

S B

64

Senator John B. (Jack) Coghill

Alaska State Legislature

Box V
Juneau, Alaska 99811
(907) 465-4797

Box 55028
North Pole, Alaska 99705
(907) 488-0862



MEMORANDUM

To: Senator Bettye Fahrenkamp
Senate Resource Committee, Chair

From: Senator Jack Coghill

Re: SB 64; Amending the mining loan fund law.

Date: February 2, 1989

Intent: To provide the Department of Commerce and Economic Development (DCED) greater flexibility in addressing the high delinquency and default situation existing in the mining loan program.

Background: During the 15th Legislature this bill failed to pass both houses because it was held hostage by the House Resource Committee and did not move to House Finance until that committee had adjourned for the session.

Attachments:

1. DCED zero fiscal note and support position paper.
2. Existing Mining Loan Fund Statutes.
3. DCED Statistics on Loan Programs (12/31/88)

Rational: I've reintroduced this legislation in order to give some relief to those miners, especially the small "mom and pop" operators, who acquired mining loans before 1985. The ability, of those pre-1985 borrowers, to repay their loans was impacted by the state water quality permit certification process, which changed the rules governing their operations. Since that time additional permit processes have come into play which further raise the costs of mining, the Corp of Engineers wetlands permit process is a case in point. I need not remind you of the many lawsuits against federal and state agencies, which have also affected the miner's economic situation. This bill doesn't get the borrowers off the "hook", but it may save many of them from being fatally wounded by it.

Recommendation: I recommend you calendar this bill for public hearing by your committee as soon as possible, and consider discharging the bill from committee with "do pass" recommendations.

Senator John B. (Jack) Coghill

Alaska State Legislature

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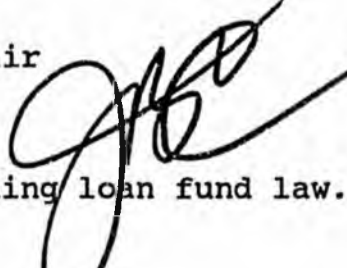
MEMORANDUM

To: Senator Bettye Fahrenkamp
Senate Resource Committee, Chair

From: Senator Jack Coghill

Re: SB 64; An Act amending the mining loan fund law.

Date: February 24, 1989



Attached you will find a letter from the AMA regarding SB 64.

Although the language AMA speaks to is adapted from the commercial fishing loan statutes, I have no objection to your committee addressing AMA's concern.

I would remind you that the majority of the outstanding mining loans were acquired during a period of less government interference and a higher gold price. This resulted in modifications to mine operations and may contribute to the perception that the mine is now marginal or poor management decisions were made.

I have no objection to AMA's recommendation that line 20 be deleted.

Please move this legislation through your committee as soon as possible.



ALASKA MINERS ASSOCIATION, INC.

501 W. Northern Lights Blvd., Suite 203, Anchorage, AK 99503 (907) 276-0347

Feb. 15, 1989

Honorable Jack Coghill
P.O. Box V
Juneau, AK 99811

Dear Senator Coghill;

The Alaska Miners Association supports SB 64 "an Act amending the mining loan fund law". We would like to see one change in the bill. Line 20 - The clause states "(1) the borrower has experienced poor mining season".

This provision could be abused and this would reflect on the industry to the detriment of the total loan program. There could be many reasons for a poor mining season ranging from natural causes - uncontrollable on the part of the operator - to poor management or just low producing ground. The latter two should not be sufficient reasons for an extension.

There are certainly some extenuating circumstances that would justify the extension on a loan and the State should have the flexibility to authorize extensions. We would recommend striking line 20.

If you need any further information or if we can be of assistance please give me a call.

Sincerely,

Curtis McVee
Executive Director
Alaska Miners Association

Senator John B. (Jack) Coghill

Alaska State Legislature

Box V
Juneau, Alaska 99811
(907) 465-4797

Box 55028
North Pole, Alaska 99705
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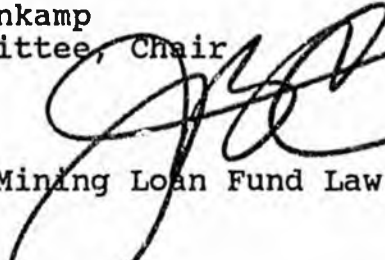
MEMORANDUM

To: Senator Bettye Fahrenkamp
Senate Resource Committee, Chair

From: Senator Jack Coghill

Re: SB 64; Amending the Mining Loan Fund Law

Date: March 13, 1989



This is my third request that this legislation be heard in your committee.

We supplied you with the departments position paper and fiscal note on February 2 and followed up again on February 24.

You will note from the attached Department of Commerce and Economic Development statistics, that even though the number of outstanding mining loans has decreased, the rate of delinquency has increased to 41 percent.

Using current estimates of the number of mining operators out there (211 in 1988), and if you assume that the 39 outstanding loans are operating mines, then we are talking about relieve for 18 percent of the industry.

We're not considering forgiveness in this legislation. We are considering allowing the payments to be stretched out over time periods beyond 15 years.

It would be most considerate of you to contemplate moving this bill as soon as possible. It would be niece to have some good news for a percentage of the miners during their placer mining conference in Fairbanks, March 29 through April 1.

