

DELTA
AGRICULTURE
PROJECT

1-13-82



Official Business

Alaska State Legislature

Resources Committee

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senate Resources Committee
FROM: Senate Resources Committee Staff
RE: Joint Teleconference on Delta II, January 13, 1982
DATE: January 26, 1982

Please find attached minutes of the Joint Teleconference on Delta II held January 13, 1982. These were prepared by the House Resources Committee, and delivered to us today.

Joint Teleconference on Delta II - January 13, 1982

Meeting opened at 3:00 p.m.

In Attendance: Rep. Halford, Sen. Eliason, Rep. Grussendorf, Sen. Gilman, Sen. Mulcahy, Rep. Vaska, Rep. Carney, Rep. Barnes, Sen. Sturgulewski, Sen. Bradley, Rep. Barnes, and Co-Chaired by Reps. Fanning, Sutcliffe and Sen. Fahrenkamp

Representative Fanning noted that a quorum of House and Senate was present.

Rep. Fanning: Opening Statement - Re: Delta II, Since publication of its latest description of the Delta II expansion in its 1981 report, the Alaska Ag Council has found it necessary to alter its original plan in the following areas. The size of the original expansion was 55,000 acres, (45,000 in E and 10,000 in W.) Generally size range is the same but, due to poor soils and commercial forrest lands, the amount of disposable land in Delta II E has been reduced to 24,758 acres. In order to make up for this loss, Delta II W has been expanded by the AAC from 10,000 acres to, in excess of 32,000 acres. In total, 57,000 acres will be included in the disposal.

Rep. Fanning: Delta II concerns, 1) ADF&G is concerned about habitat; and they had not been in on planning as they felt they should have been. Commissioner Skoog has stated ADF&G is not opposed to the project. 2) Citizens for Sensible Ag. Dvlp., feel the AAC is moving too rapidly without time for input from those interested. They also fee' some problems from Delta I have not been addressed. Specific concerns on Delta II:....suitability of area....stream flow....flooding....soils....accessibility. Several legislators have also felt concern for the rapid timetable re: Delta II.

Rep. Fanning: Maps and inforamtion packets were prepared for distribution to all concerned areas. Due to weather problems, they are still in Juneau.

Bob Palmer, Special Projects Coordinator, Office of the Governor: Disposal of ag lands in Delta II E and W, and the production from thos lands, must be evaluated in terms of the overall goals of a viable Alaska ag industry. Those goals call for at least 500,000 acres in production by 1990; with the red meat industry using a portion as feed grains; and the surplus being sold to export markets.

Bob Palmer: Export markets are necessary and, they are available. An export elevator is necessary.

Bob Palmer: In March of 1980, there was a public hearing to allow all interested parties an opportunity to present their opinions. Those in favor of Delta II numbered over 2 to 1. Written opinions, out of 68, 66 were in favor of Delta II. Lt. Governor Terry Miller held a public hearing. A pole following

that meeting was taken and 74% of respondents were in favor of Delta II. (Information on the delineation of Delta II W was not included in that pole.)

Bob Palmer: The Ag Council recommended the disposal of Delta II E and W in their annual report to the legislature.

Carl Amstrup, Executive Director, Agricultural Council, Fairbanks: Objective is to get a balanced agriculture; not only commercial grain farms, but the livestock industry the grain can support.

Commissioner Katz, DNR (Introduced Sharon Barton, Special Assistant): Stated respective roles of Ag Action Council in DNR. Ag Action Council is vested with planning authority for major ag projects. DNR is the implementor of that policy, making sure all applicable statutes and regulations have been complied with. Memo of understanding respecting Delta II with the Ag Action Council. Listed the six most important facts of that memo: 1) Two auctions sales (March 13, 1982); 23,000 acres in east, 32,000 acres in west; 2) DNR is responsible for disseminating information respecting the sale; 3) Agreed on two possible appraisal techniques to ascertain the base value of the land; 4) Delta II E (in particular), worked out the timber sale to insure the state will control the sale and be able to find timber market; 5) Disposal does not demand residency requirements or pre-qualification. Both of these have posed legal problems in the past; 6) Buffer zone - for later small disposals. All relevant statutes and regulations have been complied with.

Rep. Fanning: Will you proceed with the March 13 sale?

Comm. Katz: Yes

Dick Bishop, ADF&G: Opening Statement - 1) ADF&G has not made formal objection to the Delta II project. They have expressed concern about the proceedings, the process by which the plans were pursued; and habitat concerns.

Rep. Sutcliffe: Wants number of moose that move into Delta II for calving; and year-round population.

Dick Bishop: 40-60 for disposal. Calving population not monitored, but knows from general information there is spring movement for calving purposes.

Sen. Fahrenkamp: What about caribou?

Dick Bishop: The Delta caribou herd is about 5,000 animals. They range between principally the Nenana and Delta Rivers. Their use of this area is very limited. Some may use Delta II W as winter habitat, but, it not their prime wintering area nor, calving area.

Rep. Vaska: Will competition with humans put the caribou and moose populations in jeopardy?

Dick Bishop: Conversion of Delta area will not jeopardize either moose or caribou stocks. Unless, significant fencing occurs. Then, movement may be impaired.

