SB 33

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 2-9-89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER FINANCE

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 2-15-89

1/9/89

Mr. President:

RESOURCES Committee considered SB 33

establishing the Willow Mountain Critical Habitat Area; efd

and recommended:

[ ] replace with CS _____ [] same title
[] new title

[ ] attached amendment(s) and _____

[ ] _____ letter of intent adopted

[✓] do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

[ ] further referral to _____

FISCAL NOTE(S) attached [✓] zero [ ] fiscal impact
[ ] appropriation no FN attached [ ] Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Bettye Fahrenkamp DP&R
Chairman signature and recommendation

[ ] Committee backup attached

Alaska State Legislature

Senate Resources Committee

Senator Bettye Fahrenkamp, Chairman

Senator Jay Kertula, Vice Chairman
Senator Dick Ellason
Senator Steve Frank
Senator Rick Halford
Senator Arliss Sturgelewski
Senator Fred Zharoff

P.O. Box V
Juneau, Alaska 99811
(907) 465-4907

M E M O R A N D U M

TO: Committee Members, Senate Resources Committee

FROM: Committee Staff

RE: Committee Meeting, February 13, 1989

DATE: February 13, 1989

On Monday, February 13 at 1:30 pm in the Butrovich Room, the Senate Resources will hear SB 33, Establishing the Willow Mountain Critical Habitat Area, and SB 60, Making a special appropriation to the Office of the Governor for activities to encourage the federal government to permit export of oil from the state.

SB 33 provides for the management of 22,720 acres of land near Hatcher Pass and Willow in Southcentral Alaska under the State Critical Habitat Area program. The Willow Mountain area supports unusually large concentrations of moose. The purpose of the bill is to preserve the high quality moose habitat supporting the high moose population.

SB 60 would appropriate $1.5 million for a major lobbying and public relations effort to remove the current ban on exporting North Slope oil.

This session, the U.S. Congress will probably begin to focus on reauthorizing the Export Administration Act (EAA), which expires in 1990. Section 7(d) now effectively prohibits the export of crude oil transported through TAPS.

Arlon Tussing, an oil and energy consultant and adjunct professor of economics at the Institute of Social and Economic Research at the University of Alaska, will present an overview of the political climate in Washington, D.C. and the prospects for successful state efforts to remove the ban.

John Katz, Director of State/Federal Relations, Office of the Governor, testifying on the teleconference network from Washington, D.C., will present the administration's perspective on the proposed lobbying effort.

At a time when the state is seeking to increase revenues without adversely impacting individuals or industry, allowing the foreign export of oil would provide a positive alternative to other revenue enhancement proposals.

Because of the glut of ANS on the West Coast, Alaska currently delivers about one third of its oil through the Panama Canal to the U.S. Gulf coast. Due to the lower cost of shipping Alaska North Slope oil (ANS) to Pacific Rim markets rather than the U.S. Gulf coast, oil exported overseas would have a higher wellhead value. This increase would result in greater industry profits, increased state royalties and taxes, incentives for development of marginal fields, greater federal revenues and reduction of the trade imbalance with Japan, and more trade opportunities with Pacific Rim nations.

The current export ban depresses the value of all crude oil produced in Alaska (and California) by $1.50 to $4.00 per barrel. Any new development suffers the full $4.00 penalty, and some analysts believe one effect of the ban is to reduce U.S. oil output by 500,000 barrels a day. An increase in wellhead value through removing the ban may make major projects in Alaska, such as West Sak Sands development, commercially viable.

Depending on the type and amount of exports allowed, additional revenues to the state are estimated to be anywhere from $56 million up to $1 billion per year.

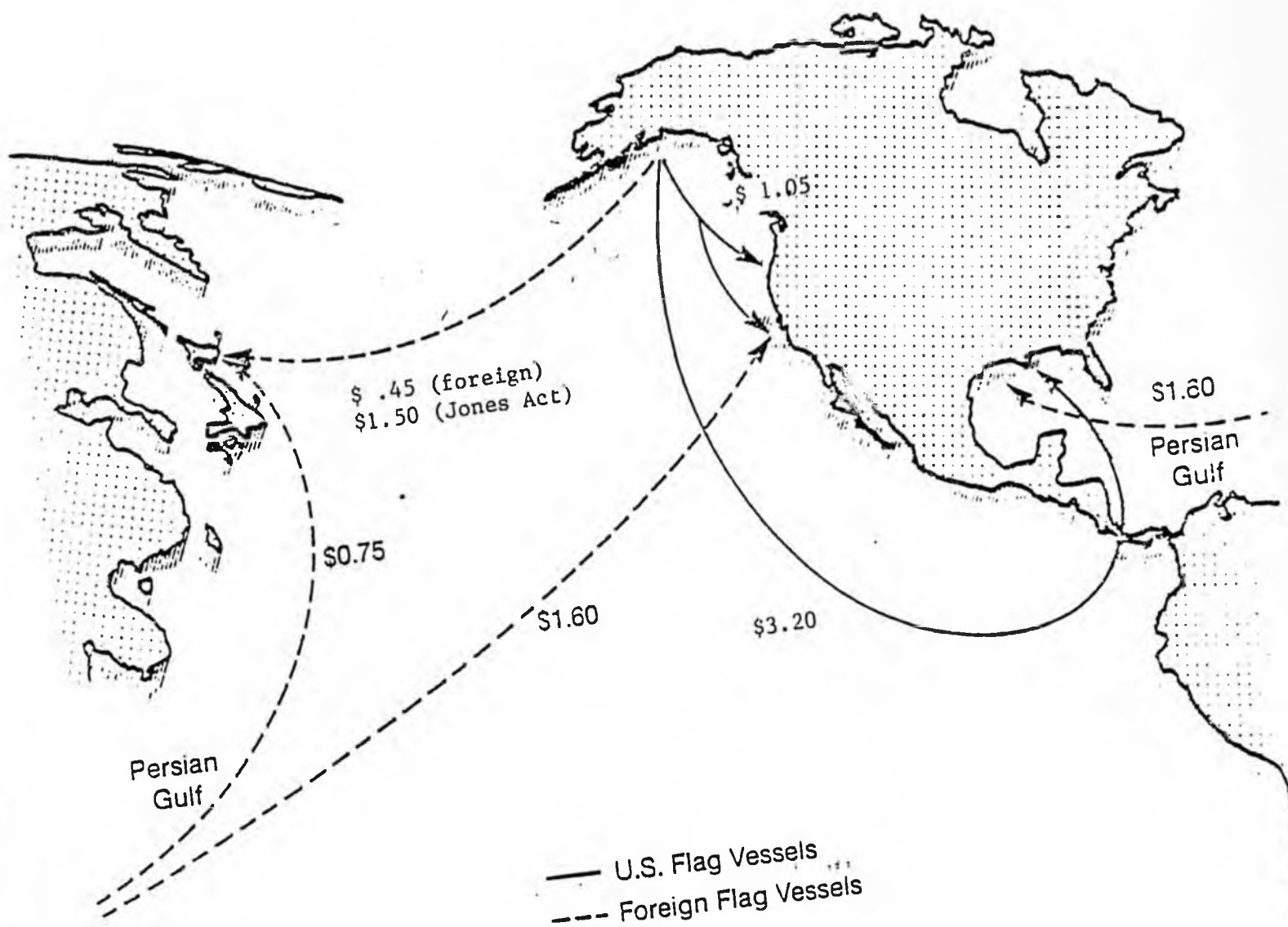
Federal revenues would be expected to increase by about $1 billion a year due to higher leasing and tax revenues.

Of course reducing deliveries of ANS to the U.S. Gulf coast would require those refiners to increase their imports of foreign oil, but the net result would be less reliance by both the U.S. and the world as a whole on OPEC imports. Removing the ban would likely reduce the U.S. balance of payments deficit by about $3 billion per year.

In addition, the committee will take action on SJR 26, Urging adoption of a national energy strategy.

Figure 1

SHIPPING RATES
($/Barrel)



SOURCE: Oil industry estimates.

#87-003162
J- Oil- export of AK Oil

Alaska State Legislature

SENATE ADVISORY COUNCIL

Pouch V
State Capital
Juneau, Alaska 99811
Phone: (907) 465-3114

MEMORANDUM

TO: Senator Don Bennett
Alaska State Senate

ATN: Janice Adair

FROM: Lee Ann Lucas
Senate Advisory Council

DATE: 2/5/87

RE: Oil Export Restrictions

Referencing your request that this agency determine if other states have an oil export restriction act similar to Alaska's, I offer the following.

Congress has placed a number of statutory restrictions on the export of U.S. crude oil. These restrictions are:

* Section 7 of the Export Administration Act of 1979, as amended (50 U.S.C. App. 2406);
* Section 103 of the Energy Policy and Conservation Act (42 U.S.C. 6212);
* Section 28(u) of the Mineral Leasing Act of 1920 (30 U.S.C. 185), as amended by the Trans-Alaska Pipeline Authorization Act of 1973 (43 U.S.C. 1652);
* Section 201 of the Naval Petroleum Reserve Production Act of 1976 (10 U.S.C. 7430);
* Section 28 of the Outer Continental Shelf Lands Act of 1953 (43 U.S.C. 1343).

The main reason for this legislation was Congressional concern about the adequacy of oil supplies for the U.S. domestic market and the maintenance of low oil prices under the then prevalent price controls. It was widely held that any exports of price-controlled crude would have to be replaced by higher priced imports, which would raise consumer prices and add to inflationary pressures. Congress was also concerned about growing U.S. dependence on foreign oil supplies and wanted to ensure that U.S. crude oil reserves were utilized to reduce import dependence.

In 1973, Congress passed the Trans-Alaska Pipeline Authorization Act. In order to obtain Congressional support, the TAPS bill was amended to make Alaska North Slope (ANS) crude available only for domestic consumption. Subsequent legislation strengthened the export restrictions and no ANS crude has ever been available for export.

The Export Administration Act of 1979, as amended, is the principal statute that restricts the export of ANS crude oil. It applies the most stringent conditions of any legislation that restricts crude oil exports. Specifically, Section 7(d) of the EAA effectively prohibits the export of ANS crude oil unless it is pursuant to a bilateral international oil supply agreement entered into by the United States before June 25, 1979, or to any country pursuant to the International Emergency Oil Sharing Plan of the International Energy Agency. Section 7(d) does allow for ANS crude exports if the President makes certain findings and recommends to the Congress that exports be allowed, and thereafter obtains express Congressional approval within 60 days of the recommendation.

Congress recently passed the Export Administration Amendments Act of 1985 (EAAA). The EAAA continued and strengthened the restrictions on the export of ANS crude oil. While the EAAA runs for three years, the ban on ANS crude oil exports (Section 7(d)) was extended for five years.

Since Cook Inlet crude oil is not transported through TAPS, it does not fall under the above restriction. However, it is subject to the federal export restrictions generally applicable to domestic crude oil.