STATISTICS ON DCED LOAN PROGRAMS
(Thousands of Dollars)

January 31, 1989

	Veterans	Small Business	Commercial Fish	Tourism	Bulk Fuel	Child Care	Hist Dist	Mining	Alternative Energy	Resid. Energy	Fish Enhance	Power Dev.	Water Resource	Total
COMMITMENTS														
Total No. Loans Committed FY 89	-0-	-0-	103 ³	-0-	20	-0-	-0-	-0-	-0-	-0-	11	-0-	-0-	134
Total Dollar Amount Committed FY 89	-0-	-0-	8,308.1 ³	-0-	732.8	-0-	-0-	-0-	-0-	-0-	8,449.3	-0-	-0-	15,488.2
APPROPRIATIONS														
FY 86	-0-	-0-	3,710.0	-0-	-0-	-0-	-0-	-0-	845.0	-0-	812.0	-0-	-0-	5,367.0
FY 87	-0-	-0-	-0-	-0-	64.0	-0-	400.0	-0-	-0-	-0-	-0-	-0-	-0-	464.0
FY 88	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,200.0	-0-	-0-	2,200.0
FY 89	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	8,000.0	-0-	-0-	8,000.0
LOANS OUTSTANDING														
Owned by Fund														
Number of Loans Outstanding	25	14	1,476	1	48	36	6	39	1,237	963	133	1	1	3,980
Principal Amount Outstanding	1,320.6	2,417.2	80,965.9	980.0	991.1	1,255.1	855.7	11,450.7	8,500.8	1,867.4	51,721.7	183,746.7	802.8	328,975.7
Average Loan Amount Outstanding	52.8	172.7	41.3	980.0	20.7	34.9	159.9	293.6	6.9	1.9	388.9	183,746.7	802.8	82.2
Serviced for AIDEA														
Number of Loans Outstanding	1,401	162	197	7	N/A	1	3	N/A	N/A	N/A	11	N/A	N/A	1,782
Principal Amount Outstanding	58,146.6	12,483.0	5,735.0	763.3		3.6	65.9				5,763.8			82,981.2
Average Loan Amount Outstanding	41.5	77.1	29.1	109.0		3.6	22.0				524.0			46.6
Summary														
Total No. of Loans Outstanding	1,426	176	1,673	8	48	37	9	39	1,237	963	144	1	1	5,762
Total Principal Amount Outstanding	59,467.2	14,900.2	66,700.9	1,743.3	991.1	1,258.7	1,021.6	11,450.7	8,500.8	1,867.4	57,485.5	183,746.7	802.8	409,936.9

DELINQUENCY RATES AND DEFAULT STATISTICS

Statistics Based on Balances Outstanding														
% Delinquent ¹	3.7%	16.9%	2.8%	5.5%	5.0%	0.02%	-0-	32.5%	3.7%	7.0%	-0-	-0-	-0-	2.6%
% In Default ²	4.9%	22.7%	1.7%	4.0%	8.3%	18.3%	-0-	43.8%	5.8%	6.9%	-0-	-0-	-0-	3.3%
Statistics Based on Number of Loans														
% Delinquent ¹	3.1%	17.6%	3.2%	12.5%	6.3%	2.7%	-0-	41.0%	3.8%	6.0%	-0-	-0-	-0-	4.4%
% In Default ²	3.9%	17.1%	1.4%	12.5%	14.5%	10.8%	-0-	33.3%	5.0%	4.4%	-0-	-0-	-0-	4.2%

¹ Delinquent is defined as 60 days or more past due, not in litigation.

² Default is defined as in litigation.

³ Prequalifications NOT included

Prepared by: Division of Investments, Accounting Branch

2/14/88

Loans

STATISTICS ON DCED LOAN PROGRAMS
(Thousands of Dollars)

