alaska," Snodgrass said. "And I'm sure he took back to his father" the Alaska sentiment.

Snodgrass also is a waterfowl artist and president of the Mat-Su chapter of Ducks Unlimited.

Carter shot three ducks, a mallard, a pintail and a scaup, during the day's hunt on the Knik River, Snodgrass said. The two Secret Service men didn't bag any game.

Carter came to Alaska with his wife, Judy, who was the keynote speaker before a community education conference in Anchorage. The couple left the state Saturday.

More Game Waste Reported

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"They just took the four legs off it and the cape and horns and the head."

Another incident of wanton waste of a moose by European hunters was reported in that fashion this week by Bill Hudok of Anchorage.

Hudok said the incident took place last month in the Swift River Valley, on the western slope of the Alaska Range.

Hudok and a friend were flying in Hudok's plane when they spotted three men in the valley. Hudok said he landed and the hunters offered to give him one of the moose's hindquarters for a ride down to a cabin they were using on the river.

"The fellow who was acting as a guide was a German," said Hudok. "He spoke real good English."

"They're just raping the country," he added.

"The rest of the carcass was just left there," Hudok said. "It was a good sized animal, a real trophy ..."

"I was under the impression that they were working with a guide, since they had the use of the cabin," he said. "One of the Germans was a game warden or field policeman back home and he gave me a little medal."

"The hunter who shot the moose said he probably spent 45,000 marks for the trip to get his trophy. He'd been here before but hadn't gotten a trophy."

Details of the incident have been reported to the Department of Public Safety. The state is continuing another investigation into the reported wanton waste of a bull moose by other European hunters in the Stony River area. That incident was reported in The Anchorage Times last week.

Under state law, wanton waste of game meat is a misdemeanor; so is guiding hunters without a license or operating as a guide inside another guide's exclusive guiding area.

Hunt Violations Net $100 Fines

Judge John Mason, in Anchorage District Court, fined two German hunters a total of $100 each for killing two moose over their limit and wanton waste.

According to Kenneth Rourke of Anchorage, who reported the incident to Fish and Wildlife Protection officers, the two hunters shot four moose some three miles off the Petersville Road in a swamp. Rourke and a department spokesman said the Germans had only two moose tags when the four bulls were killed.

"All they got was a $100 fine," said Rourke, who found one of the carcasses which had been left to spoil.

"The moose was not skinned and was left in the water for about two days when I found it," said Rourke.

The hunters, Hans-Peter Filtgen and Nanfred Ceraficki, were arrested as a result of Rourke's complaint. OCT 1 8 1979

In the Oct. 8 decision, Filtgen received a $500 suspended fine for killing an overlimit of moose and another $500 fine for wanton waste. All but $100 of the wanton waste fine was suspended by Judge Mason.

Ceraficki was fined $100 for killing the extra moose when $400 of a $500 fine was suspended.

A department spokesman said the case was complicated because the Germans apparently gave the meat from the kills to some other hunters they encountered in the field. The other hunters, according to Rourke, had no way of salvaging the meat.

"I think the person who pulls the trigger should be responsible for the meat," said Rourke.

Two of the bulls shot by the Germans were mulligans, or young bulls; a third had a rack of about 50 inches. According to Game Board member Daryl Farmen, who owns O & C Expediters, the larger rack was returned to the hunters by the judge the day after it was seized at his warehouse by enforcement agents.

Farmen said he has favored the concept of forcing non-resident aliens to employ registered guides for Alaskan hunts.

"At least it would make somebody responsible for their actions," he said, "and it would cut down on the numbers of them."

A guide's only restriction on non-residents would require an act of the state legislature.

Non-resident hunters are now required to have registered guides only when they hunt brown or grizzly bears and Dall sheep.

Rep. Vern Hurlbert, D-Sleetmute, said he expects further action in the legislature next year on requiring non-residents to have guides.

A tougher meat salvage law with the guide requirements for non-resident moose and caribou hunts in units 22, 23 and 19 A and C was passed by the House last session and is presently in Senate committee, according to Hurlbert.

"A moose in my opinion," he said, "is to hunt for subsistence, for meat. The taking of the horns should be incidental. It galls me to see our resources shattered like that," said Hurlbert.

Missing Hunter Found Dead

A 51-year-old German hunter was found dead Tuesday near the Kichatna River north of Rainy Pass.

Alaska State Troopers said the man, whose name has not been released, had been missing since Sunday morning. His body was found by a military helicopter at 4:30 p.m. Tuesday, troopers said.

OCT 4 1978

Cause of death was unknown this morning.

The victim reportedly walked away from his two-man camp at 6 a.m. Sunday and failed to return. His disappearance was reported to the Rescue Coordination Center Monday by Ketchum Air Service, troopers said.

A combined air-ground search was conducted by troopers, the rescue center and volunteers from the Alaska Rescue Group.

The German consulate in Seattle has been attempting to notify the victim's relatives in West Germany, troopers said.

Hunt Victim Identified; Exposure Caused Death

Alaska State Troopers have identified a German hunter found dead Tuesday north of Rainy Pass.

The body of Martin Brackelsberg, 40, was found by a rescue helicopter dispatched to the area when the man was reported missing from a hunting camp, troopers said.

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Autopsy results indicate Brackelsberg died of exposure, troopers said.

The victim was a resident of Darmstadt, West Germany.

Brackelsberg had been missing since 6 a.m. Sunday when he left his two-man camp near the Kichatna River, troopers said.

OCT 5 1978

Guided Alaskan Hunts Prove More Successful

"Hunt in Alaska!" OCT 1 1 1979

Big game hunters looking for adventure and a trophy in a foreign country have been flocking to Alaska in increasing numbers for the past three years.

Most of them take home at least one trophy, either a moose or caribou. A smaller number take home black or brown bears.

The marketing of hunting and game in Alaska is now a bigger business than ever before involving international booking agencies, travel agencies and advertising.

The big game guides, in some instances, support hundreds of thousands of dollars worth of loans and mortgages, airplanes, lodges, all terrain vehicles and camps.

There are three major ways in which Alaskans are cashing in on the growing number of non-resident hunters, the largest now being the air taxi operations which transport hunters to and from the field.

Probably the second largest business is the registered guide business where a hunter books a guide for an escorted hunt for a particular species. Guides are required for non-resident sheep and brown or grizzly bear hunters.

The third kind of business available to Alaskans is that of the game and hunter transporter. Anyone with a riverboat, weasel or airplane can, for a $10 fee, be licensed as a transporter and take hunters and their gear to and from hunting places.

For the Alaskan or out of state hunter on a budget, some good hunting experiences can be obtained with drop off hunts provided by air taxi operators and transporters.

Under this system, people are flown out for a fee ranging from $300 to $1,500 or more and dropped off in a likely looking spot for a specified period of time. Food, tents, camping gear and other services are available from most of the air taxi operators at additional cost.

Registered guides provide a more complete service in most instances by having an employee stay with the hunter during the hunts. The costs run from several thousand dollars for a guided moose hunt to over $6,000 for some guided brown bear hunts. It's not unusual for clients of registered guides to spend $10,000 or more for a hunt in Alaska, including air transport, new gear, the guide's fees and tips.

Transporters charge varying rates, depending upon their equipment, location and services. Their businesses usually involve aircraft, although more have sprung up in recent years with riverboats.

The problem for non-resident hunters is that some have purchased a pig in a poke because of loose use of the words "guide" and "outfitter".

What might be advertised as a guide service may in fact be a simple drop off hunt.

And a guide who supposedly cannot operate within another guide's hunting area can do so with impunity under the guise of a "transporter".

"You're almost a fool to get a guide's license anymore," said one guide.

"Its just too much bother to go through the five-or eight-year process, the examinations and the oral tests and then find out that there are no more exclusive guide areas left open."

Its no secret that guided hunters have a better success rate than resident Alaskans when it comes to bagging game.

In 1976, for example, Department of Fish and Game statistics from harvest reports indicate that 4,067 moose were killed by hunters statewide. Of that total, 636 were taken by non-residents who had a 52.7 percent success rate. The state's 15,000-odd hunters who reported that they hunted moose in 1976 had a success ratio of 21.3 percent, although residents took the vast majority of the total.

In 1977, an estimated 4,500 moose were legally taken. Non residents took roughly 12 percent of the total but their success rate was about 60 percent.

Last year, 5,171 moose were harvested legally and reported to the state. Non-residents again took a total of about 12 percent of the kill but with a 57 percent success rate.

For sheep, where a non-resident is required to have a guide, the diferenc in success rates is more obvious.

In 1976, non-residents had a success rate of 70 percent, residents 28 percent.

In 1977, non-residents had a success rate of 62 percent, residents 26 percent.

In 1978, non-residents had a success rate of 77 percent, residents 33 percent.

For brown and grizzly bears, 823 were taken in Alaska during the 1977-78 regulatory year.

This past spring, 337 of the great bears were taken, 62 percent of them by non-resident hunters with guides.

SUCH A TERRIBLE WASTE

OCT 1 1 1979

Otto Obwaller cuts the head off a moose shot just west of Merrill Pass. The moose was taken by a German hunter who left it to rot after skinning the head. Wanton waste of big game under Alaskan law is a misdemeanor.

'Keep Meat Dry, Cool'

Game Processer Explains Job

OCT 1 1 1979

"Don't ever get the meat wet and keep it cool," says Spiro George, the owner of George's Game Processing.

George, as he prefers to be called by his customers, has been in the food business for over 25 years and has been dressing moose, caribou and even ducks in Alaska for close to 20 years.

"The biggest moose I ever saw," he said ," was one that weighed 1,150 pounds when it came in through that door."

George pointed toward the door leading to another portion of his store at Mile 6 on the Old Seward Highway.

"The neck was so big they had to cut it in two different pieces and each of them weighed in at over 100 pounds."

"And you know what?", he asked. "They shot that moose right up off O'Malley Road, put it in the back of a truck and brought it down here."

Although it's not a service available at every neighborhood supermarket, George and two or three other butchers and sausage making firms in Anchorage, will handle a hunter's meat from the moment it comes back to town.

"We weigh everything when it comes in the door," explained George, who with his wife and son, do all the game processing themselves.

"A man works hard for that moose and I like to make sure he knows why there might be a difference between the weight when the meat comes in and when he takes it home."

George says if meat is well taken care of by hunters, then almost no waste will take place in the butcher shop. George says hunters should bring the meat to their butchers as soon as they come back from a trip, rather than trying to guess the best lenth of time for aging the meat.

As soon as the game is taken "the hunters should keep their meat in a cool, dry place," he said. "And they must use cloth bags to keep the flies and dirt off the meat."

George and other game processors charge by the pound for meat cutting, boning, sausage making and grinding.

Mooseburger, for instance, usually has a minimum of 20 percent suet added. The original meat has almost no fat and when ground, does not cook well unless fat is added.

"I have to ship in beef suet from Outside," said George, who also adds beef suet and pork fat to his sausage.

Hunters can have either Polish or summer sausage made from the game. George and the other sausage plants in Anchorage smoke the sausage on the premises and can adjust the receipes to make the sausage hotter or milder according to the taste of the customer.

When a large animal is processed, the hunter can expect to receive steaks, roasts and ground meat much like those obtained from cows.

Smaller animals are cut into roasts and chops, "but its only the name that's different," according to George.

Parker Cites Harm To Hunters

OCT 19 1979

Urban sportsmen will get the worst deal under subsistence provisions of D2 legislation, Walt Parker says.

"Its the urban sportsman who has taken it in the shorts, much more so than even the miners," said Parker, former member of the state Game Board and state co-chairman of the now defunct Federal-State Land Use Planning Commission.

He said sporting organizations basically failed in their congressional lobbying efforts to keep large areas of Alaska open to regulated hunting.

"The national organizations tried hard but it was just too big a game for them," he said. "They didn't back our management concept and lost out as a result."

The plan supported by the commission called for joi. t management of large tracts of land between federal, state and native owners.

Parker says the new national park and monument restrictions on hunting involve essentially only non-native hunters.

"The refuges were set up to take care of the subsistence needs of the natives," he said, "the conflict over the monuments is not with the natives because the monuments are in areas that were never used to any great extent by natives for subsistence purposes."

Parker denied that native leaders forged what one state official termed an "unholy alliance" with environmental groups, exchanging support for large park withdrawals for support on exclusive hunting and fishing rights for natives.

"It was a natural alliance rather than a political plot," said Parker of the seeming agreement between natives and environmentalists on some issues.

Some of the native support for federal oversight of fish and game management in the state was attributed by Parker to "a reaction against the failure of the Alaska Department of Fish and Game to meet the needs of some of the native groups."

"The natives were really dealing in their own interests and occasionally those interests coincided with the environmentalists."

Parker said sportsmen have lost hunting opportunities on 60 percent of the Dall sheep range in the United States as a result of the D2 bills. "And," he said, "they'll loose big on bear too." Parker said he expects drastic changes in hunting opportunities for sportsmen in the state within the next few years.

-- Hunting Response

Dear Editor: OCT 2 0 1979

I was in a sour mood. After a very long day as I read the front page of the Oct. 11 Times, I saw a notice that Outdoor editor, Bill Blessington, had witnessed the waste of a big game animal. And as I read the articles on page 52, I became increasingly incensed.

As an employee of a local airline for the past few years, I have witnessed an increasing number of antlers, taken from animals killed by foreign hunters, coming in from the bush. Even if the European full-skull mount were not in vogue, they would easily be recognizable; they accompanied no meat. With the no-hunting clause in the National Monument laws, us folks in Alaska's big cities are being unfairly restricted. I feel that most of us had come up here to live as self-reliant a life-style as possible, that the term "subsistence," therefore, had been unfairly interpreted by the state and federal governments for people who paid the highest taxes, the most for land and housing and had the least access to this state's wilderness acreage.

— Foreign hunters should be placed in a lottery system; the big-game-tag fee for lottery-drawn participants should be increased ten-fold; foreign hunters should be accompanied by registered guides on all big game hunts; hunting should be closed during the rut, to all hunters — approximately the month of October, as it would prevent the deaths of animals whose meat would balk a village do ; guides should be held strictly accountable for the meat of animals killed by their clients.

At this point, I am in a state of amazement. In Sunday's "Times", page A-8, a short article stated Jack Carter had killed three ducks. In Letters to the Editor of the same edition, a letter from the Alaska Waterfowl Association protested the projected ' unt, which had been written about in articles a few days prior. Monday's Letters to the Editor had an expression of concern about the deaths of three ducks, which (as an aside) happened to occur during open season and in an unrestricted area. Tuesday's front page photo actually showed Jack Carter at the scene of the crime.

If that is the pervasive mentality of us big city hunters, then the anti-hunting people and lock-up types might have a valid point after all.

W re is the outcry for the wasted mouse on the headwaters of the Stony River?

James L. Bachman Jr.
Muldoon

State Game Rules Apply

JUNEAU (AP) — Alaska's hunters should keep in mind that state game regulations still apply in national monuments, the Department of Fish and Game sa OCT 2 5 197

"A recent opinion by the Department of Law confirms that state laws and regulations still apply on monuments, unless more restrictive federal regulations have been adopted," said Commissioner Ron Skoog of the department.

"Federal agents, not state enforcement officers, will enforce (more restrict federal rules)," he added.

Hunting Fines

Dear Editor:

In recent weeks the Anchorage Times has contained several articles concerning violations of hunting regulations by European hunters. Wanton waste appears to be a habit shared by many foreign hunters visiting our state. In the most recent article two German hunters shot two moose over their allowable limit and left the meat to spoil. The honorable Judge John Mason slapped these naughty hunters on the fingers and fined each of them $100. He really taught them a lesson for violating our state's game regulations.

The following day the Anchorage Times carried an article about two local hunters who mistakenly shot two sheep which they thought were goats. These hunters carried legal permits for goats and, being honest hunters, took their "goat" horns to the Alaska Department of Fish and Game to be tagged as required under the conditions of the permit. They were each fined $250, forfeited their game, and had their hunting privileges suspended for one year. I would bet that Judge John Mason did not rule on this case, or if he did, he certainly has his priorities mixed up.

I will not expound on the punishment received versus the violation committed in the case of the two local hunters. However, I do feel that the violations committed by the two German hunters warranted a much, much stiffer punishment than was handed down by Judge Mason. The punishment in this case certainly did nto fit the crime. According to Mr. Hobbs' Letter to the Editor (Friday, October 26) the hunters were even allowed to keep the antlers.

NOV 2 1979

Judge Mason and other judges who hand down minor punishments for violations of fish and game regulations certainly do not have protection of our wildlife resources in mind. I think its time that our judges realize that Alaska's fish and wildlife resources are important on a local, national and international level as evidenced by the people who come to Alaska to harvest them. I suggest that everyone who feels that our judges are being too lenient on fish and game violators keep the names of these judges in mind when they come up for re-election.

Frank Wendling
SRA Box 559
Anchorage

Rabbi 8 1979

The lowbush moose, also known as the bunny, is beginning a comeback as target for the Alaska hunter. Times Outdoor Editor Bill Blessington tells all about it in Alaska's most comprehensive Outdoor section on page 50 today.

December 12, 1978

Wilson L. Condon
Deputy Attorney General
Department of Law

Position Paper Review

Dave Hardy
Game Biologist III
Game Division

The enclosed position paper is being drafted by Game Division to address problems arising from unguided alien hunters. Before action can be taken, the following questions require legal review.

1. What actions must a person perform before he can be successfully prosecuted for guiding without a license?

2. If the State chose to pass legislation setting different tag fees and guide requirements for aliens as opposed to nonresident U.S. citizens, what court tests would it have to pass? How should the legislation be drafted so as to maximize the possibility of surviving judicial review?

We appreciate your attention to this matter and await your response at the earliest convenient time.

Enclosure

STATE
of ALASKA

MEMORANDUM

TO: Dave Hardy
Game Biologist III
Game Division
P. O. Box 234
Homer, Alaska 99603

DATE: March 5, 1979

FILE NO:

TELEPHONE NO:

FROM: AVRUM M. GROSS
ATTORNEY GENERAL
By: Sarah Elizabeth Fussner
Assistant Attorney General
AGO - Anchorage

SUBJECT: Position Paper Review - Alien Non-Guided Hunts

You have requested the Department of Law to review the issue paper attached to your December 12, 1978 memorandum to Wilson Condon, Deputy Attorney General, regarding alien hunters. Specifically, your questions are:

Question No. 1. "What actions must a person perform before he can be successfully prosecuted for guiding without a license?"

Summary Answer: To be guilty of guiding without a license a person must aid or attempt to aid another person, personally or through an assistant, to hunt, pursue, capture or in any way disturb any species of game when done for monetary or material compensation.

To be guilty of transporting without a license a person must convey another person for the primary purpose of hunting big game or removing parts of big game taken, when the price charged for the service reflects more than the normal operating cost of the transportation.

Analysis. A. It is unlawful to guide without a license pursuant to AS 08.54.210(3). Prosecution for failure to have a current guide license or transporter license when engaging in certain activities is based upon AS 08.54.210(3):

> It is unlawful for a person to guide or transport as defined in this chapter without being licensed under this chapter and without having the license in his actual possession; however, for purposes of transporting by air, in the case of a corporation, company, partnership or other business entity, the license may remain at the principal place of the business entity; [Emphasis added.]

The definitions of "guide" and "transport" are critical to any prosecution for guiding or transporting without being licensed. The key language in the definition of "guiding" is "assisting another to take game".

B. Guiding is aiding another to take game for compensation. Attached is a copy of a memorandum from Tom Meacham, Assistant Attorney General, to William Bellingar, Guide Investigator, dated September 26, 1977, which gives a general interpretation of the definition of "guiding". I attach the memorandum for your reference.

The statutory definition of "guiding" is found in AS 08.54.240(2), which states:

> "Guide", "guides" or "guiding" means assisting another person to take game with the intent of receiving monetary or material remuneration for the services, by accompanying and directing that person personally or through a licensed assistant guide for the duration of a hunt, and not solely for the purpose of providing transportation services;

The language used in that definition is given further legislative definition as well as regulatory interpretation as discussed below.

The primary concept of the definition of "guide" is assisting another person to take for compensation. The term "take" is defined by the legislature in AS 16.05.940(18) which provides:

> "Take" means taking, pursuing, hunting, fishing, trapping, or in any manner disturbing, capturing, or killing or attempting to take, pursue, hunt, fish, trap, or in any manner capture or kill fish or game;

The term "take" is thus given a very broad meaning by the legislature, and apparently encompasses any intentional invasion of the habitat and peace of an animal, not limited to big game animals ("in any manner disturb...fish or game").

Although the term "take" is not defined in title 8, ch 54, (the title that covers licensing guides), it is

arguable that the definition of "take" provided in the Fish and Game Code, title 16, ch 5, applies to, or is to be given great weight in construing, the concept of "take" used in the guide licensing statutes and regulations. This is particularly true since there is no conflicting definition of "take" in the guiding laws or regulations (see, in contrast, the distinctly different definition of "resident" that appears in the Fish and Game Code and in the guide licensing title).

The term "take" can be given different emphasis depending on the context of the law. For example, the term "take" when used in a bag limit definition (cf. 5 AAC 81.310 - a hunter must "take" in accordance with bag limits) is likely to be construed by a court to mean actually killing, not merely hunting or pursuing. The need for this construction is obvious when one considers that otherwise a person would be guilty of "taking" an entire flock of birds merely by aiming his gun in their direction. United States v. Chew, III, 540 F.2d 759 (4th Cir. 1976). In Chew, a hunter was convicted of exceeding the bag limit on doves; the appellate court upheld the conviction but in so doing held that the definition of "take" (which was similar to Alaska's) was overly broad when read literally but could be reasonably construed when applied to someone who actually killed too many birds.

Putting together the definition of "take" with that of "guiding" the functions of guiding would appear to extend not only to the act of shooting or killing a game animal, but also to any activities associated with tracking or disturbing game for hire or attempting to do so while in the field.

C. Guiding is not limited to big game. "Guiding" refers to game, not just big game. "Game" is defined in AS 16.05.940(9) to mean:

> any species of bird or mammal, including a feral domestic animal, found or introduced in the state, except domestic birds and mammals;

The Board of Game has classified game as big game, fur animals, small game and unclassified game. 5 AAC 90.020. Thus, guiding activities include assisting in taking all game species for remuneration, although AS 16.05.407 only requires a nonresident hunter to be accompanied by a guide for hunting, pursuing or taking brown bear, grizzly bear, polar bear or sheep.

In summary, the statutory elements of "guiding" for purposes of criminal prosecution are: aiding or attempting to aid another person, either personally or through an assistant, to hunt, capture, pursue, or in any way disturb any species of game when done for compensation, either for money or goods

D. Guiding for purposes of guide licensing encompasses additional activities other than assisting in the take in the field. The concept of "guiding", for purposes of licensing and regulating the profession goes beyond the act of aiding another to "take" game for hire. Reading the guide statutes as a whole, the meaning of guiding is expanded to include additional responsibilities. 12 AAC 38.070 "Responsibility of Guide to his Client" provides that a guide must insure that his client has proper licenses and tags, that he take every reasonable measure to insure the safety and comfort of his clients, and that he have adequate first aid, food, shelter and transportation for his clients. Also 12 AAC 38.180 "Guiding Ethics" lists activities that are not condoned by the guide profession, including misrepresenting accommodations and rates, not cooperating with peace officers, making guarantees of success, failing to maintain an adequate camp and facilities, etc. Arguably, all these actvities, though they may not necessarily occur while in the field and hunting, must relate to a "contract hunt", i.e. a hunt for hire.

Putting all the above statutes and regulations together, it appears that a guide, in his professional capacity, performs many functions that go beyond the act of "guiding", i.e. hunting or attempting to direct a client to game. A guide is acting in his professional capacity when he writes letters describing his services, rates and accommodations. Similarly he acts in his professional capacity when he prepares the trophies, antlers, horns, etc. taken by his clients. Also a guide acts in his professional capacity when he insures that all meat of trophies are taken and salvaged in accordance with state law. A guide is not, however, legally "guiding" after the hunt is over (i.e. after game is killed), but he is still performing professional services encompassed by the broad licensing powers of the Guide Board -- he could be subject to civil disciplinary actions, not criminal prosecution.

In summary, when a guide performs any of the above-described activities associated with the professional guide, he is subject to disciplinary action against his professional license, but is not subject to criminal prosecution unless he violates a state fish and game or guide law or

regulation, fails to have a current hunting and fishing license, fails to report a violation by his client, or hires more than three assistants. AS 08.54.210.

E. It is unlawful to transport without transporter license. Transporter licenses are required pursuant to AS 08.54.142 and .144. "Transport" is defined in AS 08.54.210(5):

> "transporting" or the "activity of transporting" means conveying a person by any lawful means to an area for remuneration or material benefit in excess of normal operating costs, when the primary purpose of the person being conveyed is the taking of big game and the associated removing of big game meat and parts of big game after big game has been taken; big game as used in this paragraph means game which, if taken by a nonresident, would require a big game tag. [Emphasis added.]

The key concepts in this definition are (1) the person transporting is charging more than the tariff rate for air taxi flying or more than normal operating costs; (2) the primary purpose or intent of the person being transported is to hunt big game; (3) unlike the definition of "guiding", transporting is limited to big game.

Big game is defined in 5 AAC 90.020(3) to include:

> black bear, brown and grizzly bear, polar bear, bison, caribou, Sitka blacktail deer, elk, mountain goat, moose, musk oxen, mountain or Dall sheep, wolf and wolverine.

The definition of "transporting" further limits big game to those species for which a nonresident must have a tag. This refers to AS 16.05.340(9) "License and tag fees" which provides:

> A nonresident may not take a big game animal without previously purchasing a numbered, nontransferable, appropriate tag, issued to him as provided in (16) of this subsection.

The tags listed in AS 16.05.340(16) include black bear, brown or grizzly bear, polar bear, bison, caribou, deer,

elk, goat, moose, sheep, walrus, wolf and wolverine. The one species that does not appear both in 5 AAC 90.020(3) and AS 16.05.340(a) is musk oxen, which is hunted by permit only and tags are provided if a season is open. AS 16.05.350.

In summary, those activities for which a person must hold a current transporter license include:

> to convey a person for the primary purpose of hunting big game or to remove the parts of big game taken, when the price charged for the service reflects more than the normal operating cost of the transportation.

F. Example of guiding without a license A person who performs the above actions relating to transporting or guiding as it is defined for criminal cases without a license could be prosecuted under AS 08.54.210. By this analysis, an alien, for example, who offers a package hunt for Swedes or Germans for moose in Alaska and either personally or through an assistant, aids the hunters to take the game, and who charges for the service more than the normal operating costs of transportation to the field, is guilty of guiding and transporting without a license.

Question No. 2. If the state chose to pass legislation setting different tag fees and guide requirements for aliens as opposed to non-resident U.S. citizens, what court tests would it have to pass? How should the legislation be drafted so as to maximize the possibility of surviving judicial review?

Summary Answer: A state law that discriminated against aliens by charging them a higher hunting license fee would be subject to strict judicial scrutiny and would have to be the least drastic means of furthering a compelling state interest.

Analysis of this rather complex question requires several steps: (1) Who is an "alien"? (2) What is the basis for classifying aliens differently from U.S. citizens? (3) What state interest is protected?

A. Aliens Defined. An alien is defined generally as a citizen or subject of a foreign state or a foreign government (see Black's Law Dictionary, at 95 and DeCano v. State, 110 P.2d 627 (Wash. 1941)). The Board of Fisheries defines "alien" in 5 AAC 39.975 as:

> [A] person who is not a citizen of the United States, and who does not have a petition for naturalization pending before the district court.

An alien may be a resident alien or a non-resident alien, and may live legally in the United States even though he is not naturalized. Aliens living within the United States are granted certain protections (to make contracts, sue and be sued, be protected by law enforcement, etc.) and as a result they owe a temporary and local allegiance to the country in which they reside.

B. Basis of Challenge to Laws that Discriminate Against Aliens. Whether a law that discriminates against an alien will withstand constitutional scrutiny may depend on whether the alien is: (1) an alien not lawfully in the state; (2) a non-resident alien; or (3) a resident alien.

Probably a law prohibiting an alien not lawfully in the U.S. from taking fish and game would be upheld under a state's police powers. (See, e.g., AS 16.05.905, prohibiting aliens not lawfully admitted to the U.S. from engaging in commercial fishing or taking marine mammals in territorial waters.)

Laws or regulations that discriminate against a non-resident alien, a non-resident citizen, or a resident alien, are subject to attack under:

(1) Article IV § 2 of the U.S. Constitution - privileges and immunities;

(2) 14th Amendment of the U.S. Constitution - equal protection;

(3) Article I § 8 of the U.S. Constitution - commerce clause; or

(4) Article VI, U.S. Constitution - supremacy clause.

Analysis of the constitutionality of the law or regulation depends on which constitutional challenge is raised.

(1) Privileges and Immunities. A law or regulation aimed directly at aliens could not be overturned under the privileges and immunities clause, because that clause protects only citizens. Similarly, a law that discriminated against non-resident American citizens by restricting or prohibiting them from sport hunting might arguably withstand a privileges and immunities challenge on the grounds that sport hunting, unlike commercial fishing, is not a right of citizenship to be protected, but is merely a privilege.

The test applied by the U.S. Supreme Court to determine whether a law that discriminates against non-residents violates the privileges and immunities clause was set out in Toomer v. Witsell, 334 U.S. 385 (1948). The court there struck down a South Carolina shrimp fishing law that charged non-residents one hundred times the resident license fee for shrimping in its three-mile coastal waters. The court distinguished its earlier decision, McCready v. Virginia, 94 U.S. 391 (1876), (which had upheld a law allowing Virginia citizens only to plant oysters in state tidal waters) on the grounds that McCready involved non-migratory fish in inland waters and that it was based on an outdated "ownership" theory of fish game. The court then held that the ability to engage in commercial fishing is a right protected by the privileges and immunities clause, and that no law may discriminate against non-citizens (of the state) unless "there is something to indicate that non-citizens constitute a peculiar source of the evil at which the statute is aimed" Toomer, supra at 398.

In a subsequent case, the U.S. Supreme Court addressed a similar privileges and immunities challenge to a Montana law that charged non-residents a higher hunting license fee. The court in Baldwin v. State Fish and Game Commissioner, ___ U.S. ___, 98 S.Ct. 1852 (1978) upheld the scheme, on the ground that the privileges and immunities clause does not encompass recreational sport hunting:

> Some distinctions between residents and non-residents merely reflect the fact that this is a Nation composed of individual States, and are permitted; other distinctions are prohibited because they hinder the formation, the purpose, or the development of a single union of those states. Only with respect to those "privileges" and "immunities" bearing upon the vitality of the Nation as a single entity must the State treat all citizens, resident and non-resident, equally.... Equality in access to Montana elk is not basic to the maintenance or well-being of the Union. ___U.S. at 98 S.Ct. at 1861-62.

Thus the initial test for a privileges and immunities challenge is whether the law affects a right to engage in a livelihood or whether the activity is merely recreational and a sport. If the latter, a privileges and immunities challenge will not prevail.

(2) Equal Protection Under 14th Amendment. State laws that discriminate against aliens or non-residents must withstand a different test when challenged under the "equal protection" clause of the 14th Amendment.

First, the court must determine whether the class discriminated against is "inherently suspect" or if the law affects a "fundamental right." If so, the court will "strictly scrutinize" the intent and purpose of the law to establish whether there is a "compelling state interest" that necessitates the law and that the law is the least drastic means to further that interest. Dunn v. Blumstein, 405 U.S. 330 (1972). If the classification is not "suspect," and the right not "fundamental" the court will restrict its review of the law to a determination whether the law and the classification it establishes is "rationally related to a permissible state interest."

The Court in Baldwin, supra, at 1862 concluded that recreational hunting was not a "fundamental right" (for purposes of privileges and immunities analysis which protects a longer list of rights than does the equal protection clause. (Hicklin v. Orbeck, 565 P.2d 159, 168 n.16 (Alaska 1977), rev'd on the grounds ___U.S.___, 57 L.Ed.2d 397 (1978)). However, the class of aliens (regardless of residency) has been held to be a suspect class for state laws, though not federal laws. Mathews v. Diaz, 426 U.S. 67 (1976), Sugarman v. Dougall, 413 U.S.634 (1973) (civil service); Takahashi v. Fish and Game Commission, 334 U.S. 410 (1948) (commercial fishing); Frovlov v. Delo, 383 N.Y.S.2d 470 (N.Y. 1976) (hunting license). Thus, in order to uphold a law that discriminated between resident citizens and resident aliens, the state would have to show that distinguishing the class of aliens was necessary to further a compelling state interest. Frovlov, supra, at 472; Takahashi, supra at 416-17. A classification based solely on alienage must thus correspond to the class from which an "evil" is to be feared. Patsone v. Commonwealth of Pennsylvania, 232 U.S 138 (1914) (upholding a state law prohibiting aliens from killing game for sport and to that end making possession of shotguns by aliens unlawful).

It may thus be more difficult to demonstrate that a law directed at aliens only is directed at the primary source of the problem. The court in Takahashi, supra at 419 held:

> The protection of this section [8 U.S.C. § 41 relating to rights of all persons under U.S. Jurisdiction] has been held to extend to aliens as well as to citizens. Consequently the section and the Fourteenth Amendment on which it rests in part protect "all persons" against state legislation bearing unequally upon them either because of alienage or color...The Fourteenth Amendment and the laws adopted under its authority thus embody a general policy that all persons lawfully in this country shall abide "in any state" on an equality of legal privileges with all citizens under non-discriminatory laws. [Footnotes omitted.]

The court concluded that the power of a state to apply its laws exclusively to alien inhabitants is "confined within narrow limits." Takahashi, supra at 420.

Applying this language to an Alaska law that would bar aliens from hunting, or otherwise restrict their ability to engage in sport hunting, its validity would depend in part on whether the privilege of sport hunting is encompassed by the privileges citizens can also enjoy. Arguably, sport hunting is not such a privilege enjoyed by all citizens, but is a special privilege that may be restricted to state citizens in order to protect the resource. In Patsone v. Pennsylvania, 232 U.S. 138 (1914) (cited in Takahashi, supra at 410) the Supreme Court sustained, against Fourteenth Amendment due process and equal protection challenges, a state law barring aliens from hunting wild game in the interest of conserving game for citizens of the state. The distinction between the Patsone and Takahashi cases apparently was that in Patsone the court found no conflicting federal law or treaty, that the privilege of taking wild game was not a right of citizenship, and a state could keep game for its own citizens. (Citing Geer v. Connecticut, 161 U.S. 519 (1896)).

Takahashi, suggests that to earn a living by fishing is a right of citizenship, and that:

> To whatever extent the fish in the three-mile belt off California may be capable of ownership by California, we think that "ownership" is inadequate to justify California in excluding any or all aliens who are lawful residents of the state from making a living by fishing in the ocean off its shores while permitting all others to do so.

Based on the Takahashi case, it appears that a law directed at non-residents, rather than aliens (whether resident or non-resident), would be easier to justify.

Earlier analysis used to uphold state laws directed at non-residents (citizen or alien) relied on the theory of "state ownership" of fish and game resources. In re Eberle, 98 F. 295 (7th Cir. 1899) (upholding state law charging non-residents a much higher hunting license fee); State v. Tower, 24 A. 898 (Me. 1892) (upholding a state law forbidding non-residents from hunting in the state).

The "state ownership" theory is that the wild game (and fish) in a state is the property of the state under its "sovereign ownership." Patsone v. Pennsylvania, 232 U.S. 138 (1914) (no resident aliens may hunt deer); McCready v. Virginia, 94 U.S. 391 (1877) (state title to oysters in tide waters). This analysis has, in recent years, been severely eroded, although not overruled. Fish that migrate have been deemed not the state's property, Toomer v. Witsell, 334 U.S. 385 (1948) and state laws prohibiting aliens from commercial fishing in territorial waters, when the aliens held a federal gear license, have been stricken. Douglas v. Seacoast Products, Inc., 431 U.S. 265 (1977). Although the ownership theory has been deemed "but a fiction," Toomer v. Witsell, 334 U.S. 385, 402 (1948), and a "slender reed," Missouri v. Holland, 252 U.S. 416, (1920) nevertheless it has not been overruled.

Courts today have, however, tended to replace "ownership" concepts with the principle that under a state's police powers, the state is trustee of the fish and game within its borders and may take reasonable measures to protect and manage it. Baldwin, supra at 1864 (Burger concur.); State v. Kemp, 44 N.W.2d 214 (S.D. 1950), dis'd 340 U.S.923 (1951) (U.S. S.Ct.dis'd for want of "substantial federal question" a South Dakota law excluding non-resident from hunting migratory waterfowl.)

Alaska's supreme court has taken a similar approach to protection of its natural resources. The court in Hicklin v. Orbeck, 565 P.2d 159 (Alaska 1977) struck down the durational (one year) residency requirement for pipeline jobs, on the grounds that, under equal protection analysis, a "fundamental right" (travel or migration) was infringed upon and the law must be strictly scrutinized; however the court also upheld a non-durational residency provision, claiming the right to work is not a fundamental right, and therefore the law must merely "bear a fair and substantial relation to a permissible state interest." Hicklin, supra at 167. The court relied on McCready v. Virginia, 94 U.S. 391 (1877) and the Alaska Constitution Art. VIII § 2, that holds Alaska's natural resources for the benefit of her people, to conclude that the natural resources of the state "belong" to Alaskans "in a way that, in our federal system, Alaska's society and economy in general do not." Hicklin, supra, at 169. The United States Supreme Court reversed the state decision in Hicklin v. Orbeck, ___ U.S. ___, 57 L.Ed.2d 397 (1978), however, stating that Alaska's hire law violates

the privileges and immunities clause because the state failed to show that non-residents are "a peculiar source of the evil" and because the Alaska hire preference does not bear a substantial relationship to the problem. The Supreme Court further held that the theory of state ownership of its resources does not remove a law concerning that resource from the prohibitions of the privileges and immunities clause.

The analysis suggested by the above equal protection cases, assuming "strict scrutiny" is not used, is whether the state can present sufficient evidence that the discriminatory law is justified by problems that class creates. For example, the court in Baldwin, supra found that residents contributed to the feeding of elk, that non-resident hunting pressure threatened the resource, and that the law was supportable on these and similar grounds. In contrast, the court in Gullaney v. Anderson, 342 U.S. 415 (1952) struck down a territorial fishing law that required aliens and non-residents to pay higher fishing license fees; the court found no evidence that the higher fee represented actual compensation to the state for a higher enforcement burden, but did not rule out the possibility that this could be a legitimiate basis for discrimination. Thus the "rational basis" for the law was not established, and it failed constitutional scrutiny.

(3) Supremacy Clause: Art. VI § 2.
Constitutional challenges to discriminatory state laws based on the supremacy clause fall into two categories: first, laws directed at aliens that conflict with rights granted to aliens under federal laws or treaties; second, state laws that impinge upon a federally granted license or privilege. Both types of cases receive the analysis discussed by the court in Takahashi, supra: no law that conflicts with a treaty, or with a particular federal right or privilege, will survive U.S. Supreme Court scrutiny. Federal legislation pre-empts state law in fields that have been traditionally occupied by the states only where there is a manifest intent of Congress. This has been held to include federal vessel licenses to engage in fisheries. Douglas v. Seacoast Products, Inc., 524 ed.2d 204. See also Kleppe v. New Mexico, 426 U.S. 529 (1976) which struck down a state wild burro law that "conflicted" with a federal law protecting the animals on federal lands.

Assuming there is no overriding federal law involved, a state could pass a discriminatory law if it is based on, and rationally related to, a valid state interest. Since the Baldwin court has concluded that sport hunting is not a fundamental right of citizenship, a sport hunting law aimed at restricting non-residents or aliens would probably survive a challenge under the supremacy clause.

(4) Commerce Clause; Art. I § 8. A state law that restricted access by non-residents or aliens to a resource and thereby detrimentally affected interstate commerce, could be struck down under the commerce clause. For example, the court in Douglas v. Seacoast Products, Inc., ___U.S.___, 52 L.Ed.2d 304 (1977) held that Congress had the power to regulate the taking of fish in state waters where there was some effect on interstate commerce. The court struck down a Virginia law that limited the right of non-residents and aliens to catch fish in territorial waters.

It is unlikely that this analysis would find a similar sport hunting law invalid, since the Baldwin court has held sport hunting to be a purely recreational activity, not a source of livelihood.

Summary. Whether Alaska could pass a constitutionally supportable law or regulation that restricted the ability of non-residents or aliens from taking game would depend on whether the state could gather enough evidence showing the need to protect this resource and showing that the non-residents or aliens were a special threat.

The evidence to look at includes: the higher tax burden borne by state residents, which taxes support game management; the likelihood of enforcement problems generated by aliens or non-residents; the likelihood of non-residents or aliens not abiding by, or being familiar with, state game laws; dangers to non-residents and aliens unfamiliar with climate, terrain, wildlife habits [see attached article on point]; the need to limit the overall take of the species; protection of game and conservation purposes.

If the state simply charges a higher license fee to non-residents, the evidence to support this will be easy to supply. If only aliens are charged a higher fee, the burden will be much higher on the state. [The burden of proof is on the one who challenges the law, of course, but once the discrimination is established, the state must defend the classification.]

A second possibility for legislation would be to require all aliens to be accompanied by guides. If directed only at aliens and not non-resident citizens, it would be necessary to demonstrate that aliens present a different danger to the game (because of language barriers making it difficult to comprehend rules, training, allegiance to laws, culture, or other reasons).

The easier-to-justify approach would be to require all non-residents (aliens or citizens) to be accompanied by guides. The justification then would rest on: greater likelihood of violations due to unfamiliarity with laws; costs of enforcement and need to have the guide function as a person responsible for the legality of the hunt; danger to the non-resident who is not familiar with weather, terrain, and animals, and the likely cost to the state of aiding non-residents in distress.

One problem with the required guide approach is that as the law (AS 16.05.407) now stands guides are only required for brown bear, grizzly bear, polar bear and sheep. This makes it difficult to justify a guide requirement based on safety of the hunter, since it does not include goat, moose and other species that present as great or greater potential hazards to the hunter, in terms of terrain, weather, etc. Thus AS 16.05.407 would have to be expanded to include all species.

In State v. Jack, supra, the supreme court in Montana struck down a state law requiring guides for non-residents on national forest, wilderness or game refuge lands or state game refuges. The basis for the decision was that because the law did not apply to deer and antelope, it could not be based on legitimate safety needs, and therefore had no reasonable connection with the classification.

In conclusion, although the Supreme Court has severely eroded a state's sovereign ownership of game, it has not ruled out the possibility of establishing a constitutionally sound law reserving sport hunting to resident citizens. In order to draft a supportable resident law or regulation, the state or state board must demonstrate clearly that the purpose of the discriminatory law is strictly related to valid biological interests, essential state management goals and similar unimpeachable motives and that the law does not conflict with established federal laws or treaties.

SEF:ln
cc: Robert Hinman
Marcus Jensen
Ronald Skoog
Col. Wolstad
Bill Bellingar
Don Harris
Ron Somerville
John Ginsberg

Attachment

ISSUE PAPER NO. DATE: _____

I. ISSUE:

The impact of unguided hunting for moose and black bear by large numbers of non-U.S. residents.

II. BACKGROUND:

Historically, various constraints have been placed on hunting activities of nonresidents, be they U.S. or foreign citizens. At present, nonresidents are required to purchase a nonresident license and nonresident tags for big game and are required to contract with a licensed guide to hunt sheep and brown/grizzly bear. These regulations do not differentiate between nonresidents and aliens (with some minor exceptions). Until two to three years ago, foreign hunters generally hired guides, and many still do. The small number of guided foreign hunters who formerly hunted moose, bear, goat or caribou was not significant.

For the preceding two seasons, beginning in fall 1976, and in the current season, large numbers (45 hunters in 1977) of hunters have been scheduled for moose (and occasionally black bear) hunts in the Innoko River drainage and the Koyukuk River drainage.

Year	No. hunters	No. camps	No. moose	No. blk. bear	Air taxi operator
1976	35	10+	20+	6	Anchorage-based charter outfit*
1977	45**	10+	28	3?	Chet Clark, Aniak
1978	15+	7***	?	?	Chet Clark, Aniak

* Vanderpool temporarily hauled hunters after 3 air crashes
** Includes Galena group of 12 hunters
*** Iditarod and Reindeer Lake

The general scheme has been that Oke Stena, a Swedish national who also arranges salmon fishing trips out of King Salmon in the summer, arranges for a group of hunters from a particular country (Sweden and Germany, so far) to come as a group to a "jumping-off place" such as Aniak and Galena. An Anchorage taxidermist, Louie Brunner, is apparently involved in some way also. Base camps are set up at various places, to which the foreign hunters are ferried by air taxi operators. The foreign hunters are not accompanied by an Alaskan guide or packer as far as I know, but according to Pete Shepherd, some of the hunters in 1977 were professional

hunters, or foresters from Sweden. Presumably, they do their own hunting, butchering and packing. According to Shepherd, most meat is given away, but in one season meat was being refused because it had not been well cared for. Shepherd estimates that the trips cost $3,500 to $4,000 +, which includes round-trip air fare from Sweden.

In 1976 most of the meat was disposed of by giving it to villagers. However, some was reportedly refused as unfit to eat. The 1977 meat was largely unaccounted for and some may have spoiled in the field. Nothing is known about the 1978 meat disposition.

Hunting activity and camps were rather widespread in 1976 and many conflicts resulted from this action. In 1977 more camps were put in the Iditarod River area, upper Stony and Galena area. Some were transported to the Paimiut drainage (Reindeer Lake) and several other large lakes in this area. In 1978 nearly all the activity was in the Iditarod River valley except one camp at Reindeer Lake.

III. CURRENT SITUATION:

As shown in Table 1, 1978 hunting pressure by aliens was down, but with increasing experience on the part of the organizers and increased knowledge of this opportunity abroad, we can foresee increased alien hunting activity in the future. Rural residents bitterly resent "outside" hunters, especially aliens. We can expect that this situation will bring increasing pressure for subsistence zones, regulations against aircraft, and other measures.

Questions and concerns resulting from this situation include:

(1) Does providing these services to hunters constitute guiding? Thus far, Fish and Wildlife Protection apparently does not feel that it is, because they have made no arrests on this basis. Again, according to Shepherd, Fish and Wildlife Protection obtained an informal opinion from the Attorney General's office that indicated "guiding" does not occur unless the guide accompanies the hunter and points out the game. It has been reported that an air taxi operator involved has performed these functions.

(2) The influx of numbers of hunters causes concern among local people, in part because they question the right of foreign hunters to so readily and cheaply hunt in Alaska, and partly because the influx of hunters is real or perceived competition to local hunters.

(3) ADF&G-Game is concerned that this inexpensive, wholesale importation of hunters, coupled with an almost unlimited demand for hunting in Alaska, could be detrimental to (a) local residents who want or need meat, and (b) populations of the hunted species. Thus far, these problems have been limited or non-existent, but the potential is clear, particularly since interior moose populations are generally low.

(4) There have been numerous unconfirmed (possibly exaggerated) reports

of game waste by these hunters. In two cases, Alaskans have claimed to have seen carcasses of one or more moose left in the field, with antlers removed. Such reports are characteristically long after the fact, and I know of none that have been confirmed by ADF&G or F&WP. There has also been concern that although aerially transported hunters may observe the letter of the waste law, considerable meat may still be left in the field. Reportedly meat from moose killed has been distributed to local people, but to what extent this have been done is poorly known. Apparently there was considerable effort to give away meat in Aniak in 19[illegible]5, but success in doing so was poor, reportedly because meat was "sour".

(5) Importing numbers of hunters has aggravated existing conflicts between local and fly-in hunters.

(6) Importing numbers of hunters may not be reconcilable with the new subsistence law.

IV. ACTIONS TAKEN:

Little action has been taken. Protection field officers have been contacted. The problem has been discussed within the Game Division and with some members of the public. No solutions have been found, aside from establishment of controlled use areas (sans fly-in hunting) by the Board.

In response to public demand, partially the result of alien hunting, the Board of Game has established the Paradise, Kalskag, and Koyukuk Management Areas, where use of aircraft is not allowed in moose hunting. A number of resolutions and complaints have been received from rural groups regarding this situation.

V. RECOMMENDATIONS FOR FUTURE ACTION:

1) The Division of Game should request answers from the Department of Law for the following:

a) Does any of the above constitute guiding without a license?
b) Can the State discriminate between nonresident U.S. citizens and license by legislation stipulating different tag fees, guide requirements, or other means for aliens?
c) Does the alleged equal protection extended to aliens in the U.S. include "equal rights" in terms of hunting privileges?

2) If legal opinions in (1) allow, the Department recommends that legislation be adopted that would require aliens to be guided by a registered guide when hunting any big game in Alaska.

3) The Department further recommends that both this Department and the Department of Public Safety closely monitor alien hunting activities in

TELEGRAM

ALASCOM, INC.
PHONE: 586-6442
JUNEAU, AK 99802

HB836

'80 APR 6 PM 3 54

0206AR NL ANCHORAGE ALASKA 6[illegible]-06 1[illegible] AST

PMS REP ALVIN OSTERBACK

5722

JUNEAU AK

WE ARE OPPOSED TO HB836. THIS MEASURE WOULD TEND TO CREATE A MONOPLY FOR THE GAME BIRDS INDUSTRY. ALASKAS TAKE A RENEWABLE RESOURCE, MUST BE MANAGED FOR ALL PEOPLE, NOT A SPECIAL INTEREST GROUP.

THE BILL DOES NOT PROMOTE [illegible] AND IS DETRIMENTAL TO TOURISM, ALASKAS PRIMARY INDUSTRY.

YOUR VOTE AGAINST PASSAGE OF HB836 IS [illegible].

LAKE WOOD AIR TAXI ASSOCIATION

[illegible] KETCHUM ACTING PRESIDENT, ANCHORAGE.

December 12, 1978

Wilson L. Condon
Deputy Attorney General
Department of Law

Position Paper Review

Dave Hardy
Game Biologist III
Game Division

The enclosed position paper is being drafted by Game Division to address problems arising from unguided alien hunters. Before action can be taken, the following questions require legal review.

1. What actions must a person perform before he can be successfully prosecuted for guiding without a license?

2. If the State chose to pass legislation setting different tag fees and guide requirements for aliens as opposed to nonresident U.S. citizens, what court tests would it have to pass? How should the legislation be drafted so as to maximize the possibility of surviving judicial review?

We appreciate your attention to this matter and await your response at the earliest convenient time.

Enclosure

STATE of ALASKA

MEMORANDUM

TO: Dave Hardy
Game Biologist III
Game Division
P. O. Box 234
Homer, Alaska 99603

DATE: March 5, 1979

FILE NO:

TELEPHONE NO:

FROM: AVRUM M. GROSS
ATTORNEY GENERAL
By: Sarah Elizabeth Fussner
Assistant Attorney General
AGO - Anchorage

SUBJECT: Position Paper Review - Alien Non-Guided Hunts

You have requested the Department of Law to review the issue paper attached to your December 12, 1978 memorandum to Wilson Condon, Deputy Attorney General, regarding alien hunters. Specifically, your questions are:

Question No. 1. "What actions must a person perform before he can be successfully prosecuted for guiding without a license?"

Summary Answer: To be guilty of guiding without a license a person must aid or attempt to aid another person, personally or through an assistant, to hunt, pursue, capture or in any way disturb any species of game when done for monetary or material compensation.

To be guilty of transporting without a license person must convey another person for the primary purpose of hunting big game or removing parts of big game taken, when the price charged for the service reflects more than the normal operating cost of the transportation.

Analysis. A. It is unlawful to guide without a license pursuant to AS 08.54.210(3). Prosecution for failure to have a current guide license or transporter license when engaging in certain activities is based upon AS 08.54.210(3):

> It is unlawful for a person to guide or transport as defined in this chapter without being licensed under this chapter and without having the license in his actual possession; however, for purposes of transporting by air, in the case of a corporation, company, partnership or other business entity, the license may remain at the principal place of the business entity; [Emphasis added.]

The definitions of "guide" and "transport" are critical to any prosecution for guiding or transporting without being licensed. The key language in the definition of "guiding" is "assisting another to take game".

B. Guiding is aiding another to take game for compensation. Attached is a copy of a memorandum from Tom Meacham, Assistant Attorney General, to William Bellingar, Guide Investigator, dated September 26, 1977, which gives a general interpretation of the definition of "guiding". I attach the memorandum for your reference.

The statutory definition of "guiding" is found in AS 08.54.240(2), which states:

> "Guide", "guides" or "guiding" means assisting another person to take game with the intent of receiving monetary or material remuneration for the services, by accompanying and directing that person personally or through a licensed assistant guide for the duration of a hunt, and not solely for the purpose of providing transportation services;

The language used in that definition is given further legislative definition as well as regulatory interpretation as discussed below.

The primary concept of the definition of "guide" is assisting another person to take for compensation. The term "take" is defined by the legislature in AS 16.05.940(18) which provides:

> "Take" means taking, pursuing, hunting, fishing, trapping, or in any manner disturbing, capturing, or killing or attempting to take, pursue, hunt, fish, trap, or in any manner capture or kill fish or game;

The term "take" is thus given a very broad meaning by the legislature, and apparently encompasses any intentional invasion of the habitat and peace of an animal, not limited to big game animals ("in any manner disturb...fish or game").

Although the term "take" is not defined in title 8, ch 54, (the title that covers licensing guides), it is

arguable that the definition of "take" provided in the Fish and Game Code, title 16, ch 5, applies to, or is to be given great weight in construing, the concept of "take" used in the guide licensing statutes and regulations. This is particularly true since there is no conflicting definition of "take" in the guiding laws or regulations (see, in contrast, the distinctly different definition of "resident" that appears in the Fish and Game Code and in the guide licensing title).

The term "take" can be given different emphasis depending on the context of the law. For example, the term "take" when used in a bag limit definition (cf. 5 AAC 81.310 - a hunter must "take" in accordance with bag limits) is likely to be construed by a court to mean actually killing, not merely hunting or pursuing. The need for this construction is [illegible]us when one considers that otherwise a person would be [illegible]y of "taking" an entire flock of birds merely by aiming his g[illegible] in their direction. United States v. Chew, III, 540 F.2d 759 (4th Cir. 1976). In Chew, a hunter was convicted of exceeding the bag limit on doves; the appellate court upheld the conviction but in so doing held that the definition of "take" (which was similar to Alaska's) was overly broad when read literally but could be reasonably construed when applied to someone who actually killed too many birds.

Putting together the definition of "take" with that of "guiding" the functions of guiding would appear to extend not only to the act of shooting or killing a game animal, but also to any activities associated with tracking or disturbing game for hire or attempting to do so while in the field.

C. Guiding is not limited to big game. "Guiding" refers to game, not just big game. "Game" is defined in AS 16.05.940(9) to mean:

> any species of bird or mammal, including a feral domestic animal, found or introduced in the state, except domestic birds and mammals;

The Board of Game has classified game as big game, fur animals, small game and unclassified game. 5 AAC 90.020. Thus, guiding activities include assisting in taking all game species for remuneration, although AS 16.05.407 only requires a nonresident hunter to be accompanied by a guide for hunting, pursuing or taking brown bear, grizzly bear, polar bear or sheep.

In summary, the statutory elements of "guiding" for purposes of criminal prosecution are: aiding or attempting to aid another person, either personally or through an assistant, to hunt, capture, pursue, or in any way disturb any species of game when done for compensation, either for money or goods.

D. Guiding for purposes of guide licensing encompasses additional activities other than assisting in the take in the field. The concept of "guiding", for purposes of licensing and regulating the profession goes beyond the act of aiding another to "take" game for hire. Reading the guide statutes as a whole, the meaning of guiding is expanded to include additional responsibilities. 12 AAC 38.070 "Responsibility of Guide to his Client" provides that a guide must insure that his client has proper licenses and tags, that he take every reasonable measure to insure the safety and comfort of his clients, and that he have adequate first aid, food, shelter and transportation for his clients. Also 12 AAC 38.180 "Guiding Ethics" lists activities that are not condoned by the guide profession, including misrepresenting accommodations and rates, not cooperating with peace officers, making guarantees of success, failing to maintain an adequate camp and facilities, etc. Arguably, all these actvities, though they may not necessarily occur while in the field and hunting, must relate to a "contract hunt", i.e. a hunt for hire.

Putting all the above statutes and regulations together, it appears that a guide, in his professional capacity, performs many functions that go beyond the act of "guiding", i.e. hunting or attempting to direct a client to game. A guide is acting in his professional capacity when he writes letters describing his services, rates and accommodations. Similarly he acts in his professional capacity when he prepares the trophies, antlers, horns, etc. taken by his clients. Also a guide acts in his professional capacity when he insures that all meat of trophies are taken and salvaged in accordance with state law. A guide is not, however, legally "guiding" after the hunt is over (i.e. after game is killed), but he is still performing professional services encompassed by the broad licensing powers of the Guide Board -- he could be subject to civil disciplinary actions, not criminal prosecution.

In summary, when a guide performs any of the above-described activities associated with the professional guide, he is subject to disciplinary action against his professional license, but is not subject to criminal prosecution unless he violates a state fish and game or guide law or

regulation, fails to have a current hunting and fishing license, fails to report a violation by his client, or hires more than three assistants. AS 08.54.210.

E. It is unlawful to transport without transporter license. Transporter licenses are required pursuant to AS 08.54.142 and .144. "Transport" is defined in AS 08.54.210(5):

> "transporting" or the "activity of transporting" means conveying a person by any lawful means to an area for remuneration or material benefit in excess of normal operating costs, when the primary purpose of the person being conveyed is the taking of big game and the associated removing of big game meat and parts of big game after big game has been taken; big game as used in this paragraph means game which, if taken by a nonresident, would require a big game tag. [Emphasis added.]

The key concepts in this definition are (1) the person transporting is charging more than the tariff rate for air taxi flying or more than normal operating costs; (2) the primary purpose or intent of the person being transported is to hunt big game; (3) unlike the definition of "guiding", transporting is limited to big game.

Big game is defined in 5 AAC 90.020(3) to include:

> black bear, brown and grizzly bear, polar bear, bison, caribou, Sitka blacktail deer, elk, mountain goat, moose, musk oxen, mountain or Dall sheep, wolf and wolverine.

The definition of "transporting" further limits big game to those species for which a nonresident must have a tag. This refers to AS 16.05.340(9) "License and tag fees" which provides:

> A nonresident may not take a big game animal without previously purchasing a numbered, nontransferable, appropriate tag, issued to him as provided in (16) of this subsection.

The tags listed in AS 16.05.340(16) include black bear, brown or grizzly bear, polar bear, bison, caribou, deer,

elk, goat, moose, sheep, walrus, wolf and wolverine. The one species that does not appear both in 5 AAC 90.020(3) and AS 16.05.340(a) is musk oxen, which is hunted by permit only and tags are provided if a season is open. AS 16.05.350.

In summary, those activities for which a person must hold a current transporter license include:

> to convey a person for the primary purpose of hunting big game or to remove the parts of big game taken, when the price charged for the service reflects more than the normal operating cost of the transportation.

F. Example of guiding without a license A person who performs the above actions relating to transporting or guiding as it is defined for criminal cases without a license could be prosecuted under AS 08.54.210. By this analysis, an alien, for example, who offers a package hunt for Swedes or Germans for moose in Alaska and either personally or through an assistant, aids the hunters to take the game, and who charges for the service more than the normal operating costs of transportation to the field, is guilty of guiding and transporting without a license.

Question No. 2. If the state chose to pass legislation setting different tag fees and guide requirements for aliens as opposed to non-resident U.S. citizens, what court tests would it have to pass? How should the legislation be drafted so as to maximize the possibility of surviving judicial review?

Summary Answer: A state law that discriminated against aliens by charging them a higher hunting license fee would be subject to strict judicial scrutiny and would have to be the least drastic means of furthering a compelling state interest.

Analysis of this rather complex question requires several steps: (1) Who is an "alien"? (2) What is the basis for classifying aliens differently from U.S. citizens? (3) What state interest is protected?

A. Aliens Defined. An alien is defined generally as a citizen or subject of a foreign state or a foreign government (see Black's Law Dictionary, at 95 and DeCano v. State, 110 P.2d 627 (Wash. 1941)). The Board of Fisheries defines "alien" in 5 AAC 39.975 as:

> [A] person who is not a citizen of the United States, and who does not have a petition for naturalization pending before the district court.

An alien may be a resident alien or a non-resident alien, and may live legally in the United States even though he is not naturalized. Aliens living within the United States are granted certain protections (to make contracts, sue and be sued, be protected by law enforcement, etc.) and as a result they owe a temporary and local allegiance to the country in which they reside.

B. Basis of Challenge to Laws that Discriminate Against Aliens. Whether a law that discriminates against an alien will withstand constitutional scrutiny may depend on whether the alien is: (1) an alien not lawfully in the state; (2) a non-resident alien; or (3) a resident alien.

Probably a law prohibiting an alien not lawfully in the U.S. from taking fish and game would be upheld under a state's police powers. (See, e.g., AS 16.05.905, prohibiting aliens not lawfully admitted to the U.S. from engaging in commercial fishing or taking marine mammals in territorial waters.)

Laws or regulations that discriminate against a non-resident alien, a non-resident citizen, or a resident alien, are subject to attack under:

(1) Article IV § 2 of the U.S. Constitution - privileges and immunities;

(2) 14th Amendment of the U.S. Constitution - equal protection;

(3) Article I § 8 of the U.S. Constitution - commerce clause; or

(4) Article VI, U.S. Constitution - supremacy clause.

Analysis of the constitutionality of the law or regulation depends on which constitutional challenge is raised.

(1) Privileges and Immunities. A law or regulation aimed directly at aliens could not be overturned under the privileges and immunities clause, because that clause protects only citizens. Similarly, a law that discriminated against non-resident American citizens by restricting or prohibiting them from sport hunting might arguably withstand a privileges and immunities challenge on the grounds that sport hunting, unlike commercial fishing, is not a right of citizenship to be protected, but is merely a privilege.

The test applied by the U.S. Supreme Court to determine whether a law that discriminates against non-residents violates the privileges and immunities clause was set out in Toomer v. Witsell, 334 U.S. 385 (1948). The court there struck down a South Carolina shrimp fishing law that charged non-residents one hundred times the resident license fee for shrimping in its three-mile coastal waters. The court distinguished its earlier decision, McCready v. Virginia, 94 U.S. 391 (1876), (which had upheld a law allowing Virginia citizens only to plant oysters in state tidal waters) on the grounds that McCready involved non-migratory fish in inland waters and that it was based on an outdated "ownership" theory of fish game. The court then held that the ability to engage in commercial fishing is a right protected by the privileges and immunities clause, and that no law may discriminate against non-citizens (of the state) unless "there is something to indicate that non-citizens constitute a peculiar source of the evil at which the statute is aimed" Toomer, supra at 398.

In a subsequent case, the U.S. Supreme Court addressed a similar privileges and immunities challenge to a Montana law that charged non-residents a higher hunting license fee. The court in Baldwin v. State Fish and Game Commissioner, ___U.S.___, 98 S.Ct. 1852 (1978) upheld the scheme, on the ground that the privileges and immunities clause does not encompass recreational sport hunting:

> Some distinctions between residents and non-residents merely reflect the fact that this is a Nation composed of individual States, and are permitted; other distinctions are prohibited because they hinder the formation, the purpose, or the development of a single union of those states. Only with respect to those "privileges" and "immunities" bearing upon the vitality of the Nation as a single entity must the State treat all citizens, resident and non-resident, equally.... Equality in access to Montana elk is not basic to the maintenance or well-being of the Union. ___U.S. at 98 S.Ct. at 1861-62.

Thus the initial test for a privileges and immunities challenge is whether the law affects a right to engage in a livelihood or whether the activity is merely recreational and a sport. If the latter, a privileges and immunities challenge will not prevail.

(2) Equal Protection Under 14th Amendment. State laws that discriminate against aliens or non-residents must withstand a different test when challenged under the "equal protection" clause of the 14th Amendment.

First, the court must determine whether the class discriminated against is "inherently suspect" or if the law affects a "fundamental right." If so, the court will "strictly scrutinize" the intent and purpose of the law to establish whether there is a "compelling state interest" that necessitates the law and that the law is the least drastic means to further that interest. Dunn v. Blumstein, 405 U.S. 330 (1972). If the classification is not "suspect," and the right not "fundamental" the court will restrict its review of the law to a determination whether the law and the classification it establishes is "rationally related to a permissible state interest."

The Court in Baldwin, supra, at 1862 concluded that recreational hunting was not a "fundamental right" (for purposes of privileges and immunities analysis which protects a longer list of rights than does the equal protection clause. (Hicklin v. Orbeck, 565 P.2d 159, 168 n.16 (Alaska 1977), rev'd on the grounds ___U.S.___, 57 L.Ed.2d 397 (1978)). However, the class of aliens (regardless of residency) has been held to be a suspect class for state laws, though not federal laws. Mathews v. Diaz, 426 U.S. 67 (1976), Sugarman v. Dougall, 413 U.S.634 (1973) (civil service); Takahashi v. Fish and Game Commission, 334 U.S. 41[illegible] (1948) (commercial fishing); Frovlov v. Delo, 383 N.Y.S.2d 470 (N.Y. 1976) (hunting license). Thus, in order to uphold a law that discriminated between resident citizens and resident aliens, the state would have to show that distinguishing the class of aliens was necessary to further a compelling state interest. Frovlov, supra, at 472; Takahashi, supra at 416-17. A classification based solely on alienage must thus correspond to the class from which an "evil" is to be feared. Patsone v. Commonwealth of Pennsylvania, 232 U.S. 138 (1914) (upholding a state law prohibiting aliens from killing game for sport and to that end making possession of shotguns by aliens unlawful).

It may thus be more difficult to demonstrate that a law directed at aliens only is directed at the primary source of the problem. The court in Takahashi, supra at 419 held:

> The protection of this section [8 U.S.C. § 41 relating to rights of all persons under U.S. Jurisdiction] has been held to extend to aliens as well as to citizens. Consequently the section and the Fourteenth Amendment on which it rests in part protect "all persons" against state legislation bearing unequally upon them either because of alienage or color...The Fourteenth Amendment and the laws adopted under its authority thus embody a general policy that all persons lawfully in this country shall abide "in any state" on an equality of legal privileges with all citizens under non-discriminatory laws. [Footnotes omitted.]

The court concluded that the power of a state to apply its laws exclusively to alien inhabitants is "confined within narrow limits." Takahashi, supra at 420.

Applying this language to an Alaska law that would bar aliens from hunting, or otherwise restrict their ability to engage in sport hunting, its validity would depend in part on whether the privilege of sport hunting is encompassed by the privileges citizens can also enjoy. Arguably, sport hunting is not such a privilege enjoyed by all citizens, but is a special privilege that may be restricted to state citizens in order to protect the resource. In Patsone v. Pennsylvania, 232 U.S. 138 (1914) (cited in Takahashi, supra at 410) the Supreme Court sustained, against Fourteenth Amendment due process and equal protection challenges, a state law barring aliens from hunting wild game in the interest of conserving game for citizens of the state. The distinction between the Patsone and Takahashi cases apparently was that in Patsone the court found no conflicting federal law or treaty, that the privilege of taking wild game was not a right of citizenship, and a state could keep game for its own citizens. (Citing Geer v. Connecticut, 161 U.S. 519 (1896)).

Takahashi, suggests that to earn a living by fishing is a right of citizenship, and that:

> To whatever extent the fish in the three-mile belt off California may be capable of ownership by California, we think that "ownership" is inadequate to justify California in excluding any or all aliens who are lawful residents of the state from making a living by fishing in the ocean off its shores while permitting all others to do so.

Based on the Takahashi case, it appears that a law directed at non-residents, rather than aliens (whether resident or non-resident), would be easier to justify.

Earlier analysis used to uphold state laws directed at non-residents (citizen or alien) relied on the theory of "state ownership" of fish and game resources. In re Eberle, 98 F. 295 (7th Cir. 1899) (upholding state law charging non-residents a much higher hunting license fee); State v. Tower, 24 A. 898 (Me. 1892) (upholding a state law forbidding non-residents from hunting in the state).

The "state ownership" theory is that the wild game (and fish) in a state is the property of the state under its "sovereign ownership." Patsone v. Pennsylvania, 232 U.S. 138 (1914) (no resident aliens may hunt deer); McCready v. Virginia, 94 U.S. 391 (1877) (state title to oysters in tide waters). This analysis has, in recent years, been severely eroded, although not overruled. Fish that migrate have been deemed not the state's property, Toomer v. Witsell, 334 U.S. 385 (1948) and state laws prohibiting aliens from commercial fishing in territorial waters, when the aliens held a federal gear license, have been stricken. Douglas v. Seacoast Products, Inc., 431 U.S. 265 (1977). Although the ownership theory has been deemed "but a fiction," Toomer v. Witsell, 334 U.S. 385, 402 (1948), and a "slender reed," Missouri v. Holland, 252 U.S. 416, (1920), nevertheless it has not been overruled.

Courts today have, however, tended to replace "ownership" concepts with the principle that under a state's police powers, the state is trustee of the fish and game within its borders and may take reasonable measures to protect and manage it. Baldwin, supra at 1864 (Burger concur.); State v. Kemp, 44 N.W.2d 214 (S.D. 1950), dis'd 340 U.S.923 (1951) (U.S. S.Ct.dis'd for want of "substantial federal question" a South Dakota law excluding non-resident from hunting migratory waterfowl.)

Alaska's supreme court has taken a similar approach to protection of its natural resources. The court in Hicklin v. Orbeck, 565 P.2d 159 (Alaska 1977) struck down the durational (one year) residency requirement for pipeline jobs, on the grounds that, under equal protection analysis, a "fundamental right" (travel or migration) was infringed upon and the law must be strictly scrutinized; however the court also upheld a non-durational residency provision, claiming the right to work is not a fundamental right, and therefore the law must merely "bear a fair and substantial relation to a permissible state interest." Hicklin, supra at 167. The court relied on McCready v. Virginia, 94 U.S. 391 (1877) and the Alaska Constitution Art. VIII § 2, that holds Alaska's natural resources for the benefit of her people, to conclude that the natural resources of the state "belong" to Alaskans "in a way that, in our federal system, Alaska's society and economy in general do not." Hicklin, supra, at 169. The United States Supreme Court reversed the state decision in Hicklin v. Orbeck, ___ U.S. ___, 57 L.Ed.2d 397 (1978), however, stating that Alaska's hire law violates

the privileges and immunities clause because the state failed to show that non-residents are "a peculiar source of the evil" and because the Alaska hire preference does not bear a substantial relationship to the problem. The Supreme Court further held that the theory of state ownership of its resources does not remove a law concerning that resource from the prohibitions of the privileges and immunities clause

The analysis suggested by the above equal protection cases, assuming "strict scrutiny" is not used, is whether the state can present sufficient evidence that the discriminatory law is justified by problems that class creates. For example, the court in Baldwin, supra found that residents contributed to the feeding of elk, that non-resident hunting pressure threatened the resource, and that the law was supportable on these and similar grounds. In contrast, the court in Gullaney v. Anderson, 342 U.S. 415 (1952) struck down a territorial fishing law that required aliens and non-residents to pay higher fishing license fees; the court found no evidence that the higher fee represented actual compensation to the state for a higher enforcement burden, but did not rule out the possibility that this could be a legitimiate basis for discrimination. Thus the "rational basis" for the law was not established, and it failed constitutional scrutiny.

(3) Supremacy Clause: Art. VI § 2. Constitutional challenges to discriminatory state laws based on the supremacy clause fall into two categories: first, laws directed at aliens that conflict with rights granted to aliens under federal laws or treaties; second, state laws that impinge upon a federally granted license or privilege. Both types of cases receive the analysis discussed by the court in Takahashi, supra: no law that conflicts with a treaty, or with a particular federal right or privilege, will survive U.S. Supreme Court scrutiny. Federal legislation pre-empts state law in fields that have been traditionally occupied by the states only where there is a manifest intent of Congress. This has been held to include federal vessel licenses to engage in fisheries. Douglas v. Seacoast Products, Inc., 524 ed.2d 204. See also Kleppe v. New Mexico, 426 U.S. 529 (1976) which struck down a state wild burro law that "conflicted" with a federal law protecting the animals on federal lands.

Assuming there is no overriding federal law involved, a state could pass a discriminatory law if it is based on, and rationally related to, a valid state interest. Since the Baldwin court has concluded that sport hunting is not a fundamental right of citizenship, a sport hunting law aimed at restricting non-residents or aliens would probably survive a challenge under the supremacy clause.

(4) Commerce Clause; Art. I § 8. A state law that restricted access by non-residents or aliens to a resource and thereby detrimentally affected interstate commerce, could be struck down under the commerce clause. For example, the court in Douglas v. Seacoast Products, Inc., ___U.S.___, 52 L.Ed.2d 304 (1977) held that Congre s had the power to regulate the taking of fish in state waters where there was some effect on interstate commerce. The court struck down a Virginia law that limited the right of non-residents and aliens to catch fish in territorial waters.

It is unlikely that this analysis would find a similar sport hunting law invalid, since the Baldwin court has held sport hunting to be a purely recreational activity, not a source of livelihood.

Summary. Whether Alaska could pa s a constitutionally supportable law or regulation that restricted the ability of non-residents or aliens from taking game would depend on whether the state could gather enough evidence showing the need to protect this resource and showing that the non-residents or aliens were a specia threat.

The evidence to look at includes: the higher tax burden borne by state residents, which taxes support game management; the likelihood of enforcement problems generated by aliens or non-residents; the likelihood of non-residents or aliens not abiding by, or being familiar with, state game laws; dangers to non-residents and aliens unfamiliar with climate, terrain, wildlife habits [see attached article on point]; the need to limit the overall take of the species; protection of game and conservation purposes.

If the state simply charges a higher license fee to non-residents, the evidence to support this will be easy to supply. If only aliens are charged a higher fee, the burden will be much higher on the state. [The burden of proof is on the one who challenges the law, of course, but once the discrimination is established, the state must defend the classification.]

A second possibility for legislation would be to require all aliens to be accompanied by guides. If directed only at aliens and not non-resident citizens, it would be necessary to demonstrate that aliens present a different danger to the game (because of language barriers making it difficult to comprehend rules, training, allegiance to laws, culture, or other reasons).

The easier-to-justify approach would be to require all non-residents (aliens or citizens) to be accompanied by guides. The justification then would rest on: greater likelihood of violations due to unfamiliarity with laws; costs of enforcement and need to have the guide function as a person responsible for the legality of the hunt; danger to the non-resident who is not familiar with weather, terrain, and animals, and the likely cost to the state of aiding non-residents in distress.

One problem with the required guide approach is that as the law (AS 16.05.407) now stands guides are only required for brown bear, grizzly bear, polar bear and sheep. This makes it difficult to justify a guide requirement based on safety of the hunter, since it does not include goat, moose and other species that present as great or greater potential hazards to the hunter, in terms of terrain, weather, etc. Thus AS 16.05.407 would have to be expanded to include all species.

In State v. Jack, supra, the supreme court in Montana struck down a state law requiring guides for non-residents on national forest, wilderness or game refuge lands or state game refuges. The basis for the decision was that because the law did not apply to deer and antelope, it could not be based on legitimate safety needs, and therefore had no reasonable connection with the classification.

In conclusion, although the Supreme Court has severely eroded a state's sovereign ownership of game, it has not ruled out the possibility of establishing a constitutionally sound law reserving sport hunting to resident citizens. In order to draft a supportable resident law or regulation, the state or state board must demonstrate clearly that the purpose of the discriminatory law is strictly related to valid biological interests, essential state management goals and similar unimpeachable motives and that the law does not conflict with established federal laws or treaties.

SEF:ln
cc: Robert Hinman
Marcus Jensen
Ronald Skoog
Col. Wolstad
Bill Bellinger
Don Harris
Ron Somerville
John Ginsberg

Attachment

HB
876

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Brown and Grizzly Bears

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB 476	4/3/80		Rep. Fuller Dept. of Fish and Game Alaska Professional Hunters Assoc., Randy Smith Mr Jack O'Donnell, guide	4/10/80

Randy Smith
Notify when 11 33 16

ALASKA PROFESSIONAL HUNTERS ASSOC.
P O BOX 4 1092
ANCHORAGE, ALASKA 99509

344-4284

April 8, 1980 Action Taken by Game Board, Spring Meeting 1980

from Bob Hinman, ADF&G, Game Division

Unit 22	Resident Sept. 1-Oct. 10 Apr. 25-May 25	One bear every four regulatory years, provided that the taking of cubs and sows accompanied by cubs is prohibited.
	Nonresident Sept. 1-Oct. 31 May 10-May 25	One bear every four regulatory years by drawing permit only, provided that the taking of cubs and sows accompanied by cubs is prohibited. 20 permits will be issued, 14 for the fall season and 6 for the spring season. See 5 AAC 81.055 and separate permit hunt supplement.
Unit 23	Resident Sept. 1-Oct. 10 Apr. 25-May 25	One bear every four regulatory years, provided that the taking of cubs and females accompanied by cubs is prohibited.
	Nonresident Sept. 1-Oct. 31 May 10-May 25	One bear every four regulatory years by drawing permit only, provided that the taking of cubs or sows accompanied by cubs is prohibited. 25 permits will be issued, 17 permits for the fall season and 8 for the spring season. See 5 AAC 81.055 and separate permit hunt supplement.

No other changes in seasons or bag limits in GMU 24, 25, or 26

Ralf

No change:

GMU 24: Permit by drawing in one portion; 40 permits; rest is open.
GMU 26C, portion of 25: 48 permits, not more than 10 in the Arctic Nati'l. Wildlife Range; rest of 25 is open.
GMU 26A: 24 permits by drawing. GMU 26B: 16 permits by drawing.

HB 876

or disciplinary action. No person licensed under this chapter may hire or work for a guide whose license is suspended or revoked under this section.

(e) If the board revokes a license it shall notify the Department of Revenue, and the person whose license has been revoked shall return the license to the Department of Commerce and Economic Development. (§ 1 ch 17 SLA 1973; am § 2 ch 43 SLA 1975; am § 5 ch 106 SLA 1976; am § 47 ch 218 SLA 1976)

Effect of amendments. — The 1975 amendment substituted "Department of Commerce" for "Department of Fish and Game" in subsection (e).

The first 1976 amendment inserted "or transporting" in subsection (d).

The second 1976 amendment substituted "Department of Commerce and Economic Development" for "Department of Commerce" at the end of subsection (e).

Editor's note. — Section 10, ch. 106, SLA 1976, provides: "Nothing in this Act gives a person licensed as a transporter a right as an air carrier which he does not otherwise hold under law."

Sec. 08.54.210. Unlawful acts. (a) It is unlawful for

(1) a master guide, registered guide, class-A assistant guide, assistant guide or transporter to fail to timely report to the Department of Public Safety, division of fish and wildlife protection, and in no event later than 30 days, violations by a client of a state fish, game or guiding statute or regulation;

(2) a master guide, registered guide, class-A assistant guide, assistant guide or transporter to aid the commission of a violation of this chapter or of AS 16.05 or a regulation promulgated under either chapter, or permit the commission of a violation in his sight without attempting to prevent it, short of using force, and without reporting it;

(3) a person to guide or transport as defined in this chapter without being licensed under this chapter and without having the license in his actual possession; however, for purposes of transporting by air, in the case of a corporation, company, partnership or other business entity, the license may remain at the principal place of business of the business entity;

(4) a person to advertise as or represent himself to be a licensed master guide, registered guide, class-A assistant guide, assistant guide or transporter without being currently licensed, or to falsely advertise services;

(5) a person to guide as defined in this chapter without having a current valid hunting and fishing license in his possession.

(6) a master or registered guide to employ or have under his supervision more than three assistant guides at the same time.

(7) a person to guide as defined in this chapter without paying a fee as prescribed in AS 16.05.340(e).

(b) A person who violates (a)(1) — (6) of this section is guilty of a misdemeanor and upon conviction is punishable by a fine of not more than $1,000 or by imprisonment for not more than one year, or by both,

and may have his license revoked for a period up to five years. However, a person who engages in guiding or transporting activity during the period his license is suspended or revoked under this chapter is guilty of a felony punishable, upon conviction, by a fine of not more than $5,000 and by imprisonment for not less than one year nor more than three years. In addition to punishment for a felony, all guns, fishing tackle, boats, aircraft, automobiles or other vehicles, camping gear and other equipment and paraphernalia used in, or in aid of, guiding or transporting activity engaged in during the period of suspension or revocation shall be confiscated by persons authorized to enforce this chapter. A person who violates (a)(7) of this section, upon conviction, is subject to the same license revocation provision as for a violation of (a)(1) — (6) of this section and, in addition, is punishable by a fine of not more than $5,000, or by imprisonment for not more than one year, or by both. (§ 1 ch 17 SLA 1973; am §§ 3, 4 ch 43 SLA 1975; am § 6 ch 106 SLA 1976; am § 3 ch 133 SLA 1976; am §§ 5, 6 ch 268 SLA 1976)

Effect of amendments. — The 1975 amendment substituted "Department of Public Safety, division of fish and wildlife protection" for "Department of Fish and Game" in subsection (a)(1) and, in subsection (b), deleted "outfitting or" preceding "guiding activity," substituted "his license is suspended or revoked under" for "of disciplinary action under § 200(e) of," and inserted "upon conviction" in the second sentence, deleted "under § 200(e) of this chapter" following "for a felony," and substituted "guiding activity engaged in during the period of suspension or revocation" for "a violation of § 200(e) of this chapter" in the third sentence.

The first 1976 amendment, in subsection (a), substituted "assistant guide or transporter" for "or assistant guide" in paragraphs (1), (2) and (4), deleted "fish and game" following "division of fish and wildlife protection" in paragraph (1), inserted "or transport" near the beginning of paragraph (3). In subsection (b) the amendment inserted "by" preceding "imprisonment" in the first sentence, and inserted "or transporting" in the second and third sentences.

The second 1976 amendment added paragraph (6) of subsection (a).

The third 1976 amendment added paragraph (7) of subsection (a), and in subsection (b), inserted "(a)(1) — (6) of" in the first sentence and added the fourth sentence.

While none of the 1976 amendments gave effect to the others, all have been given effect in this section as it is set out in this Supplement.

Editor's note. — Section 10, ch. 106, SLA 1976, provides: "Nothing in this Act gives a person licensed as a transporter a right as an air carrier which he does not otherwise hold under law."

Legislative committee report. — For report on ch. 268, SLA 1976 (FCCS HCS CSSSSB 335), see 1976 House Journal p. 910.

Sec. 08.54.220. Injunction against unlawful action. When in the judgment of the board a person or corporation or other entity has engaged in an act in violation of § 130 and §§ 200 — 210 of this chapter or the regulations promulgated under them, the board may apply to the appropriate court for an order enjoining the act. Upon a showing by the board that the person is engaging in the act, the court shall grant injunctive relief or other appropriate order without bond. (§ 1 ch 17 SLA 1973; am § 5 ch 43 SLA 1975)

Effect of amendment. — The 1975 amendment substituted "§ 130 and §§ 200 — 210" for "§§ 100 — 200" and "them" for "§ 80 of this chapter" in the first sentence.

(20) Unit 20, Fairbanks-Central Tanana: that area drained by the Tanana River and its tributaries north of Unit 13 and downstream from the boundary of Unit 12 to the confluence of the Tanana and Yukon Rivers and the tributaries draining into the south bank of the Yukon River from its confluence with the Tanana River to the Alaska-Canada boundary, including the Alaska drainage of the Ladue and Fortymile Rivers

(A) Subunit 20(A) – that portion of Unit 20 bounded on the east by the Delta River from the boundary of Unit 13 to the Tanana River; bounded on the north by the north bank of the Tanana River from the confluence of the Delta River downstream to the confluence of the Totatlanika River; bounded on the west by the Totatlanika River from its confluence with the Tanana River upstream to Dexter Creek, then up the East Fork of Dexter Creek to its source, then south along the divide between the Healy River and Wood River drainages along the west bank of Dean Creek to the south bank of the Yanert River, then downstream along the south bank of the Yanert River to Moose Creek, then up the east bank of Moose Creek and the East Fork of Moose Creek to the boundary of Unit 13;

(B) Subunit 20(B) – that portion of Unit 20 draining into the north side of the Tanana River between the Little Salcha River and the Tolovana River; the area represented includes the north drainages of the Little Salcha River, the entire drainages of the Chena and Chatanika Rivers, including Washington Creek and the Tatalina River, and the south drainages of the Tolovana River from its confluence with the Chatanika River to the Tanana River;

(C) Subunit 20(C) – that portion of Unit 20 not described as Subunit 20(A), 20(B), 20(D) or 20(E);

(D) Subunit 20(D) – that portion of Unit 20 draining into the south side of the Tanana River from the Delta River to the Unit 12 boundary;

(E) Subunit 20(E) – that portion of Unit 20 draining into the south bank of the Yukon River upstream from and including the Charley River drainage and including the Ladue River drainage within Alaska.

(21) Unit 21, Middle Yukon: that area draining into the Yukon River from the Paimiut-Kalskag portage upstream to but not including the Tozitna River drainage on the north side of the Yukon River and up to but not including the Tanana River drainage on the south side of the Yukon River; the Koyukuk River upstream to and including the Dubli River drainage;

(22) Unit 22, Nome: that part of the Seward Peninsula and adjacent mainland drained by all streams flowing into Kotzebue Sound, Bering Strait, and Norton Sound from but not including the Goodhope River drainage on the north, to but not including the Pastolik River drainage on the south; King, Little Diomede, St. Lawrence, Sledge, Stuart, and adjacent islands;

(23) Unit 23, Kotzebue Sound: that area drained by all streams flowing into the Arctic Ocean and Kotzebue Sound from Cape Lisburne on the north to and including the drainage into the Goodhope River on the south;

(24) Unit 24, Koyukuk: that area drained by the Koyukuk River and its tributaries upstream from but not including the Dubli River drainage;

(25) Unit 25, Fort Yukon: that area draining into the north bank of the Yukon River, including islands in the Yukon River, upstream from and including the Tozitna River drainage to the Alaska-Canada boundary;

(26) Unit 26, Arctic Slope: that area drained by all streams and rivers flowing into the Arctic Ocean between Cape Lisburne and the Alaska-Canada boundary; and the Firth River drainage lying within Alaska

(A) Subunit 26(A) – that portion of Unit 26 lying west of the west banks of the Colville and Anaktuvuk Rivers from the Arctic Ocean to Anaktuvuk Pass;

(B) Subunit 26(B) – that portion of Unit 26 lying east of Subunit 26(A) and west of the west banks of the Canning River and Marsh Fork of the Canning River between the Arctic Ocean and Carter Pass;

(C) Subunit 26(C) – that portion of Unit 26 lying east of Subunit 26(B).

Authority: AS 16.05.255(1),(2) and (7)

5 AAC 90.020. DEFINITIONS. In chs. 81 through 90 of this title

(1) "airport" means an Alaska airport listed in the Federal Aviation Agency Alaska Airman's Guide and chart supplement;

(2) "bag limit" means the greatest number of game species permitted to be taken by any one person in the unit or portion of a unit in which the taking occurs; however, additional numbers of a species may be taken in another designated open unit or portion of a unit where a greater limit on that species is prescribed; in no case may the total or cumulative bag for one person exceed the limit set for the unit or portion of a unit in which the additional game was taken;

(3) "big game animals" includes black bear, brown and grizzly bear, polar bear, bison, caribou, Sitka blacktail deer, elk, mountain goat, moose, muskoxen, mountain or Dall sheep, wolf and wolverine;

(4) "camp" means a structure erected for the purpose of providing overnight shelter and equipped with bedding and eating facilities for occupants;

(5) "closed season" means the time during which game may not be taken;

(6) repealed (7/2/75, Reg. 54).

(7) "cub bear" means a brown, grizzly or polar bear in its first or second year of life, or a black bear (including the cinnamon and blue color phases) in its first year of life;

(8) "fur animals" includes beaver, coyote, arctic fox, red fox, lynx, marten, mink and weasel, muskrat, land otter, sea otter, raccoon, red squirrel, flying squirrel, ground squirrel and marmot, wolf and wolverine, excepting domestically raised fur animals;

(9) "highway" means the driveable surface of any constructed road;

(10) repealed (7/2/75, Reg. 54);

(11) "motorized vehicle" means a motor-driven land, water or air conveyance;

(12) "open season" means the time during which game may lawfully be taken; each period of time prescribed as an open season includes the first and last days of the period prescribed;

(13) "poison" means any substance which is toxic or poisonous upon contact or ingestion;

(14) "raw ivory" means a walrus tusk (upper canine tooth) which has not been endowed with functional, cultural or aesthetic qualities by altering its natural form or surface through carving, drilling, cutting, filing, or engraving; raw ivory is not altered, in the connotation of this definition, by surface polishing or for a head mount; the latter consisting of ivory (tusks) in a skull or part of a skull;

(15) "regulatory year" means July 1 to June 30, inclusive;

(16) "seal pup" means a seal that weighs less than 50 pounds;

(17) "second degree of kindred" means the relatives who are parents, grandparents, children, grandchildren and sisters or brothers of the person acting as a guide;

(18) "small game" means all species of grouse, hares, rabbits, ptarmigan and waterfowl, and Wilson or jacksnipe;

(19) "three-quarter curl horn" means the horn of a mature mountain sheep, the tip of which has grown through three-quarters of a circle (270°) described by the outer surface of the horn, as viewed from the side;

(20) "transport" means shipping, carrying, importing, exporting, or receiving or delivering for shipment, carriage or export;

(21) "unclassified game" means all species of game not otherwise classified in these definitions;

(22) repealed (7/2/75, Reg. 54);

(23) "unit" means one of the 26 geographical areas listed under game management units in the

HB 876

Jack O' Donnell
Registered Guide
P.O. Box 394
Petersburg, Alaska 99833
(907) 772-4805

Feb.15,1980

Representative Al Osterback
House of Representatives
Juneau, Alaska
99811

Dear Mr. Osterback,

I have just attended a meeting of the Guide Licensing and Control Board in Juneau on Feb, 13 concerning possible additional curtailment of Guiding activities due to the apparent decline of our Brown Bear population in S.E. Alaska. The actual Bear hunting season on Admiralty Island has now been shortened to 20 days for all practical purposes for spring hunting with the remaining area also shortened to about the same practical hunting time in spring and also curtailed sharply in fall. It would appear that only eliminating the guide busiress entirely or limiting the business to a small percentage of the existing guides, with a small quota divided proportionately, is about all that is really left for additional curtailment. Historically there has been about 60-80 Brown bear taken each year for the past 25 years in S.E. Alaska and this figure is the optimum amount the Dept. of Fish and Game feels can be harvested annually without depleting the Bear population to a dangerous level. The Dept. of Fish and Game would like to hold the level of Brown bear kill at no more than 60 Bear annually with a fifty fifty percentage of the take distributed between guided hunts (non resident) and resident hunters.

Each season it becomes apparent more and more new residents are actively participating in the Bear hunting season to acquire a bear trophy. Until 1977 it cost a resident nothing to take a Brown bear tag and since then it costs only $25.00 for a resident, $250.00 for a non resident. There was general agreement among those present at the meeting that our Bear are being given to the public rather cheaply. If one can afford to spend several hundred dollars to have a trophy prepared by a taxidermist surely a Brown bear tag costing $100 for a resident hunter and a similar increase to $500 or more for a non-resident hunter is not too severe. This also will deter we feel the rapidly snowballing amount of resident hunters who each season participate more and more throughout the area. It also will possibly change the image of taking a Brown bear trophy even by a resident hunter to a respectable challenge of sportsmanship, and a privilege.

realizes that our game in Alaska is not a never ending source of cheap hunting pleasure. Everyone knows that raising the cost of game tags is not a popular idea with one's constituents but it certainly is a much better alternative to limiting hunts than a permit system or drawing.

Marc Jensen, Chairman of the Guide Licensing and Control Board advised the guides present at their meeting to meet as a group with you when it might be convenient for you to give us an audience. However, as you know it costs almost an arm and a leg to remain each additional day in Juneau for each of us and nearly all guides were off and away to their respective towns when the meeting adjourned after public testimony except one or two local Juneau guides. I am hopeful my letter and possibly others from other guides would carry as much weight as would our interrupting your busy schedule to give us an audience where we all showed at once. Thank You.

Jack O'Donnell

Jack O'Donnell
Box 394
Petersburg, Alaska 99833

(9)

COMMITTEE REPORT

HOUSE

2/18/80 FURTHER:

Date: _____

Mr. Speaker:

The Committee on RESOURCES has had HB 876
"An Act relating to the taking of brown and grizzly bears."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

H 60 (Rev. 12/78)

1622

ALASKA STATE LEGISLATURE

11th Legislature 2nd Session

HOUSE BILL NO. 874.

By FULLER, ANDERSON, BEIRNE, BETTISWORTH, BRANSON, CARNEY, DUNCAN, HALFORD, HAYES, McKINNON, MEEKINS, METCALFE, MILLER, MOSS, MUNSON, OSTERBACK, PARKER, RANDOLPH, ROGERS, SCHAEFFER, SMITH AND GARDINER

"An Act relating to the taking of brown and grizzl bears."

Taking brown & grizzly bears

Introduced in the House 2/19, 19 80

HISTORY IN THE HOUSE

19 80 Feb. 18 — Read first time and referred to Committee on Resources

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19 — Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19 — Received from Senate

Concurred in Senate amendment thus adopting:
VOTE

Failed to concur in Senate amendment; asked Senate to recede
VOTE

Senate receded from amendment
VOTE

Senate failed to recede from amendment
VOTE

CC appointed by House

CC appointed by Senate

CC adopted by House
VOTE

CC adopted by Senate
VOTE

To enrolling
Reported correctly enrolled
Sent to Governor

by Governor

Filed with Governor

Chapter No

HB 876

BILL ANALYSIS

ASSIGNMENT DATE_____

UNASSIGNED_____

DEPARTMENT	SPONSOR (PRINCIPAL)	BILL NO.
Public Safety		HB 876

DEPARTMENT POSITION

Neutral

DIVISION DIRECTOR	DATE	COMMISSIONER	DATE
Col. Woldstad	4/3/80	William Nix by	4/3/80

GOVERNOR'S OFFICE USE

☐ POSITION NOTED ☐ POSITION APPROVED ☐ POSITION DISAPPROVED

BY: DATE:

SUMMARY

(1) RELATED BILLS (SIMILAR OR CONFLICTING)

(2) OTHER AGENCIES AFFECTED BY BILL

(2) a. ORGANIZATIONAL SUPPORT FOR BILL

(2) b. ORGANIZATIONAL OPPOSITION TO BILL

(3) PROGRAM EFFECTS OF BILL

This will be a difficult law to enforce and it will not necessarily reduce the number of bears taken in units 22, 23, 24, & 26. These can easily be claimed from surrounding units bordering these areas. An established guide can easily employ several registered guides and cover their hunts as separate guide operations. The bear sealing certificates are the only records available presently that indicate the name of the guide who assisted in taking a brown bear. A guide's name may not appear on the sealing certificate if his client was a resident. This could stimulate an increase in the number of bears illegally shipped from the state without being sealed.

(4) FISCAL IMPACT ☒ NONE ☐ FISCAL ANALYSIS ATTACHED

(5) AMENDMENTS PROPOSED

AS 08.54.210(b) recommends a change in line 29 to read "shall be forfeited by the court..." instead of "shall be confiscated..." This provides some meaning and force to the penalty.

(6) COMMENTS

The intent could be improved by making a more specific statement regarding prohibited behavior so as to limit guilt to those directly involved.

HB
878

(9)

COMMITTEE REPORT

HOUSE

2/27/83

FURTHER:

Date: _____

Mr. Speaker:

The Committee on RESOURCES has had SB88 AM

"An Act relating to fees for hunting musk oxen."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] same title

[ ] replace with CS for _____ [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

SHB 878 Fees For Hunting Musk Oxen

AGU 125404

Hearing 7/8/80 - Reported out as CS SSHB 878

CSSSHB 878 "An Act relating to fees for hunting musk oxen."

This bill is intended to permit the Department of Fish and Game and the Board of Game to lower the resident tag fee for musk oxen in certain situations. There are presently 167 musk oxen counted on Nelson Island. This amount of musk oxen has been determined by the Department of Fish and Game to be too many for the habitat. Therefore, it is necessary for some of the musk oxen to be harvested. The people of Toksook Bay and the Central Bering Sea Fish and Game Advisory Committee, meeting in Toksook Bay, requested that the legislature lower the tag fee in order that they be given the opportunity to take these surplus musk oxen for their personal use. The Nelson Island area is very poor in red meat resources and the musk oxen would be a very beneficial supplement to their diet. Presently, the tag fee for residents makes the taking of musk oxen prohibitively expensive. Allowing the Board of Game to lower the tag fee and provide for an open season when a surplus exists would enable these villagers to take musk oxen while providing for a healthy and stable population on the island.

The people of Toksook Bay and the advisory committee decided that they would rather not have a sports hunt of musk oxen on the island. Rather than follow a plan similar to that on Nunivak Island, where local villagers take part in the guiding for musk oxen, the people of Toksook Bay requested that they and the other villagers of the Nelson Island area be able to harvest this surplus in the discretion of the Board of Game. This bill would provide for similar arrangements for other musk oxen herds. Something needs to be done at this time to provide for the welfare of

the musk oxen herd on Nelson Island, this bill provides for the flexibility to harvest the ~~suplus~~ surplus animals according to the desires of the people who have lived with the musk oxen since their transplant from Nunivak Island. It also should be noted ,however, that nothing in this bill is intended to require the Board of Game to reduce or eliminate the resident Big Game Tag for musk oxen in instances such as the Nunivak Island sport hunt in which the Board determines that the $500 resident tag is appropriate.

(A) for each sheep taken over a total of 5 and up to a total of 10 per season — $20;

(B) for each sheep taken over 10 and up to a total of 25 per seasor — $100;

(C) for each sheep taken over 25 per season — $500;

(4) caribou:

(A) for each caribou taken over 5 and up to a total of 10 per season — $20;

(B) for each caribou taken over 10 and up to a total of 25 per season — $100;

(C) for each caribou taken over 25 per seasor — $500. (§ 2 art II ch 94 SLA 1959; am § 1 ch 96 SLA 1959; am §§ 7 — 13 ch 131 SLA 1960; am § 1 ch 16 SLA 1963; am § 1 ch 29 SLA 1963; am § 2 ch 31 SLA 1963; am §§ 2, 3 ch 75 SLA 1964; am § 1 ch 83 SLA 1966; am § 2 ch 32 SLA 1968; am § 1 ch 4 SLA 1972; am §§ 1, 2 ch 180 SLA 1972;(am §§ 2, 3 ch 82 SLA 1974; am § 1 ch 198 SLA 1976; am §§ 1, 2 ch 268 SLA 1976)

Effect of amendments. — The 1974 amendment deleted "fur" following "Fish" in paragraph (15) of subsection (a) and, in subsection (b), inserted "including fur animals" in the first sentence and inserted the present second and third sentences.

The first 1976 amendment added subsection (d).

The second 1976 amendment so changed subsection (a) as to make a detailed comparison impracticable. The amendment also added subsection (e).

Legislative committee reports. — For report on ch. 32, SLA 1968 (HCSCSSB 50 am), see 1968 House Journal, p. 169. For report on ch. 198, SLA 1976 (CSSSSB 565), see 1976 Senate Journal, p. 987, 1976 House Journal, p. 1444. For report on ch. 268, SLA 1976 (FCCS HCS CSSSSB 335), see 1976 House Journal, p. 910.

Sec. 16.05.345. Musk oxen. The department shall issue big game tags for the taking of musk oxen if an open season is declared. The cost of these tags is $500 for residents and $1,000 for nonresidents. The department shall conduct a drawing for permits to take musk oxen. No person is eligible for more than one permit a year. Each application for a permit shall be accompanied by a $10 fee. (§ 1 ch 20 SLA 1969)

Legislative committee report. — For report on ch. 20, SLA 1969 (HB 119 am S), see 1969 House Journal, p. 154.

Sec. 16.05.350. Expiration of licenses and tags. Licenses and tags required under §§ 330 — 430 of this chapter, except the visitor's special sport fishing license and the resident trapping license, expire at the close of December 31 following issuance. The resident trapping license expires at the close of September 30 following the year of issuance. (§ 3 art II ch 94 SLA 1959; am § 1 ch 13 SLA 1964; am § 13 ch 71 SLA 1972)

Legislative committee report. — For report on ch. 71, SLA 1972 (HCSSB 383 am H), see 1972 House Journal, p. 896.

(6) Visitor's special sport fishing license — valid for the period inscribed on the license

(A) For 10-day license 15
(B) For one-day license 5
(7) Nonresident sport fishing license 30
(8) Nonresident hunting license 60
(9) Nonresident hunting and sport fishing license 90

A nonresident may not take a big game animal without previously purchasing a numbered, nontransferable, appropriate tag, issued to him as provided in (16) of this subsection. The tag shall be affixed to the animal immediately upon capture and shall remain affixed until the animal is prepared for storage, consumed, or exported.

(10) Nonresident hunting and trapping license 200
(11) Repealed by § 2 ch 32 SLA 1968.
(12) Repealed by § 2 ch 32 SLA 1968.
(13) Fur dealers:
(A) Resident fur dealer license 50
(B) Nonresident fur dealer license 200
(14) Taxidermists:
(A) Resident taxidermy license 75
(B) Nonresident taxidermy license 200
(15) Fish, fur or game farming license 100
(16) Nonresident big game tags:
(A) Bear, black, each 100
(B) [deleted]
(C) Bear, brown or grizzly, each 250
(D) Bear, polar, each 250
(E) Bison, each 250
(F) Caribou, each 200
(G) Deer, each 35
(H) Elk, each 125
(I) Goat, each 125
(J) Moose, each 200
(K) Sheep, each 250
(L) Walrus, each 250
(M) Wolf, each 50
(N) Wolverine, each 50
(17) Repealed by § 2 ch 32 SLA 1968.
(18) Resident tags for bear, brown or grizzly, each 25
(19) Resident or nonresident permit application fee (all species for which a limited drawing is conducted, except musk oxen) 5
(20) [Effective January 1, 1980] King salmon (Oncorhynchus tshawytscha) and steelhead trout (Salmo gairdneri) sport fishing permit (permit required north of Yakutat only) 5

A person who possesses a 25-cent license under (1) or (5) of this subsection may receive a king salmon and steelhead trout sport fishing

SS HB 878

SSHB 878

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Sponsor Substitute for House Bill No. 878
Title An act relation to fees for hunting muskoxen
Requested by Resources Date March 20, 1980

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected Fish & Game Support
BRU, Program, or Subprogram(s) Affected Fish & Game Licensing
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC						
	TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
Game Management Fund	-0-	.6	.6			

Revenue Effects

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE March 20, 1980 PREPARED BY Linda Gene Lockridge
AGENCY Department of Revenue
PHONE 465 2376

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33 001 (Rev. 12/79)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. Sponsor Substitute for House Bill No. 878
Title An act relating to fees for hunting muskoxen
Requested by Resources Date March 20, 1980

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected Fish & Game Support
BRU, Program, or Subprogram(s) Affected Fish & Game Licensing
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-			

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE March 20, 1980 PREPARED BY Linda Gene Lockridge
AGENCY Department of Revenue
PHONE 465-2376

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

CSSSHB 878 "An Act relating to fees for hunting musk oxen."

This bill is intended to permit the Department of Fish and Game and the Board of Game to lower the resident tag fee for musk oxen in certain situations. There are presently 167 musk oxen counted on Nelson Island. This amount of musk oxen has been determined by the Department of Fish and Game to be too many for the habitat. Therefore, it is necessary for some of the musk oxen to be harvested. The people of Toksook Bay and the Central Bering Sea Fish and Game Advisory Committee, meeting in Toksook Bay, requested that the legislature lower the tag fee in order that they be given the opportunity to take these surplus musk oxen for their personal use. The Nelson Island area is very poor in red meat resources and the musk oxen would be a very beneficial supplement to their diet. Presently, the tag fee for residents makes the taking of musk oxen prohibitively expensive. Allowing the Board of Game to lower the tag fee and provide for an open season when a surplus exists would enable these villagers to take musk oxen while providing for a healthy and stable population on the island.

The people of Toksook Bay and the advisory committee decided that they would rather not have a sports hunt of musk oxen on the island. Rather than follow a plan similar to that on Nunivak Island, where local villagers take part in the guiding for musk oxen, the people of Toksook Bay requested that they and the other villagers of the Nelson Island area be able to harvest this surplus in the discretion of the Board of Game. This bill would provide for similar arrangements for other musk oxen herds. Something needs to be done at this time to provide for the welfare of

the musk oxen herd on Nelson Island, this bill provides for the flexibility to harvest the surplus animals according to the desires of the people who have lived with the musk oxen since their transplant from Nunivak Island. It also should be noted ,however, that nothing in this bill is intended to require the Board of Game to reduce or eliminate the resident Big Game Tag for musk oxen in instances such as the Nunivak Island sport hunt in which the Board determines that the $500 resident tag is appropriate.

WO 7982
Vassar

Original sponsor: Fuller

IN THE HOUSE BY THE RESOURCES COMMITTEE

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 878

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to fees for hunting musk oxen."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 16.05.340(a)(16) is amended by adding a new subparagraph to read:

(O) Musk oxen, each 1,000

* Sec. 2. AS 16.05.340(a)(18) is amended to read:

(18) Resident <u>big game</u> tags: [FOR BEAR, BROWN OR GRIZZLY, EACH. . . . . 25]

<u>(A) Bear, brown or grizzly, each. . . . . 25</u>

<u>(B) Musk oxen, each . . . . . .500</u>

<u>However, the Board of Game may reduce or eliminate the fee for a resident big game tag for musk oxen for an open season.</u>

* Sec. 3. AS 16.05.345 is repealed and re-enacted to read:

Sec. 16.05.345. PERMIT APPLICATIONS. (a) If the Board of Game declares an open season for musk oxen and has not reduced or eliminated the $500 resident tag fee under AS 16.05.340(a)(18), the department shall conduct a drawing for permits to take the musk oxen. If the Board of Game declares an open season for musk oxen for which the Board of Game has reduced or eliminated the resident tag fee, the department shall issue permits to take the musk oxen in the order in which applications are received by the department. A person is not eligible for more than one musk oxen permit a year. The department may not charge a fee for an application for a musk oxen permit for an open season in which

the Board of Game has reduced or eliminated the resident tag fee under AS 16.05.340(a)(18). In all other cases the application fee for a musk oxen permit is $10.

(b) Except as provided in (a) of this section, the permit application fee for all species for which a limited drawing is conducted is $5.

* Sec. 4. AS 16.05.340(a)(19) is repealed.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S – JUNEAU 99811

March 10, 1980

The Honorable Alvin Osterback
Co-Chairman
House Resources Committee
Room 118 - Capitol Building
Juneau, Alaska 99811

Dear Mr. Osterback:

Re: House Bill No. 878

House Bill No. 878, an Act relating to fees for hunting musk oxen, was introduced in the House on February 15, 1980 and was referred to the House Resources Committee.

For the consideration of the House Resources Committee, I am enclosing copies of Fiscal Notes prepared by Linda Gene Lockridge, Fish and Game Licensing Section, Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

cc: The Honorable Bill Miles
Co-Chairman
House Resources Committee

Joseph E. Donohue
Deputy Commissioner
Department of Revenue

P. A. Wall, Director
Administrative Services Division
Department of Revenue

04-D7L11

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 878
Title An act relating to fees for hunting musk oxen
Requested by House Resources Committee Date March 1, 1980

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected Fish and Game Support
B.U, Program, or Subprogram(s) Affected Fish and Game Licensing
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars) Revenue Effects

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
Game Management Fund	-0-	1.2	1.2			

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE March 6, 1980 PREPARED BY Linda Gene Lockridge
AGENCY Department of Revenue
PHONE 465-2376

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33 001 (Rev. 12/79)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 878
Title An act relating to fees for hunting musk oxen
Requested by House Resources Committee Date March 1, 1980

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected Fish and Game Support
BRU, Program, or Subprogram(s) Affected Fish and Game Licensing
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-			

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE March 6, 1980 PREPARED BY Linda Gene Lockridge
AGENCY Department of Revenue
PHONE 465-2376

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

HB
879

AGO 125405

4/21 Reported out as CS

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Cumulative Qualifications for Limited Entry Permits

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB 879		586-2820	United Fishermen of Alaska	4/21
		586-3456	Commercial Fisheries Entry Commission	4/21
			Rep. Fuller, sponsor	

(9)

COMMITTEE REPORT

HOUSE

2/15/80 FURTHER:

Date: _____

Mr. Speaker:

The Committee on RESOURCES has had HB 579

"An Act relating to limited entry permits."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____ CHAIRMAN

H 60 (Rev. 12/78)

HB 879: An Act Relating to Limited Entry

This bill extends point pooling to the A-Y-K by including freshwater fisheries. If a person applied for two or more limited entry permits under AS 16.43.250 (d) but did not qualify for a permit (same kind of fish, same gear, but different areas), he can pool his points in the fisheries to obtain a permit in the fishery for which he is most qualified. The new section (f) states how, because of the different point threshold levels in salt and freshwater fisheries, a determination of eligibility would be made.

John Williams, of the Commercial Fisheries Entry Commission, has said that this bill would affect less than two dozen people, all of them gillnetters. These are people who traditionally have fished for a living, but have fished in more than one area and are not eligible for a permit in any one area, and so are now out of the fisheries. Since this bill adds so few new permits, it does not run contrary to the stated purpose of Limited Entry, which is to preserve the resource by limiting the number of fishermen. Williams knows of two people who have submitted multiple applicatons in the A-Y-K (one of these fished in Norton Sound and the Kuskokwim). He says it would take a computer search to see how many fished in Bristol Bay and the Kuskokwim or Yukon.

Jess Walters, also of the CFEC, called this bill "a great way to make sure people who have a long but mixed history in fishing can get into the fisheries." This bill does not add new people to the fishery, but is more a clean-up measure to take care of those who moved around, but still fished.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 879
Title "An Act Relating to Limited Entry Permits"
Requested by Fuller Date 04/21/80

II. FISCAL DETAIL
Agency Affected Office of the Governor - Alaska Commercial Fisheries Entry Commission
Program Category Affected NRMEC
BRU, Program, or Subprogram(s) Affected Alaska Commercial Fisheries Entry Commission
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No fiscal impact.

IV. DATE 04/21/80 PREPARED BY Derrill L. Johnson
AGENCY AK Commercial Fisheries Entry Commission
PHONE 465-4181

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/78)

HB
915

COMMITTEE REPORT

HOUSE

2/28/80

FURTHER: FINANCE

Date: 3/6/80

Mr. Speaker:

The Committee on RESOURCES has had HB 915

"An Act making a special appropriation for marine mammal management and research; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

(AK REC)

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

tol
11

AGO 125408

Hearing 4/8/80 - Reported out as CS

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Marine Mammal Research & Management

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB 915	4/3/80		Rep. Fuller Sen. Ferguson, to testify Dept. of Fish and Game, Mr. Guy Martin, Kawerak Corp.	4/8/80

Make #C for HB 975 adding both as new sections

A BILL

For an Act entitled: "An Act making appropriations to the Arctic Environmental Information and Data Center, University of Alaska for socio-cultural research relating to whales and a study of the status of the beluga whale in the waters of Alaska; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 3. The sum of $80,000 is appropriated from the general fund as a grant to be paid to the Arctic Environmental Information and Data Center, University of Alaska to continue the socio-cultural research relating to whales.

* Section 4. The sum of $45,000 is appropriated from the general fund as a grant to be pd. to the Arctic Environmental Information and Data Center, University of Alaska to conduct a review of the historic use, distribution and life history of beluga whales in Alaska waters.

* Section 3. This Act takes effect immediately in accordance with AS 01.10.070 (c).

650
80
45
775

649,239
80,000
45,000
774,239

Information supporting the need for an Act entitled: "An Act making appropriations to the Arctic Environmental Information and Data Center, University of Alaska for socio-cultural research relating to whales and a study of the status of the beluga whale in the waters of Alaska; and providing for an effective date.

During the International Whaling Commission's (IWC) annual meeting in July 1979, a resolution pertaining to the coverage for small cetaceans, which includes beluga or white whales (Delphinapterus leucas) was introduced. Action was deferred to the 1980 IWC Annual meeting.

If the IWC should move to regulate beluga whales, the management, in all likelihood, would be subject to regulations established for aboriginal whaling since no known commercial harvests exist. The IWC expects that the following factors relating to the harvest of bowhead whales shall be documented:

1. The importance of the bowhead in the traditional diet;

2. Possible adverse effects of shifts to non-native foods;

3. Availability and acceptability of other food sources;

4. Historical take;

5. The integrative functions of the bowhead hunt in contemporary Eskimo society and the risk to the community identity from an imposed restriction on Native harvesting of the bowhead; and

6. To the extent possible, ecological considerations.

Should the beluga be subject to similar IWC requirements, little biological or socio-cultural data would be available for consideration in the development of a management regime. A report by V. Gurevich (1979) submitted to IWC notes that no unanimous opinion exists about the range of distribution on seasonal movements of the beluga. No data is available which documents the subsistence value of beluga to coastal inhabitants along the Arctic, Bering Sea, and Cook Inlet. This data would certainly appear necessary in view of possible regulatory actions and also because of pending outer continental shelf petroleum development which would have the potential of affecting beluga and beluga subsistence harvests.

Make CS
HB 975 both adds

A BILL

For an Act entitled: "An Act making appropriations to the Arctic Environmental Information and Data Center, University of Alaska for socio-cultural research relating to whales and a study of the status of the beluga whale in the waters of Alaska; and providing for an effective date.

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* Section 1. The sum of $80,000 is appropriated from the general fund to the Arctic Environmental Information and Data Center, University of Alaska to continue the socio-cultural research relating to whales.

* Section 2. The sum of $45,000 is appropriated from the general fund to the Arctic Environmental Information and Data Center, University of Alaska to conduct a review of the historic use, distribution and life history of beluga whales in Alaska waters.

* Section 3. This Act takes effect immediately in accordance with AS 91.10.070 (c).

Information supporting the need for an Act entitled: "An Act making appropriations to the Arctic Environmental Information and Data Center, University of Alaska for socio-cultural research relating to whales and a study of the status of the beluga whale in the waters of Alaska; and providing for an effective date.

During the International Whaling Commission's (IWC) annual meeting in July 1979, a resolution pertaining to the coverage for small cetaceans, which includes beluga or white whales (Delphinapterus leucas) was introduced. Action was deferred to the 1980 IWC Annual meeting.

If the IWC should move to regulate beluga whales, the management, in all likelihood, would be subject to regulations established for aboriginal whaling since no known commercial harvests exist. The IWC expects that the following factors relating to the harvest of bowhead whales shall be documented:

1. The importance of the bowhead in the traditional diet;

2. Possible adverse effects of shifts to non-native foods;

3. Availability and acceptability of other food sources;

4. Historical take;

5. The integrative functions of the bowhead hunt in contemporary Eskimo society and the risk to the community identity from an imposed restriction on Native harvesting of the bowhead, and

6. To the extent possible, ecological considerations.

Should the beluga be subject to similar IWC requirements, little biological or socio-cultural data would be available for consideration in the development of a management regime. A report by V. Gurevich (1979) submitted to IWC notes that no unanimous opinion exists about the range of distribution on seasonal movements of the beluga. No data is available which documents the subsistence value of beluga to coastal inhabitants along the Arctic, Bering Sea, and Cook Inlet. This data would certainly appear necessary in view of possible regulatory actions and also because of pending outer continental shelf petroleum development which would have the potential of affecting beluga and beluga subsistence harvests.

March 31, 1980

HB 915: Marine Mammals management and research appropriation.

This bill provides monies for continuation of work by the Eskimo Walrus Commission for work on walrus and other marine mammmals, and also funding to the North Slope Borough for work with the Alaska Eskimo Whaling Commission on beluga and bowhead whale studies.

Particularly because of the impending 1982 OCS lease sale in the Norton Sound Basin, it is vitally important to have current data on the status of walrus herds. There is evidence now that the herds are experiencing the effects of population stress. The EWC is studying use and dependency of walrus and other marine mammals by Alaska Natives, including socio-economic as well as biological data.

In 1979 marine mammal management was returned to the federal governemnt, with the result that, under the Marine Mammal Protection Act, 1) there is no sport hunting of marine mammals (can only be taken by Natives); 2) marine mammals are to be taken for subsistence use; 3) meat cannot be wasted; 4) marine mammals cannot be taken if that resource is in danger of depletion; and 5) raw ivory can only be sold to Natives.

The federal government will return marine mammal management to the State if certain conditions are agreed upon; currently the feds and state are negotiating. Since Natives are the largest user group, the EWC could provide much-needed Native input.

The state is not enforcing marine mammal management now that the feds have control. The EWC is working on developing and implementing management regulations, enforced by village social pressure; as the AEWC has done with whales.

Now that the state involvement with walrus and other marine mammals has been curtailed, it is important to have some in-state group actively working on research, management and enforcement.

Norton Sound Fish & Game Advisory Committee has requested the resumption of marine mammal research, the assumption by the state of marine mammal management, and the allowance by the feds of sport hunting of walrus on guided hunts.

Monies to the North Slope Borough are for work with the AEWC on research and training programs on whales. In light of the delays of the Beaufort lease sale because of lack of scientific investigation on the impact of oil drilling on whales, the timing of these programs is critical. There has been much concern over the migration patterns and habitat of the bowhead and beluga whales. This program will study the effects of man-made noise, vibration, and other disruptions on whales, and will train and involve Natives in the scientific work.

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March 26, 1980

MARINE MAMMAL MANAGEMENT AND RESEARCH

Grant			
Personnel			
Research Director	$30,000		
Research assistant	20,000		
3/4 Secretary $9/hr. x 40 x 25	13,500		
Fringe at 21%	13,335	$ 76,835	
Office rent $500/mo. x 12	6,000		
Supplies $150/mo. x 12	1,800		
Telephone + postage $200/mo. x 12	2,400	$ 10,200	$ 87,035
Research			
Travel			
4 EWC meetings $12,000/meeting	48,000		
25 village trips $250 airfare/trip	6,250		
25 village trips $45/3 days/per diem	3,375	57,625	61,875
Consultant $250/day x 17 days	4,250	4,250	
Management Services			31,300
		TOTAL	$180,210

A very rapid change has occurred in the hunting techniques and equipment used the past few years. There is a decline in the use of skin boats and an increase in aluminum boats. The C.B. radio is in common use for communication between hunters, knowledge of weather changes and as a safety factor. Other remarks on safety were that life preservers and flares should be standard boat equipment, and that boats should be sturdy, seaworthy, and safe for the hunt.

Hunters are frustrated and confused by the see- aw control of walrus management between the State and Federal agencies; and the resulting changes in procedures relating to management controls. This was apparent in the very large majority that favored control by the Eskimo Walrus Commission. The implication is that Native hunters are being used as pawns in the procedural disagreements between the State and Federal agencies.

ESKIMO WALRUS COMMISSION
KAWERAK, INC.
P.O. Box 948
Nome, Alaska 99762 (907) 443-5231

February 1,1980

I was hired by The Eskimo Walrus Commission on the 11th of July,1979 during their meeting held in Nome,Alaska as their Marine Mammal Research Specialist.

Using Mr. Charles H. Johnson's letter dated June 12th,1979 to Dr. Dave Hickok;I developed a rough draft questionaire. I used this very little, since it was not developed adequately in my initial trips to Wales and Little Diomede.I used the scratch pad for the most part on these two trips.

After talking with Ms. Rosita Worl of Arctic Information and Data Center in Nome, I developed a more comprehensive data gathering questionaire.This was also refined with the expertise of Mr. Caleb Pungowiyi, Mr. Charlie H. Johnson, and Mr. Guy Martin.

The majority of the people in my public meetings in the communities visited were reluctant to fill the data gathering questionaires, thinking it was for the Alaska Department of Fish and Game.After I explain to them the project was funded from the Alaska Legislative Body in Juneau for The Eskimo Walrus Commission; the people in the community visited would begin to offer to participate in the research project. When the people understood that they were finally recognized for their vast know--ledge in their subsistence life-style; their self-esteem was bolstered.Many would comment on how they were glad that one of their own was doing the research and not someone from Washington,D.C., or the "Lower 48".

The Time and Funding element is inadequate. When the people that have inhabited the land all their known history are expected to get an adequate picture of themselves in one year, only causes a debasing effect upon them.The recognition of their vast knowledge in their subsistence life -style should be honored by an on-going Monitor--Research position in the recognized representative body such as the Eskimo Walrus Commission.This also should be from one of their own to be relevant to the people represented.

REASON:

As I sent ninety (90) Marine Mammal Research Questionaires to the Community of Togiak, Alaska; the majority of the incomplete data gathering forms were sent back with comments such as:"Why do you want to ask so many questions?"."Are you writing a book?" "Why don't you come in person and ask these questions,then I can answer you in person".

RESULT:

I did not have adequate travel funding to travel in person to explain the project

ESKIMO WALRUS COMMISSION
KAWERAK, INC.
P.O. Box 948
Nome, Alaska 99762 (907) 443-2161

RESULT: (con't)

before asking them to fill out the marine mammal research questionaire. It is not only to gather data; but it demands a whole lot of on-going Public Relations that is desperately needed, just to be in good working relationship with the representa--tive body such as The Eskimo Walrus Commission.

On the brighter side, it is good to see your fellow-man relate to you with a sparkle in his eye;"I'm glad the people in Juneau are finally listening to us before they tell us what to do or not to do in our hunting!".

IS IT WORTH WHILE?

From my own viewpoint as the Marine Mammal Research Specialist I say; we are just beginning a relevant working relationship that has been lacking all these years.Let us keep the good wholesome working relationship going in our "Great Land!!".

Sincerely submitted I remain,

Mr. Carl M. Ahwinona, Sr.

Mr.Carl M. Ahwinona,Sr.
Marine Mammal Research Specialist
Eskimo Walrus Commission
P.O. Box 948
Nome,Alaska 99762

see marine mammals p. 2

Norton Sound
Fish & Game Advisory Committee

Nome, Alaska
3/10/80

POSITION STATEMENT

We in North West Alaska feel our marine and land animal resources are Very important to us. These resources represent part of an everyday way of life with many of us, not only for food, other subsistence needs and sport, but also for a "Living." Thus, we need to maintain, or where appropriate, increase these resources to facilitate continued utilization.

For this, we need adequate management and research and we feel the State is the proper agency to do so. This requires funding.

We don't want to be left out in the "cold" of N. W. Alaska funding for Fish & Game any longer. As I have said, these resources mean as much or more to the people of this area as any regional population in the world.

With your understanding, we recommend the following specifics:

1) Adequate surveillance of commercial crabbing and herring fishing efforts. We are very concerned about these northern Bering populations. The M. V. Vigilance should be available for patrol during these seasons. Air surveillance would also be helpful.

enforcement needs to be improved also with:

a. A boat that can be used safely along the coastal waters.

b. Air surveillance capability at least during some seasons.

ex. Spring bear hunting and fall bear and moose seasons. Unscrupulous guides could quickly deestimate both populations here because of the nature of the area.

3) A Crab Biologist position is needed in Nome in view of the new commercial harvest in the Northern Bering Sea.

4) Another more realistic crab count and continued research are also needed as some very strange things are happening to the crab population of this area.

5) Resume marine mammal research (Federal-State joint effort if necessary) and

a. Re-establish the Marine Mammal Biologist position in Nome.

b. Push for State control of all marine mammals.

6) Request federal government to allow sport hunting of walrus on guided hunts.

7) Modern fish counting equipment and techniques need to be employed in:

a. Salmon spawning streams for escapement and

b. Herring in the Northern Bering.

8) Another aerial survey of the Arctic caribou herd and continued close management are needed if the herd is ever to return to a significant size so a sizable yearly harvest can again be utilized.

9) Make certain adequate oil spill containment and clean-up capability is present if oil exploration and development occurs in the Bering Sea.

Groups to spearhead bowhead research

Associated Press

Representatives of the Alaska Eskimo Whaling Commission and the Acoustical Society of America will hold a five day meeting in San Diego starting Feb 25 to spearhead a comprehensive research program on the effects of offshore drilling on the endangered bowhead whale.

Eskimo hunters contend that sensitive bowheads could be forced fom their traditional migration paths by the underwater noise caused by offshore drilling. They say they fear a change in migration patterns could leave villages on Alaska's northern coasts without access to the bowhead, important to Eskimos both as a food source and a part of their traditional culture.

North Slope Borough spokesman Jon Buchholdt said the first two days will be devoted to determining what data is already available on underwater sound and the bowhead. The rest of the conference will used to write a protocal stating research objectives for the project and ways it will be accomplished.

Buccholdt claims federal research has been devoted only to justifying quotas imposed on Eskimo subsistence hunting by the International Whaling Commission. "They have wasted millions of dollars on research which is beside the point," he declared.

He said the government has failed to recognize Eskimo subsistence whaling as an industry in itself.

Buchholdt said North Slope Eskimos hope the research project can be incorporated in a settlement with oil companies wishing to drill offshore in the Beaufort Sea. The borough, environmentalists and other local governments in the area are suing to void the recent joint federal-state Beaufort Sea oil and gas lease sale on grounds drilling could threaten marine mammals in the area.

2-15-90

Walrus commission told of possible herd decline

ANCHORAGE (AP)—A U.S. Fish and Wildlife Service spokesman has warned the Eskimo Walrus Commission that increased commercial and industrial activity in the Bering Sea and Bristol Bay will contribute to a steep decline in walrus populations in the next 10 years.

Ted Schmidt, mammal and non-migratory bird coordinator for the Alaska Division of the Service, said the 1980 walrus population is at an all-time high of about 250,000, up from about 50,000 in 1955. He said the population fluctuates naturally, but there will be increased pressures in the next 10 years that may cut the herd to between 110,000 and 150,000 animals.

Schmidt said those pressures include commercial clam fisheries, and oil and gas extraction, plus the effect of increased boat traffic in herring fisheries.

"If the only thing we had to worry about was the present Native harvest, from a biological standpoint I wouldn't be too concerned," Schmidt said. "If you stopped hunting walrus entirely right now, the population is going to come down anyway due to these other factors."

Subsistence hunters will kill an estimated 10,000 walrus per year during the next few years.

Schmidt said the Fish and Wildlife Service believes there is a need for more cooperation between the federal government, the state and Alaska Natives. He said the Service has agreed to form a Pacific Walrus Technical Committee with the Eskimo Walrus Commission and the Alaska Fish and Game Department.

"What we would like to see is more cooperative and management research studies," Schmidt said.

Controversy exists in Alaska because management of walrus herds has been taken from the state and given to Fish and Wildlife under the Marine Mammals Protection Act.

Non-natives are prohibited from possessing or dealing in raw products such as seal skins and ivory. But there are no restrictions on Native subsistence hunting.

Schmidt said he would prefer not to see Native hunting increased. But if hunting remains at the current level between now and 1990, he said it will not adversely affect the walrus population.

In fact, Native subsistence hunting is an element in population control. Schmidt said that when walrus populations reach a high level, as is the case now, the animals "are more or less eating themselves out of house and home at a certain point."

He said there are "fewer healthy animals, lower fecundity and starvation, plus more incidence of disease."

A BILL

For an Act entitled: "An Act making appropriations to the Arctic Environmental Information and Data Center, University of Alaska for socio-cultural research relating to whales and a study of the status of the beluga whale in the waters of Alaska; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. The sum of $80,000 is appropriated from the general fund to the Arctic Environmental Information and Data Center, University of Alaska to continue the socio-cultural research relating to whales.

* Section 2. The sum of $45,000 is appropriated from the general fund to the Arctic Environmental Information and Data Center, University of Alaska to conduct a review of the historic use, distribution and life history of beluga whales in Alaska waters.

* Section 3. This Act takes effect immediately in accordance with AS 91.10.070 (c).

Original sponsor: Resources Committee
(for Special Subsistence
Committee)

Funding Information	
General Fund	$774,239
Other Funds	-0-
	$774,239

IN THE HOUSE BY THE RESOURCES COMMITTEE

CS FOR HOUSE BILL NO. 915

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making special appropriations for marine mammal management and research; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. The sum of $180,210 is appropriated from the general fund for payment as a grant to the Eskimo Walrus Commission for research and management programs relating to walrus and other marine mammals to be apportioned as follows:

(1) to the Eskimo Walrus Commission for cooperative work with the Department of Fish and Game on the improvement of walrus conservation measures, the development of subsistence hunting data, and the dissemination of information on the subsistence use of walrus $87,035

(2) to the Eskimo Walrus Commission for research on nutritional and cultural dependence on walrus by the people from Barrow to Togiak 61,875

(3) to Kawerak, Inc., for management service costs 31,300

leave in * Sec. 2. The sum of $469,029 is appropriated from the general fund to be paid as a grant to the North Slope Borough for research and training programs relating to whales, to be undertaken with the Alaska Eskimo Whaling Commission.

* Sec. 3. The sum of $80,000 is appropriated from the general fund to be paid as a grant to the Arctic Environmental Information and Data Center, University of Alaska to continue the socio-cultural research relating to whales.

* Sec. 4. The sum of $45,000 is appropriated from the general fund to be paid as a grant to the Arctic Environmental Information and Data Center, University of Alaska to conduct a review of the historic use, distribution and life history of beluga whales in Alaska waters.

* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.070(c).

iginal sponsor: Resources Committee
(for Special Subsistence
Committee)

Reported out without sec. 3 & 4

Funding Information
General Fund ~~$774,239~~
Other Funds -0-
~~$774,239~~
649,234

IN THE HOUSE BY THE RESOURCES COMMITTEE

CS FOR HOUSE BILL NO. 915

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

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* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.070(c).

HB
962

(9)

COMMITTEE REPORT

HOUSE

3/17/80

FURTHER: FINANCE

Date: 3-

Mr. Speaker:

The Committee on RESOURCES has had HB 962

"An Act allowing credits against fisheries taxes; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

60 (Rev. 12/78)

HB 962 H. Resources '80
Credits Against Fisheries Taxes

AGO 125409

Hearing 3/25/80 - Reported out as CS with DO PASS

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Credits Against Fisheries Taxes

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB 962	3/21/80	4100	Dept of Fish & Game	3/25/80
	3/21	3720	Rep. Terry Gardiner	
	3/21	2300	Revenue Dept - will testify and provide fiscal note	
	3/21	2018	Commerce Dept. - Dick Reynolds	
	3/21	586-2020	United Fishermen of Alaska	
	3/24	586-6521	Environmental Conservation - Ltd. John Martin	
	3/24	586-6366 or 1324	Pacific Seafood Processors Assoc. - Circle Lawless	
	3/24	586-6642	Alaska Longshoremen's & Warehousemen's Union - Lacey Cotter, Pres	
	3/24	3758	Rep. Niles Anderson	

STATE OF ALASKA
THE LEGISLATURE

POUCH V STATE CAPITOL
JUNEAU ALASKA 99811

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M March 31, 1980

SUBJECT: Fish tax credit
CSHB 962

TO: House Resources Committee
Attn: Mary Levan, A.A.

FROM: Kenneth E. Vassar
Legislative Counsel KEV

Enclosed is the committee substitute you requested for House Bill 962. The change made in this committee substitute is to make the bill retroactive and applicable to the 1979 tax year. This change raises two questions:

(1) Apparently the intention is that the commissioner of revenue will rebate the amount of the credits which were not taken in 1979 but for which taxpayers would be eligible under this bill, but there is no mechanism in the bill to give the commissioner that power. How can he make these rebates without an appropriation or a fund to draw from?

(2) Assuming the commissioner is able to make the rebates, what effect does this have on the municipalities' share of the proceeds of the tax under AS 43.75.130? The tax credits are a reduction in the tax. Does this also mean the municipalities' shares will be reduced?

My understanding is that these questions will be addressed in the next committee of referral - the finance committee; however, I wanted to make sure you were aware of the questions.

KEV:ljb

Enclosure

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S - JUNEAU 99811

March 24, 1980

The Honorable Alvin Osterback
Co-Chairman
House Resources Committee
Room 118 - Capitol Building
Juneau, Alaska 99811

Dear Mr. Osterback:

Re: House Bill No. 962

House Bill No. 962, an Act allowing credits against fisheries taxes, was introduced in the House on March 17, 1980 and was referred to the House Resources and Finance Committees.

For the consideration of the House Finance Committee, I am enclosing copies of Fiscal Notes prepared by Gary Jenkins, Director, Audit Division and Vincent Wright, Research Section, Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

cc: The Honorable Bill Miller
Co-Chairman
House Resources Committee

The Honorable Russ Meeking
Chairman
House Finance Committee

Joseph E. Donohue
Deputy Commissioner
Department of Revenue

Gary Jenkins, Director
Audit Division
Department of Revenue

Vincent Wright
Research Section
Department of Revenue

04-02LH

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 962
Title: An Act allowing credits against fisheries taxes.
Requested by House Resources & Finance Committees Date 3/24/80

II. FISCAL DETAIL
Agency Affected: Revenue
Program Category Affected: Fiscal Services
BRU, Program, or Subprogram(s) Affected: Audit Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES		37.5	37.5	37.5	37.5	37.5
200	TRAVEL		5.5	5.5	5.5	5.5	5.5
300	CONTRACTUAL		3.1	3.1	3.1	3.1	3.1
400	COMMODITIES		.5	.5	.5	.5	.5
500	EQUIPMENT		1.2	1.2	1.2	1.2	1.2
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		47.8	47.8	47.8	47.8	47.8

FUNDING (Thousands of Dollars)

GENERAL FUND		47.8	47.8	47.8	47.8	47.8
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memorandum to R. D. Stevenson dated 3/24/80.

IV. DATE March 24, 1980 PREPARED BY Ray Cook
AGENCY Department of Revenue, Audit Division
PHONE 465-2320

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33 001 (Rev. 12/79)

	POSITION TITLE				RANGE/STEP	BARG. UNIT.	LOCATION	GOV	APPROV.	DISAP
1	Revenue Auditor III				18 A	G	Juneau			
	TYPE OF POSITION	STAFF MONTHS	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG		
2	PFT	12								

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY	29,580	
5	BENEFITS	4,399	
6	FICA	1,967	
7	HEALTH INS.	1,524	
8	TOTAL PERSONAL SERVICES		37,470
9	TRAVEL		5,500
10	CONTRACTUAL		3,160
11	COMMODITIES		450
12	EQUIPMENT		1,200
13	OTHER		
14	TOTAL COST		47,780

	CODE	FUNDING SOURCE	
15		FED RCPTS	
16		GF MATCH	
17		GEN. FUND	47,780
18		I-A RCPTS	
19		PGM RCPTS	
20		OTHER	
21	CONTINUATION		
22	ADDITION	X	

FOR OMB USE ONLY

IA KEY NUMBER _____ COLUMN NO. ____

JUSTIFICATION:

Inasmuch as every fish processor doing business in the State of Alaska could form a seafood association as defined in the proposed law, we are requesting one permanent full time Auditor position to handle the auditing functions provided for in the proposed Section 43.75.035(b)(8).

AGENCY Department of Revenue PROGRAM AREA Revenue Collection and Management

BRU Audit Division

FY 81

13 REQUEST FOR NEW POSITION.

COMPONENT _____

Page ____ of ____

REVISED DATE _____

STATE
of ALASKA

MEMORANDUM

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: March 24, 1980

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: House Bill No. 962

This bill provides for the establishment of fisheries industry trade associations which would be funded by the State of Alaska through the form of a special tax credit given to fish processors on their fish processing tax returns. Each processor would be allowed a credit on a dollar for dollar basis for contributions to the fishery association in an amount up to 15 percent of the fish processors' tax due.

There would appear to be a legitimate question regarding whether there is a clear need for the State of Alaska to directly fund trade associations for the fishing industry, an industry which, incidentally, is largely dominated by Japanese interests. The fishing industry is already provided income tax incentives to improve their processing facilities in the form of the investment credit, both at the federal and state levels. It should also be noted that any expenditures made by a processor which are in any way a business expense related to processing or marketing of fish products, are tax deductible under the corporate income tax. Further, it would seem logical that all processors would be putting forth maximum effort to produce a product which has the best possible appeal in the market place.

With regard to enhancing the quality of the product itself, the State of Alaska already has inspectors from the Department of Health and Social Services and the Department of Natural Resources working with processors in an effort to ensure proper quality of the product produced.

Inasmuch as every processor doing business in the State of Alaska could form a seafood association as defined in the proposed law, we are requesting one permanent full time Auditor position to handle the auditing functions provided for in the proposed Section 43.75.035(b)(8).

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. H B 96
Title An act allowing credits against Fisheries Taxes
Requested by _____ Date 3-25-80

II. FISCAL DETAIL.
Agency Affected _____
Program Category Affected _____
BRU, Program, or Subprogram(s) Affected _____
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Millions of Dollars)

GENERAL FUND	-------	(-)	-------	-------	unknown	-------
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The above mentioned assumes that 7% of the taxpayer credits are naturally taken. The basis for the FY 81 data is the forecast in the Revenue Source book which incorporates catch and price projections.

The cost to the general fund in subsequent fiscal years is indeterminate but dependant on varying credits, harvests and prices. It is likely that there will be a slight increase over time in credits taken.

IV. DATE 3/27/80 PREPARED BY Vincent Vaught
AGENCY Revenue
PHONE 2371

Original Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33 001 (Rev. 12/79)

2320 - Need new fiscal note for CS HB962 with 1978 effective retroactive date rather than 1979

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S - JUNEAU 99811

March 24, 1980

The Honorable Alvin Osterback
Co-Chairman
House Resources Committee
Room 118 - Capitol Building
Juneau, Alaska 99811

Dear Mr. Osterback:

Re: House Bill No. 962

House Bill No. 962, an Act allowing credits against fisheries taxes, was introduced in the House on March 17, 1980 and was referred to the House Resources and Finance Committees.

For the consideration of the House Finance Committee, I am enclosing copies of Fiscal Notes prepared by Gary Jenkins, Director, Audit Division and Vincent Wright, Research Section, Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

cc: The Honorable Bill Miles
Co-Chairman
House Resources Committee

The Honorable Russ Meekins
Chairman
House Finance Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Gary Jenkins, Director
Audit Division
Department of Revenue

Vincent Wright
Research Section
Department of Revenue

04-02LH

(9)

COMMITTEE REPORT

HOUSE

3/17/80

FURTHER: FINANCE

Date: 3/5/80

Mr. Speaker:

The Committee on RESOURCES has had HB 962

"An Act allowing credits against fisheries taxes; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[✓] replace with CS for HB 962 [✓] same title [ ] new title

and recommends DO PASS

[ ] AND attaches a "Letter of Intent" [✓] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

MEMBERS HAVING OTHER RECOMMENDATIONS:

Chairman

CHAIRMAN

H 60 (Rev. 12/78)

Editor's note. — As to legislative findings and purpose relating to AS 43.75 see §§ 1 and 2, ch. 79, SLA 1979 in the 1979 Temporary and Special Acts and Resolutions and editor's note following AS 43.75.011.

Article 1. Taxe and Licenses.

Section		Section	
10.	[Repealed]	30.	Filing return and payment of tax
11.	Fisheries business license	50.	Violations and penalties
15.	Fisheries business tax	55.	Security for collection of taxes

Sec. 43.75.010. Fisheries business licenses.

Repealed by § 13 ch 79 SLA 1979, effective June 1, 1979.

Cross reference. — For present provisions covering the subject matter of the repealed section, see AS 43.75.011.

Editor's note. — The repealed section derived from § 1, ch. 82, SLA 1949; § 1, ch. 113 SLA 1951; § 1, ch. 146, SLA 1962; §§ 1, 2, ch. 84, SLA 1967.

State license tax on salmon canneries with its revenue sharing provision is not different in kind from general gross receipts tax of Alaska Business License Act. — See Liberati v. Bristol Bay Borough, Sup. Ct. Op. No. 1735 (File No. 3365), 585 P.2d 878 (1978).

There is no general prohibition against like municipal and state taxes. Liberati v. Bristol Bay Borough, Sup. Ct. Op. No. 1735 (File No. 3365), 585 P.2d 878 (1978).

Sec. 43.75.011. Fisheries business license. A person engaging or attempting to engage in a fisheries business shall first apply for and obtain a license as provided in AS 43.75.020. (§ 3 ch 79 SLA 1979)

Effective date. — Section 15, ch. 79, SLA 1979, makes this section effective June 1, 1979, in accordance with AS 01.10.070(c).

Editor's note. — Section 1, ch. 79, SLA 1979, effective June 1, 1979, provides: "FINDINGS. The legislature finds that the state has

"(1) funded and implemented several fisheries-related development programs;

"(2) funded and implemented fishery loan programs;

"(3) increased its fishery protection and management program;

"(4) funded and implemented a limited entry program; and

"(5) embarked on a program of encouraging the development of a bottom fishing industry."

Section 2, ch. 79, SLA 1979, effective June 1, 1979, provides: "PURPOSE. The purposes of this Act are to

"(1) insure that the state is able to continue its efforts toward overall fisheries-related development programs by raising additional revenue to pay for the programs;

"(2) make the imposition of the fisheries tax more uniform among fisheries businesses; and

"(3) provide funding for the development of new fisheries."

HB 962

Sec. 43.75.015. Fisheries business tax. (a) A person engaged in a fisheries business is liable for and shall pay the tax levied by this section on the value of each of the following fisheries resources processed during the year at the rate set out after each:

(1) salmon canned at a shore-based cannery — four and one-half per cent;

(2) salmon processed by a shore-based fisheries business, except salmon for which the tax is due under (1) of this subsection, and all other fisheries resources processed by a shore-based fisheries business — three per cent;

(3) fisheries resources processed by a floating fisheries business — five per cent.

(b) Instead of the taxes levied by (a) of this section, a person engaged in a fishery business which includes processing a developing commercial fish species is liable for and shall pay a tax equal to

(1) one per cent of the value of the developing commercial fish species processed by a shore-based fisheries business during the year; and

(2) three per cent of the value of the developing commercial fish species processed by a floating fisheries business during the year.

(c) A person engaging or attempting to engage in a fisheries business who first actually and physically processes the fishery resource is liable for and shall pay to the department the entire tax imposed by this section. In determining this tax liability, the person may not deduct from the value of the fishery resources processed the value of fishery resources that are canned or processed for other fisheries businesses, but shall include that value as part of the value of the fishery resources processed. (§ 3 ch 79 SLA 1979)

Effective date. — Section 15, ch. 79, SLA 1979, makes this section effective June 1, 1979, in accordance with AS 01.10.070(c).

Sec. 43.75.030. Filing return and payment of tax. (a) A person subject to the tax shall file a return stating the value of fisheries resources processed during the license year, computed as required by this chapter, and such other information as the department prescribes by regulation. The return shall show the license number and shall be signed by the taxpayer or his authorized agent, under penalty of perjury. If a receiver, trustee, or assign is operating the property or business, he shall file the return for the person. A tax due on the basis of such a return shall be collected in the same manner as if collected from the person of whose business he has custody and control.

(e) Every person engaging or attempting to engage in a business for which a license is required under this chapter shall keep records, make statements under oath, file returns, and comply with all regulations which the commissioner of revenue may prescribe.
(am §§ 5, 6 ch 79 SLA 1979)

Effect of amendment. — The 1979 amendment, effective June 1, 1979, substituted "fisheries resources" for "raw fisheries products" in the first sentence of subsection (a), deleted "AS 43.75.010 — 43.75.050 of" preceding "this chapter" in the first sentence of subsection (a) and in subsection (e), deleted "such" preceding

"records," preceding "statements," and preceding "returns" in subsection (e), and substituted "all regulations which" for "such regulations as" in subsection (e).

As the rest of the section was not affected by the amendment, it is not set out.

Sec. 43.75.050. Violations and penalties.

(f) A person who wilfully fails to obtain a license, pay a tax, make a return, keep or display a record, or supply the information at the time required by law or regulation, in violation of this chapter, is, in addition to other penalties provided by law, guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than $1,000, or by imprisonment for not more than one year, or by both, together with the cost of prosecution.

(am § 7 ch 79 SLA 1979)

Effect of amendments.

The 1979 amendment, effective June 1, 1979, deleted "AS 43.75.010 — 43.75.055 of" preceding "this chapter" in subsection (f).

As the rest of the section was not affected by the amendment, it is not set out.

Sec. 43.75.055. Security for collection of taxes. Each applicant for a license under this chapter shall, in or with his application, state under oath the amount of each of the products which he expects to produce during the license year. The applicant shall further state the extent of lienable real property owned by the applicant in the state against which the tax may be collected and other information with respect to description, location and value of the property which the department prescribes. If the lienable value of the property is not equal to three times the amount of the tax for which the applicant will probably be liable under this section, the department may not issue the license until the applicant files with the department a surety bond approved by the attorney general in a penal sum equal to twice the probable amount of the tax for which the applicant will be liable, conditioned upon payment of the tax in full when due, with interest if not paid before delinquency. However, if the applicant purchases salmon for export from Alaska in the round, the amount of the bond is $50,000 unless the applicant is the owner of lienable real property in the state of a value of at least $50,000, and the bond must be conditioned upon payment to the fisherman of the full purchase price for the salmon and the payment of the tax in full when due. The department may waive the bond requirement if the applicant posts other security in the form of collateral acceptable to the department or prepays the estimated tax. (§ 4 ch 84 SLA 1967; am § 8 ch 79 SLA 1979)

Effect of amendment. — The 1979 amendment, effective June 1, 1979, added the present fourth sentence and added "or prepays the estimated tax" to the end of the present fifth sentence.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS for House Bill No. 962
Title An Act allowing credits against fisheries taxes.
Requested by House Resources & Finance Committees Date 3/26/80

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected Fiscal Services
BRU, Program, or Subprogram(s) Affected Audit Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100	PERSONAL SERVICES		37.5	37.5	37.5	37.5	37.5
200	TRAVEL		5.5	5.5	5.5	5.5	5.5
300	CONTRACTUAL		3.1	3.1	3.1	3.1	3.1
400	COMMODITIES		.5	.5	.5	.5	.5
500	EQUIPMENT		1.2	1.2	1.2	1.2	1.2
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		47.8	47.8	47.8	47.8	47.8

FUNDING (Thousands of Dollars)

GENERAL FUND		47.8	47.8	47.8	47.8	47.8
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memorandum to R. D. Stevenson dated 3/24/80.

IV. DATE March 26, 1980 PREPARED BY Gary Clark
AGENCY Department of Revenue, Audit Division
PHONE 465-2320

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

STATE of ALASKA

MEMORANDUM

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: March 24, 1980

FILE NO.

TELEPHONE NO.

SUBJECT: CS for House Bill No. 962

FROM: Gary L. Jenkins
Director
Audit Division

This bill provides for the establishment of fisheries industry trade associations which would be funded by the State of Alaska through the form of a special tax credit given to fish processors on their fish processing tax returns. Each processor would be allowed a credit on a dollar for dollar basis for contributions to the fishery association in an amount up to 15 percent of the fish processors' tax due.

There would appear to be a legitimate question regarding whether there is a clear need for the State of Alaska to directly fund trade associations for the fishing industry, an industry which, incidentally, is largely dominated by Japanese interests. The fishing industry is already provided income tax incentives to improve their processing facilities in the form of the investment credit, both at the federal and state levels. It should also be noted that any expenditures made by a processor which are in any way a business expense related to processing or marketing of fish products, are tax deductible under the corporate income tax. Further, it would seem logical that all processors would be putting forth maximum effort to produce a product which has the best possible appeal in the market place.

With regard to enhancing the quality of the product itself, the State of Alaska already has inspectors from the Department of Health and Social Services and the Department of Natural Resources working with processors in an effort to ensure proper quality of the product produced.

Inasmuch as every processor doing business in the State of Alaska could form a seafood association as defined in the proposed law, we are requesting one permanent full time Auditor position to handle the auditing functions provided for in the proposed Section 43.75.035(b)(8).

1	POSITION TITLE Revenue Auditor III			RANGE/STEP 18 A	BARG. UNIT. G	LOCATION Juneau	GOV	APPROV	D
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.		

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY	29,580	
5	BENEFITS	4,399	
6	FICA	1,967	
7	HEALTH INS.	1,524	
8	TOTAL PERSONAL SERVICES		37,470
9	TRAVEL		5,500
10	CONTRACTUAL		3,160
11	COMMODITIES		450
12	EQUIPMENT		1,200
13	OTHER		
14	TOTAL COST		47,780

	CODE	FUNDING SOURCE	
15		FED RCPTS.	
16		GF MATCH	
17		GEN FUND	47,780
18		I-A RCPTS.	
19		PGM RCPTS	
20		OTHER	
21	CONTINUATION		
22	ADDITION	X	

FOR BGM USE ONLY

I/A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

Inasmuch as every fish processor doing business in the State of Alaska could form a seafood association as defined in the proposed law, we are requesting one permanent full time Auditor position to handle the auditing functions provid for in the proposed Section 43.75.035(b)(8).

AGENCY Department of Revenue PROGRAM AREA Revenue Collection and Management

BRU Audit Division

COMPONENT _____

13 REQUEST FOR NEW POSITION.

Page _____ of _____

REVISED DATE _____

FY 81

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS for House Bill No. 962
Title An Act allowing credits against fisheries taxes.
Requested by House Resources & Finance Committees Date 3/26/80

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected Fiscal Services
BRU, Program, or Subprogram(s) Affected Audit Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		37.5	37.5	37.5	37.5	37.5
200 TRAVEL		5.5	5.5	5.5	5.5	5.5
300 CONTRACTUAL		3.1	3.1	3.1	3.1	3.1
400 COMMODITIES		.5	.5	.5	.5	.5
500 EQUIPMENT		1.2	1.2	1.2	1.2	1.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		47.8	47.8	47.8	47.8	47.8

FUNDING (Thousands of Dollars)

GENERAL FUND		47.8	47.8	47.8	47.8	47.8
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1	1	1	1	1
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memorandum to R. D. Stevenson dated 3/24/80.

IV. DATE March 26, 1980 PREPARED BY [signature]
AGENCY Department of Revenue, Audit Division
PHONE 465-2320

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33 001 (Rev. 12/79)

02 0018 (Rev. 10/76)

STATE
of ALASKA

MEMORANDUM

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: March 24, 1980

FILE NO.

TELEPHONE NO.

SUBJECT: CS for
House Bill No. 962

FROM: Gary L. Jenkins
Director
Audit Division

This bill provides for the establishment of fisheries industry trade associations which would be funded by the State of Alaska through the form of a special tax credit given to fish processors on their fish processing tax returns. Each processor would be allowed a credit on a dollar for dollar basis for contributions to the fishery association in an amount up to 15 percent of the fish processors' tax due.

There would appear to be a legitimate question regarding whether there is a clear need for the State of Alaska to directly fund trade associations for the fishing industry, an industry which, incidentally, is largely dominated by Japanese interests. The fishing industry is already provided income tax incentives to improve their processing facilities in the form of the investment credit, both at the federal and state levels. It should also be noted that any expenditures made by a processor which are in any way a business expense related to processing or marketing of fish products, are tax deductible under the corporate income tax. Further, it would seem logical that all processors would be putting forth maximum effort to produce a product which has the best possible appeal in the market place.

With regard to enhancing the quality of the product itself, the State of Alaska already has inspectors from the Department of Health and Social Services and the Department of Natural Resources working with processors in an effort to ensure proper quality of the product produced.

Inasmuch as every processor doing business in the State of Alaska could form a seafood association as defined in the proposed law, we are requesting one permanent full time Auditor position to handle the auditing functions provided for in the proposed Section 43.75.035(b)(8).

	POSITION TITLE				RANGE/STEP	BARG. UNIT.	LOCATION		APPROV.	
1	Revenue Auditor III				18 A	G	Juneau	GOV		
	TYPE OF POSITION	STAFF MONTHS	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG.		
2	PFT	12								

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY		29,580	
5	BENEFITS		4,399	
6	FICA		1,967	
7	HEALTH INS.		1,524	
8	TOTAL PERSONAL SERVICES			37,470
9	TRAVEL			5,500
10	CONTRACTUAL			3,160
11	COMMODITIES			450
12	EQUIPMENT			1,200
13	OTHER			
14	TOTAL COST			47,780

	CODE	FUNDING SOURCE	
15		FED RCPTS.	
16		GF MATCH	
17		GEN FUND	47,780
18		I-A RCPTS	
19		PGM RCPTS	
20		OTHER	
21	CONTINUATION		
22	ADDITION	X	

FOR OMB USE ONLY

NA KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

Inasmuch as every fish processor doing business in the State of Alaska could form a seafood association as defined in the proposed law, we are requesting one permanent full time Auditor position to handle the auditing functions provi for in the proposed Section 43.75.035(b)(8).

AGENCY Department of Revenue PROGRAM AREA Revenue Collection and Management

BRU Audit Division

FY 81

13 REQUEST FOR NEW POSITION.

COMPONENT _____

Page _____ of _____

REVISED DATE _____

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS H B 962
Title An act allowing credits against Fisheries Taxes
Requested by _____ Date 3-26-80

II. FISCAL DETAIL
Agency Affected _____
Program Category Affected _____
BRU, Program, or Subprogram(s) Affected _____
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Millions of dollars)

GENERAL FUND	--------	(2.0)	----------	----------	unknown	----------
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

If the proponed bill H B 962 were made retroactive to December 31, 1978 instead of December 31, 1979, as it reads on March 17, 1980 the loss to the general fund would amount to an extra $ 750,000. If this were to be paid in FY 81 the total reduction in FY 81 would amount to approximately two million dollars.

IV. DATE 3/26/80 PREPARED BY Vincent D Wright
AGENCY Revenue
PHONE 2391

Original Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33 001 (Rev 12/79)

HB
963

COMPARISON OF CRUDE OIL TAX PROPOSALS

(Prepared by Minority Counsel, Senate Finance Committee)

	SENATE FINANCE COMMITTEE	HOUSE BILL	ADMINISTRATION
LOWER TIER OIL	75 percent of different between base price of $6.00 (adjusted for inflation) and the selling price Applies to released lower tier oil that is below 1.5 percent decline curve Tax phases out by 6 84	Same except tax rate is 60 percent	Tax rate is 50 percent decline curve is 2 percent
UPPER TIER OIL	60 percent of difference between base price of $13.00 (adjusted for inflation) and selling price Tax phases out between 1986 & 1990	Same	Same except tax rate is 50 per cent
NEWLY DISCOVERED OIL	Total exemption for oil discovered on a property which had no production in 1978 (DOE pricing definition)	50 percent of the difference between a base price of $17.00 per barrel (adjusted for inflation plus 2 percent per year) and the selling price up to $26.00 per barrel (adjusted for inflation plus 2 percent per year) and the selling price Tax is permanent Restrictive definition	50 percent of difference between $16 bbl (adjusted for inflation) & the selling price Tax is permanent
TERTIARY OIL	Total exemption for incremental tertiary production Producer can use actual decline rate for post 1978 months before project starts	50 percent of difference between $17.00 (adjusted for inflation plus 2 percent & selling price) Tax terminates on 12 31 90 Applies oil above a level determined by a decline curve of 1 percent a month until project starts 2.5 percent per month once project starts	Same as newly discovered apply only to oil produced by enhanced recovery on case by case basis
ALASKA NORTH SLOPE	Taxes Sadlerochit oil in as Upper Tier Oil (60 percent rate with $13 base price) modified pipeline tariff adjustment	50 percent of difference between a base price of $7.50 (adjusted for inflation and the selling price) Applies to oil from Strategic Reserve Adjustment for value of pipeline tariff	Originally no tax but later modified to tax in Tier 2
STRIPPER OIL	Exempts first 1,000 bbls day produced by independent producer 3 royalty holder Other stripper taxed at 60 percent tax rate on the difference of $16 base price & selling price	Taxed at 60 percent tax rate on the difference of $16 base price & selling price	Same as House bill but tax rate is 50 percent
MARGINAL OIL (deep stripper)	Taxed at 1/3 of 60 percent of difference between $13 and selling price Tax phases out between 1986 & 1990 definition includes high water cut oil	Same as Finance Committee but excludes high water cut oil	Same as House but rate is 50 percent
HEAVY OIL	Exempts oil with a specific gravity of 16 degrees or less	Heavy oil treated no differently from other oil	Recommended exemption after the House bill passed

OTHER CHANGES FROM HOUSE BILL

- Senate Finance Committee reduces net income limitation from 100 percent of net income from property to 90 percent
- Allows severance tax deduction for all oil including increases after March 1979 if applies to entire oil price
- Allows longer payment period of tax for independent refiners
- Entire tax phases out volumetrically at 3 percent per month when revenues collected reach 90 percent of anticipated total

Former DOE Undersecretary Myers Heads Jacobs Engineering Group

PASADENA, Calif. — Former [illegible] has become head of all basic and applied research

Is Newfoundland Drill Profitable?

ST JOHN's, Newfoundland – Discovery of a reservoir of close to 500 million barrels will be necessary before oil production off the Newfoundland coast becomes worthwhile, Mobil Oil Canada Ltd.

AGO 785745

Bk & Chf

DISCUSSION OF THE OIL AND GAS INCOME TAX LAWSUIT

The Oil and Gas Income Tax Act, AS 43.21, taxes oil and gas companies at the same rate as other corporations. However, it provides for a different method of determining the tax base (i.e., taxable income) from the regular corporate income tax. AS 43.21 combines the two basic approaches to the taxation of income of multistate corporations. On one hand, it incorporates "separate accounting," in which the income and expenses of a company's in-state activities are separately determined without regard to the corporation's out-of-state business, as if the in-state business were the only business the company engages in. This approach is applied to determine an oil company's taxable income from oil and gas production or pipeline transportation. On the other hand, AS 43.21 also utilizes the "apportionment" approach, whereby income from the corporation's worldwide activities is apportioned to in-state activities by applying a formula. Apportionment is used in AS 43.21 to determine a taxpayer's in-state income from sources other than oil and gas production and pipeline transportation.

The litigation over AS 43.21 questions whether it violates the due process clause, the equal protection clause and the commerce clause of the U.S. Constitution, as well as provisions of the Outer Continental Shelf Lands Act that limit state taxation of the OCS. The original case, brought by Atlantic Richfield and Sohio, presents eight counts in its cause of action. The State subsequently presented the same eight counts, but expressed in the negative, in a second lawsuit against all other taxpayers under AS 43.21 who filed and paid under protest. The eight counts are:

1. Duplicative taxation. Count I of the Arco suit alleges that AS 43.21 results in impermissible duplicative taxation by imposing an unapportioned tax on interstate income. In other words, it alleges that separate accounting for production income and pipeline income is unconstitutional. The plaintiffs point out that other states which use an apportionment formula might require the plaintiffs to include the Alaska-taxed income as part of the total apportionable income for purposes of those other states' income taxes. The combined result, the companies argue, could be that more than 100% of their income ends up being taxed by the states.

A case is currently pending before the U.S. Supreme Court, Exxon Corp. v. Wisconsin Dept. of Revenue, which may considerably affect the outcome of Count I in the Arco case. The issue there is whether separate accounting is constitutionally required instead of apportionment in cases where a corporation

has functionally separate operations (i.e., exploration, production and marketing) and some occur within the taxing jurisdiction and others are entirely outside it. If the Court requires separate accounting in Exxon, the State's position on Count I will be strengthened. If the Court upholds apportionment, then Exxon could seriously weaken our position, but not necessarily so; the exact effect would depend on the Court's reasoning and the language used in reaching its decision. The case is expected to be decided by the end of June.

Besides the basic question in Count I as to whether separate accounting is permissible in AS 43.21, there are also some issues of duplicative taxation in the application of the apportionment formula embodied in AS 43.21.040 for "other" income. For instance, although production and pipeline income earned in Alaska is already fully recognized under the separate accounting provisions, the income from similar activities occurring wholly outside Alaska is nevertheless included in the worldwide "pie" of income to be divided under apportionment. Similarly, a company engaged only in production in Alaska could still be subjected to apportionment of its "other" worldwide income simply because it charters tankers from a third party to ship its oil out of the state. Both of these problems would be dealt with in the Administration's "technical amendments" bill (HB 963), at a cost to the State of less than a million dollars in FY 81.

While these last two issues have relatively small dollars-and-cents consequences themselves, losing them in court could be serious. The legislative history of AS 43.21 shows that all antecedent versions of the bill in 1978 had severability clauses. The final version of AS 43.21 did not. One could argue from this fact that the Legislature wanted the entire Act to stand or fall together. If the courts agreed, then losing even these "minor" issues would lead to the downfall of the entire tax. The possibility of this outcome is, of course, significantly reduced by the general severability clause in AS 01.10.030, but not absolutely eliminated.

2. Equal protection. The second count in the Arco case alleges that AS 43.21 discriminates against interstate commerce and violates equal protection and due process. This is based on a comparison of the tax treatment of oil and gas companies under AS 43.21 vis a vis their previous treatment under AS 43.20, which is still afforded to all other corporations. This issue could not be entirely resolved, legislatively or by regulation, except by repealing AS 43.21 and going back to AS 43.20 as the tax for the oil industry. However, there are legislative and regulatory actions that could be taken that would eliminate differences between AS 43.20 and AS 43.21 that the industry regards as being the

most important. These relate to accelerated depreciation and the expensing of intangible drilling costs for wells in Alaska.

Depreciation is currently allowed for production equipment on a unit-of-production basis; that is, each barrel produced has the same amount of depreciation associated with it. This is a form of accelerated depreciation since production rates over the life of a field are greatest in the early years and fall off in later years. By regulation the Department of Revenue could authorize other forms of accelerated depreciation, such as those used for the IRS.

Depreciation for pipelines is strictly on a straight-line basis. This is because taxable pipeline income is tied by statute to the pipeline's net income as regulated by the Federal Energy Regulatory Commission (FERC). FERC uses straight-line depreciation.

Allowing accelerated depreciation does not affect the total amount of depreciation allowed as a deduction, it changes the timing. The effect is to reduce the tax liability in the early years and make up for it in later years. In the case of tax year 1980 (one quarter paid in FY80 and three quarters in FY81), the tax deferral from accelerated depreciation of production equipment would be $25 million. For pipelines it would be $36 million.

Intangible drilling costs are now required to be capitalized and depreciated on a unit-of-production basis as production equipment. Expensing such costs is the fastest possible form of accelerated depreciation. If only new drilling could be expensed, the tax deferral would be about $72 million for FY81.

3. Excessive, discriminatory taxation. In Count III of the complaint, plaintiffs alleged that the amount of taxes imposed by AS 43.21 bears no fair relation to services provided by the State. In doing so, they pointed out the large anticipated surplus of funds coming into the treasury, the high proportion of state revenues already being derived from sources other than AS 43.21, and the large amount of taxes that they will have to pay in addition under the oil and gas income tax.

4. Modification of leases. Count IV of the complaint alleges that Alaska, by enacting AS 43.21, unilaterally and unconstitutionally modified its oil and gas leases. This seems almost frivolous in light of the Alaska Constitution's specific prohibition against contracting away the State's taxation power; no lease provision could have abridged this power.

5. OCS income. The Outer Continental Shelf Lands Act forbids the states from taxing activites beyond their three-mile limits. Count V of the Arco/Sohio complaint alleges that AS 43.21.040, by including Alaska OCS property and payrolls in the formula for apportioning worldwide "other" income, violates this federal prohibition and is thus pre-empted under the supremacy clause of the U.S. Constitution. The dollars at stake in Count " are comparatively small at present, under $5 million a year. But this would change if there is significant new activity in the OCS of. Alaska. Also, an adverse ruling here could bear on the nonseverability issue.

6. Retroactivity. Count VI of the lawsuit raises a technical question as to procedure in the enactment of AS 43.21. Plaintiffs allege that the Act, which became law on July 6, 1978, cannot be made retroactive to the first of that year without the concurrence of two-thirds of the membership of each house of the Legislature. They further allege that such concurrence was not given by the Senate. This issue should, at most, affect receipts under AS 43.21 for only part of the 1978 tax year.

7. Regulations. The Department adopted regulations requiring payments of estimated taxes in installments in advance of the final due date for each year. Count VII alleges that the statutory authorization for "installments" means the Department could only adopt regulations allowing payments after the due date. The effect of losing this count would not be a loss in tax receipts finally collected, but only in the cash-flow timing of those receipts and the lost interest income from the prepayments. The lost interest would be $45.8 million a year if the annual tax receipts are $500 million.

8. Taxation of out-of-state income. Count VIII alleges that AS 43.21 taxes out-of-state income having no connection with Alaska. To some extent this repeats the Count I challenge to aspects of the apportionment formula. Besides being a sort of "catch all," this last count could also refer to AS 43.21.010, which subjects to the tax all corporations deriving income from the production of oil and gas from a lease or property "in or directly associated with the state". The underlined portion refers to leases in the OCS whose operations are supported from a base or staging area onshore in Alaska. There is a real constitutional "due process" question as to whether Alaska may tax a corporation having no contact with Alaska other than deriving income from a lease or property "directly associated" with the state. In addition, the provisions of the OCS Lands Act could apply to bar such taxation. HB 963 would eliminate this issue. Since there are at present no such corporations, the present revenue effect is nil. Again, a loss here could trigger far greater effects if nonseverability in fact applies to the Act.

AGO 785752

SETTLEMENT DISCUSSIONS
IN THE OIL AND GAS INCOME TAX LAWSUIT

In the course of administering AS 43.21, the Department of Revenue has had to adopt a considerable number (over 30 pages worth in the Administrative Code) of fairly technical, detailed regulations to clarify and interpret the Act. In order to adopt appropriate and workable regulations covering such complex and arcane matters as the leveraged leasing of oil tankers, there was considerable dialogue and discussion, both at hearings and in conferences, between the Department and various affected oil companies.

As the full range of policy considerations relating to the successful implementation of the tax was discussed, certain regulatory actions appeared which, in conjunction with some legislative amendments, presented a good promise of being a foundation for a settlement by which the basic validity of the tax would be acknowledged, while reserving for litigation a few narrow issues about the particulars of the application of the tax. The ongoing litigation of those issues would therefore not jeopardize the tax itself, nor would their adjudication one way or the other put major sums of money at risk.

These legislative and regulatory actions do not fall neatly into the categories of issues presented in the various counts given by Arco and Sohio in their lawsuit. In fact, a number of the actions do not even tie directly into any one count. In some cases, the proposed changes could be justified just on the basis of policy considerations, apart from any settlement possibilities. In this group of independently justifiable actions are:

1. The technical amendments proposed in HB 963. Reasons for them are given in Governor Hammond's transmittal letter. Their combined revenue effects are about $5 million a year.

2. Allow current amortization of estimated costs of terminating production operations, removing field facilities and restoring the site. There would be a "settling up" when these had happened to account for any over- or under-amortization. Reasons for this are: A) termination costs may be carried back only three years, which may not allow for them to be fully recognized; and B) this is already allowed in the case of pipelines, because of current FERC rulings. The revenue impact would be about $2 million a year currently.

Less clearly justifiable would be the elimination of the present limitations on interest expense and overhead costs that may be deducted against production income. It would be advisable in such a case to grant the Department clear authority to set aside undue charges for these items, especially if they result from intracorporate or less-than-arms-length transactions. With such safeguards, the present revenue effect would be about $3 500,000 a year.

The big dollars-and-cents issue in the settlement discussion was accelerated depreciation. This is really a tax deferral since the total amount of depreciation ultimately taken does not change, regardless of whether the depreciation is straight-line or accelerated. For tax year 1980, it would amount to $61 million -- $25 million for production equipment and $35 million for pipelines. Of course, interest would be lost on the money until it is recovered, and the payback in later years would be in dollars of reduced buying power.