Section 103 of the Energy Policy and Conservation Act (EPCA) generally requires the President to prohibit the export of domestically produced crude oil, subject to certain possible exceptions. Should the President determine that the export of crude oil is in the national interest and consistent with the purposes of EPCA, a national interest finding may be made by the President and such oil can be exported.

In 1985, the Secretary of Commerce, with the concurrence of the Secretaries of State, Energy, and Treasury, determined that permitting the export of crude oil derived from Alaska's Cook Inlet is in the national interest and consistent with the purposes of the EPCA.

I contacted Steven Porter, Assistant Attorney General for the Department of Law in Anchorage. Mr. Porter has worked closely with DNR on oil issues. Attached is a copy of a memorandum written by Mr. Porter to Representative Szymanski in 1985 which summarizes federal restrictions on the foreign export of Alaska crude oil. The report by Congress on the export of Alaska North Slope crude oil mentioned on page 2 of Mr. Porter's memo is available in the Senate Advisory Council Library if you would like to review it.

There does not appear to be any other statutory restrictions on the export of U.S. domestic crude oil as strigent as the Export Administration Act of 1979 and subsequent amendments which focuses on the export of Alaska North Slope crude.

If I can provide additional information or be of further service, please call me.

LAL:lal
Attachments

U.S. oil export ban involves costs that hurt economy, rein energy search

The U.S. makes too many economic tradeoffs in its ban on crude oil exports outside North America.

The ban, a product of the Trans-Alaska Pipeline Act and adjustments to the Export Administration Act, is grounded in assumptions that no longer are valid. And it creates unnecessary costs that thwart development of new energy supply and clog the economy.

During the hectic environment created by the 1973-74 Arab oil embargo, Congress adopted the view that the U.S. should let none of its own production be sold overseas. At a time when the industrialized world felt doomed to perpetual petroleum shortage, when the strategic importance of crude oil became glaringly apparent, that seemed sensible. But events since then—mainly a dramatic decrease in consumption leading to what appears to be an extended oil surplus that will be magnified by new discoveries off California—have overturned the enduring-shortage scenario.

Strategic considerations of domestic production remain important, but they involve more than concern over where U.S. oil is sold. The export ban has produced economic inefficiencies far more threatening than near term chances for a supply interruption. By allowing exports, the U.S. could correct those inefficiencies and thus promote vital economic growth. It also could spur domestic energy development. And the ban could always be reimposed if these shipments ever posed a threat to energy security.

The export ban mainly affects production from Alaska, natural markets of which are the U.S. West Coast and Asia. The West Coast needs only about one-half the oil shipped from Valdez, so the remainder crosses Panama or circuits South America to reach refiners on the Gulf and East Coasts and in the Caribbean.

Shipment to Asia—principally Japan—in exchange for crude from foreign sources closer to those markets would be cheaper. That's partly because the routes are shorter. Also, the Jones Act requires that cargoes moving between U.S. coasts be shipped in U.S. vessels with U.S. crews, both of which are expensive by international standards. Thus, by proscribing international markets within easy reach of production, the U.S. creates a cost equal to the substantial difference between current shipping charges and what they would be if the less expensive alternative were legal. Ultimately, the cost is borne at the wellhead in the form of lower netbacks for North Slope production.

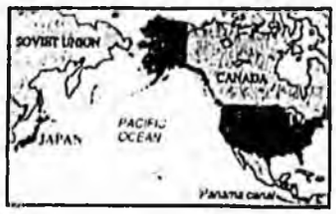
Depressed wellhead netbacks don't hurt just producers and Alaska. They limit exploration and development and thus reduce additions to U.S. oil reserves, which have much more to do with U.S. energy security than foreign sale of domestic production. Consumers, who have a great stake in energy supply security, therefore share the cost of wellhead netbacks depressed by nonmarket forces.

In fact, the main beneficiaries of the export ban are the ship owners. They enjoy Jones-Act protection from foreign competition as well as a guaranteed market, so long as the U.S. closes foreign markets to Alaskan oil. The Heritage Foundation estimates that the Alaskan oil shipping business accounts for one-half of Jones Act traffic. It's not surprising, therefore, that U.S. ship owners and their friends in Congress lead the opposition to changes in laws blocking Alaskan crude exports or in the Jones Act itself.

Other groups could be hurt by an end to the export ban. Export of Alaskan crude might prove more profitable than movement of the oil inland from the West Coast via the proposed Northern Tier pipeline or alternative projects. Likewise, lifting of the export ban might encourage development of a North Slope LNG industry based on trade with Japan. That could doom the proposed gas pipeline from Alaska to the Lower 48. The Northern Tier oil pipeline and Alaskan gas line are major projects that would do much to facilitate U.S. energy transportation. But, if and when they are built, their economics shouldn't hinge on government market restrictions.

An end to the export ban might not trigger immediate exports to Japan because most North Slope producers already are committed to transportation arrangements linking U.S. markets. But it would encourage development of new petroleum supplies by opening market opportunities now closed by legalities that no longer serve U.S. economic or security objectives.

Alaska's well-travelled oil



America should sell it to the Japanese

Anybody seeking evidence that America could try harder to reduce its trade deficit with Japan need look no further than the Panama Canal. More than a third of the 1.8m-or-so barrels of oil gushing out of Alaska every day is shipped south to Panama, pumped through a pipeline across the isthmus, and reloaded on the other side bound for refineries on America's eastern seaboard. This tropical cruise is necessary because Congress forbids the export of Alaskan oil, choosing to ignore the first rule of salesmanship: do what your customers want. Since the 1970s, Japan has been begging to buy several billion dollars of Alaskan oil a year—enough to cut 5-10% off America's merchandise trade deficit with Japan.

It is true that most of the billions this would save from America's bilateral deficit with Japan would not reduce America's overall trade deficit as well. America now buys abroad one out of every three barrels it guzzles. So the crude sold to Japan would have to be replaced with stuff bought elsewhere. But the costs of America's present muddled policy are not really in dispute. Over half the crude now pumped from Alaska is used on America's west coast, where Alaska is indeed the cheapest source of supply. For the larger markets of America's east coast, Alaska plainly is not. According to guesses by America's own Federal Trade Commission, it would be about $800m a year cheaper to ship Alaskan oil to Japan, and supply America's east coast from South America or even the Middle East.

A main reason why America refuses to earn this money from Japan lies in a vague Congressional instinct that a ban on oil exports should make America more immune to OPEC's fiddling. This is the reverse of the truth. When the Americans entangle restrictive practices around their marketing of Alaskan oil, instead of sending it to the places where they could sell it most competitively, by definition they make the OPEC cartel's attempts at world-wide price-fixing easier. More immediately, much of the annual $800m that would be saved by eliminating the long trek across Panama would boost oil companies' profit margins on Alaskan oil. That should encourage the development of the vast new tracts of Alaska now being opened for oil exploration, and damage OPEC by increasing America's domestic production.

Two lobbies that weaken America

These facts are being hidden from the American public through hard lobbying by two special interest groups: merchant sailors and military planners. The sailors reckon Alaskan oil exports would cost them jobs. The Jones Act requires cargoes bound from one American port to another, like Alaskan crude, to be carried in ships bearing the American flag. Cargoes bound for foreign ports escape the Jones Act, and are usually carried on foreign-flag ships at a fraction of the cost of sailing under the trade-unionised stars and stripes. The defence department wants to keep the flags flying because it has its eye on a fleet of American-flag tankers that could be commandeered in case of war. It prefers to tag the cost of maintaining that fleet on to oil consumers' bills rather than have the government pay it a subsidy directly.

Now that more of Alaska is being opened to oil explorers, the need to remove the ban on exports has become more urgent. Fewer oilmen will bid to dig in those frozen wastes if they cannot sell any output where they want. Unfortunately, because the ban has been written into the Export Administration Act, new laws will be required to change it. With Congress in its present protectionist mood, introducing trade legislation is like poking a hornets' nest. But protectionists should note that letting Japan buy Alaskan oil could prove a more useful bargaining tool than tariffs in extracting trade concessions from it. Unlike tariffs, which raise prices in America, exporting Alaska's oil would bring new benefits and strengths to the United States.

oil export ban

Lift Export Ban on Alaskan Crude

By Alan Bayless

With U.S. oil production declining and imports rising, some legislators in Washington are casting about for ways to stimulate the oil industry. The best policy would be to lift the ban on the export of Alaskan crude.

The U.S. could learn from Canada's example. In 1983, Ottawa decided to phase out the export restrictions it had imposed in 1975. The restrictions, and a decision to leave some Alberta oil in the ground, made Canada increasingly dependent on imports—contrary to the government's goal. As the nearby graph illustrates, Canada, which was a net crude exporter in the early 1970s, became a net importer in 1975 and remained one until 1983.

Along with the restrictions, Ottawa forced Alberta crude to move through a subsidized pipeline to Montreal and from there by subsidized tankers to the Maritime provinces. "It was inefficient. The best netback for Alberta oil producers was to sell in Chicago," admits David Oulton, director general of the Oil and Emergency Planning Branch of Canada's Department of Energy, Mines and Resources.

To be sure, the turnaround since 1983 isn't due only to the lifting of the export restrictions. Deregulation and higher prices also stimulated the oil industry and encouraged Canadians to use much less crude. Even so, Canada's re-emergence as a net oil exporter amazed energy experts, who had underestimated the country's ability to respond to market forces.

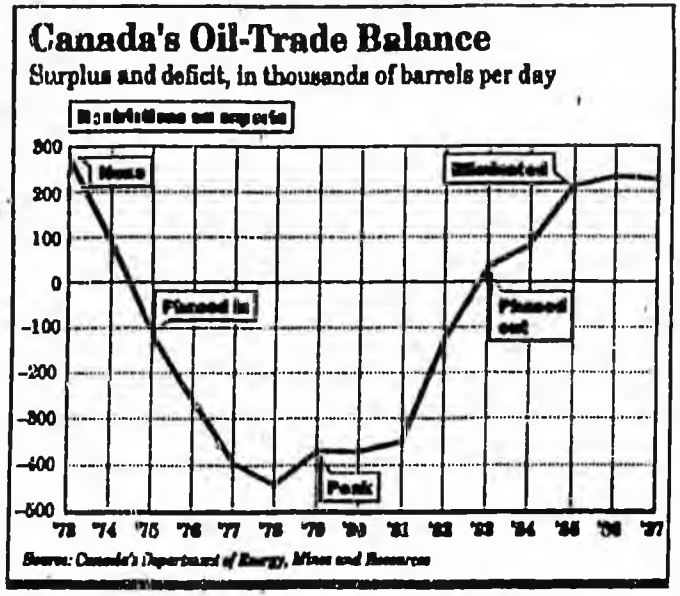
Lifting the export ban on Alaskan crude won't make the U.S. a net oil exporter, but it could increase U.S. oil output by up to 500,000 barrels daily in the early 1990s, according to a recent study by Arlon Tussing, a Seattle-based energy consultant, and his colleague Samuel Van Vactor.