December 31, 1988

	Veterans	Small Business	Commercial Fish	Tourism	Bulk Fuel	Child Care	Hist Dist	Mining	Alternative Energy	Resid. Energy	Fish Enhance	Power Dev.	Water Resource	Total
COMMITMENTS														
Total No. Loans														
Committed FY 89	-0-	-0-	85 ³	-0-	18	-0-	-0-	-0-	-0-	-0-	10	-0-	-0-	113
Total Dollar Amount														
Committed FY 89	-0-	-0-	6,724.4 ³	-0-	632.8	-0-	-0-	-0-	-0-	-0-	5,650.0	-0-	-0-	13,007.2
APPROPRIATIONS														
FY 86	-0-	-0-	3,710.0	-0-	-0-	-0-	-0-	-0-	845.0	-0-	812.0	-0-	-0-	5,367.0
FY 87	-0-	-0-	-0-	-0-	84.0	-0-	400.0	-0-	-0-	-0-	-0-	-0-	-0-	464.0
FY 88	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,200.0	-0-	-0-	2,200.0
FY 89	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	8,000.0	-0-	-0-	8,000.0
LOANS OUTSTANDING														
Owned by Fund														
Number of Loans														
Outstanding	25	14	1,471	1	49	36	6	41	1,249	973	129	1	1	3,996
Principal Amount														
Outstanding	1,325.2	2,414.6	59,997.4	981.6	1,089.4	1,262.5	956.7	11,481.5	8,568.9	1,914.9	50,451.8	186,104.1	802.8	327,351.4
Average Loan Amount														
Outstanding	53.0	172.5	40.8	981.6	22.2	35.1	159.5	280.0	6.9	2.0	391.1	186,104.1	802.8	81.9
Serviced for AIDEA														
Number of Loans														
Outstanding	1,411	163	199	7	N/A	1	3	N/A	N/A	N/A	11	N/A	N/A	1,795
Principal Amount :														
Outstanding	58,412.4	12,585.7	5,796.6	764.5		3.7	66.2				5,896.6			83,525.7
Average Loan Amount														
Outstanding	41.4	77.2	29.1	109.2		3.7	22.1				536.1			46.5
Summary														
Total No. of Loans														
Outstanding	1,436	177	1,670	8	49	37	9	41	1,249	973	140	1	1	5,791
Total Principal														
Amount Outstanding	59,737.6	15,000.3	65,794.0	1,746.1	1,089.4	1,266.2	1,022.9	11,481.5	8,568.9	1,914.9	50,348.4	186,104.1	802.8	410,877.1
DELINQUENCY RATES AND DEFAULT STATISTICS														
Statistics Based on Balances Outstanding														
% Delinquent ¹	4.0%	14.9%	3.5%	5.4%	10.8%	0.02%	-0-	31.3%	3.4%	9.8%	-0-	-0-	-0-	2.7%
% in Default ²	5.0%	22.5%	1.9%	3.9%	8.9%	16.2%	-0-	43.6%	5.8%	4.5%	-0-	-0-	-0-	3.3%
Statistics Based on Number of Loans														
% Delinquent ¹	3.5%	15.2%	3.9%	12.5%	10.4%	2.7%	-0-	36.8%	3.8%	7.9%	-0-	-0-	-0-	4.8%
% in Default ²	4.1%	17.0%	1.7%	12.5%	14.5%	10.8%	-0-	31.7%	4.9%	3.1%	-0-	-0-	-0-	4.2%

¹ Delinquent is defined as 60 days or more past due, not in litigation.
² Default is defined as in litigation.
³ Prequalifications NOT included

Table 3. Reported refined gold production, number of operators, and industry employment in Alaska by region and mining district, 1987-88.^a

Region and mining district	1987			1988		
	Number of operators	Production (oz)	Number of employees	Number of operators	Production (oz)	Number of employees
Northern Chandalar Shungnak Koyukuk-Nolan	8	7,256	40	8	6,500	32
Western Nome Kougarok Port Clarence Fairhaven Ruby Solomon Koyuk Council	46	101,244	414	48	98,500	425
Eastern Interior Circle Livengood-Tolovana Fairbanks Fortymile Manley-Eureka Richardson Bonnifield Rampart	81	50,690	380	89	76,550	415
Southcentral Cache Creek Chistochina Valdez Creek Kenai Peninsula Nelchina	29	46,460	251	30	68,300	315
Southwestern Innoko-Tolstoi Iditarod-George River Moore Creek Nyac Crooked Creek Lake Clark-Mulchatna	36	20,650	129	33	14,800	108
Southeastern and Alaska Peninsula	5	3,400	35	3	850	10
TOTAL	205	229,700	1,249	211	265,500	1,305

^a1988 production estimated from 208 mechanized placer mines and three lode mines statewide. Small 'recreational-assessment' projects that recover bullion from panning, pick-and-shovel prospecting, long-tom sluicing, and suction dredging are not included.

FISCAL NOTE

REQUEST:

Revision Date: 1/9/89
 Title: An Act amending the mining loan fund law
 Sponsor: Coghill and Frank
 Requestor: Resources

Agency Affected: Commerce & Econ. Dev.
 BRU: Investments

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Martin J. Richard, Director Phone: 465-2510
 Division: Investments Date: 12/11/89

Approved by Commissioner: Larry Merculieff Date: 12/12/89
 Agency: Department of Commerce & Economic Development

Distribution (by preparer):

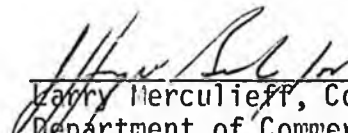
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

SB 64: "An Act amending the mining loan fund law."

This legislation authorizes the Department of Commerce and Economic Development to grant an extension or modification of a mining loan provided it can be shown that the borrower has experienced poor mining seasons or that regulations of the state or federal government have changed and thereby prevented the borrower from fulfilling the terms of the loan. The bill provides that these extensions may exceed a term of 15 years; however, interest continues to accrue and there is no reduction or forgiveness of interest during the extension.

This essentially allows the department the ability to extend a loan beyond the current statutory limit of 15 years.

The Department of Commerce and Economic Development supports this bill because of the added flexibility it provides in dealing with delinquent borrowers.