Intangible drilling costs are merely an aspect of accelerated depreciation. Right now they are capitalized and depreciated on the same basis as production equipment. Allowing them to be expensed (i.e., fully deducted as they are incurred) is simply allowing the ultimate in accelerated depreciation. As with pipelines and production equipment, the tax loss now would be recovered eventually through reduced deductions later in the life of the field. But the impact today is still some $72 million for FY81, not counting forgone interest.

The discussions of these possibilities indicated that, in exchange for these considerations, the oil companies would dismiss the present lawsuit except for the issues regarding OCS and the use of "book" income for apportionment instead of taxable income as reported to IRS. The settlement would not extend to any future developments in federal law, either judicial or legislative, that would impair or annul the State's method of taxing income. Also they would reserve the right to challenge new regulations or interpretations as may arise which are not subjects of the present litigation.

THE ROLE OF THE WINDFALL PROFITS TAX IN THE OIL AND GAS INCOME TAX

The windfall profits tax is not recognized under AS 43.21 as an allowable deduction against production income. At present this has not become an additional basis for the oil companies' challenge to the oil and gas income tax, but it surely will be.

In thinking about the windfall profits tax, it is important to remember that it is not necessary to settle the lawsuit in order to deal with the windfall profits tax. It is separable from the settlement considerations. However, settlement is most unlikely if there is nothing done about the windfall profits tax.

The revenue implications of the windfall profits tax are far greater than the combined effects of all the other items involved in coming up with a settlement. In FY81 alone, the effect is $142.5 million; in FY82, another $378.4 million. By FY85 it will be almost $600 million a year.

In all settlement discussions through January of this year (when they were broken off), the windfall profits tax was recognized as a major factor for any settlement, but it was a subject whose discussion was postponed until Congress actually passed such a tax and we could see exactly what it was.

Oil Taxes

Royalty
Severance
Property
Income

Department of Revenue Division E. 9th Ave. Anchorage, Ak., 99501	Alaska Department of Revenue Oil and Gas Corporate Income Tax Return	Employer Federal Identification Number:
This Return is due on or before the date specified in Regulation 15 AAC 12.700.	(Please Type or Print) Name Number and Street City State Zip Code	This Return is for the Tax Year Ended: __/__/__ See Regulation 15 AAC 12.820.

A complete copy of the following reports must be attached to this Return when filed: (a) Annual financial report to stockholders; (b) Federal Energy Regulatory Commission Form P, reporting Alaska oil pipeline activities only; (c) Alaska Public Utilities Commission Form APUC 2, reporting natural gas activities in Alaska (only). All questions and requests for information on page 2 of this Return must be answered.

Schedule A - Computation of Tentative Tax

1.	Taxable Production Income (Loss) - Schedule B		
2.	Taxable Oil Pipeline Income (Loss) - Schedule C		
3.	Taxable Gas Pipeline Income (Loss) - Schedule D		
4.	Taxable Apportioned Income (Loss) - Schedule E		
5.	Total, lines 1, 2, 3 and 4 (If less than zero enter -0- here and on line 7).....		
6.	Less: Net Loss Carryover(s)/Carryback(s) - Schedule F		
7.	Total Taxable Income (Loss)		
8.	Surtax Exemption. (See Sections 1561 and 1563 of the Internal Revenue Code)		
9.	Line 7 less line 8 - (If less than zero enter -0-).....		
10.	Income Tax Computation:		
	(a) 5.4% of line 7 (If less than zero enter -0-)		
	(b) 4.0% of line 9 (If less than zero enter -0-)		
	(c) Total, lines 10(a) and (b)		

		Date	Amount
11.	Estimated Tax Payments:		
	(a) First Quarter Estimated Payment		
	(b) Second Quarter Estimated Payment		
	(c) Third Quarter Estimated Payment		
	(d) Fourth Quarter Estimated Payment		
	(e) If an Extension has been granted for this Return, the amount paid at the time of Extension		
12.	Other Payments (Specify:).		
13.	Total Prepayments. Add lines 11(a),(b),(c),(d),(e), and line 12		
14.	Unpaid or Overpaid Tentative Tax. Line 10(c) less line 13; (If greater than zero pay this amount. If less than zero complete lines 15(a) and 15(b).)		
15.	If lines 14 is an overpayment (i.e. less than zero) indicate amount to be:		
	(a) Refunded:		
	(b) Applied to your estimated tax for next year:		

I declare under the penalties of perjury that I have examined this Return including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. If prepared by a person other than the taxpayer, his declaration is based on all information of which he has any knowledge.

AGO 785756

Date | Signature of Officer | Title

Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Questionnaire and Other Required Information.

A. Attach a schedule of the following information for each corporation included in this Return (Note; Place an asterisk by corporations doing business in Alaska and deriving income from oil and gas production in Alaska or Alaska OCS or deriving income from one or more oil or gas pipelines in Alaska; see also (B) this page);

(1) Name.
(2) Federal Employer Identification Number.
(3) Address.
(4) Date began doing business in Alaska.
(5) State or country in which business was incorporated or formed.
(6) State or country of commercial domicile.
(7) Percentage of voting stock owned by the parent company or by any other entity within the consolidated business (indicate each such stockholder's name and address).
(8) Net income of each corporation reported to stockholders for the period covered by this Return.

B. Did any corporation included in this Return and doing business in Alaska during the tax year, conduct through one or more non-corporate intermediaries operations that generated income for those intermediaries which would make them subject to tax under AS 43.21--if they had been corporations? _____. If the answer is yes, attach a schedule showing the following information:

(1) Name of each corporation which conducted business in this manner.
(2) Name of each intermediary.
(3) Type of intermediary (e.g., individual, estate, trust, partnership).
(4) Address of each intermediary.
(5) Federal Employer Identification Number or Social Security Number of each intermediary.
(6) Percentage of voting stock of each corporation listed in B.(1), above, which is directly or indirectly owned by each intermediary listed in B.(2), above.

C. Name, title, mailing address and phone number of the individual who should be contacted concerning an audit of this Return:_____

_____

D. Location(s) of principal accounting records:_____

_____

E. Location(s), if different than (D) above, of minutes of this year's meetings of the Board of Directors, Executive Committee and/or any other committee involved in the business operations of the parent corporation or non-corporate intermediary exercising direct or indirect control over the consolidated business:_____

_____

F. Name and address on the prior year's Return if different from this year. State the reason for the change (e.g., merger, name change, moved to new location, etc.,):_____

_____ AGO 785757

Instructions.

15 AAC 12.010. PERSONS SUBJECT TO THIS CHAPTER. A corporation doing business in the state and deriving income from one or more of the following sources is subject to the provisions of this chapter, even if that income is more than offset during a year by expenses associated with it:

(1) a production interest in one or more leases or properties in commercial production that are within the state;

(2) a production interest in one or more leases or properties in commercial production that are in areas within the United States and adjacent to the State of Alaska but not within this or any other state, and which are supported from a base of operations within this state;

(3) the transportation of oil or gas or both by means of a pipeline or pipeline system of which part or all is within the state.

15 AAC 12.020. TAXPAYERS HAVING INCOME FROM OTHER ACTIVITIES. A taxpayer deriving income from one or more sources in addition to any of those listed in sec. 10 of this chapter is subject to the requirements and income tax liability under AS 43.21 and this chapter only, for all of its income.

15 AAC 12.030. CONSOLIDATED BUSINESS. (a) A group of two or more corporations that are directly or indirectly controlled or at least 50-percent owned (directly or through one or more intermediaries) by one common person (corporate or otherwise) constitute a consolidated business for purposes of this chapter.

(b) The income, expenses and assets of a consolidated business include, respectively, all income, expenses and assets attributed to it under sec. 40 of this chapter.

(c) If a corporation or consolidated business is in turn itself controlled (by a means characteristic of ownership rather than through the exercise of general governmental powers such as laws, regulations, judicial decisions, proclamations and the like) or at least 50 percent owned by a sovereign, head of state, government or governmental agency, the consolidated business does not include the sovereign, head of state, government or governmental agency for purposes of this chapter.

15 AAC 12.040. ATTRIBUTION OF INCOME. (a) The income, expenses and assets of an enterprise involving undivided joint ownership must be attributed to the joint owners of that enterprise on the basis of their respective ownership interests, as may be modified by agreement among those joint owners. For purposes of this section, partnerships, joint ventures, trusts with joint beneficiaries and similar legal entities (but not a corporation) are enterprises involving undivided joint ownership.

(continued)

Instructions.

(b) If a corporation doing business in the state conducts, through one or more non-corporate intermediaries, operations that generate income for those intermediaries which would make them subject to tax under AS 43.21 and this chapter if they were corporations, then that corporation is presumed to derive income from those operations in the amount of the income earned by those intermediaries and therefore subject to tax under this chapter. Such a corporation's tax is calculated using the revenues and deductions of the intermediaries, as if the corporation were directly conducting the operations actually conducted by the intermediaries.

15 AAC 12.050. NET TAXABLE INCOME. (a) A taxpayer's 9.4-percent tax and 4-percent surtax under AS 43.21 and this chapter for a year are on the taxpayer's net taxable income for that year as determined under (b) of this section, except that the surtax will be computed on that net taxable income minus the surtax exemption specified in sec. 60 of this chapter.

(b) A taxpayer's net taxable income for a year is that taxpayer's taxable production income under sec. 100 of this chapter for that year, plus that taxpayer's taxable oil pipeline income under sec. 300 of this chapter for that year, plus that taxpayer's taxable gas pipeline income under sec. 400 of this chapter for that year, plus that taxpayer's taxable apportioned income under sec. 500 of this chapter for that year, and minus all net losses of that taxpayer that are being carried back or carried forward to that year from one or more other tax years in accordance with sec. 70 of this chapter. If the taxpayer's income under one or more of secs. 100, 300, 400 and 500 of this chapter reflects a loss, the total of the losses under those sections is offset against the total gain (if any) under the rest of those sections.

15 AAC 12.060. SURTAX EXEMPTION. A taxpayer's surtax exemption shall be calculated in accordance with AS 43.20.011(e) and AS 43.20.021(a). The surtax exemption for tax year 1978 is $20,000. The surtax exemption, if any, for tax years after 1978 will be an amount determined under AS 43.20.

15 AAC 12.610. NOTICE OF COMMENCEMENT OF TAXABLE ACTIVITY. A corporation not subject to tax under AS 43.21 and this chapter shall, within 30 days of the time it begins to derive income (even if that income is exceeded by the expenses involved) from any of the sources described in sec. 10 of this chapter, give written notice to the department of the fact that it has begun deriving income from those sources. This section applies only to those who, after the effective date of AS 43.21 and the original adoption date of this section, begin deriving income from any source described in sec. 10 of this chapter.

(continued)

Instructions.

15 AAC 12.700. RETURNS AND ASSESSMENTS. (a) A taxpayer reporting on a calendar year basis shall file, on or before April 15 of each year, a tax return on such forms as may be prescribed by the department, setting out all the information required in determining that taxpayer's net taxable income under this chapter for the previous year and the amount of tax due on that income.

(b) A fiscal-year taxpayer shall file, on or before the 15th day of the fourth month after the month in which the taxpayer's fiscal year ends, a tax return on such forms as may be prescribed by the department, setting out all the information required in determining that taxpayer's net taxable income under this chapter for the taxpayer's fiscal year last ended and the amount of tax due on that income.

(c) In its discretion, the department will grant a taxpayer an extension of as many as 60 days from the deadlines for filing returns specified in (a) and (b) of this section. An application for an extension must be on a form prescribed by the department, setting forth all the information required to support the application.

(d) Returns required under this section must be filed by the corporation deriving income (or to which income is attributed under sec. 40 of this chapter) from one or more of the sources described in sec. 10 of this chapter. Where two or more such corporations are parts of the same consolidated business, they shall file a single consolidated return.

(e) On or before August 15 (for fiscal-year taxpayers, the 15th day of the eighth month after the month in which the taxpayer's fiscal year ends), the department will assess the taxpayer and send the taxpayer a notice of assessment showing the amount of net taxable income under this chapter for that taxpayer during the previous year, the total amount of tax due under this chapter, and the amount (if any) of that tax remaining unpaid or overpaid. Returns and assessments under this section are subject to adjustment for three years from the date of the original notice of assessment.

15 AAC 12.710. PAYMENTS; INSTALLMENTS. (a) For the 1978 tax year, each taxpayer shall prepay its estimated tax under this chapter in an installment on or before March 15, 1979, which, when combined with the taxpayer's installment payments (if any) of estimated tax under AS 43.20 and Ch. 5 of this title made after December 31, 1977, brings the total prepaid tax to 100 percent of the tax and surtax on the taxpayer's total estimated 1978 net taxable income under this chapter, as that net taxable income is estimated and reported by the taxpayer at the time it makes the installment.

(b) For tax years after the 1978 tax year, each taxpayer shall prepay its estimated tax under this chapter in installments in accordance with the following schedule:

Instructions.

(1) On June 15 of each year (for a fiscal-year taxpayer, the 15th day of the sixth month after the start of the fiscal year), a first installment comes due that is equal to one-quarter of the tax and surtax on the taxpayer's total estimated net taxable income for that year under this chapter, as that net taxable income is then estimated and reported by the taxpayer.

(2) On September 15 of each year (for a fiscal-year taxpayer, the 15th day of the ninth month after the start of the fiscal year), a second installment comes due that, when combined with the first installment, brings the total prepaid tax to one-half of the tax and surtax on the taxpayer's total estimated net taxable income for that year under this chapter, as that net taxable income is then estimated and reported by the taxpayer

(3) On December 15 of each year (for a fiscal-year taxpayer, the 15th day of the 12th month after the start of the fiscal year), a third installment comes due that, when combined with the first two installments, brings the total prepaid tax to three-quarters of the tax and surtax on the taxpayer's total estimated net taxable income for that year under this chapter, as that net taxable income is then estimated and reported by the taxpayer.

(4) On March 15 of each year (for a fiscal-year taxpayer, the 15th day of the 15th month after the start of the fiscal year), a fourth installment comes due that, when combined with the first three installments, brings the total prepaid tax to 100 percent of the tax and surtax on the taxpayer's total estimated net taxable income under this chapter for the year in question, as that net taxable income is then estimated and reported by the taxpayer.

(c) If, because of unexpected events, a taxpayer has to revise its total estimated net taxable income downward so significantly that its prior installments that year under (b) of this section equal or exceed the amount to which the total prepaid tax is to be brought when the next installment comes due, then the taxpayer needs only to report the current estimate of its total tax for that year and does not need to make any further payment as an installment at that time. No refund will be made at that time as the result of a taxpayer's having a negative installment an apparent overpayment from its prior installments; however, if the condition of overpayment continues until the time of the department's assessment under sec. 700 of this chapter, the remaining overpayment will then be handled as an ordinary refund under sec. 720 of this chapter.

(d) At the time a taxpayer files its tax return required under sec. 700 of this chapter, the taxpayer shall pay the excess, if any, of its total tax over the amount already paid by the taxpayer in its installments under this section.

(continued)

Instructions.

(e) If the department's assessment under sec. 700 of this chapter shows a total tax for a taxpayer greater than the amount already paid by the taxpayer in its installments and its payment made at the time of filing its return under sec. 700 of this chapter for that year, the taxpayer shall pay the additional amount of tax on or before September 30 (for a fiscal-year taxpayer, the last day of the ninth month after the month in which the taxpayer's latest fiscal year ended).

(f) A payment of $50,000 or more must be made by wire transfer of funds, in accordance with the standard procedures required by the department for wire transfers. Payment of smaller sums may be by wire transfer, check, money order, or cash.

(g) Payments and reports required under this section shall be made on the same basis as returns required under sec. 700 of this chapter.

15 AAC 12.720. REFUNDS. (a) The department will refund to a taxpayer any overpayment of the taxpayer's tax for a year under this chapter on or before September 30 of the following year (in the case of a fiscal-year taxpayer, the last day of the ninth month after the month in which the taxpayer's fiscal year ended). The amount of the overpayment will be determined on the basis of the tax as determined by the department in its assessment under sec. 700 of this chapter for the year in question, unless the overpayment arises from a reduction in the assessment as the result of a subsequent audit by the department or a carry-back of a later year's net loss under sec. 70 of this chapter. In the case of such a reduction in a taxpayer's assessment, the refund by the department will equal that reduction. In addition, the department will simultaneously pay the taxpayer any interest due on the refund as computed in accordance with sec. 730 of this chapter.

(b) At its option, the taxpayer may elect to have the department apply the amount of a refund (including any interest) under this section as a credit against future payments of tax coming due under this chapter, instead of remitting the refund to the taxpayer.

15 AAC 12.740. CIVIL PENALTIES. For unpaid taxes to which paragraph (1),(2), or (3) of sec. 730(a) of this chapter applies, the civil penalty provided by AS 43.05.220 will be imposed beginning the day after the starting date specified in the applicable paragraph of that section. For unpaid taxes to which paragraph (4) of sec. 730(a) of this chapter applies, the civil penalty provided by AS 43.05.220 will be imposed beginning the 31st day after the department's written notice to the taxpayer of an increase in its assessment as the result of an audit by the department.

(continued)

Instructions.

15 AAC 12.820. FISCAL-YEAR TAXPAYERS. All taxpayers shall report and pay tax under this chapter on a calendar year basis unless they have received prior written authorization from the department to report and pay tax under this chapter on a fiscal year basis. The department, in its discretion, will grant such an authorization to a taxpayer, but only if the taxpayer's financial accounting is done on a fiscal year (as opposed to calendar year) basis. If granted, each such authorization by the department authorizes a taxpayer to report and pay tax under this chapter on the basis of only the fiscal year that is used for purposes of the taxpayer's financial accounting and not on the basis of any other fiscal year. A taxpayer thus authorized to use its financial accounting fiscal year is a "fiscal-year taxpayer".

Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Taxable Production Income (Loss) Schedule B

1. Gross Production Revenue. (From Schedule B.1).....

2. Extraordinary Production Revenue or (Loss). (Total of the amounts entered on line 13 of the Schedules B.8 that are filed as part of this Return).....

3. Add amounts on lines 1 and 2.....

Deductions from Gross Production Revenue

4. Royalties. (Total of the amounts entered on line 3 of the Schedules B.9 that are filed as part of this Return).....

5. Production Taxes. (Total of the amounts entered on line 3 of the Schedules B.10 that are filed as part of this Return).....

6. Ad Valorem Taxes. (Total of the amounts entered on line 3 of the Schedules B.11 that are filed as part of this Return).....

7. Direct Operating Costs. (Total of the amounts entered on line 10 of the Schedules B.12 that are filed as part of this Return).....

8. Acquisition Costs. (Total of the amounts entered on lines 6, 21 and 43 of the Schedules B.13 that are filed as part of this Return)....

9. Development Costs. (Total of the amounts entered on lines 4, 21 and 47 of the Schedule B.14 that are filed as part of this Return)....

10. Exploration Costs. (The amount entered on line 10 of Schedule B.15)...

11. Uncapitalized Interest. (The amount entered on line 9 of Schedule B.16)

12. General Overhead and Administrative Expense. (The amount entered on line 23 of Schedule B.17).....

13. Total Deductions. (Add amounts on lines 4-12).....

14. Taxable Production Income. (Line 3 less line 13; enter also on Schedule A, line 1).....

AGO 785764

Instructions: Taxable Production Income

15 AAC 12.100. TAXABLE PRODUCTION INCOME. A taxpayer's taxable production income during a year equals the total of the taxpayer's gross production revenue (determined in accordance with secs. 110 -- 130 of this chapter) during that year for each lease or property in the state in which the taxpayer has a production interest, plus the total of the taxpayer's extraordinary production revenue (determined in accordance with sec. 140 of the chapter), if any, during that year for each lease or property in the state in which the taxpayer has a production interest, minus the total of the taxpayer's deductions for that year under secs. 200 -- 220 of this chapter, and minus the total of the taxpayer's extraordinary production loss (determined in accordance with sec. 140 of this chapter), if any, during that year for each lease or property in the state in which the taxpayer has a production interest.

15 AAC 12.110. GROSS PRODUCTION REVENUE. A taxpayer's gross production revenue during a year from a production interest in a lease or property is the value at the point of production of the taxpayer's gross share of the oil and gas produced from (or allocated to) that lease or property; however, oil or gas that is used, flared or unavoidably lost in the production operations for the lease or property or is injected into a reservoir in the course of the operations for the same field, may not be included in determining the taxpayer's gross production revenue from that or any other lease or property.

15 AAC 12.120. VALUE AT THE POINT OF PRODUCTION. (a) The value at the point of production for oil or gas produced from a lease or property is the sales price of that oil or gas, minus the reasonable cost of transportation (if any) from the point of production for that oil or gas to the sales delivery point for that oil or gas; except that in no event may the value at the point of production for a taxpayer's oil or gas exceed the ceiling price (if any) that is applicable to that oil or gas under a mandatory price control program.

(b) For purposes of this chapter, "sales price" means

(1) for a taxpayer's oil and gas sold in a bona fide, arm's length sale to a third party, the cash value of the full consideration given and received for that oil and gas, except in the case of a sale to which (f) of this section applies;

(2) for a taxpayer's oil not sold in a bona fide, arm's length sale to a third party, the total acquisition cost for imported oil of similar quality delivered F.O.B. at the gate of the refinery to which the taxpayer's oil is ultimately delivered, with an appropriate adjustment for differences, if any, in quality or in entitlements treatment between the two oils (wherever possible, such an adjustment will be based on market data involving bona fide, arm's length sales of comparable Alaskan oil and similar imported oil); and

(continued)

Instructions: Taxable Production Income

(3) for a taxpayer's gas not sold in a bona fide, arm's length sale to a third party, the volume-weighted average of the prices then being given and received under the terms of the sales contracts for significant quantities of gas (in terms of delivery rates or reserves committed, or both) which have been entered into or whose pricing provisions have been amended during the tax year or the two preceding years among all the bona fide, arm's length sales contracts (whether between third parties or not) applying to gas from the same field as the taxpayer's gas (or if there are no such contracts for that field, the counterparts of those contracts in the nearest field to that field), with an appropriate adjustment according to the ideal gas laws for any difference in the specified delivery pressure or temperature between the gas sold under the reference sales contracts and the taxpayer's gas.

(c) For purposes of this chapter, "sales delivery point" means

(1) for a taxpayer's oil and gas sold in a bona fide, arm's length sale to a third party, the point of delivery under the terms of the contract or agreement for that sale, except in the case of a sale to which (f) of this section applies;

(2) for a taxpayer's oil not sold in a bona fide, arm's length sale to a third party, the gate of the refinery to which that oil is ultimately transported; and

(3) for a taxpayer's gas not sold in a bona fide, arm's length sale to a third party, the point of delivery under the terms of the sales contract being used as the reference for the sales price of the taxpayer's gas under (b)(3) of this section.

(d) For purposes of this chapter, "point of production" means

(1) for oil, the automatic custody transfer meter or unit through which the oil enters into the facilities of a carrier pipeline or other transportation carrier; and in the absence of an automatic custody transfer meter or unit, the "point of production" for oil is the outlet flange of the tank gauge (or in the absence of a tank gauge, another mechanism or device to measure the quantity of oil that has been approved by the department for this purpose) through which the oil is tendered and accepted into the facilities of a carrier pipeline or other transportation carrier;

(2) for gas, the meter on, or nearest (measured along the course taken by the gas) to, the lease or property from which the gas is recovered, at which meter the sales stream of gas is measured with sufficient accuracy and at appropriate temperature, pressure and other condition for purposes of sale, regardless whether the particular gas in question is actually sold at that meter.

(continued)

Instructions: Taxable Production Income

(e) Notwithstanding anything to the contrary in (a) - (d) of this section, where a taxpayer's gas from a lease or property is run through a gas processing plant and part or all of the residue gas and extracted liquids are returned to that taxpayer, the "value at the point of production" for that gas is the total value of that residue gas and extracted liquids as they come out of the plant, less (1) a reasonable allowance (either withheld in kind by the plant operator or paid in cash to the plant operator) for the cost of processing that gas through the plant, (2) the reasonable cost of transportation, if any, from the point of production for that gas to the intake into the plant, and (3) the value of any residue gas returned to the taxpayer that is used, flared or unavoidably lost in the production operations for the lease or property or is injected into a reservoir in the course of operations for the same field.

(f) If a taxpayer sells its oil or gas to a third party in what would otherwise be a bona fide, arm's length sale but at the time of this particular sale the taxpayer expects to repurchase that oil or gas at a subsequent time and place, then that sale to the third party and the repurchase from the third party, if it occurs, must be disregarded and the oil or gas subject to that sale must be regarded as if it had remained the taxpayer's own oil or gas throughout the time between that sale and repurchase. In determining the value at the point of production in such a case, the reasonable cost of transportation between the point of sale for that sale and the point of repurchase must be determined as if the taxpayer were the shipper for purposes of sec. 130 of this chapter. This subsection does not apply if the taxpayer's expected repurchase does not in fact occur.

15 AAC 12.130. REASONABLE COSTS OF TRANSPORTATION. (a) In the case of transportation of oil or gas by a regulated carrier, the reasonable cost for that transportation is, for purposes of this chapter, the tariff on file with FERC or other regulatory agency having jurisdiction that is applicable to that transportation of the oil or gas by the carrier, from the point where that oil or gas is tendered into the facilities of the carrier to the point where it is delivered from the facilities of the carrier.

(b) In the case of transportation of oil by a tanker or other vessel that is not owned or effectively owned by the shipper of that oil,

(1) for a single voyage charter, the reasonable cost for that transportation is, for purposes of this chapter, the charter fee for that vessel, plus any voyage and port costs not included in that fee which are incurred with respect to that transportation during the term of the charter and which are borne by the shipper, plus the positioning cost, if any, borne by the shipper for that vessel;

(continued)

Instructions: Taxable Production Income

(2) for a consecutive voyage charter or a time charter, the reasonable cost for that transportation is, for purposes of this chapter, the charter fee for that vessel, plus any voyage and port costs not included in that fee which are incurred with respect to that transportation during the term of the charter and which are borne by the shipper, plus the positioning cost (amortized over the lesser of 36 months or the term of the charter in the case of a time charter, and amortized on the basis of the number of voyages in the case of a consecutive voyage charter), if any, borne by the shipper for that vessel;

(3) for a contract of affreightment, the reasonable cost for that transportation is, for purposes of this chapter, the affreightment fee specified in that contract, plus any voyage and port costs and any positioning costs not included in that fee which are incurred with respect to that transportation during the term of the contract of affreightment and which are borne by the shipper.

(c) In the case of transportation of oil by a tanker or other vessel that is owned or effectively owned by the shipper of that oil, the department may, at the request of a taxpayer (but in the department's sole discretion), authorize the taxpayer to use the fair market value of like transportation as the reasonable cost for the transportation in question. If the taxpayer's request is granted, the department, and not the taxpayer, will determine the fair market value of like transportation, on the basis of third-party time charters (that is, time charters in which the shipper does not own or effectively own the vessel) of one year or more which are reported to the department for like vessels; and when it makes its determination, the department will notify the taxpayer of it in the notice of assessment described in sec. 700 of this chapter. Two vessels will be considered like vessels for purposes of this chapter if the difference between them in deadweight tonnage is less than 10,000 deadweight tons and if they are both Jones Act vessels, or are both ODS vessels, or are both ODS vessels or are both COS/ODS vessels. If the department does not authorize the taxpayer to use fair market value of like transportation (as described in this subsection) as the reasonable cost for the transportation in question, then the reasonable cost for that transportation is, for purposes of this chapter, the taxpayer's actual cost for that transportation. This actual cost equals the sum of

(1) the voyage and port costs incurred with respect to that transportation,

(2) the positioning cost, amortized over 36 months, for that vessel, but only for placing that vessel into position before its employment in the Alaska trade and not for placing it into position after its employment in the Alaska trade for employment in another trade,

(continued)

Instructions: Taxable Production Income

(3) depreciation of the vessel; if the vessel is actually owned by the shipper, depreciation must be calculated in accordance with the applicable FASB Financial Accounting Standards for such owned assets; if the vessel is effectively owned by the shipper, depreciation must be calculated in accordance with FASB-13 from the standpoint of a lessee under a capital lease; and

(4) an amount which, when taken together with depreciation under (3) of this subsection, will provide a reasonable rate of return on the acquisition cost of the vessel over its expected life; for purposes of this paragraph,

(A) "acquisition cost" means the cost of the vessel which may be capitalized by its actual owner under generally accepted financial accounting principles, and

(B) "expected life" means the period of time used to calculate depreciation under (3) of the subsection.

(d) In the case of transportation of gas as LNG where not all of the LNG transportation facilities are subject to tariff regulation (by FERC or another agency of the United States, a state, a territory or possession of the United States or a foreign nation),

(1) when the shipper does not have or effectively have an ownership interest in the LNG transportation facility, the reasonable cost of transportation for that LNG transportation facility is, for purposes of this chapter, the amount charged to the shipper for that LNG transportation; or

(2) when the shipper has or effectively has an ownership interest in the LNG transportation facility, the department may, at the request of a taxpayer (but in the department's sole discretion), authorize the taxpayer to use the fair market value of like transportation as the reasonable cost for the transportation in question. If the taxpayer's request is granted, the department, and not the taxpayer, will determine the fair market value of like transportation, on the basis of third-party charters or leases (that is, charters or leases in which the shipper does not own or effectively own the LNG transportation facility in question) of three years or more which are reported to the department for like LNG transportation facilities; and if it makes such a determination, the department will notify the taxpayer of it in the notice of assessment described in sec. 700 of this chapter. If the department does not authorize the taxpayer to use fair market value of like transportation (as described in this paragraph) as the reasonable cost for the transportation in question, then the reasonable cost for that transportation is, for purposes of this chapter, the taxpayer's actual cost for that transportation. This actual cost equals the sum of

(A) the direct operating costs of the LNG transportation facility (in the case of an LNG tanker, its respective voyage and port costs) incurred with respect to the shipper's gas;

Instructions: Taxable Production Income

(B) depreciation of the LNG transportation facility; if the facility is actually owned by the shipper, depreciation must be calculated in accordance with the applicable FASB Financial Accounting Standards for the owner of such assets; if the LNG transportation facility is effectively owned by the shipper, depreciation must be calculated in accordance with FASB-13 from the standpoint of a lessee under a capital lease; and

(C) an amount which, when taken together with depreciation under (B) of this paragraph, will provide a reasonable rate of return on the acquisition cost of the LNG transportation facility over its expected life; for purposes of this subparagraph,

(i) "acquisition cost" means the cost of the LNG transportation facility which may be capitalized by its actual owner under generally accepted financial accounting principles, and

(ii) "expected life" means the period of time used to calculate depreciation under (B) of this paragraph.

(e) For purposes of this chapter, "voyage and port costs" for a vessel are

(1) costs actually incurred for fuel for the vessel while in port and at sea, stores and provisions for the vessel and for her captain and crew, wages and benefits of the vessel's captain and crew, routine maintenance, port and dock fees, storage costs, demurrage, tug and pilotage fees, marine agents' fees in port, lightering, transshipment charges, customs fees and duties, regular and customary gratuities that are also legal, insurance premiums actually paid, minor cargo losses or measuring differentials, loading and unloading inspection fees, Panama Canal transit fees, a reasonable management fee (to be pro-rated equally among vessels) for coordinating arrivals and departures into and out of ports for vessels owned, effectively owned or chartered by the shipper, and other reasonable costs associated with the operation or maintenance (or both) of the vessel; and

(2) in addition to the costs listed in (1) of this subsection, in the case of catastrophic loss or damage of a vessel transporting oil or LNG from Alaska or enroute to Alaska to take on oil or LNG, a portion of the loss (for loss or damage of the ship, for injury or loss of her captain or crew and for damage and clean-up due to spillage of part or all of her cargo, but not for the loss of the cargo itself) which is borne by the shipper as the result of that catastrophic loss or damage and which is not reimbursed by insurance or by a third party; this portion of the loss is determined by dividing the unreimbursed liability on the basis of deadweight tonnage among the vessels owned, effectively owned or chartered by the shipper to transport oil or LNG (whichever was lost) from Alaska.

(continued)

Instructions: Taxable Production Income

(f) A person "effectively owns", has "effective ownership" or "effectively has an ownership interest" in a vessel or LNG transportation facility for purposes of this section if either

(1) the vessel or LNG transportation facility is owned by another person comprising part of a consolidated business in which the first person is also a part; or

(2) the vessel or LNG transportation facility is the subject of a capital lease in which the person, or another person comprising part of a consolidated business in which the first person is also a part, is the lessee.

(g) For purposes of this chapter, the "positioning cost" for a vessel includes the costs not included in the charter for that vessel which are borne by the shipper for placing that vessel into position before the first voyage under that charter or the estimated costs to be borne by the shipper for delivering it up at a specified location after the last voyage under that charter, or both if the shipper is obligated under the terms of the charter or contract of affreightment to bear them both.

(h) A reasonable rate of return under (c) (4) or (d)(2)(C) of this section is presumed to be that internal rate of return (after federal income tax) on an investment which equals two percent plus the average annual national inflation rate (measured by the GNP deflator) during (1) the period between the time the commitment is made to construct or acquire the vessel or LNG transportation facility and the time when the vessel or LNG transportation facility has been received (or delivered) and is ready to be placed into service, or (2) if the period in (1) of this subsection falls entirely within a calendar year, that entire calendar year. At the request of a taxpayer or on its own motion, the department may replace this presumed rate of return with one based on the rate of return imputed to that investment or similar ones by the person owning or effectively owning the vessel or LNG transportation facility.

(i) The third party nature of an agreement between a shipper and a third party carrier regarding transportation costs is not affected during the term of that agreement by a subsequent consolidation of that shipper and carrier into a consolidated business, if, at the time they entered that agreement neither the shipper nor the carrier exercised, directly or indirectly, any control over the business affairs of the other as the result of, or in anticipation of, their subsequent consolidation into the same consolidated business.

Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Gross Production Revenue — Schedule B.1

Gross Production Revenue: Oil

1. Sales Proceeds. (Total of the amounts entered on line 7 of the Schedules B.2 that are filed as part of this Return).....

2. Costs of Transportation. (Total of the amounts entered on line 4 of the Schedules B.3 that are filed as part of this Return).....

3. Subtract the amount on line 2 from the amount on line 1.....

Gross Production Revenue: Gas

4. Sales Proceeds. (Total of the amounts entered on line 13 of the Schedules B.5 that are filed as part of this Return).....

5. Costs of Transportation. (Total of the amounts entered on line 8 of the Schedules B.6 that are filed as part of this Return).....

6. Subtract the amount on line 5 from the amount on line 4.....

7. Gross Production Revenue. Add the amounts on lines 3 and 6.....

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Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Sales Proceeds: Oil — Schedule B.2

NOTE: A separate copy of this schedule must be completed for each property in Alaska with commercial oil production; in cases of unitization, the unit (or if the unit is divided into participating areas, the participating area) is the "property" for purposes of this schedule.

1. Identify the property. _____

Category I: Oil Production Being Reported at its Full Ceiling Price

2. Volume of oil in Category I..... _____ bbls.

3. Value of oil in Category I..... _____

Category II: Other Oil Production

4. Volume of oil in Category II..... _____ bbls.

5. Gross proceeds from oil in Category II that was sold to one or more third parties:

   (a) in contemplation of subsequently reacquiring it, but it was in fact not subsequently reacquired (use the sales price)..... _____

   (b) in contemplation of subsequently reacquiring it, and after it was in fact reacquired it was again sold to one or more third parties (use the price of the second sale)..... _____

   (c) not in contemplation of subsequently reacquiring it (use the sales price)..... _____

   (d) total: add lines 5(a), 5(b) and 5(c)..... _____

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Sales Proceeds: Oil

Schedule B.2

c. Value of oil in Category II

(a) that was not sold to a third party (use the acquisition cost for similar imported oil delivered F.O.B. at the same destination).....

(b) that was sold to one or more third parties in contemplation of subsequently reacquiring it and after it was in fact reacquired it was not sold to a third party (use the acquisition cost for similar imported oil delivered F.O.B. at the same destination).....

(c) total: add lines 6(a) and 6(b).....

7. Total sales proceeds: add lines 2 5(d) and 6(c).....

Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Costs of Transportation: Oil — Schedule B.3

Oil transported by regulated carrier.

1. Attach a schedule identifying each regulated carrier (pipeline) and indicating:

   (a) The point(s) in Alaska where oil is tendered into the facilities of the carrier(s).

   (b) The point(s) where oil is delivered from the facilities of the carrier(s).

   (c) The transportation tariff rate(s) on file with FERC or other regulatory agency having jurisdiction over each carrier.

   (d) Total tariff paid each carrier for transporting oil during the tax year between points 1(a) and (b), above.

2. Total Tariff Paid All Carriers During the Tax Year .....

3. Total Tanker and Other Vessel Costs. (Total of the amounts entered on line 18 of the Schedules B.4 that are filed as part of this Return) .....

4. Total Costs of Transportation: Oil. Add amounts on lines 2 and 3 .....

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Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Submit a completed Schedule B.4 for each tanker or other vessel.

Costs of Transportation: Oil — Schedule B.4

Tankers or Other Vessels Not Owned:

Single Voyage Charter. 15 AAC 12.130(b)(1).

1. Charter Fees .....
2. Voyage and Port Costs (not in charter fees) .....
3. Positioning Costs .....
4. Total. Add amounts on lines 1, 2 and 3 .....

Consecutive Voyage or Time Charter. 15 AAC 12.130(b)(2).

5. Charter Fees .....
6. Voyage and Port Costs (not in charter fees) .....
7. Amortized Positioning Costs .....
8. Total. Add amounts on lines 5, 6 and 7 .....

Contract(s) of Affreightment. 15 AAC 12.130(b)(3).

9. Affreightment Fees .....
10. Voyage and Port Costs (not in affreightment fees) .....
11. Total. Add amounts on lines 9 and 10 .....

Tankers or Other Vessels Owned or Effectively Owned. 15 AAC 12.130(c).

Fair Market Value Method: (Attach a copy of the Department of Revenue letter of approval to use this method.)

12. FMV of Transportation Costs .....

Actual Cost Method:

13. Voyage and Port Costs. 15 AAC 12.130(c)(1). (Attach schedule) .....
14. Positioning Costs. 15 AAC 12.130(c)(2). (Attach schedule) .....
15. Depreciation. 15 AAC 12.130(c)(3). (Attach schedule) .....
16. Return on Acquisition Costs. 15 AAC 12.130(c)(4). (Attach schedule) .....
17. Total. Add amounts on lines 13,14,15 and 16 .....
18. Total Tanker and Other Costs. Add amounts on lines 4, 8, 11, 12 and 17 .....

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Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Sales Proceeds: Gas — Schedule B.5

NOTE: A separate Schedule B.5 must be completed for each property in Alaska with commercial gas production; in cases of unitization, the unit (or if the unit is divided into participating areas, the participating area) is the "property" for purposes of this schedule.

1. Identify the property. _____
2. Date of sales contract(s) and most recent amendment(s). _____

Lines 3 through 7 are only for gas not run through a gas processing plant. Complete lines 8 through 12 for gas run through a gas processing plant.

Category I: Gas Production Being Reported at its Full Ceiling Price.

3. Volume of gas in Category I..... _____ Mcf
4. Value of gas in Category I..... _____

Category II: Other Gas Production.

5. Volume of gas in Category II..... _____ Mcf
6. Gross proceeds from gas that was sold to one or more third parties:
   (a) in contemplation of subsequently reacquiring it, but it was in fact not subsequently reacquired (use the sales price)..... _____
   (b) in contemplation of subsequently reacquiring it, and after it was in fact reacquired it was again sold to one or more third parties (use the price of the second sale)..... _____
   (c) not in contemplation of subsequently reacquiring it (use the sales price)..... _____
   (d) Total. Add the amounts on lines 6(a), 6(b) and 6(c)..... _____

7. Value of gas in Category II:
   (a) that was not sold to a third party (use your most recent or highest price as an interim value)..... _____
   (b) that was sold to one or more third parties in contemplation of subsequently reacquiring it and after it was in fact reacquired it was not sold to a third party (use your most recent or highest price as an interim value)..... _____
   (c) Total. Add amounts on lines 7(a) and 7(b) ..... _____

(continued)

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Sales Proceeds: Gas

Schedule B.5

Where gas is run through a gas processing plant and part or all of the residue gas and extracted liquids are returned to the taxpayer, the following costs must be reported. 15 AAC 12.120(e):

8. Volume of extracted liquids that are:
   (a) attributed to the gas run into the plant ..... Bbl
   (b) withheld by the plant operator for plant processing costs ..... Bbl
   (c) used, flared or unavoidably lost in production operations for the same field ..... Bbl
   (d) injected into a reservoir in the course of operations for the same field ..... Bbl
   (e) net to the taxpayer. Line 8(a) minus the sum of lines 8(b), (c) and (d) ..... Bbl

9. (a) Price per barrel of taxpayer's net extracted liquids ..... Bbl
   (b) Proceeds from extracted liquids. Line 8(e) times 9(a) .....

10. Value of residue gas that is:
   (a) attributed to the gas run into the plant ..... Mcf
   (b) withheld by the plant operator as plant processing costs ..... Mcf
   (c) used, flared or unavoidably lost in production operations for the same field ..... Mcf
   (d) injected into a reservoir in the course of operations for the same field ..... Mcf
   (e) net to the taxpayer. Line 10(a) minus the sum of lines 10(b), (c) and (d) ..... Mcf

11. (a) Price per Mcf of taxpayer's residue gas ..... $/Mcf
   (b) Proceeds from residue gas. Line 10(e) times 11(a).

12. Total. Lines 9(b) plus 11(b) .....

13. Sales Proceeds: Gas. Total of lines 4, 6(d), 7(c), and 12 .....

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Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Submit a completed Schedule B.6 for each LNG Transportation Facility.

Costs of Transportation: Gas — Schedule B.6

Gas transported as LNG and not all of the LNG transportation facilities are subject to tariff regulation (by FERC or another agency of the U.S., a state, territory or possession of the U.S. or a foreign nation).

LNG Transportation Facility Not Owned. 15 AAC 12.130(d)(1).

1. Amount Paid to Carrier(s) .....

LNG Transportation Facility Owned or Effectively Owned. 15 AAC 12.130(d)(2).

Fair Market Value Method. (Attach a copy of the Department of Revenue letter of approval to use this method)

2. FMV of Transportation Costs .....

Actual Cost Method.

3. Direct Operating Costs. 15 AAC 12.130(d)(2)(A). (Attach schedule) .....

4. Depreciation. 15 AAC 12.130(d)(2)(B). (Attach schedule) .....

5. Return on Acquisition Costs. 15 AAC 12.130(d)(2)(C). (Attach schedule) .....

6. Total. Add the amounts on lines 3, 4 and 5 .....

7. Total Tariff Paid All Carriers. (Schedule B.7, line 2) .....

8. Total Costs of Transportation: Gas. Add the amounts on lines 1, 2, 6 and 7 .....

Costs of Transportation: Gas — Schedule B.7

1. Attach a schedule identifying each regulated carrier (pipeline) and indicating:
   (a) The point(s) in Alaska where gas is tendered into the facilities of the carrier(s).
   (b) The point(s) where gas is delivered from the facilities of the carrier(s).
   (c) Total tariff paid each carrier for transporting gas during the tax year between points 1(a) and (b), above.

2. Total Tariff Paid All Carriers During the Tax Year .....

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Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Extraordinary Production Revenue or (Loss) Schedule B.8

15 AAC 12.140. EXTRAORDINARY PRODUCTION REVENUE OR (LOSS). (a) A taxpayer's extraordinary production revenue or loss for a lease or property is fully recognized for purposes of this chapter in the year in which it is realized. There is no carry-back or carry-forward of extraordinary production revenue or loss under this chapter to any other year. except to the extent that an extraordinary production loss may contribute to a taxpayer's net loss under sec. 70 of this chapter. Multiple realizations of extraordinary production revenue or loss by a taxpayer during a single year are cumulative, with revenues added to revenues and losses to losses, and with revenues and losses offset against each other.

Enter on line 1 the amount of any extraordinary operating revenues or losses resulting from a retroactive increase or decrease in a tariff or fee allowed to be charged by a regulated carrier for transporting this taxpayer's oil or gas produced from a lease or property in Alaska. Also, indicate the effective date(s) of any such retroactive changes and the period covered, by carrier below:

Effective Date:	Tariff or fee change: From	To	Period Covered: From	To	Volume subject to each change

Line 2. The amount of the extraordinary production revenue or loss is the amount of the change at the point of production offset by any corresponding changes in deductions.
Enter on line 2 any such changes in deductions. 15 AAC 12.140(d).

Enter on line 4 the amount of any extraordinary operating revenues or losses resulting from retroactive changes in the sales price in a bona fide arm's length sale of this taxpayer's oil or gas produced from a lease or property in Alaska. Also, indicate the effective date(s) of any such retroactive changes and the period covered, by carrier below:

Effective Date:	Sales price change: From	To	Period Covered: From	To	Volume subject to each change

Line 5. The amount of the extraordinary production revenue or loss is the amount of the change at the point of production offset by any corresponding changes in deductions. Enter on line 5 any such changes in deductions. 15 AAC 12.140(d).

(continued)

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Extraordinary Production Revenue or (Loss) Schedule B.8

Catastrophic Losses

In the case of catastrophic loss of a taxpayer's oil or gas that has passed its point of production but for which the risk of loss has not shifted from the taxpayer to a common carrier or a third party, the taxpayer realizes an extraordinary production loss for that oil or gas. The amount of the taxpayer's extraordinary loss in such a case shall be the reasonable cost of transportation borne by the taxpayer for that oil or gas from its point of production to the point of its loss, plus the value at the point of production for that oil or gas but only to the extent that the value at the point of production for that oil or gas is included in the taxpayer's gross production revenue for the lease or property from (or to) which that oil or gas was produced (or allocated), and minus reimbursements to the taxpayer from insurance or from one or more third parties for that loss. 15 AAC 12.140(e).

Enter on line 9 the cost of transportation borne by the taxpayer for oil or gas lost in a catastrophe from its point of production to the point of the oil or gas catast. loss.

Enter on line 10 the value at the point of production for oil or gas lost in a catastrophe. Enter only the values for oil or gas that have been included in the taxpayer's gross production revenue.

Enter on line 11 reimbursements to the taxpayer from insurance or from one or more third parties for such catastrophic loss.

1. Retroactive Tariff Change: (a) Increased Cost .....
   (b) Decreased Cost .....

2. Resulting Change in Royalties Paid: (a) Increase .....
   (b) Decrease .....

3. Resulting Change in Production Tax Paid: (a) Increase.....
   (b) Decrease.....

4. (a) Extraordinary Revenue from Tariff Change: Line 1(b) less sum of lines 2(a) and 3(a) .....

   (b) Extraordinary Loss from Tariff Change: Line 1(a) less sum of lines 2(b) and 3(b) .....

   (c) Net Extraordinary Revenue or Loss from Tariff Change: Line 4(a) less line 4(b) .....

5. Retroactive Price Change: (a) Increase .....
   (b) Decrease .....

6. Resulting Change in Royalties Paid: (a) Increase .....
   (b) Decrease .....

7. Resulting Change in Production Tax Paid: (a) Increase.....
   (b) Decrease.....

(continued)

Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Extraordinary Production Revenue or (Loss) Schedule B.8

8. Extraordinary Revenue from Price Change: Line 5(a) less sum of lines 6(a) and 7(a) .....

(b) Extraordinary Loss from Price Change: Line 5(b) less sum of lines 6(b) and 7(b) .....

(c) Net Extraordinary Revenue or Loss from Price Change: Line 8(a) less line 8(b) .....

9. Cost of Transportation - Oil or Gas Catastrophic Loss ....(_____)

10. Value at Point of Producton - Oil or Gas Catastrophic Loss(_____)

11. Reimbursements - Oil or Gas Catastrophic Loss .....

12. Add the amounts on lines 9, 10 and 11.....

13. Extraordinary Production Revenue (Loss). Add lines 4(c), 8(c) and 12 .....

(Enter also on Schedule B, line 2.)

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Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Deduction for Royalties — Schedule B.9

Submit a completed Schedule B.9 and B.10 for each lease or Property.

15 AAC 12.210. DEDUCTION FOR ROYALTY. (a) The amount of royalty for a lease or property in the state that is paid during a year by or for a taxpayer is a deduction for purposes of determining the taxpayer's taxable production income for that year.

(b) The value at the point of production (determined on the basis of the value at the point of production for the taxpayer's production interest at the time when the royalty is delivered) of royalty for a lease or property in the state that is delivered in kind by or for a taxpayer during a year is a deduction for purposes of determining the taxpayer's taxable production income for that year.

	col. (a) Oil	col. (b) Gas
1. Royalties Paid		
2. Value of Royalties Delivered in Kind		
3. Total. Add amounts on lines 1(a), 1(b), 2(a) and 2(b)		

Deduction for Production Taxes — Schedule B.10

15 AAC 12.220. DEDUCTION FOR PRODUCTION TAXES. Taxes imposed under AS 43.55 and AS 43.57 for production from (or allocated to) a lease or property which are paid by, or on behalf of, a taxpayer during a year constitute a deduction in determining the taxpayer's taxable production income for that year. The amount of tax paid under AS 43.55 includes EDIC applied under AS 43.55.018 against that tax.

	col. (a) Oil	col. (b) Gas
1. Production Taxes Paid under AS 43.55 (Include EDIC applied)		
2. Production Taxes Paid under AS 43.57		
3. Total. Add amounts on lines 1(a), 1(b), 2(a) and 2(b)		

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Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Deduction for Ad Valorem Taxes — Schedule B.11

15 AAC 12.230. DEDUCTION FOR AD VALOREM TAXES. The amount of tax under AS 43.56 paid during a year to the state (net of credits or refunds made that year for municipal ad valorem taxes on the same properties) and the total amount paid that year for municipal ad valorem taxes under AS 29.53.045 -- .055, for a taxpayer's properties used directly in the production, gathering, treatment or preparation for pipeline shipment of oil and gas from a lease or property that is in commercial production before those payments to the state or any municipality are made, constitute a deduction in determining the taxpayer's taxable production income for that year.

Submit a completed Schedule B.11 for each lease or property.

1. Ad Valorem Taxes Paid to the State of Alaska .....

2. Ad Valorem Taxes Not Included on Line 1, above,

   Which Were Paid to the Alaska Municipality of:

   (a) _____ .....

   (b) _____ .....

   (c) _____ .....

   (d) _____ .....

   (e) _____ .....

3. Total. Add the amounts on lines 1 and 2(a) - (e) .....

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Deduction for Direct Operating Costs — Schedule B.12

15 AAC 12.240. DEDUCTION FOR DIRECT OPERATING COSTS. (a) The direct operating costs during a year that are incurred by or for a taxpayer for a lease or property in the state are a deduction in determining the taxpayer's taxable production income for that year.

(b) Before the commencement of commercial production from (or allocated to) a lease or property, the direct operating costs for that lease or property are (1) the costs for geological and geophysical work conducted on the lease or property after the taxpayer has acquired a working interest in the lease or property, (2) rentals and shut-in royalties paid in order to retain the lease or property, and (3) the costs for operations conducted on or near the lease or property in support of drilling and/or development operations for the lease or property but excluding the actual dri'ling costs and development costs themselves; however, if the lease or property is subject to an operating agreement in which at least one working-interest owner is a third party to the operator, then the direct operating costs for that lease or property are the costs (excluding drilling costs and development costs) that are incurred by the operator in operating that lease or property and which are reimbursable to the operator by the working-interest owners, under the terms of that operating agreement.

(c) After the commencement of commercial production from (or allocated to) a lease or property, the direct operating costs for that lease or property are the costs of operating the wells, facilities and equipment on or for the lease or property which directly result in or are necessary for the continued or enhanced production from (or allocated to) the lease or property and the costs of operations conducted on or near the lease or property in support of drilling and/or development operations for the lease or property but excluding the actual drilling costs and development costs themselves; however, if the lease or property is subject to an operating agreement in which at least one working-interest owner is a third party to the operator, then the direct operating costs for that lease or property are the costs (excluding drilling costs and development costs) that are incurred by the operator in operating that lease or property and which are reimbursable to the operator by the working-interest owners, under the terms of that operating agreement.

(d) No cost for the taxpayer's general overhead or administrative expense and no cost that is to be amortized or depreciated under secs. 250 and 260 of this chapter, respectively, may be included in a deduction under this section.

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(continued)

Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Deduction for Direct Operating Costs — Schedule B.12

Before Commercial Production:

Submit a completed Schedule B.12 for each lease or property.

1. Geological and Geophysical Work .....
2. Rentals and Shut-In Royalties .....
3. Operational Costs in Support of Drilling and Development .....
4. Total. Add the amounts on lines 1, 2 and 3 .....

After Commencement of Commercial Production:

If the lease or property is subject to an operating agreement as described in 15 AAC 240(c), skip lines 5 through 8 and enter the total reimbursable costs on line 9.

5. Costs of Operating Wells .....
6. Costs of Operating Facilities .....
7. Costs of Operating Equipment .....
8. Operational Costs in Support of Drilling and Development .....
9. Total. Add the amounts on lines 5 - 8 .....
10. Total Direct Operating Costs. Add the amounts on lines 4 and 9 .....

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Deduction for Acquisition Costs — Schedule B.13

15 AAC 12.250. DEDUCTION FOR ACQUISITION COSTS. (a) A taxpayer's acquisition costs for a lease or property in the state that has never had commercial production from (or allocated to) it from any zone are deferred for purposes of this chapter until either there is commercial production from (or allocated to) it or until the lease or property is abandoned without ever having had commercial production from (or allocated to) it.

(b) If a lease or property is abandoned, then the taxpayer's unamortized acquisition costs for that lease or property are a deduction in determining the taxpayer's taxable production income for the year in which the lease or property is abandoned. If only part of the lease or property is thus abandoned, the unamortized acquisition costs for that lease or property must be apportioned to that abandoned portion on the basis of acreage.

(c) A taxpayer's acquisition costs for a lease or property having commercial production from (or allocated to) it during a year must be amortized, and the amount of amortization that year for those acquisition costs is a deduction in determining the taxpayer's taxable production income for the year. Except for cases when (d) of this section applies, the amount of amortization in a year for a lease or property equals the taxpayer's unamortized acquisition costs as of the beginning of that year, multiplied by the ratio of the Btu-equivalents of the production from (or allocated to) that lease or property during the year, to the total number of the Btu-equivalents represented by the remaining proved reserves (both developed and undeveloped) of that lease or property as of the beginning of the year.

(d) During a year it may happen that a taxpayer transfers part or all of its production interest in a commercially producing lease or property to one or more third parties or receives part or all of a production interest in a lease or property as the result of a transfer from one or more third parties. In such a case, the taxpayer receiving the production interest and the taxpayer transferring the production interest shall each calculate its respective amortization of acquisition costs for that portion of the year preceding the transfer separately from its amortization of acquisition costs for that portion of the year following the transfer; and the sum of each taxpayer's respective amortization of acquisition costs for those two portions of the year will be a deduction in determining that taxpayer's taxable production income for that year. In calculating amortization for the portion of the year preceding the date of the transfer, the taxpayer shall use the procedure prescribed in (c) of this section, except that the ratio of the Btu-equivalents of production may include only the taxpayer's production from (or allocated to) the lease or property for the portion of the year preceding the date of the production-interest transfer. For that portion of the year following the transfer, the amount of amortization equals the taxpayer's unamortized acquisition costs as of the time immediately following the production interest transfer, multiplied by the ratio of Btu equivalents of the taxpayer's production from (or allocated to) the lease or property for the portion of the year on and after the date of the transfer to the total number of Btu-equivalents represented by the taxpayer's remaining proved reserves (both developed and undeveloped) of the lease or property as of the time immediately following the production-interest transfer.
(continued)

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Deduction for Acquisition Costs — Schedule B.13

(e) The amount of a taxpayer's unamortized acquisition costs for a lease or property as of a particular date equals the taxpayer's acquisition costs for its original production interest in the lease or property, plus the unamortized acquisition costs for each production interest in the lease or property transferred to the taxpayer on or before that date, and minus the sum of (1) the unamortized acquisition costs for each production interest in the lease or property transferred from the taxpayer on or before that date, (2) the cumulative amount (as of that date) of the taxpayer's acquisition costs for the lease or property that has been allowed under this section for amortization or abandonment, and (3) the taxpayer's standardized prior-tax amortization for the lease or property under sec. 630. of this chapter.

(f) A taxpayer amortizing its acquisition costs for a lease or property for financial accounting purposes on a basis other than a variant of unit-of-production amortization may apply to the department for authorization to use that other basis for purposes of calculating the deduction under this section. Upon a satisfactory showing that the taxpayer does use another basis for amortizing its acquisition costs for financial accounting purposes, the department may grant the requested authorization to the taxpayer. Until that authorization is granted in writing, the taxpayer shall follow the method prescribed in this section to amortize its acquisition costs for leases or properties in the state.

(g) The amount of a taxpayer's acquisition costs for a lease or property equals the taxpayer's net payments for

(1) cash bonus or comparable advance payment to acquire the lease or property;

(2) drilling costs for wells bottomed on the lease or property which were completed or abandoned no later than the completion of the discovery well for the field that includes the lease or property and which were spudded after the acquisition of the lease or property or in fulfillment of a condition or requirement to acquire or retain the lease or property;

(3) tax paid under AS 43.56 to the state (net of all credits and refunds for municipal ad valorem taxes on the same property) for property used on or for the lease or property after its acquisition and before the completion of the discovery well for the field that includes the lease or property or for property used in the drilling described in (2) of this subsection, and ad valorem and other taxes paid to one or more municipalities under AS 29.53 that were incurred for the drilling referred to in (2) of this subsection or for property or operations on or for the lease or property after its acquisition and before the completion of that discovery well;

Deduction for Acquisition Costs — Schedule B.12(a)

(4) that portion of the full consideration given by the taxpayer in acquiring a production interest in the lease or property which is properly attributable to the acquisition of the lease or property (as opposed to the wells, facilities and equipment on or in support of the lease or property which directly result in or are necessary for continued or enhanced production from (or allocated to) the lease or property);

(5) interest on capital borrowed from one or more third parties for any of the expenditures described in (1) - (4) of this subsection that was capitalized for purposes of the taxpayer's financial accounting; however, interest so capitalized may be recognized for purposes of this chapter at a rate not to exceed the composite cost of the taxpayer's borrowed capital from third parties as reflected in the taxpayer's financial accounting for the year in which the interest is capitalized.

Property or Lease Abandoned During the Year. 15 AAC 12.250(b).

Column (a): Enter the location of the abandoned property or lease.

Column (b): Enter the total acreage in the entire property or lease.

Column (c): Enter the total acreage in the property or lease abandoned during this year.

Column (d): Divide the acreage in column (c) by the acreage in column (b). Enter the quotient as a amount (Quotient should be to six figures) in this column.

Column (e): Enter the amount of the taxpayer's unamortized acquisition costs attributable to the total lease or property acreage in column (b).

Column (f): Multiply the amount in column (e) by the amount in column (d) and enter the product in column (f):

Line	col. (a) Abandoned Property or Lease location	col. (b) Total Acreage In: Lease or Property	col. (c) Total Acreage In: Abandoned lease or Property	col. (d) (c) ; (b)	col. (e) Unamortized Cost	col. (f) Allowable Acquisition Cost Deduction
1.						
2.						
3.						
4.						
5.						
6.	Total. Add the amounts in column (f), lines 1-5					

(Attach a separate schedule if more than five properties or leases were abandoned this year.)

(continued)

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Alaska Department of Revenue
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Deduction for Acquisition Costs — Schedule B.13(b)

DO NOT INCLUDE ON LINES 7-21 ANY EXPENSES OF A PRODUCTION INTEREST TRANSFERRED TO OR FROM THE TAXPAYER OR ANY ABANDONMENT COSTS CLAIMED ON LINE 6.

Submit a completed Schedule B.13(b) for each lease or property.

7. Cash Bonus (or comparable advance payment).
15 AAC 12.250(g)(1) .....

8. Drilling Costs for Wells Bottomed.
15 AAC 12.250(g)(2) .....

9. Taxes Paid Under AS 43.56.
15 AAC 12.250(g)(3) .....

10. Taxes Paid Under AS 29.53.
15 AAC 12.250(g)(3) .....

11. Other Consideration(s).
15 AAC 12.250(g)(4) .....

12. Interest. 15 AAC 12.250(g)(5) .....

13. Total. Add the amounts on lines 7 - 12 .....

14. Cumulative Amount of AS 43.21 Acquisition Costs Allowed.
15 AAC 12.250(b) and (e). (Attach schedule) .....

15. Standardized Prior-Tax Amortization. 15 AAC 12.630 .....

16. Add amounts on lines 14 and 15 .....

17. Net Acquisition Costs.
Amount on line 13 less amount on line 16 .....

18. Btu-Equivalents of Production from (or allocated to)
the Lease or Property During This Tax Year .....

19. Total Reserve Btu-Equivalents. 15 AAC 12.250(c) .....

20. Divide the amount on line 18 by amount on line 19.
(Quotient should be to six figures) .....

21. Acquisition Cost Deduction. Amount on line 17
multiplied by the amount on line 20 .....

(continued)

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Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Deduction for Acquisition Costs — Schedule B.13(c)

Amortization of acquisition costs applicable to a commercially producing lease or property which had all or part of a production interest transferred during the period covered by this Return:

Enter on lines 22-32 expenses as of the beginning of the year for such lease or property. 15 AAC 12.250(e). Submit a completed Schedule B.13(c) for each such commercially producing lease or property. Do not include any acquisition costs attributable to any lease or property abandoned during the year.

Depreciation for Portion of Year Preceding Transfer.

22. Cash Bonus (or comparable advance payment).
15 AAC 12.250(g)(1) .....
23. Drilling Costs for Wells Bottomed.
15 AAC 12.250(g)(2) .....
24. Taxes Paid Under AS 43.56.
15 AAC 12.250(g)(3) .....
25. Taxes Paid Under AS 29.53.
15 AAC 12.250(g)(3) .....
26. Other Consideration(s).
15 AAC 12.250(g)(4) .....
27. Interest. 15 AAC 12.250(g)(5) .....
28. Total. Add the amounts on line 22-27 .....
29. Cumulative Amount of AS 43.21 Acquisition Costs Allowed as of the Beginning of the Year 15 AAC 12.250(b) and (c).
(Attach schedule) .....
30. Standardized Prior-Tax Amortization. 15 AAC 12.630 .....
31. Add amounts on lines 29 and 30 .....
32. Net Acquisiton Costs of Production Interest. Amount on line 28 less amount on line 31 .....
33. Date and Description of Production Interest Transferred.
(Attach schedule).
34. Btu-Equivalents of Production Realized from Production Interest for the Portion of the Year Preceding the Transfer.
(Attach schedule) .....
35. Total Btu-Equivalents of Remaining Proved Reserves (both developed and undeveloped) of the Production Interest as of the Beginning of the Year .....
36. Divide the amount on line 34 by the amount on line 35.
(Quotient should be to six figures) .....
37. Allowable Acquisiton Costs Prior to Transfer. Multiply the amount on line 32 by the amount on line 36 .....

(continued)

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Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Deduction for Acquisition Costs — Schedule B.13(c)

Depreciation for Portion of Year Following Transfer.

Enter on lines 38-44 expenses of such Lease or Property Following the Production Interest Transfer.

38. Cash Bonus (or comparable advance payment). 15 AAC 12.250(g)(1) .....
39. Drilling Costs for Wells Bottomed. 15 AAC 12.250(g)(2) .....
40. Taxes Paid Under AS 43.56. 15 AAC 12.250(g)(3) .....
41. Taxes Paid Under AS 29.53. 15 AAC 12.250(g)(3) .....
42. Other Consideration(s). 15 AAC 12.250(g)(4) .....
43. Interest. 15 AAC 12.250(g)(5) .....
44. Total. Add the amounts on lines 38-43 .....
45. Cumulative amount of AS 43.21 Acquisition Costs Allowed as of the Time Immediately Before the Transfer. 15 AAC 12.250 (b) and (e). (Attach schedule) .....
46. Standardized Prior-Tax Amortization. 15 AAC 12.630 .....
47. Add the Amounts on lines 45 and 46 .....
48. Net Acquisition Costs of Production Interest. Amount on line 44 less amount on line 47 .....
49. Btu-Equivalents of Production Realized from Production Interest for the Portion of the Year On and After the Transfer Date. (Attach schedule) .....
50. Total Btu-Equivalents Of Remaining Proved Reserves (both developed and undeveloped) of the Production Interest as of the Time Immediately Following the Production Interest Transfer .....
51. Divide the amount on line 49 by the amount on line 50. (Quotient should be to six figures) .....
52. Allowable Acquisition Costs Following Transfer. Multiply the amount on line 48 by the amount on line 51 .....
53. Allowable Acquisition Cost Deduction. Add the amounts on lines 37 and 52 .....

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Deduction for Development Costs — Schedule B.14

15 AAC 12.260. DEDUCTION FOR DEVELOPMENT COSTS. (a) A taxpayer's development costs for a lease or property in the state that has never had commercial production from (or allocated to) it from any zone are deferred for purposes of this chapter until either there is production from (or allocated to) it or until the lease or property is abandoned without ever having had commercial production from (or allocated to) it.

(b) If a lease or property is abandoned without ever having had commercial production from (or allocated to) it, then the taxpayer's undepreciated development costs for that lease or property are a deduction in determining that taxpayer's taxable production income for the year in which the lease or property is abandoned.

(c) Except for development costs to which (d) or (e) of this section applies, a taxpayer's development costs for a lease or property having commercial production from (or allocated to) it during a year must be depreciated, and the amount of depreciation that year for those development costs is a deduction in determining the taxpayer's taxable production income for the year. The amount of depreciation in a year for a lease or property equals

(1) the average between the taxpayer's undepreciated development costs for the lease or property as of the beginning of the year and those costs as of the end of the year; multiplied by

(2) the ratio of the Btu-equivalents of the production from (or allocated to) that lease or property during the year, to the total number of the Btu equivalents represented by the remaining proved development reserves for that lease or property as of the beginning of that year.

(d) A taxpayer's undepreciated development costs for wells of a lease or property that are abandoned during a year or for facilities or equipment for the lease or property which are removed during the year are excluded from the development costs that are to be depreciated that year under (c) of this section for that lease or property. Instead, the undepreciated development costs for those wells, facilities or equipment as of the beginning of the year, offset by their salvage value (if any), are a deduction in determining the taxpayer's taxable production income for the year in which they are removed.

(continued)

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Reduction for Development Costs — Schedule B.1

(e) During a year it may happen that a taxpayer transfers part or all of its production interest in a commercially producing lease or property to one or more third parties or receives part or all of a producing interest in a lease or property as the result of a transfer from one or more third parties. In such a case, the taxpayer receiving the production interest and the taxpayer transferring the production interest shall each calculate its respective depreciation of development costs for that portion of the year preceding the transfer separately from its depreciation of development costs for that portion of the year following the transfer; and the sum of each taxpayer's respective depreciation of development costs for those two portions of the year will be a deduction in determining that taxpayer's taxable production income for that year. In calculating depreciation for the portion of the year preceding the date of the transfer, the taxpayer shall use the procedure prescribed in (c) of this section, except that the ratio of the Btu-equivalents of production may include only the taxpayer's production from (or allocated to) the lease or property for the portion of the year preceding the date of the production-interest transfer. For that portion of the year following the transfer, the amount of depreciation equals the average of the taxpayer's undepreciated development costs as of the time immediately following the production-interest transfer and as of the end of the year multiplied by the ratio of Btu-equivalents of the taxpayer's production from (or allocated to) the lease or property for the portion of the year on and after the date of the transfer to the total number of Btu-equivalents represented by the taxpayer's remaining proved developed reserves of the lease or property as of the time immediately following the production-interest transfer.

(f) The amount of a taxpayer's undepreciated development costs for a lease or property as of a particular date equals the taxpayer's development costs as of that date for the wells, facilities and equipment for that lease or property that are then in place, minus the sum of (1) the cumulative amount (as of that date) allowed under this chapter for depreciation of the taxpayer's development costs for the lease or property and (2) the taxpayer's standardized prior tax depreciation for the lease or property under sec. 530 of this chapter.

(g) A taxpayer depreciating its development costs for a lease or property for financial accounting purposes on a basis other than a variant of unit-of-production depreciation may apply to the department for authorization to use that other basis for purposes of calculating the deduction under this section. Upon a satisfactory showing that the taxpayer does use another basis for depreciating its development costs for financial accounting purposes, the department may grant the requested authorization to the taxpayer. Until that authorization is granted in writing, the taxpayer shall follow the method prescribed in this section to depreciate its development costs for leases or properties in the state for purposes of this chapter.

(h) The amount of a taxpayer's development costs for a lease or property equals the taxpayer's net payments for

(1) drilling costs for wells drilled on or for the lease or property which were completed or abandoned after the completion of the discovery well for the field that includes the lease or property,

(continued)

Deduction for Development Costs — Schedule B.14(a)

(2) development costs for facilities and equipment on or in support of the lease or property that directly result in or are necessary for continued or enhanced production from (or allocated to) the lease or property,

(3) tax paid under AS 43.56 to the state (net of all credits and refunds for municipal ad valorem taxes on the same property) for property used in the drilling described in (1) of this subsection or described in (2) of this subsection, and ad valorem and other taxes paid to one or more municipalities under AS 29.53 that were incurred directly as the result of, and in the course of, the drilling described in (1) of this subsection and/or the installation or operation of the property described in (2) of this subsection,

(4) that portion of the full consideration given by the taxpayer in acquiring a production interest in the lease or property, which is properly attributable to the wells, facilities and equipment on or in support of the lease or property which directly result in or are necessary for continued or enhanced production from (or allocated to) the lease or property (as opposed to the consideration given for the lease or property itself),

(5) interest on capital borrowed from one or more third parties for any of the expenditures described in (1) - (4) of this subsection that was capitalized for purposes of the taxpayer's financial accounting; however, interest so capitalized may be recognized for purposes of this chapter at a rate not to exceed the composite cost of the taxpayer's borrowed capital from third parties as reflected in the taxpayer's financial accounting for the year in which the interest is capitalized.

Submit a completed Schedule B.14(a) for each lease or property.

Property Abandoned During the Year. 15 AAC 12.200(b) and (d).

1. Total Undepreciated Development Costs as of the Beginning of the Year Directly Related to Leases, Properties, Facilities, Wells and/or Equipment which was Abandoned or Removed During the Year. (Attach schedule). ..... _____

2. Date(s) and location(s) of Property Abandoned. (Attach schedule)

3. Salvage Value Attributable to Line 1 Property, above. (Attach schedule)..... _____

4. Development Cost Deduction. Amount on line 1 less amount on line 3..... _____

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(continued)

Alaska Department of Revenue
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Deduction for Development Costs — Schedule B.14(b)

Submit a completed Schedule B.14(b) for each lease or property.

Enter on lines 5-9 all Alaska Development Costs, EXCEPT THOSE ATTRIBUTABLE TO A PRODUCTION INTEREST(S) WHICH WAS TRANSFERRED TO OR FROM THE TAXPAYER, AND/OR ANY LEASES, PROPERTIES, FACILITIES, WELLS, AND/OR EQUIPMENT ABANDONED OR REMOVED DURING THE YEAR.

		(a) Amount at Beginning of Year	(b) Amount at End of Year
5.	Drilling Costs. 15 AAC 12.260(h)(1)		
6.	Development Costs. 15 AAC 12.260(h)(2)		
7.	Taxes. 15 AAC 12.260(h)(3)		
8.	Consideration. 15 AAC 12.260(h)(4)		
9.	Interest. 15 AAC 12.260(h)(5)		
10.	Total. Add amounts on lines 5-9		
11.	Enter the amount on line 10, col. (a), here		
12.	Add line 10 column (b) and line 11		
13.	Average Development Costs. Divide the amount on line 12 by 2		

Reductions to amount on line 13.

14. Cumulative Amount of AS 43.21 Depreciation Allowed. 15 AAC 12.260(f)(1) .....

15. Standardized Prior-Tax Depreciation. 15 AAC 12.630 .....

16. Add amounts on lines 14 and 15 .....

17. Undepreciated Development Costs. Subtract the amount on line 16 from the amount on line 13 .....

18. Btu-Equivalents of Production from (or allocated to) the Lease or Properties during the Year .....

19. Total Btu-Equivalents. (Developed proved reserves only) .....

20. Divide the amount on line 18 by the amount on line 19 (Quotient should be to six figures) .....

21. Development Cost Deduction. Multiply the amount on line 17 by the amount on line 20 .....

(continued)

Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Deduction for Development Costs — Schedule B.14(c)

Depreciation of development costs applicable to a commercially producing lease or property which had all or part of a production interest transferred during the period covered by this Return.

Enter on lines 22-27 Alaska development costs for such lease or property. Do not include any development costs attributable to any leases, properties, facilities, wells and/or equipment abandoned or removed during the year. Submit a completed Schedule B.14(c) for each such commercially producing lease or property.

	(a) Amount at Beginning of Year	(b) Amount Immediately Prior to Transfer Date	(c) Amount Immediately Following the Date of Transfer	(d) Amount at End of Year
22. Drilling Costs. 15 AAC 12.260(h)(1)				
23. Development Costs. 15 AAC 12.260(h)(2)				
24. Taxes. 15 AAC 12.260(h)(3)				
25. Consideration. 15 AAC 12.260(h)(4)				
26. Interest. 15 AAC 12.260(h)(5)				
27. Total. Add the amounts on lines 22-26				

28. Average Development Costs for Portion of Year Preceding Transfer. Add lines 27(a) and 27(b) then divide the sum by 2 .....

29. Average Development Costs for Portion of Year Following Transfer. Add lines 27(c) and 27(d) then divide the sum by 2 .....

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(continued)

Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Deduction for Development Costs — Schedule B.14(c)

Depreciation for Portion of Year Preceding Transfer

30. Cumulative amount of AS 43.21 Depreciation Allowed as of Beginning of the Year. 15 AAC 12.260(f)(1) .....
31. Standardized Prior-Tax Depreciation. 15 AAC 12.630 .....
32. Add amounts on lines 30 and 31 .....
33. Undepreciated Development Costs. Subtract the amount on line 32 from the amount on line 28 .....
34. Date and Description of Production Interest Transferred. (Attach schedule.)
35. Btu-Equivalents of Production for the Portion of the Year Preceding the Transfer. (Attach schedule) .....
36. Total Btu-Equivalents Represented by the Taxpayer's Remaining Proved Developed Reserves of the Production Interest Immediately Prior to Transfer. 15 AAC 12.260(e) .....
37. Divide the amount on line 35 by the amount on line 36. (Quotient should be to six figures) .....
38. Development Costs Deductible Prior to Transfer. Multiply the amount on line 33 by the amount on line 37 .....

Depreciation for Portion of Year Following Transfer

39. Cumulative amount of AS 43.21 Depreciation Allowed as of the Time Immediately Before the Transfer. 15 AAC 12.260(f)(1) .....
40. Standardized Prior-Tax Depreciation. 15 AAC 12.630 .....
41. Add amounts on lines 39 and 40 .....
42. Undepreciated Development Costs. Subtract the amount on line 41 from the amount on line 29 .....
43. Btu-Equivalents of Production for that Portion of the Year On and After the Transfer Date. (Attach schedule) .....
44. Total Btu-Equivalents Represented by the Taxpayer's Remaining Proved Developed Reserves of the Production Interest Immediately Following Transfer. 15 AAC 12.260(e). (Attach schedule) .....
45. Divide the amount on line 43 by the amount on line 44. (Quotient should be to six figures) .....
46. Development Costs Deductible Following Transfer. Multiply the amount on line 42 by the amount on line 45 .....
47. Development Costs Deductible for Production Interest Transferred During the Year. Add lines 38 and 46 .....

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Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Deduction for Exploration Costs — Schedule B.15

15 AAC 12.270. DEDUCTION FOR EXPLORATION COSTS. (a) A taxpayer's costs (excluding all general overhead and administrative expense allocated to the exploration) for oil and gas exploration on land in the state before the taxpayer has any production interest in that land constitute a deduction in determining the taxpayer's taxable production income for the earlier of (1) the year in which the permit or other authorization to enter that land to conduct that exploration expires without the taxpayer's having by then acquired a production interest in that land or (2) the year the taxpayer acquires a production interest in that land; except that the drilling costs for a well drilled in the course of that exploration may be deducted in determining the taxpayer's taxable production income for only that year in which the well is completed or abandoned.

(b) A taxpayer's exploration costs incurred in a project involving land both within and outside the state and in which the taxpayer then has no production interest should be allocated on the basis of relative acreage involved in the project. The department may authorize or require such an allocation to be on another basis if that is more appropriate than using acreage.

Column (a): Enter project or activity name or other identifier.
Column (b): Enter the total geological or geophysical costs for oil or gas exploration attributable to the activity or project identified in column (a).
Column (c): Enter the total drilling costs for oil or gas exploration attributable to the activity or project identified in column (a).
Column (d): Enter the sum of the amounts in columns (b) and (c).
Column (e): Enter the number of acres (miles shot or footage drilled) in Alaska attributable to the activity or project identified in column (a).
Column (f): Enter the number of acres (miles shot or footage drilled) for the entire activity or project identified in column (a).
Column (g): Enter the quotient (to six figures) obtained by dividing the amount in column (e) by the amount in column (f).
Column (h): Enter the product obtained by multiplying the amount in column (d) by the quotient in column (g).

	(a) Identify the Exploration Activity or Project	(b) Geological/ Geophysical Costs	(c) Drilling Costs	(d) Total, col.(b) and col.(c)	(e) Number of Acres (miles shot or footage drilled) in Alaska	(f) Total Acres (miles shot or footage drilled) in project or Activity	(g) col. (d) ÷ col. (e)	(h) Allowable Exploration Cost De-duction. col. (f) x col. (g)
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10. Total								

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Oil and Gas Corporate Income Tax Return

Deduction for Uncapitalized Interest — Schedule B.16

15 AAC 12.280. DEDUCTION FOR UNCAPITALIZED INTEREST. (a) Subject to the limitation in (b) of this section, a deduction is allowed in determining a taxpayer's taxable production income during a year for interest paid to third parties by the taxpayer that year which was not capitalized by the taxpayer for financial accounting purposes.

(b) The deduction under (a) of this section for interest by a taxpayer for any year may not exceed an amount equal to the total interest of which the taxpayer is a part, multiplied by a fraction whose numerator equals the net book value (as of the end of the year) for financial accounting purposes of the taxpayer's real and tangible personal property of the type described in secs. 250 and 260 of this chapter (excluding the estimated value of the taxpayer's remaining oil and gas reserves), and whose denominator is the net book value (as of the end of the year) for financial accounting purposes of all real and tangible personal property (excluding the estimated value of remaining oil and gas reserves) worldwide of the consolidated business of which the taxpayer is a part.

Submit a completed Schedule B.16 for each lease or property.

1. Total Interest Paid by or for the Taxpayers'. 15 AAC 12.280(a) ..... _____

2. Total Interest Paid by Consolidated Business Worldwide. 15 AAC 12.280(b) ..... _____

3. Book Value of Taxpayers' 15 AAC 12.250 Real and Tangible Personal Property (excluding oil and gas reserves)_____

4. Book Value of Taxpayers' 15 AAC 12.260 Real and Tangible Personal Property (excluding oil and gas reserves)_____

5. Add the amounts on lines 3 and 4 and enter here ..... _____

6. Book Value of All Worldwide Real and Tangible Personal Property of the Consolidated Business (excluding oil and gas reserves) ..... _____

7. Divide the amount on line 5 by the amount on line 6. (Quotient should be to six figures) ..... _____

8. Multiply the amount on line 2 by the amount on line 7 and enter here: ..... _____

9. Uncapitalized Interest Deduction. Enter the smaller of the amounts on line 1 or line 8..... _____

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Deduction for General Overhead and Administrative Expenses Schedule B.17

15 AAC 12.290. DEDUCTION FOR GENERAL OVERHEAD AND ADMINISTRATIVE EXPENSE. (a) Subject to the limitation in (b) of this section, a deduction is allowed in determining a taxpayer's taxable production income during a year, for the taxpayer's general overhead and administrative expense during that year which is properly allocated (on the basis of personnel time sheets, office space or another basis having general currency in the oil and gas industry) to (1) operations for leases or properties in the state, (2) acquiring leases or properties in the state, or (3) exploration in the state. Where general overhead and administrative expense is properly allocat , to an activity described in the preceding sentence that is conducted both within and outside the state, that general overhead and administrative expense must be allocated to in-state activity on the basis of the relative acreage involved in that activity which is in the state; however, the department will, in its discretion, authorize or require another basis for this allocation if that other basis is more appropriate than acreage.

(b) The deduction under (a) of this section for a taxpayer's general overhead and administrative expense for any year may not exceed the lesser of

(1) an amount equal to the taxpayer's own general overhead and administrative expense worldwide during that year, multiplied by a fraction whose numerator equals the net book value (as of the end of the year) for financial accounting purposes of the taxpayer's real and tangible personal property of the type described in secs. 250 and 260 of this chapter (excluding the estimated value of the taxpayer's remaining oil and gas reserves), and whose denominator is the net book value (as of the end of the year) for financial accounting purposes of all real and tangible personal property (excluding the estimated value of remaining oil and gas reserves) worldwide of the consolidated business of which the taxpayer is a part; or

(2) an amount equal to 12 cents for each barrel of the taxpayer's gross share of oil production during that year from leases or properties in the state, plus two cents for each Mcf of the taxpayer's gross share of gas production during that year from leases or properties in the state.

Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Deduction for General Overhead and Administrative Expenses Schedule B.17

Submit a completed Schedule B.17 for each lease or property.

General Overhead and Administrative Expense Attributable to Taxpayers' Leases or Properties Solely in Alaska for:

1. The Operation of Leases or Properties .....

2. Acquiring Leases or Properties .....

3. Exploration .....

4. Total. Add the amounts on lines 1 - 3 .....

If there are no General Overhead and Administrative Expenses attributable to projects conducted both within and outside Alaska, skip lines 5 - 12 and enter the amount on line 4 on line 13.

General Overhead and Administrative Expenses Attributable to Taxpayers' Leases or Properties Within and Outside Alaska (do not include any amounts included on line 4, above) for:

5. The Operation of Leases or Properties .....

6. Acquiring Leases or Properties .....

7. Exploration .....

8. Add the amounts on lines 5, 6 and 7 .....

Have you been authorized or required by the department to use another basis for allocation other than acreage? If so skip lines 9 and 10 and enter the allocation factor on line 11.

9. Alaska Acreage Attributable to Amount on Line 8 .....

10. Total Acreage Attributable to Amount on Line 8 .....

11. Divide the amount on line 9 by the amount on line 10. (Quotient should be to six figures) .....

12. General Overhead and Administrative Costs Deductible. Multiply the amount on line 8 by the amount on line 11 .....

13. Add the amounts on lines 4 and 12 and enter here .....

(continued)

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Oil and Gas Corporate Income Tax Return

Deduction for General Overhead and Administrative Expenses — Schedule B.17

Limitation:

14. General Overhead and Administrative Expenses of the Consolidated Business Worldwide ..... _____

15. Book Value of Taxpayers' 15 AAC 12.250 Real and Tangible Personal Property (excluding oil and gas reserves) ..... _____

16. Book Value of Taxpayers' 15 AAC 12.260 Real and Tangible Personal Property (excluding oil and gas reserves) ..... _____

17. Add the amounts on lines 15 and 16 and enter here: ..... _____

18. Book Value of All Worldwide Real and Tangible Personal Property of the Consolidated Business (excluding oil and gas reserves) ..... _____

19. Divide the amount on line 17 by the amount on line 18. (Quotient should be to six figures) ..... _____

20. Multiply the amount on line 14 by the amount on line 19 ..... _____

21. Enter the taxpayer's share of units of production during the tax year: (a) OIL (BBLS)..... _____
(b) GAS (MCF)..... _____

22. (a) Multiply the amount on line 21 (a) by 12¢ _____
(b) Multiply the amount on line 21 (b) by 2¢ _____
(c) Total. Add the amounts on lines 22(a) and (b)..... _____

23. Deductible General Overhead and Administrative Expense. Enter the smallest of the amounts on lines 13, 20 or 22(c) ..... _____

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Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Oil Pipeline Income (Loss) Schedule C

General Instruction: A completed FERC Form P containing the operating income and expense pertaining to the pipeline transportation of oil in Alaska for the period covered by this Return must be attached to this Schedule.

Enter on Line 1 the total current operating revenue from the pipeline transportation of oil in Alaska during the period covered by this Return. This income is composed of all gathering, trunk, delivery, allowance oil, storage and demurrage, rental and incidental revenue, which must agree with the total on Schedule 300 of FERC Form P, attached.

Enter on Line 2 the total current operating expenses, excluding uncapitalized interest, incurred for the pipeline transportation of oil in Alaska during the period covered by this Return. The total of these expenses must agree with the total on Schedule 320 of FERC Form P, attached.

Enter on Line 4 all uncapitalized interest paid or accrued to third parties during the period covered by this Return on borrowed capital to construct or enlarge the facilities of Alaska oil pipelines. Attach a schedule of total amounts paid or accrued to each payee.

Enter on Line 5 all taxes paid or accrued during the period covered by this Return, except federal income and Alaska oil and gas corporate income taxes, related to carrier property, operations, privileges and licenses for oil pipeline transportation activities in Alaska. Attach a schedule of total amounts paid or accrued to each payee.

Enter on Line 8 any extraordinary operating revenues or losses as detailed on Schedule C.1.

Submit a completed Schedule C for each Pipeline Company.

1. Operating Revenues. (From Schedule 300, FERC Form P) .....
2. Operating Expenses. (From Schedule 320, FERC Form P) .....
3. Line 1 less line 2 .....
4. Uncapitalized Interest. (Attach schedule) .....
5. Taxes. (Attach schedule) .....
6. Total, lines 4 and 5 .....
7. Line 3 less line 6 .....
8. Extraordinary Oil Pipeline Operating Revenue (Loss). (Schedule C.1, line 4) .....
9. Taxable Oil Pipeline Income (Loss). Amount on line 7 plus or (minus) amount on line 8 .....

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Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Extraordinary Oil Pipeline Operating Revenue (Loss) Schedule C.1

Submit a completed Schedule C.1 for each Pipeline Company.

Enter on Line 1 the amount of any extraordinary operating revenue or (loss) resulting from a legally allowed retroactive increase or decrease in Alaska oil pipeline transportation tariffs during the period covered by this Return. The amount of the extraordinary operating revenue or extraordinary operating loss in such a case equals the difference between the operating revenue actually received under the tariff(s) previously charged and the operating revenue that would have been received under the tariff(s) as retroactively changed, during the period to which the change applies.

Indicate the effective date(s) of any such retroactive changes and the period covered by each.

Effective Date:	Tariff Change From	Tariff Change To	Period Covered From	Period Covered To	Volume subject to each change

Enter on Line 2 the amount of any catastrophic loss(es), during the period covered by this Return, related to Alaska oil pipeline property or the pipeline transportation of oil. The amount of those extraordinary operating losses equals the pipeline's costs, unreimbursed by insurance or from one or more third parties and not included in account 570 of FERC's Uniform System of Accounts for oil pipelines for damage to pipeline property, for repayment to shippers for lost oil, and for damage or clean-up of spilled oil. These extraordinary operating losses are fully recognized for purposes of this chapter in the year when the oil is lost.

Attach an explanation describing any losses claimed.

Enter on line 3 the costs of permanently terminating operations and/or removing part or all of the facilities and equipment of a pipeline. The amount of those extraordinary operating losses in a year equals the unreimbursed termination and removal costs for the pipeline that are actually incurred that year, offset by the salvage value (if any) of the removed facilities and equipment.

Operating Revenue or (Loss) Resulting From:

1. Retroactive Tariff Increase(s) or (Decrease(s)) .....
2. Catastrophic losses. (Attach schedule) ..... ( )
3. Termination Costs. (Attach schedule) ..... ( )
4. Extraordinary Oil Pipeline Operating Revenue (loss).
   Add lines 1, 2 and 3 .....

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Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Taxable Gas Pipeline Transportation Income (Loss) Schedule D

Submit a completed Schedule D for each Pipeline Company.

General Instructions: A completed APUC Form 2 containing the operating income and expense pertaining to the pipeline transportation of natural gas in Alaska, for the period covered by this Return, must be attached to this Schedule.

1. Taxable Gas Pipeline Income (Loss) of a Natural Gas Company Regulated on a Consolidated Basis with a Retail Sales and Distribution System in Alaska. Enter amount from line 15, Schedule D.1 .....

2. Taxable Gas Pipeline Income (Loss) of a Class A or B Natural Gas Company Not Regulated on a Consolidated Basis with a Retail Sales and Distribution System in Alaska. Enter amount from line 35, Schedule D.2.....

3. Taxable Gas Pipeline Income (Loss) of a Class C or D Natural Gas Company Not Regulated on a Consolidated Basis with a Retail Sales and Distribution System in Alaska. Enter amount from line 20, Schedule D.3 .....

4. Taxable Gas Pipeline Transportation Income (Loss)..... Add the amounts on lines 1, 2 and 3.

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Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Taxable Gas Pipeline Income (Loss) of a Natural Gas Company Regulated on a Consolidated Basis with a Retail Sales and Distribution System in Alaska. Schedule D.1

Submit a completed Schedule D.1 for each Pipeline Company.

ENTER AMOUNTS APPLICABLE TO NATURAL GAS PIPELINE TRANSPORTATION IN ALASKA

		FERC Account Number	Amount
1.	Operating Revenue	400	
	Deductions		
2.	Operating Expense	401	
3.	Maintenance Expense	402	
4.	Depreciation Expense	403	
5.	Amortization of Underground Storage Land and Land Rights	404.2	
6.	Amortization of Other Limited Term Gas Plant	404.3	
7.	Amortization of Other Gas Plant	405	
8.	Amortization of Gas Plant Acquisition Adjustments	406	
9.	Amortization of Conversion Expenses	407.2	
10.	Taxes Other than Income Taxes	408.1	
11.	Interest on Long Term Debt	427	
12.	Total Deductions. Add lines 2 - 11		
13.	Line 1 less line 12		
14.	Extraordinary Gas Pipeline Operation Revenue (Loss). (Schedule D.4, line 4)		
15.	Taxable Gas Pipeline Transportation Income (Loss). Line 13 plus (minus) line 14		

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Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Taxable Gas Pipeline Income (Loss) of a Class A or B Natural Gas Company Not Regulated on a Consolidated Basis with a Retail Sales and Distribution System in Alaska. Schedule D.2

Submit a completed Schedule D.2 for each Pipeline Company.

		FERC Account Number	Amount
1.	Gross Proceeds from All Gas Delivered or Sold		
	Deductions		
2.	Natural Gas Wellhead .....) Purchases (.....	800	
3.	Natural Gas Field Line .....) From (.....	801	
4.	Natural Gas Plant Outlet .....) Third (.....	802	
5.	Natural Gas Transmission Line .) Parties (.....	803	
6.	Other Gas Purchases .....) (.....	805	
7.	Value at Point of Production of Gas Not Acquired from Third Parties		
8.	Total, lines 2-7		
9.	Operating Revenues. Line 1 less line 8		
	Operating Deductions		
10.	Operation Supervision and Engineering	850	
11.	System Control and Load Dispatching	851	
12.	Communication System Expenses	852	
13.	Compressor Station Labor and Expenses	853	
14.	Gas for Compressor Station Fuel	854	
15.	Other Fuel and Power for Compressor Stations	855	
16.	Mains Expenses	856	
17.	Measuring and Regulating Station Expenses	857	
18.	Transmission and Compression of Gas by others	858	
19.	Other Expenses	859	
20.	Rents	860	
21.	Total Operations Deductions. Add lines 10-20		
	Maintenance Deductions		
22.	Maintenance Supervision and Engineering	861	
23.	Maintenance of Structures and Improvements	862	
24.	Maintenance of Mains	863	
25.	Maintenance of Compressor Station Equipment	864	
26.	Maintenance of Measuring and Regulating Station Equipment	865	
27.	Maintenance of Communications Equipment	866	
28.	Maintenance of Other Equipment	867	
29.	Total Maintenance Deductions. Add lines 22-28		
30.	Uncapitalized Interest		
31.	Taxes		
32.	Total Deductions. Add lines 21,29,30 and 31		
33.	Line 8 less line 32		
34.	Extraordinary Gas Pipeline Operating Revenue (loss). (Schedule D.4, line 4)		
35.	Taxable Gas Pipeline Transportation Income (loss). Line 33 plus (minus) line 34		

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Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Taxable Gas Pipeline Income (Loss) of a Class C or D Natural Gas Company Not Regulated on a Consolidated Basis with a Retail Sales and Distribution System in Alaska.

Schedule D.3

Submit a completed Schedule D.3 for each Pipeline Company.

		FERC Account Number		Amount
	Operating Revenues			
1.	Gross Proceeds from All Gas Delivered or Sold			
2.	Natural Gas Purchases from Third Parties	730		
3.	Other Gas Purchases from Third Parties	731		
4.	Value at Point of Production of Gas Not Acquired from Third Parties			
5.	Total, lines 2-4			
6.	Operating Revenues. Line 1 less line 5			
	Deductions			
7.	Operation Supervision and Labor	750		
8.	Compressor Station Fuel and Power	751		
9.	Operation Supplies and Equipment	752		
10.	Transmission and Compression of Gas by Others.....	753		
11.	Rents	754		
12.	Maintenance of Mains	755		
13.	Maintenance of Compressor Station Equipment	756		
14.	Maintenance of Other Plant	757		
15.	Uncapitalized Interest			
16.	Taxes			
17.	Total Deductions. Add lines 7-16			
18.	Line 6 less line 17			
19.	Extraordinary Gas Pipeline Operating Revenue (Loss). (Schedule D.4, line 4)			
20.	Taxable Gas Pipeline Transportation Income (Loss). Line 18 plus (minus) line 19			

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Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Extraordinary Gas Pipeline Operating Revenue (Loss) Schedule D.4

Submit a completed Schedule D.4 for each Pipeline Company.

Enter on Line 1 the amount of any extraordinary operating revenue or loss resulting from a legally allowed retroactive increase or decrease in Alaska gas pipeline transportation tariffs during the period covered by this Return.

The amount of the extraordinary operating revenue or extraordinary operating loss in such a case equals the difference between the operating revenue actually received under the tariff(s) previously charged and the operating revenue that would have been received under the tariff(s) as retroactively changed, during the period to which the change applies.

Indicate the effective date(s) of any such retroactive changes and the period covered by each:

Effective Date:	Tariff Change From	Tariff Change To	Period Covered From	Period Covered To	Volume Subject to each Change

Enter on Line 2 the amount of any catastrophic loss(es), during the period covered by this Return, related to Alaska gas pipeline property or the pipeline transportation of gas.

The amount of an extraordinary operating loss equals the pipeline costs, unreimbursed by insurance or from one or more third parti s and not included in the pipeline's operating expense already deducted, for damage to pipeline property, for repayment to shippers for lost gas, and for damage or clean-up resulting from the loss of the gas. Such extraordinary operating loss is fully recognized for purposes of this chapter in the year when the gas is lost.

Attach an explanation describing any loss claimed.

Enter on Line 3 the amount authorized or required by FERC to be included in account 182 (Extraordinary Property Losses) for a gas pipeline. The account 182 extraordinary property losses are fully recognized for purposes of this chapter in the year in which incurred (account 182 refers to the account of that number in both FERC's Uniform System of Accounts for Class A and B natural gas companies and the one for Class C and D natural gas companies).

Operating Revenue or (Loss) Resulting From:

1. Retroactive Tariff Increase(s) or (Decrease(s)) .....
2. Catastrophic Loss ....( )
3 Extraordinary Property Loss. (Account 182) .....( )
4. Extraordinary Gas Pipeline Revenue (Loss). Add lines 1, 2 and 3 .....

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Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Taxable Apportioned Income (Loss) Schedule E

15 AAC 12.510. APPORTIONABLE INCOME. A taxpayer's apportionable income for a year equals

(1) the net income (calculated without regard to any taxes on or measured by net income) worldwide of the consolidated business of which the taxpayer is a part, as determined and certified by an independent certified public accountant (or, as appropriate, the foreign counterpart of a certified public accountant, such as a chartered accountant) for purposes of reporting that year's earnings and profits to the stockholders; minus either

(2) the sum (if greater than zero) of

(A) the taxpayer's taxable production income that year under sec. 100 of this chapter,

(B) the taxpayer's taxable oil pipeline income that year under sec. 300 of this chapter, and

(C) the taxpayer's taxable gas pipeline income that year under sec. 400 of this chapter; or

(3) zero, if the sum in paragraph (2) of this section is less than or equal to zero.

1. Worldwide Net Income (Loss) of the Consolidated Business. (Attach schedule) .....
2. All Taxes On or Measured By Net Income. (Attach schedule) .....
3. Add the amounts on lines 1 and 2 ... .
4. Taxable Production Income (From Schedule B) .....
5. Taxable Oil Pipeline Income (From Schedule C) .....
6. Taxable Gas Pipeline Income (From Schedule D) .....
7. Add the amounts on lines 4, 5 and 6 and enter here; if less than zero enter -0- .....
8. Apportionable Net Income (Loss). Subtract the amount on line 7 from the amount on line 3 .....
9. Property Factor. (From Schedule E.1, line 16, col. (c)) .....
10. Payroll Factor. (From Schedule E.2, line 7, col. (c)) .....
11. Sales Factor. (From Schedule E.3, line 8, col. (c)) .....
12. Total Factors. Add the amounts on lines 9 - 11 .....
13. Average Factor. Divide the amount on line 12 by 3. (Quotient should be to six figures) .....
14. Taxable Apportioned Income (Loss). Multiply the amount on line 8 by the amount on line 13 (Enter also on Schedule A, line 4) .....

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Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Alaska Property Factor — Schedule F.1

Instructions: Owned Real and Tangible Personal Property.

On a federal income tax basis (15 AAC 10.181(a)) enter the average original cost values of owned real and tangible personal property. Do not include leases or properties, other real property and tangible personal property in Alaska that is owned by the taxpayer and is used directly in, or is necessary for the continuation or enhancement of, exploration for oil and gas, production of oil and gas, and transportation of oil and gas by pipeline. The amount entered, however, must include all other owned properties used, available for or capable of being used in producing, directly or indirectly, income of the corporation(s) included in this return.

Include in column (a) the average original cost values of owned real and tangible personal property of the consolidated business of which the taxpayer is a part which is located in the United States but not in any state and which either

(1) is serviced or supplied from a base of operations maintained in Alaska, or

(2) relies on onshore facilities in Alaska for storage of oil or gas (or both) produced from or by that real and tangible personal property or both.

Owned Real and Tangible Personal Property.

	col. (a) Total Within Alaska	col. (b) Total Within and Outside Alaska	col. (c)
1. Inventories. (Attach a days-in port computation schedule, if applicable. See specific instruction 1(a), page 62)			
2. Buildings			
3. Machinery and Equipment			
4. Furniture and Fixtures			
5. Delivery Equipment			
6. Leasehold Improvements. (Attach a days in-port computation schedule, if applicable. See specific instruction 1(a), page 62)			
7. Land			
8. Marine Vessels. (Attach a days-in port computation schedule, if applicable. See specific instruction 1(a), page 62)			
9. Other Assets. (Describe on a separate schedule)			
10. Add the amounts on lines 1-9 and enter here.			
11. Construction in Progress (if included in lines 1-9 above)			
12. Total. Subtract the amount on line 11 from the amount on line 10			

(continued)

Alaska Department of Revenue
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Alaska Property Factor — Schedule E.1

Instructions: Rented or Leased Property.

Refer to Specific Instruction number 4, Valuation of Rented Property, and Specific Instruction 1 (a) (ii) regarding special treatment for chartered marine vessels. All rents must be capitalized by multiplying the expense by eight and they must be entered in this subsection. Do not include rents paid for leases or properties, other real property and tangible personal property in Alaska that is rented by the taxpayer and is used directly in, or is necessary for the continuation or enhancement of exploration for oil and gas, production of oil and gas, and transportation of oil and gas by pipeline. Intercompany rents must be eliminated. The amount entered, however, must include all other rented properties used, available for or capable of being used in producing, directly or indirectly, income of the corporation(s) included in this return. Include in column (a) all properties rented or leased by the consolidated business of which the taxpayer is a part which is located in the United States but not in any state and which either

(1) is serviced or supplied from a base of operations maintained in Alaska, or

(2) relies on onshore facilities in Alaska for storage of oil or gas (or both) produced from or by that rented or leased property or both.

Rented or Leased Property.

	col. (a) Total Within Alaska	col. (b) Total Within and Outside Alaska	col. (c)
13. Chartered Marine Vessels, capitalized. (Attach a days in port computation schedule. See specific instruction 1(a), page 6.)			
14. Other Rented Property, Capitalized. (Attach schedule)			
15. Total Capitalized Rents. Add the amounts on lines 13 and 14			
16. Property Factor. Add the amounts on lines 12 and 15 and enter here:			

(Divide the amount on line 16, column (a) by the amount on line 16, column (b). Enter the quotient, (to six figures) in column (c), and also on Schedule E, line 9.)

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Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Alaska Payroll Factor

Schedule E.2

15 AAC 12.540. PAYROLL FACTOR. A taxpayer's payroll factor for a year equals the payroll factor that year for the consolidated business of which the taxpayer is a part, as determined under the applicable methods of AS 43.19.010 (Art. IV, secs. 13 and 14), AS 43.20.072(c) and (e), and 15 AAC 10.211 -- 15 AAC 10.241; except that

(1) the numerator and denominator of the payroll factor must each be determined without reference to

(A) compensation earned by the taxpayer's employees working directly in operations on or for a lease or property in the state which directly result in or are necessary for the continued or enhanced production of oil or gas from (or allocated to) the lease or property, and

(B) compensation earned by the taxpayer's employees working directly in the in-state operations of an oil pipeline or a gas pipeline; and

(2) the numerator of the payroll factor must include compensation earned by the employees of the consolidated business of which the taxpayer is a part, who are working in the United States but not in any state and who are directly supplied from a base of operations maintained in this state.

Enter payroll, wages, salaries, commissions and other compensation attributable to:	col. (a) Total Within Alaska	col. (b) Total Within and Outside Alaska	col. (c)
1. Cost of Goods Sold			
2. Compensation of Officers			
3. Salesmen's Salaries and Commissions			
4. Repairs			
5. Operation of Marine Vessels. (Attach Days-In-Port computation schedule. See specific instruction 1(b), page 62)			
6. Other. (Specify)			
7. Payroll Factor. Add the amounts on lines 1-6 and enter here:			

(Divide the amount on line 7, column (a) by the amount on line 7, column (b). Enter the quotient, (to six figures) in column (c), and also on Schedule E, line 10.)

Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Alaska Sales Factor

Schedule E.3

15 AAC 12.550. SALES FACTOR. A taxpayer's sales factor for a year equals the sales factor that year for the consolidated business of which the taxpayer is a part, as determined under the applicable methods of AS 43.19.010 (Art. IV, secs. 15 --17), AS 43.20.071(d) and (e), and 15 AAC 10.251 -- 15 AAC 10.302; except that the numerator and denominator of the sales factor must each exclude non-retail sales of oil or gas produced from (or allocated to) one or more leases or properties in the state, but only to the extent that those sales would otherwise be included in the numerator and denominator of the sales factor.

(continued)

AGO 785815

Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Alaska Sales Factor

Schedule E.3

	col. (a) Total Within Alaska	col. (b) Total Within and Outside Alaska	col. (c)
1. Sales Delivered or Shipped to Alaska Purchasers:			
(a) Shipped from Outside Alaska			
(b) Shipped from Within Alaska			
Total, line 1 Add the amounts on lines 1(a) and (b)			
2. Taxpayer's Operating Revenues Attributable to Marine Vessels. (Attach a days-in-port computation schedule. See specific instruction 1(c), page 62)			
3. Sales Shipped from Alaska to:			
(a) The United States Government			
(b) Purchasers in a State Where the Taxpayer Was Not Subject to a Net Income Tax or a Tax Based Upon Or Measured By Net Income			
Total, line 3. Add the amounts on lines 3(a) and (b)			
4. Other Alaska Business Income Gross Receipts			
(a) Interest			
(b) Dividends			
(c) Rents			
(d) Royalties			
(e) Other. (Specify)			
Total, line 4. Add the amounts on lines 4(a) - (e)			
5. Total Alaska Sales. Add the amounts on lines 1-4			
6. Total Corporation or Consolidated Business Sales, Net of Intercompany Eliminations. (Attach schedule)			
7. Sales Factor Numerator and Denominator Reductions: (Enter the following amounts only if included on lines 5 and 6, above)			
Non-retail sales of oil or gas produced from (or allocated to) one or more leases or properties in the state			
8. Sales Factor. Subtract the amounts on line 7 from the amounts on lines 5 and 6 ..			

(Divide the amount on line 8, column (a) by the amount on line 8, column (b). Enter the quotient, (to six figures) in column (c), and also on Schedule E, line 11.)

AGO 785816

Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Specific Instructions for Apportionment Factors.

1. Tankers and Other Marine Vessels. The property, payroll and sales factor numerator values emanating from tankers and other marine vessels must be determined as follows:

   (a) Property Factor Numerator. AS 43.20.071 (b) and (e).

      (i) Owned Marine Vessels. The numerator must be determined by multiplying the average original cost values of each vessel by the days-in-port factor of each vessel.

      (ii) Chartered Vessels. The net annual rental rate of each chartered vessel is multiplied by 8, and that product is then multiplied by the days-in-port factor of each vessel to determine the numerator value.

      (iii) The Average Original Costs of Leasehold Improvements on Board marine vessels must be multiplied by the days-in-port factor to determine the numerator value.

      (iv) Average Inventories (bunker fuel, stores, spare parts, etc.) on board each vessel must be multiplied by each marine vessel's days-in-port factor to determine the numerator value.

   (b) Payroll Factor Numerator. AS 43.20.071 (c) and (e). Compensation paid by the taxpayer to marine vessel employees must be multiplied by the days-in-port factor of each marine vessel to determine the payroll factor numerator.

   (c) Sales Factor Numerator. AS 43.20.071 (c) and (e). The taxpayer's operating revenues attributable to each marine vessel must be multiplied by the days-in-port factor of each marine vessel to determine the sales factor numerator.

   (d) Days-In-Port Factor Defined. The days in-port factor is determined by dividing the number of days-in-port in Alaska of the tanker or other vessel by the number of days-in-port everywhere. A day-in-port does not include time when a vessel is tied up due to repairs, strikes or seasonal inactivity. A day-in-port occurs when the vessel is tied up to a dock or wharf or when it is anchored offshore for purposes of loading or offloading cargo. A day-in-port is determined by dividing the number of hours in port by 24. AS 43.20.071.

(continued)

Specific Instructions Regarding
the Apportionment Factors.

2. PROPERTY IN TRANSIT. 15 AAC 10.171 (b). Property in transit between locations of the taxpayer to which it belongs must be considered to be at the destination for purposes of the property factor. Property in transit between a buyer and seller which is included by a taxpayer in the denominator of its property factor in accordance with its regular accounting practices must be included in the numerator according to the state of destination.

3. MOBILE OR MOVABLE PROPERTY. 15 AAC 10.171(c). The value of mobile or movable property such as construction equipment, trucks or leased electronic equipment which is located within and outside of this state during the tax period must be determined for purposes of the numerator of the factor on the basis of total time within the state during the tax period.

4. VALUATION OF RENTED PROPERTY. 15 AAC 10.191 (a). Property rented by the taxpayer must be valued at eight times its net annual rental rate. The net annual rental rate for any item of rented property is the annual rental rate paid by the taxpayer for that property, less the aggregate annual sub-rental rates paid by subtenants of the taxpayer. (See sec. 202 of this chapter for special rules where the use of that net annual rental rate produces a negative or clearly inaccurate value or where property is used by the taxpayer at no charge or rented at a nominal rental rate).

(b) Subrents are not deducted when the subrents constitute business income because the property which produces the subrents is used in the regular course of a trade or business of the taxpayer when it is producing that income. Accordingly there is no reduction in its value.

(c) "Annual rental rate" is the amount paid as rental for property for a 12-month period (i.e., the amount of the annual rent). Where property is rented for less than a 12-month period, the rent paid for the actual period of rental constitutes the "annual rental rate" for the tax period. However, where a taxpayer has rented property for a term of 12 or more months and the current tax period covers a period of less than 12 months (due, for example, to a reorganization or change of accounting period), the rent paid for the short tax period must be annualized. If the rental term is for less than 12 months, the rent may not be annualized because of the uncertain duration when the rental term is on a month-to- month basis.

5. SPECIAL RULES. 15 AAC 10.202(a). If the subrents taken into account in determining the net annual rental rate under sec. 191 of this chapter produce a negative or clearly inaccurate value for any item of property, another method which will properly reflect the value of rented property may be required by the commissioner of revenue or requested by the taxpayer.

In no case, however, shall such value be less than an amount which bears the same ratio to the annual rental rate paid by the taxpayer for such property as the fair market value of that portion of the property used by the taxpayer bears to the total fair market value of the rented property.

(L) If property owned by others is used by the taxpayer at no charge or rented by the taxpayer for a nominal rate, the net annual rental rate for that property must be determined on the basis of a reasonable market rental rate for that property.

AGO 785818

Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Net Loss Carryovers/Carrybacks — Schedule E

THIS SCHEDULE MUST BE COMPLETED IF A NET LOSS IS CLAIMED ON LINE 6 SCHEDULE A.

15 AAC 12.070. TREATMENT OF NET LOSSES REALIZED UNDER THIS CHAPTER.
(a) A taxpayer realizes a net loss under this chapter if the taxpayer's net taxable income under sec. 50 of this chapter for that year is less than zero.

(b) A taxpayer's net loss may be carried back not more than three tax years before the tax year for which it is realized (but in no event before the 1978 tax year) and may be carried forward if necessary as far as the seventh tax year following the tax year for which it is realized. This carrying back and carrying forward must be on a first-in, first-out basis; that is, the tax loss must first be carried back as an offset against the taxpayer's net taxable income, if any, for the third preceding tax year, and any remaining tax loss must next be applied as an offset against the taxpayer's net taxable income, if any, for the second preceding tax year, and so on until either the tax loss is fully used as offsets against the taxpayer's net taxable income or until it has been carried forward into the seventh year following the tax year in which the net loss is realized. Any net loss from a tax year still remaining after the seventh following tax year will be lost.

(c) If a taxpayer has net losses from more than one tax year that may be applied as offsets against the taxpayer's net taxable income for the same tax year, the net loss from the earliest of those tax years must first be applied, then the net loss from the second earliest of those tax years must be applied (assuming the earliest tax loss does not fully offset the net taxable income against which it is applied), and so on.

A TAXPAYER'S NET OPERATING LOSSES UNDER ALASKA STATUTE 43.20 ARE NOT RECOGNIZED UNDER THIS CHAPTER. 15 AAC 12.073(d).

Alaska Department of Revenue
Oil and Gas Corporate Income Tax Return

Net Loss Carryovers/Carrybacks — Schedule F

Computation of Loss Carryovers/Carrybacks.

Column (a): Enter the year(s) of all AS 43.21 losses (whether unapplied, partially applied or fully used) in chronological order. If a loss is being carried to more than one year, use additional lines until the loss being applied is fully absorbed.

Column (b): Enter the amount of loss by year.

Column (c): Enter the tax year(s) to which a loss has been or is being applied.

Column (d): Enter the amount of loss applied.

Column (e): Enter the unused tax loss (subtract the amount in column (d) from the amount in column (b)).

Column (f): Enter the loss claimed on this return.

Line	col. (a) Net loss Year	col. (b) Amount of loss	col. (c) Year loss Applied To	col. (d) Amount of loss Applied	col. (e) Net loss Remaining	col. (f) Net Loss Applied To This Return
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
Total						

(Enter the total of col. (f) on Schedule A, line 6.)

ACC 785 517 [illegible]

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

DIVISION OF PETROLEUM REVENUE

201 E. 9th AVENUE
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-1363
(907) 277-5627

January 18, 1980

Re: Income Tax Regulations
(AS 43.21)

To Recipients of Proposed Regulations:

Proposals which would amend existing oil and gas corporate income tax regulations have been distributed to you. The most recent set of proposals followed a published notice which related that set of proposals to an earlier one distributed late in October 1979. It has come to our attention that the most recent set of proposals inadvertently dropped a couple of paragraphs contained in the earlier draft. The unintended deletions, which are obvious in the context of the proposals, are contained in proposed sections 132(b)(3) and (4), 240, and 990(31) and (32). The deleted language is attached.

We apologize for any inconvenience this has caused you.

Sincerely,

Robert M. Johnson
Director

Attachment

RMJ/rdm

AGO 785820

DILM

Proposed Regulation 132(b)(3) and (4) should read:

(3) when transportation of oil is by a tanker or other vessel that is owned or effectively owned by the taxpayer of that oil, the taxpayer's actual cost for that transportation, which is the sum of:

(A) voyage and port costs incurred with respect to that transportation;

(B) the positioning cost, amortized over 36 months, for that vessel but only for placing that vessel into position before its employment in the Alaska trade and not for placing it into position after its employment in the Alaska trade for employment in another trade,

(C) depreciation of the vessel; if the vessel is actually owned by the taxpayer, depreciation must be calculated in accordance with the applicable FASB Financial Accounting Standards for such owned assets; if the vessel is effectively owned by the taxpayer, depreciation must be calculated in accordance with FASB-13 from the standpoint of a lessee under a capital lease; and

(D) an amount, which when added to the amount of depreciation allowed under (C) of this paragraph, will provide a reasonable return on the acquisition cost of the vessel over its expected life; for purposes of this paragraph,

(i) "acquisition costs" means the cost of the vessel which may be capitalized by its actual owner under generally accepted accounting principles, but not including costs of improvements made after the date the vessel is placed in service by or on behalf of the taxpayer, and

(ii) "expected life" means the period of time used to calculate depreciation under (C) of this paragraph;

(4) in the case of transportation of gas as LNG

(A) where not all of the LNG transportation facilities are subject to tariff regulations (by FERC or other agencies of the United States, state or territory or a possession of the United States or a foreign nation) and when the taxpayer does not have or effectively have any ownership interest in the LNG transportation facility, the amount charged to the taxpayer for that LNG transportation;

(B) when the taxpayer has or effectively has an ownership interest in the LNG transportation facility, the taxpayer's actual cost for that transportation equalling the sum of:

(i) the direct operating costs of the LNG transportation facility (in the case of an LNG tanker, its respective voyage and port costs) incurred with respect to the taxpayer's gas;

(ii) the positioning cost, amortized over 36 months, for that vessel but only for placing that vessel into position before its employment in the Alaska trade and not for placing it into position after its employment in the Alaska trade for employment in another trade;

(iii) depreciation of the LNG transportation facility; if the facility is actually owned by the taxpaver, depreciation must be calculated in accordance with the applicable FASB Financial Accounting Standards for the owner of such assets; if the LNG transportation facility is effectively owned by the taxpayer, depreciation must be calculated in accordance with FASB-13 from the standpoint of a lessee under a capital lease; and

(iv) an amount which, when added to the amount of depreciation allowed under (iii) of this subparagraph, will provide a reasonable return on the acquisition cost of the LNG transportation facility over its expected life; for purposes of this subparagraph, "acquisition cost" means the cost of the LNG transportation facility which may be capitalized by its actual owner under generally accepted accounting principles, and "expected life" means the period of time used to calculate depreciation under (iii) of this subparagraph;

Proposed Regulation 240 should read:

15 AAC 12.240. DEDUCTION FOR DIRECT OPERATING COSTS. (a) The direct operating costs during a year that are incurred by or for a taxpayer for a lease or property in the state are a deduction in determining the taxpayer's taxable production income for that year.

(b) Before the commencement of commercial production from (or allocated to) a lease or property, the direct operating costs for that lease or property are:

(1) the costs for geological and geophysical work conducted on the lease or property after the taxpayer has acquired a working interest in the lease or property;

(2) rentals and shut-in royalties paid in order to retain the lease or property;

(3) drilling costs for wells bottomed on the lease or property; and

(4) the costs for operations conducted on or near the lease or property in support of drilling and/or development operations for the lease or property, but excluding the actual development costs themselves; however, if the lease or property is subject to an operating agreement in which at least one working-interest owner is a third party to the operator, the direct operating costs for that lease or property and the costs (excluding development costs but including drilling costs) that are incurred by the operator in operating that lease or property and which are reimbursable to the operator by the working-interest owners, under the terms of that operating agreement.

(c) After the commencement of commercial production from (or allocated to) a lease or property, the direct operating costs for that lease or property are:

(1) the costs of operating the facilities and equipment on or for the lease or property which directly result in or are necessary for the continued or enhanced production from (or allocated to) the lease or property;

(2) the costs of drilling and/or operating wells bottomed on the lease or property; and

(3) the costs of operations conducted on or near the lease or property in support of drilling and/or development operations for the lease or property but excluding the actual development costs themselves; however, if the lease or property is subject to an operating agreement in which at least one working-interest owner is a third party to the operator, then the direct operating costs for that lease or property are the costs (excluding development costs but excluding drilling costs) that are incurred by the operator in operating that lease or property and which are reimbursable to the operator by the working interest owners, under the terms of that operating agreement.

(d) No cost for the taxpayer's general overhead or administrative expense and no cost that is to be amortized or depreciated under secs. 250-260 of this chapter may be included in this section.

Authority: AS 43.05.080
AS 43.19.010 (Art. IV, sec. 18)
AS 43.21.020
AS 43.21.090

AGO 785824

Proposed Regulation 900(31) and (32) should read:

(31) "sales delivery point" means

(1) for a taxpayer's oil and gas sold in a bona fide, arm's-length sale to a third party, the point of delivery under the terms of the contract or agreement for that sale, except in the cause of a sale to which Sec. 132(d) of this chapter applies;

(2) for a taxpayer's oil not sold in a bona fide, arm's-length sale to a third party, th gate of the refinery to which that oil is ultimately transported; and

(3) for a taxpayer's gas not sold in a bona fide, arm's-length sale to a third party, the point of delivery under the terms of the sales contract being used as the reference for the sales price of the taxpayer's gas under Secs. 122 and 124 of this chapter.

(32) "sales price" is defined in Sec. 122 of this chapter.

AGO 785825

Thomas K. Williams, Commissioner
Department of Revenue

December 4, 1979

Robert M. Johnson, Director
Petroleum Revenue Division

Required Annual Report
on Income Tax

Attached for your review and recommended use are letters to the Legislature setting out an annual report of the Oil and Gas Corporate Income Tax required under AS 43.21.110(a). The report consists of text and a chart, and should presumably be sent around January 1, 1980, although no specific date is set by law.

Attachments

RMJ/rdm

STATE OF ALASKA

DEPARTMENT OF REVENUE

DIVISION OF PETROLEUM REVENUE

JAY S. HAMMOND, GOVERNOR

201 E. 9th AVENUE
ANCHORAGE, ALASKA 99501
PHONE (907) 276 1363
(907) 277 5627

December 3, 1979

The Honorable Clem V. Tillion
President of the Senate
Alaska State Legislature
Pouch Y
Juneau, Alaska 99811

Oil and Gas Corporate
Income Tax Act

Dear Sir:

Pursuant to AS 43.21.110(a), I am transmitting to you an annual consolidated report of State revenues and taxation policies under the Oil and Gas Corporate Income Tax Act (AS 43.21).

The amounts reported here and collected during 1979 relate to obligations arising during Tax Year 1978. The total amounts paid by corporations under the Act and the aggregate income and deductions are set out in the attached chart.

With respect to policies under the Act during 1979, the Department has promulgated an extensive set of regulations implementing the statutes. See, 15 AAC 12.001 et seq. Modifications to certain of those regulations have been proposed. Audits of corporations subject to the Act have commenced. The Act itself is the subject of litigation in the case of SOHIO et al v. State, Superior Crt No. 3 AN 79-1903.

I hope this information is useful to you.

Sincerely,

Thomas K. Williams
Commissioner

Attachment

TKW/RMJ/rdm

AGO 785833

STATE OF ALASKA

DEPARTMENT OF REVENUE

DIVISION OF PETROLEUM REVENUE

JAY S. HAMMOND, GOVERNOR

201 E. 9th AVENUE
ANCHORAGE, ALASKA 99501
PHONE (907) 276-2653
(907) 277-5627

December 3, 1979

The Honorable Terry Gardiner
Speaker of the House
Alaska State Legislature
Pouch Y
Juneau, Alaska 99811

Oil and Gas Corporate
Income Tax Act

Dear Sir:

Pursuant to AS 43.21.110(a), I am transmitting to you an annual consolidated report of State revenues and taxation policies under the Oil and Gas Corporate Income Tax Act (AS 43.21).

The amounts reported here and collected during 1979 relate to obligations arising during Tax Year 1978. The total amounts paid by corporations under the Act and the aggregate income and deductions are set out in the attached chart.

With respect to policies under the Act during 1979, the Department has promulgated an extensive set of regulations implementing the statutes. See, 15 AAC 12.001 et seq. Modifications to certain of those regulations have been proposed. Audits of corporations subject to the Act have commenced. The Act itself is the subject of litigation in the case of ARCO et al v. State, Superior Crt No. 3 AN 79-1903.

I hope this information is useful to you.

Sincerely,

Thomas K. Williams
Commissioner

Attachment

TKW/RMJ/rdm

AGO 785834

04-07LH

Attachment A

		. . Activity in Thousands of Dollars			
		Production	Pipeline	Apportioned[1]	Total
1.	Gross Income	$5,512,723	$2,384,714	$17,305,523	$25,202,960
2.	Deductions	4,605,205	1,623,201	17,250,301	23,478,707
3.	Taxable Income	$ 907,518	$ 761,513	$ 55,222	$ 1,724,253
4.	Total Tax				$ 170,393[2]
5.	Less:				
	Payments				172,112
	Credits				2,899
6.	Total Payments and Credits				175,011
7.	Taxes Overpaid (Line 6 - Line 4)				4,618
8.	Less:				
	Amounts Applied To 1979 Estimated Tax				2,277
9.	Remainder Refunded To Taxpayers (Line 7 - Line 8)				$ 2,341

(1) The gross income reported in this column is total apportionable taxable income and the deductions represent the amount apportioned to jurisdictions other than the State of Alaska.

(2) The effective tax rate for 1978 is 9.88%, which is greater than the statutory rate of 9.4%. Because this is so, some taxpayers reported losses in 1978. Since a carryback period is not available to these taxpayers at this time, the tax impact attributable to these losses will be realized in some period subsequent to 1978. See, AS 43.21.020(d).

AGO 785835

Joseph K. Donohue, Deputy Commissioner
Department of Revenue

October 29, 1979

Robert M. Johnson, Director
Petroleum Revenue Division

Impact of Allowing Intangible Drilling Expenses as a Direct Deduction

You have asked for an analysis of the financial impact of allowing intangible drilling costs (IDCs) as a deduction to derive taxable production income under the Oil and Gas Corporate Income Tax Act (AS 43.21).

As you know, drilling costs (intangible or tangible) incurred by oil and gas producers are not specifically allowed as an operating expense deduction in deriving taxable production income. Intangible drilling costs are, however, an allowable deduction under § 263 of the Internal Revenue Code. Prior to enactment of the Oil and Gas Corporate Income Tax (AS 43.21), § 263 was incorporated by reference into the Net Income Tax Act (AS 43.20) which applied to the oil and gas producers. That incorporation by reference disappeared with enactment of AS 43.21. The law does not now specifically address IDCs, but does permit as deductions to derive oil and gas production income such items as dry hole expenses, interest expense not capitalized by the corporation up to a certain amount, and amortization of lease acquisitions. See, AS 43.21.020(b). Under the original regulations implementing that provision, "drilling costs" may be deducted to derive taxable production income only as a portion of acquisition and development costs. Those allowable costs are limited. 15 AAC 12.250 and 12.260. Operating expenses, which are generally deductible to the full extent of the expenses incurred, exclude "drilling costs."

The Department is presently proposing to promulgate regulations which would allow IDCs, as a drilling cost, to be directly deducted as an operating expense.1/ Such a change in regulations would impose a significant impact on taxes received. Our preliminary calculation of taxes paid under AS 43.21 indicates that, as an example, the 1978 tax base of $1,780,402,000 would drop by $672,653,000 or 38%.2/ The taxes produced would consequently drop by a similar percentage or approximately $63,596,000. While the tax benefit to the covered taxpayers is a decrease in tax obligations of 38% industry wide, some taxpayers, depending on their unique circumstances, would stand to save over 100% of their tax obligations (resulting in a net operating loss) while others would see only minor savings. However, a weighted average among all taxpayers clearly places the bulk of the tax savings at between 30 and 40%, as noted.

1/ Whether a regulation alone can permit this change is the subject of an opinion request to the Attorney General.

2/ Because of the nature of reporting taxes, the estimates of IDCs are based only on those reported under development cost deductions. 15 AAC 12.260. There also may be IDCs claimed under the present acquisition cost deductions (15 AAC 12.250) but these figures cannot be readily extracted. However, for purposes of calculating impact, the percentage figures, ratios and adjusted tax receipts would remain about the same as estimated or would show a slightly greater benefit for the taxpayer.

ALASKA STATE LEGISLATURE - HOUSE OF REPRESENTATIVES

REPRESENTATIVE JOE McKINNON
POUCH V, JUNEAU, ALASKA 99811

February 4, 1980

Thomas K. Williams, Commissioner
Department of Revenue
Pouch S
Juneau, Alaska 99811

Dear Tom:

Re: Proposed changes to 15 AAC 12; regulations on the Oil and Gas Corporate Income Tax

We are very concerned, as you know, over the proposed changes to the regulations on the Oil and Gas Corporate Income Tax (15 AAC 12). We urge you to postpone any action on these regulation changes until we have had more time to review them. Our specific concerns are the proposed changes to sections 240, 250 and 260, which provide for the direct deduction of drilling costs as operating costs. We are also concerned about allowing methods other than unit-of-production depreciation, which is the method specifically mentioned in the statutes.

During deliberations over the Oil and Gas Corporate Income Tax legislation, the Department of Revenue relied on work by Jerome M. Zeifman and Kenneth G. Ainsworth. In their January 1977 report entitled The Taxation of the Petroleum Industry Under Alaska's Corporate Income Tax, Ziefman and Ainsworth cite two major problems. The first was what they called an "eroded tax base". This was due to Federal tax subsidies historically provided to the petroleum industry. The second problem was that Alaska was using an apportionment formula, which did not fairly reflect the true amount of business being done in the state.

Both these problems stemmed from the fact that Alaska had delegated to Congress the responsibility for determining the corporate income tax base. By adopting certain provisions of the Internal Revenue Code, the State was inadvertantly

AGU 785828

adopting Federal deductions designed as tax subsidies. The most notable of these, as Ziefman and Ainsworth pointed out, was the "expensing of intangible drilling costs." Furthermore, by adopting an apportionment formula based on the Uniform Division of Income for Tax Purposes Act, the State was not taxing the petroleum industry on a manner which truly reflected their profits made in the State. The effect, as stated by Richard Kilgore of the Walter J. Levy Consultants Corporation before a joint House-Senate Resources Committee hearing on March 21, 1977, was "an effective rate of taxation instead of something like 9.4% a rate of taxation, roughly a quarter of that, two to two and a half percent."

That the intent of SCS CSHB 322 was to solve both of these problems is clear. In a letter dated July 5, 1978 to the House Speaker and Senate President, Governor Hammond wrote:

> Oil and gas corporations have been paying an effective tax rate substantially below the nominal tax rate of 9.4 per cent and substantially below what other local corporations would pay on the same income earned on the same assets in the state. The passage of this bill culminates three years of joint effort by the executive and legislative branches to rectify substantial defects in the former taxation scheme which, by incorporating various federally available tax loopholes and by using an inappropriate apportionment formula, allowed oil and gas corporations to avoid their fair share of the state tax burden. (1978 House Journal Final Supplement, p. 13).

To now reincorporate the "federally available tax loophole" of expensing of intangible drilling costs by regulation appears to be directly in conflict with the intent of AS 43.21. (ch 110 SLA 1978).

Plus, the fact that this proposed change to the regulations is of questionable legality is evident in the request for a legal opinion from Joseph K. Donohue, Deputy Commissioner of Revenue to Wilson Condon, Deputy Attorney General, dated November 2, 1979. The Department of Revenue claims the question of law centers around an interpretation of AS 43.21.020(c)(4), which defines operating expenses allowed as direct deductions. Under AS 43.21.020(c)(4), there is no specific reference to drilling costs. The Department has apparently mistakenly concluded that if drilling cost are not indirect costs, they may be deducted.

We would like to bring to the Department's attention AS 43.21.020(c)(8) which provides the only reference in the statutes which directly relates to "drilling costs." This subsection explicitly states that "dry hole" costs are allowed as direct deductions. We emphasize here that this apples only to "dry hole" costs and not drilling costs per se.

Returning to the legislative history on taxes in general, it is clear that SCS CSHB 322 was not the first attempt to rid the state tax base of "federally available tax loopholes." On February 25, 1975, Governor Hamm . wrote to the House Speaker regarding HB 208:

> I am submitting this bill for the purpose of closing certain corporate tax loopholes. The bill would eliminate the foreign tax credit, the depletion allowance, and the exemptions for domestic international sales corporations (DISC), and would place a limit on the amount of investment credit for Alaska income tax purposes. (1975 House Journal 295).

After the passage of CSHB 208 (Fi .. am S (ch 153 SLA 1975), the only other significant "tax loophole" left was expensing of intangibles.

We understand that a large measure of your concern arises from the current lawsuit over AS 43.21. We believe that many of the complaints in the lawsuit can be rendered moot by changes to the statutes which will have little impact on revenue. We remind you of the letter the Attorney General wrote to Governor Hammond on June 22, 1978, in which Avrum Gross concluded, that:

> We herefore simply reiterate our advice to the Department of Revenue and state that, in our view there are no constitutional or legal issues which would be fatal to the implementation of the new income tax.

I think you can understand our concerns. We are available at any time to discuss them with you further, and also to work with you on statutory changes to which address substantive legal points concerning the lawsuit over AS 43.21. Please send us a copy of the latest annual consolidated

report of state revenues and taxation policies required under AS 43.21.110.

Sincerely,

Joe

Joe McKinnon

cc: Joseph K. Donohue, Deputy Commissioner of Revenue
Rob Johnson, Director, Div. of Petroleum Revenue
Representative Terry Gardiner
Representative Russ Meekins

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

DIVISION OF PETROLEUM REVENUE

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January 31, 1980

The Honorable Joseph H. McKinnon
Alaska House of Representatives
Pouch Y, State Capitol
Juneau, Alaska 99811

Attn: Bob Williams

Re: Income Tax Regulations

Dear Sir:

Attached as requested by your staff is a copy of statements submitted by the petroleum industry at recent hearings on Oil and Gas Corporate Income Tax regulations.

Sincerely,

Robert M. Johnson
Director

Attachments

RMJ/rdm

04-D7L11

AGO 785836

COMMENTS BY MARK L. HAZELWOOD
ON BEHALF OF THE ALASKA OIL AND GAS ASSOCIATION
AT HEARINGS ON PROPOSED ALASKA OIL AND GAS CORPORATE
INCOME TAX REGULATIONS
ANCHORAGE, ALASKA
JANUARY 24, 1980

INTRODUCTION

MY NAME IS MARK L. HAZELWOOD AND I AM AN ATTORNEY IN THE TAX DEPARTMENT OF ATLANTIC RICHFIELD COMPANY. I HAVE BEEN REQUESTED BY THE ALASKA OIL AND GAS ASSOCIATION (AOGA) TO PRESENT THE ASSOCIATION'S VIEWS REGARDING THE PROPOSED REGULATIONS ISSUED BY THE DEPARTMENT OF REVENUE ON DECEMBER 17, 1979 TO AMEND EXISTING REGULATIONS UNDER CHAPTER 21 OF TITLE 43 OF THE ALASKA STATUTES, THE ALASKA OIL AND GAS CORPORATE INCOME TAX.

INASMUCH AS THE ALASKA INCOME TAX HAS A SIGNIFICANT IMPACT ON OUR INDUSTRY'S ACTIVITIES IN THE STAT WE TRU T THAT OUR TESTIMONY AT THIS HEARING WILL EVIDENCE OUR CONTINUING INTEREST AND CONCERN NOT ONLY WITH RESPECT TO THE SUBJECT MATTER COVERED IN THE PROPOSED REGULATIONS BUT ALSO ALL OTHER ASPECTS OF THE OIL AND GAS CORPORATE INCOME TAX.

AOGA RECOGNIZES THE DIFFICULTIES ASSOCIATED WITH IMPLEMENTING THIS TAX LAW, CONSIDERING ITS UNIQUE AND COMPLEX NATURE, AND COMMENDS YOUR EFFORTS TO DRAFT AND ADOPT, WITHIN THE PARAMETERS OF THE EXISTING LAW, WELL-REASONED REGULATIONS. WE WELCOME THE OPPORTUNITY TO PRESENT OUR VIEWS AT THIS HEARING AND HOPE THAT OUR COMMENTS AND SUGGESTIONS WILL BE OF ASSISTANCE TO THE

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DEPARTMENT IN PROMULGATING FINAL REGULATIONS.

THE ASSOCIATION, BY PARTICIPATING IN THIS HEARING, DOES NOT CONCEDE, HOWEVER, THAT THE CORPORATE INCOME TAX LAW AS ENACTED IN CHAPTER 21 IS CONSTITUTIONAL OR OTHERWISE LEGAL IN OUR OPINION, CHAPTER 21 AS ENACTED IS UNCONSTITUTIONAL BECAUSE IT RESULTS IN IMPERMISSIBLE DUPLICATIVE TAXATION AND AN IMPROPER BURDEN ON INTERSTATE COMMERCE IN VIOLATION OF THE COMMERCE CLAUSE OF THE UNITED STATES CONSTITUTION AND BECAUSE IT VIOLATES THE RESTRICTIONS ON EXTRATERRITORIAL TAXATION EMBODIED IN THE DUE PROCESS CLAUSE OF THE FOURTEENTH AMENDMENT OF THE UNITED STATES CONSTITUTION AND ARTICLE I, SECTION 7 OF THE ALASKA CONSTITUTION. FURTHERMORE, WE BELIEVE CHAPTER 21 UNLAWFULLY DISCRIMINATES AGAINST MEMBERS OF THIS ASSOCIATION BY SUBJECTING THEM TO A METHOD OF TAXATION MORE BURDENSOME THAN THAT IMPOSED ON ANY OTHER INDUSTRY IN THE STATE THEREBY VIOLATING THE EQUAL PROTECTION OF THE LAWS AND THE DUE PROCESS CLAUSES OF THE UNITED STATES AND ALASKA CONSTITUTIONS. ACCORDINGLY, OUR COMMENTS AND SUGGESTIONS ARE OFFERED WITH THE UNDERSTANDING THAT PARTICIPATION IN THIS HEARING WILL NOT PREJUDICE ANY RIGHTS OF THE ASSOCIATION OR ANY OF ITS MEMBERS IN ANY COURT OR OTHER PROCEEDING TO CONTEND THAT CHAPTER 21 AND THE REGULATIONS ADOPTED PURSUANT THERETO ARE UNCONSTITUTIONAL OR INVALID.

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AOGA'S OBJECTIVE AT THIS HEARING IS TO ASSIST THE DEPARTMENT IN THE DEVELOPMENT OF REGULATIONS WHICH (1) WOULD RESULT IN A FAIR AND EQUITABLE INTERPRETATION OF THE STATUTE CONSISTENT WITH LEGISLATIVE INTENT, (2) WOULD PROMOTE EASE OF ADMINISTRATION TO ALLOW EACH TAXPAYER TO DISCHARGE ITS INCOME TAX LIABILITY WITH A REASONABLE DEGREE OF CERTAINTY BASED ON INFORMATION AVAILABLE TO THE TAXPAYER AND (3) WOULD AVOID THE PROSPECT OF FURTHER CONTROVERSY BETWEEN OUR INDUSTRY AND THE STATE OF ALASKA.

MOST OF OUR TESTIMONY TODAY WILL BE DEVOTED TO COMMENTS AND SUGGESTED CHANGES PERTAINING TO SPECIFIC SECTIONS OF THE PROPOSED REGULATIONS. WE DO NOT INTEND, HOWEVER, TO ADDRESS IN OUR ORAL TESTIMONY SUGGESTED WORD CHANGES WHICH ARE BELIEVED NOT TO BE OF A CONTROVERSIAL OR SUBSTANTIVE NATURE.

BEFORE TURNING TO THE PROPOSED REGULATIONS, WE FIRST WOULD LIKE TO MAKE TWO COMMENTS RELATIVE TO OUR OVERALL ASSESSMENT OF THE PROPOSED REGULATIONS. FIRST, AOGA IS DEEPLY CONCERNED ABOUT CERTAIN PROPOSED CHANGES TO THE DETERMINATION OF GROSS VALUE AT THE POINT OF PRODUCTION FOR A TAXPAYER'S OIL AND GAS. THE PROPOSED REGULATIONS PRESENT SERIOUS QUESTIONS CONCERNING (1) THE CONCEPT OF PREVAILING VALUE AS EMPLOYED BY THE DEPARTMENT ESPECIALLY WITH RESPECT TO ITS SCOPE OF APPLICATION, AND (2) THE POTENTIAL TAXATION OF ARTIFICIALLY CREATED INCOME IN CONTRAVENTION OF WELL-ESTABLISHED PRINCIPLES OF STATE INCOME

TAXATION. SUCH SERIOUS QUESTIONS, IF LEFT UNADDRESSED, INVITE CONTROVERSY AND INCREASE THE POTENTIAL OF FUTURE LITIGATION. WE BELIEVE CHANGES CAN BE MADE TO ELIMINATE THESE POTENTIAL PROBLEMS IN A MANNER WHICH IS CONSISTENT WITH THE UNDERLYING INTENT OF THE STATUTE AND WITH THE BEST INTERESTS OF BOTH THE STATE AND OUR INDUSTRY.

SECOND, AOGA IS ENCOURAGED BY THE DEPARTMENT'S ACTION IN PROPOSING REGULATIONS WHICH SPECIFICALLY AUTHORIZE DEDUCTIONS FROM BOTH GROSS PRODUCTION INCOME AND PIPELINE OPERATING REVENUES SIMILAR TO DEDUCTIONS ALLOWED TAXPAYERS UNDER CHAPTER 20, TITLE 43 OF THE ALASKA STATUTES. THIS IS CONSISTENT WITH THE STATUTE AND REPRESENTS A SIGNIFICANT STEP TOWARD MITIGATING THE DISCRIMINATORY TAXATION TO WHICH THE OIL AND GAS INDUSTRY CURRENTLY IS SUBJECTED EVEN THOUGH SUCH PROPOSALS AFFECT ONLY THE TIMING OF PAYMENT BUT NOT THE TOTAL AMOUNT OF TAXES ULTIMATELY TO BE PAID TO THE STATE OF ALASKA.

FOR THE CONVENIENCE OF THE DEPARTMENT, WE WOULD LIKE TO PRESENT COPIES OF OUR SUGGESTED CHANGES TO THE PROPOSED REGULATIONS AT THIS TIME. COPIES OF OUR TESTIMONY WILL BE FURNISHED AT THE CONCLUSION OF THIS PRESENTATION.

THIS CONCLUDES OUR INTRODUCTORY REMARKS AND I NOW WOULD LIKE TO BEGIN OUR DETAILED TESTIMONY WITH SECTION 120, "VALUE AT THE POINT OF PRODUCTION."

SECTION 120

WE BELIEVE THAT SUBSECTION (A) OF SECTION 120 IS NOT NECESSARY AND IS SOMEWHAT MISLEADING AND CONFUSING IN THE CONTEXT OF AN INCOME TAX. ACCORDINGLY, WE ARE SUGGESTING THAT IT BE DELETED AND THE SUBSEQUENT SUBSECTIONS RE-LETTERED.

THE GENERAL APPROACH OF THE REGULATIONS IS TO BEGIN WITH THE PRICE OR OTHER VALUE IN THE MARKET AND NET BACK TO THE POINT OF PRODUCTION BY AN ALLOWANCE FOR TRANSPORTATION COSTS AND, IN THE CASE OF GAS, CERTAIN OTHER COSTS. SUBSECTION (B) OF THE PROPOSED REGULATIONS REFLECTS THIS GENERAL APPROACH WHERE THE VALUE IS BASED ON THE SALES PRICE. IN THE DEPARTMENT'S PROPOSED REGULATIONS, PREVAILING VALUE AT THE POINT OF USE MAY BE SUBSTITUTED FOR SALES PRICE UNDER CERTAIN CIRCUMSTANCES. WE BELIEVE THAT APPROPRIATE LANGUAGE SHOULD BE INSERTED IN PARAGRAPH (1) TO REFLECT THE NETBACK CONCEPT IN SITUATIONS WHERE PREVAILING VALUE IS USED. OUR SUGGESTED LANGUAGE IS CONTAINED IN THE INDUSTRY DRAFT YOU HAVE BEFORE YOU.

A BRIEF EXPLANATION OF OUR SUGGESTED LANGUAGE IS IN ORDER. UNDER THE PROPOSED REGULATIONS, PREVAILING VALUE IS DETERMINED AT THE POINT OF USE OF THE OIL IN THE REFINING PROCESS. ANY NETBACK NECESSARILY MUST REFLECT TRANSPORTATION COSTS FROM THE POINT OF PRODUCTION TO THE POINT OF USE. IT WILL NOT ALWAYS BE TRUE THAT THE POINT OF DELIVERY BY THE SELLER WILL BE THE POINT

OF USE. THUS, IT IS NECESSARY THAT THE REASONABLE COSTS OF TRANSPORTATION ADJUSTMENT BE WORDED TO REFLECT A PROPER ALLOWANCE FOR ALL TRANSPORTATION, WHETHER PAID FOR BY THE SELLER OR ANOTHER PARTY. A SIMPLE EXAMPLE WILL ILLUSTRATE. IN A THIRD PARTY SALE CALLING FOR DELIVERY AT THE PORT OF VALDEZ THE PRICE THE PURCHASER WOULD PAY WOULD TAKE INTO ACCOUNT HIS COST OF TRANSPORTATION FROM THAT POINT TO THE INLET OF THE REFINERY. LIMITING THE COST OF TRANSPORTATION ADJUSTMENT TO TRANSPORTATION FROM THE WELL TO VALDEZ CLEARLY WOULD NOT ADEQUATELY REFLECT ALL TRANSPORTATION COSTS FROM THE POINT OF PRODUCTION TO THE INLET OF THE REFINERY. WE BELIEVE THE SUGGESTED LANGUAGE WILL APPROPRIATELY PERMIT A PROPER ADJUSTMENT FOR ALL TRANSPORTA ION.

THE TAX IMPOSED UNDER CHAPTER 21 IS GENERALLY RECOGNIZED AS AN INCOME TAX. WE SEE NO REASON OR STATUTORY BASIS FOR THE FLOOR INSERTED AS PARAGRAPH (2) IN THE PROPOSED REGULATION. WE FURTHER BELIEVE THAT ITS INCLUSION WOULD RAISE SERIOUS CONSTITUTIONAL IMPLICATIONS IN VIEW OF THE NATURE OF THIS TAX. ACCORDINGLY, WE SUGGEST THAT IT BE STRICKEN.

WE TURN NOW TO ONE OF THE MOST IMPORTANT PARTS OF OUR PRESENTATION TODAY, NAMELY THE CONCEPT OF PREVAILING VALUE AND ITS PLACE, IF ANY, IN THE ADMINISTRATION OF AN INCOME TAX LAW. SUBSECTION (C) OF THE PROPOSED REGULATIONS ADDRESSES THE QUESTION OF WHEN PREVAILING VALUE APPLIES.

WE CANNOT URGE TOO STRONGLY OUR BELIEF THAT PREVAILING VALUE AS A CONCEPT HAS NO PLACE IN INCOME TAX LAW. THE TAX, UNDER CHAPTER

21, WHICH IS IMPOSED AS AN INCOME TAX, MUST BE BASED IN ALL INSTANCES ON INCOME ACTUALLY REALIZED BY THE TAXPAYER AND NOT ON ARTIFICIALLY CREATED INCOME. WE ARE PARTICULARLY CONCERNED ABOUT THE APPLICATION OF ANY SUCH STANDARD AS PREVAILING VALUE ON A HINDSIGHT BASIS YEARS AFTER THE FACT. THIS IS PARTICULARLY TRUE IN TODAY'S MARKET WHERE PRICES MOVE RAPIDLY AND PROBABLY NOT IN ANY DISCERNABLE AND EASILY DEFINED PATTERN. WE BELIEVE THAT ANY SIGNIFICANT RELIANCE ON PREVAILING VALUE RAISES SUBSTANTIAL CONSTITUTIONAL QUESTIONS.

THE ASSOCIATION RECOGNIZES, HOWEVER, THAT THE DEPARTMENT IS CHARGED WITH THE RESPONSIBILITY OF PROMULGATING REGULATIONS WHICH DETERMINE A UNIFORM METHOD OF ESTABLISHING GROSS VALUE AT THE POINT OF PRODUCTION, AND THAT ONE OF THE OPTIONS AFFORDED BY THE GOVERNING LEGISLATION IS TO CONSIDER PREVAILING PRICE OR VALUE. IF PREVAILING VALUE IS TO BE RECOGNIZED IN THE REGULATIONS AT ALL, ITS USE SHOULD BE ON AN EXCEPTION BASIS ONLY. WE ARE CONCERNED, HOWEVER, THAT YOUR LANGUAGE MAY BE APPLIED INDISCRIMINATELY AND RESULT, FOR EXAMPLE, IN THE EXAMINATION OF EVERY TRANSACTION AGAINST A HYPOTHETICAL PREVAILING VALUE STANDARD. THE RESULT WOULD BE ENDLESS DISPUTES WITH TAXPAYERS ON A TRANSACTION BY TRANSACTION BASIS IRRESPECTIVE OF WHETHER THE TAXPAYER HAS FULLY AND CORRECTLY RECORDED AND REPORTED ITS REALIZATION FROM THE TRANSACTION.

THE PROPOSED REGULATIONS RELY ON A TWO PART TEST, WHICH

INVOLVES (1) A PRICE SUBSTANTIALLY LOWER THAN THE DEPARTMENT'S DETERMINATION OF PREVAILING VALUE AT THE POINT OF USE AND (11) THE EXISTENCE OF ONE OF FOUR CONDITIONS. WE DO NOT BELIEVE THAT THE FIRST THREE CONDITIONS REPRESENT REALISTIC TESTS. FURTHERMORE, AS PREVIOUSLY MENTIONED, WE FEEL THAT YOUR PROPOSAL WILL, IN APPLICATION, CAUSE YOUR AUDITORS TO TEST TRANSACTIONS AGAINST THE PREVAILING VALUE STANDARD AND THEN TO DETERMINE WHETHER ONE OF THE FOUR CONDITIONS APPLIES OR MIGHT APPLY. THIS APPROACH IS UNREALISTIC AND SHOULD BE OF ADMINISTRATIVE CONCERN TO THE DEPARTMENT.

THE ASSOCIATION IS CONVINCED THAT THE STATE WOULD BE ADEQUATELY PROTECTED BY LANGUAGE PERMITTING THE APPLICATION OF PREVAILING VALUE ONLY WHERE THE CIRCUMSTANCES SHOW FRAUD OR AN INTENT TO EVADE TAXES. AOGA'S SUGGESTED CHANGES SO PROVIDE.

WE RECOGNIZE THE DEPARTMENT'S RESPONSIBILITY TO AUDIT A TAXPAYER'S RETURN AND TO DETERMINE THAT THE RETURN PROPERLY REFLECTS THE AMOUNTS ACTUALLY REALIZED IN THE TAXPAYER'S TRANSACTIONS. AOGA IS CONCERNED, HOWEVER, THAT IF THE APPLICATION OF THE REGULATIONS GOES BEYOND ACTUAL REALIZATION OF INCOME AND THUS VIOLATES THE CONCEPTS OF INCOME TAXATION, THERE WILL BE FREQUENT AND SERIOUS CONFLICTS BETWEEN THE INDUSTRY AND THE STATE.

OUR FINAL COMMENT WITH RESPECT TO SECTION 120

RELATES TO SUBSECTION (D). THE SAME LANGUAGE IS CONTAINED IN SECTION 110 OF THE EXISTING REGULATIONS. TO AVOID DUPLICATION WE SUGGEST THAT SUBSECTION (D) BE STRICKEN.

SECTION 122

THE ASSOCIATION HAS NO COMMENTS WITH RESPECT TO SECTION 122 OF THE PROPOSED REGULATIONS OTHER THAN THE SUGGESTED TECHNICAL CHANGE AT THE END OF SUBSECTION (B)(1).

SECTION 124

AS WE STATED EARLIER IN OUR TESTIMONY, THE BASIC CONCEPT EMPLOYED IN THE REGULATIONS IS TO DETERMINE GROSS VALUE AT THE POINT OF PRODUCTION BY A NETBACK FROM THE POINT OF SALE OR USE. PREVAILING VALUE IS A SUBSTITUTE FOR SALES PRICE AND ITS DETERMINATION SHOULD NOT INVOLVE A NETBACK CALCULATION. TO CONFORM WITH SECTION 122, AND TO BE CONSISTENT WITH THIS CONCEPT, WE SUGGEST THAT THE LANGUAGE RELATING TO REASONABLE COSTS OF TRANSPORTATION IN SUBSECTIONS (A) AND (B) OF THE PROPOSED REGULATIONS BE DELETED.

SECTION 130

SECTION 130 OF THE PROPOSED REGULATIONS SPECIFIES TWO METHODS FOR DETERMINING THE REASONABLE COSTS OF TRANSPORTATION WHICH MAY BE DEDUCTED IN ARRIVING AT THE GROSS VALUE AT THE

POINT OF PRODUCTION. EXCEPT IN UNUSUAL CIRCUMSTANCES, THE PROPOSED REGULATIONS WILL LIMIT THE TAXPAYER'S TRANSPORTATION DEDUCTION TO THE ACTUAL COSTS DETERMINED UNDER SECTION 132. IN CASES WHERE THE UNUSUAL CONDITIONS SET FORTH IN SECTION 150(B) EXIST, THE TRANSPORTATION DEDUCTION WILL BE THE FAIR MARKET VALUE OF SUCH TRANSPORTATION DETERMINED IN THE MANNER PRESCRIBED IN SECTION 132. AS A PRACTICAL MATTER, ACTUAL COSTS WILL BE REQUIRED TO BE USED IN MOST, IF NOT ALL, CASES.

WE BELIEVE THAT TAXPAYERS SHOULD BE PERMITTED AN ELECTION TO USE FAIR MARKET VALUE IN LIEU OF ACTUAL COSTS. OUR PROPOSED LANGUAGE WOULD PROVIDE THE TAXPAYER WITH AN ELECTION WHICH COULD BE CHANGED ONLY UPON APPROVAL BY THE DEPARTMENT. WE THINK THIS CHANGE IS NECESSARY TO PREVENT THE INCOME (OR LOSS) OF THE TAXPAYER'S MARINE TRANSPORTATION OPERATIONS FROM IMPROPERLY INCREASING (OR DECREASING) THE GROSS VALUE AT THE POINT OF PRODUCTION. THE INCLUSION OF VALUE ADDED BY MARINE TRANSPORTATION IN THE GROSS VALUE AT THE POINT OF PRODUCTION IS INCONSISTENT WITH THE SEPARATE ACCOUNTING CONCEPT FOR TAXATION OF OIL AND GAS PRODUCTION INCOME UNDER CHAPTER 21.

THE PROVISION FOR A REASONABLE RATE OF RETURN ON THE ACQUISITION COST OF A VESSEL OVER ITS EXPECTED LIFE DOES NOT, IN AND OF ITSELF, REFLECT THE CURRENT INCOME ATTRIBUTABLE TO A VESSEL'S OPERATION. FURTHERMORE, THE INCLUSION OF VESSEL FACTOR DATA IN THE FACTORS USED TO APPORTION ALL OTHER INCOME

OF THE TAXPAYER SIMPLY COMPOUNDS THE INEQUITY. OUR PROPOSED LANGUAGE WOULD PROVIDE A TAXPAYER WITH AN ELECTION TO ADOPT THE FAIR MARKET VALUE APPROACH TO AVOID INCLUDING ANY INCOME (OR LOSS) ATTRIBUTABLE TO MARINE TRANSPORTATION IN THE GROSS VALUE AT THE POINT OF PRODUCTION CALCULATION AND WOULD HELP TO REDUCE FUTURE CONTROVERSIES IN THIS AREA. WHILE THE ARGUMENT FOR SUCH AN ELECTION HAS BEEN MADE BEFORE IN A PRODUCTION TAX CONTEXT, THE PRINCIPLE IS EVEN MORE SOUND IN AN INCOME TAX CONTEXT.

SECTION 132

WITH RESPECT TO SECTION 132 OF THE REGULATIONS, WE HAVE SEVERAL CHANGES TO SUGGEST. AOGA BELIEVES THE LIMITING LANGUAGE IN SUBPARAGRAPH (B) OF SUBSECTION (B)(3) SHOULD BE REMOVED BECAUSE IT IS NEITHER LOGICAL NOR EQUITABLE TO LIMIT POSITIONING COSTS TO ONE SIDE OF A TRANSACTION IF THE TAXPAYER IS OBLIGATED BY THIRD PARTY CONTRACT TO PAY POSITIONING COSTS UPON CESSATION OF USE OF A VESSEL IN THE ALASKA TRADE. MOREOVER, THE LANGUAGE WHICH WE SUGGEST BE DELETED IS INCONSISTENT WITH THE DEFINITION OF THE TERM "POSITIONING COST" SET FORTH IN SUBSECTION (G).

IN SUBPARAGRAPH (D)(I) OF SUBSECTION (B)(3), THE ASSOCIATION FEELS IT IS IMPORTANT THAT THE WORDS "BUT NOT", WHICH EXPRESSLY PROHIBIT THE INCLUSION OF COSTS OF IMPROVEMENTS IN THE DEFINITION OF "ACQUISITION COSTS", BE DELETED. TO DIFFERENTIATE BETWEEN ACQUISITION COSTS AND COSTS OF IMPROVEMENTS FOR PURPOSES OF CALCULATING DEPRECIATION AND RETURN ON INVESTMENT IS ILLOGICAL, INEQUITABLE AND INCONSISTENT WITH THE STATE'S

POLICY OF ENCOURAGING, IF NOT MANDATING, THE RETROFITTING AND FURTHER IMPROVEMENT OF TANKERS USED IN THE ALASKA TRADE. THIS PROVISION NOT ONLY DENIES THE TAXPAYER A RETURN ON ITS INVESTMENT IN IMPROVEMENTS, BUT ALSO DENIES THE TAXPAYER ANY DEPRECIATION ON THOSE IMPROVEMENTS BECAUSE OF THE INTERRELATIONSHIP OF THE DEPRECIATION AND RATE OF RETURN PROVISIONS OF THE REGULATIONS. WE CAN SEE NO RATIONALE FOR EXCLUDING THESE COSTS FROM THE CALCULATION OF REASONABLE TRANSPORTATION COSTS AND URGE THE REMOVAL OF THE LIMITATION. UNDER OUR SUGGESTED LANGUAGE, ANY DEPRECIATION OR RETURN ON INVESTMENT ALLOWED THE TAXPAYER WOULD BE LIMITED TO THAT WHICH IS ATTRIBUTABLE SOLELY TO THE EMPLOYMENT OF THE VESSEL IN THE ALASKA TRADE. FOR THE SAME REASONS NOTED ABOVE, WE HAVE INSERTED SIMILAR SUGGESTED CHANGES TO THE PROVISIONS COVERING THE TRANSPORTATION OF LNG.

WITH RESPECT TO SUBSECTION (C) OF SECTION 132, WE SUGGEST THAT THE TERMS "AND (C)" BE ADDED FOLLOWING THE REFERENCE TO SECTION 130(B) TO CONFORM WITH OUR EARLIER SUGGESTION REGARDING THAT SECTION. WE ALSO SUGGEST THAT THE REGULATIONS PROVIDE THAT THE DEPARTMENT MAY AUTHORIZE TAXPAYERS TO USE ONE OF THE TWO METHODS FOR DETERMINING THE FAIR MARKET VALUE OF LIKE TRANSPORTATION. IN OUR PROPOSED SUBPARAGRAPH (A), WE HAVE ADDED LANGUAGE THAT WOULD MAKE CLEAR THAT THE THIRD PARTY CHARTERS UTILIZED FOR COMPARISON PURPOSES WOULD BE CHARTERS OF "LIKE VESSELS". IN OUR PROPOSED SUBPARAGRAPH (B), WE ARE SUGGESTING THE ADDITION OF AN ALTERNATIVE APPROACH WHICH WOULD UTILIZE

RATES PUBLISHED BY THE ASSOCIATION OF SHIPBROKERS AND AGENTS, U.S.A., INC. WE BELIEVE EITHER OF THESE STANDARDS SHOULD BE AVAILABLE FOR USE, WITH THE PERMISSION OF THE DEPARTMENT, IN DETERMINING FAIR MARKET VALUE FOR MARINE TRANSPORTATION.

SECTION 240

IN PRIOR HEARINGS, THE ASSOCIATION HAS ADVOCATED THAT COSTS INCURRED FOR AND IN SUPPORT OF DRILLING CONSTITUTE PROPER ITEMS OF DIRECT OPERATING COSTS UNDER THE STATUTE. WE ARE PLEASED TO NOTE THAT SECTION 240 OF THE PROPOSED REGULATIONS EXPRESSLY AUTHORIZES DEDUCTION OF THESE COSTS. WITH RESPECT TO SECTION 240(C) AS PROPOSED, WE HAVE SUGGESTED THE ADDITION OF TWO ITEMS TO BE INCLUDED AS DIRECT OPERATING COSTS AFTER COMMENCEMENT OF COMMERCIAL PRODUCTION. IN THE ASSOCIATION'S SUGGESTED LANGUAGE, THESE APPEAR AS PARAGRAPHS (1) AND (2) OF SECTION 240(C).

PARAGRAPH (1) SIMPLY ADDS THE COSTS OF GEOLOGICAL AND GEOPHYSICAL WORK CONDUCTED ON THE LEASE OR PROPERTY AND IS, IN ESSENCE, SIMPLY AN EXTENSION OF THE SAME TYPE OF DEDUCTION ALLOWED UNDER SUBSECTION(B)(1) WHEN SUCH WORK IS DONE PRIOR TO COMMENCEMENT OF COMMERCIAL PRODUCTION. WE SEE NO REASON FOR ALLOWING THESE TYPES OF COSTS BEFORE COMMERCIAL PRODUCTION COMMENCES WHILE NOT ALLOWING THEM AFTER COMMERCIAL PRODUCTION COMMENCES. ALTHOUGH IT IS PROBABLY TRUE THAT MOST OF THIS TYPE OF WORK OCCURS PRIOR TO THE COMMENCEMENT OF COMMERCIAL PRODUCTION, IT IS NOT UNCOMMON FOR A TAXPAYER TO ENGAGE IN "G&G" WORK ON A LEASE OR PROPERTY TO TEST CONDITIONS FOR OTHER POTENTIAL PRODUCTION THAT MIGHT EXIST AT DIFFERENT DEPTHS OR IN DIFFERENT AREAS FROM THE EXISTING PRODUCTION.

PARAGRAPH (2) OF SECTION 240(C) MERELY ADDS RENTALS

AND SHUT-IN ROYALTIES AS A DEDUCTIBLE COST. THE PROVISION BEING ADDED IS IN FACT IDENTICAL TO THE LANGUAGE OF PARAGRAPH (2) OF SECTION 240(B). AS IN THE CASE OF "G&G" WORK, WE SEE NO REASON WHY THIS ITEM SHOULD NOT ALSO BE DEDUCTIBLE AFTER COMMENCEMENT OF COMMERCIAL PRODUCTION. A LEASE AGREEMENT COULD PROVIDE FOR SHUT-IN ROYALTIES AND, WHILE IT MAY NOT BE A VERY COMMON SITUATION, THESE COULD BECOME PAYABLE IN THE EVENT OF AN EXTRAORDINARY SHUT-DOWN OF PRODUCTION.

OTHER THAN THE TWO CHANGES JUST NOTED, OUR DRAFT MAKES VERY MINOR CHANGES IN WORDING TO THE REMAINDER OF PROPOSED SECTION 240(C).

SECTION 250

ALTHOUGH SECTION 250 WAS NOT CONTAINED IN THE PROPOSED REGULATIONS, AOGA IS SUGGESTING THE ADDITION OF LANGUAGE TO SECTION 250(G)(2). EXCEPT FOR THE WORDS "NOT DEDUCTED UNDER SEC. 240 OF THIS CHAPTER", THIS PROVISION IS IDENTICAL TO SECTION 250(G)(2) OF THE EXISTING REGULATIONS. THIS PROVISION, WITH THE ADDED WORDS, HAS BEEN INSERTED TO ENSURE THAT ANY DRILLING COSTS NOT DEDUCTED UNDER SECTION 240 WILL REMAIN AS A PART OF THE "ACQUISITION COSTS" OF A LEASE OR PROPERTY AND BE SUBJECT TO A DEDUCTION FOR ABANDONMENT OR AMORTIZATION UNDER SECTION 250.

SECTION 260

SECTION 260 OF THE PROPOSED REGULATIONS PERTAINS TO THE DEDUCTION FOR DEVELOPMENT COSTS. SUBSECTION (c) OF THE REGULATION PROVIDES THAT AFTER THE COMMENCEMENT OF COMMERCIAL PRODUCTION THE TAXPAYER'S DEVELOPMENT COSTS FOR A LEASE OR PROPERTY MUST BE DEPRECIATED. THE PROPOSED REGULATIONS CONTAIN SEVERAL CHANGES IN THE METHODOLOGY HERETOFORE ALLOWED IN DETERMINING THE TAXPAYER'S DEPRECIATION DEDUCTION FOR DEVELOPMENT COSTS. THESE PROPOSED CHANGES ARE CONSISTENT WITH THE AUTHORITY GRANTED THE DEPARTMENT UNDER A.S. 43.21.020(c)(5). ALTHOUGH WE ARE SUPPORTIVE OF THE DEPARTMENT'S OBJECTIVES IN MAKING THE PROPOSED CHANGES, WE OFFER THE FOLLOWING COMMENTS AND SUGGESTIONS FOR YOUR CONSIDERATION.

IT FIRST SHOULD BE RECOGNIZED THAT, ALTHOUGH THE DEDUCTION FOR DEPRECIATION IS DERIVED FROM A MATHEMATICAL FORMULA, THERE ARE A MYRIAD OF INTRICACIES RELATING TO THE APPLICATION OF SUCH A FORMULA THAT CAN LEAD TO COMPLEX PROBLEMS. ACCORDINGLY, EXTREME CARE MUST BE EXERCISED SO AS TO ENSURE THAT INTENDED RESULTS ARE ACHIEVED. AS WRITTEN, THE PROPOSED REGULATION COULD LEAD TO UNINTENDED RESULTS. FOR EXAMPLE, THE REGULATIONS CORRECTLY DESCRIBE THE MANNER OF COMPUTING DEPRECIATION UNDER THE UNIT OF PRODUCTION, SUM OF THE YEARS-DIGITS, DOUBLE DECLINING BALANCE AND STRAIGHT-LINE METHODS OF DEPRECIATION. HOWEVER, THESE METHODS, WHEN USED IN

CONJUNCTION WITH THE OTHER PROVISIONS OF SECTION 260, POSE SIGNIFICANT PROBLEMS.

ONE PROBLEM ARISES FROM THE FACT THAT THE PROPOSED REGULATION IMPLICITLY, IF NOT EXPLICITLY, PROVIDES FOR A SINGLE OPEN-ENDED COMPOSITE ACCOUNT FOR PURPOSES OF COMPUTING DEPRECIATION. A COMPOSITE ACCOUNT IS ONE WHICH INCLUDES ALL THE ASSETS OF A BUSINESS IN ONE DEPRECIATION ACCOUNT. THE COMPOSITE ACCOUNT PROVIDED FOR IN THE PROPOSED REGULATIONS IS OPEN-ENDED BECAUSE IT INCLUDES ON A CUMULATIVE BASIS DEVELOPMENT COSTS THAT MAY HAVE BEEN INCURRED OVER SEVERAL TAXABLE YEARS. THE USE OF AN OPEN-ENDED COMPOSITE ACCOUNT CAN LEAD TO SUBSTANTIAL PROBLEMS IN DETERMINING THE DEPRECIATION DEDUCTIONS ALLOWED UNDER THE SUM OF THE YEARS-DIGITS, DOUBLE DECLINING BALANCE AND STRAIGHT-LINE METHODS OF DEPRECIATION BECAUSE THE ESTIMATED REMAINING LIFE OF THE COMPOSITE ACCOUNT IS CONSTANTLY CHANGING. FURTHERMORE, THE USE OF AN OPEN-ENDED ACCOUNT CAN RESULT IN MUCH HIGHER DEPRECIATION DEDUCTIONS THAN DEDUCTIONS CALCULATED USING CLOSED-END ACCOUNTS. A CLOSED-END OR "VINTAGE" COMPOSITE ACCOUNT IS AN ACCOUNT WHICH WOULD INCLUDE ALL OF THE TAXPAYER'S DEVELOPMENT COSTS FIRST ELIGIBLE FOR DEPRECIATION IN A PARTICULAR TAXABLE YEAR.

AS AN EXAMPLE OF THE DIFFERENCES BETWEEN THE TWO TYPES OF ACCOUNTS, ASSUME THAT A TAXPAYER HAD AT THE BEGINNING OF THE TAXABLE YEAR $1,000 OF DEVELOPMENT COSTS WHICH WERE FULLY DEPRECIATED AND THAT DURING THE TAXABLE YEAR HE INCURRED

AN ADDITIONAL $200 OF DEVELOPMENT COSTS WHICH WERE ELIGIBLE FOR DEPRECIATION. IN DETERMINING THE TAXPAYER'S DEPRECIATION DEDUCTION USING THE STRAIGHT-LINE METHOD AND ASSUMING A 10-YEAR USEFUL LIFE, THE DEPRECIATION WOULD BE CALCULATED AS FOLLOWS:

(1) IF AN OPEN-ENDED ACCOUNT IS USED, THE AVERAGE ORIGINAL DEVELOPMENT COSTS IN THE DEPRECIATION ACCOUNT WOULD AMOUNT TO $1100 WHICH IS THEN MULTIPLIED BY A 10% DEPRECIATION RATE, PROVIDING A DEPRECIATION DEDUCTION OF $110 IN THE FIRST YEAR BASED ON ONLY AN ADDITIONAL $200 OF DEPRECIABLE DEVELOPMENT COSTS.

(2) IF A CLOSED-END DEPRECIATION ACCOUNT IS USED, THE AVERAGE ORIGINAL DEVELOPMENT COSTS IN THE CURRENT YEAR VINTAGE ACCOUNT WOULD EQUAL $100 WHICH WHEN MULTIPLIED BY THE 10% DEPRECIATION RATE PROVIDES A DEDUCTION OF $10 IN THE FIRST YEAR.