Asia is the natural market for Alaskan crude, but in 1973, before the state's huge Prudhoe Bay field was developed, Congress decided to keep the supplies for the domestic market to promote oil self-reliance. Under the Jones Act of 1920, only high-cost, U.S.-flag tankers can carry Alaska crude to Panama, where it is unloaded, moved through an 80-mile pipeline, and reloaded onto more U.S.-flag tankers for shipment to Gulf Coast refineries.

Mr. Tussing, also an adjunct professor at the University of Alaska, and Mr. Van Vactor, formerly a senior economist with the International Energy Agency, say that removal of the ban would likely boost oil production by 300,000 barrels a day in Alaska and by 200,000 barrels a day in California, assuming world oil prices of about $15 a barrel. The U.S. trade deficit would be cut by up to $3 billion a year and the federal budget deficit by up to $1 billion a year, while Alaska would gain $1 billion a year and state and local governments in California would get $500 million a year.

Canada's Oil-Trade Balance

Surplus and deficit, in thousands of barrels per day



Source: Canada's Department of Energy, Mines and Resources

All this extra wealth would be created, they say, because the export ban depresses the wellhead value of all crude produced in Alaska and California by up to $4 a barrel. California's crude prices are hurt because Alaska producers flood that market to minimize the costly transit through Panama. Moreover, Messrs. Tussing and Van Vactor conclude that the California-crude discounts benefit refiners, not consumers, because refined products aren't subject to trade restrictions and are closely linked to world prices.

Of course, exports of Alaskan crude would force Gulf Coast and East Coast refiners to increase imports of foreign crude, a prospect that alarms many Americans even if there is a net trade benefit. From a security perspective, however, the U.S. has only exchanged one vulnerability for another, as demonstrated last month when a political strike closed the Panama pipeline for two days. Moreover, contracts could be worded to allow U.S. oil companies to divert Alaskan crude back to the domestic market if the U.S. faced a supply cutoff.

In any event, lifting the ban wouldn't lead to gas lineups, even in a crisis, as long as Washington didn't repeat the 1970s policy of imposing price controls and rationing. The U.S. would pay more for oil imports, but could charge more for exports. As with Canada, greater domestic production would be available before and during a crisis.

Removal of the U.S. export ban would hurt U.S. shipowners and seamen, since Alaskan crude could be moved less expensively in foreign tankers. Until now, the maritime industry has protected its position by asserting that the export ban has little impact on U.S. crude production and prices, even though the marginal cost of shipping Alaskan crude to Japan is as little as 50 cents a barrel, according to Mr. Van Vactor, compared with $3.50 or more to the Gulf Coast. The maritime industry also claims that a U.S.-flag tanker fleet is needed for national emergencies, but Mr. Tussing argues that an oil-supply crisis would create a surplus of foreign tankers, because higher world prices would reduce global oil demand. He says the foreign tankers—many of them controlled by U.S. companies—could readily be hired to serve U.S. interests on a commercial basis.

Although Alaska favors lifting the export ban, Gov. Steve Cowper is reluctant to press the issue, fearing it will hurt efforts to convince Congress that the Arctic National Wildlife Refuge should be opened to oil exploration. "People don't want to support the development of oil if it is going to be exported to foreign countries," he says.

Nevertheless, the Reagan administration has managed to put one chink in the ban by permitting exports from Alaska's relatively small Cook Inlet oil deposit. A second chink is contained in the proposed U.S.-Canada Free Trade Pact, which would permit the sale to Canada of 50,000 barrels of Alaskan crude daily.

Even though the crude would first be landed in the lower 48 states and would use U.S. tankers, a pro-maritime lobby group called the Coalition to Keep Alaska Oil opposes the exports to Canada. In recent testimony before a congressional subcommittee, coalition spokesman Howard Marlowe expressed concern that the opening will set a precedent when the export ban comes up for review again next year.

Judging from Canada's experience and the political volatility in Panama, Congress should overlook the coalition's concerns and permit all Alaskan oil to be exported. The prospect of 500,000 barrels a day of additional crude production ought to outweigh the interests of the maritime industry.

REVIEW & OUTLOOK

Crude Question

When Japan's Prime Minister Yasuhiro Nakasone visits Washington next week, we hope he asks President Reagan when the U.S. is going to get serious about opening the Japanese market to American products. That's right. When is the U.S. going to allow American goods into Japan?

Under the Export Administration Act of 1979, crude oil from the North Slope of Alaska must be sold within the United States. Removing this export prohibition would simplify a Rube Goldberg system of oil transport and reduce the U.S.-Japan trade deficit, perhaps by several billion dollars.

Every day, 1.6 million barrels of crude flow through the Alaska pipeline into tankers at the port of Valdez. From there, 900,000 to one million barrels are transported to West Coast refineries, at a cost of about $1.25 per barrel. Most of the remainder makes an unnecessarily long and expensive trip—by tanker to the West Coast of Panama, through a pipeline or the Panama Canal to Caribbean tankers, and thence to the U.S. Gulf Coast, at a cost of $4.50-$5.50 a barrel.

Without the export prohibition, one would expect much of the Gulf Coast oil to be sold to Asian countries, especially Japan. For one thing, transport costs across the Pacific are about 50 cents a barrel. For another, Japan wants to diversify its oil sources, to reduce its heavy dependency on the Persian Gulf. Meanwhile, it would be advantageous for Gulf Coast refiners to purchase more crude from Mexico and Venezuela (transport costs about $1 per barrel), which incidentally, could use the foreign exchange.

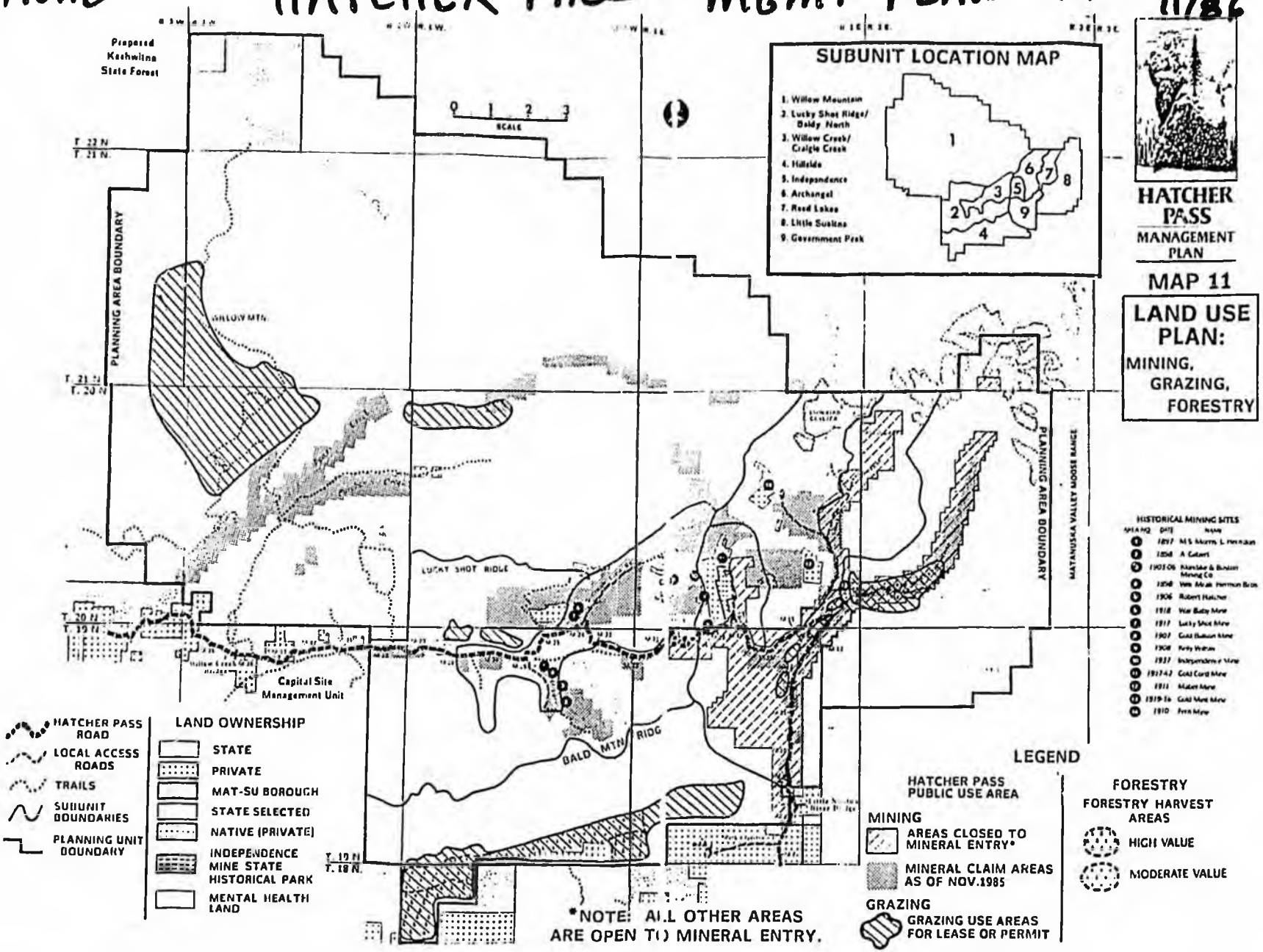
For the U.S., exporting more oil to Asia, importing more from the Caribbean, the balance of payments would be a wash. But trade tensions with Japan could be reduced. The U.S. would have more leverage in asking the Japanese not to underwrite Soviet development of energy resources in Sakhalin. And assuming 500,000 barrels a day of sales to Japan, at a wellhead price of $20, the U.S.-Japan deficit could fall by $3.65 billion.

It isn't clear that Japanese refiners would buy that much, of course. They have long-term contracts with existing suppliers, and their total demand for crude has been declining. Meanwhile, U.S. oil companies will want to recoup the investments they have made—in tanker fleets, the $300 million Panama pipeline—under the assumption that the export ban would continue. But over time, it will make more logistic and economic sense to send Alaskan oil to the Far East than to the Gulf.

The export ban was originally enacted as a result of heavy lobbying by environmentalists who opposed the Alaska pipeline, and wanted to make sure it was built only for reasons of national energy independence. But today, the ban is primarily supported by maritime unions. Oil shipped across the Pacific would go in foreign bottoms; in the U.S. trade, under the Jones Act, cargoes must be carried in overmanned U.S.-flagships with overpaid U.S. seamen.

So perhaps Mr. Nakasone should ask Mr. Reagan whether his trade negotiators will jawbone the U.S. Congress and domestic maritime unions as much as they press against the Japanese government. In keeping the Japanese market closed, both sides are culpable.