Larry Mercurieff, Commissioner
Department of Commerce and
Economic Development

4/22/89
Date

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

RECEIVED
OCT 02 1989
BOARDS

September 29, 1989

Mr. Donald See
Chairman
Southeast Regional Fish
and Game Council
Department of Fish and Game
Division of Boards
P.O. Box 3-2000
Juneau, AK 99802

Dear Mr. See:

Thanks for your letter of August 21 in which you express concerns regarding adequate funding for the Division of Boards within the Department of Fish and Game. You were especially concerned about the restriction of meetings of the regional council to one per year, and with the level of federal funding provided for regional council activities.

The regulatory process for fish and wildlife management issues does involve an extraordinary level of public participation, involving input from the advisory committees, regional councils, and general public. I'm very supportive of this public process, and feel that the quality of the resulting regulations as promulgated by the Board of Fisheries and Board of Game are greatly enhanced.

The Division of Boards has recently undergone a reorganization in order to increase the function and role of the regional regulatory program assistants located throughout the state. That reorganization will result in review of the budget for the Division of Boards to ascertain the funding level which will adequately allow for the services of the Division of Boards to be rendered. I'm aware that the level of funding for travel and meetings of the advisory committees and the regional councils is of concern, and this will be closely reviewed. Ultimately, of course, it will be the responsibility of the Legislature to approve the funding level for the Division of Boards.

As you know, ANILCA Title VIII specifies that the State and the federal government will share the cost of the subsistence resource councils. Although the federal

Mr. Donald See

- 2 -

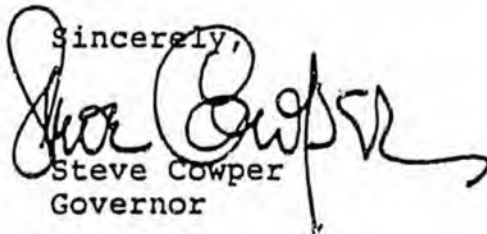
September 29, 1989

government is supposed to reimburse the State for half our expenditures for this program, it has been increasingly difficult to get this money into the federal budget. My Washington, D.C., office has been working with the Appropriations Committee to make sure amounts for the reimbursement are included in the Interior Department's appropriation. This year, that amount is for only \$750,000, despite the fact that our actual expenditure was more than \$3 million. At present we are working with the House and Senate conferees to emphasize to them the importance of this program and the fact that it is in fulfillment of a federal mandate.

I want to commend the Southeast Regional Fish and Game Council for the work that it has done in the past in ensuring that the fish and wildlife regulation process has benefited the residents of Southeast Alaska and the fish and wildlife resources. This level of citizen participation can be found in few other states, and I feel that it is particularly pertinent in Alaska.

Again, thanks for bringing these concerns to my attention.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", with a long, sweeping flourish extending to the right.

Steve Cowper
Governor

ROBERT C. BYRD, WEST VIRGINIA, CHAIRMAN

WEL K. WOULFE, HAWAII
IST F. HOLLINGS, SOUTH CAROLINA
JENNETT JOHNSTON, LOUISIANA
JENNETH JOHNSTON, NORTH DAKOTA
PATRICK J. LEAHY, VERMONT
JIM SASSER, TENNESSEE
DENNIS D'CONCINI, ARIZONA
DALE BUMPER, ARKANSAS
FRANK R. LAUTNER, NEW JERSEY
TOM HARKIN, IOWA
BARBARA A. MIKULSKI, MARYLAND
HARRY REID, NEVADA
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WARREN RUSSMAN, NEW HAMPSHIRE
ARLEN SPECTER, PENNSYLVANIA
PETE V. DOMERIO, NEW MEXICO
CHARLES E. GRASSLEY, IOWA
DON NICKLES, OKLAHOMA
PHIL GRAMM, TEXAS

JAMES M. ENGLISH, STAFF DIRECTOR
J. KEITH KENNEDY, MINORITY STAFF DIRECTOR

United States Senate
COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-8025

RECEIVED
OCT 23 1989
BOARDS

October 13, 1989

Donald See, Chairman
Ann Lowe, Secretary
Southeast Regional Fish & Game Council
c/o Alaska Department of Fish and Game
P.O. Box 3-2000
Juneau, Alaska 99802

Dear Donald and Ann:

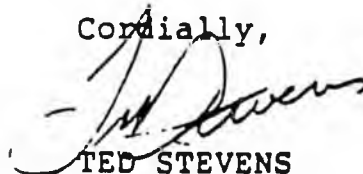
Thanks for contacting me to express your concern about funding for Alaska's Regional Fish and Game Councils, which were formed under ANILCA.

At my request, \$750,000 was added to the FY90 Interior budget to reimburse the cost of running these state councils. I had originally requested \$1.55 million, but the money was not included in the Interior Appropriations bill. I had to offer an amendment in Committee to include this funding, and then had to take money out of another Alaska program for this purpose. It was just not possible to provide the full authorized funding level of \$1.55 million, given the severe budget constraints under which we are operating.

Thanks again for writing.