THUS, THE EXAMPLE ILLUSTRATES THAT UNDER CERTAIN CIRCUMSTANCES THE USE OF AN OPEN-ENDED RATHER THAN A CLOSED-END DEPRECIATION ACCOUNT CAN RESULT IN SIGNIFICANTLY GREATER AMOUNTS OF DEPRECIATION.

ALTHOUGH THE USE OF AN OPEN-ENDED COMPOSITE ACCOUNT YIELDS GREATER DEPRECIATION DEDUCTIONS, THE ASSOCIATION RECOGNIZES THAT THIS RESULT IS UNINTENDED AND SUGGESTS THAT THE PROPOSED REGULATIONS SHOULD BE CHANGED. ACCORDINGLY, SECTION 260(D) OF AOGA'S SUGGESTED CHANGES PROVIDES THAT EACH TAXPAYER MUST ESTABLISH A CLOSED-END VINTAGE ACCOUNT FOR DEVELOPMENT COSTS FIRST ELIGIBLE FOR DEPRECIATION DURING THE TAXABLE YEAR. "DEVELOPMENT COSTS FIRST ELIGIBLE FOR

DEPRECIATION" DURING A PARTICULAR TAXABLE YEAR WOULD INCLUDE (1) DEVELOPMENT COSTS PAID OR INCURRED DURING THAT YEAR WITH RESPECT TO A LEASE OR PROPERTY THAT HAD COMMERCIAL PRODUCTION FROM (OR ALLOCATED TO) IT AND (2) DEVELOPMENT COSTS PAID OR INCURRED IN PRIOR TAXABLE YEARS WITH RESPECT TO A LEASE OR PROPERTY THAT FIRST HAD COMMERCIAL PRODUCTION FROM (OR ALLOCATED TO) IT DURING THAT TAXABLE YEAR.

AS AN ILLUSTRATION, SUPPOSE A TAXPAYER INCURS DEVELOPMENT COSTS ELIGIBLE FOR DEPRECIATION OF $10 MILLION IN 1982 AND $20 MILLION IN 1983. FOR THE TAXABLE YEAR 1982, THE TAXPAYER WOULD CALCULATE DEPRECIATION FOR ITS 1982 VINTAGE ACCOUNT BASED ON $10 MILLION OF DEVELOPMENT COSTS. FOR THE TAXABLE YEAR 1983, THE TAXPAYER WOULD CALCULATE DEPRECIATION SEPARATELY FOR THE 1982 VINTAGE ACCOUNT BASED ON $10 MILLION OF DEVELOPMENT COSTS AND FOR THE 1983 VINTAGE ACCOUNT BASED ON $20 MILLION OF DEVELOPMENT COSTS. IF THE TAXPAYER INCURRED $30 MILLION OF DEVELOPMENT COSTS IN 1984 FOR A LEASE OR PROPERTY WHICH WOULD NOT HAVE COMMERCIAL PRODUCTION FROM (OR ALLOCATED TO) IT UNTIL 1985, THE $30 MILLION WOULD FALL IN THE 1985 VINTAGE ACCOUNT FOR PURPOSES OF CALCULATING THE TAXPAYER'S DEPRECIATION.

ANOTHER PROBLEM PERTAINING TO THE CALCULATION OF DEPRECIATION USING A METHOD PRESCRIBED IN SECTION 260(c) AND AN OPEN-ENDED COMPOSITE ACCOUNT WILL OCCUR WHEN THE TAXPAYER

CHANGES ITS METHOD OF COMPUTING DEPRECIATION UNDER SECTION 260(D). THE EXAMPLE IN THE PROPOSED REGULATIONS MAKES IT CLEAR THAT IN SWITCHING TO THE STRAIGHT-LINE METHOD, IT IS INTENDED THAT THE TAXPAYER USE ITS AVERAGE ORIGINAL DEVELOPMENT COSTS IN DETERMINING ITS DEPRECIATION DEDUCTION. SUCH A DEDUCTION WOULD GREATLY EXCEED THAT WHICH WOULD BE CALCULATED USING THE UNDEPRECIATED BALANCE OF THE ACCOUNT DEPRECIATED OVER ITS REMAINING USEFUL LIFE. ACCORDINGLY, SECTION 260(E) OF AOGA'S SUGGESTED CHANGES PROVIDES, IN PART, THAT WHEN A CHANGE OF METHOD IS MADE FOR A VINTAGE ACCOUNT, ONLY THE TAXPAYER'S UNDEPRECIATED DEVELOPMENT COSTS (OFFSET BY SALVAGE VALUE, IF ANY) SHALL BE RECOVERED OVER THE REMAINING USEFUL LIFE OF THAT ACCOUNT USING THE NEW METHOD OF DEPRECIATION.

AOGA FURTHER RECOMMENDS IN SECTION 260(E) OF ITS SUGGESTED CHANGES THAT THE TERM "SALVAGE VALUE" BE DEFINED AS THE AMOUNT ESTIMATED TO BE REALIZABLE UPON THE DISPOSITION OF AN ASSET WHEN IT IS NO LONGER USEFUL IN THE TAXPAYER'S TRADE OR BUSINESS AND IS TO BE RETIRED FROM SERVICE BY THE TAXPAYER, BUT ONLY TO THE EXTENT THAT THE ESTIMATED SALVAGE VALUE OF A VINTAGE ACCOUNT EXCEEDS AN AMOUNT EQUAL TO 10% OF THE ORIGINAL DEVELOPMENT COSTS FOR THAT VINTAGE ACCOUNT. THE 10% ADJUSTMENT TO ESTIMATED SALVAGE VALUE IS INTENDED TO REDUCE CONFLICTS BETWEEN TAXPAYERS AND THE DEPARTMENT INASMUCH AS OUR EXPERIENCE INDICATES THAT MOST ASSETS USED IN ALASKA HAVE AN ESTIMATED

SALVAGE VALUE OF LESS THAN 10% AT THE TIME THEY ARE RETIRED FROM SERVICE. THIS SALVAGE ADJUSTMENT IS SIMILAR TO ONE CURRENTLY AFFORDED TAXPAYERS UNDER CHAPTER 20.

THE PROPOSED REGULATIONS DO NOT PROVIDE A DEPRECIABLE LIFE FOR DEVELOPMENT COSTS, WHICH IS ESSENTIAL TO THE CALCULATION OF DEPRECIATION UNDER THE STRAIGHT-LINE, SUM OF THE YEARS-DIGITS AND DOUBLING DECLINING BALANCE METHODS OF DEPRECIATION. AOGA RECOMMENDS IN SECTION 260(F) OF ITS SUGGESTED CHANGES THAT THE DEPRECIABLE LIFE BE DETERMINED BY USING THE LOWER LIMIT ASSET DEPRECIATION RANGE GUIDELINE LIFE SET FORTH IN IRS REVENUE PROCEDURE 77-10 (AS AMENDED OR SUPERSEDED) FOR THE ASSET GUIDELINE CLASS PERTAINING TO ASSETS USED IN THE EXPLORATION FOR AND PRODUCTION OF PETROLEUM AND NATURAL GAS DEPOSITS. WE FEEL THAT REFERENCE TO THIS REVENUE PROCEDURE IS APPROPRIATE INASMUCH AS IT CURRENTLY IS BEING USED TO DETERMINE USEFUL LIFE BY CHAPTER 20 TAXPAYERS. SECTION 260(F) OF OUR SUGGESTED CHANGES FURTHER PROVIDES THAT IF REVENUE PROCEDURE 77-10 (AS AMENDED OR SUPERSEDED) IS NULLIFIED DUE TO THE IMPLEMENTATION OF A FEDERAL CAPITAL COST RECOVERY ALLOWANCE, THE DEPRECIABLE LIFE FOR PURPOSES OF CALCULATING DEPRECIATION FOR DEVELOPMENT COSTS WOULD BE THE CAPITAL RECOVERY PERIOD THAT WOULD APPLY TO CHAPTER 20 TAXPAYERS FOR SIMILAR ASSETS.

SECTIONS 260(G) AND (I) OF AOGA'S SUGGESTED CHANGES ADD BACK REFERENCES TO DRILLING COSTS SO AS TO ALLOW EITHER AN ABANDONMENT LOSS DEDUCTION OR A DEPRECIATION DEDUCTION FOR

DRILLING COSTS OR COSTS RELATED TO DRILLING WHICH WERE NOT DEDUCTED UNDER SECTION 240 OF THE PROPOSED REGULATIONS. THIS IS CONSISTENT WITH OUR SUGGESTED CHANGES TO THE DEFINITION OF ACQUISITION COSTS UNDER SECTION 250 OF THE PROPOSED REGULATIONS.

AOGA HAS RECOMMENDED CHANGES IN SECTION 260(H) OF ITS SUGGESTED CHANGES TO MAKE IT CLEAR THAT, IN THE CASE OF A TRANSFER OF A PRODUCTION INTEREST OR PROPERTY DURING THE TAXABLE YEAR, THE TAXPAYER IS TO CALCULATE DEPRECIATION FOR THE PORTION OF THE YEAR PRIOR TO THE TRANSFER AND FOR THE PORTION OF THE YEAR AFTER THE TRANSFER USING ONE OF THE METHODS OF DEPRECIATION PRESCRIBED IN SECTION 260(G). FURTHERMORE, OUR SUGGESTED CHANGE IS DESIGNED TO MAKE IT CLEAR THAT PARAGRAPHS (1) AND (2) UNDERLYING SECTION 260(H) APPLY ONLY TO A TAXPAYER USING THE UNIT OF PRODUCTION METHOD OF DEPRECIATION.

SECTION 260(H) OF THE PROPOSED REGULATIONS HAS LIMITED APPLICABILITY IN CONSIDERATION OF THE METHODS OF DEPRECIATION AVAILABLE TO THE TAXPAYERS UNDER SECTION 260(C). ACCORDINGLY, AOGA RECOMMENDS THAT IT BE DELETED.

SECTION 260(J) OF AOGA'S SUGGESTED CHANGES PROVIDES A TRANSITION RULE FOR DEVELOPMENT COSTS FIRST ELIGIBLE FOR DEPRECIATION PRIOR TO JANUARY 1, 1979. THE TRANSITION RULE PROVIDES THAT DEPRECIABLE DEVELOPMENT COSTS INCURRED PRIOR TO JANUARY 1, 1979 ARE TO BE PLACED IN A CLOSED-END COMPOSITE

ACCOUNT. UNDER THIS SUGGESTED TRANSITION RULE, THE TAXPAYER WOULD SELECT ONE OF THE METHODS PRESCRIBED UNDER SECTION 260(C) AND DEPRECIATE ITS UNDEPRECIATED DEVELOPMENT COSTS OVER THE REMAINING USEFUL LIFE OF THE ACCOUNT CONSISTENT WITH THE CHANGE OF METHOD RULES PRESCRIBED UNDER SECTION 260(E). THE REMAINING USEFUL LIFE WOULD BE EQUAL TO 11 YEARS MINUS 1 YEAR FOR EACH TAXABLE YEAR AFTER 1977 TO THE BEGINNING OF THE TAXABLE YEAR. SECTION 260(J) IS DESIGNED TO PROVIDE A SIMPLE TRANSITION INTO THE NEW DEPRECIATION RULES PROVIDED UNDER SECTION 260 WITHOUT CREATING BURDENSOME ADMINISTRATIVE DIFFICULTIES FOR EITHER THE DEPARTMENT OR THE TAXPAYER.

AGO 785859

SECTION 320

THE ASSOCIATION HAS NO SPECIFIC COMMENTS WITH RESPECT TO SECTION 320 OTHER THAN TO SAY WE ARE PLEASED TO NOTE THAT, CONSISTANT WITH THE STATUTE, THE PROPOSED REGULATION INCOPPORATES THE TREATMENT AFFORDED FIPELINE DISMANTLING, REMOVAL AND RESTORATION COSTS BY THE FEDERAL ENERGY REGULATORY COMMISSION.

SECTION 710

AOGA RECOMMENDS THAT SECTION 710(F)(2)(A) BE AMENDED TO REFER SPECIFICALLY TO 9:00 A.M. JUNEAU TIME FOR NOTIFYING THE ALASKA STATE TREASURY OF THE AMOUNT OF THE TAXPAYER'S PAYMENT. THE ASSOCIATION FURTHER RECOMMENDS THAT SECTION 710(F)(2)(C) REQUIRING THE TAXPAYER TO MAKE ITS TAX PAYMENT IN ONE LUMP SUM FROM ONE BANK IS UNNECESSARY AND COULD POSSIBLY BE INCONVENIENT FOR TAXPAYERS MAKING SUBSTANTIAL PAYMENTS. THUS THIS PROVISION SHOULD BE DELETED. WE HAVE ALSO SUGGESTED CHANGES TO SECTION 710(F)(2)(D) OF THE PROPOSED REGULATIONS TO CLARIFY THE SITUATION WHEN THE DUE DATE IS NOT A BANKING DAY.

SECTION 900

SECTION 900(24) OF THE PROPOSED REGULATIONS PERTAINING TO THE DEFINITION OF THE TERM "POINT OF PRODUCTION" HAS BEEN REVISED TO CONFORM TO THE DEFINITIONS SET FORTH IN AS 43.55.140 (12)(A). UNDER OUR INTERPRETATION OF THE STATUTE, THE POINT OF PRODUCTION IN THE CASE OF OIL SHOULD BE THE FIRST POINT DOWNSTREAM OF THE WELL WHERE THE OIL IS ACCURATELY MEASURED IN

AGO 785860

A CONDITION OF PIPELINE QUALITY REGARDLESS OF WHETHER THERE IS A CUSTODY TRANSFER METER OR UNIT. IN THE CASE OF GAS, WE BELIEVE THAT THE DISTINCTION SET FORTH IN THE STATUTE BETWEEN GAS WELL GAS AND CASINGHEAD GAS SHOULD BE RECOGNIZED IN THE REGULATIONS.

AOGA ALSO SUGGESTS AS AN ADDITION TO THE DEFINITION OF SALES DELIVERY POINT UNDER SECTION 900(31) OF THE PROPOSED REGULATION, PARAGRAPH (C), WHICH APPARENTLY HAD BEEN INADVERTENTLY OMITTED. PARAGRAPH (C) PERTAINS TO A TAXPAYER'S GAS NOT SOLD AND DELIVERED IN A BONA FIDE, ARM'S-LENGTH SALE TO A THIRD PARTY.

IN LIGHT OF THE CHANGES MADE TO SECTIONS 240(B) AND (C) OF THE PROPOSED REGULATIONS RELATING TO COSTS OR AID IN SUPPORT OF DRILLING, WE HAVE INCLUDED IN OUR SUGGESTED LANGUAGE A DEFINITION OF THE TERMS "COSTS OF DRILLING" AND "DRILLING COSTS" TO INCLUDE COSTS WHICH ARE INCIDENT TO AND NECESSARY FOR DRILLING WELLS AND PREPARING WELLS FOR PRODUCTION.

EFFECTIVE DATE

AOGA RECOMMENDS THAT THE REGULATIONS BE MADE EFFECTIVE FOR TAX RETURNS FILED AFTER THE DATE THE REGULATIONS, WITH AMENDMENTS, ARE ADOPTED. PURSUANT TO OUR UNDERSTANDING OF THE GENERAL RULES OF ADMINISTRATIVE LAW, THE REGULATIONS MAY NOT BE GIVEN RETROACTIVE EFFECT ABSENT A CLEAR STATEMENT IN THE REGULATIONS EVIDENCING THIS INTENT.

May 19, 1980

Senator Clem Tillion
Senate President
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: Oil and Gas Corporate Income Tax

Dear Clem:

According to members of your chamber, there is a plan afoot to amend the State Oil and Gas Corporate Income Tax to provide a deduction for the Federal windfall profits tax. This will cost the Alaskan public some $8 billion by 1990 -- or $20,000 for every man, woman and child.

As near as can be determined through informal channels, proponents of tax relief for the oil industry are planning to spring this on the Legislature at the last moment, without the benefit of public hearings or input, in the form of a Senate amendment to a House bill, sending the issue immediately to the House for concurrence. Although this is a practice both chambers often resort to, it is hardly the manner in which a revenue issue of this magnitude should be handled. If Sohio, ARCO, and other major oil companies want tax relief, they should plead their case the same way as every other Alaskan group.

Sohio is selling this tax deduction disguised as a question of of form. In its view, it is necessary to make the changes in the state law to avoid double taxation. But the tax question is not just a technical issue, but a political one also, with many options. If we give them the exemption, we could raise the rate of taxation to make up the difference. Or, we could provide the exemption but raise the severance tax to 15%, where it backs out the Federal windfall profits tax. The industry's concern about taxation policy is a concern about the bottom line.

That line could be drawn higher or lower. The Federal windfall profits tax is aimed at a massive windfall that has been realized by the oil industry. Sohio's 1979 profits are up 164 percent over 1978, and 1980 revenues will reflect the benefits of decontrol. The industry's net after-tax revenues for 1980 should reach $3.6 billion, or enough money to provide $36,000 for 100,000 families. By 1983, industry profits are expected to top 5 billion dollars annually, or 20% more than Exxon's record $4.2 billion in earnings this year. These are staggering profits. This year's Prudhoe Bay net profit to the industry will equal 2.5% of all U.S. corporate profits earned in 1979, and 7 percent of all corporate dividends paid in the U.S. last year.

If we respond to this enormous windfall by lowering the oil company taxes, we will certainly be unique. The rest of the world, and indeed, even some states in the U.S., are considering or have already enacted tough new taxes.

Recent actions in Britian and Norway are a case in point. This is particularly interesting when one considers the different political climates of these countries compared to OPEC nations. One industry analyst notes that "[t]he North Sea is still generally viewed as offering about the world's most attractive economic and political climate for oil exploration. . .offering an unbeatable combination - free market pricing, political stability, and proximity to the world's biggest import market." It is doubly interesting to Alaskans because the British government is a large equity owner in Prudhoe Bay through BP's 53 % ownership of Sohio.

New policy directions taken by the Britons and Norwegians include the following:

1. Higher British Taxes.

> "Oil companies fear the [British] government may once again opt to raise its Petroleum Revenue Tax (PRT) on North Sea profits - 70% from 60% in its new budget this week. That would raise the government share of future oil price rises to 87.5% from 83% now and just 70% when the PRT was initiated in 1975.
>
> (Petroleum Intelligence Weekly, March 24, 1980)

2. Higher Norwegian taxes.

> "North Sea producers's profits per barrel could be slashed by as much as half by the new tax proposals, which are seen jumping Norway's 'take' to about 85% to 87% from 70% - 79% now. Oslo cites soaring world prices as justifying the rise.'
>
> (PIW, Feb. 25, 1980)

The increase in Norwegian taxes includes, among other things, Norway's "special" tax on North Sea profits of 35% to 25%. This "special" tax on profits is not deductable against the Norwegian corporate income tax of 50%. This, of course, is analogous to the situation where the State of Alaska's 9.4 percent tax on profits does not allow a deduction for the Federal Windfall Profits Tax.

3. British ownership of field development. When Margaret Thatcher's tory government was elected, she promised to trim the sails of the government owned British National Oil Corporation (BNOC). Subsquently, memoers of Ms. Thatcher's cabinent have expressed reservations about the government relinquishing its oil holdings. Now industry experts report that oil companies are unhappy about

> "the proposed British seventh-round licensing terms that would make British National Oil Corp. a co-licensee and continue its rights to 51% of all oil output."
>
> (PIW, March 24, 1980)

4. Norwegianization of field development.

> "Norway's new White Paper on oil policy is generally being interpreted as a blueprint for accelerating 'Norwegianization' of offshore oil resources and operations. While it is simply an advisory document to be debated in parliament, 'Norway for the Norwegians' is seen likely to be a popular political doctrine. . .
>
> The document is seen favoring greater use, where feasible, of 100% Norwegian equity in licenses reserved for the three principal Norwegian oil firms - state owned Statoil, state-controlled Norsk Hydro and privde Saga Petroleum. . .
>
> It's believed likely that unassigned acreage around promising North Sea oil and gas discoveries will go in the future to all-Norwegian ownership.
>
> (PIW, Feb. 2, 1980)

The tax question is an important one, and given both the recent price hikes and the worldwide reaction, it may make sense to take another look at whether the citizens of this state are getting their fair share. This will not be accomplished by pushing for an 8 billion dollar tax break for the industry in the dying moments of the legislature, with no debate or analysis. I urge you to use your influence to prevent this matter from comming before the Senate this year.

Sincerely,

ALASKA PUBLIC INTEREST RESEARCH GROUP

James Love
Director

enclosures

Profits of three Prudhoe Bay operators

company	third quarter $ Mill 1979	% Chg v '78	fourth quarter $ Mill 1979	% Chg v '78	full year $ Mill 1979	% Chg v '78
Arco	320	+ 45%	343	+ 54%	1,166	+ 45
Exxon	1,145	+ 118	1,365	+ 60	4,295	+ 55
Sohio	366	+ 191	451	+ 174	1,190	+ 164

Comparison of Exxon's Prudhoe Bay and worldwide operations, 1979

Estimated net revenue from Prudhoe Bay operations	$458 million
Estimated tax and royalty payments from Prudhoe Bay operations	553 million
Reported profits from worldwide operations	4,295 million
Alaska net revenue as percentage of worldwide profits	10.7%
Reported taxes paid worldwide	22,870 million
Alaska tax and royalty payments as percentage of worldwide tax payments	2.4%

REPORTS FROM PETROLEUM INTELLIGENCE WEEKLY

BP's net income from Sohio tripled

Continuing to benefit largely from inventory profits and gains in Alaskan income, British Petroleum's 1979 profits more than tripled to $3.6 billion. Indicated fourth-quarter profits also nearly tripled to $9994 million. Sales and operating revenues for the year net of duties and sales tax rose a gentler 28% to $40.5-billion.

BP's net income from Sohio more than tripled to $1.05-billion as Sohio's share of Alaskan oil rose to 675,000 b/d from 579,000 b/d in 1978. BP has a 53% share in Sohio's net profits on Alaskan production between 600,000 and 1.05-million b/d.

March 17, 1980

December 24, 1979 Industry analysis of North Slope profits shows rate-of-return is 47% higher than average return earned by U.S. manufacturing industries. (before decontrol)

"North Slope profits are up more than 100% in 1979, with net after-tax margins now in the area of a handsome $6.20 a barrel, according to a Petroleum Intelligence Weekly analysis. Profits on Alaskan crude have been substantial right from the start of North Slope output in 1977. Even though the producers had some initial difficulty in lining up clients, profits in 1977 ranged from $1.70 to $2.70 a barrel. By early 1979, margins climbed to about $2.50 to $3, then rocketed to $4 in the second quarter, and $6 in the third quarter. . .

The present $7-plus per barrel profit on North Slope crude represents an annualized 22% return on the $14.5-billion invested in Alaska exploration, production and the pipeline, PIW calculates. This compares with a U. Inflation rate of 13% and the genral 15% return earned by U.S. manufacturing industries. In early 1979, the return on North Slope was a bare 10%.

If North Slope crude were 100% free to track runaway OPEC prices now, producers could easily raise selling prices as much as $10 a barrel This would boost after-tax profits by a heady $3.50-$4 a barrel, PIW calculates. Revenues of Alaska and the Federal Government would also climb. For every $1 price rise the companies profits would jump some 35 ¢ to 40 ¢ a barrel, Alaska would get 30 ¢ and the Federal Government 25 ¢, with the rest covering other costs.

Starting Jan. 1980, the price and profit outlook will depend on the combined effects of phased crude price decontrol and the final version of the pending new excise tax on the resulting 'windfall profits.'"

(Petroleum Intelligence Weekly, Dec. 24, 1979)

GOING TO THE WELL: 'BIG OIL' FIRMS FIND THAT OUTLETS FOR INVESTMENT OF THEIR LARGE EARNINGS ARE LIMITED

Wall Street Journal
April 9, 1980

Sun Oil Purchases Seagram Co.

Two months ago Jack Neafsey, senior vice president of Sun Co., the nation's 10th largest oil company, was voicing an extraordinary problem: With 1979 profits up by 69%, the company was practically in the position of having too much money to invest at once. The only constraint the company was facing, he said, was "the question of how many opportunities we can take on at one time."

Two days ago, Sun found a place for some of its expansive profits -- it offered $2.3 billion for the bulk of the U.S. oil and gas properties of Seagram Co. The proposed acquisition's price tag was second only to Shell Oil Co.'s $3.65 billion takeover of Belridge Oil Co. last year.

Exxon has problems spending it's money

For many large U.S. oil concerns the embarrassment of riches brought their way by last year's record profits is both an odd and a vexing problem. Even though their capital budgets are at record levels and far exceed their profits, these companies say they have more financial resources than they can profitably spend.

Exxon Corp., the world's largest oil concern, has a $7.5 billion spending program for this year, a 25% increase from last year's inital appropriation. But Exxon would like to spend even more, says Roger Meadrick, the deputy controller. 'We're not financially constrained from doing so,' he says. 'We're what you might call opportunity-limited.'

Money is no object

At Standard Oil Co. of California, Mobil Corp., Phillips Petroleum Co. and Getty Oil Co., capital spending is proceeding as though money were no object - which it isn't. "I've told our operating people that if they've got a sound oil and gas project they can handle, don't worry about the money - I'll find a way to get it," says Howard Bell, California Standard's vice president of finance.

. . .Spending money at home has public-relations value, of course. At one big oil company, there is the rumor that a 'political' percentage was tacked onto the bids that the firm submitted for a big offshore lease sale a few years back. After the tracts had been appraised, a company source says, 'word was going around that the suggested bids were sent up to the chairman's office, and he grossed them up because he wanted our spending figures to look bigger.'

Prudhoe Bay tax scenarios, 1980 - 1990 assumes 12% annual inflation in oil prices

year	present state take	Sohio proposal for windfall profits deduction	diff.	McKinnon/ Rogers proposal for 15% severance tax	diff.	50% state income tax	diff.	proposal for 80% state income tax	diff.
80	$ 2,901.5	$ 2,813.5	($ 88.0)	$3,189.2	$ 287.7	$5,557.3	$2,655.8	$7,368.0	$4,466.5
81	4,268.8	3,974.2	(294.5)	4,727.7	458.9	7,442.9	3,174.1	10,349.7	6,080.9
82	5,058.7	4,649.5	(409.2)	5,646.8	588.1	8,576.3	3,517.6	12,285.1	7,226.4
83	5,640.7	5,150.6	(490.1)	6,346.3	705.6	9,445.6	3,804.9	13,754.2	8,113.5
84	6,291.9	5,708.6	(583.3)	7,136.9	845.0	10,437.3	4,145.4	15,384.9	9,093.0
85	7,035.9	6,346.0	(689.9)	8,032.1	996.2	11 597.3	4,561.4	17,551.5	10.515.6
86	7,912.8	7,104.0	(808.8)	9,031.9	1,119.1	12,898.8	4,986.0	19,780.8	11,868.0
87	8,887.5	7,941.8	(945.7)	10,162.0	1,274.5	14,391.8	5,504.3	22,528.8	13,641.3
88	9,975.5	8,873.7	(1,101.8)	11,426.7	1,451.2	16,055.9	6,080.4	25,409.7	15,434.2
89	11,172.5	9,890.8	(1,281.7)	12,852.8	1,680.3	18,144.8	6,972.3	28,903.9	17,731.4
90	10.889.2	9,596.2	(1,293.0)	12,577.0	1,687.8	17,767.0	6,877.2	28,296.0	17,406.8
	80,035	72,048.9	(7,986.1)	96,776.2	16,741.2	132,315.0	52,279.4	201,612.5	121,577.6
dollars per/ capita	200,087	180,122	(19,965)	241,941	41,853	330,788	130,699	504,031	303,944
dollars per/family of four	800,350	720.489	(79,861)	967,762	167,412	1,323,150	522,794	2,016,125	1,215,776
industry dcf rate of return	26.4 %	26.66 %		26.3 %		24.13%		20.98%	

AGO 785869

DIVISION OF REVENUE FROM PRUDHOE BAY UNDER DIFFERENT TAXATION SCENARIOS

PRICES INFLATED AT 12%

TAX SCENARIO	YEAR	STATE TAKE	%	FEDERAL TAKE	%	INDUSTRY NET	%	INDUSTRY NET AS $ PER CAPITA	INDUSTRY NET AS $ PER FAMILY OF 4
present tax	80	$3,106.7	.34	$2,432.4	.27	$3,627.0	.40	$9,068	$36,270
	81	4,453.0	.33	4,782.0	.35	4,337.7	.32	10,844	43,377
	82	5,266.9	.33	6,057.9	.38	4,705.7	.29	11,764	47,057
	83	5,893.6	.33	6,961.9	.39	5,006.2	.28	12,516	50,062
Sohio proposal for windfall profits tax deduction									
	80	2,813.5	.31	2,561.4	.28	3,791.2	.41	9,478	37,912
	81	3,974.2	.29	5,073.0	.37	4,525.5	.33	11,314	45,255
	82	4,649.5	.29	6,461.7	.40	4,919.2	.31	12,298	49,192
	83	5,150.6	.29	7,463.1	.42	5,248.0	.29	13,120	52,480
McKinnon/Rogers proposal for 15% severance tax									
	80	3,189.2	.35	2,407.6	.26	3,569.2	.39	8,923	35,692
	81	4,727.7	.35	4,699.6	.35	4,145.4	.31	10,364	41,454
	82	5,646.8	.35	5,943.9	.37	4,439.8	.28	11,100	44,398
	83	6,346.3	.36	6,826.1	.38	4,689.3	.26	11,723	46,893
15% severance tax and 50% state income tax with windfall profits tax deduction									
	80	5,557.?	.61	1,697.2	.19	1,911.6	.21	4,779	19,116
	81	7,442.9	.55	3,885.1	.29	2,244.8	.17	5,612	22,448
	82	8,576.3	.53	5,065.1	.32	2,389.1	.15	5,973	23,891
	83	9,445.6	.53	5,896.3	.33	2,519.8	.14	6,298	25,198
15% severance tax and 80% state income tax with windfall profits tax deduction									
	80	7,368.0	.80	1,154.0	.13	644.0	.07	1,610	6,440
	81	10,349.7	.76	2,402.6	.18	820.4	.06	2,050	8,204
	82	12,285.1	.77	2,846.9	.18	898.5	.06	2,246	8,985
	83	13,754.2	.77	3,130.2	.18	977.2	.05	2,443	9,772

California considers 10% surtax on oil industry profits.

At the top of the television screen, six pigs snuffle greedily in a trough; at the bottom, hugh profit figures from the oil companies make the sponor's porcine point. 'Sure, big oil companies have a right to reasonable profit,' says the announcer. 'But this year they're eating up more than their share.' A slogan - 'Tax Pig Oil' - flashes onto the screen, and as the voice-over continues, the 'P' fades into a 'B.' 'Let's stick it to Big Oil,' says the announcer. 'They've been sticking it to us for years.'

The Pig ad is a plug for Proposition 11, a California proposal to impose a 10 per cent surtax on oil-company profits. It will appear on the state ballot June 3.

Other states follow suit

Like Proposition 13, the tax slashing measure that inspired simil'ar initiatives in many other states, Prop 11 promises to reverberate far beyond California's borders. Connecticut has already enacted a 5 per cent tax on the gross receipts of big oil companies operating within the state, and at least half a dozen others are considering similar action.

Newsweek, May 19, 1980

Australia increases government "take", keeps 94% of OPEC windfall

Austalia's complex import-parity pricing formula for its 425,000 barrels daily crude oil production is making the government, not the producing companies, the big gainer from the sharp rise in OPEC prices. . .

The government 'take'* on domestic crude has increased as from Jan. 1 to nearly three quarters of the selling price - which PIW estimates at a weighted average $37.55 per barrel - up from two-thirds of an average $21.05 last July. The producers were left a mere 37 ¢ out of the $6.48 average Jan. increase, with the government taking $6.11. . .

* before deducting the state royalty, operating costs, depreciation, and Commonwealth corporate income tax. Thus not to be confused with net profit.

(PIW, March 17, 1980)

HB
969

(9)

COMMITTEE REPORT

HOUSE

3/21/80 FURTHER: FINANCE

Date: 3/19/80

Mr. Speaker:

The Committee on RESOURCES has had HB 969

"An Act relating to salmon fisheries enhancement."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Salmon Enhancement tax

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB 969	3/28	3720	Rep. Gardiner-	3/31
		3799	Rep. Malone	
		747-6850	Northern S.E. Regional Aquaculture Assoc. Derek Poon to testify	
			Southern S.E. Regional Aquaculture Assoc Ron Wendte and Walt Laerich to testify	
		262-4441	Cook Inlet Aqua. Assoc. - Floyd Heimlauch to testify	
		424-7511	Prince William Sound Aqua. Assoc.	
		2320	Revenue Dept. David Ziemer to prepare fiscal note Joe Donahue, Dep. Commissioner of Taxation to testify	
		6-2820	United Fishermen of Alaska	
		4100	Dept. of Fish & Game	
		4163	F.R.E.D. Division of F & G	
		784-7231	Bruce Wing - Fishery Research Biologist Auke Bay Lab	
		789-7231	Dick Myren - Auke Bay Lab	
			Geron Bruce - Gillnetters Assoc.	
		3500	Bob Palmer - Governor's Office	
		3738	Rep. Nels Andersen - to notify Unalaska Aqua. Assoc	
		6-9400	Alaska Trollers Assoc.	

AMENDMENT NO. 1 HB 969

Page 7, line 23

Delete Sec. 8 and replace with the following:

Sec. 8. Sections 5, 6 and 8 of this Act take effect on the publication date of a decision by the Alaska Supreme Court in the appeal of State of Alaska v. Wayne Alex, et al (Supreme Court File No. 5065), if the decision holds that the provisions of AS 16.10.530 do not violate the Alaska Constitution.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S – JUNEAU 99811

March 31, 1980

The Honorable Alvin Osterback
Co-Chairman
House Resources Committee
Room 118 - Capitol Building
Juneau, Alaska 99811

Dear Mr. Osterback:

Re: House Bill No. 969

House Bill No. 969, an Act relating to salmon fisheries enhancement, was introduced in the House on March 21, 1980 and was referred to the House Resources and Finance Committees.

For the consideration of the House Resources Committee, I am enclosing copies of Fiscal Notes prepared by Gary Jenkins, Director, Audit Division and Barbara Sorensen, Research Section of the Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Swenson
Special Assistant

cc: The Honorable Bill Miles
Co-Chairman
House Resources Committee

The Honorable Tom Meeks
Chairman
House Finance Committee

Joseph L. Sullivan
Deputy Commissioner
Department of Revenue

Gary Jenkins, Director
Audit Division
Department of Revenue

Vincent Wright
Research Section
Department of Revenue

04-D2LH

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 969
Title An Act relating to salmon fisheries enhancement.
Requested by House Resources & Finance Committees Date 3/26/80

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected Fiscal Services
BRU, Program, or Subprogram(s) Affected Audit Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		72.7	72.7	72.7	72.7	72.7
200 TRAVEL		5.5	5.5	5.5	5.5	5.5
300 CONTRACTUAL		9.5	9.5	9.5	9.5	9.5
400 COMMODITIES		1.4	1.4	1.4	1.4	1.4
500 EQUIPMENT		3.6	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		92.7	89.1	89.1	89.1	89.1

FUNDING (Thousands of Dollars)

GENERAL FUND		92.7	89.1	89.1	89.1	89.1
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3	3	3	3	3
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See attached memorandum to R. D. Stevenson dated 3/26/80.

IV. DATE March 26, 1980 PREPARED BY Gary Hendricks
AGENCY Department of Revenue, Audit Division
PHONE 465-2320

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/79)

STATE
of ALASKA

MEMORANDUM

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: March 26, 1980

FILE NO.

TELEPHONE NO.

FROM: Gary L Jenkins
Director
Audit Division

SUBJECT: House Bill No. 969

This bill would establish a salmon enhancement tax at 3 percent of the value of salmon sold to a processor. The processor will be charged with collecting tax at the time of purchase. There is one potential significant enforcement problem in that the legislation does not define how the value of the salmon is to be determined for purposes of the tax. It is recommended that the bill be amended to provide for the determination of value.

It is anticipated that there will be approximately 220 processors to process salmon. Each processor will be required to file a return on a monthly basis. To handle the initial review and processing functions, we will need two permanent full time Tax Examiner positions. To accomplish the audit functions, we will require the addition of one Revenue Auditor position.

The proposed Section 43.76.025(b) provides that the processor collecting the tax shall maintain records reflecting the location of the catch of the fishery resource. However, nowhere else in the proposed law is there any indication of what the processor is to do with this information. Is it intended that the monthly return to the Department of Revenue should account for the catch by location, or is the processor to send some type of report to the Department of Commerce and Economic Development? It is recommended that this subsection be modified to clearly state the intent with regard to this information.

	POSITION TITLE			RANGE/STEP	BARG. UNIT.	LOCATION	GOV	APPROV.	DISAPP.
1	Tax Examiner I			10 A	G				
	TYPE OF POSITION	STAFF MONTHS	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE			
2	PFT	12					LEG.		

	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY	17,004	
5	BENEFITS	2,528	
6	FICA	1,131	
7	HEALTH INS.	1,524	
8	TOTAL PERSONAL SERVICES		22,187
9	TRAVEL		
10	CONTRACTUAL		3,160
11	COMMODITIES		450
12	EQUIPMENT		1,200
13	OTHER		
14	TOTAL COST		26,997

	CODE	FUNDING SOURCE	
15		FED RCPTS.	
16		GF MATCH	
17		GEN FUND	26,997
18		I-A RCPTS	
19		PGM RCPTS	
20		OTHER	
21	CONTINUATION		
22	ADDITION	X	

FOR B&M USE ONLY

AA KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

It is anticipated that there will be approximately 220 processors to process salmon and each processor will be required to file a return on a monthly basis. To handle the initial review and processing functions we will need two permanent full time Tax Examiner positions.

AGENCY Department of Revenue PROGRAM AREA Revenue Collection & Management

BRU Audit Division

COMPONENT _____

13 REQUEST FOR NEW POSITION

FY 81

Page 1 of 3

REVISED DATE _____

02-1013 (Rev. 7/79)

	POSITION TITLE			RANGE/STEP	BARG. UNIT	LOCATION		APPROV.	DISAPP.
1	Tax Examiner I			10 A	G		GOV.		
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.		

	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY	17,004	
5	BENEFITS	2,528	
6	FICA	1,131	
7	HEALTH INS.	1,524	
8	TOTAL PERSONAL SERVICES		22,187
9	TRAVEL		
10	CONTRACTUAL		3,160
11	COMMODITIES		450
12	EQUIPMENT		1,200
13	OTHER		
14	TOTAL COST		26,997

	CODE	FUNDING SOURCE	
15		FED RCPTS.	
16		GF MATCH.	
17		GEN. FUND	26,997
18		I-A RCPTS.	
19		PGM RCPTS	
20		OTHER	
21	CONTINUATION		
22	ADDITION	X	

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

It is anticipated that there will be approximately 220 processors to process salmon and each processor will be required to file a return on a monthly basis. To handle the initial review and processing functions we will need two permanent full time Tax Examiner positions.

AGENCY Department of Revenue PROGRAM AREA Revenue Collection & Management

BRU Audit Division

FY 81

13 REQUEST FOR NEW POSITION.

COMPONENT _____

REVISED DATE _____

02-1013 (Rev. 7/79)

	POSITION TITLE			RANGE/STEP	BARG. UNIT	LOCATION		APPROV.	DISAPP.
1	Revenue Auditor I			14 A	G		GOV.		
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.		

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES: SALARY	22,089	
5	BENEFITS	3,285	
6	FICA	1,469	
7	HEALTH INS.	1,524	
8	TOTAL PERSONAL SERVICES		28,367
9	TRAVEL		5,500
10	CONTRACTUAL		3,160
11	COMMODITIES		450
12	EQUIPMENT		1,200
13	OTHER		
14	TOTAL COST		38,677

	CODE	FUNDING SOURCE	
15		FED RCPTS	
16		GF MATCH	
17		GEN. FUND	38,677
18		I-A RCPTS	
19		PCM RCPTS	
20		OTHER	
21	CONTINUATION		
22	ADDITION	X	

FOR B&M USE ONLY

AA KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

It is anticipated that there will be approximately 220 processors to process salmon and each processor will be required to file a return on a monthly basis. To accomplish the audit functions, we will require the addition of one Revenue Auditor I position.

AGENCY Department of Revenue PROGRAM AREA Revenue Collection & Management

BRU Audit Division

COMPONENT _____

FY 81

13 REQUEST FOR NEW POSITION.

REVISED DATE _____

02-1013 (Rev. 7/79)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. H B 969
Title An ac relating to salmon fisheries enhancement
Requested by _____ Date 3-28-80

II. FISCAL DETAIL
Agency Affected _____
Program Category Affected _____
BRU, Program, or Subprogram(s) Affected _____
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL						

FUNDING (Millions of Dollars)

GENERAL FUND	-0-	---------approximately 1.5 annually---------				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The bill proposes a salmon enhancement tax of [illegible] percent of the value of salmon sold by a limited entry permit holder to each licensed processor. The tax is to be levied in areas where a qualified regional aquaculture association receives approval for such levy by the majority of the qualified permit holders in the area. The tax can be reduced or terminated by the Commissioner of Revenue upon recommendation of the Commissioner of Commerce and Economic Development and the regional association.

The above estimate is for those regional [illegible] entity which will levy mandatory assessments until the assessments are in place, involving [illegible] boards. The estimate is based on data obtained from those regions associated [illegible], and some catch and value statistics from the Department of Fish and Game. It is assumed that collections will not be committed until July 1, 1980.

(continued)

IV. DATE 3/28/80 PREPARED BY [illegible]
AGENCY [illegible]
Office of Legislative Liaison PHONE [illegible]
cc: Budget and Management
Prime Sponsor (Last Legislator Name)

Revised 12/79

ANALYSIS

There are three more regional assocations in the State which would qualify for the proposed levy. Potential collections in those areas are not included in the above estimate.

SOUTHERN SOUTHEAST REGIONAL AQUACULTURE ASSOCIATION, INC.

P.O. Box 6916 Ketchikan, Alaska 99901

(907)225-9605

Rep. Alvin Osterback, Co-Chairman
Rep. Bill Miles, Co-Chairman
House Resources Committee
Pouch V
Juneau, Alaska 99811

March 24, 1980

Dear Rep. Osterback and Rep. Miles,

I would like to thank you for the opportunity last Thursday to address the Resources Committee and also, thank you for the extra time you and the Committee took to listen to concerns about HRC 50.

Southern Southeast Regional Aquaculture was pleased to familiarize the Committee with our activities and many accomplishments. The Committee's concern for our fisheries and support for the private non-profit program is appreciated.

It is my understanding that three pieces of legislation were introduced Friday to get at the heart of some of the issues expressed at your hearings. I would urge your Committee's expedited consideration of HB 969, HB 970, and HB 971. I and my staff are available as needed to discuss these bills and the whole program.

Sincerely,

Ronald W. Wendte

Ronald W. Wendte
Executive Director

cc: House Resource Committee Members
Speaker of the House

RWW/lr

AMENDMENTS TO HB 969

Page 2, line 18 — Change title. THREE PERCENT SALMON ENHANCEMENT TAX.

Page 2, line 20 — After "value of salmon" add: ",As defined in AS 43.75.140(7),"

Page 2, line 23 — After "(b) A" add: "three percent."

Page 3, line 2 — Add new section 43.76.011:

Sec. 43. 76.011 TWO PERCENT SALMON ENHANCEMENT TAX. (a) A person holding a limited entry permit under AS 16.43.010 - 16.43.380 shall pay a salmon enhancement tax at the rate of two percent of the value of salmon as defined in AS 43.75.140(7) the person sells to a processor licensed under AS 43.75.011. The processor shall collect the salmon enhancement tax at the time of the sale.

(b) A two percent salmon enhancement tax may only be levied or collected under (a) of this section

(1) in a region designated by the commissioner of fish and game for the purpose of salmon production under AS 16.10.375;

(2) if there exists in that region an association determined by the commissioner of fish and game to be a qualified regional association under AS 16.10.380; and

(3) if the qualified regional association approves the salmon enhancement tax under AS 43.76.015.

Page 3, line 3 Delete present section, add new section AS 43.76.015:

Sec. 43.76.015. ELECTION TO APPROVE OR TERMINATE SALMON ENHANCEMENT TAX. (a) A qualified regional association may conduct an election under this section after the commissioner of commerce and economic development approves:

(1) the form of the notice to be published by qualified regional association;

(2) the form of the ballot to be used in the election;

(3) the registration and voting procedures fo the approval or termination of the tax.

(b) The salmon enhancement tax is levied under AS 43.76.010 or AS 43.76.011 on the effective date stated on the ballot when:

(1) the tax is approved by a majority of all of the eligible interim and permanent limited entry holders voting in one single election in each region as established pursuant to AS 16.10.380 and;

(2) the election results are certified by the commissioner of commerce and economic development.

(c) The qualified regional association shall adopt the following procedures for conducting an election under this chapter;

(1) At least one public meeting shall be held not less than 30 days prior to the date the ballots must be postmarked to explain the reason for the proposed tax and

the registration and voting procedure to be used for the voting. Notice of the meeting shall be given by;

(a) mailing the notice to each person eligible to vote and;

(b) posting the notice in at least three public places within the region and;

(c) publishing the notice in at least one newspaper of general circulation in the region at least once per week for two consecutive weeks prior to the meeting.

(2) mail a ballot to each individual interim and permanent limited entry permit holder eligible to vote. The ballots shall be mailed to each eligible voter twice, once not more than 45 days and the second time not less than 15 days prior to the date the ballots must be postmarked to be counted. Procedures shall be adopted so that only one ballot from each eligible voter is counted.

(d) The ballot shall state the following;

(1) whether a tax should be levied under AS 43.76.010 or AS 43.76.011,

(2) the boundaries of the region in which the tax would be levied,

(3) th ective date for the levy of the tax,

(4) the date on which the ballots must be postmarked in order to be counted,

(e) The ballots shall be returned by mail and counted by the commissioner of commerce and economic development or

a person approved by the commissioner.

(f) The interim and permanent limited entry holders elgible to vote are those listed by the commercial fisheries entry commission as the legal owner of the permit 90 days prior to the date set that the ballots must be postmarked to be counted.

(g) An election to terminate a salmon enhancement tax shall be conducted under the same procedural requirement established under this section for an election to approve a salmon enhancement tax.

Page 5, line 13 Delete Sec. 43.76.020, replace with following:

Sec. 43.76.020. TERMINATION OF SALMON ENHANCEMENT TAX. (a) A salmon enhancement tax levied under AS 43.76.010 or AS 43.76.011 may be terminated by the commissioner of revenue upon majority vote at an election held under Sec. 015 of this section in the region in which the tax is levied.

(b) A salmon enhancement tax shall be terminated by the commissioner of revenue under (a) of this section following an election in a region if:

(1) a petition is presented to the commissioner of commerce and economic development requesting termination of the salmon enhancement tax which is signed by at least 25 percent of the number of persons who were qualified to vote under AS 43.76.015 in the election approving the salmon enhancement tax in the region;

(2) an election is held in accordance with AS 43.76.015; the ballot shall ask the question whether the salmon enhancemtn tax for the region shall be terminated. The ballot shall be worded so that a "yes" vote is for continuation of the salmon enhancement tax and a "no" vote is for termination o. the salmon enhancement tax;

(3) a majority of the people eligible to vote cast a ballot for the termination of the salmon enhancement tax;

(4) the qualifi d regional association provides notice of the election in accordance with AS 43.76.015 within two months after receiving notice from the commissioner of commerce and economic development that a valid petition under (1) of this subsection has been received.

Page 6, line 20 — After AS 43.76.010 add "or AS 43.76.011"

Page 6, line 25 — After "reflecting the" add "regional association identified pursuant to AS 16.10.375 in which the fishery resource was caught and shall report to the Department of Revenue by March 1 of each year the total value as defined in AS 43.75.140(7) of each species caught in each regional association area.

Page 6, line 25 — After (.) add: "and shall report ot the Department of Revenue by March 1 of each year."

Page 6, line 26 — Add new section (c):

(c) The tax collected under this chapter shall be deposited in the General Fund. The legislature may make appropriations based on this revenue to the department of commerce and

economic development for the purposes of providing funding for qualified regional associations. The legislature may base an appropriation for a region on the value of fisheries resources caught in that region rather than the value of the fisheries resources sold in that region, where those values differ.

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K–STATE CAPITOL
JUNEAU, ALASKA 99811

(907) 465-3685

April 16, 1980

The Honorable Terry Gardiner
Alaska State Legislature
House of Representatives
Pouch V
Juneau, Alaska 99811

Re: Constitutionality of HB 969
Salmon Assessments
Our file J-66-597-80

Dear Representative Gardiner:

You have asked for our comments on HB 969, relating to salmon fisheries enhancement. You requested our analysis both of the constitutionality of the bill as presently drafted, and in relation to Judge Compton's decision holding the old mandatory assessment program unconstitutional.

The present bill differs in every important respect from the mandatory assessment program. Judge Compton held that AS 16.05.530 is unconstitutional for the reasons that it is in fact a tax, and as a tax is improperly dedicated to a specific purpose; that the regional associations are not "service areas", and that the legislature may not delegate to either the associations or a commissioner the power to tax. As discussed in detail below, the present bill imposes a tax but does not dedicate it, makes no attempt to characterize regional aquaculture associations as service areas, and does not (with the suggestions below) improperly delegate the taxing power.

03-C0LH

Dedication

Under the mandatory assessment program, an association voted to impose an assessment, the assessment was then collected from all the fishermen in the area by the processors, and returned directly to the regional associations. The disbursal to the associations was made without any act by the legislature. The present bill imposes a tax, to be levied on a regional basis only after certain conditions are met. One of the conditions is a vote by a majority of the limited entry permit holders in the salmon fisheries in the region. Once the tax is imposed, it is collected by the processors and forwarded to the Department of Revenue (for deposit in the general fund). This bill clearly imposes the tax for the purpose of providing a revenue source for funding the aquaculture associations; however, the language of the bill makes it clear that the legislature is making no attempt to bind future legislatures to take that action. While this legislature, if it passes the bill, is expressing an intent to return by appropriation the tax moneys collected, it also recognizes that this expression of intent does not guarantee that the funds will be treated in a like manner in the future. The tax is simply not dedicated.

Earlier drafts of this bill contained additional language under the section entitled "Collection of Tax and Disposition of Proceeds" (43.76.025) which specifically directed that the proceeds from the tax would be deposited

in the general fund. We can see no good reason for deleting this language, and recommend that it be included again. While the bill as presently drafted certainly implies that the proceeds will be deposited in the general fund, specific language to that effect will strengthen the bill.

Delegation

The bill as drafted raises several delegation issues, none of which, in our opinion, is fatal to the bill (with the suggestions herein).

1. Tax on a condition. It might be argued that the provision allowing each association to vote on whether or not to impose the tax is an improper delegation to the association of the taxing power. However, the legislature here is doing the taxing, leaving only the imposition of the tax subject to the occurrence of some outside condition (i.e., the vote of the association). Legislation of this type is commonly upheld, and is not invalid simply because it is left to a vote of the persons affected to decide whether or not it should be imposed. The analysis of the relevant cases is that the legislature has the power to impose the tax without the consent of those affected, can impose it subject to whatever conditions it chooses, and thus can impose it subject to the condition that a majority of those affected approve it. See, Currin v. Wallace, 306 U.S. 1, 15, 16 (1938), U.S. v. Rock Royal Co-op, 307 U.S. 533, 577, 578 (1938). Similarly, the legislature has the power to limit

the duration of its legislation as it sees fit, and can likewise lift the imposition of the tax subject to a condition, here the vote of the association.

The other two conditions required before the imposition of the tax are in a sense delegated to the commissioner of fish and game: that the region be designated by him for the purpose of salmon production, and that there exist a regional association determined by him to be a qualified regional association. Delegations to executive departments are proper where sufficient standards are established, and in our opinion the standards set out in AS 16.10.375 and 16.10.380 are sufficient to make the delegation proper.

2. Reduction of tax. The bill as presently drafted provides that the tax may be reduced to a percentage less than three percent by several methods. The first two methods are discussed below, as they apply to termination; the third method is upon a majority vote by the association. This is the weakest section of the bill, for by leaving with the association the power to set the rate of the tax, a strong argument can be made that the association has been delegated the power to tax. The problem might be eliminated by including language which sets out precise standards for when an association could reduce the tax, and to what percentage,

but these standards might be difficult to draft.

It is our understanding that the objective of the reduction provision is to allow an association to set the rate at two percent, that is, that only two alternatives are contemplated: two percent or three percent. In fact, the old mandatory assessment section was amended to read that the assessment could be either two percent or three percent. As a practical matter, it is understood that the Cook Inlet Regional Association would choose to participate in a two percent tax, as that was the rate of the assessment in that region. As such, a cleaner method for removing the delegation problem would be to add another section to the bill which imposes a two percent tax, subject to the same conditions required for the three percent tax, and allow an association to elect to impose one tax or the other. Thus, an association can by election fulfill the condition of either the two percent tax or the three percent tax. The provisions for reduction of the tax should then be deleted.

3. Termination of tax. As noted briefly above, the same analysis that permits the imposition of the tax on a condition also permits the termination on a condition. The legislature has the power to enact a tax for a limited duration; it can condition that duration on the occurrence of an outside event. Thus, a vote by an association to terminate the tax is not an improper delegation.

However, the bill as presently drafted provides two additional methods for termination: upon the recommendation of the commissioner of commerce, and upon request of the association board of directors. While the second method might arguably be just as proper as a vote by the entire association, the first is probably an improper delegation to the commissioner of commerce, as there are no standards set out delineating when he should exercise that power. It is our understanding that a redraft of the bill is presently being prepared which eliminates these two provisions, and the bill will be better without them.

Service areas.

HB 969 does not designate regional aquaculture associations as service areas, and none of the problems that Judge Compton found with the mandatory assessment program in that area can arise.

Other problems.

The election procedures set out in proposed sec. 43.-76.015 of the bill call for voting at one of two public meetings or by mail. As written, the procedures are confusing, and we recommend that this section be redrafted.

Finally, Sec. 8 of the bill has the effect of repealing the tax imposed should the mandatory assessment provision (AS 16.10.530) be held constitutional by the Alaska Supreme Court. The original bill required that the holding be "as applied before July 13, 1979". CS for HB 969 now reads

that the holding be that "AS 16.10.530 does not violate the Constitution". Conceivably, the court might hold that AS 16.10.530 is constitutional, but not as previously applied. Under the committee substitute, then, the tax would be repealed but the old program could not be reinstated, and the association would be left without a source of funds.

Attached is a copy of the bill which incorporates our suggestions, with the exception of those referred to under "Other problems".

Sincerely,

AVRUM M. GROSS
ATTORNEY GENERAL

By: Deborah Vogt
Deborah Vogt
Assistant Attorney General

DV:dlm

Attachment

HB969

TELEGRAM

WESCOM, INC.
PHONE: 586-6442
JUNEAU, AK 99802

1980 MAR 31 PM 12 55

[illegible] KETCHIKAN ALASKA 54 03-31 1055 PST

PAT [illegible] ALVIN OSTERBACK CHAIRMAN

HOUSE RESOURCES COMMITTEE

JUNEAU AK 1[illegible].

UNABLE TO ATTEND HEARING TO MORROW. ASSOCIATIONS FISHERMEN

WILLING TO PROVIDE FUNDING FOR AQUACULTURE ASSOCIATION. WE

HAVE ALREADY MADE INVESTMENT IN ENHANCEMENT OF FISH RESOURCES

FOR THE FUTURE. WE CANNOT AFFORD TO STOP NOW. SEE OUR TESTIMONY

ABOUT FUNDS GOING TO REGIONAL FISH ACTS [illegible] LEGISLATIVE

[illegible] AS PART OF RECORD.

[illegible] ALPHETI, AREA DIR SOUTHEAST ALASKA SEAFOOD

[illegible] AND [illegible]

TELEGRAM

[illegible]
[illegible]
JUNEAU, AK 9[illegible]2

HB 969

[illegible] 22055 HAINES AK 04-03 0154 PST

PMS ALVIN OSTERBACK ST HOUSE

POUCH V

JUNEAU 341

MANY FISHERMEN [illegible] [illegible] [illegible] [illegible] [illegible] [illegible].

MANY ALSO OPPOSE [illegible] AQUACULTURE ASSOCIATIONS.

ED MAYO.

BOX 617

HAINES [illegible]

HB

970

(9)

COMMITTEE REPORT

HOUSE

3/21/80

FURTHER: FINANCE

Date: 3/20

Mr. Speaker:

The Committee on RESOURCES has had HB 970

"An Act making a special appropriation for regional aquaculture associations, and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] same title

[/] replace with CS for _____ [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Approp. to Regional Aquaculture Associations

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB 970	3/28	3720	Rep. Gardiner	3/31
		3799	Rep. Malone	
		747-6850	Northern S.E. Regional Aquaculture Assoc. Sandra Pearson to testify	
			Southern S.E. Regional Aquaculture Assoc. Ron Wendte and Walt Lazzich to testify	
		262 4441	Cook Inlet Aqua. Assoc. - Floyd Heinbuch to testify.	
		424-7511	Prince Wm Sound Aqua. Assoc.	
		6-2820	United Fishermen of Alaska	
		4163	Dept. of Fish & Game - F.R.E.D.	
		9-7231	Bruce Wing	
		9-7231	Dick Myren	
			Jerry Bruce - Fishnetters Assoc.	
		3500	Bob Palmer - Governor's Office	
		586-9400	Alaska Trollers Assoc.	
		225 6618	S.E. Alaska Seine Boat Owners & Operators	

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM April 11, 1980

SUBJECT: Salmon enhancement tax;
Grants to regional aquaculture associations
CSHB 969 and CSHB 970

TO: House Resources Committee
Attn: Mary Levan, A.A.

FROM: Kenneth E. Vassar
Legislative Counsel KEV

Enclosed is the committee substitute you requested for House Bill 970. I believe the language added in section 2 of this bill violates that part of Article II, sec. 13 of the state Constitution which provides:

Bills for appropriations shall be confined to appropriations.

I talked with John Sund about this problem, and he suggested that the language in section 2 might be added instead to House Bill 969. Unfortunately, when I talked to him, I had already sent your committee substitute for House Bill 969 back to you; and when I was able to call you about it, the committee had already reported that bill out of committee. Moreover, the committee has also already reported House Bill 970 out with the changes included in section 2.

I would suggest that House Bill 970 should be returned to its original form and the following amendments made to Committee Substitute for House Bill 969:

Page 7, after line 18

Insert the following new material:

* Sec. 6. A regional aquaculture association which receives money from an appropriation after April 1, 1980, shall return to the Department of Commerce and Economic Development, in the form and manner of payment

acceptable to the commissioner of commerce and economic development, the difference between the money received by the regional aquaculture association and the amount of the salmon enhancement tax (AS 43.76.010) collected in the region in which the regional aquaculture association operates if the salmon erhancement tax is repealed before the amount collected in the region equals or exceeds the amount of the money received by the regional aquaculture association. Payments received by the Department of Commerce and Economic Development under this section shall be deposited in the general fund.

Page 7, line 19

Delete "* Sec. 6" and insert "* Sec. 7"

Page 7, line, 21

Delete "* Sec. 7. Sections 1 - 4 and 7" and insert following.

"* Sec. 8. Sections 1 - 4, 6 and 8"

Page 7, line 23

Delete "* Sec. 8. Sections 5, 6 and 8" and insert the following:

"* Sec. 9. Sections 5, 7 and 9"

Finally, there is a significant problem with the title of Committee Substitute for House Bill 969. It does not express the special effective dates of the bill. Therefore, the following change should be made at page 1, line 6:

After "enhancement" add "; and providing for an effective date"

KEV:ljb

Enclosure

AMENDMENT NO. 1 HB 970

Page 1, line 16

Add the following language as a new section and renumber accordingly:

Sec. 2 If AS 43.76.010 (salmon enhancement tax) is repealed before taxes collected pursuant to that section are substantially equivilent to the amounts appropriated in Sec. 1 of this Act, the commissioner of commerce and economic development shall direct that regional aquaculture associations receiving appropriations pursuant to this Act shall offset the difference between taxes collected and appropriations received. Any necessary offset shall be in the manner and form acceptable to the commissioner.

HB
980

fiscal & notif.

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Shelf life of eggs and milk

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB 980	4/10		Special Agriculture Committee, Rep. Carney, Chairman	4/15
	4/11		Dept. of Nat. Resources - Ag. Div. Vicki Carney	4/15
	4/11		Matanuska Maid Dairy - Jack Flint	4/15
	4/11		Sealand (carrier), Lou Ridle	4/15
	4/11		Rep. Brian Rogers	4/15
	?		Lee Fett - Delta Chicken/egg farmer	4/15
	4/14	789-9500	Juneau Dairies	4/15
	4/14	586-6971	Mark-n-Pack Grocery	4/15
	4/14	364-3414	Shop-Rite	4/15
	4/14	789-2611	Wee Cottage Foods	4/15
	4/14	789-9159	Valley Health Food Center	4/15

SPECIAL
AGRICULTURE
COMMITTEE
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3727

OUT OF SESSION
SR BOX 3051
WASILLA, ALASKA 99687

Alaska State Legislature

House of Representatives

COMMITTEE MEMBERS
PAT CARNEY, CHAIRMAN
H. "PAPPY" MOSS
ROBERT BETTISWORTH

EX-OFFICIO MEMBERS
SENATOR JALMAR KERTTULA
DOMONIC CARNEY
DIRECTOR, DIVISION OF AGRICULTURE
W. I. "BOB" PALMER
OFFICE OF THE GOVERNOR
JAMES DREW, PH.D.
DIRECTOR OF ALASKA EXPERIMENT STATIONS

April 7, 1980

MEMO TO: Representative Miles and Representative Osterback

FROM: Representative Carney

RE: CS HB 416 and HB 980

CS HB 416 and HB 980 dealing with, respectiv ale of unpasteurized milk and the shelf life of eggs and milk has been given to Representative Miles for hearing in Resources Committee. Would you be willing to move them to Representative Osterback for Committee hearing, thus allowing the bills to be heard several weeks earlier?

Pat Carney

(9)

COMMITTEE REPORT

HOUSE

3/28/80

FURTHER:

Date: _____

Mr. Speaker:

The Committee on RESOURCES has had HB 980

"An Act relating to sales of milk and eggs."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

_____

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_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

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_____

_____

_____

_____

CHAIRMAN

H 60 (Rev. 12/78)

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

HOUSE BILL NO. 250

By THE RESOURCES COMMITTEE
(for the Special Agriculture Committee)

"An Act relating to sales of milk and eggs."

Sales of milk and eggs

Introduced in the House 3/28 , 19 80

HISTORY IN THE HOUSE

19		
80		Read first time and referred to Committee on
Mar.	28	Resources
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	
	Read first time and referred to Committee on
	Reported back with recommendation that
	Read second time and
	Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	
	Received from Senate
	Concurred in Senate amendment thus adopting: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling Reported correctly enrolled Sent to Governor
	by Governor
	Filed with Lt. Governor
	Chapter No

11 002

HB 980

MILK INDUSTRY FOUNDATION

910 SEVENTEENTH STREET, N.W., WASHINGTON, D. C. 20006 (202) 296-4250

JOHN F. SPEER, JR.
EXECUTIVE VICE PRESIDENT

April 18, 1980

Commissioner LeRech
Department of Natural Resources
Juneau, Alaska 99801

Dear Commissioner LeRech:

The Milk Industry Foundation, the national trade association of processors of fluid milk and fluid milk products, in its normal routine of monitoring state legislation is very concerned with Alaska H.B.980 entitled "An Act Relating to Sales of Milk and Eggs".

The fear that we have with enactment of this bill would be the unavailability of fluid milk for the residents of Alaska. It seems almost impossible from a logistics standpoint of view to have milk delivered to all points of the state within 36 hours from the time of processing. Is this possible and if so, how can it be accomplished?

It appears that the legislature is concerned about the freshness of milk and eggs which seem to be the underlined purpose of H.B.980. If so, this proposal does not fit the laws and regulations of 20 of the lower 48 states which require open dating of fluid milk. The program which now exists is that of using a "Sell by" date This date is more meaningful to the consumer since it indicates a date after which the product should not be sold. For Alaska to require a "...date that processing was completed..." would not indicate to the consumer anytime for keeping the product and therefore would be meaningless.

Lastly, the bill indicates that the product shall not be sold after 10 days from date of processing. Again, most state regulations allow the processor to establish the length of time his products should be allowed in the marketplace. Some processors' products will adhere to the 10 day mandate, while other products may be able to with stand a longer shelf life. Unfortunately, if there is some mishandling, the products would not last the 10 days as provided. Again, what has been gained from mandating 10 days? The milk processing industry has been very concerned about the quality of the products available for consumer purchase. Two weeks ago a meeting was held by technical experts of the industry here in Washington to propose an open dating program that could that could be adopted by every state. Details of this program are being worked out and will have to be considered by the MIF Board of Directors prior to implementation. We would hope that we could work with you and your associates to develop a meaningful program for the citizens of Alaska.

April 18, 1980

We urge you to do whatever you can to see that H.B.980 is not enacted and that a more realistic approach can be taken to achieve what we hope your goal is, i.e., making available to all Alaskans an abundant supply of fluid milk and fluid milk products. Your indication of support would be appreciated.

Sincerely,

Austin Rhoads

Austin T. Rhoads
Administrative Assistant

ATR/saf
cc: The Honorable Alvin Osterback

HB
985

(9)

COMMITTEE REPORT

HOUSE

3/31/80

FURTHER:

Date: 3/31/80

Mr. Speaker:

The Committee on RESOURCES has had HB 985

"An Act relating to the authority of the Board of Game and the Department of Fish and Game over domestic mammals."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[✓] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Halloran
Jim Miller

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____
CHAIRMAN

H 6C (Rev. 12/78)

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Reindeer as Domestic Animals

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB 985	4/3/80		Rep. Fuller Special Committee on Agriculture Rep. Carney, Chrman Dept. of Fish & Game Alaska Proffessional Hunters Assoc., Randy Smith	4/10/80

HB 985

record is made that the barter is resulting in a waste of the resource, damage to fish stocks or game populations, or circumvention of fish or game management programs.
(am § 13 ch 151 SLA 1978)

Effect of amendments.
The 1978 amendment added subsection (e).

As the rest of the section was not affected by the amendment, it is not set out.

Editor's note. — As to legislative intent, see § 1, ch. 151, SLA 1978, in the 1978 Temporary and Special Acts and Resolutions in Binder 9.

Legislative history report. — For report on ch. 151, SLA 1978 (SB 960), see 1978 House Journal, p. 1154.

Sec. 16.05.940. Definitions. In this chapter

(2) "commercial fisherman" means an individual who fishes commercially for, takes, or attempts to take fish, shellfish, or other fishery resources of the state by any means, and includes every individual aboard a boat operated for fishing purposes who participates directly or indirectly in the taking of these raw fishery products, whether participation is on shares or as an employee or otherwise; however, this definition does not apply to anyone aboard a licensed vessel as a visitor or guest who does not directly or indirectly participate in the taking; and the term "commercial fisherman" includes the crews of tenders or other floating craft used in transporting fish;

(17) "subsistence fishing" means the taking, fishing for, or possession of fish, shellfish, or other fisheries resources for subsistence uses with gill net, seine, fish wheel, long line, or other means defined by the Board of Fisheries;

(21) "vessel" means a floating craft powered, towed, rowed, or otherwise propelled, which is used for delivering, landing, or taking fish within the jurisdiction of the state, but for the purposes of this chapter does not include aircraft;

(26) "subsistence uses" means the customary and traditional uses in Alaska of wild, renewable resources for direct personal or family consumption as food, shelter, fuel, clothing, tools, or transportation, for the making and selling of handicraft articles out of nonedible by-products of fish and wildlife resources taken for personal or family consumption, and for the customary trade, barter or sharing for personal or family consumption; for the purposes of this paragraph, "family" means all persons related by blood, marriage, or adoption, and any person living within the household on a permanent basis;

(27) "barter" means the exchange or trade of fish or game, or their parts, taken for subsistence uses

(A) for other fish or game or their parts; or

(B) for other food or for nonedible items other than money if the exchange is of a limited and noncommercial nature.
(am § 12 ch 105 SLA 1977, am §§ 14, 15 ch 151 SLA 1978, am § 1 ch 78 SLA 1979)

HB
1015

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Creating Recovery Entry Permits

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HB 1015		6-2820	United Fishermen of Alaska Phil Daniel to testify	4/29
		6-3456	Commercial Fisheries Entry Commission	4/29
		[illegible]	Dept. of Fish & Game	4/29
			Meeting canceled — Bill not heard	

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH V STATE CAPITOL
JUNEAU ALASKA 99811

MEMORANDUM April 18, 1980

SUBJECT: Recovery Entry Permits HB 1015
(Work Order Number 8488)

TO: House Resources Committee
Attn: Mary Levan, A.A.

FROM: Kenneth E. Vassar
Legislative Counsel

Enclosed is the bill you requested relating to recovery entry permits. Because there was insufficient time to address certain problems in the bill, you should know that some amendments to existing sections in AS 16.43 should be made since there is a conflict between those sections and some of the provisions of this bill. The particular sections which concern me are AS 16.43.100(a)(9) - (12), 16.43.150(f) and (h), 16.43.170 - 16.43.182, and 16.43.290 - 16.43.330. There may be other conflicting sections which I have not yet discovered.

KEV:ljb

Enclosure

4/15/80

WORK DRAFT #3

For an Act entitled: "An act relating to the limitation of entry into various fisheries: and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

Section 1. FINDINGS. The legislature finds that:

(1) there may have occured since 1975 a significant recovery in the biological condition of certain salmon fisheries, and there may have occured a significant improvement in the market conditions affecting certain salmon fisheries;

(2) these improved conditions may in certain fisheries persist for at least several more fishing seasons;

(3) it is not known whether these improvements are of such sufficient long term duration to allow the issuance of new entry permits under the authority of AS16.43.330;

(4) it is consistent with the objectives of AS16.43 for additional units of gear to be authorized in a fishery if significant improvement has occured and if that ~~geo~~ recovery is likely to ~~g~~ continue within the foreseeable future;

(5) manyindividuals currently engaged in commercial fishing as crewpersons cannot or have been unable to obtain an entry permit under the procedures of AS16.43.170(b).

Sec. 2. DECLARATION OF POLICY. It is the policy of this state and of this legislature to promote the conservation and the sustained yield management of Alaska's fishery resource and the economic health and stability of the commercial fisheries in the public interest and without unjust descrimination.

Sec. 3. PURPOSE. The purpose of this act is to provide a means for issuing recovery entry permits where significant improvements in fishery resources and marketing conditions have occured, such that additional units of gear may be sustained in the fishery.

Sec. 4. AS16.43 is amended by adding new sections to read:

ARTICLE 5A. ISSUANCE OF RECOVERY ENTRY PERMITS

Sec. 16.43.340. DETERMINATION THAT A FISHERY HAS RECOVERED. The commission shall designate a fishery as recovered when

(1) there has been a significant improvement in the biological condition of the fishery; and

(2) there has been a significant improvement in the marketing conditions affecting the fishery; and

(3) it appears reasonably likely that the conditions of recovery will continue for the near future.

Sec. 16.43.341. DETERMINATION OF THE NUMBER OF

RECOVERY ENTRY PERMITS TO ISSUE. (a) The number of recovery entry permits to be issued shall be based upon a reasonable balance of the following:

(1) the degree of recovery evidenced in the fishery;

(2) those standards set out in sec. 290(1) - (3) of this chapter, both as they apply to entry permit holders and to those who will receive recovery entry permits.

(b) The commission shall consult with the Alaska Department of Fish and Game when determining the number of recovery entry permits to be issued.

(c) The commision shall declare recovery entry permits available for issuance when the number that may be issued in a fishery exceeds 25 or exceeds 10% of the total number of outstanding entry permits for that fishery.

Sec. 16.43.342. APPLICATION FOR RECOVERY ENTRY PERMITS. (a) The commission shall establish the opening and closing dates, places and form of application for entry permits for each fishery. The commission shall may require the submission of specific verified evidence establishing the applicant's qualifications for a recovery entry permit.

(b) When an applicant is unable to establish his qualifications for a recovery entry permit by submitting specific verified evidence required in the application by the commission,

he may request and obtain an administrative adjudication of his application according to the procedures established in sec. 110(b) of this chapter. At the hearing he may present alternative evidence of his qualifications for an entry permit.

(c) An applicant shall be assigned to a priority classification based solely upon his qualifications on January 1 of the year the recovery entry permits are declared available for issuance by the commission.

Sec. 16.43.343. ALLOCATION OF RECOVERY ENTRY PERMITS.

(a) The commission shall accept applications for recovery entry permits only from applicants who

(1) harvested the fishery resource commercially in the fishery prior to the date established in sec. 342(c); and

(2) did not qualify for any entry permit under sec. 270 of this chapter; and

(3) do not and have not held an entry permit in any fishery, unless the applicant did so solely as a transferee under sec. 180 of this chapter.

(b) The commission shall adopt regulations establishing qualifications for ranking applicants under this section. The regulations shall define priority classifications of similarly situated applicants based upon a reasonable balance of the following standards:

(1) degree of economic dependence upon the fishery, including but not limited to percentage of income derived from the fishery, reliance on alternative occupations, availability

of alternative occupations, investment in vessels and gear; and

(2) extent of past participation in the fishery, including but not limited to the number of years participation in the fishery, and the consistency of participation during each year.

(c) The commission shall issue recovery entry permits to qualified applicants in the order of their descending priority classifications. If, within the lowest priority classification of qualified applicants to which some entry permits may be issued, there are more applicants than there are entry permits to be issued, then the allocation of recovery entry permits within that priority classification shall be by lottery.

(d) All other applicants shall be denied.

(e) To qualify for a recovery entry permit by reason of this section, the applicant must demonstrate at the time of permit issuance his present ability to engage actively in the fishery.

(f) To qualify for a recovery entry permit by reason of this section, the applicant must demonstrate at the time of permit issuance that he does not and has not held an entry permit in any fishery, unless the applicant did so solely as a transferee under sec. 180 of this chapter.

(g) Interim-use permits shall not be issued to those awaiting a final determination of their qualification for a recovery entry permit.

Sec. 16.43.344. TRANSFER OF RECOVERYENTRY PERMITS.

(a) Recovery entry permits issued under secs. 340-346 of this chapter may not be transfered pursuant to sec. 170(b) or sec. 180(b) of this chapter.

(b) The commission shall adopt regulations providing for the temporary transfer of recovery entry permits issued under secs. 340-346 of this chapter when illness, disability, required military or governmental service, or other unavoidable hardship ~~ggggg~~ prevents the permitee from participating in the fishery.

Sec. 16.43.345. REVERSION OF RECOVERY ENTPY PEPMITS.

(a) A recovery entry permit issued under secs. 340-346 of this chapter is a use privilege which may be modified or revoked without compensation.

(b) A recovery entry permit reverts to the commission upon the death of the permitee.

(c) A recovery entry permit reverts to the commission upon the failure of the permitee to actively harvest the fishery resource for a period of two consecutive calendar years. Grounds for a transfer under sec. 344(b) of this chapter does not exempt the permitee from this subsection.

Sec. 16.43.345. EXEMPTION FROM REVERSION REQUIPEMENT. The commission may waive the reversion requirement of sec. 345(c) of this chapter for good cause.

Sec. 5. This Act shall thae effect immediatly in accordance with AS01.10.070(c).

(9)

COMMITTEE REPORT

HOUSE

4/21/80

FURTHER:

Date: _____

Mr. Speaker:

The Committee on RESOURCES has had HB 1015

"An Act relating to recovery entry permits."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

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MEMBERS HAVING
OTHER RECOMMENDATIONS:

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CHAIRMAN

H 60 (Rev. 12/78)

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

HOUSE BILL NO. 1015

By THE RESOURCES COMMITTEE

"An Act relating to recovery entry permits."

Recovery entry permits

Introduced in the House 4/21, 19 80

HISTORY IN THE HOUSE

19 80		Read first time and referred to Committee on
Apr.	21	Resources
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19		Read first time and referred to Committee on
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19		Received from Senate
		Concurred in Senate amendment thus adopting: VOTE
		Failed to concur in Senate amendment; asked Senate to recede VOTE
		Senate receded from amendment VOTE
		Senate failed to recede from amendment VOTE
		CC appointed by House
		CC appointed by Senate
		CC adopted by House VOTE
		CC adopted by Senate VOTE
		To enrolling Reported correctly enrolled Sent to Governor
		by Governor
		Filed with Lt. Governor
		Chapter No

01 002

02-001B (REV. 06-73)

MEMORANDUM State of Alaska

TO Robert J. Simon
Chairman
Commercial Fisheries Entry Commission

DATE April 23, 1980

FILE NO

TELEPHONE NO

FROM Derrill L. Johnson
Director of Administration

SUBJECT: Fiscal Impact of Proposed HB 1015 "Recovery Entry Permits"

You asked that I analyze the fiscal impact of HB 1015. My impression is that the bill would require that all applications still active in any fishery that has achieved "recovery" be finally classified before applications are accepted for "recovery" permits. While several fisheries have not achieved recovery as I understand its meaning in the draft proposal, efficiency and fairness require that all backlog application processing be completed while the research is being conducted to determine where and in what form the recovery concept should be applied. Consequently, I propose that we again ask for legislative support to clean up the backlog as we d. in the fiscal analysis of HB 665 (attached).

Beyond that, it is speculative to project the costs of implementation since the number of fisheries, number of permits to be issued, and potential number of applicants is not subject to estimation. I would suggest that we propose instead to receive funding for two research analysts (plus support) to complete the necessary analysis and develop implementation strategies, and ask the Legislature to include legislative intent directing the Commission to propose incremental budget requests to the next Legislature. In addition to the request for $481.3 to process the backlog, the Commission shou[illegible] request the following fiscal support for HB 1015:

Personal Services		
(2) Research Analysts (18A) @ $2640/mo.	$ 63,360	
(1) Clerk Typist III (8A) @ $1393/mo.	16,716	
	80,076	
Benefits @ 30%	24,022	
	104,098	104.1
Travel	$ 12,000	12.0

For the two Research Analysts and two other staff members to gather economic/social data and for hearings on proposed regulatory changes.

Contractual

310	Phone Charges/Long Distance		$ 4,060
	Installation		1,200
	Postage		2,700
320	Survey forms/Questionnaires/ Central Duplicating Charges		6,000
330	Space Leasing @ 110/sq.ft./ person plus storage and file space.		
	440 sq.ft. X $1.60 X 12 =		8,448
360	General Leasing:		
	Xerox		3,000
	Data Processing Services		
	1 terminal @ 300/mo. plus controller	$300.00	
	2 modems @ $40/mo.	80.00	
	Transaction processing $228/mo./terminal	228.00	
	Network charges	124.00	
	Disk Storage $3.58/meg.- 10 megs =	35.80	
	Per Mo. Charge:	787.80	
	787.80 X 12 =		9,453
	Maintenance/Data Processing/ Postage Meter/Word Processing		2,000
390	Staff Development Training in Research Design and Project Management		2,500
			39,361 39.4

Commodities

General office supplies, paper, ribbons, card stock, envelopes, letterhead, etc.	2,500	2.5

Equipment

Purchase one IBM System 6 Word Processing Center:		
(1) 6/452 Info. Processor	15,370	
(1) Processing feature	750	
Installment Charge (one time)	1,000	
Office Setup: Purchase		
Executive Desk @ 472.00 (2)	944	
Desk Chairs @ 450.00 (2)	900	
Coat Racks @ 48.00 (1)	96	

Equipment (Cont'd)

File Cabinets -				
4-drawer SL	@ 272.00	(3)	816	
2-drawer SL	@ 198.00	(2)	396	
5-drawer Lot.L	@ 752.00	(1)	752	
Bookcase -				
3 shelves	@ 168.00	(3)	504	
Working Table	@ 95.00	(1)	95	
4-tier outbasket	@ 17.00	(3)	51	
Wastebaskets	@ 20.00	(3)	60	
Pentaflex Frms.	@ 6.00	(16)	96	
Secretary Desk	@ 662.00	(1)	662	
Chair	@ 346.00	(1)	346	
Transcriber	@ 537.00	(1)	537	
Dictation Units	@ 537.00	(2)	1,074	
Typewriter/ Correcting	@1000.00	(1)	1,000	
Calculators	@ 259.00	(2)	518	
			25,967	26.0

TOTAL for Recovery Permit Portion: 184.0
Plus Backlog: 481.3

GRAND TOTAL: 665.3

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

M E M O R A N D U M

April 18, 1980

SUBJECT: Recovery Entry Permits HB 1015
(Work Order Number 8488)

TO: House Resources Committee
Attn: Mary Levan, A.A.

FROM: Kenneth E. Vassar
Legislative Counsel

Enclosed is the bill you requested relating to recovery entry permits. Because there was insufficient time to address certain problems in the bill, you should know that some amendments to existing sections in AS 16.43 should be made since there is a conflict between those sections and some of the provisions of this bill. The particular sections which concern me are AS 16.43.100(a)(9) - (12), 16.43.150(f) and (h), 16.43.170 - 16.43.182, and 16.43.290 - 16.43.330. There may be other conflicting sections which I have not yet discovered.

KEV:ljb

Enclosure

HB

1032

(9)

COMMITTEE REPORT

HOUSE

5/3/80

FURTHER:

Date: 5/2/80

Mr. Speaker:

The Committee on RESOURCES has had HB 1092

"An Act continuing the existence of the Guide Licensing and Control Board, annulling regulations relating to exclusive guide licensing areas, and amending the law relating to the Board's powers and responsibilities; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] same title

[✓] replace with CS for _____ [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

H 60 (Rev. 12/78)

ng &
980
ffice
each

AGO 125416

5/8/80 Reported out as CS

(See file on Guid Board Sunset Review)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 1032 - "An Act continuing existence of the Guide Licensing &
Title Control Board and providing for an effective date."
Requested by _____ Date May 14, 1980

II. FISCAL DETAIL
Agency Affected Public Safety
Program Category Affected NRMEC
BRU, Program, or Subprogram(s) Affected Fish & Wildlife Protection Director's Office
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		49.1	52.5	56.2	60.1	64.3
200 TRAVEL		26.1	27.9	29.9	32.0	34.2
300 CONTRACTUAL		4.0	4.3	4.6	4.9	5.2
400 COMMODITIES		4.0	4.3	4.6	4.9	5.2
500 EQUIPMENT		4.4				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		87.6	89.0	95.3	101.9	108.9

FUNDING (Thousands of Dollars)

GENERAL FUND		87.6	89.0	95.3	101.9	108.9
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
Operational funding for the Guide Licensing and Control Board would be required to include the establishment of two positions, an Administrative Assistant I (range 12) and a Clerk-Typist III (range 8) and associated costs. These two positions would be located in Anchorage under the Director of the Fish & Wildlife Protection Division, and would provide administrative and clerical support to the Board. Travel costs are estimated for five members of the Board plus the Administrative Assistant for three meetings (approximately twelve days each) annually. The costs shown for FY81 also include office equipment for the new positions and an audio recording system to be used to document testimony and Board actions in cases of license suspension, revocation, or denial which are litigated. Dollar amounts shown after FY81 include a 7% inflation factor.

If the Board membership is increased, travel costs will be correspondingly higher than the estimates indicated.

IV. DATE May 14, 1980 PREPARED BY Marcia Lynn Mercurio
AGENCY Public Safety
PHONE 465-4349

Original Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. HB 1032 - "An Act continuing existence of the Guide Licensing &
Title Control Board and providing for an effective date."
Requested by _____ Date May 14, 1980

II. FISCAL DETAIL
Agency Affected Public Safety
Program Category Affected NRMEC
BRU, Program, or Subprogram(s) Affected Fish & Wildlife Protection Director's Office
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

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	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
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700 GRANTS, CLAIMS, ETC.						
TOTAL		87.6	89.0	95.3	101.9	108.9

FUNDING (Thousands of Dollars)

GENERAL FUND		87.6	89.0	95.3	101.9	108.9
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME						
TEMPORARY						

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Operational funding for the Guide Licensing and Control Board would be required to include the establishment of two positions, an Administrative Assistant I (range 12) and a Clerk-Typist III (range 8) and associated costs. These two positions would be located in Anchorage under the Director of the Fish & Wildlife Protection Division, and would provide administrative and clerical support to the Board. Travel costs are estimated for five members of the Board plus the Administrative Assistant for three meetings (approximately twelve days each) annually. The costs shown for FY81 also include office equipment for the new positions and an audio recording system to be used to document testimony and Board actions in cases of license suspension, revocation, or denial which are litigated. Dollar amounts shown after FY81 include a 7% inflation factor.

If the Board membership is increased, travel costs will be correspondingly higher than the estimates indicated.

IV. DATE May 14, 1980 PREPARED BY Marcia Lynn McKenzie
AGENCY Public Safety
PHONE 465-4349

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

	POSITION TITLE			RANGE/STEP	BARG. UNIT.	LOCATION		APPROV.	DISAPP.
1	Administrative Assistant I			12/A	G	Anchorage	GOV		
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.		

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY		20,652	
5	BENEFITS		3,406	
6	FICA		1,373	
7	HEALTH INS.		1,524	
8	TOTAL PERSONAL SERVICES			26,955
9	TRAVEL			2,850
10	CONTRACTUAL			1,000
11	COMMODITIES			500
12	EQUIPMENT			1,500
13	OTHER			
14	TOTAL COST			32,805

	CODE	FUNDING SOURCE	
15		FED RCPTS	
16		GF MATCH	32.8
17		GEN FUND	
18		I-A RCPTS	
19		PGM RCPTS	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. ____

JUSTIFICATION:

The Department currently does not have sufficient clerical staff to adequately administer the Guide Licensing and Control Board.

This position will be responsible for all administrative duties required and would process and issue approximately 1,500 guide licenses annually as well as preparing the Guide Register for public distribution annually and maintaining all Board records. The incumbent will also be required to arrange and attend all Board meetings to provide support as necessary and ensure proper documentation of all Board activities.

AGENCY Public Safety PROGRAM AREA Fish & Wildlife Protection

BRU Director's Office

COMPONENT _____

FY 81

13 REQUEST FOR NEW POSITION

REVISED DATE _____

02-1013 (Rev. 7/79)

	POSITION TITLE				RANGE/STEP	BARG. UNIT.	LOCATION		APPROV.	DISAPP.
1	Clerk Typist III				8/B	G	Anchorage	GOV.		
2	TYPE OF POSITION: PFT	STAFF MONTHS: 12	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG.		

	TYPE OF EXPENDITURE	1	2	AMOUNT 3
4	PERSONAL SERVICES: SALARY		16,740	
5	BENEFITS		2,760	
6	FICA		1,113	
7	HEALTH INS.		1,524	
8	TOTAL PERSONAL SERVICES			22,137
9	TRAVEL			
10	CONTRACTUAL			500
11	COMMODITIES			500
12	EQUIPMENT			1,500
13	OTHER			
14	TOTAL COST			24,637

	CODE	FUNDING SOURCE	
15		FED RCPTS	
16		GF MATCH	
17		GEN FUND	24.6
18		I-A RCPTS	
19		PGM RCPTS	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

14A KEY NUMBER _____ COLUMN NO. _____

JUSTIFICATION:

The Department currently does not have sufficient clerical staff to adequately administer the Guide Licensing and Control Board.

This position would be responsible for all clerical support to the Board, including transcriptions of Board meetings for use in possible hearings and litigations. At present, some of this work is being accomplished by the Director's staff to the detriment of other duties and obligations. Approximately 15,000 financial remuneration statements submitted by guides annually are currently being filed by professional level investigators, decreasing their time available for program operations.

Some of the functions, in part, are currently being accomplished by the Dept. of Commerce. When the Board is transferred to this Department, however, clerical support will not be transferred. Denial of this position will result in program ineffectiveness, as professional level staff will have to be diverted to clerical work as indicated above.

AGENCY Public Safety PROGRAM AREA Fish & Wildlife Protection

BRU Director's Office

COMPONENT _____

13 REQUEST FOR NEW POSITION

FY 81

REVISED DATE _____

a way

action may only be undertaken by the affirmative

by if a majority of the whole membership voting in a like manner

the board may act only if a

action

the board may not act unless a majority of the whole membership of the votes in a like manner act of the board

The board may not undertake
action authorized under this chapter
unless a majority of the whole
membership of the board concurs
in the action.

whenever an act of the board is required a majority of the whole membership must ~~to~~ vote ~~approve~~ in either approval or disapproval of ~~this~~ the action

~~**~~

action which the

The board may not undertake action authorized ~~or required~~ under this ~~section~~ chapter unless a majority of the whole membership of the board concurs in the action.

out of the board

a majority of the board
must vote in a like
manner to constitute
an act of the board
for
~~it~~ action must be joint.

a majority of the whole
membership of the board
must join in any

THE FOLLOWING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

Original sponsor: Resources Committee

IN THE [illegible] BY THE RESOURCES COMMITTEE

CS FOR HOUSE BILL NO. 1032

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to guide licensing; continuing the existence of the Guide Licensing and Control Board, repealing regulations relating to exclusive guide license areas, and amending the law relating to the board's powers and responsibilities; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

Section 1. AS 08.54.010 is amended to read:

Sec. 08.54.010. CREATION AND MEMBERSHIP OF BOARD. There is created in the division of fish and wildlife protection, Department of Public Safety, the Guide Licensing and Control Board consisting of five [SEVEN] members. Three [NO MORE THAN THREE] members of the board shall be master guides or registered guides actively involved in guiding [HAVE A GUIDE LICENSE]. The other members shall have a general knowledge of the game resources of the state but may not (1) be employed in guiding; (2) be associated by legal contract with a guide except as a consumer of the services provided by the guide; or (3) have a direct financial interest in a guide business. A minimum of 10 years residence in the state is required for all members of the board.

Sec. 2. AS 08.54.020 is amended to read:

Sec. 08.54.020. APPOINTMENT AND TERM OF OFFICE. The members of the board shall be appointed by the governor and confirmed by the legislature for staggered terms of three years or until their successors are appointed. [INITIAL TERMS ARE AS FOLLOWS: THREE MEMBERS FOR ONE YEAR,

Rick - Please check the wording of the new sections. I particularly wondering about the last line of section 4 - does that wording take care of your intent? I won't turn the new CS in to the Chief Clerk until you let me know. If this version is not satisfactory I'll take it back to Guthrie for a re-write. Thanks, Mary Levan

two members for two years, and two members for three years.) A member may be removed at the pleasure of the governor. A person may not be appointed to the board for more than two consecutive terms.

* Sec. 3. AS 08.54.030 is amended to read:

Sec. 08.54.030. CHAIRMAN OF BOARD. The board shall annually elect one of its members as chairman and one of its members as vice-chairman. A person elected as chairman may not serve for more than two consecutive years.

* Sec. 4. AS 08.54 is amended by adding a new section to read:

Sec. 08.54.035. QUORUM. Three members of the board constitute a quorum for the conduct of business. However, regulations may only be adopted with the affirmative vote of a majority of the full membership of the board. ?

* Sec. 5. AS 08.54 is amended by adding a new section to read:

Sec. 08.54.047. LIMITATION ON AUTHORITY OF BOARD. The board may not limit the number of licensed operating guides allowed to guide in an area of the state to the exclusion of other guides licensed to guide in the guide district in which the area is located.

* Sec. 6. AS 08.54.170(a) is amended to read:

(a) License fees for engaging in the profession of guiding are:

(1) master guide license, biennial [ANNUAL] . . .	$200	[$75]
(2) registered guide license, biennial [ANNUAL] .	$200	[75]
(3) class-A assistant guide, biennial [ANNUAL] .	$ 30	[15]
(4) assistant guide license, biennial [ANNUAL] .	$ 30	[10]

* Sec. 7. AS 08.54 is amended by adding a new section to read:

Sec. 08.54.132. WAIVER. The qualifying examination required to be passed by persons seeking a license under AS 08.54.130 and 08.54.110 shall be administered twice a year in both Juneau and Anchorage.

* Sec. 8. AS 08.54.170(a) is amended to read:

(a) A master guide, registered guide, class-A assistant guide, or assistant guide [OR TRANSPORTER] license expires on December 31 of the calendar year following the calendar year in which the license was issued [FOLLOWING ISSUANCE].

* Sec. 9. AS 08.54.190(b) is amended to read:

(b) No license may be issued to a class-A assistant guide or assistant guide who has failed to renew his license for four [TEN] consecutive years unless he again meets the qualifications for initial issuance of the license.

* Sec. 10. AS 08.54.200(a) is amended to read:

(a) The board shall hold a hearing to determine if disciplinary action is necessary if

(1) complaints concerning the licensee have been filed with the board from three or more clients of separate parties within the past five years; or

(2) [A LICENSEE HAS BEEN CHARGED WITH A VIOLATION OF FEDERAL OR STATE SPORT FISH, GAME OR GUIDE STATUTES OR REGULATIONS; OR]

(3) a licensee has been convicted of a violation of federal or state sport fish, game or guide statute or regulation.

* Sec. 11. AS 08.54.200(c) is amended to read:

(c) After a hearing, the board shall revoke, suspend, or deny renewal of a license if the board finds that the licensee

(1) does not meet the qualifications specified by statute or regulation for the class of license held;

(2) is incompetent as a master guide, registered guide, class-A assistant guide, or assistant guide;

(3) has been convicted of two violations of federal or state sport fish, game or guide statutes or regulations within the past five years.

* Sec. 12. AS 08.54.210(a)(1) is amended to read:

(1) a master guide, registered guide, class-A assistant guide, or assistant guide [OR TRANSPORTER] to fail to timely report to the Department of Public Safety, division of fish and wildlife protection, and in no event later than 10 days, violations by a client of a state fish, game or guiding statute or regulation;

* Sec. 13. AS 08.54.210(a)(2) is amended to read:

(2) a master guide, registered guide, class A assistant guide, or assistant guide [OR TRANSPORTER] to aid the commission of a violation of this chapter or of AS 16.05 or a regulation adopted [THEREUNDER] under either chapter, or permit the commission of a violation in his sight without attempting to prevent it, short of using force, and without reporting it;

* Sec. 14. AS 08.54.210(a)(4) is amended to read:

(4) a person to advertise as or represent himself to be a licensed master guide, registered guide, class-A assistant guide, or assistant guide [OR TRANSPORTER] without being currently licensed, or to falsely advertise services;

* Sec. 15. AS 44.41.020 is amended to read:

Sec. 44.41.020. DUTIES OF DEPARTMENT. (a) The Department of Public Safety shall administer functions relative to the protection of life and property.

(b) The Department of Public Safety shall administer the Guide Licensing and Control Board established under AS 08.54.010.

* Sec. 16. AS 08.03.010(c) is amended by adding a new paragraph to read:

(2) Guide Licensing and Control Board (AS 08.54.010) -- June 30, 1984.

* Sec. 17. The terms of the members of the Guide Licensing and Control Board appointed under AS 08.54.020 terminate on the effective date of this

Act. The governor shall appoint members to the board for the following initial terms: one member for one year, two members for two years, and two members for three years.

* Sec. 18. 12 AAC 38.051 - 12 AAC 38.059 are compiled.

* Sec. 19. AS 05.01.010(20); AS 08.03.010(b)(7); AS 08.54.340(a)(2), 08.54.108(5), 08.54.110(12), 08.54.142, 08.54.144, 08.54.146, 08.54.170(c), 08.54.240(5); and AS 16.05.340(c) are repealed.

* Sec. 20. This Act takes effect immediately in accordance with AS 01.10.-070(c).

2 Sections ← .047 Eff July 1, 1981

THE PRECEDING DOCUMENT(S) MAY NOT FILM LEGIBLY BECAUSE OF POOR QUALITY OF THE ORIGINAL.

AMENDMENT TO HOUSE BILL 1032

Delete Repeal in Sect 17 of bill

Sec. 4 AS 08.54.040 Powers and duties (a) is amended to read

(8) [ESTABLISH A QUOTA OF LICENSED OPERATING GUIDES WHO MAY OPERATE WITHIN DESIGNATED GEOGRAPHICAL GAME UNITS OR SUBUNITS OF THE STATE AND PROVIDE FOR AN EQUITABLE AND REASONABLE PROCEDURE FOR LIMITING THE NUMBER OF GUIDES TO THAT QUOTA; PREFERENCE SHALL BE GIVEN TO QUALIFIED, AVAILABLE AND WILLING LICENSED GUIDES WHC RESIDE WITHIN THE DESIGNATED GAME UNIT OR SUBUNIT.] the authority of the board does not extend to the creation of exclusive use areas for guides.

Sect 5

New section to read:

AS 08.54.065 Quorum. A majority of the members of the board constitutes a quorum for the transaction of business, for the perfo mance of any duty, and for the exercise of any power. However, a majority of the full board membership is required to carry all motions, regulations and resolutions.

HCR

1

COMMITTEE REPORT

HOUSE

FURTHER:

Date: January 29, 1979

Mr. Speaker:

The Committee on RESOURCES has had HCR 1

directing the Legislative Council to conduct a study relating to the extent of foreign investment in Alaska's fisheries.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____
CHAIRMAN

H 60 (Rev. 12/78)

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HCR1	465-4100	Dept. of Fish and Game	2/6/79
	465-3500	Governor's Office - International Fisheries	2/6/79
	465-4918	John Williams - Legislative Affairs Agency	2/6/79
	465-2500	Commerce Dept. - Dick Eakins Dir. of Economic Enterprise to testify	2/6/79

HCR

9

(9)

COMMITTEE REPORT

HOUSE

FURTHER:

February 21, 1979 Date: _____

Mr. Speaker:

The Committee on _____ has had _____

Requesting the Department of Commerce and Economic Development to enforce the law regarding corporate foreign affiliation.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

_____

_____

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_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

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_____

CHAIRMAN

H 60 (Rev. 12/78)

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HCR 9	3/5/79	Commerce Dept. - Julius Brecht, Dir. of Banking Division to testify	3/8/79
	3/8	John Williams, Leg. Affairs	3/8

December 15, 1978

The Honorable Terry Gardiner
House of Representatives
Pouch J
Juneau, Alaska 99811

Dear Mr. Gardiner:

I recently read Pat Dougherty's article on the Alien Disclosure Law in the December 7-13, 1978 issue of the Alaska Advocate. An insert entitled "Division thwarts alien disclosure law" appeared in that article relating to this division's administration of the law and is enclosed for your information.

I believe the insert is inaccurate and does not clearly state what steps the division has in fact taken to administer the law since its enactment in 1975.

The following steps are taken as a matter of course to ensure that the requirements of AS 10.05.255, 10.05.615 and 10.05.707 relating to alien affiliates are met.

1. When articles of incorporation for a domestic corporation are received, they are reviewed by the Corporations Section within this division pursuant to AS 10.05.255. If the 5% shareholder or alien affiliate requirements are not met (no reference to alien affiliates in the articles or otherwise disclosed), a letter is mailed to the person requesting the filing of the articles stating that alien affiliates must be disclosed, or if there are none, disclose that fact. The articles would, of course, be rejected if any of the other requirements of AS 10.05.255 were not met. In addition the requestor is informed that the articles will be held in the Corporations Section for 30 days awaiting his response. However, if after 30 days the required information is not received, the articles are returned to the requestor.

Similar steps are taken regarding the 5% shareholder requirement.

2. When application for certificate of authority is received from a foreign corporation, it is reviewed pursuant to 10.05.615. Every item must be completed, including the alien affiliate and 5% shareholder requirement. If any item on the application is omitted, the application is returned to the sender with a letter of explanation.

3. Annual reports are reviewed for completeness pursuant to AS 10.05.702. Every item on the report form is checked for answers, including the alien affiliate and 5% shareholder requirements. If the report is not completed, it is returned to the sender along with a letter of explanation. In previous years, when any item was omitted the report was accepted and a letter was sent requesting the additional information.

As a further inducement to corporate officers to provide correct information on future annual reports, a paragraph will be added to the reports in the next publication informing the officer filling out the form of the penalties imposed upon officers and directors by AS 10.05.796 for nondisclosure or falsification of information on the annual report filed with the department.

Recently, the division completed the conversion of a portion of its data base to an on-line computer automated system. Thirty-five types of information on each of the approximately 12,000 corporations on file with the division are now maintained in the State's computer in Juneau, enabling the division to provide vastly improved maintenance of the files and quicker response to requests from the public including members of the press. It may be possible depending on funding to have computer terminals elsewhere in the State from which requestors can obtain up-to-date information on corporations on file with the division.

Last month, the annual reports were addressed by computer. The computer is also used to generate several special reports, including a list of those corporations with alien affiliates, those with 5% shareholders, those with the same state of domicile, those with the same purpose, and various others. It will also produce the Corporate Directory, which previously was compiled using a "mag card" typewriter and took approximately two man-months just to type. Now the report can be procuded overnight. In addition, various certificates relating to corporations are also produced.

In summary, I believe that the division has administered the law in question in a reasonable and professional fashion. I would be happy to discuss this matter with you further at your convenience. I look forward to seeing you in Juneau next month.

Sincerely,

Julius J. Brecht
Director

JJB/slplw

cc: H. Phillip Hubbard

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF BANKING, SECURITIES, SMALL LOANS & CORPORATIONS

POUCH D
JUNEAU, ALASKA 99811

March 9, 1979

Honorable Alvin Osterback
Chairman
House Resources Committee
Pouch V
Juneau, Alaska 99811

Dear Mr. Osterback:

RE: HCR-9

In my testimony before the House Resources Committee yesterday, I indicated that I had a copy for the committee of a letter which I had sent to Rep. Terry Gardiner regarding the article on foreign affiliates which appeared in the December 7-13, 1978 issue of the Alaska Advocate. Please find a copy of that letter dated December 15, 1978 enclosed.

I would also like to take this opportunity to express again that the division has, in my view, uniformly administered the foreign affiliate reporting requirement of AS 10.05.702(9) and has not devised nor used a definition of "affiliate" different from that stated in AS 10.05.825(18).

Unfortunately, Mr. Williams, who appeared after me at the hearing yesterday apparently did not grasp these simple points. The Alaska Advocate article was incorrect in this regard as well. Some of the confusion on their part stems from the annual report form used by the department. A copy is enclosed for your information.

I believe that if you review the department's corporation annual report form, you will conclude that Item 10 of that form simply is not in any way a definition. It simply restates the language of AS 10.05.702(9). It is true that there was an ambiguity regarding foreign affiliates in the 1977 annual report forms. However, that problem has been remedied in the present form.

The only change contemplated with regard to foreign affiliates on republication of the annual report forms next year, is to make specific reference to AS 10.05.786 which sets out the penalties for a false filing with the department.

08-H14L11

The department is enforcing the foreign affiliate law by the only effective means available:

1. rejecting articles of incorporation which do not address the issue;

2. refusing to register foreign corporations which do not address the issue in their filings, and

3. rejecting annual reports of both foreign and domestic corporations that do not respond to Item 10 of the annual report form.

I can emphasize with the committee's interest in obtaining information of foreign affiliates in the fishing industry. I stand ready to answer further questions that the committee may have on foreign affiliates and invite you and the committee members to inspect the corporations filing office within this division at your convenience.

Sincerely,

Julius J. Brecht
Director

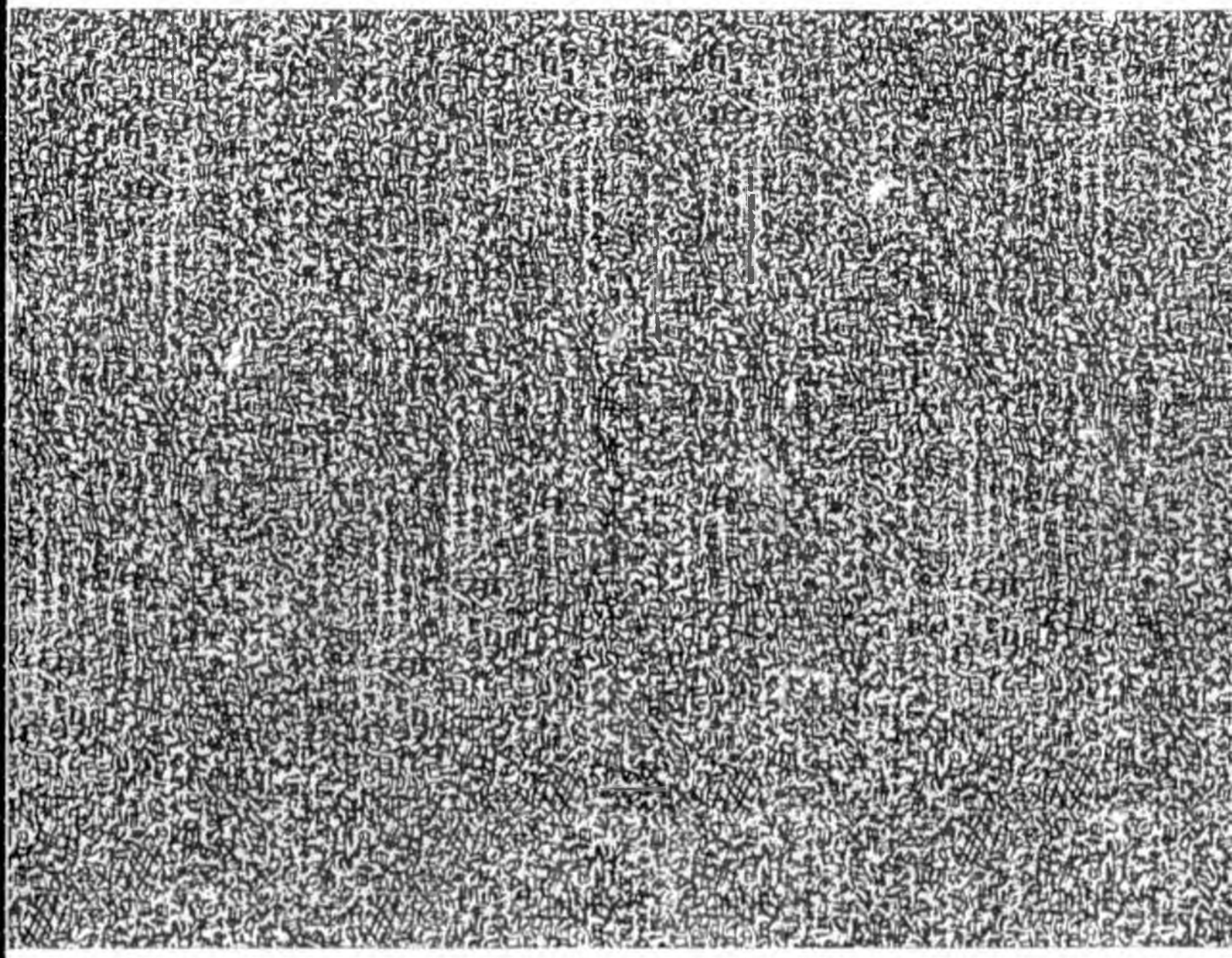
JJB/cw5/3

Enclosure

State of Alaska
Department of Commerce & Economic Development
Corporations
Pouch D
Juneau, Alaska 99811

FIRST CLASS
PERMIT NO. 83
JUNEAU, ALASKA

TO



CORPORATION FRANCHISE TAX STATEMENT

CORPORATION ANNUAL REPORT

Dear Corporation Taxpayer:

Enclosed is your corporate franchise tax statement and the annual report form to be completed and returned to this office before February 1. The corporation franchise tax is $50.00 for domestic corporations and $100.00 for foreign corporations (incorporated outside the State of Alaska). Tax and report must be submitted together. Tax will not be accepted without completed report.

Please follow the instructions printed on the reverse side of the form. The instruction numbers coincide with the numbered spaces on the face of the annual report.

To avoid assessment of late filing fees and penalties please file timely and attach remittance as required. Thank you for your cooperation.

Corporations Section
Department of Commerce
and Economic Development
465 2530 or 465 2531

Enc: Corp. Franchise Tax Statement
and Annual Report Form

AMOUNT DUE

If postmarked after February 1, a penalty of $25.00 is assessed on the tax plus a penalty on the annual report of 10% of the tax

Fee: Foreign - $100.00 Total fee after February 1: Foreign - $137.50
Domestic - $ 50.00 Domestic - $ 82.50

YEAR	DATE	NO	AMOUNT RECEIVED
		X 10347	

TO

For Use By The Commissioner Only

CORPORATION FRANCHISE TAX STATEMENT
DUE ANNUALLY JANUARY 2

RETURN WITH REMITTANCE TO:

State of Alaska
Department of Commerce & Economic Development
CORPORATION SECTION
Pouch D
Juneau, Alaska 99811

MAKE CHECKS PAYABLE TO DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

TO ASSURE PROPER CREDIT, THIS NOTICE MUST BE RETURNED WITH YOUR REMITTANCE YOUR CANCELLED CHECK IS YOUR RECEIPT

Do Not Detach For Office Use Only

STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
CORPORATIONS SECTION
POUCH D JUNEAU, ALASKA 99811
AUTHORITY: A S 10 05.699

(Type or print legibly)

NO. X 10347

ANNUAL REPORT

FOR YEAR ENDING DECEMBER 31, 19 _____

NAME OF CORPORATION _____ File No. _____

1 CORPORATION IS ORGANIZED UNDER THE LAWS OF THE STATE OR COUNTRY OF _____

2 ADDRESS OF PRINCIPAL CORPORATION OFFICE _____

3 REGISTERED AGENT _____
(FILE CHANGE ON FORM 08 184)

4 REGISTERED OFFICE IN ALASKA _____
(FILE CHANGE ON FORM 08 184)

5 CHARACTER OF BUSINESS IN WHICH CORPORATION IS ACTUALLY ENGAGED IN ALASKA _____

6 AGGREGATE NUMBER OF SHARES WHICH CORPORATION HAS AUTHORITY TO ISSUE, ITEMIZED BY CLASSES, PAR VALUE OF SHARES, SHARES WITHOUT PAR VALUE, AND SERIES, IF ANY, WITHIN A CLASS

NUMBER OF SHARES	CLASS	SERIES	PAR VALUE PER SHARE

7 AGGREGATE NUMBER OF ISSUED SHARES, ITEMIZED BY CLASSES, PAR VALUE OF SHARES, SHARES WITHOUT PAR VALUE AND SERIES IF ANY WITHIN A CLASS

NUMBER OF SHARES	CLASS	SERIES	PAR VALUE PER SHARE

8 THE AMOUNT OF STATED CAPITAL AS OF THE CLOSE OF BUSINESS ON DECEMBER 31 $

9 YOU MUST FURNISH THE NAMES AND ADDRESSES OF BOTH DIRECTORS AND OFFICERS. IF DIRECTORS AND OFFICERS ARE THE SAME PEOPLE WRITE IN "SAME" IN THE DIRECTORS AREA

	NAME	COMPLETE ADDRESS
DIRECTORS	1 2 3	
OFFICERS	1 2 3	

10 ATTACH AS EXHIBIT "A" THE NAME AND ADDRESS OF EACH NONRESIDENT AGENT OR AFFILIATE. IF YOU HAVE NONE INDICATE IN THE SPACE PROVIDED (SEE REVERSE FOR EXPLANATION)

11 ATTACH AS EXHIBIT "B" A NAME AND ADDRESS OF EACH PERSON HAVING A DIRECT OWNERSHIP OR CONTROL OF AT LEAST 5 PERCENT OF THE SHARES OR 5 PERCENT OF ANY CLASS OF SHARES AND THE PERCENTAGE OF SHARES OWNED BY THAT PERSON. EXHIBIT "B" SHALL COVER THE OWNERSHIP AS OF SEPTEMBER 30 OF THE REPORTING PERIOD. IF YOU HAVE NONE INDICATE IN THE SPACE PROVIDED

DATED _____ 19____

CORPORATE SEAL

BY _____

TITLE _____

ATTESTED BY _____

FORM 08 101 REV. 2/78

...op Corporations.

...reported by ... 10 Del. C. ch. 17 and 765

... 1 of each year. If postmarked after February 1, a penalty of ... a penalty on the annual report of 10% of the tax due.

...otal late fee after February 1: Foreign ₰137.50
Domestic $ 82.50

NOTICE: ... Corporation Franchise Tax will not be accepted without the annual report.

... report must be filed with the DEPARTMENT OF COM... The reports and tax payments are made within the pre...

...ELL, OR RETURN THIS FORM TO THE CORPORATIONS SECTION
FOR FILING ANNUAL REPORTS

... REPORT MUST BE COMPLETE IN FULL OR IT WILL BE RETURNED
UNFILED ... must be postmarked April 1 or $7.50

... Data Systems. The pre-printed data ... these data. Note any changes or ... data. Some changes require filing ...

... CORPORATIONS MUST MAINTAIN A REG... THE AGENT AND OFFICE ARE ... CORPORATION. ANY CHANGE MUST BE ... CHANGE OF REGISTERED AGENT AND/OR ... THIS PURPOSE AND MUST BE ...

... (COMMON PREFERRED). THIS NUMBER ... THE ARTICLES OF INCORPORATION OR ... AMENDMENT.

... have been issued to date.

... The same individual cannot be ... may have the same number.

... nonresident alien or a cor... percentage of outstanding ...

... (See Item 7)

... one officer and the corporate ...

Article 8. Annual Reports.

Section
702. Contents of annual report
705. Filing of annual report of domestic and foreign corporations

Sec. 10.05.702. Contents of annual report. The annual report shall set out

(8) the name and address of each affiliate which is a nonresident alien or a corporation whose place of incorporation is outside the United States and the percentage of outstanding shares controlled by each affiliate

(9) the name and address of a person owning at least five per cent of the shares, or five per cent of any class of shares, and the percentage of the shares or class of shares owned by that person.

(am § 5 ch 145 SLA 1975; am § 14 ch 176 SLA 1976)

Effect of amendments. — The 1975 amendment added paragraph (8).

The 1976 amendment, effective January 1, 1977, added paragraph (9).

As the rest of the section was not affected by the amendments, it is not set out.

Legislative committee report. — For report on ch. 145, SLA 1975 (CSSB 376 am H), see 1975 Senate Journal, p. 1028.

Sec. 10.05.705. Filing of annual report of domestic and foreign corporations. (a) The annual report of a domestic and foreign corporation shall be filed with the department and is due January 2 of each year. It is delinquent if not filed on or before February 1. Delinquent returns are subject to the penalty prescribed in § 771 of this chapter. However, the first annual report of a domestic or foreign corporation shall be filed with the commissioner and is due January 2 of the year succeeding the calendar year in which its certificate of incorporation or its certificate of authority, as the case may be, was issued by the commissioner.

(b) Proof to the satisfaction of the commissioner that before February 1 the report was deposited in the United States mail in a sealed envelope, properly addressed with postage prepaid, is compliance with (a) of this section.

(c) If the commissioner finds that the report conforms to the requirements of this chapter, he shall file it. If he finds that it does not conform to the requirements of this chapter, he shall promptly return it to the corporation for necessary corrections. If the report is corrected to conform to the requirements of this chapter and returned to the commissioner in sufficient time to be filed before April 1 of the year in which it is due, the penalties for failure to file the report within the time provided in § 771 of this chapter do not apply. (§ 119 ch 126 SLA 1957; am § 1 ch 99 SLA 1969)

Director,
Div. of Banking, Securities,
& Corp's.

Julius Brecht 465-250

discussion of HCR1 and HB87 - Foreign Investment in Fisheries Study

AS 10.05.255 Articles of incorporation

(a) The articles of incorporation shall set forth.

(3) the name and address of each affiliate which is a nonresident alien or a corporation whose place of incorporation is outside the U.S.

AS 10.05.825 (18) "affiliate" means a person that directly or indirectly through one or more intermediaries controls or is controlled by, or is under common control with, a corporation subject to this chapter

(19) "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through ownership of voting securities, by contract, or otherwise

---

Does Commerce Dept actually collect all information which they are required to collect under these statutes?

State of Alaska
Department of Commerce & Economic Development
Corporations
Pouch D
Juneau, Alaska 99811

FIRST CLASS
PERMIT NO. 63
JUNEAU, ALASKA

CORPORATION FRANCHISE TAX STATEMENT

Dear Corporation Taxpayer:

Enclosed is your corporate franchise tax statement and the annual report form to be completed and returned to this office before February 1. Corporation Franchise fee is $50.00 for Domestic Corporations and $100.00 for Foreign Corporations (incorporated outside the State of Alaska).

Please follow the instructions printed on the reverse side of the form. The instruction numbers coincide with the numbered spaces on the face of the annual report.

To avoid assessment of late filing fees and penalties please file timely and attach remitt once as required. Thank you for your cooperation.

Corporations Section
Department of Commerce
and Economic Development
465 2570 or 465-2581

Enc: (1) Corp. Franchise Tax Statement
(2) Annual Report Form

IMPORTANT NOTICE

ALL CORPORATIONS ARE REQUIRED TO COMPLY WITH AS 10.05.702 ON THIS REPORT. ATTACH AS EXHIBIT "B" THE NAME AND ADDRESS OF EACH PERSON HAVING A DIRECT OWNERSHIP OR CONTROL OF AT LEAST 5 PERCENT OF THE SHARES OF 5 PERCENT OF ANY CLASS OF SHARES AND THE PERCENTAGE OF SHARES OWNED BY THAT PERSON. EXHIBIT "B" SHALL COVER THE OWNERSHIP LIST AS OF SEPTEMBER 30 OF THE REPORTING PERIOD.

RETURN WITH REMITTANCE TO:

State of Alaska
Department of Commerce & Economic Development
Corporations
Pouch D
Juneau Alaska 99811

CORPORATION FRANCHISE TAX STATEMENT
DUE ANNUALLY JANUARY 2

No. 22529

TO:

AMOUNT DUE
Domestic 50 00
Foreign 100 00
ADD $25.00 to this statement for penalty if not paid by February 1

AMOUNT RECEIVED	DATE
For Use By The Commissioner Only	

To assure proper credit this notice must be returned with your remittance. Your cancelled check is your receipt.

Do Not Detach For Office Use Only

STATE OF ALASKA
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
CORPORATIONS SECTION
POUCH D JUNEAU ALASKA 99811

AUTHORITY AS 10 05 699

FOR YEAR ENDING DECEMBER 31, 19 _____

1 CORPORATION IS ORGANIZED UNDER THE LAWS OF THE STATE OR COUNTRY OF _____

2 REGISTERED AGENT _____

3 REGISTERED OFFICE IN ALASKA _____

4 ADDRESS OF PRINCIPAL CORPORATION OFFICE _____

5 [illegible] OF BUSINESS IN WHICH CORPORATION IS ACTUALLY ENGAGED IN ALASKA _____

YOU MUST FURNISH THE NAMES AND ADDRESSES OF BOTH DIRECTORS AND OFFICERS IF DIRECTORS AND OFFICERS ARE THE SAME PEOPLE WRITE IN SAME IN THE DIRECTORS AREA

	NAME	COMPLETE ADDRESS
DIRECTORS	1 2 3	
OFFICERS	1 2 3	

(IF MORE THAN THREE ATTACH LIST)

6 AGGREGATE NUMBER OF SHARES WHICH CORPORATION HAS AUTHORITY TO ISSUE ITEMIZED BY CLASSES PAR VALUE OF SHARES SHARES WITHOUT PAR VALUE AND SERIES IF ANY WITHIN A CLASS

NUMBER OF SHARES | CLASS | SERIES | PAR VALUE PER SHARE

7 AGGREGATE NUMBER OF ISSUED SHARES ITEMIZED BY CLASSES PAR VALUE OF SHARES SHARES WITHOUT PAR VALUE AND SERIES IF ANY WITHIN A CLASS

NUMBER OF SHARES | CLASS | SERIES | PAR VALUE PER SHARE

8 [illegible] AMOUNT OF STATED CAPITAL AS OF THE CLOSE OF BUSINESS ON DECEMBER 31 [illegible]

9 [illegible] AS EXHIBIT A [illegible] NAME AND ADDRESS OF EACH SUBSIDIARY AND ITS APPLICABLE IF YOU HAVE NONE INDICATE IN THE SPACE PROVIDED (SEE REVERSE FOR DEFINITION)

[illegible] _____ 9 _____

[illegible] _____
(CORPORATE SEAL)

[illegible] _____

[illegible] _____

NAME OF [illegible] _____

BY _____

TITLE _____

ATTESTED BY _____

The following applies to all Domestic and Foreign Corporations:

ALASKA CORPORATION FRANCHISE TAX

Due: Between January 2 and February 1 of each year. If postmarked after February 1 a penalty of $25.00 is assessed.

Fee: Foreign $100.00
Domestic $ 50.00

ALASKA ANNUAL REPORT

Due: Between January 2 and February 1 the annual report must be filed with the DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT. The reports and tax payments are made within the prescribed time if postmarked on or before the due date.

INSTRUCTIONS FOR FILING ANNUAL REPORTS
(Numbers correspond with report)

All items are required by law. **THE REPORT MUST BE COMPLETE IN FULL OR IT WILL BE RETURNED UNFILED FOR COMPLETION.**

1 & 3 All corporations must maintain a registered agent and office in the State of Alaska. This agent and office are designated in the Articles of Incorporation. Any change must be reported to this department using a Change of Registered Agent and/or Office. Forms are available for this purpose and must be submitted with the appropriate filing fee.

4 Be descriptive of type of business. If manufacturing please note also.

5 List all officers and directors giving complete mailing addresses. At least three officers are required by Alaska Statutes. The same individual cannot be President and Secretary.)

6 List number of authorized shares by class (common preferred). This is the same as amount authorized in the Articles of Incorporation or Amended Articles.

7 Requires the reporting of all shares of capital stock which have been issued to date.

8 Stated Capital [illegible] A, B, & (C)

9 "Alien" means [illegible] which is a nonresident alien or a [illegible] the United States and the percentage of [illegible]

The report must be signed by **one** officer and the **corporate** seal impressed.

REMEMBER:
1. RE[illegible]
2. BE[illegible]
3. B[illegible] FROM THIS OFFICE
W[illegible] C PERIOD.
4. [illegible] ARE PROVIDED.
X[illegible] FILE COPY

[illegible] the specified time for a corporation [illegible] involuntary dissolution action.

Sec. 10.05.825. Definitions. In this chapter, unless the context otherwise requires,

(1) "commissioner" means the commissioner of commerce and economic development;

(3) "department" means the Department of Commerce and Economic Development;

(18) "affiliate" means a person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, a corporation subject to this chapter;

(19) "controls" (including "controlling", "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through ownership of voting securities, by contract, or otherwise;

(20) "person" means an individual, a corporation, a partnership, an association, a joint-stock company, a trust where the interests of the beneficiaries are evidenced by a security, an unincorporated organization, a government, or a political subdivision of a government;

(21) "reorganization" means a "reorganization" as that word is defined by § 368(a)(1)(A)—(D) of the Internal Revenue Code of 1954 as it exists on the effective date of this Act.

(am § 6 ch 145 SLA 1975; am § 62 ch 218 SLA 1976)

Effect of amendment.

The 1975 amendment added paragraphs (18) through (21).

The 1976 amendment substituted "commissioner of commerce and economic development" for "commissioner of commerce" in paragraph (1) and "Department of Commerce and Economic Development" for "Department of Commerce" in paragraph (3).

As the rest of the section was not affected by the amendments, it is not set out.

Editor's note. — Section 7, ch. 145, SLA 1975, provides: "It is the intent of the legislature to adopt the definitions for 'affiliate' and 'control' as those terms are in use and have been interpreted by the United States Securities Exchange Commission on the effective date of this Act."

Legislative committee report. — For report on ch. 145, SLA 1975 (CSSB 376 am H), see 1975 Senate Journal, p. 1028.

scribed time if postmarked on or before the due date.

MAIL THE COMPLETED FORM TO THE CORPORATIONS SECTION

INSTRUCTIONS FOR FILING ANNUAL REPORTS

(Numbers correspond with report)

All items are required by law. THE REPORT MUST BE COMPLETE IN FULL OR IT WILL BE RETURNED UNFILED FOR COMPLETION. Annual Reports returned for completion must be postmarked April 1 or $7.50 late filing fee is assessed. AS 10.05.771

This form has been revised for use with the computer-based Corporation Data Systems. The pre-printed data Item 1, 2, 3, 4 & 6 are as they appear on the corporate file. Please verify these data. Note any changes or corrections on the form or as an attachment. Do not erase the pre-printed data. Some changes require filing additional forms or amendments.

2. Domestic corporations must report the principal office address.

3. & 4. VERIFY THE AGENT AND OFFICE AS SHOWN. ALL CORPORATIONS MUST MAINTAIN A REGISTERED AGENT AND OFFICE IN THE STATE OF ALASKA. THE AGENT AND OFFICE ARE ORIGINALLY DESIGNATED IN THE ARTICLES OF INCORPORATION. ANY CHANGE MUST BE SUBSEQUENTLY DESIGNATED BY FILING A CHANGE OF REGISTERED AGENT AND/OR OFFICE. FORM 08-434 IS AVAILABLE FROM THIS OFFICE FOR THIS PURPOSE AND MUST BE SUBMITTED WITH THE APPROPRIATE FILING FEE.

5. Be descriptive as to type of business, if inactive please note also.

6. VERIFY NUMBER OF AUTHORIZED SHARES BY CLASS (COMMON PREFERRED). THIS NUMBER IS THE MAXIMUM NUMBER AUTHORIZED IN THE ARTICLES OF INCORPORATION OR AMENDED ARTICLES. CHANGES MUST BE SUBMITTED BY AMENDMENT.

7. [illegible] all capital stock which have been issued to date.

8. Shall be defined by AS 10.05.825 (12) (A), (B) & (C).

9. [illegible] addresses (giving their complete mailing addresses. (The same individual cannot be President and Secretary.) A corporation having less than three shareholders may have the same number of directors as shareholders. (AS10.05.177)

10. [illegible] addresses of each affiliate which is a nonresident alien or a corporation organized outside the United States and the percentage of outstanding [illegible] report.

11. [illegible] addresses as described if shares are issued (see Item 7)

[illegible] officers of the corporation or is signed by one officer and the corporate

1. TYPE OR PRINT LEGIBILY
2. BE SURE REPORT IS SIGNED AND TAX ATTACHED
3. BE SURE REPORT ARRIVES IN THIS OFFICE

HCR

50

AGO 12-022

Hearing 3/20/80 Tabled

3/24/80 - HCR 50 withdrawn by the sponsor

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HCR 50	3/3/80	3799	Rep. Malone (Rep. Malone's office notified by mail all private nonprofit/ scientific/educational hatcheries and A.F.I.R.D. American Fisheries Society Izaak Walton League F&G: F.R.E.D. Commercial Fisheries, Sport Fisheries Bob Palmer, Governor's office Rep. Gardiner Shee Atika Corp - Sitka West Side Fishermen's Assoc. - Cook Inlet U.F.A. Southeast Alaska Seine Boat Owners & Operators Assoc. North Pacific Fisheries	Thurs. March 20, 1980
	3/13	4100	Fish & Game Dept.	3/20
	3/13	586-2820	United Fishermen of Alaska Phil Daniel, President, will testify	3/20

American Fisheries Society

March 20, 1980

The Honorable Hugh Malone
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Malone:

Thank you for the opportunity to comment on House Concurrent Resolution 50. The American Fisheries Society is an international organization of over 8,000 fisheries, aquatic science professional, lay and student members. Chartered in 1870, the American Fisheries Society is the world's oldest and largest scientific group dedicated to the advancement of fisheries science and the conservation of renewable aquatic resources. As time was short it was impossible to canvass the entire Alaskan membership. It was possible to contact 29 percent of the membership by phone, and 86 percent of those members contacted were in favor of HC 50 and 9 percent were against the resolution with 5% having no opinion. Most of the membership contacted had not seen your letter of March 7. This testimony will attempt to summarize, those thoughts expressed most often by the members.

Several of the members expressed concern that if this resolution passed it would preclude involvement or participation by individuals and groups now currently invloved in the salmon enhancement program. The entire issue is extremely complex and it is not the intent of the Alaska chapter of the American Fisheries Society to prevent or discourage participation from others in the salmon program. The concern of the members centers around the quality of the program and not individual "territory" of the participants. The comment most frequently mentioned was that "the salmon resource in Alaska is a public resource, should remain that way and should be managed as such." The salmon resource is extremely valuable to the State and management of that resource should only be done by qualified professionals hired specifically for that purpose. Along this same line of thinking were comments that proper checks, balances and adequate review is absolutely necessary if this publicly owned renewable resource is to be properly managed to the benefit of all.

It is generally felt that adequate "grass roots" public (user) participation is a necessary element in the check and balance system. Presently there are adequate and numerous avenues for any person or group to influence the allocation and management process. Allocation of harvest cannot and should never be placed solely in the hands of the users or the managers.

The Board of Fisheries does a remarkably fine job of handling the allocation of the salmon resource. Current statutes require Regional Aquaculture Associations to jointly develop Regional Comprehensive Plans with the Department of Fish and Game. This process is adequate and can work nicely as evidenced by the recently completed draft Regional Comprehensive Plan for Southeast Alaska.

Almost all those members contacted expressed their concern that the complexity of the science of dealing with the salmon ecosystem is not appreciated fully by many lay people. The ecosystem is dynamic, extremely complex and not fully understood. Salmon husbandry is a valid and viable tool with which the salmon ecosystem can be positively influenced for man's benefit. The techniques employed, however must be carefully and scientifically interwoven with the natural ecosystem so that possible negative impacts are reduced or eliminated. The final area about which opinions were expressed was user participation. The concept of "those who benefit most should pay most" is well established in Alaska and seems well accepted by the fishing community. Through existing statutes, participation is required for planning and allowed for enhancement facilities (hatcheries.) In order to finance this participation, however, the users are left largely to their own devices to collect revenue. The social, institutional and legal barriers have prevented this concept from working efficiently.

In summary, the fisheries professionals feel that the salmon resource is a public resource and should be managed accordingly. They feel that there should be one salmon program. This position is not meant to preclude participation by any individual group or agency. However, the staff hired to implement that program must be highly trained professionals. The right "mix" of disciplines is absolutely necessary. Proper checks, balances and control through the legislative and implementation process cannot be compromised. It is unfair and certainly ineffecient to expect the resource users to remove all the barriers and provide their own mechanism to participate in the salmon program financially. The legislature should provide the legal framework to allow financial participation by those who benefit most from the salmon resource and wish to participate in the salmon program.

On behalf of the Alaska Chapter of the American Fisheries Society I wish to thank you and the House Resources Committee for the opportunity to provide this testimony.

Sincerely,

S.A. Moberly, President
Alaska Chapter, American Fisheries Society

THE AMERICAN FISHERIES SOCIETY

MEMBERSHIP BROCHURE

5410 Grosvenor Lane
Bethesda, Maryland 20014

AMERICAN FISHERIES SOCIETY

The American Fisheries Society is an international organization of 7,000 fisheries and aquatic science professional, lay, and student members. Chartered in 1870, AFS is the world's oldest and largest scientific group dedicated to the advancement of fisheries science and the conservation of renewable aquatic resources. The Society's executive offices are headquartered in the Washington, D.C. area with its subunits operating throughout most of North America.

To achieve its goals, AFS has a far-reaching program of activities that include:

- Publication and distribution of fisheries science materials
- Support of expanded and improved fisheries research
- Improvement of fisheries science education
- Strengthening of fisheries scientists' professional standards
- Improved social recognition and economic compensation for fisheries scientists
- Effort toward the elimination of aquatic pollutants
- Improvement and extension of fish culture practices and development
- Identification and control of fish health problems
- Management of fisheries resources for optimum sustainable yield
- Preparation for and conduct of fisheries conferences and meetings
- Provision of information to support scientifically sound fisheries policies

AFS is a nonprofit, tax-exempt corporation controlled by the membership, governed by an elected Executive Committee and presided over by an elected President. The Society holds membership meetings at widely scattered North American locations in August or September of each year, where members who are unable to attend may be represented by proxy.

Geographically, the Society is partitioned into four Divisions, with these in turn divided into a total of 38 local Chapters. In addition, the Society has several disciplinary Sections. New Sections and Chapters are added as the need arises. Membership in these is optional and generally requires a small additional dues payment.

Geographic Divisions of AFS and Local Chapters in Each

NORTHEASTERN DIVISION

Alaska International Chapter
Central Pennsylvania Chapter
Delaware Estuary Sec. & Fisheries Chapter
New York Chapter
Southern New England Chapter

WESTERN DIVISION

Alaska Chapter
Arizona New Mexico Chapter
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Proceedings of a Symposium, March 5-6, 1976. E. Schwiebert, ed. 160 pp. $10. (Members—$8 for 1 copy only).

G. Post, ed. Fish Health Section. AFS. 1977. 48 pp. $5.

E. A. Guillion, ed. 1968. 202 pp. $1.
A Career Guide for the Field of Fisheries Science. 1974. Single copy—25¢, each additional copy—10¢

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March 20, 1980

TESTIMONY SUBMITTED TO HOUSE RESOURCE COMMITTEE
ON HOUSE CONCURRENT RESOLUTION NO. 50

Gentlemen:

I regret that I can not be present to testify, but I am frantically trying to get my boat ready for fishing on April 1. On the other hand, I don't know why it should be necessary to testify. It seems that we fishermen have followed the legislature's lead in forming our self-help program, and you keep asking us to come back and tell you that we are really serious, that in fact we took your legislation serious. All I can say is, hell yes we're serious.

I feel that the aquaculture associations have proven themselves. I am speaking for Sitka, since I'm familiar with that Association since we kicked the idea around over three years ago, and I know how it works. I would like to tell you what we have accomplished. Perhaps Dr. Loon will be reading this letter, so I'll be brief so that I can sit down.

We can show you more impressive progress in many programs. I'll tell you about some of them.

For starters, fishermen demonstrated their support by voting to assess themselves 1¢ to support the associations. For another, we conducted the most thorough public involvement program to date to find out

what fishermen want before we started spending money. This information not only helped us in planning our projects, but we gave the information to you in writing in the comprehensive regional salmon plan. Phase I of the Plan was just finished and we'll be giving you all copies soon.

As for this comprehensive salmon plan, which we did jointly with SSRAA and ADF&G through the Regional Planning Team you created a couple years ago, this Association put the first draft together, pulling in everyone's ideas -- fishermen, Fish and Game, Forest Service, sportsmen, you name it. I want to say Fish and Game really got on the ball for us. By successfully writing the first draft, which you probably know is the roughest work, we proved how we can get everyone to talk to us and work with us. SSRAA followed up with much hard work in putting the Plan into good shape. I think when you see it, you'll agree that it is the best salmon plan you've ever seen written for our region in Southeastern.

Another project all of us fishermen are really proud of is the lake and stream survey program to do echo lake stocking in a big way. We were lucky to hire the best expert in this field to design and run the project for us. Dick Crone, who started the whole program at Little Port Walter years ago, and who is writing a book on it right now, put this project together for us last year. He apparently impressed people because we got lots of help. Fish and Game stepped in and gave us equipment and boats, and helped us track down sockeye we missed. The [illegible], which was two years ago, the first [illegible] with [illegible] and [illegible] and produced [illegible] 40,000

worth of help, in manpower, boat and airplane travels, and all sorts of other things. The Forest Service and Fish and Game will help us again this year, with the Forest Service throwing in $60,000 this time. Of course, we fishermen could not possibly do this job without that kind of help, but you can see how we worked as a middleman and got everybody pointed in the same direction.

We are planning two hatcheries, one at Salmon Creek in Juneau for chum and coho salmon, and one in Sitka Sound to produce young coho to stock in the lakes we choose. Both hatcheries are what we call "cheapies" -- we wanted them to produce the most fish for the least money. Prince William Sound and Sheldon Jackson have already proven that inexpensive hatcheries do work.

We've done all of this in spite of the fact that we received very little money, because the lawsuit froze-up what was collected. We have survived day to day on small loans and grants from the State and a small amount of assessment money. We could never have survived under such conditions without fishermen support, including the loans of donated hours for organization and planning, and work such as surveying spawning streams. Also, it's taken lots of public support, cooperation and freebies from agencies, free positions from agencies such as CETA and VISTA, and an exceptional and dedicated staff, in particular our general manager Derek Poon. You know, for awhile we had five bookkeepers working, and four of them were paid for by federal programs. Our staff is pretty good at doing a lot with very little, and as long as our organization [illegible] much of [illegible] that will continue.

The aquaculture associations were created by State law, and encouraged and supported by the State. We have come a long way in the face of many obstacles. I feel the State has a moral obligation to see this program through. If they drop the ball just as we are on the verge of putting some fish in the water, they are going to face a bunch of goddamn mad fishermen.

Here's a program that won't [illegible] the taxpayer a nickel once it gets going. In a year of budget surpluses and requests for handouts on all sides, here is one group which only asks for the right to do something for themselves. We are not asking for public monies to fund our entire program, or our organization would have no justification. If our original assessment monies had come to us, as was voted on, this hearing would never have been necessary. With the legal problems that have developed with the assessment, we have depended on state loans and grants as front monies to carry us through, and it looks like one more round will be needed. But once the legal roadblocks are removed, grants will no longer be necessary.

You told us we should help ourselves, and we told the fishermen out there that we'll do just that - to put more fish in the water. I hope you'll help us live up to our word.

Thank you,

Dexter D. Hyde
President, [illegible]

DDH:jd

If & When HCR50 is re-scheduled

notify: Bruce Wing - Fishery Research Biologist
789-7231

and Dick Myren
789-7231

Stan Moberly

Geron Bruce

STATE OF ALASKA
THE LEGISLATURE

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JUNEAU, ALASKA 99811

HOUSE OF REPRESENTATIVES

TO RESOURCES COMMITTEE

REMARKS:

Please return your committee copy of HCR 50 which has been withdrawn at the request of the sponsor, to Julie at the Chief Clerk's Office. Thanks.

FROM Chief Clerk's DATE 3/24

LAA 25-H

March 20, 1980

Statement for NMFS, Auke Bay Laboratory
Concerning HCR-50

Mr. Chairman, Members of the House Resources Committee: My name is Bill Heard. I am Coordinator of the Salmon Aquaculture Research Program at the Auke Bay Laboratory. This Laboratory is under line authority of the Northwest and Alaska Fisheries Center, one of four regional research centers of the National Marine Fisheries Service (NMFS). The Laboratory also works and coordinates closely with the NMFS Alaska Regional Office headquartered here in Juneau. I would like to read a prepared statement before your group regarding some of the issues raised in your covering letter of March 7, 1980, introducing HCR No. 50.

I wish to emphasize that I will only address some of the issues--specifically those that speak to matters of (1) technological aspects of salmon aquaculture; (2) overall welfare of Alaska's salmon resources; and (3) the high level of professionalism needed in managing Alaska salmon including the planning, design, implementation and integration of sound, rational aquaculture programs into comprehensive management plans. Most issues raised in the proposed resolution and letter speak almost totally to socio-political aspects of aquaculture, matters in which my agency does not have a direct role. NMFS does not manage lands in Alaska nor do we manage the fisheries within the State's waters. NMFS is directly involved in the Offshore Troll Fishery involving principally chinook and coho salmon by virtue of the Fishery Conservation and Management Act of 1976. Also NMFS is directly concerned with interception issues, notably those involving the United States and Canada where salmon originating in one country are caught by the other.

NMFS's primary role in Alaska aquaculture is one of supportive research; of providing sound technical and scientific support for orderly development of balanced hatchery and enhancement programs carefully integrated into comprehensive management approaches. Our Laboratory currently operates two experimental aquaculture facilities: at Auke Creek near Juneau and at Little Port Walter on the south end of Baranof Island. Both have been involved for the past decade with formal cooperative research programs between ADF&G and NMFS. A considerable volume of scientific research results on aquaculture in Alaska has resulted from these arrangements, touching such varied subjects as salmon egg incubator design, incubator substrate materials, fungus control, saltwater rearing pens, lake stocking, short-term rearing, floating raceways, brood stock development, terminal harvest strategies, vaccine testing, release time and size studies, and direct comparisons and interactions between wild and hatchery salmon. Additionally our staff has participated in the State's sockeye rehabilitation project at Lake Nunavaugaluk in Bristol Bay and we have had informal research and advisory arrangements with Regional Aquaculture Associations as well as small non-association hatchery operators. Much of our research emphasis has been recently redirected toward the ecology of young salmon in estuaries, to learn the causes of variable marine survival in both wild and hatchery produced fish. Along with our programed research, we frequently make technical comments on questions addressed to us from State and private hatcheries. Although NMFS as an agency is not involved in production hatchery programs in Alaska we will not hesitate to express concern and caution when aquaculture developments or practices are not founded on the best available technology or appear to jeopardize some portion of the salmon resource.

Specifically addressing some of the issues raised in the covering letter:

(1) Are we in danger of replacing wild with artificial stocks?

Mr. Chairman, in my opinion, it would be a very sad day for Alaska if this prospect ever became even a remote possibility. Unlike many other states and countries of the North Pacific Rim, Alaska is not yet forced into either hatchery salmon or no salmon. We must all strive to maintain this option by vigilance in protecting habitat and ecosystems that produce our wild salmon resources. Careful management by the stock concept can ensure continuation of wild stocks in concert with enhancement and development of artificial stocks.

The single most important salmon management principle that has slowly evolved over the years is the stock concept. This principle emphasizes the unique nature of each individual stock of salmon and seeks to adjust the harvest according to the strength of each stock. Weak stocks thus receive needed protection while strong stocks are more intensively harvested. The importance of hereditary and environmental factors in the evolution of wild stocks and wild stock interaction with artificial stocks must be foremost in decisions for management actions. Although the history of our salmon runs has been one of wide fluctuations, Alaska as yet has not suffered extensive irreplaceable habitat losses, as a result of industrialization, urbanization, watershed deterioration, or impounding of streams and rivers.

The core issue is not whether to focus only on natural or artificial production but how best to blend the two together to minimize the impact on wild stocks. Given increased understanding and improvements in aquaculture technology, the option to skillfully apply this knowledge should not be lost. In 1980 something between 2.5 and 3.0 billion juvenile salmon will be released from aquaculture programs around the Pacific Rim. Less than 5 percent of that amount will come from Alaska. Given the near certainty that ocean rearing areas of most Alaska salmon are not now fully utilized and given the fact that other states and nations are striving to increase their use of the available ocean carrying capacity for salmon it is important and logical for Alaska to field an active, effective aquaculture effort. Conversely, however, Alaska cannot afford indiscriminant and cavalier construction of hatcheries or other enhancement schemes. Skillful application requires scientific and social finesse in determining the appropriateness of (1) species emphasis at each location, (2) specific technology to use, (3) scope of production, (4) siting parameters, (5) harvesting strategies, and (6) interactions between other stocks and species in addition to interactions between competing user groups--all issues for which this committee is seeking answers.

(2) How many hatcheries are enough? Are we moving too fast with aquaculture efforts?

Many people do feel Alaska is trying to go too far too fast with its salmon hatchery programs. Certainly the decade of the 1970's could be called a "Decade of Hatchery Development" in the State. Perhaps the 1980's should be directed toward a "Decade of Hatchery Performance and Evaluation." The number of hatcheries and other enhancement programs and the rate of their development should be consistent with proven scientific and technical knowledge and our demonstrated ability to apply this knowledge to integrated management schemes that maintain and enhance our all-important wild stocks.

How can we maximize the benefits of artificial salmon production without jeopardizing wild stocks and yet continue to rebuild depressed natural runs? There are many aspects to this question but two principles go a long way toward achieving this goal. First we must minimize direct interaction between hatchery and wild stocks. Secondly when interactions do occur, we must carefully bias effects of the interaction in favor of the natural runs.

Hatcheries or other enhancement programs can have many positive effects on Alaska salmon fisheries, but perhaps two are most significant. A well planned, properly located and successful hatchery will produce returning fish; some will be available for harvest in existing fisheries, but of more importance are the special fisheries that may be required in terminal areas and the use of the fish after hatchery stocks separate from other stocks. Most Alaska hatcheries will be located at or near

tidewater and on simple stream systems, avoiding complicated upstream hatchery stock-wild stock mixtures in major rivers. Secondly, because hatchery stocks can sustain greater harvest rates than wild stocks, well thought-out management strategies are critical in dealing with mixtures of wild and hatchery fish. Both the fisheries manager and the fishermen he regulates will become increasingly aware of the necessity to adjust harvests to the strength of individual stocks. Thus hatcheries may be expected to cause further movement away from mixed stock fisheries toward more precise management of individual stock units. Each hatchery or enhancement project, if properly designed and evaluated becomes an important research tool in broader our total understanding of salmon dynamics and management. Our ability to deal with mixtures of wild and hatchery fish, the limitations of terminal harvest strategies along with maintaining high standards of industry product quality will likely self-limit Alaska hatchery development.

(3) Are biological questions being adequately addressed? What about disease control, hatchery siting, brood stock development, and separation of stocks?

Mr. Chairman, these are all vital technical matters that must be effectively dealt with before Alaska can have a successful aquaculture program. I have already touched on stock separation and hatchery siting. Disease control and brood stock development are equally important. Although our Laboratory does not specialize in disease research, we are proud of our cooperative role in helping to develop a comprehensive fish disease program in the State. Regarding brood stock development for hatcheries, most NMFS

research scientists in Alaska tend to be cautious and conservative on this matter mostly out of concern over possible detriment to wild stocks. Unfortunately the time required to develop brood sources for a specific hatchery is, in many people's minds, not consistent with reality. However, if Alaska is to maintain and manage aquaculture programs as discrete entities and avoid adverse interactions with wild stocks, we must proceed with caution in developing hatchery brood stocks. What are the best and most scientifically sound approaches to brood stock development? Should we try to develop a hatchery brood quickly perhaps with large transplants of eggs in a short time frame? Or should we opt for developing brood more slowly, allowing time to integrate resultant returns into the genetic makeup of the stock? How fast will genetic traits of a given stock be adapted or modified to a specific hatchery environment? Unfortunately technology can't give pat answers to these questions because of the many complex and poorly understood biological phenomena involved. Our advice in the absence of complete knowledge is to make full use of the information that is available, proceed cautiously, and tend towards adaptation and development of a local stock even though it may be more expensive and require more time.

To summarize some of these points: (1) hatcheries and related aquaculture developments in Alaska should not threaten wild stocks of salmon; management by the stock concept ensures continuation of wild stocks yet allows careful development of artificial stocks; (2) the number of hatcheries and other enhancement programs and the rate of their development should not exceed a demonstrated ability

to apply available technology and research information to management schemes that preserve and enhance wild stocks; (3) many important, unanswered questions concerning basic biological phenomena must be dealt with, frequently on a site specific or individual project basis before salmon enhancement in Alaska can reach its fullest potential.

Mr. Chairman, the complexities of these issues bring me to the last item I wish to address--that of professionalism in our fisheries. Whatever socio-political provisions the Legislature decides are appropriate for salmon aquaculture in Alaska, you should be constantly aware that aquaculture involves extremely complex biological matters that call for the highest levels of professional competence. Our salmon, as a public resource held in trust for all, deserve nothing less than the most competent, highly trained, experienced professional biologists, geneticists, pathologists, managers, culturists, engineers, and technicians available. The resource must be managed by capable responsible public agencies sensitive to both needs of the users and of the resource. And if we err let it be in favor of the resource, not the user, nor a particular social institution. To do less would be a disservice to our heritage.

DRAFT

House Concurrent Resolution No. 50, requesting the governor to suspend the issuance of grants and loans for fisheries enhancement, proposes two moratoriums-- one on grants to regional aquaculture associations and a second on loans to regional aquaculture associations until a legal assessment of fishermen is established and sufficient collateral is guaranteed to secure loans.

The state, over the last decade, has embarked on an ambitious program of fisheries enhancement and development. The current wealth of the state provides us with the opportunity to continue and expand this effort. However, before we automatically proceed, it might be wise to take a close look at the existing efforts and determine whether they should be continued in the same manner or whether changes in direction and emphasis should be made.

The House Resources Committee will hold a hearing on HCR 50 on Tuesday, March 25 at 3 p.m. in Juneau. As sponsor of the resolution, I'd like to have it serve as a basis for discussion of aquaculture purposes and direction in general, and I invite your participation. If you cannot attend the hearing, I would appreciate your written comments and would make them available to all members of the committee. The following questions may provide a framework for your comments.

1) What should be the areas of responsibility of the regional aquaculture associations, the "Mom and Pop" non-profit hatcheries, and the state's Division of Fisheries Rehabilitation, Enhancement, and Development? Which entities should be building and operating hatcheries, fertilizing lakes, clearing streams, controlling predation, etc?

2) Where are there needs for greater cooperation between the private non-profit hatcheries and associaitons and F.R.E.D.? How can cooperation be fostered, and what degree provides for the greatest efficiency?

3) What limits should be placed on the non-profit hatcheries and regional associatons? How accountable are they now to the fishermen, the public, and the resource, and how can this be improved?

4) What should the role of commercial fishermen be in providing for fishery resources? What control should they exert over those resources?

5) Who is more responsive to the fishermen, the public, and the resource-- F.R.E.D. or the regional associations? Which represents the best state investment?

6) Where should the emphasis be placed in aquaculture programs? What are the relative benefits of hatcheries, rehabilitation efforts, and enhancement projects?

7) How many hatcheries are enough? What will be the effects, biologically and economically, of producing more and more salmon?

8) Are the biological questions being adequately addressed by the state and the regional associations? How are the problems of disease control, hatchery siting, brood stock supplies, and separation of stocks being handled?

9) Are we in danger of replacing wild with artificial stocks? What are the ramifications of this?

10) How will aquaculture programs-- state-run and private-- pay their way? How will costs be recovered? Are hatchery harvests appropriate?

11) Are we moving too fast with aquaculture efforts?

What would be lost by slowing expansion down and perfecting what we already have?

12) Where are the lines drawn between biological and political management? How can existing problems be mitigated and future ones adverted?

- Hugh Malone

To: Mr. Chairman, Members of the House Resources Committee, and Representative Hugh Malone

From: St. James Bay Aquaculture Association
Rob McMahon

Subject: Hearing on HCR 50

St. James Bay Aquaculture Association is a group of Alaskans who are in the process of forming a private non-profit hatchery. The following are our statements concerning HCR 50. The questions were suggested by Hugh Malone as a spring board for commenting, but our group decided we might express our feelings by commenting on each question. Several of the questions require considerable detail to answer. Others are essentially unanswerable at this time; therefore, our statements are only brief overviews.

1. The entire area of salmon enhancement should be considered an opportunity for all Alaskans who wish to participate in and enjoy the benefits of what can become one of this state's greatest renewable resources. Persons, whether they call themselves "regional association" or a private non-profit hatchery can create a stable food source for export. Their efforts will provide an income for commercial fishermen, fish processors, local business, and the state. Sports-fishing and tourism will also be enhanced. No one group should infinge upon the opportunity of others to enjoy what can easily become Alaska's greatest industry. However, ground rules should be made and enforced to prevent, ignorant, non caring, or avarice people from playing havoc with salmon stocks and other hatchery operators. For example, every effort should be made to prevent indescriminent mixing of stocks which destroy the natural inclination

of fish to return to their home stream. The tragedy that occurred in the Columbia River drainage should be prevented in Alaska. Selective breeding should be outlawed until certain kinds can be proved safe. The genetic integrity of each stream should be maintained as much as possible. When any bonafide hatchery obeys the ground rules, they should have the freedom to develop salmon production for their area.

The state's FRED division should continue to maintain an overview of enhancement possibilities and proceed with their own hatcheries where they feel hatcheries are needed. They should set a good example of intelligence and good science for others to follow. Perhaps the greatest function the FRED division can perform is in the area of enhancement of the three high risk salmon, the red, silver, and king salmon. Perhaps in most cases, non-profit hatcheries will not attempt to propogate any one of these three species until they have developed a secure base with chum and pink salmon. Technology developed by FRED could be passed on to the non profit hatcheries.

2. To promote the greatest degree of cooperation between the three enhancement groups, there should exist an easy way for each group to communicate with the others. Good communication is the key to working out differences, for sharing ideas, and to treat each other fairly. No one group should be discriminated against by not having an equal opportunity to express their views. Perhaps the FRED division should become a central co-ordinator for funneling information between hatchery groups. Cooperation provides for the greatest degree of efficiency.

3. Non profit hatcheries and associations should always be accountable to fishermen, the public, the resource, the streams or lakes they use, the natural wildlife that also use salmon, the ocean environment they are using to rear salmon, and to various state agencies. Poorly managed hatcheries can create a host of problems. For example, they can spread disease and propogate strays. Salmon enhancement could become big business, and, like any business, should be responsible to whoever, or whatever they affect. Three limitations that may help control enhancement programs are:

   1) set strict guidelines for salmon farming
   2) prevent any group from having preferencial treatment at the expense of others
   3) prevent big business from eventually monopolizing all salmon enhancement.

4. Eventually, commercial and sports fishermen should enjoy a consistant and bountiful harvest of hatchery produced salmon. Since the sole support for non-profit hatcheries is to sell excess fish returning to the hatchery, perhaps fishermen could work with management biologists to ensure hatcheries get enough returns to meet expenses.

5. Because we intend to become a successful private non-profit hatchery, we feel we are as capable of showing as much responsibility to fishermen, the public and the resource as anyone. However, we feel the FRED division could probably best serve sportsmen and salmon trollers by producing silver and king salmon since these are expensive to produce and are a high risk fish. In many cases, only well

established associations or private non-profit hatcheries would dare attempt to rear these fish in numbers. This is equally true for the red salmon. Since FRED is tax supported, they are in a position to afford the facilities and develop the technology to rear these three species. Our own group could produce enough silver salmon which the streams could support naturally, but we wouldn't attempt large scale culture of this species until we had succeeded with pink and chum salmon.

Perhaps another job FRED division could undertake is to rehabilitate depressed streams by means of portable hatcheries. The hatcheries would remain on a stream long enough to produce enough fish which the stream can support naturally, then move to another stream.

6. Emphasis on aquaculture programs should include at least two concepts. First, build salmon stocks to consistent harvest levels to provide a reliable industry for the state. This industry includes tourism as well. Second, return depressed streams to their former levels.

7. The state of the art has not been reached to say how many salmon the ocean can support or what the effects will be on other life forms with too many salmon in the ocean. These are important concerns and should be addressed.

Economically, it may be possible to glut existing markets with too many salmon. However, American fishermen and processors have never developed the great potential market for salmon that exists in the U.S. and the world.

8. We do not know how well biological problems are being addressed. We hope they are being taken seriously by all concerned. Professional biologists and hatchery operators alike should be constantly aware of the biological consequences of mixing stocks, selective breeding, and other manipulations they perform on salmon.

9. A hatchery system may, theoretically, automatically replace wild stocks with artificial stocks. For example, a hatchery may promote the existence of young salmon that normally would not survive. These salmon are given the opportunity to survive and mate. A hatchery may mix early spawners with late spawners and thus destroy a stock separation that existed naturally in the stream. Selective breeding may be very bad. All of the biological problems of poor salmon ranching are not fully understood, so it seems a good idea to attempt to breed hatchery fish as much as possible as nature had done.

10. Hatcheries must be assured that part of the run will return to the stream in order for the hatchery to pay their expenses and collect brood stock.

11. Aquaculture efforts are moving too slowly. Salmon harvests are down in many areas. Yearly returns are not consistent, which is difficult for the fisherman, processors and related industries. Hatcheries help to assure consistency in the industry.

12. Political management should never supercede what is true, or fair, or honest. Politicians should weigh their decisions on the findings of competent and unbiased salmon biologists, planners, economists and other professionals.

HCR50

BRUCE L. WING, PH.D.
FISHERY RESEARCH BIOLOGIST
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7231

This testimony was not heard due to lack of time

American Institute of Fishery Research Biologists

An association incorporated in 1958 to establish and maintain high professional standards by recognition of achievement and competence.

Alaska District, Box 265, Auke Bay, AK 99821

Mr. Chairman Malone and Members of the House Resources Committee

I am Bruce Wing, Director of the Alaska District of the American Institute of Fishery Research Biologists. The Institute is an international organization of professional fishery biologists dedicated to the application of sound biological principals and the results of biological research to fisheries management and to improving the quality of professional fishery management and research. Currently we have about 50 members in Alaska representing academic, federal, state and private organizations. We are independent of the American Fisheries Society, although most of our members belong to both organizations.

All the questions of your covering letter to HCR-50 have been topics of thought and private discussion by our members. The questions are complex and many extend beyond biological technology and theory into the sociological and political arenas, thus generating strongly divergent opinions. Consequently, the Alaska District of AIFRB has not developed a consensus within the short time available. Many of the thoughts and opinions of our membership have been given by previous speakers or will be presented by following speakers.

As the representative of a group which acts in a conservative and deliberate mode after considerable debate, the rapidity of this resolution is of concern to our membership. We are worried that its final effects may

extend beyond its stated concerns and its objective of preventing wasteful expenditure of public funds.

In your cover letter to the proposal you listed 12 sets of questions. The first five are in the realms of economics, sociology and politics, not in biology. However, whoever ultimately receives responsibility for maintaining and increasing our salmonid fisheries must realize that we are not working with backyard garden plots. It is mandatory that the activities be conducted with the best professional expertise available and that the quality of the professionals continues to increase.

There always will be some conflicting opinions and a certain amount of competiveness between the several entities involved in salmonid fishery enhancement activities. Our concern with this resolution is that it may ulimately breakdown the present lines of communications and cooperation that have been developed in the past few years. Alaska appears to be ahead of other states in developing programs in which potentially conflicting resource users and managers work cooperatively.

Question sets 6 through 9 are being addressed by many of our members in their daily work. Because we are dealing with a complex biological and physical environment, simplistic answers are not reliable. Present research efforts are at a low level. We definitely need more research activities and time to evaluate the results of present and past aquaculture actions. Observations on one or two cycles of fish are not adequate for evaluating the effectiveness of any enhancement method. There is a natural tendency to rush from a preliminary experiment to full scale if

the first results are promising. This results in failure to evaluate interactions and natural variation. Thus when the next cycle is less than expected, we look for sources of blame or error rather than understanding. Enhancement activities should be treated as long term research experiments and monitored as part of research programs.

To quickly finish, we are concerned that this resolution may have the effect of endangering the present cooperation in research efforts between the existing entities (the aquaculture associations, Department of Fish and Game, National Forest Service, National Marine Fisheries, University of Alaska, etc.) and make more difficult future cooperative research programs.

Thank you.

Bruce L. Wing Ph.D.
20 March 1980

Rep. Malone's office mailed this letter & info to these people:

AFIRB

American Fisheries Society

Isaak Walton League

F.R.E.D., Com Fish, Sport Fish

Bob Elmer

Terry Gardner

Shee Atika, Inc.

West Side Fishermen's Association

United Fishermen of Ak.

Southeast Ak. Seine Boat Owners + Operators

NMFS

USF+W

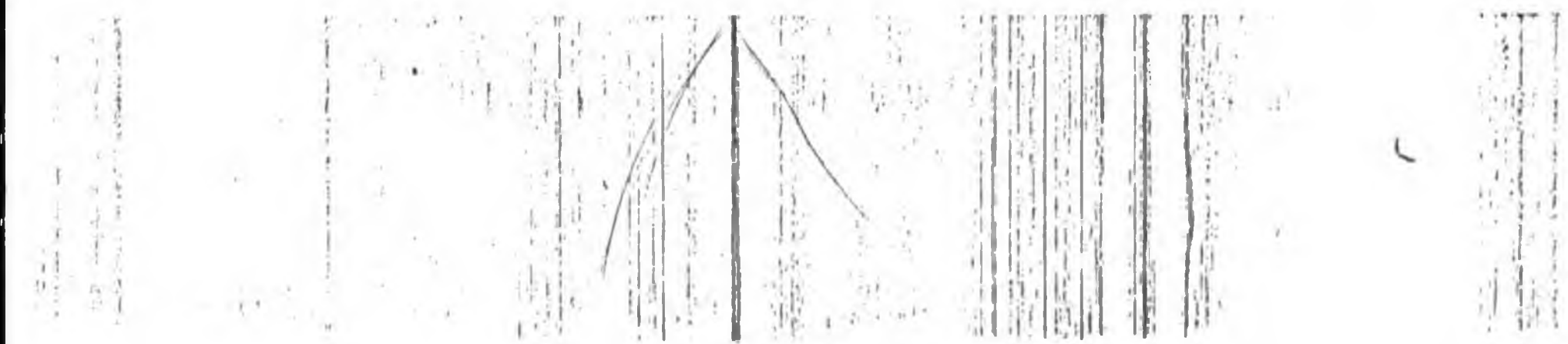
and all aquaculture assoc.'s listed

LIST OF PRIVATE NONPROFIT/SCIENTIFIC/EDUCATIONAL HATCHERIES

CORPORATION	STATUS	LOCATION	EGG CAPACITY
SOUTHERN SOUTHEAST			
1. Southern Southeast Regional Aquaculture Association 307 Mill Street #5 Ketchikan, Alaska 99901 225-2171 Attn: Ron Wendte	Regional Association PNP Permit, Operational	Ketchikan Whitman Lake	23 million chum 2.3 million coho
2. Alaska Aquaculture Foundation, Inc. Box 1288 Wrangell, Alaska 99929 874-2013 Attn: Tod A. Jones	PNP Permit, Operational	Burnett Inlet	5 million pink and chum
3. Meyers Chuck Aquaculture Association Box 15 Myers, Chuck, Alaska 99903 946-1234 Attn: Robert Meyer	PNP Permit, Operational 7/27/79	Myers Chuck	1 million pink
4. Twin Creek Salmon Ranch, Inc. P.O. Box 99 Petersburg, Alaska 99833 772-3282 Attn: Darline Clausen	PNP Preliminary Application	Twin Creek	Requested: 7 million pink and chum

CORPORATION	STATUS	LOCATION	EGG CAPACITY
NORTHERN SOUTHEAST			
1. Northern Southeast Regional Aquaculture Association Box 786 Sitka, Alaska 99835 747-6850 747-6730 Attn: Dr. Derek Poon	Regional Association	Sitka	No hatcheries
2. Sheldon Jackson College Aquaculture Program P.O. Box 479 Sitka, Alaska 99835 747-6264 - Office 747-5238 - Hatchery Attn: Mel Seifert	PNP Permit, Operational	Indian River	15 million pink and chum
	Sci./Ed. Permit	Indian River	Miscellaneous species
3. Douglas Island Pink & Chum, Inc. RR 4, Box 4754 Juneau, Alaska 99803 465-2510 Attn: Ladd Macaulay	PNP Permit, Operational	Kowee Creek	5 million pink 1 million chum
	PNP Permit #11 (issued 9/79)	Sheep Creek	5 million pink and chum
4. Fish Fry, Inc. (Southeast Gillnet Federation) 853 Basin Road Juneau, Alaska 99801 586-2242 Attn: Jev Shelton	PNP Permit Approved	Salmon Creek	4.5 million pink and chum 500,000 coho
5. Kake Nonprofit Fishery Development Corporation P.O. Box 263 Kake, Alaska 99830 785-3221 785-3262 Attn: Clarence Jackson	PNP Permit, Operational	Gunnuk Creek (new construction site being considered)	3 million pink and chum

CORPORATION	STATUS	LOCATION	EGG CAPACITY
NORTHERN SOUTHEAST CONT'D.			
6. Richard Mathews Dennis Lund Box 786 Sitka, Alaska 99835	Preliminary Application	Port Armstrong Baranof Island	10 million pink and chum *prelim. app.*
7. St. James Bay Aquaculture Inc. P.O. Box 648 Douglas, Alaska 99824 Attn: Rob McLeod	Preliminary Application	St. James Point	1.5 million pink and chum *prelim app*
8. Kake City Schools Kake, Alaska 99830 785-3731 Attn: Chuck Larson	Sci./Ed. Permit, pending renewal	Gunnuk Creek	40,000 pink / 25,000 chum
9. Tlingit & Haida Central Council One Sealaska Plaza, Suite 200 Juneau, Alaska 99801 586-2204 586-1432 Attn: Dr. Y. R. Mayudu	PNP Preliminary Application	Deep Cove (Baranof Island)	Requested: 12 million pink and chum
	PNP Permit, Not Operational	Maksoutof River (Baranof Island)	1 million pink 1 million chum
10. Angoon Aquaculture Association, Inc. P.O. Box 135 Angoon, Alaska 99820 Attn: Peter Nease	PNP Preliminary Application	Mitchell Bay- Admiralty Island	Requested at full capacity: 150,000 coho 25 million chum
11. Burro Creek Farms P.O. Box 8324 Ketchikan, Alaska 99901 225-2405 225-9696 Attn: Eugene Richards	Public Hearing Scheduled: Late October - early November	Burro Creek	Requested: 10 million pink and chum



CORPORATION	STATUS	LOCATION	EGG CAPACITY
PRINCE WILLIAM SOUND			
1. Prince William Sound Aquaculture Association P.O. Box 1110 Cordova, Alaska 99574 424-7511 424-7512 Attn: Armin Koernig	Regional Association PNP Permit, Operational	Cordova Port San Juan	55 million pink and chum
2. NERKA, Inc. Box 80165 Fairbanks, Alaska 99708 479-2476 Attn: Dr. Jack Van Hyning	PNP Permit, Operational	Perry Island	3 million pink and chum
3. Institute of Marine Science University of Alaska Marine Station P.O. Box 617 Seward, Alaska 99664 224-5261 224-5262 224-5263 Attn: Jack Schwartz	Sci./Ed. Permit	Seward	(500 juvenile pink)
4. Valdez Fisheries Development Corp. Box 125 Valdez, Alaska 99686 835-4874 Attn: Jason Wells	Sci./Ed. Permit	Valdez	400,000 chum 360,000 pink
COOK INLET			
1. Cook Inlet Aquaculture Association P.O. Box 850 Soldotna, Alaska 99669 262-4441 Attn: Floyd Helmbuch	Regional Association PNP Preliminary Application Sci./Ed. Permit	Soldotna Eklutna Eklutna Power Plant Site	No hatcheries Requested: 65 million pink and chum also at capacity, 5 million coho, 5 million king Incubator Evaluation

CORPORATION	STATUS	LOCATION	EGG CAPACITY
COOK INLET CONT'D			
2. Homer High School Homer, Alaska 99603 235-8186 Attn: Frank Libal	Sci./Ed. Permit (inactive)	Homer	
3. Un-named P.O. Box 205 Seldovia, Alaska 99663 234-8422 Attn: Harley Hess	Public Hearing held on 11/27/78 (PNP)	Perl Island	Requested: 1 million coho
4. Bartlett School Tyonek, Alaska 99682 583-2291 Attn: Paul Zobeck	Sci./Ed. Permit	Tyonek	4,800 pink
5. Irreantum Inc. P.O. Box 225 Kenai, Alaska 99611 Attn: Donna L. McCubbins 776-8697	Preliminary Application	Jakolof Creek Bay	5 million pink and 15 million chum
KODIAK			
1. Kodiak Area Native Association Box 172 Kodiak, Alaska 99615 486-5725 Attn: Bill Osborne	Sci./Ed. Permits	Port Lyon's Ouzinkie Kodiak High School (Lake Rose Tead Creek) Old Harbor	6,000 pink or coho each
2. Village Island Sea Ranching, Inc. 345 North Maple Avenue Monrovia, California 91016 Attn: Blain Sikes	Preliminary Application	Uganik Bay	17 million pink and chum

CORPORATION	STATUS	LOCATION	EGG CAPACITY
BRISTOL BAY			
1. Imarpik P.O. Box 179 Dillingham, Alaska 99576 842-5257 842-5258 Attn: Andrew Golia	Regional Association	Dillingham	No hatcheries
ALASKA PENINSULA			
1. Aleutian/Pribilof Island Association 430 "C" Street, Suite 303 Anchorage, Alaska 99501 278-3567 Attn: Patrick Pletnikof	Seeking Regional Association Status		No hatcheries
2. Sand Point Aquaculture Association P.O. Box 132 Sand Point, Alaska 99661 283-2393 383-3545 Attn: Mike Breitzman	Sci./Ed. Permit	Sand Point (Humbolt Creek)	200,000 pink
3. Unalaska City School Unalaska, Alaska 99685 581-1222 Attn: Delmar Olsen	Sci./Ed. Permit	Unalaska	51,200 pink 58,500 coho

Nikolski Hatchery

AYK

1. AVCP Fisheries Development — Requesting Recognition Regional Association — Bethel — 1 Million Coho
PO Box 641 — Sci/Ed. Permit — 500,000 Chum
Bethel, AK 99559

CPC SUBSISTENCE WORKSHOP

Issue: Limited Entry

Whether to allow the filing of applications for limited entry permits by those persons who did not file in a timely manner and to provide for the allowance of additional limited entry permits in the Upper Yukon Fishery.