Rep. Beirne: Against Delta program. Wants one-half of Delta land put into homesteads. This way, a comparison of success of the two programs can be made.

Rep. Randolph: Agrees with Rep. Beirne's suggestions. He feels large chunks of land controlled by the State should be available for homesteading. Let people take these areas that have been identified as agriculturally viable take their chances. They would have to comply with pre-determined development criteria and earn title to the land as a homestead. Be it 40 acres or 640 acres. Ag can develop. Against Delta II.

Rep. Barnes: Agrees with Rep. Randolph and Rep. Beirnes.

Rep. Moss: Agrees with homesteads but thinks they can be combined. In favor of Delta II E and W.

Rep. Bettisworth: Development depends on funds, more funds will be needed. What is needed is a statewide ag development program which will give the legislature something to look at and decide where, and to what percent, they want to go. 100% for ag development. Does not disagree with homesteading. Opposes Delta II W, in favor of Nenana-Tochacket.

Rep. Barnes: How much more money is needed in funding other than that already allocated for Delta II?

Rep. Bettisworth: It will cost approximately \$400. per acre to get into production. So, another \$27 million. Budget should be from \$30-\$40 million/year.

Rep. Carney: The \$30-\$40 million per year is not money the State loses is it? Isn't that partly loans?

Rep Bettisworth: Yes, the majority of it is loans.

Rep. Grussendorf: Asked what other investments would State have to make.

Frank Geiger, President of the Board -- Delta C. of C.: Opposed to land giveaway. Opposed to outcry sale. In favor of Delta II.

Sen. Eliason: Objected to the comparison of support for farmers versus that of support of fisheries.

Al Jones, Vice President Alaska Sportsman, Fairbanks: Against Delta II, unless certain conditions are met. Read Sports Council resol.

Rep. Sutcliffe: Asked Mr. Jones if he expected the Alaska Sportsman's Council to pass recommendations on all similar land sales?

For Immediate Release
January 11, 1981

Contact: John Manly or
Pat Lawler
465-3715

HOUSE AND SENATE RESOURCE COMMITTEES TO HOLD
JOINT HEARINGS ON DELTA II PROJECT

In an attempt to receive an accurate update on what has become a controversial subject, the House Resources Committee will hold a joint teleconference on the Delta II Project with the Senate Resources Committee on Wednesday, January 13, at 3:00 pm PST.

The announcement of the joint meeting was made following a meeting between Senate Resource Chairperson Bettye Fahrenkamp, D-Fairbanks, and House Resource Co-Chairmen Ken Fanning, L-Fairbanks, and Eric Sutcliffe, R-Unalaska. Fanning and Sutcliffe had already announced plans for a Delta II hearing, but feel that by holding it jointly with the Senate committee, duplication of legislative effort can be avoided.

Testimony is to be given first in Juneau by representatives of the Alaska Agriculture Action Council and DNR officials involved with the project, as well as concerned Legislators. Those initial comments will then be followed by the testimony of concerned groups and individuals in Anchorage, Fairbanks and Delta Junction, via the teleconference network. Any person wanting to speak is asked to notify the Legislative Information Office at one of the three sites prior to the teleconference.

more

The hearing will be conducted from the House Resources Committee room, 118 in the Capitol Building in Juneau. Oral testimony from the public will be taken in Juneau and at the three teleconference sites as long as time allows. Written testimony will be accepted at any time during the next two weeks.

The House Resources Committee has prepared an informational packet on Delta II for distribution at the meeting and at the involved teleconference sites.

Delta II Update

Since publication of its latest description of the Delta Project Expansion, in its 1981 Annual Report, the Alaska Agriculture Action Council has found it necessary to alter its plans in the following areas:

Tract sizes are approximately as proposed, ranging in size from as small as 640 acres to 2880 acres. The original proposal put the range at 1800 to 2700 acres.

The size of the project expansion was originally pegged at 55,000 acres, with 45,000 in the east portion and 10,000 in the west. The total size of the project is still in that range. However, due to unanticipated poor quality soils, coupled with commercial forest lands, the amount of disposable land in Delta II East has been cut to 24,758 acres. In an effort to recoup those approximately 20,000 acres lost in the east, the AAAC has expanded the Delta II West portion westward from 10,000 acres to 32,980 acres. The disposal now contains a total of 57,738 acres.

The original proposal called for the assessment and disposal of all commercial timber stands with the sale of the farm tracts. This was changed, due to 1.) the reluctance of timber processors to deal with individual farmers; 2.) the lower class of soils left after the timber is removed; and 3.) the longer period of time required for clearing commercial timber from the farmland. Current plans for timber management call for large timber sales to be conducted by the state division of forestry, with small amounts of commercial timber on some tracts to be assessed and sold with the tracts.

Current plans call for the tracts in both Delta II East and West to be sold at public outcry auction.

In addition to the above developments, a number of concerns have been voiced by various groups, including the Department of Fish and Game, and a Delta Junction group calling itself Citizens for Sensible Agriculture Development. A number of individuals have also expressed concerns.

ADF&G concerns are based primarily in the expanded version of Delta II West, and in the fact that the department wasn't in on the planning for the additional acreage as they should have been. Commissioner Skoog has emphasized that ADF&G is not opposed to the project. They are, however, concerned with the loss of habitat for moose, caribou and bear, and with exacerbating the bison problem in the area. See attachment one.