With best wishes,

Cordially,


TED STEVENS

Senator Johne Binkley

Senate Finance Committee

P.O. Box V • Juneau, Alaska 99811 • (907) 465-4985

November 6, 1989

Finance Committee
Co-Chairman

Donald See, Chairman
Southeast Regional Fish & Game Council
c/o Division of Boards
P.O. Box 3-2000
Juneau, AK 99802

RECEIVED
NOV 08 1989
BOARDS

Dear Mr. See:

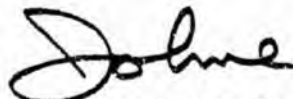
Thank you for writing me about the funding problems of the Division of Boards within the Department of Fish and Game. I had my staff check into the matter for me. It was certainly not the Legislature's intent to underfund the regional councils and advisory committees. I believe strongly in this system, and urged the department to beef up this system so that rural Alaskans would be full participants in the management of our fish and game resources. In fact, we increased the Division of Board's budget from \$1,118,900 in Fiscal Year 1989 to \$1,330,600 in Fiscal Year 1990.

I am told that the funding problem was the result of three actions: the filling of all the regional coordinator positions, many of which had been vacant for a long time; the re-activation of a number of advisory committees, which required extra travel monies; and a decrease in the amount of money we get reimbursed from the federal government (the ANILCA funding).

I believe that if the advisory committees and councils do fully participate in the decision-making process, the work-load of the Boards of Fisheries and Game should be reduced. Many of the issues brought before the boards can, and should, be solved at a more local or regional level.

I'm not sure what, if anything, can be done about this problem this year. However, we'll be working with the department to do what we can.

Sincerely,



Senator Johne Binkley
Yukon-Kuskokwim and
Interior Rivers

mem

cc: Commissioner Collinsworth

REPRESENTATIVE
PETER GOLL



P O BOX 4
JUNEAU ALASKA 99811
(907) 485 4925

STATE OF ALASKA
HOUSE OF REPRESENTATIVES

December 8, 1989

RECEIVED
DEC 11 1989
BOARDS

Mr. Donald See, Chairman
Southeast Regional Fish and Game
Council
c/o ADF&G
Division of Boards
P.O. Box 3-2000
Juneau, AK 99802

Dear Mr. See:

Thank you very much for sending us a copy of your November 3rd letter, with attachments, to Secretary of the Interior Lujan.

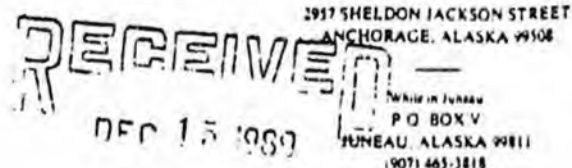
Representative Goll is out of the state right now; however, I will make sure he receives this information immediately upon his return.

Sincerely,

A handwritten signature in cursive script that reads "Hayden Kaden".

Hayden Kaden
Legislative assistant

Alaska State Legislature



SENATOR
ARLISS STURGULEWSKI
Senate President Pro Tempore
Chairman, Senate Rules Committee

December 13, 1989

Senate

Gary Slaven
Chairman
Board of Fisheries
Box 3-2000
Juneau, AK 99802

Henry Springer
Chairman
Board of Game
Box 3-2000
Juneau, AK 99802

Dear Gary and Henry:

Thank you for bringing forth this important issue of adequate funding for regional fish and game councils and advisory committees throughout the state. There must be more attention focused on the lack of funding and I appreciate your efforts at generating an increased awareness. The serious aspect of this lack of funding, as you point out, is the concern that it might lead to violations of specific ANILCA provisions.

I would certainly advise contacting Senator Bettye Fahrenkamp, Chairman of the Senate Resources Committee, with this information and suggest making a presentation to the committee early in the upcoming session. That might also provide an opportunity to make the information available to the House Resources Committee as well as both finance subcommittees on the Department of Fish and Game budget.

I have taken the liberty of sending copies of this material to the Senate and House Resources and Finance committees.

Kindest regards,

Arliss

Arliss Sturgulewski
Alaska State Senator

cc: Board of Fish members
Board of Game members
Regional Councils
Senator Bettye Fahrenkamp
Senator John Binkley
Senator Rick Uehling
Representative Curt Menard
Representative Cliff Davidson
Representative Lyman Hoffman
Representative Ron Larson



Alaska State Legislature

CC: JB
LJ
NG
BL
RRPAS

REPRESENTATIVE DICK SHULTZ

PO Box 1
Juneau, Alaska 99811
(907) 465-4941
Home PO Box 487
Tok, Alaska 99781

Member
Finance Committee
December 20, 1989

Mr. Gary Slaven
Joint Boards
P.O. Box 3-2000
Juneau, Alaska 99802

RECEIVED
12/20/89
JOINT
BOARDS

Dear Mr. Slaven;

I have communicated with the Commissioners office about a letter from the Joint Boards to Advisory Committee Chairman. The letter gives the impression that individuals selected by Committees to represent them at Board meetings will not be recognized if the state does not provide funding for their travel.

Traditionally, our committees have selected an individual and usually that individual has paid his or her own way to the board meetings and has presented testimony on behalf of their committee members. By doing this the state has saved money for other members to travel from more remote distances. Now it seems these citizens are to be penalized if they pay their own way. Of course the other possibility is the boards are attempting to limit testimony, or even more disturbing, deliberately using our constituents as a blackmail tool in securing legislative funds for advisory committee travel money.

I, for one, do not respond well to negative incentives, and I do not believe our advisory committee system should be used in any type of political charade. Committee members are discouraged enough as it is with the National Park Service and the anti-hunting groups past influence on the boards.