The discussion of these two limited entry issues occupied a great portion of the work of the workshop. The late filing bill, HB 665, sponsored by Rep. Anderson, came under attack by both the Limited Entry Commission and the United Fishermen of Alaska. They explained that there would be too many new fishermen allowed into the salmon fisheries which have not recovered as is popularly believed. On the other hand, it was brought out that there were many problems with the initial application period and that the people who missed filing should be given the opportunity to file at this time. It was felt by the participants that it would be beneficial to rural Alaskans if the application period was reopened. HB 665 was favorably recommended 21-1.

As to SB 187, the Upper Yukon Limited Entry Bill, the participants recommended against its passage 7-6. The failure of the bill to adequately address the allocation problems that would be caused by more permits in the upper positions of the river was the primary cause for this opposition to the bill.

Issue: Aquaculture

Whether to stop financial support for aquaculture associations until the legislature was more certain of the financial responsibility of these organizations.

The participants voted 19-0 against the passage of HCR 50 which calls for the moratorium on grants to aquaculture associations feeling that these programs were very worthwhile and while the legislature has an interest and is taking a close look at the associations, this was much too drastic a response to the perceived problem.

Kuskokwim Aquaculture Assoc. on HCR50

1. In my opinion one of the primary reasons for the Private Non-Profit hatchery program and the importance of its sucess is that our economic system does not allow for cost efficient governoment operations in the process of renewing a renewable resource. The general public should not have to pay for government projects that do not provide a direct return benefit to them as tax payers.

The creation of the F.R.E.D. Division in the Alaska Department of Fish and Game has been in most cases a valuable asset to the states economy. Through research and the application of aquaculture and fisheries enhancement projects, government agencies (F.R.E.D. Division and N.M F.S.) have not only proven the feasability of the salmon enhancement efforts, but through their sucesses and failures have provided a basic model for productive salmon enhancement in Alaska. Government agencies in our economy should stay within the framework of research, education and regulation.

The means for the transition of salmon production to the private sector were provided through the legislative creation of the PNP program. Because of the Superior Court decision ruling "mandatory assessments" Section 16.10.530 unconstitutional, the PNP program appears to be in a precarious situation. Section 16.10.520 (c) reads:

> All loans must be secured by collateral satisfactory to the commissioner, including but not limited to a first deec of trust, assignment of lease and leasehold improvements, sale of surplus fish from the hatchery, or royalty assessments from fishermen levied under AS 16.10.530-AS 16.10.540.

Because one of the five listed collateral arrangements was ruled out, I see no reason to let the PNP program falter. We need to focus on the final product, a statewide system of Private Non-Profit hatcheries and enhancement projects providing the fisheries resource with optimal harvests and future security in the industry. I believe the means for this final product are already here and that the problem is in their interpretation. The F.R.E.D. Division did not have to depend on a royalty assessment for their projects and neither should we. No one can just throw up a facility any were, at least not the P.N.P. outfits. The permit application process is very thorough in the review of any proposed production project and any approved project in all likelihood will be successful. It is extremely important to get the P.N.P program off to a good healthy start. The first deed of trust, a promissory note as to the sale of suplus hatchery fish and the likelihood of successful voluntary assessments when hatchery returns become evident, are sufficient means of securing the much needed start up loans. I would like to see some legislation allowing the state to "loan" existing facilities to the associations enabling the state to be payed off for the facility while at the same time providing for a smooth faster transition.

2. The need for greater cooperation between P.N.P. groups, associations, and the F.R.E.D. Division is very important. On the surface I think the cooperation has improved. There are however questions which need to be answered in regards to this cooperation. Considering that the F.R.E.D. Division is the agency responsible for providing both assistance and regulation to the P.N.P program and considering the financial position of the F.R.E.D. Divison in light of the afforementioned cost effective and public funding problems and considering the possibility that the sucess of the P.N.P. program might directly endanger the F.R.E.D. Division, There appears to be a possible conflict of interest in the assigned role of the F.R.E.D. Division in regards to the sucessful initiation of the P.N.P Program.

3. The non-profit hatcheries and regional associations have more than enough limitations through the regulations imposed on them by the Alaska Department of Fish and Game. The state regulations provide adequate means of control.

4. In any renewable resource situation it stands to reason that the industries which rely directly on the resource as their means of support should commit themselves towards the rejuvination of the resource when ever possible. The timber industry has learned that replanting a harvested area is not only responsible management, but also very profitable. In the fishing industry where many species particulary salmon, have two to eight year harvest replenishment cycles, the idea of industrial rejuvination is even more practical.

The P.N.P. Program provides the fishing industry with an efficient method of activating such a committment.

5. It is imperative that the state of Alaska does not view the F.R.E.D Division and the P.N.P. Programs as a wrestling match. The best investment for the state would be to place in effect a step by step transition period of ten years at which time all major salmon production projects would be run by P.N.P. organizations. Both the F.R.E.D. Division and the P.N.P. organizationsshould be equally responsive to the fishermen, the public, and the resource. The F.R.E.D. Division should focus on research and regulation of fisheries enhancement programs. There are many other species of commerically feasable fish, the rehabilitation, enhancement, and development of which need to be evaluated and demonstrated.

6. The need for flexibility in fisheries enhancement programs is critical. In many cases egg eyeing stations, habitat improvement, on site artificial spawning, lake stocking or lake fertilization projects will be more cost effective than multimillion dollar hatcheries. The flexible use of any and all of these enhancement methods will play a large roll in the sucess of the P.N.P. progam.

7,8,9. The production of any renewable resource has various problems which must be addressed. The idea behind fisheries enhancement should be to allow the fishermen optimal harvest while the same time minimizing the impact on the available stocks by insuring adequate maximum yield escapement.

There are many guidelines to follow in any fisheries enhancement project. So long as these guidelines are followed major problems are minimized. It must be remembered that so long as artificial spawning is carefully done to avoid genetic problems and proper disease control is utilized, a hatchery reared salmon upon its return as an adult is essentially as wild as its native cousins or it never would have survived its life in the ocean.

The case of wild versus hatchery reared salmon is a valid problem which is clouded over with misconceptions of past genetic or disease tragedies. As a virgin stand of timber the value of an original native stock is important. Equally important is the need for people to understand that an original native stock can be supplemented without danger to insure its survival. This can and should be done only when necessary. In the event that an original native stock is severly depleted or destroyed then the following natchery runs must replace the original native runs. Even in these cases a "wild" run can be maintained by allowing a percentage

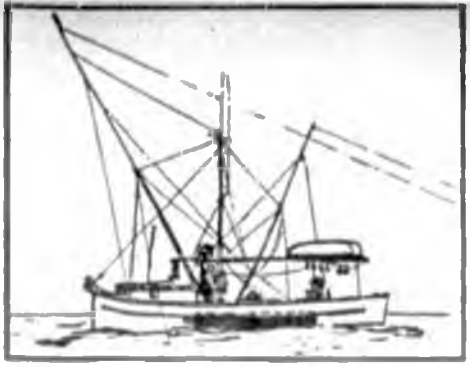
for natural up stream reproduc tion.

10. P.ivate aquaculture programs will achieve cost recovery through the sale of surplusfish, the sale or utilization of spawned carcasses, and voluntary assessment by the fishermen and the processors.

11. Aquaculture eff rts in our state are moving too slow. When private aquaculture efforts have available to them smoother start up proceedures then the pace will be about right. The permit application review process perhaps could be improved. The formation through the Board of Fisheries of a fisheries enhancement body would probably be a valuable asset to the state. So long as projects are not politically bulldozed into existance and go thruogh the existing channels no harm will come from stepping up the pace. Fisheries enhancement in Alaska needs to advance at a steady pace. The mechanics to advance too fast do not even exist so long as existing regulations stay in place. However, at the same time to advance too slowly with overcaution being the rule rather than the exception many of the states valuable fisheries resources can and are being jepordized. In view of the fact that it takes years of planning, permit applications and biological evaluations of any enhancement project together with the number of years for construction and the initial returns of any given projects, the period of time from planning to production, can amount to ten years or more. This fact makes too slow a pace for enhancement hazardous to the fisheries resource.

12. In any industry the more money involved dictates a proportionally thinner line between biological and political management of the related resource. Fisheries has a thin line which allows all too often for depletion of the resource. This is yet another reason to insure the success of the salmon enhancement effort.

Paul McCollum
L.Y.K.A.A. Director



Alaska Trollers Association

REPRESENTING ALASKA POWER TROLLERS

205 North Franklin Street
Juneau, Alaska 99801
(907) 586-9400

March 19, 1980

Representatives Bill Miles and Alvin Osterback
Co-Chairmen
House Resources Committee
Pouch V
Juneau, Alaska 99811

RE: HCR 50

Gentlemen:

The Alaska Trollers Association strongly opposes HCR 50, and would like to go on record in the strongest terms in support of both private, non-profit and state supported aquaculture.

The salmon resources of southeastern Alaska are in trouble. Not only have management problems and destruction of habitat reduced the stocks, but pressure from our neighbors in Canada and along the west coast of the U.S. may further reduce the number of fish necessary to maintain a viable fishing industry in Alaska.

By far the most constructive reaction to this admittedly complex situation is aquaculture. Yet aquaculture is by no means yet an exact science, and its diverse problems and unknown areas are best served by a diversity of approach to their solution. An example of this is the spring chinook: none of the groups in Alaska have a completely workable approach, and any reduction in the various solutions being contemplated can only make a solution more difficult to reach.

There has been good cooperation between FRED facilities and those in the private sector. While state facilities can offer stability and long-term certainty of funding, the flexibility of private facilities may allow quicker results. For example, SSRAA will be releasing its first batch of cohos this spring from a completely new facility.

We urge the legislature to invest in the future of Alaska's salmon industry by supporting both state-funded and private aquaculture efforts.

Sincerely,

Lewis Schnaper
Executive Director

TESTIMONY BY W. I. "BOB" PALMER
BEFORE THE HOUSE RESOURCES COMMITTEE
MARCH 20, 1980

BACKGROUND

I. RESPONSIBILITIES

A. STATE RESPONSIBILITIES

1. ENHANCEMENT AND REHAB PROJECTS OF ALL KINDS.

2. WORK WITH REGIONAL ASSOCIATIONS TO DEVELOP COMPREHENSIVE PLAN

3. WORK WITH REGIONAL ASSOCIATIONS TO IDENTIFY BEST REGIONAL ASSOCIATION HATCHERY SITES; TO DESIGN HATCHERIES; IDENTIFY AND MAKE AVAILABLE SUFFICIENT BROODSTOCK; TO DEVELOP AND IMPLEMENT SATISFACTORY HARVEST MANAGEMENT PLAN; TO INSURE THAT ONLY DISEASE-FREE JUVENILES ARE RELEASED; TO ENTER INTO JOINT VENTURES WITH REGIONAL ASSOCIATIONS FOR LAKE FERTILIZATION, STREAM REHAB AND SIMILAR PROJECTS; TO FURNISH PRIVATE-SECTOR TECHNICAL ASSISTANCE AS TIME AND EXPERTISE ARE AVAILABLE.

4. TO MANAGE STATE-OWNED HATCHERIES SO THAT IN THOSE CASES WHERE THERE IS ADEQUATE GENETIC SEPARATION OF STOCKS AND THE HATCHERY STOCKS CAN BE MANAGED TO PRODUCE A HIGH-QUALITY PRODUCT FOR HUMAN CONSUMPTION, THEN THE STATE HATCHERY MANAGER SHOULD BE DIRECTED SO THAT APPROXIMATELY [illegible] OF THE PRODUCTION IS AVAILABLE FOR THE COMMERCIAL FISHERY TO

HARVEST (AS WITH NATURAL STOCKS) AND THE OTHER THIRD HARVESTED BY COMMERCIAL FISHERMEN UNDER CONTRACT TO THE STATE, WITH THE MAJOR SHARE OF THE REVENUES OBTAINED GOING TO THE STATE'S GENERAL FUND TO PAY FOR THE OPERATING COSTS, INCLUDING DEBT SERVICE, OF THE HATCHERY AND RETURN ADDITIONAL MONIES TO BENEFIT OF ALL ALASKANS.

SINCE ALL ALASKANS HAVE PAID FOR THE STATE HATCHERY FACILITIES AND LIMITED ENTRY PERMITS ONLY A FEW TO BENEFIT DIRECTLY FROM THE HARVEST BY COMMERCIAL FISHERMEN, OTHER ALASKANS SHOULD BE ABLE TO BENEFIT [illegible] OPEN ONLY IS FEASIBLE. I MUST EMPHASIZE THAT THE LOCATION OF HATCHERY FACILITIES WILL HAVE LITTLE TERMINAL HARVEST AND GENERATION OF REVENUES [illegible] FEASIBLE. IN EXPANSION THIS POLICY, ONLY THOSE STATE HATCHERIES WHERE [illegible] ONLY FOR THOSE STATE HATCHERIES WHERE TERMINAL HARVESTS OF RETURNING ADULTS IS FEASIBLE.

[illegible] THE DIVISION OF COMMERCIAL FISHERIES; TO INCREASE AND IMPROVE THE IDENTIFICATION OF INDIVIDUAL [illegible]

FISHERIES CAN MORE ADEQUATELY PROTECT AND PRESERVE THE NATURAL STOCKS.

(IN A MIXED STOCK FISHERY, WHICH INCLUDES LARGE NUMBERS OF HATCHERY FISH, IT IS [illegible] TO OVERHARVEST THE NATURAL RUNS THAT ARE INTERMINGLED IN SUCH A [illegible].)

b. CHECK JUVENILES BEFORE RELEASE TO INSURE DISEASE-FREE STOCKS.

c. REGIONAL ASSOCIATION RESPONSIBILITIES

1. WORK WITH THE DEPARTMENT OF FISH AND GAME TO DEVELOP A COMPREHENSIVE PLAN FOR THE REGION WHICH CONTAINS THE FOLLOWING ELEMENTS:

A. SHORT- AND LONG-TERM HARVEST GOALS BY SPECIES;

B. DETERMINATION OF NATURAL PRODUCTION TO REACH THOSE GOALS;

C. DETERMINATION OF ARTIFICIAL PRODUCTION TO REACH THOSE GOALS;

D. IDENTIFICATION OF ENHANCEMENT POTENTIALS (LAKE FERTILIZATION, ETC.)

E. DETERMINATION OF INDIVIDUAL PROJECTS NEEDED TO PRODUCE GOALS ESTABLISHED FOR ARTIFICIAL PRODUCTION;

F. DETERMINATION OF WHETHER STATE OR REGIONAL ASSOCIATIONS WILL CONSTRUCT EACH SPECIFIC FACILITY CALLED FOR BY THE PLAN AS APPROVED BY THE REGIONAL ASSOCIATION AND THE COMMISSION;

6. MANAGEMENT STRATEGIES FOR HARVEST OF RETURNING ADULTS.

2. DEVELOP AN INCOME STREAM (TAX, VOLUNTARY ASSESSMENT, OR MANDATORY ASSESSMENT) TO PROVIDE COLLATERAL FOR LOANS TO CONSTRUCT REGIONAL ASSOCIATION FACILITIES AND TO PROVIDE OPERATING FUNDS FOR REGIONAL ASSOCIATION ACTIVITIES.

3. DEVELOP COMPETENT CORPORATE MANAGEMENT OF THE REGIONAL ASSOCIATIONS AND DEMONSTRATE COMPETENT MANAGEMENT OF THE FACILITIES CONSTRUCTED AND OPERATED.

4. ABIDE BY THE TERMS OF THEIR PERMITS FOR EACH FACILITY AND ESPECIALLY IN OBTAINING APPROVAL OF THE STATE PATHOLOGIST PRIOR TO ANY RELEASE OF YOUNG FISH FROM THE HATCHERY.

C. [illegible] AND POP FACILITIES

1. ABIDE BY THE TERMS OF THEIR PERMITS.

2. KEEP ACCURATE RECORDS OF PRODUCTION, EXPENSES AND REVENUES.

3. [illegible]

4. CONTRIBUTE TO THE STATE'S ECONOMY BY PRODUCING MORE FISH AND EMPLOYMENT.

5. EXPLORE NEW CULTURE TECHNIQUES AND TECHNOLOGIES.

D. ALL ENTITIES SHOULD BE BUILDING HATCHERIES. STATE ON ITS OWN OR IN A JOINT VENTURE WITH A REGIONAL ASSOCIATION SHOULD BE INVOLVED #FERTILIZING LAKES, ETC.

II. I'M NOT AWARE OF A LACK OF COOPERATION ON FRED'S PART.

III. REGIONAL ASSOCIATION "LIMITS" SHOULD ULTIMATELY BE DEFINED BY THE REGIONAL COMPREHENSIVE PLAN -- ITS ACCEPTED GOALS AND PLANS FOR "WHAT" IS "DOING WHAT".

[illegible] AND POP "LIMITS" ARE IMPOSED BY THE REGISTRATION PROCESS AND BY THE DEVICE FOR ANY INCOMPATIBILITY WITH THE REGIONAL COMPREHENSIVE PLAN.

THEY ARE COMPLETELY ACCOUNTABLE THROUGH THE REGISTRATION PROCESS, THEIR ANNUAL REPORTING REQUIREMENTS, THE NON-PROFIT STATUS AND THE ABILITY OF THE [illegible]

COMMERCE AND REVENUE TO MONITOR NON-PROFIT CORPORATIONS AND AUDIT THEIR BOOKS IF NECESSARY TO PREVENT ABUSE.

IV. UNDER LIMITED ENTRY, THE FISHERMEN SHOULD PLAY A LARGE ROLE IN PROVIDING FOR THE EXPANSION OF THE FISHERY.

THEY CANNOT REASONABLY EXPECT TO HAVE THE FISHERY REBUILT THROUGH STATE HATCHERY AND OTHER ENHANCEMENT FACILITIES THAT ARE CONSTRUCTED AND OPERATED BY GENERAL FUND MONIES, WHILE BENEFITTING ONLY A SMALL MINORITY. THEREFORE, THE FISHERMEN SHOULD EITHER BUILD THE FACILITIES THEMSELVES AND HARVEST THE RETURNING ADULTS AS THEY SEE FIT OR AGREE THAT WHERE POSSIBLE, RETURNING ADULTS TO STATE FACILITIES SHOULD BE HARVESTED SO THAT THE FISHERMEN SHARE THE BENEFITS WITH THE OTHER ALASKANS WHO ARE PAYING THE BILLS.

THE COMMERCIAL FISHERY SHOULD HAVE ACCESS TO ALL OF THE FISH RETURNING TO [illegible] WHERE THEY HAVE ESTABLISHED THAT THEY CAN HARVEST ONLY MIXED STOCK FISHERY. THERE SHOULD BE SOME REASONABLE EXPECTATION OF ACHIEVEMENT THAT WILL ASSURE ADEQUATE RETURNS TO THE FISHERY TO MEET GROWTH [illegible] OF.

V. WHO IS MORE RESPONSIVE -- REGIONAL ASSOCIATIONS OR FRED -- IS A "PEOPLE" PROBLEM AND A VARIABLE SUBJECT TO GREAT CHANGE. IT IS MUCH TOO EARLY TO DETERMINE WHICH REPRESENTS THE BEST STATE INVESTMENT, AND IRRELEVANT. IF ALASKA IS TO KEEP PACE WITH THE OTHER SALMON-PRODUCING NATIONS OF THE NORTH PACIFIC AND MAINTAIN ITS SHARE OF THE COMMON PASTURAGE IN NORTH PACIFIC WATERS, THERE IS MORE THAN ENOUGH TO BE DONE BY REGIONAL ASSOCIATIONS AS WELL AS FRED FACILITIES.

IN ALL THE EUPHORIA OVER LARGE BRISTOL BAY RUNS EXPECTED IN 1980, WE TEND TO FORGET THE DEPLORABLE RETURNS EXPECTED THIS YEAR IN COOK INLET AND NUMEROUS OTHER FISHERIES THROUGHOUT ALASKA. THAT, COUPLED WITH A DISASTROUS PRICE DROP THIS YEAR, IS GOING TO WRITE BANKRUPTCY FOR MANY, MANY ALASKAN FISHERMEN THIS YEAR.

VI. WE DON'T KNOW YET -- THE TECHNOLOGY IS STILL DEVELOPING.

WE DO KNOW THAT THE NEW GENERATION OF HATCHERIES ARE COST EFFECTIVE AND SHOULD BE CONTINUED AND INCREASED. ALL PROVEN METHODS SHOULD BE INCORPORATED, INCLUDING THE OPPORTUNITIES OFFERED UNDER SECTION 1608, IN THE COMPREHENSIVE PLANS FOR FISHERIES.

-/-

VII. STABILIZED PRODUCTION OF AT LEAST 100 MILLION HARVEST PER YEAR IS NOT TOO MUCH. THE COMPREHENSIVE PLAN SHOULD PROVIDE THE REQUIRED MIX OF NATURAL PRODUCTION PLUS VARIOUS ENHANCEMENT TECHNIQUES TO ARRIVE AT THAT GOAL.

THE DECADE OF THE 30'S PRODUCED A NUMBER OF RUNS IN EXCESS OF 100 MILLION HARVEST. THERE IS NO REASON TO BELIEVE THAT THE OPEN OCEAN HAS DECREASED IN ITS PRODUCTIVE CAPACITY.

THE REST OF THE WORLD IS RAPIDLY INCREASING ITS STOCKS OF SALMON. THE PORTION PRODUCED BY HATCHERIES IN ALASKA WILL NOT HAVE A SIGNIFICANT IMPACT ON WORLD PRICES. IF WORLD PRICES DECLINE AND WE HAVE NOT INCREASED OUR HARVESTS, THEN OUR FISHERMEN WILL BE IN EVEN MORE SERIOUS FINANCIAL STRAITS.

ALASKAN PRODUCTION OF SALMON MUST KEEP PACE WITH THAT OF THE OTHER SALMON-PRODUCING NATIONS. WE HAVE ONLY [illegible] OPTIONS TO CHOOSE FROM.

VIII. YES, BIOLOGICAL QUESTIONS ARE ADEQUATELY BEING ADDRESSED. THE DETAILS OF THOSE ANSWERS I'LL LEAVE WITH THE DEPARTMENT.

IX. [illegible]

THE ALASKA DEPARTMENT OF FISH AND GAME IS TO PROTECT WILD STOCKS BY HARVESTING, IN ANY MIXED STOCK FISHERY, AT A LEVEL LOW ENOUGH TO PROTECT THE WEAKEST OF THE MAJOR NATURAL RUNS REPRESENTED IN THAT MIXED STOCK FISHERY.

THIS IS THE REASON FOR INSURING THAT HATCHERIES ARE LOCATED FAR ENOUGH AWAY FROM STREAMS SUPPORTING SIGNIFICANT WILD STOCKS THAT THERE WILL BE ADEQUATE "TEMPORAL SEPARATION" BETWEEN THE WILD AND HATCHERY STOCKS AFTER THEY LEAVE THE MIXED STOCK FISHERY.

[illegible] AFTER SEPARATION [illegible] MIXED STOCK FISHERY. IT IS RECOGNIZED THAT THIS MAY NOT BE POSSIBLE IN ALL [illegible] AS WHEN [illegible] THE TECHNOLOGY EXISTS. HOWEVER, [illegible] SCIENCE IN THE VERY INFANCY OF [illegible] SIGNIFICANT BREAKTHROUGHS ARE TAKING PLACE AROUND THE WORLD EVERY YEAR, INDEED PROBABLY EVERY MONTH, AS THIS SCIENCE AND TECHNOLOGY EVOLVES. AND THE MORE PEOPLE WE GET INVOLVED THINKING ABOUT AND RESEARCHING THESE [illegible] -- ESPECIALLY THE PRIVATE SECTOR WITH [illegible] -- THE

THE FASTER WILL THE EVALUATION OF THE SCIENCE AND TECHNOLOGY OCCUR.

AI. NO, WE ARE NOT MOVING TOO FAST.

LITTLE PORT — 2800% VARIATION

BIG RUN - BRISTOL BAY - DISASTER COOK INLET - MUCH OF SOUTHEAST

DEPEND ON NATURAL RUNS = DISASTROUS FLUCTUATIONS IN HARVESTS

CHILE

NORWAY

CANADIAN } - 200 MILE LIMIT - GREATEST IRONY

JAPANESE } - COMMON PASTURE

RUSSIAN } - STAKE OUT CLAIM

JAPAN 1970- 81,000,000 - 4% EGG TO FRY SURVIVAL

UTSUCHI RIVER HATCHERY

1974- 100,000,000

_____ - 20 MILLION CHUM HARVEST '74

PRICES - MARKETS - PRICES ↓

WE MUST KEEP PACE IN PRODUCTION IF WE ARE TO PRESERVE A VIABLE FISHERY.

STATE SUCCESSES

A. CROOKED CREEK - KASILOF RIVER

KING RUN - 5,000 - 20% MARKED (RETURN OF HATCHERY FISH)

DEEP CREEK - SPORT HARVEST

REDS - TUSTUMENA LAKE - 30 MILES LONG AND SEVERAL WIDE

SUITE LIMITED SPAWNING AREA

REDS LIVE ONE TO TWO YEARS IN LAKE; GROW TO SMOLT SIZE. MUCH GREATER REARING CAPACITY THAN SPAWNING CAPACITY IN TUSTUMENA LAKE.

B. [illegible] - [illegible] MILLION PLUS RELEASE - 369,000 ADULT RETURN IN 1979

[illegible] PERCENT RETURN FROM SMOLT-TO-ADULT REARING

THE OBJECTIVE OF THE CROOKED CREEK FACILITY IS TO [illegible] FRY TO [illegible] REARING CAPACITY OF TUSTUMENA LAKE. [illegible] THE TOTAL NUMBERS OF FRY UTILIZING THE REARING AREA IN THE LAKE WITH [illegible] THE LARGER NUMBER OF SMOLTS MIGRATING FROM THE LAKE EACH SEASON.

THE LAKE PRODUCTIVITY IS A FUNCTION OF SUBSTRATE AREA, WHICH [illegible] SMOLTS [illegible]

OF SUNLIGHT VARIES FROM YEAR TO YEAR, THEN OBVIOUSLY IT WILL TAKE A NUMBER OF YEARS TO DETERMINE THE OPTIMUM NUMBER OF FRY RECRUITS PER YEAR.

IN LIGHT OF THE EXTREMELY PRODUCTIVE AND HIGHLY COST EFFECTIVE RESULTS FROM LAKE FERTILIZATION RESEARCH, EVEN AFTER THE BIOMASS PRODUCTION CAPABILITY OF THE UNALTERED LAKE WATERS HAS BEEN REACHED, IT APPEARS THAT LARGE INCREASES IN PRODUCTION COULD BE ACHIEVED BY ADDING NUTRIENTS TO THE WATER. THE CROOKED CREEK HATCHERY IS NECESSARY FOR THIS RESEARCH AND PRODUCTION IN LAKE TUSTUMENA.

xii. COMPLETE THE COMPREHENSIVE PLAN FOR LAKE REGION. GET IT SIGNED OFF BY ALL PARTIES. GET ON WITH IT.

HUGH MALONE

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P. O. BOX 9
KENAI
99611

March 7, 1980

House Concurrent Resolution No. 50 (attached), requesting the governor to suspend the issuance of grants and loans for fisheries enhancement, proposes two moratoriums-- one on grants to regional aquaculture associations and a second on loans to regional aquaculture associations until a legal assessment of fishermen is established and sufficient collateral is guaranteed to secure loans.

The state, over the last decade, has embarked on an ambitious program of fisheries enhancement and development. The current wealth of the state provides us with the opportunity to continue and expand this effort. However, before we automatically proceed, it might be wise to take a close look at the existing efforts and determine whether they should be continued in the same manner or whether changes in direction and emphasis should be made.

The House Resources Committee will hold a hearing on HCR 50 on Thursday, March 20, at 3 p.m. in Juneau, in Room 118 of the Capitol. As sponsor of the resolution, I'd like to have it serve as a basis for discussion of aquaculture purposes and direction in general, and I invite your participation. If you cannot attend the hearing, I would appreciate your written comments and would make them available to all members of the committee. The following questions may provide a framework for your comments.

1) What should be the areas of responsibility of the regional aquaculture associations, the "Mom and Pop" non-profit hatcheries, and the state's Division of Fisheries Rehabilitation, Enhancement, and Development? Which entities should be building and operating hatcheries, fertilizing lakes, clearing streams, controlling p·eda-tion, etc.?

2) Where are there needs for greater cooperation between the private non-profit hatcheries and associations and F.R.E.D.? How can cooperation be fostered, and what degree provides for the greatest efficiency?

3) What limits should be placed on the non-profit hatcheries and regional associations? How accountable are they now to the fishermen, the public, and the resource, and how can this be improved?

4) What should the role of commercial fishermen be in providing for fishery resources? What control should they exert over those resources?

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5) Who is more responsive to the fishermen, the public, and the resource-- F.R.E.D. or the regional associations? Which represents the best state investment?

6) Where should the emphasis be placed in aquaculture programs? What are the relative benefits of hatcheries, rehabilitation efforts, and enhancement projects?

7) How many hatcheries are enough? What will be the effects, biologically and economically, of producing more and more salmon?

8) Are the biological questions being adequately addressed by the state and the regional associations? How are the problems of disease control, hatchery siting, brood stock supplies, and separation of stocks being handled?

9) Are we in danger of replacing wild with artificial stocks? What are the ramifications of this?

10) How will aquaculture programs-- state-run and private-- pay their way? How will costs be recovered? Are hatchery harvests appropriate?

11) Are we moving too fast with aquaculture efforts? What would be lost by slowing down and perfecting what we already have?

12) Where are the lines drawn between biological and political management? How can existing problems be mitigated and future ones averted?

J Malone

Sam McDowell on ACRSO
March 30, 1980

Re: Three Comment Resolutions #50
Answers and Suggestions from
Sam. E. McDowell President T.V.L.A.
Alaska Fisheries Resources Committee Chairman

- Answers to Questions -

(1) Regional associations must be completely open to public meeting of their finances, and accountable to commissioner of ADF&G.

(2) Aquacultural associations could recommend projects and furnish first hand fisherman input to ADF&G for consideration and final management decisions of our public resources.

(3) In the end foremost the Commissioner of ADF&G must have final decision on all phases of operations, funding and etc for non-profit hatcheries and regional associations.

(4) They should pay their way through assessments on our common property resources. It should be understood that the resource is paying for its own enhancement. Additionally it should be clearly understood that this resource belongs to all Alaskans, and the commercial fishermen have only a special privilege not an absolute right.

March 20, 1980

Re: House Amendment Resolution #50

(5) The State agencies are the most responsive to the fisherman, the public, and the resource.

Their responsibility first to the resource is the law, and when they are responsible to the resource they are automatically responsible to the publics and fishermen.

(6) Rehabilitation must be the first goal. This includes both proper fish harvest and escapement.

Stream and habitat enhancement should be highest of priorities and native stocks must be protected.

Hatcheries should be considered only after all facts [redacted] are considered and found not to be in conflict with native stocks.

(7) Biological data should be gathered on native stocks as to effect of over-harvest and over-escapement before anymore hatchery salmon is dumped into systems that have native stocks.

(8) No, there is not enough known on the effects of hatchery stock enhancement on native stocks to allow Non-Profit hatcheries to proceed without being under total control by ADF&G.

Seperation of stocks will cause future major conflicts between fishermen and Non profit hatcheries without being under complete control by ADF&G on location of hatchery!

Re: House Concurrent Resolution 450

(9) Yes, And it could prove to be a total disaster to our Common property resources, And the pressure of economics can make this happen.

(10) They won't, if we continue to allow funding to be allocated on a political instead of a professional basis.

Payment for rehabilitation and enhancement should be supported by assessment or tax on the resource.

No, hatchery harvest will cause major conflicts And management problems.

(11) Yes, we are moving too fast, And should stop all funding for Non-profit hatcheries until state hatchery programs are perfected.

First we must learn to manage our Native Stocks through Stream enhancement And etc, before we create additional problems with hatchery Stock management.

(12) Proper representation by the total public is a must if Salmon enhancement is going to survive the test of time.

Political management must be curtailed And allow our professional RDF & biological management staff manage our Common property fishery resources.

Recommendations

(1) Recall all Grants, loans and or public funding from the Cook Inlet Aquaculture assn.

Request a complete line item audit be submitted to commissioner of ADF+G for all Non-Profit Aquaculture associations to account for funding.

Our observations of past management Policies of C.I.A.A. convinces us C.I.A.A. Assoc has failed for the following reasons.

They resist the entry of additional benefited State certified commercial fisherman organizations.

Those in control of the Cook Inlet Aquaculture assn dictatorially oppose those interests other-than their own. Including commercial fishermen in other districts of Cook Inlet.

They proceed to spend State money on plans that don't agree with A.D.F+G. Plans that could cause serious management problems.

They have lost the support of the largest percentage of Cook Inlet fishermen.

Until C.I.A.A. can show they have support from the largest percentage of these fishermen no additional funding should be granted.

We are convinced the short sighted selfish management Policy of C.I.A.A. is not in the best interest of Cook Inlet Common property fishery resources, and must be stopped!

HCR 50

An Analysis of Selected Elements of the Alaskan Salmon Resource Development Program

A Report to the
Aquaculture Policy Study Group
of the Alaska Legislature

By the Firms of:

MILLER AND ASSOCIATES, INC.,
LEONARD LANE AND ASSOCIATES AND,
MR. WILLIAM R. WILKERSON, ATTORNEY, LAW FIRM OF
EISENHOWER, CARLSON, NEWLANDS,
REHA, HENRIOT & QUINN

December 1, 1979

EXECUTIVE SUMMARY

This report sets forth the contractors' findings and recommendations resulting from an analysis of selected elements of the Alaskan Salmon Resource Development Program. This study does not address either the role of the small private or potential role for large for-profit corporations in the state salmon aquaculture program. Care must be exercised to ensure that policy or statutory changes to the state aquaculture program as a result of this report do not have an adverse effect on small non-regional hatchery operations.

Chapter I of the report addresses the need and provides a means for conducting micro and macro economic analyses of the Alaskan salmon fishery. The report recommends that a Return on Investment technique be used by the regional associations to evaluate potential aquaculture projects. The ROI technique is a means for ensuring that sufficient returns will accrue to the project to contribute to the fishery as well as provide the means through a terminal area harvest for the project to eventually become economically self-sufficient.

A second micro economic analysis technique is recommended for government aquaculture projects. This Cost Benefit Analysis technique differs from the ROI method in several important respects. Regional associations, because of their need to repay loans and remain financially solvent, count as "losses", those aquaculture produced salmon caught by domestic non-association members because no revenue accrues to the association from these prior interceptions. Government agencies,

which have a broader constituency, count prior interceptions by domestic fishermen as "benefits" in their calculations of the value of an aquaculture project. In addition, government agencies are not usually dependent upon assessment fees or revenues from terminal area harvests to provide the income necessary to continue in operation.

A second significant difference in the two micro economic evaluation techniques is the value of the catch used in each formula. Ex-vessel prices are used in the ROI analysis because it is the amount association members are paid for their harvest, and it would be the price paid to the association for fish harvested and sold from a terminal area.

Because the intent of a cost benefit analysis is to measure the benefits created by an aquaculture project, the first wholesale price of salmon is recommended for use because it is more reflective of the total value (harvesting and processing) to the domestic economy than ex-vessel prices.

In Chapter I, explicit recognition is given to the need, from an economic point of view, to recognize not only the different stages in the life of a salmon where artificial means can be employed to enhance survival but also the different methods, their attendant costs, as well as differing survival rates which can be employed in salmon propagation. As this analysis indicates, there are a significant number of economic trade-offs which should be considered in the selection of a propagation method.

In addition to the micro economic analysis models, Chapter I recommends the establishment of at least three macro economic evaluation techniques. Whereas the micro economic evaluation models are designed to be applied to specific projects, the purpose of the macro techniques is to provide the state with the economic tools necessary to measure the value of the fishery from a statewide or regional basis. Based upon analyses and information from these models, the state could explicitly formulate an economically sound basis for the fisheries development program.

Chapter II sets forth sources and methods for financing salmon aquaculture programs.

Prior to discussing the financing recommendations it seems appropriate to clarify a misconception about the financial structure of the regional aquaculture corporations. They are non-profit, meaning they cannot sell stock and raise risk capital from speculators. They have three primary sources for financing: fishermen and processors; terminal area harvests in which the association uses part of the harvest to pay operating costs and repay loans; and the state.

Currently all state operated propagation facilities are supported by state appropriations. It is the recommendation of this chapter that ultimately all regional and state production facilities be operated on an economically self-sufficient basis. We do not believe that the regional associations, even if the mandatory assessment were re-enacted, will have adequate revenues available to them to build enough facilities over the next decade to make a significant contribution to the harvestable

number of salmon. We believe an additional state investment in the program, over the next decade, could significantly expand the production capability of the regional associations and allow them to develop to the point where they can assume the managerial and financial responsibility for operating both regional as well as state production facilities. Such an investment will provide two substantial benefits to the state: increased tax revenues and citizen employment from an expanded and more stable fishery and reduced operating costs because the cost of operating state production hatcheries would be shifted from state sources to the primary beneficiaries of the production.

Chapter II discusses the relative advantages and disadvantages of six alternative means for making up the revenue lost as a result of the successful court challenge of the mandatory assessment. As of this writing, option #3, which would provide for a state collection of a regional tax has been reviewed for its constitutional considerations and is being prepared in draft from for further discussion by the Fisheries Council.

Chapter II also contains recommendations regarding the state aquaculture loan program. If a replacement revenue is found for re-establishing the assessment revenue, and if some new revenue stream could be established to provide for the orderly expansion of regional aquaculture programs, then the state aquaculture loan program should be modified as follows:

(a) The $3.0 million loan limitation should be removed;
(b) The loan should be limited to capital construction costs (as defined in Chapter 168, Laws of 1978);
(c) The term of the construction loan should be established at 20 years;
(d) The deferment period should be increased from six years to a maximum of 10 years.

Other recommendations contained in Chapter II include establishing common aquaculture cost categories and a source of funds and applications model. Establishment of common cost categories would aid both the regional associations and the state by providing planning and analysis information. The source and applications of funds model is a standard financial planning technique not only for matching revenue streams to cost categories but is also used as a means for relating long range production expansion to sources for financing the expanded production.

Chapter III contains a discussion of institutional problems and alternative means which could be implemented to overcome these problems. Four general categories of needs are discussed in the chapter. These are: the need to develop means for ensuring that the salmon, shellfish and bottomfish elements of the Alaskan fishery are managed, at least from an overall policy point of view, on an integrated basis; the need to improve coordination among federal, state and regional associations in developing the Alaskan fishery; the shifting of the aquaculture loan program to ADF & G; and, the need to expand and provide for increased coordination of an Alaskan fisheries research program.

The chapter sets forth a variety of alternative means for meeting the identified needs.

In order to improve coordination and provide for a balanced policy management approach over all of the elements of the Alaskan fisheries, the report recommends the establishment of an Alaskan Fisheries Resource Development Program which encompasses all species. Several options are set forth for achieving this balanced management approach including: an Alaskan fisheries resource development coordinator within the Office of the Governor; establishing lead agency responsibility for the Alaskan Fisheries Resource Development Program; and, establishing a separate office or agency for the program. The assignment of ADF & G as the lead agency over the fishery is the preferred option.

With regard to the need to improve coordination and cooperation among the various elements of the fishery, the report contains a number of optional ways of achieving this need. This includes: enacting a legislative mandate which requires cooperation in certain activities; providing a one stop permitting process for both state and regional fisheries development activities; the use of cooperative agreements between ADF & G, regional associations and federal agencies; the expansion and strengthening of ADF & G regional staffs to improve coordination and support to regional associations; the establishment of a continuing regional association structure to improve coordination among association members; as well as a number of other possible options.

This aerial photograph of SSRAA's Central Incubation Facility (CIF) shows hatchery buildings, rearing ponds and raceways. The facility is located six miles south of Ketchikan and has a capacity of 28.16 million eggs.

SSRAA's board of directors, composed of 21 members, represents commercial, sport and subsistence fisheries, as well as those of processors, municipalities, Chambers of Commerce and native corporations. The board meets monthly to discuss ongoing activities and to make decisions on proposals.

Much of the field camp work is labor intensive. Here, crews at a completely floating camp on Carroll Inlet (30 miles from Ketchikan) check ripeness of female chum salmon to ensure that eggs are ready for extraction.

Eggs and milt are removed at the remote camps and are flown in ice chests to Herring Cove where they are unloaded and taken a short distance to the Central Incubation Facility.

SSAA board directors Ed Linkous (troller representative) and Lee Burger (sportfish representative) take a close look at coho salmon which have recently emerged from eggs. Thirteen of the 21 board directors are commercial fishermen and there is a shared interest between sport and commercial fishermen.

Coho salmon seem undaunted by the presence of a hand in their rearing pond. This spring SSRAA will release 550,000 coho smolt and about 2.5 million chum, the results of eggs taken in 1978 and 1979.

This coho smolt, shown in relationship to a man's hand, is about six weeks away from being released to sea. These fish have been reared by SSRAA now for 17 months.

One of the last steps of the hatchery work for SSRAA involves removing the fry from raceways and then putting them into tanks which are placed on barges and towed to remote camps. This photo, taken March 19, marks SSRAA's first of many egg releases.

PROPOSED 1980 LAKE FERTILIZATION AND STUDY SITES

HCR50

Alaska House of Representatives

HUGH MALONE

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March 7, 1980

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J Malone

This testimony was not heard on 3/20/80 due to lack of time

TESTIMONY PRESENTED TO THE

HOUSE RESOURCES COMMITTEE HEARING
ON HCR 50
MARCH 20, 1980

MY NAME IS CURT KERNS. I'M THE CHAIRMAN OF THE ALASKA FISHERIES COUNCIL, ON LEAVE OF ABSENCE FROM THE UNIVERSITY OF ALASKA, AS THE AQUACULTURE EXTENSION AGENT FOR THE PAST THREE YEARS. PRESENTLY, I'M WITH THE PRINCE WILLIAM SOUND AQUACULTURE CORPORATION. I'M A CERTIFIED FISHERIES SCIENTIST BY THE AMERICAN FISHERIES SOCIETY. FOR THE PAST TEN YEARS, MY EDUCATION AND EXPERIENCE HAVE BEEN DIRECTED TOWARDS SALMON RANCHING.

THE PACIFIC SALMON IS THE DOMINANT FISH OF THE SURFACE WATERS OF SOME 2,500,000 SQUARE MILES OF THE SUBARCTIC PACIFIC. BUT THIS MOST MAGNIFICENT OF ORGANISMS IS TIED INEXORABLY TO LAND, TO FRESH WATER BY ITS REPRODUCTIVE PHASE. THE AVAILABLE EVIDENCE SUGGESTS THAT IT MAY VERY WELL BE THIS FRESH-WATER PERIOD THAT IS THE LIMITING FACTOR TO SALMON POPULATIONS -- EVEN DURING THE HISTORICALLY HIGH HARVEST PERIOD OF 1936 TO 1939. WHY ELSE, IT IS REASONED, WOULD SALMON METABOLIZE ALL THE CALORIES NECESSARY TO SWIM, IN SOME CASES, 1500 MILES UP RIVER, FEEDING LITTLE, JUST TO FIND A COUPLE OF SQUARE YARDS OF SPAWNING GRAVEL?

THE ENERGY USED IN MIGRATING UPSTREAM COULD BE BETTER USED IN PRODUCTION OF MORE EGGS AND MILT IF SPAWNING GROUNDS WERE AVAILABLE CLOSER TO SALTWATER, THUS PRODUCING MORE FRY. FISHERIES SCIENTISTS HAVE IN YEARS PAST DISCUSSED THIS POINT, AND WILL CONTINUE FOR YEARS TO COME.

WHILE FISHERIES BIOLOGISTS CONTINUE THE DEBATE, I SUGGEST THAT WE PAY VERY CLOSE ATTENTION TO WHAT OTHER NORTH PACIFIC RIM COUNTRIES ARE DOING: JAPAN'S 1979 CHUM SALMON HARVEST, BASED ALMOST EXCLUSIVELY ON HATCHERY PRODUCTION, WAS 18 MILLION FISH. HER INCUBATION CAPACITY IS APPROXIMATELY 1.2 BILLION WITH NEW WAYS CONSTANTLY BEING SOUGHT TO INCREASE THAT NUMBER. RUSSIA'S HARVEST IS STEADILY RISING, LARGELY DUE TO DRAMATICALLY INCREASED HATCHERY PRODUCTION -- WHICH IS SLIGHTLY IN EXCESS OF THAT OF JAPAN'S. AS RUSSIA DOES NOT HAVE THE WATER LIMITATIONS THAT JAPAN HAS, HER PLANNED HATCHERY PRODUCTION FOR THE YEAR 2,000 IS ABOUT 3 BILLION. IN 1977, THE SAKHALIN ISLAND HATCHERIES ALONE PRODUCED 844 MILLION PINK AND CHUM SALMON FRY. INCIDENTALLY, ONE SAKHALIN HATCHERY IN 1976, THE KALINSKY, HAD A RETURN OF APPROXIMATELY 1 MILLION CHUMS. THE STREAM THE HATCHERY IS ON IS ABOUT TWO FEET WIDE AT ITS NARROWEST. CANADA HAS EMBARKED ON A PROGRAM TO DOUBLE HER SALMON CATCH TO 50 MILLION SALMON.

THE PASTURES OF THE PACIFIC MAY NOT YET BE FULL. BUT WITH THE RAPID ADVANCES BEING MADE IN BIOTECHNOLOGY, NUTRITION, PATHOLOGY, AND OTHER AQUATIC SCIENCES, AS SURELY AS WE SIT HERE TODAY, THEY WILL BE. THAT DAY MAY BE 20 OR 30 YEARS HENCE, BUT THEY WILL BE FILLED. THEN AN INTERNATIONAL CONFERENCE ILL BE CALLED. EACH NATION (CHINA AND KOREA WILL BE PRESENT BY THEN) WILL SEEK TO "GRANDFATHER" IN THEIR EXISTING SHARE. WE ARE LITERALLY IN A RACE FOR THE PASTURES OF THE PACIFIC.

GIVEN THAT SALMON SUPPORT THE UNITED STATES' SECOND MOST VALUABLE FISHERY; THAT 80 TO 90 PERCENT OF THE U.S. CATCH ORIGINATES FROM ALASKA; THAT ALASKA IS ADJACENT TO IMPORTANT NORTH EASTERN PACIFIC SALMON GRAZING PASTURES, AND THAT ALASKA HAS THE VAST MAJORITY OF AVAILABLE WATER SUPPLIES IN THE UNITED STATES SUITABLE FOR SALMON CULTURE -- ALASKA HAS THE MOST IMPORTANT ROLE OF ANY AREA IN NORTH AMERICA TO PLAY IN THE DEVELOPMENT OF SALMONID RESOURCES.

BASED UPON REVENUES FROM THE COMMERCIAL CATCH AND FROM NON-RENEWABLE RESOURCES, ALASKA HAS THE FUNDS NECESSARY TO CARRY OUT THIS ADVANCEMENT. WE CAN RESTORE THE RUNS TO HISTORICAL LEVELS, PERHAPS EVEN SOMEDAY PRODUCE MULTIPLES OF THOSE HISTORICALLY HIGH CATCHES. THE STABILIZATION AND GROWTH THAT THE ALASKA SALMON

RESOURCE DEVELOPMENT PROGRAM CAN BRING, WILL MAKE A SIGNIFICANT CONTRIBUTION TO THE ECONOMY BENEFITING ALL ALASKANS IN SOME WAY FOR THE GENERATIONS TO COME.

OVER FIVE YEARS HAS GONE BY SINCE THE ENABLING LEGISLATION WAS PASSED IN ALASKA. WHILE IT MAY SEEM AS IF LITTLE HAS CHANGED, THAT LITTLE PROGRESS HAS BEEN MADE AND THERE REMAINS YET EVER SO MUCH TO BE DONE -- WE HAVE MADE SIGNIFICANT ADVANCES. FIVE YEARS AGO, OUR INCUBATION CAPACITY WAS ABOUT 25 MILLION EGGS. BY THE END OF THIS YEAR, IT WILL APPROACH THREE-QUARTER BILLION. IN 1975, 58,000 ADULT FISH RETURNED. IN 1979, CONSERVATIVE ESTIMATES, BASED ON MARKED FISH RECOVERY, PLACE THE RETURNS IN EXCESS OF 1,300,000.

ALASKA HAS EMBARKED UPON A SIGNIFICANT SOCIAL EXPERIMENT WHEN WE CREATED THE PRIVATE NON-PROFIT CONCEPT, AND THE REGIONAL ASSOCIATIONS. UNION CARBIDE, WEYERHAEUSER, AND CROWN ZELLERBACH WISH WE HAD PROCEEDED SOMEWHAT DIFFERENTLY. BUT TO CONTINUE AT ALL, WE MUST HAVE THE PRESENT DIVERSITY OF EFFORT. TO KILL THE REGIONAL ASSOCIATIONS OR THE PUBLIC SECTOR IS TO DOOM OUR ENTIRE EFFORT.

THE PATH HAS NOT BEEN SMOOTH, AND THE THE WORK TO BE DONE IS YET GREAT. BUT FOR THE SAKE OF THE RESOURCE, FOR THE SAKE OF TODAY'S AND TOMORROW'S ALASKANS, WE MUST

CONTINUE. CAREFULLY, RESPONSIBLY, EVEN CAUTIOUSLY. BUT WE MUST CONTINUE.

CURT KERNS, CHAIRMAN
ALASKA FISHERIES COUNCIL

Ladd Macaulay
Douglas Island Pink & Chum Co., Inc.
Box 630
Douglas, Alaska 99824

March 20, 1980

Representative Hugh Malone
Alaska House of Representatives
House Resources Committee
Pouch V
Juneau. Alaska 99811

Dear Mr. Malone:

Thank you for the opportunity to discuss the State of Alaska's private fisheries enhancement and development program.

As a representative of the private non-profit Douglas Island Pink & Chum hatchery corporation, I have attached a summary of the Kowee Creek Hatchery activities since 1975. The 6 million fry release hatchery was constructed and operated with private funds until 1979; at which time a $3,100 CETA grant was received to assist in our first hatchery return egg-take.

A second hatchery is now being constructed at Sheep Creek, located south of Juneau. This 20 million fry release facility is being financed with the assistance of the Fisheries Enhancement Loan Program. I believe this facility will go on record as being the most cost-efficient hatchery financed by the State of Alaska.

The Prince William Sound Regional Aquaculture Association has been, I believe, one of the major guiding lights to the non-profit fisheries enhancement program and their beliefs and concerns are heavily endorsed. Hopefully, any decision made by the House Resource Committee will carefully weigh the consequences it will have to the private sector, both regional and non-regional.

Again, I thank you for the opportunity to provide a brief accounting of our activities and to endorse our support of the Prince William Sound Aquaculture Association.

Sincerely,

Ladd Macaulay, President
Douglas Island Pink & Chum Co., Inc.

1979

ANNUAL REPORT

PRIVATE NON-PROFIT HATCHERY

HATCHERY NAME/LOCATION	KOWEE CREEK HATCHERY DOUGLAS ISLAND SOUTHEAST ALASKA
PERMIT HOLDER NAME/ADDRESS	DOUGLAS ISLAND PINK & CHUM CO., INC. BOX 630 DOUGLAS, ALASKA 99824
NAME/PHONE	LADD MACAULAY 907-586-9511

This is the fourth annual report prepared for the benefit of the public, federal government, state government and corporate members. The following is a brief summary of our last four years activity:

YEAR: 1976

Dollars Spent	Species	(1976) Females taken	(1976) Eggs	Location	(1977) Fry Release	Adult Return
	Chum	40	120,000	Haines	60,000	
	Chum	26	48,000	Fish Creek	26,000	
$ 3,757.35		66	168,000		86,000	Ø

YEAR: 1977

Dollars Spent	Species	(1977) Females taken	(1977) Eggs	Location	(1978) Fry Release	Adult Return
	Chum	52	135,980	Fish Creek		
	Chum	9	32,894	Youngs Bay		
	Pink	862	1,732,612	Fish Creek		
$ 14,464.78		923	1,901,486		1,773,791	Ø

YEAR: 1978

Dollars Spent	Species	(1978) Females taken	(1978) Eggs	Location	(1979) Fry Release	(1979) Adult Return
	Chum	182	462,098	Fish Creek		
	Chum	10	25,390	Sawmill Creek		5
	Pink	1,397	2,370,709	Fish Creek		20,000
$ 3,952.44		1,589	2,858,197		2,100,000	20,005

YEAR: 1979

Dollars Spent	Species	(1979) Females taken	(1979) Eggs	Location	(1980) Fry Release	(1980) Adult Return
	Chum	106	318,000	Fish Creek		
	Chum	12	36,000	Sawmill Creek		
	Chum	4	12,000	Sheep Creek		
	Pink	1,452	2,178,000	Kowe Creek		
	Pink	415	622,500	Fish Creek		
$ 8,679.11		1,989	3,166,500		2,375,000 (EST.)	20,000 (EST.)

TOTAL DOLLARS	TOTAL FEMALES	TOTAL EGGS	TOTAL FRY RELEASE	TOTAL ADULT RETURNS
$31,003.68**	4,567	8,094,183	3,959,791*	20,000

*The estimated 1980 fry release of 2,375,000 is not included.
**Figure includes $200.00 spent in 1975.

SUMMARY OF CASH RECEIVED AND CASH EXPENDED AS OF DECEMBER 31, 1979

Short term loan	$ 340.00
Cash in bank 1/1/79	1,747.53
Assessments received	3,050.00
CETA grant	3,184.00
Sale of brood stock	973.40
Refund of over-payment on bill	28.18
TOTAL CASH RECEIVED	$ 9,323.11
Cash in bank 12/31/79	$ 694.00
TOTAL EXPENDITURES	$ 8,629.11
TOTAL ASSESSMENTS RECEIVED	$27,175.00
TOTAL ASSESSMENTS OUTSTANDING	$ 175.00

EXPENDITURES	1975	1976	1977	1978	1979	TOTAL
Operational Costs	$200.00	$ 607.17	$ 489.74	$ 327.36	$4,733.95	$ 6,358.22
Equipment	———	792.34	5,335.33	3,266.23	3,532.07	12,925.97
Temporary Facility	———	2,221.28	268.33	———	———	2,489.61
Permanent Facility	———	136.56	8,371.38	358.85	363.09	9,229.88
TOTAL COSTS	$200.00	$3,757.35	$14,464.78	$3,952.44	$8,629.11	$31,003.68

I.R.S. STATUS: Ms. Ruth Lane, for I.R.S., per a telephone conversation on 2/19/80, has confirmed that the corporation has been classified as 501-C-3. A 501-C-4 classification prior to the C-3 status has also been recognized. Written confirmation is forthcoming.

OPERATING BUDGET FOR 1979

Two CETA employees were hired during the months of July, August and part of September for egg taking purposes. All other work was performed on a volunteer basis.

FACILITY CONSTRUCTION

The Kowee Creek Hatchery is still not considered 100% complete. The insulated cave doors were hung and the concrete flume leading from the cave has been extended. Two of the main intake pipes, the electrical wiring and the front entry to the cave have yet to pass corporate inspection.

INCUBATORS

The NOPAD Incubator has been used for four years and its' performance has been more than satisfactory. No other incubator design is being considered at this time.

MORTALITY

No significant mortalities occurred this year. Less than a 10% loss is anticipated for the total chum egg take and a 20-25% loss is anticipated for the total pink egg take.

ANNUAL MANAGEMENT PLAN

The migration routes of both the pink and chum were not studied in 1978. All that can be stated at this time is that the Kowee Creek pink salmon arrived on site seven days after the pink salmon appeared at Fish Creek. (see attachment)

HARVEST MANAGEMENT OF SURPLUS FISH

It has been estimated that between 20,000 and 30,000 adult pink salmon returned to the mouth of Kowee Creek during the month of August. The return was from the 1.8 million fry release of 1978. It should be noted that 2.4 million eggs had been taken from Fish Creek and none from Kowee Creek in 1978. In 1979, however, 2.2 million pink salmon eggs were taken from Kowee Creek and only .6 million from Fish Creek.

The weir that was designed for Kowee Creek was not constructed. The cost of materials would have been over $5,000 and it was decided that wire fencing and sandbags would serve the same purpose. The results were neither satisfactory nor economical. The salmon broke through the fencing more than once and the majority were never harvested. In 1980, a floating pen arrangement is being considered for harvesting and holding purposes.

Only brood stock pink salmon were harvested in 1979 and that was by the use of a dip net. The use of a herring net and ripening pens were also an integral part of the harvesting efforts. After harvesting, the pink salmon were hauled by truck to a local cold storage plant where some were canned for experimental purposes and others sold for crab bait use. Samples of smoked fillets were also sent to Japan. Further marketing use of brood stock salmon is being planned for 1980.

In summary, the elimination of the egg picking stage, the 1½% adult pink slamon return at Kowee Creek, the issuance of the Sheep Creek Hatchery permit and the brood stock market samples sent to Japan are major indicators of the steady contribution and growth of our private non-private corporation.

DECLARATION AND SIGNATURE

I declare that the information given in this is, to my knowledge, true, correct and complete.

2/29/80
Date Signed

Ladd Macaulay, President
Douglas Island Pink & Chum Co., Inc.

HCR
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STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM February 15, 1980

SUBJECT: Salmon seine vessel length
(Work Order Number 8028)

TO: Representative Alvin Osterback

FROM: Kenneth E. Vassar
Legislative Counsel

Enclosed is the resolution you requested asking the Board of Fisheries to adopt regulations imposing limitations on the lengths of salmon seine vessels in the state waters around Kodiak, Shumagin Island and the Alaska Peninsula. Your request came with no back-up material, and in order to meet the personal bill deadline, I decided to fill in the "whereas" clauses of the resolution as best I could. You should be aware, however, that I cannot say that these "whereas" clauses are factually correct. Specifically, I do not know that the state waters around Kodiak, Shumagin Islands and the Alaska Peninsula would be especially vulnerable to overharvesting of salmon if no limitation on the length of the salmon seine vessels existed in those waters. Moreover, I think you should be aware that there is no present need for the regulations requested by this resolution since the limitation on the length of salmon seine vessels is presently imposed statewide by AS 16.05.835. I know that there is a bill to repeal that law and that your committee has discussed the bill; therefore, I added the last "resolved" clause of the resolution requesting that the regulations take effect if AS 16.05.835 is repealed.

KEV:ljb

Enclosure

HJR

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COMMITTEE REPORT

(9)

HOUSE

3/16/80

FURTHER:

Date: 3/16/80

Mr. Speaker:

The Committee on RESOURCES has had HCR 7.

An Act requesting the Governor to take steps to prevent and mitigate the effects of the anticipated financial emergency in the fish harvesting industry in the state.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HCR 72	5/16	2510	Commerce Dept - Sharon Traylor, Dir. of Div. of Business Loans Rep. Malone	5/16

HJR

9

(9)

COMMITTEE REPORT

HOUSE

FURTHER:

Date: 2/6/79

Mr. Speaker:

The Committee on _____ has had HJR 9 _____

Urging United States withdrawal from the Convention for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

H 60 (Rev. 12/78)

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
HJR9	465-3879	Rep. Elison & Rep. Haugen	2/6/79
	465-4100	Dept. of Fish & Game	2/6/79
		(Carl Rosier to testify)	
	465-3500	Governor's Office - International Fisheries	2/6/79

For HJR 9

to be appropriate, be installed and maintained in working order on each such vessel;

(D) duly authorized United States observers be permitted on board any such vessel and that the United States be reimbursed for the cost of such observers;

(E) any fees required under section 204(b)(10) be paid in advance;

(F) agents be appointed and maintained within the United States who are authorized to receive and respond to any legal process issued in the United States with respect to such owner or operator; and

(G) responsibility be assumed, in accordance with any requirements prescribed by the Secretary, for the reimbursement of United States citizens for any loss of, or damage to, their fishing vessels, fishing gear, or catch which is caused by any fishing vessel of that nation;

and will abide by any other monitoring, compliance, or enforcement requirement related to fishery conservation and management which is included in such agreement.

(3) The foreign nation and the owners or operators of all of the fishing vessels of such nation shall not, in any year, exceed such nation's allocation of the total allowable level of foreign fishing, as determined under subsection (e).

(4) The foreign nation will—

(A) apply, pursuant to section 204, for any required permits;

(B) deliver promptly to the owner or operator of the appropriate fishing vessel any permit which is issued under that section for such vessel; and

(C) abide by, and take appropriate steps under its own laws to assure that all such owners and operators comply with, section 204(a) and the applicable conditions and restrictions established under section 204(b)(7).

(d) TOTAL ALLOWABLE LEVEL OF FOREIGN FISHING.—The total allowable level of foreign fishing, if any, with respect to any fishery subject to the exclusive fishery management authority of the United States, shall be that portion of the optimum yield of such fishery which will not be harvested by vessels of the United States, as determined in accordance with the provisions of this Act.

(e) ALLOCATION OF ALLOWABLE LEVEL.—The Secretary of State, in cooperation with the Secretary, shall determine the allocation among foreign nations of the total allowable level of foreign fishing which is permitted with respect to any fishery subject to the exclusive fishery management authority of the United States. In making any such determination, the Secretary of State and the Secretary shall consider—

(1) whether, and to what extent, the fishing vessels of such nations have traditionally engaged in fishing in such fishery;

(2) whether such nations have cooperated with the United States in, and made substantial contributions to, fishery research and the identification of fishery resources;

(3) whether such nations have cooperated with the United States in enforcement and with respect to the conservation and management of fishery resources; and

(4) such other matters as the Secretary of State, in cooperation with the Secretary, deems appropriate.

(f) RECIPROCITY.—Foreign fishing shall not be authorized for the fishing vessels of any foreign nation unless such nation satisfies the

Public Law 94-265 ~~Fisheries Conservation~~ Fisheries Conservation and Management Act of 1976

Sec. 201. Foreign Fishing

Contradicts Participation in International Halibut Convention

J Williams

Public Law 94-265
94th Congress, H. R. 200
April 13, 1976

An Act

To provide for the conservation and management of the fisheries, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, with the following table of contents, may be cited as the "Fishery Conservation and Management Act of 1976".

Fishery Conservation and Management Act of 1976. 16 USC 1801 note.

TABLE OF CONTENTS

Sec. 2. Findings, purposes, and policy.
Sec. 3. Definitions.

TITLE I—FISHERY MANAGEMENT AUTHORITY OF THE UNITED STATES

Sec. 101. Fishery conservation zone.
Sec. 102. Exclusive fishery management authority.
Sec. 103. Highly migratory species.
Sec. 104. Effective date.

TITLE II—FOREIGN FISHING AND INTERNATIONAL FISHERY AGREEMENTS

Sec. 201. Foreign fishing.
Sec. 202. International fishery agreements.
Sec. 203. Congressional oversight of governing international fishery agreements.
Sec. 204. Permits for foreign fishing.
Sec. 205. Import prohibitions.

TITLE III—NATIONAL FISHERY MANAGEMENT PROGRAM

Sec. 301. National standards for fishery conservation and management.
Sec. 302. Regional fishery management councils.
Sec. 303. Contents of fishery management plans.
Sec. 304. Action by the Secretary.
Sec. 305. Implementation of fishery management plans.
Sec. 306. State jurisdiction.
Sec. 307. Prohibited acts.
Sec. 308. Civil penalties.
Sec. 309. Criminal offenses.
Sec. 310. Civil forfeitures.
Sec. 311. Enforcement.
Sec. 312. Effective date of certain provisions.

TITLE IV—MISCELLANEOUS PROVISIONS

Sec. 401. Effect of law of the sea treaty.
Sec. 402. Repeals.
Sec. 403. Fishermen's Protective Act amendments.
Sec. 404. Marine Mammal Protection Act amendment.
Sec. 405. Atlantic Tunas Convention Act amendment.
Sec. 406. Authorization of appropriations.

SEC. 2. FINDINGS, PURPOSES AND POLICY

16 USC 1801.

(a) FINDINGS.—The Congress finds and declares the following:

(1) The fish off the coasts of the United States, the highly migratory species of the high seas, the species which dwell on or in the Continental Shelf appertaining to the United States, and the anadromous species which spawn in United States rivers or estuaries, constitute valuable and renewable natural resources.

TITLE II—FOREIGN FISHING AND INTERNATIONAL FISHERY AGREEMENTS

SEC. 201. FOREIGN FISHING. 16 USC 1821.

(a) IN GENERAL.—After February 28, 1977, no foreign fishing is authorized within the fishery conservation zone, or for anadromous species or Continental Shelf fishery resources beyond the fishery conservation zone, unless such foreign fishing—

(1) is authorized under subsection (b) or (c);

(2) is not prohibited by subsection (f); and

(3) is conducted under, and in accordance with, a valid and applicable permit issued pursuant to section 204.

(b) EXISTING INTERNATIONAL FISHERY AGREEMENTS.—Foreign fishing described in subsection (a) may be conducted pursuant to an international fishery agreement (subject to the provisions of section 202(b) or (c)), if such agreement—

(1) was in effect on the date of enactment of this Act; and

(2) has not expired, been renegotiated, or otherwise ceased to be of force and effect with respect to the United States.

(c) GOVERNING INTERNATIONAL FISHERY AGREEMENTS.—Foreign fishing described in subsection (a) may be conducted pursuant to an international fishery agreement (other than a treaty) which meets the requirements of this subsection if such agreement becomes effective after application of section 203. Any such international fishery agreement shall hereafter in this Act be referred to as a "governing international fishery agreement". Each governing international fishery agreement shall acknowledge the exclusive fishery management authority of the United States, as set forth in this Act. It is the sense of the Congress that each such agreement shall include a binding commitment, on the part of such foreign nation and its fishing vessels, to comply with the following terms and conditions: Terms and conditions.

(1) The foreign nation, and the owner or operator of any fishing vessel fishing pursuant to such agreement, will abide by all regulations promulgated by the Secretary pursuant to this Act, including any regulations promulgated to implement any applicable fishery management plan or any preliminary fishery management plan.

(2) The foreign nation, and the owner or operator of any fishing vessel fishing pursuant to such agreement, will abide by the requirement that—

(A) any officer authorized to enforce the provisions of this Act (as provided for in section 311) be permitted— Post, p. 358.

(i) to board, and search or inspect, any such vessel at any time,

(ii) to make arrests and seizures provided for in section 311(b) whenever such officer has reasonable cause to believe, as a result of such a search or inspection, that any such vessel or any person has committed an act prohibited by section 307, and Post, p. 355.

(iii) to examine and make notations on the permit issued pursuant to section 204 for such vessel;

(B) the permit issued for any such vessel pursuant to section 204 be prominently displayed in the wheelhouse of such vessel;

(C) transponders, or such other appropriate position-fixing and identification equipment as the Secretary of the department in which the Coast Guard is operating determines

Secretary and the Secretary of State that such nation extends substantially the same fishing privileges to fishing vessels of the United States, if any, as the United States extends to foreign fishing vessels.

(g) PRELIMINARY FISHERY MANAGEMENT PLANS.—The Secretary, when notified by the Secretary of State that any foreign nation has submitted an application under section 204(b), shall prepare a preliminary fishery management plan for any fishery covered by such application if the Secretary determines that no fishery management plan for that fishery will be prepared and implemented, pursuant to title III, before March 1, 1977. To the extent practicable, each such plan— Post, p. 346.

(1) shall contain a preliminary description of the fishery and a preliminary determination as to the optimum yield from such fishery and the total allowable level of foreign fishing with respect to such fishery;

(2) shall require each foreign fishing vessel engaged or wishing to engage in such fishery to obtain a permit from the Secretary;

(3) shall require the submission of pertinent data to the Secretary, with respect to such fishery, as described in section 303(a)(5); and

(4) may, to the extent necessary to prevent irreversible effects from overfishing, with respect to such fishery, contain conservation and management measures applicable to foreign fishing which—

(A) are determined to be necessary and appropriate for the conservation and management of such fishery,

(B) are consistent with the national standards, the other provisions of this Act, and other applicable law, and

(C) are described in section 303(b)(2), (3), (4), (5), and (7).

Each preliminary fishery management plan shall be in effect with respect to foreign fishing for which permits have been issued until a fishery management plan is prepared and implemented, pursuant to title III, with respect to such fishery. The Secretary may, in accordance with section 553 of title 5, United States Code, also prepare and promulgate interim regulations with respect to any such preliminary plan. Such regulations shall be in effect until regulations implementing the applicable fishery management plan are promulgated pursuant to section 305. Regulations.

SEC. 202. INTERNATIONAL FISHERY AGREEMENTS. 16 USC 1822.

(a) NEGOTIATIONS.—The Secretary of State—

(1) shall renegotiate treaties as provided for in subsection (b);

(2) shall negotiate governing international fishery agreements described in section 201(c);

(3) may negotiate boundary agreements as provided for in subsection (d);

(4) shall, upon the request of and in cooperation with the Secretary, initiate and conduct negotiations for the purpose of entering into international fishery agreements—

(A) which allow fishing vessels of the United States equitable access to fish over which foreign nations assert exclusive fishery management authority, and

(B) which provide for the conservation and management of anadromous species and highly migratory species; and

(5) may enter into such other negotiations, not prohibited by subsection (c), as may be necessary and appropriate to further the purposes, policy, and provisions of this Act.

(b) TREATY RENEGOTIATION.—The Secretary of State, in cooperation with the Secretary, shall initiate, promptly after the date of enactment of this Act, the renegotiation of any treaty which pertains to fishing within the fishery conservation zone (or within the area that will constitute such zone after February 28, 1977), or for anadromous species or Continental Shelf fishery resources beyond such zone or area, and which is in any manner inconsistent with the purposes, policy, or provisions of this Act, in order to conform such treaty to such purposes, policy, and provisions. It is the sense of Congress that the United States shall withdraw from any such treaty, in accordance with its provisions, if such treaty is not so renegotiated within a reasonable period of time after such date of enactment.

(c) INTERNATIONAL FISHERY AGREEMENTS.—No international fishery agreement (other than a treaty) which pertains to foreign fishing within the fishery conservation zone (or within the area that will constitute such zone after February 28, 1977), or for anadromous species or Continental Shelf fishery resources beyond such zone or area—

(1) which is in effect on June 1, 1976, may thereafter be renewed, extended, or amended; or

(2) may be entered into after May 31, 1976;

by the United States unless it is in accordance with the provisions of section 201(e).

(d) BOUNDARY NEGOTIATIONS.—The Secretary of State, in cooperation with the Secretary, may initiate and conduct negotiations with any adjacent or opposite foreign nation to establish the boundaries of the fishery conservation zone of the United States in relation to any such nation.

(e) NONRECOGNITION.—It is the sense of the Congress that the United States Government shall not recognize the claim of any foreign nation to a fishery conservation zone (or the equivalent) beyond such nation's territorial sea, to the extent that such sea is recognized by the United States, if such nation—

(1) fails to consider and take into account traditional fishing activity of fishing vessels of the United States;

(2) fails to recognize and accept that highly migratory species are to be managed by applicable international fishery agreements, whether or not such nation is a party to any such agreement; or

(3) imposes on fishing vessels of the United States any conditions or restrictions which are unrelated to fishery conservation and management.

16 USC 1823.

SEC. 203. CONGRESSIONAL OVERSIGHT OF GOVERNING INTERNATIONAL FISHERY AGREEMENTS.

Transmittal to Congress.

(a) IN GENERAL.—No governing international fishery agreement shall become effective with respect to the United States before the close of the first 60 calendar days of continuous session of the Congress after the date on which the President transmits to the House of Representatives and to the Senate a document setting forth the text of such governing international fishery agreement. A copy of the document shall be delivered to each House of Congress on the same day and shall be delivered to the Clerk of the House of Representatives, if the House is not in session, and to the Secretary of the Senate, if the Senate is not in session.

(A) revoke such permit, with or without prejudice to the right of the foreign nation involved to obtain a permit for such vessel in any subsequent year;

(B) suspend such permit for the period of time deemed appropriate; or

(C) impose additional conditions and restrictions on the approved application of the foreign nation involved and on any permit issued under such application.

Any permit which is suspended under this paragraph for nonpayment of a civil penalty shall be reinstated by the Secretary upon the payment of such civil penalty together with interest thereon at the prevailing rate.

(c) REGISTRATION PERMITS.—The Secretary of State, in cooperation with the Secretary, shall issue annually a registration permit for each fishing vessel of a foreign nation which is a party to an international fishery agreement under which foreign fishing is authorized by section 201(b) and which wishes to engage in fishing described in subsection (a). Each such permit shall set forth the terms and conditions contained in the agreement that apply with respect to such fishing, and shall include the additional requirement that the owner or operator of the fishing vessel for which the permit is issued shall prominently display such permit in the wheelhouse of such vessel and show it, upon request, to any officer authorized to enforce the provisions of this Act (as provided for in section 311). The Secretary of State, after consultation with the Secretary and the Secretary of the department in which the Coast Guard is operating, shall prescribe the form and manner in which applications for registration permits may be made, and the forms of such permits. The Secretary of State may establish, require the payment of, and collect fees for registration permits; except that the level of such fees shall not exceed the administrative costs incurred by him in issuing such permits.

SEC. 205. IMPORT PROHIBITIONS. 16 USC 1825.

(a) DETERMINATIONS BY SECRETARY OF STATE.—If the Secretary of State determines that—

(1) he has been unable, within a reasonable period of time, to conclude with any foreign nation an international fishery agreement allowing fishing vessels of the United States equitable access to fisheries over which that nation asserts exclusive fishery management authority, as recognized by the United States, in accordance with traditional fishing activities of such vessels, if any, and under terms not more restrictive than those established under sections 201 (c) and (d) and 204 (b) (7) and (10), because such nation has (A) refused to commence negotiations, or (B) failed to negotiate in good faith;

(2) any foreign nation is not allowing fishing vessels of the United States to engage in fishing for highly migratory species in accordance with an applicable international fishery agreement, whether or not such nation is a party thereto;

(3) any foreign nation is not complying with its obligations under any existing international fishery agreement concerning fishing by fishing vessels of the United States in any fishery over which that nation asserts exclusive fishery management authority; or

(4) any fishing vessel of the United States, while fishing in waters beyond any foreign nation's territorial sea, to the extent that such sea is recognized by the United States, is seized by any foreign nation—

(A) in violation of an applicable international fishery agreement;

(B) without authorization under an agreement between the United States and such nation; or

(C) as a consequence of a claim of jurisdiction which is not recognized by the United States;

he shall certify such determination to the Secretary of the Treasury.

(b) PROHIBITIONS.—Upon receipt of any certification from the Secretary of State under subsection (a), the Secretary of the Treasury shall immediately take such action as may be necessary and appropriate to prohibit the importation into the United States—

(1) of all fish and fish products from the fishery involved, if any; and

(2) upon recommendation of the Secretary of State, such other fish or fish products, from any fishery of the foreign nation concerned, which the Secretary of State finds to be appropriate to carry out the purposes of this section.

(c) REMOVAL OF PROHIBITION.—If the Secretary of State finds that the reasons for the imposition of any import prohibition under this section no longer prevail, the Secretary of State shall notify the Secretary of the Treasury, who shall promptly remove such import prohibition.

(d) DEFINITIONS.—As used in this section—

(1) The term "fish" includes any highly migratory species.

(2) The term "fish products" means any article which is produced from or composed of (in whole or in part) any fish.

TITLE III—NATIONAL FISHERY MANAGEMENT PROGRAM

16 USC 1851.

SEC. 301. NATIONAL STANDARDS FOR FISHERY CONSERVATION AND MANAGEMENT.

(a) IN GENERAL.—Any fishery management plan prepared, and any regulation promulgated to implement any such plan, pursuant to this title shall be consistent with the following national standards for fishery conservation and management:

(1) Conservation and management measures shall prevent overfishing while achieving, on a continuing basis, the optimum yield from each fishery.

(2) Conservation and management measures shall be based upon the best scientific information available.

(3) To the extent practicable, an individual stock of fish shall be managed as a unit throughout its range, and interrelated stocks of fish shall be managed as a unit or in close coordination.

(4) Conservation and management measures shall not discriminate between residents of different States. If it becomes necessary to allocate or assign fishing privileges among various United States fishermen, such allocation shall be (A) fair and equitable to all such fishermen; (B) reasonably calculated to promote conservation; and (C) carried out in such manner that no particular individual, corporation, or other entity acquires an excessive share of such privileges.

(5) Conservation and management measures shall, where practicable, promote efficiency in the utilization of fishery resources; except that no such measure shall have economic allocation as its sole purpose.

HJR

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Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HJR53	1/18/80	274-4563	North Pacific Fisheries Management Council	1/22/80
	1/18/80	3755	Pres. Clem Tillion — Chem. NPFMC	1/22/80 POSTPONED
			[illegible]	1/24/80
recalled	1/23		Gregory Baker, Alaska Longline Fishermen Assoc.	1/24/80

From:
Fishery Management Plan for the Groundfish Fishery in the Bering Sea / Aleutian Island Area
by North Pacific Fishery Management Council
Nov., 1979

11.0 OPTIMUM YIELD (OY)

There are four categories of species and species groups (Annex VI) that are likely to be taken by the groundfish fishery of this region, to each of which the optimum yield concept is applied somewhat differently:

1. Prohibited Species -- those species and species groups which must be immediately returned to the sea by vessels operating in the groundfish fishery. Records of catch of each species must be maintained.

2. Target Species -- species and species groups which are commercially important, targeted upon by the groundfish fishery, and for which a sufficient data base exists that allows each to be managed on the basis of its own biological, social, economic, and ecological merits. A specific OY applies to each species or species group. Records of catch of each species must be maintained.

3. Other Species -- species and species groups which currently are of only slight economic value and not generally targeted upon. This category, however, contains species with economic potential or are important ecosystem components, but sufficient data is lacking to manage each separately. Accordingly, a single OY, equal to 5 percent of the combined OY's for the "Target Species", applies to this category as a whole. Records of catch of this category as a whole must be maintained.

4. Non-specified Species -- species and species groups of no current or foreseeable economic value and which are taken by the groundfish fishery only as an accidental bycatch to target fisheries. Virtually no data exists which would allow population assessments, but occasional records from U.S. observers aboard

ORIGINAL

foreign vessels and from U.S. research vessels show no noticeable decline in abundance. The OY for this category is that amount which is taken incidentally while fishing for target species, whether retained or discarded. No record of catch is necessary. (Note: If observer or enforcement records show that any species in this category is being actively targeted upon or that the abundance of any species is becoming substantially reduced, that species will be transferred to either the Target Species or Other Species category and subject to an absolute OY.)

With the expectation over the near term of only a modest domestic involvement in this fishery (see Section 12.0 below), and having identified no social or economic reasons for reducing the yield of stocks in this fishery below ABC, Optimum Yield for all but the "Non-specified" species will be considered equal to ABC, as shown in Annex I.

It should be noted, especially by foreign participants in the fishery, that such economic factors as higher catch rates or greater average size than can be expected when production is at the level of ABC, or limited seasonal availability to this fishery by domestic fishing vessels could be introducted as OY considerations if they are considered necessary for U.S. fishery development, and can be shown to not have an unreasonable impact on the U.S. consumer.

ORIGINAL

13.0 ALLOCATIONS BETWEEN FOREIGN AND DOMESTIC FISHERMEN

13.1 Reserve

As mentioned in Section 12.2 and Annex II, U.S. participation in the fishery in the near future is expected to consist of a relatively modest catch for crab bait and limited pilot efforts for foodfish production.

In order to prevent OY's from being exceeded without preventing unexpected domestic fishery development; i.e. an unanticipated increase in U.S. catching capability and intent, 500 mt or 5 percent of the OY (whichever is the greater) of each species will be held in reserve for allocation late in the year on the basis of domestic need. Specific reserve amounts are shown in Annex III.

Unless specifically withheld by the NMFS Regional Director acting with the advice of the Council, up to 25 percent of the reserve of each species will be released to TALFF every two months, beginning with the end of the second month of the fishing year, with the intention that by the end of the eighth month of the fishing year, all of the reserve will either be made available to foreign fishermen or reserved for domestic use.

13.2 Total Allowable Level of Foreign Fishing (TALFF)

The initial TALFF for each species shall be determined by the equation TALFF = OY - DAH - Reserve. TALFF may increase during the year as reserves are apportioned between domestic and foreign fishermen, or if after reassessment during the year it is found that not all of it will be used by U.S. processors and harvesters, DAH may be released to TALFF. Initial TALFF's are shown in Annex III. The estimation of DAH is shown in Annex II.

ORIGINAL

BS/A FMP

ANNEX III -- Derivation of Total Allowable Level of Foreign Fishing (TALFF) (Metric Tons)

Reference: Species group	Sub-area 1/	Annex I ABC = OY	Section 13.1 Reserve	Annex II Initial DAH	Initial TALFF
Pollock	Bering Sea	1,000,000	50,000	19,550	930,450
Pollock	Aleutian	100,000	3/	--	100,000
Yellowfin sole		117,000	5,850	2,050	109,100
Turbots		90,000	4,500	1,075	84,425
Other flatfishes 2/		61,000	3,050	1,300	56,650
Pacific cod		58,700	2,935	24,265	31,500
Pacific ocean perch	Bering Sea	3,250	162	1,380	1,708
Pacific ocean perch	Aleutian	7,500	375	1,380	5,745
Other rockfish		7,727	00	1,550	5,677
Sablefish	Bering Sea	3,500	350	700	2,450
Sablefish	Aleutian	1,500	150	700	650
Atka mackerel		24,800	1,240	100	23,460
Squid		10,000	500	50	9,450
Others		74,249	3,712	2,000	68,537
Total		1,559,226	73,324	56,100	1,429,802

*1/ BS Bering Sea (Statistical Areas I, II, III combined).

AL Aleutian Island Area (Statistical Area IV).

2/ Excluding Pacific halibut.

This OY calculated for the offshore pollock population in deep water is discussed in Annex I (p. A-13). No reserve is considered necessary at this time since there is little U.S. capability for a pelagic trawl fishery and resource abundance on the continental shelf is expected to keep any U.S. effort on that component identified as "B.Sea."

Includes territorial waters.

ORIGINAL

HR

18

CSSB332 & HR18

GOLDEN NORTH BOWHUNTERS ASSOCIATION

BOX 254
Fairbanks, Alaska

CHARTERED BY: NATIONAL FIELD ARCHERY ASSOCIATION AND ALASKA STATE ARCHERY ASSOCIATION

March 20

Represtative Osterback
Pouch V
Juneau, Ak. 99811

Dear Mr. Osterback:

This letter is in opposition to CSSB332 now before your committee. Instead of locking up even more Alaska land, we feel our legislators should be providing more opportunities for all Alaskan's. The People of this state have had their fill of lock-ups, and to think this will be forgotten at election time would be a mistake. The members of the Golden North Bowhunters and other sportmen's groups will make sure it is not.

Instead of just opposing this bill, we are offering an alternative. We have a proposal before the Game Board to open the Pipeline Closed Area to archery only hunting. We ask you to consider this approach, then let the Board decide. We feel this would best suit the needs of all Alaskan's for additional recreation. First, an arrow would pose no danger to the Pipeline itself. Due to the inherent difficulties of bowhunting, the actual harvest is minimal. Anyone, young or old, male or female, can learn to shoot a bow. We are no more a "special interest group." than those who dip at Chitna or use fly fishing only areas. Almost all bowhunters hunt with a rifle also, especially here in Alaska. It is the challenge that attracts and holds bowhunters.

We ask you to check the harvest rates,(success is usually 2-4%) and other satistics available. In states that keep records, more deer are killed on the highways than by archers. This includes states with 3 or 4 month seasons. When comparing Alaska's low animal density to deer populations outside, even lower success would be expected.

Before you close the door, please take the time to check into these ideals. The bow and arrow was important to both the Alaska Native and other non-natives early in their history. It is a cultural heritage of all Alaskans.

Sincerely
Charles D Allen
Charles D. Allen
Vice-President

"ARCHERY-the sport of man since time began"

Alaska Department of Fish

Proposal Concerns

Game	XX	Subsistence	
Sport Fishing		Advisory Committees	
Commercial Fishing			

* * * SEE OTHER SIDE FOR INSTRUCTIONS ON COMPLETING THIS FORM * * *

Area(s) affected: HUNTING METHODS & MEANS

5AAC 81.070 (Alaska Administrative Code No.) Regulation book page no. 15

Purpose of proposal TO OPEN THE TRANSALASKA PIPELINE CLOSED AREA TO ARCHERY ONLY HUNTING.

Suggested wording of Proposed Regulation (append if lengthy): BIG GAME MAY BE HUNTED ONLY WITH BOW AND ARROW IN THAT AREA KNOWN AS THE TRANSALASKA PIPELINE CLOSED AREA DURING SEASONS ESTABLISHED FOR THE GAME UNITS INVOLVED.

Justification: THIS PROPOSAL IS DESIGNED TO PROVIDE SPORT HUNTING OPPORTUNITIES ALONG THE PIPELINE CORRIDOR WHILE LIMITING THE AMOUNT OF GAME HARVESTED. DUE TO THE INHERENT DIFFICULTY OF BOWHUNTING, MAXIMUM RECREATIONAL DAYS CAN BE ENJOYED WITH MINIMUM IMPACT TO THE RESOURCE. THIS PROPOSAL RECOGNIZES THAT THE ORIGINAL CLOSURE WAS FOR AESTHETIC, NOT BIOLOGICAL REASONS. BOWHUNTING WOULD MAINTAIN THIS CONCEPT BY EMPHASIZING THE FREEDOM TO PARTICIPATE IN THE HUNTING EXPERIENCE, EVEN WHEN SUCCESS IS LOW, IN TERMS OF NUMBER OF ANIMALS TAKEN. THIS PROPOSAL WOULD MAINTAIN PIPELINE INTEGRITY, AS AN ARROW WOULD POSE NO THREAT TO THE STEEL PIPE.

SUBMITTED BY: (Name & Address)
GOLDEN NORTH BOWHUNTERS ASSN
PO BOX 254
FAIRBANKS, AK 99707

REPRESENTING:

[illegible] 452-3464

HR
22

COMMITTEE REPORT

(9)

HOUSE

5/13/80 FURTHER:

Date: 5/14/80

Mr. Speaker:

The Committee on RESOURCES has had HB 22

"Requesting the governor to direct the commissioner of fish and game to amend his designation under AS 16.10.375 of the region within which the Northern Southeast Regional Aquaculture Association operates by removing from it the Upper Lynn Canal area."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____ CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
HR 22	5/16	586-3445	Derek Poon, Exec. Dir. of Northern S.E. Regional Aquaculture Assoc.	5/16
		4100	Fish & Game	
		4161	F.R.E.D. Division, Bob Royce	
		6-2820	United Fishermen of Alaska	
			Ed Maki Chairman of Organization re. Lynn Canal Fishermen's Rights	
			Rep. Duncan, sponsor	
			Rep. Miller	
			Rep. Duncan's office to notify people of Haines	
			Steve Haavig - (Gillnetters Assoc.) ~~to notify~~	

Ed Maki
Chairman
Organization for
Lynn Canal
Fishermen's
Rights
would like to
testify on HR 22

'80 MAY 15 PM 1 11

TELEGRAM

[illegible]

'80 MAY 15 PM 1 01

TELEGRAM

22057

'80 MAY 15 PM 2 24

TELECOPIER

PHONE: 886-8442

SB

51

(9)

COMMITTEE REPORT

HOUSE

FURTHER: JUDICIARY

March 20, 1979 Date: ~~4/4/79~~ 4/23/79

Mr. Speaker:

The Committee on RESOURCES has had CSSB 51

"An Act relating to the confidential nature of certain reports required by the Department of Fish and Game.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with H CS for CSSB 51 [X] same title [ ] new title

and recommends DO PASS

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

(9)

COMMITTEE REPORT

HOUSE

FURTHER:

Date: _____

Mr. Speaker:

The Committee on _____ has had _____

_____

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

CHAIRMAN

H 60 (Rev. 12/78)

BILL	LETTER/PHONE	INFORMED	HEARING DATE
CSSB51	3/30	Dept. of Fish and Game	4/5
		Carl Rosier to testify	
	3/30	Dept. of Commerce	4/5
	86-7221	National Marine Fisheries Service	4/5
		Robert W. McVay to testify	
	4/11	Fish & Game	4/16
	4/11	Nat'l Marine Fisheries Service	4/16

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

JAY S. HAMMOND, GOVERNOR

OFFICE OF THE COMMISSIONER

SUBPORT BUILDING
JUNEAU 99801

CONFIDENTIAL

ALASKA COMMERCIAL OPERATORS
1978 ANNUAL REPORT

In accordance with Alaska Department of Fish and Game regulations, annual reports of purchase and/or commercial processing of raw fishery products for 1978 must be submitted to the Department no later than January 31, 1979. Please (1) accurately complete all applicable portions of these forms and (2) please return them in the prepaid envelope. If you did not process and/or buy fish in 1978, please state so on pages 1 and 9 and return those pages to this office.

As in the past we require a separate annual report for each plant location, floating cannery, or freezer ship. We would also like you to report all production separately for each company that does processing for you. Do not include joint or custom production that you do for other companies. Form A is for your own company's production and Form B is to be used for companies who do joint or custom production for you. Joint or custom production which you perform for other companies will not be reported on Form A or Form B as the company you did production for will be reporting that information on their own Form B.

Additional forms may be obtained by contacting:

State of Alaska
Department of Fish and Game
Subport Building
Juneau, Alaska 99801
Attn: Lori J. Svensson

or phone Ms. Lori J. Svensson
(907) 465-4150

Thank you for your cooperation.

Ronald O. Skoog

Ronald O. Skoog
Commissioner

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER / SUBPORT BUILDING
JUNEAU 99801

December 15, 1978

Dear Processor:

Enclosed is your 1979 Intent To Operate form. In accordance with Alaska Department of Fish and Game Regulations, Intent To Operate forms must be filed with the Department before any commercial buying or processing operation for fishery resources can commence.

Please be sure to fill in your form or forms accurately and completely, and to file multiple forms if you will be operating in different areas of Alaska. Completed forms should be placed in the enclosed prepaid envelope(s) and returned to the Department by January 15, 1979. If you have any questions, please contact:

Alaska Department of Fish and Game
Computer Services Section
Subport Building
Juneau, Alaska 99801
Attn: Ms. Lori J. Svensson
Phone: 907-465-4150

Thank you.

Sincerely,

Carl L. Rosier

Ronald O. Skoog
Commissioner

STATE OF ALASKA DEPARTMENT OF FISH AND GAME

INTENT TO OPERATE 1979

I. COMPANY NAME AND ADDRESS:

If your address as listed is in error or missing, please print or type the correct company name and address below.

_____

_____

_____

II. GENERAL INFORMATION: Check the following type of operation for which you are filing this Intent to Operate form. Only one type of operation should be indicated. If you have more than one plant or buying location at which different species of fish or shellfish are bought and/or processed, additional forms must be filed, one for each location. Additional forms can be obtained by contacting the nearest Department of Fish and Game office.

THIS OPERATION IS: (check one only)

_____ Shore Base Buyer (only)

_____ Floating Cannery*

_____ Freezer Ship*

_____ Shore Based Fresh, Frozen, or Cured Processor

_____ Shore Based Cannery

_____ Fresh Processor

_____ Floating/Flying Buyer*

_____ Combination Cannery and Fresh, Frozen, or Cured Process

*If this is a floating operation, the following vessel information must be included. An Intent to Operate form must be filed for each vessel that buys or processes fishery resources.

Vessel Name: _____

Keel Length: _____ Net Tonage: _____

Intended area(s) of operation are: (i.e.: Southeastern, Bristol Bay, Kodiak, Chignik, Cook Inlet, etc.):

_____

Home Port: _____

If this form is for a shore based operation, please give the location of the plant or buying station:

_____

If any aircraft will be used in transporting raw or finished fishery products, please give the anticipated total number and types of aircraft that will be used:

_____

The Department receives many requests to publish a list of Alaskan commercial processors and/or buyers. Would you like your firm included in such a list? _____ Yes _____ No

III. SPECIES/PRODUCT INFORMATION; Please indicate what type of operation is involved in your processing of each of the species. For example, if you buy and freeze and smoke king salmon, your form should look like this:

Salmon:	Buyer	Cannery	Fresh	Frozen	Cured	(specify method)
King	X			X	X	smoked

SPECIES	TYPE OF OPERATION(S)					
Salmon:	Buyer	Cannery	Fresh	Frozen	Cured	(specify method)
King						
Red						
Coho						
Pink						
Chum						
Roe						
Shellfish:						
King crab						
Dungeness						
Tanner						
Shrimp						
Scallops						
Other(specify):						
Miscellaneous:						
Bait Herring						
Food Herring						
Sac Roe Herring						
Herring Roe On Kelp						
Halibut						
Sablefish (Black Cod)						
Pacific Cod						
Other Fish (specify):						

PLEASE RESPOND TO THE FOLLOWING QUESTIONS IN AS COMPLETE A MANNER AS POSSIBLE.

1. List the quantity and location of all your fish ticket imprinting machines.

Number	Location

2. Is your company name presently embossed on a plate for your machines? If so, please print company name and any other data on your present plates.

Plate embossed now?:

_____ Yes

_____ No

Information embossed on plates:

_____

_____

_____

3. If you do not ordinarily file an Annual Report, please list the name(s) and location(s) of the company(s) whose Annual Report(s) will include your catch information.

Company	Location

_____

_____

Name and title of person filling out this form: (Please print or type)

Name: _____

Signature: _____

Title: _____

Phone: _____

CONFIDENTIAL

ALASKA COMMERCIAL OPERATORS
1978 ANNUAL REPORT

FORM A - (Catch and Production Performed by Your Company, Exclusively for Your Company)

FORM A - This report should represent catch and production for only your company. Form A should be completed for each plant location. DO NOT include joint or custom production performed by you or for you in this report. Form B will be used to list all joint or custom production which was performed for your company by another company.

COMPANY NAME AND ADDRESS:

If it is in error or missing, please print or type the correct company name and address below:

_____

_____

_____

DID YOU PROCESS/BUY FISH IN 1978? _____ YES _____ NO

(If you checked YES, please complete the rest of this report. If you checked NO, please return only pages 1 and 9.)

1. TYPE OF OPERATION THIS REPORT COVERS (Check only one)

_____ Shore Based Buyer Only

_____ Floating or Flying Buyer Only

_____ Freezer Ship

_____ Combination Cannery, Fresh, Frozen and Cured

_____ Fresh Processor

_____ Shore Based Cannery

_____ Freezer Ship

_____ Other (describe) _____

_____

II. PLANT OR BUYING STATION INFORMATION: (Remember a separate report must be filed for each plant or buying location)

If this form is for a shore based operation, please give the location of the plant or buying station:

_____

Please give the number of employees at a season peak: _____

III. AIRCRAFT INFORMATION:

If any aircraft were used in transporting raw or processed fishery products, please give the total number and types of aircraft that were used.

_____

_____

_____

IV. VESSEL INFORMATION: (Only if this report is for a floating operation)

An Annual Report Form must be filed for each vessel that processes fishery resources, and for each area in which the vessel operated, e.g. if the vessel operated in the Kodiak area for part of the season and moved to the Bering Sea area, you must file separate reports for those operations.

Vessel Name: _____

Keel Length _____ Net Tonnage _____

Number of employees at season peak (crew) _____

Area(s) of operation were: (i.e. Southeastern, Bristol Bay, Kodiak, Chignik, etc.)

_____

_____

Home Port: _____

V. PRICE PAID TO FISHERMEN IN 1978:

If you purchased any raw fishery product you must complete this section.

Indicate the total amount paid to the fisherman, in dollars, including the value of any bonuses (e.g. cash, ice, fuel, groceries and so forth). Also indicate the total number of pounds purchased. The dollar value of any bonuses, if any, (not including the price paid for the fish alone), should be indicated separately in the space on the far right.

Salmon: The information for all species of salmon must be given by gear type. Please be careful to indicate your purchases under the proper gear.

Gear/Species	Total $ Paid (including bonus)	Total Pounds Purchased	Total $ Bonus
Troll:			
Kings	$ _____	lbs. _____	$ _____
Reds	_____	_____	_____
Coho	_____	_____	_____
Pinks	_____	_____	_____
Chums	_____	_____	_____
Gillnet:			
Kings	$ _____	lbs. _____	$ _____
Reds	_____	_____	_____
Coho	_____	_____	_____
Pinks	_____	_____	_____
Chums	_____	_____	_____
Seine:			
Kings	$ _____	lbs. _____	$ _____
Reds	_____	_____	_____
Coho	_____	_____	_____
Pinks	_____	_____	_____
Chums	_____	_____	_____

SALMON EGGS/ROE: (give total dollars paid and total poundage only)

$ _____ lbs. _____

V. PRICE PAID TO FISHERMEN (Continued)

SHELLFISH:

(Give total dollars paid (including bonus), total poundage purchased, and total bonus by species.)

Species	Total $ Paid (Including bonus)	Total Pounds Purchased	Total $ Bonus
King Crab	$ _____	lbs. _____	$ _____
Dungeness	_____	_____	_____
Tanner Crab	_____	_____	_____
Small Shrimp	_____	_____	_____
Large Shrimp (spots, sidestripes, etc.)	_____	_____	_____
Scallops	_____	_____	_____
Other: (specify)			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

MISCELLANEOUS FISH:

Species	Total $ Paid (Including bonus)	Total Pounds Purchased	Total $ Bonus
Sac Roe Herring	$ _____	lbs. _____	$ _____
Bait Herring	_____	_____	_____
Food Herring	_____	_____	_____
Herring Roe on Kelp	_____	_____	_____
Halibut	_____	_____	_____
Sheefish	_____	_____	_____
Sablefish (Black Cod)	_____	_____	_____
Pacific Cod (Grey Cod)	_____	_____	_____
Other: (Specify)			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

VI. FRESH/FROZEN PRODUCTION: Salmon and Miscellaneous Fish

Fresh/frozen production is only that quantity of raw fishery products that were sold or held for the fresh/frozen market, NOT those fish that were frozen and then later canned, cured, etc.

Species	Fresh or Frozen (specify)	Total Net Weight	Total Wholesale Value
Kings	_____	lbs. _____	$ _____
Reds	_____	_____	_____
Cohos	_____	_____	_____
Pinks	_____	_____	_____
Chums	_____	_____	_____
Salmon Eggs/Roe	_____	_____	_____
Herring (Bait)	_____	_____	_____
Herring Fillets	_____	_____	_____
Herring Sac Roe	_____	_____	_____
Herring Roe on Kelp	_____	_____	_____
Halibut	_____	_____	_____
Sablefish (Black Cod)	_____	_____	_____
Pacific Cod (Grey Cod)	_____	_____	_____
Ling Cod	_____	_____	_____
Smelt	_____	_____	_____
Sheefish	_____	_____	_____
Whitefish	_____	_____	_____
Other Fish (specify)			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

VI. FRESH/FROZEN PRODUCTION (continued): Shellfish

Species	Fresh or Frozen (specify)	Total Net Weight	Total Wholesale Value
King Crab/Whole	_____	_____ lbs.	$ _____
King Crab/Sections	_____	_____	_____
King Crab/Meat Only	_____	_____	_____
Dungeness/Whole	_____	_____	_____
Dungeness/Sections	_____	_____	_____
Dungeness/Meat Only	_____	_____	_____
Tanner/Whole	_____	_____	_____
Tanner/Sections	_____	_____	_____
Tanner/Meat Only	_____	_____	_____
Scallops	_____	_____	_____
Shrimp/Whole	_____	_____	_____
Shrimp/Tails	_____	_____	_____
Clams (Bait)	_____	_____	_____
Clams (Food)	_____	_____	_____
Abalone	_____	_____	_____
Other Shellfish(specify)			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

VII. CANNED PRODUCTION:

The canned production must be given by can size for each species. For example, if you produced both ½ and 1 lb. canned king salmon there must be an entry for each can size.

Indicate <u>every</u> product that you canned. This includes <u>SALMON EGGS/ROE</u>, etc.

Species of Fish	Net Weight Can Size	SMK = Smoked CON = Conventional	Cans per Case	Total Number of Cases	Total Wholesale Value of Finished Product

VIII. MISCELLANEIOUS PRODUCTION:

Any type of fishery product not covered under the fresh/frozen or canned production categories must be entered here.

Species of Fish	Type of Production (Smoked-Kippered Pickled-Salted Reduction-Bait Meal-Oil-Etc.)	Total Net Weight of Product	Total Wholesale Value of Finished Product

IX. JOINT OR CUSTOM PRODUCTION:

Please list the processors for whom you do joint or custom production. DO NOT include that production anywhere in this report or in the report for Form B. It will be reported by the company who is having the production done for them.

Name Of Company You Do Processing For	Location Of Company

Comments: (Give any comments or additional information on this form)

I hereby certify that all information made on or in connection with this report is true and complete to the best of my knowledge and belief.

Signature: _____

Name & Title: (please print or type) _____

Phone: _____

Date: _____

CONFIDENTIAL

ALASKA COMMERCIAL OPERATORS
1978 ANNUAL REPORT

FORM B - (Joint or Custom Production Performed For Your Company)

FORM B - This report should include all production that was performed for your company by another company. DO NOT include production you did for another company, only production that was performed for your company.

A separate report should be filed for each company who did processing for your company and for each plant location where it was processed.

I. Name and address of the Company performing joint or custom production for you: (Please print or type)

_____

_____

_____

II. Type of Operation:

_____ Shore Based Cannery

_____ Freezer Ship

_____ Shore Based Fresh, Frozen and Canned

_____ Combination Cannery, Fresh, Frozen and Cured

_____ Other (describe) _____

III. Plant Location: _____

If this was done by a floating operator:

Vessel Name: _____

Area of Operation: _____

IV. Name and Title of Person Filling Out This Form: (Please print or type)

I hereby certify that all information made on or in connection with this report is true and complete to the best of my knowledge and belief.

Name: _____

Signature: _____

Title: _____

Phone: _____

V. **FRESH/FROZEN PRODUCTION: Salmon and Miscellaneous Fish**

Fresh/frozen production is only that quantity of raw fishery products that were sold or held for the fresh/frozen market. NOT those fish that were frozen and then later canned, cured, etc.

Species	Fresh or Frozen (specify)	Total Net Weight	Total Wholesale Value
Kings	_____	lbs. _____	$ _____
Reds	_____	_____	_____
Cohos	_____	_____	_____
Pinks	_____	_____	_____
Chums	_____	_____	_____
Salmon Eggs/Roe	_____	_____	_____
Herring (Bait)	_____	_____	_____
Herring Fillets	_____	_____	_____
Herring Sac Roe	_____	_____	_____
Herring Roe on Kelp	_____	_____	_____
Halibut	_____	_____	_____
Sablefish (Black Cod)	_____	_____	_____
Pacific Cod (Grey Cod)	_____	_____	_____
Ling Cod	_____	_____	_____
Smelt	_____	_____	_____
Sheefish	_____	_____	_____
Whitefish	_____	_____	_____
Other Fish (specify)			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

V. FRESH/FROZEN PRODUCTION (continued): Shellfish

Species	Fresh or Frozen (specify)	Total Net Weight	Total Wholesale Value
King Crab/Whole	_____	lbs. _____	$ _____
King Crab/Sections	_____	_____	_____
King Crab/Meat Only	_____	_____	_____
Dungeness/Whole	_____	_____	_____
Dungeness/Sections	_____	_____	_____
Dungeness/Meat Only	_____	_____	_____
Tanner/Whole	_____	_____	_____
Tanner/Sections	_____	_____	_____
Tanner/Meat Only	_____	_____	_____
Scallops	_____	_____	_____
Shrimp/Whole	_____	_____	_____
Shrimp/Tails	_____	_____	_____
Clams (Bait)	_____	_____	_____
Clams (Food)	_____	_____	_____
Abalone	_____	_____	_____
Other Shellfish (specify)			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

VI. CANNED PRODUCTION:

The canned production must be given by can size for each species. For example, if you produced both ½ and 1 lb. canned king salmon there must be an entry for each can size.

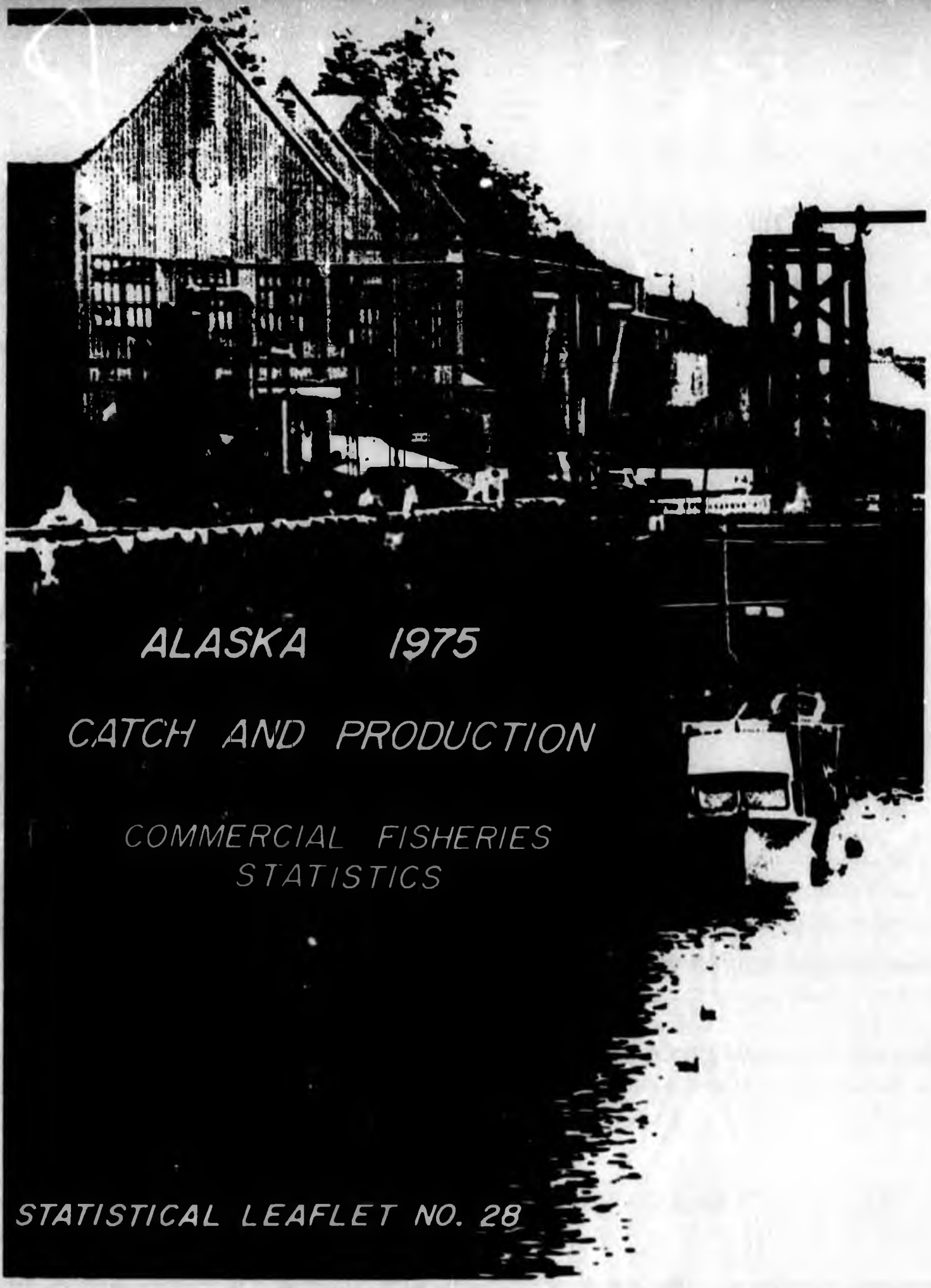
Indicate <u>every</u> product that you canned. This includes <u>SALMON EGGS/ROE</u>, etc.

Species of Fish	Net Weight Can Size	SMK = Smoked CON = Conventional	Cans per Case	Total Number of Cases	Total Wholesale Value of Finished Product

VII. MISCELLANEOUS PRODUCTION:

Any type of fishery product not covered under the fresh/frozen or canned production categories must be entered here.

Species of Fish	Type of Production (Smoked-Kippered Pickled-Salted Reduction-Bait Meal-Oil-Etc.)	Total Net Weight of Product	Total Wholesale Value of Finished Product

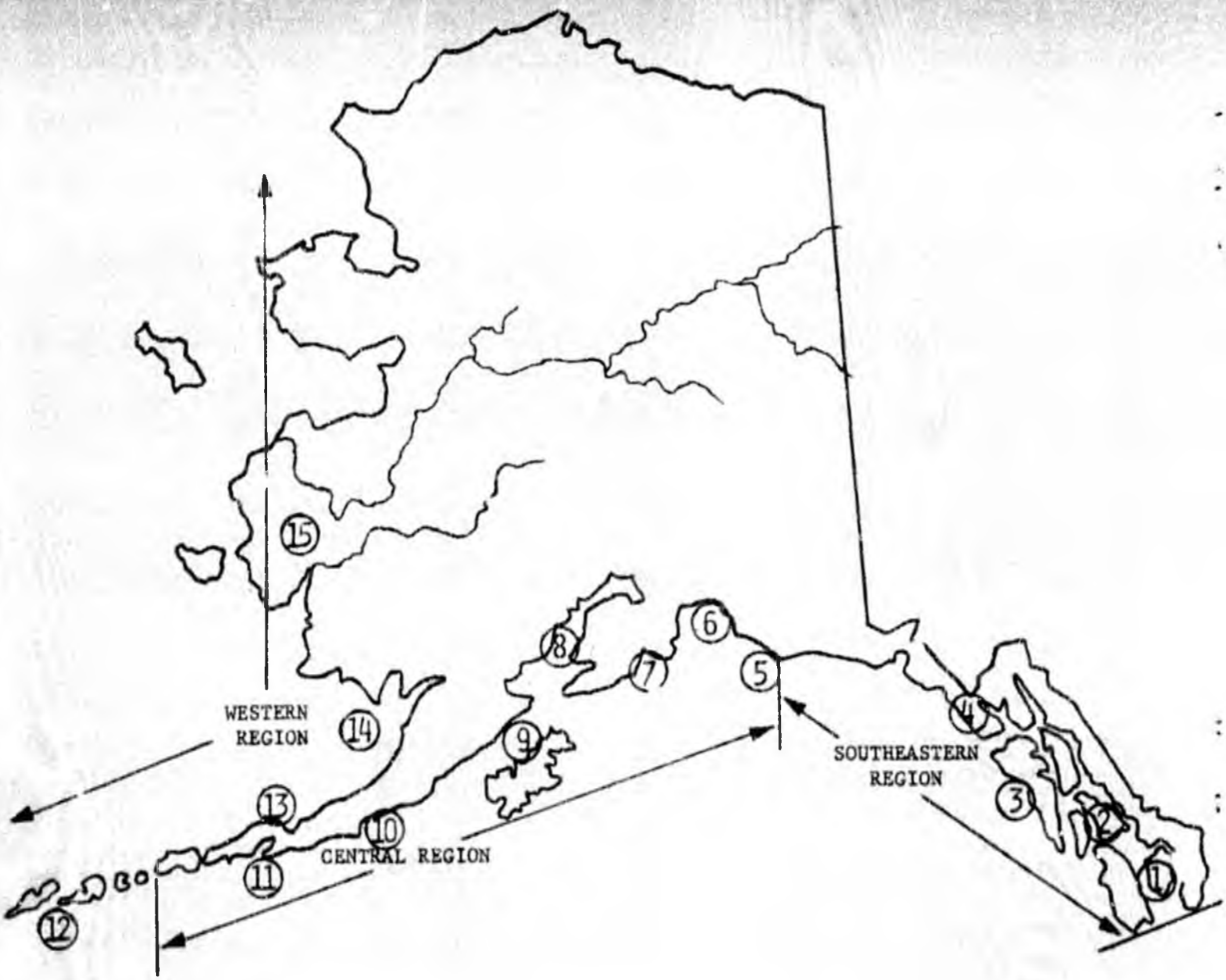


ALASKA 1975

CATCH AND PRODUCTION

COMMERCIAL FISHERIES STATISTICS

STATISTICAL LEAFLET NO. 28



REGIONS:

SOUTHEASTERN ALASKA:	Dixon Entrance to Cape Suckling
CENTRAL ALASKA:	Cape Suckling to Scotch Cap on the southwestern tip of Unimak Island
WESTERN ALASKA:	The Aleutian Islands west of Scotch Cap and the Bering Sea north through Kotzebue Sound

AREAS:

1. Ketchikan
2. Petersburg-Wrangell
3. Sitka
4. Juneau-Yakutat
5. Copper-Bering Rivers
6. Prince Wm. Sound
7. Resurrection Bay
8. Cook Inlet
9. Kodiak
10. Chignik
11. South Peninsula
12. Aleutian Islands
13. North Peninsula
14. Bristol Bay
15. Arctic-Yukon-Kuskokwim

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF FISH & GAME

JAMES W. BROOKS, COMMISSIONER

DIVISION OF COMMERCIAL FISHERIES

CARL L. ROSIER, DIRECTOR

INTRODUCTION

The statistics presented in this leaflet were compiled by the Computer Services Section of the Department of Fish and Game. This statistical leaflet is partially financed by the Commercial Fisheries Research and Development Act (P.L. 88-309 as amended), project number 5-34-D-3, contra number 04-6-208-41056. The data from which these statistics were calculated were obtained from the commercial fishing industry. Fish tickets, which are completed each time a commercial fisherman sells fish, are the department's source of catch data. The statistics shown in the catch tables (Part I) were summarized from approximately 30C,000 fish tickets completed in 1975. The production tables (Part II) were compiled from the 1975 Alaska Commercial Processors' Reports.

Weights listed in the catch tables (Part I) represent landed weights as reported to the Department on fish tickets. Values listed in the catch tables represent the value of the catch to the fishermen (dollars paid to the fishermen). All catch statistics are presented by region or area of catch, except halibut which is reported by region of landing. The production tables (Part II) present the weights of the finished products and their wholesale values (value to the processors). All production statistics are presented by region or area where the processing took place. Due to intrastate shipment of the catch before processing, the production statistics for a given area will not necessarily reflect the catch for that area.

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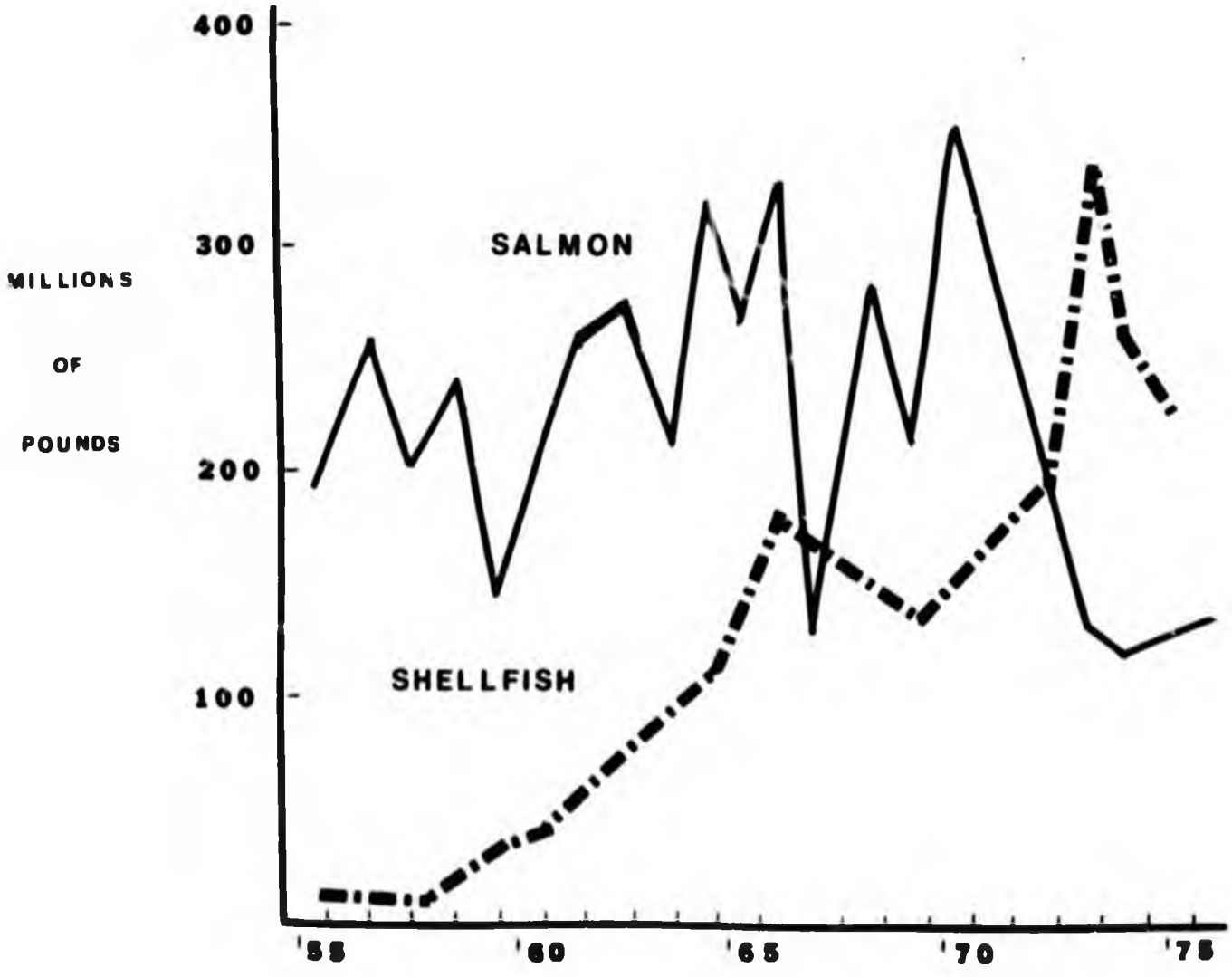
PART 1

CATCH STATISTICS



ALASKA SALMON AND SHELLFISH CATCH

1955 - 1975

TABLE 1 - 1970 - 1975 Comparative Catch of Salmon and Shellfish

	NUMBER OF SALMON					
YEAR	KING	RED	COHO	PINK	CHUM	TOTAL
1970	645,759	27,633,925	1,526,841	31,147,347	7,499,629	68,453,501
1971	662,303	14,179,616	1,447,853	23,528,374	7,679,330	47,497,476
1972	553,160	6,589,614	1,830,775	15,920,388	7,064,734	31,958,671
1973	550,176	4,490,201	1,456,750	9,801,866	6,019,777	22,319,310
1974	558,176	4,878,373	1,861,452	9,859,100	4,729,243	21,886,344
1975	454,882	7,454,674	1,013,667	12,983,767	4,321,547	26,228,537

	POUNDS OF SHELLFISH				
YEAR	KING CRAB	DUNGENESS CRAB	TANNER CRAB	SHRIMP	CLAMS
1970	52,061,030	9,696,422	14,473,228	74,256,326	160,243
1971	70,703,105	3,749,429	12,880,124	94,891,304	243,121
1972	74,426,656	5,448,379	30,135,404	83,830,064	213,802
1973	76,824,103	6,423,157	61,719,386	119,963,729	231,160
1974	95,213,796	3,817,823	63,906,037	108,741,434	228,129
1975	97,628,933	3,033,677	46,857,047	98,984,224	31,651

TABLE 2 - 1975 Average Weights of Salmon by Species and Area

AREA	KING	RED	COHO	PINK	CHUM
Ketchikan	13.1	5.5	5.9	3.8	9.8
Petersburg - Wrangell	12.8	6.1	6.6	3.8	9.0
Sitka	14.8	4.5	8.2	4.1	8.8
Juneau - Yakutat	12.1	6.6	9.5	3.6	10.1
Copper - Bering Rivers	27.8	6.6	9.3	5.3	6.0
Prince William Sound	11.2	7.6	7.9	3.6	7.2
Cook Inlet	24.9	6.0	6.8	3.6	7.0
Kodiak	16.5	6.0	8.6	4.2	7.5
Chignik	25.6	6.9	8.7	3.9	6.9
Alaska Peninsula, South	18.2	5.3	5.0	3.8	5.9
Aleutians	---	4.4	---	2.4	4.9
Alaska Peninsula, North	15.7	5.4	8.3	3.4	6.6
Bristol Bay	17.8	5.4	8.5	4.2	6.2
Kotzebue	---	---	---	7.8	8.6
Port Clarence	---	---	---	---	---
Norton Sound	10.8	13.5	7.3	2.9	6.4
Yukon	21.9	---	7.0	7.0	6.6
Kuskokwim	17.0	7.2	8.3	3.0	6.8

TABLE 3 - 1975 Catch and Value to Fishermen, by Area

AREA	SALMON POUNDS	SALMON VALUE	OTHER FISH POUNDS	OTHER FISH VALUE
Southeastern Alaska:	30,562,770	$ 15,208,062	26,136,668	$ 8,528,521
Ketchikan	15,216,945	6,643,200	7,197,366	2,230,116
Petersburg-Wrangell	5,238,834	2,344,893	7,919,246	2,621,097
Sitka	3,687,502	2,036,204	6,710,319	1,914,897
Juneau-Yakutat	6,419,489	4,183,763	4,309,737	1,762,411
Central:	60,388,743	$ 23,650,429	30,855,253	9,722,900
Copper-Bering Rivers	3,653,807	1,972,216	1,535,340	1,305,032
Prince William Sound	18,524,038	5,783,649	14,637,557	2,756,970
Cook Inlet	18,045,226	8,315,372	9,839,760	1,719,953
Kodiak	14,144,257	4,917,051	1,683,131	1,330,875
Chignik	3,692,422	1,779,703	1,621,064	1,305,032
South Peninsula	2,328,993	882,436	1,538,401	1,305,032
Western:	48,837,994	17,068,109	818,319	405,945
Aleutians	96,763	43,185	73,125	43,875
North Peninsula	1,608,503	728,786	73,125	43,875
Bristol Bay	29,714,353	11,675,201	293,082	95,094
Kotzebue	4,880,985	1,366,596	75,302	44,528
Port Clarence	---	---	73,125	43,875
Norton Sound	1,532,618	455,374	73,629	43,875
Yukon	7,981,641	1,910,473	73,564	43,875
Kuskokwim	3,023,131	888,510	83,367	46,947
GRAND TOTAL	139,789,507	$ 55,926,601	57,810,240	$ 18,657,366

TABLE 3 - (Continued)

AREA	SHELLFISH POUNDS	SHELLFISH VALUE	TOTAL POUNDS	TOTAL VALUE
Southeastern Alaska:	5,835,397	$ 1,725,550	62,534,835	$ 25,462,133
Ketchikan	68,045	45,333	22,482,356	8,918,649
Petersburg-Wrangell	1,547,130	463,887	14,705,210	5,429,878
Sitka	299,093	127,332	10,696,914	4,078,434
Juneau-Yakutat	3,921,129	1,088,998	14,650,355	7,035,172
Central Alaska:	165,615,912	$ 27,620,115	256,859,908	$ 60,993,445
Copper-Bering Rivers	---	---	5,189,147	3,277,248
Prince William Sound	5,932,598	1,287,639	39,094,193	9,828,258
Cook Inlet	12,963,826	2,478,496	40,848,812	12,513,821
Kodiak	89,145,854	18,291,688	104,973,242	24,539,614
Chignik	29,999,852	2,477,169	35,313,338	5,561,904
South Peninsula	27,573,782	3,085,122	31,441,176	5,272,590
Western Alaska:	75,532,011	$ 26,097,210	125,188,324	$ 43,571,264
Aleutian Islands	19,068,994	6,754,608	19,238,882	6,844,648
North Peninsula	56,463,017	19,342,601	58,144,645	20,115,262
Bristol Bay	---	---	30,007,435	11,770,295
Kotzebue	---	---	4,956,287	1,411,124
Port Clarence	---	---	73,125	43,875
Norton Sound	---	---	1,606,247	499,249
Yukon	---	---	8,055,205	1,954,348
Kuskowkim	---	---	3,106,498	935,457
GRAND TOTAL	246,983,320	$ 55,442,875	444,583,067	$ 130,026,842

TABLE 4 - 1975 Catch and Value to Fishermen, by Region

SPECIES	SOUTHEASTERN Pounds	SOUTHEASTERN Value	CENTRAL Pounds	CENTRAL Value
Salmon:				
King or Chinook	3,.73,713	$ 3,879,668	720,571	$ 465,281
Red or Sockeye	1,522,036	910,786	13,078,516	6,963,484
Coho or Silver	3,083,857	2,243,105	3,059,630	1,665,248
Pink or Humpback	15,552,250	4,912,539	34,315,670	11,111,023
Chum or Dog	6,430,914	3,261,962	9,214,356	3,445,391
Total Salmon	30,562,770	$ 15,208,062	60,388,743	23,650,429
Miscellaneous Fish:				
Halibut	8,192,000	$ 7,045,120	9,212,000	$ 7,830,200
Herring	14,981,436	602,147	20,482,758	1,267,504
Herring eggs on kelp	---	---	909,193	600,067
Sablefish	2,399,847	795,895	192	---
Steelhead trout	4,971	788	6	---
Rockfish (Red Snapper)	216,454	34,446	617	85
Bottom fish	193,454	18,575	250,	25,042
Other fish	148,506	41,550	---	---
Total Misc. Fish	26,136,668	$ 8,528,521	30,855,253	$ 9,722,900
TOTAL Fish	56,699,438	$ 23,736,583	91,243,996	$ 33,373.329
Shellfish:				
King	436,478	$ 215,487	29,667,311	$ 13,051,658
Dungeness	1,208,600	626,933	1,820,669	1,020,694
Tanner	3,032,249	429,895	36,715,906	5,665,414
Shrimp	1,023,101	274,039	97,067,556	7,442,437
Clams	---	---	31,651	14,476
Scallops	122,853	167,080	312,819	425,433
Abalone	12,116	12,116	---	---
Total Shellfish	5,835,397	$ 1,725,550	165,615,912	$ 27,620,115
GRAND TOTAL	62,534,835	$ 25,462,133	256,859,908	$ 60,993,445

TABLE 4 - (Continued)

SPECIES	WESTERN POUNDS	WESTERN VALUE	GRAND TOTAL POUNDS	GRAND TOTAL VALUE
Salmon:				
King or Chinook	2,471,186	$ 1,009,758	7,165,470	$ 5,354,708
Red or Sockeye	28,247,757	11,388,277	42,848,309	19,262,547
Coho or Silver	1,601,539	496,699	7,745,026	4,405,053
Pink or Humpback	102,302	30 069	49,970,222	16,053,632
Chum or Dog	16,415,210	4,143,304	32,060,480	10,850,658
Total Salmon	48,837,994	$ 17,068,109	137,789,507	$ 55,926,601
Miscellaneous Fish:				
Halibut	585,000	$ 351,000	17,989,000	$ 15,226,320
Herring	111,185	4,447	35,575,379	1,874,099
Herring eggs on kelp	108,772	46,771	1,017,965	646,839
Sablefish	---	---	2,400,039	785,895
Steelhead Trout	---	---	4,977	788
Rockfish (Red Snapper)	---	---	217,071	34,532
Bottom Fish	---	---	443,941	43,617
Other Fish	13,362	3,725	161,868	45,276
Total Misc. Fish	818,319	$ 405,943	57,810,240	$ 18,657,366
Total Fish	49,656,313	$ 17,474,054	197,599,747	$ 74,583,967
Shellfish:				
Crab				
King	6",525,144	$ 24,984,303	97,628,933	$ 38,251,449
Dungeness	4,408	1,102	3,033,677	1,648,730
Tanner	7,108,892	924,155	46,857,047	7,019,465
Shrimp	893,567	87,649	98,984,224	7,904,126
Clams	---	---	31,651	14,476
Scallops, shucked	---	---	435,672	592,513
Abalone	---	---	12,116	12,116
Total Shellfish	75,532,011	$ 26,097,210	246,983,320	$ 55,442,875
GRAND TOTAL	125,188,324	$ 43,571,264	444,583,067	$ 130,026,842

TABLE 5 - 1975 Catch and Value to Fishermen, by Gear

SPECIES	SEINE* Pounds	SEINE* Value	DRIFT GILL NET Pounds	DRIFT GILL NET Value
Salmon:				
King or Chinook	60,493	$ 30,596	2,128,433	$ 1,058,635
Red or Sockeye	4,330,972	2,156,820	33,002,922	14,312,889
Coho or Silver	1,224,248	636,439	3,619,421	1,843,563
Pink or Humpback	44,151,182	14,193,996	2,749,845	923,740
Chum or Dog	5,174,520	1,900,225	14,960,119	5,895,851
Total Salmon	54,941,415	$ 18,918,076	56,460,740	24,034,678
Miscellaneous Fish:				
Herring	35,142,165	$ 1,850,731	62,935	$ 2,517
Herring Eggs	575	247	---	---
Steelhead trout	388	108	4,466	645
Rockfish	---	---	198	37
Bottom fish	---	---	50	---
Other fish	128,058	35,481	9,679	2,898
TOTAL FISH	90,212,601	$ 20,804,643	56,538,068	$24,040,775

SPECIES	SET GILL NET Pounds	SET GILL NET Value	TROLL Pounds	TROLL Value
Salmon:				
King or Chinook	1,161,713	$ 498,394	3,792,143	3,761,599
Red or Sockeye	5,501,774	2,787,539	9,355	5,298
Coho or Silver	1,582,712	882,271	1,295,819	1,042,760
Pink or Humpback	2,390,723	815,302	249,459	120,592
Chum or Dog	10,423,722	2,779,222	22,758	11,710
Total Salmon	21,060,644	7,762,728	5,369,534	$ 4,941,959
Miscellaneous Fish:				
Halibut	---	---	904,000	$ 777,440
Herring	24,997	824	---	---
Herring Eggs	4,785	2,057	---	---
Sablefish	---	---	784	269
Steelhead trout	6	---	117	34
Rockfish	---	---	6,594	960
Bottom fish	---	---	20,690	1,196
Other fish	3,481	893	28	7
TOTAL	21,097,843	$ 7,766,459	6,301,747	$ 5,721,865

* Includes purse seine, herring purse seine, hand purse seine and beach seine

TABLE 5 - (Continued)

SPECIES	HERRING POUND Pounds	HERRING POUND Value	FISH WHEEL Pounds	FISH WHEEL Value
Salmon:				
King or Chinook	---	$ ---	13,705	$ 5,482
Coho or Silver	---	---	126	18
Chum or Dog	---	---	1,464,719	263,649
Total Salmon	---	---	1,478,550	$ 269,149
Miscellaneous Fish				
Herring	285,600	$ 17,574	---	$ ---
Other Fish	---	---	139	---
TOTAL Fish	285,600	$ 17,574	1,478,989	$ 269,149

SPECIES	BEAM TRAWL Pounds	BEAM TRAWL Value	OTTER TRAWL Pounds	OTTER TRAWL Value
Miscellaneous Fish:				
Sablefish	199	$ 69	---	$ ---
Rockfish	2,536	481	---	---
Bottomfish	4,134	781	127,515	6,268
Total Fish	6,869	$ 1,331	127,515	6,268
Shellfish:				
Shrimp	3,039,374	$ 422,374	95,697,972	$ 7,440,714
TOTAL	3,046,243	$ 423,705	95,825,487	$ 7,446,982

SPECIES	DREDGE Pounds	DREDGE Value
Salmon:		
King or Chinook	---	$ ---
Coho or Silver	---	---
Total Salmon	---	$ ---
Miscellaneous Fish:		
Herring	---	$ ---
Herring Eggs	---	--
Other Fish	---	---
Total Fish	---	---
Shellfish:		
Scallops	422,259	$ 574,273
TOTAL	422,259	$ 574,273

TABLE 5 - (Continued)

SPECIES	POTS Pounds	POTS Value	SHOVELS Pounds	SHOVELS Value
Miscellaneous Fish:				
Sablefish	803,564	$ 235,338	---	$ ---
Rockfish	430	66	---	---
Bottom fish	35,147	894	---	---
Other fish	3,503	1,056	---	---
Total Fish	842,644	$ 237,154	---	$ ---
Shellfish:				
King crab	97,628,933	$ 38,251,449	---	$ ---
Dungeness crab	3,033,677	1,648,730	---	---
Tanner crab	46,857,047	7,019,465	---	---
Shrimp	246,878	41,038	---	---
Clams	---	---	31,651	14,476
TOTAL	148,609,179	$ 47,197,836	31,651	$ 14,476

SPECIES	LONG LINE Pounds	LONG LINE Value	OTHER GEAR Pounds	OTHER GEAR Value
Salmon:				
King or Chinook	---	$ ---	8,983	$ --- *
Red or Sockeye	---	---	3,286	--- *
Coho or Silver	---	---	22,700	--- *
Pink or Humpback	---	---	429,013	--- *
Chum or Dog	---	$ ---	14,642	--- *
Total Salmon	---	$ ---	478,624	--- *
Miscellaneous Fish:				
Halibut	17,085,000	$ 14,368,485	---	$ ---
Herring	---	---	55,752	2,455
Herring Eggs	---	---	1,012,605	644,534
Sablefish	1,595,492	550,218	---	---
Rockfish	206,884	32,900	429	85
Bottom fish	256,405	34,676	---	---
Other Fish	4,384	1,193	12,296	3,744
Total Fish	19,148,165	$ 14,987,472	1,559,706	$ 650,858
Shellfish:				
Scallops	---	---	13,413	$ 18,241
Abalone	---	---	12,116	12,116
TOTAL	19,148,165	$ 14,987,472	1,585,235	$ 681,215

* Unavailable data, no price was reported for other gear.

In Numbers of Fish

GEAR & SPECIES	SOUTHEASTERN	CENTRAL	WESTERN	TOTAL
SEINE*				
King or Chinook	2,056	2,320	---	4,376
Red or Sockeye	61,878	597,557	22,356	681,791
Coho or Silver	70,201	85,549	25	155,775
Pink or Humpback	3,410,938	8,104,315	668	11,515,921
Chum or Dog	381,307	258,483	5,758	645,548
Total	3,926,380	9,048,224	28,807	13,003,411
DRIFT GILL NET				
King or Chinook	9,087	20,833	77,381	107,301
Red or Sockeye	108,334	1,034,476	4,668,962	5,811,772
Coho or Silver	102,331	167,010	163,954	433,295
Pink or Humpback	350,449	300,767	1,426	652,642
Chum or Dog	297,655	974,891	771,256	2,043,802
Total	867,856	2,497,977	5,682,979	9,048,812
SET GILL NET				
King or Chinook	2,224	4,647	47,577	54,448
Red or Sockeye	73,260	407,120	479,012	959,392
Coho or Silver	37,403	142,009	27,605	207,017
Pink or Humpback	80,043	517,358	32,713	630114
Chum or Dog	3,761	81,696	1,311,885	1,397,342
Total	196,691	1,152,830	1,898,792	3,248,313
TROLL				
King or Chinook	287,337	1	---	287,338
Red or Sockeye	1,098	---	---	1,098
Coho or Silver	214,160	124	6	214,290
Pink	76,873	---	---	76,873
Chum or Dog	2,784	---	---	2,784
Total	582,252	125	6	582,383
OTHER GEAR				
King or Chinook	3	224	128	355
Red or Sockeye	621	---	---	621
Coho or Silver	3,262	9	---	3,271
Pink or Humpback	108,217	---	---	108,217
Chum or Dog	1,108	---	553	1,661
Total	113,211	233	681	114,125
FISH WHEEL				
King or Chinook	---	---	1,064	1,064
Red or Sockeye	---	---	---	-
Coho or Silver	---	---	19	19
Pink or Humpback	---	---	---	---
Chum or Dog	---	---	230,410	230,410
Total	---	---	231,493	231,493
ALL GEAR				
King or Chinook	300,707	28,025	126,150	454,882
Red or Sockeye	245,191	2,039,153	5,170,330	7,454,674
Coho or Silver	427,357	394,701	191,605	1,013,667
Pink or Humpback	4,026,520	8,922,440	34,807	12,983,767
Chum or Dog	686,615	1,315,070	2,319,862	4,321,547
Total	5,686,390	12,699,389	7,842,758	26,228,537

* Includes purse seines and beach seines

TABLE 7 - 1975 Alaska Salmon Catch by Species, Gear, and Region
In Pounds of Fish

GEAR & SPECIES	SOUTHEASTERN	CENTRAL	WESTERN	TOTAL
SEINES				
King or Chinook	28,871	31,622	---	60,493
Red or Sockeye	314,391	3,914,730	101,851	4,330,972
Coho or Silver	479,497	744,603	148	1,224,248
Pink or Humpback	13,093,242	31,056,304	1,636	44,151,182
Chum or Dog	3,335,177	1,802,947	36,396	5,174,520
Total	17,251,178	37,550,206	140,031	54,941,415
DRIFT GILL NET				
King or Chinook	98,325	565,174	1,463,934	2,128,433
Red or Sockeye	736,249	6,788,477	25,478,196	33,002,922
Coho or Silver	928,707	1,304,841	1,385,873	3,619,421
Pink or Humpback	1,483,596	1,261,364	4,885	2,749,845
Chum or Dog	3,029,788	6,849,568	5,080,763	14,960,119
Total	6,277,665	16,769,424	33,413,651	56,460,740
SET GILL NET				
King or Chinook	53,348	117,654	990,711	1,161,713
Red or Sockeye	458,755	2,375,309	2,667,710	5,501,774
Coho or Silver	358,229	1,009,119	215,364	1,582,712
Pink or Humpback	296,940	1,998,002	95,781	2,390,723
Chum or Dog	32,111	561,841	9,829,770	10,423,722
Total	1,199,383	6,061,925	13,799,336	21,060,644
TROLL				
King or Chinook	3,792,133	10	---	3,792,143
Red or Sockeye	9,355	---	---	9,355
Coho or Silver	1,294,794	997	28	1,295,819
Pink or Humpback	249,459	---	---	249,459
Chum or Dog	22,758	---	---	22,758
Total	5,368,499	1,007	28	5,369,534
OTHER GEAR				
King or Chinook	36	6,111	2,836	8,983
Red or Sockeye	3,286	---	---	3,286
Coho or Silver	22,630	70	---	22,700
Pink or Humpback	429,013	---	---	429,013
Chum or Dog	11,080	---	3,562	14,642
Total	466,045	6,181	6,398	478,624
FISH WHEEL				
King or Chinook	---	---	13,705	13,705
Red or Sockeye	---	---	---	---
Coho or Silver	---	---	126	126
Pink or Humpback	---	---	---	---
Chum or Dog	---	---	1,464,719	1,464,719
Total	---	---	1,478,550	1,478,550
ALL GEAR				
King or Chinook	3,973,713	720,571	2,471,186	7,165,470
Red or Sockeye	1,522,036	13,078,516	28,247,757	42,845,309
Coho or Silver	3,083,857	3,059,630	1,601,539	7,745,026
Pink or Humpback	15,552,250	34,315,670	102,302	49,970,222
Chum or Dog	6,430,914	9,214,356	16,415,210	32,060,480
Total	30,562,770	60,388,743	48,837,994	139,789,507

• Includes purse seine and beach seine

TABLE 8 - 1975 Alaska Salmon Catch by Species and District
In Numbers of Fish

DISTRICT	KING	RED	COHO	PINK	CHUM	ALL SPECIES
Southeast Alaska						
One**	32,212	26,738	87,743	581,538	44,810	773,041
Two	6,226	12,507	44,942	1,157,350	171,004	1,392,029
Three	27,985	11,331	40,519	576,714	102,218	758,767
Four*	50,153	27,237	37,626	79,607	7,811	202,434
Five	6,664	20	9,057	11,548	1,779	29,068
Six	12,253	36,134	47,571	674,841	40,189	810,988
Seven	5,427	825	3,095	248,616	5,219	263,182
Eight	3,078	---	---	---	2	3,080
Nine	4,019	4	9,905	905	56	14,889
Ten	7,938	6	2,263	550	15	10,772
Eleven	6,298	32,526	10,122	11,962	2,810	63,718
Twelve	1,229	2	93	67	9	1,400
Thirteen*	66,597	3,669	14,789	563,791	25,742	674,588
Fourteen	18,387	2,525	14,190	34,313	41,978	111,893
Fifteen	1,567	18,338	57,543	3,255	238,782	319,485
Sixteen*	44,539	37	10,226	1,392	426	56,620
Yakutat	5,635	73,292	37,673	80,071	3,765	200,436
Total	300,707	245,191	427,357	4,026,520	686,615	5,686,390
Central Alaska						
Copper River	19,644	335,384	53,805	236	807	409,876
Bering River	162	21,637	24,162	---	---	45,961
Prince William Sound	2,519	189,613	6,142	4,452,805	100,479	4,751,558
Resurrection Bay	1	710	125	35,986	3,648	40,370
Cook Inlet	4,932	712,250	233,458	1,363,905	969,794	3,284,339
Kodiak	101	136,418	23,659	2,942,801	84,431	3,187,410
Chignik	549	399,593	53,283	66,165	25,161	544,751
Alaska Peninsula, South	117	243,548	67	60,642	130,780	435,124
Total	28,025	2,039,153	394,701	8,922,440	1,315,070	12,699,389
Western						
Aleutian Islands	---	19,402	---	659	1,881	21,942
Alaska Peninsula, North	2,093	233,293	28,355	295	8,770	272,806
Bristol Bay	29,992	4,900,098	46,281	422	324,133	5,300,926
Arctic-Yukon-Kuskokwim	94,065	17,537	116,973	33,431	1,985,078	2,247,084
Total	126,150	5,170,330	191,609	34,807	2,319,862	7,842,758
GRAND TOTAL	454,882	7,454,674	1,013,667	12,983,767	4,321,547	26,228,537

* Includes offshore troll areas
** Includes Dixon Entrance and Hecate Strait

TABLE 9 - 1975 Alaska Salmon Catch by Species and District
In Pounds of Fish

DISTRICT	KING	RED	COHO	PINK	CHUM	ALL SPECIES
Southeast Alaska						
One**	345,471	170,297	508,967	2,215,662	455,571	3,695,968
Two	65,340	66,448	306,496	4,422,033	1,510,402	6,370,719
Three	402,288	52,748	23.,856	2,255,637	838,716	3,780,245
Four*	714,684	140,043	204,202	247,755	63,329	1,370,013
Five	88,106	111	56,527	40,731	14,163	199,638
Six	139,856	223,122	319,084	2,639,701	366,914	3,688,677
Seven	72,647	4,432	22,781	924,749	45,961	1,070,570
Eight	51,052	---	---	---	26	51,078
Nine	53,128	24	67,645	3,042	460	124,299
Ten	100,679	33	11,519	1,659	113	114,003
Eleven	70,021	234,668	72,411	43,895	26,703	447,698
Twelve	17,284	20	667	176	54	18,201
Thirteen*	987,259	16,740	121,836	2,325,175	227,061	3,678,071
Fourteen	239,892	16,377	113,743	110,769	410,891	891,672
Fifteen	20,615	137,713	610,722	19,197	2,435,057	3,223,304
Sixteen	516,520	194	76,241	5,029	3,355	601,339
Yakutat	88,871	459,066	360,160	297,040	32,138	1,237,275
Total	3,973,713	1,522,036	3,083,857	15,552,250	6,430,914	30,562,770
Central Alaska						
Copper River	546,968	2,221,280	507,016	1,263	4,897	3,281,424
Bering River	4,148	145,123	223,112	---	---	372,383
Prince William Sound	28,235	1,456,858	48,856	16,260,775	729,314	18,524,038
Resurrection Bay	10	3,894	1,005	119,402	25,778	150,089
Cook Inlet	123,295	4,341,285	1,607,485	4,969,142	6,853,930	17,895,137
Kodiak	1,671	826,713	203,907	12,470,661	641,305	14,144,257
Chignik	14,108	2,773,725	467,912	260,631	176,046	3,692,422
Alaska Peninsula, South	2,136	1,309,638	337	233,796	783,086	2,328,993
Total	720,571	13,078,516	3,059,630	34,315,670	9,214,356	60,388,743
Western Alaska						
Aleutian Islands	---	85,883	---	1,605	9,275	96,763
Alaska Peninsula, North	32,906	1,279,304	236,694	1,032	58,567	1,608,503
Bristol Bay	536,023	26,754,995	397,880	1,806	2,023,649	29,714,353
Arctic-Yukon-Kuskokwim	1,902,257	127,575	966,965	97,859	14,323,719	17,418,375
Total	2,471,186	28,247,757	1,601,539	102,302	16,415,210	48,837,994
GRAND TOTAL	7,165,470	42,848,309	7,745,026	49,970,222	32,060,480	139,789,507

* Includes offshore troll areas

** Includes Dixon Entrance and Hecate Strait

TABLE 10 - 1975 Fifteen-Year Comparative Salmon Catch Summary

YEAR	ITEM	KINGS	REDS	COHOS	PINKS	CHUMS	TOTAL
1961	Pounds	8,540,600	95,229,500	11,385,800	103,537,500	46,120,900	264,814,300
	Value	$2,243,080	$17,539,210	$1,997,400	$10,114,800	$3,846,220	$35,740,710
1962	Pounds	8,738,590	52,946,420	15,321,490	143,278,700	57,652,560	277,847,760
	Value	$2,698,860	$11,130,170	$3,161,960	$20,296,300	$4,832,170	$42,119,460
1963	Pounds	9,160,530	35,455,670	17,581,180	125,117,390	35,748,410	223,063,180
	Value	$3,126,640	$ 7,[illegible]3,880	$3,008,820	$14,472,380	$3,046,550	$31,298,250
1964	Pounds	11,567,000	54,131,920	20,953,920	162,280,550	62,689,800	311,623,190
	Value	$3,661,910	$12,246,640	$3,582,060	$17,173,960	$4,694,570	$41,359,140
1965	Pounds	11,008,570	142,034,090	17,666,000	74,872,990	29,262,550	274,844,200
	Value	$3,048,660	$30,802,200	$4,362,380	$ 7,684,190	$2,376,860	$48,274,290
1966	Pounds	9,350,095	92,766,668	16,112,896	162,866,038	52,229,558	333,325,255
	Value	$2,948,658	$19,736,666	$3,705,314	$22,093,084	$5,718,232	$54,201,954
1967	Pounds	11,632,342	53,521,713	13,022,056	28,822,056	31,518,285	138,516,634
	Value	$3,100,199	$11,864,575	$3,342,680	$ 3,240,861	$3,082,825	$24,631,140
1968	Pounds	11,245,726	48,695,627	20,968,421	148,445,896	55,916,199	285,272,069
	Value	$3,865,131	$12,723,009	$5,361,644	$20,490,172	$7,015,456	$49,455,412
1969	Pounds	10,746,489	71,734,845	8,033,568	105,967,038	22,668,463	219,150,403
	Value	$3,505,847	$18,046,466	$2,229,493	$15 711,593	$2,934,457	$42,427,856
1970	Pounds	11,546,623	150,812,180	11,897,957	117,717,684	54,490,523	346,464,967
	Value	$5,034,791	$37,249,477	$3,511,808	$15,562,512	$6,616,146	$67,974,734
1971	Pounds	11,971,894	87,287,654	11,459,417	86,259,767	54,726,320	251,705,052
	Value	$4,688,322	$22,848,7[illegible]	$2,820,143	$13,517,854	$7,536,382	$51,411,428
1972	Pounds	9,972,898	41,983,522	13,034,752	59,968,906	64,823,471	189,783,549
	Value	$3,731,376	$13,180,234	$5,58[illegible],876	$10,881,975	11,918,530	$45,294,991
1973	Pounds	8,916,931	35,248,144	9,836,845	36,610,161	45,880,848	136,492,930
	Value	$7,880,307	$15,326,731	$7,469,557	$11,666,478	17,715,766	$60,058,839
1974	Pounds	9,290,030	32,246,457	12,820,181	40,072,022	37,174,250	131,602,940
	Value	$6,944,921	$22,119,368	$8,677,992	$13,861,183	$13,975,433	$65,578,899
1975	Pounds	7,165,470	42,848,309	7,745,026	49,970,222	32,060,480	139,789,507
	Value	$5,354,708	$19,262,547	$4,405,053	$16,053,632	$10,850,658	$55,926,601

TABLE 11 - 1975 Fifteen-Year Comparative Shellfish Catch Summary

YEAR/ITEM		KING CRAB	DUNGENESS CRAB	TANNER CRAB	SHRIMP	CLAMS*	SCALLOPS*
1961	Pounds	43,411,600	4,591,500	6,800	15,980,500	926,300	---
	Value	$3,913,700	$442,400	$680	$639,220	$119,880	---
1962	Pounds	52,782,120	8,989,500	11,220	16,943,120	687,230	---
	Value	$5,278,210	$1,001,450	$1,120	$731,370	$78,930	---
1963	Pounds	78,740,240	12,084,010	---	15,126,950	410,280	---
	Value	$7,607,360	$1,357,540	---	$605,080	$51,950	---
1964	Pounds	86,720,670	12,708,530	13,940	7,726,750	99,550	---
	Value	$8,186,190	$1,465,440	$1,390	$309,090	$19,620	---
1965	Pounds	131,670,712	8,895,339	---	16,818,941	87,679	---
	Value	$12,729,360	$999,910	---	$756,860	$21,920	---
1966	Pounds	159,201,695	5,053,496	217	28,192,621	43,963	---
	Value	$15,670,485	$606,419	$11	$1,287,593	$8,793	---
1967	Pounds	127,722,969	11,597,738	118,392	41,812,552	116,992	7,788
	Value	$14,970,409	$1,507,706	$11,83[illegible]	$1,700,535	$29,571	$545
1968	Pounds	81,804,608	13,241,575	3,247,575	42,023,084	79,224	1,734,402
	Value	$21,815,653	$1,773,841	$323,609	$2,299,923	$19,806	$1,606,386
1969	Pounds	57,729,808	11,304,219	11,206,720	47,850,560	86,316	1,888,287
	Value	$15,643,768	$1,620,340	$1,133,047	$1,908,981	$25,2[illegible]	$1,542,011
1970	Pounds	52,061,030	9,696,422	14,473,228	74,256,326	160,243	1,440,338
	Value	$13,189,672	$1,414,231	$1,417,267	$2,979,598	$40,060	$1,483,775
1971	Pounds	70,703,105	3,749,429	12,880,124	94,891,304	243,121	931,151
	Value	$19,077,253	$609,924	$1,368,544	$3,909,045	$70,152	$990,385
1972	Pounds	74,426,656	5,448,379	30,135,404	93,830,064	213,802	1,167,034
	Value	$20,518,927	$1,968,422	$3,731,204	$4,493,238	$68,575	$1,400,441
1973	Pounds	76,824,103	6,423,157	61,719,386	119,963,729	231,160	1,109,405
	Value	44,702,211	$3,426,697	$10,755,893	$9,341,099	$88,820	$1,331,286
1974	Pounds	95,213,796	3,817,823	63,906,037	108,741,434	228,129	504,438
	Value	$39,153,943	$1,972,855	$13,052,371	$11,090,949	$99,779	$655,769
1975	Pounds	97,628,933	3,033,677	46,857,047	98,984,224	31,651	435,672
	Value	38,251,449	$1,648,730	$7,019,465	$7,904,126	$14,476	$592,514

* Shucked weight

TABLE 12 - Five-Year Comparative Shellfish Catch by Month and Area
(in Thousands of Pounds)

SPECIES: KING CRAB

	January	February	March	April	May	June	July
Southeastern Alaska:							
1971	42.6	37.9	17.9	---	---	---	---
1972	58.9	49.6	41.5	---	---	---	---
1973	44.4	26.3	19.5	35.6	11.0	6.0	11.1
1974	22.8	19.3	24.6	30.9	15.5	---	---
1975	97.1	1.7	2.8	3.8	---	---	---
Copper-Bering Rivers & Prince William Sound:							
1971	7.3	2.6	---	---	---	---	---
1972	5.3	9.9	.1	---	---	---	---
1973	10.4	2.8	1.1	---	---	---	---
1974	2.6	9.1	3.4	---	---	---	---
1975	6.6	2.1	0.2	---	---	---	---
Cook Inlet:							
1971	158.7	149.9	88.9	---	---	---	---
1972	359.2	365.8	388.2	---	---	---	---
1973	127.6	315.9	216.4	4.2	---	---	---
1974	155.4	163.9	143.7	25.8	---	---	---
1975	214.6	313.4	132.0	---	---	---	---
Kodiak:							
1971	935.8	---	---	---	---	---	---
1972	---	---	---	---	---	---	---
1973	---	---	---	---	---	---	---
1974	---	---	---	---	---	---	---
1975	39.0	---	---	---	---	---	---
Chignik:							
1971	6.3	---	---	---	---	---	---
1972	---	---	---	---	---	---	---
1973	---	---	---	---	---	---	---
1974	21.1	---	---	---	---	---	---
1975	18.1	---	---	---	---	---	---
South Peninsula:							
1971	233.7	124.1	---	---	---	---	---
1972	268.8	---	---	---	---	---	---
1973	---	---	209.5	111.8	---	---	24.1
1974	67.3	---	7.4	---	---	---	---
1975	154.7	---	---	---	---	---	---
Aleutian East-Unalaska:							
1971	1,099.4	---	---	---	---	---	---
1972	---	---	---	---	---	---	---
1973	---	---	---	---	---	---	---
1974	---	---	36.9	---	---	---	---
1975	959.5	---	---	---	---	---	---
Aleutian West Adak:							
1971	3,017.6	5,350.2	2,287.7	---	---	---	---
1972	---	---	---	---	---	---	---
1973	1,070.0	810.5	298.6	---	210.0	424.4	---
1974	---	1,315.5	19.4	---	---	---	---
1975	775.6	1,399.2	586.0	---	---	---	---
Bering Sea:							
1971	16.9	85.1	246.2	441.6	83.4	415.9	3,304.8
1972	492.2	1,029.5	850.5	---	---	3,253.9	7,099.0
1973	350.5	517.2	1,309.3	1,236.1	---	2,446.0	8,978.5
1974	---	---	---	---	2,147.1	544.8	---
1975	---	---	---	---	---	---	---
All Alaska:							
1971	5,528.3	5,749.8	2,640.7	441.6	83.4	415.9	3,304.8
1972	1,184.4	1,454.8	1,280.3	33.1	37.3	3,306.2	7,130.5
1973	1,602.4	1,672.7	2,054.4	1,387.7	221.0	2,876.4	9,013.7
1974	269.1	1,507.8	235.5	56.7	2,162.6	544.8	---
1975	2,265.1	1,715.4	721.0	3.8	---	---	---

TABLE 12 - (Continued)

SPECIES: KING CRAB	August	September	October	November	December	Total
Southeastern Alaska:						
1971	---	42.3	173.7	137.4	109.2	571.1
1972	36.1	130.0	151.6	195.4	135.3	952.6
1973	9.6	183.2	255.5	206.2	65.7	874.1
1974	3.2	74.4	124.7	129.3	138.6	583.3
1975	---	52.6	127.8	73.4	77.3	436.5
Copper-Bering Rivers & Prince William Sound:						
1971	2.8	8.2	5.9	71.9	45.6	144.2
1972	51.9	55.3	58.7	82.7	3..5	296.1
1973	37.9	76.7	38.6	24.8	15.6	207.9
1974	0.6	18.8	43.4	7.5	---	85.4
1975	12.7	4.5	---	4.8	22.5	53.4
Cook Inlet:						
1971	1,583.7	1,078.2	369.3	579.6	149.4	4,157.6
1972	1,356.3	981.9	224.2	385.8	546.7	4,607.9
1973	2,212.2	571.5	285.0	432.6	183.8	4,349.2
1974	2,975.0	932.1	53.7	49.7	102.5	4,601.8
1975	65.5	846.1	753.8	274.8	286.1	2,886.4
Kodiak:						
1971	1,781.6	5,657.6	3,444.9	---	---	11,820.0
1972	7,600.4	6,555.9	648.5	491.5	183.8	15,479.9
1973	10,570.8	1,702.7	2,123.8	---	---	14,397.3
1974	7,071.5	13,751.6	836.8	1,127.5	200.0	22,987.6
1975	162.4	13,793.3	7,863.5	1,828.4	237.5	23,924.2
Chignik:						
1971	---	7.0	---	---	---	13.3
1972	16.9	66.3	50.0	---	---	133.3
1973	14.4	64.0	71.2	86.5	139.7	375.8
1974	---	34.4	54.6	8.7	25.8	144.7
1975	---	36.1	129.1	69.4	73.7	326.3
South Peninsula:						
1971	---	1,390.7	1,211.3	701.5	550.4	4,211.8
1972	404.3	2,149.7	1,382.1	---	---	4,204.9
1973	1,422.6	2,003.3	509.4	---	---	4,280.7
1974	---	1,585.9	1,855.0	652.5	134.3	4,302.5
1975	---	710.6	884.9	282.8	443.8	2,476.9
Aleutians East-Unalaska:						
1971	---	3,070.9	6,692.7	---	---	10,863.0
1972	---	---	10,432.1	264.2	264.2	10,696.2
1973	---	---	---	11,704.0	1,018.7	12,722.7
1974	---	---	---	10,394.9	863.4	11,295.2
1975	---	---	---	6,957.1	3,704.3	11,620.9
Aleutians West-Adak:						
1971	---	---	---	7,249.8	7,922.8	25,828.1
1972	---	---	85.6	11,647.1	4,428.1	16,160.9
1973	---	---	---	7,275.1	1,156.8	11,245.4
1974	---	---	---	---	---	1,334.9
1975	---	---	---	50.7	---	2,810.4
Bering Sea:						
1971	3,793.4	2,563.1	1,414.9	288.3	440.6	13,094.1
1972	4,102.9	2,696.9	1,447.7	345.8	576.5	21,894.9
1973	8,100.5	5,251.2	181.9	---	---	28,370.7
1974	16,098.5	16,989.9	13,688.9	419.4	---	49,878.5
1975	735.7	11,886.2	23,290.1	9,913.0	1,268.2	53,093.8
All Alaska:						
1971	7,161.5	13,818.0	13,312.7	9,028.5	9,218.0	70,703.1
1972	13,568.7	12,636.0	14,480.5	13,412.5	5,901.9	74,426.3
1973	22,368.0	9,852.6	3,465.4	19,729.2	2,580.3	76,823.8
1974	26,138.9	33,387.2	16,657.1	12,789.6	1,464.6	95,213.8
1975	976.3	27,329.4	39,049.4	19,455.0	6,113.5	97,628.9

TABLE 12 - (Continued)

SPECIES: DUNGENESS CRAB

	January	February	March	April	May	June	July
Southeastern Alaska:							
1971	5.6	4.6	5.9	7.3	36.0	451.3	670.2
1972	7.0	1.8	2.2	4.2	131.2	692.3	1,009.2
1973	3.5	1.4	3.2	35.3	246.3	822.1	1,285.4
1974	3.5	5.1	9.9	41.0	162.5	611.5	380.4
1975	6.3	13.7	16.8	22.2	116.1	349.7	388.2
Copper-Bering Rivers & Prince William Sound:							
1971	---	---	---	---	---	---	28.7
1972	---	---	---	---	---	---	205.6
1973	11.7	10.3	19.3	12.5	31.6	157.5	118.7
1974	---	0.1	1.8	4.6	7.5	63.7	103.0
1975	---	0.3	---	---	16.1	29.7	212.5
Cook Inlet:							
1971	---	---	---	1.7	---	11.3	21.8
1972	.1	1.6	---	---	---	1.7	5.3
1973	3.7	.7	.2	4.0	12.4	12.7	7.9
1974	4.6	1.0	3.2	0.5	5.7	16.2	114.8
1975	1.4	2.8	0.4	---	6.1	3.9	40.4
Kodiak:							
1971	9.1	---	52.1	---	5.3	44.3	188.3
1972	7.4	2.8	---	---	9.8	155.2	536.3
1973	.5	15.2	2.0	35.5	148.8	277.3	552.2
1974	12.7	2.5	4.7	2.1	23.9	157.1	202.1
1975	---	2.9	0.5	---	4.5	67.8	154.0
Chignik:							
1971	---	---	---	---	---	---	---
1972	---	---	---	---	---	---	---
1973	---	---	---	---	---	---	---
1974	---	---	---	---	---	---	---
1975	---	---	---	---	---	---	---
South Peninsula:							
1971	---	---	---	---	---	---	---
1972	---	---	---	---	---	---	---
1973	15.6	14.3	---	---	---	---	2.0
1974	---	---	---	---	---	---	---
1975	---	---	---	---	---	---	---
Aleutians East-Unalaska:							
1971	---	---	---	---	---	---	---
1972	---	---	---	---	---	---	---
1973	---	---	---	---	---	---	---
1974	---	---	---	---	---	1.3	14.9
1975	---	---	---	---	---	1.0	1.4
Aleutians West-Adak:							
1971	---	---	---	---	---	---	---
1972	---	---	---	---	---	---	---
1973	---	---	---	---	---	---	---
1974	---	---	---	---	---	---	---
1975	---	---	---	---	---	---	---
Bering Sea:							
1971	---	---	---	---	---	---	---
1972	---	---	---	---	---	---	---
1973	---	---	---	---	---	---	2.8
1974	---	---	---	---	---	---	---
1975	---	---	---	---	---	---	---
All Alaska:							
1971	14.7	4.8	58.0	7.3	43.0	506.9	909.0
1972	14.5	6.2	2.2	4.2	141.0	849.2	1,756.4
1973	35.0	41.9	24.7	87.3	439.1	1,269.6	1,969.0
1974	20.9	9.7	19.6	48.2	199.6	849.8	815.2
1975	7.7	19.7	17.7	22.2	142.9	452.1	796.9

TABLE 12 - (Continued)

SPECIES: DUNGENESS CRAB

	August	September	October	November	December	Total
Southeastern Alaska:						
1971	302.7	88.9	63.3	23.3	9.5	1,668.7
1972	560.4	87.0	49.5	31.5	16.7	2,592.9
1973	324.5	175.5	152.5	27.4	8.8	3,0[illegible]5.9
1974	248.4	122.4	88.2	27.6	26.5	1,726.8
1975	125.6	82.8	49.7	25.9	11.7	1,208.3
Copper-Bering Rivers & Prince William Sound:						
1971	46.3	322.2	102.4	10.4	---	509.8
1972	169.4	245.0	35.4	49.6	19.8	724.7
1973	92.0	260.9	72.9	18.5	4	306.3
1974	75.5	265.5	37.6	---	---	559.2
1975	216.7	224.5	76.2	35.4	6.6	819.0
Cook Inlet:						
1971	17.0	20.3	15.9	7.2	1.8	97.2
1972	3.6	5.1	4.5	7.0	10.0	38.9
1973	28.1	36.1	147.5	68.2	8.4	329.9
1974	217.6	202.0	98.8	52.8	4.2	721.2
1975	154.3	69.7	63.7	17.5	2.6	362.8
Kodiak:						
1971	304.7	368.5	424.2	44.6	4.8	1,445.9
1972	558.6	445.3	190.3	85.7	68.1	2,059.5
1973	377.6	328.1	115.0	111.3	38.9	2,000.4
1974	88.6	82.7	113.8	43.3	16.4	750.1
1975	165.3	94.9	106.5	42.6	0.8	639.8
Chignik:						
1971	1.5	4.4	---	---	---	5.9
1972	---	18.9	13.5	---	---	32.4
1973	---	---	---	---	---	---
1974	---	---	---	---	---	---
1975	---	---	---	---	---	---
South Peninsula:						
1971	1.4	4.4	---	---	---	5.9
1972	---	---	---	---	---	---
1973	23.8	---	115.7	---	23.1	194.5
1974	---	---	---	---	---	---
1975	---	---	---	---	---	---
Aleutians East-Unalaska:						
1971	1.5	4.4	---	---	---	5.9
1972	---	---	---	---	---	---
1973	---	---	.9	2.1	---	3.0
1974	20.2	18.7	5.3	---	---	66.5
1975	---	2.0	---	---	---	4.4
Aleutians West-Adak:						
1971	---	---	---	---	---	---
1972	---	---	---	---	---	---
1973	---	---	---	---	---	---
1974	---	---	---	---	---	---
1975	---	---	---	---	---	---
Bering Sea:						
1971	10.3	---	---	---	---	10.3
1972	---	---	---	---	---	---
1973	---	---	---	---	---	2.8
1974	---	---	---	---	---	---
1975	---	---	---	---	---	---
All Alaska:						
1971	685.5	811.1	805.6	85.5	16.1	3,749.4
1972	1,291.6	801.3	293.2	173.8	114.6	5,448.4
1973	846.0	800.6	602.5	227.5	79.6	6,422.8
1974	650.3	691.3	343.7	123.7	47.0	3,817.8
1975	661.9	473.8	296.1	121.3	21.7	3,033.7

TABLE 12 - (Continued)

SPECIES: TANNER CRAB (SNOW CRAB)

	January	February	March	April	May	June	July
Southeastern Alaska:							
1971	21.3	41.4	56.2	32.2	---	---	---
1972	29.4	17.9	91.6	203.5	148.5	58.5	6.3
1973	50.7	140.6	376.7	615.5	351.6	32.5	4.1
1974	72.1	134.0	628.4	1,396.4	647.0	---	---
1975	98.7	106.7	772.7	1,065.2	584.5	---	---
Copper-Bering Rivers & Prince William Sound:							
1971	.3	---	---	---	---	---	---
1972	372.8	650.7	869.8	1,253.5	2,370.3	1,403.4	225.8
1973	1,022.7	2,428.8	3,274.3	3,773.2	1,638.5	541.6	---
1974	228.1	1,075.5	3,579.5	2,911.6	1,803.0	---	---
1975	1.2	307.2	1,307.7	1,322.2	919.1	26.4	---
Cook Inlet:							
1971	29.6	113.1	228.2	365.9	407.0	431.5	271.9
1972	169.1	163.6	1,053.5	732.6	1,019.1	911.8	172.5
1973	236.6	881.3	1,536.3	1,749.7	1,554.9	1,284.1	48.5
1974	372.3	561.5	1,327.8	3,746.0	1,554.9	69.2	---
1975	76.4	54.8	407.7	1,513.4	2,097.7	594.8	---
Kodiak:							
1971	273.6	744.7	1,373.1	1,331.7	1,804.4	793.0	354.1
1972	457.2	824.2	1,096.5	2,084.3	2,549.3	1,374.1	693.7
1973	1,714.6	2,523.0	5,306.3	10,249.1	5,743.3	1,642.2	--
1974	4,627.0	4,351.7	7,214.7	8,916.4	319.7	---	---
1975	---	3.5	182.0	5,524.3	7,907.2	---	---
Chignik:							
1971	.5	19.5	13.5	41.2	77.5	---	---
1972	---	---	---	---	---	---	---
1973	5.0	37.6	40.4	103.7	224.3	186.5	128.5
1974	72.7	85.8	434.7	1,043.1	1,074.1	917.1	415.2
1975	---	---	32.1	781.2	1,427.4	1,419.3	---
South Peninsula:							
1971	211.8	163.6	343.7	543.0	324.3	139.0	267.6
1972	63.4	297.2	513.0	973.1	954.0	218.7	185.0
1973	614.1	918.4	435.2	759.0	757.8	519.0	446.4
1974	314.5	574.4	1,934.8	2,985.6	1,326.8	781.5	466.6
1975	---	---	695.2	1,642.8	1,465.1	1,076.3	341.5
Aleutians East-Unalaska:							
1971	---	---	---	---	---	---	---
1972	---	---	---	---	2.9	---	---
1973	---	---	---	---	---	---	---
1974	6.5	---	103.0	133.6	164.1	91.7	---
1975	---	71.9	5.3	---	---	---	---
Aleutians West-Adak:							
1971	---	---	---	---	---	---	---
1972	---	---	---	---	---	---	---
1973	.4	26.1	.3	---	21.9	22.3	---
1974	45.4	1.2	---	14.3	---	9.6	---
1975	---	---	3.3	---	---	---	---
Bering Sea:							
1971	---	.3	22.4	36.4	6.8	55.9	2.2
1972	7.7	28.1	66.2	---	---	3.3	5.6
1973	32.7	39.4	51.4	38.7	7.9	41.3	27.3
1974	---	---	464.8	1,490.4	1,414.8	1,871.2	---
1975	---	---	99.3	296.1	2,298.6	3,289.8	1,013.6
All Alaska:							
1971	537.1	1,082.6	2,037.1	2,350.4	2,620.0	1,419.4	895.8
1972	1,099.6	1,981.7	3,690.6	5,247.0	7,044.1	3,969.8	1,288.9
1973	3,666.8	6,995.2	11,021.2	17,288.9	10,300.2	4,269.5	654.8
1974	5,738.6	6,784.0	15,687.7	22,683.1	6,305.1	3,543.4	881.8
1975	176.3	544.0	3,506.5	12,145.2	16,699.6	6,406.6	1,355.2

TABLE 12 - (Continued)

SPECIES: TANNER CRAB (SNOW CRAB)

	August	September	October	November	December	Total
Southeastern Alaska:						
1971	---	---	29.9	31.0	39.0	251.1
1972	1.0	5.4	55.1	86.2	86.7	790.1
1973	18.0	29.4	91.8	94.8	81.3	1,893.0
1974	---	4.3	77.2	70.6	56.6	3,087.5
1975	---	13.3	110.3	125.4	155.5	3,032.2
Copper-Bering Rivers & Prince William Sound:						
1971	---	---	64.2	307.1	270.6	642.3
1972	.2	5.6	18.0	634.9	745.5	8,550.7
1973	---	---	---	4.9	12.8	12,296.8
1974	---	---	---	---	---	9,597.8
1975	---	0.6	---	318.4	813.9	5,016.7
Cook Inlet:						
1971	---	.7	.9	75.0	193.0	2,116.8
1972	1.7	3.2	25.9	258.6	296.3	4,807.8
1973	19.8	---	---	861.7	336.2	8,509.1
1974	---	---	---	---	29.3	7,660.9
1975	---	---	0.7	---	208.8	4,952.4
Kodiak:						
1971	22.0	8.9	17.6	201.2	486.5	7,410.8
1972	43.4	36.9	133.8	1,128.4	1,484.7	11,906.6
1973	---	---	---	1,739.0	2,602.1	31,519.9
1974	---	---	---	---	---	25,474.5
1975	---	---	---	1,704.4	2,183.9	17,506.3
Chignik:						
1971	---	---	---	---	---	152.3
1972	---	---	---	3.2	23.3	26.5
1973	---	31.2	49.7	35.0	16.2	918.1
1974	44.2	---	---	---	---	4,087.6
1975	---	---	---	4.7	91.7	3,756.6
South Peninsula:						
1971	---	---	---	54.0	93.6	2,140.8
1972	6.7	---	15.9	298.4	412.7	3,938.1
1973	21.6	48.2	21.9	488.2	623.0	5,652.8
1974	---	---	---	---	---	8,384.2
1975	---	---	---	---	263.0	5,483.9
Aleutians East-Unalaska:						
1971	---	---	---	---	---	---
1972	---	---	.5	.5	---	3.9
1973	---	---	36.1	---	22.9	59.0
1974	---	---	---	---	---	498.8
1975	---	---	---	---	---	77.2
Aleutians West-Adak:						
1971	---	---	---	---	---	---
1972	---	---	---	---	---	---
1973	---	---	---	---	97.5	168.5
1974	---	---	---	---	---	70.5
1975	---	---	---	---	---	3.3
Bering Sea:						
1971	31.9	7.8	---	2.1	2	166.0
1972	---	---	---	.7	---	111.7
1973	2.4	.5	70.2	---	---	301.8
1974	---	---	---	---	---	5,044.2
1975	---	---	---	---	31.0	7,028.4
All Alaska:						
1971	53.9	17.4	112.6	670.4	1,083.1	12,880.1
1972	53.0	51.3	249.2	2,910.9	3,049.2	30,135.3
1973	61.8	109.3	269.7	3,223.6	3,858.0	61,719.0
1974	44.2	4.3	77.2	70.6	85.8	63,906.0
1975	---	13.8	111.1	2,152.9	3,745.8	46,857.0

TABLE 12 - (Continued)

SPECIES: SHRIMP

	January	February	March	April	May	June	July
Southeastern Alaska:							
1971	61.5	60.3	4.1	13.2	139.0	106.3	144.5
1972	67.8	122.7	43.0	19.1	172.3	128.2	77.2
1973	81.6	42.2	7.0	9.6	96.3	126.6	72.6
1974	60.3	30.5	13.2	15.7	160.9	200.9	202.4
1975	104.2	22.1	2.0	3.1	180.7	130.3	69.2
Cooper-Bering Rivers & Prince William Sound:							
1971	2.2	1.3	1.3	.7	---	---	---
1972	.5	1.4	.3	---	.8	4.1	---
1973	2.1	---	---	1.3	---	---	---
1974	1.7	1.0	1.6	0.9	0.7	1.0	0.8
1975	---	---	25.8	1.5	0.1	---	---
Cook Inlet:							
1971	102.8	446.1	979.1	467.2	164.3	436.9	484.6
1972	407.2	643.1	185.7	85.0	85.3	562.7	568.6
1973	464.8	478.8	121.6	102.7	22.8	635.3	1,098.3
1974	1,270.6	204.8	531.5	259.2	30.0	455.1	630.4
1975	589.6	584.9	539.9	18.7	22.0	34.9	243.2
Kodiak:							
1971	4,720.5	5,641.8	5,915.4	941.2	6,588.4	9,112.0	10,950.8
1972	5,443.0	2,363.0	1,425.7	338.3	585.7	7,758.7	14,940.8
1973	8,272.4	8,421.8	---	---	518.2	1,665.0	50.8
1974	1,893.5	493.2	120.0	---	565.9	719.1	718.8
1975	4,522.5	7,389.5	1.1	2.2	22.2	562.4	1,320.4
Chignik:							
1971	---	245.3	90.8	10.8	114.0	48.9	365.7
1972	36.6	---	195.6	---	73.1	39.6	317.7
1973	622.3	329.5	---	624.7	1,841.5	4,461.8	9,159.7
1974	1,744.6	1,201.7	---	777.9	2,115.0	2,473.8	2,487.7
1975	1,499.7	1,386.3	1,739.8	944.2	1,166.1	2,906.6	10,176.5
South Peninsula:							
1971	610.0	342.6	635.3	272.0	---	85.5	403.5
1972	375.4	757.5	759.2	518.9	804.7	1,523.3	1,707.7
1973	976.2	861.2	---	595.8	2,207.7	2,752.3	1,978.4
1974	1,804.8	1,564.1	---	551.7	1,963.0	4,078.5	5,703.2
1975	2,257.0	1,414.7	346.9	---	103.9	502.3	2,338.7
Aleutians East-Unalaska:							
1971	---	---	---	---	---	---	---
1972	---	69.8	21.1	---	3.8	---	---
1973	---	---	---	---	---	---	---
1974	307.2	1,422.9	1,429.2	1,347.0	1,164.2	78.9	---
1975	---	15.5	---	---	---	---	---
All Alaska:							
1971	5,497.0	6,737.4	7,626.0	1,705.1	7,005.7	9,789.6	12,349.1
1972	6,330.5	3,957.5	2,630.6	961.3	1,725.7	10,016.5	17,612.0
1973	10,419.4	10,133.5	128.6	1,334.1	4,749.5	9,641.0	12,359.8
1974	7,082.7	4,918.2	2,095.6	2,952.5	5,999.7	8,007.3	9,743.2
1975	8,923.1	10,813.1	2,655.6	969.7	1,494.9	4,136.4	14,147.0

TABLE 12 - (Continued)

SPECIES: SHRIMP

	August	September	October	November	December	Total
Southeastern Alaska:						
1971	106.5	71.7	78.5	102.5	71.6	959.7
1972	68.2	65.8	45.3	64.0	46.3	920.0
1973	73.7	45.0	32.0	59.1	65.3	711.0
1974	168.0	120.1	61.8	74.2	91.4	1,199.4
1975	92.6	112.3	154.5	73.4	79.8	1,023.1
Copper-Bering Rivers & Prince William Sound:						
1971	---	---	---	1.1	---	6.5
1972	---	---	---	---	1.6	8.6
1973	---	---	1.2	2.1	.7	7.4
1974	1.0	1.7	3.4	---	---	13.8
1975	---	0.3	---	0.4	0.9	29.0
Cook Inlet:						
1971	595.8	625.6	502.0	484.5	162.2	5,451.3
1972	581.1	488.2	654.8	648.1	638.7	5,548.6
1973	747.6	84.6	34.1	497.9	608.6	4,897.1
1974	487.9	795.4	201.2	442.7	440.1	5,748.9
1975	718.3	685.2	427.7	423.6	464.2	4,752.1
Kodiak:						
1971	10,825.0	8,039.5	6,525.8	7,868.9	5,024.3	82,153.7
1972	7,577.0	1,130.1	9,227.5	4,926.9	2,635.8	58,352.3
1973	12,546.2	12,125.3	9,424.8	9,404.8	8,082.2	70,511.5
1974	9,411.2	6,684.8	11,353.3	10,114.3	6,697.0	48,771.1
1975	12,906.9	7,615.8	4,891.0	4,113.4	3,411.8	46,759.1
Chignik:						
1971	113.4	61.1	---	41.8	---	1,091.7
1972	734.4	1,787.7	---	143.9	781.6	4,110.3
1973	1,261.8	1,853.1	1,565.1	1,709.3	1,460.9	24,889.7
1974	1,983.2	3,234.0	2,991.1	1,439.9	1,310.9	21,762.7
1975	2,141.8	1,073.0	1,293.2	883.0	756.5	25,916.9
South Peninsula:						
1971	775.3	804.7	543.7	463.7	291.9	5,228.2
1972	2,266.1	2,340.7	1,402.6	1,579.0	760.4	14,795.6
1973	2,605.5	1,571.0	1,384.6	1,660.7	1,834.1	18,490.5
1974	4,981.8	1,615.7	869.6	672.0	1,691.8	25,496.1
1975	3,154.7	2,941.7	2,347.9	2,803.8	1,398.9	19,610.4
Aleutians East-Unalaska:						
1971	---	---	---	---	---	---
1972	---	---	---	---	---	94.6
1973	---	---	456.2	---	---	456.2
1974	---	---	---	---	---	5,749.4
1975	---	---	---	225.8	652.2	893.6
All Alaska:						
1971	12,416.0	9,602.6	7,650.0	8,962.5	5,550.0	94,891.3
1972	11,226.8	5,812.5	11,330.2	7,361.9	4,864.4	83,830.0
1973	17,234.8	15,679.0	12,898.0	13,333.9	12,051.8	119,963.4
1974	17,033.4	12,451.7	15,483.4	12,743.1	10,231.1	108,741.4
1975	19,014.2	12,428.2	9,114.2	8,523.4	6,764.3	98,984.2

TABLE 12 - (Continued)

SPECIES: SCALLOPS

	January	February	March	April	May	June	July
Southeastern Alaska:							
1971	---	---	---	10.6	74.3	---	---
1972	---	---	---	27.3	101.0	---	---
1973	---	---	---	---	173.7	---	---
1974	---	---	---	77.5	114.1	44.5	56.1
1975	---	---	12.1	51.1	29.1	17.1	---
Cook Inlet:							
1971	---	---	---	---	---	---	---
1972	---	---	---	---	---	---	---
1973	---	---	---	---	---	---	---
1974	---	---	---	---	--	---	---
1975	---	---	---	---	---	---	---
Kodiak:							
1971	---	40.7	35.3	---	---	138.7	113.3
1972	19.7	50.4	52.9	43.9	15.3	207.5	207.5
1973	---	53.1	33.1	33.4	---	88.8	226.0
1974	---	6.7	22.6	---	---	---	---
1975	16.6	10.3	8.9	---	---	67.1	93.8
Chignik:							
1971	---	---	---	---	---	---	---
1972	---	---	---	---	---	---	---
1973	---	---	---	---	---	---	---
1974	---	---	---	---	---	---	---
1975	---	---	---	---	---	---	---
South Peninsula:							
1971	---	---	---	5.0	---	---	---
1972	---	---	---	---	---	---	---
1973	---	---	---	---	---	---	---
1974	---	---	---	---	---	---	---
1975	---	---	---	---	2.5	---	---
All Alaska:							
1971	---	40.7	35.3	15.6	74.3	138.7	113.3
1972	19.7	50.4	52.9	71.2	116.3	207.5	202.2
1973	---	53.1	33.1	33.4	173.7	88.8	226.0
1974	---	6.7	22.6	77.5	114.1	44.5	56.1
1975	16.6	10.3	21.1	51.1	31.6	84.2	93.8

TABLE 12 - (Continued)

SPECIES: SCALLOPS

	August	September	October	November	December	Total
Southeastern Alaska:						
1971	---	---	---	---	---	84.9
1972	---	---	---	---	---	128.2
19[illegible]	---	---	---	---	---	173.7
1974	42.3	17.2	---	4.7	---	356.5
1975	---	---	13.4	---	---	122.9
Cook Inlet:						
1971	---	---	---	---	---	---
1972	---	---	---	---	---	---
1973	---	---	---	---	---	---
1974	---	---	---	---	---	---
1975	---	---	---	---	---	---
Kodiak:						
1971	189.1	97.8	169.0	35.7	21.7	841.2
1972	157.7	140.8	64.1	47.5	36.8	1,038.8
1973	170.1	138.3	129.0	39.9	24.0	935.7
1974	11.9	41.0	18.9	28.4	18.5	147.9
1975	38.1	45.3	8.4	18.6	3.2	310.3
Chignik:						
1971	---	---	---	---	---	---
1972	---	---	---	---	---	---
1973	---	---	---	---	---	---
1974	---	---	---	---	---	---
1975	---	---	---	---	---	---
South Peninsula:						
1971	---	---	---	---	---	5.0
1972	---	---	---	---	---	---
1973	---	---	---	---	---	---
1974	---	---	---	---	---	---
1975	---	---	---	---	---	2.5
All Alaska:						
1971	189.1	97.8	169.0	35.7	21.7	931.2
1972	157.7	140.8	64.1	47.5	36.8	1,167.0
1973	170.1	138.3	129.0	39.9	24.0	1,109.4
1974	54.1	58.3	18.9	33.2	18.5	504.4
1975	38.1	45.3	21.9	18.6	3.2	435.7

TABLE 12 - (Continued)

SPECIES: CLAMS

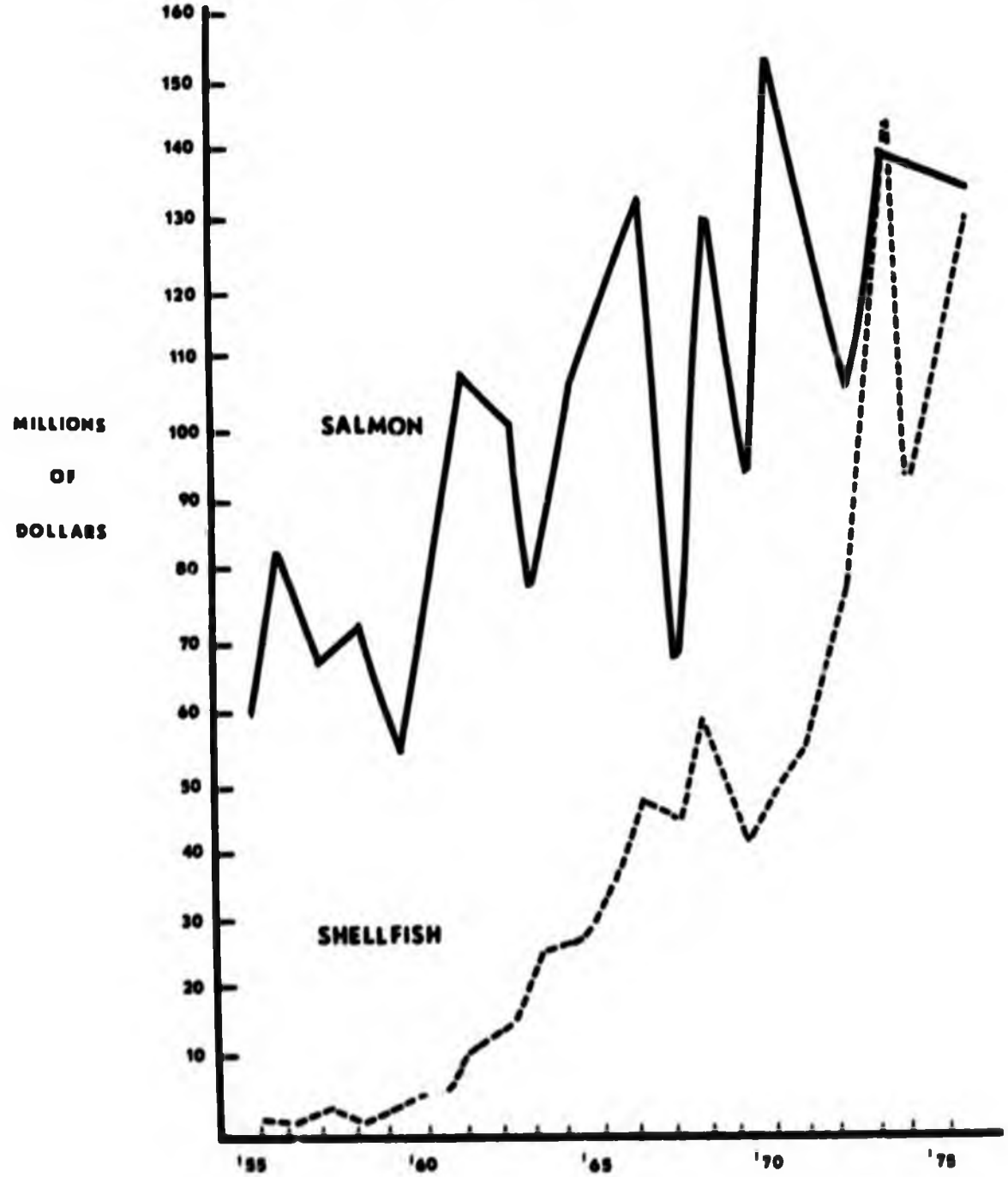
	January	February	March	April	May	June	July
Copper-Bering Rivers & Prince William Sound:							
1971	---	.6	2.3	3.0	3.6	8.9	7.4
1972	.2	.1	.3	3.0	7.9	2.[illegible]	8.2
1973	---	.4	.1	2.1	7.9	10.1	8.3
1974	---	---	0.1	2.2	8.1	10.8	6.7
1975	---	---	---	0.5	1.9	4.1	7.0
Cook Inlet:							
1971	---	---	---	---	---	---	.5
1972	---	---	---	--	---	27.7	3.5
1973	---	---	---	---	5.5	17.6	11.4
1974	---	---	---	---	---	---	---
1975	---	---	---	---	1.3	6.2	2.5
Kodiak:							
1971	---	---	---	4.5	14.8	83.8	50.6
1972	---	---	---	---	23.5	92.2	23.9
1973	---	---	---	2.4	12.8	46.3	44.9
1974	---	---	---	1.4	40.0	59.4	44.9
1975	---	---	---	---	1.9	4.0	0.2
Aleutians East-Unalaska:							
1971	---	---	---	---	---	---	---
1972	---	---	---	---	---	---	---
1973	---	---	---	---	---	---	---
1974	---	---	---	---	---	---	---
1975	---	---	---	---	---	---	---
All Alaska:							
1971	---	.6	2.3	7.5	28.4	92.7	58.5
1972	.2	.1	.3	3.0	31.4	122.0	35.6
1973	---	.4	.1	4.5	26.2	74.0	64.6
1974	---	---	0.1	3.6	48.1	70.3	51.6
1975	---	---	---	0.5	5.1	14.5	9.8

TABLE 12 - (Continued)

SPECIES: CLAMS

	August	September	October	November	December	Total
Copper-Bering Rivers & Prince William Sound:						
1971	1.8	.2	---	---	---	38.0
1972	7.3	1.4	---	---	---	30.3
1973	2.2	.2	.2	---	.1	31.5
1974	1.8	---	---	---	---	29.7
1975	1.9	---	---	---	---	15.4
Cook Inlet:						
1971	4.4	7.8	2.0	---	---	14.8
1972	---	.2	---	---	---	31.4
1973	---	---	---	---	---	34.4
1974	---	---	---	---	---	---
1975	---	---	---	---	---	10.0
Kodiak:						
1971	36.8	---	---	---	---	190.4
1972	---	1.4	2.4	---	---	152.1
1973	58.4	.5	---	---	---	165.3
1974	52.7	---	---	---	---	198.4
1975	---	---	---	---	---	6.2
Aleutians East-Unalaska:						
1971	---	---	---	---	---	---
1972	---	---	---	---	---	---
1973	---	---	---	---	---	---
1974	---	---	---	---	---	---
1975	---	---	---	---	---	---
All Alaska:						
1971	43.0	8.0	2.0	---	---	243.1
1972	15.9	3.0	2.4	---	---	213.8
1973	60.6	.7	.2	---	.1	231.2
1974	54.5	---	---	---	---	228.1
1975	1.9	---	---	---	---	31.7

PART II
PRODUCTION STATISTICS



VALUE TO PROCESSORS, SALMON AND SHELLFISH 1955 - 1975

TABLE 13 - 1975 Number of Operating Plants and Employees

TYPE	PRODUCT	SOUTHEASTERN	CENTRAL	WESTERN	TOTAL
CANNED:					
	Salmon	14	25	18	57
	King crab	--	3	--	3
	Dungeness crab	--	--	--	--
	Tanner crab	--	6	--	6
	Shrimp	--	2	--	2
	Clams	--	--	--	--
	Other fish (halibut)	--	--	--	--
	TOTAL CANNING PLANTS 1)	14	29	18	61
CURED:					
	Salmon	--	12	14	26
	Other fish	--	1	--	1
	TOTAL CURING PLANTS 1)	--	13	14	27
FRESH/FROZEN:					
	Salmon	26	37	37	100
	Halibut	19	20	1	40
	Herring	9	7	1	17
	Sablefish	9	--	--	9
	Trout	3	--	--	3
	Bottom fish	3	3	--	6
	Other fish	14	2	1	17
	King crab	5	28	16	49
	Dungeness crab	12	14	1	27
	Tanner crab	5	25	3	33
	Shrimp	6	14	4	24
	Clams	--	6	--	6
	Scallops	--	1	--	1
	Abalone	--	--	--	--
	TOTAL FRESH/ FROZEN PLANTS 1)	35	66	57	158
BY-PRODUCTS:					
	Salmon roe	9	15	18	42
	Salmon milt	--	--	--	--
	Herring roe	2	8	--	10
	Herring eggs on kelp	--	10	1	11
	Herring meal	--	--	--	--
	TOTAL BY-PRODUCTS PLANTS 1)	10	27	19	56
TOTAL PLANTS 1)		44	91	86	221
TOTAL COMPANIES 2)		41	71	74	186
NUMBER EMPLOYEES 3)		1,746	4,542	3,659	9,947

1) Totals adjusted to eliminate duplication caused by floating processors operating in two or more regions and by individual plants processing more than one species of fish and/or shellfish and/or producing more than one type of product.
2) Adjusted for companies having more than one plant.
3) Represents employees in processing and excludes fishermen.