The basic complaint the Citizens for Sensible Agriculture Development have is that the AAAC is moving too fast in its expansion, and has not realistically addressed the problems apparent in Delta I. They also enumerate several specific concerns as to the suitability of the project area, soils, streamflow and flooding, as well as accessibility. See attachments two through five.

For further clarification of project status, the Memorandum of Understanding between the DNR and the AAAC is included as attachment six. It delineates what is required of DNR in connection with the expedited disposal of Delta II.

A map of the project area, showing its geographical relationships to the Delta area is included as attachment seven.

TO: William H. Copeland
Acting District Manager
Department of Natural Resources
Northcentral District Office

DATE: December 8, 1981

FILE NO:

TELEPHONE NO:

FROM: J. Scott Grundy
Regional Supervisor
Habitat Division
Department of Fish and Game

SUBJECT: Delta II West

Attachment one

We have recently become aware of the activities of the Department of Natural Resources (DNR) in the implementation of the Delta II Agricultural Project, and we are very concerned about the Delta II West portion of this project. We have had a long history of involvement in state land management in the Delta area, both as a planning team member in the development of the Delta Land Management Planning Study, initiated by DNR in 1974, and as a reviewing agency for land actions initiated or implemented by DNR such as land disposals, agricultural projects, grazing leases and other actions.

While we have been closely involved with DNR in the planning process for the Delta II East portion of the project, implementation of Delta II West is now proceeding at a rapid pace with no apparent attempt to formally include the Department of Fish and Game in any interagency review process. In view of the potential conflicts between agriculture and wildlife in this area, we believe this is a serious mistake.

Certainly part of the problem lies with the fact that the Alaska Agricultural Action Council (AAAC) is the body initiating this project, while DNR is in the position of implementing the AAAC's plans. In recognition of this, the Habitat Division has contacted the AAAC on several occasions, requesting an opportunity to provide input, to no avail. However, we are also concerned that the interagency review process normally followed by DNR in implementing such projects seems to have been neglected.

Although DNR has not formally requested input from Fish and Game, Habitat Division staff members have informed themselves of DNR's plans for implementing the Delta II project. Because of the serious implications of this departure from normal review processes and because of the potential conflicts with wildlife, we are taking this opportunity to inform you of our position on this project, to provide you with information concerning the potential impacts of the Delta II West project on wildlife, and to recommend mitigatory measures.

Wildlife Resources and Utilization in the Delta II West Area

1. Bison. Part of this area is currently utilized as late winter habitat by the Delta Bison Herd. The bison then move south in the spring to calving grounds along the Delta River. During the summer months the bison utilize the west side of the Delta River, primarily the military lands south of the Delta II West project. However, bison also regularly utilize state

land as far north as Quartz Lake. This past summer approximately 100 bison frequented areas as far north as the confluence of the Delta and Tanana Rivers; this was confirmed by ADF&G radio tracking. This is the second most valuable area for development of alternate fall and winter range.

2. Moose. The area is high value moose calving habitat for both resident moose and animals from the nearby Tanana Hills and Shaw Creek. The Department of Fish and Game's ongoing wolf reduction program will increase the value of this calving habitat. The resident moose population is at a moderate level, receiving moderate hunting use.
3. Bear. The area is presently habitat for black and grizzly bear, but primarily black bear. The margins of the numerous small lakes in the area are utilized in spring and early summer.
4. Fisheries. A major chum spawning ground exists at the mouth of the Delta River. This is the most important chum spawning area in the Upper Tanana drainage, being utilized by an average of 12,700 salmon (this is an average over the past five years). Other important fisheries areas include the headwaters of the Richardson-Clearwater Creek, a number of clear water sloughs along the Tanana River just downstream from the Delta River, and Rainbow Lake.
5. Waterfowl. The numerous lakes in the area are waterfowl nesting habitat, especially for ducks and trumpeter swans. The alluvial islands of the Delta River from the Tanana River to Donnelly Dome form the most important roosting area for sandhill cranes migrating through the Upper Tanana Valley. Each spring and fall about 60% of the world's sandhill crane population (about 150,000 to 200,000 birds) passes through the Upper Tanana Valley on their way between wintering grounds in the southwestern United States and nesting grounds throughout northern and western Alaska.
6. Caribou. While the area does not contain significant caribou habitat, it does receive some use by caribou, particularly during the winter months.
7. Public Use of Wildlife Resources. Hunting pressure in the Delta II West area is expected to increase as adjacent military lands become more restricted to public use and as other land in the Delta area is developed for other purposes. The area is also used by a number of trappers and fishermen.

Recommendations of the Delta Land Management Planning Study

Volume Four of the Delta Land Management Planning Study (DLMPS) recommended that a 28,160 acre area now encompassed by the Delta II West project be established as a bison habitat management area, and that the land be classified as Wildlife Habitat. It also recommended that a 1,440 acre area around Rainbow Lake be retained in public ownership and classified Greenbelt. Both these classifications were made in 1977 and are still in effect. The

remainder of the project area was classified as either Resource Management or as Timber (along the Delta River). In making the recommendations concerning bison, it was specifically stated that "the Delta bison herd is the largest and most viable in Alaska. It is felt that the herd should be maintained as wild and free-ranging, with its numbers being controlled by annual public hunting."