If need be, I can get a legal opinion as to why the Board can not refuse to acknowledge the testimony of an individual elected and sent to represent a committee. I would rather not waste state time and money doing so. What I would rather see is a letter to all committee chairman from the Boards clarifying that elected committee representatives would be recognized as such when they present testimony to the boards. I appreciate your cooperation in this matter.

Sincerely,

Dick Shultz
Dick Shultz

5364
f
MAR 17 1989

ANSON LEVAKE RENSHAW, JR.
(Mining Engineer - UAF, 1858)
Anchorage, Alaska 99523-0407
Phone (907) 563-7424

March 14, 1989

SENATOR BETTYE FAHRENKAMP
Pouch V
Juneau, Ak 99811

re: SB No. 64 and related matters.

As introduced, SB No.64 is certainly a step in the right direction, but it must be made effective retroactive to late 1984 or early 1985 to be of much use. That is the beginning of other agency actions which rendered mining either impossible or imprudent; but which the Department of Commerce & Economic Development, then proclaiming itself the "primary advocacy agency in state government for mining industry", deemed irrelevant and immaterial to the plight of its Mining Loan Fund customers.

As a victim of the administration of the Mining Loan Fund, I can attest to the real reasons for the utter failure of the program. While the existing Statute is simple, straight forward, and wholly understandable to those of us in the mineral industry, it contains a fatal flaw. It does not specify credentials for administering officials or for the members of the various loan committee(s). The unfortunate consequence of this omission has been an unbelievable paucity of knowledge as to established mining industry practices, of industry economics, or of special industry financing needs. This was particularly true within the Division of Investments, but included also the Division of Accounting and Collections, and the "shell game" operation of loan committees whether at Fund, Division, or Department level. Irrespective of AS 27.90.060, the personnel involved simply did not speak the language. The results were as follows:

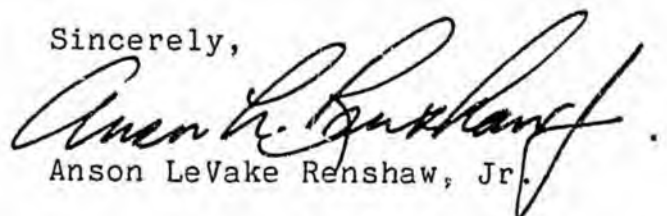
1. Regardless of whether applicants believed they had applied for, and been issued, "advanced exploration" or "development" loans as per AS 27.09.010, .030(a) and .060, only "Mining Loans" (3 AAC 87) were issued.
2. Some applicants were preferentially accepted under AS 27.90.020 and .030 which probably should not have been, while others with credible projects were rejected.
3. Because AS 27.09.030(e) is permissive ("may") the engagement of experts was consistantly refused; nor were permissions granted to applicant/borrowers for the engagement of experts to provide independent reviews.
4. AS 27.09.030(b) ["shall"] was not adequately performed because qualified experts were not engaged. A double standard was allowed within and without the Department in that personnel borrowed from an adjacent office to perform cursory reviews, were not in compliance with the very occupational licensing laws the Department otherwise administered, and required of industry.
5. AS 27.09.030(c) and (d) ["shall"] were not performed at all. No definition is given as to what "economic feasi-

- bility" may be, or how to go about making a determination. The requirement was simply ignored.
6. AS 27.09.030(f) was not complied with. Whole files of highly confidential applicant project information, and agency generated documents, were lost, trashed, or stolen from Division of Investment files and then the loss CONCEALED from the applicants/borrowers, other Department officials, and from the loan committee(s) even during appeal and reconsideration deliberations.
 7. AS 27.09.040(d) and .045 were administered without regard to .060.
 8. Loan committee(s) deliberations, including appeals, were conducted in a nearly complete vacuum. Applicants were not allowed to represent themselves, or be represented before them. Applicant prepared information was not submitted to them. Rather, loan examiners and servicing officers prepared all committee submittals. These officials also were apparently not present during committee deliberations. All committee paperwork was kept confidential and unavailable even to the borrower. Expert opinions [AS 27.09.030(e)] were not required.
 9. Beyond the oracle-like "Senior Loan Committee" (same situation, and membership) no further forum for administrative appeal existed within the the Department.

Not all applicant/borrowers may have experienced, or indeed even been fully aware, of the above conditions - and therein lies a further problem. Not all borrowers were treated equally. At his request, and in the presence of a witness; I met secretly with a former Commissioner. In addition to explaining some of the above problems then known to me, I warned him of rumored illegalities involving the Fund, and of irregularities known to me and others. No investigation was apparently made, nor were actions then taken to rectify the situation. Projects submitted in good faith continued to be destroyed and the borrowers then subjected to overwhelming prosecution. Large outside law firms, engaged sole source and off budget in the name of the State, are the only real beneficiaries of the Fund which the Legislature had intended to help establish a rural employment base.

An immediate moratorium should be placed on all activities involving the Mining Loan Fund, including ongoing prosecution and interest accrual, and until an entirely independent and competent board of inquiry may investigate and recommend comprehensive revisions to the statute, to the partially implemented regulations, to policies of administration and the conduct of loan committees, and to proper administrative hearings procedures for grievance and appeal. Most importantly, the wrongs perpetrated against the various applicant/borrowers must be addressed.