TABLE 14 - 1975 Summary of Production with Wholesale Values

PRODUCTS	SOUTHEASTERN POUNDS	SOUTHEASTERN VALUE	CENTRAL POUNDS	CENTRAL VALUE
SALMON:				
King or Chinook	2,747,903	$ 4,247,312	593,381	$ 1,191,386
Red or Sockeye	2,135,589	2,389,205	10,739,091	17,088,051
Coho or Silver	2,417,448	3,040,977	3,830,090	4,609,305
Pink or Humpback	10,430,437	13,534,537	18,441,395	24,690,423
Chum or Dog	8,459,315	9,488,738	10,043,267	9,806,872
Roe	194,397	634,319	1,096,644	4,730,406
Roe Bait	233	583	---	---
General Salmon	---	---	---	---
TOTAL Salmon	26,385,322	$ 33,335,671	45,543,868	$ 62,116,443
Other Fish:				
Halibut	7,044,863	7,925,492	8,942,386	11,092,180
Herring, bait	1,444,723	184,636	---	---
Herring roe	47,737	31,900	1,478,034	3,776,843
Herring meal	---	---	---	---
Herring	7,149,381	704,505	5,799,243	1,015,823
Herring eggs on kelp	---	---	867,365	1,234,526
Sablefish	2,194,052	1,101,040	---	---
Steelhead	970	279	---	---
Rockfish	63,108	26,514	11,750	4,230
Bottom fish	2,701	900	11,834	5,917
Other fish	304,221	105,423	3,250	1,037
TOTAL Fish	44,637,078	$ 43,416,360	62,657,730	$ 79,246,999
Shellfish:				
King crab	501,152	574,922	18,870,086	33,741,146
Dungeness crab	788,567	682,449	1,648,164	1,512,709
Tanner crab	844,020	751,788	14,225,339	13,096,072
Shrimp	357,595	608,832	13,738,051	19,943,015
Clams	---	---	23,407	37,306
Scallops	---	---	409,688	635,016
Abalone	12,515	17,251	---	---
TOTAL Shellfish	2,503,849	2,635,510	48,914,735	69,965,264
GRAND TOTAL	47,140,927	$ 46,051,870	111,572,465	$ 149,212,263

TABLE 14 - (Continued)

PRODUCTS	WESTERN POUNDS	WESTERN VALUE	TOTAL POUNDS	TOTAL VALUE
Salmon:				
King or Chinook	1,713,760	$ 2,027,188	5,055,044	$ 7,465,886
Red or Sockeye	18,371,860	28,701,379	31,246,540	48,178,635
Coho or Silver	1,462,236	1,306,769	7,709,774	8 957,051
Pink or Humpback	59,256	68,847	28,931,088	38,293,807
Chum or Dog	8,394,781	5,571,860	27,397,363	24,867,470
Roe	434,267	1,250,175	2,025,308	6,614,900
Roe, bait	---	---	233	583
General salmon	---	---	---	---
TOTAL Salmon	30,436,160	$ 38,926,218	102,365,350	$134,378,332
Other Fish:				
* Halibut	30,000	$ 33,000	16,017,249	$ 19,050,872
Herring, bait	---	---	1,744,723	184,636
Herring roe	80,000	11,000	1,605,771	3,819,743
Herring meal	---	---	---	---
Herring	69,720	13,805	13,018,344	1,734,133
Herring eggs on kelp	36,695	36,695	904,060	1,271,221
Sablefish	---	---	2,194,052	1,101,040
Steelhead	---	---	970	279
Rockfish	---	---	74,858	30,744
Bottom fish	---	---	14,535	5,817
Other fish	5,939	1,467	313,410	107,947
TOTAL Fish	30,658,514	$ 39,022,205	137,953,322	$161,685,564
Shellfish:				
King crab	20,979,232	$ 49,520,989	40,350,470	$ 83,837,057
Dungeness	1,641	2,051	2,438,372	2,197,209
Tanner crab	4,025,600	4,524,719	19,094,959	19,372,577
Shrimp	2,388,475	4,857,892	16,484,121	25,409,739
Clams	---	---	23,407	37,306
Scallops	---	---	409,688	635,016
Abalone	---	---	12,515	17,521
TOTAL Shellfish	27,394,948	$ 58,905,851	78,813,532	$131,506,425
GRAND TOTAL	58,053,462	$ 97,927,856	216,766,854	$293,191,989

* Halibut production is 1,028,249 pounds higher than halibut catch figures. This reflects some Canadian halibut landings which were included in Alaskan production.

TABLE 15 - 1975 Fresh/Frozen Production with Wholesale Values

PRODUCTS	SOUTHEASTERN POUNDS	SOUTHEASTERN VALUES	CENTRAL POUNDS	CENTRAL VALUES
Salmon:				
King or Chinook	2,733,826	$ 4,225,256	564,992	$ 1,144,938
Red or Sockeye	1,791,234	1,796,392	2,399,755	2,360,188
Coho or Silver	2,238,251	2,760,087	1,658,275	1,807,434
Pink or Humpback	1,495,737	1,184,517	890,647	913,636
Chum or Dog	4,573,389	5,267,368	5,714,437	4,312,031
General salmon				
Roe	80,479	295,070	500	2,500
Roe (bait)	233	583	---	---
Total	80,712	$ 295,653	500	$ 2,500
TOTAL Salmon	12,913,149	$15,529,273	11,228,606	$10,340,727
Other Fish:				
Halibut				
Whole/dressed	6,991,228	7,805,726	8,757,586	10,645,980
Cheeks/fletches	53,635	119,766	184,800	446,200
Total	7,044,863	$ 7,925,492	8,942,386	11,092,180
Herring				
Whole/dressed	7,149,381	704,505	5,788,923	995,906
Bait	1,444,723	184,636	---	---
Roe	---	---	28,664	72,000
Total	8,594,104	889,141	5,817,587	$ 1,067,906
Herring eggs on kelp				
Total	---	$ ---	142,227	$ 193,460
Sablefish	2,194,052	1,101,040	---	---
Steelhead	970	279	---	---
Rockfish	63,108	23,514	11,750	4,230
Bottom fish	2,701	900	11,834	5,917
Other Fish:				
Whole/dressed	293,653	102,094	500	350
Bait	10,568	3,329	2,750	687
Total	304,221	105,423	3,250	$ 1,037
TOTAL Fish	31,117,168	$25,578,062	26,157,640	$ 22,705,457
Shellfish:				
King crab				
Whole/dressed	501,152	574,922	14,618,834	26,281,738
Sections/tails	---	---	1,511,535	1,979,478
Meat	---	---	1,665,320	1,213,008
Total	501,152	$ 574,922	17,795,689	$ 29,474,224
Dungeness crab				
Whole/dressed	788,178	682,002	1,400,301	1,297,901
Sections/tails	389	447	247,863	214,808
Total	788,567	$ 682,449	1,648,164	$ 1,512,709
Tanner crab				
Whole/dressed	844,020	751,786	12,230,326	9,518,849
Sections/tails	---	---	1,047,416	1,872,972
Meat	---	---	242,526	821,897
Total	844,020	751,786	13,520,268	$ 11,813,718

TABLE 15 - (Continued)

PRODUCTS	WESTERN POUNDS	WESTERN VALUE	TOTAL POUNDS	TOTAL VALUE
Salmon:				
King or Chinook	1,241,839	$ 1,293,231	4,540,657	$ 6,663,425
Red or Sockeye	312,693	384,649	4,503,682	4,541,229
Coho or Silver	1,435,546	1,260.851	5,332,072	5,628,372
Pink or Humpback	20,477	18,297	2,406,861	2,116,450
Chum or Dog	6,369,632	3,310,424	16,657,458	12,889,823
General Salmon				
Roe	150,828	251,468	231,807	549,038
Roe (bait)	---	---	233	583
Total	150,828	$ 251,468	232,040	$ 549,621
TOTAL Salmon	9,531,015	$ 6,518,920	33,672,770	$ 32,380,920
Other Fish:				
Halibut				
Whole/dressed	30,000	33,000	15,778,814	18,484,706
Cheeks/fletches	---	---	238,435	565,966
Total	30,000	33,000	16,017,249	19,050,672
Herring				
Whole/dressed	69,720	13,805	13,008,024	1,714,216
Bait	---	---	1,444,723	184,636
Roe	---	---	28,664	72,000
Total	69,720	13,805	14,481,411	1,970,852
Herring eggs on kelp				
Total	---	$ ---	142,227	$ 193,460
Sablefish	---	---	2,194,052	1,101,040
Steelhead	---	---	970	279
Rockfish	---	---	74,858	30,744
Bottom fish	---	---	14,535	6,817
Other Fish				
Whole/dressed	5,939	1,487	300,092	103,931
Bait	---	---	13,318	4,016
Total	5,939	1,487	313,410	107,947
TOTAL Fish	9,636,674	$ 6,567,212	66,911,482	$ 54,850,731
Shellfish:				
King Crab				
Whole/dressed	15,367,870	33,917,908	30,487,856	60,774,658
Sections/tails	2,689,707	5,323,343	4,201,242	7,302,821
Meat	2,921,655	10,279,648	4,586,975	11,492,656
Total	20,979,232	$49,520,989	39,276,073	79,570,135
Dungeness crab				
Whole/dressed	1,641	2,051	2,190,120	1,981,954
Sections/tails	---	---	248,252	215,255
Total	1,641	2,051	2,438,372	2,197,209
Tanner crab				
Whole/dressed	4,025,600	4,524,719	17,099,946	14,795,354
Sections/tails	---	---	1,047,416	1,672,972
Meat	---	---	242,526	621,897
Total	4,025,600	$ 4,524,719	18,389,888	$ 17,090,223

TABLE 15 - (Continued)

PRODUCTS	SOUTHEASTERN POUNDS	SOUTHEASTERN VALUE	CENTRAL POUNDS	CENTRAL VALUE
Shrimp				
Whole/dressed	349,094	$ 591,546	10,084,660	$ 13,039,460
Sections/tails	8,501	17,286	405	347
Meat	---	---	---	---
Total	357,595	$ 608,832	10,085,065	$ 13,039,807
Clams				
Shucked	---	---	11,596	34,408
Bait	---	---	11,811	2,898
Total	---	---	23,407	37,306
Scallops				
Whole/dressed	---	---	409,688	635,016
GRAND TOTAL	33,608,502	$ 28,196,051	69,639,921	$ 79,218,237

TABLE 16 - 1975 Salted/Pickled Products with Wholesale Values

PRODUCTS	SOUTHEASTERN POUNDS	SOUTHEASTERN VALUE	CENTRAL POUNDS	CENTRAL VALUE
Salmon:				
King or Chinook	435	$ 543	---	$ ---
Red or Sockeye	---	---	30,855	37,653
Coho or Silver	---	---	9,010	12,048
Chum or Dog	---	---	40,304	35,232
General Salmon				
Roe	113,918	339,249	1,396,144	4,727,906
TOTAL Salmon	114,353	339,792	1,476,313	$ 4,812,839
Other Fish:				
Herring				
Whole/dressed	---	---	10,320	19,917
Roe	47,737	31,900	1,449,370	3,704,843
Total	47,737	$ 31,900	1,459,690	$ 3,724,760
Herring eggs on kelp				
Total	---	$ ---	725,138	$ 1,041,066
TOTAL Fish	162,090	$ 371,692	3,661,141	$ 9,578,665
Shellfish	---	---	---	---
GRAND TOTAL	162,090	$ 371,692	3,661,141	$ 9,578,665

TABLE 15 - (Continued)

PRODUCTS	WESTERN POUNDS	WESTERN VALUE	TOTAL POUNDS	TOTAL VALUE
Shrimp				
Whole/dressed	1,274,995	$ 1,681,460	11,708,749	$ 15,312,466
Sections/tails	603,060	1,453,765	611,966	1,471,398
Meat	510,420	1,722,667	510,420	1,722,867
Total	2,388,475	$ 4,857,892	12,831,135	$ 18,506,531
Clams				
Shucked	---	---	11,596	34,408
Bait	---	---	11,811	2,898
Total	---	---	23,407	37,306
Scallops				
Whole/dressed	---	---	409,688	635,016
GRAND TOTAL	37,031,622	$ 65,472,863	140,280,045	$ 172,887,151

TABLE 16 - (Continued)

PRODUCTS	WESTERN POUNDS	WESTERN VALUE	TOTAL POUNDS	TOTAL VALUE
Salmon:				
King or Chinook	63,276	$ 71,011	63,711	$ 71,554
Red or Sockeye	151,118	207,649	181,973	245,302
Coho or Silver	11,376	16,358	20,386	28,406
Chum or Dog	90,385	67,014	130,689	102,246
General Salmon				
Roe	283,439	998,707	1,793,501	6,065,862
TOTAL Salmon	599,594	1,360,739	2,190,260	$ 6,513,370
Other fish:				
Herring				
Whole/dressed	---	---	10,320	19,917
Roe	80,000	11,000	1,577,107	3,747,743
Total	80,000	$ 11,000	1,587,427	$ 3,767,660
Herring eggs on kelp				
Total	36,695	$ 36,695	761,833	$ 1,077,761
TOTAL Fish	716,289	$ 1,408,434	4,539,520	$11,358,791
Shellfish	---	---	---	---
GRAND TOTAL	716,289	$ 1,408,434	4,539,520	$11,358,791

TABLE 17 - 1975 Smoked/Kippered Products with Wholesale Values

PRODUCTS	SOUTHEASTERN POUNDS	SOUTHEASTERN VALUES	CENTRAL POUNDS	CENTRAL VALUES
Salmon:				
King or Chinook	---	$ ---	---	$ ---
Red or Sockeye	---	---	---	---
Coho or Silver	---	---	---	---
Pink or Humpback	---	---	---	---
TOTAL Salmon	---	$ ---	---	$ ---
Other Fish	---	---	---	---
GRAND TOTAL	---	---	---	---

TABLE 18 - 1975 Mild Cured Products with Wholesale Values

PRODUCTS	SOUTHEASTERN POUNDS	SOUTHEASTERN VALUES	CENTRAL POUNDS	CENTRAL VALUES
Salmon:				
King or Chinook	---	$ ---	---	$ ---
Other Fish	---	---	---	---
GRAND TOTAL	---	$ ---	---	$ ---

TABLE 19 - 1975 Summary of Cured Production with Wholesale Values

PRODUCTS	SOUTHEASTERN POUNDS	SOUTHEASTERN VALUE	CENTRAL POUNDS	CENTRAL VALUE
Salmon:				
King or Chinook	435	$ 543	---	$ ---
Red or Sockeye	---	---	30,855	37,853
Coho or Silver	---	---	1,010	12,048
Pink or Humpback	---	---	---	---
Chum or Dog	---	---	40,304	35,232
General Salmon				
Roe	113,918	339,249	1,396,144	4,727,906
TOTAL Salmon	114,353	$ 339,792	1,476,313	$ 4,812,839
Other Fish:				
Herring				
Whole/dressed	---	---	10,320	19,917
Roe	47,737	31,900	1,449,370	3,704,843
Total	47,737	$ 31,900	1,450,690	$ 3,724,760
Herring eggs on kelp				
Total	---	---	725,138	$ 1,041,066
TOTAL Fish	162,090	$ 371,692	$3,661,141	$ 9,578,665
Shellfish	---	---	---	---
GRAND TOTAL	162,090	$ 371,692	3,661,141	$ 9,578,665

TABLE 17 - (Continued)

PRODUCTS	WESTERN POUNDS	WESTERN VALUE	TOTAL POUNDS	TOTAL VALUE
Salmon:				
King or Chinook	3,514	$ 12,320	3,514	$ 12,320
Red or Sockeye	2,000	9,000	2,000	9,000
Coho or Silver	1,500	6,750	1,500	6,750
Pink or Humpback	355	1,598	355	1,598
TOTAL Salmon	7,369	$ 29,668	7,369	$ 29,668
Other Fish:	---	---	---	---
GRAND TOTAL	7,369	$ 29,668	7,369	$ 29,668

TABLE 18 - (Continued)

PRODUCTS	WESTERN POUNDS	WESTERN VALUE	TOTAL POUNDS	TOTAL VALUE
Salmon:				
King or Chinook	62,700	$ 22,572	62,700	$ 22,572
Other Fish	---	---	---	---
GRAND TOTAL	62,700	$ 22,572	62,700	$ 22,572

TABLE 19 - (Continued)

PRODUCTS	WESTERN POUNDS	WESTERN VALUE	TOTAL POUNDS	TOTAL VALUE
Salmon				
King or Chinook	129,400	$ 105,903	129,925	$ 106,446
Red or Sockeye	153,118	216,649	183,971	254,302
Coho or Silver	12,876	23,108	21,886	35,156
Pink or Humpback	355	1,598	355	1,598
Chum or Dog	90,385	67,014	130,689	102,246
General Salmon				
Roe	283,439	998,707	1,793,501	6,065,862
TOTAL Salmon	669,663	$ 1,412,979	2,260,329	$ 6,565,610
Other Fish:				
Herring				
Whole/dressed	---	---	10,320	19,917
Roe	80,000	11,000	1,577,107	3,747,743
Total	80,000	$ 11,000	1,587,427	$ 3,767,660
Herring eggs on kelp				
Total	36,695	$ 36,695	761,833	$ 1,077,761
TOTAL Fish	786,358	$ 1,460,674	4,609,589	$ 11,411,031
Shellfish	---	---	---	---
GRAND TOTAL	786,358	$ 1,460,674	4,609,589	$ 11,411,031

TABLE 20 - 1975 Smoked Canned Production By Weight

	SOUTHEASTERN		CENTRAL	
PRODUCTS	POUNDS	VALUE	POUNDS	VALUE
Salmon:				
King or Chinook	115	$ 540	3,393	$ 10,745
Red or Sockeye	192	800	3,878	12,415
Coho or Silver	192	800	360	1,250
Pink or Humpback	76	280	---	---
TOTAL Salmon	575	$ 2,420	7,631	$ 24,410
Other Fish:	---	---	---	---
GRAND TOTAL	575	$ 2,420	7,631	$ 24,410

TABLE 21 - 1975 Summary of Canned Production by Weight

	SOUTHEASTERN		CENTRAL	
PRODUCTS	POUNDS	VALUE	POUNDS	VALUE
Salmon:				
King or Chinook	13,642	$ 21,513	28,389	$ 46,448
Red or Sockeye	344,355	592,813	8,308,481	14,690,210
Coho or Silver	179,197	280,890	2,162,805	2,989,823
Pink or Humpback	8,934,700	12,350,020	17,550,748	23,776,787
Chum or Dog	3,885,926	4,221,370	4,788,526	5,459,609
TOTAL Salmon	13,357,820	$ 17,466,606	32,838,949	$ 46,962,877
Other Fish:	---	---	---	---
TOTAL Fish	13,357,820	$ 17,466,606	32,838,949	$ 46,962,877
Shellfish:				
King Crab	---	$ ---	1,074,397	$ 4,266,922
Tanner Crab	---	---	705,071	2,282,354
Shrimp	---	---	3,652,986	6,903,208
GRAND TOTAL	13,357,820	$ 17,466,606	38,271,403	$ 60,415,361

TABLE 22 - 1975 Smoked Canned Production in Cases

	SOUTHEASTERN		CENTRAL	
PRODUCTS	CASES	VALUE	CASES	VALUE
Salmon:				
King or Chinook	2	$ 540	70	$ 10,745
Red or Sockeye	4	800	80	12,415
Coho or Silver	4	800	7	1,250
Pink or Humpback	1	280	---	---
TOTAL Salmon	11	$ 2,420	157	$ 24,410
Other Fish	---	---	---	---
GRAND TOTAL	11	$ 2,420	157	$ 24,410

TABLE 20 - (Continued)

	WESTERN		TOTAL	
	POUNDS	VALUE	POUNDS	VALUE
Salmon:				
King or Chinook	336	$ 1,008	3,844	$ 12,293
Red or Sockeye	---	---	4,070	13,215
Coho or Silver	---	---	552	2,050
Pink or Humpback	---	---	76	280
TOTAL Salmon	336	$ 1,008	8,542	$ 27,838
Other Fish	---	---	---	---
GRAND TOTAL	336	$ 1,008	8,542	$ 27,838

TABLE 21 - (Continued)

	WESTERN		TOTAL	
PRODUCTS	POUNDS	VALUE	POUNDS	VALUE
Salmon:				
King or Chinook	342,431	$ 628,054	384,462	$ 696,015
Red or Sockeye	17,906,049	28,100,081	26,558,885	43,383,104
Coho or Silver	13,814	22,810	2,355,816	3,293,523
Pink or Humpback	29,424	48,952	26,523,872	36,175,759
Chum or Dog	1,934,764	2,194,422	10,609,216	11,875,401
TOTAL Salmon	20,235,482	$ 30,994,319	66,432,251	$ 95,423,802
Other Fish	---	---	---	---
TOTAL Fish	20,235,482	$ 30,994,319	66,432,251	$ 95,423,802
Shellfish:				
King crab	---	$ ---	1,074,397	$ 4,266,922
Tanner crab	---	---	705,071	2,282,354
Shrimp	---	---	3,652,986	6,903,208
GRAND TOTAL	20,235,482	$ 30,994,319	71,864,705	$ 108,876,286

TABLE 22 - (Continued)

	WESTERN		TOTAL	
PRODUCT	CASES	VALUE	CASES	VALUE
Salmon:				
King or Chinook	7	$ 1,008	79	$ 12,293
Red or Sockeye	---	---	84	13,215
Coho or Silver	---	---	11	2,050
Pink or Humpback	---	---	1	280
TOTAL Salmon	7	$ 1,008	175	$ 27,838
Other Fish	---	---	---	---
GRAND TOTAL	7	$ 1,008	175	$ 27,838

TABLE 23 - 1975 Summary of Canned Production in Cases*

PRODUCTS	SOUTHEASTERN CASES	SOUTHEASTERN VALUE	CENTRAL CASES	CENTRAL VALUE
Salmon:				
King or Chinook	274	$ 21,513	584	$ 46,448
Red or Sockeye	7,167	592,813	173,082	14,690,210
Coho or Silver	3,728	280,890	45,052	2,989,823
Pink or Humpback	186,124	12,350,020	365,631	23,776,787
Chum or Dog	80,947	4,221,370	99,750	5,459,609
TOTAL Salmon	278,240	$ 17,466,606	684,099	$ 46,962,877
Other Fish	---	---	---	---
TOTAL Fish	278,240	$ 17,466,606	684,099	$ 46,962,877
Shellfish				
King crab	---	$ ---	55,095	$ 4,266,922
Tanner crab	---	---	36,147	$ 2,282,354
Shrimp	---	---	228,309	6,903,208
GRAND TOTAL	278,240	$ 17,466,606	1,003,650	$ 60,415,361

* Canned production converted to standard cases, which are:
Salmon: 48 cans, each containing 16 ounces
Crab meat: 48 cans, each containing 6 1/2 ounces (drained weight)
Shrimp: 48 cans, each containing 5 ounces of meat (drained water)

TABLE 23 - (Continued)

PRODUCTS	WESTERN CASES	WESTERN VALUE	TOTAL CASES	TOTAL VALUE
Salmon:				
King or Chinook	7,132	$ 628,054	7,990	$ 696,015
Red or Sockeye	373,038	28,100,081	553,287	43,383,104
Coho or Silver	286	22,810	49,066	3,293,523
Pink or Humpback	800	48,952	552,555	36,175,759
Chum or Dog	40,305	2,194,422	221,002	11,875,401
TOTAL Salmon	421,561	$ 30,994,319	1,383,900	$ 95,423,802
Other Fish	---	---	---	---
TOTAL Fish	421,561	$ 30,994,319	1,383,900	$ 95,423,802
Shellfish				
King Crab	---	$ ---	55,095	$ 4,266,922
Tanner Crab	---	---	36,147	2,282,354
Shrimp	---	---	228,309	6,903,208
GRAND TOTAL	421,561	$ 30,994,319	1,703,451	$ 108,878,286

TABLE 24 - 1970-1975 Comparative Canned Salmon Pack by Species and Area
(in 48 Pound Cases)

AREA/YEAR	KING	RED	COHO	PINK	CHUM	TOTAL
SOUTHEASTERN ALASKA						
Ketchikan						
1970	36	7,832	8,699	247,897	42,433	306,987
1971	4	2,826	5,769	86,565	21,612	116,776
1972	876	12,335	15,685	260,671	50,017	339,584
1973	256	15,346	4,804	178,879	17,610	216,695
1974	322	14,316	12,927	192,977	41,806	262,348
1975	124	2,341	2,043	118,024	69,916	192,448
Petersburg-Wrangell						
1970	66	3,705	3,338	91,967	34,770	133,846
1971	269	24,727	16,142	190,163	76,142	307,443
1972	825	31,236	8,156	99,280	77,083	216,580
1973	319	9,633	5,102	78,604	33,380	127,038
1974	223	21,589	7,195	50,932	64,066	144,005
1975	147	2,480	1,527	47,348	8,477	60,979
Juneau-Sitka-Yakutat						
1970	96	17,000	5,384	147,344	65,269	235,093
1971	175	14,179	14,707	171,724	62,137	262,922
1972	454	240,231	9,791	87,134	79,165	191,980
1973	289	14,471	3,546	55,941	31,368	105,615
1974	99	20,118	3,138	21,588	30,375	75,318
1975	3	2,346	158	20,752	1,554	24,813
TOTAL SOUTHEASTERN						
1970	198	28,537	17,421	487,208	142,472	675,836
1971	448	41,732	36,618	448,452	159,891	687,141
1972	2,155	58,987	33,632	447,085	206,265	748,124
1973	864	39,450	13,252	313,424	82,358	449,348
1974	644	56,023	23,260	265,497	136,247	481,671
1975	274	7,167	3,728	186,12[illegible]	80,947	278,240
CENTRAL ALASKA						
Copper-Bering Rivers and Prince William Sound						
1970	126	122,997	8,953	149,612	21,431	303,119
1971	191	56,805	28,191	203,500	39,403	328,090
1972	184	54,409	5,181	3,194	5,439	108,407
1973	155	47,376	5,073	83,536	68,885	205,025
1974	1,365	79,014	9,629	29,219	12,450	131,677
1975	154	17,167	1,019	111,245	5,124	134,709

Continued on following page

TABLE 24 - (Continued)

AREA/YEAR	KING	RED	COHO	PINK	CHUM	TOTAL
Cook Inlet						
1970	412	78,453	19,010	80,572	73,633	252,113*
1971	964	59,605	12,158	91,738	51,229	215,694
1972	459**	79,685	4,682	25,614	45,807	156,247
1973	726	55,546	7,433	44,833	69,488	178,026
1974	1,238	50,701	13,830	46,441	83,293	195,503
1975	223	60,270	11,986	93,270	74,620	240,369
Kodiak						
1970	37	116,110	3,556	462,742	63,008	645,453
1971	27	63,272	2,271	224,88[illegible]	130,385	420,843
1972	61	24,724	2,811	111,206	103,365	242,167
1973	14	25,189	2,660	28,40[illegible]	43,947	100,217
1974	34	55,729	1,735	122,004	26,569	206,071
1975	7	46,794	5,983	154,749	9,119	216,652
Chignik						
1970	224	84,070	867	48,866	21,875	155,922
1971	204	83,781	463	23,284	26,465	134,197
1972	56	32,681	265	2,756	5,811	41,569
1973	122	66,730	160	722	503	68,237
1974	40	50,708	276	4,810	3,138	58,972
1975	44	11,185	23,776	2,629	659	38,293
Alaska Peninsula						
1970	277	158,110	1,863	82,789	62,189	305,228
1971	449	108,626	2,077	82,685	132,517	326,354
1972	172	54,705	1,284	7,947	64,049	128,157
1973	83	49,457	871	2,861	38,007	91,279
1974	154	53,619	2,758	7,289	13,272	77,092
1975	156	37,666	2,288	3,738	10,228	54,076
TOTAL CENTRAL						
1970	1,096	559,740	34,249	824,581	242,136	1,661,835*
1971	1,835	372,089	45,160	626,095	379,999	1,425,178
1972	932**	286,204	14,223	150,717	224,471	676,547
1973	1,100	244,298	16,197	160,359	220,830	642,784
1974	2,831	289,771	28,228	209,763	138,722	669,315
1975	584	173,082	45,052	365,631	99,750	684,099

* Includes 33 cases of unspecified species of salmon

** Includes one case of unspecified species of salmon

Continued on following page

TABLE 24 - (Continued)

AREA/YEAR	KING	RED	COHO	PINK	CHUM	TOTAL
WESTERN ALASKA						
Bristol Bay						
1970	19,401	1,117,163	802	16,772	58,766	1,212,904
1971	23,118	694,199	437	---	56,852	774,606
1972	9,666	197,495	547	5,002	53,756	266,466
1973	1,946	61,429	1,456	---	42,044	106,875
1974	6,461	87,723	7,012	39,550	23,789	164,535
1975	1,892	373,038	250	800	26,851	402,831
Arctic-Yukon-Kuskokwim						
1970	6,570	209	1,112	15	6,585	14,381
1971	6,628	308	502	---	5,062	12,500
1972	7,418	---	1,005	---	6,249	14,672
1973	5,227	---	1,008	---	9,902	16,137
1974	6,476	---	603	---	20,798	27,887
1975	5,240	---	36	---	13,454	18,730
TOTAL WESTERN						
1970	25,971	1,117,372	1,804	16,787	65,351	1,227,285
1971	29,746	694,507	939	---	61,914	787,106
1972	17,084	197,495	1,552	5,002	60,005	281,138
1973	7,173	61,429	2,464	---	51,946	123,012
1974	12,937	87,723	7,615	39,550	44,587	192,412
1975	7,132	373,038	286	800	40,305	421,561
ALL ALASKA TOTAL						
1970	27,265	1,705,649	53,474	1,328,576	449,959	3,564,956*
1971	32,029	1,108,328	82,717	1,074,547	601,804	2,899,425
1972	20,171**	542,686	49,407	602,804	490,741	1,705,809
1973	9,137	345,177	31,913	473,783	355,134	1,215,144
1974	16,412	433,517	59,103	514,810	319,556	1,343,398
1975	7,990	553,287	49,066	552,555	221,002	1,383,900

* Includes 33 cases of unspecified species of salmon
** Includes one case of unspecified species of salmon

TABLE 25 - Fifteen-Year Comparative Canned Salmon Pack and Value, By Region
(in 48 Pound Cases)

YEAR	ITEM	SOUTHEASTERN	CENTRAL	WESTERN	TOTAL
1961	Cases	1,224,052	939,669	1,048,241	3,211,962
	Value	$ 33,606,490	$ 28,674,670	$ 36,015,490	$ 98,296,650
1962	Cases	934,905	2,012,577	527,714	3,475,196
	Value	$ 23,990,140	$ 53,297,820	$ 17,134,180	$ 94,422,140
1963	Cases	1,216,145	1,134,559	305,305	2,656,009
	Value	$ 28,123,360	$ 28,761,620	$ 10,585,930	$ 67,470,910
1964	Cases	1,262,828	1,724,068	563,130	3,550,026
	Value	$ 27,621,480	$ 41,115,870	$ 18,888,520	$ 87,625,870
1965	Cases	758,354	985,380	1,524,585	3,268,319
	Value	$ 21,003,735	$ 32,499,775	$ 54,234,232	$107,737,742
1966	Cases	1,561,953	1,531,719	896,753	3,990,319
	Value	$ 42,586,201	$ 46,999,864	$ 31,071,623	$120,546,688
1967	Cases	431,155	608,632	424,219	1,464,006
	Value	$ 13,445,346	$ 22,055,915	$ 16,580,256	$ 52,081,517
1968	Cases	1,491,860	1,343,840	403,013	3,238,713
	Value	$ 47,009,793	$ 46,034,588	$ 16,402,688	$109,447,069
1969	Cases	282,329	1,411,678	518,671	2,222,678
	Value	$ 9,704,283	$ 48,356,634	$ 17,429,155	$ 75,490,072
1970	Cases	675,836	1,661,835	1,227,285	3,564,956
	Value	$ 22,470,544	$ 55,712,513	$ 46,431,421	$124,614,478
1971	Cases	687,141	1,425,178	787,106	2,899,425
	Value	$ 22,651,030	$ 51,657,784	$ 33,719,022	$ 108,027,836
1972	Cases	748,124	676,547	281,138	1,705,809
	Value	$ 31,983,388	$ 29,662,419	$ 13,699,660	$ 75,345,467
1973	Cases	449,348	642,784	123,012	1,215,144
	Value	$ 31,812,602	$ 46,090,363	$ 8,893,823	$ 86,796,788
1974	Cases	481,671	669,315	192,412	1,343,398
	Value	$ 33,937,207	$ 51,282,748	$ 13,673,552	$ 98,893,507
1975	Cases	278,240	684,099	421,561	1,383,900
	Value	$ 17,466,606	$ 46,962,877	$ 30,994,319	$ 95,423,802

TABLE 26 - Ten-Year Comparative Shellfish Production and Value, by Species and Region

Region/ Year	KING CRAB Pounds	KING CRAB Value	DUNGENESS CRAB Pounds	DUNGENESS CRAB Value	TANNER CRAB Pounds	TANNER CRAB Value
Southeastern:						
1966	67,337	$ 51,090	1,084,322	$ 1,099,664	---	$ ---
1967	325,261	444,968	1,196,319	873,203	2,733	1,230
1968	1,010,488	2,321,586	1,162,614	904,340	17,231	10,143
1969	1,364,690	2,435,775	876,354	571,328	99,924	44,0[illegible]
1970	1,486,774	1,300,319	418,772	479,929	304,740	405,45[illegible]
1971	210,107	353,610	1,194,769	750,045	61,833	65,739
1972	273,869	642,305	1,134,175	1,270,792	214,129	301,592
1973	233,695	957,496	1,527,295	1,936,369	716,837	1,135,655
1974	180,965	430,799	750,618	1,003,769	1,269,723	773,247
1975	501,152	574,922	788,567	682,449	844,020	751,786
Central:						
1966	28,938,907	$ 27,520,316	1,530,052	$ 663,621	217	$ 65
1967	19,534,061	23,610,485	5,262,420	2,177,262	40,150	18,300
1968	11,632,789	22,748 575	4,533,141	2,022,959	797,060	539,733
1969	5,650,923	12,794 193	3,455,566	2,069,214	1,865,228	2,525,290
1970	7,778,953	12,624,937	4,820,180	2,311,667	2,519,479	3,021,059
1971	6,974,342	10,875,074	1,197,611	728,730	2,249,607	2,815,974
1972	9,759,313	20,685,258	2,787,276	2,398,064	7,127,053	8,366,976
1973	14,606,051	33,610,176	2,889,339	2,934,320	22,359,893	32,325,963
1974	11,111,991	18,735,473	3,415,402	3,391,591	13,926,215	12,114,566
1975	18,870,086	33,741,146	1,648,164	1,512,709	14,225,339	14,096,072
Western:						
1966	17,061,765	$ 16,796,469	---	$ ---	---	$ ---
1967	10,028,908	12,392,584	---	---	---	---
1968	6,700,908	17,450,525	74,073	63,000	1,520	1,272
1969	5,807,758	11,352,056	882,852	378,959	151,127	53,923
1970	5,576,413	10,910,714	12,972	5,219	290,976	237,442
1971	9,961,262	21,113,268	---	---	12,218	12,114
1972	9,907,002	22,905,278	12,082	6,041	173,505	245,516
1973	13,748,139	38,389,748	70,429	76,357	224,647	226,060
1974	14,214,668	29,244,918	90,893	62,839	3,107,422	2,765,289
1975	20,979,232	49,520,989	1,641	2,051	4,025,600	4,524,719
All Alaska:						
1966	46,068,009	$ 44,367,875	2,614,029	$ 1,763,285	217	$ 65
1967	29,888,230	36,948,037	6,458,739	3,050,465	42,883	19,530
1968	19,344,185	42,520,686	5,769,828	2,990,299	815,811	551,148
1969	12,823,371	26,582,024	5,214,872	3,019,501	2,116,279	2,623,842
1970	14,842,140	24,835,980	5,251,924	2,796,815	3,115,195	3,663,959
1971	17,145,711	32,351,952	2,392,380	1,478,775	2,323,658	2,893,827
1972	19,940,184	44,232,841	3,933,533	3,674,897	7,514,687	8,914,084
1973	28,587,885	72,957,420	4,487,063	4,947,046	23,301,377	33,687,678
1974	25,507,624	48,411,190	4,256,913	4,458,199	18,303,360	15,653,102
1975	40,350,470	83,837,057	2,438,372	2,197,209	19,094,959	19,372,577

TABLE 26 - (Continued)

Region/ Year	SHRIMP Pounds	SHRIMP Value	SCALLOPS Pounds	SCALLOPS Value	CLAMS Pounds	CLAMS Value
Southeastern:						
1966	700,158	$ 768,865	---	$ ---	---	$ ---
1967	496,530	544,969	---	---	---	---
1968	340,073	529,972	152,929	158,237	---	---
1969	330,698	470,881	446,938	462,940	---	---
1970	183,472	273,254	---	---	---	---
1971	172,120	222,582	---	---	---	---
1972	163,737	194,541	---	---	2,000	1,000
1973	139,169	201,214	---	---	800	640
1974	241,655	421,203	---	---	---	---
1975	357,595	608,832	---	---	---	---
Central:						
1966	2,654,171	$ 2,570,698	---	$ ---	5,637	$ 4,573
1967	8,319,326	7,242,561	804	1,511	58,938	33,018
1968	5,337,342	6,549,073	1,425,359	1,593,095	8,470	8,910
1969	7,697,075	7,434,947	952,040	2,131,679	37,276	17,566
1970	11,260,275	13,930,778	1,458,340	1,907,024	235,334	78,114
1971	1[illegible]950,285	15,557,581	893,395	1,206,593	249,088	107,487
1972	1 [illegible]46,925	15,835,245	2,323,285	4,600,393	147,235	77,300
1973	23,956,405	26,200,450	2,107,544	4,277,474	160,756	84,471
1974	15,691,151	18,892,987	1,032,410	1,827,365	206,035	124,478
1975	13,738,051	19,943,015	409,688	635,016	23,407	37,306
Western:						
1966	---	$ ---	---	$ ---	---	$ ---
1967	---	---	---	---	---	---
1968	---	---	---	---	47,470	21,836
1969	---	---	---	---	---	---
1970	---	---	---	---	---	---
1971	---	---	---	---	---	---
1972	187,155	205,870	---	---	---	---
1973	65,175	123,833	---	---	---	---
1974	4,051,261	4,966,100	---	---	---	---
1975	2,388,475	4,857,882	---	---	---	---
All Alaska:						
1966	3,354,329	$ 3,339,663	---	$ ---	5,637	$ 4,573
1967	8,815,856	7,787,530	804	1,511	58,938	33,018
1968	5,677,415	7,079,045	1,578,288	1,751,332	8,470	8,910
1969	[illegible] 773	7,905,828	1,398,978	2,594,619	84,746	39,402
1970	747	14,204,032	1,458,340	1,907,024	235,334	78,114
1971	1[illegible] 2,405	15,780,163	893,395	1,206,593	249,088	107,487
1972	15,597,817	16,235,656	2,323,285	4,600,393	149,235	78,300
1973	24,160,749	26,525,497	2,107,544	4,277,474	161,556	85,111
1974	19,984,067	24,280,290	1,032,410	1,827,365	206,035	124,478
1975	16,484,121	25,409,739	409,688	635,016	23,407	37,306

TABLE 27 - Fifteen-Year Comparative Canned Shellfish Pack and Value, By Region
(In Standard Cases)

YEAR	ITEM	SOUTHEASTERN	CENTRAL	WESTERN	TOTAL
1961	Cases	27,698	274,218	146	302,062
	Value	$ 533,430	$ 6,544,920	$ 4,670	$ 7,083,020
1962	Cases	23,877	271,920	---	295,797
	Value	$ 584,110	$ 6,907,330	$ ---	$ 7,491,440
1963	Cases	22,743	316,769	---	339,512
	Value	$ 519,860	$ 8,257,270	$ ---	$ 8,777,130
1964	Cases	12,955	297,317	---	292,272
	Value	307,520	$ 2,877,230	$ ---	$ 7,184,750
1965	Cases	26,009	367,036	29,221	422,266
	Value	$ 613,024	$ 11,128,394	$ 994,752	$ 12,736,170
1966	Cases	24,727	465,068	47,291	537,086
	Value	$ 439,725	$ 12,824,251	$ 1,180,440	$ 14,444,416
1967	Cases	17,126	530,613	33,063	580,802
	Value	$ 408,855	$ 15,137,866	$ 1,200,762	$ 16,747,483
1968	Cases	27,172	336,925	9,651	373,748
	Value	$ 867,977	$ 10,401,315	$ 422,744	$ 11,692,036
1969	Cases	10,430	494,361	232	505,114
	Value	$ 343,731	$ 13,389,579	$ 17,920	$ 13,571,230
1970	Cases	5,893	586,477	7,612	599,982
	Value	$ 216,666	$ 14,082,494	$ 431,849	$ 14,731,009
1971	Cases	2,047	577,149	---	579,196
	Value	$ 73,028	$ 13,376,483	$ ---	$ 13,449,511
1972	Cases	7,019	598,065	---	605,084
	Value	$ 449,871	$ 13,008,569	$ ---	$ 13,458,440
1973	Cases	973	759,363	---	760,336
	Value	$ 82,599	$ 23,565,916	$ ---	$ 23,648,515
1974	Cases	535	561,379	---	561,914
	Value	$ 59,220	$ 16,612,145	$ ---	$ 16,671,365
1975	Cases	---	319,551	---	319,551
	Value	$ ---	$ 13,452,484	$ ---	$ 13,452,484

APPENDIX I

1975 Halibut Landings (000's of pounds) in Alaskan ports by Alaska Department of Fish and Game region, nationality and type of gear.

	Southeastern			Central			Western			Total	
Port	*Canada Setline	United States Setline	United States Troll	*Canada Setline	United States Setline	United States Troll	*Canada Setline	United States Troll		*Canada	United States
Ketchikan	112	248	57	---	---	---	---	---		112	305
Metlakatla	128	425	33	---	---	---	---	---		128	458
Craig	---	126	76	---	---	---	---	---		---	202
Hydaburg	---	159	26	---	---	---	---	---		---	185
Petersburg	79	2,800	28	50	218	---	---	---		129	3,046
Wrangell	---	431	10	---	---	---	---	---		---	441
Sitka	---	513	78	---	7	---	---	---		---	598
Juneau	---	852	21	---	---	---	---	---		---	873
Hoonah	---	227	30	---	---	---	---	---		---	257
Pelican	410	843	92	173	104	---	---	---		583	1,039
Yakutat	---	116	12	---	---	---	---	---		---	128
Cordova	---	3	---	---	128	---	---	---		---	131
Whittier	---	---	---	---	17	---	---	---		---	17
Seward	53	197	---	772	2,793	1	---	120		825	3,111
Homer	---	---	---	---	414	---	---	---		---	414
Ninilchik	---	---	---	---	84	---	---	---		---	84
Clam Gulch	---	---	---	---	7	---	---	---		---	7
Soldotna	---	---	---	---	3	---	---	---		---	3
Anchorage	---	---	---	---	19	---	---	---		---	19
Port Williams	---	---	---	---	275	---	---	---		---	275
Kodiak	5	2	---	1,073	2,697	---	145	287		1,223	2,986
Sand Point	---	---	---	---	278	---	---	---		---	278
King Cove	---	---	---	---	96	---	---	---		---	96
Unalaska	---	---	---	---	3	---	---	33		---	36
Total	787	6,942	463	2,068	7,143	1	145	440		3,000	14,989

Source: International Pacific Halibut Commission

* Canadian Catch landed in Alaskan waters.

APPENDIX II

1975 Licensed Operating Units

TYPE OF LICENSE	NUMBER	VALUE
Fisherman:		
Resident	18,064	$ 160,630
Non-resident	5,796	173,880
Total	21,860	$ 334,510
Vessel	11,630	$ 158,704
Gear:		
Troll	2,810	$ 49,920
Long Line	1,393	37,290
Drift Gill Net	4,511	108,210
Set Gill Net	3,139	35,800
Beach Seine	30	400
Purse & Hand Seine	1,265	121,180
Beam Trawl	57	3,150
Otter Trawl	172	14,100
Shellfish Pots	936	28,875
Clam Shovel	168	1,130
Scallop Dredge	6	300
Total	14,487	$ 398,455
GRAND TOTAL	47,977	$ 891,669

Source: Alaska Department of Revenue

Original sponsor: Rules/Governor Offered: 3/7/79

IN THE SENATE BY THE RULES COMMITTEE

CS FOR SENATE BILL NO. 51 (Rules)

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to the confidential nature of certain reports required by the Department of Fish and Game."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 16.05.815 is repealed and re-enacted to read:

Sec. 16.05.815. CONFIDENTIAL NATURE OF CERTAIN RECORDS. Reports required by regulations of the department concerning the landing of fish, shellfish, or fishery products, and annual statistical reports of buyers and processors required by regulations of the department, insofar as they are in the form of individual records, are confidential. A report may be released to the individual operator whose fishing activity is the subject of the report and to the National Marine Fisheries Service as required for preparation and implementation of North Pacific Fisheries Management Council fishery management plans, and to the legislative auditor, the Department of Revenue and the Commercial Fisheries Entry Commission to assist them in carrying out their statutory responsibilities. Reports which do not identify individual fishermen, buyers, or processors may also be released to the University of Alaska and to the Department of Commerce and Economic Development in conjunction with research and statistics projects. However, the commissioner may not release a report if he determines that to do so would abuse the intent of this section, and he may limit or condition any release to insure that confidentiality is maintained. Confidential reports held by the department, or received from the department by the agencies and organizations mentioned in this section, may not be communicated or distributed

in the form of individual records to any other agency, organization, or individual unless required by a court order signed by a superior court judge.

Editor's note. — The repealed section derived from § 6, ch. 75, SLA 1964.

Legislative committee report. — For report on ch. 32, SLA 1968 (HCSCSSB 50 am), see 1968 House Journal, p. 169.

Sec. 16.05.800. Public nuisances. A net, seine, lantern, snare, device, contrivance, and material while in use, had and maintained for the purpose of catching, taking, killing, attracting, or decoying fish or game, contrary to law or regulation of a board or the commissioner, is a public nuisance and is subject to abatement. (§ 25 art I ch 94 SLA 1959; am § 5 ch 131 SLA 1960; am § 13 ch 206 SLA 1975)

Effect of amendment. — The 1975 amendment substituted "a board" for "the board."

Sec. 16.05.810. Burden of proof. The possession of fish, or game or a part of fish or game, or a nest or egg of a bird during the time the taking of it is prohibited is prima facie evidence that it was taken, possessed, bought, or sold or transported in violation of this chapter. The burden of proof is upon the possessor or claimant of it to overcome the presumption of illegal possession and to establish the fact that it was obtained and is possessed lawfully. This section does not apply

(1) during the first full 10 days after the time when a taking is prohibited, except as provided in (3) of this section,

(2) if the fish or game or part of fish or game is in a preserved condition whether frozen, smoked, canned, salted, pickled or otherwise preserved, or

(3) with respect to crab aboard a commercial crab fishing vessel, during the first full three days after the time when a taking is prohibited (§ 26 art I ch 94 SLA 1959; am § 1 ch 42 SLA 1974)

Effect of amendment. — The 1974 amendment added "except as provided in (3) of this section" to the end of clause (1) and added clause (3).

Sec. 16.05.815. Confidential nature of certain reports. Reports required by regulations of the department concerning the landings of fish, shellfish or fishery products, and annual statistical reports of buyers and processors required by regulation of the department are confidential and shall not be released in the form of individual records by the department except to the Department of Revenue and to the Commercial Fisheries Entry Commission, or in conformity with a court order. (§ 1 ch 117 SLA 1970; am § 1 ch 117 SLA 1974)

Effect of amendment. — The 1974 amendment inserted "and to the Commercial Fisheries Entry Commission" and deleted "except" preceding "in conformity with a court order" near the end of the section.

STATE OF ALASKA PRELIMINARY DATA DEPARTMENT OF FISH AND GAME

CUMULATIVE SHELLFISH CATCH REPORT 1979 PAGE: 1
(IN POUNDS)

MONTH	KING CRAB	DUNGENESS	TANNER	SHRIMP	SCALLOPS	TOTAL
SOUTHEASTERN						
FEB	71,328	26,704	353,513	99,485	0	551,030
PRINCE WILLIAM SOUND						
FEB	31,738	18,358	1,499,998	141,165	0	1,691,259
COOK INLET						
FEB	65,155	0	790,589	231	0	855,975
KODIAK						
FEB	793,792	0	9,259,314	1,999,535	0	12,052,641
CHIGNIK						
FEB	0	0	251,545	0	0	251,545
SOUTH PENINSULA						
FEB	20,485	0	2,518,081	0	0	2,538,566
ALEUTIAN ISLS EAST-UNALASKA						
FEB	0	0	235,230	335,306	0	570,536
ALEUTIAN ISLS WEST-ADAK						
FEB	0	0	0	0	0	0
BERING SEA						
FEB	1,607,494	0	1,284,813	0	0	2,892,307
ALL ALASKA TOTALS						
FEB	2,589,992	45,062	16,193,083	2,575,722	0	21,403,859

ALASKA DEPARTMENT OF FISH AND GAME
DIVISION OF COMMERCIAL FISHERIES
SUBPORT BUILDING
JUNEAU, ALASKA
99801

JUNEAU ALASKA

FIRST CLASS MAIL
U.S. POSTAGE
PAID
Permit No. 23

MAIL TO

:FIRST CLASS MAIL:

SHELLFISH CATCH REPORT BY MONTH 1979
(IN POUNDS)

MONTH	KING CRAB	DUNGENESS	TANNER	SHRIMP	SCALLOPS	TOTAL
SOUTHEASTERN						
JAN	70,098	17,799	200,182	72,309	0	360,388
FEB	1,230	8,905	153,331	27,176	0	190,642
TOTAL	71,328	26,704	353,513	99,485	0	551,030
PRINCE WILLIAM SOUND						
JAN	21,480	15,568	792,423	345	0	829,816
FEB	10,258	2,790	707,575	140,820	0	861,443
TOTAL	31,738	18,358	1,499,998	141,165	0	1,691,259
COOK INLET						
JAN	63,996	0	556,469	0	0	620,465
FEB	1,159	0	234,120	231	0	235,510
TOTAL	65,155	0	790,589	231	0	855,975
KODIAK						
JAN	793,792	0	340,302	1,312,483	0	2,446,577
FEB	0	0	8,919,012	687,052	0	9,606,064
TOTAL	793,792	0	9,259,314	1,999,535	0	12,052,641
CHIGNIK						
JAN	0	0	36,375	0	0	36,375
FEB	0	0	215,170	0	0	215,170
TOTAL	0	0	251,545	0	0	251,545
SOUTH PENINSULA						
JAN	20,485	0	786,889	0	0	807,374
FEB	0	0	1,731,192	0	0	1,731,192
TOTAL	20,485	0	2,518,081	0	0	2,538,566
ALEUTIAN ISLS EAST-UNALASKA						
JAN	0	0	229,910	193,805	0	422,715
FEB	0	0	6,320	141,501	0	147,821
TOTAL	0	0	235,230	335,306	0	570,536

STATE OF ALASKA PRELIMINARY DATA DEPARTMENT OF FISH AND GAME

SHELLFISH CATCH REPORT BY MONTH 1979 PAGE: 3
(IN POUNDS)

MONTH	KING CRAB	DUNGENESS	TANNER	SHRIMP	SCALLOPS	TOTAL
ALEUTIAN ISLS WEST-ADAK						
BERING SEA						
JAN	1,607,494	0	255,886	0	0	1,863,380
FEB	0	0	1,028,927	0	0	1,028,927
TOTAL	1,607,494	0	1,284,813	0	0	2,892,307
ALL ALASKA TOTALS						
JAN	2,577,345	33,367	3,197,436	1,578,942	0	7 387,090
FEB	12,647	11,695	12,995,647	990,780	0	14,016,769
MAR	0	0	0	0	0	0
APR	0	0	0	0	0	0
MAY	0	0	0	0	0	0
JUN	0	0	0	0	0	0
JUL	0	0	0	0	0	0
AUG	0	0	0	0	0	0
SEP	0	0	0	0	0	0
OCT	0	0	0	0	0	0
NOV	0	0	0	0	0	0
DEC	0	0	0	0	0	0
TOTAL	2,589,992	45,062	16,193,083	2,575,722	0	21,403,859

STATE OF ALASKA PRELIMINARY DATA DEPARTMENT OF FISH AND GAME

CUMULATIVE CANNED SALMON PACK REPORT 1978 PAGE: 1
(IN STANDARD 48 POUND CASES)

AS OF	KING	RED	COHO	PINK	CHUM	TOTAL
KETCHIKAN						
24-SEP	197	2,789	6,453	393,674	5,627	408,740
PETERSBURG - WRANGELL						
24-SEP	663	1,393	1,948	236,991	3,243	244,238
JUNEAU-SITKA-YAKUTAT						
24-SEP	89	1,769	467	67,242	596	70,163
SOUTHEASTERN ALASKA REGIONAL TOTALS						
	949	5,951	8,868	697,907	9,466	723,141
COOK INLET						
24-SEP	1,196	131,008	5,851	89,991	51,759	279,805
PRINCE WILLIAM SOUND						
24-SEP	134	5,739	3,576	109,477	38,440	157,366
BRISTOL BAY						
24-SEP	8,464	664,418	2,742	157,921	78,079	911,624
CENTRAL REGIONAL TOTALS						
	9,794	801,165	12,169	357,389	168,278	1,348,795
KODIAK						
24-SEP	186	36,602	1,884	491,871	80,328	610,871
CHIGNIK						
24-SEP	13	2,651	415	20,355	7,970	31,404
ALASKA PENINSULA						
24-SEP	315	110,741	2,485	190,451	51,412	355,404
WESTWARD REGIONAL TOTALS						
	514	149,994	4,784	702,677	139,710	997,679
ARCTIC-YUKON-KUSKOKWIM						
24-SEP	4,928	0	0	36	9,270	14,234
ALL ALASKA TOTALS						
	16,185	957,110	25,821	1,758,009	326,724	3,083,849

IMPORTED CUMULATIVE CANNED SALMON PACK REPORT 1978
(IN STANDARD 48 POUND CASES)

AS OF	KING	RED	COHO	PINK	CHUM	TOTAL
KETCHIKAN - IMPORTED						
24-SEP	0	0	0	0	0	0
PETERSBURG - WRANGELL - IMPORTED						
24-SEP	0	2,736	0	0	18	2,754
JUNEAU-SITKA-YAKUTAT - IMPORTED						
24-SEP	0	0	0	0	0	0
SOUTHEASTERN ALASKA REGIONAL TOTALS - IMPORTED						
	0	2,736	0	0	18	2,754
COOK INLET - IMPORTED						
24-SEP	589	60,453	2,451	75,589	39,906	178,988
PRINCE WILLIAM SOUND - IMPORTED						
24-SEP	5	9,924	52	8,385	932	19,298
BRISTOL BAY - IMPORTED						
24-SEP	0	0	0	0	0	0
CENTRAL REGIONAL TOTALS - IMPORTED						
	594	70,377	2,503	83,974	40,838	198,286
KODIAK - IMPORTED						
24-SEP	0	257,493	1,000	3,412	1,435	263,340
CHIGNIK - IMPORTED						
24-SEP	0	105	149	7,338	1,571	9,163
ALASKA PENINSULA - IMPORTED						
24-SEP	0	7,442	0	0	0	7,442
WESTWARD REGIONAL TOTALS - IMPORTED						
	0	265,040	1,149	10,750	3,006	279,9[illegible]
ARCTIC-YUKON-KUSKOKWIM - IMPORTED						
24-SEP	0	0	0	0	0	0
ALL ALASKA TOTALS - IMPORTED						
	594	348,153	3,652	94,724	43,862	480,985

CUMULATIVE FRESH FROZEN & CURED SALMON PACK REPORT PAGE: 3
(IN THOUSANDS OF POUNDS) 1978

AS OF	KING	RED	COHO	PINK	CHUM	TOTAL
KETCHIKAN						
24-SEP	1,416.30	1,020.07	2,285.20	2,851.86	2,200.80	9,774.23
PETERSBURG-WRANGELL						
24-SEP	402.70	1,251.30	1,702.65	1,771.85	1,614.58	6,743.08
JUNEAU-SITKA-YAKUTAT						
24-SEP	4,477.40	1,655.50	4,989.30	1,269.10	668.00	13,059.30
SOUTHEASTERN ALASKA REGIONAL TOTALS						
	6,296.40	3,926.87	8,977.15	5,892.81	4,483.38	29,576.61
COOK INLET						
24-SEP	1,184.60	16,915.10	952.70	4,451.50	6,270.70	29,774.60
PRINCE WILLIAM SOUND						
24-SEP	578.50	2,364.50	1,541.50	190.40	683.60	5,358.50
BRISTOL BAY						
24-SEP	3,473.90	8,983.00	76.50	1,434.10	2,036.80	16,004.30
CENTRAL REGIONAL TOTALS						
	5,237.00	28,262.60	2,570.70	6,076.00	8,991.10	51,137.40
KODIAK						
24-SEP	1.90	1,390.00	134.70	240.10	1,081.90	4,848.60
CHIGNIK						
24-SEP	24.50	6,042.80	53.40	423.80	332.90	6,877.40
ALASKA PENINSULA						
24-SEP	123.90	2,337.40	252.20	190.30	740.50	3,644.30
WESTWARD REGIONAL TOTALS						
	150.30	11,770.20	440.30	854.20	2,155.30	15,370.30
ARCTIC-YUKON-KUSKOKWIM						
24-SEP	1,801.10	87.80	1,636.80	1,396.80	11,664.00	16,586.50
ALL ALASKA TOTALS						
	13,484.80	44,047.47	13,624.95	14,219.81	27,293.78	112,670.81

IMPORTED CUMULATIVE FRESH FROZEN & CURED SALMON PACK REPORT PAGE: 4
(IN THOUSANDS OF POUNDS) 1978

AS OF	KING	RED	COHO	PINK	CHUM	TOTAL
KETCHIKAN - IMPORTED						
24-SEP	0.20	9.00	0.60	2.20	0.50	12.60
PETERSBURG-WRANGELL - IMPORTED						
24-SEP	46.70	255.00	49.20	15.10	17.20	383.20
JUNEAU-SITKA-YAKUTAT - IMPORTED						
24-SEP	68.60	250.90	114.10	173.50	96.50	703.60
SOUTHEASTERN ALASKA REGIONAL TOTALS - IMPORTED						
	115.50	514.90	163.90	190.80	114.30	1,099.40
COOK INLET - IMPORTED						
24-SEP	1,007.40	4,079.30	285.60	789.20	4,125.70	10,287.20
PRINCE WILLIAM SOUND - IMPORTED						
24-SEP	2.70	153.70	23.20	39.30	22.10	241.00
BRISTOL BAY - IMPORTED						
24-SEP	0.00	0.00	0.00	0.00	0.00	0.00
CENTRAL REGIONAL TOTALS - IMPORTED						
	1,010.10	4,233.00	308.80	828.50	4,147.80	10,528.20
KODIAK - IMPORTED						
24-SEP	0.11	1,118.60	4.90	43.90	18.30	1,185.81
CHIGNIK - IMPORTED						
24-SEP	0.00	0.00	0.00	0.00	0.00	0.00
ALASKA PENINSULA - IMPORTED						
24-SEP	0.00	5.30	0.00	0.00	0.00	5.30
WESTWARD REGIONAL TOTALS - IMPORTED						
	0.11	1,123.90	4.90	43.90	18.30	1,191.11
ARCTIC-YUKON-KUSKOKWIM - IMPORTED						
24-SEP	0.00	0.00	0.00	0.00	0.00	0.00
ALL ALASKA TOTALS - IMPORTED						
	1,125.71	5,871.80	477.60	1,063.20	4,280.40	12,818.71

CUMULATIVE SALMON CATCH REPORT 19[illegible]
(IN NUMBER OF FISH)

AS OF	KING	RED	COHO	PINK	CHUM	TOTAL
GILL NET PORTLAND CANAL						
24-SEP	2,280	143,824	42,117	475,154	107,403	770,778
GILL NET PRINCE OF WALES						
24-SEP	2,722	38,954	49,146	196,403	15,063	302,288
GILL NET STIKINE						
24-SEP	445	54	29,252	1,122	831	31,704
GILL NET TAKU-SNETTISHAM						
24-SEP	1,434	49,773	26,710	44,560	29,618	152,095
GILL NET LYNN CANAL						
24-SEP	448	99,547	47,433	2,789	107,528	257,745
GILL NET YAKUTAT						
24-SEP	2,842	127,698	107,997	30,275	5,816	274,628
SEINE SOUTH SOUTHEASTERN						
24-SEP	5,365	147,062	126,394	15,405,456	242,990	15,927,267
SEINE NORTH SOUTHEASTERN						
24-SEP	176	36,867	4,697	2,281,477	27,175	2,350,392
TROLL SOUTHEASTERN						
24-SEP	385,000	0	780,000	355,000	0	1,520,000
SOUTHEASTERN ALASKA REGIONAL TOTALS						
	400,712	643,779	1,213,746	18,792,236	536,424	21,586,897
PRINCE WILLIAM SOUND						
24-SEP	1,043	220,295	1,464	2,781,998	483,321	3,488,121
COPPER RIVER						
24-SEP	29,115	251,525	207,827	3,514	2,235	494,216
HERING RIVER						
24-SEP	331	33,554	87,933	285	2,403	124,506
BRISTOL BAY						
24-SEP	170,269	9,791,073	41,086	5,067,686	911,669	15,981,783
COOK INLET						
24-SEP	1,502	141,494	4,048	324,462	70,071	541,577
CENTRAL REGIONAL TOTALS						
	202,260	10,437,941	342,358	8,177,945	1,469,699	20,630,203

STATE OF ALASKA PRELIMINARY DATA DEPARTMENT OF FISH AND GAME

CUMULATIVE SALMON CATCH REPORT 1978 PAGE: 6
(IN NUMBER OF FISH)

AS OF	KING	RED	COHO	PINK	CHUM	TOTAL
YUKON DISTRICT						
24-SEP	102,154	0	5,687	36,357	1,095,636	1,239,834
KUSKOKWIM						
24-SEP	46,711	11,897	221,450	61,813	258,009	599,880
NORTON SOUND DISTRICT						
24-SEP	9,729	1	580	295,562	172,271	478,143
KOTZEBUE DISTRICT						
24-SEP	107	3	0	5,348	65,999	71,457
ARCTIC-YUKON-KUSKOKWIM REGIONAL TOTALS						
	158,701	11,901	227,717	399,080	1,591,915	2,389,314
KODIAK						
24-SEP	552	992,360	35,421	14,162,488	1,009,433	16,200,254
CHIGNIK						
24-SEP	1,600	1,534,500	17,600	945,500	108,450	2,607,650
SOUTH PENINSULA						
24-SEP	40	228,670	51,000	5,913,280	442,650	6,635,640
NORTH PENINSULA						
24-SEP	12,925	929,000	47,000	360,000	163,600	1,512,525
ALEUTIAN ISLANDS						
24-SEP	0	0	0	37,000	0	37,000
WESTWARD REGIONAL TOTALS						
	15,117	3,684,530	151,021	21,418,268	1,724,133	26,993,069
ALL ALASKA TOTALS						
	776,790	14,778,151	1,934,842	48,787,529	5,322,171	71,599,483

SOUTHEASTERN ALASKA

FOR THE WEEK ENDING SEPTEMBER 24, 1978
FALL CHUM RETURNS TO PURSE SEINE DISTRICTS ARE STILL BELOW NORMAL AND NO PURSE SEINE FISHERIES WERE OPEN FOR THE WEEK. THE LYNN CANAL DRIFT GILLNET CHUM CATCH IS 30% BELOW THE 10-YEAR CUMULATIVE AVERAGE. THERE WAS A HEAVY EFFORT FOR A ONE DAY OPENING IN THE CANAL. TAKU WAS CLOSED DUE TO THE POOR CHUM RUN.
STIKINE AND PRINCE OF WALES AREAS WERE OPEN 2 DAYS TO HARVEST THE COHO RUN. THE PORTLAND CANAL WAS OPEN 3 DAYS, WITH ONLY THREE VESSELS FISHING.

PRINCE WILLIAM SOUND

FOR THE WEEK ENDING SEPTEMBER 24, 1978-
THE TOTAL CUMULATIVE COHO CATCH IN BOTH THE COPPER RIVER AND BERING RIVER DISTRICTS IS THE HIGHEST SINCE 1971. ESCAPEMENTS APPEAR TO BE GOOD.

COOK INLET

NO NARRATIVE THIS WEEK.

BRISTOL BAY

NO NARRATIVE THIS WEEK.

ARCTIC-YUKON-KUSKOKWIM

FOR THE WEEK ENDING SEPTEMBER 24, 1978-
THE PERIOD ENDING 9/24 MARKED THE END OF THE COMMERCIAL SALMON SEASON IN 1978 FOR THE UPPER YUKON. THE COMMERCIAL FALL CHUM AND COHO QUOTAS WERE TAKEN IN BOTH SUBDISTRICTS 5 AND 6 DURING THE PAST WEEK, AND BOTH WERE CLOSED ACCORDINGLY. THE CATCH FOR THIS WEEK WAS TAKEN IN ONLY 48 HOURS OF FISHING.
THE FALL CHUM/COHO RUN IN THE TANANA RIVER APPEARS TO HAVE BEEN AT OR ABOVE AVERAGE. THE PERCENTAGE OF COHO TAKEN COMMERCIALLY WAS WELL ABOVE AVERAGE, PERHAPS BECAUSE THE FALL CHUM RUN WAS LATE THIS

ARCTIC-YUKON-KUSKOKWIM (CONTINUED)

YEAR.

KODIAK

NO NARRATIVE THIS WEEK.

CHIGNIK

NO NARRATIVE THIS WEEK.

ALASKA PENINSULA

NO NARRATIVE THIS WEEK.

Specimen Alaska Business Forms, Inc.

PLACE WRAPAROUND COVER UNDER GOLDENROD COPY

DISTRIBUTION: WHITE - PURCHASER YELLOW - FISH & GAME PINK - SELLER GOLDENROD - PURCHASER

PURCHASER

J576067

ALASKA DEPARTMENT OF FISH & GAME
FRESH FISH TICKET *

SECTION I

Boat Name _____

Fishery →

Name →

Permit Number →

← ADF & G NUMBER

SECTION II
IF PERMIT CARD NOT AVAILABLE
COMPLETE THIS SECTION

CHECK TYPE OF GEAR USED

1 ☐ PURSE SEINE 5 ☐ TROLL 12 ☐ HAND PICKED
2 ☐ BEACH SEINE 6 ☐ SKATES 91 ☐ POTS-KEEL OVER 50 FT
3 ☐ DRIFT NET 09 ☐ POTS-KEEL TO AND 50 FT
4 ☐ SET NET 11 ☐ HERRING PURSE SEINE
OTHER ☐ _____ SPECIFY

Company _____

Station _____

← DATE

AREA CAUGHT _____ STAT. CHART NO. _____
SHOW NEAREST BAY OR HEADLAND

SECTION III

SPECIES	Code	COL 1 FISH	COL 2 POUNDS	PRICE	AMOUNT
HALIBUT					
10 - 20 lbs	200				
20 - 40 lbs	200				
40 - 60 lbs	200				
Total Medium	200				
60 - 80 lbs	200				
80 - 100 lbs	200				
100 - 150 lbs	200				
Over 150 lbs	200				
Total Large	200				
No. 2's Med	200				
No. 2's Lg	200				
Chicken	200				
Total Halibut	200				
MISCELLANEOUS					
Lg Sablefish	710				
Sml Sablefish	710				
Total Sablefish	710				
Lingcod	130				
Rockfish and Snapper	140				
Herring	230				
Herring Eggs Only	231				
Unspecified	540				

SPECIES	Code	COL 1 FISH	COL 2 POUNDS	PRICE	AMOUNT
SALMON					
Lg Red Kings	410				
Med Red Kings	410				
Sml Red Kings	410				
Lg White Kings	410				
Sml White Kings	410				
TOTAL KINGS	**410**				
REDS (SOCKEYE)	**420**				
Lg Cohos	430				
Med Cohos	430				
Sml Cohos	430				
TOTAL COHOS	**430**				
PINKS	**440**				
BRITE CHUMS	**450**				
DARK CHUMS	**450**				
TOTAL					

Fisherman's Signature * _____ Fish Received by _____

SIGNATURE REQUIRED UNDER PENALTY OF PERJURY (AS 11.56.210)
AND STATE LAWS AND REGULATIONS

* ADF & G regulations require completion of all of Sections I and II and Column 2 for salmon and Column 1 for other fish in Section III. Section II is not required if Permit Card is used

NOT NEGOTIABLE

DISTRIBUTION: WHITE - PURCHASER YELLOW - FISH & GAME PINK - SELLER GOLDENROD - PURCHASER 21045

PURCHASER

T 757711

ALASKA DEPARTMENT OF FISH & GAME

TENDER/CANNERY TICKET *

SECTION I

Boat Name _____

Fishers Name →

Permit Number →

LAST DELIVERY ___/___/___

ADF&G OR SET NET NO ←

FISH DELIVERED TO _____ CANNERY

(THIS DELIVERY) TIME _____ AM PM

Tender _____

Proc. Code _____

Company _____

Station _____

AREA CAUGHT _____ SHOW NEAREST BAY OR HEADLAND

SECTION II

IF PERMIT CARD NOT AVAILABLE COMPLETE THIS SECTION.

CHECK TYPE OF GEAR USED

1 ☐ PURSE SEINE
2 ☐ BEACH SEINE
3 ☐ DRIFT NET
4 ☐ SET NET 5 ☐ TROLL
OTHER ☐ _____ SPECIFY

STAT. CHART NO.

SECTION IV – TALLY INFORMATION

KINGS - 410		PINKS - 440		PINKS - 440		CHUMS - 450		CHUMS - 450		OTHER SPECIES PLEASE SPECIFY	
NUMBER	POUNDS	NUMBER	POUNDS	NUMBER	POUNDS	NUMBER	POUNDS	NUMBER	POUNDS	NUMBER	POUNDS
										SPECIES CODE	
										SPECIES CODE	
										SPECIES CODE	

WHITE - PURCHASER PINK - SELLER
YELLOW - FISH & GAME GOLDENROD - PURCHASER

PURCHASER

ALASKA DEPARTMENT OF FISH AND GAME
CANNERY TICKET *

A 899358 SECTION I

SECTION II
IF PERMIT CARD NOT AVAILABLE COMPLETE THIS SECTION

Check type of gear used
1 ☐ PURSE SEINE
2 ☐ BEACH SEINE
3 ☐ DRIFT NET
4 ☐ SET NET
5 ☐ TROLL
6 ☐ OTHER _____

Boat Name _____

Fishery →

Name →

Permit No. →

AYK OR ADF&G NO. ←

Cannery _____

Company _____

Station _____

Area Caught _____
↑ SHOW NEAREST BAY OR HEADLAND ↑

← DATE

↑ STAT. CHART NUMBER ↑

SECTION III

SPECIES	CODE	COL. 1 NUMBER OF FISH	COL. 2 NO. OF POUNDS	PRICE	AMOUNT
KINGS	410				
REDS	420				
COHOS	430				
PINKS	440				
CHUMS	450				
SALMON ROE	400				
CHAR	520				
STEEL-HEAD	540				
WHITE-FISH	580				

Cash Advance _____ Fish Received By _____

NOT NEGOTIABLE * _____

* ADF & G regulations require completion of all Sections I and II, and Section III for salmon and other fish. Section II is not required if Permit Card is used.

YELLOW - FISH & GAME PINK - SELLER
GOLDENROD - PURCHASER 10799

PURCHASER

ALASKA DEPARTMENT OF FISH AND GAME CANNERY TICKET

B241087

SECTION I

Boat Name _____

Fishery →

Name →

Permit No. →

SECTION II
IF PERMIT CARD NOT AVAILABLE
COMPLETE THIS SECTION
Check type of gear used
3 ☐ DRIFT NET
4 ☐ SET NET

ADF&G OR SET NET NO. ←

Company _____

Cannery _____
Receiving Station _____

THIS DELIVERY
TIME
_____ A.M.
_____ P.M.

LAST DELIVERY
_____ / _____ / _____

District Caught _____

STAT CHART NO. →

SECTION III

REDS - 420		CONTINUED - REDS - 420		PINKS - 440	
NUMBER	POUNDS	NUMBER	POUNDS	NUMBER	POUNDS
		TOTAL	TOTAL		
		OVERLIMIT REDS - 420			
		NUMBER	POUNDS		
TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL

CHUMS - 450		COHOS - 430		KINGS - 410	
NUMBER	POUNDS	NUMBER	POUNDS	NUMBER	POUNDS
TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL

Tallyman _____

Fisherman's Badge No. or Name _____

FISH DELIVERED HEREBY WERE CAUGHT IN COMPLIANCE WITH STATE LICENSING LAWS AND STATE LABOR LAWS AND REGULATIONS

11-37
REV. 1/76

ABBREVIATIONS TO BE USED FOR DISTRICT CAUGHT

TOGIAK	TOG	MATOGAK SECT	MAT	EGEGIK	EGK
OSVIAK SECT	OSV	UGASHIK	UGA	NUSHAGAK	NUS
KULUKAK SECT	KUL	KVICHAK	KVI	IGUSHIK SECT	IGUS
		NAKNEK SECT	NAK		

DISTRIBUTION: WHITE - PURCHASER
YELLOW - FISH & GAME
PINK - SELLER
GOLDENROD - PURCHASER

21843

PURCHASER
E331452

ALASKA DEPARTMENT OF FISH AND GAME
SHELLFISH TICKET*

SECTION I

Boat Name _____

Fishery →

Name →

Permit Number →

ADF&G No ←

Proc. Code _____

Date ←

Company _____

Station _____

SECTION II

IF PERMIT CARD NOT AVAILABLE COMPLETE THIS SECTION

CHECK TYPE OF GEAR USED

- 07 ☐ SINGLE RIG OTTER TRAWL
- 09 ☐ POTS REG. UNDER 50 FT
- 17 ☐ BEAM TRAWL
- 18 ☐ SHOVEL
- 22 ☐ DREDGE
- 27 ☐ DOUBLE RIG OTTER TRAWL
- 91 ☐ POTS REG. OVER 50 FT
- OTHER ☐ _____ SPECIFY

SECTION III

SPECIES	COL A AREA CAUGHT STAT. CHART NO	CODE	COL B NO. OF FISH	COL C NO. OF POUNDS	COL D NO. OF POTS PULLED OR LOADS	PRICE	AMOUNT
King Crab		920					
King Crab		920					
Dung. Crab		910					
Tanner Crab		930					
Shrimp		960					
Scallops		850					
Clams		830					

Cash Advance _____ Fish Received by _____

FISH DELIVERED HEREBY WERE CAUGHT IN COMPLIANCE WITH STATE LICENSING LAWS AND STATE LABOR LAWS AND REGULATIONS

NOT NEGOTIABLE *

_____
Fisherman or Captain making delivery

11-17 Rev. 1/78

* ADF & G regulations require completion of Sections I & II and Columns A thru D for King Crab and Columns A, C and D for other fish in Section III. Section II is not required if Permit Card is used. All other items on this form are included at request of dealers for their use.

DISTRIBUTION: WHITE - PURCHASER PINK - SELLER
YELLOW - FISH & GAME GREEN - PURCHASER

21644

PURCHASER

H 344288

ALASKA DEPARTMENT OF FISH & GAME

FRESH FISH TICKET* – SHORT FORM

SECTION I

Boat Name _____

Fishery →

Name →

Permit Number _____ ADF&G NO. _____

Proc. Code _____

Company _____ DATE _____

Station _____ Area Caught _____ SHOW NEAREST BAY OR HEADLAND STAT CHART NO. _____

SECTION II

IF PERMIT CARD NOT AVAILABLE, COMPLETE THIS SECTION.

CHECK TYPE OF GEAR

1 ☐ PURSE SEINE
2 ☐ BEACH SEINE
3 ☐ DRIFT NET
4 ☐ SET NET
5 ☐ TROLL
6 ☐ LONG LINE

OTHER (SPECIFY) _____

SECTION III

SPECIES	CODE	COL. 1. FISH	COL. 2 POUNDS	PRICE	AMOUNT	DISTRIBUTION
HALIBUT Chicken	200					
Medium	200					
Large	200					
No. 2's Medium	200					
No. 2's Large	200					
TOTAL HALIBUT	200					
SALMON Lg. Red Kings	410					
Med. Red Kings	410					
Sml. Red Kings	410					
Lg. White Kings	410					
Sml. White Kings	410					
TOTAL KINGS	410					
REDS (SOCKEYE)	420					
Lg. Silvers	430					
Med. Silvers	430					
Sml. Silvers	430					
TOTAL SILVERS	430					
PINKS	440					
BRITE CHUMS	450					
DARK CHUMS	450					
TOTAL CHUMS	460					
SALMON ROE	400					
TOTAL						

FISH DELIVERED HEREBY WERE CAUGHT IN COMPLIANCE WITH STATE LICENSING LAWS AND STATE LABOR LAWS AND REGULATIONS

Fisherman's Signature * _____ Fish Received By _____

* ADF & G regulations require completion of all Sections I and II, and Column 1 for salmon and Column 2 for other fish in Section III. Section II is not required if Permit Card is used.

11-18 REV 1/78

NOT NEGOTIABLE

SB

71

(9)

COMMITTEE REPORT

HOUSE

FURTHER:

March 3, 1979

Date: 3/29/79

Mr. Speaker:

The Committee on RESOURCES has had SB 71am

"An Act relating to issuance of free permanent licenses for senior citizens; eff. date."

under consideration and ~~(a majority of the committee)~~ (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[✓] replace with CS for SB 71 [✓] same title [ ] new title

and recommends DO PASS

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Chas Wuttke
Dalquist
Ron Dalle
Fred Stutt
Glenn Peterson
Walter Meacham

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Glenn Peterson
CHAIRMAN

H 60 (Rev. 12/78)

AGO 125422

Hearing 3/22/79 - Taken to legal staff for CS

3/29/79 - Do Pass as HCSSB 71

4/9/79 - Re-referred to Resources

Waived referral 4/26/79

January 23, 1979

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the issuance of free licenses to persons who are 60 years of age or more and who have been residents for 30 years of more.

Existing law provides for a license exemption for these persons with respect to hunting, trapping, and sport fishing licenses. However, since no license is required, there is no easy means for fish and wildlife protection officers to distinguish, in the field, between those who fall under the exemption and those who have simply failed to purchase required licenses. This legislation would provide for the issuance of licenses without fee to eliminate this enforcement problem. I urge enactment of this legislation.

Sincerely,

S/JSH

Jay S. Hammond
Governor

(SB71 carries a Zero fiscal impact)

BILL	LETTER/PHONE	INFORMED	HEARING DATE
SB71am	3/20/79	Fish and Game Dept.	3/22/79
	465-4100	Mr. Rupe Andrews to attend	
	3/20/79	Fish and Wildlife Protection	3/22/79
	264-5535	(Dept of Public Safety)	

SB

113

(9)

COMMITTEE REPORT

HOUSE

FURTHER: JUDICIARY

March 13, 1979 Date: _____

Mr. Speaker:

The Committee on RESOURCES has had SB 113

"An Act relating to the waste of wild food animals."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[✓] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

_____

Pat Gleason

_____

_____

_____

_____

_____

_____

_____

_____

MEMBERS HAVING
OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

CHAIRMAN

H 60 (Rev. 12/78)

BILL	LETTER/PHONE	INFORMED	HEARING DATE
SB113	3/20/79	Fish and Game Dept.	3/22/79
	465-4100	Mr. Hinman to attend	
	3/20/79	Dept. of Public Safety - Fish and	3/22/79
	264-5535	Wildlife Protection	
	3/20	Sen. Ferguson, Sen. Sackett (sponsors)	3/22

SB
132

(9)

COMMITTEE REPORT

HOUSE

FURTHER:

April 9, 1979 Date: _____

Mr. Speaker:

The Committee on RESOURCES has had CSSB 132 (Rules)

"An Act relating to fisheries taxes; eff. date."

under consideration and (a majority of the committee) (~~the committee~~) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for _____ [X] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[X] reports it back without recommendations

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

H. RESOURCES 1979-80

AGO 125426

4/10/79 Teleconference hearing
4/12/79 Hearing
4/26/79 Adopted CS
Vote of 5 to 4 to
not pass it out

4/27/79 Recinded action of 4/26

h

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
CSSB132	4/4 2504	Dept. of Commerce	4/10, 4/12
	4/4 2397	Dept. of Revenue	4/10, 4/12
	4/4 4100	Dept. of Fish and Game	4/10, 4/12
	4/4 586-2820	United Fishermen of Alaska	4/10, 4/12
	4/4 3837	Jack Chenoweth - Legislative Counsel	4/10, 4/12
	4/4 262-4738	Lottie Edelman, Pres. of Kenai Peninsula Fishermen's Assn. - Soldotna	4/10
	4/4 4980	All teleconference offices: Anchorage, Barrow, Bethel, Fairbanks, Juneau, Ketchikan, Kodiak, Kotzebue, Nome, Sitka, Soldotna	4/10
	4/7	Teleconference office telegram HCSCSSB132 (fin (HCA) to all teleconference sites	4/10
	4/10 424-3237	Perry Love, Cordova City Hall	4/10, 4/12

CSSB132

Trans-Pacific International Industries, Inc.

Deep Sea, Inc.
Fishermen's Metal Products
Trans-Pacific Seafoods, Inc.
Penguin, Inc.

MELVAN E. MORRIS, JR. GENERAL MANAGER

3419 16TH WEST SEATTLE, WASH. 98119
(206) 284-4563

Want to testify - aug 1.

Washington State Senate
FROM THE OFFICE OF
COMMITTEE ON WAYS & MEANS
OLYMPIA, WASHINGTON 98504

FIRST CLASS MAIL

Info on Washington State Fish Tax

FIRST CLASS MAIL

Representative Alvin Osterback
House Natural Resource Committee
Pouch V
Juneau, Alaska 99811

STATE OF
WASHINGTON

SENATE RESEARCH CENTER

April 5, 1979

Representative Alvin Osterback
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Sir:

I have researched your question on fish privilege fee and landing taxes and I believe that RCW 75.32.033(2) answers your question. For your convenience, I have enclosed a copy of the entire chapter of Washington law, including RCW 75.32.033, that deals with privilege fees. No major changes to these laws are now being considered by the Washington Legislature. Please contact me if I can be of any further service in this matter.

Sincerely,

Brian Edie

Brian Edie
Research Analyst

BE:gs9/4

Enclosure

101 SENATE OFFICE BUILDING OLYMPIA, WASHINGTON 98504 TELEPHONE (206) 753-6828

SUBSTITUTE SENATE BILL NO. 2368

State of Washington
46th Regular Session

By Committee on Natural Resources
(Originally sponsored by
Senators Newschwander, Bausch
and Odegaard)

Read first time February 22, 1979, and passed to second reading.

AN ACT Relating to revenue; amending section 75.32.030, chapter 12, Laws of 1955 as last amended by section 20, chapter 327, Laws of 1977 ex. sess. and RCW 75.32.030; and amending section 75.32.080, chapter 12, Laws of 1955 as amended by section 27, chapter 327, Laws of 1977 ex. sess. and RCW 75.32.080.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Section 1. Section 75.32.030, chapter 12, Laws of 1955 as last amended by section 20, chapter 327, Laws of 1977 ex. sess. and RCW 75.32.030 are each amended to read as follows:

Canners, curers, freezers, wholesale dealers and retail dealers of food fish and shellfish, other than oysters, and manufacturers of food fish and shellfish byproducts, other than oyster byproducts, but not including any person with respect to the growing, processing or dealing in any manner with food fish which are raised from eggs or fry, and are under the physical control of the grower at all times until being sold or harvested, (1) shall pay a privilege fee equal to five percent of the primary market value on all fresh or frozen chinook, coho, and chum salmon, or parts thereof, which they receive, handle, deal in, or deal with as original receiver in the state; (2) shall pay a privilege fee equal to three percent of the primary market value on all fresh or frozen pink and sockeye salmon, or parts thereof, which they receive, handle, deal in, or deal with as original receiver in the state; and (3) shall pay a privilege fee equal to two percent of the primary market value on all other fresh or frozen food fish and shellfish, or parts thereof, except oysters, which they receive, handle, deal in or deal with, as original receiver in the state: PROVIDED, That any person or sales agency selling fresh or frozen food

fish or shellfish, or parts thereof, to purchasers of food fish or shellfish residing outside the state of Washington which had been previously landed in the state, shall be responsible for and shall pay the privilege fees herein provided.

Sec. 2. Section 75.32.080, chapter 12, Laws of 1955 as amended by section 27, chapter 327, Laws of 1977 ex. sess. and RCW 75.32.080 are each amended to read as follows:

The fish sales tax provided for herein shall be deducted from the payments made by the original receiver to the person selling the food fish or shellfish to the original receiver, and the original receiver shall collect the taxes and remit them to the director.

"Original receiver" means the person first receiving, handling, dealing in, or dealing with the fresh or frozen food fish or shellfish within the jurisdiction of the state of Washington as a canner, curer, freezer, retail dealer, wholesale dealer, byproducts manufacturer, or branch plant. A person furnishing such services who has no ownership or interest in the fresh or frozen food fish or shellfish, other than a lien for services furnished, shall not be classified as an "original receiver", and the person shall not be subject to the fish sales taxes or privilege fee taxes after the effective date of this 1979 act.

SUBSTITUTE SENATE BILL NO. 2388

State of Washington
46th Regular Session

By Committee on Natural Resources
(originally sponsored by
Senators Newschwander, Rausch
and Odegaard)

Read first time February 22, 1979, and passed to second reading.

AN ACT Relating to revenue; amending section 75.32.030, chapter 12, Laws of 1955 as last amended by section 20, chapter 327, Laws of 1977 ex. sess. and RCW 75.32.030; and amending section 75.32.080, chapter 12, Laws of 1955 as amended by section 27, chapter 327, Laws of 1977 ex. sess. and RCW 75.32.080.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Section 1. Section 75.32.030, chapter 12, Laws of 1955 as last amended by section 20, chapter 327, Laws of 1977 ex. sess. and RCW 75.32.030 are each amended to read as follows:

Canners, carers, freezers, wholesale dealers and retail dealers of food fish and shellfish, other than oysters, and manufacturers of food fish and shellfish byproducts, other than oyster byproducts, but not including any person with respect to the growing, processing or dealing in any manner with food fish which are raised from eggs or fry, and are under the physical control of the grower at all times until being sold or harvested, (1) shall pay a privilege fee equal to five percent of the primary market value on all fresh or frozen chinook, coho, and chum salmon, or parts thereof, which they receive, handle, deal in, or deal with as original receiver in the state; (2) shall pay a privilege fee equal to three percent of the primary market value on all fresh or frozen pink and sockeye salmon, or parts thereof, which they receive, handle, deal in, or deal with as original receiver in the state; and (3) shall pay a privilege fee equal to two percent of the primary market value on all other fresh or frozen food fish and shellfish, or parts thereof, except oysters, which they receive, handle, deal in or deal with, as original receiver in the state: PROVIDED, That any person or sales agency selling fresh or frozen food

licenses by issuing such licenses only to those boats whose owners can prove by means of good and sufficient documentary evidence that the boat was licensed pursuant to RCW 75.28.095 between January 1, 1974, and January 1, 1977. No charter boat shall be entitled to more than one charter boat license.

Such boats shall be entitled to receive and renew the charter boat license for each year during the period from May 28, 1977 through December 31, 1980. A charter boat license for which no application is made to the department or which is not renewed in any year automatically expires and shall not be renewed further.

Nothing herein shall be construed to be contrary to the provisions of Title 75 RCW or any rule promulgated thereunder. All such charter boat licenses shall be transferable. [1977 1st ex.s. c 106 § 2.]

RCW 75.30.030 Charter boats under construction or purchased between April 16, 1976 and May 28, 1977. In addition to the charter boat licenses issued pursuant to RCW 75.30.020, the department shall issue a charter boat license to any charter boat which was under construction or purchased in good faith between April 16, 1976, and May 28, 1977. [1977 1st ex.s. c 106 § 3.]

RCW 75.30.040 Duty of department to evaluate and recommend phase II approach. On and after May 28, 1977, the department, in cooperation with representatives of the charter boat industry, shall continually evaluate the provisions of RCW 75.30.010, 75.30.020, and 75.30.030 and recommend to the legislature prior to January 1, 1980, a phase II approach to regulate gear entry into this state's charter boat fishery. [1977 1st ex.s. c 106 § 4.]

RCW 75.30.050 Advisory board of review. The director shall appoint a three member advisory board of review to hear cases as provided in RCW 75.30.060. The members of such review board shall be nominated by the charter boat fishing industry, shall serve without pay, and shall serve at the discretion of the director of

the department of fisheries. The members of such review board shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060 as now existing or hereafter amended. The director may promulgate rules concerning the operation of such review boards in accordance with chapter 34.04 RCW. [1977 1st ex.s. c 106 § 5.]

RCW 75.30.060 Hearings. Any person aggrieved by a decision of the department made pursuant to the terms of this chapter may voluntarily request that a board of review be impaneled to hear such person's case.

The board of review may make such other recommendations and determinations as are consistent with the terms of this chapter.

Hearings before review boards shall be informal, the rules of evidence shall not be applicable to the proceedings, and the records shall be kept thereof as provided by chapter 34.04 RCW. After the presentation of a case each review board shall inform the director and the initiating party in writing concerning whether or not the review board recommends that the charter boat license be issued and the reason for such recommendation. Upon receipt of the review board's findings the director may order such relief as the director deems appropriate under the circumstances.

Nothing in this section shall be construed: (1) To impair an aggrieved person's right to proceed under chapter 34.04 RCW; or (2) to impose any liability on members of a review board for their action pursuant to this section. [1977 1st ex.s. c 106 § 6.]

Chapter 75.32 RCW
PRIVILEGE FEES AND FISH SALES TAXES

Sections

75.32.001 "Primary market value" defined.
75.32.003 "Food fish and shellfish" includes parts.
75.32.020 Privilege fees and fish sales taxes required.

75.32.030	Canners, processors, dealers——Privilege fees.
75.32.033	Credits against privilege fees owed under RCW 75.32.030.
75.32.035	Rules as to proof required for credits claimed under RCW 75.32.033.
75.32.051	Oyster canners, processors, dealers——Privilege fee.
75.32.055	Fish sales tax——Imposed——Rates——Exemptions.
75.32.065	Payment of privilege fees and fish sales tax——Food fish or shellfish handled by original receivers——Sales to nonresident purchasers.
75.32.080	Collection of fish sales tax by original receiver——"Original receiver" defined.
75.32.090	When privilege fees and fish sales taxes due and payable——Returns.
75.32.101	Delinquent payments——Penalties——Interest——Lien——Date of filing governed by postmark.
75.32.110	Director may make rules, etc., to insure payment of fees and taxes.
75.32.115	Audits——Rules and procedures.
75.32.120	Penalty for violations.
75.32.130	Director may require bond after wilful violation——License revocation for failure.

RCW 75.32.001 "Primary market value" defined. "Primary market value" as used in this chapter means the ex-vessel price paid by the purchasers of food fish and shellfish to the seller at the point where ownership or title to the food fish or shellfish passes. [1965 ex.s. c 71 § 1.]

RCW 75.32.003 "Food fish and shellfish" include parts. As used in this chapter, the terms food fish and shellfish also include parts of food fish and shellfish. [1977 1st ex.s. c 327 § 25.]

Severability——Effective date——1977 1st ex.s. c 327: See notes following RCW 75.18.100.

RCW 75.32.020 Privilege fees and fish sales taxes required. In addition to all other taxes, licenses or fees

provided by law there shall be paid to the state of Washington by those engaged in the fishing industry in this state the privilege fees and fish sales taxes as provided for in this chapter. [1977 1st ex.s. c 327 § 19; 1955 c 12 § 75.32.020. Prior: 1949 c 107 § 1, part; Rem. Supp. 1949 § 5780-60, part.]

Severability——Effective date——1977 1st ex.s. c 327: See notes following RCW 75.18.100.

RCW 75.32.030 Canners, processors, dealers——Privilege fees. Canners, curers, freezers, wholesale dealers and retail dealers of food fish and shellfish, other than oysters, and manufacturers of food fish and shellfish byproducts, other than oyster byproducts, (1) shall pay a privilege fee equal to five percent of the primary market value on all fresh or frozen chinook, coho, and chum salmon, or parts thereof, which they receive, handle, deal in, or deal with as original receiver in the state; (2) shall pay a privilege fee equal to three percent of the primary market value on all fresh or frozen pink and sockeye salmon, or parts thereof, which they receive, handle, deal in, or deal with as original receiver in the state; and (3) shall pay a privilege fee equal to two percent of the primary market value on all other fresh or frozen food fish and shellfish, or parts thereof, except oysters, which they receive, handle, deal in or deal with, as original receiver in the state: *Provided*, That any person or sales agency selling fresh or frozen food fish or shellfish, or parts thereof, to purchasers of food fish or shellfish residing outside the state of Washington which had been previously landed in the state, shall be responsible for and shall pay the privilege fees herein provided. [1977 1st ex.s. c 327 § 20; 1963 ex.s. c 10 § 1; 1955 c 212 § 12; 1955 c 12 § 75.32.030. Prior: 1953 c 207 § 6; 1951 c 271 § 34; 1949 c 107 § 1(1); Rem. Supp. 1949 § 5780-60(1).]

Severability——Effective date——1977 1st ex.s. c 327: See notes following RCW 75.18.100.

RCW 75.32.033 Credits against privilege fees owed under RCW 75.32.030. The following amounts may be credited against the amount of privilege fees owed under RCW 75.32.030 by a canner, curer, dealer, freezer, or manufacturer:

(1) In respect to each transaction in which the fish sales tax is collected pursuant to RCW 75.32.080, as now or hereafter amended, and a privilege fee is owed, the amount of the sales tax collected shall be credited against such privilege fee.

(2) Any sales tax, catch tax, landing tax, or other tax or fee on food fish or shellfish, or parts thereof, purchased by an original receiver, as defined in RCW 75.32.080, as now or hereafter amended, in another state and imposed on the receiver by such state shall be credited against the amount of privilege fees owed in respect to such food fish or shellfish, or parts thereof. [1977 1st ex.s. c 327 § 23.]

Severability——Effective date——1977 1st ex.s. c 327: See notes following RCW 75.18.100.

RCW 75.32.035 Rules as to proof required for credits claimed under RCW 75.32.033. The director shall adopt rules specifying the proof required for credits claimed under RCW 75.32.033 and the manner in which the credits shall be taken. [1977 1st ex.s. c 327 § 24.]

Severability——Effective date——1977 1st ex.s. c 327: See notes following RCW 75.18.100.

RCW 75.32.051 Oyster canners, processors, dealers——Privilege fee. Canners, curers, freezers, wholesale dealers and retail dealers of oysters, and manufacturers of oyster byproducts, shall pay a privilege fee equal to one cent per gallon or bushel on Pacific oysters, and six and one-half cents per gallon or bushel on Olympia oysters, New Washington oysters, or Kumamoto oysters which they receive, handle, deal in, or deal with as original receiver in this state: *Provided*, That any person or sales agency selling fresh or

frozen oysters, or parts thereof, previously taken in the state to purchasers of food fish or shellfish residing outside the state of Washington, shall be responsible for and shall pay the privilege taxes herein provided. [1977 1st ex.s. c 327 § 21; 1955 c 212 § 13.]

Severability——Effective date——1977 1st ex.s. c 327: See notes following RCW 75.18.100.

RCW 75.32.055 Fish sales tax——Imposed——Rates——Exemptions. (1) Except as provided in subsection (2) of this section, there is hereby imposed a fish sales tax on the privilege of selling food fish or shellfish, or parts thereof, to an original receiver as defined in RCW 75.32.080, as now or hereafter amended. The tax shall be as follows:

(a) Two and one-half percent of the primary market value on all fresh or frozen chinook, coho, and chum salmon, or parts thereof;

(b) One and one-half percent of the primary market value on all fresh or frozen pink and sockeye salmon, or parts thereof;

(c) One percent of the primary market value on all other fresh or frozen food fish and shellfish, or parts thereof.

(2) The sales tax prescribed in this section shall not apply to sales of shellfish, or parts thereof, taken from a licensed oyster or clam farm or to sales of food fish or shellfish, or parts thereof, taken from a licensed fish farm. [1977 1st ex.s. c 327 § 22.]

Severability——Effective date——1977 1st ex.s. c 327: See notes following RCW 75.18.100.

RCW 75.32.065 Payment of privilege fees and fish sales tax——Food fish or shellfish handled by original receivers——Sales to nonresident purchasers. (1) The privilege fees and fish sales taxes provided for in this chapter shall be paid on all fresh or frozen food fish or shellfish handled by the original receivers regardless of where the fish or shellfish were caught: *Provided*, That no fee or tax shall be paid on frozen food fish or frozen

shellfish or on food fish or shellfish which has been packaged for retail sales and that has been previously landed in another state, territory, or country.

(2) Any person or sales agency selling fresh or frozen food fish or shellfish previously landed in this state to purchasers of food fish or shellfish residing outside this state shall be responsible for and shall pay the privilege fees and fish sales taxes. [1977 1st ex.s. c 327 § 26.]

Severability——Effective date——1977 1st ex.s. c 327: See notes following RCW 75.18.100.

RCW 75.32.080 Collection of fish sales tax by original receiver——"Original receiver" defined. The fish sales tax provided for herein shall be deducted from the payments made by the original receiver to the person selling the food fish or shellfish to the original receiver, and the original receiver shall collect the taxes and remit them to the director.

"Original receiver" means the person first receiving, handling, dealing in, or dealing with the fresh or frozen food fish or shellfish within the jurisdiction of the state of Washington as a canner, curer, freezer, retail dealer, wholesale dealer, byproducts manufacturer, or branch plant. [1977 1st ex.s. c 327 § 27; 1955 c 12 § 75.32.080. Prior: 1953 c 207 § 8; 1951 c 271 § 36; 1949 c 107 § 1(5), part; Rem. Supp. 1949 § 5780–60(5), part.]

Severability——Effective date——1977 1st ex.s. c 327: See notes following RCW 75.18.100.

RCW 75.32.090 When privilege fees and fish sales taxes due and payable——Returns. The privilege fees and fish sales taxes herein provided for are due and payable in quarterly installments, and the fees and taxes accruing during each quarterly period shall become due on the first day of the month immediately following the end of the quarterly period, and shall be paid on or before the last day of that month. The following shall constitute the quarterly periods to be utilized:

(1) January, February, March;
(2) April, May, June;
(3) July, August, September;
(4) October, November, December.

On or before the day payment is required as provided above, the person paying the privilege fees and fish sales taxes to the department shall prepare a return under oath upon such forms and setting forth such information as the director may require, and transmit the same to the director together with a remittance for the fees and taxes which are due. Any person that is subject at any time of the year to the privilege fee provisions set forth in this chapter shall file a return each quarter of the year showing whether or not any fees or taxes are due. [1977 1st ex.s. c 327 § 28; 1967 c 193 § 1; 1963 ex.s. c 9 § 1; 1955 c 12 § 75.32.090. Prior: 1949 c 107 § 2; Rem. Supp. 1949 § 5780–61.]

Severability——Effective date——1977 1st ex.s. c 327: See notes following RCW 75.18.100.

RCW 75.32.101 Delinquent payments——Penalties——Interest——Lien——Date of filing governed by postmark. In the event payment of fees and taxes provided for under this chapter is not received by the fifteenth day of the month in which the fees and taxes become due, the fees and taxes shall become delinquent and the schedule of penalties stated below shall be invoked. A return or remittance which is transmitted to the director by United States mail shall be deemed filed or received on the date shown by the post office cancellation mark stamped upon the envelope containing it. The following shall be the schedule of penalties to be assessed for delinquent payments of such fees and taxes:

(1) Sixteen through thirty days after due date——Add ten percent of total fees and taxes due but not less than one dollar.

(2) Thirty-one through sixty days after due date——Add twenty percent of total fees and taxes due but not less than two dollars.

(3) Sixty-one through ninety days after due date——Add twenty-five percent of total fees and taxes due but not less than three dollars.

(4) Ninety-one days or more after due date——Add twenty-five percent of total fees and taxes due (but not less than three dollars) plus eight percent interest per annum computed on the sum of the total fees and taxes due and the percentage penalty.

The delinquent fees and taxes together with the applicable penalties and accrued interest thereon shall constitute a first lien upon the cannery, packing plant, buildings, scows, boats, vehicles and other equipment used by the person or business owing the fees and taxes in the taking, handling, dealing in, dealing with, or processing of food fish or shellfish. [1977 1st ex.s. c 327 § 29; 1963 ex.s. c 9 § 2.]

Severability——Effective date——1977 1st ex.s. c 327: See notes following RCW 75.18.100.

RCW 75.32.110 Director may make rules, etc., to insure payment of fees and taxes. The director shall have the authority to promulgate such rules, regulations, and orders, and to require such reports as in his judgment shall be necessary to insure the payment of the fees and taxes herein required. [1977 1st ex.s. c 327 § 30; 1955 c 12 § 75.32.110. Prior: 1949 c 107 § 4; Rem. Supp. 1949 § 5780-63.]

Severability——Effective date——1977 1st ex.s. c 327: See notes following RCW 75.18.100.

RCW 75.32.115 Audits——Rules and procedures. The department or its designee may audit any original receiver as defined in RCW 75.32.080, as now or hereafter amended, for the purpose of assuring the collection of privilege fees and fish sales taxes provided for in this chapter, or for the purpose of collecting unpaid fees and taxes. The director may adopt rules and procedures to govern the collection of any fees and taxes under this chapter. [1977 1st ex.s. c 327 § 31.]

Severability——Effective date——1977 1st ex.s. c 327: See notes following RCW 75.18.100.

RCW 75.32.120 Penalty for violations. In event any person wilfully violates the provisions of this chapter, or any of the rules, regulations, or orders of the director made pursuant to this chapter, he is guilty of a gross misdemeanor and subject to a fine, or imprisonment, or both. [1955 c 12 § 75.32.120. Prior: 1949 c 107 § 5; Rem. Supp. 1949 § 5780-64.]

RCW 75.32.130 Director may require bond after wilful violation——License revocation for failure. In event any person wilfully violates any of the provisions of this chapter or the rules, regulations, and orders of the director made pursuant to the provisions of this chapter, the director shall have the authority to require such person to post a bond, in an amount not to exceed five thousand dollars, conditioned upon his faithful performance of the provisions of the chapter and the rules, regulations, and orders of the director made pursuant to this chapter, and in event such person fails to post such a bond within thirty days after the same is demanded by the director, the director shall forthwith cancel and revoke any license or licenses to engage in the fishing industry that such person was theretofore issued by the state of Washington. [1955 c 12 § 75.32.130. Prior: 1949 c 107 § 6; Rem. Supp. 1949 § 5780-65.]

Chapter 75.36 RCW
SEIZURE AND FORFEITURE OF PROPERTY FOR VIOLATIONS

Sections

75.36.010 Seizure of property without warrant——Where authorized——Deposit of cash bond in lieu.

75.36.020 Forfeiture may be in addition to other penalties.

a medical institution as a result thereof.

Any resident of the Alaska Pioneers' Home or other institution may, at any time he wishes to leave the institution, make application for assistance under this program in lieu of the support and maintenance provided in such Home or institution.

Approved April 18, 1962

CHAPTER 155

AN ACT

Relating to shared taxes; amending Subsec. (C), Sec. 35.4.17, ACLA 1949, as last amended by Sec. 2, Ch. 197, SLA 1959; amending Sec. 43.3.6, ACLA 1949, as last amended by Sec. 6, Ch. 142, SLA 1960; amending Sec. 6, Ch. 116, SLA 1949, as last amended by Ch. 53, SLA 1951; amending Ch. 43, SLA 1949; repealing Ch. 66, SLA 1953; and providing for an effective date.

(2nd S.C.S.H.B. 122)

Be It enacted by the Legislature of the State of Alaska:

Section 1. Subsec. (C), Sec. 35.4.17, ACLA 1949, as last amended by Sec. 2, Ch. 197, SLA 1959, is amended to read:

(C) Disposition of Funds. All moneys collected or due the state for licenses under the provisions of this Act shall be deposited with the commissioner of revenue and covered into the general fund; all such moneys derived from the licenses issued excluding wholesale licenses within incorporated boroughs and all classes of cities shall be refunded semi-annually to said organized boroughs and all classes of cities; provided, however, that in the event of the failure of the officers of said organized boroughs and all classes of cities to actively enforce all of their ordinances, the law of the United States, the Laws of the State of Alaska, and those regulations relative to the manufacture and sale of intoxicating liquors in the State of Alaska, the commissioner of revenue may deny said refund and no further moneys will be paid to said local government units until the enforcement of such laws and regulations is actively resumed within them.

Sec. 2. Sec. 43.3.6, ACLA 1949, as last amended by Sec. 6, Ch. 142, SLA 1960, is amended to read:

Sec. 43.3.6. Distribution of Tax. One-half of the proceeds of the gross revenue from the tax herein provided, excluding distributors' fees, penalties, and less the amount duly determined to have been spent by the state in its collection, shall be refunded to organized boroughs and cities of the first, second, and third classes by action of the legislature in the proportion that such revenue was earned within them, and the balance shall be retained by the state and covered into its general fund.

Sec. 3. Sec. 6, Ch. 116, SLA 1949, as last amended by Ch. 53, SLA 1951, is amended to read:

Sec. 6. 75 percent of the tax on mechboards collected from sales thereof within organized boroughs and cities of the first, second, and third classes shall be refunded to such local government units, and the balance shall be deposited in the general fund of the State of Alaska.

Sec. 4. Sec. 11, Ch. 44, SLA 1949, is amended to read:

Sec. 11. Disposal of Money. All moneys collected by the commissioner of revenue under this Act shall be covered into the general fund of the state, provided, that the commissioner of revenue shall refund to organized boroughs and all classes of cities, incorporated and independent school districts, and public utility districts 50 percent of all such money collected from within said local government units.

Sec. 5. Ch. 66, SLA 1953, is repealed.

Sec. 6. The commissioner of revenue shall pay to each organized borough, city of the first, second, and third classes, incorporated or independent school district, and public utility district 10 percent of the amount of tax revenue collected from within such municipality or district from taxes levied by Ch. 97, SLA 1949, as last amended by Ch. 102, SLA 1955, and Ch. 82, SLA 1949, as last amended by Ch. 113, SLA 1951.

Sec. 7. This Act takes effect on January 1, 1962.

Became law without signature April 19, 1962

CHAPTER 156

AN ACT

Relating to employee contributions and refunds payable under the Alaska Employment Security Act; and providing for an effective date.

(S.B. 218)

Be It enacted by the Legislature of the State of Alaska:

Section 1. Subsec. (b), Sec. 501, Art. V, Ch. 5, ESLA 1955, as amended by Sec. 16, Ch. 169, SLA 1957, and Sec. 7, Ch. 60, SLA 1960, is amended to read:

(b) Contributions with respect to wages paid on or after January 1, 1955, for employment shall accrue and become payable by each individual who performs service in employment for each calendar year in which such services are subject to this Act.

The contributions required from each such individual, in accordance with regulations prescribed by the commissioner, shall become payable, be deducted from his wages by his employer, and be held in trust by the employer for the commissioner until such time as such employee contributions are required by regulation to be deposited with the commissioner. Such funds shall not be subject to garnishment or attachment in any fashion, and in the event of lien, judgment, or bankruptcy proceedings, shall not be considered as assets of the employer. Any employer who shall fail to make such deductions from the wages of his employees shall himself be liable to the commissioner for the payment of such required contributions, which shall be collected from him in the same manner as is provided for the collection of employer contributions.

If any employer shall convert to his own use or otherwise misappropriate any funds so held in trust he shall be required to pay to the commissioner for deposit in the clearing account the amount so converted or misappropriated, together with a penalty equal to five times that amount but not less than $25. In addition, if such conversion or misappropriation is willful, he shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $200, or imprisoned for not more than 60 days, or both.

Each employer shall maintain a record of the amount so deducted from the wages of each of his employees, and shall furnish a statement of such deductions to each employee at such times and in such manner as the commissioner shall prescribe by regulation. No such deduction shall be made from those wages in excess of the first $7,200 of wages paid to an employee during any calendar year. In the event that an employee earns wages totaling in excess of $7,200 in one calendar year in the employ of two or more employers, or in the event that any one employer through error shall have made such deductions from his wages in excess of $7,200 during any one calendar year, the amount of such deductions in excess of those required by this Act shall be refunded to the employee by the commissioner upon application therefor in accordance with regulations prescribed by him, provided that such application is made during the calendar year immediately following the calendar year in which such deductions were made.

Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 19, 1962

of Liquor Control, this earmarking provision called for cooperation in enforcement of liquor regulations. Only those cities cooperating with the Board in enforcing liquor rules and regulations were considered eligible for the 60 percent grant.

In 1937 the Legislature enacted into law a schedule of liquor licenses. The licensing program established at that time followed the pattern established by the Federal license earmarking. All license fees are granted to the cities where collected. Cities are prohibited from levying additional taxes on liquor establishments, although they may provide additional regulations not inconsistent with Territorial law.

Raw Fish Tax

As originally enacted in 1949, the raw fish tax included no earmarking provisions. However, in 1953 a law was passed providing that 10 percent of the revenues collected from salmon canneries within the boundaries of local government units was to be granted to the units.[52] Cities, school districts, and public utility districts receive grants under the terms of the 1953 law.

The raw fish tax applies to crab and clam canneries and herring processing plants as well as salmon canneries. Only the revenues from the tax on salmon canneries are earmarked for the local governments. During 1955 a total of $68,196 were granted to cities, school districts and public utility districts from the raw fish tax on salmon canneries.

Amusement and Gaming Devices

Since 1948, 50 percent of the license fees collected on amusement and gaming devices within incorporated cities have been paid to the cities where collected.[53] In 1955 the cities received $26,463 from this source. Amusement and gaming devices had been first licensed by the Territory in 1941 but were in no way earmarked at that time.

Under the terms of the current law a municipality which levies additional license taxes on such devices loses its right to the Territorial 50 percent grant.

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52 Ch. 66 SLA 1953

53 Ch. 92 SLA 1947

SSB 2388

SPONSORS: Committee on Ways and Means
(Originally Sponsored by Senators Newschwander, Bausch and Odegaard)

COMMITTEE: Ways and Means

Modifying the privilege fees on certain producers of food fish.

ANALYSIS OF FIRST SUBSTITUTE AS OF FEBRUARY 22, 1979

ISSUE:

Under current law the privilege tax on food fish and shellfish must be paid by all processors and dealers of fish. The tax is utilized to retire salmon run enhancement bonds. Proponents believe that certain growers, processors and dealers should be exempt from this tax.

Proponents further believe that the definition of "original processor", who is the person required by statute to collect fish sales and privilege tax fees, should be limited.

SUMMARY:

The bill exempts from payment of privilege taxes the grower, processor and dealer of food fish which are raised from eggs or fry and are under the physical control of the grower at all times until harvested. The fish that this class of growers produce never enter the natural fishery. The fish are typically marketed when they reach pan-size and compete primarily in markets outside the state.

Further the bill limits the definition of "original purchaser" to exclude persons handling or dealing in or with fresh fish who have no ownership or marketing interest in them. This class of persons includes those typically furnishing services such as warehousing, canning or freezing. Thus, the responsibility for collection is shifted to the person first purchasing and receiving the fish.

FISCAL IMPACT:

Section 1 would reduce estimated revenues for the 1979 through 1981 biennium by $2.3 million. Section 2 would have no revenue impact since it is a shift in responsibility for collection of the tax to entities which can be contacted, audited and monitored.

Washington State Senate
Senate Committee on Ways and Means
February 19, 1979

STAFF REPORT ON SENATE BILL NO. 2388

Title:

Modifying the Privilege Fees on Certain Producers of Food Fish

Original Sponsors:

Senators Newschwander, Bausch and Odegaard

Summary:

Exempts from privilege fees (tax on food fish or shell fish) the grower, processor or dealer in food fish which are raised from eggs or fry and under the physical control of the grower at all times until harvested.

Redefines "original receiver" as the person first purchasing and receiving and excludes a person furnishing services but who has no ownership interest in the food fish or shellfish.

Impact:

The 1977 legislature enacted legislation to impose privilege fees and sales taxes on salmon, other food fish and shell fish in addition to all other taxes, licenses, and fees currently imposed. Receipts from such fees are to be used first for the payment of principal and interest on bonds authorized for the construction and improvement of salmon hatcheries and other salmon propagation facilities (bond authorization of $31.5 million). Any remaining revenues are to be used for salmon enhancement purposes.

The attached excerpt from the Department of Fisheries' 1979 report to the legislature on salmon license and privilege tax revenues indicates the taxes were not imposed on salmon aquaculture until this year. It might also be noted that licensed oyster, clam or fish farms are exempt from the fish sales tax under RCW 75.32.055(2). Section 1 of this bill would exempt an aquaculturist who maintains complete control of the fish which never enter or become a part of the natural fishery from the privilege fees.

Section 2 redefines "original receiver" and shifts the responsibility for collecting the fish sales tax from persons furnishing services (such as warehousing, canning, freezing, etc.) and who have no ownership or interest in the fish to the person first purchasing and receiving, handling or dealing with the fish.

Fiscal Impact:

Section 1 would reduce estimated revenues for the 1979-81 biennium by $2.3 million. Section 2 would have no revenue impact if it is a shift in responsibility for collection of the tax to entities which can be contacted, audited and monitored.

EB:sw

Excerpt: Report to the Legislature on Salmon License and Salmon Privilege Tax Revenues, Wa State Dept. of Fisheries, 1979.

In accordance with RCW 75.48.090, t.. Washington Department of Fisheries (WDF) is herewith submitting its report on the revenues received from the sport and commercial salmon license sales and from salmon privilege taxes for the fiscal year ending June 30, 1978; and estimates of the revenues to be received for the current and ensuing fiscal years. Also included are estimates of the amounts required from these revenues for the payment of principal and interest on the bonds authorized by Chapter 75.48 RCW, Salmon Enhancement Facilites Bond Issue, and a progress report on the current salmon enhancement programs.

Although we estimate that a large balance is available for additional enhancement, the Department is not requesting any totally "new" enhancement facilities. We agree with the Office of Financial Management that decisions on further expansion of salmon production should be deferred until the Federal involvement question is clarified. In addition, our agency, in a joint effort with the House Natural Resource Committee, is undertaking a hatchery evaluation study that should provide a basic production strategy for at least the next ten years and we feel it is essential to complete this before asking for major production expansion.

ESTIMATES (DOLLARS) OF LICENSE AND SALMON TAX REVENUES, DEBT SERVICE AND AVAILABLE BALANCE FOR FISCAL YEARS 1977 - 1981

REVENUE SOURCE	1977	1978	1979	1980	1981
Commercial fishing salmon taxes	938,196	1,458,822	1,450,000	1,450,000	1,450,000
* Salmon aquaculture taxes	-	-	518,000	1,000,000	1,300,000
Commercial salmon licenses	740,000	1,651,440	1,650,000	1,650,000	1,650,000
Sport salmon licenses	-	583,382	1,426,000	1,450,000	1,450,000
Total revenues	1,678,196	3,693,644	5,044,000	5,550,000	5,850,000
Estimated Debt Service Costs	-	254,812	1,704,625	1,054,250	1,908,250
Balance Available for Enhancement purposes	1,678,196	3,438,832	3,339,375	4,495,750	3,941,750

SECTION II

DETAIL OF STATE REVENUES
FISCAL YEARS 1972-78

CODE	REVENUE SOURCE	ACTUAL F.Y. 1972	ESTIMATED F.Y. 1973 Budget Estimate	F.Y. 1973 Revised Estimate	F.Y. 1974 Revised Estimate	F.Y. 1975 Revised Estimate	F.Y. 1976 Revised Estimate	F.Y. 1977 Revised Estimate	F.Y. 1978 Estimate
				GENERAL FUND - UNRESTRICTED REVENUE					
	INCOME, PROFIT AND OCCUPATION TAXES								
101	Alcoholic Beverage Excise Tax	$ 4,837.8	$ 6,301.1	$ 5,124.2	$ 5,636.7	$ 5,962.2	$ 6,069.6	$ 5,997.7	$ 6,234.5
102	Cigarette Tax (To General)	1,209.2	1,357.3	1,224.8	1,447.3	1,392.1	1,751.3	1,821.3	1,894.2
104	Insurance Premium Tax	3,435.9	4,344.3	3,927.8	4,438.4	5,011.4	5,667.6	6,404.2	7,234.8
105	Another Business License Tax	6,369.1	6,221.0	6,433.9	7,015.1	8,062.7	8,794.2	9,124.0	8,930.2
	Income Taxes								
106	Individual Income Tax	39,076.3	42,962.7	41,039.4	49,822.4	57,142.8	59,731.3	55,398.3	55,504.2
107	Fiduciary Income Tax	47.6	40.0	50.0	50.0	55.0	55.0	55.0	60.0
108	Corporation Income Tax	4,433.0	4,904.9	4,804.8	7,394.7	8,007.1	9,443.2	10,673.1	11,140.7
	Total Income Taxes	$43,556.9	$47,907.6	$45,894.2	$57,267.1	$65,204.9	$69,233.5	$66,126.4	$66,704.9
109	Mines and Mining Taxes	30.7	17.0	32.8	40.0	40.0	60.0	80.0	80.0
110	Inheritance Tax	58.2	20.0	17.2	10.0	7.0	-0-	-0-	-0-
111	Estate Tax	38.9	8.0	61.0	30.0	35.0	40.0	65.0	70.0
	Commercial Fish Taxes								
112	Raw Fish Tax	2,714.4	2,816.8	1,570.4	1,647.3	2,342.0	2,633.8	3,162.5	3,791.9
113	Fish Tax - Cold Storage	339.8	305.0	340.0	340.0	350.0	360.0	370.0	380.0
114	Fish Tax - Fresh Halibut	278.3	140.0	230.0	230.0	230.0	230.0	230.0	230.0
	Total Commercial Fish Taxes	$3,332.5	$3,261.8	$2,140.4	$2,217.3	$2,922.0	$3,223.8	$3,762.5	$4,401.9
117	Disaster Relief Tax	1.8	-0-	-0-	-0-	-0-	-0-	-0-	-0-
118	School Tax	1,491.5	1,433.3	1,533.9	1,694.3	1,718.1	1,232.5	1,762.8	1,710.2
120	Electric & Telephone Coop Tax	449.0	455.0	500.0	520.0	540.0	570.0	590.0	610.0
	Fuel Taxes								
131	Highway Fuel Tax	8,950.8	9,929.9	9,431.3	10,421.2	11,429.0	11,570.8	12,018.0	12,631.2
132	Aviation Fuel Tax	1,471.4	1,848.0	1,384.8	1,527.5	1,645.0	1,748.0	1,791.7	1,823.0
133	Watercraft Fuel Tax	1,079.3	1,200.6	1,041.3	1,089.0	1,124.3	1,171.1	1,206.7	1,244.8
	Total Fuel Taxes	$11,501.5	$12,978.5	$11,857.4	$13,037.7	$14,198.3	$14,489.9	$15,016.4	$15,699.0
	Total Income, Excise and Occupation Taxes	$77,958.9	$84,313.4	$80,911.1	$93,317.7	$105,354.7	$110,444.4	$113,731.1	$117,611.8
	OIL & GAS PRODUCTION TAX								
115	Oil & Gas Production Tax	11,498.8	7,333.0	10,947.0	8,936.8	7,598.0	7,797.0	81,393.0	141,934.0

1971 ALASKA SEAFOOD VALUES AND TAX REVENUES

	VALUE TO FISHERMEN	FIRST WHOLESALE VALUE	PROCESSOR TAX
Canned salmon	$51,411,428 total	$107,981,152	$2,670,560
Frozen salmon		11,966,575	99,568
Fresh salmon		921,415	
Salmon roe		27,000,000	
Salmon Total	$51,411,428	$147,869,142	$2,770,128
King Crab	$19,077,253	$32,351,952	$349,393
Dungeness Crab	609,924	1,478,775	6,099
Tanner Crab	1,363,544	2,693,827	13,685
Shrimp	3,909,045	15,780,163	39,090
Clams	70,152	107,487	701
Scallops (shucked)	990,385	1,206,593	9,903
Shellfish Total	$26,025,303	$53,818,797	$418,871
Halibut	$7,236,812	$10,178,125	$72,368
Misc. Fish	831,777	2,169,256	8,317
TOTAL SEAFOOD	$85,505,320	$214,035,319	$3,269,684

Compiled from ADF&G and NMFS statistics

The State of Alaska allowed serious overfishing of our king crab stocks during the past decade. Predictions based on guesstimates proved too rosy, and management techniques and quota systems have improved, and the king crab catch is on the upswing again. It was an expensive lesson, for if we hadn't seriously depleted some of the stocks back in the sixties, we would likely have a higher sustained yield harvest level today.

One would hope that Alaska had learned, but apparently we haven't, for the same pattern of overfishing and undermanagement of our shrimp and tanner crab stocks is taking place today. The shellfish program of Fish and Game is underfunded, while at the same time the lucrative resource is undertaxed.

Alaska produces about of our nation's shrimp harvest. Kodiak's 1971 shrimp harvest produced 82,000,000 pounds of shrimp with a value of $16,000,000 when leaving town, yet the state spent $90,000 'managing' the resource, and collected only $32,000 in fish tax revenues. This year's production dropped thirty per cent to 58,000,000 pounds, and some of the grounds have already been seriously overfished. Fish and Game has developed the basic management techniques, but it doesn't have the funds to implement them.

Now some of the fishing pressure is moving westward to the Chignik-Sand Point area where the expected harvest this year will be 30,000,000 pounds, about a third of the entire American Pacific Coast catch. Yet due to lack of funding there is no management program at all, and the valuable stocks are being subjected to the familiar free-for-all.

And the same destructive development pattern is taking place with the booming tanner crab fishery, except that with the greatly increased fishing capacity it's happening at an accelerated rate. Fish and Game has no tanner crab program. At the request of the Cordova fishermen a quota was guessed at for the Prince William Sound area, but the Kodiak area has no quota, and along with the entire state, no size or mesh limits. No attempt is being made to inventory the tanner crab stocks or to derive the needed basic management data.

The management of our fisheries is the responsibility of the State. No one else can do this with our competitive, unlimited entry, enterprise system, unless the federal government should step in and take over fisheries management, and I'm sure then we would squeal. It is the task of the legislature to provide the funds for adequate management of our fisheries, deriving the funds through realistic taxation of the resource if necessary. Crab and shrimp fishermen are making a good living but feel a major concern is that our resources are being so undermanaged that we won't be able to make a living in the future.

Fishermen have a saying that goes, 'you can't make a season on the grub pile'. It sort of tells the cook not to be too penny-pi on the food, because is going to be determined primarily the amount of fish caught, and good food can be particularly desirable when the fishing is heavy. The same type of concept holds true with management--if the fishing industry isn't willing to spend the few dollars necessary to properly take care of our fish, very likely won't have enough fish to catch in the future.

82,150,000 pounds

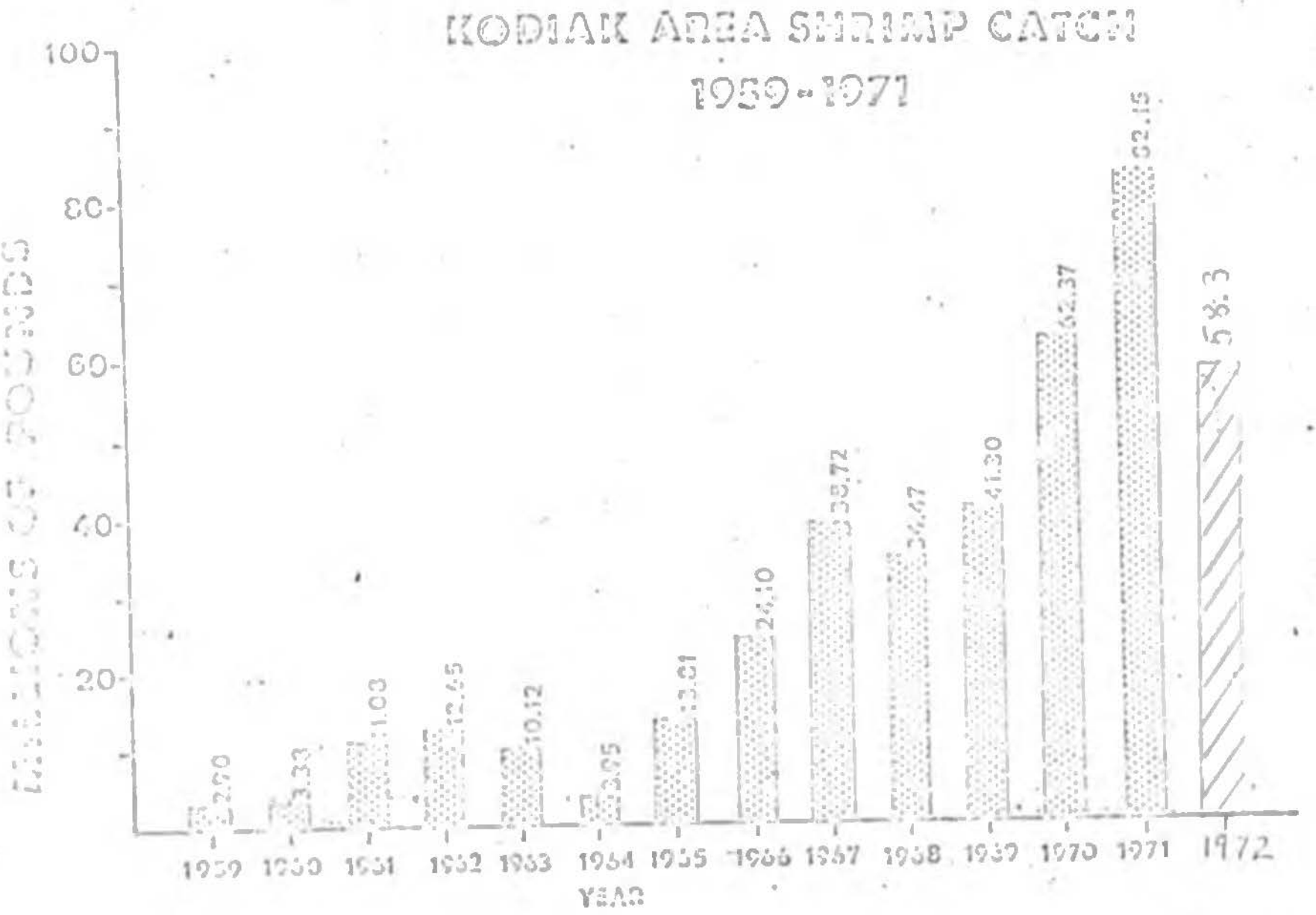
broker commission $821,250

5% of first wholesale value

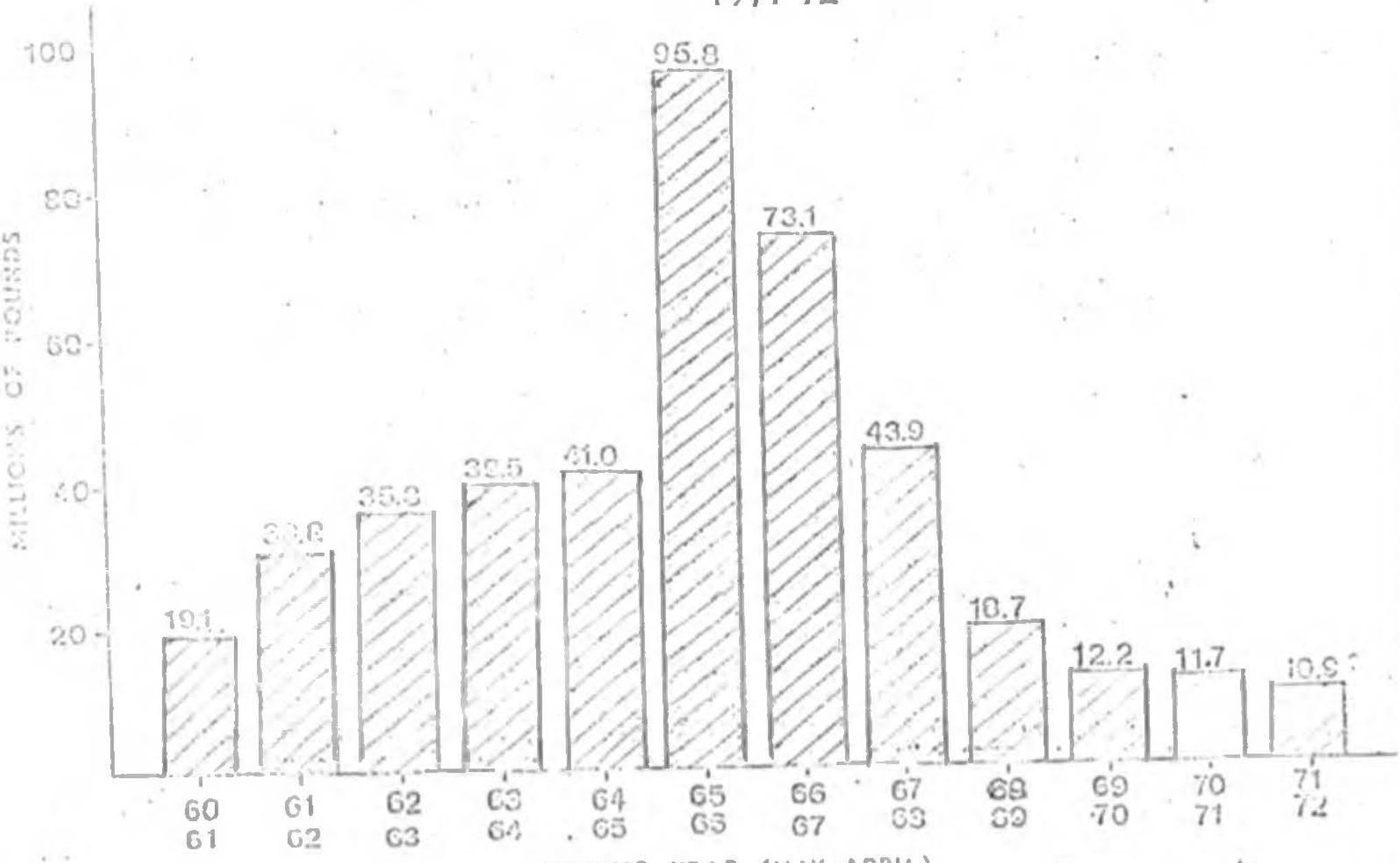
$3,286,000 value to fishermen

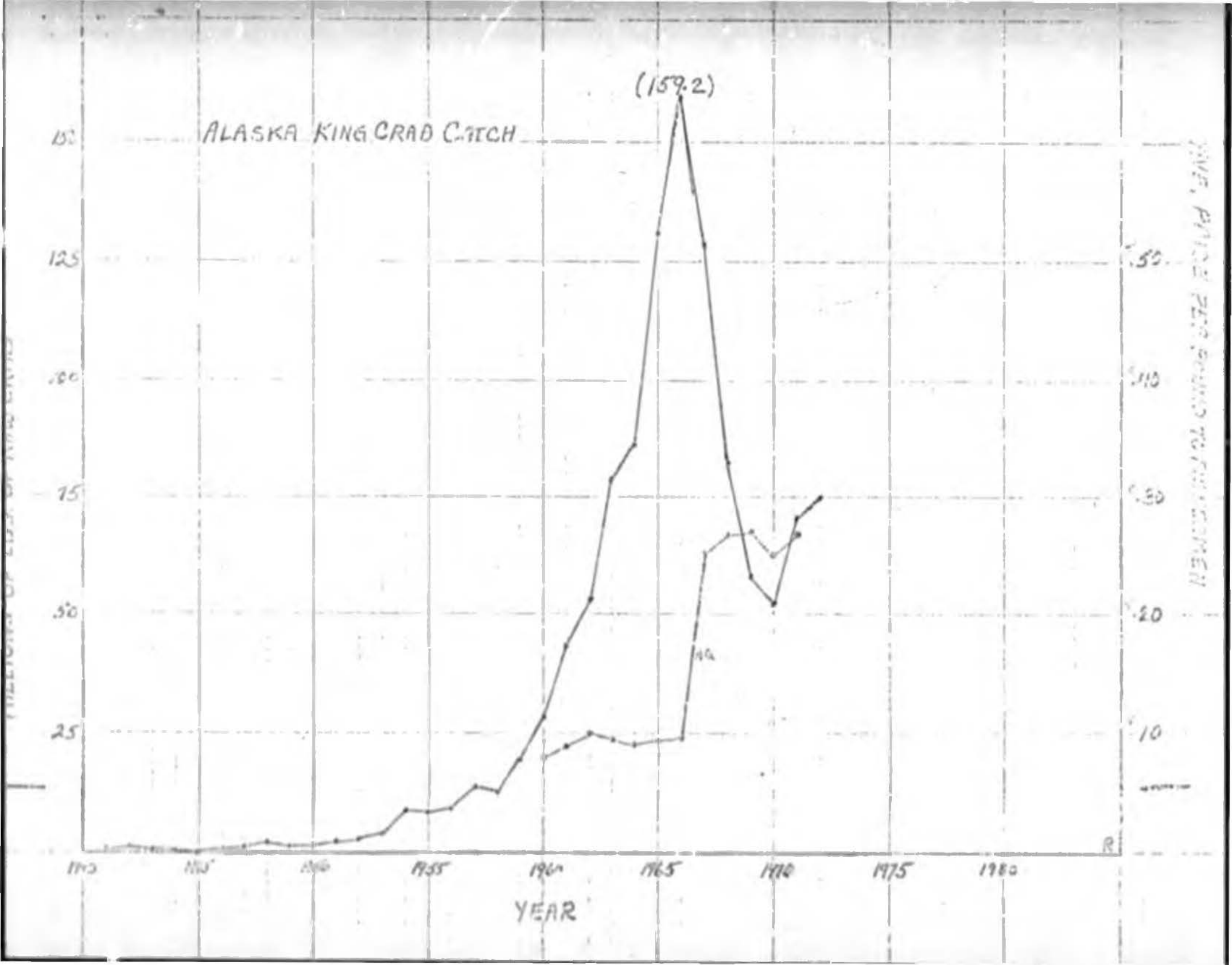
$16,425,000 first wholesale value

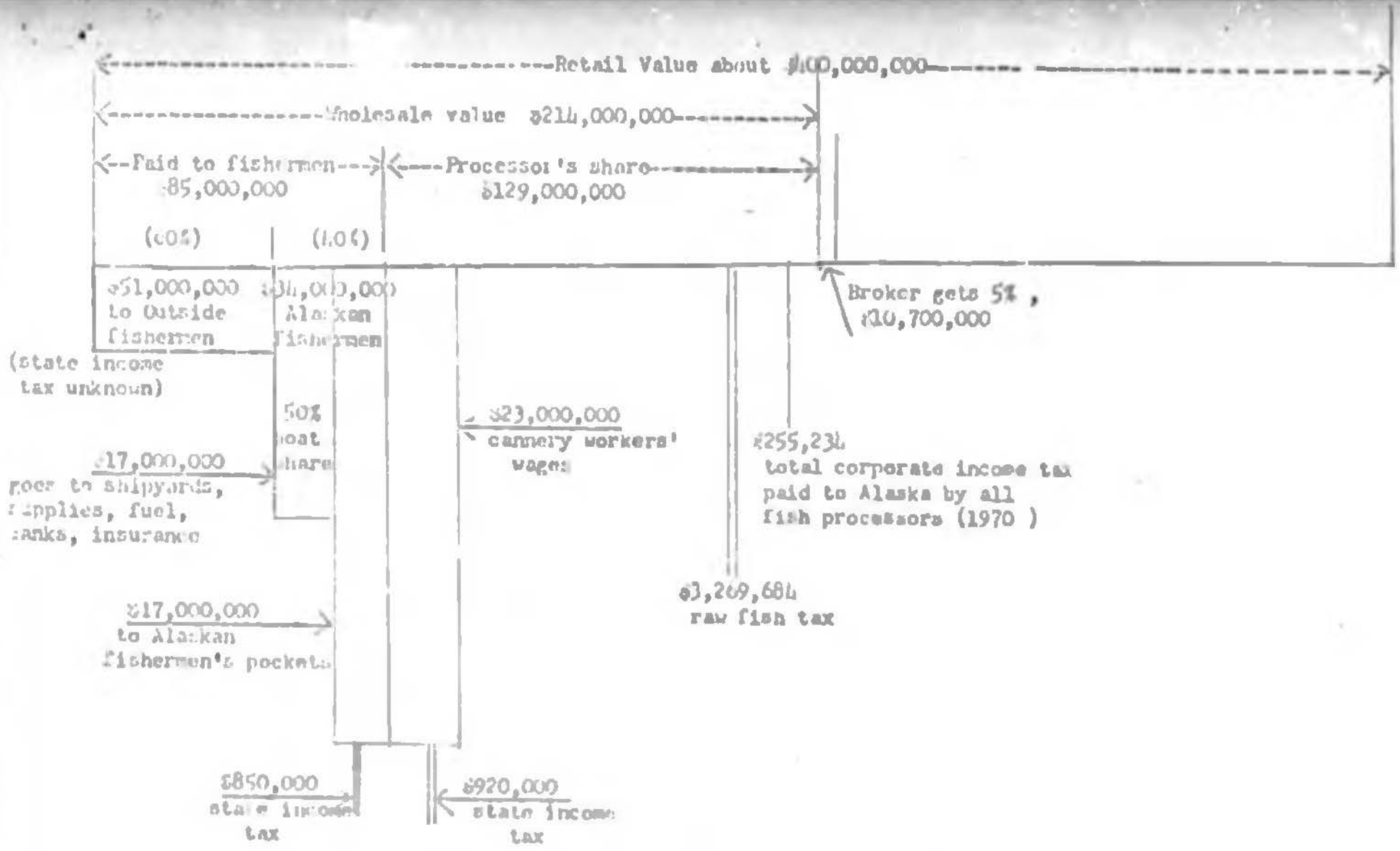
$35,478,000 retail value


KODIAK AREA SHRIMP CATCH
1959-1971
100
80
60
40
20
2.90
3.33
1.03
12.45
10.12
3.61
24.10
38.72
34.47
41.30
62.37
82.15
58.3
1959
1960
1961
1962
1963
1964
1965
1966
1967
1968
1969
1970
1971
1972
YEAR

KODIAK AREA KING CRAB CATCH 1960-61 TO 1971-72




ALASKA KING CRAB CATCH
(159.2)
150
125
100
75
50
25
.50
.40
.30
.20
.10
1955
1960
1965
1970
1975
1980
YEAR



FLOW OF FUNDS—ALASKA SEAFOOD INDUSTRY 1971

Note: The wholesale value may be greater than indicated. Much of the industry is vertically integrated, with many processors having substantial interests at the fishing level as well as in brokering, labeling, and further distribution.

Compiled by Dave Herrnsteen

DEMOCRATS
HUBERT F. DONOHUE, CHAIRMAN
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GEORGE FLEMING
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105 PUBLIC LANDS BUILDING
OLYMPIA 98504
TELEPHONE 753-7713

STAFF DIRECTOR
M. LYLE JACOBSEN

STATE OF WASHINGTON

SENATE COMMITTEE ON WAYS AND MEANS

MEMORANDUM

DATE: February 27, 1979

TO: Eleanor Brand, Senior Research Analyst

FROM: Richard Armstrong, Staff Counsel

SUBJECT: SSB 2388--Effective Date

Section 2 of SSB 2388 provides that persons who handle or deal in fresh or frozen food fish or shellfish and who have no ownership or marketing interest in such fish are exempt from fish sale taxes or privilege fee taxes. Existing law is vague as to whether such persons are now subject to the above taxes and this amendment clarifies legislative intent.

On page 2, line 22 and 23 of SSB 2388 it is explicitly stated that no taxes will be imposed "after the effective date of this 1979 act". Amendment 26 of the State Constitution is clear that a bill, unless it has an emergency clause, takes effect ninety days after the adjournment of the session. And it is a rule of law that exemptions from taxation are strictly construed, and no exemption will be granted unless specifically provided for by statute. Budget Rent-A-Car v. Department, 81 Wn. 2d 171 (1972).

Therefore, it is my opinion that the words "after the effective date of this 1979 act" are superfluous, since no tax relief could be granted to those persons qualifying under the amendatory language of the bill until the bill takes effect ninety days after adjournment.

RA:gs2/2

Senate Committee Amendment to Senate Bill No. 2388
By

On page 1, line 11, after "person" strike "who grows, processes, or deals" and insert "with respect to the growing, processing or dealing"

1973 ALASKA SEAFOOD VALUES AND TAX REVENUE PROJECTIONS

	Value to fishermen	First wholesale	Existing tax	Proposed tax
Canned salmon	$32,000,000	$75,000,000	$1,570,400	$1,570,400
Frozen salmon		8,000,000	60,000	60,000
Fresh salmon		700,000		
Salmon roe		12,000,000		1,000,000
Sub total	$32,000,000	85,700,000	1,630,400	2,630,400
King crab				
shore-based	13,600,000	26,000,000	136,000	680,000
floater	9,700,000	23,000,000	388,000	1,940,000
Sub total	23,300,000	49,000,000	524,000	2,620,000
Shrimp				
shore-based	4,300,000	20,000,000	43,000	215,000
floater	900,000		36,000	180,000
Sub total	5,200,000	20,000,000	79,000	395,000
Tanner crab	6,000,000	16,000,000	60,000	300,000
Dungeness crab	2,000,000	4,500,000	20,000	100,000
Scallops	1,400,000	1,700,000	14,000	70,000
Halibut	14,000,000	18,000,000	140,000	420,000
Herring	270,000	2,000,000	2,700	13,500
Herring roe				200,000
Total seafood	$84,170,000	$197,900,000	$2,470,100	$6,748,900

1973 PROJECTED FISH PROCESSOR TAX REVENUES

Revised Budget Estimate		$2,200,000
20% Revenue Sharing (actually 13%)		286,000
Net to State		1,914,000
Proposed Increases		
King Crab	2,096,000	
Shrimp	316,000	
Halibut	280,000	
Others	387,000	
Roe	1,200,000	
Total Increases		4,279,000
Total Proposed Revenues		6,193,000
40% Revenue Sharing (actual 25%)		1,548,000
Net to State		4,645,000
Net Increase to State		2,731,000

In 1971 under 20% revenue sharing only 13% was actually shared with the communities. Less than 40% of proposed revenues would be actually shared. The $1,000,000 collected at Adak, for instance, would go solely to the state.