Recommendations of the Department of Fish and Game

In January of 1981 you did contact us, requesting our input on the Delta II project. However, at that time the West portion of the project was only an 11,000 acre area along the Delta River. At that time our recommendation was "that no disposal occur in this area until a transportation plan is developed and soil surveys are conducted to facilitate a comprehensive disposal plan" for all the state land west of the Delta River (January 8, 1981 memo by Grundy to Copeland). Although the soil survey has been done for a portion of the state land, a transportation plan has not and no comprehensive disposal planning has taken place. Thus, our original recommendation is still valid.

We strongly recommend that the Delta II West disposal be postponed until a comprehensive disposal plan can be done for all the state land north of Ft. Greely and west of the Delta River. In this way, all the resource values can be considered before making final and irrevocable land use decisions, uses of other resources can be planned for, and an interagency review can be accomplished.

If the Delta II project is to be implemented without the benefit of any planning, then the mitigation measures outlined below should be followed in order to minimize conflicts with the wildlife resources.

Potential Wildlife Conflicts and Mitigation Measures

1. Bison. Agricultural development of Delta II West will likely result in crop depredation by bison and we can anticipate the same kinds of conflicts which have occurred in Delta I. To alleviate this problem, we suggest that some acreage within the project be set aside as a management area for the development of alternate bison summer range. This might serve as a buffer between existing bison summer habitat and the agricultural project. Since military land is unavailable for this purpose, it is necessary to reserve state land. If agricultural development does take place, there is a possibility that farmers may be able to utilize bison-proof fencing to help alleviate depredation problems. In conjunction with the development of alternate habitat and if properly done, this could be an effective measure. However, it should be noted that moose are often killed attempting to cross such fencing and this would be detrimental to moose populations and movements. We will address the specifics of size and location of a bison management area at the December 8, 1981 meeting with you.
2. Moose. Crop depredation by moose is a possibility. The loss of moose habitat to agriculture, however, is likely to result in lowered moose populations.

3. Bear. The loss of bear habitat will also result in lowered bear populations. There is the possibility of bear conflicts as farms are initially developed and livestock depredation will occur if a red meat industry is established.
4. Fisheries. Agricultural development adjacent to the Delta River chum spawning area, the Richardson-Clearwater Creek, the Tanana River slough, or Rainbow Lake could detrimentally impact these fisheries resources through stream bank degradation or agricultural runoff into the water. To prevent this we recommend that no agricultural development take place within the following areas:

T.8S, R.9E, F.M.
Sec. 19, 24, 28 through 34

T.9S, R.8E, F.M.
Sec. 13, 14, 24
Sec. 23, NE $\frac{1}{2}$

T.9S, R.9E, F.M.
Sec. 19, W $\frac{1}{2}$
State land within the following:
Sec. 1, 2, 3, 4
Sec. 11, N $\frac{1}{2}$
Sec. 12, N $\frac{1}{2}$

T.9S, R.10E, F.M.
Sec. 7

In addition, we recommend that a $\frac{1}{2}$ mile greenbelt be retained in public ownership along the Delta River to protect the integrity of the river bank, to help prevent direct agricultural runoff into the river and to provide for public access along the river.

5. Waterfowl. Agricultural activity could result in the obliteration of the lakes used by nesting waterfowl, or in simple disturbance of waterfowl using the lakes. To alleviate this problem, we recommend that easements be retained around all these lakes to provide a buffer. It should be noted that there is probably nothing that can be done to prevent impact on trumpeter swan nesting in the vicinity.

Agricultural activity could also result in disturbance of sandhill crane roosting areas on the Delta River. To alleviate this problem, we recommend that a $\frac{1}{2}$ mile greenbelt of natural vegetation be retained along the Delta River as a buffer. This is particularly necessary because of the fact that the peak of the fall migration, mid September, often coincides with a time of high agricultural activity associated with harvesting.

Another potential conflict is crop depredation by sandhill cranes, Canada geese and some ducks. This has not been a problem to date, but with the development of another large area, particularly one so close to an

existing crane roost, a problem of some magnitude could develop in years of late harvest. Completing the harvest prior to about September 10 would alleviate this problem.

6. Caribou. Agricultural development will remove existing caribou habitat; this cannot be mitigated.
7. Access concerns. There are two points of concern regarding access. One concern is with crossing the Delta River. Since the State evidently has no plans to build a bridge across the Delta or Tanana Rivers to provide surface transportation to this project, the farmers will have to cross the Delta River to access their farms. Under Title 16, the Department of Fish and Game has statutory authority over crossings or riverbed alterations of this river. Because of the importance of the chum salmon spawning area mentioned earlier, certain stipulations must apply to crossing activities. No crossings will be allowed within two miles of the confluence with the Tanana River. Anywhere along the Delta River, all river modifications, alterations, fills, etc., which would prohibit the passage of fish must have ADF&G Title 16 approval. Because of the importance of the spawning area, we are extremely concerned with any upstream activities that could affect it. We therefore request the opportunity to review plans for any river crossings or construction activity between the banks of the Delta River.