-FINAL- HATCHER PASS MGMT PLAN - ADOPTED 11/86



STATE OF ALASKA

OFFICE OF THE GOVERNOR

BILL ANALYSIS

DEPARTMENT	DIVISION	BILL NUMBER	SPONSOR
Fish and Game	Habitat	SB33	Senator Kerttula

SHORT TITLE OF BILL

Willow Mountain Critical Habitat Area

DEPARTMENT POSITION

Support

PREPARED BY	DATE	COMMISSIONER'S SIGNATURE	DATE
Frank Rue, Habitat Div.	1/23/89	Don W. Collinsworth	2-2-89

SUMMARY

OTHER AGENCIES AFFECTED BY BILL	CONSTITUENT GROUP(S) AFFECTED BY BILL
Department of Natural Resources	Hunting, fishing, trapping, recreational interests, Palmer/Wasilla area residents
ORGANIZATIONAL SUPPORT FOR BILL	**ORGANIZATIONAL OPPOSITION TO BILL**
Matanuska-Susitna Borough (see attached letter) Department of Natural Resources Environmental Organizations	None known

FISCAL IMPACT: ☒ NONE ☒ FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

The purpose of establishing Willow Mountain Critical Habitat Area is to protect and preserve the habitat that is most crucial to the perpetuation of fish and wildlife populations, especially moose.

ANALYSIS OF BILL/PROGRAM EFFECTS

The bill establishes Willow Mountain Critical Habitat Area. It provides for the management of the area under the State Critical Habitat Area program. It establishes the purpose for which the area is to be managed and ensures protection of essential moose habitat.

AMENDMENTS PROPOSED

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

01-001 (Rev. 12/87)

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SB33
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act establishing the Willow Mountain Critical Habitat Area
Sponsor: Kerttula
Requestor: _____

Agency Affected: Dept. of Fish and Game
BRU: Habitat
_____
Components: _____
_____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0					
TRAVEL	0					
CONTRACTUAL	0					
SUPPLIES	0					
EQUIPMENT	0					
LAND & STRUCTURES	0					
GRANTS, CLAIMS	0					
MISCELLANEOUS	0					
TOTAL OPERATING	0					
CAPITAL	0					
REVENUE	0					

FUNDING: (Thousands of Dollars)

GENERAL FUND	0					
FEDERAL FUNDS	0					
OTHER	0					
TOTAL	0					

POSITIONS:

FULL-TIME	0					
PART-TIME	0					
TEMPORARY	0					

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Frank Rue, Director
Division: Habitat
Phone: 465-4105
Date: 1/24/89

Approved by Commissioner: Don Collinsworth
Agency: Department of Fish and Game
Date: 2.2.89

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

STEVE COWPER, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

400 WILLOUGHBY AVE.
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400

January 31, 1989

The Honorable Bettye Fahrenkamp
Chair, Senate Resources Committee
P.O. Box V
Juneau, AK 99811

Dear Senator Fahrenkamp:

Subject: SB 33, Willow Mountain Critical Habitat Area.

Background: According to the Department of Fish and Game, Willow Mountain contains a high moose population, brown and black bears, and furbearers. Because of its proximity to urban locations, it is an important hunting and trapping area. The Hatcher Pass Planning Team agreed that the area would be managed to maintain wildlife productivity and provide opportunities for hunting, trapping, and recreation. The team also agreed that the area would remain open to mineral entry.

Most of the area is sub-alpine shrubs and grasses. Forestry operations are allowed only for habitat enhancement or disease control. The option was kept open for grazing in the future, but the plan recommended that research be conducted to determine whether grazing can take place without major adverse impact to wildlife habitat.

Position: The Department of Natural Resources supports the creation of the Willow Mountain Critical Habitat Area as provided in the department's Hatcher Pass Management Plan.

The management plan required in the bill should address guidelines for uses allowed in the Hatcher Pass Plan, adopted in October, 1986, or as amended, and should apply to land now owned or acquired in the future.

10-J9LH

Technical changes:

Under Section 3, add "or as amended" to the last sentence.

We look forward to working with you and the members of the committee on this legislation.

Sincerely,

Rod Swagerty for

Lennie Gorsuch
Commissioner

cc: Committee Members
Bill Sponsors
Bob Evans
Denby Lloyd
Gary Gustafson

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SB 33
PUBLISH DATE:

FISCAL NOTE

REQUEST:

Revision Date: 25-Jan-89
Agency Affected: Natural Resources
Title: Willow Mountain Critical Habitat Area.
BRU: Land and Water Management
Sponsor: Kertulla
Components: Land & Water
Requestor: Senate Resources

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Larry Ostrovsky
Phone: 465-2400
Division: Commissioners Office
Date: 25-Jan-89

Approved by Commissioner: Lennie Gorsuch
Date: 25-Jan-89
Agency: Department of Natural Resources

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Proposed Willow Mountain Critical Habitat Area
Background Information

Location: The proposed Willow Mountain Critical Habitat Area is located on the western slopes of Willow Mountain between Willow Creek and the Kashwitna River in Southcentral Alaska approximately 10 miles northwest of Hatcher Pass and 10 miles northeast of Willow.

Area Description: Located along the western slopes of Willow Mountain, the area ranges in elevation from 1000 to 2600 feet. The area is vegetated with mixed stands of birch, white spruce, cottonwood, and aspen which grade into willow and alder at higher elevations. Extensive grasslands cover the ridge-tops and intermix with the willow/alder stands. Wetland communities of black spruce are scattered throughout. The unusually extensive stands of willow provide vegetative cover and browse attractive to moose.

Justification: Willow Mountain supports unusually large concentrations of moose in late fall and early winter. The area contains some of the highest quality moose habitat in the lower Susitna River Valley. High quality browse, shallow snow cover, and other habitat characteristics provide moose with essential habitat. The seasonal density of moose in this area is one of the highest in the state. At present moose populations in the area are estimated to number well over 1000 animals and with maintenance of habitat and enhancement of adjacent areas, could further increase. Large numbers of moose are also known to utilize the mountain slopes during summer and early fall. Maintaining habitat on Willow Mountain, including the proposed critical habitat area, is key to sustaining the integrity of the area's moose populations.

Land Status: The proposed critical habitat area encompasses 22,720 acres and is composed entirely of state and state selected land. There are 5,120 acres of state selected land in the northern end of the proposed critical habitat area. There is no mental health land within the boundaries of this area.

Current Uses: The area is used year-round for a variety of wildlife oriented activities. Moose hunting is the primary activity with moose hunters coming primarily from the Anchorage or Palmer/Wasilla and Willow areas. Willow Mountain receives intensive moose hunting effort by ORV. Trapping is also an important use of the area.

Important furbearers include mink, weasel, beaver, coyote, lynx, and otter. All three species of ptarmigan are hunted in the winter. It is also a popular snowmachining area due to the extensive stretches of wide open terrain. Dog mushing and cross country skiing also occur in the area.

Public Access: Presently, public access into the Willow Mountain area is gained via the "Peters-Purches Creek" trail. It is used primarily by moose hunters in the fall and ptarmigan hunters, recreational snow machiners and fur trappers during the winter. The trail begins near MP 14 of the Hatcher Pass Road at the north end of the bridge over Willow Creek and terminates near timberline on the south side of Willow Mountain. The trail traverses numerous swampy areas, requiring either track vehicles or ATV's with low pressure tires. A new bridge and road is planned for construction (spring 1987) across Willow Creek at approximately MP 5 of the Hatcher Pass Road and will create additional access to Willow Mountain in the future.

Other Natural Resources: The Willow Mountain plateau has low mineral potential. Portions of four placer mining claims are located in the southeastern corner of the area, (T20N, R2W, Section 19, Seward Meridian) near Peters Creek.

Currently no grazing occurs in the area. Potential grazing lands within the area have been identified, however, a majority of the potential rangeland is interspersed with an abundance of standing water and boggy areas which limits its use for grazing purposes. Provisions of the Hatcher Pass Management Plan reserve development of the grazing potential within the Willow Mountain Unit until existing grazing resources are utilized within the eastern portion of Hatcher Pass.

The Hatcher Pass Management Plan identifies a dense stand of white spruce on the western slopes of Willow Mountain below 1000 feet as the only significant forestry potential in the vicinity.

Area's History: Because the area has had limited public access to date, and few attractions other than moose, it has received relatively little impact from human use. High densities of moose have been the primary inhabitants of the area, which in turn attracted hunters beginning in the early 1950's. Hunters, trappers, and more recently, recreational snow machiners, have been the primary users of the Willow Mountain area.

Threats: Recent plans to bridge Willow Creek and extend a road into the Kashwitna management unit (adjacent to the proposed critical habitat area) for the purpose of a timber sale will alter the undisturbed nature of Willow Mountain's critical moose habitat. Development of road access into this area threatens its integrity with new land use activities. Improved road access may mean an increase in snowmachine use within the area which could result in significant disturbance and additional stress to moose populations during already stressful seasons. Increases in motorized vehicle use impact habitats, wildlife distribution, and the quality of the outdoor experience, particularly hunting. Although settlement is not allowed in this area in the Hatcher Pass Management Plan, the potential for settlement activity in the area is raised by development of road access.

Support and Opposition: The Matanuska-Susitna Borough Assembly has sent a letter (dated February 5, 1987) to legislators requesting the establishment of the Willow Mountain Critical Habitat Area. The October 1986 Hatcher Pass Management Plan documents several groups in support of critical habitat area designation: the Wildlife Federation of Alaska; the Alaska Chapter of the Wildlife Society; the Alaska Center for the Environment; and several individual citizens. The Alaska Frontier Trappers Association is also on record as supporting protection of the critical habitat in this area. In the October 1986 Hatcher Pass Management Plan the Department of Natural Resources endorsed legislative designation of the area for the purpose of protecting moose habitat.

There is no known group opposition to this proposal.

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

400 WILLOUGHBY AVE.
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400

January 31, 1989

FEB 1 1989

The Honorable Bettye Fahrenkamp
Chair, Senate Resources Committee
P.O. Box V
Juneau, AK 99811

Dear Senator Fahrenkamp:

Subject: SB 33, Willow Mountain Critical Habitat Area.

Background: According to the Department of Fish and Game, Willow Mountain contains a high moose population, brown and black bears, and furbearers. Because of its proximity to urban locations, it is an important hunting and trapping area. The Hatcher Pass Planning Team agreed that the area would be managed to maintain wildlife productivity and provide opportunities for hunting, trapping, and recreation. The team also agreed that the area would remain open to mineral entry.

Most of the area is sub-alpine shrubs and grasses. Forestry operations are allowed only for habitat enhancement or disease control. The option was kept open for grazing in the future, but the plan recommended that research be conducted to determine whether grazing can take place without major adverse impact to wildlife habitat.