SALMON

The present tax on canned salmon is 3% of the value of the pack, with the value determined as the average wholesale price over the preceding five years. This is roughly equivalent to 6% of the value to the fishermen. Shore-based processors purchasing salmon for purposes other than canning, such as fresh or frozen production, pay a tax of 1% of the value to the fishermen. Freezerships and other floating cold storages pay a tax of 4% of the value to the fishermen, except that if they remain in the same location for more than one year, they pay at the shore-based rate of 1%. SB169 does not change these rates.

CRAB

Crab canneries, both shore-based and floating, presently pay a tax of 2% of the value of the raw crab. Crab purchased for fresh or frozen production, as most crab are, is taxed at the rate of 1% for shore-based and 4% for floaters. SB169 proposes taxing all crab at the rate of 5% for shore-based processors and 20% for floating processors.

There are several reasons for taxing the floating processors at the considerably higher rate. Unlike the past, when floaters were needed, the crab processing industry today has more than adequate capitalization. A shore-based plant makes significant contributions to the local economy through property taxes, construction and maintenance costs, providing more steady jobs, etc. A floater has the competitive advantage of being able to locate closer to the grounds than a shore-based plant, and so is able to purchase crab at a considerably lower price during a quick season. For instance, the town of Kodiak is on the north end of the island while the heavy king crab fishing the last few seasons has been at the south end. Last year crab was selling for as little as 32 cents at the south end while at the same time it was as high as 40 cents in town. The 15% differential, about 4½ cents, would tend to diminish these advantages.

But probably the most important reason for the higher tax on floaters is that they traditionally move into the new or more distant grounds first and get the 'cream of the crop'. It is at these times, before the stocks are fully- or over-harvested, that an impact of management dollars is needed to inventory the stocks and find the right sustained yield harvest levels. This is presently lacking. Protection is also needed in these areas, where it is particularly expensive.

King crab is Alaska's one monopoly and our most lucrative fishery, and it makes sense to use a small part of this wealth for better management of our present and developing fisheries.

SHRIMP

Shore-based shrimp processors presently pay a tax of one per cent of the value to the fishermen, while a floating processor pays 4%. SB169 proposes raising this to 5% for shore-based and 20% for floaters.

New floaters have recently been moving into the Chignik-Sand Point area, yet the state has no management or protection program.

The proposed tax on shrimp is actually quite low since the value to the fishermen is such a relatively low percentage of the first wholesale value. An amount equal to all the additional tax revenues from shrimp is very badly needed for the neglected resource.

HALIBUT

The present tax on halibut purchases by cold storages is 1% of the value to the fishermen. SB169 proposes raising the rate to 3%.

In the past there were good arguments for a low tax on halibut, but these are no longer valid with today's high prices. The large halibut boat will fish steadily until he has a load or up to three weeks before selling his fish. Roundtrip running time from the Kodiak area, which is in the midst of the major grounds, to Seattle is 10 to 12 days. Back in 1967 when the price was 16 cents in Kodiak and 25 cents in Seattle, a boat running to Seattle would receive 10% more money for his catch. Last year, with a price of say 70 cents in Kodiak and 77 cents in Seattle, he would receive only 10% more for his catch, while the increased running time would lengthen the time of his trip by maybe 50%. Seattle, formerly the major American buyer, has had a sharp decrease in landings the past several years, and in 1972, when the halibut price was 100% above 1971 prices, Seattle's already small landings decreased 300%.

Many halibut fishermen had very lucrative seasons this year. Additionally, halibut fishermen, unlike all other fishermen, do not have to pay Alaska income tax on any earnings from fish caught outside three miles, as most halibut reportedly are.

ROE PROCESSOR TAX

SB169 proposes that the roe processor pay a tax of 25 cents per pound of roe processed. The value of the salmon presently taxed as determined by the canned salmon tax does not includd the value of the roe. Salmon roe processors reported to Fish and Game that they received $1.25/lb from the 1971 roe pack. Japanese market reports show that when the roe reached the Tokyo wholesale market in the fall of 1971, it was worth about $3.25/lb. Freight and market fees are only about $.25/lb, so I reckon that the roe was worth about $3.00/lb when leaving Alaska.

People's opinions differ as to where the burden of this tax will fall. Twenty-five cents per pound on roe would produce revenues equal to about 1½% of the first wholesale value of the entire salmon production. This burden would be on all processors equally--cold storages and canners alike. The next question is how much of the tax will be passed back onto the fishermen. The vast majority of salmon are sold by the fishermen in the round. When the roe became extremely valuable instead of a waste product, fishermen did not see a corresponding raise in prices. I see no reason why when these extra profits are taxed that the burden should fall completely back onto the fishermen. I feel it will probably be shared by all segments of the industry.

Many salmon fishermen are interested in rehabilitation of the runs, improved management, and hatcheries of some type. With the lack of oil money, I feel the industry should be willing to pay for the investment in the resource. It seems reasonable to 'tax eggs to hatch eggs'. It should all pay off many times over in the long run.

REVENUE SHARING

Under the existing law, 20% of the fish tax revenues are shared with the local governments in which they are collected. In 1971 only 13% of gross revenues were shared, because considerable amounts are collected in unorganized areas. SB169 proposes sharing 10% with the local governments. This would work out to actually sharing only about 25%. For instance, the million dollars collected from the Adak king crab catch with the increased floater tax would go only to the state.

Fishing communities have special tax problems. Our industry produces much wealth, but usually so little of it stays in the local community. Fishing boats and floating processors are difficult to tax. Sales and property taxes are paid largely by the resident, while the transient makes his money and heads South. Ninety-five percent of Alaska's fish are processed by Outside-owned corporations, so their profits don't stay in the community. It is difficult to tax a salmon boat, for only the local boat can be taxed, and the tax could be the last straw on a bad year.

Seafood money flows into the local economy mainly through the local fishermen and cannery workers, and these two groups have a difficult time passing on direct taxes. It is more fair to get the same number of dollars by taxing the fish, for then the local tax burden is shared by the whole industry, including the Outsiders.

Other areas of the state have industries that provide buildings, heavy equipment, pipelines, oil platforms, steadier payrolls, etc, that can be more easily taxed with local taxes. Fishing communities spend money trying to provide the services for an industry which is difficult to tax locally. The help of the state through revenue sharing of the fish tax is needed in order for our fishing communities to tax the wealth of our industry.

Foster and Marshall recently did a tax study for Kodiak to determine how the town can raise the money needed to pay for the new high school addition and swimming pool. It recommended raising the sales tax from 3% to 5% and taxing the fishing boats full value. The increased shared revenues under SB169 would provide about the same amount of dollars. It's an 'either-or' situation for Kodiak.

SUMMARY

'Tax' is too often considered a dirty word---everybody wants to avoid it, particularly politicians. But taxes are a necessary part of democracy and capitalism. They are the way of appropriating part of the wealth to serve those needs of industry and society that cannot be served by free enterprise alone. It's easy under socialism or communism, for then all the revenues from production go directly to the government, but I don't think we are interested in that.

Completely unrestricted free competition in the harvesting of fish doesn't work. Even though to a few fishermen at times management may seem to be an evil, management is absolutely necessary, and we should work to make sure that it's as effective as possible.

In eight years time in Kodiak I have lived through inadequate management of two major fish stocks, king crab and shrimp, and have twice experienced the results of overfishing, and now it's happening all over again with tanner crab. For several years I fished tremendously rich shrimp and king crab grounds--the prices were low, but the volume was great, and we did well. But now some of those grounds are seriously depleted or practically barren. The prices went up to help compensate for the lower volumes, but think how much richer we would all be if we had had adequate management.

I don't put all the blame on Fish and Game. Some of their managers probably made some mistakes, but they can't work without tools. The king crab and shrimp budgets have been terribly small. It costs money to gather the research data and inventory the stocks.

The blame lies with all of us--processors, fishermen and the state--we've neglected management until the resource gets in trouble. Our fisheries have fantastic potentials if we only pay them the necessary attention. The responsibility of management rests with the state. I love fishing--it's my way of life--but I enjoy it much more when I feel I'm harvesting, rather than raping, the resource.

Table 1. Commercial Fisheries Values and Budgets (Thousands of $)

:r	Fishermen	Value Wholesale	Budget Management	Research	88-089	89-304	Misc.	Total	% of Wholesale
:0	40,934	96,674	511	200				711	0.74
61	46,470	128,687	914	264				1,178	0.92
62	58,436	131,938	900	284				1,184	0.90
63	46,859	109,038	913	327				1,240	1.14
64	56,843	140,921	1,147	498	20			1,665	1.18
65	70,033	166,572	1,037	257	290		50	1,634	0.98
66	81,902	197,299	1,073	361	328		20	1,782	0.90
67	48,777	126,696	1,165	384	333	166		2,048	1.62
68	79,900	191,686	1,275	375	328	425		2,403	1.25
69	71,024	144,200	1,317	692	328	425		2,762	1.92
70	98,390	213,932	1,502	746	304	425		2,977	1.39
71	85,505	198,656	1,989	980	304	388		3,661	1.84
			2,095	1,052	304	388	383	4,222	
							Avg.		1.18

Table III - Pacific Coast Halibut Landings (round, hds-off, weights) 1971 and 1972*

		Total 1971		Total 1972	
		U. S. Vessels 1,000 lbs	Canadian Vessels 1,000 lbs	U. S. Vessels 1,000 lbs	Canadian Vessels 1,000 lbs
Alaska:					
Juneau		1,220.0	13.0	1,017.0	-
Ketchikan	1/	2,742.0	23.0	1,242.0	-
Kodiak		4,425.0	4,792.0	5,167.0	3,246.0
Pelican		865.0	581.0	653.0	459.0
Petersburg		2,528.0	61.0	2,504.0	48.0
Sand Point		276.0	468.0	654.0	314.0
Seward	2/	2,442.0	1,169.0	3,401.0	1,577.0
Sitka		1,139.0	124.0	1,159.0	70.0
Wrangell		417.0	-	342.0	-
Other Central Alaska		648.0	38.0	929.0	-
Total Alaska		16,702.0	7,269.0	17,667.0	5,714.0
Prince Rupert	3/	1,9[illegible].0	11,[illegible].0	1,[illegible].0	11,[illegible].0
Vancouver	4/	-	4,719.0	-	4,262.0
Seattle		1,875.4	120.6	691.0	-
Bellingham		724.0	1,940.4	510.0	1,320.0
Other Washington Ports		219.6	-	233.3	-
Oregon		69.0	3.0	45.0	-
Total		21,[illegible].0	25,[illegible].0	19,[illegible].3	23,[illegible].0
GRAND TOTAL		46,[illegible]		42,[illegible].3	

1/ Includes Craig, Klawock and Hydaburg. 2/ Includes Valdez and Cordova. 3/ Includes Estevan.
4/ Includes Victoria and Nanaimo.

Table [illegible] Weighted average prices for halibut by [illegible] and [illegible] per pound, [illegible]

Grade	Price per pound	
	[illegible] area	[illegible] area
Large:		
[illegible] area	3.41 to 3.93	3.69 to 4.59
[illegible] area	3.45 to 3.[illegible]	3.99 to 4.23
Medium:		
[illegible] area	3.16 to 3.[illegible]	3.[illegible] to 4.[illegible]
[illegible] area	[illegible] to 3.[illegible]	3.[illegible] to 3.[illegible]
Chicken:		
[illegible] area	2.91 to 3.[illegible]	3.[illegible] to 3.[illegible]
[illegible] area	2.[illegible] to 3.[illegible]	3.[illegible] to 3.[illegible]

It is important when discussing taxes to keep in mind the magnitude of the dollars involved, and to relate the rates to the tax base on which it is applied. It means little to say that a tax is doubled or tripled unless we know the amount of dollars that is doubled or tripled. Three times nothing is nothing. Three times one is three, which is something. But three times three is nine, which may be a lot. Some of the existing tax collections are so low that to double or triple them isn't a lot.

. Take the 1972 Kodiak king crab catch as an example:
First wholesale value was about $10,000,000.
15,000,000 lbs @ $.35/lb equals $5,250,000 value to fishermen

present tax rate of 1% produces $52,500
proposed rate of 5% produces $262,500

Tax as related to price: 1% of $.35 is $.0035/lb , about a third of a cent
5% of $.35 is $.0175/lb , a cent and three-fourths
increase is $.014/lb , a little less then a cent and one half

That means if the tax increase were to be completely passed back onto the fishermen, that it would decrease the price of king crab by $.014/lb. If the processor and/or the consumer were to absorb half of the increase, then the amount it would cost the fishermen would be $.007/lb , or about three quarters of a cent. It would take only a 2% increase in future king crab harvests as a result of improved management and protection from the investment of the tax dollars in the resource, in order to pay the fishermen back for the increased taxes. Lower local taxes and/or community improvements as a result of the revenue sharing would be an added bonus.

Some other rates as related to price:

1972 Kodiak shrimp harvest(first wholesale value about $11,000,000)
50,000,000 lbs @ $.0525/lb = $2,625,000 value to fishermen

	Tax as related to price
Present rate 1% = $26,250	1% of $.0525 = .000525
Proposed rate 5% = $131,250	5% of .0525 = .002625

1972 Kodiak halibut landings
about 9,000,000 lbs @ $.60/lb = $5,400,000 value to fishermen

	Tax as related to price
Present rate 1% = $54,000	1% of $.60 = $.006
Proposed rate 3% = $162,000	3% of .60 = .018

1. DEVELOPED FISHERIES

Shore Based

existing law 1%	canned salmon	45% (existing law)
	all salmon, except canned, and all other fishery resources	3.0% 7/1/79 - 6/30/80 3.5% 7/1/80 - 6/30/81 4.0% 7/1/81

Floater

existing law 4%	all fishery resources	5% 7/1/79 - 6/30/80 5.5% 7/1/80 - 6/30/81 6% 7/1/81

2. DEVELOPING FISHERIES (includes bottomfish and <u>new</u> commercial fisheries

Shore Based	1%
Floater	3%

3. DISTRIBUTION

30% Boroughs - Cities (existing law 20%)
20% Commercial Fish & Agriculture Bank
50% General Fund

4. NO RETROACTIVE CLAUSE

5. TAX PHASE IN OVER 3 YEARS

1959 Opinions of the
Attorney General, No. 14

March 26, 1959

Reversed in part as to sharing of taxes with local units of government by Opinion 31, December 2, 1960

The Honorable Hugh J. Wade
Acting Governor of Alaska
Federal Building
Juneau, Alaska

Re: Effect of Section 7 of Article IX of the Constitution upon Existing Dedicated Funds

Dear Governor Wade:

I have your request for an opinion of March 14, 1959, in which you ask advice concerning the status of several dedicated funds in light of my opinion to you of March 11.

In that earlier opinion, I discussed the meaning of Section 7, Article IX of the Constitution. At page 3 of that opinion, it was stated that no action by the Legislature which tends to increase or decrease either the percentage or total of dedicated funds would be possible. At page 5, it was stated that the Legislature has no power to raise or lower the dedication by increasing the tax, or the rate of dedication.

The effect of such action by the Legislature will now be discussed:

(a) When the Legislature raises the tax, the excess tax simply goes into the General Fund.

(b) When the rate of dedication is raised or lowered, such action raising the rate of dedication is null and void as unconstitutional.

(c) When the purpose for which the dedication is set aside is altered the action changing the purpose of the dedication is null and void as unconstitutional.

(d) When the tax is lowered the entire dedication falls and all tax proceeds are covered into the General Fund. This last result is compelled by a realization that the lowering of the tax irretrievably lowers the dedication because

insufficient revenues are available to maintain the present uses of the dedication. Since the only power retained by the Legislature with respect to a dedication (other than administrative directions in the management of the dedication) is the power of repeal, such legislative action is tantamount to a repeal of the dedication.

Review of the following dedications were requested.

1. The Fish and Game Fund established by Section 10, Chapter 62, SLA 1957. This dedication was created subsequent to the date of adoption of the Constitution; hence, there is no grandfather clause for this fund within the exception clause. However, this fund is protected by the fact that Federal law requires dedication of fishing and hunting licenses. (See 16 U.S.C. 669 and 16 U.S.C.A. 777). However, other license proceeds which are dedicated to the Fish and Game Fund, such as game licenses, bird hunting licenses and fur dealers' licenses, should not be so dedicated since no Federal law is involved. Such proceeds would be covered into the General Fund. (Since this was also before statehood, mention of game licenses is made in the Alaska Game Law which is Federal law established by 16 U.S.C.A. 1043, et seq.)

2. Your attention is directed to Chapter 131, SLA 1957, which authorizes liquor license moneys to be incorporated within municipal collections. Such dedication is permissible because it is a constitutional exception under Section 13-4-17, ACLA 1949. However, Chapter 131 unconditionally includes some of the license fees. You are advised that only the amount charged for the various licenses from upon the date of ratification of the Constitution (April 24, 1956) may be refunded to the cities. The others must be covered proceeds into the General Fund. All license fees due or to become due on or before January 3, 1959, may be refunded to the cities which collected pursuant to the foregoing. These remarks only pertain upon licenses granted or otherwise levied upon subsequent to that date.

3. Your attention is also directed to Chapter 175, SLA 1957, which raises the school tax from $7.50 to $10.00. This sum is dedicated to the School Fund (see § 37-4-12, ACLA 1949). You are advised that the increase, or $2.50, must be covered into the General Fund. However, since this annual tax is due on January 1 of each year, you are advised that the taxes for the year 1959 may be covered in whole to the School Fund.

cc:

The Honorable Hugh J. Wade
Acting Governor of Alaska

4. The next tax to be considered is the tax upon aviation fuel. As to what effect the change of the rate of tax upon aviation fuel, as found in Chapter 134, SLA 1957, has upon collection of the tax upon aviation fuel imposed by [illegible] 4(a)-2-2(a) and (b), ACLA 1949, as amended, has upon the collection of the proceeds by the Aeronautical Revolving Fund, as found in 4(a)-2-2 (e), ACLA 1949, as amended, you are advised that the entire collection is thereby allocated and is a nullity.

[illegible] 1957 changes the tax upon aviation fuel [illegible] 4(a)-2-2 (a) and (b) [illegible] aviation fuel imposed by [illegible] fuel sold [illegible] 4(a)-2-2 (b) [illegible] fuel sold [illegible] 4(a)-2-2 (a) [illegible] Revolving Fund [illegible]

[illegible] 1957, [illegible] 4(a)-2-2 (a) and (b) [illegible] 4(a)-2-2 (e)

1959 Opinions of the
Attorney General, No. 9

March 17, 1959

The Honorable John A. McNees
Alaska State Senator
Senate Chambers
Federal Building
Juneau, Alaska

Re: Review of Senate Bill No. 94 as Regards Opinion of March 11, 1959

Dear Senator McNees:

Pursuant to your request on March 17, 1959, for a review of Senate Bill No. 94 in light of my opinion of March 11, 1959, to determine if the [illegible] geographical allocations for which the highway fund is to be disbursed in that bill contravenes Article IX, Section 7 of the Constitution, you are advised that the answer is in the negative.

As stated in the opinion of March 11, existing dedications may be continued but may not be revised upward or commanded by means of altering the tax, the rate of collection or the purpose for which the dedication will be used. You are advised that the purpose of the dedication of the taxes on motor fuels contained in subsection G of Section 44-9-2, ACLA 1949, as amended, is public highways. That purpose will not be changed by Senate Bill No. 94. The proposed act deals merely with the geographical allocation of funds and the administration thereof within the already existing general purpose. It would be contrary to the intent of the Constitutional Convention to assume that each and every county in existing dedications is frozen until repealed. For instance, necessary changes in the administration, as contemplated by the constitutional reorganization of the executive branch of government, necessitates a change in the agency which will expend the funds. Consequently, inasmuch as the proposed alteration goes to the geographical area of expenditure rather than to the

special purpose of the dedication, it does not contravene the Constitution.

Very truly yours,

J. GERALD WILLIAMS
Attorney General

By
Jack O'Hair Asher
Assistant Attorney General

JO'HA:mc
cc:
The Honorable Hugh J. Wade
Acting Governor of Alaska
Federal Building
Juneau, Alaska

Mr. Richard Freer
Acting Director of Finance
Alaska Office Building
Juneau, Alaska

1959 Opinions of the
Attorney General, No. 7

March 11, 1959

Reversed in part as to
Sharing of Taxes with Local
Units of Government by Opin-
ion No. 31, December 2, 1960.

The Honorable Hugh J. Wade
Acting Governor of Alaska
State Capitol
Juneau, Alaska

Re: The Prohibition Against Dedicated Funds Contained in Article IX, Section 7 of the Constitution of the State of Alaska.

Dear Governor Wade:

I have for consideration your request of February 27, 1959, for an opinion on § 7, Article IX of the Constitution. You have specifically requested whether an increase in the tax on gasoline used in the aviation industry in Alaska could constitutionally be diverted to the Aviation Fund or whether the excess must go into the general fund.

Section 7 reads as follows:

> "DEDICATED FUNDS. The proceeds of any state tax or license shall not be dedicated to any special purpose, except when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this constitution by the people of Alaska."

Inasmuch as this problem is related to a wide variety of complex revenue dedications which are now law or proposed law and since the problem is basic to state financing, the scope of this opinion is broadened beyond the question at hand to a general review of § 7 of the Constitution.

This section has been diligently researched by recourse to the minutes of the Constitutional Convention of 1955-1956.

The typed transcripts have been used wherever available. However, § 7 was introduced on the floor of the Convention on the morning of January 17, 1956, and no transcripts are available. For that morning session, the tape recordings of the debates of the delegates were listened to. References to the tapes so as to provide both pertinent quotations and their context would be impossible without extending this opinion to unmanageable length. However, references will be made to the tapes by giving the foot of tape at which the pertinent discussion transpires and then summarizing the occurrences, leaving the context to be verified from the original by interested persons.

To grasp the problem examination of the reasons behind § 7 and the evils to be avoided, thereby, will be necessary.

Prior to the Convention, the Public Administration Service was employed by the Alaska Statehood Committee to prepare Constitutional Studies for the convention delegates. See Vol. 3 of the Constitutional Studies, Sec. IX, pp 27-30. Among the reasons such a prohibition as is found in § 7 was recommended are the following:

1. Flexibility of budgeting.
2. Financial control.
3. Lack of relationship between the tax and purpose.

Percentages of dedicated funds as compared to total revenue were cited for various states.

Listening to the tape recordings of the morning session of January 17, 1956, impels the conclusion that the delegates were desirous of eliminating dedications so that the Legislature would have the greatest flexibility in allocating tax revenues on a basis of need. It was stated that, as a matter of compromise, a grandfather clause had been included in § 7 to permit all dedications existing on the date of ratification of the Constitution (April 24, 1956) to continue. An amendment to this clause, offering a change from the date of ratification to the effective date of the Constitution was defeated. (See the transcripts pp 57 et seq. on January 28, 1956.)

Other than the grandfather clause which permits existing dedications, there is a further exception to the prohibition. Any dedications "required" for participation in Federal programs are permitted. Federal conservation statutes presently require certain license fees to be diverted to special purposes in order for states to receive matching funds. (For instance, see 16 USCA 669 and 16 USCA 777.) Only those dedications which

the "required" will be permitted. Any attempted dedication of funds after April 26, 1956, which is not absolutely required for participation in Federal programs must be covered into the general fund, any statute not withstanding.

The prohibition against dedications should be read in conjunction with § 7 of Article XI of the Constitution which deals with restrictions on the initiative and referendum. Therein it is stated that the initiative and referendum shall not be used to create or apply to dedications of "revenue." Note that the prohibition in § 7, Article IX is against dedications of "proceeds of any state tax or license." This seeming contradiction is resolved by reference to the typed transcripts at page 31 of January 28, 1956. There it was explained to be the intent that "revenues" is a broader term than "tax or license" and means all proceeds coming to the State. Consequently, it is proper for a legislature to dedicate any revenues that are proceeds of neither taxes or licenses.

The grandfather clause is stated as an exception to the general prohibition in the following language:

> ". . . this provision shall not prohibit the continuation of any dedication for special purposes existing upon the date of ratification. . . ."

The question you pose is whether or not the rate of the dedication can be raised. In other words, if a tax proceed or a portion thereof is dedicated to a special purpose, may the rate of tax be or the proportion of the proceeds be raised, thereby increasing the amount of dedicated funds.

It is my opinion that no action by the Legislature is permissible which would (1) tend to increase or decrease the percentage of the total tax and license proceeds which are dedicated, or (2) which would tend to increase or decrease the amount of proceeds which are dedicated.

The exception permits only the "continuation" of dedications "existing" on the date of ratification. To raise the aviation gas tax from 5 to 7 cents and dedicate the whole 7 cents would constitute another and further dedication of tax proceeds. The only prior existing dedication is one for 5 cents and not one for 7 cents. To permit existing dedications to be raised would "open up" all of them existing upon the date of ratification. The purpose of the prohibition would be defeated. Existing dedications could be raised to inordinate percentages of the total [illegible], thus avoiding the financial responsibility sought by the constitutional framers.

The foregoing opinion is born out by the taped recordings of the Convention proceedings. (Refer to tapes 2, 3 and 4 of January 17, 1956.)

At foot 540, tape 3, Delegate Johnson proposed to amend the present § 7 by striking the words, "prohibit the continuance of" and inserting in their place the words "apply to."

At foot 600, tape 3, Delegate Ralph Rivers spoke in favor of the amendment because he felt it would permit repeal and re-enactment of existing dedications. Delegates Johnson and Nolan at foot 640, tape 3, indicated their understanding of the amendment was that the Legislature would be powerless to repeal an existing dedication. (Note: Delegates Johnson and Rivers were for the amendment, but disagree as to its meaning. However, both they and Delegate Nolan indicate that the section without the amendment could not be repealed and re-enacted at a later date.)

At foot 55, et seq., tape 4, Delegate Victor Rivers says Delegate Johnson's amendment should be supported because it would permit existing dedications to be raised, lowered, replaced or eliminated by the Legislature. He stated that the amendment would therefore give greater flexibility than the present wording.

At foot 125, tape 4, Delegate Nerland stated that he spoke for the Committee on Finance and Taxation, and that it was their intent that present dedications be allowed until repealed; but that once it was repealed, it could not be later re-enacted.

At foot 215, tape 4, this amendment was defeated 40 to 13.

At foot 330, tape 4, Delegate Ralph Rivers offered an amendment to § 7 which would delete the words "the continuance of."

Delegate Ralph Rivers at foot 345, says the present wording freezes the exact rates of the dedications allowed upon the date of ratification of the Constitution. He advocated his amendment so as to give more flexibility. He stated that his amendment would not allow the rate to be raised but would allow it to be lowered or temporarily discontinued.

At foot 395, tape 4, Delegate Cognill supported the amendment to § 7 because if adopted, it would permit the dedication to be temporarily done away with or suspended downward; thereby allowing the Legislature more flexibility for growth or decline in financial problems.

At foot 420, tape 4, Delegate Gray challenged the amendment on the grounds that it was, in substance, the same amendment as the earlier one offered by Delegate Johnson at foot 540 of tape 3.

Delegate Ralph Rivers answered Delegate Gray by saying that the purpose of Delegate Johnson's amendment was to permit doubling the dedications or the rate involved, and the purpose of his own amendment was to permit lowering of rates while still prohibiting the rates from being raised by the Legislature. Delegate Ralph Rivers' amendment was also defeated, leaving § 7 substantially as it appears in the Constitution after redrafting by the Committee on style and drafting.

Consequently, the intent of the drafters of the Constitution of the State of Alaska, was to permit the continuance of existing dedications at the then existing rates until the Legislature saw fit to exercise the only power retained in relation to them: that is, the power to repeal.

A dedication must be continued, if at all, in exactly the same form. Any attempted alteration short of repeal is unlawful. A dedication encompasses (1) proceeds or part of the proceeds of a tax or license (2) set aside at a certain rate (3) for a particular purpose. The Legislature has no power to raise or lower the dedication by increasing or decreasing the tax or license fee or the rate thereof which is set aside. Also, there is no power to broaden or reduce the purposes for which an existing dedication is made, for to do so is to alter the dedication itself.

I have for further consideration, two questions submitted by the Director of the Legislative Council. For purposes of continuity and clarity, these questions and their answers will be set out herein.

(1957)

The first question is whether H.B. 12[illegible], which is substantially a re-enactment of Ch. 10, SLA 1[illegible], the Alaska Property Tax Act, violates § 7 of the Constitution by providing in § 4 of the bill that the tax levied by the State shall be turned over to the local political subdivision wherein collected.

You are advised that it is my opinion that such a provision violates the Constitution and is a prohibited dedication. This is a tax proceed which at the time it is collected is earmarked for a special purpose (political subdivisions). There is, however, nothing to prevent such legislature from annually making an appropriation to the political subdivisions of the monies already collected under the Act. To be sure, this is the

express intent of the constitutional framers: that each obligation of government be judged both on its own merits and in comparison with the merits of others in the computation of the budget. (See page 31 et seq. of the written transcripts from the January 24, 1956, session of the Convention for the proposition that a dedication is present when a tax proceed is earmarked from the time it is collected.) Also note that at foot 116, tape 3, it is indicated that the return of liquor license fees and business license fees to political subdivisions constituted a dedication, but since they were earmarked at the time of ratification, they would continue to be dedicated.

The second problem posed by the Director of the Legislative Council is whether or not the raw fish tax refund to political subdivisions could be raised from the present 10% to 50%. In view of the foregoing expressions, the answer is in the negative.

You are further apprised that since the ratification date of the Constitution was April 26, 1956, all dedications made in the 1957 session of the Territorial Legislature are nullities as of January 3, 1959. Any monies due and owing prior to January 3rd may be covered to their earmarked purposes, but receipts due and owing after that which fall into the prohibited category must be covered into the General fund. Also note that any repeal or repeal and re-enactment of a dedication during that session takes the dedication from under the protection of the grandfather clause and a re-enactment either in 1957 or later is a nullity unless the dedication is required by the Federal Government for participation in Federal programs.

Very truly yours,

J. GERALD WILLIAMS
ATTORNEY GENERAL

By
Jack O'Hair Asher
Assistant Attorney General

JO'H:bb

Addendum: On page 5, paragraph 6, after H.B. 126, insert "introduced in the 1957 Legislature."

cc: Department of Finance
Alaska Office Building
Juneau, Alaska

March 14, 1979

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: CSSB 132 (FINANCE), relating to fish-processing taxes

Dear Senator Tillion:

In your letter of March 12, 1979, you requested that this office review AS 43.75.131 and 135 as proposed in the above-referenced bill in light of the comments of Senator Ziegler, Chairman, Senate Judiciary Committee, who raised substantial concerns regarding the constitutionality of these provisions under Article 9, Section 7 of the Alaska Constitution. That provision states:

> The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in section 15 of this article or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska.

AS 43.75.130 and 135 in the present fish processing tax chapter presently provide that the "commissioner of revenue shall pay to each organized borough and each city of the first class [twenty percent] of the amount of tax revenue" collected under this chapter. Since § 130 was originally enacted in 1962 (§ 6, ch. 155, SLA 1962) and § 135 in 1963 (§ 1, ch. 89, SLA 1963) neither of the refund provisions qualify under the grandfather clause in the second sentence of the constitutional provision. This mandatory language ("shall pay") was carried over into the new proposal AS 43.75.131 which requires the following distributions:

1. Subsection (a) states that "the department shall pay to each borough and to each city of the first class an amount equal to 33 and 1/3 percent of the amount of tax revenue collected" under AS 43.75.

2. Subsection (a) also requires that the tax revenue be shared equally between city and boroughs when the city is located within a borough.

3. Subsection (b) states that "one-half of the revenue shared . . . shall be used for docks or other fisheries related development programs."

It is our opinion that Senator Ziegler's concerns are well-founded and that the language in AS 43.75.131 as written might well be found to be facially invalid under the state constitutional provision prohibiting the dedication of funds. Even with the mandatory language of the existing statute, the Department of Law has always construed these provisions as (1) requiring an appropriation and (2) that each subsequent legislature has the discretion as to whether or not to make such an appropriation for the purposes stated in the underlying statute. Thus, any such formula is advisory only and operates as an expression of the policy of the enacting legislature and nothing more. However, Senator Ziegler is quite correct in that the advisory nature of such language should be made more express so that the language of the provision would not become subject to a challenge that on its face the provision violates the intent of the constitutional provision.

We therefore recommend that proposed AS 43.75.131 and 136 as stated in CS for SB 132 (FINANCE) Section 3 be modified as follows:

> AS 43.75.131. REFUND TO LOCAL GOVERNMENTS. The legislature may, in its discretion, annually appropriate to each borough, each city of the first class, each municipality unified under AS 29.68.240--29.68.440 an amount equal to 33 and 1/3 percent of the amount of the tax revenue collected in the municipality from taxes levied in this chapter. In the case of tax revenue collected inside a city within a borough, the legislature may, in its discretion, divide the revenue to be shared equally between the city and the borough.

[Subsection (b) should be deleted in its entirety.]

AS 43.75.136. PAYMENTS TO COMMERCIAL FISHING AND AGRICULTURE BANK. The legislature may in its discretion annually appropriate an amount equal to 33 and 1/3 percent of the amount of tax revenue levied under this chapter to the Commercial Fishing and Agriculture Bank established in AS 44.54.010 until that bank is fully capitalized as determined by the commissioner of commerce and economic development based upon the estimated capital needs of the bank.

In addition to the safeguard which I mentioned in our meeting this morning, I would further recommend that sec. 12 of the Act be modified as follows:

EFFECT OF REVENUE SHARING PROVISIONS AND TRANSITIONAL RULES. The tax paid for the 1978 calendar year may be shared in accordance with AS 43.75.130 and AS 43.75.135 as those sections read before repealed by this Act. The tax paid for the 1979 calendar year and for each succeeding calendar year may be shared in accordance with AS 43.75.131, added by sec. 3 of this Act, depending upon the judgment of each subsequent legislature and upon the amounts properly appropriated for this purpose. It is recognized by this legislature that AS 43.75.131 and 136 are advisory only, that they have no binding effect on future legislatures, and that future legislatures will be free to disregard the formula outlined in the sections.

In addition, it is suggested that the reporting committee issue a letter of intent along with the proposed committee substitute, a draft of which is attached to this letter.

Sincerely,

AVRUM M. GROSS
ATTORNEY GENERAL

By:
Joseph K. Donohue
Assistant Attorney General

JKD:chw

Enclosure

bcc: Art Peterson

It is the intent of this committee that the revenue shared with the local municipalities pursuant to AS 43.75.131 be used for docks and other fisheries related projects. It is believed that such improvements would operate as an incentive to the development of a bottomfishing industry in the state as well as to improve and further develop the fisheries currently being exploited. This committee recognizes that AS 43.75.131 and 136 merely reflect the policy of the current legislature and that future legislatures would be free to disregard the formula set forth therein. Future legislatures should examine the extent to which municipalities which have received these revenues have made reasonable efforts to meet the demand for fishery related facilities. If future legislatures find that needed fisheries development programs have not been implemented, the revenue sharing program reflected in AS 43.75.131 should be reevaluated.

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

DOCUMENTS RELATED TO CSSB132

1. CSSB 132 (Rules)
2. Letter to Senator Tillion from Senator Ziegler re constitutionality questions.
3. Letter to Senator Tillion from Joseph Donahue, Assistant A.G., re constitutionality questions.
4. Letter to Rep. Osterback from John Messenger, Acting Commissioner of Revenue, re revenue sharing projections.
5. Fiscal Note -- Dept. of Revenue re Shared Taxes
6. Fiscal Note -- Dept. of Revenue re Revenue Collection and Management.
7. Review of various versions of SB132 with reference to local government refund provisions.
8. Letter to Senator Sackett from John Messenger re fisheries tax structure.
9. Letter of Intent re SB 132 from Senate C&RA Committee.
10. Minutes -- Senate Finance Committee 3/9/79
11. Minutes -- Senate Finance Committee 3/10/79
12. July 1977 Memo--From: Avrum Gross, A.G., To: Roger Pegues Assist A.G.. RE: Municipal revenue sharing, fish processing taxes
13. Department of Revenue Guideline
14. Fiscal Note--Dept. of Revenue: requested by Osterback Re: Revenue Collection and Management

2

Official Business

Senate

Office of the Secretary

March 13, 1979

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM TO: Rules Committee

From: Secretary of the Senate

Subject: COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 132 (relating to fisheries taxes) - Conclusion on by Senate Judiciary Committee Chairman

President Tillion referred the above message to the Rules Committee this date.

Official Business

Senate

Committee on Judiciary

Pouch V
State Capitol
Juneau, Alaska 99

March 12, 1979

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature

Re: CSSB 132

Dear Mr. President:

On March 9, 1979, you requested me, in my capacity as chairman of the Senate Judiciary committee, to review the captioned bill and to report to the Senate as to its constitutionality.

At the outset, I should state that the following comments are mine and mine alone; I do not profess to speak for the other members of the Judiciary committee. It should likewise be noted that I do not claim any special expertise in the field of constitutional law, nor have I had sufficient time to devote to the research which would ordinarily be entailed in analyzing this bill.

A close reading of CSSB 132 indicates two sections of the bill would run afoul of the Alaska Constitution. Those two are 43.75.136, providing for payments to the Commercial Fishing and Agriculture Bank, and 43.75.131, making increased refunds to local government.

Article IX, sec. 7 of the Alaska Constitution provides as follows:

> "The proceeds of any state tax or license shall not be dedicated to any special purpose except when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of the constitution by the people of Alaska."

I was assisted in my efforts to check the constitutionality of the questioned sections of the bill by the opinions of two Attorneys General dated, respectively, April 4, 1969 and May 2, 1975. Both opinions not only considered the case law of this and other jurisdictions, sparse as it is, but they also reviewed the minutes of the Alaska Constitutional Convention and committees thereof. It is evident, in both these opinions, that the framers of our constitution did not want to have additional taxes earmarked or dedicated to special purposes.

A dedication of ten per cent of the fish tax existed at the time of the ratification of the Constitution, and the dedication clearly falls within the exemption. Problems arise when that ten per cent is increased, as in the instant bill, to thirty-three and one-third per cent. The issue of the constitutionality of increasing the percentage of an existing dedicated fund was not specifically addressed by either of the opinions reviewed. However, material contained in these opinions strongly suggests that increasing an existing dedicated fund was not intended by the Constitution.

It is equally clear that payments to the Commercial Fishing and Agriculture Bank and earmarking state tax revenue for the construction of docks, etc. by local governmental units would do violence to the Constitution of the State of Alaska.

The Attorney General's opinion of April 4, 1969 holds:

> "The proceeds of any state tax or license which must be shared with local governmental units are dedicated to a special purpose and are in violation of Article IX, sec. 7 of the Alaska Constitution."

The Attorney General's opinion of May 2, 1975 states:

> "Accordingly, it is our conclusion that the dedication of any source of public revenue: tax, license, rental, sale, bonus-royalty, royalty, or whatever is limited by the state Constitution to those existing when the Constitution was ratified or required for participation in federal programs."

Conclusion: CSSB 132, as written, is patently unconstitutional.

Respectfully submitted,

Ziegler

Robert H. Ziegler, Sr.
Chairman
Senate Judiciary Committee

RHZ/pkz

3

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K-STATE CAPITOL
JUNEAU, ALASKA 99811

March 14, 1979

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature
Porch V
Juneau, Alaska 99811

Re: CSSB 132 (FINANCE), relating to fish-processing taxes

Dear Senator Tillion:

In your letter of March 12, 1979, you requested that this office review AS 43.75.131 and 135 as proposed in the above-referenced bill in light of the comments of Senator Ziegler, Chairman, Senate Judiciary Committee, who raised substantial concerns regarding the constitutionality of these provisions under Article 9, Section 7 of the Alaska Constitution. That provision states:

> The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in section 15 of this article or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska.

AS 43.75.130 and 135 in the present fish processing tax chapter presently provide that the "commissioner of revenue shall pay to each organized borough and each city of the first class [twenty percent] of the amount of tax revenue" collected under this chapter. Since § 130 was originally enacted in 1962 (§ 6, ch. 155, SLA 1962) and § 135 in 1963 (§ 1, ch. 89, SLA 1963) neither of the refund provisions qualify under the grandfather clause in the second sentence of the constitutional provision. This mandatory language ("shall pay") was carried over into the new proposal AS 43.75.131 which requires the following distributions:

SLH

1. Subsection (a) states that "the department shall pay to each borough and to each city of the first class an amount equal to 33 and 1/3 percent of the amount of tax revenue collected" under AS 43.75.

2. Subsection (a) also requires that the tax revenue be shared equally between city and boroughs when the city is located within a borough.

3. Subsection (b) states that "one-half of the revenue shared . . . shall be used for docks or other fisheries related development programs."

It is our opinion that Senator Ziegler's concerns are well-founded and that the language in AS 43.75.131 as written might well be found to be facially invalid under the state constitutional provision prohibiting the dedication of funds. Even with the mandatory language of the existing statute, the Department of Law has always construed these provisions as (1) requiring an appropriation and (2) that each subsequent legislature has the discretion as to whether or not to make such an appropriation for the purposes stated in the underlying statute. Thus, any such formula is advisory only and operates as an expression of the policy of the enacting legislature and nothing more. However, Senator Ziegler is quite correct in that the advisory nature of such language should be made more express so that the language of the provision would not become subject to a challenge that on its face the provision violates the intent of the constitutional provision.

We therefore recommend that proposed AS 43.75.131 and 136 as stated in CS for SB 132 (FINANCE) Section 3 be modified as follows:

> AS 43.75.131. REFUND TO LOCAL GOVERNMENTS. The legislature may, in its discretion, annually appropriate to each borough, each city of the first class, each municipality unified under AS 29.68.240--29.68.440 an amount equal to 33 and 1/3 percent of the amount of the tax revenue collected in the municipality from taxes levied in this chapter. In the case of tax revenue collected inside a city within a borough, the legislature may, in its discretion, divide the revenue to be shared equally between the city and the borough.

[Subsection (b) should be deleted in its entirety.]

AS 43.75.136. PAYMENTS TO COMMERCIAL FISHING AND AGRICULTURE BANK. The legislature may in its discretion annually appropriate an amount equal to 33 and 1/3 percent of the amount of tax revenue levied under this chapter to the Commercial Fishing and Agriculture Bank established in AS 44.54.010 until that bank is fully capitalized as determined by the commissioner of commerce and economic development based upon the estimated capital needs of the bank.

In addition to the safeguard which I mentioned in our meeting this morning, I would further recommend that sec. 12 of the Act be modified as follows:

EFFECT OF REVENUE SHARING PROVISIONS AND TRANSITIONAL RULES. The tax paid for the 1978 calendar year may be shared in accordance with AS 43.75.130 and AS 43.75.135 as those sections read before repealed by this Act. The tax paid for the 1979 calendar year and for each succeeding calendar year may be shared in accordance with AS 43.75.131, added by sec. 3 of this Act, depending upon the judgment of each subsequent legislature and upon the amounts properly appropriated for this purpose. It is recognized by this legislature that AS 43.75.131 and 136 are advisory only, that they have no binding effect on future legislatures, and that future legislatures will be free to disregard the formula outlined in the sections.

In addition, it is suggested that the reporting committee issue a letter of intent along with the proposed committee substitute, a draft of which is attached to this letter.

Sincerely,

AVRUM M. GROSS
ATTORNEY GENERAL

By: Joseph K. Donohue
Joseph K. Donohue
Assistant Attorney General

JKD:chw

Enclosure

DRAFT

It is the intent of this committee that the revenue shared with the local municipalities pursuant to AS 43.75.131 be used for docks and other fisheries related projects. It is believed that such improvements would operate as an incentive to the development of a bottomfishing industry in the state as well as to improve and further develop the fisheries currently being exploited. This committee recognizes that AS 43.75.131 and 136 merely reflect the policy of the current legislature and that future legislatures would be free to disregard the formula set forth therein. Future legislatures should examine the extent to which municipalities which have received these revenues have made reasonable efforts to meet the demand for fishery related facilities. If future legislatures find that needed fisheries development programs have not been implemented, the revenue sharing program reflected in AS 43.75.131 should be reevaluated.

1977-78 Raw Fish Tax for 2nd Class Cities and Unincorporated Areas

		Raw Fish Tax	20% return	33⅓ return
	Togiak	$ 65,460	$ 13,092	$ 21,798
	Bethel	48,470	9,694	16,140
2ND	Emmonak	26,166	5,233	8,713
CLASS	Mountain Village	22,687	4,537	7,555
CITIES	Alakanuk	4,619	924	1,538
	Unalakleet	4,533	906	1,511
	Fortuna Ledge	2,012	402	671
	Golovin	1,213	243	404
	Port Heiden	791	158	264
	Aniak	643	129	214
	Clarks Point	275	55	92
	Diamond Bay	154	31	51
	Kotzebue	25	5	8
	Quinhagak	25	5	8
	St. Mary's	25	5	8
	TOTAL	177,098	35,419	58,975
	Akutan	361,176		
UNINCORP.	False Pass	344,011		
	Nikolski	323,990		
	Tuntutuliak	165,117		
	Tununak	149,783		
	Chignik	68,383		

Back-up
info on
CS132

(legislative committee
mtg minutes,
letters to & from
legislators, news articles, etc)

4

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S – JUNEAU 99811

March 8, 1979

The Honorable Alvin Osterback
Co-Chairman
House Resource Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Osterback:

You have requested the Department of Revenue look at fish tax receipts that would be collected if a tax rate based on the effective current canned salmon rate was applied uniformly.

The breakdown of revenues on the attached sheets is based on a tax rate of 4.45 percent. This rate was arrived at by taking the raw value of salmon used by canneries, $121,758,700 (based on Fish And Game Catch Estimates) and dividing it by the FY 1978 tax collected from canneries, $5,420,438.

The total amount of revenue that would be collected using a 4.45 percent rate would be $15,205,850. A further breakdown of this total is attached for your information.

Sincerely,

John R. Messenger
Acting Commissioner

Do use 4.45% rather than 6%

GENERAL FUND PORTION
(1977-1978)
Based on 4.45%

EXISTING SYSTEM

$7,097,820

PROPOSED SYSTEM

$6,139,472

COMMERCIAL FISHING AND AGRICULTURE BANK
(1977-1978)

EXISTING SYSTEM

$ -0-

PPOPOSED SYSTEM

$5,068,617

REVENUE SHARING
(1977-1978)

EXISTING SYSTEM

$1,202,180

PROPOSED SYSTEM

$3,997,761

TOTALS
(1977-1978)

EXISTING SYSTEM

$8,300,000

PROPOSED SYSTEM

$15,205,850

AGENCY Department of Revenue

FISH TAX PROPOSAL
(1977-1978)
Based on 4.45%

COMMUNITIES	REVENUE SHARED	
	EXISTING (20%)	PROPOSED (33-1/3%)
ANCHORAGE CITY & BOROUGH	$ 40,519.66	$130,868.76
BRISTOL BAY	92,780.60	157,318.90
CORDOVA	111,744.77	244,183.72
CRAIG	2,814.75	20,793.45
DILLINGHAM	32,802.06	242,915.29
HAINES BOROUGH*	35,471.84	79,277.08
HAINES	4.53	18.16
HOMER	6,467.84	31,544.62
HOONAH	2,239.25	16,560.33
HYDABURG	1,564.03	11,557.42
JUNEAU CITY & BOROUGH	8,032.77	59,424.20
KENAI BOROUGH*	132,326.36	388,598.39
KENAI	34,008.00	73,347.27
KETCHIKAN GATEWAY BOROUGH*	70,299.04	144,634.06
KETCHIKAN	15,652.76	44,418.73
KING COVE	11,608.46	62,039.79
KLAWOCK	22,721.11	37,811.93
KODIAK BOROUGH*	182,757.95	558,936.10
KODIAK	99,510.10	420,025.56
KENANA	13.93	72.31
PELICAN	11,916.11	88,196.89
PETERSBURG	99,651.69	267,915.01
ST. MARY'S	235.00	1,710.31
SAND POINT	14,533.00	60,017.00
SELDOVIA	1,151.34	8,499.72
SEWARD	25,281.78	82,022.13
SITKA CITY & BOROUGH	7,308.47	54,057.69
UNALASKA	140,269.07	720,077.51
WRANGELL	11,565.98	36,207.38
YAKUTAT	1,460.59	10,729.25

* Includes additional Revenue Sharing from cities within borough.

Figures are based upon 1978 collections for the 1977 tax year and may differ from budget figures based upon fiscal year cutoff.

AGENCY Department of Revenue
PHONE 465-2300

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

6

FISCAL NOTE

I. REQUEST
Bill/Resolution No. _____
Title An Act relating to fisheries taxes
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Department of Revenue
Program Category Affected Revenue Collection and Management
BRU, Program, or Subprogram(s) Affected Audit Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

It is estimated that this bill will raise an additional 12 million dollars and bring total fish tax collections to 20 million dollars. These collections will be split evenly among the general fund, revenue sharing to municipalities, and the commercial fishing and agriculture bank, until fully capitalized. It is estimated that revenue sharing to municipalities would be increased by about 4 million dollars as shown in the attached breakdown. It would also allow an annual appropriation to the commercial fishing and agriculture bank of approximately 7 million dollars. Revenue to the general fund would be increased by approximately 1 million dollars and then by a greater amount when the commercial fishing and agriculture bank is fully capitalized. A breakdown of the distribution of revenues is shown in the attached pages.

IV. DATE 2/26/79 PREPARED BY John D. Harrington
AGENCY Department of Revenue
PHONE 465-2300

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

GENERAL FUND PORTION
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$7,097,820	$8,277,936 7 097, 820 1,190,116

COMMERCIAL FISHING AND AGRICULTURE BANK
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$ -0-	$6,834,037

REVENUE SHARING
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$1,202,130	$5,390,238 1. 202, 180 4,188,058

TOTALS
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$8,300,000	$20,502,261 8 300, 00 12,202,161

FISH TAX PROPOSAL
(1977-1978)

COMMUNITIES	TOTAL REVENUE COLLECTED EXISTING ----- PROPOSED		REVENUE SHARED EXISTING - PROPOSED (20%)	(33-1/3%)
ANCHORAGE CITY & BOROUGH	$ 202,598.29	$ 529,986 46	$ 40,519.66	$176,452.19
BRISTOL BAY	463,903.02	636,984.85	92,780.60	212,115.28
CORDOVA	558,723.88	988,707.05	111,744.77	329,239.44
CRAIG	14,073.75	84,192.50	2,814.75	28,036.10
DILLINGHAM	164,010.31	983,561.86	32,802.06	327,526.09
HAINES BOROUGH*	177,336.56	320,918.67	35,471.84	106,890.40
HAINES	45.34	147.04	4.53	24.48
HOMER	64,678.37	255,447.72	6,467.84	42,532.05
HOONAH	11,196.27	67,052.62	2,239.25	22,328.52
HYDABURG	7,820.15	46,795.90	1,564.03	15,583.03
JUNEAU CITY & BOROUGH	40,163.84	240,608.04	8,032.77	80,122.48
KENAI BOROUGH*	327,087.01	782,202.92	132,326.36	523,952.65
KENAI	340,080.00	593,964.91	34,008.00	98,895.16
KETCHIKAN GATEWAY BOROUGH*	273,231.39	405,771.01	70,299.04	195,012.13
KETCHIKAN	156,529.09	359,702.06	15,652.76	59,890.39
KING COVE	58,042.28	231,193.56	11,608.46	83,649.12
KLAWOCK	113,605.53	153,100.14	22,721.11	50,982.35
KODIAK BOROUGH*	416,239.21	562,447.34	162,757.95	753,621.38
KODIAK	995,101.01	3,401,359.50	99,510.10	566,326.35
NENANA	69.63	292.78	13.93	97.50
PELICAN	59,580.57	357,103.42	11,916.11	118,917.10
PETERSBURG	498,258.45	1,084,783.50	99,651.69	361,233.57
ST. MARY'S	1,175.00	6,925.00	235.00	2,306.03
SELDOVIA	11,513.43	68,830.58	1,151.34	11,460.29
SEWARD	252,817.79	664,213.70	25,281.78	110,591.58
SITKA CITY & BOROUGH	36,542.35	218,879.10	7,308.47	72,886.74
UNALASKA	701,345.38	2,915,537.34	140,269.07	970,890.60
WRANGELL	57,829.92	146,603.37	11,565.98	48,818.92
YAKUTAT	7,302.94	43,442.64	1,460.59	14,466.40
Seal Point			14 531.[illegible]	97.200.[illegible]

* Includes additional Revenue Sharing from cities within borough.

Figures are based upon 1978 collections for the 1977 tax year and may differ from budget figures based upon fiscal year cutoff.

5

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill No. SB 132
T Raw Fish Tax
R Community & Regional Affairs & Finance Date 2-12-79

II. FISCAL DETAIL
Agency Affected Revenue
Program Category Affected Development
Budget Request Unit(s) Affected Shared Taxes

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	(1,500.0)	(1,500.0)	(1,500.0)	(1,500.0)	(1,500.0)	(1,500.0)
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

There is no additional cost to administer the Bill. The General Fund will decrease in the amount shown as the additional raw fish tax revenue is shared.

IV. DATE 2-16-79 PREPARED BY [signature] D. A. Wall
AGENCY Revenue
PHONE 465-2313

Original Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

JJ-001 (Rev. 10/78)

18 A CONTINUED

FY 80

Fisheries Tax

Cities	FY 77 Actual	Actual FY 77 @ 25%	FY 78 Actual	Actual FY 78 @ 25%	FY 79 Authorized	Est. FY 79 @ 25%	FY 80 Request	Est. FY 80 @ 25%
Cordova	86477	216,192.5	111791	279,477.5	69500	173,750.0	89988	224,970.0
Craig	4260	10,650.0	3273	8,182.5	5000	12,500.0	4433	11,082.5
Dillingham	29669	74,172.5	32792	81,980.0	30000	75,000.0	30674	77,185.0
Fairbanks	15	37.5	3	7.5	15	37.5	16	40.0
Haines	-0-	-0-	5	12.5	-0-	-0-	-0-	-0-
Hoonah	1952	4,880.0	2249	5,622.5	2000	5,000.0	2031	5,077.5
Hoper	2697	6,742.5	6475	16,187.5	2000	5,000.0	2806	7,015.0
Hydaburg	1659	4,147.5	1564	3,910.0	2000	5,000.0	1726	4,315.0
Kake	391	977.5	-0-	-0-	500	1,250.0	407	1,017.5
Kenai	33639	84,097.5	34010	85,025.0	30000	75,000.0	37086	92,715.0
Ketchikan	14860	37,150.0	27290	68,225.0	15000	37,500.0	15463	38,657.5
King Cove	85810	214,525.0	11593	28,982.5	80000	200,000.0	89294	223,235.0
Klawock	10858	27,145.0	22716	56,790.0	10000	25,000.0	11299	28,247.5
Kodiak	74439	186,097.5	98465	246,162.5	70000	175,000.0	77461	193,652.5
Nenana	92	230.0	79	197.5	100	250.0	96	240.0
Pelican	12447	31,117.5	13153	32,882.5	12000	30,000.0	12952	32,380.0
Petersburg	36904	92,260.0	99651	249,127.5	35000	87,500.0	38402	96,005.0
Seldovia	1233	3,082.5	1151	2,877.5	1000	2,500.0	1283	3,207.5
Seward	21220	53,050.0	26850	67,125.0	20000	50,000.0	22081	55,202.5
St. Marys	-0-	-0-	235	587.5	-0-	-0-	-0-	-0-
Unalaska	101417	253,542.5	154901	387,252.5	90000	225,000.0	105534	263,835.0
Valdez	-0-	-0-	5	12.5	-0-	-0-	-0-	-0-

AGENCY Revenue BAU Shared Taxes COMPONENT Fisheries Tax DATE REVISED

CONTINUED
page 1 of 2 pages Form

Fisheries Tax (Con't.)

Cities	FY 77 Actual	Actual FY 77 @ 25%	FY 78 Actual	Actual FY 78 @ 25%	Authorized	Est. FY 79 @ 25%	FY 80 Request	Est FY 80 @ 25%
Wrangell	6482	16,205.0	11571	28,927.5	5000	12,500.0	6745	16,862.5
Yakutat	1227	3,067.5	1456	3,640.0	2000	5,000.0	1277	3,192.5
Total Cities	529748	1,324,370.0	661279	1,653,197.5	481115	1,202,787.5	551254	1,378,135.0
Boroughs								
North Star	15	37.5	3	7.5	100	250.0	16	40.0
Anchorage	25367	63,417.5	40525	101,312.5	35000	87,500.0	26397	65,992.5
Bristol Bay	93101	232,752.5	92881	232,202.5	100000	250,000.0	96881	242,202.5
Fairbanks	-0-	-0-	-0-	-0-	100	250.0	-0-	-0-
Haines	4669	11,672.5	35467	88,667.5	6000	15,000.0	4859	12,147.5
Juneau	7054	17,635.0	8159	20,397.5	10000	25,000.0	7340	18,350.0
Kenai	68248	170,620.0	133925	334,812.5	75000	187,500.0	71019	177,547.5
Ketchikan	34018	85,045.0	81946	204,865.0	40000	100,000.0	35399	88,497.5
Kodiak	251716	629,290.0	182348	455,870.0	232685	581,712.5	261968	654,920.0
Mat-Su	-0-	-0-	-0-	-0-	10000	25,000.0	-0-	-0-
Sitka	5734	14,335.0	8289	20,722.5	10000	25,000.0	5967	14,917.5
Total Boroughs	489922	1,224,805.0	583544	1,458,860.0	518885	1,297,212.5	509846	1,274,615.0
Total Cities & Boroughs	1019670	2,549,175.0	1244821	3,112,052.5	1000000	2,500,000.0	1061100	2,652,750.0

AGENCY Revenue BRU Shared Taxes COMPONENT Fisheries Tax DATE REVISED

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

Date: 4/3/79
TO: C&RA Committee
FROM: Rep. Bill Parker, Chairman
RE: CSSB 132 Relating to Fisheries Taxes

For your background information, below are listed the various versions of the section of SB 132 related to "refund to local governments."

Existing Law -- AS 43.75.130 Attached

Senate Bill No. 132 -- Original version introduced on 2/12/79 by Sen.Kerttula
Attached

CS SB132 -- Offered 3/8/79 by Community and Regional Affairs Committee

Sec. 43.75.131 REFUND TO LOCAL GOVERNMENTS. (a)The department shall pay to each borough, to each city of the first class, and to each municipality unified under AS 29.68.240 - 29.68.440, an amount equal to 3. 1/3 per cent of the amount of tax revenue collected in the municipality from taxes levied in this chapter. In the case of tax revenue collected inside a city within a borough, the revenue to be shared shall be divided equally between the city and the borough.
(b) One-half of the revenue shared with a borough or city of the first class shall be used for docks or other fishery enhancement projects and those expenditures must be certified and reported to the department annually no later than January 30.

CS SB132 (Finance) Offered 3/12/79 by the Finance Committee

Same as in CS SB132 by C&RA (See above)

CS SB 132 (Rules) Offered 3/17/79 by the Rules Committee

Sec. 43.75.131 TAX SHARING WITH MUNICIPALITIES. The legislature may annually appropriate to each borough, to each city of the first class, and to each municipality unified under AS 29.68.240 - 29.68.440, an amount equal to 33 1/3 per cent of the amount of tax revenue collected in the municipality from taxes levied in this chapter. If tax revenue is collected in a city within a borough, the legislature may divide the tax revenue appropriated under this section between the city and the borough.

If a receiver, trustee, or assign is operating the property or business, he shall make the return for the person. A tax due on the basis of such return shall be collected in the same manner as if collected from the person of whose business he has custody and control. The requirements for time and place of payment of tax, and the obligation to keep records and make the records available to the commissioner of revenue are the same as those prescribed in the business license tax law for salmon canneries. (§ 2 ch 190 SLA 1959)

Sec. 43.75.120. Violations and penalties. (a) The liability to file returns and pay interest and deficiency assessments, and the subjection of property to liens is the same as prescribed in the business license tax law for salmon canneries.

(b) A violation of §§ 100 — 120 of this chapter or the regulation... is ued under §§ 100 — 120 of this chapter is a misdemeanor subject to punishment as prescribed in the business license tax law for salmon ca.neries. (§ 3 ch 190 SLA 1959)

Article 4. General Provisions.

Section
130. Refund to local governments
135. Additional refund to boroughs and cities

Sec. 43.75.130. Refund to local governments. The commissioner of revenue shall pay to each organize' borough and each city of the first class 10 per cent of the amount of tax revenue collected in the borough or city from taxes levied by §§ 10 — 90 of this chapter. (§ 6 ch 155 SLA 1962; am § 75 ch 69 SLA 1970; am § 10 ch 218 SLA 1976)

Effect of amendment. — The 1976 amendment substituted "city of the first class" for "city of the first, second, and third classes."

Legislative committee report. — For report on ch. 69, SLA 1970 (HB 564), see 1970 House Journal Supplement No. 2, p. 7.

Sec. 43.75.135. Additional refund to boroughs and cities. In addition to the payment allowed in § 130 of this chapter, the commissioner of revenue shall pay to each organized borough 10 per cent of the amount of tax revenue collected in the borough from taxes levied by §§ 1' — 90 of this chapter and shall pay to each city of the first class loca.ed in the unorganized borough 10 per cent of the amount of the tax revenue collected in the city from taxes levied by §§ 10 — 90 of this chapter. (§ 1 ch 89 SLA 1963; am § 1 ch 120 SLA 1969; am § 11 ch 218 SLA 1976)

Effect of amendment. — The 1976 amendment substituted "city of the first class" for "city of the first, second, and third classes."

SENATE FINANCE COMMITTEE
March 10, 1979
10:00 a.m.

Chairman Sackett called the meeting to order at 10:00 a.m. Senators Dankworth, Bennett, Hackney, Sackett, Ray and Hohman were present. Also presnet were: Dr. Sherman Carter, VP for Finance, U of A, Don McKnight and Russell Clark from ADF & G, Jack Utton, Director of Natural Resources, Tanana Chiefs, Bob Palmer, Special Projects, Office of the Governor, Jim Farmer, Executive Director, Koyukon Development Corporation, and Robert Shelley, Analyst, Budget & Management. PRESENT

Senator Sackett advised that the purpose of the meeting was that of a bill session. He then brought up SB 132 (An Act relating to the refund of raw fish tax receipts to local government). He advised the committee that a CS had been prepared which included an amendment offered by Senator Tillion. Chairman Sackett explained the changes made by the CS. SB 132

Senator Hohman moved that CS SB 132 be passed from committee with individual recommendations. CS SB 132 passed as follows: senators Hackney, Bennett, Dankworth and Sackett voted do pass. Senators Hohman and Ray voted no recommendation. MOTION

Senator Sackett moved that SB 62 (supplemental appropriations to Special Projects Office, Office of the Governor, to fund Delta Agricultural Development Project) be brought before the committee for discussion. It was so ordered. SB 62

Senator Sackett introduced Bob Palmer, Special Projects director to give testimony on the bill. Mr. Palmer offered information regarding the bill, and gave information to the committee that had been requested in a previous meeting. Senator Hohman had questions concerning the contract dates. Mr. Palmer stated that 30% of the work had to be completed by May 1980, 60% completed by May 1981, and total preparation and ready for planting had to be completed by May 1982. When asked if they were going to stick by the contract dates, Mr. Palmer replied "most definitely!" He said there might be a couple who would not make the contract date, but he felt most of them would. CONTRACT DATES

Senator Sackett explained that a CS had been prepared for the bill. The changes were explained. Senator Hohman made a motion that CS SB 62 be passed from committee with individual recommendations. There being no objection, it was so ordered. CS SB 62 passed as follows: Senators Hohman, Hackney, Bennett, Dankworth and Sackett voted do pass. Senator Ray voted do not pass unless amended MOTION

STATE of ALASKA

MEMORANDUM

12

TO: Hon. Sterling Gallagher
Commissioner
Dept. of Revenue

DATE: July 6, 1977

FILE NO:

TELEPHONE NO:

FROM: Avrum M. Gross
Attorney General

BY: Rodger W. Pegues
Assistant Attorney General

SUBJECT: Municipal revenue sharing, fish processing taxes; our file J-66-687-77

This responds to your request for our opinion on the proper interpretation and application of AS 43.75.130 and 135, which provide for sharing of certain revenues with organized boroughs and first class cities.

AS 43.75.130 was enacted in 1962 and, since amended, reads as follows:

> The commissioner of revenue shall pay to each organized borough and each city of the first class 10 per cent of the amount of tax revenue collected in the borough or city from taxes levied by §§ 10 -- 90 of this chapter.

AS 43.75.135 was enacted in 1963 and, since amended, reads as follows:

> In addition to the payment allowed in § 130 of this chapter, the commissioner of revenue shall pay to each organized borough 10 per cent of the amount of tax revenue collected in the borough from taxes levied by §§ 10 -- 90 of this chapter and shall pay to each city of of the first class located in the unorganized borough 10 per cent of the amount of the tax revenue collected in the city from taxes levied by §§ 10 -- 90 of this chapter.

Under a literal reading of these two sections, as pointed out by the Legislative Audit Division, an organized borough, whether or not there is a first class city within it, would receive 20 percent of the revenue collected from sources within it. However, a literal reading does not arrive at the result the legislature appears to have intended. To better understand how these two statutes came to read as they do, one should read the latter as it was enacted in 1963 before being amended to include cities:

> Additional Refund to Boroughs. In addition to the payment allowed in sec. 130 of this chapter, the commissioner of revenue shall pay to each organized borough 10 per cent of the amount of tax revenue collected in the borough from taxes levied by secs. 10 -- 90 of this chapter.

§ 1, ch. 89, SLA 1963.

What happened was that the 1962 statute gave cities 10 percent of the taxes collected within them and organized boroughs 10 percent of the taxes collected within them. Of course, many cities are within organized boroughs, and the taxes collected within those cities are then collected within both. The result was that a city would get the 10 percent if the tax was collected within its limits and so would the borough, for a total local share of 20 percent. */ If the tax were collected solely within a city, i.e., one not in a borough, it would get 10 percent. If the tax were collected from outside the city limits in an organized borough, then the borough would get the 10 percent and nothing went to the city. In other words, the local people got 10 or 20 percent of the tax revenue based entirely on the locus of the tax source and the existence of both a city and an organized borough.

This result was patently unintended and unfair. The tax was to be shared with those municipal entities which levied a local tax to support schools and was designed to reduce their tax burden. Where there is a city and an organized borough, the residents in both pay the same local taxes for schools.

The 1963 Legislature passed ch. 89 to provide for a borough to get an additional 10 percent share when the city did not receive a share so that the total local share would be 20 percent. Finally, in 1969, the statute was again amended to provide the same for cities. In that way, the total local share was uniformly set at 20 percent.

*/ Of course, the original statute could have been interpreted to have a different result, i.e., it could have been viewed as not giving an organized borough any share of the tax collected from within first class cities within the borough. This would have resulted in a total local share of 10 percent. Arguably, the legislature may orginally have intended this result. However, the agency interpreted the statute otherwise and the subsequent acts of the legislature tend to ratify the agency's view.

which--in all likelihood--was what was eventually intended by the legislature.

Our analysis is buttressed by a contempory agency construction. Under the legislation as originally enacted, when taxes were collected from a source within a city in an organized borough, the Department of Revenue gave both 10 per cent. If they were collected from a source outside the city, the borough got 10 percent and the city, nothing.

After the 1963 enactment, in the first situation given above, both continued to get 10 percent, for a total local share of 20 percent. But in the second situation given above, the borough now got 20 percent, i.e., an additional 10 percent, bringing the total local share in that situation up to an equal 20 percent.

After the 1969 amendment (to give cities as well as organized boroughs an additional 10 percent), the department continued to split 20 percent between the city and the borough when the tax source was a city within a borough (i.e., 10 percent to each), to give the borough 20 percent when the source was within the borough but outside of any city, and then to give a city which was not in an organized borough 20 percent as well. We perceive this latter amendment as tantamount to the ratification of the agency's interpretation. In effect, the legislature said, "Do the same for cities outside of boroughs."

While the precise language and history of the statute are obscure, we believe that the department's practical, longstanding and consistent interpretation of the statute and the legislature's apparent ratification of that interpretation are pretty much conclusive. Accordingly, and despite the literal terms of the statute, the department should continue to apply it as it has been doing.

RWP:chp

8

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER / POUCH S – JUNEAU 99811

March 9, 1979

The Honorable John C. Sackett
Chairman
Senate Finance Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Sackett:

CS SB 132 would reform the Alaska fishery taxes by making them more equitable and uniform among types of processing while at the same time raising additional revenue for the state and municipalities for fishery enhancement programs.

Our present fish tax structure can be traced back to 1949 and has been changed little since that time. The tax structure contains different tax values and rates according to fish species being processed and the manner of processing. These different rates and values are shown in Attachment 1. Although this tax structure may have been appropriate in 1949, the tax structure as applied to today's economics is extremely unequitable and inefficient and bears no relationship to the value of the resource harvested or the economics of the business.

The fish tax structure we are proposing first of all standardizes the tax at a rate of 6 percent of the raw value of the product for all species, and ~~all methods of~~ processing. Under this bill an additional $12 million would be raised the first year and the total of $20 million would be divided equally between the general fund, the commercial fishing and agriculture bank, and revenue sharing to municipalities.

Secondly, and as important as standardizing the tax structure, the legislation we are proposing will enable the state and municipalities to continue funding fishery enhancement programs, by making an additional amount of revenue available for the development of our

04-02LH

fishery industry. Specifically additional funding would be available to the Commercial Fishing and Agricultural Bank for fishermen and processor loans and additional revenue sharing would be available to fishing communities. The specific amount of this funding is shown in Attachment 2 and 3.

The State has placed a strong emphasis on Renewable Resource Development. Appropriations for fish enhancement programs alone have totaled approximately $90 million dollars since FY 1977, $30.5 million of which has been for operating expenditures and another $58.4 million for capital expenditures. Since FY 1973 fishery loans has totalled $48 million including $13 million in FY 1978.

We are all concerned about the state's financial condition. This additional funding will insure that money is available for future fishery enhancement programs.

When the Commercial Fishery and Agricultural Bank goes into operation this year it will have a beginning appropriation of $2 million. With the $6.8 million that would be appropriated with this legislation it is estimated that the bank would be able to make approximately $54 million in loans in its first year of operation. Resident processors as well as fishermen will be able to take advantage of the bank and sums large enough to help a developing bottom fishery will be available within the state.

Municipalities, too, are facing fiscal problems. The amounts of revenue sharing available to municipalities in this legislation will help solve those problems and in some cases enable municipalities to implement projects on their own without having to rely on the passage of general obligation bonds to fund their docks and fish enhancement programs.

Sincerely,

John R. Messenger
Acting Commissioner

EXISTING FISH TAX RATES

CANNERIES

FY 78 Receipts = $5,420,438

Salmon - 3% of average wholesale price of canned product during months of August - December of five years preceding license year

If figured on raw value would be an effective tax rate of 4.45%

Crab - 2% of raw value

Clam - 1% of raw value for butter clams
2% of raw value for razor clams

Herring - 1% of raw value

FREEZERSHIPS

FY 78 Receipts = $1,299,516

- 4% of raw value

COLD STORAGE

FY 78 Receipts = $1,933,484

- 1% of raw value

TOTAL

FY 1978 RECEIPTS = $8,653,438

PROPOSED TAX RATES

CANNERIES

Receipts = $7,305,520

- 6% of Raw Value

FREEZERSHIPS

Receipts = $1,949,275

- 6% of Raw Value

COLD STORAGES

Receipts = $11,600,904

- 6% of Raw Value

TOTAL

RECEIPTS = $20,855,699

GENERAL FUND PORTION
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$7,097,820	$8,277,936

COMMERCIAL FISHING AND AGRICULTURE BANK
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$ -0-	$6,834,087

REVENUE SHARING
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$1,202,180	$5,390,238

TOTALS
(1977-1978)

EXISTING SYSTEM	PROPOSED SYSTEM
$8,300,000	$20,502,261

Attachment 3

FISH TAX PROPOSAL
(1977-1978)

COMMUNITIES	TOTAL REVENUE COLLECTED EXISTING ----- PROPOSED		REVENUE SHARED EXISTING - PROPOSED (20%)	(33-1/3%)
ANCHORAGE CITY & BOROUGH	$ 202,598.29	$ 529,866.46	$ 40,519.66	$176,452.19
BRISTOL BAY	463,903.02	736,982.85	92,780.60	212,115.28
CORDOVA	558,723.88	988,707.05	111,744.77	329,239.44
CRAIG	14,073.75	84,192.50	2,814.75	28,036.10
DILLINGHAM	164,010.31	983,561.86	32,802.06	327,526.09
HAINES BOROUGH*	177,336.56	320,918.67	35,471.84	106,890.40
HAINES	45.34	147.04	4.53	24.48
HOMER	64,678.37	255,447.72	6,467.84	42,532.05
HOONAH	11,196.27	67,052.62	2,239.25	22,328.52
HYDABURG	7,820.15	46,795.90	1,564.03	15,583.03
JUNEAU CITY & BOROUGH	40,163.84	240,608.04	8,032.77	80,122.48
KENAI BOROUGH*	327,087.01	782,202.92	132,326.36	523,952.65
KENAI	340,080.00	593,964.91	34,008.00	98,895.16
KETCHIKAN GATEWAY BOROUGH*	273,231.39	405,771.01	70,299.04	195,012.13
KETCHIKAN	156,529.09	359,702.06	15,652.76	59,890.39
KING COVE	58,042.28	251,198.56	11,608.46	83,649.12
KLAWOCK	113,605.53	153,100.14	22,721.11	50,982.35
KODIAK BOROUGH*	416,239.21	562,447.54	182,757.95	753,621.38
KODIAK	995,101.01	3,401,359.50	99,510.10	566,326.35
NENANA	69.63	292.78	13.93	97.50
PELICAN	59,580.57	357,108.42	11,916.11	118,917.10
PETERSBURG	498,258.45	1,084,785.50	99,651.69	361,233.57
ST. MARY'S	1,175.00	6,925.00	235.00	2,306.03
SAND POINT	43,600.00	261,000.00	14,533.00	82,000.00
SELDOVIA	11,513.43	68,830.58	1,151.34	11,460.29
SEWARD	252,817.79	664,213.70	25,281.78	110,591.58
SITKA CITY & BOROUGH	36,542.35	218,879.10	7,308.47	72,886.74
UNALASKA	701,345.38	2,915,587.34	140,269.07	970,890.60
WRANGELL	57,829.92	146,603.37	11,565.98	48,818.92
YAKUTAT	7,302.94	43,442.64	1,460.59	14,466.40

* Includes additional Revenue Sharing from cities within borough.

Figures are based upon 1978 collections for the 1977 tax year and may differ from budget figures based upon fiscal year cutoff.

FISCAL NOTE

14

REQUEST
Bill/Resolution No. _____
Title An Act relating to fisheries taxes
Requested by Representative Alvin Osterback Date _____

II. FISCAL DETAIL

Agency Affected Department of Revenue
Program Category Affected Revenue Collection and Management
BRU, Program, or Subprogram(s) Affected Audit Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

If a tax rate of 4.45 percent is used as a base, an additional $7 million would be raised bringing the total fish tax collections to $15.2 million. These collections will be split evenly among the general fund, revenue sharing to municipalities, and the commercial fishing and agriculture bank, until fully capitalized. It is estimated that revenue sharing to municipalities would be increased by about 3 million dollars as shown in the attached breakdown. It would also allow an annual appropriation to the commercial fishing and agriculture bank of approximately 5 million dollars. With a 4.45 percent rate, revenue to the general fund would decrease by about $1 million dollars, but would increase considerably when the commercial fishing and agriculture bank is fully capitalized in a few years. A breakdown of the distribution of revenue is shown on the attached pages.

IV. DATE _____ PREPARED BY John R. Messenger
AGENCY Department of Revenue
PHONE 465-2300

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/78)

CHAPTER 218, Sec. 11 Session Laws of Alaska 1976

Sec. 10 AS 43.75.130 is amended to read:

Sec. 43.75.130 REFUND TO LOCAL GOVERNMENTS. The commissioner of revenue shall pay to each organized borough and each city of the first class 10 per cent of the amount of tax revenue collected in the borough or city from taxes levied by secs 10 - 90 of this chapter.

Sec. 11. AS 43.75.135 ADDITIONAL REFUND TO BOROUGHS AND CITIES. In addition to the payment allowed in sec. 130 of this chapter, the commissioner of revenue shall pay to each organized borough 10 per cent of the amount of tax revenue collected in the borough from taxes levied by secs 10 - 90 of this chapter and shall pay to each city of the first class located in the unorganized borough 10 per cent of the amount of the tax revenue collected in the city from taxes levied by secs 10 - 90 of this chapter.

Dept of Revenue Guideline

TO SHARE RAW FISH TAX

Raw Fish tax should be shared as soon as possible after July 1 of each year. This tax is shared with boroughs, home rule cities and first class incorporated cities only.

A. Incorporated cities within an unincorporated borough receive 20%
B. First class cities in an incorporated borough receive 10%
D. The organized borough [outside of any city] receives 20%
C. The organized borough of a first class city receive 10%
E. Tax collected outside of any borough is not shared.
F. Penalty and Interest only is not shared

FISH TAX PROPOSAL
(1977-1978)

COMMUNITIES	TOTAL REVENUE COLLECTED EXISTING ----- PROPOSED		REVENUE SHARED EXISTING - PROPOSED (20%)	(33-1/3%)
ANCHORAGE CITY & BOROUGH	$ 202,598.29	$ 529,886.46	$ 40,519.66	$176,452.19
BRISTOL BAY	463,903.02	636,982.85	92,780.60	212,115.28
CORDOVA	558,723.88	988,707.05	111,744.77	329,239.44
CRAIG	14,073.75	84,192.50	2,814.75	28,036.10
DILLINGHAM	164,010.31	983,561.86	32,802.06	327,526.09
HAINES BOROUGH*	177,336.56	320,918.67	35,471.84	106,890.40
HAINES	45.34	147.04	4.53	24.48
HOMER	64,678.37	255,447.72	6,467.84	42,532.05
HOONAH	11,196.27	67,052.62	2,239.25	22,328.52
HYDABURG	7,820.15	46,795.90	1,564.03	15,583.03
JUNEAU CITY & BOROUGH	40,163.8.	240,608.04	8,032.77	80,122.48
KENAI BOROUGH*	327,087.01	782,202.92	132,326.36	523,952.65
KENAI	340,080.00	593,964.91	34,008.00	98,895.16
KETCHIKAN GATEWAY BOROUGH*	273,231.39	405,771.01	70,299.04	195,012.13
KETCHIKAN	156,529.09	359,702.06	15,652.76	59,890.39
KING COVE	58,042.28	251,198.56	11,608.46	83,649.12
KLAWOCK	113,605.53	153,100.14	22,721.11	50,982.35
KODIAK BOROUGH*	416,239.21	562,447.54	182,757.95	753,621.38
KODIAK	995,101.01	3,401,359.50	99,510.10	566,326.35
NENANA	69.63	292.78	13.93	97.50
PELICAN	59,580.57	357,108.42	11,916.11	118,917.10
PETERSBURG	498,258.45	1,084,785.50	99,651.69	361,233.57
ST. MARY'S	1,175.00	6,925.00	235.00	2,306.03
SAND POINT	43,600.00	261,000.00	14,533.00	82,000.00
SELDOVIA	11,513.43	68,830.58	1,151.34	11,460.29
SEWARD	252,817.79	664,213.70	25,281.78	110,591.58
SITKA CITY & BOROUGH	36,542.35	218,879.10	7,308.47	72,886.74
UNALASKA	701,345.38	2,915,587.34	140,269.07	970,890.60
WRANGELL	57,829.92	146,603.37	11,565.98	48,818.92
YAKUTAT	7,302.94	43,442.64	1,460.59	14,466.40

* Includes additional Revenue Sharing from cities within borough.

Figures are based upon 1978 collections for the 1977 tax year and may differ from budget figures based upon fiscal year cutoff.

Homer	64,678.37	255,447.72	6,467.84	42,532.05
KPB	327,087.01	782,202.92	132,326.36	523,952.65
Kenai	340,080.00	593,964.91	34,008.00	98,895.16
Seward	252,817.79	664,213.70	25,281.78	110,591.58
Seldovia	11,513.43	68,830.58	1,151.34	11,460.29
	$896,176.60	$2,364,659.83	$199,235.32	$787,581.63

FISH TAX PROPOSAL
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Figures are based upon 1978 collections for the 1977 tax year and may differ from budget figures based upon fiscal year cutoff.

3824

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

COMMITTEE MINUTES

DATE: 4/4/79

BILL NUMBER AND TITLE: CSSB 132 relating to fisheries tax

ORIGINAL SPONSOR : Kertulla

OTHER SPONSORS: C&RA Substitute
Finance CS, Rules CS (final version)

RECEIVED FROM:

FURTHER REFERRALS:

MEMBERS PRESENT: Parker, O'Connell, Metcalfe, Branson, Zharoff

MEMBERS ABSENT: Carney, Parr

INDIVIDUALS CONTACTED:

WITNESSES TESTIFYING:

Rep. Parker -- Announced that the C&RA Committee would concentrate on the local governnment provisions of the fisheries taxes bill.

Ernie Haugen -- Abrupt raise. Original SB 132 only dealt with refund to local governments. Present bill is such an expansion of original bill that no one knows what it is all about. It will have a dramatic impact on local employment. The 6% tax will send the fishermen to Prince Rupert to sell fish. A tax incentive should be considered. Fully supports the idea of a tax study of the whole fisheries taxation question. The industry would cooperate in putting together a workable tax structure.

John Messenger, Acting Commissioner of Revenue
Concentrating remarks on revenue sharing section. Proposal in CSSB132 is different than original bill. Constitutional question was discussed by Messenger. Administration of current program was discussed.

Branson questions why second class cities are not receiving revenue monies based on the fish tax. Response from Jack Chenoweth is that originally, from the time of statehood, first, second and third class cities received revenue, but in 1972 a change was made with the reclassification of cities and the second class cities were eliminated as they do not have educational functions and the original designated fund justification was tied to education.

Rep. Zharoff expressed concern with the lack of an incentive fishermen would have to sell fish on-shore. With the emphasis on fresh, and frozen products, there would be an impetus set up for operations to move off shore.

COMMITTEE ACTION: Another hearing scheduled on 4/6/79 as a "mark-up" session.

TAPE # 6 SIDE 2 Sections 32-812

Rick Lauber, Alaska Manager of the Alaska Seafood Processors

Ak. Seafood Processors handle 65% of fish processed in the state. Dedicated fund provision --10% of the dedicated fund is constitutional. Additonal 10 questionable. By repealing the original provision, the municipalities would not be in a safe position. It might be acceptable to add 10% or so on top of the 10% specified in current law.

Lauber questions revenue sharing projections saying they are only estimates and the accuracy of them is questionable. There won't be a change in the revenue sharing entitlement of a community which depends on canned salmon at the present time.. A 5 or 10X increase is most questionable.

The bill is touted as an aid to bottomfish development . SB won't do that as revenue sharing is based on present processing within communities. There is no guarentee that bottomfish will locate in the same places. Yakatat and Sitka would be likely places to share in revenue but they wouldn't get enough and would still come to the state for additional money.

The current tax system is not necessarily outdated. The value of fish has risen and so the tax has also risen accordingly The given figures should be checked for accuracy.

Any increases of the tax on the bottomfish industry would preclude the industry's ever developing. Bottomfish is part of an international market so the prices have to be kept marketable.

There should be consideration given to the idea of a tax incentive for the bottomfish industry.

The Legislature should stand behind the fish study bill, HB 36, which was passed by the House.

Ginney Chitwood , Executive Director of the Municipal League

No position on the increase in the raw fish tax. Concerned about removing the constitutional dedication of funds to the municipality. Gross business license tax repeal is a case in point. The corporate income tax was to take its place. The municipalities have never received the 150% promised. Nor the 10% of corporate income promised. Again, revenue sharing is not funded at 100% by the legislature (or Gov.)

Sen. Mulcahy -- Greatest concern is the impact this bill would have on communities. Outdated information on figures is being used. the projections are not accurate. Income is substantially greater than that shown.

The Commerce Committee considered SENATE BILL NO. 94 (relating to occupational licensing fees) and reports it back as follows: Senator Bradley, Chairman and Senator Sturgulewski signed "do pass". Senators Ferguson and Stimson signed "no recommendation". Senator Kelly signed "do not pass". SB 94

SENATE BILL NO. 94 was referred to the Finance Committee.

The Resources Committee considered SENATE BILL NO. 113 (waste of wild food animals) and reports it back as follows: Senator Sumner, Chairman and Senators Dankworth, Mulcahy and Fahrenkamp signed "do pass". SB 113

SENATE BILL NO. 113 was referred to the Rules Committee.

The Community and Regional Affairs Committee considered SENATE BILL NO. 132 (refund of raw fish tax receipts to local government) and recommends it be replaced with COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 132, entitled: SB 132

"An Act relating to fisheries taxes; and providing for an effective date."

and reports it back as follows: Senator Sturgulewski, Chairman and Senators Kelly and Stimson signed "do pass". Senator Rodey signed "no recommendation". Senator Mulcahy signed "do not pass". The Committee further attaches a letter of intent.

SENATE BILL NO. 132 was referred to the Finance Committee.

Letter of intent accompanying SENATE BILL NO. 132 follows:

The Senate Community and Regional Affairs Committee has adopted and passed Committee Substitute for Senate Bill 132 which has a referral to the Senate Finance Committee.

Testimony, received by the Committee, indicates the need for further investigation on the economic ramifications of this legislation, with particular emphasis on the development of bottom fisheries.

By Senate Community and Regional Affairs Committee

Chairman

Vice-Chairman

SENATE FINANCE COMMITTEE
March 9, 1979
8:35 a.m.

Chairman Sackett convened the meeting at approximately 8:35 a.m. All committee members were present with the exception of Senator Sumner. Also in attendance were Senators Kerttula, Mulcahy, Tillion, and Stimson, as well as the Governor's Legislative Assistant Keith Specking, Garrey Peska, Administrative Assistant to the Finance Committee, representatives of the media, and individuals listed on the attendance sheet appended to these minutes. PRESENT

Chairman Sackett moved that SB 132 (Act relating to the refund of raw fish tax receipts to local government) be brought up for discussion, advising that Senate President Tillion and Mr. Specking were present to testify concerning the bill. SB 132

Senator Tillion advised that the legislation allows foregiveness of property taxes to municipalities equal to the amount paid for fishery development. He directed committee attention to page 2 of the fiscal note accompanying SB 132, advising that page 2 sets forth current distribution of shared taxes as well as proposed distrit ions un'er the subject bill.

Under the above legislation, fisheries would be taxed at basically the same rate for all species. Such taxation would not increase the general fund by a significant amount, but it would make funds available for development of fishery programs.

Senator Tillion advised committee members of the existence of a $1.684 million fisheries development bank formed last year, advising that funding in the bank can be leveraged through the Spokane Bank of Cooperatives. Development funding covers vessel loans as well as improvements ashore. He further stated that taxes do not fall evenly throughout Alaska. Senator Tillion advised that 60% of the crab caught in Alaska is caught by non-resident fishermen, while nine years ago Alaskans caught 90%. The greatest amount of crab is now caught by fishermen coming out of Seattle.

The program requires five years' residency in Alaska in order to be eligible, during three of which the individual must have participated in Alaskan fisheries. Senator Tillion advised that for the state's long-term good it will be

more beneficial to effect the increased tax now rather than maintain the status quo.

Senator Ray questioned whether revenue derived from the anticipated tax increase would be placed in the renewable resources fund, and Senator Tillion responded "no, last year we formed the bank and put $2 million into it set up as the Alaska Commercial Fishing and Agriculture Bank under the bank of cooperatives system set up by the federal government."

Mr. Keith Specking next appeared before the committee to comment on the proposed bill (copy of Mr. Specking's verbatim testimony attached to these minutes). KEITH SPECKING

Following Mr Specking's testimony, and in response to a question from Senator Ray, Senator Tillion demonstrated the effect of increased revenue sharing under the proposed legislation, advising that where the Haines Borough currently receives $32 thousand, under the subject bill it would receive $106 thousand. Basically, what the state hopes to do through increased revenue sharing is to develop its fisheries industry and take back what has been lost to Seattle. Increased funding will enable local municipalities to float revenue bonds to finance dock improvements. The fisheries industry will thus be bearing the cost of improvements rather than the general public.

Senator Mulcahy next appeared before the committee advising that the subject bill will have "the biggest impact on fisheries that has ever come along." He stated that problems with the legislation center on the fact that there has not been adequate time to develop information, receive input, or conduct research. He further stated that everyone knew the administration was considering a raw fish tax, but no one knew it would be anything as large as the proposed bill. In some areas of the industry the bill would effect a 500% tax increase. SENATOR MULCAHY

Senator Mulcahy stated that he believed everyone would agree that there is only one established fishery industry in Alaska--the salmon industry. Therefore the tax in this area is sometimes higher than other fishery areas experience. Some fishery areas are new and need a chance to "develop and get on their feet." Future development appears to be in bottom fisheries. Other areas of the industry have peaked out and are now functioning at a lower level.

Senator Mulcahy alluded to problems in the bottom fish industry revolving around big foreign fleets and cheaper labor markets in foreign countries. If Alaska is going to develop a bottom fish industry, it is going to have to give the on-shore development plant a break. The Bering Sea and Continental Shelf could be the sea port of Alaska if it is only allowed to develop.

He further advised that enactment of SB 132 would kill attempts by Senator Stevens to get $2 million in funding at the national level, adding that he didn't believe a short-term moratorium would be sufficient since investors will look to a longer term.

Senator Mulcahy allowed that the current tax structure needs looking into. However, he advised that "the name of the game in resource development is that it is going to cost the state something during development." Another thing, he advised, that has helped to develop the fleet is "the existing federal tax set up. A boat owner can take money out of income tax, set it aside, and put it back into the industry."

New fishing vessels over 100 feet in length have primary as well as secondary processing capabilities. SB 132 is going to have a substantial impact on crab processing in Alaska. Senator Mulcahy further advised that he believed the numbers connected to the legislation to be understated, saying that he felt the raw fish tax "is going to generate more than anticipated," and ultimately the state will be hitting the consumer and the fisherman a lot harder than anticipated with the subject bill. He stated that with the fuel tax added on top of the raw fish tax, he felt the state would be placing the crab industry in a bad position, particularly after the peak is over.

Making reference to the Combs (sp?) Report, Senator Mulcahy advocated a bottom fishery industry without tax for the next 10 to 12 years. He further advised that Alaska may end up with 20% of the processing conducted on shore while the remaining (73%) is processed at sea.

Senator Mulcahy further advised that he had no objection to eliminating the Seattle fleet, but feared that under the proposed bill, bottom fisheries would be damaged in Alaska. He stated that impact from the legislation is sufficient enough to demand a good hard look, adding that Alaska will not have a second chance at this industry.industry.

Senator Mulcahy made reference to the fishing industry in the Pribilof Islands and the local desire to get something "going on shore." Under the proposed bill, Senator Mulcahy advised that he could not see how the local effort "would have a chance to get started."

In response, Senator Tillion advised that if Alaska is going to develop a domestic fisheries industry (small boat) it needs financing for development. He added that the small fleet could properly conduct the harvest, but it needs a source of financing. He further attested to the need for Alaskans to get something out of the fishing industry. The subject bill would provide funding assistance to fisheries and to municipalities. He concluded by stated that without funding, there is no way Alaska is going to develop its fisheries.

Senator Ray again raised questions concerning use of revenue generated by the fish tax, and Senator Tillion advised that language contained in federal regulations would allow for a cooperative effort through the Spokane Bank permitting leveraged use of agricultural funds in the Spokane Bank. Two years ago, the federal government expanded the agriculture bank to include fisheries, allowing Alaska to use agriculture funds from other states. Senator Kerttula expanded upon the above statement, advising that since Alaska has such a small percentage of agricultural development, it is allowed to use agricultural funding for fishery projects.

Chairman Sackett advised that SB 132 would be held in committee for review at a later time.

SB 132
HELD OVER

The Chairman next moved that SB 62 (Act making a supplemental appropriation to the special projects office, Office of the Governor, to continue funding the Delta agricultural development project) be brought up for discussion, advising that Bob Palmer from the Governor's Office was before the committee to testify. Mr. Palmer advised that last year the legislature appropriated first-phase funding for the project. Such funding provided money for the clearing operation which is now underway as well as money for the elevator and other items. The administration emphasized that last year's appropriation was for the first phase, and that the administration would be back before the legislature seeking funding for the second phase.

SB 62

BOB PALMER
DELTA
PROJECT

Amendment to HCS CSSB 132 ( )

Proposed 4/27 after 4/26 action rescinded
this amendment not adopted

Page 3, lines 6 - 11 -- Delete present material and insert:

Sec. 43.75.136. APPROPRIATIONS TO PERMANENT FUND. The legislature may annually appropriate 25 per cent of the amount of tax revenue collected under this chapter to the permanent fund established in AS 37.10.065.

Page 7, line 21:

Delete "30", insert "20".

Page 7, line 24:

Delete "15", insert "10".

Page 7, line 28:

Delete "30", insert "20".

Page 8, line 2:

Delete "15", insert "10'.

Chenoweth 3837
Rm 503

iginal sponsor: Kerttula

THE SENATE

HOUSE CS FOR CS FOR SENATE BILL NO. 132

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act relating to fisheries; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. FINDINGS. The legislature finds that the state has

(1) funded and implemented several fisheries-related development programs;

(2) funded and implemented fishery loan programs;

(3) increased its fishery protection and management program;

(4) funded and implemented a limited entry program; and

(5) embarked on a program of encouraging the development of a bottom fishing industry.

* Sec. 2. PURPOSE. The purposes of this Act are to

(1) insure that the state is able to continue its efforts toward overall fisheries-related development programs by raising additional revenu to pay for the programs;

(2) make the imposition of the fisheries tax more uniform among fisheries businesses; and

(3) provide funding for the development of new fisheries project

* Sec. 3. AS 43.75 is amended by adding new sections to read:

Sec. 43.75.011. FISHERIES BUSINESS LICENSE. A person engaging o attempting to engage in a fisheries business shall first apply for and obtain a license as provided in AS 43.75.020.

Sec. 43.75.015. FISHERIES BUSINESS TAX. (a) A person engaged i a fisheries business is liable for and shall pay a tax equal to

(1) two and one-half per cent of the value o a developin commercial fish species processed by his fisheries business during t year; and

(2) five per cent of the value of a fishery resource, exc a developing commercial fish species, processed by his fisheries bus ness during the year.

(b) A person engaging or attempting to engage in a fisheries business who actually and physically processes the fishery resource liable for and shall pay to the department the tax imposed by this section. In determining this tax liability, the person may not ded from the value of the fishery resource processed the value of fishe resources canned or processed for other fisheries businesses, but s include that value as part of the value of the fishe y resources ca or processed.

Sec. 43.75.131. TAX SHARING WITH MUNICIPALITIES. ( ) The fisheries tax revenue account is established in the general fund. amount to carry out the provisions of (b) of this section may he appropriated annually by the legislature to the account. If the a in the account is insufficient to provide each municipality its sh authorized by (b) of this section, the money which has been approp shall be distributed pro rata among the eligible municipalities.

(b) The department shall pay to each borough, to each city c first class, and to each municipality unified under AS 29.68.240 - 29.68.440, an amount equal to 16 2/3 per cent of the amount of tax revenue collected in the municipality from taxes levied in this cl except that if tax revenue is collected in a city within a borough department shall pay an amount equal to 8 and one-third per cent amount of tax revenue collected in the city within the borough to city and the same amount to the borough.

Sec. 43.75.136. PAYMENTS TO COMMERCIAL FISHING AND AGRICULTURE BANK. The legislature may annually appropriate 33 1/3 per cent of the amount of tax revenue collected under this chapter to the Commercial Fishing and Agriculture Bank established in AS 44.54.010 until the ban is fully capitalized as determined by the commissioner of commerce and economic development based upon the estimated capital needs of the ban

Sec. 43.75.140. DEFINITIONS. In this chapter

(1) "department" means the Department of Revenue;

(2 "developing commercial fish species" means those speci of fish and shellfish annually designated by the commissioner of fish and game under AS 16.0.050(12);

(3) "fisheries business" means a person who engages in processing fisheries resources for sale by freezing, cooking, salting, other method and includes but is not limited to canneries, cold stor ages, freezer ships, and processing plants;

(4) "fishery resource" means fin fish, shellfish and fis by-products, including but not limited to salmon, halibut, herring, crab, clam, cod, shrimp, and pollock;

(5) "value" means the actual price paid for the fisheri resource by the fisheries business including indirect consideratio as fuel, supplies, or gear, except that "value" means the market v of the fishery resource if procured in company-owned or subsidized operated by employees of the fisheries business or under lease or arrangement.

* Sec. 4. AS 43.75.100 is repealed and re-enacted to read:

Sec. 43.75.100. TAX IMPOSED ON TAKING OF FISHERY RESOURCE. person taking, purchasing, or otherwise acquiring a fishery reso covered by this chapter which has not been subject to the tax im AS 43.75.015 who sells the fishery resource to a fisheries busin

outside the taxing jurisdiction of the state is subject to the tax s
out in AS 43.75.015 on the value of the fishery resource sold.

* Sec. 5. AS 43.75.030(a) is amended to read:

(a) A person subject to the tax shall file a return stating th
value of [RAW] fisheries <u>resources</u> [PRODUCTS] processed during the
license year, computed as required by [AS 43.75.010 - 43.75.050 OF] t
chapter, and such other information as the department prescribes by
regulation. The return shall show the license number and shall be
signed by the taxpayer or his authorized agent, under penalty of per-
jury. If a receiver, trustee, or assign is operating the property o
business, he shall file the return for the person. A tax due on the
basis of such a return shall be collected in the same manner as if
collected from the person of whose business he has custody and contro

* Sec. 6. AS 43.75.030(e) is amended to read:

(e) Every person engaging or attempting to engage in a business
for which a license is required under [AS 43.75.010 - 43.75.050 OF] t
chapter shall keep [SUCH] records, make [SUCH] statements under oath,
file [SUCH] returns, and comply with <u>all</u> [SUCH] regulations <u>which</u> [A
the commissioner of revenue may prescribe.

* Sec. 7. AS 43.75.050(f) is amended to read:

(f) A person who wilfully fails to obtain a license, pay a tax,
make a return, keep or display a record, or supply the information a
the time required by law or regulation, in violation of [AS 43.75.01
43.75.055 OF] this chapter, is, in addition to other penalties provi
by law, guilty of a misdemeanor, and upon conviction is punishable b
fine of not more than $1,000, or by imprisonment for not more than o
year, or by both, together with the cost of prosecution.

* Sec. 8. AS 43.75.055 is amended to read:

Sec. 43.75.055. SECURITY FOR COLLECTION OF TAXES. Each applic

for a license under this chapter shall, in or with his application, state under oath the amount of each of the products which he expects to produce during the license year. The applicant shall further state the extent of lienable real property owned by the applicant in the state against which the tax may be collected and other information with respect to description, location and value of the property which the department prescribes. If the lienable value of the property is not equal to three times the amount of the tax for which the applicant will probably be liable under this section, the department may not issue the license until the applicant files with the department a surety bond approved by the attorney general in a penal sum equal to twice the probable amount of the tax for which the applicant will be liable, conditioned upon payment of the tax in full when due, with interest if not paid before delinquency. However, if the applicant purchases salmon for export from Alaska in the round, the amount of the bond is $50,000 unless the applicant is the owner of lienable real property in the state of a value of at least $50,000, and the bond must be conditioned upon payment to the fisherman of the full purchase price for the salmon and the payment of the tax in full when due. The department may waive the bond requirement if the applicant posts other security in the form of collateral acceptable to the department or prepays the estimated tax.

* Sec. 9. AS 43.75.110 is amended to read:

Sec. 43.75.110. DUTY OF TAXPAYER AND PAYMENT OF TAX. A person subject to taxes under AS 43.75.100 - 43.75.120 shall make a return stating the value of [RAW] fisheries resources [PRODUCTS] taken, purchased, or otherwise acquired during the license year for sale to fisheries businesses [FREEZER SHIPS, FLOATING COLD STORAGES, OR FLOATING CANNERIES] outside of the taxing jurisdiction of the state computed as required by AS 43.75.100 - 43.75.120, and other information to carry

the provisions of AS 43.75.100 - 43.75.200 as may be prescribed by the department. The return shall contain the license number and shall be signed by the taxpayer or his authorized agent, under penalty of perjury. If a receiver, trustee, or assign is operating the property or business, he shall make the return for the person. A tax due on the basis of such return shall be collected in the same manner as if collected from the person of whose business he has custody and contro The requirements for time and place of payment of tax, and the obliga tion to keep records and make the records available to the commission of revenue are the same as those prescribed in AS 43.75.011 - 43.75.0 [THE BUSINESS LICENSE TAX LAW FOR SALMON CANNERIES'

* Sec. 10. AS 43.75.120 is amended to read:

Sec. 43.75.120. VIOLATIONS AND PENALTIES. (a) The liability t file returns and pay interest and deficiency assessments, and the sub jection of property to liens is the same as prescribed in AS 43.75.0 43.75.050 [THE BUSINESS LICENSE TAX LAW FOR SALMON CANNERIES].

(b) A violation of AS 43.75.100 - 43.75.120 or the regulations issued under AS 43.75.100 - 43.75.120 is a misdemeanor subject to pu ment as prescribed in AS 43.75.011 - 43.75.050 [THE BUSINESS LICENSE LAW FOR SALMON CANNERIES].

* Sec. 11. AS 16.05.050 is amended by adding a new paragraph to read

(12) not later than October 31 of each year, provide to t commissioner of revenue the names of those fish and shellfish speci which he designates as developing commercial fish species; a fish o shellfish species is a developing commercial fish species if, withi specified geographical region,

(A) the optimum yield from the harvest of the spec has not been reached; or

(B) a substantial portion of the allowable harvest

the species has been allocated to fishing vessels of a foreign nation.

* Sec. 12. AS 43.18 is amended by adding new sections to read:

ARTICLE 5. GRANTS FOR FISHERIES PROJECTS.

Sec. 43.18.500. GRANTS FOR FISHERIES PROJECTS. (a) The fisheri facilities grant account is established in the general fund. An amour to carry out the provisions of (b) of this section may be appropriate annually by the legislature to the account.

(b) Within the limits of legislative appropriations for this purpose, the commissioner may make grants to municipalities receiving shared fisheries tax revenues under AS 43.75.131. A grant provided under this section may not exceed the amount which the municipality entitled to receive under AS 43.75.131 during the fiscal year in whi payment of a grant is requested. The commissioner may make a grant municipality under this section only if the municipality demonstrat the commissioner's satisfaction that the grant will be used on a fisheries project.

(c) In this section,

(1) "commissioner" means the commissioner of ;

(2) "fisheries project" means a dock or comparable faci which may be used for the transfer or transportation of fishery products, including all utilities necessary to service the fisher project.

(3) "municipality" means a borough, home rule or first city, or a municipality unified under AS 29.68.240 - 29.68.440;

* Sec. 13. AS 43.75.010, 43.75.060, 43.75.070, 43.75.080, 43.75.09 43.75.095, 43.75.130, and 43.75.135 are repealed.

* Sec. 14. TRANSITION. The taxes paid for the 1978 calendar year AS 43.75 shall be shared with municipalities in accordance with AS 43

nd 43.75.135, as those sections read before repeal by this Act. The taxes paid for the 1979 calendar year and for each succeeding calendar year may be shared with municipalities in accordance with AS 43.75.131, added by sec. 3 of this Act.

* Sec. 15. TREATMENT OF HALIBUT. For purposes of AS 16.05.050(12), adde by sec. 11 of this Act, halibut is designated a developing commercial fish species. The designation of halibut as a developing commercial fish specie ceases when the commissioner of fish and game no longer designates halibut a species of which there is a significant supply and for which there is a developing commercial market.

* Sec. 16. A municipality which would receive less money under the provisions of AS 43.75.131, added by this Act than it received for the last fiscal year under the provisions of AS 43.75.130 and AS 43.75.135, repealed by this Act, shall, until June 30, 1982, be entitled to receive an amount equal to that received for the fiscal year ending June 30, 1978 under the former provisions of AS 43.75.130 and 43.75.135, in accordance with those provisions.

* Sec. 17. This Act is retroactive to January 1, 1979.

* Sec. 18. This Act take effect immediately in accordance with AS 01.070(c).

Position Paper Concerning H.B. 306/S.B. 132

SUMMARY

Any equitable fisheries business tax must establish a differential among the various species and types of processing. For example, the frozen salmon industry is currently experiencing an unusual period in its history, in which most of the profits from each season must be used to finance plant renovation in order to increase the overall product quality and remain competitive in world markets. Therefore, the imposition of a substantially higher tax rate at this time would seriously impair the ability of these packers to continue the necessary upgrading of their facilities and processing techniques to compete in foreign markets.

There is a need for the commercial fishing industry to contribute sufficient revenue to the General Fund to cover State expenditures for commercial fisheries. However, estimates of the current taxable ex-vessel value of Alaska's commercial fisheries have been consistently understated due to the lack of current data and the rapid increase in ex-vessel prices over the past few years.

A summary of total estimated 1979 ex-vessel value and tax yield, by species, is attached The problems experienced in obtaining this data and the time needed to obtain the additional information and perform the analyses necessary to formulate an equitable tax bill cannot be overemphasized. Therefore, a more detailed analysis of the industry should be performed before any substantial change is made in the present tax structure or rate.

Prepared by Environmental Services Limited for Salamatof Seafoods, Inc., Kenai, Alaska, 12 April 1979.

DISCUSSION

Proposed Six Percent Tax Rate

General

As reflected in the existing fisheries tax statute (AS 43.75), the state has in the past recognized the different cost structures and needs for certain minimum rates of return in the various sectors of the processing industry. It is apparent, however, that the commercial fishing industry has undergone considerable changes in the thirty years since the present law was written, and therefore, some alteration of the existing tax structure is necessary. However, the proposed six percent across-the-board tax on gross receipts (ex-vessel value) is not reflective of either the differences in net profitability in the processing of various fish and shellfish species, or of the current necessity for certain minimum rates of return in the various sectors of the industry.

The Frozen Salmon Industry

For example, the salmon processing industry has been experiencing radical changes in the last several years and has been forced to undertake major investments to upgrade its facilities in order to meet the demands of the Japanese market. Historically, the salmon industry in Alaska consisted of canneries producing high quality canned salmon. However, today's market is not very favorable for canned salmon, and therefore an increasing number of processors are converting from canning to freezing facilities in order to remain competitive on world markets and to produce a product which is marketable at a fair rate of return. This is an unusual period for the industry in that it has been necessary to reinvest a substantial amount, if not all of the profits from the last several good seasons for plant expansion, renovation, and upgrading of facilities and processing techniques.

Financing

Although certain segments of the industry have made adequate profits during the last few years, these profits have not been sufficient to fully fund the improvements necessary to maintain the competitive position of the packers. Considerable quantities of outside capital, in the form of long term loans have also been needed to finance these facilities. Although comprehensive data is not available, we have sufficient evidence from several smaller, shore-based Alaskan processors to indicate that the proposed six percent raw fish tax rate would reduce their profits sufficiently to make domestic financing from commercial banks considerably more difficult, if not impossible, to obtain. In the past, many Alaskan processors in this position have been forced to seek foreign financing (primarily Japanese) to facilitate plant renovation. It is likely that if an excessive tax rate is imposed this pattern will continue, even after the Commercial Fishing and Agriculture Bank is capitalized, as it will not be able to provide all of the capital presently needed by the industry.

Other Species and Types of Processors

The differential effects of the proposed tax on the various sectors of the industry and on the Alaskan economy, in general, are not well known. Clearly, some species and types of processing operations in some areas of the state may be in a position to pay a higher tax rate; however, further analysis is needed to determine the potential impacts before an equitable tax structure can be established.

State Expenditures for and Revenues from Commercial Fisheries

State revenues from the commercial fishing industry should offset any State expenditures directly subsidizing the industry, if a healthy economic balance is to be maintained. However, the industry should not be financially responsible for supporting local revenue sharing programs or other disbursements from the General Fund which do not directly benefit commercial fisheries.

Present state and local taxes paid by the industry include revenue from several sources in addition to the present tax on raw and wholesale seafood products. These include state corporate income taxes from fish processors, local property taxes on shore-based plants, local raw fish sales taxes as high as three percent in some areas, and personal income taxes from an increasing number of persons employed in the commercial fishing industry.

A detailed table showing ex-vessel value and estimated tax yield from the proposed raw fish tax, by species, is attached. The 1978 and 1979 values presented in this table are substantially higher than those used in previous projections of revenue from the proposed fisheries tax. This is primarily due to two major factors: (1) the most recent comprehensive catch and value data readily available from ADF&G is for 1975 and therefore it was necessary to construct a composite picture of the 1978 and projected 1979 catch and value data based upon existing but unconsolidated ADF&G information; and (2) the ex-vessel prices of many species have experienced a rapid increase over the past few years, a factor which was not reflected in any readily ascertainable data.

On the other hand, state expenditures for commercial fisheries programs have generally been overstated. In a table prepared by the Research Division, Legislative Affairs Agency (16 March 1979), the State expenditures for commercial fisheries for FY 1979 total approximately $28 million. However, several adjustments must be made to this table in order to more accurately present the actual State expenditures for these commercial fisheries programs. The State revenue from commercial fishing gear licenses and crew member licenses should be subtracted from the total expenditures, and adjustments must be made to reflect the percentage of the budget of the Department of Revenue, Fish and Game Licensing Division, and the Department of Fish and Game, F.R.E.D. Division, which are spent for purposes other than commercial fisheries. The net expenditures, then, for these programs total approximately $22 million, rather than the $28 million, previously stated.

Another important consideration in assessing State expenditures which directly or indirectly benefit the commercial fishing industry, is that many of these expenditures are for development programs which have not yet reached the point where they accrue returns in excess of the required expenditures. This is true of such recent State programs as fisheries enhancement, ports and harbors, and bottomfish development. Thus, while present expenditures for these programs may appear to be high, future State revenues resulting from benefits to the commercial fishing industry and other effected industries should equal, if not exceed, State expenditures.

Ex-Vessel Value And Estimated Tax Yield (See Attached Notes)

CATCH AND EX-VESSEL VALUE

	1978		1979-1		1979-2	
	Catch (lbs)	Ex-vessel Value	Estimated Catch (lbs)	Estimated Ex-vessel Value	Estimated Catch (lbs)	Estimated Ex-vessel Value
KING SALMON	13,971.7	20,389.9	11,599.2	17,876.7	14,383.1	22,167.3
SOCKEYE	106,513.3	102,561.2	116,390.9	141,453.6	144,324.7	175,402.4
COHO	17,725.8	14,983.5	13,012.7	14,655.3	16,135.7	18,172.5
PINK	191,467.9	64,990.9	162,073.2	55,632.5	200,970.8	68,984.8
CHUM	46,856.7	30,721.7	52,678.1	44,245.8	65,320.9	54,864.8
KING CRAB	122,899.1	202,669.6	128,600.0	212,190.0	128,600.0	212,190.0
TANNER	130,521.7	70,506.2	92,500.0	50,175.0	92,500.0	50,175.0
DUNGENESS	7,216.3	5,294.2	8,100.0	5,978.5	8,100.0	5,978.5
TRAWL SHRIMP	73,292.5	12,429.5	66,520.0	11,277.8	66,520.0	11,277.8
POT SHRIMP	0.0	0.0	160.0	128.0	160.0	128.0
ROE HERRING	26,468.0	6,720.2	51,700.0	24,651.0	51,700.0	24,651.0
HALIBUT	14,501.0	23,926.7	14,600.0	32,850.0	14,600.0	32,850.0
BOTTOMFISH	7,150.0	2,431.0	7,150.0	2,431.0	7,150.0	2,431.0
TOTAL VALUE		$557,624.6		$613,545.2		$679,272.6

TAX YIELD BY SPECIES FOR 1979-1 VALUES

TAX RATE	1%	2%	3%	4%	5%	6%
KING SALMON	178.8	357.5	536.3	715.1	893.8	1,072.6
SOCKEYE	1,414.5	2,829.1	4,243.6	5,658.1	7,072.7	8,487.2
COHO	146.6	293.1	439.7	586.2	732.8	879.3
PINK	556.3	1,112.6	1,669.0	2,225.3	2,781.6	3,337.9
CHUM	442.5	884.9	1,327.4	1,769.8	2,212.3	2,654.7
KING CRAB	2,121.9	4,243.8	6,365.7	8,487.6	10,609.5	12,731.4
TANNER	501.8	1,003.5	1,505.3	2,007.0	2,508.8	3,010.5
DUNGENESS	59.8	119.6	179.4	239.1	298.9	358.7
TRAWL SHRIMP	112.8	225.6	338.3	451.1	563.9	676.7
POT SHRIMP	1.3	2.6	3.8	5.1	6.4	7.7
ROE HERRING	246.5	493.0	739.5	986.0	1,232.6	1,479.1
HALIBUT	328.5	657.0	985.5	1,314.0	1,642.5	1,971.0
BOTTOMFISH	24.3	48.6	72.9	97.2	121.6	145.9
TOTAL TAX REVENUE	$6,135.4	$12,270.9	$18,406.3	$24,541.8	$30,677.2	$36,812.7

TAX YIELD BY SPECIES FOR 1979-2 VALUES

TAX RATE	1%	2%	3%	4%	5%	6%
KING SALMON	221.7	443.3	665.0	886.7	1,108.4	1,330.0
SOCKEYE	1,754.0	3,508.0	5,262.1	7,016.1	8,770.1	10,524.1
COHO	181.7	363.5	545.2	726.9	908.6	1,090.4
PINK	689.8	1,379.7	2,069.5	2,759.4	3,449.2	4,139.1
CHUM	548.6	1,097.3	1,645.9	2,194.6	2,743.2	3,291.9
KING CRAB	2,121.9	4,243.8	6,365.7	8,487.6	10,609.5	12,731.4
TANNER	501.8	1,003.5	1,505.3	2,007.0	2,508.8	3,010.5
DUNGENESS	59.8	119.6	179.4	239.1	298.9	358.7
TRAWL SHRIMP	112.8	225.6	338.3	451.1	563.9	676.7
POT SHRIMP	1.3	2.6	3.8	5.1	6.4	7.7
ROE HERRING	246.5	493.0	739.5	986.0	1,232.6	1,479.1
HALIBUT	328.5	657.0	985.5	1,314.0	1,642.5	1,971.0
BOTTOMFISH	24.3	48.6	72.9	97.2	121.6	145.9
TOTAL TAX REVENUE	$6,792.7	$13,585.4	$20,378.1	$27,170.9	$33,963.6	$40,756.3

Notes

Catch is given in thousands of pounds; ex-vessel value and tax yield are given in thousands of dollars.

1978 catch figures are from actual ADF&G Preliminary Catch Reports.

1979-1 salmon projections are based on ADF&G 1979 forecasts.

1979-2 salmon projections are based on ADF&G forecasts with a 24% factor added to account for historical low forecasts (1973-1978).

1979 (1 and 2) catch projections for all other species are based on ADF&G and International Pacfic Halibut Commission Projections.

Price estimates for 1978 and 1979 are based on ADF&G and processing industry estimates and projections.

Prepared by Environmental Services Limited for Salamatof Seafoods, Inc., Kenai, Alaska, 12 April 1979.

Kenai Peninsula Fishermen's Cooperative Assn.

Rt. 2, Box 752, Soldotna, Alaska 99669

Phone: 262-4238

May 11, 1979

Rep. Alvin Osterback
Alaska State House of Rep.
Pouch V
Juneau, Alaska 99811

Re: Teleconference CS FOR CS FOR SENATE BILL 132

Dear Alvin

Attached are copies of the testimony given by Mayor Don Gilman, Kenai Peninsula Borough and myself, over the teleconferece, to the House Resources Committee on CS FOR CS FOR SENATE BILL 132 May th. 10th, 1979.

We request that you give deep consideration to the objections to the present bill, that are expressed in this testimony.

Yours truly,

Lottie Edelman

Lottie Edelman, Pres.
Kenai Pen. Fishermen's Coop. Assn.

April 10, 1979

TESTIMONY ON CS FOR CS FOR SENATE BILL 132

Mr. Chairman, Members of the Committee, fellow teleconference participants. My name is Don Gilman, Mayor, of the Kenai Peninsula Borough. My testimony on CS for Cs for Senate Bill 132 will concentrate on two items: the effects of this proposed legislation on municipalities and the local fishing community as it exists today.

This bill or any substitute for it eliminates a dedicated tax which has been in place since 1949. It places the burden of distributing the tax to the legislature through the appropriation process. Regardless of the good intentions of this legislature, there is no assurance to the municipalities that the appropriations will be made. The provision in one version which would make 1/2 the share to the municipality subject to the judgment of the Commissioner of Community and Regional Affairs to require municipalities to provide fisheries projects will work against the limited power second class borough. Frankly, we feel that these provisions are a clear signal of legislative intent to determine when, where and how fisheries projects will happen.

We have just completed a two hour session with a group of processors and fishermen to try to determine the effects at the local level. There will be some additional testimony from members of this group. In general, the following concerns were expressed:

1. Several local plants have just gone through or are committed to, major expansions of $1,000,000 or more. Much of this capacity will be in freezer operations which would receive a 500% tax increase under one provision and 400% under another provision. The effects are uncertain but appear onerous on the surface.

2. Will this tax drive processing of current catch offshore? No one seems to know.

3. Can the bottom fishing industry attract the necessary capital for onshore processing with this level of taxation during its infancy?

The group which met came to one conclusion: While there may need to be adjustments in the fish tax the local industry does not understand its ramifications. Therefore, we recommend that an interim committee be appointed to conduct a study into the matter and hold public hearings in the major fishing communities, these findings to be reported to the next session of the legislature. We further recommend that the study be made as if the tax were in place in order to determine the 1979 effect and add credibility to the economic analysis which must be made.

Kenai, Alaska
April 10, 1979

Re: Tele-conference
CS FOR CS FOR SENATE BILL 132

Mr. Chairman and members of the Resources Committee, I am Lottie Edelman, Pres. Kenai Pen. Fishermen's Coop. Assn. and Legislative Chairman for the Cook Inlet Fishermen's Council. The Council is an organization made up of representatives of various commercial fishermen's organizations within Cook Inlet.

We would prefer this bill be postpned until next session and public hearings held throughout Alaska, also that the proposed study of fisheries taxes be made. If a tax bill is to be passed this session we would suggest the following alternative be considered:

1. Tax should be on the first wholesale and not on "ex-vessel"value.

2. 2% on frozen fin-fish and shell fish.
   1% on bottom fish from shore based plants.
   4.5% on canned fin-fish
   6% on all fin-fish and shell-fish from floating operations

If the present 1% ex-vessel tax, on frozen fin-fish, were based on the 1st wholesale value,for tax purposes, it would nore than double the State revenue on frozen fin-fish.

If the State initiates the 2% on frozen fin-fish, that we have suggested, it would increase the revenue to the State more than 500%.

The ex-vessel price throughout the State varies drastically on like fishery products, which wholesale on like markets for the same price. Basing the tax on first whole-sale would not place a heavier tax burden on areas where ex-vessel prices are the highest but would more equalize it. For example, Cook Inlet red salmon were $1.50 per lb. and Bristol Bay red salmon at .70 or .75 cents per lb. The heavier tax burden at ex-vessel, would be on the Cook Inlet fishermen.

Alaska is just getting into her own as far as freezing facilities. They are expanding very rapidly, this is a very lucritive market and has been the leading factor of higher fish prices to our fishermen.

Many of the expansions are very large and expensive. Several plants in the Cook Inlet area are investing millions of dollars this year for expansion, fish will be brought from the Westward, Bristol Bay and various other parts of Alaska to be frozen here. There should be some tax credit or tax incentative for modernization and facality expansions written into this bill.

The original bill for raw fish tax, was passed in 1949. Therefore when we became a State it carried with it the "grand-father" rights for a dedicated funding of a portion of the collected tax, to municipalities. In no way should the original law be amended to exclude this or nulify the "grand-father" rights.

Letter + diagrams

public comment

on CS132

Called to voice opposition to Fish tax:

1 fisherman from Ketchikan

4 fishermen from Seattle:
Paul Rood
Mr. Michelson
Jack Davis
Henry Lamos

Opposed to Fish Tax Bill

Allen Stein

Petersburg Fishermen's Marketing Assoc.
Box 535
Petersburg, AK 99833

United Fishermen's Marketing Association, Inc.

P.O. Box 1035 Kodiak, Alaska 99615

Telephone 486-3453

March 19, 1979

Rep. Alvin Osterback
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Osterback:

Our Association is severely concerned about the negative impact H.B. 306, relating to the institution of a 6% raw fish tax, would have on the coastal fishing communities of Alaska. This tax would provide a very negative pressure on the price fishermen receive for their product, increase operating costs to the processors, and add inflationary pressures to the consumer prices of fish products which are presently approaching prohibitive levels. In view of the present and future economic situation in the U.S., with increasing inflation, further devaluation of the dollar, and predictions of recession, most State and Federal tax legislation indicates an attempt and need to give tax relief, especially to the producer.

The institution of this tax would give positive impetus to the development of off-shore processors, and off-shore tender processors, both which would erode the present tax base we have in coastal communities in Alaska. Given the present tax situation, we at least can see future development and expansion of shore based processors, which greatly benefit the local community in employment levels, local markets for fishermen (especially small boat operations), local support activities to the processor and fishermen, tax base, etc. I would hope that responsible fiscal policy would attempt to give a favorable economic climate to aid in the healthy development of the processing industry and primary producers. This would of course, benefit the industry, therefore the State, its citizens, and its revenues.

This tax would have its greatest impact on the small boat fishermen. Many of these small boat operations are marginally operative in that they do not care to be highline operations, but attempt to be self-supportive and independent businessmen. As such, they benefit the State in that they provide employment for themselves, their crew; and product to the processors to be sold to state, national and international markets. This tax would lower the capital formation opportunities which any boat operator needs to remain competitive in a highly competitive industry, and to expand in an industry where the need for expansion and higher efficiency is a reality. Larger vessels would likewise suffer.

With the many opportunities provided for the State, vis-a-vis the fishing industry, with the implementation of the 200-mile fisheries conservation zone, we must not erode the climate presently existing which gives hopes of healthy shore-based processing expansion needed to develop the Alaskan fishing industry to the point of being able to harvest the rich resources of presently under-utilized species. This expansion into the bottomfish resources of the State will add to the State commerce, tax base and tax revenues, provide many jobs, provide

opportunities for investment on-shore, allow our entrance into the foreign controlled markets for bottomfish species, and finally begin to rid ourselves of massive foreign fishing off Alaska's shores. These objectives cannot be met with the implementation of more taxes on raw fish values.

The fishing industry in Alaska pays its way very well, and in so doing benefits the State. If there is concern regarding questionable expenditures relating to the fishing industry, I respectfully suggest that the objective of responsible fiscal management would be to evaluate into which programs State monies are being directed, and into which geographical locations these monies are being directed; and then evaluate their return to the State.

I would hope that more information be presented and studied before a tax measure of this far-reaching magnitude be considered. Thank you.

Respectfully,

Jeffrey R. Stephan
Manager

cc: Representatives Anderson, Barnes, Beirne, Bettisworth, Branson, Brown, Bucholdt, Carney, Chatterton, Cotten, Duncan, Fliason, Freeman, Fuller, Gardiner, Guy, Halford, Haugen, Hayes, Hurlbert, Malone, Martin, McKinnon, Meekins, Metcalfe, Miles, Miller, Montgomery, Moss, Munson, O'Connell, Osterback, Parker, Parr, Phillips, Randolph, Rogers, Schaeffer, Smith, Tharoff.

CSSB132

GREATER SITKA

Chamber of Commerce, Inc.

House Resources Committee
Co-Chairman Alvin Osterback
Co-Chairman Bill Miles
Pouch V
Juneau, Alaska 99811

4/3/79

Dear Mr. Osterback and Mr. Miles;

The Greater Sitka Chamber of Commerce urges your opposition to the proposed increase in the Raw Fish Tax. Our position is that the enactment of such a tax would, on a long range basis, produce a loss of employment and subsequent revenues that would far more than off-set that portion of the tax that would come to a municipal government.

Sincerely,

David R. Knapp

David R. Knapp
President

DRK/iw

POST OFFICE BOX 638 • SITKA, ALASKA 99835

The Commerce Committee considered SENATE BILL NO. 94 (relating to occupational licensing fees) and reports it back as follows: Senator Bradley, Chairman and Senator Sturgulewski signed "do pass". Senators Ferguson and Stimson signed "no recommendation". Senator Kelly signed "do not pass". SB 94

SENATE BILL NO. 94 was referred to the Finance Committee.

The Resources Committee considered SENATE BILL NO. 113 (waste of wild food animals) and reports it back as follows: Senator Sumner, Chairman and Senators Dankworth, Mulcahy and Fahrenkamp signed "do pass". SB 113

SENATE BILL NO 113 was referred to the Rules Committee.

The Community and Regional Affairs Committee considered SENATE BILL NO. 132 (refund of raw fish tax receipts to local government) and recommends it be replaced with COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 132, entitled: SB 132

"An Act relating to fisheries taxes; and providing for an effective date."

and reports it back as follows: Senator Sturgulewski, Chairman and Senators Kelly and Stimson signed "do pass". Senator Rodey signed "no recommendation". Senator Mulcahy signed "do not pass". The Committee further attaches a letter of intent.

SENATE BILL NO. 132 was referred to the Finance Committee.

Letter of intent accompanying SENATE BILL NO. 132 follows:

The Senate Community and Regional Affairs Committee has adopted and passed Committee Substitute for Senate Bill 132 which has a referral to the Senate Finance Committee.

Testimony, received by the Committee, indicates the need for further investigation on the economic ramifications of this legislation, with particular emphasis on the development of bottom fisheries.

By Senate Community and Regional Affairs Committee

Arliss Sturgulewski
Chairman

Bob Mulcahy
Vice-Chairman

Jan Stimson

Joe Rodey

Tom Kelly

HB 306
CSSB 132

Bristol Bay Native Corporation
445 E. 5TH AVENUE / P.O. BOX 220 / ANCHORAGE, ALASKA 99510 / PH (907) 278-3602

March 16, 1979

Senator George Hohman
Representative Nels A. Anderson, Jr.
Pouch V
Juneau, Alaska 99811

Dear George and Nels:

(CS Senate Bill 132)

This letter is in protest of House Bill 306 (Fisheries Taxes). We ask you as our Senator and Representative to use all of your efforts in having this Bill defeated.

Why does the State Administration and some legislators want to tax the fish processors to fund State programs to the detriment of the fishermen? The fishermen and the consumers will be paying this tax indirectly for the fish processor. This means lower fish prices for the fishermen and higher prices for the consumer.

This Bill (306) discourages development of the fisheries. I don't see how the State can say they encourage development when taxation of this sort is placed on them before any development occurs. It doesn't make sense.

It seems to me the State of Alaska should have learned their lesson with the taxation they placed against the oil industry when one speaks of encouraging development.

Many fishermen in Bristol Bay come from small villages that will not benefit from this taxation proposal but will be paying their fair share to the local governments and the State of Alaska.

We must keep in mind that we cannot run off half cocked into programs we can't afford nor should we place taxation on

industries without first studying the impacts in greater detail. It will be a grave mistake should this legislation pass.

I ask that you keep me informed of the status of this Bill.

Sincerely,

Harold H Samuelsen

Harold H. Samuelsen
President

cc: Sen. Clem Tillion
Sen. John Sackett
Rep. Terry Gardiner
Rep. Al Osterback
Rep. Phillip Guy
Gov. Jay Hammond
Ted Angasan or Kay Larson, BBN

HB 306

AN [illegible] COMPANY

March 10, 1979

Honorable Alvin Osterback
Alaska House of Representatives
Pouch V
Juneau, AK 99811

RE: HP 306

Dear Alvin;

On behalf of Pacific Pearl Seafoods, which has six seafood canneries operating in Alaska as well as one floating processor, I would like to use this letter to voice our vehement objections to the above-mentioned House bill, the purpose of which is to raise the tax on raw fish from 1% to 6%:

1) On the east coast of the United States, American canner crab meat is already being undersold by the Canadians ($5.4./lb vs. $4.30/lb.). The proposed increase in the raw fish tax would only serve to up the American crab price by an additional 16¢, thus furthering the gap between the two and handicapping an American industry so as to be uncompetitive.

2) Far from promoting the development of a bottomfish fishery, an increase in the raw fish tax across the board would only inhibit such a growth. The 6% raw fish tax would be more than the profit margin in such a high volume - low profit fishery. So, if the promoters of HB 306 are really interested in strengthening the bottomfish potential in Alaska, it would seem they are going about it in a very inefficient way. I might add that the bottomfish industry is going to be a very essential part of this State's future fisheries resources. It is in the interest of Alaska that everything possible be done to advance the bottomfish industry, which this proposed raw fish tax increase does not do.

3) Such a drastic increase in the raw fish tax, rather that adding to the State's coffers, could very possibly end up bringing the State less monies. Why should floating processors fish in State waters and be taxed so exorbitantly when they can go outside State boundaries and not be taxed at all?

4) There are definite legal questions concerning just what constitutes the State's territorial boundaries. For instance, the International Halibut Commission said that a state cannot tax anything past a three-mile limit.

PACIFIC PEARL SEAFOODS
P.O. BOX 826
KODIAK, ALASKA 99615
(907) 486-5734 TELEX 090-25-355

This bill, if passed, is going to effect several thousands of Alaskans involved in various aspects of the fisheries industry. Therefore, it is particularly essential that it not be rushed through the House committees without the public and fishing industry being give an opportunity to speak out on it.

Respectfully,

Charles L. Jensen

CLJ:cmb

Cordova District Fisheries Union

Headquarters: Box 939, Cordova, Alaska

March 23, 1979

Honorable Alvin Osterback
Chairman, House Resources Commit ee
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Osterback:

As an organization comprised of mostly resident Alaska inshore and near shore fishermen, we strongly object to the manner and haste that SB 132 was rammed through the Senate.

We respectfully request that all members of the House take the approach of slowing things down and assessing the impact of this particular tax increase on the commercial fishing industry and the State of Alaska.

While no one can deny the need for increased revenues under the State's present financial dilemma, we feel that this piece of legislation cannot legally or practically fulfill the desires of its unlisted sponsors, and will, in fact, actually be detrimental to the development of an Alaska land-based bottomfish industry.

We had requested the Senate to table the bill for the year to allow time for passage of HB 36 and the ensuing study it funds. We had also asked that the Alaska Fisheries Tax Law study include an assessment of the impact of SB 132 on the fishing industry and the State. Our position is not one of just opposing a tax increase. We are sincerely concerned about our ability to remain year-round Alaskan residents. We need land-based fishing operations to help us as individuals support the small coastal communities we live in. In our opinion, the State of Alaska cannot benefit if it creates a situation that heavily taxes the Alaska land-based industry and creates that same tax dodging incentive for offshore development.

We will end up seeing the low volume, small production areas that are struggling now at best, carrying the bulk of the tax burden, while the heavy volume, large boat production is being carried on totally offshore and out of the State's taxing jurisdiction.

Unfortunately for the small operator in the salmon and crab fishery, the statewide publicity of the high value catches made by a few people in a few cases has created an image of every fishermen being rich. It only takes a few moments of research to find that these image-creating incidents grossly misrepresent the average.

For example, in 1978, a Prince William Sound gillnetter fishing the 18-week season averaged approximately $20,000 gross. After one cranks in the factor for investments in boats and gear, fuel, groceries, insurance, etc., the average fishermen doesn't have much to take home to feed his family.

The same falls true for the Prince William Sound salmon seiner who last year averaged less than $14,000 per boat--subtract expenses and crew shares, etc. The majority of the Prince William Sound Tanner crab fleet are small boats which scratch out 50 to 100,000 pounds of crab from November to May--hardly a real money maker, but a means of fishing in the wintertime and making enough to cover the household bills and keeping the kids in school clothes.

I'm not trying to cause you to tearstain this letter, but I am trying to impress the fact that the vast majority of Alaskan resident fishermen do not fall into the high dollar income bracket that many automatically assume. I do want to emphasize that a few cents per pound taken away from a small producer's profit margin is much more detrimental to that family's existence than the same few cents per pound to a high volume producer.

We urge that all House members take a real hard look at the impact of this bill before allowing it to move. We feel confident that no one wants to create a situation which, on top of the existing high costs of living in rural Alaska, forces the residents who are managing to hang on year-round to become non-residents just because they can't quite afford to live here anymore.

Some hardline questions need to be answered before this bill is passed and serious damage is done.

(1) Who will end up paying the tax increase? (Onshore or offshore processors?) (Resident or non-resident fishermen?)

(2) Can the State legally tax offshore processors or harvesters? (This is probably the most important question that needs to be addressed. The Department of Law thinks not and apparently the oil industry thinks not.)

(3) What incentive will this tax increase create to develop land-based industry?

(4) How hard will it impact the small producer?

(5) In actual long-range dollars and cents, will the State benefit or will this end up being a superficially attractive bomb?

We can see no benefit to the State if this tax pushes all the major fishery production offshore.

We can see no benefit if the bulk of the tax burden ends up being paid by Alaskan residents involved in marginal fisheries.

It has been my personal sad experience to have observed members of our organization who have lived and fished in the Prince William Sound area for many years, forced to pack up their families and move to the Lower 48 because they could not afford to live in Cordova. In discussing this problem with other representatives of coastal communities, it appears that this same problem is occurring statewide. It would seem that the State should be creating reasons for residents to stay in Alaska, not forcing them out.

The bottom line has got to be, if a tax increase is not beneficial to the State, it certainly should not be passed. This one appears to be actually detrimental.

Sincerely,

Bob Blake
Chairman

BB:jmr

cc: to all House of Represent tives Members

Accepted amendment House C&RA

* Sec. . AS 43.75.130 is amended to read:

Sec. 43.75.130. REFUND TO LOCAL GOVERNMENTS. The commissioner of revenue shall pay to each organized borough, to [AND] each city, and to each municipality unified under AS 29.68.?) - 29.68.440, ~~20~~ 13 1/3 [OF THE FIRST CLASS 10] per cent of the amount of tax revenue collected in the municipality [BOROUGH OR CITY] from taxes levied by AS 43.75 [AS 43.75.010 - 43.75.-090]. If tax revenue is collected in a city within a borough, the department shall pay an amount equal to ~~10~~ 16 2/3 per cent of the amount of revenue collected in the city within the borough to the city and the same amount to the borough.

Not adopted by C&RA

* Sec. . AS 43.18 is amended by adding new sections to read:

ARTICLE 5. GRANTS FOR FISHERIES PROJECTS.

Sec. 43.18.500. GRANTS FOR FISHERIES PROJECTS. (a) The fisheries facilties grant account is established in the general fund. An amount to carry out the provisions of (b) of this section may be appropriated annually by the legislature to the account.

(b) Within the limits of legislative appropriations for this purpose, the commissioner may make grants to municipalities receiving shared fisheries tax revenues under AS 43.75.130. A grant provided under this section may not exceed 13 1/3 per cent of the amount of revenue collected in the municipality from the tax levied and collected under AS 43.75. The commissioner may make a grant to a municipality under this section only if the municipality demonstrates to the commissioner's satisfaction that the grant will be used on a fisheries project.

(c) In this section,

(1) "commissioner" means the commissioner of [ ];

including maintenance

(2) "fisheries project" means a dock or comparable facility which may be used for the transfer or transportation of fishery products, including all utilities necessary to service the project;

(3) "municipality" means a borough, home rule or general law city, or a municipality unified under AS 29.68.240 - 29.68.440;

March 19, 1979

Representative Alvin Osterback
Alaska House of Representatives
Pouch V
Juneau, AK 99811

RE: HB 306/SB 132

Dear Representative Osterback:

A large percentage of our travel business is fisheries oriented, stemming from employees at the canneries and from fishermen. Therefore, anything that would serve to reduce the fisheries business would also serve to reduce a substantial volume of our business.

The proposed increase in the raw fish tax from one to six percent that is now being considered is just such a step that could seriously harm a fishing community like Kodiak. This increased raw fish tax will be passed on to the local fishermen as well as any Seattle-based fishermen and it will be passed on to the consumer, who is already paying extravagant prices for Alaskan seafood.

It is hard to conceive how Alaskan legislatures could think that such a bill is in the Alaskan interest when the effects of it can be so readily envisoned as being detrimental to those Alaskan people and businesses that are to a large part dependent on the fisheries industry.

There also appears to be some doubt as to whether this tax could be collected by the State should offshore processors move out more than three miles from the shore.

Hopefully, you and the other legislatures will allow the public to speak out on this matter since it concerns the livelihoods of so many Alaskans.

Respectfully,

Liane Dierich

Liane Dierich
President

cc: Senator Robert Mulcahy
Alaska State Senate

P O BOX 221 KODIAK, ALASKA TELEPHONE (907) 486-3232

CSSB132

GREATER SITKA

Chamber of Commerce, Inc.

House Resources Committee
Co-Chairman Alvin Osterback
Co-Chairman Bill Miles
Pouch V
Juneau, Alaska 99811

4/3/79

Dear Mr. Osterback and Mr. Miles;

The Greater Sitka Chamber of Commerce urges your opposition to the proposed increase in the Raw Fish Tax. Our position is that the enactment of such a tax would, on a long range basis, produce a loss of employment and subsequent revenues that would far more than off-set that portion of the tax that would come to a municipal government.

Sincerely,

David R. Knapp

David R. Knapp
President

DRK/lw

Raw Fish Tax { SB 132 / HB 306

Fish tax study - HB36

Pacific Pearl

AN Amfac COMPANY

April 10, 1979

The Honorable Alvin Osterback
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Osterback:

Pacific Pearl Seafoods strongly objects to passage of House Bill No. 306 which would increase the Alaska Raw Fish Tax to 6%. The proposed legislation would have a substantial, adverse impact on the Alaskan seafood industry and those communities, employees, fishermen and allied local businesses associated with the target industry. Moreover, the pending legislation is being supported on the basis of the inaccurate, false assumption that "the seafood industry is not paying its way."

Pacific Pearl Seafoods is a wholly owned subsidiary of Amfac - a Hawaiian based diversified service company. Amfac is a domestic, publically owned corporation. Pacific Pearl operates seven seafood processing plants in the State of Alaska: Seldovia, Kodiak (2 plants), Sand Point, Captains Bay (Unalaska), Dutch Harbor, and a floating processor the M/V Akutan (generally located at the village of Akutan). These seven plants employ approximately 600 people on a one-shift basis and up to 1,000 when operated on two shifts. The company produces frozen and canned Alaskan seafoods. A significant majority of the company's annual production is sold domestically under the Pacific Pearl and Wakefield labels.

The proposed tax increase will have a devastating market impact - particularly in the domestic segment which already evidences strong signs of price resistance. The market impact in major export markets (especially Japan) will be much less severe provided the dollar does not strengthen appreciably against the Yen. In any case, the proposed legislation will have a distinct market impact which will probably manifest itself by "forcing" increased sales to the Japanese market in the near term. In my opinion this would place the industry in a position of even greater depencence on a foreign economy - promoting an imbalance which I fear is already to the domestic industry's detriment.

PACIFIC PEARL SEAFOODS
BELLEVUE OFFICE PARK
1350 116th AVENUE N.E.
BELLEVUE, WASHINGTON 98004
(206) 453-4000 TELEX 32-0948

Pacific Pearl

The exemption corridor for Alaskan bottomfish is interesting but unquestionably will deter domestic development and investment in the facilities necessary to enter this business. Any individual or organization contemplating the major capital investments which will be necessary to develop this business will undoubtedly include the proposed tax in a proforma evaluation of the investment. An eventual 6% Raw Fish Tax on these species for which there is virtually worldwide supply and demand and where most producers operate on relatively narrow margins (as a percent of sales) will go a long way toward making Alaskan production noncompetitive.

As to the argument that industry is not paying its own way, this is simply not true! State and local businesses are already realizing substantial tax revenues because of the seafood industry. Consider not only the existing raw fish tax but also:

- existing property taxes;
- state personal income taxes levied on boat workers, plant employees, and management;
- income taxes collected from local businesses, whose existence depends almost entirely on the fishing industry, and their employees;
- In addition to the foregoing tax revenues, many communities in Alaska are substantially supported by the "local cannery," which builds roads, provides public services, acquires public transportation, etc., etc.

It is easy to criticize - but that is not our intent in opposing H.B. 306. We feel this is a very complex issue whose resolution could significantly affect Alaska and Alaskans both now and in the future. Surely an issue such as this deserves thorough and intense study.

Rather than acting on the emotional issues involved, we propose action on the proposal simply be delayed a few months in order to complete a comprehensive study which analyzes the three affected areas:

1. Tax Revenues

2. The seafood industry's real contribution to the state and many of its local communities.

3. The financial impact of the 6% fish tax on the Alaskan seafood industry.

Pacific Pearl

We believe the welfare of both the industry and the State of Alaska would best be served by thoughtful consideration of all the issues involved. This can only occur on the basis of a thorough analysis and understanding of all the facts which would be provided by the recommended study.

Sincerely,

William K. Deshler
President

WKD:uh

Cordova District Fisheries Union

Headquarters: Box 939, Cordova, Alaska

March 23, 1979

Honorable Alvin Osterback
Chairman, House Resources Committee
House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Osterback:

As an organization comprised of mostly resident Alaska inshore and near shore fishermen, we strongly object to the manner and haste that SB 132 was rammed through the Senate.

We respectfully request that all members of the House take the approach of slowing things down and assessing the impact of this particular tax increase on the commercial fishing industry and the State of Alaska.

While no one can deny the need for increased revenues under the State s present financial dilemma, we feel that this piece of legislation cannot legally or practically fulfill the desires of its unlisted sponsors, and will, in fact, actually be detrimental to the development of an Alaska land-based bottomfish industry.

We had requested the Senate to table the bill for the year to allow time for passage of HB 36 and the ensuing study it funds. We had also asked that the Alaska Fisheries Tax Law study include an assessment of the impact of SB 132 on the fishing industry and the State. Our position is not one of just opposing a tax increase. We are sincerely concerned about our ability to remain year-round Alaskan residents. We need land-based fishing operations to help us as individuals support the small coastal communities we live in. In our opinion, the State of Alaska cannot benefit if it creates a situation that heavily taxes the Alaska land-based industry and creates that same tax dodging incentive for offshore development.

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Sincerely,

Bob Blake
Chairman

BB:jmr

cc: to all House of Representatives Members

L&S Travel Inc.

March 19, 1979

Representative Alvin Osterback
Alaska House of Representatives
Pouch V
Juneau, AK 99811

RE: HB 306/SB 132

Dear Representative Osterback:

A large percentage of our travel business is fisheries oriented, stemming from employees at the canneries and from fishermen. Therefore, anything that would serve to reduce the fisheries business would also serve to reduce a substantial volume of our business.

The proposed increase in the raw fish tax from one to six percent that is now being considered is just such a step that could seriously harm a fishing community like Kodiak. This increased raw fish tax will be passed on to the local fishermen as well as any Seattle-based fishermen and it will be passed on to the consumer, who is already paying extravagant prices for Alaskan seafood.

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There also appears to be some doubt as to whether this tax could be collected by the State should offshore processors move out more than three miles from the shore.

Hopefully, you and the other legislatures will allow the public to speak out on this matter since it concerns the livelihoods of so many Alaskans.

Respectfully,

Liane Dierich

Liane Dierich
President

cc: Senator Robert Mulcahy
Alaska State Senate

P. O. BOX 221 KODIAK, ALASKA TELEPHONE (907) 486-3232

HB 306, SB 152

United Fishermen's Marketing Association, Inc.

P.O. Box 1035 Kodiak, Alaska 99615

Telephone 486-3453

March 19, 1979

Raw fish

Rep. Alvin Osterback
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Osterback:

Our association is severely concerned about the negative impact H.B. 306, relating to the institution of a 6% raw fish tax, would have on the coastal fishing communities of Alaska. This tax would provide a very negative pressure on the price fishermen receive for their product, increase operating costs to the processors, and add inflationary pressures to the consumer prices of fish products which are presently approaching prohibitive levels. In view of the present and future economic situation in the U.S., with increasing inflation, further devaluation of the dollar, and predictions of recession, most State and Federal tax legislation indicates an attempt and need to give tax relief, especially to the producer.

The institution of this tax would give positive impetus to the development of off-shore processors, and off-shore catcher processors, both which would erode the present tax base we find in coastal communities in Alaska. Given the present tax situation, we at least can see future development and expansion of shore based processors, which greatly benefit the local community in employment levels, local markets for fishermen (especially small boat operations), local support activities to the processor and fishermen, tax base, etc. I would hope that responsible fiscal policy would attempt to give a favorable economic climate to aid in the healthy development of the processing industry and primary producers. This would of course, benefit the industry, therefore the State, its citizens, and its revenues.

This tax would have its greatest impact on the small boat fishermen. Many of these small boat operations are marginally operative in that they do not care to be highline operations, but attempt to be self-supportive and independent businessmen. As such, they benefit the State in that they provide employment for themselves, their crew; and product to the processors to be sold to state, national and international markets. This tax would lower the capital formation opportunities which any boat operator needs to remain competitive in a highly competitive industry, and to expand in an industry where the need for expansion and higher efficiency is a reality. Larger vessels would likewise suffer.

With the many opportunities provided for the State, vis-a-vis the fishing industry, with the implementation of the 200-mile fisheries conservation zone, we must not erode the climate presently existing which gives hopes of healthy shore-based processing expansion needed to develop the Alaskan fishing industry to the point of being able to harvest the rich resources of presently under-utilized species. This expansion into the bottomfish resources of the State will add to the State commerce, tax base and tax revenues, provide many jobs, provide

opportunities for investment on-shore, allow our entrance into the foreign controlled markets for bottomfish species, and finally begin to rid ourselves of massive foreign fishing off Alaska's shores. These objectives cannot be met with the implementation of more taxes on raw fish values.

The fishing industry in Alaska pays its way very well, and in so doing benefits the State. If there is concern regarding questionable expenditures relating to the fishing industry, I respectfully suggest that the objective of responsible fiscal management would be to evaluate into which programs State monies are being directed, and into which geographical locations these monies are being directed; and then evaluate their return to the State.

I would hope that more information be presented and studied before a tax measure of this far-reaching magnitude be considered. Thank you.

Respectfully,

Jeffrey R. Stephan
Manager

cc: Representatives: Anderson, Barnes, Beirne, Bettisworth, Branson, Brown, Bucholdt, Carney, Chatterton, Cotten, Duncan, Eliason, Freeman, Fuller, Gardiner, Guy, Halford, Haugen, Hayes, Hurlbert, Malone, Martin, McKinnon, Meekins, Metcalfe, Miles, Miller, Montgomery, Moss, Munson, O'Connell, Osterback, Parker, Parr, Phillips, Randolph, Rogers, Schaeffer, Smith, Zharoff.

C 55 B 13
HB 306

PacificPearl

AN Amfac COMPANY

March 10, 1979

Honorable Alvin Osterback
Alaska House of Representatives
Pouch V
Juneau, AK 99811

RE: HB 306

Dear Alvin;

On behalf of Pacific Pearl Seafoods, which has six seafood canneries operating in Alaska as well as one floating processor, I would like to use this letter to voice our vehement objections to the above-mentioned House bill, the purpose of which is to raise the tax on raw fish from 1% to 6%:

1) On the east coast of the United States, American tanner crab meat is already being undersold by the Canadians ($5.25/lb vs. $4.30/lb.). The proposed increase in the raw fish tax would only serve to up the American crab price by an additional 16¢, thus furthering the gap between the two and handicapping an American industry so as to be uncompetitive.

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PACIFIC PEARL SEAFOODS
P O BOX 826
KODIAK, ALASKA 99615
(907) 486-5734 TELEX 090-25-355

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Respectfully,

Charles L. Jensen

CLJ:cmb

HB 306
CSSB 132

Bristol Bay Native Corporation
445 E. 5TH AVENUE / P.O. BOX 220 / ANCHORAGE, ALASKA 99510 / PH (907) 278-3602

March 16, 1979

Senator George Hohman
Representative Nels A. Anderson, Jr.
Pouch V
Juneau, Alaska 99811

Dear George and Nels:

(CS Senate Bill 132)

This letter is in protest of House Bill 306 (Fisheries Taxes). We ask you as our Senator and Representative to use all of your efforts in having this Bill defeated.

Why does the State Administration and some legislators want to tax the fish processors to fund State programs to the detriment of the fishermen? The fishermen and the consumers will be paying this tax indirectly for the fish processor. This means lower fish prices for the fishermen and higher prices for the consumer.

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industries without first studying the impacts in greater detail. It will be a grave mistake should this legislation pass.

I ask that you keep me informed of the status of this Bill.

Sincerely,

Harold H. Samuelsen

Harold H. Samuelsen
President

cc: Sen. Clem Tillion
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Rep. Al Osterback
Rep. Phillip Guy
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Cordova District Fisheries Union

Headquarters: Box 939, Cordova, Alaska

March 23, 1979

Honorable Alvin Osterback
Chairman, House Resources Committee
House of Representatives
Pouch V
Juneau, Alaska 99811

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While no one can deny the need for increased revenues under the State's present financial dilemma, we feel that this piece of legislation cannot legally or practically fulfill the desires of its unlisted sponsors, and will, in fact, actually be detrimental to the development of an Alaska land-based bottomfish industry.

We had requested the Senate to table the bill for the year to allow time for passage of HB 36 and the ensuing study it funds. We had also asked that the Alaska Fisheries Tax Law study include an assessment of the impact of SB 132 on the fishing industry and the State. Our position is not one of just opposing a tax increase. We are sincerely concerned about our ability to remain year-round Alaskan residents. We need land-based fishing operations to help us as individuals support the small coastal communities we live in. In our opinion, the State of Alaska cannot benefit if it creates a situation that heavily taxes the Alaska land-based industry and creates that same tax dodging incentive for offshore development.

We will end up seeing the low volume, small production areas that are struggling now at best, carrying the bulk of the tax burden, while the heavy volume, large boat production is being carried on totally offshore and out of the State's taxing jurisdiction.

Unfortunately for the small operator in the salmon and crab fishery, the statewide publicity of the high value catches made by a few people in a few cases has created an image of every fishermen being rich. It only takes a few moments of research to find that these image-creating incidents grossly misrepresent the average.

For example, in 1978, a Prince William Sound gillnetter fishing the 18-week season averaged approximately $20,000 gross. After one cranks in the factor for investments in boats and gear, fuel, groceries, insurance, etc., the average fishermen doesn't have much to take home to feed his family.

The same falls true for the Prince William Sound salmon seiner who last year averaged less than $14,000 per boat--subtract expenses and crew shares, etc. The majority of the Prince William Sound Tanner crab fleet are small boats which scratch out 50 to 100,000 pounds of crab from November to May--hardly a real money maker, but a means of fishing in the wintertime and making enough to cover the household bills and keeping the kids in school clothes.

I'm not trying to cause you to tearstain this letter, but I am trying to impress the fact that the vast majority of Alaskan resident fishermen do not fall into the high dollar income bracket that many automatically assume. I do want to emphasize that a few cents per pound taken away from a small producer's profit margin is much more detrimental to that family's existence than the same few cents per pound to a high volume producer.

We urge that all House members take a real hard look at the impact of this bill before allowing it to move. We feel confident that no one wants to create a situation which, on top of the existing high costs of living in rural Alaska, forces the residents who are managing to hang on year-round to become non-residents just because they can't quite afford to live here anymore.

Some hardline questions need to be answered before this bill is passed and serious damage is done.

(1) Who will end up paying the tax increase? (Onshore or offshore processors?) (Resident or non-resident fishermen?)

(2) Can the State legally tax offshore processors or harvesters? (This is probably the most important question that needs to be addressed. The Department of Law thinks not and apparently the oil industry thinks not.)

(3) What incentive will this tax increase create to develop land-based industry?

(4) How hard will it impact the small producer?

(5) In actual long-range dollars and cents, will the State benefit or will this end up being a superficially attractive bomb?

We can see no benefit to the State if this tax pushes all the major fishery production offshore.

We can see no benefit if the bulk of the tax burden ends up being paid by Alaskan residents involved in marginal fisheries.

It has been my personal sad experience to have observed members of our organization who have lived and fished in the Prince William Sound area for many years, forced to pack up their families and move to the Lower 48 because they could not afford to live in Cordova. In discussing this problem with other representatives of coastal communities, it appears that this same problem is occurring statewide. It would seem that the State should be creating reasons for residents to stay in Alaska, not forcing them out.

The bottom line has got to be, if a tax increase is not beneficial to the State, it certainly should not be passed. This one appears to be actually detrimental.

Sincerely,

Bob Blake
Chairman

BB:jmr

cc: to all House of Representatives Members

Example of <u>real</u> cost impact of 6% tax:

Kodiak price for live crab $1.79/lb.

Recovery of 20% for saleable meat @ 6% tax - end up paying a real tax of 52¢/lb. on crabmeat

---

Example of figures in one area on <u>one</u> fishery:

$ value of crab caught in Dutch Harbor and Bering sea in 1978 = $ 224,672,525

@ present (Canned) 2% tax that generates revenue of $ 4,493,450

@ 6% tax $ 13,480,351

That area would be paying an <u>extra</u> yearly tax on crab of $ 8,986,901

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
CSSB132	4/4 2504	Dept. of Commerce	4/10, 4/12
	4/4 2397	Dept. of Revenue	4/10, 4/12
	4/4 4100	Dept. of Fish and Game	4/10, 4/12
	4/4 586-2820	United Fishermen of Alaska	4/10, 4/12
	4/4 3837	Jack Chenoweth - Legislative Counsel	4/10, 4/12
	4/4 262-4238	Lottie Edelman, Pres. of Kenai Peninsula Fishermen's Assn. - Soldotna	4/10
	4/4 4980	All teleconferences offices: Anchorage, Barrow, Bethel, Fairbanks, Juneau, Ketchikan, Kodiak, Kotzebue, Nome, Sitka, Soldotna	4/10

SB132

United Fishermen's Marketing Association, Inc.

P.O. Box 1035 Kodiak, Alaska 99615

Telephone 486-3453

April 18, 1979

Rep. Alvin Osterback
Pouch V
Juneau, AK 99811

Dear Representative Osterback:

Our Association is opposed to S.B. #132, which raises the raw fish tax from 1% to 6%. We understand that there is talk of reducing the originally proposed 6% tax to a lower figure. We feel that any change in the present raw fish tax structure would be harmful to the Alaskan communities which depend on a healthy fishing industry for their prosperity.

We have heard that the justification for an increase in the tax is to rectify a situation where presently the fishing industry allegedly does not pay its way. We dispute that allegation strongly. We feel that the fishing industry contributes at least its share to the total Alaskan economy. There have been no figures presented which substantiate the claims that the industry does not pay its way. These claims are weak and ill-founded. The actual benefits and revenues derived from the industry are substantial. We need only look at the actual dollars in revenues collected from and created through the fishing industry in Alaska to see the existing benefits which accrue to the State from this industry.

An increase in the raw fish tax would definitely have a negative effect on prices to the fishermen and drive up prices to the consumer. Higher consumer prices do not help expand the domestic and foreign markets for Alaska seafood products. A higher tax would decrease the amount of investment capital available to the industry for expansion, and increase the foreign involvement and investment in both the processing and harvesting sectors. Incomes and benefits to employees of both sectors would suffer. Contrary to the current propaganda, there is no easy money or windfall profits in the fishing business.

We have been told that we want more loans from the State. We don't! We can get money from the private sector of the economy if we need it. We do not want this tax justified by illegitimate claims that we want State money.

We want to expand the fishing industry to its potential on shore. We do not want to drive the business off-shore. We hope to expand the tax base, not diminish it. We respectfully request that you vote against the increase in raw fish tax.

Sincerely,

Jeffrey R. Stephan
Manager

Copy to all Representatives

SB 132

Resource Development Council
for Alaska, Inc.

444 West 7th Avenue, Anchorage, Alaska 99501
Box 516, Anchorage, Alaska 99510 - 907/278-9615

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March 16, 1979

Rep. Alvin Osterback
Pouch V'
Juneau, Ak. 99811

Dear Legislator:

Enclosed on legal-size paper are resolutions adopted at the Resource Development Council's annual meeting of the statewide board of directors. The two resolutions on letter-size paper were adopted last Friday, April 13 at a meeting of the executive committee.

Resolutions adopted by either our statewide board or the executive committee set the parameters for activities by the staff and members. We felt you would want to have this information in your reference files. The resolutions are explicit in their statement of the Council's position on a number of issues pertinent to your work.

Sincerely,

RESOURCE DEVELOPMENT COUNCIL
for Alaska, Inc.

Paula Easley

Paula P. Easley
Executive Director

Enc.

Unanimously adopted by Executive Committee, Resource Development Council
April 13, 1979

FISHERIES SEVERANCE TAX

WHEREAS legislation has been introduced, acted upon by the Alaska Senate and is under review by the House of Representatives to impose a 6% severance tax on all fish caught and processed within Alaskan waters, and

WHEREAS the intended purpose of the proposed legislation is to assure that the fisheries industry pays its "fair share" of taxes,

NOW THEREFORE BE IT RESOLVED that the RESOURCE DEVELOPMENT COUNCIL for Alaska, Inc. urges that the Eleventh Legislature take no action this session on the proposed severance tax for the following reasons:

(1) the Department of Revenue has not produced adequate information concerning the amounts of tax revenue being contributed by the fisheries industry and its employees and this information is critical to an accurate analysis of what the fisheries industry's "fair share" actually is;

(2) a long-range analysis of the impact of the severance tax on the infant bottomfish industry has not been completed;

(3) a flat rate of tax upon deliveries would unfairly burden certain segments of the fisheries industry such as the shellfish industry whose percentage of tax would greatly increase because it would be taxed on a large part of shellfish having no value;

(4) a detailed analysis has not been done of the effect of lost revenues to the state and communities due to fish processors moving from shore-based operations to floating processor operations outside state taxing jurisdiction;

(5) no detailed study has been completed as to potential revenue losses resulting from direct deliveries to ports such as Prince Rupert and/or Seattle, thereby removing certain fishermen from Alaskan taxing jurisdiction;

(6) the overall impact on the long-range development and stability of Alaska's fisheries industry would be jeopardized by the severance tax in that it would encourage foreign joint ventures outside Alaska's taxing jurisdiction;

(7) questions concerning the constitutionality of the proposed legislation should be resolved prior to implementation of any legislation affecting the fisheries resource, and finally,

(8) the Resource Development Council believes this issue is of such critical importance to Alaska's long-range economic stability that it must have full public review throughout the state before any action is taken.

Resource Development Council
for Alaska, Inc.

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Dale Talbot

HAINES RESOLUTION

WHEREAS, builders and consumers in Alaska import from other states and Canada nearly all of the wood-based building products utilized in Alaska, at a cost of millions of dollars per year, and Alaska has vast quantities of underutilized natural timber resources which properly managed are renewable resources, and

WHEREAS, the State of Alaska, along with the federal government and private corporations, particularly Alaska Native Corporations, is one of the major timberland owners in Alaska, and

WHEREAS, the Alaska Forest Resources and Practices Act, an extension of the Constitution of the State of Alaska, states, among other things, "The forest resources of Alaska are among the most valuable natural resources of the state, and furnish timber and wood products, . . ." and,

WHEREAS, the Alaska Legislature, in 1978, passed an Act, signed into law by the Governor, June 17, 1978, mandating negotiated timber sales from State Lands for manufacturing firms located in areas of high unemployment, having an underutilized timber manufacturing capacity; and an underutilized allowable cut of state timber, and

WHEREAS, the community of Haines, which has for more than 20 years based its economy strongly on the timber products industry has a high level of unemployment, and even worse, has lost over 700 residents in the past three years, due to lack of timber for local mills, and

WHEREAS, the U. S. Forest Service, in a 1976 report, published for the State of Alaska, estimated the allowable cut of timber of all species in the Haines area from State lands, at more than 35 million board feet per year from lands classified timber lands or resource management, by the State of Alaska, and

HAINES RESOLUTION (continued)

WHEREAS the only surviving sawmill facility in Haines, the Schnabel Lumber Company, capable of handling more than 50 million board feet of logs per year, has been shut down since late 1977 because of an artificial shortage of logs caused by state and federal internal conflicts in resource use policy, and

WHEREAS the State of Alaska has wasted valuable time in controversy with the local community of Haines over publishing of its land use plan, which has affected consummation of a long-term timber sale as mandated by law, and

WHEREAS preliminary economic study has shown that a long-term timber sale in the Haines area should be in the volume of 15 million board feet per year, and

WHEREAS the same economic studies also show this is only enough timber to operate the mill at one shift, and not enough to make the mill profitable enough to attract further venture and long-term capital, and

WHEREAS the economic studies take into consideration the complementary and competing uses of the forest resource and recognize that the sustained yield of timber is far in excess of the contemplated sale volumes, and

WHEREAS the State of Alaska has other timber resources in the Cape Yakataga area that could be economically utilized to bring the Haines mill to full production and meet the mandate of Alaska law,

THEREFORE, the Resource Development Council Executive Committee unanimously RESOLVES that

(1) the State of Alaska forthwith publish the Haines Land Use Plan, under the terms agreed upon between the State and the Haines Coalition, representing the majority of citizens in the Haines area,

(2) the State of Alaska complete negotiations and sign with the Schnabel Lumber Company, a long-term timber sale for 15 million board feet per year for 25 years with stumpage rates to be reevaluated every five years, and

(3) the State of Alaska, in order to meet the law of the State, begin preparing a second long-term timber sale to compensate the local Haines economy for timber removed from its timber base for other purposes,

AND BE IT FURTHER RESOLVED that copies of this resolution be transmitted to the Governor of Alaska, the Commissioner of Natural Resources and the Alaska Legislature.

Dated this 13th day of April, 1979.

RESOURCE DEVELOPMENT COUNCIL for Alaska, Inc.

Resolutions of Annual Meeting

March 31, 1979

Resolution 1

ECONOMIC IMPACTS OF LEGISLATION

BE IT RESOLVED that the RESOURCE DEVELOPMENT COUNCIL urges the Alaska State Legislature and Administration to evaluate cost/benefit ratios of existing laws; to subject proposed laws to economic impact review; and to accompany all proposed regulations with supporting economic data.

AND BE IT FURTHER RESOLVED that the RESOURCE DEVELOPMENT COUNCIL supports the State of Alaska's efforts to eliminate unnecessary permits and regulations imposed upon the private sector and pledges its assistance in the collection of data to streamline the regulatory process.

Resolution 2

LAND CLASSIFICATION

WHEREAS, the United States Government is the largest single land owner in the State of Alaska, and

WHEREAS, large tracts of federal land have already been closed to multiple use by the recent actions of the federal government and previous reservations, and

WHEREAS, the State of Alaska has selected some federal lands pursuant to the Statehood Act and shall be selecting more and

WHEREAS, natural resources of these lands have the potential for being a source of great social and economic benefit to the state and nation, and

WHEREAS, much of the land selected by the State already is known to have or may have valuable natural resources,

THEREFORE BE IT RESOLVED that the RESOURCE DEVELOPMENT COUNCIL for Alaska, Inc. strenuously urge the State of Alaska to refrain from classifying land to management systems which foreclose exploration and utilization of natural resources and prohibit traditional multiple uses of said lands.

Resolution 3

COASTAL ZONE MANAGEMENT

WHEREAS, the Congress of the United States has enacted a Coastal Zone Management Act and federal regulations and guidelines have been established; and

WHEREAS, the Legislature of the State of Alaska has enacted the Coastal Management Act of 1977 with the intent of allowing the local participation and control of coastal areas; and

WHEREAS, the Legislature has adopted regulations, standards, and guidelines as mandated in the enabling statute; and

WHEREAS, these regulations will control the development and use of all land (whether privately or governmentally owned) within whatever is determined to be the "coastal area";

THEREFORE BE IT RESOLVED that the RESOURCE DEVELOPMENT COUNCIL for Alaska, Inc. will continue to work for Coastal Zone policies that (1) protect private land owners from any form of inverse condemnation; (2) preserve the concept of local government control of planning, zoning and subdivision powers as opposed to state or federal control; (3) permit, not stifle, orderly growth consistent with reasonable environmental controls to protect coastal waters; (4) take into account both environmental impact and economic impact; and (5) insure that Alaska's coastal resources will be used to meet the needs of this and succeeding generations of Alaskans.

Resolution 4

COAL

WHEREAS, the State of Alaska has enormous coal resources, perhaps as much as the entire continental United States combined; and

WHEREAS, the sulphur content in much of Alaska's coal is exceptionally low, a potential significant environmental advantage; and

WHEREAS, President Carter's national energy plan specifies federal policy should stimulate the use of coal; and

WHEREAS, the federal government is spending, and wisely so, large sums of money for research and development on coal processing technology to make clean fuels from high sulphur coals in other states;

THEREFORE the RESOURCE DEVELOPMENT COUNCIL for Alaska, Inc., resolves to request that appropriate federal agencies, especially the Department of Energy, direct more research and development funding support to coal processing (including cleaning and upgrading, high and low Btu gasification, liquefaction and solvent refining, and conversion to coke and/or chemicals) of Alaska's coals in concert with interested industrial organizations, the State of Alaska and the University of Alaska; and to oppose resource taxation fees that jeopardize the economic viability of Alaskan coal ventures.

Resolution 5

UNEMPLOYMENT

WHEREAS, the RESOURCE DEVELOPMENT COUNCIL for Alaska, Inc. desires the orderly development of all the State's resources, and

WHEREAS, the citizens of Alaska are themselves a major resource, and

WHEREAS, unemployment is unconscionably high, and seasonal, and

WHEREAS, lead times involved in resource development projects are lengthy and project approvals never assured,

THEREFORE BE IT RESOLVED that the RESOURCE DEVELOPMENT COUNCIL for Alaska, Inc. encourage expansion of the private sector to stimulate employment, diversification of the Alaskan economy, vertical integration of industry and more responsive action by the legislature and administration to reduce unemployment --without enlarging the bureaucracy -- to utilize Alaska's abundant human resources.

Resolution 6

AGRICULTURE

WHEREAS, a sound and sustained agricultural production, processing and marketing industry is necessary to the healthy economic life and future well-being of Alaska, and

WHEREAS, agriculture, as a resource management tool, could provide a large percentage of the state's basic consumer needs in food, fiber, industrial raw materials and aesthetic products at a reasonable price and influence positively the transporation, meat, fertilizer and shipping industries throughout the state, and

WHEREAS, agricultural use of state land can serve to protect the integrity of watersheds, establish open space for the enjoyment of all persons, stimulate the economy, promote wind and erosion control programs, and open tracts of land for private cultivation, all of which will increase the productive capacity of the land to sustain the agricultural, livestock and forestry industries in the state;

THEREFORE BE IT RESOLVED that the RESOURCE DEVELOPMENT COUNCIL for Alaska, Inc. will encourage vertical integration of the agricultural industry, support expansion of transportation facilities which will benefit agricultural industries, assist individual or group farmers as may be appropriate, and to encourage the State of Alaska to make available one million acres of state land to Alaskan farmers by the year 1990.