The other access concern is with public access through the project. Adequate access must be provided for both in the layout design and through farm units in order to prevent conflicts with hunters, trappers, and other users of the wildlife resources.

Summary

To summarize, the lack of interagency coordination prior to the implementation of the Delta II West project is a serious problem which disturbs us. There are potential conflicts with wildlife resources, many of which may be mitigated if addressed in the planning stages of the project. The Department of Fish and Game stands ready to provide further input and to assist in resolving conflicts.

cc D. Snarski - DP
D. Lowery - ADEC

RECEIVED NOV 13 1981

Citizens for Sensible Agricultural Development
PO Box 862
Delta Junction, Alaska 99737

Attachment two

November 5, 1981

Mr. W.I. Palmer
Special Projects Coordinator
Office of the Governor
Pouch A
Juneau, Alaska 99801

Dear Mr. Palmer:

Agriculture is a welcome addition to the Delta area. It has brought money into the area, provided jobs, and brought new people with bold new ideas into the community. But, it has not been without cost, both in terms of dollars and in terms of other resources. Now, Delta II is on the horizon, and we are beginning to be concerned about these costs.

We believe Alaskans deserve frank answers to some very serious questions about Delta II:

1. There are good soils in Delta II, but the soil maps we have seen are
 - a) wrong in many places about which we have personal knowledge, and
 - b) indicate discontinuous distribution of arable soils. Is it in the best interests of the state's agricultural enterprise to dispose of land with marginal soils?
2. There are a minimum of 14 million board feet of good usable sawtimber in Delta II--much more than Interior sawmills can use in one or two years--and this estimate does not even cover firewood. How do you intend to insure that this valuable resource is going to be used, instead of generally wasted or "accidentally" burned as was the case in Delta I?
3. Delta II West is on the opposite side of a substantial river. There are now no roads. Nowhere have we seen a bridge and transportation plan for that area; yet a bridge alone will cost millions of dollars. When will Alaskans see such a plan and the associated costs?
4. It is well known that the bison move north along the Delta river in late summer up to a month before moving east to the Delta Bison Range and the existing agricultural area. Delta II West will be right in their path. Bison also use the area in late winter. At least 19 bison have died because of farmers since Delta I, two recently, and more may follow if threats are any measure of this danger. How do you intend to avoid an escalation of this conflict?
5. The Delta Land use plan, developed with considerable citizen and agency input, calls for agricultural development much smaller in size than Delta I plus Delta II. How do you reconcile the difference between your ambitious plans and the desires of local residents?
6. The markings of recent flood waters on the trees in Delta II East are plain for all to see. How do you intend to protect farms from Gerstle and Tanana River flood waters?

7. Finally, what has been the real cost of Delta I and how does that compare with return; and what will be the real cost of Delta II? We do not believe you and the Agricultural Action Council have painted a realistic picture of either, and that many costs have not yet been divulged or have been hidden in other agencies or appropriations.

Please understand. We do not oppose agriculture; in fact, we welcome an agricultural enterprise that can be integrated into the many facets of life in the Upper Tanana Valley. It is clear to us, however, that the Delta II brand of agriculture that you and the Council appear to be pushing so desperately fails that test.

Sincerely,

Dean W. Cummings

Deans Cummings, Chairman

cc: Delta Paper, Fairbanks Daily News Miner, Anchorage Times, Southeast Alaska Empire, Gov. Hammond, Nick Carney, Ron Skoog, John Katz, Alaska Legislature
bcc: Fairbanks Advisory Committee, Delta Advisory Committee



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

November 20, 1981

Attachment three

Mr. Dean W. Cummings
Chairman
Citizens for Sensible
Agricultural Development
P. O. Box 862
Delta Junction, Alaska 99737

Dear Mr. Cummings:

I have received your letter to me and the newspapers of Alaska dated November 5, 1981, regarding your concerns about Delta II. Although your letter was addressed personally to me and we have never met, much less had any discussions face to face or by telephone, I read your letter to me in the newspaper almost two weeks before receiving it in the mail.

If you are, or were, sincerely interested in answers to your questions and a constructive debate on the issues, I wonder why you did not contact me before going to the media. At any rate, I will give you the benefit of assuming your integrity and will respond to your questions.

1. Soils

The Alaska Agricultural Action Council (AAAC) depends upon and contracts with the U.S. Soil Conservation Service (USSCS) for soil testing and analysis. While some previous work of the USSCS did appear to contain errors, these have now been corrected as a result of an investigation by AAAC staff and USSCS personnel.

I also cannot help but wonder why this criticism was not directed at the Division of Agriculture, rather than the AAAC. You met with Mr. Nick Carney, Division Director, several days before posting your letter to the newspapers and it is his agency, not the AAAC, which drew up the tract layout that included the marginal soils you question.

2. Timber

We agreed weeks ago that the commercially valuable timber in question would be sold with a 3-1/2 year harvest schedule (not one or two years, as you state) to allow orderly marketing of the resource. How would you propose to utilize, economically, the non-commercial scrub trees, which are common on Delta II, as they were on Delta I?

3. A number of farmers have worked farms on the west side of the Big Delta River for years without an expensive bridge. You and I both know, Mr. Cummings, that we can wade that river most of the summer and cross on the ice most of the winter.