Position: The Department of Natural Resources supports the creation of the Willow Mountain Critical Habitat Area as provided in the department's Hatcher Pass Management Plan.

The management plan required in the bill should address guidelines for uses allowed in the Hatcher Pass Plan, adopted in October, 1986, or as amended, and should apply to land now owned or acquired in the future.

10-J9LH

Technical changes:

Under Section 3, add "or as amended" to the last sentence.

We look forward to working with you and the members of the committee on this legislation.

Sincerely,

Lennie Gorsuch
Commissioner

cc: Committee Members
Bill Sponsors
Bob Evans
Denby Lloyd
Gary Gustafson

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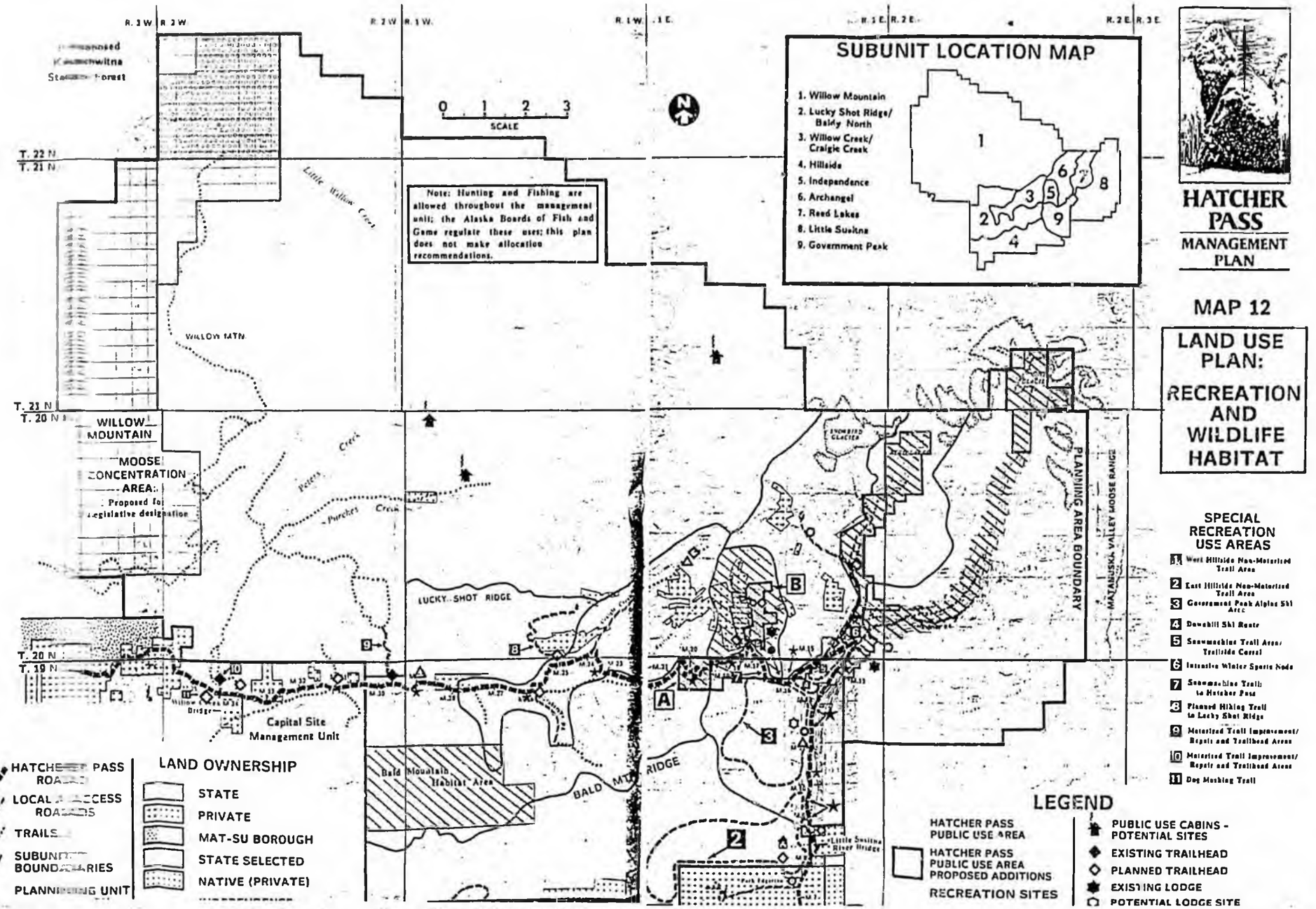
There is no known group opposition to this proposal.

REFUGE	ACTIVITY	DECISION
Palmer Hay Flats	Personal Use Cabins (8)	Approved
Palmer Hay Flats	Pipeline Survey	Approved
Palmer Hay Flats	Natural Gas Pipeline	Approved
Palmer Hay Flats	Grazing Lease	Denied
Palmer Hay Flats	Gravel Fill and Bridge	Approved
Trading Bay	Personal Use Cabins (19)	Approved
Trading Bay	Negotiated Lease (Set Net Cabin)	Approved
Susitna Flats	Personal Use Cabin (111)	Approved
Susitna Flats	Gravel Mining	Approved
Susitna Flats	Negotiated Lease (3 Commercial Cabins)	Approved
Susitna Flats	Negotiated Lease (Set Net Cabin)	Approved

REFUGE	ACTIVITY	DECISION
Susitna Flats	Insect poisoning removal	Approved
Susitna Flats	Seismic Exploration	Approved
Susitna Flats	Negotiated Lease (Set Net Cabin)	Approved
Susitna Flats	Negotiated Lease (6 Commercial Cabins)	Approved
Susitna Flats	Gravel Mining	Approved
Susitna Flats	Transmission Line Upgrade	Approved
Susitna Flats	Bridge Repair/Log Jam Removal	Approved
Susitna Flats	Fisheries Research Station	Approved
Susitna Flats	Gas Wells/Pipeline	Approved
Susitna Flats	Gravel Extraction	Approved
Susitna Flats	Gravel Extraction	Denied

Plant	ACTIVITY	DECISION
Susitna Flats	Pipeline Survey	Approved
Susitna Flats	Road Upgrade	Approved
Susitna Flats	Natural Gas Pipeline	Approved
Susitna Flats	Motorized Vehicle Use	Approved
Susitna Flats	Barge Landing	Approved
Susitna Flats	Storage Yard	Approved
Susitna Flats	Hydrological Research	Approved
Susitna Flats	Winter/Ice Road	Approved
Susitna Flats	Survey/Brush Clearing	Approved
Susitna Flats	Material Extraction	Denied
Susitna Flats	Transmission Line	Approved
Goose Bay	Leach Field Construction	Approved
Goose Bay	Seismic Exploration	Approved

REFUGE	ACTIVITY	DECISION
Goose Bay	Road and Utility Corridor Construction	Approved
Potter Point	Erosion Control Outfall/ Stilling Basin	Approved
Potter Point	Roadway/Parking Area	Approved
Izembek	Gravity Survey	Approved
Mendenhall Wetlands	Buried Sewer Outfall Line	Approved
Mendenhall Wetlands	Airport Maintenance	Approved
Mendenhall Wetlands	Salmon Rearing Pens	Approved
Mendenhall Wetlands	Stream Channel Alternation	Denied
Mendenhall Wetlands	Log Transfer and Storage	Approved


R. 3 W. R. 2 W. R. 2 W. R. 1 W. R. 1 W. R. 1 E. R. 1 E. R. 2 E. R. 2 E. R. 3 E.
T. 22 N.
T. 21 N.
T. 21 N.
T. 20 N.
T. 20 N.
T. 19 N.
Proposed Kashwitna State Forest
0 1 2 3
SCALE
Note: Hunting and Fishing are allowed throughout the management unit; the Alaska Boards of Fish and Game regulate these uses; this plan does not make allocation recommendations.
Little Willow Creek
WILLOW MTN.
WILLOW MOUNTAIN MOOSE CONCENTRATION AREA: Proposed for legislative designation
Willow Creek
Peters Creek
Purches Creek
LUCKY SHOT RIDGE
Willow Creek Bridge
Capital Site Management Unit
Bald Mountain Habitat Area
BALD MTN. RIDGE
PLANNING AREA BOUNDARY
MATANUSKA VALLEY MOOSE RANGE
SUBUNIT LOCATION MAP
1. Willow Mountain
2. Lucky Shot Ridge/ Baldy North
3. Willow Creek/ Craigie Creek
4. Hillside
5. Independence
6. Archangel
7. Reed Lakes
8. Little Susitna
9. Government Peak
HATCHER PASS
MANAGEMENT PLAN
MAP 12
LAND USE PLAN:
RECREATION AND WILDLIFE HABITAT
SPECIAL RECREATION USE AREAS
1 West Hillside Non-Motorized Trail Area
2 East Hillside Non-Motorized Trail Area
3 Government Peak Alpine Ski Area
4 Downhill Ski Route
5 Snowmachine Trail Area/ Trailside Corral
6 Intensive Winter Sports Node
7 Snowmachine Trail to Hatcher Pass
8 Planned Hiking Trail to Lucky Shot Ridge
9 Motorized Trail Improvement/ Repair and Trailhead Areas
10 Motorized Trail Improvement/ Repair and Trailhead Areas
11 Dog Mushing Trail
HATCHER PASS ROAD
LOCAL ACCESS ROADS
TRAILS
SUBUNIT BOUNDARIES
PLANNING UNIT
LAND OWNERSHIP
STATE
PRIVATE
MAT-SU BOROUGH
STATE SELECTED
NATIVE (PRIVATE)
LEGEND
HATCHER PASS PUBLIC USE AREA
HATCHER PASS PUBLIC USE AREA PROPOSED ADDITIONS
RECREATION SITES
PUBLIC USE CABINS - POTENTIAL SITES
EXISTING TRAILHEAD
PLANNED TRAILHEAD
EXISTING LODGE
POTENTIAL LODGE SITE

-FINAL- HATCHER PASS MGMT PLAN - ADOPTED 1986

HATCHER PASS
MANAGEMENT PLAN

MAP 11

LAND USE PLAN:
MINING, GRAZING, FORESTRY

Proposed Keshwitna State Forest

SCALE 0 1 2 3

T. 22 N.
T. 21 N.
T. 20 N.
T. 19 N.
T. 18 N.

R. 3 W. R. 2 W. R. 2 W. R. 1 W. R. 1 E. R. 2 E. R. 3 E.

PLANNING AREA BOUNDARY

WILLOW MTN.