Sincerely,



Anson LeVake Renshaw, Jr.

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

DIVISION OF BOARDS

August 8, 1989

STEVE COWPER, GOVERNOR

P.O. BOX 3-2000
JUNEAU, ALASKA 99802-2000
PHONE: (907) 485-4110

Dear Local Advisory Committee Members and Alternates:

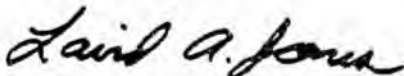
I am writing to personally inform you all of the financial dilemma the Division of Boards of Fisheries and Game is in for State Fiscal Year 1990 (June 30, 1989 through July 1, 1990). My intent is to advise you of the situation so you can plan your advisory committee and regional council activities for this coming board cycle

To be uniform and fair to all the advisory committees and regional councils statewide the following number of meetings and attendance at board meeting will be funded at this time. You should plan for two advisory committee meetings and one regional council meeting. Each region will be allowed to send one representative to each scheduled board meeting (both the Board of Fisheries and the Board of Game) and two representatives to the joint board meetings.

I appreciate that this places extreme hardship on the committees and councils and is quite different from past participation and arrangements. However, in projecting the board meeting costs, working with the Regional Coordinators to project the costs of the committee and council travel, per diem and meeting rooms costs, we found the above minimum needs could not even be fully met with the funding provided.

This division will be working with the commissioner and the board members, then the governor, and finally the state legislature to request additional funding to meet the above meeting schedule and provide for board attendance to the committees and councils. It is unclear if we will receive this additional funding, thus we cannot allocate funding for any additional meetings at this time. Any ideas you have to help reduce the costs of the meetings, other cost saving ideas, or concerns regarding the above plan would be appreciated. I will keep you informed on the progress of the additional funding request. If you have any questions, suggestions or ideas, please feel free to contact myself or your Regional Coordinator.

Sincerely,



Laird A. Jones
Director

cc: Commissioner Don Collinsworth
Board of Fisheries Members
Board of Game Members

Regional Coordinators
Division Directors



REGIONAL FISH & GAME COUNCILS

c/o ADP&G, DIVISION OF BOARDS, P.O. BOX 1-2000, JUNEAU, ALASKA 99802 PHONE: (907) 465-4110

October 27, 1989

The Honorable Morris K. Udall
Chairman
Committee on Interior and Insular Affairs
United States Congress
1324 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Udall:

The Regional Council representatives met in Anchorage at the Joint Board of Fisheries and Game meeting October 22-26, 1989. The six Regional Fish and Game Councils (see appendix I) are made up of 79 local Fish and Game Advisory Committees throughout the state. The Division of Boards which provides administrative support to the Boards of Fisheries and Game and to the regional councils/advisory committees, presented a disturbing budget which would make the public advisory system completely ineffectual. The proposed budget would allow for only one regional council meeting per region this year and the attendance of the one regional council member to represent their region at upcoming board meetings (see appendix II).

The key to our ability to function properly is funding! At this meeting, the six Regional Councils recommended an acceptable minimum standard for meetings and funding of the public advisory system established by the State statutes and ANILCA. The six regional council representatives agreed that the minimum we should meet for conducting business and still have some degree of efficiency would be twice a year for each regional council. We agreed that each local fish and game advisory committee must meet at least 3 times a year. One representative from each fish and game advisory committee should attend the Board meetings for at least five days.

3 advisory committee meetings/year 2 regional council meetings/year 1 advisory committee representative to attend 5-days at Board meetings	Minimum Standards (Cost: \$1.2 mil)
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Without this minimum amount of participation, the regional council/advisory committee structure will not be able to function. Furthermore, without adequate funding it will violate ANILCA Sec. 805 (d).

The Honorable Morris K. Udall

The State of Alaska has been charged with implementing the subsistence resources management as mandated by ANILCA. The public advisory system has the responsibility to protect subsistence uses in Alaska through recommendations to the regulatory body of the Boards of Fisheries and Game. This cannot be done without appropriating full funding needed for travel and per diem for the members of the public advisory system to attend the Board meetings, attend advisory committee meetings, and regional council meetings.

If this regulatory process is improperly funded or does not receive sufficient funds, it delays the implementation of the subsistence law, and reduces the public advisory system to the Board's deliberations. The domino effect will be the Board's decisions would be made without proper public information propelling the state into the courts repeatedly. Thus, it causes the whole process to be taken out of the public domain and into the courts where there is no public input or public control. These court cases will be and are becoming more and more costly to the State of Alaska and eventually to the federal government. If the State of Alaska and the federal government give full funding now, it will allow the public advisory system to work effectively in a shorter span of time which will save a lot of money over the long term for both bureaucracies.

The advisory committee/regional council system needs a supplement of \$1.2 million now to meet our responsibilities for this year which includes the present supplemental request from the Division of Boards. When you meet this fiscal responsibility, you should also plan to appropriate full funding until the subsistence regulatory process has been established. Give us (the regional councils, advisory committees, the Board of Fisheries and Game, and the Alaska Department's Subsistence Division) the full funding now to do at least an adequate job.