BE IT FURTHER RESOLVED that the RESOURCE DEVELOPMENT COUNCIL for Alaska, Inc. will work to secure state assistance in the development of agricultural processing (including fertilizer production, utilization of surplus industrial heat and marketing and clearing programs) to expand the scope of agriculture within the state.

Resolution 7

TAXATION POLICIES

WHEREAS, Alaska's economic and taxation policies may hinder the creation of a productive economic base and the establishment of long-term skilled employment for the citizens of the state; and

WHEREAS, state taxation should not rise beyond the point where small enterprises are no longer able to function economically in Alaska and where larger corporations decline to make long-term investments in the state; and

WHEREAS, taxation policies should be designed to meet existing or clearly defined projected needs rather than short-term maximization of state revenues; and

WHEREAS, new or additional taxes on resources may deter exploration and severely limit the availability of jobs and energy resources within Alaska;

THEREFORE BE IT RESOLVED that the RESOURCE DEVELOPMENT COUNCIL for Alaska, Inc. urges that the elected officials of the State of Alaska take steps to create employment through sound economic policies and to promote taxation policies that are applied fairly and impartially on an industry-wide basis and free capital for business and industry expansion.

Resolution 8

FISHERIES

WHEREAS, the fishing industry continues to be a mainstay of Alaska's economy; and

WHEREAS, passage of the Fishery Conservation and Management Act of 1976 is expected to result in a new era for Alaskan commercial fisheries and dramatically increase the value of fisheries exports; and

WHEREAS, the economic success of both the energy and fishing industry is of great importance to the state of Alaska and the resources can occur in the same waters;

THEREFORE BE IT RESOLVED that the RESOURCE DEVELOPMENT COUNCIL for Alaska, Inc. will serve as a communication link between the energy and fishing industries to promote educational services, environmental safeguards and technological improvements to both developments; and work for joint industry cooperation with respect to infrastructure facilities and utilization of work forces.

BE IT FURTHER RESOLVED that the RESOURCE DEVELOPMENT COUNCIL will support state and federal legislation that protects American processors from unfair foreign factory ship competition, reimburses American fishermen whose gear has been damaged by foreign vessels and revitalizes the American fisheries industry through aquaculture programs; and financial assistance, incentives and education to enable fishermen to increase capacities to harvest, process and market currently underutilized species.

Resolution 9

RESOURCE EXPLORATION

WHEREAS, the Alaska Regional Energy Resource Planning Project report, funded by the U. S. Department of Energy and administered by the State of Alaska, recommended the immediate expansion of surface and subsurface exploration activities, and

WHEREAS, the analysis of Alaskan resource estimates indicates that the extent and location of energy and mineral resources are not fully known, and

WHEREAS, without adequate knowledge of the magnitude, quality and location of resources, critical energy-related and land-related questions cannot be properly addressed by government and private decisionmakers; and

WHEREAS, the American system is to gain adequate information and knowledge on a subject prior to the decisionmaking process and not deliberately to avoid the collection of data prior to decisionmaking,

THEREFORE BE IT RESOLVED that the RESOURCE DEVELOPMENT COUNCIL for Alaska, Inc. urges the federal and state government to allow private industry to move swiftly with major exploration programs, to identify Alaska's resources so decisions can be based on knowledge.

Resolution 10

ROADLESS AREA REVIEW AND EVALUATION (RARE II)

WHEREAS, the U. S. Department of Agriculture has recommended to President Carter on January 4, 1979 that 15 million acres of national forest lands be designated wilderness; and

WHEREAS, excluding Alaska's land withdrawals, more than one-third of the nation's public lands have already been withdrawn from mineral and timber exploration and development,

THEREFORE BE IT RESOLVED that the RESOURCE DEVELOPMENT COUNCIL for Alaska, Inc. continue its efforts to encourage the U. S. Congress to recognize the unemployment and inflationary impacts of massive forest land withdrawals and to provide that the majority of the nation's forest lands be managed for traditional multiple-use purposes; and further to oppose transfer of the U. S. Forest Service to a new Department of Natural Resources.

Resolution 11

HYDROELECTRIC POWER

WHEREAS, oil and natural gas, as nonrenewable resources, are becoming more valuable for higher priority uses than the production of energy; and

WHEREAS, the RESOURCE DEVELOPMENT COUNCIL for Alaska, Inc. believes hydroelectric power development is in the best long-range interests of the people of Alaska;

THEREFORE BE IT RESOLVED that the RESOURCE DEVELOPMENT COUNCIL for Alaska, Inc. will work to support development of small hydropower projects to serve communities throughout Alaska.

BE IT FURTHER RESOLVED that the RESOURCE DEVELOPMENT COUNCIL for Alaska, Inc. calls upon the State of Alaska and the United States Congress to support and expedite the development of hydroelectric power projects on the Upper Susitna River, Bradley Lake and other future potential hydroelectric sites to meet the long-range energy needs of Alaskans, and evaluation of the hydropower potential of Lake Chakachamna as an interim energy source.

Resolution 12

TRANSPORTATION

WHEREAS, the State of Alaska is largely undeveloped and lacks adequate transportation systems; and

WHEREAS, adequate transportation systems would facilitate the economic and convenient movement of people and goods to and from all regions of the state and lower living costs for Alaska's citizens; and

WHEREAS, the potential for development of minerals, timber, petroleum, fisheries, agriculture, recreation and tourism are dependent upon adequate transporation networks;

THEREFORE BE IT RESOLVED that the RESOURCE DEVELOPMENT COUNCIL for Alaska, Inc. reaffirms its position concerning the immediate opening and free use of the North Slope Haul Road and will explore the feasibility and potential for (1) developing the Copper River Highway in its entirety, constructing the Whittier access road, the Knik and Turnagain Arm crossings and other related highway improvements as required; (2) extending the Alaska Railroad eastward and into other geographic areas to enhance resource development and quality of life; (3) encouraging continuing development of airfield construction throughout Alaska, upgrading of navigational aids and continuing competitive nature of airline service for passengers and freight; (4) encouraging, at an accelerated rate, development of harbor and port facilities; (5) encouraging continuing efforts of private enterprise to increase waterborne transportation systems into and within the State; and (6) promoting the coordinated planning of all transportation systems and facilities to support planned resource development within the state.

Resolution 13

INSTATE USE OF ROYALTY GAS

WHEREAS, the State of Alaska has been directed to vigorously pursue utilization and processing of its royalty gas within Alaska to benefit Alaskans in accordance with Session Law of Alaska, Chapter 146 of June 23, 1977; and

WHEREAS, it has been a major project of the RESOURCE DEVELOPMENT COUNCIL to assure that Alaska's royalty gas and gas liquids are not committed to interstate commerce but rather are dedicated to the development of a petrochemical industry, when feasible, in order to provide long-term stable employment and products for instate use and export;

NOW THEREFORE, the RESOURCE DEVELOPMENT COUNCIL for Alaska, Inc. resolves to commit whatever resources are necessary to bring about proposals from industry for development of petrochemicals; to encourage legislative and administrative support for such development; and to continue to provide educational services relating to this industry.

Resolution 14

FORESTRY

WHEREAS, Alaska holds 16 percent of the nation's forested lands including over 28 million acres of commercial woodlands; and

WHEREAS, productivity, stand composition, tree species, and size class compare favorably with forest areas in Ontario, northern Michigan, Wisconsin and Minnesota; and

WHEREAS, multiple use is a strategy of deliberate land management for two or more purposes managed in a compatible manner to provide both economic and wild land benefits; and

WHEREAS, our nation will be more and more dependent upon renewable resources as time passes and technology progresses; and

WHEREAS, forestry is the science, practice and art of managing and using for human benefit, forest lands and natural resources that occur on and in association with forest lands, including trees, other plants, wildlife, minerals, soil and water, and related air and climate; and

WHEREAS, this nation needs the export capabilities of Alaska to reverse the dangerous imbalance of import payment our nation is currently experiencing;

THEREFORE, the RESOURCE DEVELOPMENT COUNCIL for Alaska, Inc. resolves to insure that land-use options remain open and that forested lands classifications be made for those lands where social, economic and managerial benefits will promote efficient use of natural resources and increased public benefits.

BE IT FURTHER RESOLVED that the RESOURCE DEVELOPMENT COUNCIL for Alaska Inc. will oppose exports of round logs from State of Alaska lands without prior promulgation of regulations governing round log exports.

Resolution 15

OIL AND GAS LEASING

WHEREAS, Alaska oil and gas development has added significantly to the economy and culture of the state; and

WHEREAS, these accomplishments were achieved under a leasing program conducive to encouraging additional commitments to Alaska by the oil and gas industry; and

WHEREAS, the legislature passed a new oil and gas leasing law which requires the Commissioner of Natural Resources to establish a 5-year leasing schedule; and

WHEREAS, the new leasing law also gives the Department of Natural Resources broad latitude in experimenting with new leasing methods in addition to allowing the continued usage of the old method of competitive bonus bidding with a fixed royalty rate; and

WHEREAS, the Commissioner has presented to the legislature the required 5-year schedule of lease sales which provides, among other things, for a major sale covering the shallow waters of the Beaufort Sea for December, 1979; and

WHEREAS, in reliance on the state's announcements, the oil industry has spent huge sums of money obtaining competitive geological data in preparation for a December, 1979 sale; and

WHEREAS, a move is afoot in Juneau to delay the sale and have the State of Alaska assume the risk of drilling a well or wells to prove or disprove the existence of commercial quantities of oil or gas in the sale area before the lands are put up for sale under some undetermined, exotic, and unproven bidding method; and

WHEREAS, the RESOURCE DEVELOPMENT COUNCIL does not believe it to be in the best interest of the State to risk tax dollars in exploration efforts which can be funded by the competitive private sector, nor to use the first major lease sale in five years as an experimental testing ground for theoretical bidding methods;

THEREFORE BE IT RESOLVED that the RESOURCE DEVELOPMENT COUNCIL for Alaska, Inc. urges the State to do everything in its power to hold the Beaufort lease sale on schedule and to stick to proven competitive sale methods that will protect the citizens of Alaska from carrying the risk of failure to find oil or gas in commercially economic quantities.

ALASKA FISHERMAN

Volume 6, Number Eight — April 1979

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State regulations for fish and game adopted
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HANDTROLLING
Board lifts Sitka closures
—page 11

FISH BILLS
A roundup of fisheries legislation
—back page

Increased raw fish taxes appear likely

by John Greely

Unless adjournament of the Legislature comes first, a bill boosting all raw fish taxes in Alaska for the first time since statehood is likely to be on the books just in time for summer fishing.

Legislation increasing the tax to 5 percent on most species of commercially caught fish was moving towards approval in both houses, despite opposition from fishermen, processors and some legislators.

However, because of that opposition, the tax hike was being diluted by a series of exemptions and credits which proponents say may mean a net tax reduction for some fishermen, particularly salmon gillnetters and seiners in Southeast Alaska.

That a raw fish tax increase would be debated seriously in the Legislature might be a surprise to the fishermen, who were heartened in January by the election of two of their colleagues as president of the Senate and speaker of the House. Since then, in what is one of the biggest letter-writing campaigns to hit the capital in years, fishermen and others have protested the tax hike.

Rep. Dick Eliason, a Sitka Republican and commercial fisherman, summarizes the feelings of many in the industry when he says, "up until we discovered oil, fish carried this state. We've done our duty (in paying taxes)."

Yet, Senate President Clem Tillion and House Speaker Terry Gardiner maintain the tax hike is required for many reasons, not the least to continue the state's fisheries loan program at or above its current level.

"If we don't pass this bill," says Gardiner, "the fishermen's loan program just won't go."

Says Tillion more bluntly, "The fisheries have been spoiled so long with a free ride that they don't want any kind of an increase...That's just not reasonable. There's more involved in this game than just the fishermen."

While it hasn't been a "free ride" for fishermen, raw fish taxes have not changed substantially for 30 years. Put on the books in 1949, the tax ranges from as low as one percent of the value of raw salmon delivered to cold storages to as high as 4 percent of salmon delivered to floating processors.

Taxes have remained stable during some of the lean fishing years of the late 60s and early 70s as well as during the more recent record-breaking years in the crab and salmon fisheries. And, the raw fish tax has not changed despite tens of millions of dollars in new ports, hatcheries and low-interest loan programs created by the state.

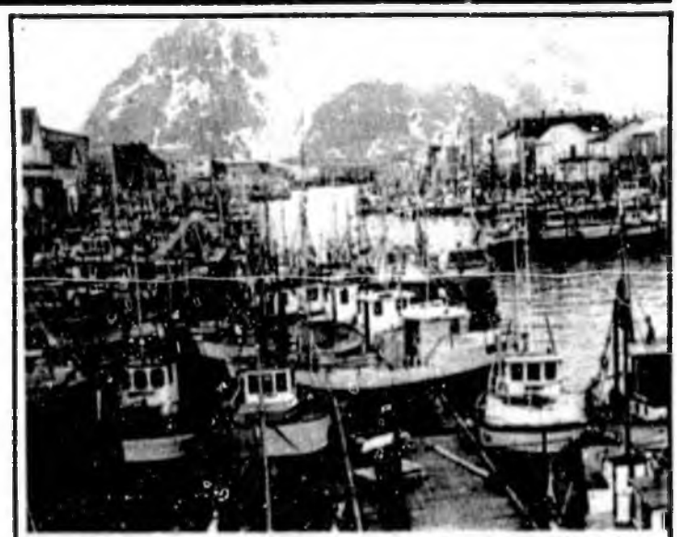
With another good year forecast for crab and salmon fishermen in 1979, supporters of a tax increase seem to have picked the politically right time to strike.

Under a bill sponsored by Gov. Jay Hammond that passed Tillion's Senate on a 15-4 vote March 17, the tax would increase to 6 percent across the board, producing a whopping 500 percent tax hike on some species.

That bill, Tillion said later, was a "rough" version designed to "get the industry's attention."

And, get attention it did. But, by the time much opposition was mounted in the Senate, it was too late.

Rick Lauber, a lobbyist representing the Pacific Seafood Processors Association, complained that Tillion used some fast footwork to remove the bill from the normal chain of committees it would have to pass through on its way to a full vote of the Senate.



The cod fishing fleet of Henningsvaer, Norway is dominated by small boats, largely because trawlers and seiners are prohibited in the area. More pictures and a short text on the three-nation bottom fish tour by ten Alaska fishermen on page 6. In May, the Fisherman plans detailed coverage of the trip. Rodger Painter photo.

A special report on

Bottom fishing in Scandanavia

in the May Alaska Fisherman

Lauber is right on that score. Barely a week after Hammond introduced the bill in the House, Tillion condensed it to the form of an amendment, which he tacked onto a related bill in the Senate Committee on Community & Regional Affairs. By doing that, the Halibut Cove Republican bypassed his Natural Resources Committee, where "Tillion couldn't get it (the bill) out of," says Lauber.

As it was, the Community & Regional Affairs panel gave the tax bill a lukewarm endorsement, saying there was "a need for further investigation on the economic ramifications of this legislation, with particular emphasis on the development of bottom fisheries."

Then, when the bill emerged a few days later from the Senate Rules Committee, Chairman Bob Ziegler, D-Ketchikan, objected that it was "patently unconstitutional" because the bill attempts to set aside some of any tax money collected for special purposes—such as fishermen's loans. (Article IX of the state constitution prohibits tax or license fees from being "dedicated to any special purpose except when required by the federal government....")

Those arguments—and more—were to be examined closely by the House Resources Committee, already the scene of political fighting between urban and rural legislators over another key fishery issue (see story, page 1). As the **Alaska Fisherman** was going to press, the tax issue was being tackled on these fronts:

HOW HIGH?

Raw fish taxes always have been graduated on a scale that, in general, gives a break to low-value fish and shore-based processors. Twelve years ago, when the schedule was amended last time, taxes on floating processors were increased to 4 percent of raw value, largely because many off-shore plants escape property taxes and laws encouraging resident hire.

In his original bill, Hammond joined Tillion in trying to adopt a uniform tax rate (6 percent) and a single tax base (raw value) for all species of fish and types of processors. The governor called the current structure "outdated" and "badly in need of reform."

But, shortly after the bill passed out of the Senate, Tillion began talking about an increase only to 5 percent. And, the uniformity he sought was fast giving way to reality.

As Gardiner explained the probable refinements, "People want to see some kind of exemption for developing fisheries...and we have to protect the on-shore plants."

> **"The fisheries have been spoiled so long with a free ride that they don't want any kind of an increase...That's just not reasonable."**
>
> —Senate President Clem Tillion

In addition, for those commercial salmon fishermen who have voted in recent years to turn over an additional 3 percent of their catch as an assessment to pay for building regional hatcheries, Tillion and Gardiner were fashioning a credit to absorb some of the shock of a higher raw fish tax.

Depending on the fishery and the amount of the credit, Tillion says, it could mean that some salmon fishermen would actually end up paying one-half of one per-

(Continued on page 8)

Regionalization plan approved by Boards

by Laury Roberts and John Greely

The state boards of Fisheries and Game have taken the lead in establishing regional management of the state's fish and wildlife, following an apparent breakdown in legislative efforts.

On a 12 to 1 vote April 7, the joint boards adopted regulations setting up six regional fish and game advisory councils, similar to a bill laid to rest in the House Rules Committee the preceding day. The regulations were drafted by Ron Skoog, commissioner of the Alaska Department of Fish and Game, and based partially on a House bill sponsored by Rep. Rick Halford, (R-Chugiak). The new provisions do not define specific boundaries for the regional councils, nor require the statewide boards of Fisheries and Game to follow regulations submitted by the councils.

Originally, the House Resources Committee looked at two regionalization bills. One measure, offered by House Speaker Terry Gardiner (D-Ketchikan), proposed six boards with full regulatory control of fish and game. Another bill, sponsored by Gov. Jay Hammond, set up six advisory boards.

Over the objections of Bush legislators, the committee approved the Halford substitute, which resembled Gov. Jay Hammond's bill, and moved it to the Rules Committee. Then, late last week, the committee agreed to adopt a compromise version drafted by House Majority Leader Nels Anderson (D-Dillingham). That draft proposed seven regional advisory councils and laid out the specific circumstances under which the master boards could refuse to adopt regulations offered by the councils.

But the Rules Committee got stuck on language which would allow the statewide boards to reject council proposals if any class of user would be discriminated against. "Part of the reason the new language is offered by myself is to address two fears," said Rep. Sam Cotten (D-Eagle River). "The Natives fear a loss of subsistence use and urban users are afraid they can't use rural resources."

Anderson, however, stood by what he called his "bottom line" version and refused to capitulate on Cotten's proposed language. Under Anderson's draft, statewide boards could reject council submissions under only three circumstances: that it did not carry written justification from the council; would jeopardize maintenance of stocks; or was unconstitutional or in conflict with existing regulations.

The Rules Committee meeting set for

(Continued on page 15)

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Bottomfish

Log

This column is a continuing addition to the Alaska Fisherman provided through the Governor's Office, Jim Edenso, Bottom Fish Coordinator. The primary purpose of the column will be to assist in keeping individuals who are presently involved in the bottom fisheries or who are considering involvement abreast of recent changes and happenings within the scope of Alaska bottom fish development. Included will be projects in operation and proposed which will assist in the development effort.

The Fishery Conservation and Management Act of 1976 was amended in August 1978 to provide a preference for U.S. fish processors to process domestically harvested fish. The intent of this amendment was to allow foreign vessels to buy fish from U.S. vessels only if it was determined that domestic processors could not process that fish. For example, the National Marine Fisheries Service (NMFS) recently determined, when reviewing applications from the Republic of Korea to buy fish harvested in the Gulf of Alaska by U.S. boats, that the domestic harvest of bottom fish in that area exceeded domestic processing capacity and approved the Korean applications.

On March 13, 1979, a public hearing was held in Washington, D.C. to consider regulations to implement the joint venture amendment to the Fishery Conservation and Management Act of 1976. NMFS is specifically interested in determining the type of information U.S. fish processors should be required to report to establish the level of domestic fish processors. NMFS also is attempting to determine the circumstances in which such information should be considered and whether Regional Councils should be given access to price, market and other data reported by U.S. fish processors.

William W. Solomon, representing the National Food Processors Association (NFPA), testified in response to NMFS's request for comments on the interim final regulations. NFPA, a non-profit trade association with approximately 600 members, has canning and frozen food operations in 44 states. Their members pack close to 95 percent of the entire national production of canned seafoods.

The following is extracted from Mr. Solomon's written testimony.

Regarding the information which U.S. processors should be required to report:

"NFPA believes that it is appropriate under the 1978 amendments to ask processors to report certain information which relates directly to their capacity and intent to process certain species. On the other hand, NFPA believes that neither price nor marketing information should be furnished by processors. As for marketing data, NMFS has failed to articulate how this highly confidential information is possibly relevant to assessing capacity and intent. NFPA urges that the needs of NMFS and simple fairness require that comparable data be required from foreign processors in support of their applications for foreign processing permits."

Regarding the circumstances in which data from processors should be considered:

"NFPA believes that data submitted by processors should be used by the Secretary (of Commerce) or the (regional) Councils solely to evaluate domestic processing capacity and intent. Further, NFPA believes that in the absence of convincing evidence to the contrary, the capacity and intent submissions by processors should be presumed to be correct. The 1978 amendments do not represent a subsidy to the domestic processing industry but rather an opportunity. If processors do not accurately project their capacity they stand to suffer financial loss. Further, NFPA members recognize that failure to furnish accurate data would undermine their credibility and threaten the continued support for domestic processor preference."

Regarding whether regional councils should be given access to data recorded by U.S. fish processors in unaggregated form and what confidentiality provisions are required:

"NFPA believes that the councils should not have data submitted to them in unaggregated form. The FCMA does not simply prohibit data submitted to the Secretary from being made public, but also prohibits it from being released except in aggregate or summary form. NFPA urges that such data not be transmitted to the Councils unless and until a compelling need for it is established in a rule-making proceeding. As a related matter, we urge NMFS to move ahead on the promulgation of detailed conflict-of-interest rules for Council members and their staff. In short, the issue of what kind of data should be provided to Regional Councils depends on whether NMFS promulgates adequate confidentiality and conflict-of-interest rules. NFPA believes that such rules are necessary at this time."

(NOTE: The use of these quotes was approved by William W. Solomon.)

Underlogging settlement brings $225,000 in fines

Kodiak—Charges of under reporting its catch have been dropped against the 180-foot Japanese trawler Fukui Maru following an out of court settlement in which the vessel's owners agreed to pay $225,000 in fines plus costs.

Settlement was reached nearly a month after the Fukui Maru, which is one of two ships owned by the Fukui Ken Company, a Japanese fishermen's co-operative, and was released on a $350,000 bond.

The Fukui Maru was seized Feb. 18 in the Bering Sea after a routine Coast Guard boarding party from the cutter Morgenthau found 18 metric tons of herring in the vessel's hold, but less than a ton reported in the logs.

The Fukui Maru was escorted to Kodiak by the Morgenthau where it remained in custody of the U.S. Marshal until March 2 when it was released on bond.

At the time bond was posted Anchorage-based U.S. Attorney Alexander Bryner said the $350,000 value of the bond was close to the value of the vessel.

Negotiations between the U.S. Attorney's office in Anchorage and the Hoko Fish Co., Ltd., were continuing, as of April 6, on the charges of underlogging catch filed against the 367-foot Japanese trawler Tsuda Maru.

The Tsuda Maru was seized Jan. 26 in the Bering Sea after a boarding party from the Coast Guard cutter Mrogenthau found more Pacific cod, squid and "other flounder" in the hold than had been reported in the ship's log. Three charges of underlogging its catch were filed against the Tsuda Maru by the U.S. Attorney in Anchorage.

The Tsuda Maru also was charged with one count of inflating its logged catch on Jan. 26. After its arrival in Kodiak, a fourth charge of underlogging was filed when an inventory of the surimi on board indicated the vessel may have taken a half million pounds more of pollock than was recorded in the vessel's log.

The Tsuda Maru was released on a $350,000 bond in late February, but remained in Kodiak until March 2. The U.S. Attorney had requested that bond for the Tsuda Maru be set at somewhere near the value of the vessel, estimated to be about $4 million.

—Chris Blackburn

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"I'll tell you why I'm glad—I mean grateful—I've got a Cat 398 in her. Last year in the Bering Sea we had one of the worst storms ever. The barometer was below 28. The winds were 125 miles an hour. The seas were 50 to 70 feet. We waited around a little longer than we should have, but when we saw what was happening, we had to make a fast run for little Amak Island. Had to hide behind it, jogging around like jumping beans for two days, until the seas went down.

"I can't give my Cat 398 all the credit for getting there. It took luck, too. But with a Cat engine, I just don't feel so much at the mercy of the seas.

"NC Marine took these pictures here of *Peggy Jo* getting dockside service on Lake Union in Seattle. That Seattle! I feel safer in the Bering Sea than I do in Seattle traffic, I'm not kidding. But we're here having a little re-building done and a little prettying up. The Cat 398 engine is still fine, shows no signs of deterioration in the block or anywhere else. We're getting a new Cat 3306 auxiliary generator, because we need more electrical power aboard.

"You know, I've only had about a week of down time in 13 years, and it didn't even have anything to do with the engine. Hit a log and stripped one of our gears. I was way out in Dutch Harbor. In just a few days, NC flew us the reverse gear parts we needed out of Seattle, and we were back in business.

"Talk about business, *Peggy Jo* was one of the first ships outfitted for all kinds of fishing. Crabbing. Long lining for black or gray cod or halibut. Dragging for bottom fish. Last season, we were mainly into crabbing. Caught 1,100,000 lbs. of tanner crab, and 400,000 lbs. of King Crab. Pretty good, huh?

"Some newer crabbers don't know this, but the *Peggy Jo* had the first hydraulic crane ever put on a fishing boat. We had the first automatic pot dumper. We helped develop the pot puller most crabbers use now. I suppose you could say me and the *Peggy Jo* were pioneers in the crabbing business. It's, of course, helped a lot having a company like NC Marine behind us all these years.

"Here's me and my partner, Selden Nelson, and our new Cat 3306."

"One year in the Crab Festival in Kodiak, I shared first prize with another fellow. That's because they had two ways of measuring the crabs in the contest. I had the crab with the largest carapace—about 12½ inches. The other fellow had the crab with the largest leg spread—about 73 inches. One inch more than mine. Each of our crabs weighed 20 pounds.

"But, nowadays, to keep up with inflation, we don't have time to horse around. Or should I say crab around.

"Just get me talking about crabbing, or *Peggy Jo*, or Kodiak, or Cat engines, or the Bering Sea or NC Marine, and I just can't stop."

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Subsistence regs adopted by joint Boards

by Rodger Painter

Anchorage—Guidelines governing subsistence use of fish and wildlife have been adopted by the Alaska Boards of Fisheries and Game with surprisingly little acrimony or fanfare.

A formal policy statement fashioned by the boards earlier this month closely follows a legislative mandate to give subsistence users the priority when allocating scarce resources.

Importantly, the policy and "procedure for implementation" of the subsistence priority would handle the allocations on the basis of local residency. Identification of individual users would be avoided until after sport and commercial interests have been cut out of the fishery or hunt.

The subsistence priority could radically alter long-standing fish and game management practices, and members of both boards have, in the past, expressed strong opposition to language in the legislation approved last year.

Of particular concern to board members has been the lack of a clear definition of subsistence, and the deliberate avoidance of basing the priority on economic need.

After days of conflicting public testimony and lengthy debates, the boards unanimously voted to adopt a policy statement authored by Tom Lonner, the newly appointed director of the Alaska Department of Fish and Game's subsistence section.

Lonner has wide support among Bush leaders, and several subsistence advocates expressed satisfaction with the policy and the apparent willingness of the boards to work with Lonner.

The subsistence issue is so complex, however, it wasn't easy to keep the guidelines simple and flexible. In fact, the boards appeared to be headed towards adoption of a resistant approach to subsistence during initial deliberations.

A more restrictive policy statement lost by a one-vote margin before Lonner's version was accepted, and another key decision was not to limit subsistence to present levels.

Game Board members Sam Harbo and Jim Readen urged adoption of a policy defining a subsistence user as someone who takes fish and wildlife for "home consumption."

"We should put the federal government on notice that every Alaskan is a subsistence user," Rearden said. "I think we should develop state subsistence laws and if the federal government doesn't like it, too bad."

But, Lonner argued that "all Alaskans are not subsistence users, although all Alaskans should be potential subsistence users."

Fisheries Board Chairman Nick Szabo fought hard for an amendment aimed at "preserving the (subsistence) status quo."

Szabo's proposal said subsistence "should be confined to areas and/or species and stocks where such use has traditionally and customarily occurred prior to adoption of this policy."

Expressing concern about state land disposal programs that may attract many Alaskans to rural areas, Szabo said, "I don't think this new wave should enjoy the subsistence priority that other people have had for hundreds of thousands of years."

Lonner called the amendment "very limiting," since it would block the use of alternative resources when traditional subsistence stocks were low and prevent adjustment to changing use patterns.

"I sympathize with the intent of the amendment, but I don't think it fits" with the intent of subsistence laws, Readen said. "Subsistence is a living thing, and it shouldn't be limited to what it is today or what it was yesterday."

Szabo's amendment failed by a wide margin.

Public testimony was diverse, ranging from sport fishermen claiming the subsistence legislation is discriminatory, to Natives who said they were being ignored in the development of regulations. The demands, understandably, were conflicting.

In written testimony titled "Alaska blackmail—fish and wild-life style," Sam McDowell and Dale Bondurant of the Izaak Walton League called the subsistence priority "patently wrong."

"The unequal right of choice of one group, at the expense of another, to use a public resource is discrimination," the pair said. "This discrimination, whether it is based on race or more ambiguously called life style or tradition, is unacceptable."

Victor Burgess, speaking on behalf of the Southeast Native village of Hydaburg, urged the boards to consider the economic dependence rural residents have on resources through commercial fishing for generations.

"In reviewing and studying this issue the Hydaburg people have firmly concluded that they live a subsistence lifestyle now as they did in the past," Burgess said. "Further, they feel that it is not conceivable that there can be a definition of subsistence which does not include the economic aspects of the use of the resources."

Byron Haley of Fairbanks said he has been a resident of the state for 31 years, during which time he has always hunted and fished for personal consumption.

"...I believe in a true sense that I am a subsistence user," Haley said. "However, there are some proposals on subsistence that would say I would not qualify as a subsistence user because I live in a city and not a rural area, and that I do not qualify under 'customary and traditional' use, although I have been hunting and fishing for meat and fish for the table since I was old enough to do so."

One Board member, Sidney Huntington of Galena, even got into the act by submitting testimony in which he said he felt "run into the ground by subsistence users of all categories.

"I am being misunderstood by leaders of the Tanana Chiefs, RuralCAP, and other agencies, including the environmentalists, and some of the general public, both Native and non-Native," said Game Board member Huntington. "Subsistence as it has been used in the past was and is one of the better ways of life.

"By putting subsistence regulations into effect you are going to lose the right we have been practicing from the beginning of time...Those that will suffer are the lonely group of people who have in the past taken and used the resources to fulfill their needs when needed and when the resource was available."

What most subsistence users asked was

Tom Lonner

essentially to be left alone to continue t life style to which they have become customed. Lonner probably put it b when he told the Boards, "In many wa the less that is done, the better."

"...We are encouraging the Boards, their deliberations at this meeting, adopt very general definitions and regu tions concerning subsistence, and de further refinements until the section c provide you with research-bas evidence," Lonner said. "In approach the forty or so proposed regulations subsistence, the subsistence section fou the proposed concepts and metho tended to be extreme solutions problems. These solutions were either vague and general or too restrictive."

The real test, most observers agre came when the Boards split into separ meetings to consider proposed regulatio for hunting and fishing.

The Board of Fisheries devoted c siderable time to formulation of provisio dealing with barter of subsistence fish, a came up with a "working paper." T proposal limited the barter of fish tak for subsistence to trade for other fish game items in all areas of the state, exc Bristol Bay and the Arctic-Kuskokwi Yukon region.

Barter in Bristol Bay was expanded allow for trade for food, clothing, fuel a ammunition, but restrictions were plac on rainbow trout, grayling and unproc ed salmon, under the working paper. the A-Y-K area, the proposal restrict barter further to limit trade to betwe residents of the same subdistrict.

Nunam Kitlutsisti, a Native group, a the Rural Alaska Community Acti Program attacked the proposals as be "too restrictive."

"The Board has seen fit, for so reason, to place regulations limiti barter," said a critique of the work paper by the two groups. "We take exc tion with these regulations. It is our fe ing that barter will be self-regulating, a that the Board should not anticip abuses that very well may not occur."

The proposals eventually were p poned, despite the misgivings of Szabo, anticipate quite a few problems with p

(Continued on page 21)

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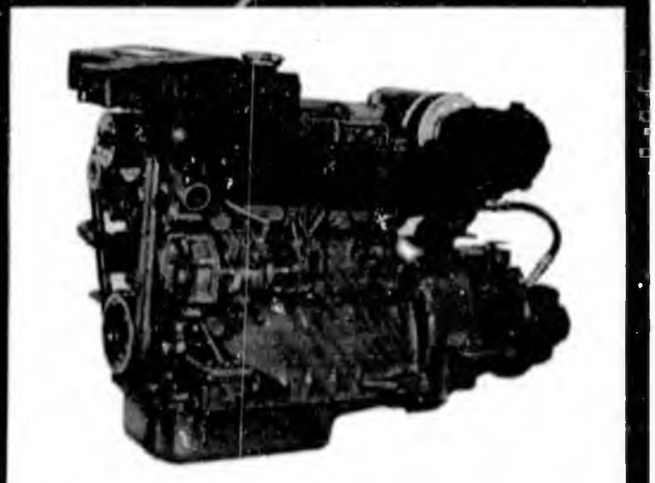

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Exclusive king crab fishery nixed by Board of Fisheries

Anchorage—A stepped up drive to impose exclusive area registration on the Kodiak king crab fishery has been turned down by the Alaska Board of Fisheries.

The move was designed to keep the burgeoning Bering Sea fleet off Kodiak's recovering king crab stocks by limiting boats registering for the Kodiak area to that fishery for the season. Board members expressed concern the proposal would serve to lock boats into the fishery during poor years.

The board also increased the king crab pot limit for Kodiak to 100, up from 75, and lifted pot limits for seferal other crab fisheries.

The pot limit and exclusive area registration have become perennial Kodiak king crab issues at the board's annual shellfish meetings, but this year the area limitation effort generated more interest than usual.

Small boat fishermen solidly endorsed holding the pot limitation at 75 and imposing exclusive registration for Kodiak, while larger vessel interests opposed both proposals.

Although the Kodiak fish and game advisory committee came out in favor of both measures, committee spokesman Dave Woodruff cautioned the board that big boat fishermen were absent when the endorsements were made.

Woodruff said the small boat fishermen fear the Bering Sea king crab fishery is going to collapse and the fleet of large vessels will scoop up the Kodiak quota.

Both sides agreed with a statement by Cary Painter of Kodiak, who owns a 107-foot crabber, that the pot limit is "winked at by small and big boats; the big boats may wink two or three times."

Board members expressed much skepticism about retaining ceilings on crab pots because experience has shown pot limits to be unenforceable, and tried to accomodate both sides by increasing the number of legal pots.

In addition to increasing the Kodiak king crab pot limit to 100, the board lifted king crab pot limits for Cook Inlet and Prince William Sound, and dungeness limits for Cook Inlet. Pot limits for Southeast king crab and Prince William Sound dungeness were retained.

On the area registration issue, several board members echoed comments by Kodiak crabber Harold Jones who said exclusive areas are like "fences built to keep people out, but also work to keep in people who want to get out very badly."

The board dealt with the area registration issue by setting all king crab openings on the same date, which should keep the Bering Sea fleet out of other areas.

In other issues relating to crab, the board:

•Set Sept. 10th as the date the Bering Sea fleet can set baited pots on the fishing grounds, and scheduled tank inspections for Sept. 15. In 1978, the fleet was allowed to put unbaited pots with the doors tied closed on the fishing grounds before tank inspections, but most of the pots were fishing on the early date and the fishermen who followed the letter of the law lost out on an estimated $250,000 in crab.

•Set king crab harvest guidelines for the Bering Sea at 60 million to 110 million pounds (up from 60-90 million pounds in 1978); 16-26 million pounds for the Dutch Harbor management area (9-13 million pounds); and 20-30 million pounds for Kodiak (7-15 million pounds).

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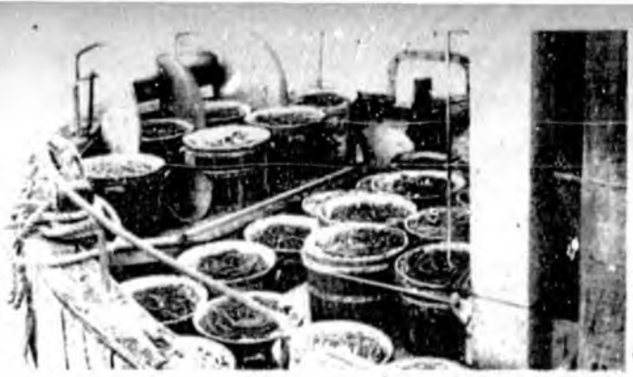

Rodger Painter photos

Scandanavian bottom fish tour considered successful

The bright lights and history of Copenhagen weren't enough to convince the ten weary Alaska fishermen from returning home on schedule.

After two weeks of 6:30 a.m. wakeup calls, countless airports, busrides, boat trips, briefings in corporate board rooms, tours, and more fish than most Alaskans eat in a year, they were ready to go home.

There was complete agreement that the trip was a success, despite the hectic pace, and that it will materialize into something tangible.

The tour covered such diverse fisheries as the 12-century-old cod fishery in the Lofoten Islands where small boats proliferate, to industrial fisheries where 200-foot vessels can harvest up to 800 tons of capelino in one set of a seine or 500 tons of blue whiting in one haul of a huge midwater trawl.

The fabled riches of the Bering Sea king crab fleet pale in comparison with 110-foot Danish shrimpers who can gross up to $1 million in a two-week trip to Greenland. In the Faroe Islands, where fisheries account for 90 percent of the gross national product, a few ancient 25-foot boats still jig for codfish by hand, while huge purse seiners travel hundreds of miles to fish capelin and blue whiting.

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The list goes on and on. Much of what was included can't be directly related to the development of bottom fish in Alaska, but all of it contributed to a good understanding of what is possible with the 3 million tons of fish harvested from the North Sea each year.

And, more importantly, the fishermen came away with a better understanding of just what Alaska needs to do to develop fisheries on the 2 million tons of groundfish harvested by foreign fishermen each year in the Bering Sea alone.

The Alaska Fisherman will publish a special section of articles and pictures on the Scandanavian tour next month.

—Rodger Painter

Longline tubs on an ancient Faroe Islands boat (above left), a fisherman cleaning a catch of cod in Henningsvaer, Norway (above) and a side trawler (below) in Denmark all were part of a Scandanavian tour sponsored by the United Fishermen of Alaska.

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Western shrimp plan called 'retrenching'

Anchorage—The Board of Fisheries has given approval to a Western Alaska shrimp management plan described by its chief architect as a "retrenching."

Seven areas were put on emergency opening status, guideline harvest levels drastically cut back and the Department of Fish and Game directed to protect immature stocks.

"Essentially the plan calls for a retrenching," said Kodiak biologist Marty Eaton. "Some areas, we feel, have been exploited at too high a rate.

"Fishermen are going to have to start thinking differently about the fishery," Eaton said. "We're going to have a four or five month fishery...it will have to go towards a lower volume, higher quality product."

Until recently, the Western Alaska shrimp fishery definitely was high volume.

In 1976, for instance, 67 million pounds of shrimp was taken from the Chignik-South Peninsula area and the Kodiak district harvest was 51.4 million ponds. In contrast, the 1979-80 guideline harvest levels for the entire Western area was set at 26.2 million to 58.5 million pounds.

Biologists are going to "try for a certain escapement level through controlled fisheries that are closely monitored," Eaton said. The seven areas placed under emergency openings will be surveyed a couple times a year for assessment of "biomass levels."

Most of the seven areas "will not support a commercial fishery at current biomass estimates," Eaton told the board. "Our plan is to bring the stocks up to the level to support an industry—we don't want to kill the industry."

Eaton's comments were directed towards a management plan offered by Kodiak fisherman Junior Cross and backed by a number of processors. Cross said the problem in Western Alaska is one of a "depressed industry and not stocks.

"The board has to look past the resource a little to consider the health of the industry as a social economic factor," Cross said. "The reason the fishermen don't think there is an emergency in the fishery is that we think the shrimp are relocating."

Saying the shrimp fishery is "over-regulated to an extreme," Cross offered a plan calling for Western Alaska shrimp to be managed as a unit. The season should be opened on May 1 and the fishery should be closed earlier than March 1, only if the catch per unit effort (CPUE) dropped below a certain point, he said.

The department would have to wait until catches dropped below a CPUE equal to 500 pounds of shrimp for an hour drag for ten consecutive days before closing the fishery, Cross said. In addition, he said, it should be make illegal to sell undersized shrimp.

The deregulation plan would serve to spread the effort of the fleet and break the trend towards a concentration of gear into a "pulse fishery," Cross said.

Eaton maintained, however, that Cross' plan could work towards shifting the effort on the healthiest stocks.

"The fleet will not disperse with areawide openings," Eaton said. Fishermen "know where the stocks are healthy and they will tune in on those shrimp."

The board discussed Cross's plan at length during a special shrimp workshop, but finally voted to approve Eaton's proposals.

Placed on emergency opening status were the following shrimp management sections: Inner Marmot; Kiliuda Bay; Two Headed Island; Marmot Island; Stepovak Bay; Unga Straits; and Beaver Bay.

Most other major shrimping sections are to be opened June 1 and closed by the end of September, unless quotas are taken earlier.

The board also directed Fish and Game biologists to "discourage the taking of shrimp less than two years of age." The directive ordered the staff to "take whatever action necessary" to protect immature stocks.

In other action regarding shrimp, the board adopted a management plan for Kachemak Bay aimed at spreading the fishing effort throughout the fall and winter.

Fish and Game biologists said health of the stocks in the Bay is threatened by the trend towards a "pulse" fishery similar to Western Alaska where the fleet descends on a bay and scoops up the quota in a few days.

What had always been a ten-month fishery suddenly became a three-month fishery last year when the Kodiak fleet started relocating to Kachemak Bay, according to Homer biologists.

The board adopted a plan splitting the 5-million-pound quota for Kachemak Bay into three 1.7 million pound units to be taken from July 1 to Sept. 30; Oct. 1 to Dec. 31; and Jan. 1 to March 31. In addition, the staff is going to attempt through emergency closures and openings to break the quota down into weekly increments.

Ted Ronak of the Homer fish and game advisory committee said the new vessels are taking the shrimp in Kodiak and the local plant was suffering.

The weekly effort plan "creates jobs; it spreads the effort over a longer time and brings home the bacon and beans during the winter time," Ronak said.

One Kachemak Bay shrimper charged the plan was designed "more to protect the fishermen than the fish."

"There's a whole lot of pressure on Kodiak fishermen not to say anything about this (Kachemak Bay shrimp management plan) at this meeting," said Adolph Curry of Homer. "They holler about taking shrimp to Kodiak, but nothing is ever said about taking crab and herring from Prince William Sound and Kodiak to Homer."

Relax, you can keep your catch for eating

Commercial fishermen who keep part of their catch for personal use or to give away to friends will be relieved to know the practice is now legal under state law.

Under a regulation adopted by the Alaska Board of Fisheries March 30, commercial fishermen will be allowed to keep part of their catch for "subsistence."

Most fishermen who read the proposal before the meeting were perplexed, as everyone has always assumed that once you catch a fish it's your personal property. Everyone, that is, except for the state attorney general's office.

Board Chairman Nick Szabo shared the dismay of the audience as he explained that a state lawyer apparently had rendered an opinion questioning the legality of not selling fish caught under a commercial permit.

A staff member of the Alaska Department of Fish and Game clarified that the opinion was oral and not a fully researched and official legal interpretation. The lawyer, explained the staffer, suggested that fishermen were required to sell their commercially caught fish and shellfish and that personal use must be handled under subsistence regulations.

The proposal was considered with a wraft of proposed regulations designed to comply with a legislative mandate to make subsistence the priority use of fish and wildlife.

The need for setting down the right of personal use in black-and-white legalese later became clear when proposals closing subsistence fishing to permit holders during commercial openings.

After trimming off several qualifiers, the board, by a 6-0 vote, adopted a proposal saying:

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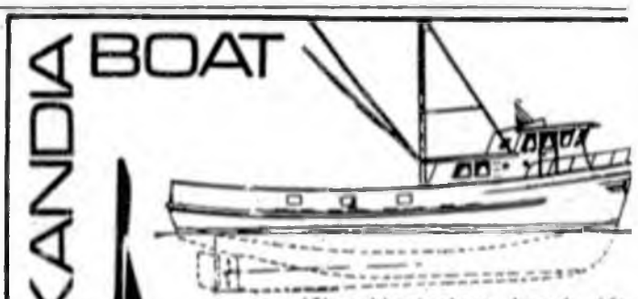

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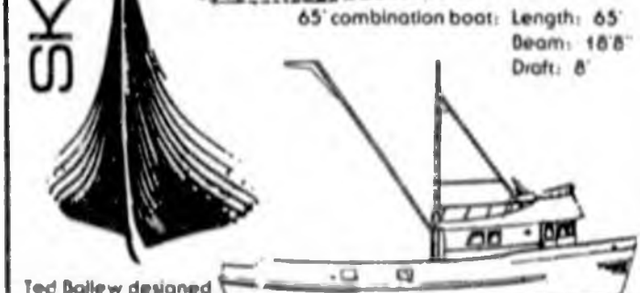

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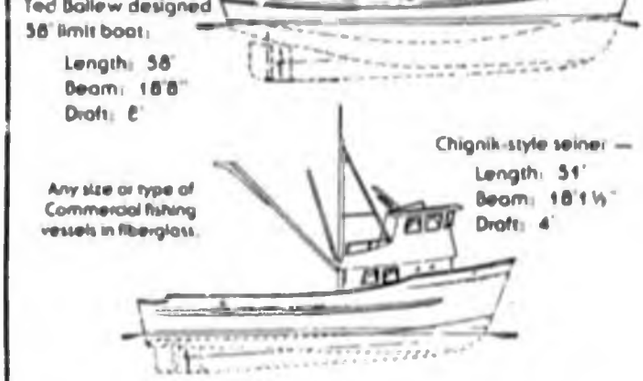

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fish tax

(Continued from page 1)

Senate President Clem Tillion is a former commercial fisherman who says the industry ought to pay its own way. Paul Helmar photo.

cent to one percent less in combined raw fish taxes and aquaculture assessments.

At a 50 percent credit, for example, the fishermen who now pays a combined tax-assessment of 7 percent would pay 6.5 percent (5 percent on raw value, plus 1.5 percent assessment).

Such a development might calm Rep. Eliason's fear that some regional aquaculture associations could be forced to close down because their members faced high combined taxes.

"That's what really hurts about this bill," Eliason said. "We thought we had an understanding with the Governor's Office on the aquaculture associations...This tax may mean some associations will fold up because three percent and six percent is nine percent, and that's too high."

Especially hard hit by the tax bill would be fishermen and processors who might not qualify for any of the suggested credits. In the worst case, for example, the salmon fleet which sells its catch to a shore-based cold storage, would see taxes go up by 400 to 500 percent, a hike Lauber calls "devastating."

Of course, the processor simply can pass the increased taxes to the fishermen, but "in some fisheries," Lauber warns, "if we try to pass this along, we're running the strong chance of the market collapsing on us."

The veteran lobbyist also was not impressed by proposed exemptions for "developing fisheries," such as ground fish.

"Nobody's going to invest $15 million in a fish plant when there's a moratorium on taxes which could be lifted at any time," he said.

Replies Tillion: "We can't allow a multi-million dollar industry (groundfish) to develop tax free just because it's got political clout."

And, the Senate president adds: "As long as commercial fisheries pays less to the (state) general fund than fishermen are taking out of it, we can't answer the sport fishermen who complain about subsidies...Inefficient or otherwise, the state spends about $28 million (a year) on the Division of Commercial Fisheries and the FRED Division...We, in turn, collect $8 million from the fisheries themselves" through raw fish taxes.

Thus, the tax bill was an attempt to close that $20 million gap. It was estimated that the 5 percent version would raise about that much extra income.

"With that much money and some cutbacks in FRED," Tillion says, "the fishermen will be paying their own way."

WHY NOW?"

The board of directors of the United Fishermen of Alaska has urged the Legislature to delay the tax bill entirely while a comprehensive study of all fisheries taxes in the state is launched later this year.

Shari Gross, executive director of the UFA, explained that fishermen are fearful a large tax hike could hamper bottom fish development.

"The finances for development of bottomfish are so delicate that they should be studied before the tax is levied," Gross said. "We have to be careful so we don't encourage the development of floating processors operating off-shore or the delivery of bottom fish to Seattle, which is a likely prospect."

The state has to create a "favorable climate" for developing an onshore bottom fish industry, Gross stressed, adding, "which isn't to say a bottom fish industry has to pay its own, but first it has to be here."

Lauber told the Alaska Fisherman that "if a decent effort is made to study this issue, we (processors) won't try to block it (a tax increase) next year.

"We've had this tax since statehood. What difference does one more year make?" the lobbyist asked.

The main answer to his question was supplied by the Department of Revenue in January, when it suspended all state loan programs—including the Fisheries Revolving Loan Fund—because of a severe shortage of loose cash in the treasury.

Gardiner and Tillion cite figures which show that without a tax hike, about $15 million would be available for vessel loans this year, far below the estimated $40 million in applications received last year and roughly half of the $27 million in loans actually approved.

"A tax study isn't going to help us with our main problem—money. We have to deal with that," says Gardiner, a gillnetter from Ketchikan.

Likewise, Tillion points out, the state loan program isn't used by the non-resident fisherman or the Alaskan with a big boat. "They can get their money in Seattle," he says. "Hell, I've got five boats. I don't need the loan program, either."

But the "little guy," Tillion says, "depends on this money. He can't afford to sit on the beach for a season because he can't get a loan."

WHAT'S THE CATCH?

As Tillion suggests, much of the tax hike is aimed at non-resident fishermen. "We sent $500 million worth of fish to Japan last year and another $200 million down south. For that, we collected $8 million in taxes. Doesn't that sound wrong to you?" he says.

In particular, Tillion was shooting in the direction of the king crab fishery, where 60 percent of last year's 120 million pound statewide catch was harvested by non-residents, according to his figures.

Non-resident salmon fishermen, meanwhile, might be forced to file a state income tax return to collect proposed fish tax credits under another Tillion/Gardiner amendment that was being drafted.

But, both legislators said they were trying to be careful not to drive resident and non-resident fishermen alike to processors outside the state's three mile limit. Tillion said he believed Washington state's 5 percent tax on chinook, sockeye and chum salmon would prevent much of an exodus.

Just to make sure, however, the Senate version of the tax bill included a proposed $50,000 bonding requirement for any fishermen exporting salmon in the round.

(Continued on next page)

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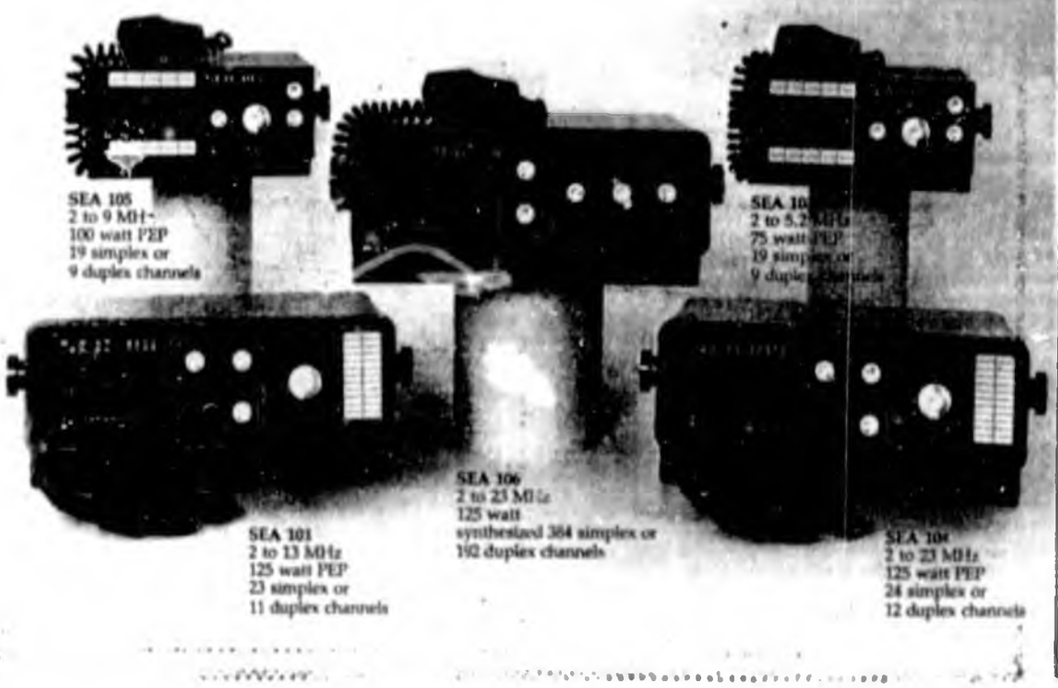

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Kodiak voices united opposition to taxes

Kodiak—The reaction of the fishing industry to proposed increases in the state's raw fish tax was the swiftest in this island community that has long prided itself as the fishing capital of Alaska.

Mail bags leaving Kodiak have been filled with letters opposing the fish tax, and almost every organization in the community has issued a formal protest.

On record opposing the tax proposal are the Kodiak Island Borough, City of Kodiak, Kodiak Area Chamber of Commerce, Alaska Shrimp Trawlers, United Fishermen's Marketing Association and all 14 processing plants in Kodiak.

One Kodiak processor estimated the proposed increases would cost his plant $1 million a year.

Jeff Stephan, manager of the United Fishermen's Marketing Association, who went to Juneau to lobby against the tax legislation, charged the increase was being "railroaded through."

Other fishing communities didn't appear to be aware of the bill at first, Stephan said. "Kodiak is the only community which has mobilized in opposition to the bill."

But, by early April opposition to the proposed hike had began to snowball. Kodiak Sen. Bob Mulcahy said over 1,500 messages of protest had been sent to legislators from across the state.

Ketchikan representatives expressed fears that the proposed five percent raw fish tax would drive the processing industry to Prince Rupert.

Other objections to the raw fish tax raised in Kodiak included fears that the tax would kill any hope of developing an onshore processing industry. At this point profits from bottomfish processing are negligible and the proposed five percent tax was viewed as a death blow.

Processors have pointed out that with recovery rates from shellfish often in the 20 percent range, a five percent tax on the raw product actually represents a tax of 25 percent on the meat recovered from the raw product.

If the raw fish tax increase is passed, most of the revenues raised will come from Kodiak and Dutch Harbor which had combined raw fish landings valued at nearly $200 million in 1978, according to National Marine Fisheries Service figures. The third largest port in Alaska, Ketchikan, had $26.4 million in fish landings in 1978.

—Chris Blackburn

fish tax

(Continued from preceding page)

In addition, to keep Southeastern halibut fishermen from taking more of their landings to Prince Rupert, B.C., Tillion and Gardiner were flirting with the idea of leaving that species' tax at the current one percent.

Beyond those and other suggested exemptions, the Legislature was faced with deciding how the tax revenue should be divided. Under existing law, 30 percent of the money is returned to the cities and boroughs in which it is collected and the rest flows into the state treasury.

A new formula adopted by the Senate last month would increase the local government share to a full one-third of all raw fish taxes, leaving another third for the state treasury. The remaining one-third would be set aside for the newly created Commercial Fisheries and Agriculture Bank, a move labeled by Sen. Ziegler as unconstitutional.

Tillion, however, may have sidestepped potential legal problems by avoiding a flat dedication of the tax money to local governments and the Fish and Ag. Bank. Instead, both would be subject to an annual vote of the Legislature.

This optional feature of the bill left municipal leaders and some fishermen nervous. As the **Kodiak Mirror** editorialized, "Even if the state did decide to distribute the funds in the way the bill describes, nothing would prevent the state at any future time from redistributing the funds."

Gardiner was quick to discount those worries and point to a lucrative loan program that would be opened up by giving the money to the Fisheries and Agriculture Development Bank.

The bank, created by the Legislature at Gardiner's urging last year, is associated with the Spokane Bank of Cooperatives. Through this bank, the new state agency can attract seven dollars for every one it has, Gardiner said.

"So, if we take a third of the raw fish taxes—say $8 million or so—and 'leverage' it seven times, we'll have $56 million to loan for fishermen," he said.

The Fish and Ag. Bank's board of directors, appointed by Hammond earlier this year, held its first meeting in late March, but with the tax bill pending it has yet to get off the ground.

However, most observers at the Capitol were betting that some kind of tax hike, most likely to 5 percent, would win narrow approval of the House.

The only possible stumbling block appeared to be Tillion's desire to adjourn the legislative session by the end of April. Asked which item had his top priority—the tax hike or adjournment—the Senate president replied, "I wouldn't wait two extra hours for this bill."

But with Gardiner and Hammond joining Tillion in supporting the tax hike, the chances appeared good that he wouldn't have to wait.

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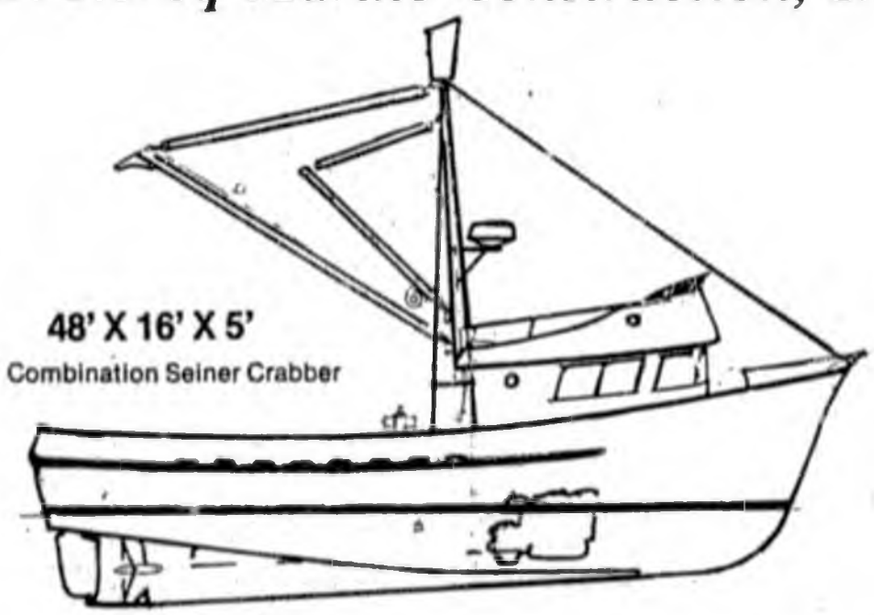

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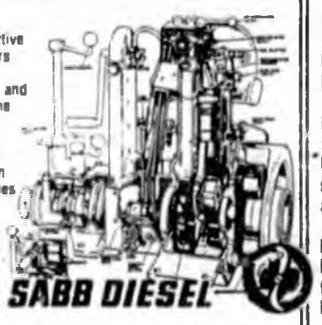

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Homer group withdraws from Cook Inlet Council

Anchorage—An umbrella group of Cook Inlet fishermen's associations has been jolted by the withdrawal of the Homer-based North Pacific Fisheries Association.

Five fishermen's groups formed the Cook Inlet Fishermen's Council last August to fashion a united public relations campaign, but the effort apparently fell victim to struggle with sport fishermen over salmon allocations.

In announcing the withdrawal at the Alaska Board of Fisheries meeting March 28, Dan Flynn said the Homer group found "that with the diversity of our membership we are not being fully represented."

Flynn noted that while Homer fishermen include crabbers, shrimpers, seiners, bottom-fishermen and drift gillnetters who operate from Prince William Sound to the Bering Sea, the other groups on the council are predominantly set net salmon fishermen.

NPFA board of directors member Ted Rozak said the energies of the council were too oriented towards the dispute over Cook Inlet salmon, and "we couldn't make our views count."

Flynn also said NPFA "can not condone some of the present decisions of the council," and cited recent attacks on the board of fisheries and some of its members by council spokesmen.

"We find ourselves affected by the adverse publicity" generated by council tactics, Flynn said. "We don't feel that the methods currently being used are acheiving the original goals of the council."

Rozak agreed, saying the Homer group has learned confrontation tactics "haven't accomplished what we've been trying to do for the past 10 years, so we've decided to change our tactics."

Alex Shadura, president of the council, said NPFA had given "no prior indication they were dissatisfied."

Shadura said as far as he was concerned the announced withdrawal was only speculation as he had received "no official notification yet.

"I think it was foolish what they did," Shadura added. "They're doing themselves more damage" than the council by refusing to work with the other four associations.

Shadrua also defended the council's involvement in the salmon dispute with sport fishermen, saying, "The concerns of one are the concerns of all."

An official with one of the four remaining associations also expressed dissatisfaction with the actions of the council and said the matter will be brought before the association's board of directors.

Some 90 fishermen belong to NPFA. Remaining council members are the Kenai Peninsula Fishermen's Cooperative, which represents 150 setnetters and drift fishermen, and the predominantly set-net groups Fisherman's Fund (Nimilchik), Commercial Fishermen of Cook Inlet and Cook Inlet Fishermen's Association.

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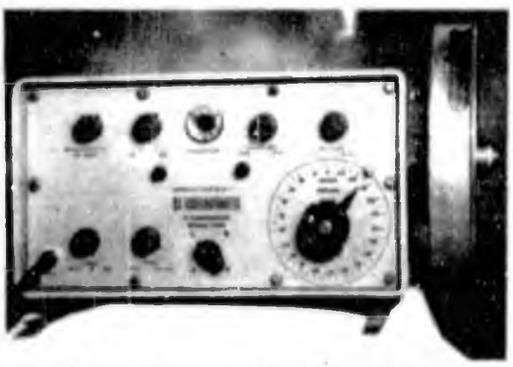

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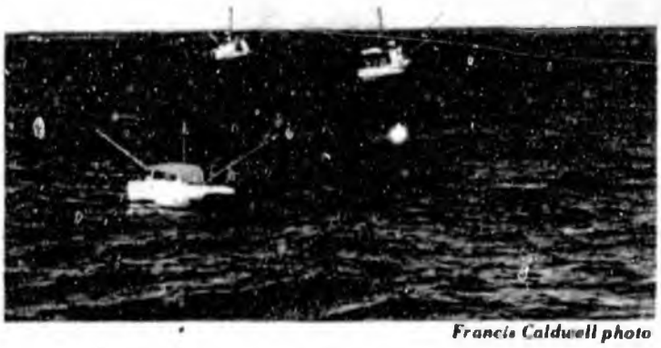

Francis Caldwell photo

Board lifts hand troll restrictions for Sitka

Anchorage—The Alaska Board of Fisheries has lifted hand troll closures no. Sitka, but turned down similar appeals from Elfin Cove fishermen.

The board granted a petition from the Sitka fish and game advisory committee to rescind regulations restricting hand trollers in Sitka and Salisbury Sounds to eight-day-on, six-day-off fishing periods.

Similar fishing periods in Icy Straits and near Ketchikan were left in effect.

The closures and other fishing cutbacks for hand trollers were passed at the board's January meeting in an effort to put a lid on the burgeoning fleet. The commercial Fisheries Entry Commission is studying the fishery for possible inclusion under limited entry.

The board took the action to lift restrictions near Sitka April 6 under its emergency powers, making it possible for area hand trollers to fish seven days a week when the season opened April 15.

In declaring an emergency, board members cited the impact the mobile Sitka hand troll fleet would have on the neighboring communities of Tenakee Springs and Angoon if the closures weren't lifted. Board members also noted the restrictions in Salisbury and Sitka Sounds did little to protect the threatened coho stocks moving through Icy Straits.

Coho escapements to major spawning systems in the northern Panhandle, where the hand troll fleet concentrates, ranged from 68.7 to 96.6 percent of the total 1978 run, according to Fish and Game tagging studies. But, most cohos travelling through Sitka and Salisbury Sounds are not destined for the troubled streams, according to state biologists.

In addition, the board's January restrictions were aimed at cutting back the hand troll effort from 35 percent to 20 percent of the total commercial troll catch of cohos. The Department of Fish and Game estimates Sitka hand trollers caught some 14 percent of the total troll catch in District 13 during 1978.

Some 200 people turned out for an informal board hearing in Sitka on the hand troll petition during March, and board member Jim Beaton said he came away from the meeting convinced the January regulations were "a little faulty.

"It was forcefully made very clear to me that the highly mobile (Sitka) fleet would greatly impact the rural areas we were trying to protect," said Beaton, a long-time Southeast fisherman. "There is no hard core evidence the hand trollers are adversely affecting those stocks."

Gordon Jensen of Petersburg agreed with Beaton, saying, "I didn't realize the extent of how much the fleet would shift to the inside areas."

The only board member voting against declaring the emergency was chairman Nick Szabo, who urged the board to use its emergency powers only in cases "of a real emergency and not to react to political pressure."

The board declined to declare an emergency for a petition submitted by Elfin Cove fishermen which called for a small area near the community to be opened for all trollers seven days a week.

Pat Fisher of Elfin Cove stressed the small fishing area was needed by the community because it was totally dependent upon fishing and the closures could severely affect the entire local fleet.

But, Beaton and Fish and Game staffers said the Three Hill Island area opening requested by Elfin Cove contained a major trolling area in the Icy Strait corridor.

"We'd be inviting a lot of boats in a little area," Jensen said.

"I have no doubt it would give Elfin Cove and Hoonah fishermen some relief, but I wonder if it would give this 66 percent fishing mortality figure some relief," Szabo said.

The board scheduled the Elfin Cove petition for a hearing at its December meeting.

Beaton stressed the Sitka action should not be "misconstrued as the board backing off the 20 percent figure, or from its intent to further cut back (hand trollers). It just gets into a question of how far, how fast."

—*Rudger Painter*

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EDITORIAL

The increasing complexity of commercial fishing in Alaska is never more evident than it is at a meeting of the Alaska Board of Fisheries.

As new fisheries develop and competition for fisheries resources increase, the maze of regulations facing the board becomes more difficult to negotiate. Board meetings have become marathon sessions during which hundreds of proposals are considered and days of testimony from the public and staff solicited.

Proposed regulations are couched in the strange language of legalese and bureaucratese that even those who write, interpret and promulgate the regulations are at a loss to decipher. It is a world where acronyms like OSY, MSY and CPUE proliferate, and where cutting off the tail of a salmon is described as "removal of both lobes of the caudal fin."

Those who regularly attend board meetings have become accustomed to the gobbledygook of regulatory language, and have even become to expect the equally strange legal interpretations generated by statutes.

The most calloused of board observers, however, were puzzled by a proposal at the recent shellfish meeting in Anchorage, and the reaction to its justification can be described simply as dismay.

The proposal read:

5 AAC 39.680. SUBSISTENCE FISHING BY COMMERCIAL FISHERMEN. Commercial fishermen may retain fish or shellfish from their commercial catch for their personal use in any area if such retension is consistent with the restrictions set forth in sec. 890 of this chapter, except where the regulations in chapters 3-39 of this title specifically prohibit subsistence fishing during open commercial fishing seasons, or from commercially licensed or registered fishing vessels in particular areas, or by specified types of gear.

Now, everyone in the seafood industry and the seemingly hordes of bureaucrats who regulate commercial fishing has always assumed that once you land a fish, it's your personal property. Just about everyone, that is.

Imagine the incredulity of the audience when Chairman Nick Szabo tried to explain that apparently a lawyer in the state attorney general's office had ruled commercial fishermen must sell their catches.

A staffer with the Department of Fish and Game clarified that the assistant AG had rendered an oral interpretation of statutes suggesting that fishermen are required to sell their commercially caught fish and shellfish. Fish for personal consumption or to give to friends must be taken under subsistence regulations, the attorney said.

Sometimes, it seems, the regulatory process is being carried to an extreme. A commercial fisherman can't legally stick a few fish in the freezer or, even, pop one in the frying pan in the galley of his fishing vessel? Ah c'mon guys.

Just the same, the need to set down the right of personal use in black-and-white legalese later became clear as the board waded through a stack of proposals designed to bring commercial fishing statutes in compliance with the legislative subsistence mandate. Legal havoc could have resulted from regulations prohibiting commercial fishermen from subsistence fishing during hours and after open commerical periods without the regulation.

So, after trimming off the qualifiers, the board adopted the personal use provision by a 6-0 vote. I guess fishermen should thank the board for giving them back their fish.

The UFA's Corner

by Shari Gross
Executive director of the UFA

Since returning from Europe, I have been barraged with the same question from nearly everyone I've encountered: "Was the trip a success?" My answer has been a consistent and resounding, "Yes!"

The fact that it was a whole lot of fun, in addition to being very educational, makes the response all the more sincere. Perhaps it isn't the best tactic to start off by saying how much fun we had, but I might as well get that small embarrassment out of the way. It was wonderful fun.

The 14 Alaskans on the trip were a diverse group in almost every respect: age, area of residence, philosophy, type of fishery and politics. During the two weeks together, however, we shared many unforgettable experiences that helped establish some very warm friendships.

The hectic pace of the schedule is difficult to relate, and it may be sufficient to say most of the group felt like they needed a vacation after returning to the States. We squeezed almost everything conceivable into the 15 days overseas, including tours of smoking, freezing, salting and canning plants, net and trawl factories, a huge diesel assembly line, a ship research laboratory, shipyards and countless industrial board rooms for long discussions.

And, of course, we went out on boats. We had on-board demonstrations of Danish and Scottish seining, automatic longlining, trawling and jigging. The only on-board demonstration we missed was bottom gillnetting, which we viewed from another vessel. The North Sea lived up to its reputation for ferocity both days we had set aside for bottom gillnetting demonstrations, and we had to settle for detailed descriptions and diagrams.

We opted for short demonstrations of fishing techniques in most cases as going out on an extended fishing trip would have meant missing other very important aspects of the Scananavian bottom fishing industry. Demonstrations were sufficient, however, as all of the fishermen in the group knew what a netful of fish looks like.

Since the May issue of the **Alaska Fishermen** will be filled with stories and photos of what we observed, I will concentrate on one aspect of the trip, the direct benefits of the time, money and energy invested in the tour.

In response to the question of whether the fishermen are going to jump right into bottom fishing with large investments, the answer is a direct "no." A couple of the ten now are involved in bottom fishing part time and several more have longer range plans for easing into the new fisheries.

For the first time, however, fishermen who are leaders in coastal communities across the state have a full understanding of the potential of bottom fishing and a good idea of what needs to be done to develop the industry. It is safe to say the ten were enthused by what they saw, and that most are destined to become proselytizers and educators for fishermen, chambers of commerce, community leaders and others interested in bottom fish development.

That may be somewhat abstract when trying to measure something like "success," but it is important. If bottom fishing is to develop in Alaska, we need to at least have enthusiasm, interest and involvement by fishermen. I think we'll see more and more of this, and it will be partly because these ten fishermen are meeting and talking to people in their respective communities. The ten fishermen will be conducting public workshops to provide information about the trip and to answer questions about what they saw and what needs to be done with bottom fish in their area.

The educational process will be taken a step further when most Alaskans get their first chance to learn just what this fuss over "bottom fish" is all about through the airing of a 30-minute television program in more than 30 communities spread across the state. In about six weeks, the independent public television program "Alaska Review" plans a special on the Scandenavian trip and the bottom fish potential in Alaska. The ten fishermen plan to arrange special showings in their communities and the program will be available to anyone else interested.

I am trying to arrange a special showing for the governor, and several legislators have expressed interest in viewing the program. This is the kind of beginning needed to generate more action in developing bottom fish in the state.

The group met formally in Copenhagen shortly before our return to Alaska to summarize what we had seen, and to discuss potential roles for themselves, the UFA, and the government. We came up with a number of conclusions and recommendations, which we agreed to transmit to the Governor.

Perhaps the most important, and the best place to begin is in the area of policy. We believe that the state should have a developed and publicized development policy. Is it the State's policy to assist with new harbors and ports? With the building of drydocks? With quality control and training centers? Is it the policy of this administration to have a person on its staff who has overall leadership responsibilities for this program? Does the state want to develop liasons with nations other than Japan? What are the programs which have been designed to implement these policies? Which harbors? What communities?

We want renewed direction given to the Bottom Fish Task Force. The task force should be reconstituted to include industry people; its present make-up is, with one exception, of bureaucrats. Persons who know the most and can

(Continued on next page)

ALASKA FISHERMAN

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The Alaska Fisherman is published by the United Fishermen of Alaska, Inc., 197 South Franklin St., Juneau, Alaska 99801. Editorial offices are located at 197 S. Franklin St., Juneau, Ak 99801. The Alaska Fisherman is published monthly, except June, July and August. Alaska Fisherman is mailed free of charge to all holders of commercial fishing permits for salmon, herring, halibut and shellfish. For others, subscriptions may be obtained for $10 a year, except foreign addresses which cost $15 annually.

Submission of articles, photos and graphics is encouraged. Payment upon publication.

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LETTERS

P.O. Box 1352
Juneau, Ak. 99802

Editor:

Within the next 3-5 years, off-shore fishing for a variety of species in the bottomfish and mid-water trawl industry will become a reality. This has become particularly evident to those of us fishermen who were so fortunate as being selected by UFA to visit the Scandinavian countries during March 1979. These countries depend on bottomfishing and mid-water trawling for as much as 5% - 90% of their gross national product.

However, it is important that efforts made by "whomever" in the development of this new fishery have access to the best vessel design, machinery, fishing gear, fishermen, and processing people in that industry. For we must always keep in mind that our off-shore fishery is one of the only protein rich areas left in the world.

During the past two years several attempts have been made to establish a central office in Denmark. This concept has been discussed with several fishermen in the Aleutian, Shumagin, and Bering Sea areas. If this office could provide us with information and contacts pertaining to all aspects of the off-shore industry, we would support this effort very strongly.

Listed below are several areas we feel this office could assist us in:

1. developing strong local and statewide fishermen's organizations
2. techniques for quality control starting with harvesting, delivery, processing and marketing
3. developing conservation/management techniques to ensure a consistent and abundant annual harvest in all species
4. creating antional boundary protection against foreign fishermen and local poaching
5. developing vessel design, including deck hardware and techniques in holding fish catches the longest and maintaining a quality catch, especially with mid-water species such as blue whiting, pollack and kaplin
6. gear manufacturing, testing, and availability
7. processing of both consumer and reduction food stuffs
8. marketing
9. availability of experts to assist in both long and short range employment efforts for fish harvesting, processing, quality control and marketing

Please feel free to utilize this information as substance in lobbying for a Denmark office. It is certainly a strategic location for the bottom and mid-water trawl industry, as well as other areas of interest involving various industries besides commercial fishing.

Sincerely,
David O. Osterbark
Board Member, Peninsula Marketing Assoc.

Letters, do we ever love letters—even if they're not love letters

Alaska Fisherman
197 S. Franklin
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Editor:

I was very disappointed in quite a number of items in Rutger Painter's interview with me in Petersburg (March, **Alaska Fisherman**). I very truly hope that my statements that were made and put to press were lack of notes on your part during our interview; quite a number of items were in error or lack of completion.

The main item I'm concerned about is the statement I made about the capabilities of the canneries on the lower coast. The canneries below I said could and can process twice the amount of fish that P.F.I. (editor; Icicle Seafoods) can here because of doing it for a hundred years.

What was and is meant by what I said is:

If you could combine the machinery and technology that P.F.I. in Petersburg has with the experience of the plants below as you say the "lower 48" our marketing and products would be unlimited. Which comes to the statement the difference between here and there is—quote "a knife or a saw." The other errors were—me dragging for 25 years is wrong—10 years in bottom fishing—10-15 in salmon & albacore & crab. Gary Westman is from Blain Wash. His boat is 72 feet. My boat is 84, and so on.

I feel you should conduct a more thorough resume next time and not have these mistakes happen again for everyone's benefit.

Thank you.
Dusty Anderson
Petersburg

Editor:

On behalf of the Southeast Alaska Seine Boat Owners & Operators Association, I would like to thank United Fishermen of Alaska for sponsoring this year's Salmon Conference. The continuation of such meetings is most helpful to insure communication among the various aspects of the fishing industry. I was pleased to have a somewhat structured meeting with an agenda being provided beforehand. This allowed those of us attending to be prepared for discussion.

We look forward to participating in next year's meeting.

Sincerely,
SOUTHEAST ALASKA SEINE BOAT OWNERS & OPERATORS
Michele Zerbetz
Executive Director

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ufa's corner

(continued from preceding page)

contribute on a practical level to ideas and programs should be included: fishermen and processors. There has been confusion, too, as to who serves as chairman of the committee. We would like to see the state include a person who has overall responsibility to coordinate, lead and direct the governor's policies. One, who, quite naturally would act as chairman of the various task forces. There is considerable confusion now as to who is in charge, and we fear that is leading to confused policies and programs.

Along these same lines, we would like to see an active Alaska-Danish Advisory Group. That group travelled to Scandanavia in October but it has not met since. Nor have its members received any communications from the chairman (nor do they even know the name of the chairman) or been asked for input and advice. An Alaska office in Copenhagen is important; the governor should support it and should design his budget to reflect that support. There is much to benefit from a liason between Alaska and Scandanavia. Those countries have developed an efficient industry which results in a high standard of living for its people. The openness, directness, and support the Scandanavians have given us is refreshing. We question why at this time Alaska is emphasizing expanded relations with the Orient, rather than developing other, additional contacts and markets.

Two other areas of interest to us are training centers and quality control. We urge the state to develop programs for both. We would like to see a highly developed training center here in Alaska. We are running the risk of sponsoring fragmented programs of short duration and mediocre quality by decentralizing small-scale programs throughout the university system. We would prefer to see a centralized program located in one place in Alaska where fishermen or prospective fishermen and crew can learn many skills. The importance of quality control to market bottom fish was obvious to us all. Fishermen and processors need to be re-educated to handle the fish more carefully and the state should direct industry to establish and take responsibility for a program for quality control.

The matters of financing, loan programs, tax incentives, and fish-taxes are complicated in nature. Programs should be developed which encourage industry, yet produce a return to the state which is sufficient to finance its cost. Fishermen would like to participate in shaping those programs.

There is another important thing we learned over in Scandanavia: the benefit that comes to fishermen when they are organized. Those people are really organized. And the reason they are able to be is that they have money. Lots of it. They get it by being assessed 2 percent of their gross earnings to their organizations. They have weekly newspapers, large staffs, and office buildings. They conduct independent research on marketing and other areas of concern, lobby, and are represented on major policy boards and commissions. They play a much more major role in the shape of their industry than we do over here, and it is because they can afford it.

The UFA has grown in size, strength, and stature these past couple of years. But, to continue to do so, and to be able to reach out in new directions is going to cost money, and obviously only the fishermen can and should pay for that. This year our only means of revenue is from membership dues. I hope that by next year we can institute a voluntary assessment for fishermen to the UFA. This will require cooperation from processors to collect and deposit the dues. Of course a commitment in spirit and wallet must come from fishermen. The ten fishermen, by the end of the trip, were not proudly declaring the "wonderful independence of Alaska fishermen." It is no longer smart to play that role—too much is happening in fisheries today, for us not to join together and work towards common goals. To be independent is to be powerless.

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AROUND THE RIM

Kodiak

The catch per unit effort of Kodiak's bottomfish fleet (trawlers in the 70-foot class) equals the catch per unit effort of Japanese medium sized trawlers (vessels in the 150 to 170-foot class) according to National Marine Fisheries Service Surveillance and Enforcement personnel.

Some of the Kodiak double rigged trawlers are even exceeding the Japanese medium sized trawler catch per unit effort, the federal Surveillance and Enforcement office in Kodiak said.

Both the demand for bait by Kodiak's tanner crab fishermen, and the demand for food fish by the two processing plants in Kodiak with filleting lines, set a new record in Kodiak for bottomfish landings in March—over 1 million pounds of pollock alone.

During all of 1978 the Kodiak trawlers landed only 2.3 million pounds of bottomfish. Another 500,000 pounds is estimated to have been sold at sea for bait. Last year the Department of Fish and Game did not require fish tickets for bottomfish landed and sold at sea, but this year fish tickets are being required for all bottomfish landings.

"And we're doing it without help from anybody," added trawler Oral Burch from the vessel Dawn. Kodiak's trawlers have been developing their gear and locating their fishing grounds without the aid of federal or state bottomfish development programs.

Two men were lost at sea, two Kodiak vessels lost and two holed during the last week in February.

The 138-foot landing craft Alaska Roughneck went down off Bold Cape near Cold Bay Feb. 28. Crewmen Gene Love and Dan Bernard were lost at sea.

The King Cove vessel Seven Seas was able to pick the other two crewmen, Bruce Campbell and Don Rude, out of the water shortly after the Alaska Roughneck capsized. Campbell, who had been wearing a survival suit, suffered hypothermia and a back injury.

The Alaska Roughneck's troubles began the afternoon of Feb. 28 when it ran aground on Ilnask Island north of King Cove.

The crew made temporary repairs to the vessel and continued on toward King Cove, keeping a 20 minute radio schedule with the Kodiak Coast Guard Communications Station. Their progress was also monitored by canneries, boat skippers and other owners of single side bands radios in Kodiak.

An hour later the Alaska Roughneck radioed it had encountered heavy seas and was in danger of rolling over. At 2:55 p.m. a crewman from the Alaska Roughneck radioed, "Mayday, Mayday, Mayday. We're going over."

A second voice then came over the radio, "He's capsizing. He's capsizing."

In the process of rescuing Campbell and Rude the Seven Seas sustained damage after hitting floating debris. The Seven Seas took the two survivors into King Cove and the Golden Star then took the survivors on to Cold Bay where they could be evacuated by jet.

Shortly after 8 p.m. Feb. 28 the 83-foot crabber Sirius with six persons on board went on the rocks at Douglas Reef in the north end of Shelikof Strait.

Two hours later the vessel requested Coast Guard assistance, but the Kodiak Air Station's large H-3 helicopters were not available and a helicopter was launched from Elmendorf Air Force Base near Anchorage.

Meanwhile the vessel Sea Wife made several passes on the Sirius, but was unable to get a line on the vessel as its bow was underwater. The 179-foot Polar Shell arrived on the scene two hours later and sent its diver out to try to get a line on the Sirius.

With the situation becoming critical, the Kodiak Coast Guard Air Station launched one of its small H-52 helicopters which arrived on the scene shortly after 1 a.m. and was able to pick up all six men aboard the Sirius as well as Polar Shell diver Tom E. Moragan.

No injuries were reported among the crewmen. Coast Guard officials said it was "quite a feat" for the small helicopter to get seven men aboard. The helicopter was piloted by Lt. Cdr. William Criswald. Co-pilot was Lt. Michael Roberts and crewman was AD-1 King David.

The Sirius later disappeared and Marine Surveyor Norm Holm said the vessel is presumed to have been broken up and sunk by pounding waves.

An Feb. 26 the 39-foot Teresa Marie, owned by Randy Christensen, went on the beach at the North end of Whale Island, north of Kodiak. The Coast Guard cutter Citrus was diverted to pick up the two men aboard the Teresa Marie.

While passing through the Ouzinkie Narrows on its way back to Kodiak the Citrus struck two unmarked, submerged rocks. Water poured in through two large holes, one 27 feet by 5 inches and one 11 feet long by 3½ feet wide at its widest, at the rate of 1300 gallons per minute.

The forward hold completely flooded and water filled the magazines and food storage lockers. Water washed over the cutter's bow before the flooding was brought under control by 18 pumps.

Kodiak divers Dennis Lecours and John Stella were taken to Ouzinkie by the tug Kodiak King to assist with repair work. The Citrus was able to limp into Quzinkie where it remained for a week being repaired.

The Teresa Marie sustained a badly damaged hull, but was filled with styrofoam logs and refloated.

On March 17 Pan Alaska's 80 foot crabber Pacific Price went down in flames at Uyak Bay. All four men aboard, skipper Bruce Putnam and crewmen Randy Butler, Wayne Ammmon and Brad Hall, all of Kodiak, were able to abandon ship in their liferaft. They were picked up shortly after radioing a May Day message by the Cougar.

The Fish and Game research vessel Resolution went on the rocks near Shuyak Island at the north end of Afognak Island April 3. The Resolution was being used to count tagged sea lions at the time of the accident.

The Afognak Logging Company tug Cygnet came on the scene and was able to get a line on the Resolution, which was starting to lay over on its side as the tide went out. The Cygnet held the Resolution upright until it would be refloated on high tide.

Department of Fish and Game Vessels Supervisor Carl Lehman had high praise for the Cygnet's skipper Ron Rusher.

"He acted in a prompt, seaman-like manner," Lehman said, "and did a fine job. He has my admiration. We really appreciate it."

—Chris Blackburn

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Cordova

The Chugach Natives, Inc. recently signed the final purchase agreement with New England Fish Company for the transfer of the NEFCO plant at Port Orco near Cordova. A newly formed corporation, Chugach Alaska Fisheries, Inc., is opening an office in Seattle to manage the cannery. Jim Forsell has been named president and Al O'Leary will be the new plant manager. Plans are being made to increase the freezing capacity of the plant.

The PWS winter bait herring season opened in October and closed February

(Continued on next page)

regionalization

(Continued from page 1)

the following day was cancelled when Anderson and Cotten failed to reach agreement. "We couldn't work out a compromise, so we decided to hold off until it settled down," said Anderson.

Meanwhile, the joint boards meeting in Anchorage were considering adopting Skoog's draft only as a working paper. But, following a phone call from Juneau, Greg Cook, Executive Director of the boards, announced: "It looks like there will be no bill this year out of the Legislature. In urging the boards to adopt Skoog's compromise as a regulation, Cook said the Legislature had indicated willingness to look at funding whatever the boards enact.

The failure to adopt a regionalization scheme "will be picked up as another example of indecisiveness from Alaska," said Skoog, referring to threats of federal imposition of regional management under (c)(2) legislation if the state doesn't approve its own plan this year.

Gardiner, on the other hand, said his regionalization bill "wasn't predicated on what's going on in Washington, D.C."

In his view, the process of deciding fish and game issues "has turned into a madhouse in which no citizen has real input." The winter meeting of the Board of Fisheries lasted 22 days and "it's only going to get worse," he says. "What that means is that only people with money can impact the system."

Gardiner maintains that many issues such as opening dates and gear requirements could be more easily handled at the regional level.

In addition, he said, regionalization would dilute some of the influence of the Department of Fish & Game, which "now has an inordinate amount of weight in decisions that are not biological."

Senate President Clem Tillion, meanwhile, predicted that only a bill patterned after the governor's more limited approach to regionalization could pass the Senate.

"I do think the local areas should have more say," Tillion said. "But I believe any bill should be aimed at satisfying the federal requirement, not the Native element."

Tillion also said a final d-2 bill adopted by Congress would not contain a strict requirement for federal oversight, "other than judicial review, which everybody seems to agree with, anyway."

That opinion, however, hadn't spread to other legislators who labored over the regionalization bill for most of March and early February. And, like the legislators involved with the issue, the joint boards spent most of their time trying to devise a system of checks and balances between the proposed regional councils and the statewide boards.

Several board members were strongly opposed to points in Skoog's draft setting out procedures under which regional proposals could be rejected. Finally that entire entire section was deleted and the regulations approved.

Although the regulations do not meet Anderson's declared "bottom line," Anderson said he was "quite pleased" with the board's action. "It's a very positive step forward," Anderson said. "It could be interpreted by some legislators that it's a necessary action to take. It could end their resistence."

"This may give us a strategic advan-

Nels Anderson

tage," he added. "Then we'll be able to put in the sections that are necessary." Anderson said he will still push for language that will require the boards to adopt regional council submissions except under certain circumstances, "otherwise we're just creating another bureaucratic level."

The establishment of regionalization by regulation rather than statute allows the boards to meet in the fall to define exact boundaries and "fine tune" the procedures.

But Anderson said the board's action does not preclude a legislative tactic, and added, "We'll probably give it another try."

the rim

(Continued from preceding page)

3Kb. Compared with last season's catch of 140 tons, this winter's 1,000 ton catch is impressive. Most of the herring were caught in midwater trawls as the herring were generally too deep for seines. According to the Department of Fish and Game, next year's plans call for an earlier opening and for a lower guideline harvest level for Orca Bay to encourage fishing on the west side of the sound.

Herring gillnetting is closed in PWS this year but there are some hopes that a possible 40 limited entry permits will be issued before the next season. The Board of Fish closed the gill net herring season for further study because of concern that herring stocks might be over-fished. A committee of Cordova fishermen have been working on a possible point system to use in establishing limited entry.

(Continued on page 20)

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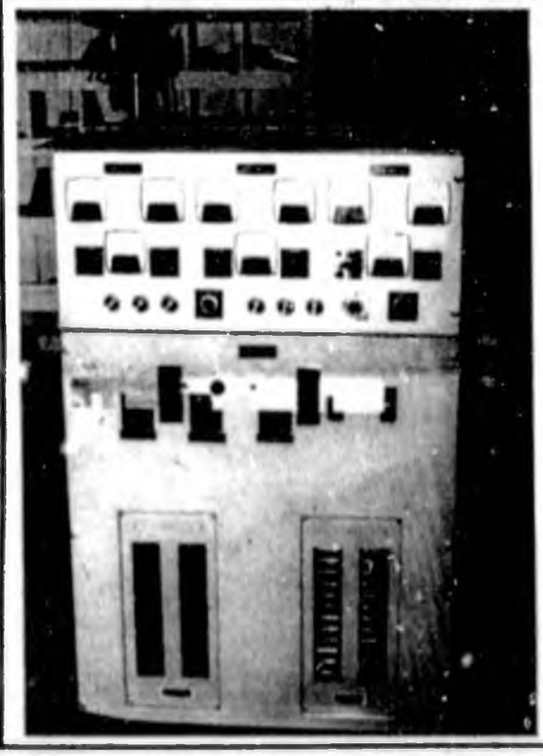

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Kodiak tanner crab quota reached in only 38 days

Kodiak—The tanner crab fleet took only 38 days to harvest a little over 28.5 million pounds of tanner crab.

The season which opened Jan. 5 but did not get underway until Feb. 16 following settlement of a prolonged price dispute, closed March 26.

Closure of the Kodiak tanner season was the second closure, the first being in Cook Inlet, in Alaska to be conducted under the new federal-state joint management program for species fished both inside and outside the state three-mile limit.

On March 16 the Kodiak Department of Fish and Game announced that closure of the Kodiak tanner crab on March 26 had been recommended to the National Marine Fisheries Service Regional Director in Juneau.

A week later the Department received approval from the National Marine Fisheries Service and the closure was officially announced.

The off-shore area south of Kodiak in the Semedi Island region has been left open and some crabs were still being harvested there in April.

In late February and early March Kodiak crabbers working the north end of Shelikof Strait were plagued by ice floes breaking loose in Kamishak Bay and drifting around Cape Douglas.

Some crabbers reported losing a dozen pots or more to ice floes despite hasty pot pulling and retreat. The ice floes this year coming out of Kamishak Bay ranged up to 60 feet long.

Last year a mammoth ice floe 17 miles long headed out of Kamishak Bay and caused a mad scramble to move several hundred thousand dollars worth of pots out of its way.

—Chris Blackburn

Bering Sea tanner fleet is fishing

Anchorage—Bering Sea tanner crab fishermen accepted a 52 cent a pound offer from processors on March 14, more than two months after the price dispute began.

The price was up sharply from last year's 38 cents a pound mark for Bering Sea tanners, but well below the 65 cents originally asked by fishermen represented by the North Pacific Fisheries Vessels Owners.

Sig Jaeger, director of the Seattle-based fisherman's group, said the increased price was influenced by rise of the Japanese yen and a projected fall in harvest rates of bairdi tanners. Japanese buy nearly all of the tanner crab produced in Alaska.

The emerging opilio tanner fishery should get a substantial boost as a result of a 30 cent price offered by processors in Unalaska.

Jaeger, interviewed during a state Board of Fisheries meeting in Anchorage, said the length of the price dispute was no surprise since the major Unalaska processors have been asking for delayed season openings for tanners.

"There were no strong negotiations until after March," Jaeger noted. "There have been strong expressions by the Japanese that they didn't want crab processed until after March."

Jaeger suggested that the late openings requested by the Unalaska processors have as much to do with the Japanese influence in "Dutch," as they do with the higher recovery rates cited by processors.

"The Japanese have their own fleet fishing on opilio, which is in direct competition with bairdi on the market," Jaeger said.

In fact, Jaeger said, the Japanese mothership fleet began harvesting opilios in the Bering Sea in mid-February this year, some three weeks sooner than normal.

The Japanese not only control the tanner crab market, but own large percentages of Bering Sea processors (See October edition of the **Alaska Fisherman**). Some of the Bering Sea tanner fleet is going after opilio tanners after the bairdi quota is filled, but it's likely to be a few years before the Japanese are squeezed out of the fishery.

Trawl surveys by the National Marine Fisheries Service in the Bering last year indicated a sharp drop in bairdi tanner populations, with mid-point harvest guidelines set at 43 million pounds. Some 66 million pounds was harvested in 1978.

The projected harvest decline, Jaeger said, helped the fishermen in price negotiations since market prices generally rise when supplies taper off.

After two weeks of fishing, Jaeger said, the Bering Sea tanner fleet was averaging some 60 crab per pot, but the catch per unit effort (CPUE) was expected to decline with exploitation. The 1978 CPUE was 51 and the 1977 average 60.

If the CPUE drops off as expected and "present trends hold, it would indicate the NMFS trawl survey was a pretty fair index of the strength of the stocks," Jaeger said.

—Rodger Painter

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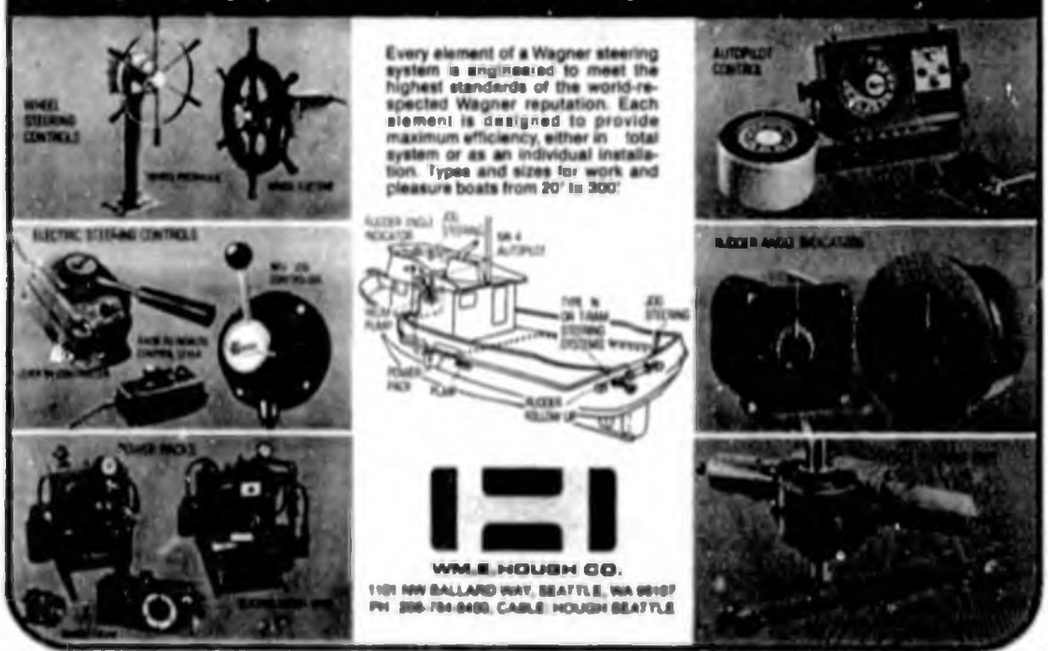

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Cold Storage workers strike in Southeast

Workers at six Southeast cold storage plants went out on strike April 9, leaving some tanner crab and black cod fishermen without a market.

The strike also could affect a Sitka herring roe fishery scheduled to be opened by emergency order as the Fisherman went to press.

The walkout at the six cold storages came after two major Southeast cold storages signed contracts with the International Longshoremen's and Warehousemen's Union (ILWU). The contracts with Petersburg Fisheries Inc. and New England Fish Co. (Ketchikan) called for wage increases totalling some 32 percent over the next three years.

ILWU Alaska president Larry Cotter said the contracts provide ILWU workers with the "best cold storage wages in the state." After putting in 1200 hours, the workers will get $8.70 an hour this summer (up from $8 under the old contract), $9.35 in 1980 and $10.10 in 1981. The starting wage will go up to $5.95 an hour, under the new contracts.

The union is seeking similar contracts with Juneau Cold Storage, Pelican Cold Storage, Whitney Fidalgo in Petersburg, Craig Fisheries, Cordova Bay Fisheries in Hydaburg and E.C. Phillips & Sons, Inc., in Ketchikan.

Cotter also was preparing to begin negotiations for cannery and cold storage workers in Cordova following the March 25 merger of the Copper River and Prince William Sound Cannery Workers Union with the ILWU. Between 125 and 400 cannery workers are employed in Cordova, Cotter said.

The ILWU membership voted in March 93 percent in favor of striking should talks with the processors break down. Cotter had hoped the settlements with PFI and NEFCO would prompt the other cold storages to settle.

The PFI & NEFCO contracts include wage increases totaling 32 percent over the three year period, about 11 percent a year, Cotter said.

Health and welfare benefits will double to 58 cents per hour by the time the contracts expire, and pension benefits now 22 cents per hour will increase to 40 cents over that time, Cotter said.

PFI and NEFCO will be able to bring in double shifts "only if the day shift worker has had the opportunity to work 12 hours," Cotter said. "That protects the annual income of the year-round workers and accomodates the company's desire for the double shift."

"We didn't get every single thing we wanted. We wanted a little bit more money. But we avoided a strike and I think the contract is fair to both sides."

Before the agreement was reached, Cotter said, "We're not going to wait a hell of a long time" to decide to strike, but added, "We're going to do everything we can to avoid a strike."

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NEWS SHORTS

Permit and license renewals are slow

The state has issued a reminder to fishermen to renew their entry permits and vessel licenses before the salmon season starts.

As of April 5, only 57 percent of commercial salmon and herring entry permits and 55 percent of vessel licenses had been renewed for 1979. Valid 1979 permit cards must be shown before fishermen can sell their catches, and vessels licensed prior to engaging in fishing.

Applications can be obtained from the Commercial Fisheries Entry Commission, commercial license vendors or from local Alaska Department of Fish and Game offices. The commission warns fishermen to allow a minimum of three weeks for delivery of permits and licenses, both of which are processed in Juneau.

Stikine hydro potential studied by Canadians

Preliminary studies of potential hydroelectric sites in the Stikine and Iskut Rivers are being conducted by the British Columbia Hydro and Power Authority. According to B.C. Hydro the studies will continue for at least two years and no final decision on whether to build dams on the rivers will be made until the early 1980's.

The Iskut is the largest tributary of the Stikine, joining it just a few miles upstream from the Alaska border northeast of Wrangell. The Stikine is a major southeast Alaska salmon spawning habitat.

Watercraft fuel tax hike bill hits snag

Unless there is a "miracle," a bill that proposes an increase gasoline taxes to 19 percent of the retail value will not be considered by the state Senate this year. Commerce Committee chairman, Sen. Brad Bradley (R-Anchorage) said the bill will not move because it would not increase taxes for watercraft as much as other fuel taxes.

Motor fuel taxes would have gone from eight to 15 cents this year and to 19 percent of the value in 1980, while watercraft fuel taxation would have gone from five cents a gallon to six percent of the value.

Soviet joint venture gains endorsements

Two fisheries councils have recommended that a joint U.S.-Soviet fishing venture be allowed to process seven metric tons of Alaska bottom fish.

Marine Resources Co., Inc., jointly owned by Bellingham Cold Storage and the Soviet agency Sorbyflot, hopes to process about 6,000 tons of cod, pollock, perch, sablefish and other species west of Kodiak. The proposal has been endorsed by both the North Pacific Fisheries Management Council and the Pacific Fisheries Management Council, representing western states.

While the company plans to have about 14 U.S. trawlers delivering hake taken off the coast of Washington to Soviet processors, the Alaska project must still be approved by the Department of Commerce.

Marine sanctuaries put on hold by NOAA

Proposals for marine sanctuaries in Alaska coastal waters have been put on hold by the National Oceanic and Atmospheric Administration. The "political climate" in the state, stirred by debate over Alaska lands legislation pending in Congress, has been cited as a factor in the postponement, according to Nancy Foster, deputy director of the sanctuaries program.

Several conservation, scientific and government groups have already recommended a number of areas in Alaska coastal waters for sanctuary status. Those locations include the Beaufort Sea, Bering

(Continued on next page)

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news shorts

(Continued from preceding page)

Straits, Kotzebue, the Yukon delta, Cook Inlet, Bristol Bay, Prince William Sound, waters adjacent to Kodiak Island, and five small inlet and fjord areas in southeast Alaska.

The 1972 Marine Protection, Research and Sanctuaries Act allows the federal government to set aside coastal areas of ecological, conservational, or recreational value that are threatened by development.

Initial hearings in Alaska on proposed sanctuaries will not be held until at least next fall.

Halibut phase-out signed

A pact providing for a two-year phase out of Canadian harvest of halibut off the Alaska coast has been signed by Secretary of State Cyrus Vance and Canadian ambassador Peter Powe.

Under the new treaty British Columbia fishermen will get two million pounds of Alaska halibut this year and one million pounds in 1980.

Japanese seafood trade is bypassing Seattle

Direct trade of frozen Alaska seafood to Japan began in March, eliminating Seattle as the primary export point. Thanks to the 200-mile limit, Japan-bound shipments of fish from Alaska tripled between 1977 and 1978.

"The demand for direct service has always been there," said Jim Hinchcliffe, head of Sea-Land's new trade service. "The difference was the 200-mile limit."

While the chief economist of the Port of Seattle says the revised route is bad news for that city, Alaska processors will likely benefit. According to John Naylor of the New England Fish Co., direct shipment to Japan should save the firm two to four cents a pound in export costs.

Stevens introduces fisheries loan bill

Legislation amending the 1916 Shipping Act to ease up state loans to Alaskan fishermen has been introduced by U.S. Sen. Ted Stevens. Under the law the state cannot act as an agent in administering fishing loans. Presently such loans are made by the Rainier Bank in Washington state.

The proposed amendment would allow the state to qualify to hold preferred mortgages, which could translate into lower interest rates for resident Alaskan fishermen. Loan holders must now pay a one-half of one percent trust fee to the bank. Rainier collected $200,000 in fishing loan fees last year. That money could be saved if the state administered the loans.

Fisherman's relief bill signed into law

A measure allowing fishermen injured or disabled while working within the 200-mile limit to receive compensation from the fishermen's fund has been signed into law by Gov. Jay Hammond.

Previously, only fishermen hurt while within the state's three-mile limit were eligible for fund benefits. But Kodiak Superior Court Judge Roy Madsen ruled last fall that a fisherman injured outside of Alaska coastal waters was entitled to compensation.

Klawock salmon hatchery gets design award

The Klawock salmon hatchery has won an award from the Consulting Engineers Council of Washington state for its innovative engineering design. The design of

(Continued on back page)

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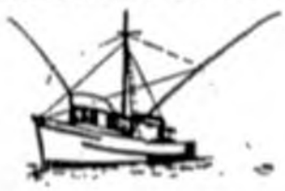

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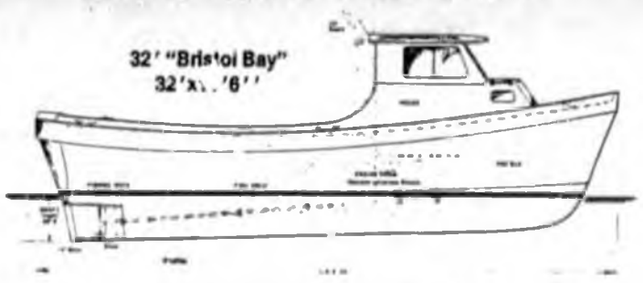

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First herring opening enjoys good roe count

Ketchikan—About 92 gillnet boats took 530 tons of roe herring at Kah Shakes Cove, 40 miles south of Ketchikan, in late March during the first opening in the state.

A 585-ton quota was set, according to herring research specialist Dennis Blankenbeckler, a Fish and Game biologist in Ketchikan who kept tabs on the fishery. The fishery opened at 4 a.m. Thursday, March 29, and closed Saturday, March 31 at 11 a.m., he said.

Percentage of roe ranged from eight to 15 in the ripe fish, averaging about 11, "which is good," Blankenbeckler said. Two-fifths of the quota had been taken by Friday afternoon, less than 36 hours after the 55-hour fishery opened.

Cold storages in the Ketchikan area were buying the fish for between $1,500-$3,000 per ton, depending on the percentage of roe, Blankenbeckler said.

Roe herring usually spawn in the Kah Shakes area bout April 1, on kelp in shallow water near the shore, Blankenbeckler said. Fishermen vote on when to set nets, the best time being when the fish move in to spawn and the water turns milky with semen, but before fish are spawned out. The milky water prevents the fish from seeing the nets, Blankenbeckler said.

The 1978 quota, nearly the same as this year's, was not caught, he said, due to many spawn outs. "The quality was not there," he said.

Fish and Game biologists monitored the take of the boats. Blankenbeckler said 104 had interim limited entry permits to fish for roe herring. Calculations of the catch included those in nets and not yet at the tenders, but were still "preliminary," he said.

Research biologists were also on the Fish and Game boat to gather data on age, quality and location, and will try to determine the number of eggs laid and the escapement, which, in turn, determines the 1980 quota, he said.

The next Southeast opening, restricted to purse seiners, will be in Sitka Sound. Testing done there during the Kah Shakes opening showed fish were at two to five percent maturity. Blankenbeckler estimated the roe herring fishery would not open until mid-April.

Openings in Cascan Bay and Lower Lynn Canal are unlikely, according to an ADF&G release.

—Laura Zahn

Herring prices go up

Kodiak—Herring promises to be a bigger money fishery than ever this year. Herring with a roe recovery of 10 percent has brought as much as $4,500 a ton off Canada and $3,000 a ton off Southeast Alaska.

The Prince William Sound herring fishery for roe opened April 7 at 6 a.m. Ralph Pirtle, Prince William Sound Department of Fish and Game management biologist said over 100 boats were expected to be on the grounds for the opening.

This year in Prince William Sound Fish and Game is opening the season and monitoring the fishery, but letting the boats decide when the roe count is high enough to fish.

Last year the Prince William Sound herring fishery was opened and closed according to the expected roe recovery as herring schools moved into the area.

"It was a fiasco," Pirtle said. While the boats sat and waited, the herring swam deep and eluded the net. Closed areas were opened to keep the prince William Sound herring fishery from being a complete disaster. The season ended with a 1200-ton harvest.

This year the harvest level is 2500 tons in Prince William Sound.

"We want to intercept the herring in open water," Pirtle said.

The Kodiak herring season opens May 1 with a harvest level of 1600 tons—800 tons from the west side of Kodiak and Afognak Island area, and 800 tons from the south end and east side, combined, of Kodiak.

An additional 400 ton harvest level has been set for the Kukak section of the Mainland District and another 400 ton harvest level for herring in the rest of the Mainland District.

For the first time herring fishermen are required to register with the Department of Fish and Game for the area they intend to fish. The new regulation was passed by the Board of Fisheries last winter.

—Chris Blackburn

the rim

(Continued from page 15)

PWS processors and fishermen are working to establish rules that will improve the quality of landed fish. The rules under consideration are (1) a maximum time between fish deliveries restricted to 24 hours with fish tickets marked with date and time of deliveries; (2) puncturing the skin or flesh of a fish will be prohibited, use of pugks entirely prohibited; (3) use of detergents or biocide containing phenol prohibited. These rules are still under consideration and are subject to approval by the processors and the Cordova Aquatic Marketing Association board.

Junior Cross, skipper of the Captain Joe and Mel Wirk, skipper of the Alert signed contracts with the state of Alaska to conduct a bottomfish trawl survey in the Gulf of Alaska. The study is expected to last 30 fishing days. $90,000 is being provided by the state to guarantee the income for the two vessels on a sliding scale basis; as the daily deliveries go up the state funding goes down. During the first two weeks of the project some deliveries were made to Cordova and Valdez processors. Lately some problems concerning the price paid for fish have arisen and the vessels are not now fishing.

The tanner crab catches for the vessels fishing in the Gulf have improved lately. Catches within PWS are still low. Latest predictions indicate a "fair" season.

As one of the ten fishermen participants in the recent Norway, Denmark and Faroe Island trip, I would like to say thank you to the UFA for making the trip possible. All of us brought back a wealth of information. I encourage fishermen to question me or my fellow travelers about the fishing techniques we saw.

—Connie Taylor

Ketchikan

Three local fishing groups have created "Save Our Salmon" fund to aid

(Continued on next page)

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the rim

(Continued from preceding page)

lobbying in support of d-2 lands legislation in the Ketchikan area.

The Alask[illegible] Trollers Association, the Southeast Seine Boat Owners and Operators Assn., and the Community Fishermen's Co-Op want to send five to seven fishermen to Washington, D.C., to lobby for legislation when the d-2 bill is on the House floor.

The groups want to protect three major producing rivers in the Misty Fiords National Monument area.

Louisiana-Pacific Corp., Ketchikan division, will probably end up paying the state of Alaska money for a chlorine spill in Ward Creek last April that killed about 1,000 fish.

Whether the money will be paid in an out of court settlement or whether the state will go to court to get it will be decided in April, according to assistant attorney general John Tillinghast. While he would not release the amount of the proposed settlement, he said it was enough to cover rehabilitation costs.

While a water pipeline to LPK's pulp mill was being cleaned with a calcium huporhloride solution last April, a valve apparently leaked and the system overflowed, killing all the fish and other organisms for about one-third of the stream. Fish suffocated from the chemical, which is similar to that used to clean swimming pools.

Bottom fishermen participating in the state's $150,000 Ketchikan study had more luck in one week than in over 100 other fishing days combined.

More than 9,000 pounds of red snapper, were hooked by two longliners, Fred Athrop and Leroy Miller. Athrop's Auk hauled in 4,500 pounds and Miller's Velvet carried about 5,000 pounds to two local processors who pay 30 cents a pound for the tasty rockfish.

After 147 days of fishing by several of the 10 fishermen participating in the study, which equals one-fifth of the program, 18,000 pounds of fish were landed. "That's not as good as we hoped, but over half of that was brought in the last week," said Marvin Yoder, borough administrator of the project.

Athorp's catch the first trip out was 1,100 pounds for 10 days, he said, which was "really poor. A respectable trip for three men would be 8,00010,000 pounds.

Fishing is still not up to that level, and he blames it on bait which he thinks was not processed soon enough.

Athorp said while long-line fishing showed "quite an improvement," gillnetters were still having bad luck. Gillnetters have been fishing only in bays because the weather has been too poor to set out into the current, Athorp said.

Both Miller and Athorp received minimum wages from the "incentive" program, which pays the skippers according to the amount of fish caught, Yoder said. The more caught, the less state money is paid. The incentives were designed to make the trips worthwhile if catches were poor, Yoder said.

New England Fish Company began to prepare a site for a 120x50 foot cold storage building in mid-March. The new cold storage should be in operation in early July, according to NEFCO Ketchikan manager Mike Cusack.

A survey of the Keta River by U.S. Borax officials is being planned for this summer, after their Quartz Hill molybdenum exploration camp opens in late May or early June.

The survey is the first step in designing a fish habitat enhancement program, which officials pledged to do Oct. 31, 1978 in Ketchikan in conjunction with their mining project on Boca de Quadra, 40 miles east of Ketchikan.

"We have plenty of time," said Eugene Smith, manager of environmental affairs for Borax. The program can't be used until a decision by assistant secretary of agriculture Rupert Cutler is changed to allow Borax to build a controversial 18.9 mile road along parts of the river.

The mine site itself could be prohibited under strong Alaska lands legislation, but under a compromise bill, reintroduced this year, the mine would be in a special management area outside the Misty Fiords National Monument.

If Cutler reversed his decision and the compromise bill becomes law soon, the program and road construction could start as early as fall or next summer, Smith said, but he indicated that time schedule is not likely.

Fish hatcheries, weirs, ladders, spawning channels and other enhancement techniques could be used in the Misty Fiords national monument area if the compromise d-2 still passes this year.

The d-2 bill has passed the U.S. House Interior Committee, but must pass another House committee and the full House before being considered by the Senate. The aquaculture provision is not final, according to Ron Wendle, Southern Southeast Regional Aquaculture Association spokesman.

Bar Harbor will be increased by 350 moorage spaces by October, courtesy of the U.S. Army Corp of Engineers, the state and the City of Ketchikan.

Bids have been opened for contruction of the multi-million dollar project, the lowest of which was $1.3 million. Two concrete floating breakwaters will enclose a 25-acre area when the project is complete.

—Laura Zahn

subsistence

(Continued from page 4)

p's trading high value resources for non-traditional items," Szabo said.

Another item discussed in depth but not acted upon was the establishment of a fourth resource-user category of "personal use."

The proposed classification was designed to handle situations like the politically volatile Copper River dip net fishery. A subsistence fishery on Copper River salmon runs dates back hundreds of years, but it wasn't until a road to Chitina was improved in 1969 that a conflict arose.

Suddenly, it became easy to drive from Fairbanks or Anchorage to dip net sockeye salmon and the number of permits doubled to 3,000 in one year. In two years, the dip net subsistence catch tripled, and commercial fishermen downstream in Prince William Sound and subsistence fishwheel fishermen upstream became concerned. Last year it reached a critical point when the commercial fishery was severely cutback and the dip net was held to an average harvest.

Commercial fishermen promoted the "personal use" classification, while some board members favored putting the dip net fishery under sport regulations. Both tactics were later abandoned in favor of a management policy limiting the dip net harvest to specific level pegged to estimated escapement.

The conflict was a test for the flexibility of the board's subsistence policies as the fishery could easily fall under either subsistence or sport classifications, and since no need criteria was ever attached to qualification as a subsistence user.

The only other tough subsistence issue tackled by the Fisheries Board was providing for a subsistence salmon net fishery in Cook Inlet. The Board voted to put the subsistence openings in the middle of the commercial season, and, to compound the gear conflicts, failed to open additional fishing areas.

Commercial fishermen aren't likely to welcome subsistence fishermen onto their privately owned or leased setnet sites (drifting for subsistence was prohibited) during the six week commercial season, even though subsistence and commercial openings fall on different days of the week. In addition, many commercial fishermen and Department of Fish and Game staffers expressed concern about subsistence staying within legal quotas while fishing a setnet during the peak of the salmon runs.

Cook Inlet subsistence fishermen appear to have only extremely limited accessible beaches parallel to the road system on the Kenai Peninsula to choose from.

Although it wasn't used as a justification for the timing of the openings, the subsistence fishery is scheduled to fall within the same six-week time frame as commercial fishing. The board of Fisheries has limited commercial fishing in upper Cook Inlet to between July 1 and August 15 to settle a long-standing allocation struggle between sport and commercial fishermen.

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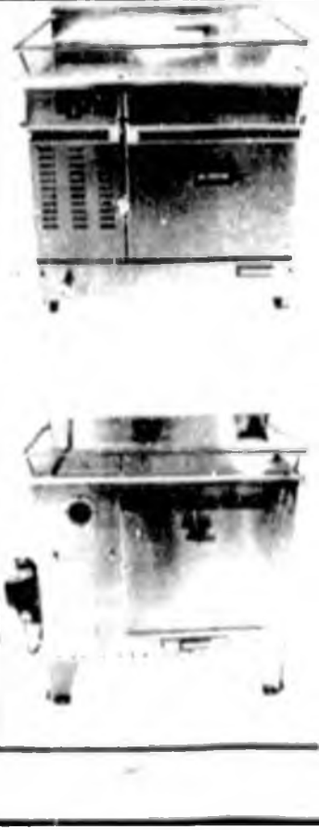

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PERMITS FOR SALE

Cook Inlet Drift Permit for sale. Call (907) 479-6791 after 9:00 a.m.

FOR SALE: Prince William Sound permit. Write Bob Dundas, Box 24, Cordova, Ak. 99574 or phone (907) 424-7306.

FOR SALE: Salmon Drift gilnet Permit. Prince William Sound. Write Thomas W. Ellis, 4015 C. St., Washougal, Wa. 98671 or phone (206) 835-3039.

FOR SALE: Kodiak Salmon Purse Seine Permit for sale and ready for transfer. Also, Prince William Sound Salmon Purse Seine Permit for lease, ready for transfer. Call: (907) 235-7476, (316) 276-7174 and (316) 275-6366.

FOR SALE: Kodiak Purse Seine Permit. Must sell due to ill health. Call (916) 343-0121 after April 15 or write Ray Long, Box 2706, Kodiak, Ak 99615.

WOULD LIKE TO TRADE a Cook Inlet Set Net Permit for a Bristol Bay Set Net Permit. Would also trade Anchorage view lot for Bay Set Net Permit. Write Box 778, Eagle River, Ak. 99577, or call (907) 696-2380.

WILL TRADE for Prince William Sound Drift Gilnet Permit: 8½ acres of prime property in the city of Tomahawk, Wisconsin. Walking distance to downtown shopping, churches and schools. Present Value: $32,000.00 Call Bob Bassett at 835-2030 or write Box 1672, Valdez, Ak. 99686.

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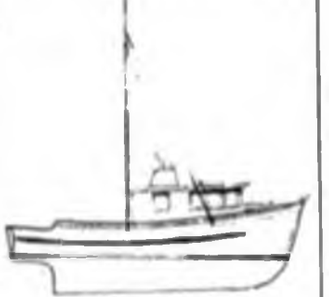

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Juneau, Ak 99801

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WANTED: Bristol Bay gillnet boat, 32'. purchase, cash. Call (907) 832-5484 days or (907) 832-5667 evenings or write Wayne Taylor, P.O. Box 292, Nenana, Ak, 99707.

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Prince William Sound Community College announces a new program of professional marine training from the Pacific Maritime Academy. Register now for a special accelerated license preparation course for Ocean or Motorboat Operators right here in Valdez, Alaska. April 10-May 1, 1979. License Examination given following course. For more information dial 835-2539.

WANTED: Position on Bristol Bay Gillnetter for 1979 season. Experiences (8 yrs) and knowledge of areas fished. 32 yrs. old, 6'2", 185 lbs., easy-going. Contact: R. Paddock, P.O. Box 312, Juneau, Ak. 99802 or call (907) 789-2494.

Wanted-False Pass Permit. Lease or buy. Phone (907) 344-6437 or write Permit, 10088 Marmot Circle, Anchorage, AK 99502.

Kodiak Island Set Gillnet permit. Write Box 10123, Fairbanks, Alaska 99701.

Wanted: 40'-48' Crabber/Seiner. Should draw less than 6½ feet loaded. Prefer fully equipped, less gear, ready to fish. Should have recent survey. Call (907) 443-2516 or (907) 443-2078 or write: P.O. Box 912, Nome, A 99762.

Indicator head for older model Ross 600 fathometer. Write Box 467 Juneau, Alaska 99802. (...7) 789-9456.

WANTED—S.E. Alaska salmon gillnet permit to lease or lease purchase. Yearly guarantee. Have boat and gear. Box 373, Auke Bay, Ak. 99821. (907) 789-2087.

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Two CATS, D336 T.A. 400 HP max. Factory rebuilt, zero hrs., new cond. 2-1 twin disc gear 513 trolling valves. $25,000.00 for both. PH (707) 964-0473.

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EXPERIENCED Bristol Bay Drift Permit Holder desires partner with good boat & nets for 1979 season. Write Box 2899, Fairbanks, Ak 99707.

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FOR SALE: 2¼ acres (salt) waterfront homesite (log cabin, outbuildings, etc.) Point Baker, Ak. $32,000.00 Cash. Write for details. P.O. Box 5073, Everett, Wa. 98206.

FOR SALE: Chrysler 330 H.P. Marine engine, lefthand rotation, new rings, valves ground, first-class shape. No transmission, water-cooled manifold siamese, $1500.00. 150 Fathom Bristol Bay Hump net: No. 43, 4⅜" mesh, new web and headline, T-3 floats, good corkline, $1400.00. 100 Fathom Bristol Bay King nets, 8¼" mesh, ... ply Uroka, used 10 days, no holes, $1400.00 M.C. Carlson, 4536 33rd Ave. W., Seattle, Wa. 98199.

Volvo Penta TMD-100 engine, 195 hp at 1800 continuous, with T.D. 509 gear, 3 to 1 plus troll valve. Four years old, excellent condition. $7500. Phone: (206) 876-2035.

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ADVOCATE FOR ALL
ALASKA FISHERMEN

The UFA has a fulltime lobbyist in the state capital, and seats on a number of these governmental bodies, represent commercial fishermen who fish in Alaska waters. In addition, the UFA follows political developments, like the court challenge to limited entry, and is actively involved in promoting development of bottomfishing.

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Vessel Name(s) _____

(check one) ☐permanent permit ☐interim use permit ☐neither

Area and Type of Fishery _____

Fisheries bills move in state legislature

by John Greely

Juneau—While a tax increase and city-bush fight over management dominated fisheries news this month, the Legislature moved quietly on other issues affecting the industry.

Seven of more than 30 separate bills related to fisheries to be introduced during the session were approved by the House in generally non-controversial fashion. Each of the seven bills was waiting for Senate action in mid-April.

The bills touched on these issues:

LIMITED ENTRY—Amid a general uproar over limited entry (see the March issue of the Alaska Fisherman), a major review of the six-year-old law was in the works. Pushed by House Majority Leader Nels Anderson, D-Dillingham, House Bills 141 and 142 would turn over $125,000 to a yet-to-be-named consultant to study the social and economic impact of the law. Possible changes that should be studied, Anderson says, include "the rapidly increasing costs of permits" and "administrative burdens."

For about a dozen fishermen who were denied permits because of those "administrative burdens," House Speaker Terry Gardiner pushed through his chamber last month a bill that would allow them to count points accululated in several fisheries in order to meet the minimum number needed for a permit in one fishery. John Garner, a member of the Commercial Fisheries Entry Commission, endorsed HB290 as a cure for a "pretty obvious deficiency in the law."

VESSEL LOANS—Another Gardiner bill, HB20, would allow salmon fishermen to use their limited entry permits as collateral for a vessel loan. The measure won approval of the House despite arguments that a pending lawsuit before the State Supreme Court could reduce or eliminate the value of the permits. Under current law, fishermen already can use their boats as collateral for buying permits and "by taking the reverse approach as well, it will be easier for Alaska residents to get into the fisheries," Gardiner says.

The same bill includes an amendment raising to 90 percent the state's limit on collateral requirements for permit loans. Under current law, a loan to buy a permit cannot exceed 75 percent of the value of the collateral.

HB20 also would remove an obstacle which some fishermen have faced when trying to refinance a state loan for buying a new vessel. The amendment would allow fishermen with outstanding state loans to borrow up to $500,000 in total from the fisheries revolving loan fund, and use up to 40 percent of the amount borrowed to refinance existing loans. Juneau Democrats Mike Miller and Jim Duncan joined Gardiner in sponsoring this bill.

REGIONAL HATCHERIES—While a legal challenge has been raised to the 2 percent assessments imposed by regional acqualture associations, Gardiner has proposed that the assessments be called "royalty assessments," instead. His legislation, HB359, is aimed at answering questions raised in court about the legality of such non-governmental agencies as non-profit hatchery groups "taxing" fishermen, voluntarily or otherwise.

At the same time, HB359 would set up a means for fishermen to end their voluntary contributions to the regional associations. Under the bill, if at least 10 per cent of an association's membership requested a vote, the commissioner of fish and game would be authorized to require a vote on the question of continuing the assessment. Before that election could be held, however, the state would have to determine that no financial obligations related to the assessments were outstanding.

In addition, HB359 would allow any fisherman now paying an assessment to request the commissioner of fish and game to reduce or terminate the payments, if they are found to be "unreasonable or no longer needed by the regional association to meet the purposes" of the law.

The bill also would restrict the Alaska Board of Fisheries' control over regional hatcheries to management of harvests of returning runs, leaving the commissioner of fish and game with sole authority over all other activities, such as egg takes and management of natural runs for brood stocks.

Gardiner maintains the "role of the Board of Fisheries as envisioned by the original legislation was to regulate the harvest of salmon returning to the waters of the state." The involvement of the board, he said, makes the process inefficient and cumbersome.

However, the present statute gives the board authority to "promulgate regulations necessary to implement" nearly all phases of regional aquaculture activities.

FOREIGN INVESTMENT—Prodded by the Alaska Fisherman's probe into foreign investment in Alaska fisheries (see October issue), the Legislature was moving toward approval of an updated investigation of the situation. The main question seemed to be who would handle the study.

A $43,000 appropriation requested by the Legislative Council would turn the study over to an independent investigator. The Hammond administration, meanwhile, was pushing for the study to be handled in-house.

Richard Eakins, director of the Division of Economic Enterprise, has told legislators that since early this year, the agency has been working with the U.S. Departments of Commerce and State to look into the extent of foreign ownership in domestic fisheries.

"When you get into the multi-national corporations, such as the Japanese are," Eakins said, "we (the state) don't have the horsepower to get through it... Plus, it really is a national question."

Jim Edenso, bottomfish coordinator for the governor, has set aside about $15,000 for state participation in the proposed joint study, which might include as partners the University of Alaska.

Edenso indicated one reason he and other administration officials were reluctant to see the Legislature handle the study was that it might "inhibit capital investment (in Alaska), which we don't want to do."

Nonetheless, the House passed in mid-March a resolution authorizing a separate study by the Legislature of all foreign fishing and processing interests in the state and its waters. As one legislator remarked at the time, "I don't care who does the study. Maybe we should have both studies done."

In 1975, the Legislature beefed up laws requiring the reporting of any major foreign ownership interests in Alaska, but the Department of Commerce has not enforced the law very vigorously.

news shorts

(Continued from page 19)

the hatchery, built by the Alaska Dept. of Fish and Game, will be entered in national competition.

A gravity-fed water supply system minimizes need for external water and the power supply was engineered to safeguard it from breakdowns and outages. The hatchery, which opened last fall, can handle 2 million eggs daily using movable incubators.

Reduction in high seas salmon harvest asked

In spite of protests from commercial fishermen that proposed reductions in the take of Pacific Ocean salmon will hurt business, Interior Secretary Cecil Andrus said even more cutbacks are needed.

Recently the Pacific Regional Fishery Management Council outlined restrictions on the Northwest fleet in its salmon harvest for this years season, set to begin in May. But, in a February letter to Commerce Secretary Juanita Kreps, Andrus says "significant reductions" are necessary to protect diminishing wild stocks and to provide "a more equitable allocation" of fish between the inside and outside fisheries and "a realistic fishery for treaty Indians."

It is now up to Kreps to approve the council's recommendations or to abide by Andrus' recommendation of tighter restrictions.

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Apart from the cast iron combined motor/valve all the cast parts are made in sea water resistant aluminum. Other parts are made of stainless steel which makes the Mini Power Block practically maintenance free.

The combined pump and oil tank is mounted on an adjustable frame. Prefitted pressure and return hoses (each 4 meters) are also included. The Mini Power Block can either be delivered with a ball shaped or flat rubberized sheave. The Mini Power Block is suitable for gill-netting, line hauling and pot hauling and is ready to operate when it is fitted and the pump is powered.

MINI POWER BLOCK SPECIFICATIONS:
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WORKING PRESSURE - 600 to 1800 lbs. per sq. in.

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Dept. AF

April 2, 1979

Ms. Shari Gross
Executive Secretary
United Fishermen of Alaska
197 S. Franklin
Juneau, Alaska 99801

Dear Ms. Gross:

Within the next 3-5 years, off- shore fishing for a variety of species in the bottomfish and mid- water trawl industry will become a reality. This has become particularly evident to those of us fishermen who were so fortunate as being selected by UFA to visit the Scandinavian countries during March 1979. These countries depend on bottomfishing and mid-water trawling for as much as 5% - 90% of their gross national product.

However, it is important that efforts made by "whomever" in the development of this new fishery have access to the best vessel design, machinery, fishing gear, fishermen, and processing people in that industry. For we must always keep in mind that our off- shore fishery is one of the only protein rich areas left in the world.

During the past two years several attempts have been made to establish a central office in Denmark. This concept has been discussed with several fishermen in the Aleutian, Shumagin, and Bering Sea areas. If this office could provide us with information and contacts pertaining to all aspects of the off- shore industry, we would support this effort very strongly.

Listed below are several areas we feel this office could assist us in:

1. developing strong local and state-wide fishermens' organizations
2. techniques for quality control starting with harvesting, delivery, processing and marketing
3. developing conservation/management techniques to ensure a consistent and abundant annual harvest in all species.
4. creating national boundary protection against foreign fishermen and local poaching
5. developing vessel design, including deck hardware and techniques in holding fish catches the longest and maintaining a quality catch, especially with mid-water species such as blue whiting, pollack and kaplin
6. gear manufacturing, testing, and availability
7. processing of both consumer and reduction food stuffs
8. marketing
9. availability of experts to assist in both long and short range employment efforts for fish harvesting, processing, quality control and marketing

Please feel free to utilize this information as substance in lobbying for a Denmark office. It is certainly a strategic location for the bottom and mid-water trawl industry, as well as other areas of interest involving various industries besides commercial fishing.

Sincerely,

David O. Osterback

David O. Osterback
Board Member, Peninsula Marketing Assoc.

DO/amk

Telegrams
on Raw Fish Tax
Issue - Passed 1979

(CSSB 132
HB 306)

North Pacific Fisheries Association, Inc.

HEADQUARTERS:
BOX 796 • HOMER ALASKA 99603

March 27, 1979

House of Representatives
House Resource Committee
Juneau, Alaska

Chairman & Committee Members:

The North Pacific Fisheries Association, a Homer based organization, is concerned over the Committee substitute for Senate Bill 132 and House Bill 306 which deals with a six percent tax on raw fish.

We request that this bill not be passed until an indepth study on the industries taxes is completed.

It is entirely possible that this kind of increase will break most small processors and increase the number of floating processors operating outside the three mile limit. Thus costing the State more revenue than gained.

Sincerely,

Roseleen Moore

Roseleen Moore, Secretary

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THE HONORABLE ALVIN OSTERBACK
ALASKA STATE HOUSE OF REPRESENTATIVES
POUCH V
STATE CAPITAL BUILDING
JUNEAU, ALASKA 99811

WE WISH TO EXPRESS OUR STRONG OPPOSITION TO H.R.39 AS IT RELATES TO ANY CHANGE IN VESTING OF ACCUMULATED APPROPRIATIONS FOR WATER PROJECTS OR H.R.39 TO "DEPRIVE OF THE VALUE OF ALL FEDERAL EXPENDITURES PROCESSED IN THE FISHERIES' BUDGETS DURING THE YEAR".

WE FEEL THE FISH PROCESSING INDUSTRY HAS PAID ITS FAIR SHARE OF TAXES TO THE STATE OVER THE YEARS AND SO SUCH INCREASES IS UNWARRANTED.

OUR COMPANIES HAVE AND ARE CONTINUING TO EXPEND VERY LARGE CAPITAL SUMS IN THE EXPANSION OF FACILITIES AND THE CONSTRUCTION OF NEW SEWAGE AND FLOATING PROCESSING PLANTS TO UTILIZE THE UTILIZATION OF TRADITIONAL SPECIES AND THE ABILITY TO WORK OUT OF UNDER-UTILIZED SPECIES. ANY FURTHER INCREASES IN TAXES ON FISHERIES' RESOURCES AT THIS TIME AS CONTEMPLATED IN H.R.39 CAN ONLY WORK TO THE DETRIMENT AND DELAY OF SUCH PROJECTS.

WE URGE YOUR CAREFUL CONSIDERATION AND OPPOSITION TO H.R.39. IF PASSED H.R.39 CAN ONLY RESULT IN A REDUCTION OF INVESTMENT IN SHORE FACILITIES AND THE DEVELOPMENT OF UNDERUTILIZED SPECIES OF THE STATES' TAXING JURISDICTION.

WE TRUST THAT HEARINGS WILL BE HELD WITH SUFFICIENT NOTIFICATION SO THAT PACIFIC SEAFOOD PROCESSORS ASSN. REPRESENTATIVES WILL HAVE AN OPPORTUNITY TO PARTICIPATE AND ADVISE THE MEMBERS OF THE ASSN.

WARD COVE PACKING CO., INC.
[illegible] SEAFOODS
COLUMBIA-[illegible]
EXCURSION INLET PACKING CO.
E.C.PHILLIPS AND SON

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#CJ

02565 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

PMS REP ALVIN OSTERBACK

JUNEAU AK 99811

PLEASE VOTE FOR STUDY OF THE TAX STRUCTURE IN HB36 AND

VOTE AGAINST THE RAW FISH TAX BILL.

ERWIN HOWELL, GILLNETTER

TELEGR
RCA ALASKA COMMUNIC
PHONE: 586-
JUNEAU, ALASKA

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE: [illegible]

JUNEAU, [illegible]

#CJ

02 342 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

PMS REP ALVIN OSTERBACK

JUNEAU AK 99811

WE VOTE AGAINST THE RAW FISH TAX. TAKE IT OFF ON THE PILOT BOATS

INSTEAD.

WILLIAM JENKINS, MV SOKOL

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02599 TDA PETERSBURG ALASKA 29 03-22 1050A AST

PMS REP ALVIN OSTERBACK

JUNEAU

AS A CREWMEMBER I CANT SEE STUDYING THE EFFECT OF A RAW FISH TAX ON MY MARGINAG INCOME. PLEASE DONT PASS THE RAW FISH TAX.

KENNETH BAIRD, CREWMEMBER M/V LOUIS G BOX 343 PETERSBURG 99833

1979 MAR 22 PM

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

XCJ
62412 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

PMS REP ALVIN OSTERBACK

JUNEAU AK 99811

I DONT SEE HOW THE LEGISLATORS CAN PENALIZE FISHERMAN WHO ARE

PRIMARY PRODUCERS WITH A RAW FISH TAX. PLEASE VOTE FOR HB36 INSTEAD

NIEL LYONS, MV NEW FREEDOM

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02834 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

PMS REP ALVIN OSTERBACK

JUNEAU AK 99811

I AM AGAINST THE 6 PER CENT TAX ON MY GROSS INCOME.

MY SEINE BOAT CREW AND I WILL SUFFER AND THE IMPACT TO OUR

TOWN WILL BE CONSIDERABLE. PLEASE VOTE FOR HB36.

JIM GREEN MV SEANNA

02699 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

PMS REP ALVIN OSTERBACK

JUNEAU AK 99811

WHILE I SUPPORT HB36 CALLING FOR STUDY OF THE TAXING STRUCTURE

I AM DEAD AGAINST THE RAW FISH TAX BILL THIS YEAR.

SCOTT HURSEY, FISHERMAN

TELEGRAM

RCA ALASKA COMMUNICATIONS

PHONE: 586-5442

JUNEAU, ALASKA 99802

02789 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

PMS REP ALVIN OSTERBACK

JUNEAU AK 99811

CONSIDER THE RAW FISH TAX INAPPROPRIATE BECAUSE INFLATION OF FISH PRICES RESULTS IN LRGER RETURN TO THE STATE THN IN 1970. PLEASE STUDY HB36 AND VOTE AGINST THE RAW FISH BILL

BILL MENISCH MV SUNDOWNER

TELEGRAM
RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU ALASKA 99802

#CJ

02277 POM TDA PETERSBURG ALASKA 15 03-28 900A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD PLEASE VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ARNOLD ENGE PO BOX 1147 PETERSBURG ALASKA

1979 MAR 28 PM 2 38

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

1979 MAR 28 PM 2 19

02229 POM TDA PETERSBURG ALASKA 15 03-28 900A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD PLEASE VOTE FOR HB36 INSTEAD OF

A RAW FISH TAX.

NELS OTNESS PO BOX 1147 PETERSBURG ALASKA

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02089 POM TDA PETERSBURG ALASKA 15 03-28 900A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

DARRELL OLSON BOX 1147 PETERSBURG AK

1979 MAR 28 PM 12 29

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU ALASKA 99802

#CJ

02044 POM TDA PETERSBURG ALASKA 15 03-28 900A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK
TO SAVE OUR LIVELIHOOD VOTE FOR HB36 INSTEAD OF A RAW

FISH TAX.

HAROLD MEDALEN BOX 1147 PETERSBURG ALASKA

1979 MAR 28 PM 12 06

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02136 POM TDA PETERSBURG ALASKA 15 03-28 900A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD PLEASE VOTE FOR HB36 INSTEAD OF

A RAW FISH TAX.

JOE ZOVODNIK BOX 1147 PETERSBURG ALASKA

1979 MAR 28 PM 1 03

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

ACJ

02182 POM TDA PETERSBURG ALASKA 15 03-28 900A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD PLEASE VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

CARL CROME BOX 1147 PETERSBURG ALASKA

1979 MAR 28 PM 1 30

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02052 TDA PETERSBURG ALASKA 56 03-22 830A AST

PMS REP ALVIN OSTERBACK

JUNEAU

SUGGEST HB36 BE SUBSTITUTED FOR RAW FISH TAX BILL. UNTIL IMPACT OF TAX ON SMALL SCALE HAMMOND FISHERMAN IS KNOWN, IT IS UNJUST TO SADDLE THEM WITH DEVELOPMENT OF GIANT LAND BASED BOTTOM FISH INDUSTRY. 9 PERCENT OF OUR GROSS INCOME IS TOO MUCH. EMPHASIZE SALMON FISHERMEN WILL BEAR A DISPROPORTIONATE SHARE OF THE TAX.

ALAN STEIN PETERSBURG FISHERMANS MARKETING ASSOCIATION

1979 MAR 22 PM 12 15

79 MAR 22 PM 8 35

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02645 TDA PETERSBURG ALASKA 43 03-22 1055A AST

PMS REP ALVIN OSTERBACK

JUNEAU

THE . QUACULTURE THREE PERCENT TAX WAS PASSED WITHOUT MY VOTE.

I WANT TO AVOID THAT NOW BY URGING YOU TO VOTE AGAINST THE RAW

FISH TAX. THAT TAX WIGL REDUCE MY GROSS INCOME BY NINE PERCENT.

THATS OUT OF LINE WITH CARTERS POLICIES.

DAVE ROGERS

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-0442
JUNEAU, ALASKA 99802

#CJ

02092 TDA PETERSBURG ALASKA 46 03-22 1130A AST

PMS REP ALVIN OSTERBACK

JUNEAU

AS SKIPPER OF A LARGE SALMON TENDER I CANNOT SEE INCREASING TAXES ON SALMON UNTIL YOU KNOW THE AMOUNT OF TAXES WE ALREADY PAY. WITH THE THREE PERCENT AQUACULTURE TAX MOST OF THE FISHERMEN WILL BE PAYING NINE PERCENT OF THEIR GROSS INCOME.

SINCERELY YOURS

DAN VICK SKIPPER HOWKAN

1979 MAR 22 PM 10 48

TELEGRAM

ACA ALASKA COMMUNICATIONS, INC.
PHONE: [illegible]
JUNEAU, ALASKA 99802

02506 TDA PETERSBURG ALASKA 23 03-22 1045A

PMS REP ALVIN OSTERBACK

JUNEAU

YOU CAN GO AHEAD AND STUDY TAXES ON THE FISHING INDUSTRY BU[illegible]

PLEASE COUNT ME OUT OF A SUBSIDY ON THE BOTTOMFISH INDUSTRY.

ROY SMITH M/V LAST UNICORN

1979 MAR 22 PM 9 23

#CJ

02610 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

TELEGRAM

PMS REP ALVIN OSTERBACK

JUNEAU AK 99811

PLEASE VOTE AGAINST THE RAW FISH TAX. IT IS HIGHLY UNJUST

TO TAKE THIS AMOUNT OUT OF OUR GROSS INCOME WITHOUT STUDYING

THE EFFECTS.

LUDWIG MARTINSON, FISHERMAN, PETERSBURG

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 22 PM 05

#CJ

02325 TDA PETERSBURG ALASKA 26 03-22 1025A AST

PMS REP ALVIN OSTERBACK

JUNEAU

THE RAW FISH TAX BILL SHOULD NOT GO THIS YEAR. STUDY OF TAXES ON FISHERMEN AND OTHERS SHOULD PRECEDE. I AM FOR HR36.

JEFF PFUNT SEINE BOAT KIMBER

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02002 TDA PETERSBURG ALASKA 27 03-22 1135A AST

PMS REP ALVIN OSTERBACK

JUNEAU

AS A SALMON SEINER CREW MEMBER I CANNOT AFFORD A SIX PERCENT TAX ON MY GROSS INCOME. PLEAE VOTE FOR HB36 INSTEAD.

BOB SACARD BOX 247 PETERSBURG AK 99833

1979 MAR 22 PM 10 18

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02690 TDA PETERSBURG ALASKA 35 03-22 1100A AST

PMS REP ALVIN OSTERBACK

JUNEAU

ITS HARD ENOUGH WORKING ON A SALMON SEINER ALL SUMMER FOR A SMNALL SHARE OF THE CATCH. NOW SENATOR TILLION WANTS TO TAKE THAT AWAY FROM US. PLEASE VOTE AGAINST THE RAW FISH TAX BILL

BOB CASHEN, CREWMEMBER

1979 MAR 22 PM 8 33

TELEGRAM

RCA ALASKA COMMUNICATIONS
PHONE: 586-6440
JUNEAU, ALASKA 99802

#CJ

02456 NL TDA PETERSBURG ALASKA 56 03-22 936P AST

PMS REP ALVIN OSTERBACK

JUNEAU AK 99811

WE ARE TOTALLY OPPOSED TO THE RAW FISH TAX BILL.

PLEASE DO WHATEVER YOU CAN.

PETE TYNES, GILLNETTER

TELEGRAM

ACA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 22 PM 11 24

66J

02128 TDA PETERSBURG ALASKA 25 03-22 1150A AST

PMS REP ALVIN OSTERBACK

JUNEAU

PLEASE CONSIDER THE PLIGHT OF CREW MEMBERS THAT WILL BE AFFECTED BY THE RAW FISH TAX. YOU REALLY SHOULD STUDY THE SITUATION FIRST. SUGGEST HB36.

BILL MILLER

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-5442
JUNEAU, ALASKA 99802

02426 IDA PETERSBURG ALASKA 21 03-22 1025A AST

PMS REP ALVIN OSTERBACK

JUN

I CAN SUPPORT STUDYING THE TAX SITUATION ON BUSINESSES IN HR36 BUT THE RAW FISH TAX AT THIS TIME IS UNACCEPTABLE.

MIKE SCHWARTZ M/V DAWNBREAKER

1979 MAR 22 PM 7 53

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02378 TDA PETERSBURG ALASKA 32 03-22 1030A AST

PMS REP ALVIN OSTERBACK

JUNEAU

AM ALL FOR HR36 AS A SUBSTITUTE FOR THE RAW FISH TAX BILL.
I CANNOT STAND TO LOSE SIX PERCENT OF MY GROSS INCOME ON TOP
OF A THREE PERCENT AQUACULTURE TAX.

HOWARD VERSTEEG GILLNETTER RESOURCE

MAR 22 6 PM

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02654 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

PMS REP ALVIN OSTERBACK

JUNEAU AK 99811

AS A HAND TROLLER THE BOARD OF FISHERIES TOLD ME I COULD ONLY WORK EIGHT DAYS ON AND TEN DAYS OFF. NOW CLEM TILLION IS TRYING TO TAKE THAT AWAY. PLEASE VOTE AGAINST THE RAW FISH TAX.

TOM JACOBSON, MV CUTTER POINT BAKER

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

1979 MAR 22 PM 5 38

02285 TDA PETERSBURG ALASKA 57 03-22 1020A AST

PMS REP ALVIN OSTERBACK

JUNEAU

IF THE RAW FISH TAX BILL PASSES, OUR COMMUNITY WILL SUFFER JOB LOSS. WITH 99 PERCENT OF MY GROSS INCOME ELIMINATED MY BOAT WILL SPEND LESS ON REPAIR AND MAINTENANCE. MY CREW WILL GET LESS AND HALIBUT BOATS WILL GO SOUTH. IM ALL FOR HR36, A STUDY OF TAXES ON ALL BUSINESSES IS WELCOME.

FRED HALTNER SEINE BOAT SIREN

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 22 PM 9 44

02871 TDA PETERSBURG ALASKA 43 03-22 1115A AST

PMS REP ALVIN OSTERBACK

JUNEAU

GO AHEAD AND STUDY THE TAX SITUATION ON FISHERMEN BUT PLEASE

VOTE AGAINST THE RAW FISH TAX BILL THIS YEAR.

PHIL THATCHER

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#

02047 TDA PETERSBURG ALASKA 21 03-22 1125A AST

PMS REP ALVIN OSTERBACK

JUNEAU

WHILE I CAN SUPPORT HR36 AM IN TOTAL OPPOSITION TO A RAW FISH TAX THIS YEAR. WOULD APPRECIATE YOUR SUPPORT

ERIC ROSVOLD, WINTER SKIPPER KIMBER

1979 MAR 22 PM 11 02

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

8 35

#CJ

02780 TDA PETERSBURG ALASKA 37 03-22 1110A AST

PMS REP ALVIN OSTERBACK

JUNEAU

I HAVE TO MOONLIGHT AS A CARPENTER IN THE OFF SEASON BECAUSE MY INCOME FROM FISHING IS SO MARGINAL. SOMEBODY OUGHT TO STUDY THE TAX SITUATION ON SALMON FISHERMEN. PLEASE DONT PASS THE RAW FISH TAX BILL.

RICHARD GREENWAY M/V VULCAN

1979 MAR 22 PM

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-5442
JUNEAU, ALASKA 99802

PM 9 34

#CJ

02916 TDA PETERSBURG ALASKA 43 03-22 1115A AST

PMS REP ALVIN OSTERBACK

JUNEAU

CANT KNOW HOW TO BE A DOCTOR UNTIL YOU GO TO MEDICAL SCHOOL. THE LEGISLATURE CANT PASS A BILL THAT WILL AFFECT FISHERMEN UNTIL THEY HIRE SOMEONE TO STUDY THE PROBLEM. PLEASE VOTE AGAINST THE RAW FISH TAX BILL.

TOM STEWART BOX 1305 PETERSBURG AK 99833

CSSB[illegible]

HB306

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 10 PM 2 07

02004 TDA SANDPOINT ALASKA 59 03-10 859A AST

PMS ALVIN OSTERBACK AND BOB MULCHAY

POUCH Y

JUNEAU AK

REFERENCE FISHERIES BILL INTRODUCED TO THE HOUSE REPEALING THE RAW FISH TAX AND SUBSTITUTING A NEW TAX OF SIX PERCENT. WE FEEL THAT THIS IS AN INFLATIONARY MOVE, AND WOULD HURT THE FISHING INDUSTRY AS A WHOLE. THIS INCREASE WOULD BE DETRIMENTAL TO BOTH PROCESSOR AND FISHERMEN. WE ARE OPPOSED TO THIS TAX INCREASE

JACK GRONHOLDT, PENINSULA MARKETING ASSOCIATION

RON HOLOWASKO, PACIFIC PEARL SEAFOODS

CSSB132

HB306

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6412
JUNEAU, ALASKA 99802

02013 POM TDA KODIAK ALASKA 15 03-10 1149A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

PLEASE OPPOSE SB132 HB306 HB193 AND FUEL TAX HIKE BILL.

THESE WILL HURT ALASKA FISHING.

HAROLD JONES

BOX 183

KODIAK ALASKA 99615

RECEIVED
MAR 10 PM 2 16

CSSB 187
HB306

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 14 PM 1 02

02059 POM TDA SELDOVIA ALASKA 15 03-14 925A AST

PMS REP ALVIN OSTERBACK

JUN

LET IT BE KNOWN THAT SELDOVIA CHAMBER OF COMMERCE UNANIMOUSLY

OPPOSES 6 PERCENT RAW FISH TAX-HB306

SELDOVIA CHAMBERS

DRAWER F SELDOVIA AK 99663

#CJ

02744 NL TDA PETERSBURG ALASKA 58 03-22 930P AST

PMS REP ALVIN OSTERBACK

JUNEAU AK 99811

INFLATION IS CAUSING LARGE INCREASES IN GEAR, FUEL, ENGINE PARTS AND BUREAUCRAT SALARIES. I DO NOT WANT THE RAW FISH TAX, TAKEN OUT OF MY GROSS INCOME.

PHIL ODEGAARD, MV CHEYENNE

TELEGRAM

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-5442
JUNEAU, ALASKA 99802

02311 NL ANCHORAGE ALASKA 50 03-22 300P AST

PMS REP ALVIN OSTERBACK

JUNEAU AK 99811

THE PROPOSED TAX LEVY ON FISH SOLD TO FISH PROCESSORS IN ALASKA MIGHT IT SEEMS TO ME DRIVE MANY OF THEM OFF-SHORE THUS RESULTING IN AN UNFAIR TAX ON THOSE REMAINING WHO HAVE INVESTED HEAVILY IN ON-SHORE FACILITIES. THEREFORE I URGE YOU TO VOTE NO ON THIS TAX BILL

CONNEL MURRAY

3925 REKA DRIVE

ANCHORAGE AK 99504

#CJ

02516 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

PMS REP ALVIN OSTERBACK

JUNEAU AK 99811

WITH INFLATION AT 10 PERCENT THE RAW FISH TAX BILL IS A KISS OF DEATH TO ME. PLEASE STUDY THE SITUTATION FIRST.

CARL TYNES, GILLNETTER

TELEGRA
PCA ALASKA COMMUNICA
PHONE: 586-6402
JUNEAU, ALASKA 99

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02125 TDA PETERSBURG ALASKA 44 03-22 900A AST

PMS REP ALVIN OSTERMACK

JUNEAU AK

PLEASE VOTE FOR HB36 WE FEEL A STUDY OF TAXES ON FISHERMAN NECESSARY BEFORE DISCUSSING THE RAW FISH TAX. WE ARE NOT FOR THE RAW FISH TAX AT THIS TIME. OUR LIVELIHOODS ARE NOW MARGINAL AND CANNOT BEAR 9 PERCENT OF OUR GROSS INCOME.

JOHN MARTIN MV FIN PRESIDENT PETERSBURG GILLNET ASSOC

1979 MAR 22 PM 3 00

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02554 TDA PETERSBURG ALASKA 20 03-22 1050A AST

PMS REP ALVIN OSTERBACK

JUNEAU

MY SKIPPER WILL TAKE OUR HALIBUT TO PRINCE RUPERT IF THE RAW FISH TAX PASSES. PLEASE RECONSIDER THE SENATES ACTION.

PETER MILLER, CREWMEMBER

1979 MAR 22 PM 7 08

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 22 PM 10 01

02957 TDA PETERSBURG ALASKA 38 03-22 1140A AST

PMS REP ALVIN OSTERBACK

JUN

LIVING IN A BUSH COMMUNITY TOTALLY RELIANT ON FISHING FOR AN INCOME I FIND THE SIX PERCENT TAX ON MY GROSS INCOME WILL DO ME IN. PLEASE DONT LET THIS GO THROUGH.

JIM CARSON BOX 705 PORT ALEXANDER AK 99834

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02461 TDA PETERSBURG ALASKA 23 03-22 1040A AST

PMS REP ALVIN OSTERBACK

JUNEAU

I AM TOTALLY OPPOSED TO THE RAW FISH TAX BECAUSE MY OPERATION WILL BE PUT OUT OF BUSINESS AS A RESULT. WILL SUPPORT HB36.

VICTOR SMITH M/V SWEET PEA

1979 MAR 22 PM 8 36

TELEGRAM

ICA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#GJ

02195 TDA PETERSBURG ALASKA 32 03-22 1155A AST

PMS REP ALVIN OSTERBACK

JUNEAU

AS A LIFE-LONG PETERSBURG RESIDENT I SUGGEST YOU STUDY THE FISHERMENS TAX SITUATION BEFORE RUSHING HEADLONG INTO A RAW FISH TAX BILL. I HAVE TO WORK WINTERS TO MAKE ENDS MEET.

GERALD LIND

19 MAR 22 PM 11 40

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
RCA ALASKA COMMUNICATIONS, INC.
PHONE 26-6442
JUNEAU, ALASKA 99802

SB132

02277 NL TDA UNALASKA ALASKA 88 03-21 240P AST

PMS REP ALVIN OSTERBACK

JUN

SB132...ABSOLUTELY MUST BE DEFEATED IN THE HOUSE AND YOU PEOPLE IN THE HOUSE RESOURCES COMMITTEE ARE IN THE DRIVERS SEAT. CITY COUNCIL RESOLUTION NBR 79-09 UNANIMOUSLY SUPPORTS THIS POSITION ADAMANTLY. COPY OF RESOLUTION BEING FORWARDED. SENATOR ZIEGLER HAS SHOWN UNCONSTITUTIONALITY OF DEDICATION OF TAX REVENUES. THIS COUPLED WITH THE CERTAIN EXODUS OF FLOATING PROCESSORS TO WITHOUT THE 3 MILE LIMIT WILL BE DEVASTATING TO FISHING COMMUNITIES ECONOMY. YOUR SUPPORT AND ASSISTANCE IN THE DEFEAT OF THIS RIDICULOUS PIECE OF LEGISLATION WILL BE GREATLY APPRECIATED.

JESS BURTON CITY MANAGER

CITY OF UNALASKA

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-9412
JUNEAU, ALASKA 99802

1979 MAR 22 PM 8 43

02465 TDA PETERSBURG ALASKA 23 03-22 1040A AST

PMS REP DICK RANDOLPH

JUNEAU

I AM TOTALLY OPPOSED TO THE RAW FISH TAX BECAUSE MY OPERATION WILL BE PUT OUT OF BUSINESS AS A RESULT. WILL SUPPORT HB36.

VICTOR SMITH M/V SWEET [illegible]

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 12 20

02144 PCM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ROBERT BETTISWORTH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

CLYDE CURRY

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 12 20

02144 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

F 'S REP ROBERT BETTISWORTH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

CLYDE CURRY

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 1 58

#CJ

02528 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ROBERT BETTISWORTH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

STAN EILENBERGER

BOX 11[illegible]7

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 1 57

02348 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ROBERT BETTISWORTH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

RICHARD CARR

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99801

#CJ

02348 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP ROBERT BETTISWORTH

JUN AK

I WORK LONG HOURS FOR 10 PERCENT OF THE SEINE CATCH. TAKING 6 PERCENT OF THE GROSS WILL MAKE IT DIFFICULT FOR THE SKIPPER TO FIND A CREW.

JOE MENISH

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 3 13

#CJ

02618 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ROBERT BETTISWORTH

JUNEAU AK

TO SAVE OUR LIVELIHOOD. VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

SONNY CARR

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

#CJ PHONE: [illegible]-344-

[illegible] A.K. 02

02708 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ROBERT BETTISWORTH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

RAY EVANS

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, Inc.
PHONE: 586-4442
JUNEAU, ALASKA 99802

02438 POM TDA PETERSBURG ^LASKA 15 03-26 800A AST

PMS REP ROBERT BETTISWORTH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ROBERT KINNEEN

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 3 44

#CJ

02663 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ROBERT BETTISWORTH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ROCKY CARR

BOX 1147

PETERSBURG AK

TELEGRAM

ICY STRAIT COMMUNICATIONS, INC.
PHONE: 907 6442
[illegible], ALASKA 99802

#CJ

02753 POM TDA PETERSBURG AK 15 03-26 800A AST

PMS REP ROBERT BETOISWORTH

JUN AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

RORY GREENWAY

BOX 1147

PETERSBURG AK

TELEGRAM

ALASKA COMMUNICATIONS, INC.

PHONE 1-800-0442

JUNEAU ALASKA 99802

02483 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ROBERT BETTISWORTH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ANDREW GJERDE

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ
02831 POM TDA PETERSBURG ALASKA 15 03-23 1000A AST
PMS REP ROBERT BETTISWORTH
JUN AK
AS A SHRIMPER I SEE NO BENEFITS FROM THE RAW FISH TAX. PLEASE
VOTE AGAINST.
RICHARD HARRIS
M/V CHARLES GEN DLR. PETERSBURG AK

TELEGRAM

#CJ
02205 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP ROBERT BETTISWORTH
JUN AK
WITHOUT ADEQUATE STUDY RAW FISH TAX BILL TRAVESTY LEGISLATION.
BETTER REDUCE SPENDING BY TEN PER CENT.
CHRIS SHARPSTEIN

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
JUNEAU, ALASKA 99802

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ
02253 NL ANCHORAGE ALASKA 50 03-23 1000A AST
PMS REP ROBERT BETTISWORTH
JUN AK
I COOK FOR GUYS WHO WORK UP TO 36 HOURS WITHOUT SLEEP. IF THE
BUREAUCRATS WORKS THAT HARD, WE WOULDNT NEED A RAW FISH TAX.
KIM SHARICK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 2 26

#

02393 POM TDA PETERSBURG ALASKA 15 03-26 8004 AST

PMS REP ROBERT BETTISWORTH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

LEITH LOFETH

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

PCJ

[illegible]2869 POM TDA PETERSBURG AK 15 [illegible]-28 600A AST

PMS REP ROBERT BETTISWORTH

JUN AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB[illegible] INSTEAD OF A RAW FISH TAX.

JILL BALDWIN

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 2 28

#CJ

02573 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ROBERT BETTISWORTH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

JOHN DE BOER

BOX 1147

PETERSBURG AK

#CJ

022:8 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP ROBERT BETTISWORTH

JUN AK

CANNOT SEE RAW FISH TAX BENEFITING SALMON CREW MEMBERS. BOTTOM FISH INDUSTRY SHOULD RECEIVE FEDERAL SUPPORT FOR LARGE SCALE PORT DEVELOPMENT.

DENNIS ROGERS

TELEGRAM
1984 MAR 23 PM 5
RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6411
JUNEAU, ALASKA 99802

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02726 POM TDA PETERSBURG AK 15 03-23 1000A AST

PMS REP ROBERT BETTISWORTH

JUN AK

DONT VOTE FOR THE RAW FISH TAX UNTIL YOU STUDY SITUATION

CASPER WESTRE M/V FAITFUL

GEN DLY PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 23 PM 2 24

#

02073 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP ROBERT BETTISWORTH

JUN

AS A CREW MEMBER OF A SEINE BOAT THIS RAW FISH TAX WILL MAKE THE DIFFERENCE BETWEEN FEAST AND FAMINE.

ELLEN POLOWSKI

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-5412
JUNEAU, ALASKA 99802

1979 MAR 23 PM 2 40

02109 POM TDA PETERSBURG AK 15 03-23 1000A AST

PMS REP ROBERT BETTISWORTH

JUN

STUDY TAXES ON TROLLERS BEFORE PASSING RAW FISH TAX.

RICHARD HANSON

M/V RENEGADE

GENERAL DELIVERY

PETERSBURG AK

TELEGRAM

RCA [illegible]

#CJ

0244 POM TDA PETERSBURG AK 15 03-26 600A AST

PMS REP ROBERT BETTISWORTH

JUN AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

BILL MENISH

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

#CJ

02540 POM TDA PETERSBURG AK 15 03-23 1000A AST

PMS REP ROBERT BETTISWORTH

JUN AK

CAN SEE NO REASON TO PASS RAW FISH TAX BEFORE STUDYING OUR TAX LOAD.

ABBIE HOFSTAD/MV TONKA II

GEN DLY PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE: 586-6442

JUNEAU, ALASKA 99802

1979 MAR 26 AM 11 14

02054 PDM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ROBERT BETTISWORTH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ED FUGLVOG

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6443
JUNEAU, ALASKA 99802

1979 MAR 26 AM 10 44

#

02009 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ROBERT BETTISWORTH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

PALMER ODEGARRD

BOX 1147

PETERSBURG AK

TELEGRAM

ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

#CJ

02876 POM TDA PETERSBURG ALASKA 15 [illegible] ALS P0000A AS

PMS REP ROBERT BETTISWORTH

JUN AK

I AM OPPOSED TO RAW FISH TAX ON MY GROSS SEASON. PLEASE STOP THIS BILL.

AL CRAYNE M/V MY ANN

GEN DLR, PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02585 POM TDA PETERSBURG AK 15 03-23 1000A AST

PMS REP ROBERT BETTISWORTH

JUN AK

WILL BE HARD HIT BY RAW FISH TAX PLUS 3 PERCENT AQUACULTURE TAX

JEFF MCFADYEN MV ESTELLE

GEN DLY PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

"CJ

"2934 PCM TDA PETERSBURG AK 15 "3-2e b""A AST

PMS REP ROBERT BETTISWORTH

JUN AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB[illegible] INSTEAD OF A RAW FISH TAX.

JOHN SVENSSON

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 AM 11 45

02099 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ROBERT BETTISWORTH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

APIL MATHISEN

BOX 1147

PETERSBURG AK

#CJ

02489 NL TDA PETERSBURG AK 50 03-23 [illegible] AST

PMS REP ROBERT BETTISWORTH

JUN AK

THE RAW FISH TAX WILL STIFFGE GROWTH OF THE FISHING INDUSTRY.

I AM A CREWMEMBER, I KNOW.

GEORGE DODDINGTON

TELEGRAM
RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

TELEGRAM

FCA ALASKA COMMUNICATIONS, INC.

#CJ

02799 POM TDA PETERSBURG AK 15 03-26 800A AST

PMS REP ROBERT BETTISWORTH

JUN AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

RICHARD GREENWAY

BOX 1147

PETERSBURG AK

WCJ

02729 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

PMS REP RICK HALFORD

JUNEAU AK 99811

INFLATION IS CAUSING LARGE INCREASES IN GEAR, FUEL, ENGINE PARTS AND BUREAUCRAT SALARIES. I DO NOT WANT THE RAW FISH TAX, TAKEN OUT OF MY GROSS INCOME.

PHIL ODEGAARD, MV CHEYENNE

TELEGRAM

RCA ALASKA COMMUNICATIONS, I
PHONE: 586-6442
JUNEAU, ALASKA 99802

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02766 POM TDA PETERSBURG AK 15 03-26 800A AST

PMS REP RICK HALFORD

JUN AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

RORY GREENWAY

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: [illegible]-6442
JUNEAU, ALASKA [illegible]502

1979 MAR 26 PM 1 00

#CJ

02202 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP RICK HALFORD

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

MAGNUS MARTIN

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6443
JUNEAU, ALASKA 99802

#

02496 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP RICK HALFORD

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ANDREW GJERDE

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6142
JUNEAU, ALASKA 99802

1979 MAR 26 PM 1 34

#

02316 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP RICK HALFORD

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ERIC ROSVOLD

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#

02739 POM TDA PETERSBURG AK 15 03-23 1000A AST

PMS REP RICK HALFORD

JUN AK

DONT VOTE FOR THE RAW FISH TAX UNTIL YOU STUDY SITUATION

CASPER WESTRE M/V FAITFUL

GEN DLY PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 AM 10 53

02022 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP RICK HALFORD

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

PALMER ODEGARRD

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 AM 11 20

#

02067 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP RICK HALFORD

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ED FUGLVOG

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02553 POM TDA PETERSBURG AK 19 03-23 1000A AST

PMS REP RICK HALFORD

JUN AK

CAN SEE NO REASON TO PASS RAW FISH TAX BEFORE STUDYING OUR TAX LOAD.

ABBIE HOFSTAD/MV TONKA II

GEN DLY PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02457 NL TDA PETERSBURG AK 50 03-23 1700A AST

PMS REP RICK HALFORD

JUN AK

IF CREW MEMBERS HAVE TO PAY A RAW FISH TAX, BUREAUCRATS OUT TO PAY A CUSHION TAX.

DON HUSE

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02502 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP RICK HALFORD

JUN AK

THE RAW FISH TAX WILL STIFFLE GROWTH OF THE FISHING INDUSTRY.

I AM A CREWMEMBER, I KNOW.

GEORGE DODDINGTON

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02598 POM TDA PETERSBURG AK 15 03-23 1000A AST

PMS REP RICK HALFORD

JUN AK

WILL BE HARD HIT BY RAW FISH TAX PLUS 3 PERCENT AQUACULTURE TAX

JEFF MCFADYEN MV ESTELLE

GEN DLY PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ
02844 POM TDH PETERSBURG ALASKA 45 03-23 1000A AST
PMS REP RICK HALFORD
JUN AK
AS A SHRIMPER I SEE NO BENEFITS FROM THE RAW FISH TAX. PLEASE
VOTE AGAINST.
RICHARD HARRIS
M/V CHARLES GEN DLR. PETERSBURG AK

#CJ

TELEGRAM

ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

02889 POM TDA PETERSBURG ALASKA 1 [illegible]

PMS REP RICK HALFORD

JUN AK

I AM OPPOSED TO RAW FISH TAX ON MY GROSS SEASON. PLEASE STOP

THIS BILL.

AL CRAYNE M/V MY ANN

GEN DLR, PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-5442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 2 38

#CJ

02586 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP RICK HALFORD

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

JOHN DE BOER

BOX 11-7

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 2 12

#

02361 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP RICK HALFORD

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

RICHARD CARR

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 2 10

#CJ

02541 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP RICK HALFORD

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

STAN EILENBERGER

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02311 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP RICK HALFORD

JUN AK

CANNOT SEE RAW FISH TAX BENEFITING SALMON CREW MEMBERS. BOTTOM FISH INDUSTRY SHOULD RECEIVE FEDERAL SUPPORT FOR LARGE SCALE PORT DEVELOPMENT.

DENNIS ROGERS

#CJ

02266 NL ANCHORAGE ALASKA 50 03-23 1000A AST

PMS REP RICK HALFORD

JUN AK

I COOK FOR GUYS WHO WORK UP TO 36 HOURS WITHOUT SLEEP. IF THE BUREAUCRATS WORKS THAT HARD, WE WOULDNT NEED A RAW FISH TAX.

KIM SHARICK

1980 MAR 23 PM 5 45

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

[illegible] 586-6442

JUNEAU, ALASKA 99802

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 9802

02005 POM ANCHORAGE ALASKA 15 03-25 1130A AST

PMS REP RICK HALFORD

JUNEAU AK

WE UNANIMOUSLY SUPPORT IMMEDIATE PASSAGE OF FC SUBSTITUTE SB152

IN ITS ENTIRETY

MEMBERS OF VFW POST NBR 9978

101 OKLAHOMA

ANCHORAGE AK 99504

TELEGRAM

[illegible] COMMUNICATIONS, INC.

[illegible]

[illegible] 99802

#CJ

02676 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP RICK HALFORD

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ROCKY CARR

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#

02451 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP RICK HALFORD

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ROBERT KINNEEN

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 9980?

#CJ

02721 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP RICK HALFORD

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

RAY EVANS

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 23 PM 2 48

02120 POM TDA PETERSBURG AK 15 03-23 10[illegible]A AST

PMS REP RICK HALFORD

JUN

STUDY TAXES ON TROLLERS BEFORE PASSING RAW FISH TAX.

RICHARD HANSON

M/V RENEGADE

GENERAL DELIVERY

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02361 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP RICK HALFORD

JUN AK

I WORK LONG HOURS FOR 10 PERCENT OF THE SEINE CATCH. TAKING 6 PERCENT OF THE GROSS WILL MAKE IT DIFFICULT FOR THE SKIPPER TO FIND A CREW.