Little Willow Creek

LUCKY SHOT RIDGE

BALD MTN. RIDGE

Willow Creek Bridge

Capital Site Management Unit

Little Susitna River Bridge

SNOWBIRD GLACIER

PLANNING AREA BOUNDARY

MATANUSKA VALLEY MOOSE RANGE

SUBUNIT LOCATION MAP

1. Willow Mountain
2. Lucky Shot Ridge/ Baldy North
3. Willow Creek/ Craigie Creek
4. Hillside
5. Independence
6. Archangel
7. Reed Lakes
8. Little Susitna
9. Government Peak

HISTORICAL MINING SITES

APPROX.	DATE	NAME
1	1897	M.S. Morris, L. Herman
2	1898	A. Gilbert
3	1903-06	Klondike & Boston Mining Co.
4	1898	Wm. Mrak, Herman Bros.
5	1906	Robert Hatcher
6	1918	War Baby Mine
7	1917	Lucky Shot Mine
8	1907	Gold Bullion Mine
9	1908	Kelly Wilcox
10	1937	Independence Mine
11	1917-42	Gold Cord Mine
12	1911	Mabel Mine
13	1919-36	Gold Mint Mine
14	1910	Fern Mine

LAND OWNERSHIP
- STATE
- PRIVATE
- MAT-SU BOROUGH
- STATE SELECTED
- NATIVE (PRIVATE)
- INDEPENDENCE MINE STATE HISTORICAL PARK
- MENTAL HEALTH LAND

- HATCHER PASS ROAD
- LOCAL ACCESS ROADS
- TRAILS
- SUBUNIT BOUNDARIES
- PLANNING UNIT BOUNDARY

LEGEND

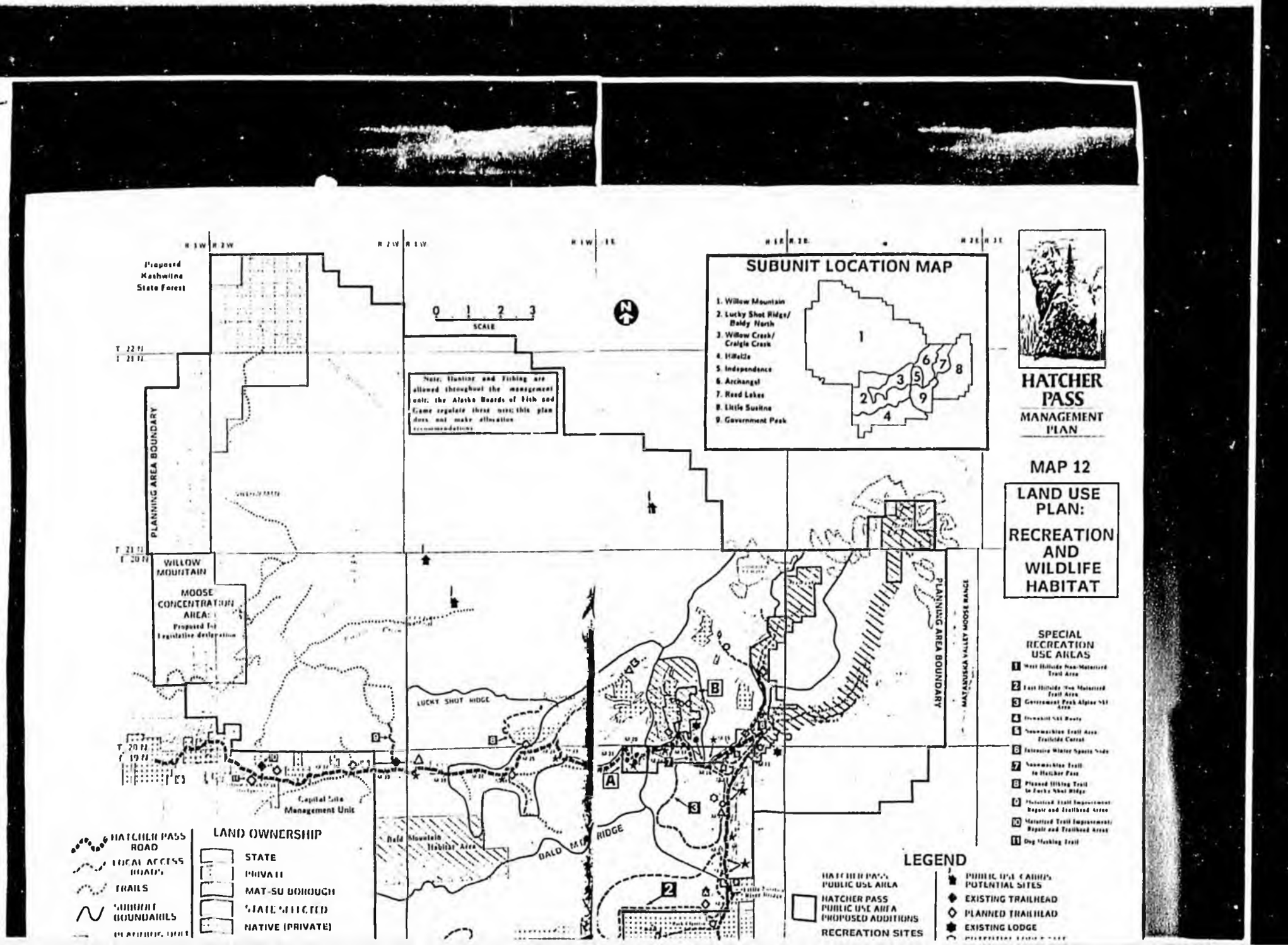
HATCHER PASS PUBLIC USE AREA

MINING
- AREAS CLOSED TO MINERAL ENTRY*
- MINERAL CLAIM AREAS AS OF NOV. 1985

GRAZING
- GRAZING USE AREAS FOR LEASE OR PERMIT

FORESTRY
FORESTRY HARVEST AREAS
- HIGH VALUE
- MODERATE VALUE

*NOTE: ALL OTHER AREAS ARE OPEN TO MINERAL ENTRY.


SUBUNIT LOCATION MAP
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4. Hillside
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HATCHER PASS MANAGEMENT PLAN
MAP 12
LAND USE PLAN: RECREATION AND WILDLIFE HABITAT
Proposed Kashwitna State Forest
PLANNING AREA BOUNDARY
WILLOW MOUNTAIN MOOSE CONCENTRATION AREA
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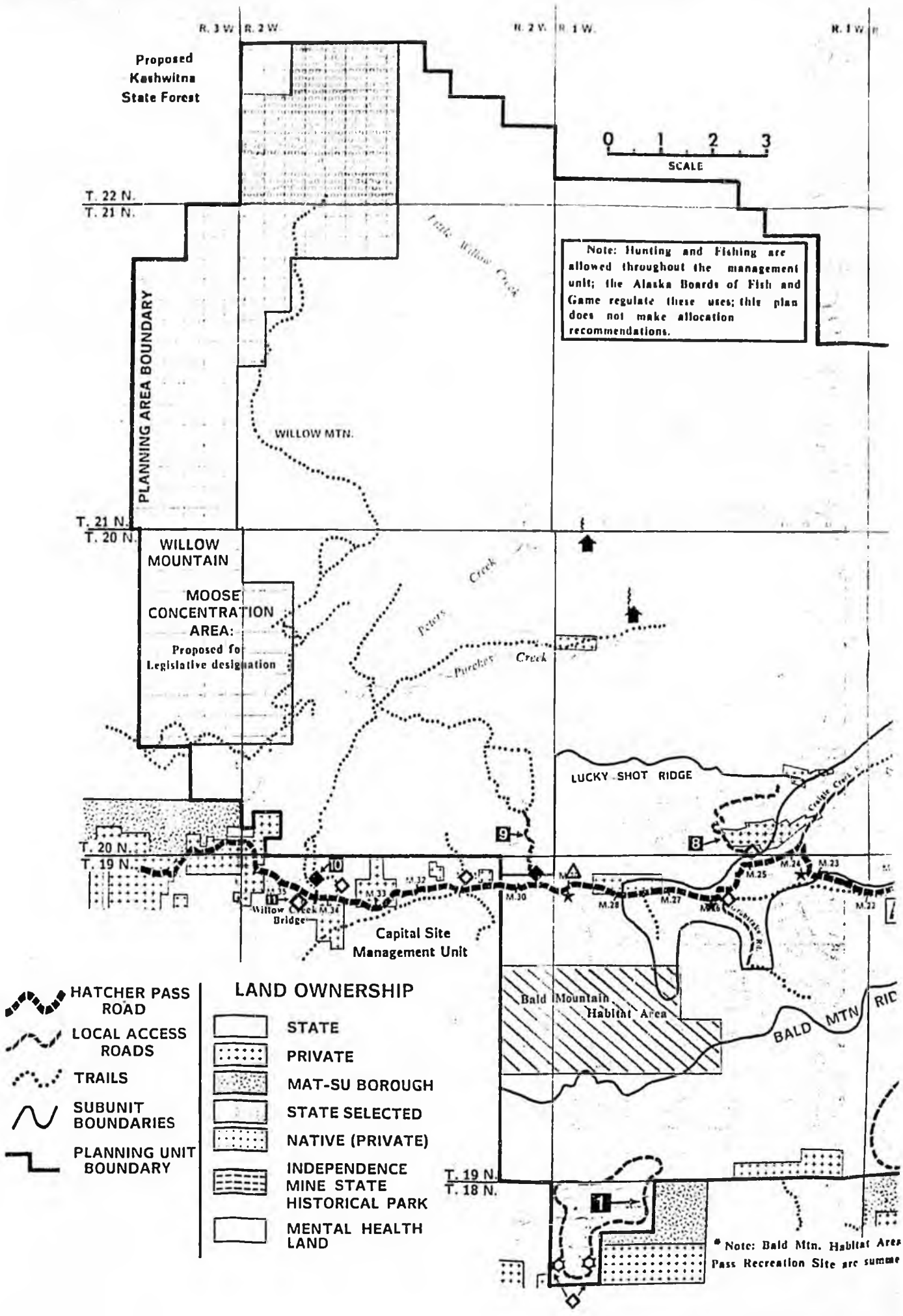
HATCHER PASS PUBLIC USE AREA
HATCHER PASS PUBLIC USE AREA PROPOSED ADDITIONS
RECREATION SITES
EXISTING TRAILHEAD
PLANNED TRAILHEAD
EXISTING LODGE


R. 3 W.
R. 2 W.
R. 2 W.
R. 1 W.
R. 1 W.
Proposed Kashwitna State Forest
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Capital Site Management Unit
Bald Mountain Habitat Area
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T. 19 N.
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LAND OWNERSHIP
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PRIVATE
MAT-SU BOROUGH
STATE SELECTED
NATIVE (PRIVATE)
INDEPENDENCE MINE STATE HISTORICAL PARK
MENTAL HEALTH LAND
* Note: Bald Mtn. Habitat Area
Pass Recreation Site are summe

HATCHER PASS

MANAGEMENT PLAN

FINAL

OCTOBER, 1986

Prepared by:

Alaska Department of Natural Resources

In cooperation with:

Alaska Department of Fish and Game

Alaska Department of Transportation and Public Facilities

Matanuska-Susitna Borough

Alaska Department of
NATURAL
RESOURCES

Excerpt: HATCHER PASS MANAGEMENT PLAN
— FINAL —

Temperature inversions are common on calm clear nights. Where cold air collects and drains down the valley floors, winds may develop to as much as 15 mph, particularly in valleys having large air drainage basins. During sunny portions of the day, areas within the steep canyons may experience temperature differences in short vertical distances.