Many influential people are working diligently to have the Alaska Railroad extended through that area. It has been requested that we hold up for a bit on our bridge planning to see if it can be tied into a railroad crossing. That appears to make sense.

4. The AAAC officially went on record almost a year ago, and I have personally done so a number of times, in supporting ADF&G's efforts to solve the bison problem. Most people in your group appear to have confidence that Fish and Game can cope with the situation, and we support your viewpoint.

5. It is our understanding and belief that the Delta II program is completely compatible with the desires of the majority of the logical, clear-thinking citizens of the area.

As a result of the public hearing on Delta II, which the AAAC held in the Delta School on March 13, 1980, 38 people signed up to testify and 68 Delta residents submitted their written comments after attending the hearing.

Of the 38 who signed up, 35 testified:

IN FAVOR OF DELTA II: 21

OPPOSED TO DELTA II: 10

ADDRESSED OTHER SUBJECTS
AND DIDN'T MENTION DELTA II: 4

Of the 68 residents who submitted their testimony:

IN FAVOR OF DELTA II: 66

OPPOSED TO DELTA II: 2

At the Public Hearing, Mayor Elizabeth Leng read Resolution 80-02, passed on February 19, 1980, by the City of Delta Junction, which stated:

"WHEREAS, the development of agriculture is advised as a part of the Delta Land Management Plan, and;

"WHEREAS, the development of agriculture is of benefit to the broadening of the economic base of Delta Junction, and;

"WHEREAS, the development of an agricultural base will add to the stability of the economy of the Delta area, and;

"WHEREAS, an agricultural area will contribute to the migrating waterfowl well being and preservation of/and local wild life.

"NOW, THEREFORE, BE IT RESOLVED by the city council that we support and encourage the development of agriculture and its related support services in the Delta area."

Signed: Elizabeth A. Leng, Mayor
Leonard A. Lemon, Council Member
Fran C. Tombo, Council Member
Henry W. Brewis, Council Member
Kenneth E. Ryther, Council Member

In summary, of the 103 responses to the Public Hearing on Delta II, 87 supported the planned project and 12 opposed it.

Also, Lieutenant Governor Miller's Office conducted a survey among Delta residents in mid-1980, as a result of a public hearing that he held in Delta, regarding issues relevant to the area. Five questions contained in a questionnaire were distributed to Delta residents, and of the responses received, 74% answered the following question in the affirmative: "Do you believe that the Administration should set in motion the Delta II Agriculture Project by commencing surveying and other preliminary work at this time? (This would allow for actual disposal of Delta II agricultural tracts during Fiscal Year 1982, and would approximately double the acreage committed to large scale agriculture in Delta)." Twenty-six percent answered "No" and no one answered "Unsure". Delta residents then clearly supported Delta II by a three to one margin.

6. Apparently, other observers just as knowledgeable as yourself dispute the "markings" as indicating flood waters at all! At any rate, we have relied on and used the guidance of the U.S. Soil Conservation Service in protecting farmers from flood damage.

7. The real costs of Delta I are public knowledge for all those who care to read. All monies used have been appropriated by the legislature. How does that compare with the return? May 31, 1982, is the date for completion of clearing of Delta I. 1983 will be the first year possible for harvesting the entire project.

November 20, 1981

If you, Mr. Cummings, pay for a 1,000-acre timber contract -- to be harvested over five years -- how do you answer at the end of two years, if asked: "How does your real cost for the project compare with the return?"

I am encouraged that you, speaking for your group, welcome agricultural development in your community. We continue to invite any and all of you -- as we have since 1976 -- to meet with us, or call us, and help identify a course of agricultural development that is economically feasible and satisfying to all concerned.

Sincerely,

ALASKA AGRICULTURAL ACTION COUNCIL



W. I. "Bob" Palmer
Chairman

cc: Delta Paper
Fairbanks Daily News Miner
Anchorage Times
Juneau Empire
The Honorable Jay S. Hammond
The Honorable John Katz
The Honorable Ronald Skoog
Mr. Nick Carney
Members, Alaska State Legislature
Fairbanks Advisory Committee
Delta Advisory Committee

December 4, 1981
Box 44
Delta Junction, Alaska 99737

Attachment four

Dear Governor Hammond,

I believe there are some questions that need to be answered before agriculture expands with Delta II:

(1) Is the planning process adequate? Delta I provides instances where planning was incomplete or nonexistent. Examples of poor planning include: a.) an unrealistic picture of the normal fall weather conditions which can affect harvests, b.) an unrealistic timetable for full scale production, c.) insufficient fire control procedures, d.) inadequate plans to minimize bison/barley conflicts, e.) inaccurate estimates of the protein content of Alaskan barley, and f.) poor estimates of the marketability of barley on the world market.

One only has to look back over the last three years to see that the progression of events surrounding Delta I provides a confusing picture of what the project's goals are. Are we selling barley to the Far East? Or are we going to develop an in-state red meat industry? Perhaps we will use our barley to make alcohol? This lack of a definitive direction also points to poor planning in the beginning stages of the project.

(2) Has there been sufficient evaluation of the first three years of Delta agriculture? It appears that the planners of Delta II have not learned from the mistakes of Delta I. Why hasn't there been a proper evaluation of Delta I?