JOE MENISH

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 3 14

#CJ

02631 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP RICK HALFORD

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

SONNY CARR

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

#CJ
62218 NL TDA PETERSBURG AK 50 03-23 1000A AST
PMS REP RICK HALFORD
JUN AK
WITHOUT ADEQUATE STUDY RAW FISH TAX BILL TRAVESTY LEGISLATION.
BETTER REDUCE SPENDING BY TEN PER CENT.
CHRIS SHARPSTEIN

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

02157 POM TDA PETERSBURG ALASKA 15 03-26 800A AS 1979 MAR 26 PM 12 31

PMS REP RICK HALFORD

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

CLYDE CURRY

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC
PHONE 586-6442
JUNEAU, ALASKA 99802

#

02127 POM TDA PETERSBURG ALASKA 15 03-26 800A AST 1979 MAR 26 PM 12 09

PMS REP RICK HALFORD

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ARIL MATHISEN

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 23 PM 1 55

02041 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP RICK HALFORD

JUN

AS A CREW MEMBER OF A SEINE BOAT THIS RAW FISH TAX WILL MAKE THE DIFFERENCE BETWEEN FEAST AND FAMINE.

ELLEN POLOWSKI

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#

1979 MAR 26 PM 2 33

02406 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP RICK HALFORD

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

LEITH LOFETH

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#

02056 TDA PETERSBURG ALASKA 56 03-22 830A AST

PMS REP DICK RANDOLPH

JUNEAU

SUGGEST HB36 BE SUBSTITUTED FOR RAW FISH TAX BILL. UNTIL IMPACT OF TAX ON SMALL SCALE HAMMOND FISHERMAN IS KNOWN, IT IS UNJUST TO SADDLE THEM WITH DEVELOPMENT OF GIANT LAND BASED BOTTOM FISH INDUSTRY. 9 PERCENT OF OUR GROSS INCOME IS TOO MUCH. EMPHASIZE SALMON FISHERMEN WILL BEAR A DISPROPORTIONATE SHARE OF THE TAX.

ALAN STEIN PETERSBURG FISHERMANS MARKETING ASSOCIATION

1979 MAR 22 PM 12 24

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 12 48

02176 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP DICK RANDOLPH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

CLYDE CURRY

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 23 AM 9 14

#

02793 NL TDA PETERSBURG AK 50 3-22 930P AST

PMS REP DICK RANDOLPH

JUN

CONSIDER THE RAW FISH TAX INAPPROPRIATE BECAUSE INFLATION OF FISH PRICES RESULTS IN A LARGER RETURN TO THE STATE THAN IN 1970. PLEASE STUDY HB36 AND VOTE AGAINST THE RAW FISH BILL.

BILL MENISCH MV SUNDOWNER

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE 586-6442

JUNEAU ALASKA 99802

#

02335 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP DICK RANDOLPH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ERIC ROSVOLD

BOX 1147

PETERSBURG AK

1979 MAR 26 PM 1 52

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1982 MAR 23 PM 5 20

#CJ

02285 NL ANCHORAGE ALASKA 50 03-23 1000A AST

PMS REP DICK RANDOLPH

JUN AK

I COOK FOR GUYS WHO WORK UP TO 36 HOURS WITHOUT SLEEP. IF THE BUREAUCRATS WORKS THAT HARD, WE WOULDNT NEED A RAW FISH TAX.

KIM SHARICK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02330 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP DICK RANDOLPH

JUN AK

CANNOT SEE RAW FISH TAX BENEFITING SALMON CREW MEMBERS. BOTTOM FISH INDUSTRY SHOULD RECEIVE FEDERAL SUPPORT FOR LARGE SCALE PORT DEVELOPMENT.

DENNIS ROGERS

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

'79 MAR 26 PM 2 56

#CJ

02605 POM TDA PETERSBURG ALASKA IS 03-26 800A AST

PMS REP DICK RANDOLPH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

JOHN DE BOER

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 12 01

02116 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP DICK RANDOLPH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ARIL MATHISEN

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
P. ONE: 586-6442
JUNEAU, ALASKA 9980[illegible]

#

02470 POM TDA PETERSBURG ALASKA 15 03-26 300A AST

PMS REP DICK RANDOLPH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ROBERT KINNEEN

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02908 POM TDA PETERSBURG ALASKA 15 03-23 1000A AST

PMS REP DICK RANDOLPH

JUN AK

I AM OPPOSED TO RAW FISH TAX ON MY GROSS SEASON. PLEASE STOP THIS BILL.

AL CRAYNE M/V MY ANN

GEN DLR, PETERSBURG AK

TELEGRAM

#

02039 POM ANCHORAGE ALASKA 15 03-25 1130A AST

PMS REP DICK RANDOLPH

JUNEAU AK

WE UNANIMOUSLY SUPPORT IMMEDIATE PASSAGE OF FC SUBSTITUTE SB152

IN ITS ENTIRETY

MEMBERS OF VFW POST NBR 9978

101 OKLAHOMA

ANCHORAGE AK 99504

TELEGRAM

RCA ALASCOM, INC.

#CJ

1979 MAR 26 PM 1 41

02266 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP DICK RANDOLPH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

CARRIE BALDWIN

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 102

#CJ

02740 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP DICK RANDOLPH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

RAY EVANS

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

#CJ

02695 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP DICK RANDOLPH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ROCKY CARR

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 9802

#

02515 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP DICK RANDOLPH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ANDREW GJERDE

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-5442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 3 36

#CJ

02650 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP DICK RANDOLPH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

SONNY CARR

BOX 1147

PETERSBURG AK

#CJ

02237 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP DICK RANDOLPH

JUN AK

WITHOUT ADEQUATE STUDY RAW FISH TAX BILL TRAVESTY LEGISLATION

BETTER REDUCE SPENDING BY TEN PER CENT.

CHRIS SHARPSTEIN

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE 586-6442

JUNEAU, ALASKA 99802

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02572 POM TDA PETERSBURG AK 15 03-23 1000A AST

PMS REP DICK RANDOLPH

JUN AK

CAN SEE NO REASON TO PASS RAW FISH TAX BEFORE STUDYING OUR TAX LOAD.

ABBIE HOFSTAD/MV TONKA II

GEN DLY PEOERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 AM 11 03

#

02041 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP DICK RANDOLPH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

PALMER ODEGARRD

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 23 PM 2 17

#

02060 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP DICK RANDOLPH

JUN

AS A CREW MEMBER OF A SEINE BOAT THIS RAW FISH TAX WILL MAKE

THE DIFFERENCE BETWEEN FEAST AND FAMINE.

ELLEN POLOWSKI

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE [illegible] 442
JUNEAU, ALASKA 99802

*CJ

*2921 POM TDA PETERSBURG AK 15 *3-2* 0***A AST

PMS REP DICK RANDOLPH

JUN AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB3* INSTEAD OF A RAW FISH TAX.

JILL BALDWIN

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 AM 11 35

02086 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP DICK RANDOLPH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ED FUGLVOG

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE [illegible]-6142
JUNEAU, ALASKA 99802

#CJ

0203I POM TDA PETERSBURG AK 15 03-28 600A AST

PMS REP DICK RANDOLPH

JUN AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

RICHARD GREENWAY

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE:

#CJ

JU.

0267E POM TDA PETERSBURG AK 15 03-26 600A AST

PMS REP DICK RANDOLPHS

JUN AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

BILL MENISH

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02476 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP DICK RANDOLPH

JUN AK

IF CREW MEMBERS HAVE TO PAY A RAW FISH TAX, BUREAUCRATS OUT TO

PAY A CUSHION TAX.

DON HUSE

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

#CJ

02785 POM TDA PETERSBURG AK 1 03-26 800A AST

PMS REP DICK RANDOLPH

JUN AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

RORY GREENWAY

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02521 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP DICK RANDOLPH

JUN AK

THE RAW FISH TAX WILL STIFFLE GROWTH OF THE FISHING INDUSTRY.

I AM A CREWMEMBER, I KNOW.

GEORGE DODDINGTON

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 2 24

#CJ

02560 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP DICK RANDOLPH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

STAN EILENBERGER

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 2 19

#

02380 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP DICK RANDOLPH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

RICHARD CARR

BOX 1147

PETERSBURG AK

#CJ

02138 POM ANCHORAGE ALASKA 15 03-26 1055P AST

PMS REP DICK RANDOLPH

JUN

WE SUPPORT IMMEDIATE ENACTMENT OF FINANCE COMMITTEE

SUBSTITUTE TO SB152 IN ITS ENTIRETY AS PROPOSED.

DANIEL A HUFF, JUDGE ADVOCATE, DEPT OF ALASKA

VETERANS OF FOREIGN WARS

TELEGRAM
RCA ALASKA COMMUNICATIONS, IN
PHONE: 586-6442
JUNEAU ALASKA 99802
MAR 27 AM 5 47

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02863 POM TDA PETERSBURG ALASKA 15 03-23 1000A AST

PMS REP DICK RANDOLPH

JUN AK

AS A SHRIMPER I SEE NO BENEFITS FROM THE RAW FISH TAX. PLEASE

VOTE AGAINST.

RICHARD HARRIS

M/V CHARLES GEN DLR. PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02617 POM TDA PETERSBURG AK 15 03-23 1000A AST

PMS REP DICK RANDOLPH

JUN AK

WILL BE HARD HIT BY RAW FISH TAX PLUS 3 PERCENT AQUACULTURE TAX

JEFF MCFADYEN MV ESTELLE

GEN DLY PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6462
JUNEAU, ALASKA 99802

02425 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP DICK RANDOLPH

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

LEITH LOFETH

BOX 1147

PETERSBURG AK

TELEGRAM

ROA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 23

Ø2793 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

PMS REP DICK RANDOLPH

JUNEAU AK 99811

CONSIDER THE RAW FISH TAX INAPPROPRIATE BECAUSE INFLATION

OF FISH PRICES RESULTS IN A LARGER RETURN TO THE STAE . HBAISH

BILLI S

#CJ

82569 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

PMS REP DICK RANDOLPH

JUNEAU AK 99811

PLEASE VOTE FOR STUDY OF THE TAX STRUCTURE IN HB36 AND VOTE AGAINST THE RAW FISH TAX BILL.

ERWIN HOWELL, GILLNETTER

TELEGRAM

RCA ALASKA COMMUNICATIONS, I

PHONE: [illegible]

JUNEAU, A[illegible]

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE: 586-5442

JUNEAU, ALASKA 99802

#G#2416 NL TDA PETERSBURG ALASKA 58 03-22 939P AST

PMS REP DICK RANDOLPH

JUNEAU AK 99811

I DONT SEE HOW THE LEGISLATORS CAN PENALIZE FISHERMAN WHO ARE

PRIMARY PRODUCERS WITH A RAW FISH TAX. PLEASE VOTE FOR HB26 INSTEAD

NIEL LYONS, MV NEW FREEDOM

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02739 TDA PETERSBURG ALASKA 38 03-22 1105A AST

PMS REP DICK RANDOLPH
JUNEAU

IF THE RAW FISH TAX BILL PASSES IT WONT BE WORTH TAKING JELLYFISH IN OUR EYES. SOMEBODY OUGHT TO STUDY WHAT WE REALLY MAKE. WE ARE NOT FISHING CRAB BOATS.

WALLY MACDONALD, CREWMEMBER

MAR 22 P.M. 02

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

1979 MAR 22 PM 11 56

#02199 TDA PETERSBURG ALASKA 32 03-22 1155A AST

PMS REP DICK RANDOLPH

JUNEAU

AU

AS A LIFE-LONG PETERSBURG RESIDENT I SUGGEST YOU STUDY THE FISHERMENS TAX SITUATION BEFORE RUSHING HEADLONG INTO A RAW FISH TAX BILL. I HAVE TO WORK WINTERS TO MAKE ENDS MEET.

GERALD LIND

TELEGRAM

RCA ALASKA COMMUNICATIONS, I

#CJ

02 361 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

PMS REP DICK RANDOLPH

JUNEAU AK 99811

WE VOTE AGAINST THE RAW FISH TAX. TAKE IT OFF ON THE PILOT BOATS INSTEAD.

WILLIAM JENKINS, MV SOKOL

TELEGRAM

ALASKA COMMUNICATIONS
PHONE: 586-6442
JUNEAU, ALASKA 99802

02658 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

PMS REP DICK RANDOLPH

JUNEAU AK 99811

AS A HAND TROLLER THE BOARD OF FISHERIES TOLD ME I COULD ONLY WORK EIGHT DAYS ON AND TEN DAYS OFF. NOW CLEM TILLION IS TRYING TO TAKE THAT AWAY. PLEASE VOTE AGAINST T[illegible] RAW FISH TAX.

TOM JACOBSON, MV CUTTER POINT BAKER

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 22 PM 7 58

#

02430 TDA PETERSBURG ALASKA 21 03-22 1025A AST

PMS REP DICK RANDOLPH

JUN

I CAN SUPPORT STUDYING THE TAX SITUATION ON BUSINESSES IN HR36 BUT THE RAW FISH TAX AT THIS TIME IS UNACCEPTABLE.

MIKE SCHWARTZ M/V DAWNBREAKER

TELEGRAM

ALASKA COMMUNICATIONS, INC.
PHONE: 586-6642
JUNEAU, ALASKA 99802

#CJ

02748 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

PMS REP DICK RANDOLPH

JUNEAU AK 99811

INFLATION IS CAUSING LARGE INCREASES IN GEAR, FUEL, ENGINE PARTS AND BUREAUCRAT SALARIES. I DO NOT WANT THE RAW FISH TAX, TAKEN OUT OF MY GROSS INCOME.

PHIL ODEGAARD, MV CHEYENNE

TELEGRAM

02838 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

PMS REP DICK RANDOLPH

JUNEAU AK 99811

I AM AGAINST THE 6 PER CENT TAX ON MY GROSS INCOME.

MY SEINE BOAT CREW AND I WILL SUFFER AND THE IMPACT TO OUR

TOWN WILL BE CONSIDERABLE. PLEASE VOTE FOR HB36.

JIM GREEN MV SEANNA

02703 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

PMS REP DICK RANDOLPH

JUNEAU AK 99811

WHILE I SUPPORT HB36 CALLING FOR STUDY OF THE TAXING STRUCTURE

I AM DEAD AGAINST THE RAW FISH TAX BILL THIS YEAR.

SCOTT MURSEY, FISHERMAN

TELEGRAM
1979 MAR 25 ALASKA COMMUNICATIONS, INC.
PHONE: 586-6462
JUNEAU, ALASKA 99802

#CJ

02514 NL TDA PETERSBURG AL SKA 50 03-22 930P AST

TELEGRAM
RCA ALASKA COMMUNICATIONS,
PHONE: 586-6442
JUNEAU, ALASKA 99802

PMS REP DICK RANDOLPH

JUNEAU AK 99811
WITH INFLATION AT 18 PERCENT THE RAW FISH TAX BILL IS A

KISS OF DEATH TO ME. PLEASE STUDY THE SITUYATION FIRST.

CARL TYNES, GILLNETTER

TELEGRAM

ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

ØCJ

Ø2468 NL TDA PETERSBURG ALASKA 5Ø Ø3-22 93Ø1 AST

PMS REP DICK RANDOLPH

JUNEAU AK 99811

WE ARE TOTALLY OPPOSED TO THE RAW FISH TAX BILL.

PLEASE DO WHATEVER YOU CAN.

PETE TYNES. GILLNETTER

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

1979 MAR 22 P 9 31

02510 TDA PETERSBURG ALASKA 23 03-22 1045A

PMS REP DICK RANDOLPH

JUNEAU

YOU CAN GO AHEAD AND STUDY TAXES ON THE FISHING INDUSTRY BUT

PLEASE COUNT ME OUT OF A SUBSIDY ON THE BOTTOMFISH INDUSTRY.

ROY SMITH M/V LAST UNICORN

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE 586-6443

1979 MAR 22 PM 2

#CJ

02920 TDA PETERSBURG ALASKA 43 03-22 1115A AST

PMS REP DICK RANDOLPH

JUNEAU

CANT KNOW HOW TO BE A DOCTOR UNTIL YOU GO TO MEDICAL SCHOOL. THE LEGISLATURE CANT PASS A BILL THAT WILL AFFECT FISHERMEN UNTIL THEY HIRE SOMEONE TO STUDY THE PROBLEM. PLEASE VOTE AGAINST THE RAW FISH TAX BILL.

TOM STEWART BOX 1305 PETERSBURG AK 99833

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 22 PM 6 32

02382 TDA PETERSBURG ALASKA 32 03-22 1030A AST

PMS REP DICK RANDOLPH

JUNEAU

AM ALL FOR HR36 AS A SUBSTITUTE FOR THE RAW FISH TAX BILL.
I CANNOT STAND TO LOSE SIX PERCENT OF MY GROSS INCOME ON TOP
OF A THREE PERCENT AQUACULTURE TAX.

HOWARD VERSTEEG GILLNETTER RESOURCE

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE [illegible]-6442
JUNEAU, ALASKA [illegible]

S

1979 MAR 22 PM 10 32

02006 TDA PETERSBURG ALASKA 27 03-22 1135A AST

PMS REP DICK RANDOLPH

JUNEAU

AS A SALMON SEINER CREW MEMBER I CANNOT AFFORD A SIX PERCENT TAX ON MY GROSS INCOME. PLEASE VOTE FOR HB36 INSTEAD.

BOB SACARD BOX 247 PETERSBURG AK 99833

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

1979 MAR 22 PM 10 10

02961 TDA PETERSBURG ALASKA 08 03-22 1140A AST

PMS REP DICK RANDOLPH

JUN

LIVING IN A BUSH COMMUNITY TOTALLY RELIANT ON FISHING FOR AN INCOME I FIND THE SIX PERCENT TAX ON MY GROSS INCOME WILL DO ME IN. PLEASE DONT LET THIS GO THROUGH.

JIM CARSON BOX 705 PORT ALEXANDER AK 99834

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02329 TDA PETERSBURG ALASKA 26 03-22 1025A AST

PMS DICK RANDOLPH

JUNEAU

THE RAW FISH TAX BILL SHOULD NOT GO THIS YEAR. STUDY OF TAXES ON FISHERMEN AND OTHERS SHOULD PRECEDE. I AM FOR HR36.

JEFF PFUNT SEINE BOAT KIMBER

1979 MAR 22 PM 6

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 22 PM 10 40

02132 TDA PETERSBURG ALASKA 25 03-22 1150A AST

PMS REP DICK RANDOLPH

JUNEAU

PLEASE CONSIDER THE PLIGHT OF CREW MEMBERS THAT WILL BE AFFECTED BY THE RAW FISH TAX. YOU REALLY SHOULD STUDY THE SITUATION FIRST. SUGGEST HB36.

BILL MILLER

1979 MAR 22 PM 10 40

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 22 PM 9:48

02875 TDA PETERSBURG ALASKA 43 03-22 1115A AST

PMS REP DICK RANDOLPH

JUNEAU

GO AHEAD AND STUDY THE TAX SITUATION ON FISHERMEN BUT PLEASE

VOTE AGAINST THE RAW FISH TAX BILL THIS YEAR.

PHIL THATCHER

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE [illegible]

JUNEAU, ALASKA 99802

#CJ

02096 TDA PETERSBURG ALASKA 46 03-22 1130A AST

PMS REP DICK RANDOLPH

JUNEAU

AS SKIPPER OF A LARGE SALMON TENDER I CANNOT SEE INCREASING TAXES ON SALMON UNTIL YOU KNOW THE AMOUNT OF TAXES WE ALREADY PAY. WITH THE THREE PERCENT AQUACULTURE TAX MOST OF THE FISHERMEN WILL BE PAYING NINE PERCENT OF THEIR GROSS INCOME.

SINCERELY YOURS

DAN VICK SKIPPER HOWKAN

1979 MAR 22 PM 10

*CJ

02614 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

PMS REP DICK RANDOLPH

JUNEAU AK 99811

PLEASE VOTE AGAINST THE RAW FISH TAX. IT IS HIGHLY UNJUST TO TAKE THIS AMOUNT OUT OF OUR GROSS INCOME WITHOUT STUDYING THE EFFECTS.

LUDWIG MARTINSON, FISHERMAN, PETERSBURG

TELEGRAM

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6447
JUNEAU, ALASKA 99802

#CJ

02289 TDA PETERSBURG ALASKA 57 03-22 1020A AST

PMS REP DICK RANDOLPH

JUNEAU

IF THE RAW FISH TAX BILL PASSES, OUR COMMUNITY WILL SUFFER JOB LOSS. WITH 99 PERCENT OF MY GROSS INCOME ELIMINATED MY BOAT WILL SPEND LESS ON REPAIR AND MAINTENANCE. MY CREW WILL GET LESS AND HALIBUT BOATS WILL GO SOUTH. IM ALL FOR HR36, A STUDY OF TAXES ON ALL BUSINESSES IS WELCOME.

FRED HALTNER SEINE BOAT SIREN

1979 MAR 22 PM 5 38

TELEGRAM

ACA ALASKA COMMUNICATIONS, INC.

1979 MAR 22 PM 11 08

02051 TDA PETERSBURG ALASKA 21 03-22 1125A AST

FMS REP DICK RANDOLPH

JUNEAU

WHILE I CAN SUPPORT HR36 AM IN TOTAL OPPOSITION TO A RAW FISH TAX THIS YEAR. WOULD APPRECIATE YOUR SUPPORT

ERIC ROSVOLD, WINTER SKIPPER KIMBER

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02784 TDA PETERSBURG ALASKA 37 03-22 1110A AST

PMS REP DICK RANDOGPH

JUNEAU

I HAVE TO MOONLIGHT AS A CARPENTER IN THE OFF SEASON BECAUSE MY INCOME FROM FISHING IS SO MARGINAL. SOMEBODY OUGHT TO STUDY THE TAX SITUATION ON SALMON FISHERMEN. PLEASE DONT PASS THE RAW FISH TAX BILL.

RICHARD GREENWAY M/V VULCAN

1979 MAR 22 PM 8 02

TELEGRAM

NCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02433 TDA PETERSBURG ALASKA 23 03-22 1040A AST

PMS REP ROBERT BETTISWORTH

JUNEAU

I AM TOTALLY OPPOSED TO THE RAW FISH TAX BECAUSE MY OPERATION WILL BE PUT OUT OF BUSINESS AS A RESULT. WILL SUPPORT HB36.

VICTOR SMITH M/V SWEET PEA

1978 MAR 22 PM 8 09

HB306
SB132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA

02084

1979 MAR 31 PM 11 54

#DFPWPIR NL TDA SEWARD ALASKA 33 03-31 0903P AST

PMS REP ALVIN OSTERBACK

CHRM HOUSE RESOURCE COMMITTEE

JUNEAU AK

DEAR SIR, PLEASE TABLE HB306 UNTIL ECONOMIC STUDY AND PUBLIC HEARING SHOW IMPACT. WE PRESENTLY PAY INCOME TAX ON OUR SALES PRICE PLUS TWO PERCENT FOR AGRICULTURE. ANOTHER SIX PERCENT ON OUR GROSS EARNINGS IS TOO MUCH.

PAUL AND TINA SEATON

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02409 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP VERNON HURLBERT

JUN AK

UNDERSTAND RAW FISH TAX WILL BUILD DUTCH HARBOR PORT. IF YOU CAN SPEND MONEY FOR DEVELOPMENT OF OIL PORT, THE FEDERAL GOVERNMENT OUGHT TO FOOT THE BILL FOR BOTTOM FISH DEVELOPMENT.

LANE OLSEN

TELEGRAM

ROA ALASKA COMMUNICATIONS, IN
PHONE 586-6423
JUNEAU, ALASKA 99802

#

1979 MAR 23 AM 6 01

02777 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

PMS REP VERNON HURLBERT

JUNEAU AK 99811

CONSIDER THE RAW FISH TAX INAPPROPRIATE BECAUSE INFLATION OF FISH PRICES RESULTS IN A LARGER RETURN TO THE STATE THAN IN 1970. PLEASE STUDY HB36 AND VOTE AGAINST THE RAW FISH BILL.

BILL MENISCH MV SUNDOWNER

02687 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

PMS REP VERNON HURLBERT

JUNEAU AK 99811

WHILE I SUPPORT HB36 CALLING FOR STUDY OF THE TAXING STRUCTURE

I AM DEAD AGAINST THE RAW FISH TAX BILL THIS YEAR.

SCOTT HURSEY, FISHERMAN

TELEGRAM
RCA ALASKA COMMUNICATIONS, I
PHONE: 586-2442
JUNEAU, ALASKA 99802

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ
0266/
0661 POM TDA PETERSBURG AK 15 03-23 1000A AST

PMS REP VERNON HURLBERT

JUN AK

PLEASE VOTE FOR HB36 INSTEAD OF RAW FISH TAX.

WILLIAM BEALE M/V MISS LEE

GEN DLY PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02601 POM TDA PETERSBURG AK 15 03-23 1000A AST

PMS REP VERNON HURLBERT

JUN AK

WILL BE HARD HIT BY RAW FISH TAX PLUS 3 PERCENT AQUACULTURE TAX

JEFF MCFADYEN MV ESTELLE

GEN DLY PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 1 33

#CJ

02250 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP VERNON HURLBERT

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

CARRIE BALDWIN

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1379 MAR 22 PM 11 32

AWJ

82183 TDA PETERSBURG ALASKA 32 03-22 1155A AST

PMS REP VERNON HURLBERT

JUNEAU

AS A LIFE-LONG PETERSBURG RESIDENT I SUGGEST YOU STUDY THE FISHERMENS TAX SITUATION BEFORE RUSHING HEADLONG INTO A RAW FISH TAX BILL. I HAVE TO WORK WINTERS TO MAKE ENDS MEET.

GERALD LIND

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-1442
JUNEAU, ALASKA 99802

1979 MAR 22 PM 9 35

02859 TDA PETERSBURG ALASKA 43 03-22 1115A AST

PMS REP VERNON HUKLBERT

JUNEAU

GO AHEAD AND STUDY THE TAX SITUATION ON FISHERMEN BUT PLEASE

VOTE AGAINST THE RAW FISH TAX BILL THIS YEAR.

PHIL THATCHER

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6042
JUNEAU, ALASKA 99802

02449 TDA PETERSBURG ALASKA 23 03-22 1040A AST

PMS REP VERNON HURLBERT

JUNEAU

I AM TOTALLY OPPOSED TO THE RAW FISH TAX BECAUSE MY OPERATION WILL BE PUT OUT OF BUSINESS AS A RESULT. WILL SUPPORT HB363

VICTOR SMITH M/V SWEET PEA

1979 MAR 22 PM 8 23

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

1979 MAR 22 PM 10

02990 TDA PETERSBURG ALASKA 27 03-22 1135A AST

PMS REP VERNON HURLBERT

JUNEAU

AS A SALMON SEINER CREW MEMBER I CANNOT AFFORD A SIX PERCENT
TAX ON MY GROSS INCOME. PLEAE VOTE FOR HB36 INSTEAD.

BOB SACARD BOX 247 PETERSBURG AK 99833

#CJ

TELEGRAM

02598 NL TDA PETERSBURG ALASKA 50 03-22 930P ASTICA ALASKA COMMUNICATIONS

PHONE:
JUNEAU, ALASKA

PMS REP VERNON HURLBERT

JUNEAU AK 99811

PLEASE VOTE AGAINST THE RAW FISH TAX. IT IS HIGHLY UNJUST

TO TAKE THIS AMOUNT OUT OF OUR GROSS INCOME WITHOUT STUDYING

THE EFFECTS.

LUDWIG MARTINSON, FISHERMAN, PETERSBURG

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE [illegible]

JUNEAU, ALASKA [illegible]

#CJ

02273 TDA PETERSBURG ALASKA 57 03-22 1020A AST

PMS REP VERNON HURLBERT

JUNEAU

IF THE RAW FISH TAX BILL PASSES, OUR COMMUNITY WILL SUFFER JOB LOSS. WITH 99 PERCENT OF MY GROSS INCOME ELIMINATED MY BOAT WILL SPEND LESS ON REPAIR AND MAINTENANCE. MY CREW WILL GET LESS AND HALIBUT BOATS WILL GO SOUTH. IM ALL FOR HR36, A STUDY OF TAXES ON ALL BUSINESSES IS WELCOME.

FRED HALTNER SEINE BOAT SIREN

1979 MAR 22 PM 5 52

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6142
JUNEAU, ALASKA 99802

#CJ

02945 TDA PETERSBURG ALASKA 38 03-22 1140A AST

PMS REP VERNON HURLBERT

JUN

LIVING IN A BUSH COMMUNITY TOTALLY RELIANT ON FISHING FOR AN INCOME I FIND THE SIX PERCENT TAX ON MY GROSS INCOME WILL DO ME IN. PLEASE DONT LET THIS GO THROUGH.

JIM CARSON BOX 705 PORT ALEXANDER AK 99834

1979 MAR 22 PM 8 10

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02141 TDA PETERSBURG ALASKA 25 03-22 1150A AST

PMS REP VERNON HURLBERT

JUNEAU

PLEASE CONSIDER THE PLIGHT OF CREW MEMBERS THAT WILL BE AFFECTED BY THE RAW FISH TAX. YOU REALLY SHOULD STUDY THE SITUATION FIRST. SUGGEST HB36.

BILL MILLER

1979 MAR 22 PM 10 45

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02542 TDA PETERSBURG ALASKA 20 03-22 1050A AST

PMS REP VERNON HURLBERT

JUNEAU

MY SKIPPER WILL TAKE OUR HALIBUT TO PRINCE RUPERT IF THE NEW FISH TAX PASSES. PLEASE RECONSIDER THE SENATES ACTION.

PETER MILLER, CREWMEMBER

1979 MAR 22 PM 6 56

TIME 119.9

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 22 PM 10 50

02035 TDA PETERSBURG ALASKA 21 03-22 1125A AST

PMS REP VERNON HURLBERT

JUNEAU

WHILE I CAN SUPPORT HR36 AM IN TOTAL OPPOSITION TO A RAW

FISH TAX THIS YEAR. WOULD APPRECIATE YOUR SUPPORT

ERIC ROSVOLD, WINTER SKIPPER KIMBER

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02768 TDA PETERSBURG ALASKA 37 53-22 1116A AST

PMS REP VERNON HURLBERT

JUNEAU

I HAVE TO MOONLIGHT AS A CARPENTER IN THE OFF SEASON BECAUSE MY INCOME FROM FISHING IS SO MARGINAL. SOMEBODY OUGHT TO STUDY THE TAX SITUATION ON SALMON FISHERMEN. PLEASE DONT PASS THE RAW FISH TAX BILL.

RICHARD GREENVAT M/V VULCAN

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 22 PM 9 27

02904 TDA PETERSBURG ALASKA 43 03-22 1115A AST

PMS REP VERNON HURLBERT

JUNEAU

CANT KNOW HOW TO BE A DOCTOR UNTIL YOU GO TO MEDICAL SCHOOL. THE LEGISLATURE CANT PASS A BILL THAT WILL AFFECT FISHERMEN UNTIL THEY HIRE SOMEONE TO STUDY THE PROBLEM. PLEASE VOTE AGAINST THE RAW FISH TAX BILL.

TOM STEWART BOX 1305 PETERSBURG AK 99833

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 22 PM 9 15

02494 TDA PETERSBURG ALASKA 23 03-22 1045A

PMS VERNON HURLBERT

JUNEAU

YOU CAN GO AHEAD AND STUDY TAXES ON THE FISHING INDUSTRY BU[illegible]

PLEASE COUNT ME OUT OF A SUBSIDY ON THE BOTTOMFISH INDUSTRY.

ROY SMITH M/V LAST UNICORN

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 22 PM 9 15

02723 TDA PETERSBURG ALASKA 30 03-22 1105A AST

PMS REP VERNON HURLBERT

JUNEAU

IF THE RAW FISH TAX BILL PASSES IT WONT BE WORTH TAKING

JELLYFISH IN OUR EYES. SOMEBODY OUGHT TO STUDY WHAT WE REALLY

MAKE. WE ARE NOT FISHING CRAB BOATS.

WALLY MACDONALD, CREWMEMBER

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

79 MAR 22 PM 10 43

#CJ

02080 TDA PETERSBURG ALASKA 46 03-22 1130A AST

PMS REP VERNON HURLBERT

JUNEAU

AS SKIPPER OF A LARGE SALMON TENDER I CANNOT SEE INCREASING TAXES ON SALMON UNTIL YOU KNOW THE AMOUNT OF TAXES WE ALREADY PAY. WITH THE THREE PERCENT AQUACULTURE TAX MOST OF THE FISHERMEN WILL BE PAYING NINE PERCENT OF THEIR GROSS INCOME.

SINCERELY YOURS

DAN VICK SKIPPER HOWKAN

1979

TELEGRAM

RCA ALASKA COMMUNICATIONS,
PHONE: 586-6442
JUNEAU, ALASKA 99802

MCJ

02498 NL TDA PETERSBURG ALASKA 50 03-22 938P AST

PMS REP VERNON HURLBERT

JUNEAU AK 99811

WITH INFLATION AT 10 PERCENT THE RAW FISH TAX BILL IS A

KISS OF DEATH TO ME. PLEASE STUDY THE SITUTATION FIRST.

CARL TYNES, GILLNETTER

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
P. ONE: 586-6442
JU EAU, ALASKA 99802

*CJ

02556 POM TDA PETERSBURG AK 15 03-23 1000A AST

PMS REP VERNON HURLBERT

JUN AK

CAN SEE NO REASON TO PASS RAW FISH TAX BEFORE STUDYING OUR TAX LOAD.

ABBIE HOFSTAD/MV TONKA II

GEN DLY PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02505 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP VERNON HURLBERT

JUN AK

THE RAW FISH TAX WILL STIFFLE GROWTH OF THE FISHING INDUSTRY.

I AM A CREWMEMBER. I KNOW.

GEORGE DODDINGTON

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02460 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP VERNON HURLBERT

JUN AK

IF CREW MEMBERS HAVE TO PAY A RAW FISH TAX. BUREAUCRATS OUT TO

PAY A CUSHION TAX.

DON HUSE

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02950 POM TDA PETERSBURG AK 15 03-26 800A AST

PMS REP VERNON HURLBERT

JUN AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

JOHN SVENSSON

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE: 586-6442

JUNEAU, ALASKA 99802

#CJ

02847 POM TDA PETERSBURG ALASKA 15 03-23 1000A AST

PMS REP VERNON HURLBERT

JUN AK

AS A SHRIMPER I SEE NO BENEFITS FROM THE RAW FISH TAX. PLEASE VOTE AGAINST.

RICHARD HARRIS

M/V CHARLES GEN DLR, PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#

02742 POM TDA PETERSBURG AK 15 03-23 1000A AST

PMS REP VERNON HURLBERT

JUN AK

DONT VOTE FOR THE RAW FISH TAX UNTIL YOU STUDY SITUATION

CASPER WESTRE M/V FAITFUL

GEN DLY PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02712 POM TDA PETERSBURG AK 15 03-23 1000A AST

PMS REP VERNON HURLBERT

JUN AK

STOP THE RAW FISH TAX. NO BENEFITS TO THIS TOWN.

BOB DORIS M/V ALICE MAY

GEN DLY PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02544 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP VERNON HURLBERT

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

STAN EILENBERGER

BOX 1147

PETERSBURG AK

1979 MAR 26 PM 12 10

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

79 MAR 26 AM 10 55

02025 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP VERNON HURLBERT

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTE. OF A RAW FISH TAX.

PALMER ODEGARRD

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

1979 MAR 25 AM 11 24

02070 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP VERNON HURLBERT

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ED FUGLVOG

BOX 1147

PETERSBURG AK

1979 MAR

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 1 03

#CJ

02205 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP VERNON HURLBERT

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

MAGNUS MARTIN

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
TELEPHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02769 POM TDA PETERSBURG AK 15 03-26 800A AST

PMS REP VERNON HURLBERT

JUN AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

RORY GREENWAY

BOX 1147

PETERSBURG AK

SB132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: [illegible]
JUNEAU, ALASKA [illegible]

02499 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP VERNON HURLBERT

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ANDREW GJERDE

BOX 1147

PETERSBURG AK

S8132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 1 36

02319 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP VERNON HURLBERT

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ERIC ROSVOLD

BOX 1147

PETERSBURG AK

S6132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
P. O. BOX 1064442
PETERSBURG, ALASKA 99802

FCJ

[illegible] POM TDA PETERSBURG AK 15 [illegible] AST

PMS REP VERNON HURLBERT

JUN AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB[illegible] INSTEAD OF A RAW FISH TAX.

BILL MENISH

BOX 1147

PETERSBURG AK

58132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02364 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP VERNON HURLBERT

JUN AK

I WORK LONG HOURS FOR 10 PERCENT OF THE SEINE CATCH. TAKING 6 PERCENT OF THE GROSS WILL MAKE IT DIFFICULT FOR THE SKIPPER TO FIND A CREW.

JOE MENISH

SB132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 23 PM 2 48

02123 POM TDA PETERSBURG AK 15 03-23 1000A AST

PMS REP VERNON HURLBERT

JUN

STUDY TAXES ON TROLLERS BEFORE PASSING RAW FISH TAX.

RICHARD HANSON

M/V RENEGADE

GENERAL DELIVERY

PETERSBURG AK

SB132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

JUNEAU, ALASKA 9980?

#CJ

02679 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP VERNON HURLBERT

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ROCKY CARR

BOX 1147

PETERSBURG AK

SB132

TELEGRAM

BOA ALASKA COMMUNICATIONS, INC.
PHONE: [illegible]
JUNEAU, ALASKA

02454 POM TDA PETERSBURG ALASKA 15 01-26 800A AST

PMS REP VERNON HURLBERT

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ROBERT KINNEEN

BOX 1147

PETERSBURG K

SB132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

#CJ

02724 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP VERNON HURLBERT

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

RAY EVANS

BOX 1147

PETERSBURG AK

SB132

#CJ

02892 POM TDA PETERSBURG ALASKA 15 03-23 1000A AST

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

PMS REP VERNON HURLBERT

JUN AK

I AM OPPOSED TO RAW FISH TAX ON MY GROSS SEASON. PLEASE STOP THIS BILL.

AL CRAYNE M/V MY ANN

GEN DLR. PETERSBURG AK

SB132

1979 MAR

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6447
JUNEAU, ALASKA 99802

#CJ

02269 NL ANCHORAGE ALASKA 50 03-23 1000A AST

PMS REP VERNON HURLBERT

JUN AK

I COOK FOR GUYS WHO WORK UP TO 36 HOURS WITHOUT SLEEP. IF THE BUREAUCRATS WORKS THAT HARD, WE WOULDNT NEED A RAW FISH TAX.

KIM SHARICK

SB132

TELEGRAM

COMMUNICATIONS, INC.
P. O. B[illegible]-442
JU[illegible] ALASKA [illegible]02

#CJ
02221 NL TDA PETERSBURG AK 50 03-23 1[illegible]A AST
PMS REP VERNON HURLBERT
JUN AK
WITHOUT ADEQUATE STUDY RAW FISH TAX BILL TRAVESTY LEGISLATION.
BETTER REDUCE SPENDING BY TEN PER CENT.
CHRIS SHARPSTEIN

SB132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE [illegible]-442

JUNEAU, ALASKA [illegible]02

79 MAR 26 PM 3 36

#CJ

00639 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP VERNON HURLBERT

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

SONNY CARR

BOX 1147

PETERSBURG AK

SB132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 12 09

02130 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP VERNON HURLBERT

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ARIL MATHISEN

BOX 1147

PETERSBURG AK

SB132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE: 586-6442

JUNEAU, ALASKA 99802

1979 MAR 26 PM 12 33

02160 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS SP VERNON HURLBERT

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTF FOR HB36 INSTEAD OF A RAW FISH TAX.

CLYDE CURRY

BOX 1147

PETERSBURG AK

SB132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: [illegible]-6442
JUNEAU, ALASKA 9[illegible]02

1979 MAR 26 PM 2 40

02409 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP VERNON HURLBERT

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

LEITH LOFEN

BOX 1147

PETERSBURG AK

SB132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6142
JUNEAU, ALASKA 99802

1979 MAR 26 PM 2 38

#CJ

02589 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP VERNON HURLBERT

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

JOHN DE BOER

BOX 1147

PETERSBURG AK

SB132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 23 PM 1 58

02044 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP VERNON HURLBERT

JUN

AS A CREW MEMBER OF A SEINE BOAT THIS RAW FISH TAX WILL MAKE

THE DIFFERENCE BETWEEN FEAST AND FAMINE.

ELLEN POLOWSKI

SB132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02314 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP VERNON HURLBERT

JUN AK

CANNOT SEE RAW FISH TAX BENEFITING SALMON CREW MEMBERS. BOTTOM FISH INDUSTRY SHOULD RECEIVE FEDERAL SUPPORT FOR LARGE SCALE PORT DEVELOPMENT.

DENNIS ROGERS

TELEGRAM

SB132

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

^CJ

^2905 POM TDA PETERSBURG AK 15 [illegible] 0000A AST

PMS REP VERNON HURLBERT

JUN AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB[illegible] INSTEAD OF A RAW FISH TAX.

JILL BALDWIN

BOX 1147

PETERSBURG AK

RELAY

79 MAR 26 PM 2 12

SB132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6447
JUNEAU, ALASKA 99802

02364 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP VERNON HUPLEE

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

RICHARD CARR

BOX 1147

PETERSBURG AK

SB132

TELEGRAM

...UNICATIONS, INC.

...

...JL02

#CJ

0261S POM TDA PETERSBURG AK 1S 03-26 600A AST

PMS REP VERNON HURLBERT

JUN AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

RICHARD GREENWAY

BOX 1147

PETERSBURG AK

SB132

#GJ

82496 NL TDA PETE[illegible]BURG ALASKA 56 03-22 936P AST

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
[illegible] 586-5442
JUNEAU, ALASKA 99802

PMS REP VERNON HURLBERT
JUNEAU AK 99811

I DONT SEE HOW THE LEGISLATORS CAN PENALIZE FISHERMAN WHO ARE PRIMARY PRODUCERS WITH A RAW FISH TAX. PLEASE VOTE FOR HB36 INSTEAD

NIEL LYONS, MV NEW FREEDOM

SB132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02414 TDA PETERSBURG ALASKA 21 03-22 1025A AST

PMS REP VERNON HURLBERT

JUN

I CAN SUPPORT STUDYING THE TAX SITUATION ON BUSINESSES IN HR36 BUT THE RAW FISH TAX AT THIS TIME IS UNACCEPTABLE.

MIKE SCHWARTZ M/V DAWNBREAKER

1979 MAR 22 PM 7 36

SB132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02587 TDA PETERSBURG ALASKA 29 03-22 1050A AST

PMS REP VERNON HURLBERT

JUNEAU

AS A CREWMEMBER I CANT SEE STUDYING THE EFFECT OF A RAW FISH TAX ON MY MARG.NAL INCOME. PLEASE DONT PASS THE RAW FISH TAX.

KENNETH BAIRD, CREWMEMBER M/V LOUIS G BOX 343 PETERSBURG 99833

1979 MAR 22 PM 7 54

SB 132

TELEGRAM

RCA ALASKA COMMUNICATIONS

#CJ

#2732 NL TDA PETERSBURG ALASKA 58 03-22 930P AST

PMS REP VERNON HURLBERT

JUNEAU AK 99811

INFLATION IS CAUSING LARGE INCREASES IN GEAR, FUEL, ENGINE PARTS AND BUREAUCRAT SALARIES. I DO NOT WANT THE RAW FISH TAX, TAKEN OUT OF MY GROSS INCOME.

PHIL ODEGAARD, MV CHEYENNE

38132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

ACJ

02355 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

PMS REP VERNON HULBERT

JUNEAU AK 99811

WE VOTE AGAINST THE RAW FISH TAX. TAKE IT OFF ON THE PILOT BOATS INSTEAD.

WILLIAM JENKINS, MV SOKOL

SB132

TELEGRAM

ACA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02633 TDA PETERSBURG ALASKA 43 03-22 1055A AST

PMS REP VERNON HURLBERT

JUNEAU

THE AQUACULTURE THREE PERCENT TAX WAS PASSED WITHOUT MY VOTE.
I WANT TO AVOID THAT NOW BY URGING YOU TO VOTE AGAINST THE RAW
FISH TAX. THAT TAX WILL REDUCE MY GROSS INCOME BY NINE PERCENT.
THATS OUT OF LINE WITH CARTERS POLICIES.

DAVE ROGERS

1977 MAR 22 PM 8 10

SB132

TELEGRAM

PCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6412
JUNEAU, ALASKA 99802

02673 TDA PETERSBURG ALASKA 35 03-22 1100A AST

PMS REP VERNON HURLBERT

JUNEAU

ITS HARD ENOUGH WORKING ON A SALMON SEINER ALL SUMMER FOR A SMNALL SHARE OF THE CATCH. NOW SENATOR TILLION WANTS TO TAKE THAT AWAY FROM US. PLEASE VOTE AGAINST THE RAW FISH TAX BILL.

BOB CASHEN, CREWMEMBER

RECEIVED MAR 22 11 00 AM '75

SB132

TELEGRAM

#CJ

02444 NL TDA PETERSBURG ALASKA 50 03-22 930P AST

PMS REP VERNON HURLBERT

JUNEAU AK 99811

WE ARE TOTALLY OPPOSED TO THE RAW FISH TAX BILL.

PLEASE DO WHATEVER YOU CAN.

PETE TYNES, GILLNETTER

SB132

#GJ

82553 NL TDA PETERSBURG ALASKA 58 03-22 930P AST

PMS REP VERNON HURLBERT

JUNEAU AK 99811

PLEASE VOTE FOR STUDY OF THE TAX STRUCTURE IN HB36 AND

VOTE AGAINST THE RAW FISH TAX BILL.

ERWIN HOWELL, GILLNETTER

TELEGRAM
COMMUNICATIONS
PHONE: 586-1142
JUNEAU, ALASKA

SB 132
HB 306

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02419 POM TDA PETERSBURG ALASKA 15 03-28 900A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD PLEASE VOTE FOR HB36 INSTEAD OF

A RAW FISH TAX.

BOB LARSON BOX 1147 PETERSBURG ALASKA

SB132
HB306

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

#CJ

02 327 POM TDA PETERSBURG ALASKA 15 03-28 900A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD PLEASE VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

STEVEN ENGE BOX 1147 PETERSBURG ALASKA

1979 MAR 28 PM 3 16

HB 36
SB132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02373 POM TDA PETERSBURG ALASKA 15 03-28 900A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD PLEASE VOTE FOR HB36 INSTEAD OF

A RAW FISH TAX.

CARL PHYNESS BOX 1147 PETERSBUR ALASKA

1979 MAR 28 PM 3 42

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-5442
JUNEAU, ALASKA 99802

MCJ

02 428 NL TDA PETERSBURG ALASKA 56 03-22 938P AST

PMS REP ROBERT BETTISWORTH

JUNEAU AK 99811

WE ARE TOTALLY OPPOSED TO THE RAW FISH TAX BILL.

PLEASE DO WHATEVER YOU CAN.

PETE TYNES, GILLNETTER

P. O. Box 844
Kodiak, AK 99615

Representative Alvin Osterback
Alaska House of Representatives
Pouch V
Juneau, AK 99811

RE: HB 306/SB 132

Dear Representative Osterback:

As one of many suppliers to the several canneries in the Kodiak area, I am very concerned about the consequences of the above-mentioned House and Senate bills regarding a five percent rise in the raw fish tax.

Supposedly, the purpose of this increase is to penalize the Seattle-based fishermen who fish in the Bering Sea, but the penalties derived from this tax to the Alaskan fishermen and the Alaska fisheries industry could be substantially more harmful in the long-run.

If the canneries are taxed out of business, my company will suffer a definite set-back around this area. As many of the suppliers in Kodiak can testify, during the last crab strike, their business was greatly reduced when the processors and fishermen weren't producing. This proposed increase in the raw fish tax can only deter the economy of a fishing community such as this one.

Surely, there must be a more reasonable means of penalizing Seattle-based fishermen without doing such harm to an Alaskan industry as vital as fisheries.

Sincerely,

Danny O'Neill
Technical Representative
Pacific Chemical

DO:cb

cc: Robert Mulcahy
Alaska State Senate

1980 MAR 23 PM

#CJ

02376 NL TDA PETERSBURG AK 50 03-23 1000A PST

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE [illegible]
[illegible]

PMS REP ALVIN OSTERBACK

JUN AK

I WORK LONG HOURS FOR 10 PERCENT OF THE SEINE CATCH. TAKING 6 PERCENT OF THE GROSS WILL MAKE IT DIFFICULT FOR THE SKIPPER TO FIND A CREW.

JUF MENISH

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE: [illegible]6442

JUNEAU ALASKA [illegible]

1979 MAR 26 PM 1 12

#CJ

02217 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD. VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

MAGNUS MARTIN

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02694 POM TDA PETERSBURG AK 15 03-23 1000A AST

PMS REP ALVIN OSTERBACK

JUN AK

STOP THE RAW FISH TAX. NO BENEFITS TO THIS TOWN.

BOB DORIS M/V ALICE MAY

GEN DLY PETERSBURG AK

TELEGRAM

RCA ALASKA COMM. INC.

02035 POM ANCHORAGE ALASKA 15 03-25 1130A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

WE UNANIMOUSLY SUPPORT IMMEDIATE PASSAGE OF FC SUBSTITUTE SB152

IN ITS ENTIRETY

MEMBERS OF VFW POST NBR 9978

101 OKLAHOMA

ANCHORAGE AK 99504

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC

PHONE: [illegible]442

JUNEAU, ALASKA [illegible]02

1979 MAR 26 PM 3 36

#CJ

02646 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

SONNY CARR

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02643 POM TDA PETERSBURG AK 15 03-23 1000A AST

PMS REP ALVIN OSTERBACK

JUN AK

PLEASE VOTE FOR HB36 INSTEAD OF RAW FISH TAX.

WILLIAM BEALE M/V MISS LEE

GEN DLY PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02135 POM TDA PETERSBURG AK 15 03-23 7000A AST

PMS FEP ALVIN OSTERBACK

JUN

STUDY TAXES ON TROLLERS BEFORE PASSING RAW FISH TAX.

RICHARD HANSON

M/V RENEGADE

GENERAL DELIVERY

PETERSBURG AK

1979 MAR 23 PM 2 56

TELEGRAM

RCA COMMUNICATIONS, INC.
PHONE: 586-6442
[illegible] 99802

#CJ

02420 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP ALVIN OSTERBACK

JUN AK

UNDERSTAND RAW FISH TAX WILL BUILD DUTCH HARBOR PORT. IF YOU CAN SPEND MONEY FOR DEVELOPMENT OF OIL PORT, THE FEDERAL GOVERNMENT OUGHT TO FOOT THE BILL FOR BOTTOM FISH DEVELOPMENT.

LANE OLSEN

TELEGRAM

ECA ALASKA COMMUNICATIONS, INC.

#CJ

02691 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ROCKY CARR

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6042
#CJ JUNEAU, ALASKA 99802

02736 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

RAY EVANS

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6442
JUNEAU, ALASKA 99802

02421 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

1979 MAR 26 PM 3 54

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

LEITH LOFETH

BOX 1147

PETERSBURG AK

TELEGRAM

RCA-ALASKA
P.O.
JU

#CJ

#262? POM TDA PETERSBURG AK 15 03-26 800A AST

PMS REP ALVIN OSTERBACK

JUN AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB3[illegible] INSTEAD OF A RAW FISH TAX.

RICHARD GREENWAY

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02962 POM TDA PETERSBURG AK 15 03-26 800A AST

PMS REP ALVIN OSTERBACK

JUN AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

JOHN SVENSSON

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE [illegible]

[illegible], ALASKA [illegible]

*CJ

*2672 POM TDA PETERSBURG AK 15 03-24 0AAA AST

PMS REP ALVIN OSTERBACK

JUN AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB[illegible] INSTEAD OF A RAW FISH TAX.

BILL MENISH

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

P. ONE: [illegible]6-6442

JUNEAU, ALASKA [illegible]9802

"CJ

[illegible]917 POM TDA PETERSBURG AK 15 [illegible] DARA AST

PMS REP ALVIN OSTERBACK

JUN AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB[illegible] INSTEAD OF A RAW FISH TAX.

JILL BALDWIN

BOX 1147

PETERSBURG AK

#CJ

02134 POM ANCHORAGE ALASKA 15 03-26 1055P

PMS REP ALVIN OSTERBACK

JUN

WE SUPPORT IMMEDIATE ENACTMENT OF FINANCE COMMITTEE

SUBSTITUTE TO SB152 IN ITS ENTIRETY AS PROPOSED.

DANIEL A HUFF, JUDGE ADVOCATE, DEPT OF ALASKA

VETERANS OF FOREIGN WARS

TELEGRAM
RCA ALASKA COMMUNICATIONS, INC
PHONE 586-6442
JUNEAU, ALASKA 99802
MAR 27 AM 3 47

TELEGRAM

TDA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02761 POM TDA PETERSBURG AK 15 03-26 600A AST

PMS REP ALVIN OSTERBACK

JUN AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

RORY GREENWAY

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 2 18

02376 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

RICHARD CARR

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-0442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 2 23

#CJ

02556 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

STAN EILENBERGER

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE: [illegible]6442

#CJ JUNEAU, ALASKA [illegible]02

02859 POM TDA PETERSBURG ALASKA 15 03-23 1000A AST

PMS REP ALVIN OSTERBACK

JUN AK

AS A SHRIMPER I SEE NO BENEFITS FROM THE RAW FISH TAX. PLEASE VOTE AGAINST.

RICHARD HARRIS

M/V CHARLES GEN DLR, PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02754 POM TDA PETERSBURG AK 15 03-23 1000A AST

PMS REP ALVIN OSTERBACK

JUN AK

DONT VOTE FOR THE RAW FISH TAX UNTIL YOU STUDY SITUATION

CASPER WESTRE M/V FAITFUL

GEN DLY PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

*CJ

02326 NL TDA PETERSBURG AK 50 03-23 1040A AST

PMS REP ALVIN OSTERBACK

JUN AK

CANNOT SEE RAW FISH TAX BENEFITING SALMON CREW MEMBERS. BOTTOM FISH INDUSTRY SHOULD RECEIVE FEDERAL SUPPORT FOR LARGE SCALE PORT DEVELOPMENT.

DENNIS ROGERS

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 23 PM 2 12

02056 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP ALVIN OSTERBACK

JUN

AS A CREW MEMBER OF A SEINE BOAT THIS RAW FISH TAX WILL MAKE

THE DIFFERENCE BETWEEN FEAST AND FAMINE.

ELLEN POLOWSKI

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 1 48

02331 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ERIC ROSVOLD

BOX [illegible] 7

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

02511 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ANDREW GJERDE

BOX 1147

PETERSBURG AK

TELEGRAM

[illegible] COMMUNICATIONS, INC.

[illegible] ONE: 586-6442

[illegible] ALASKA 9802

02466 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOIE FOR HB36 INSTEAD OF A RAW FISH TAX.

ROBERT KINNEEN

BOX 1147

PETERSBUR G AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586 6442
JUNEAU, ALASKA 99802

#CJ

02613 POM TDA PETERSBURG AK 15 03-23 1000A AST

PMS REP ALVIN OSTERBACK

JUN AK

WILL BE HARD HIT BY RAW FISH TAX PLUS 3 PERCENT AQUACULTURE TAX

JEFF MCFADYEN MV ESTELLE

GEN DLY PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02517 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP ALVIN OSTERBACK

JUN AK

THE RAW FISH TAX WILL STIFFLE GROWTH OF THE FISHING INDUSTRY.

I AM A CREWMEMBER. I KNOW.

GEORGE LODDINGTON

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 AM 11 02

02037 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

PALMER ODEGARRD

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 AM 11 29

02082 POM TDA PETERSBURG ALASKA 15 03-26 830A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ED FUGLVOG

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6142
JUNEAU, ALASKA 99802

1979 MAR 23 PM 5 19

#CJ

02281 NL ANCHORAGE ALASKA 50 03-23 1000A AST

PMS REP ALVIN OSTERBACK

JUN AK

I COOK FOR GUYS WHO WORK UP TO 36 HOURS WITHOUT SLEEP. IF THE BUREAUCRATS WORKS THAT HARD, WE WOULDNT NEED A RAW FISH TAX.

KIM SHARICK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 PM 1 38

#CJ

02262 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

CARRIE BALDWIN

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02472 NL TDA PETERSBURG AK 50 03-23 1000A AST

PMS REP ALVIN OSTERBACK

JUN AK

IF CREW MEMBERS HAVE TO PAY A RAW FISH TAX, BUREAUCRATS OUT TO PAY A CUSHION TAX.

DON HUSE

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02919 NL ANCHORAGE ALASKA 88 03-23 1215P AST

PMS REP ALVIN OSTERBACK

JUN AK

ALASKA PROFESSIONAL HUNTERS ASSOCIATION WISHES YOU TO KNOW WE WHOLEHEAREDLY SUPPORT COMMISSIONER RON SKOOGS LETTER TO SECRETARY ANDRUS. IF MORE OF ALASKANS OFFICIALS WOULD STAND UP TO BE COUNTED AS THE COMMISSIONER DID, PERHAPS THE FEDERAL ADMINISTRATION MIGHT PAY MORE ATTENTION TO ALASKANS NEEDS AND DESIRES. WE UNDERSTAND SOME OF THE LEGISLATURES AND YOUR ADMINSTRATORS ARE PUSHING FOR AN APOLOGY FROM YOU TO SEND SECRETARY ANDRUS. ALASKA PROFESSIONAL HUNTERS FEELS THAT SECRETARY ANDRUS HAS NO APOLOGY COMING AND WE L[illegible]E YOU NOT TO SEND ONE.

RAY MC NUTT, PRESIDENT ALASKA PROFESSIONAL HUNTERS

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

#CJ

02568 POM TDA PETERSBURG AK 15 03-23 1000A AST

PMS REP ALVIN OSTERBACK

JUN AK

CAN SEE NO REASON TO PASS RAW FISH TAX BEFORE STUDYING OUR TAX LOAD.

ABBIE HOFSTAD/MV TONKA II

GEN DLY PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

02172 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

CLYDE CURRY

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE: 586-6442
JUNEAU, ALASKA 99802

1979 MAR 26 AM 11 57

02112 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

ARIL MATHISEN

BOX 1147

PETERSBURG AK

1979 MAR 26 PM 2 56

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE: 586-6442

JUNEAU ALASKA 99802

#CJ

02601 POM TDA PETERSBURG ALASKA 15 03-26 800A AST

PMS REP ALVIN OSTERBACK

JUNEAU AK

TO SAVE OUR LIVELIHOOD, VOTE FOR HB36 INSTEAD OF A RAW FISH TAX.

JOHN DE BOER

BOX 1147

PETERSBURG AK

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PETERSBURG, ALASKA 99833

CJ

02904 POM TDA PETERSBURG ALASKA 15 03-23-[illegible]

PMS REP ALVIN OSTERBACK

JUN AK

I AM OPPOSED TO RAW FISH TAX ON MY GROSS SEASON. PLEASE STOP

THIS BILL.

AL CRAYNE M/V MY ANN

GEN DLR. PETERSBURG AK

SB132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.
PHONE 586-6842
JUNEAU, ALASKA 99802

02319 NL TDA KODIAK ALASKA 96 04-18 0510P AST

PMS REP ALVIN OSTERBACK

JUNEAU

THE CITY OF KODIAK WOULD LIKE TO GO ON RECORD AS BEING TOTALLY OPPOSED TO PASSAGE OF HCS FOR CSSB132. WE ARE NOT IN FAVOR OF ANY INCREASE IN THE RAW FISH TAX. IT IS FELT THAT THE FISHING INDUSTRY IS IN FACT PAYING ITS WAY AND TRUE FIGURES HAVE NOT BEEN PRESENTED TO PROVE OTHERWISE.

ALL IMPACTS OF THIS BILL HAVE NOT BEEN THOROUGHLY RESEARCHED.

THE METHOD OF REIMBURSEMENT OF MUNICIPALITIES IS NOT EQUITABLE.

THE IMPACT OF THIS BILL WOULD BE SEVERELY DEBILITATING TO OUR COMMUNITY. WE URGEOOSBITEIT

RECEIVED
APR 19 1976

SB132

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC
PHONE 586-6442
JUNEAU, ALASKA 99802

02014 TDA KETCHIKAN ALASKA 84 04-18 915A AST 1979 APR 18 PM 12 32

PMS REP ALVIN OSTERBACK

JUNEAU AK

SEINERS URGE INACTION ON ANY RAW FISH TAX INCREASE. COMPROMISE LANGUAGE UNACCEPTABLE TO FISHERMEN. 3 PERCENT VOLUNTARY ASSESSMENT ALREADY COLLECTED FOR PUPOSE OF ENHANCING FISHERIES. ANY TAX INCREASE IS VIEWED UNNECESSARY UNTIL STUDY IS MADE. CAREFUL CONSIDERATION SHOULD BE GIVEN TO STATE REVENUE GENERATED DIRECTLY AND INDIRECTLY BY FISHING INDUSTRY. WE ALREADY PARTICIPATE IN INDUSTRY BASED ON UNSTABLE RESOURCE. ADDITIONAL TAXES ON THIS RESOURCE ONLY FURTHER BURDENS FISHERMEN. WE CANNOT AFFORD BOTH AN INCREASE RAW FISH TAX AND 3 PERCENT VOLUNTARY ASSESSMENT.

SOUTHEAST ALASKA SEINE BOAT OWNERS AND OPERATORS

ASSOC. JOHN KRISTOVICH PRESIDENT

TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE: [illegible]

IPMAFUB AHG

4-027855E109 04/19/79

ICS IPMRNCZ CSP

2062850300 TDRN SEATTLE WA 15 04-19 1235P EST

PMS ALVIN OSTERBACK

2243

ROOM 116 CAPITOL BLDG

JUNEAU AK

STRONGLY OPPOSED TO 6 PERCENT RAW FISH TAX BILL

ROBERT QUARTERMAN FISHING VESSEL SUSAN ANN 1302 138 SOUTHEAST

BOTHELL WA 98011

1234 EST

IPMAFUB AHG

M RASCH
1165 THIRD AVE
EDMONDS WA 98020

RCA Mailgram®

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ALVIN OSTERBACK ROOM 116 CAPE CAPTAL BLDG
JUNEAU AK 99811

STRONGLY OPPOSED TO 6 PERCENT RAW FISH TAX BILL

M RASCH
1165 THIRD AVE
EDMONDS WA 98020

1351 EST

MGMCOMP MGM

SB

211

1.99

COMMITTEE REPORT

HOUSE

FURTHER:

March 29, 1979 Date: 4/5/79

Mr. Speaker:

The Committee on RESOURCES has had SB 211

"An Act creating the title of honorary master guide for life."

under consideration and (~~a majority of the committee~~) (the committee) reports it back with the following recommendations:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Alan Austerman
CHAIRMAN

H 60 (Rev. 12/78)

SB 211	3/30	Dept. of Fish and Game	4/5 4/16
	3/30	Sen. Roddy - sponsor	4/5 4/16

(AREA CODE 907)
279-6448

AURORA INC. REALTY

P. O. Box 4-1203
~~FAIRBANKS FIRE/WEDDING~~
ANCHORAGE, ALASKA 99509

Representative Joe Hayes
Senator Pat Rodey
Senator John Butrovich

Gentlemen:

This request is in response to action taken at a March 1977 meeting of the GUIDE LICENSING AND CONTPOL BOARD, in which a resolution was passed giving Master Guide Slim Moore, an honorary master guide's license for life.

In order to implement that resolution, enclosed is the pertinent information that should be sufficient to have their action implemented. Slim would be very pleased and honored to have this, as he approaches his 80th birthday April 8.

For your information ten Master Guides received that designation the first year--Carl Lane, Juneau; Marc Jensen, Juneau; Jay Hammond, Lake Clark; Hal Waugh (decd) Fairbanks; Alf Madson, (decd) Kodiak; Slim Moore, Fairbanks; Bud Branham and Dennis Branham, both of Rainy Pass; Don DeHart, (decd) Slana; and Bob Busby, Harding Lake.

I have known Slim for over 25 years, and he is an honorable man. To keep himself busy, Slim raises most of the food that he and his wife use, with enough left over for friends who stop by during harvest time. Slim has a method of expressing himself, with his sense and humor and story telling, that it is a delight and privilege to any listener who has the opportunity to be around, when he talks of his true experiences of a lifetime of hunting. Pat used to deliver papers in Soenard where Slim lives now.

Attached are copies of articles which appeared in different magazines during some of the span of his hunting years. If there is other information that you think necessary, please let me know and I will get it. Slim's address is 4106 Arkansas Drive, 99503; phone 272-0924.

Yours very truly,

Helen A. Butcher

Helen A. Butcher (Mrs Owen)

* Bill or Resolution

LR MLS

SB211

SLIM MOORE, MASTER GUIDE

In 1964 the State of Alaska upgraded its ranks of big game guides. The system had been getting a poor reputation through unethical practices of guides who were exploiting the Great Land, and Slim Moore was one of the ten who received the Master Guide designation that first year. Others were Carl Lane, Marc Jensen, Jay Hammond, Hal Waugh, Alf Madsen, Bud and Dennis Branham, Don DeHart, and Bob Busby.

A Master Guide had to meet all the requirements of a Registered Guide, in addition to having legally hunted in Alaska for a part of each of 10 years during which his principal source of income was from guiding or related activities. He must have held a Registered Guide license and have been actively engaged in guiding for at least 5 years. He must not have been convicted of violating federal or state fishing, game or guiding laws within the preceding 5 years, and he must have consistently performed in a superior manner as evidenced by reports submitted to the department, and by inquiries made by the Alaska Guide Licensing and Control Board to at least two of the guide's clients of record, in addition to other qualifications which the board may require.

During the March 1977 meeting of the GUIDE LICENSING AND CONTROL BOARD, he following motion was passed unanimously; "RESOLVED, that master guide "Slim" Moore, after 45 years in the guiding industry was retiring, and would be an honorary master guide for life." According to Board Member Chuck Keim, the entire audience stood up and applauded. To implement this resolution will take legislative action.

M. W. (Slim) Moore, Grand Old Man of Alaska Guides, was awarded the first Simon-Waugh Award for excellence in 1974. This award is given by the Alaska Professional Hunters Association each year to guides who have dedicated their lives to guiding, have always believed in fair chase, and have contributed to the profession's excellence. In Slim's years of guiding, no complaint has ever been recorded, and he is the only living guide who has retired from a lifetime occupation as a guide.

Slim arrived in Alaska in 1926 from Texas and in 1931 booked his first hunt--three of the trophies later made the second edition in 1937 of the Boone and Crocket record book. He has trapped, packed with horses, used dog teams, and guided or hunted in almost every corner of the state except the panhandle. He guided the hunt which the record book shows two hunters' names (1950 Johnson and Brennan) for a sheep that neither knew who shot it, so both agreed to claim the distinction. When fur prices were low in 1930 and there was no demand for packers, Slim moved back to Fairbanks to his trade as an electrician lineman. In 1952 he and his wife, Margaret, took over Summit Lake Lodge on the Richardson Highway and operated it for ten years before moving to Anchorage in 1963.

Slim is a member of Pioneers Igloo #15, the Alaska Professional Hunters Association, and a retired member of the IBEW union. When the Denali Highway was completed from Paxson to Cantwell, Slim was instrumental in getting the north side of the road closed to all hunting; and he still follows the hearings and testifies from his long experiences regarding the regulation of game in the State.

Slim retired in 1977, which lead to the resolution passed at the March 1977 Guide Licensing and Control Board. Demonstrating his character, Slim felt he should release his guiding territory so that it could be reassigned.

(copies of several articles which have appeared throughout the years are attached. I can send a Polaroid picture of Slim wearing the Simon-Waugh award, which is a carved powder horn, carved in Fairbanks in April 1974)

Submitted by

Helen A. Butcher
P. O. Box 4-1203
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279-6448 or 277-6202

FURTHER RESOLVED that those guides qualifying for Subunit C be granted exclusive guide areas with joint usage for those areas that overlap.

Those guides applying for exclusive guiding areas in game management Unit 9, Subunit C, were;

Alfred Burnett	Grenold Collins	Ray Foldager
K. H. Jensen	Ed King	William D. Morrow
Jack Myers	Robert L. Myers	John Pangborn
Richard Sjoden	Reinhold Thiele	Denny Thompson
Ben White		

After discussion and on motion duly made, seconded and carried unanimously it was

RESOLVED that Ed King, Jack Myers, Denny Thompson and Ben White agree to a corridor of two and one-half (2 1/2) miles on both sides of the branch on Alkagnok River for common or shared usage within the boundaries of their exclusive areas. Ben White, Denny Thompson and Edward King have no conflict on their exclusive guiding areas. Denny Thompson and Jack Myers do have a conflict. Jack Myers will readjust his map, pulling back his boundaries so they are no longer in conflict.

After discussion and on motion duly made, seconded and carried unanimously it was

RESOLVED that master guide "Slim" Moore, after 45 years in the guiding industry was retiring, and would be an honorary master guide for life.

After discussion and on motion duly made, seconded and carried unanimously it was

RESOLVED that Richard Herscher did not hold a qualified registered guide license at this time, and that Mr. Herscher could petition the board for an exclusive guiding area at such as he obtained his license.

Mr. Ray Loesche then addressed the board (Mr. Loesche's guide license is revoked). Mr. Loesche stated he was putting the board on notice that if he had to take it to every court in the land, he would prove that what the Guide Licensing and Control Board was doing by assigning of exclusive guide areas was illegal.

After discussion and on motion duly made, seconded and carried unanimously it was

RESOLVED that a permanent permit be assigned to those guides in Unit 9, Subunit E, who applied by November 1, 1976, having in the last five years three Statements of Financial Remuneration on file and/or had in the last five years three Bear Camp registrations;

FURTHER RESOLVED that a temporary permit would be assigned to those guides applying in Unit 9 Subunit E, by November 1, 1976, who had in the last five years two (2) Statements of Financial Remuneration on file and/or had in the last five years two (2) Bear Camp registrations, and/or had a written statement from three registered guides that they had conducted hunts in Unit 9 in the last five years;

Slim:
There was a unanimous vote of the Board, and the entire audience stood up and applauded you.
Charlie Kosin
7/16/77

Grand old man of Alaska guides

By SALLY W. JONES
Daily News Staff Writer

As near as anyone can figure, Slim Moore's been guiding big game hunters in Alaska for, oh, say, about 200 years.

In truth, however, Moore has been guiding since 1931, and at 76 is the oldest active guide in Alaska. He has been given the Alaska Professional Hunters' Association first Simon-Waugh Award for excellence.

Clark Engle, head of the association, said the award will be given each year for guides "who have dedicated their lives to guiding, have always believed in fair chase" and have contributed to the profession's excellence. "We will keep this award on a high plane," Engle said soon after Moore was given the powder horn trophy.

AS HE RELAXED at Engle's home Sunday, Moore was talking about not renewing his master guide's license this year. "I don't take a new client anymore — I'm afraid I wouldn't be able to keep up with him," he said with a chuckle.

Moore booked his first hunt in 1931.

It was the hunter's first hunt, also, and the result was three trophies — two sheep and a goat — that were to make the next Boone and Crockett record book in 1937.

Since that hunt, he's taken hunters to seek nearly every game animal Alaska has to offer.

HIS KNOWLEDGE of Alaska wildlife has come with the intimacy no biologist could hope to gain from books, test tubes or laboratories.

He guides for the Alaska brown bear on Kodiak Island and the Kenai Peninsula and for moose, caribou and Dall sheep in the Nelchina-Upper Susitna, Wrangell Mountains, and Fairbanks-Central Tanana game management units.

He maintains permanent hunting camps in the peninsula and Nelchina

Slim Moore with his award

reurin' and tendin' his garden — I've never been a vegetarian before." — his tone has the ring of nonconviction.

SLIM MOORE lives big game. He talks of grizzlies as if the big bears were as predictable as the tides. Yet he respects their beauty, power and cunning. He talks of sheep and his theory that the Dalls in lime-rock areas grow the largest curls, from the lime in their diet.

And he talks of how Alaska's game has changed during his 49 years of hunting here.

"The sheep are coming back — there was a sheep epidemic in the '30s and '40s, in the '50s they went all out on (controlling) wolves, and the moose exploded; the bear have gone to the bottom of the barrel and Kodiak may end up to be the brown's last stronghold."

WHEN MOORE started guiding, packhorses were the mode of transportation and a 30-day hunt was the rule. Today, the aircraft hounds the bear and the hunter wants his trophy bagged in 10 days. "Overhunting," Moore said.

And he talks of the Outsiders who seek the majestic brown and grizzly.

"I had one fella' who was really nervous," Moore grins. "He shot the bear, we walked to it and I leaned on its stomach (in order to expel stomach gas.)

The carcass let out a "wruumphhh."

"That man high-tailed it out of there so fast I nearly had to cut the tree down to get him down," Moore says with a mischievous straight face.

THE HUNTING stories he and Engle swap for endless hours — "they get better with the telling," Moore said — reveal as nothing else could why Moore moved to Alaska before the Depression.

"I always liked to hunt and fish," Moore said. "And it was hard getting away from farmers with pitchforks when they saw me fishing in their alfalfa fields." Outside, he was an electrician on constant vacation.

In his early years here, he provided pack trains for gold-seekers, led his pack train for federal Geological Survey work, trapped an 80-mile line and found odd jobs until that day when a client was referred to him in 1931.

"I came to Alaska when I was in my 20's — figuring I'd get this hunting and fishing thing out of my system here," Moore said.

But he never did get it out of his system — "I keep putting it off one more year" he said, and mumbled something about maybe getting that license renewed for one more year . . .

Slim Moore

Thirty Years on an Alaskan Guide

by
Jim Rearden

← Veteran woodsman Moore sharpens a beaver-skinning knife in his comfortable log cabin home high in the remote fastness of his Alaska Range hunting country.

"DON'T let him chase me too far," the guide told his hunter.

A wounded grizzly had fled snarling into the brush. The guide proposed to go in and get the bear to chase him into the open, so the hunter could get a clear shot.

Before the amazed hunter could object, the long-legged guide crashed into the brush and disappeared. Shortly the guide came legging it out of the thicket, occasionally peering over his shoulder at the bear, which, sure enough, was chasing him. Though unnerved, the hunter managed to shoot the bear and end the chase.

Sounds foolhardy, but it wasn't. The guide knew exactly what he was doing. His name was and is Slim Moore, and he is regarded by many who are qualified to judge as one of the greatest of all Alaskan guides.

Another top-notch guide, Warren Tilman of Fairbanks, remarked to me, "Slim's like a hungry Indian when he gets on a good trophy's trail. He stays with it until his hunter quits or gets it."

Slim—he is called nothing else, and has even been listed as such in a telephone directory—and his wife, Margaret, own and operate Summit Lake Lodge, 3,210 feet above sea level in the glacier-hung reaches of the wild Alaska Range. The paved Richardson Highway winds past their door.

It was thirty degrees below zero on a recent winter's day when I pulled off the highway in front of the snow-banked log cabin the Moores call home. Slim, shrugging into a parka, came out to welcome me. Tall—he's six feet two—craggy faced, with bushy brows, a magnificent head of silver hair and piercing blue eyes, he looks every inch the big game guide.

Though I had intended to visit the Moores only a few days, I stayed a week, yarning with Slim, looking over his pictures, snowshoeing with him and outdoor-loving Margaret in search of ptarmigan.

Slim enjoys hunting any kind of game. I have seen him happy as a kid just hunting ptarmigan. Brown and grizzly bears are his favorite game, however. "They have a little bit of fight-back," he says.

Sometimes they have a little too much "fight-back."

Once while guiding the well-known outdoorsman, Fred Hollander, on the Kenai Peninsula, Slim came upon a small grizzly digging out a parka squirrel. All they could see were the bear's round rump and a shower of dirt.

"Wanta see something funny?" Slim asked.

He yelled and beat his leg with his hat, thinking the bear would run—and the south end of a bear rapidly moving north is a ludicrous sight.

But the bear bounced out of the hole,

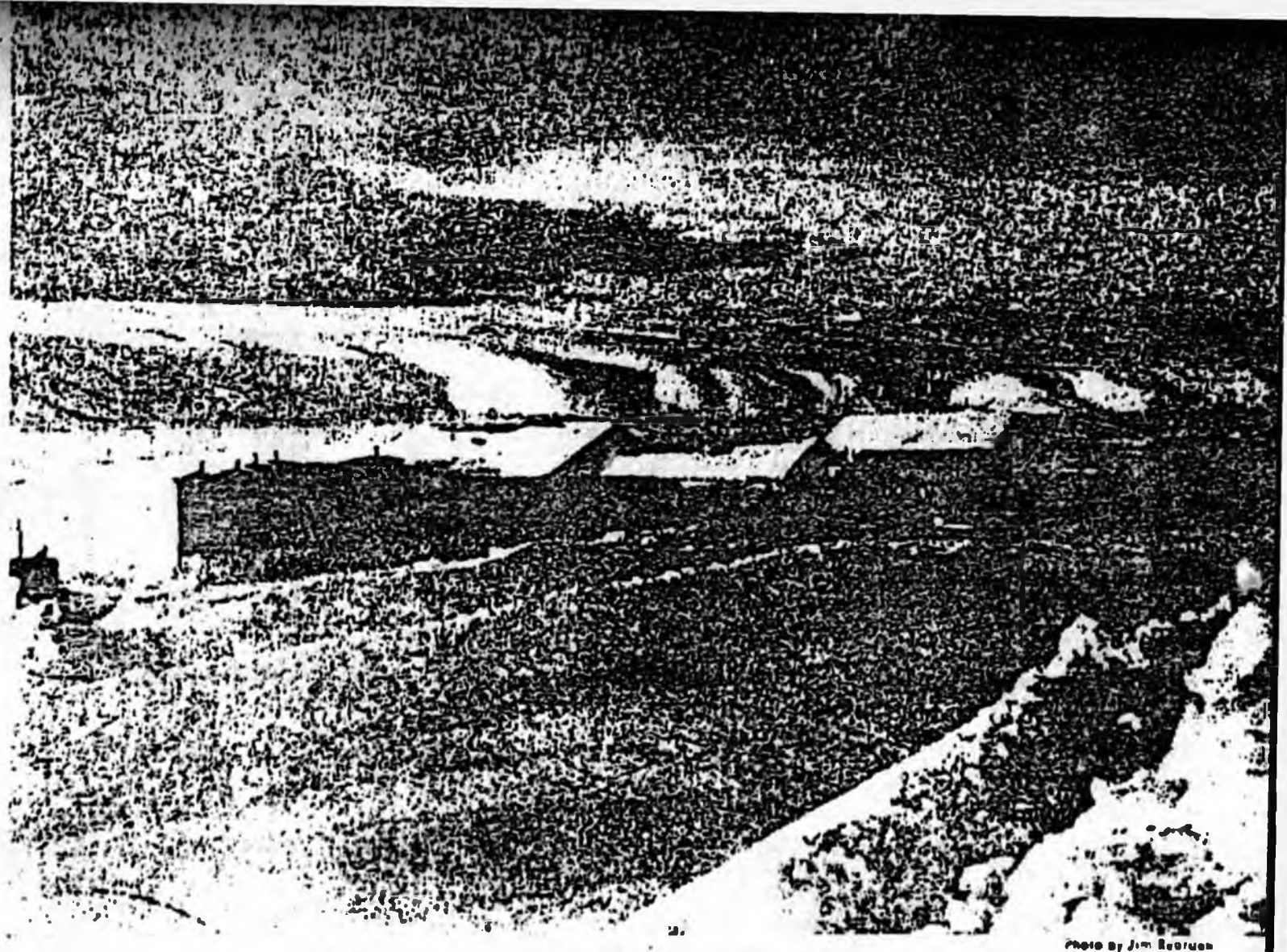

Photo by Jim Rearden

Guide Moore and his wife, Margaret, operate Summit Lake Lodge on the Richardson Highway in Interior Alaska for hunters, fishermen, "just plain travelers" and a host of friends.

took one look at the men, peeled his lips back and charged. It took a few fumbling moments for Slim to lift his rifle from his packboard and shoot. When the bear lay dead a few yards from them, Hollander turned to Slim and demanded angrily, "What 'n hell was so funny?"

Slim won't estimate the number of brown and grizzly bears that have charged him. He maintains it is unusual for a bear to charge, but when a man has hunted as much as he, there are bound to be exceptions. At various times he has described to me six "exceptions."

One occurred when he was hunting alone—and the story shows what kind of outdoorsman is this soft-talking big guide. It happened in October. Slim headed downriver from Paxson's Lodge, a landmark a few miles from where his Summit Lake Lodge now is, hunting a bear for sled-dog feed.

He found tracks and followed them until the bear jumped about two hundred yards away. At Slim's shot the animal reared, dropped, and spun into a canyon.

The bear printed a bloody hole in the snow where it fell, but it was on its feet and legging it for distant places when Slim got there. His shot had struck the flesh of a foreleg. Slim trotted up the trail following the wounded grizzly's tracks and blood sign where they crossed a five-thousand-foot mountain—despite eighteen inches of snow and his lack of snowshoes.

Hours later, slogging toward the Tangle Lake country, he managed to get within five hundred yards of the bear. He sat down, aimed carefully, and hit it again, this time in a heel.

Now he started to gain. The grizzly limped into a big draw, and Slim guessed that he would cut left and follow a deep cut. He ran across the bend and the animal was plodding along directly below him as he reached the rim.

"Where do you think you're goin' now?" Slim yelled. The big grizzly turned and charged, snarling. Slim waited as the animal clawed up the side of the draw. When it was about seventy-five feet away he shot it through the shoulder hump, killing it instantly.

It was nearly dark and Slim was fourteen miles from his starting point—with a five-thousand-foot peak between himself and home. He had no food nor bedding. He skinned the bear quickly, dragged the eight-foot-square hide to a level spot and curled up in it, using the head for a pillow and throwing the unskinned feet over him to hold the cover in place. The temperature dropped to zero that night, but he was warm.

"It made a nice blanket," he recalled, "though it did smell fishy."

Late the next day, on his way home around the mountain, he shot the heads off two spruce hens with his .30-'06, built a fire, cooked the birds and ate them—the first food he'd had since breakfast the previous day. The grizzly meat had smelled too fishy for his taste.

Two hunters divided honors on this record sheep taken during a hunt with Moore.

In November he returned with his dog team for the bear carcass. A heavy snow was falling. He tied his team and approached on foot, rifle ready. It never pays, in Alaska, to approach meat incautiously, even in winter. If a bear finds meat, he hates to leave it.

Slim missed the bear by about a hundred yards. The thick snow was whipping about in a steady glacier wind. He circled a bit, working uphill. A sudden rift in the storm let Slim glimpse the location of the carcass—and he saw an animal lying beside it, covered lightly with snow. Slim thought it another bear. He was downhill from it—a bad tactical position. He craned his neck and walked back and forth, trying to determine where the animal's head was. Then a camp robber, a northern jay, flew down and lit on the bear carcass.

A big wolf got up, shook off snow and reached for the bird. Slim snapped off a shot, knocking the wolf down. At the noise of the rifle the hillside exploded with wolves, leaping from the snow and had been curled in the snow around the bear.

One great gray-maned wolf ran toward Slim, ears pinned back, and swung aside to pass him. Letting it go for the moment, he fired five quick shots and rolled three of the others dead. He crammed more shells into his empty rifle, swung around, and made a spectacular shot at the receding form of the gray that had sprinted by him. He had killed five out of the six.

"You know," he told me disgustedly, "I could have killed four of 'em with one shot as they lay in their beds, if I'd been on the ball. Four of 'em were in perfect line when I slapped that one that got up to chase the jay off. I'll never have a chance like that again."

Slim came to Alaska from Texas in 1926, for a short stay that has turned into a long one. He has trapped, packed with horses, guided or hunted in almost every corner of the state except the panhandle. Though he has guided many famous men, he won't talk about those who are living. He feels that their hunts are part of their private lives, and he has no right to publicize them.

Two he will name are Wiley Post, the famed flyer who was killed with Will Rogers near Barrow, and Fred Hollander, the wealthy sportsman-naturalist-photographer. He guided Hollander on several hunts.

A big, powerful man, Slim is known for his stamina on the trail and for his packing ability. He once ran down and killed a healthy wolf, almost with his bare hands.

It happened years ago, near Summit Lake. A wolf got into one of his traps, broke the chain, and got away with the trap.

A week later Slim was checking [illegible] .30-30 rifle. A[illegible] he neared Paxson's Lake he picked u[illegible] a timber wolf track and followed i[illegible] thinking perhaps it was the one tha[illegible] had escaped. He followed the trail t[illegible] the lake's edge and saw a black anima[illegible] running across the ice about three hun[illegible] dred yards away.

It was too far off to expect to hit [illegible] with the .30-30, but he pitched a fe[illegible] rounds at it anyway. Just as it went int[illegible] the brush, it looked as if it up-ended a[illegible] a shot. Slim ran after it.

He found drops of blood in the snow[illegible] where the wolf had entered the brush[illegible] so he was sure it was hit. Somehow h[illegible] mixed a .32 Special shell with the fod[illegible] der for the .30-30, and the rifle jammed[illegible] It was useless.

The wolf ran into deep, loose snow[illegible] and the tall man, on snowshoes, gained[illegible] until he got within feet of the frantic[illegible] brute. Every turn the wolf made al[illegible] lowed Slim to cut across and gain more[illegible] As he charged by a ten-foot-high "gee[illegible] pole" spruce, he broke it off to use as[illegible] a club.

Slim Gives Chase

The wolf tried to hide under thick spruce trees. Slim followed him, punching him out with the pole, driving him farther through the deep snow. Finally he forced the growling animal into a clearing. Slim gave it all he had then, his snowshoes flying until he was right behind the wolf.

"Hayuuuuuuuuh!" he screamed, to fluster it.

The wolf turned with a snarl to face Slim, lips curled, mane up. Slim slammed the spruce club across its back and the club broke. He dropped it and climbed right on top of the surprised wolf.

"He sure gave me a rough time, trying to get out from under," Slim laughed. "I think I invented a new dance step trying to stay balanced on him."

After a few furious moments of tumbling and kicking in the four-foot-deep snow, the wolf managed to work his head up between the snowshoes, mouth open, big teeth popping and slamming against the hardwood and babiche. His roars and growls had Slim's hair on end. Slim did the only thing he could think of. He shoved the gun barrel into its mouth and "kept shovin' and twistin' and shovin' and twistin'." The gun sight tore the wolf's lungs apart and it soon died.

Slim's shot hadn't touched the wolf. The toes were gone from one of its feet and the foot was bleeding slightly. Otherwise the animal was whole and healthy until Slim climbed on top of it.

"Some tell that story and claim I had hold of both ends of my .30-30 when I was through with that wolf," he chuckled.

During his years of guiding, Slim has led hunters to "around a dozen" caribou, sheep, bears and mountain goats that have been listed in various Boone

Slim and the Johnson-Brennan trophy Dall Sheep ram at the scene of the kill high in the Alaska Range in 1950.

doesn't know the exact number. "It's just in recent years that we've been paying much attention to records," Slim says, "and it's a great thing, too. Hunters are now after the best trophies, which is as it should be."

One of the finest records for which Slim is responsible, a Dall ram which now stands sixth from the top, is unique in being the only trophy in the book credited to two men.

Slim led the two, Phil Johnson and "Honest John" Brennan—both from Fairbanks and both now dead—to the top of a little ridge in the rugged, rock-ribbed, snow-capped Johnson River country and pointed out three snow-white rams about two hundred yards across a canyon. Two of the rams were feeding. The third was lookout.

"When I put glasses on that third one I couldn't pull 'em off," Slim said. "My eyes ran out like the eyes of a snail. I'd never seen anything so nearly perfect as that head!"

Slim told the hunters to be sure to kill the big one. They crouched behind rocks and matched coins to see who got the first shot. Phil Johnson won. He took careful aim and overshot. His bullet exploded on a rock behind the huge ram, causing it to leap toward the hunters.

Brennan then undershot, which turned the ram back. Then Johnson overshot again, and the confused ram whirled once more.

Whose Trophy?

Five or six shots were fired before anything was hit—and then it was a small ram that collected a slug. Then one of the men connected with the big ram. It dropped dead. But who had hit it?

No one was sure. The men, good friends, decided to claim it jointly, and that's the way it appears in the Boone and Crockett records. The beautifully mounted head of this magnificent sheep is on display in a Fairbanks bank.

Slim has an interesting theory to account for broomed or broken-tipped horns found commonly on sheep. "It may sound hill-billy," he said, "but I have an idea that horn gets in the way of its vision. You'll notice that a wide, sweeping horn is seldom broomed. Those with a tight curl that comes right next to the eyes are the ones that most often are broomed."

This man Moore has an appreciation of nature and the out-of-doors that goes far beyond enjoyment of hunting and fishing. You sense it in his stories, and in his half-spoken thoughts. This is probably the reason he is the guide's guide in Interior Alaska. When he depended upon pack horses for a living, often when business was slow he'd take a few nags, pick a spot on the map and go there alone just to see what it looked like.

One of Slim's hunters who shot this black bear in 1937 posed Moore with his trophy.

One of his favorite areas was the McClaren River country, a couple of days' travel from Summit Lake. There, high in the wild Alaska Range, he enjoyed sitting on the lush hillsides watching moose, caribou and grizzly bears move about the rich basin and across the mountains as far as he could see.

"I felt wealthy amidst all that game, all by myself," he says today. "Times like that, I wouldn't have traded places with anyone alive."

The Denali Highway to McKinley Park now winds through the McClaren country, and anyone can drive there. Slim was instrumental in having a huge block on the north side of this new road closed to all hunting, for it is so open that the abundant game would have little chance against hunters.

It was a sad day for Slim when, in 1938, he had to abandon his packing and trapping and move to town. Low fur prices and few packing jobs—hence little money—forced the move. He went to Fairbanks and got a job as an electrician-lineman, a profession he had followed before coming to Alaska. He continued to guide and work as a lineman until 1952, when he took over Summit Lake Lodge.

How does a guide consistently lead hunters to outstanding trophies? It obviously isn't luck. Slim's explanation is surprisingly simple. "When I want a big trophy for a hunter," he said thoughtfully, "I try to figure out where climate and food conditions are best for that animal to grow big. Mild weather, long growing seasons and plenty to eat are all-important, in my opinion.

"And when you want to know where the game is in an area, there's one basic thing you can usually depend upon. It reminds me of the two Africans trailing a jeep, thinking they were after two big snakes. After about forty miles they held a council of war and decided they

—please turn to page 39

Although fur prices are "not too good" Slim still keeps his trapline in operation and his holes for beaver sets open.

...ing down. During our flight to the lake we saw thousands of caribou, but very few moose and no bulls that would go over a forty-five or fifty-inch spread.

We hiked about five miles before Ken spotted three or four cows in a small wooded area. With the cows in sight we thought surely a bull must be in the general vicinity, as they were deep in the rut at this time. With but six hours of light left on the last day of the moose season, we decided to hunt this area.

The cows, having seen us, jogged on some hundred yards or so and stopped on the edge of a small thicket, where they stood watching us. Shortly, not fifty yards from the cows, we saw a bull, but by no means a trophy animal. His rack would have gone only forty or forty-five inches.

Good Show

We sat back, however, to view the performance which was about to begin. The bull snorted, bellowed, pawed the ground, charged the young cows and did everything else possible to prove his bullishness. He would nudge the cows with his rack just enough to prod them along a bit, but not making any real attempt to injure them. The cows paid very little attention to this timely display of bullish emotion, so the young bull retreated dejectedly into the bushes.

We sat there a few moments and surveyed the area, trying to decide which direction to take. Suddenly Ken nudged me, saying nothing but pointing to the far end of the thicket. There, standing partially concealed in the brush, was a moose with a rack bigger than any I had ever seen. Ken whispered that it must be at least a seventy-inch spread—and my only concern was to raise my scope-sighted .300 Weatherby, flip off the safety, and place the cross-hairs on the animal's chest bone.

I think all the ill luck of the last few days flashed before me but this was no time for recapitulations. I took a long, deep breath, held it, and squeezed. Now, I can't even remember hearing the rifle go off. All I remember is seeing the animal fall as if his legs had melted beneath him.

We ran up to take a look at our prize—and it more than compensated for all the previous frustrations. With the steel tape which the guide always carries, we found the rack measured seventy-two and one-half inches, and it was very symmetrical. The moose must have weighed between sixteen and seventeen hundred pounds.

Last Chance

I looked at my watch. It was now four p.m. Our moose had met his fate in the last hour of the moose season.

I think it only fair to give credit where credit is due. My rifle is a souped-up wildcat of a standard .300 ...ercy of South Gate, California. It drove a 180-grain Nosler bullet, which has the best-controlled expansion of any bullet I have yet used.

The impact and effectiveness of such a gun-and-cartridge combination is best shown by the condition of the dead animal. The breast bone was shattered, the heart and great vessels were torn loose, and the center attachment of both lungs was shot away. These were driven through the diaphragm and into the abdomen, rupturing the stomach and intestines. We recovered the bullet intact and expanded perfectly in the animal's left hip.

Being a gun crank and something of an amateur ballistician, I was particularly interested in the performance of this gun and cartridge and the effect on the animal. I have killed many large animals, but never with such devastating force. Mr. Weatherby makes one fine cannon.

We finished the hunt on caribou, which afforded no problem whatever. Two of my three caribou were killed with this same rifle, one at 650 yards and one at 725.

Back in Anchorage, the moose was measured by Bert Klineberger of Jonas Brothers, who is the Boone and Crockett Club representative. Its preliminary measurements showed a symmetrical rack of 72½ inches, and the animal pointed out at a total of 232 points plus, according to the Boone and Crockett method of recording.

That put my moose among the twelve largest ever taken in Alaska—and one of my caribou booked in the top thirty barren ground caribou.

Next time I get everything correlated so I can go hunting, if everything clicks at the outset I'll probably be apprehensive. All in all, I never experienced a more frustrating beginning nor a more wonderful ending than I did with my one-day moose hunt. ▲

Slim Moore

(Continued from page 19)

were wasting their time. They hadn't found any dung, so they didn't know what the snakes fed on, so they didn't know how to hunt them.

"I'm like those Africans. I want to know what animals are eating. When I know that, I know where to hunt them."

It is for this reason that Slim examines the stomach contents of almost every animal he kills.

Twenty or thirty years ago, most hunters who came to Alaska were retired businessmen, and pack trips after game lasted a month or even two. Today, hunters expect to get the same trophies in ten days or two weeks. They hunt from airplanes, crawler vehicles, even cars.

Despite this, and despite the great change in economics over the years, a guide's pay in Alaska has remained

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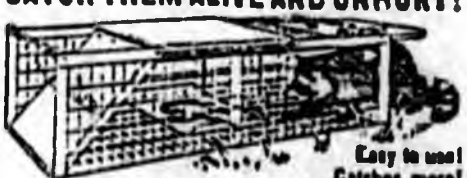

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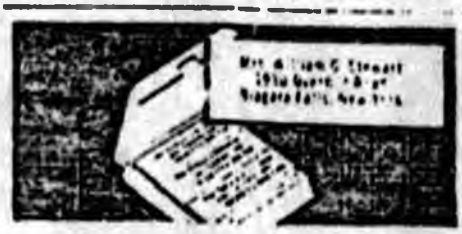

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SLIM MOORE, MASTER GUIDE

In 1964 the State of Alaska upgraded its ranks of big game guides. The system had been getting a poor reputation through unethical practices of guides who were exploiting the Great Land, and Slim Moore was one of the ten who received the Master Guide designation that first year. Others were Carl Lane, Marc Jensen, Jay Hammond, Hal Waugh, Alf Madsen, Bud and Dennis Branham, Don DeHart, and Bob Busby.

A Master Guide had to meet all the requirements of a Registered Guide, in addition to having legally hunted in Alaska for a part of each of 10 years during which his principal source of income was from guiding or related activities. He must have held a Registered Guide license and have been actively engaged in guiding for at least 5 years. He must not have been convicted of violating federal or state fishing, game or guiding laws within the preceding 5 years, and he must have consistently performed in a superior manner as evidenced by reports submitted to the department, and by inquiries made by the Alaska Guide Licensing and Control Board to at least two of the guide's clients of record, in addition to other qualifications which the board may require.

During the March 1977 meeting of the GUIDE LICENSING AND CONTROL BOARD, the following motion was passed unanimously; "RESOLVED, that master guide "Slim" Moore, after 45 years in the guiding industry was retiring, and would be an honorary master guide for life." According to Board Member Chuck Keim, the entire audience stood up and applauded. To implement this resolution will take legislative action.

M. W. (Slim) Moore, Grand Old Man of Alaska Guides, was awarded the first Simon-Waugh Award for excellence in 1974. This award is given by the Alaska Professional Hunters Association each year to guides who have dedicated their lives to guiding, have always believed in fair chase, and have contributed to the profession's excellence. In Slim's years of guiding, no complaint has ever been recorded, and he is the only living guide who has retired from a lifetime occupation as a guide.

Slim arrived in Alaska in 1926 from Texas and in 1931 booked his first hunt--three of the trophies later made the second edition in 1937 of the Boone and Crocket record book. He has trapped, packed with horses, used dog teams, and guided or hunted in almost every corner of the state except the panhandle. He guided the hunt which the record book shows two hunters' names (1950 Johnson and Brennan) for a sheep that neither knew who shot it, so both agreed to claim the distinction. When fur prices were low in 1938 and there was no demand for packers, Slim moved back to Fairbanks to his trade as an electrician lineman. In 1952 he and his wife, Margaret, took over Summit Lake Lodge on the Richardson Highway and operated it for ten years before moving to Anchorage in 1963.

Slim is a member of Pioneers Igloo #15, the Alaska Professional Hunters Association, and a retired member of the IBEW union. When the Denali Highway was completed from Paxson to Cantwell, Slim was instrumental in getting the north side of the road closed to all hunting; and he still follows the hearings and testifies from his long experiences regarding the regulation of game in the State.

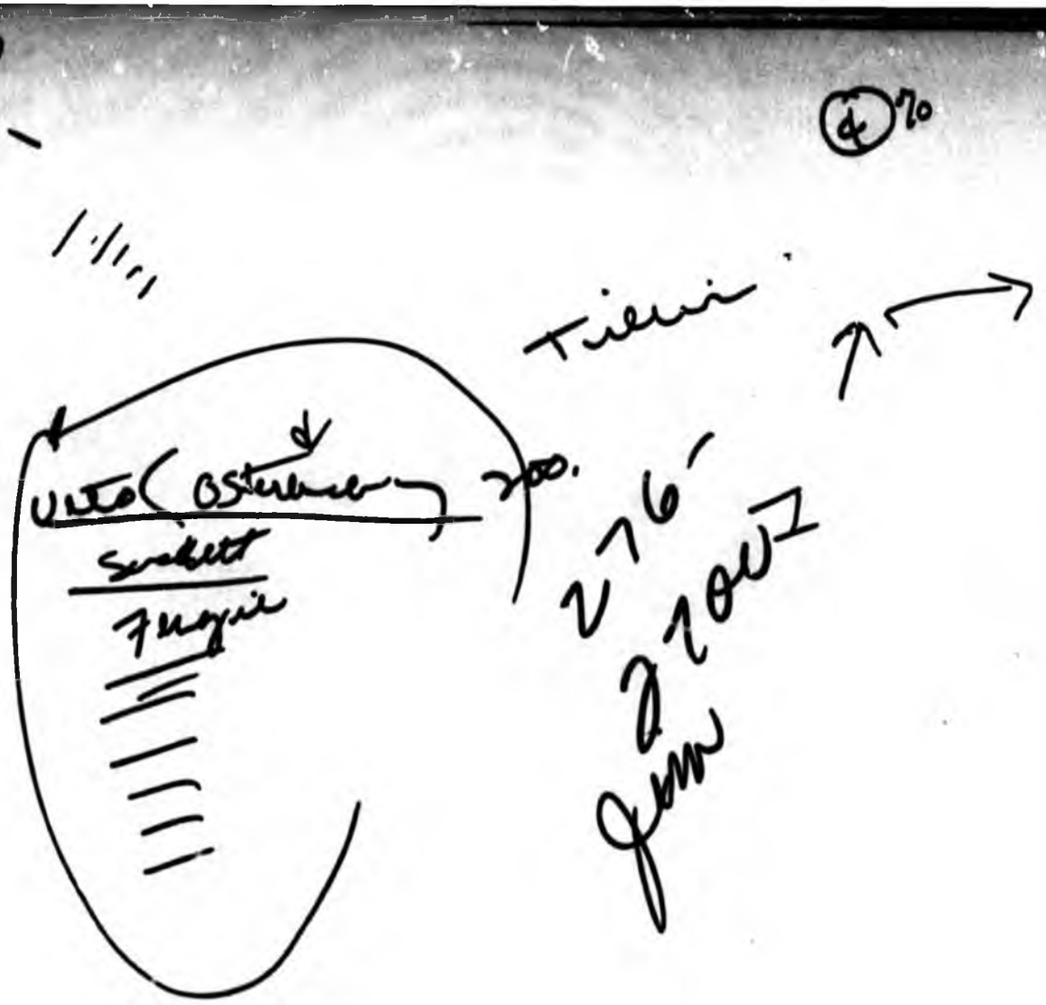
Slim retired in 1977, which lead to the resolution passed at the March 1977 Guide Licensing and Control Board. Demonstrating his character, Slim felt he should release his guiding territory so that it could be reassigned.

(copies of several articles which have appeared throughout the years are attached. I can send a Polaroid picture of Slim wearing the Simon-Waugh award, which is a carved powder horn, carved in Fairbanks in April 1974)

Submitted by

Helen A. Butcher
P. O. Box 4-1203
Anchorage, Alaska 99509

279-6448 or 277-6202


Tissue
Urea (Osteoblasts)
Skeletal
Muscle
Fat
2%
2.6%
2.0%

SB

332

(9)

COMMITTEE REPORT

HOUSE

3/3/80

FURTHER: JUDICIARY

Date: 4/15/80

Mr. Speaker:

The Committee on RESOURCES has had CSSB 332

"An Act relating to hunting in the Trans-Alaska pipeline corridor."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[✓] replace with CS for CS-SB 332 [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[✓] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO PASS

Kay Kottenstra

Gary Kenney (No Rec)

Fred E. Zharoff

Alvin Ott

MEMBERS HAVING OTHER RECOMMENDATIONS:

Al Adams NO REC

Alvin Ott

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Ostarback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Hunting in the pipeline corridor

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
CSSB 332	4/11	3753	Sen. Sackett, original sponsor ✓	4/15
	4/11	452-3464	Golden North Bowhunters Assoc. Charles Allen, V.P. ✓	4/15
	4/11		Alaska Professional Hunters Assoc. Randy Smith ✓	4/15
	4/11	4100	Dept. of Fish & Game ✓	4/15

AMENDMENT

OFFERED IN THE SENATE: BY: Senate Judiciary Committee

TO: Amend SENATE BILL No. 332

HOUSE BILL No. _____

PAGE: 1 LINE: 10 and Line 12.

Line 10, after hunting insert: "or discharging of firearms".

Line 12, delete: "[alignment]".

Lloyd Gaffey
206-624-4344
King Cove Road

SB332

TELEGRAM

ALASCOM, INC.
PHONE 586-6442
JUNEAU, AK 99802

02215 NL TDA CHUGIAK ALASKA 50 02-26 0635P AST 1980 FEB 26 PM 9 50

PMS SEN BILL SUMNER

2927

JUNEAU

I AM OPPOSED TO SB332 AS ITS WORDING DOES NOT AGREE WITH THE INTENT. CLOSING TO HUNTING DOES NOT PREVENT DAMAGE TO THE PIPELINE. ONLY PROHIBITING THE DISCHARGE OF FIREARMS WILL. HUNTING BY MEANS OF BOW AND ARROW IS COMPATIBLE AND WILL NOT CAUSE DAMAGE TO THE PIPELINE.

THE ALASKAN BOWHUNTERS ASSOCIATION

PO BOX 2200 SOLDOTNA ALASKA 99669

SB332

TELEGRAM

ALASCOM, INC.
PHONE 586-6442
JUNEAU, AK 99802

1980 FEB 25 PM 10 50

02291 NL ANCHORAGE ALASKA 54 02-26 0805P AST

PMS SEN BILL SUMNER

2937

JUNEAU

AS A BOW HUNTER I AM OPPOSED TO SB332 CLOSING THE PIPELINE CORRIDOR TO HUNTING WILL NOT PREVENT DAMAGE. ONLY CLOSING THIS AREA TO THE DISCHARGE OF FIREARMS WILL PREVENT DAMAGE. THIS RESOURCE CAN STILL BE UTILIZED FOR HUNTING WITH A BOW AND ARROW WITH NO DANGER OF DAMAGE.

EDWARD RUSSELL

POUCH 6606, ANCHORAGE ALASKA 99502

BILL ANALYSIS

SB332

ASSIGNMENT DATE_____

UNASSIGNED_____

DEPARTMENT	SPONSOR (PRINCIPAL)	BILL NO.
Public Safety	Sackett	SB 332

DEPARTMENT POSITION

Neutral

DIVISION DIRECTOR	DATE	COMMISSIONER	DATE
Col. Fred Woldstad	1/22/80	William R. Nix	1/22/80

GOVERNOR'S OFFICE USE

☐ POSITION NOTED ☐ POSITION APPROVED ☐ POSITION DISAPPROVED

BY: DATE:

SUMMARY

(1) RELATED BILLS (SIMILAR OR CONFLICTING)

(2) OTHER AGENCIES AFFECTED BY BILL: Dept. of Fish & Game, Board of Game

(2) a. ORGANIZATIONAL SUPPORT FOR BILL		(2) b. ORGANIZATIONAL OPPOSITION TO BILL
Unk.		Unk.

(3) PROGRAM EFFECTS OF BILL

No adverse effect on the division's programs.

(4) FISCAL IMPACT: ☒ NONE ☐ FISCAL ANALYSIS ATTACHED

(5) AMENDMENTS PROPOSED:

(6) COMMENTS:

The division enforced a similar law during the pipeline construction era and does not foresee any problem with this bill.

S.B.332

of Indian Creek and Falls Creek are closed to the taking of Dall sheep. The department shall retain the authority to set limited seasons, by permit only, and in consultation with the Division of Parks, to adjust severe imbalances in game animal populations;

(14) the Westchester Lagoon waterfowl nesting and observation area: all lands and waters on Chester Creek between Arctic Boulevard and Turnagain Arm are closed to hunting and trapping and to the use of motorized vehicles off designated roadways and travel routes;

(15) Otter Island (one of the Pribilof Islands–Unit 10) administered by the U.S. Department of Commerce National Marine Fisheries Service, is closed to all hunting;

(16) the Moose River closed area (Sterling–Unit 15A): on and within ¼ mile of the Moose River between the Kenai National Moose Range boundary and the Sterling Highway is closed to the taking of waterfowl.

5 AAC 81.260. INTERIOR-ARCTIC ALASKA (UNITS 17-26). The following areas are closed areas:

(1) the Birch Lake closed area (near Fairbanks–Unit 20): on and within ½ mile of Birch Lake (closed to the taking of big game only);

(2) the Harding Lake closed area (near Fairbanks–Unit 20): on and within ½ mile of Harding Lake (closed to the taking of big game only);

(3) the Lost Lake closed area (near Fairbanks–Unit 20); on and within ½ mile of Lost Lake (closed to the taking of big game only);

(4) Repealed.

(5) the Healy-Lignite closed area (near Healy–Unit 20C): beginning at the confluence of Lignite Creek and the Nenana River, thence upstream along Lignite Creek to its confluence with Sanderson Creek, thence in a straight line southerly to the confluence of Healy Creek and Coal Creek, thence in a straight line southerly to Dora Peak (63°49'N and 148°42'W), thence in a straight line westerly to the confluence of Healy Creek and Moody Creek, thence downstream along Healy Creek to the Nenana River, thence downstream along the Nenana River to the point of beginning, is closed to all hunting;

(6) the Prudhoe Bay closed area (near Prudhoe Bay–Unit 26): beginning at a point 70°22'N latitude and 148°00'W longitude, thence south approximately 14 miles to a point at 70°10'N and 148°00'W, thence west approximately 15 miles to a point at 70°10'N and 148°40'W, thence north approximately two miles to a point at 70°12'N and 148°40'W, thence west approximately eight miles to a point at 70°12'N and 148°56'W, thence north approximately two miles to a point at 70°15'N and 148°56'W, thence west approximately 12 miles to a point at 70°15'N and 149°28'W, thence north approximately 12 miles to a point at 70°26'N and 149°28'W, thence east approximately 14 miles to a point at 70°26'N and 148°52'W, thence south for approximately two miles to a point at 70°24'N and 148°52'W, thence east for approximately 16 miles to a point at 70°24'N and 148°11'W, thence south for approximately two miles to a point at 70°22'N and 148°11'W, thence east approximately six miles to the point of beginning at 70°22'N and 148°00'W, is closed to the taking of big game only;

(7) Sledge Island (Unit 22) and the waters within one mile of it are closed to walrus hunting;

(8) the trans-Alaska pipeline corridor closed area (north of the Yukon River-Units 24, 25 and 26): the area within a strip five miles on both sides of the trans-Alaska pipeline alignment from the Yukon River to Prudhoe Bay is closed to the taking of big game only.

Existing Regulation

5 AAC 81.270. APPLICATIO
otherwise provided in secs. 280-30
this chapter are continuously close

5 AAC 81.280. SOUTHEA
Forrester Island State Game Re
Forrester Island and adjacent rock
taken for commercial purposes un
the discretion of the commissioner

(b) The Hazy Island State
Islands in Southeastern Alaska u
taken for commercial purposes un
the discretion of the commissioner

(c) The St. Lazaria Island
Lazaria Islands at the entrance of

(d) The Mendenhall Wetlan
area described as the Mendenhal
closed to trapping and hunting.
during established seasons. The u
other motorized vehicles (excep
Wetlands State Game Refuge is pro

5 AAC 81.290. SOUTHCEN
State Game Refuge (Kodiak Islan
ing to the Kodiak National Wildlif

(b) The Semidi Islands Stat
8): The Semidi Island group is clo

(c) The McNeil River Stat
McNeil River, Mikfik Creek and
from Akjemguiga Cove on the n
head of Kamishak Bay, in lowe
Access to McNeil River is by perm

(d) The Tuxedni Island Sta
Egg and other small islands in Tux

(e) The Aleutian Islands S
Islands are closed to hunting with

(1) Umnak, Atka, Un
Islands are open to hunting.

(2) Shemya, Attu, an
ptarmigan hunting;

(3) Adak Island is ope

(4) all of the Aleutian

(f) The Bogoslof Islands S
10): The Bogoslof Islands are clos

(g) The Kenai State Gam
corresponding to the Kenai Natio
hunting;

(h) The Palmer Point State
14C): all lands and waters south
which extends from Campbell
hunting and trapping and to
exceptions:

(1) that portion of th

CSSB332

BOX 254
Fairbanks, Alaska

CHARTERED BY: NATIONAL FIELD ARCHERY ASSOCIATION AND ALASKA STATE ARCHERY ASSOCIATION

March 20

Represtative Osterback
Pouch V
Juneau, Ak. 99811

Dear Mr. Osterback:

This letter is in opposition to CSSB332 now before your committee. Instead of locking up even more Alaska land, we feel our legislators should be providing more opportunities for all Alaskan's. The People of this state have had their fill of lock-ups, and to think this will be forgotten at election time would be a mistake. The members of the Golden North Bowhunters and other sportmen's groups will make sure it is not.

Instead of just opposing this bill, we are offering an alternative. We have a proposal before the Game Board to open the Pipeline Closed Area to archery only hunting. We ask you to consider this approach, then let the Board decide. We feel this would best suit the needs of all Alaskan's for additional recreation. First, an arrow would pose no danger to the pipeline itself. Due to the inherent difficulties of bowhunting, the actual harvest is minimal. Anyone, young or old, male or female, can learn to shoot a bow. We are no more a "special interest group," than those who dip at Chitna or use fly fishing only areas. Almost all bowhunters hunt with a rifle also, especially here in Alaska. It is the challenge that attracts and holds bowhunters.

We ask you to check the harvest rates,(success is usually 2-4%) and other satistics available. In states that keep records, more deer are killed on the highways than by archers. This includes states with 3 or 4 month seasons. When comparing Alaska's low animal density to deer populations outside, even lower success would be expected.

Before you close the door, please take the time to check into these ideals. The bow and arrow was important to both the Alaska Native and other non-natives early in their history. It is a cultural heritage of all Alaskans.

Sincerely
Charles D. Aller
Charles D. Aller
Vice-President

"ARCHERY-the sport of man since time began"

REGULATION PROPOSAL FORM
Alaska Department of Fish and Game

Proposal Concerns

Game	XX	Subsistence	
Sport Fishing		Advisory Committees	
Commercial Fisning			

* * * SEE OTHER SIDE FOR INSTRUCTIONS ON COMPLETING THIS FORM * * *

Area(s) affected: HUNTING METHODS & MEANS

5AAC 81.070 (Alaska Administrative Code No.) Regulation book page no. 15

Purpose of proposal TO OPEN THE TRANSALASKA PIPELINE CLOSED AREA TO ARCHERY ONLY HUNTING.

Suggested wording of Proposed Regulation (append if lengthy): BIG GAME MAY BE HUNTED ONLY WITH BOW AND ARROW IN THAT AREA KNOWN AS THE TRANSALASKA PIPELINE CLOSED AREA DURING SEASONS ESTABLISHED FOR THE GAME UNITS INVOLVED.

Justification: THIS PROPOSAL IS DESIGNED TO PROVIDE SPORT HUNTING OPPORTUNITIES ALONG THE PIPELINE CORRIDOR WHILE LIMITING THE AMOUNT OF GAME HARVESTED. DUE TO THE INHERENT DIFFICULTY OF BOWHUNTING, MAXIMUM RECREATIONAL DAYS CAN BE ENJOYED WITH MINIMUM IMPACT TO THE RESOURCE. THIS PROPOSAL RECOGNIZES THAT THE ORIGINAL CLOSURE WAS FOR AESTHETIC, NOT BIOLOGICAL REASONS. BOWHUNTING WOULD MAINTAIN THIS CONCEPT BY EMPHASIZING THE FREEDOM TO PARTICIPATE IN THE HUNTING EXPERIENCE, EVEN WHEN SUCCESS IS LOW, IN TERMS OF NUMBER OF ANIMALS TAKEN. THIS PROPOSAL WOULD MAINTAIN PIPELINE INTEGRITY, AS AN ARROW WOULD POSE NO THREAT TO THE STEEL PIPE.

SUBMITTED BY: (Name & Address)
GOLDEN NORTH BOWHUNTERS ASSN
PO BOX 254
FAIRBANKS AK 99707

REPRESENTING:

PHONE NO. 452-7464

TELEGRAM

AL[illegible], INC.
[illegible]: 563-0442
JUNEAU, AK 99802

02285 NL TDA EAGLE RIVER ALASKA 50 02-26 0700P AST

1990 FEB 26 PM 10 44

PMS SEN BILL SUMNER 2932

JUNEAU

I AM OPPOSED TO SB332 AS ITS WORDING DOES NOT AGREE WITH THE INTENT. CLOSING TO HUNTING DOES NOT PREVENT DAMAGE TO THE PIPELINE. ONLY PROHIBITING THE DISCHARGE OF FIREARMS WILL. HUNTING BY MEANS OF BOW AND ARROW IS COMPATIBLE AND WILL NOT CAUSE DAMAGE TO THE PIPELINE.

CURTIS LYNN

9329 EMERALD STREET, ANCHORAGE ALASKA 99502

SB
358

(9)

COMMITTEE REPORT

HOUSE

3/26/80 FURTHER: FINANCE

Date: 5/6/80

Mr. Speaker:

The Committee on RESOURCES has had SB 358am

"An Act relating to the compensation of members of the Board of Fisheries and of the Board of Game."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[V] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING DO ASS

MEMBERS HAVING OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Compensation of Members of Bds. of Fisheries & Game

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
SB 358 am	4/11	3753	Sen. Sackett, sponsor	4/17
	4/11	6-2810	United Fishermen of Alaska	4/07
	4/11	4100	Dept. of Fish and Game	4/17

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. S.B. 358
Title An act relating to compensation for Boards of Fish and Game members
Requested by Legislative Finance Date 1/25/80

II. FISCAL DETAIL
Agency Affected Department of Fish and Game
Program Category Affected Natural Resources Management
BRU, Program, or Subprogram(s) Affected Boards of Fisheries and Game
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.).

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL	5.7	17.2	17.2	17.2	17.2	17.2
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	5.7	17.2	17.2	17.2	17.2	17.2

FUNDING (Thousands of Dollars)

GENERAL FUND	5.7	17.2	17.2	17.2	17.2	17.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

All amounts based on current budget estimates for number of meeting days for each Board. Passage of this act prior to the spring Board meetings is assumed by the amount shown for FY 80. No inflation or increased number of meeting days is included in the amounts beyond FY 81.

IV. DATE 2/1/80 PREPARED BY Russell H. Clark
AGENCY Department of Fish and Game
PHONE 465-4120

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)
Keith Specking Office of the Governor

33-001 (Rev. 12/79)

SB

477

(9)

COMMITTEE REPORT

HOUSE

4/9/80

FURTHER:

Date: 4/11/80

Mr. Speaker:

The Committee on RESOURCES has had CSSB 477am

"An Act relating to shooting and firearm safety; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[✓] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it beck without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Virgin Peterson
CHAIRMAN

H 60 (Rev. 12/78)

AGO 125428

4/21/80 Hearing & Reported Out - Do Pass

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterbeck, Chairman

Couch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS

Re: Shooting and Firearm Safety

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
CS SB 477 am	4/21		Sen. Rodey, sponsor	4/21
	4/21	4100	Dept. of Fish and Game	4/21
	4/21		Rep. Malone (sponsor of similar bill introduced in House)	

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SB 477
Title An Act relating to shooting and firearm safety
Requested by Senate Resources Committee Date 3-11-80

II. FISCAL DETAIL
Agency Affected Department of Fish and Game
Program Category Affected Natural Resources Management
BRU, Program, or Subprogram(s) Affected Game Division
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No fiscal impact

IV. DATE 3/11/80 PREPARED BY Russell H. Clark
AGENCY Department of Fish and Game
PHONE 465-4120

Original Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Name)

33 001 (Rev. 12/79)

Recommendations of the State Range Planning Committee

In FY 1980 the Game Division received a legislative appropriation of $15,000 to establish a State Range Planning Committee consisting of representatives from most major communities within the State. This committee, with directions from Game Division's Hunter Safety Coordinator, was to assess the needs for shooting facilities in cities and towns throughout Alaska and to make recommendations regarding aquisition and development of apropriate shooting facilities. The committee's findings and recommendations are as follows:

The third meeting of the State Range Planning Committee was held December 20, 1979 in Anchorage. The purpose of the meeting was to determine cost of designating, acquiring, and developing indoor and outdoor shooting facilities.

In most communities of the state the Range committee agreed to allot up to $2500 and technical assistance to all the smaller villages and communities desiring to designate new or formalize existing shooting areas. Also, this money could be used to develop portable indoor shooting items that could be used for student training.

The committee determined that a transportable 80' x 30' prede-igned building would be adequate to meet the needs of most communities for indoor shooting facilities. These would have 5 shooting points for smallbore shooting only and are estimated to cost $300,000 each.

The need for shooting facilities both indoor and outdoor was examined and cost determined for each community of the State with a population over 1,000 people. The cost figures for each community and the total cost are presented in Appendix B.

The committee's actions so far has identified 14 existing outdoor ranges and 12 indoor ranges located in 25 major communities and 116 small communities and villages. Some of these facilities are unusable or unavailable to the general public. The committee's recommendation to offer technical and financial assistance applies to about 155 communities and includes nearly 200 individual development projects.

STATE
of ALASKA

MEMORANDUM

TO: State Range Planning Committee

DATE: January 16, 1980

FILE NO:

TELEPHONE NO:

FROM: Jack Alexander
Hunter Safety Coordinator
Division of Game
Anchorage

SUBJECT: Recommendations for shooting facilities.

Attached are the recommendations for shooting facilities as determined at the December 20, 1979 meeting of the Range Planning Committee. Please look them over carefully and compare with your notes. The figures have changed some, but not much. Let me know if you don't agree or have any changes or suggestions to make.

I discussed Izaak Walton League Range development with Maurice Oswald of D.O.W.L. Engineering, who is doing the design work on their development plans. It was Mr. Oswald's opinion that realignment of the Izaak Walton League Range would eliminate any safety hazards currently associated with the Birchwood airstrip.

I'll get the wording for a proposed bond put together in the next week or so and forward it to each of you for your input.

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The need for shooting facilities both indoor and outdoor was examined and cost determined for each community of the State with a population over 1,000 people. The cost figures for each community and the total cost are presented in Appendix B.

The committee's actions so far has identified 14 existing outdoor ranges and 2 indoor ranges located in 25 major communities and 116 smaller communities and villages. Some of these facilities are unusable or unavailable to the general public. The committee's recommendation to offer technical and financial assistance applies to about 155 communities and includes nearly 200 individual development projects.

Enclosure

cc: J. Vania
R. Somerville
P. Rodey

House District Name	Number	City	Recommended Facilities		Estimated Cost
Ketchikan	1	Ketchikan	1. Expand number of firing points and other improvements to existing site. 2. Develop	1.	25
		all other communities	smallbore indoor range available to High School. 3. Assistance to 11 additional	2.	300
			areas in obtaining designated and/or establish outdoor shooting areas, also financial assistance to schools establishing indoor student training facilities.	3.	27.5
				Subtotal	352.5
Wrangell-Petersburg	2	Petersburg	1. Assist in development of indoor smallbore range available to High School.	1.	300
		Wrangell	1. Assist in development of indoor smallbore range available to High School. 2. Assist in upgrading existing outdoor facilities.	1.	300
				2.	5.0
		All other communities	1. Assist 2 additional communities obtain, designate and/or establish outdoor shooting areas and establish indoor student training.	1.	5.0
				Subtotal	610.0
Sitka	3	Sitka	1. Develop existing outdoor facilities.	1.	25.0
			2. Assist develop indoor smallbore range	2.	300
		All other	available to High School. 1. Assist one additional community to obtain, designate	1.	2.5
			and/or establish outdoor shooting area and student training facilities.	Subtotal	327.5
Juneau	4	Juneau	1. Expand and improve existing outdoor range.	1.	75
			2. Improvement to subport bldg. indoor range.	2.	75
				Subtotal	150
Haines-Skagway	5	Haines	1. Expand and improve existing outdoor range.	1.	25.0
			2. Develop indoor range.	2.	5.0
		Skagway	1. Minor improvements to existing outdoor range. 2. Develop indoor smallbore and pistol range available to High School.	1.	5.0
				2.	5.0
				3.	12.5
			3. Assist 5 additional communities to obtain designate and/or establish outdoor shooting areas and student training facilities.	Subtotal	52.5

House District Name	Number	City	Recommended Facilities		Estimated Cost
Valdez-Cordova	6	Valdez	No recommendations		
		Cordova	1. Land acquisition and improvements 2. Indoor smallbore famillities adjacent to High School.		1. 20 2. 50
		Glennallen	1. Improvements to outdoor range and development of range available to High School. 2. Assist 3 additional communities to obtain, designate and/or establish outdoor shooting areas and student training facilities.		1. 10.0 2. 7.5
				Subtotal	87.5
Palmer-Talkeetna-Wasilla	7	Palmer-Wasilla	1. Acquire land in centralized area.		1. 100
		Palmer	1. Indoor smallbore range.		1. 300
		Wasilla	1. Indoor smallbore range. 2. Assist one additional community to obtain designate and/or establish outdoor shooting area and student training facilities.		1. 300 2. 2.5
				Subtotal	702.5
Anchorage	8	Anchorage	1. Improvement & expansion of 2 existing outdoor ranges. 2. Centralized indoor smallbore and pistol range. 3. Completion of three existing indoor High School smallbore ranges.		1. 475 2. 1,725 3. 375
				Subtotal	2,575.0
Seward	9	Seward	1. Assist in establishing a designated shooting area. 2. Establish smallbore indoor range.		1. 10 2. 10
				Subtotal	20.0
Kenai-Soldotna	10	Soldotna	1. Expansion & improvements to existing outdoor range. 2. Smallbore indoor ranges in 2 High Schools.		1. 10 2. 425
		Homer	1. Expansion & improvements to existing outdoor ranges. 2. Improvements to existing indoor range. 3. Assist 5 additional communities obtain designate and/or establish outdoor shooting areas and student training facilities.		1. 10 2. 5 1. 12.5
				Subtotal	462.5

House District Name	Number	City	Recommended Facilities	Est. Cost	
Kodiak	11	Kodiak	1. Acquire site and improvements to existing outdoor range. 2. Designate shooting areas adjacent to city. 3. Indoor smallbore and pistol range. 4. Assist 5 additional communities obtain, designate or establish outdoor shooting areas and student training facilities.	1. 2. 3. 4. Subtotal	125 no cost 300 12.5 437.5
Aleutian Islands	12	All communities	1. Assist 10 communities obtain, designate and/or establish outdoor shooting areas and student training facilities.	1. Subtotal	30.0 30.0
Dillingham	13	Dillingham	1. Assist communities to obtain designate and/or establish an outdoor shooting facility. 2. Develop indoor student training facility.	1. 2.	10 10
		Naknek	1. Assist community to obtain, designate and/or establish an outdoor shooting facility and indoor student training facility.	1.	10
			1. Assist seven additional communities to obtain, designate and/or establish an outdoor shooting area & indoor student training facility.	1. Subtotal	12.5 47.5
Bethel (15)	14	Bethel	1. Assist Bethel establish and designate an outdoor shooting facility. 2. Establish indoor smallbore range. 3. Assist 15 additional communities to obtain, designate and/or establish outdoor shooting areas & student training facilities.	1. 2. 3. Subtotal	10.0 100.0 37.5 147.5
McGrath-Galena-Tanana	15	Galena	1. Assist Galena establish an outdoor shooting facility. 2. Assist development of indoor student training facility.	1. 2.	5.0 10.0
			1. Assist 18 additional communities to obtain, designate and/or establish outdoor shooting & student training facilities.	1. Subtotal	45.0 60.0

House District Name	Number	City	Recommended Facilities		Estimated Cost
Fairbanks	16	Fairbanks	1. Central facilities with highpower, smallbore & shotgun, outdoor, smallbore & pistol indoor. 2. Four designated shooting areas adjacent to city. 3. Three indoor smallbore ranges adjacent to High Schools.	1. 2. 3.	1,500 no cost 1,000
			1. Assist 5 additional communities to obtain designate and/or establish outdoor shooting area and student training facilities.	1.	12.5
				Subtotal	2,512.5
Barrow-Kotzebue	17	Kotzebue	1. Acquire outdoor highpower range site & improvements. 2. Indoor smallbore range adjacent to High School.	1. 2.	10.0 300.0
		Barrow	1. Develop outdoor range. 2. Construct smallbore indoor range adjacent to school.	1. 2.	10.0 300.0
		All other communities	1. Assist 9 additional communities to obtain, designate and/or establish outdoor shooting areas and student training facilities.	1.	22.5
				Subtotal	642.5
Nome	18	Nome	1. Designate and make improvements to an outdoor range. 2. Smallbore indoor range available to High school.	1. 2.	22.0 300.0
			1. Assist 12 additional communities to obtain designate and/or establish outdoor shooting areas & student indoor training facilities.	1.	30.0
				Subtotal	352.0
Hooper Bay	19	All Villages	1. Provide assistance to 8 communities in obtaining, designating and/or establishing outdoor shooting areas and indoor student training facilities.	1.	20.0
				Subtotal	20.0
				Grand Total	9,589.0

APPENDIX A

Region

I. Northwestern

A. Outdoor

1. Bethel - No designated shooting areas
2. Dillingham - No designated shooting areas
3. Barrow - No designated shooting areas
4. Nome - No designated shooting areas
5. Kotzebue - No designated shooting areas

B. Indoor

1. Bethel- No indoor shooting facilities
2. Dillingham - No indoor shooting facilities
3. Barrow - No indoor shooting facilities
4. Nome - No indoor shooting facilities
5. Kotzebue - No indoor shooting facilities

II. Interior

A. Outdoor

1. Fairbanks

a. Northstar Borough 300 yards - summer use only

b. Fort Wainwright - organized competition

c. Fairbanks Trap Club - open to public on fee basis

d. Eielson AFB 100 to 600 yards - high power and small bore organized competition

e. State Airport 50 yards - police range

2. Delta

3. Nenana - Undesignated gravel pits

4. Fort Yukon - No designated shooting areas

5. Galena - No designated shooting areas

6. Aniak - No designated shooting areas

7. McGrath - No designated shooting areas

8. Tok - Undesignated gravel pits

9. Healy - No designated shooting areas

B. Indoor

1. Fairbanks

a. University of Alaska 50' 12 pt. small bore - open to student - organized competition

b. Tanana Valley Sportsman 50' 10 pt. small bore - members and guest - organized competition

c. Fairbanks City Police 50' 2 pt. - not open to public

d. Ryan Jr. High 50' small bore - student use

2. McGrath - No indoor facilities

3. Delta - Portable small bore traps at High School

4. Nenana - No indoor facilities

5. Tok - No indoor facilities

6. Fort Yukon - No indoor facilities

III. Southcentral

A. Outdoor

1. Anchorage

a. Izaak Walton Range - open to public - high power, small bore, pistol, traps and skeet

b. Rabbit Creek - high power, small bore, pistol and trap

c. Elmendorf 100 - military and organized public

d. Fort Richardson - 500 yard high power - organized competition

e. Anchorage Sportsman - trap - private - open to public

2. Soldotna and Kenai

a. Snowshoe Gun Club - 500 yards - pistol and trap - open to public some weekends and competition

3. Homer

a. Homer Rod and Gun Club 100 yards - high power, pistol and trap - open to public

4. Kodiak

a. Soline Creek Rifle Range 600 yards - high power, 50 yard pistol - open to public, subject to eventual closure

b. Base Trap Club - open to military

c. Kodiak VFW - 3 trap and 100 yard - 2 position high power - closed to public. Not considered a safe range

5. Cordova

a. Izaak Walton League - 100 yards - high power, small bore - open to public. Due to close December 31, 1979

6. Valdez

a. 200 yard 10 pt. High power - City owned and maintained

7. Glennallen

a. No authorized outdoor shooting facilities

8. Palmer - Talkeetna - Wasilla

a. No authorized outdoor shooting facilities

B. Indoor

1. Anchorage

a. Elmendorf AFB 10 pt. 25 yards, organized club use

b. Bartlett High School 16 pt. 50 ft. - scheduled organized use

c. National Guard Armory 6 pt. 50 ft. - open to organized groups

d. Chugiak High School 50 ft. 10pt. - open to organized groups

e. West High School 10 pt. 50 ft. - open to organized groups

2. Soldotna and Kenai

a. National Guard Armory 10 pt. 50 ft. - open to organized and scheduled competition

3. Homer

a. Homer Rifle and Pistol Club 4 pt. 75 ft. - open to public

4. Kodiak

a. 10 pt. 50' Coast Guard indoor range subject to eventual closure

5. Cordova

a. No indoor shooting facilities

6. Valdez

a. Valdez High School - 50' 7 pt. small bore - student and organized groups

7. Glennallen

a. No indoor shooting facilities

8. Palmer-Talkeetna-Wasilla

a. No indoor shooting facilities

IV. Southeast

A. Outdoor

1. Juneau

a. Montana Creek 300 yards - high power, small bore and pistol

b. Juneau Trap Club

2. Yakutat

a. No outdoor shooting facilities

3. Sitka

a. City Range 100 yards - high power open to public

4. Petersburg

a. City Range 200 yards - high power and small bore No improvements

5. Wrangell

a. 200 yard - high power City range open to public, covered firing pts.

6. Ketchikan

a. Ketchikan Trap Club - 3 traps - open to members and guests - 2 pt 100 yard high power range

7. Skagway

a. 100 yards - open to public

8. Haines

a. 150 yd. - high power range

9. Hoonah - No designated outdoor shooting area

B. Indoor

1. Juneau

a. Juneau Douglas High School - 10 pt. 50' small bore and pistol, not open to public

b. Subport building not open to public

2. Yakutat - No indoor facilities

3. Sitka

a. BIA Range 4 pt. small bore

4. Petersburg - No indoor facilities

5. Wrangell - No indoor facilities

6. Ketchikan - No indoor facilities

7. Skagway - No indoor facilities

8. Haines - Sr. High School student range

9. Hoonah - No indoor facilities

V. Westward

A. Outdoor

1. Cold Bay

2. Sand Point

3. Dutch Harbor

4. King Salmon - Naknak

B. Indoor

1. Cold Bay - No indoor facilities

2. Sand Point - No indoor facilities

3. Dutch Harbor - No indoor facilities

4. King Salmon - Naknak - No indoor facilities

SCR

22

(9)

COMMITTEE REPORT

HOUSE

Rules 4/27/79

FURTHER:

March 28, 1979 Date: 4/26/79

Mr. Speaker:

The Committee on RESOURCES has had SCR 22

Relating to the limited entry program.

under consideration and ~~(a majority of the committee)~~ ~~(the committee)~~ reports it back with the following recommendations:

[X] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[X] replace with CS for SCR 22 [X] same title [ ] new title

and recommends [illegible]

[X] AND attaches a "Letter of Intent" [X] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Glenn Terrell
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Glenn Terrell
CHAIRMAN

H 60 (Rev. 12/78)

SCR 22

AGO 125419

4/26/79 Passed with CS (adding "since 1960")
and Letter of Intent

#9:30
to 3

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
SCR22	2/28	Office of Sen. Sackett, sponsor	2/29
	2/29	Commercial Fisheries Entry	2/29
	586-3456	Commission - Commissioner	
		Simon to testify	
		Attorney Doug Pope may	
		testify on behalf of	
		Sen. Sackett	
	4/11 4/23	Commercial Fisheries Entry Comm	4/19 4/23

Alaska State Legislature

House of Representatives

Committee on Resources

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

LETTER OF INTENT
HOUSE RESOURCES COMMITTEE
SUBSTITUTE FOR SCR 22

It is the intent of this committee to designate $9,000 of the $134,000 fiscal note on SCR 22 for limited entry seminars in Norton Sound and Kotzebue. This includes $5,500 for six weeks of staff time, travel, per diem and other expenses to conduct seminars in Nome and Unalakleet and $3,500 for a seminar in Kotzebue, using the same staff.

Alvin Osterback

Representative Alvin Osterback
Co-Chairman, House Resources

REP. JOHN G. (JACK) FULLER

Alaska House of Representatives

Chairman
Special Committee on Subsistance
Vice-Chairman
State Affairs Committee
Member Legislative Council
Member Resources Committee

Home
P.O. Box 689
Nome, Alaska 99762
(907) 443-2968

While in Juneau
Pouch V
Juneau, Alaska
99811

(907) 465-3789
465-3893

April 24,1979

DISTRICT 22

Brevig Mission
Buckland
Deering
Diomede
Elim
Gambell
Golovin
Kotlik
Koyuk
Nome
Savoonga
Selawik
Shaktoolik
Shishmaref
Stebbins
St. Michael
Teller
Unalakleet
Wales
White Mountain

Senator John Sackett
Chairman,Senate Finance Committee
Alaska State Senate
Juneau

Dear Senator Sackett:

I understand that your resolution SCR 22 will have a fiscal note which will provide for a study of of limited entry on the Upper Yukon. Senator Ferguson and I are also interested in having limited entry work done in our areas during the interim. Since the Kotzebue Sound and Norton Sound fisheries are small scale fisheries like the Upper Yukon fishery it may be reasonable to have funding for all of these limited entry projects in one place i.e. SCR 22.

In the Norton Sound area, I intend to have limited entry seminars in Nome and Unalakleet. It would cost $5,500 to conduct these seminars. This figure includes six weeks of staff time and travel ,per diem and other expenses. A Kotzebue seminar would cost $3,500,using the same staff.

If appropriate, would you please include $9,000 in the fiscal note for SCR 22 to cover these limited entry seminars in Norton Sound and Kotzebue.

Thank you.

Sincerely,

John G. Fuller

MEMORANDUM State of Alaska

TO: Keith Specking
Legislative Assistant
Office of the Governor

DATE:

FILE NO:

March 22, 1979

TELEPHONE NO:

FROM: John N Garner
Chairman

SUBJECT: Fiscal Note

The Commission is not able to prepare a fiscal note on SCR 22 because the requirements of the study contemplated are not clear to us.

Based on a 1970 census, the estimated village population in the Upper Yukon region is approximately 5,000. In order for the Commission to conduct the study required by SCR 22, for which no official state records exist, some method of survey may be appropriate. If the intent of SCR 22 is to direct the Commission to survey the entire population, a substantial fiscal impact would result.

Costs associated with personal interviewing techniques in rural areas are $25 or more per interview. If the entire population is surveyed, the cost could amount to approximately $125,000. Should a representative sample of the population prove sufficient, such as heads of households, or if existing data in the possession of other agencies proves useful, the cost would be substantially reduced.

An approach utilizing community meetings and knowledgeable persons from other agencies would significantly reduce the fiscal requirement. It is expected the cost under this approach should be no more than $10,000.

The Commission would also be appreciative of further clarification specifically with regards to the time period and capacity of participation contemplated by the resolution.

Make up a fiscal note for $125,000

IN THE SENATE 1/66. BY SACKETT

HOUSE CS FOR

SENATE CONCURRENT RESOLUTION NO. 22

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - FIRST SESSION

Relating to the limited entry program.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS art. VIII, sec. 15 of the Alaska Constitution provides that the state may "limit entry into any fishery for purposes of resource conservation, to prevent economic distress among fishermen and those dependent upon them for a livelihood"; and

WHEREAS A.S. 16.43 establishes the Alaska Commercial Fisheries Entry Commission and states the legislative purpose as promoting the conservation and sustained-yield management of the fisheries and the economic health and stability of the commercial fisheries by regulating and controlling entry into the commercial fisheries in the public interest and without unjust discrimination; and

WHEREAS under A.S. 16.43.240(b) the commission is authorized to limit entry into certain fisheries when it finds that a fishery has reached such levels of participation that a limitation of entry to that fishery is required in order to achieve the purposes of A.S. 16.43; and

WHEREAS A.S. 16.43.240(b) does not specify a formula for the Commission to determine the maximum number of permits authorized when limiting entry into a fishery under that section; and

WHEREAS in 1976, pursuant to A.S. 16.43.240(b), the Commission decided to limit commercial fishing in the area known as Upper Yukon and set the maximum number of permits for the Upper Yukon as the number of units of gear fished in the Upper Yukon during 1975; and

WHEREAS, major commercial fishing markets did not develop for many areas of the Upper Yukon fishery until after 1970; and

WHEREAS, past participation in the commercial fishery of the Upper Yukon that led to a high degree of economic reliance upon the commercial fishery included barter and sale of fresh, smoked, and dried fish products within the region and indirect sales through intermediaries to fish buyers; and

WHEREAS, past participation in and economic reliance upon the operation of gear in the commercial fishery of the Upper Yukon was not restricted to persons holding a gear license or a fishwheel registration; and

WHEREAS, it appears that some persons who have participated for many years in the Upper Yukon commercial fishery and had a high degree of economic reliance upon the fishery may have been excluded from receiving an entry permit; therefore

BE IT RESOLVED that the Alaska Commercial Fisheries Entry Commission is respectfully requested to determine which interested persons with past participation in and economic reliance upon the operation of gear (including the barter and sale of fresh, smoked and dried fish products) in the commercial fishery of the Upper Yukon, regardless whether those persons held a gear license or a fishwheel registration, have not been issued a permit; and be it

FURTHER RESOLVED that the Alaska Commercial Fisheries Entry Commission is respectfully requested to determine whether the maximum number of permits set for the Upper Yukon fishery is consistent with the objectives of A.S. 16.43; and be it

FURTHER RESOLVED that the Legislative Limited Entry Study Committee established pursuant to HB 141 and HB 142, with the cooperation of the Alaska Commercial Fisheries Entry Commission, is respectfully requested to determine

whether controlling entry into the commercial fisheries i the Upper Yukon has resulted in any unjust discrimination and to determi what options are available to the legislature to correct any unjust discrimination; and be it

FURTHER RESOLVED that the Alaska Commercial Fisheries Entry Commission and the Legislative Limited Entry Study Committee established pursuant to HB 141 and HB 142 are respectfully directed to repo their findings and conclusions within the first 10 days of the second session of the Eleventh Legislature.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SCR 22
Title Relating to Limited Entry Program
Requested by Senate Finance Date 4/25/79

II. FISCAL DETAIL
Agency Affected
Program Category Affected
BRU, Program, or Subprogram(s) Affected
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

		FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL		134.0				
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
	TOTAL		134.0				

FUNDING (Thousands of Dollars)

GENERAL FUND		134.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

See March 22, 1979 Memo from John N. Garner to Keith Specking (attached) and April 24, 1979 Memo from Rep. Jack Fuller to Senator John Sackett (attached).

IV. DATE 4/25/79 PREPARED BY Milt Barker, Fiscal Analyst
AGENCY Legislative Finance Division
PHONE 465-3795

Original: Legislative Finance
Budget and Management
Prime Sponsor (First Legislator Named)

REP. JOHN G. (JACK) FULLER

Alaska House of Representatives

Chairman
Special Committee on Subsistance
Vice-Chairman
State Affairs Committee
Member Legislative Council
Member Resources Committee

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Pouch V
Juneau, Alaska
99811

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465-3893

April 24,1979

DISTRICT 22

Brevig Mission
Buckland
Deering
Diomede
Elim
Gambell
Golcvin
Kotlik
Koyuk
Nome
Savoonga
Selawik
Shaktoolik
Shishmaref
Stebbins
St. Michael
Teller
Unalakleet
Wales
White Mountain

Senator John Sackett
Chairman,Senate Finance Committee
Alaska State Senate
Juneau

Dear Senator Sackett:

I understand that your resolution SCR 22 will have a fiscal note which will provide for a study of of limited entry on the Upper Yukon. Senator Ferguson and I are also interested in having limited entry work done in our areas during the interim. Since the Kotzebue Sound and Norton Sound fisheries are small scale fisheries like the Upper Yukon fishery it may be reasonable to have funding for all of these limited entry projects in one place i.e. SCR 22.

In the Norton Sound area, I intend to have limited entry seminars in Nome and Unalakleet. It would cost $5,500 to conduct these seminars. This figure includes six weeks of staff time and travel ,per diem and other expenses. A Kotzebue seminar would cost $3,500.,using the same staff.

If appropriate, would you please include $9,000 in the fiscal note for SCR 22 to cover these limited entry seminars in Norton Sound and Kotzebue.

Thank you.

Sincerely,

John G. Fuller

02-001J (REV. 04-73)

SCR 22

MEMORANDUM State of Alaska

TO: Keith Specking
Legislative Assistant
Office of the Governor

DATE:

FILE NO: March 22, 1979

TELEPHONE NO:

FROM: John N Garner
Chairman

SUBJECT: Fiscal Note

The Commission is not able to prepare a fiscal note on SCR 22 because the requirements of the study contemplated are not clear to us.

Based on a 1970 census, the estimated village population in the Upper Yukon region is approximately 5,000. In order for the Commission to conduct the study required by SCR 22, for which no official state records exist, some method of survey may be appropriate. If the intent of SCR 22 is to direct the Commission to survey the entire population, a substantial fiscal impact would result.

Costs associated with personal interviewing techniques in rural areas are $25 or more per interview. If the entire population is surveyed, the cost could amount to approximately $125,000. Should a representative sample of the population prove sufficient, such as heads of households, or if existing data in the possession of other agencies proves useful, the cost would be substantially reduced.

An approach utilizing community meetings and knowledgeable persons from other agencies would significantly reduce the fiscal requirement. It is expected the cost under this approach should be no more than $10,000.

The Commission would also be appreciative of further clarification specifically with regards to the time period and capacity of participation contemplated by the resolution.

Make up a fiscal note of $125,000

SCR

67

COMMITTEE REPORT

HOUSE

(9)

FURTHER:

5/13/80

Date: 5/14/80

Mr. Speaker:

The Committee on RESOURCES has had SCR 67

"Directing the state to take measures to protect Alaskan interests in NEFCO Bankruptcy."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[X] do pass with attached amendments(s)

[ ] replace with CS for SCR 67 [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS:

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Glenn Olson
CHAIRMAN

H 60 (Rev. 12/78)

AMENDMENT

OFFERED IN THE HOUSE: BY: Resource Committee

To: _____ HOUSE BILL No. _____

SENATE ~~BILL~~ CR No. 67

PAGE: 2 LINE: 2

Between words "adverse" and "impact" add word "socio - economic"

SER 67 NEE

AGO 125420

Reported out as amended 5/14/80

SCR 67 - NEFCO Bankruptcy

Back-Up info:

- State of urgency - asks bankruptcy judge in Seattle to move ahead.
- Trustee of NEFCO (Sam Rubinstein) wants state to be able to step in & request judge to hurry proceedings along faster than Bankruptcy Act sets out so NEFCO facilities can be leased out right away
- A.G.'s office says state already doing everything it can & is inappropriate for state to become a party to proceedings now - will be creditor in case eventually
- Ask judge to make finding that due to emergency nature of situation, does not need to notify every one of the several thousand creditors
- Sealaska Corp (Byron Malloff) wants to lease facilities for this season. Sackett introduced this resolution at urging of Sealaska

Trustee for NEFCO: Sam Rubinstein
Attorney for trustee: Gordon Wilhite
206-344-2160

Attorney for Trustee:
Gordon Wilhite

Sam Rubinstein
Interim Trustee
Nefco Bankrupcy Proceeding
c/o Sax and McIver
Attorneys at Law
1900 Peoples National Bank Building
1415 5th Avenue
Seattle, Washington 98171

Attn: D. Gordon Willhite

Alaska faces a critical situation with regard to fish processing capabilities this summer. The first major opening for fishing will occur in the Bristol Bay which commences June 9, less than a month away. New England Fish Company has historically been an important element in the processing of fish in every major fishing region in our State.

For example, without Nefco facilities available, processing capacity in Bristol Bay alone, where a banner year is forecast, will be reduced by at least one point two million fish. The same may be expected in the Kodiak area where the absence of an operational plant at Uganik would reduce processing capability by an estimated one to three million fish. In my judgement, the inoperability of Nefco facilities this fishing season would have a devastating social and economic effect.

Therefore, on behalf of the citizens of Alaska, I request expeditious action on the disposition of the facilities belonging to Nefco so that their capacity will not be lost this season. The State of Alaska is ready to offer you any appropriate assistance you desire.

Sincerely,

Jay S. Hammond
Governor

Call

Don Arganbright
Keith Specking - A.G.'s office
Debbie Vogt who is NEFCO attorney & Trustee in bankruptcy
- call them too

3685

Introduced: 5/12/80
Made a special order of business

IN THE SENATE BY THE FINANCE COMMITTEE

SENATE CONCURRENT RESOLUTION NO. 67

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

Directing the state to take measures to protect Alaskan interests in NEFCO Bankruptcy.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS New England Fish Company, (NEFCO) has commenced bankruptcy proceedings by petition filed April 23, 1980, in the United States Bankruptcy Court, Western District of Washington, No. 80-00864; and

WHEREAS NEFCO owns and operates facilities for the harvesting, processing, distribution, marketing and related aspects of the fisheries resource in every major fishing region of the State of Alaska, either in sole proprietorship, partnership or joint venture with other entities; and

WHEREAS there is a substantial probability that the continuing operation of these fishery-related facilities may be prevented by the bankruptcy proceedings; and

WHEREAS, in the event of closure of these fishery-related facilities, the economy of every community in which the facilities are located or transact business would be harmed due to inability to market or process fisheries resources which are produced locally, and by lack of seasonal employment opportunities in a year which is expected to be difficult for the fishing industry in Alaska; and

WHEREAS the nature of the problem requires immediate action if widespread harm is to be averted;

BE IT RESOLVED by the Alaska State Legislature that the governor is requested to direct the attorney general to take actions, including but not necessarily limited to appearances, intervention, petition or assistance to

May 14, 1980

The Honorable Alvin Osterback
Co-Chairman, House Resources
Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Representative Osterback:

On May 12, 1980, the Senate considered and passed Senate Concurrent Resolution No. 67, "Directing the State to take Measures to Protect Alaskan Interests in NEFCO Bankruptcy". We understand your Committee is considering a similar resolution.

Sealaska Corporation is seriously concerned about the current bankruptcy of New England Fish Company and the potential impact this may have on the remaining fish processors in Alaska. As you know, Sealaska Corporation now owns Ocean Beauty Seafoods. We therefore request your Committee to consider the resolution as soon as possible and urge your support of its passage in the House.

During the past several days, officials of our Corporation have been in contact with the court-appointed trustee handling the NEFCO bankruptcy and as a result, we are convinced that unless the court understands the urgency of this matter, the court action may take several months. Our assessment is that any processor that plans to operate the NEFCO facilities this fishing season must begin preparation within a matter of days.

The Senate recognized the urgency of time and therefore made the Resolution a special order of business on May 12, 1980. Similarly, the Governor also recognized the urgency and therefore sent a telegram to the Trustee (copy attached). We are hopeful that with similar House action, the Court may respond timely and as a result, arrangements can be made for the NEFCO facilities to operate this year.

If Sealaska Corporation can assist in any way, please call on us.

Sincerely,

Byron I Mallott

Byron I. Mallott
Chairman of the Board

cc: Rep. Terry Gardiner, Speaker of the House
Rep. Nels Anderson
Rep. Jim Duncan
Rep. Richard Eliason
Rep. Mike Miller
Rep. Leo P. Schaeffer
Rep. Fred Zharoff

RCA Alaska Communications Telegram

sent 5:10 P.M. 5/18/80 by Kare Scoolled OK by Governor 5:00 P.M. 5/12 per Dan Stein

ernight or Letter Telegram ☐ Personal Opinion Message ☐ Press ☐ (Full Rate unless marked.) This telegram will be transmitted by cable, radio, satellite, and is accepted subject to the tariff rates, rules, and regulations of RCA Alaska Communications, Inc. on file with the FCC and the Alaska PUC. ibility is limited to $500 except for repeated or specially valued service which is available upon request.

nder's Name
d Address _____ Account Number _____

Sam Rubinstein
Interim Trustee
Nefco Bankrupcy Proceeding
c/o Sax and McIver
Attorneys at Law
1900 Peoples National Bank Building
1415 5th Avenue
Seattle, Washington 98171

FILE
MAY 13 1980
Reviewed by _____
Remove After _____

Attn: D. Gordon Willhite

Alaska faces a critical situation with regard to fish processing capabilities this summer. The first major opening for fishing will occur in the Bristol Bay which commences June 9, less than a month away. New England Fish Company has historically been an important element in the processing of fish in every major fishing region in our State.

For example, without Nefco facilities available, processing capacity in Bristol Bay alone, where a banner year is forecast, will be reduced by at least one point two million fish. The same may be expected in the Kodiak area where the absence of an operational plant at Uganik would reduce processing capability by an estimated one to three million fish. In my judgment, the inoperability of Nefco facilities this fishing season would have a devastating social and economic effect.

Therefore, on behalf of the citizens of Alaska, I request expeditious action on the disposition of the facilities belonging to Nefco so that their capacity will not be lost this season. The State of Alaska is ready to offer you any appropriate assistance you desire.

Sincerely,

Jay S. Hammond
Governor

Over

Introduced: 5/12/80
Made a special order of
business

IN THE SENATE BY THE FINANCE COMMITTEE

SENATE CONCURRENT RESOLUTION NO. 67

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

Directing the state to take measures to protect Alaskan interests in NEFCO Bankruptcy.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS New England Fish Company, (NEFCO) has commenced bankruptcy proceedings by petition filed April 23, 1980, in the United States Bankruptcy Court, Western District of Washington, No. 80-00864; and

WHEREAS NEFCO owns and operates facilities for the harvesting, processing, distribution, marketing and related aspects of the fisheries resource in every major fishing region of the State of Alaska, either in sole proprietorship, partnership or joint venture with other entities; and

WHEREAS there is a substantial probability that the continuing operation of these fishery-related facilties may be prevented by the bankruptcy proceedings; and

WHEREAS, in the event of closure of these fishery-related facilties, the economy of every community in which the facilities are located or transact business would be harmed due to inability to market or process fisheries resources which are produced locally, and by lack of seasonal employment opportunities in a year which is expected to be difficult for the fishing industry in Alaska; and

WHEREAS the nature of the problem requires immediate action if widespread harm is to be averted;

BE IT RESOLVED by the Alaska State Legislature that the governor is requested to direct the attorney general to take actions, including but not necessarily limited to appearances, intervention, petition or assistance to

Alaskan parties, which are appropriate to effect the intent and purposes of this resolution in minimizing the adverse impact of the NEFCO bankruptcy on Alaskan interests; and be it

FURTHER RESOLVED that the governor is requested to take any other and further action as he considers appropriate in furtherance of these purposes.

Debbie Voght
attorney

Don Artesinger

SJR

18

(9)

COMMITTEE REPORT

HOUSE

FURTHER:

March 9, 1979

Date: 4/4/79

Mr. Speaker:

The Committee on RESOURCES has had SJR 18

Urging passage of a bill in Congress to amend the Shipping Act, 1916, to provide that a state, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States be considered a citizen of the United States for the purposes of the Act.

under consideration and (~~a majority of the committee~~) (the committee) reports it back with the following recommendations:

[✓] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

H 60 (Rev. 12/78)

NOTIFICATION

BILL	LETTER/PHONE	INFORMED	HEARING DATE
SJR 18	3/30 2504	Dept. of Commerce	4/~~3~~4
	3/30 4100	Dept. of Fish and Game	4/~~3~~4

SJR 18

AGO 125417

4/4 Hearing - Pete Jeans, Dir. of Business loans in State Commerce Dept. testified

Reported out - unanimous Do PASS

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 30, 1979

The Honorable Ted Stevens
United States Senate
260 Russell Building
Washington, D.C. 20510

Dear Senator Stevens:

On behalf of the State of Alaska, I strongly urge your support for favorable action on a bill similar to S. 291, which you introduced on January 18, 1977. S. 291 would amend the Shipping Act of 1616 (46 U.S.C. 801) in order to provide that a state, the District of Columbia, the Commonwealth of Puerto Rico, and a territory of the United States shall be considered to be a citizen of the United States for the purposes of such act.

The bill, if it had passed, would have allowed any state, Alaska included, to proceed to create and hold preferred ship mortgages.

The amendment of 46 U.S.C. 801 would completely cover our needs since 46 U.S.C. 922(a)(5) refers back to 46 U.S.C. 888, which in turn refers back to 46 U.S.C. 801-803 for the definition of a citizen. Moreover, the amendment of 46 U.S.C. 801 would cover a state's ownership interest as well as mortgage interest in a vessel in the event a preferred ship's mortgage had to be foreclosed.

I sincerely appreciate this opportunity to present my views on S. 291, and urge your support for similar legislation during the current session of Congress.

Sincerely,

Jay S. Hammond
Governor

RECEIVED
SENATE ... OF ...
DIVISION

96TH CONGRESS
1ST SESSION

S. 247

To amend the Shipping Act, 1916, in order to provide that a State, the District of Columbia, the Commonwealth of Puerto Rico, and a territory or possession of the United States shall be considered a citizen of the United States for the purposes of such Act.

IN THE SENATE OF THE UNITED STATES

JANUARY 29 (legislative day, JANUARY 15), 1979

Mr. STEVENS introduced the following bill; which was read twice and referred to the Committee on Commerce, Science, and Transportation

---

A BILL

To amend the Shipping Act, 1916, in order to provide that a State, the District of Columbia, the Commonwealth of Puerto Rico, and a territory or possession of the United States shall be considered a citizen of the United States for the purposes of such Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Shipping Act, 1916 (46 U.S.C. 801), is amended by adding the following definition: "The term 'citizen of the United States' also includes a State, the District of Columbia, the Commonwealth of Puerto Rico, and a territory or possession of the United States".

MUNDT MacGREGOR HAPPEL FALCONER & ZULAUF
ATTORNEYS AT LAW

JAY H. ZULAUF
JAMES C. FALCONER
HENRY HOWARD HAPPEL, III
WM. PAUL MacGREGOR
J. CARL MUNDT

BANK OF CALIFORNIA CENTER
SUITE 1230
SEATTLE, WASHINGTON 98164
206-624-5350

March 17, 1978

RECEIVED
MAR 22 19..
DEPARTMENT OF COMMERCE
DIVISION OF BUSINESS
LOANS

Pete Jeans, Director
Division of Business Loans
Department of Commerce and
Economic Development
Pouch EE
Juneau, Alaska 99811

Re: Commercial Fishing Loan Program,
Alaska Statutes §§ 16.10.300-.370

Dear Mr. Jeans:

You have asked us to determine whether vessel mortgages held by the Alaska State Development Corporation, (the "Corporation"), would be valid preferred ship mortgages. We have reviewed the State enabling legislation describing the operation of the Corporation, the Shipping Act of 1916, as amended, the Ship Mortgage Act of 1920, as amended, (both codified in Title 46 of the U.S. Code), and the legislative histories and federal court interpretations of the two federal statutes. For the reasons set forth below, we are not able to assure you with certainty that vessel mortgages held by the Corporation will be valid preferred ship mortgages.

We began by considering whether ship mortgages held by the Corporation would be "valid" in the first instance. We next considered whether the mortgages, if valid, would be entitled to the "preferred" status set out in the Ship Mortgage Act. Section 1 of this letter discusses the validity of the proposed mortgages, Section 2 relates to their preferred status, and Section 3 contains our recommendations.

Section 1: Validity

Two sections of the Shipping Act discuss the validity of ship mortgages. Both sections prohibit mortgages of U.S. flag vessels to non-citizens. Each of the two statutory sections renders prohibited mortgages invalid and provides substantial criminal penalties for violators. The two sections are 46 USC §§ 808 and 835.

Section 808 of Title 46 of the U.S. Code (§ 9 of the Shipping Act) provides in part that:

> "...it shall be unlawful, without the approval of the Secretary of Commerce, to sell, mortgage, lease, charter, deliver, or in any manner transfer... to any person not a citizen of the United States... any vessel or any interest therein owned in whole or in part by a citizen of the United States and documented under the laws of the United States..."

Section 835 of Title 46 (§ 37 of the Shipping Act) provides in part that:

> "...during any national emergency, the existence of which is declared by proclamation of the President, it shall be unlawful, without first obtaining the approval of the Secretary of Commerce...to sell, mortgage, lease, charter, deliver, or in any manner transfer, or agree to sell, mortgage, lease, charter, deliver, or in any manner transfer, to any person not a citizen of the United States...any vessel documented under the laws of the United States, or any interest therein..."

At the present time a Presidentially proclaimed state of national emergency is in effect.

Both of the statutes referred to above prohibit the granting of vessel mortgages to any person who is not a "citizen of the United States." 46 USC § 802 (§ 2 of the Shipping Act) is the statutory section which defines the "citizenship" of a corporate mortgagee for both 46 USC §§ 808 and 835. Section 802 provides, in pertinent part, that:

> "(a) Within the meaning of this chapter no corporation...shall be deemed a citizen of the United States unless the controlling interest therein is owned by citizens of the United States, and...unless its president or other chief executive officer and the chairman of its board of directors are citizens of the United States and unless no more of its directors than a minority of the number necessary to constitute a quorum are non-citizens and the corporation itself is organized under the laws of the United States or of a State, Territory, District, or possession thereof...

> (b) The controlling interest in a corporation shall not be deemed to be owned by citizens of the United States (a) if the title to a majority of the stock thereof is not vested in such citizens free from any trust or fiduciary obligation in favor of any person not a citizen of the United States; or (b) if the majority of the voting power in such corporation is not vested in citizens of the United States; or (c) if through any contract or understanding it is so arranged that the majority of the voting power may be exercised, directly or indirectly, in behalf of any person who is not a citizen of the United States; or, (d) if by any other means whatsoever control of the corporation is conferred upon or permitted to be exercised by any person who is not a citizen of the United States."

The question becomes whether the Corporation meets the requirements of Section 802. In order to do so, the Corporation would have to show, pursuant to § 802(a), that (1) its President is a citizen of the United States, (2) its Chairman of the Board of Directors is a citizen of the United States, (3) the number of non-citizens on the Board are less than the number necessary to constitute a quorum, and (4) the Corporation is organized under the laws of a State. It appears to us that the Corporation can comply with these requirements.

Section 802, however, contains an additional "controlling interest" test defined primarily in § 802(b) which requires the Corporation to show that the Corporation's voting power is not exercised in behalf of a non-citizen. Since the voting power of the Corporation is exercised in behalf of the State itself, we are faced with the problem posed originally by the Alaska Attorney General in that it is not clear that the State is a citizen.

The rather specific provisions of Section 802 together with other relevant sections of the Shipping Act, lend little support to the argument that a State should be considered a citizen of the United States. If anything, the language and the legislative history indicate that the Congress was simply not thinking of States when it enacted the statute.

Additionally, we have found no reported court cases which discuss whether a State is a citizen of the United States for purposes of Section 802. The only federal cases on the general question of State citizenship involve other sections of federal law unrelated to the Shipping Act. In those unrelated cases, however, the courts have consistently held that a State is not a "citizen," Illinois vs. City of Milwaukee, Wisconsin, 406 U.S. 91 (1972).

We conclude that the Corporation does not clearly qualify as a U.S. citizen and thus ship mortgages held by the Corporation may be invalid. To summarize:

1. The citizenship of the Corporation turns on the citizenship of the party in whose favor the corporate voting power is exercised, i.e., the State;

2. It is not clear that the State is a citizen; and

3. Therefore, it is not clear that the Corporation is a citizen.

The Secretary of Commerce can, however, approve an otherwise prohibited mortgage to a non-citizen. The authority for this approval is found in both 46 USC §§ 808 and 835. That special approval could be sought and possibly obtained on a blanket basis from the Secretary. Since the policy behind Sections 808 and 835 was to insure that aliens not obtain significant ownership interests in vessels documented under U.S. laws, we are confident that the Secretary would look favorably upon a request for approval because the proposed mortgages certainly are not contrary to the policy of the Act. If the request were made and approval obtained, the mortgages would thereafter be valid.

Section 2: Preferred Status

While the Corporation's mortgages would be valid if the approval of the Secretary of Commerce were obtained, they would not be entitled to first-lien preferred status unless the provisions of the Ship Mortgage Act were satisfied. 46 USC § 922 (§ 30 of the Ship Mortgage Act) provides in pertinent part:

> "A valid mortgage which...includes the whole of any vessel of the United States...shall have... preferred status...if -
>
> [t]he mortgagee is a citizen of the United States and for the purposes of this section the Reconstruction Finance Corporation shall, in addition to those designated in sections 888 and 802 of this title, be deemed a citizen of the United States."

The preferred status of the Corporation's mortgages thus depends again on the citizenship definition in 46 USC § 802 (§ 888 merely refers to § 802). As we set out in the first part of this letter, it is not clear that the Corporation is a citizen for purposes of Section 802 and therefore we are not able to assure you that the mortgages will enjoy preferred status even if made "valid" by approval by the Secretary of Commerce. As you can see by comparing the text of § 922 to the texts of §§ 808 and 835, the Secretary of Commerce does not have statutory authority to grant preferred status to mortgages (§ 922) in the same fashion as she can validate otherwise unlawful mortgages (§§ 808 and 835).

Section 3: Recommendations

Several avenues are open to the State. The avenues (which are not mutually exclusive) are: administrative, judicial, legislative, and contractual.

Administratively, an application to the Secretary of Commerce could be made asking for approval of the mortgages themselves pursuant to 46 USC §§ 808 and/or 835. Simultaneously, the Secretary could be asked to grant preferred status to the mortgages as a matter of general administrative discretion. As we indicated above, we suspect that the Secretary would approve the mortgages pursuant to 46 USC §§ 808 and/or 835. We have no way of predicting whether the Secretary would also grant preferred status to the mortgages although we are not confident that she would react favorably. The defect in the approach is that even if the Secretary did designate the mortgages as preferred, the designation might not survive subsequent challenge because the Secretary has no statutory authority to grant preferred status to otherwise non-preferred mortgages. Such a designation would have little or no effect. We do not recommend the administrative approach.

Judicially, an effort could be made to obtain a declaratory judgment from a federal court clarifying the status of the Corporation (or the State) as a citizen. It is difficult to predict what the outcome of such a lawsuit would be. This approach suffers from a similar defect as the administrative approach in that, even if successful, a subsequent challenge to a mortgage might reach a different result because the declaratory judgment would serve as precedent but would not necessarily be binding. In addition, the judicial avenue would be time consuming; we do not recommend it.

The legislative approach is more simple, and would be entirely satisfactory if successful. The approach involves seeking a legislative change in Title 46 of the U.S. Code such that the States of the United States were clearly included within the citizen category. Changes in federal law are, of course, not achieved without some difficulty, and we are mindful that the avenue has already been tried without success. Nevertheless, the change should be non-controversial and many Senators and Congressmen interested in maritime and fisheries matters would likely be interested in offering their support. If the amendment were obtained, the State itself could freely take valid preferred ship mortgages and could operate its commercial fishing loan program free from constraints. We recommend that you attempt to obtain the amendment because it would provide a complete solution and because we think the Congress would react favorably. We estimate that the legislative approach would entail an expenditure of $5,000 - $10,000 in legal fees.

The last avenue is one which is designed to improve the present situation and eliminate as many of the current difficulties as possible without obtaining any action by the government. The contract under which the trust program is being currently operated could be refined such that your State agency took additional responsibility for servicing the loans. The Trustee's role would become nominal only to conform to the requirements of the Shipping Act. If you should decide not to pursue the legislative remedy we would then recommend that you attempt to alter your contractual arrangement with the Trustee.

If you should have any questions concerning the foregoing, please feel free to call. Kindest regards.

Sincerely yours,

MUNDT, MacGREGOR, HAPPEL,
FALCONER & ZULAUF

J. Carl Mundt

J. Carl Mundt

JCM:dlr

SJR

54

(9)

COMMITTEE REPORT

HOUSE

3/26/80

FURTHER:

Date: 4/15/80

Mr. Speaker:

The Committee on RESOURCES has had SJk 54

"Relating to marine sanitation requirements imposed by U. S. Coast Guard regulations."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[✓] do pass [ ] do not pass

[ ] do pass with attached amendments(s)

[ ] replace with CS for _____ [ ] same title [ ] new title

and recommends _____

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Alvin Ostlerbach
CHAIRMAN

H 60 (Rev. 12/78)

Alaska State Legislature

House

HOUSE RESOURCES COMMITTEE

FISH & GAME ISSUES
Alvin Osterback, Chairman

Pouch V, State Capitol
Juneau, Alaska 99811
(907) 465-3715

HEARING NOTIFICATIONS
Re: Marine Sanitation Requirement

BILL	DATE INFORMED	LETTER/ PHONE	INFORMED	HEARING DATE
SJR 54	4/11	3766	Sen. Mulcahy, Chairman of Senate State Affairs - sponsor	4/15
	4/11	6-2820	United Fishermen of Alaska	4/15
	4/11	4100	Dept. of Fish & Game	4/15

SJR 54
Marine sanitation requirements

AGO 125418

Reported Out 4/15/80