VEGETATION. As a result of the marine climatic influence and altitudina extremes, vegetative cover in the Hatcher Pass area is highly diverse. Spruce-deciduous forests occur on the southern and western borders and extend like fingers up the stream valleys. Most of the management area lies above timberline, which is about 1800 feet in the upper Cook Inlet region. Vegetative cover above timberline consists primarily of alder a willow brushfields, bluejoint meadows, and at higher elevations in the alpine zone, low-growing woody plants including blueberries, mosses and lichens. The array of wildflowers found in these subalpine and alpine areas is one of the most diverse in southcentral Alaska.

ACCESS. (Note: For purposes of clarity, the Fishhook-Willow Road will referred to as the Hatcher Pass Road throughout the text of this plan.) The Hatcher Pass Road is the only public road access to the management area. It is a state-maintained road which rises from the forested Littl Susitna River Canyon north of Palmer at 1200 feet through shrub and subalpine zones to open, alpine tundra. Unimpeded views of the valleys below and the glacially carved peaks above make this a popular scenic drive. The narrow, winding, gravel road climbs to 3800 feet at Hatcher Pass and drops down to parallel Willow Creek at the 1800 foot level. Heavy snows and avalanches close the pass for more than half the year. The only other access within the management unit is on spur roads constructed for mining and on off-road vehicle-made trails.

FISH AND WILDLIFE. The Hatcher Pass Management Unit has significant wildlife populations. Moose populations of 2,000-2,500 in forested western and southern portions of the management unit are reputed to be among the greatest in southcentral Alaska. Other wildlife includes caribou, sheep, black and brown bears, wolf, wolverine, coyote, beaver, fox, marten, mink, weasel, lynx, hare, marmots and other small mammals, ptarmigan and spruce grouse. Nesting tundra birds also occur within the area as well as a variety of raptors and songbirds. The area is popular for southcentral Alaska moose hunters, as well as for ptarmigan hunting, trapping and wildlife viewing. Most streams within the Hatcher Pass are have sport fish. The headwaters of the Little Susitna River and Willow Creek, which support intensive sportfishing in their lower reaches, occu within the study area.

MINERALIZATION has occurred in the area with gold being the primary economic mineral interest. Gold has been mined in the area since 1899. Both hard rock and placer mining techniques were used within the Willow Creek Mining District. Many historic and recent mining activities are evident as there are approximately 510 mining claims in the management unit. There is high potential for new discoveries of gold-bearing veins Only a limited area has been intensively explored, and drilling has been done only to a depth of 1000 feet.

CHAPTER FOUR:

HATCHER PASS SUBUNIT MANAGEMENT PLAN

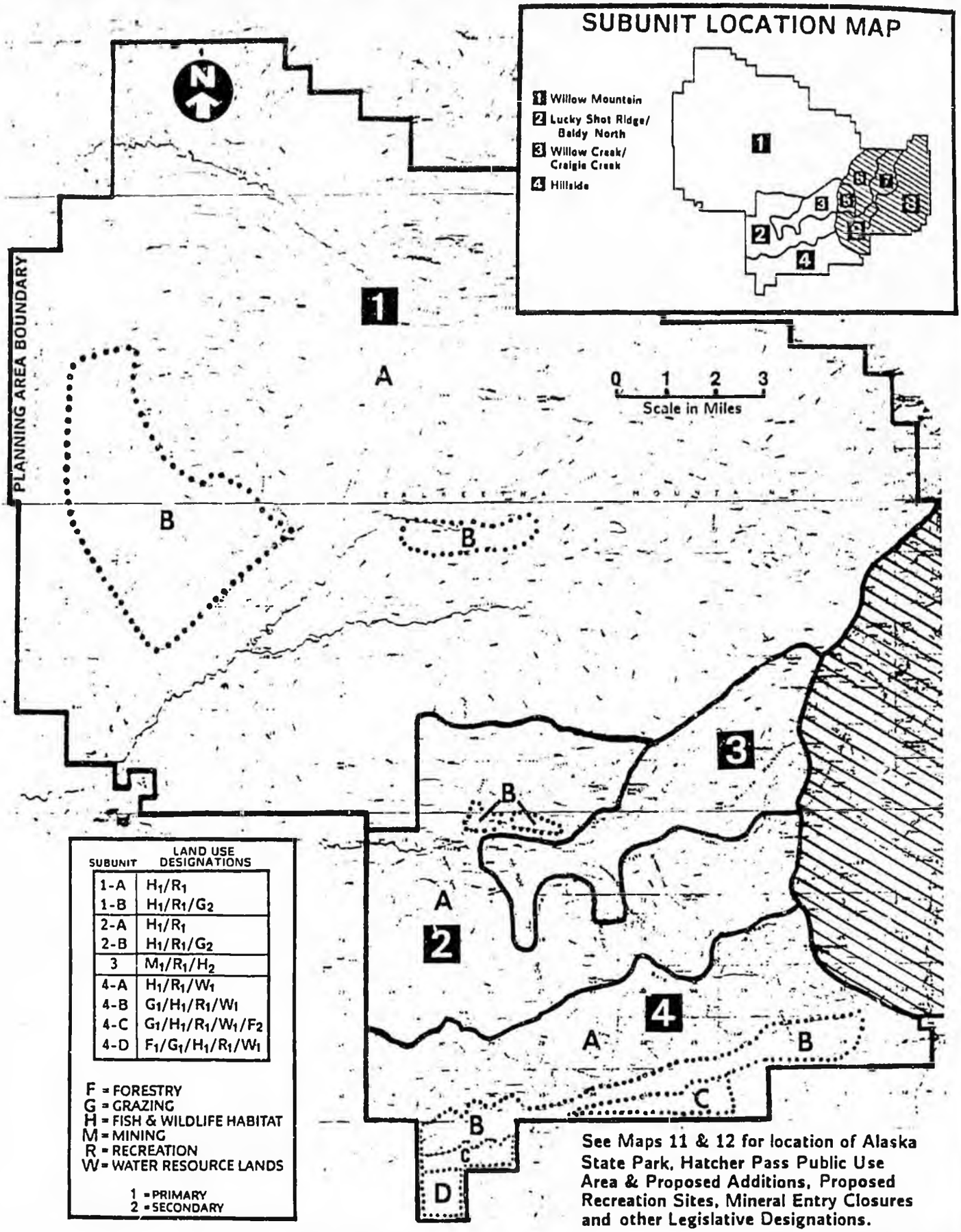
This chapter gives specific information on how each of the nine subunits within the Hatcher Pass area will be managed. For each subunit, details of land use designations, background, management intent, planned actions, and guidelines specific to that subunit are included. Map 6, pages 196/197 illustrates the land use designations.

Many of the planned actions require funding and will only happen when and if funding is available. It is expected that they will take place over the twenty-year life of the plan as increasing use of the area makes them necessary. Some actions are needed now, such as providing parking areas, separating motorized and non-motorized winter recreational uses, establishing a recreation management presence and an avalanche safety program east of the Pass, or providing an off-road snowmachine trail east of Hatcher Pass. Others may not be needed for a number of years. Even this limited level of work will require some funding. Since funding is expected to be limited, every effort will be made to utilize volunteer help to accomplish as much as possible.

The plan establishes the priorities for implementing these planned actions, so limited resources can be applied in an organized and cost-efficient manner.

Many of the actions will be implemented as part of existing agency budgets such as authorization of leases for grazing or recreational developments or review of mining plans. Such specific items are listed under agency responsibilities in Chapter Five.

MAP 6 LAND USE DESIGNATIONS



SUBUNIT	LAND USE DESIGNATIONS
1-A	H_1/R_1
1-B	$H_1/R_1/G_2$
2-A	H_1/R_1
2-B	$H_1/R_1/G_2$
3	$M_1/R_1/H_2$
4-A	$H_1/R_1/W_1$
4-B	$G_1/H_1/R_1/W_1$
4-C	$G_1/H_1/R_1/W_1/F_2$
4-D	$F_1/G_1/H_1/R_1/W_1$

F = FORESTRY
G = GRAZING
H = FISH & WILDLIFE HABITAT
M = MINING
R = RECREATION
W = WATER RESOURCE LANDS

1 = PRIMARY
2 = SECONDARY

See Maps 11 & 12 for location of Alaska State Park, Hatcher Pass Public Use Area & Proposed Additions, Proposed Recreation Sites, Mineral Entry Closures and other Legislative Designations.

MAP 6

LAND USE DESIGNATIONS

F = FORESTRY
G = GRAZING
H = FISH & WILDLIFE HABITAT
M = MINING
R = RECREATION
W = WATER RESOURCE LANDS

1 = PRIMARY
2 = SECONDARY

LAND USE SUBUNIT DESIGNATIONS

5-A	$M_1/R_1/H_2$
5-B	R_1/H_2
6-A	$M_1/R_1/H_2$
6-B	R_1/H_2
7	R_1/H_2
8-A	$R_1/W_1/H_2$
8-B	$G_1/R_1/W_1/H_2$
9-A	$R_1/W_1/H_2$
9-B	$H_1/R_1/W_1$
9-C	$R_1/W_1/H_1/G_2$

See Maps 11 & 12 for location of Alaska State Park, Hatcher Pass Public Use Area & Proposed Additions, Proposed Recreation Sites, Mineral Entry Closures and other Legislative Designations.