(3) How justified is the prediction that more land will answer the economic problems of barley production? Has a cost/benefit analysis of Delta I proven that more land will greatly increase the benefits while minimizing costs and solve the economic woes of Delta I?

(4) Will Alaskan agriculture be able to sustain itself over the longterm without heavy state financing? Can barley farmers ever hope to repay outstanding loans? Or will many barley farmers soon go bankrupt and be replaced by new barley farmers who will, in turn, borrow large amounts of state dollars?

(5) Was there an element of haste underlying the Delta I disposal and is Delta II being driven by the same force? 1982 is an election year. It is possible a new administration will have different views of how to proceed with agricultural development. Is there political pressure from the governor's office to get Delta II moving before next November?

In conclusion, I propose that most people opposing Delta II are not against agriculture but rather the manner in which agriculture is being brought to the upper Tanana valley. This

letter and others have raised legitimate questions concerning the proposed Delta II disposal. It would be in the best interest for these questions to be answered so that further agricultural development will benefit. Can the agricultural community meet this challenge?

Sincerely,


Tim Jennings

December 29, 1981

Tim Jennings
Box 46
Delta Junction, Alaska
99737

Dear Mr. Jennings:

Governor Hammond has asked that I respond to your letter of December 4, 1981.

(1) The planning process is adequate. Your points (a) and (b) are, I believe, not accurate.

(c) Can anyone adequately predict the conditions under which a fire will occur? It is quite possible that fire control measures on the scene could have been more effective. As a matter of fact, the planners of Delta I, who did not have authority over fire fighting methods, recommended radically different control measures than those used by the agency that did have authority.

(d) Crop/bison conflicts are a serious problem. Apparently, few, if any, people felt that the problem would be of the magnitude that it has become. It is also significant that, even now, those experts with the most experience are still searching for definite answers to the problems.

(e) Feed trials in Japan, as well as official testing labs in Seattle, have verified the excellent quality of Alaskan barley.

(f) The world markets are there and waiting as proposed in the initial planning.

Our prime objective has always been to ensure the availability of the fundamentals in competitively priced feed grain, and an efficient meat processing infrastructure so that the private sector will be able to develop a livestock industry. This is occurring. The export market is a necessity to assure the grain producer of a market for all his production. A grain producer must

not be placed in a position where he has to take the market -- the livestock producer -- and, therefore, faced with the impossible task of determining how large that market is going to be each year, how much grain other farmers are going to produce each year, and how much of that limited market he can expect to capture. The export market serves as safety valve to take all the excess available over and above the domestic demand.

(2) Yes, there has been sufficient evaluation of Delta I.

(3) Delta I has already proven production of barley quite feasible, both economically and technically.

Additional land in production is necessary to produce additional volume of business for all sectors of the infrastructure serving the embryonic industry. Can a gasoline service station afford to stay in business if there is only one automobile in the area?

(4) Yes, we believe it will.

[5] No. Yes. No.

It is my understanding that about twelve citizens of your area formed a group called Citizens for Sound Agricultural Development, and became very vocal in the meeting -- expressing some of the same concerns that you have. I understand also that this group found that the planning had been done in much greater depth than they were aware of, and that most of the questions raised had been adequately answered. It is also my understanding that of the twelve initial members of the group, only five are still active in the "campaign".

I appreciate your approach in asking the questions first, and hope that my response will be of some help to you.

Sincerely,

W.I. "Bob" Palmer
Coordinator
Special Projects Office

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE ALASKA AGRICULTURAL ACTION COUNCIL
. AND
THE ALASKA DEPARTMENT OF NATURAL RESOURCES
DELTA II

November, 1981

WHEREAS, the Alaska Agricultural Action Council herein referred to as AAAC is directed by AS 44.33.470(2) to evaluate the need for farm conservation plans for land under agricultural production in the state; and

WHEREAS, the AAAC is directed by AS 44.33.470(4) to make recommendations for the promotion of agriculture in the state; and

WHEREAS, the AAAC is directed by AS 44.33.470(5) to provide technical information and make recommendations to the Commissioner of the Department of Natural Resources regarding classification of state land having agricultural potential; and

WHEREAS, the AAAC is directed by AS 44.33.470(a)(6) to act as administrator of the Delta agricultural development project; and

WHEREAS, the AAAC has recommended to the Governor and the Commissioner of the Department of Natural Resources that the areas known as Delta II East and West be classified for agricultural development based on soil surveys in those areas; and

WHEREAS, the development of the agricultural potential of the Delta area will be influenced by the administration of both the original Delta Agricultural Development Project and the sale of the Delta II East and West areas; and

WHEREAS, AS 38.05.035 directs the Department of Natural Resources herein referred to as DNR to manage state lands, including entering into such contracts as best serve the interests of the state; and

WHEREAS, DNR is empowered by AS 38.05.050 to determine the land to be sold for private use; and

WHEREAS, AS 38.05.300 authorizes DNR to classify lands for surface uses where it is considered necessary and proper; and

WHEREAS, AS 44.37.020 directs DNR to administer state programs for the conservation and development of natural resources, including land, agriculture and soil conservation;

WHEREAS, AS 38.04.010 clarifies that the public interest in conveying rights to state land to private parties is to make such lands available to persons for direct use in areas classified as suitable for such purposes; and

WHEREAS, AS 38.04.045 directs that the subdivision of land for disposal shall be such that the lots and tracts are of a size which fits the requirements of the proposed use and the physical characteristics of the land; and

WHEREAS, AS 38.05.321 restricts the sale of lands classified as agricultural to the transfer of rights for agricultural purposes:

NOW, THEREFORE: both AAAC and DNR mutually agree that it is necessary to clarify responsibilities with respect to the preparation of the proposed Delta II agricultural land sale;

The AAAC, in consideration of AS 44.65.010 and DNR, in consideration of AS 38.05.020 and AS 44.65.010, further agree that:

1. DNR will make every effort to offer a combined Delta II East and West sale in the shortest possible time. Toward that end, all preliminaries (survey, appraisal, public notice, layout) will be expedited. Specific time requirements for accomplishing the preliminaries will be presented to Commissioner John W. Katz and to Chairman Bob Palmer by December 1, 1981. The final decision will then be made to proceed with the proposed combined disposal according to a timeline to be jointly approved by DNR and the AAAC, or to hold the proposed Delta II West for later disposal, both subject to the completion of all legal requirements, including a best interest determination by the Commissioner of DNR.

2. DNR will monitor subsequent requests for assignments to obtain data concerning the relationship between method of disposal and occurrence of assignments.

3. Conditions of transfer will be specified in the land sale contracts including the completion of the development schedule as defined by the AAAC. Clearing loans made by the AAAC will fall due upon assignment. DNR will advise the AAAC promptly upon receipt of requests for assignment. These conditions will not apply when the assignor remains a principal in a partnership or corporation.

4. DNR will be the official public contact point for the proposed sale and will disseminate all information pertinent to the sale. DNR will make all materials available to the AAAC for review prior to printing.

5. Two appraisal methods will be used for the Delta II disposal, the standard comparables method and a product end value method, to be developed by DNR after consultation with the University of Alaska agricultural economists. The appraisals will be reviewed and a decision made by DNR after consultation with the AAAC on the method to be used for establishing the fair market value for the sale. Information from the Delta I clearing experiments will be provided by the AAAC.

6. The soil surveys for those areas within the proposed Delta II East and West containing commercial timber are currently being re-examined. Any areas which are not Class II or III soils may be deleted from the proposed agricultural project.

7. The failure of the SCS to provide accurate soil type data necessitates a number of changes in preliminary parcel layout and thus affects the proposed timber sale. Commercial timber on the parcels will be sold according to the following criteria:

- a. The state may offer commercial timber stands for sale prior to the sale of the land. In this case, the land sale will be subject to the timber sale.
- b. The timber may be sold to the land purchaser along with the land. In this case the sale contract will provide that the purchaser manage the timber in such a manner as to ensure full utilization of commercial timber and the conservation plan shall include this management practice.
- c. In either case if the method of timber harvest used will result in increased clearing costs to the purchaser, the land appraisal will reflect the extra cost. Increased clearing costs are defined as those costs for clearing land which are greater than the costs established as the standard for lands in the Delta II agricultural development project without marketable commercial timber.

- d. If (a) above is followed, timber removal times will be made as short as possible, consistent with market conditions and mill capacity, but in any event will not exceed 3 1/2 years on Delta East.
- e. On a parcel in Section 19, T12S, R15E, containing commercial timber, a 20 acre tract has been selected as the most favorable farmstead site by Division of Agriculture and will be reserved from the timber sale.

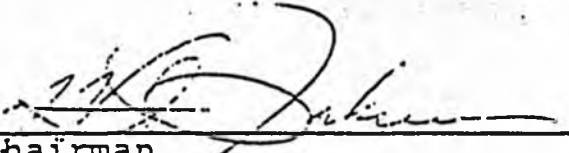
8. Joint consideration will proceed for reclassification of appropriate portions of the 1/4 mile buffer along the highway for small agricultural disposal. Since DNR must provide the opportunity for public review and comment prior to reclassification, public notice will be given as soon as possible. A final decision on reclassification and disposal will follow the public notice period. A definition of small farms will result from AAAC-DNR discussions.

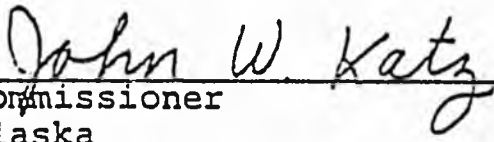
9. Upon receipt of funds transferred from AAAC by Reimbursable Services Agreement, DNR will accomplish the following services:

- a. The disposal process for both proposed Delta II East and Delta II West areas of agricultural land;
- b. Complete the area plan and reclassification for Delta II West;
- c. Conduct appraisals, develop disposal brochures, and conduct auction procedures; and
- d. Develop and execute land sale contracts;
- e. Review and approve farm conservation plans for each parcel; and
- f. Purchase and establish two weather stations.

10. AAAC will transfer additional funds to DNR for preparation of eventual timber sales on Delta West.

Signed this 1st day of December, 1982


Chairman
Alaska Agricultural Action
Council


Commissioner
Alaska
Department of Natural Resources