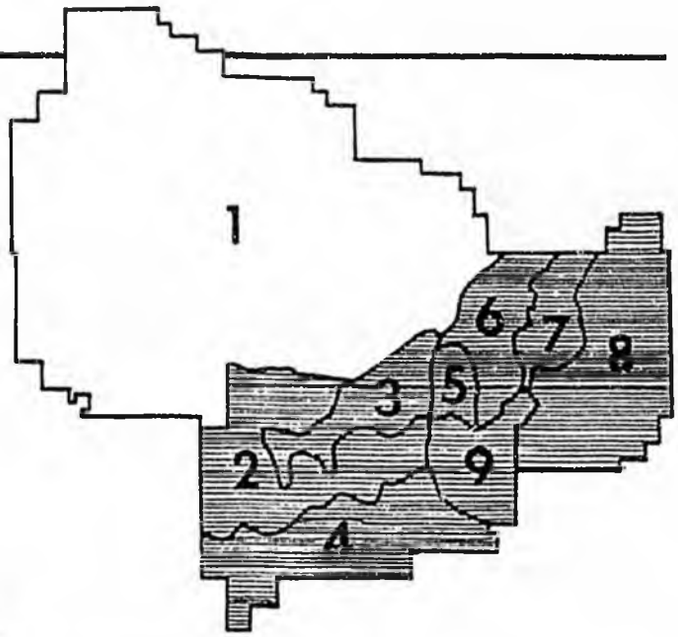
PLANNING AREA BOUNDARY

Scale in Miles

SUBUNIT LOCATION MAP

5 Independence
6 Archangel
7 Reed Lakes
8 Little Susitna
9 Government Peak

I. Willow Mountain



A. LAND USE DESIGNATIONS

Primary Uses: Fish and Wildlife Habitat, Recreation

Secondary Uses: Grazing (see Map 11 for location)

Prohibited Uses: Settlement, Remote Cabin Permits, Commercial Recreation Development, Grazing outside designated areas (see Map 3, pages 116/117)

Mining: Open

B. BACKGROUND

The rugged peaks of the Talkeetna Mountains end in a gently sloped plateau known as Willow Mountain in this subunit. Peters, Purches and Little Willow Creeks flow out of steep-walled mountain valleys to the north and south of the Willow Mountain plateau. The lowlands portions of the subunit contain many swampy areas that make access difficult.

Willow Mountain is an important moose habitat area. Year-round populations between 1,500 and 2,000 moose occur in western portions of this unit and are among the highest in the Susitna Basin. Willow Mountain provides winter and summer moose habitat that supports breeding and calving activities. This is an important moose hunting area due to its relative accessibility to urban areas and an abundance of moose. The alpine zone (above 2,800 feet in elevation) is good bear, sheep, and caribou habitat, and brown and black bear are often seen in these areas. Furbearing animals are also common and trapping is an important use of the area. Black bear and ptarmigan hunting are popular as well.

Extensive placer claims occur along Peters and Purches Creeks; mineral potential in the eastern mountainous portion is high. However, the Willow Mountain plateau has low mineral potential.

The Willow Mountain subunit contains a significant portion of the potential range resources within the management unit. However, many portions of the Willow Mountain plateau where most of the grazing resources occur in the subunit has boggy and standing water areas, and access is difficult.

Currently, there are no roads to this subunit. Motorized access is by aircraft, snowmachine or all terrain vehicle. This is a popular snowmachining area due to extensive, wide-open terrain. A cabin built by the Mat-Su Motor Mushers and used by the public is located on the southeast corner of the Willow Mountain plateau. Dog mushing also occurs in some areas. Views of the Susitna Valley and Alaska Range from Willow Mountain are spectacular. Wilderness foot travel occurs in the steep eastern portions. Bogs, brush, wetlands and creeks limit summer and fall access in the lowlands portions of this subunit. Extensive ORV trails occur in the wetlands in the southwest corner of the subunit. The Peters-Purches trail which goes over Lucky Shot Ridge receives its heaviest use during moose hunting season. However, erosion and trail widening is occurring in the steep portions and in bogs along the existing trail alignment.

There is high forestry potential on the western edge below 1000 feet where a dense white spruce forest occurs. Access for forestry to the proposed Kashwitna State Forest area west of Willow Mountain is planned in the near future.

C. MANAGEMENT INTENT

The Willow Mountain subunit will be managed primarily to maintain its exceptional wildlife productivity and to continue to provide opportunities for hunting, trapping and other dispersed recreational activities to meet existing and future demand. The entire subunit is open to mineral entry.

The management intent includes reserving the option to utilize existing grass forage resources for future grazing; however, the priority is to utilize the grasslands in the Hillside and Little Susitna subunits prior to those in the Willow Mountain subunit. In the interim, research should be conducted to determine whether grazing can take place without major adverse impact to wildlife habitat.

Forestry is an allowed use in the western perimeter of the subunit. The intent is that any forestry operations will be limited to disease control or habitat enhancement as defined by ADF&G and compatible with scenic views from the ridge above.

Motorized access is an important use for hunting, trapping, and general recreation. The intent is for these uses to continue. The management intent is to limit summer/fall use to designated trails to minimize erosion and trailmaking. An exception will be to allow retrieval of

downed big game animals. This policy will be put into effect after working with users to clearly map and sign designated trails. No highway vehicles will be allowed in the Willow Mountain Subunit (unless authorized as part of a mineral development). New trails may be established within the subunit and designated for a specific use, such as for dog mushing, ATV and snowmachine use.

D. PLANNED ACTIONS

1. HABITAT DESIGNATION

The moose concentration area on the west slope of Willow Mountain is proposed for legislative designation to ensure long term retention in public ownership and management for its wildlife values (see Map 11). ADF&G originally proposed that the plan recommend that the entire subunit be legislatively designated as a Critical Habitat Area and a portion closed to mineral entry. However, the planning team was unable to agree on this. See Appendix X for further explanation.

2. TRAIL REPAIR

Where erosion and extensive trail making in boggy areas is occurring, DNR and ADF&G should work with users to reduce trail damage, establish trail erosion prevention measures and do minimal trail improvements to maintain motorized access opportunities.

3. SNOWMACHINE USE AND MOOSE

If there is documentation that snow machine use is adversely affecting overwintering moose in certain areas, seasonal closures in these key areas may be established.

4. MOTORIZED USE MANAGEMENT POLICY

A special use area will be established for off-road vehicle use. When there is insufficient snow cover to protect the soil and vegetation from cutting and erosion, motorized use will occur on designated trails only by non-highway vehicles. An exception will be to allow retrieval of big game. This policy will be put into effect once DNR and ADF&G work with users to map and designate a trail system. See Chapter Three, ORV Management Guidelines, page 160, for more information.

5. IDENTIFY BROWN BEAR CONCENTRATIONS

ADF&G will identify brown bear concentration areas and habitat use areas and make a recommendation to DNR on when a significant potential or actual conflict with grazing may exist.

6. PUBLIC USE CABINS

The existing cabin on Willow Mountain built by the Mat-Su Motor Mushers should be converted to a public use cabin. Agreements with recreational groups may be negotiated for its maintenance. Other cabins on public land in the subunit should also be evaluated for suitability as public cabins.

Other public cabins may be established at three possible backcountry locations. Potential sites are indicated on the land plan map.

7. DOG MUSHING TRAIL

Establish a 20-mile dog mushing loop trail. The location is to be determined by DNR based on consultation with ADF&G, and recreational users.

8. CROSS COUNTRY SKI TRAIL

Establish a cross-country ski trail in the forest/alpine transition zone accessible to the Hatcher Pass Road.

E. GUIDELINES

1. FORESTRY/BROWSE ENHANCEMENT

Type of Forestry Cuts. Timber harvest to enhance moose habitat may occur. If this occurs cutting areas will be located on the western perimeter of this unit and must receive concurrence with ADF&G and DNR. DOF maintains the option, however, to institute emergency harvests for insect control after receiving ADF&G approval. ADF&G maintains the statutory obligation to institute habitat enhancement activities when necessary and appropriate.

2. GRAZING

a. Grazing on Important Habitat Lands. Grazing is proposed to occur on Willow Mountain only after complete utilization of the grass resources of the Little Susitna and Hillside units. The option to graze livestock in this unit shall be retained and research should be initiated and continued to determine how to make livestock and wildlife uses compatible in this area. There are approximately 8600 acres of land that is potentially feasible for grazing between Canyon

Creek and an unnamed stream in Section 24, Township 21 North, Range 3 West. About 17-20 miles of fence may be required.

b. Grazing Season. Cattle shall be removed from the range two weeks prior to opening of the moose hunting season.

c. Grazing in Habitat Areas. See area-wide policy in Chapter 3, page 121.

3. ACCESS

a. Minimize Wildlife Impacts. Any new roads and trails proposed for forestry, mining, recreation or grazing within or near the subunit will be designed to minimize negative impacts to the wildlife resources and related public uses. Access routes will be centralized and of very low density. ADF&G will be consulted on location prior to authorization.

b. Public Use of Mining Roads. The public use of access roads developed for mining will be determined on a case-by-case basis by ADF&G and DNR, based on what will be most beneficial to the management of the moose population. The options are private or public access, temporary or permanent. That is, use of the access road by highway vehicles may be restricted to mine personnel only if necessary to minimize impacts to wildlife. The mine operator may be required to remove the road upon completion of the project. The other option would be to keep it open as a public access road. Seasonal use restrictions may be authorized.

current policy

c. Wetlands. Where an ever-widening network of trail making is occurring in the Willow Mountain subunit, DNR and ADF&G will work with user groups and/or state correctional facility labor to do primitive corduroy-type improvements to enable access through the bogs for hunting purposes. The level of damage to these wetlands should be assessed by DNR and ADF&G and recommendations made for rehabilitation and prevention of further damage.

4. RECREATIONAL OPPORTUNITY SPECTRUM

a. Setting. The intended recreational setting described in Part "a" is for the purpose of guidance to land managers who must adjudicate land use requests. It is not intended to be a hard and fast set of rules.

(1) Physical Setting: Predominantly natural appearing environment in western portions; unmodified, natural environment in the eastern, mountainous portions

(2) Social Setting: Low concentration of users except in moose season; low interaction between users

(3) Managerial Setting: Minimum of on-site controls

(4) Access and Mode of Travel: Designated trails for ORV use with minimum improvements to prevent rutting and erosion in western portions; cross-country foot travel in mountains; aircraft access

(5) Vegetative Alterations and duration of impact: Moderate loss of vegetation and soil on major trail routes and where camping occurs, trail impacts persist from year to year. Non-trail areas should only show temporary impacts.

(6) Type of Experience: High probability of seeing wildlife, experiencing quiet and solitude (except for trail areas), freedom, challenge, risk, closeness to nature

b. Facilities. The purpose of this section is to describe the intended level of recreation facility development. Where no facilities are proposed, this does not mean it is a prohibited use.

(1) Public Facilities: Public cabins: one each in Peters and Purches below timberline, one existing Willow Mountain, one in alpine north of Dogsled Pass; parking at Peters-Purches trailhead

(2) Camp Sites: No developed sites

(3) Picnic Sites: None planned

(4) Water Supply: None planned

(5) Sanitation: Outhouses at public cabins

(6) Signs: Limited signing for designated trails

(7) Water Crossings: Ford crossings, no bridges

(8) Interpretative: Interpretation through self-discovery

c. Guidelines for Appropriate Commercial or Other Private Uses to be Authorized by Lease or Permit

(1) Commercial and Other Private Uses: None by lease; generally permitted activities as listed in the Division of Land and Water Management Policy and Procedure Manual (Chapter 5122, Section 01) will not be affected; applications for permit will be considered on a case-by-case basis if compatible with guidelines and management intent.

(2) Stipulations on Private Uses: It is important that private uses maintain the recreation setting as described above and provide a clear public benefit. Additionally, private recreational uses must require no roads and not negatively impact wildlife populations.