The advisory committee/regional council participation has not been given the priority status it needs for funding by the State of Alaska, or by the federal government in the budgetary process. All agencies involved in appropriating fiscal notes need to re-evaluate their priorities and decide if this is a valuable process or not. If it is, fund it.

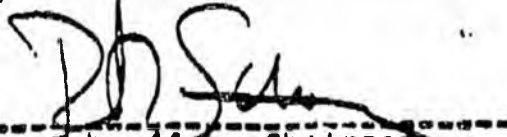
We appreciate the support that has been given to our request for full staffing to provide administrative support to the public advisory process. This, however, is only half of the solution to our problem. The other is the ability to come together for the common purpose of helping implement subsistence uses and priorities.

The Honorable Morris K. Udall

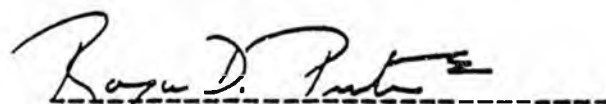
We thank you in advance for your assistance as we are sure you will understand the priority needs of this process.

Sincerely,

Regional Councils of Alaska



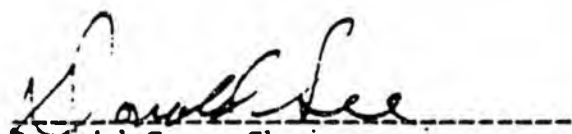
Pete Schaeffer, Chairman
Arctic Regional Council



Royce Purinton, Chairman
Interior Regional Council



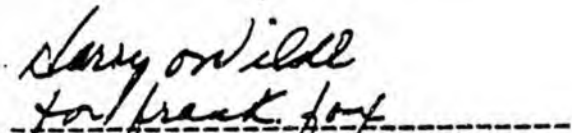
Bill Ellis, Chairman
Southcentral Regional Council



Donald See, Chairman
Southeast Regional Council



Robert Heyano, Chairman
Southwest Regional Council



Frank Fox, Chairman
Western Regional Council



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

CRITERIA FOR PROJECT APPROVAL

Introduction

These Criteria control the annual reimbursement from the Secretary of the Interior to the State of Alaska under subsection 805(e) of the Alaska National Interest Lands Conservation Act (ANILCA). 16 U.S.C. § 3115(e). In accordance with the requirements of title VIII of ANILCA, 16 U.S.C. §§ 3111-3126, reimbursement will cover reasonable costs relating to the establishment and operation of regional councils and the operation of fish and game advisory committees. Final determinations on reimbursable costs will be made by the Secretary of the Interior.

In the event the State subsistence management and use program approved by the Secretary on May 14, 1982, its underlying statute, or its implementing regulations are modified so as to require a finding of noncompliance with title VIII, these Criteria shall cease to be in effect, and the project agreement shall terminate. These Criteria may be amended by agreement of the State and the Department of the Interior.

Subject to the availability of appropriated funds, reimbursement shall not exceed 50 per centum of costs approved pursuant to these Criteria. 16 U.S.C. § 3115(e)(1). Total payments to the State shall not exceed \$5,000,000 in any fiscal year. 16 U.S.C. § 3115(e)(2).

Effective October 1, 1982, project agreements and reimbursement requests shall be submitted to the Regional Director, Fish and Wildlife Service, Alaska Region.

Criteria

1. Maintenance And Logistical Support

Reimbursement shall apply to expenditures covered by title VIII for the fish and game advisory system and for logistical support to that system. The regional councils and local committees form a structure through which the authorized council and committee functions can be fulfilled in accordance with the requirements of title VIII. Expenditures that allow the structure to exist are reimbursable; including, but not limited to, maintenance of membership rolls, communications among system units, and regional staff assigned as liaison to the councils and committees. Also reimbursable are the costs of providing the tools that allow the structure to operate; including, but not limited to, supplying to councils and committees copies of technical and scientific reports and qualified persons to assist

in interpreting and applying the reported data. Expenses associated with council and committee meetings are reimbursable; including, but not limited to, costs of members' travel and per diem, meeting rooms, and other meeting support services.

2. Socioeconomic Research

Information on subsistence uses and socioeconomic systems is essential if regional councils and local committees are to carry out their functions meaningfully within the structure discussed in Criterion 1, and reimbursement properly includes expenditures for social science research that supplies these data.

Reimbursement costs include the socioeconomic research program of the Division of Subsistence, Alaska Department of Fish and Game, which gathers, analyzes, and provides to the fish and game advisory system data on subsistence uses. Reimbursable costs include administrative functions and support services within the Division of Subsistence that are associated with socioeconomic research. Also reimbursable are other costs incurred in satisfying the requirements of title VIII.

3. Resource Program Adjustments

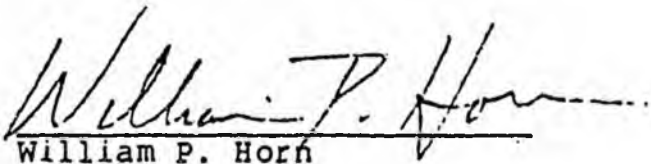
Other Divisions and Sections of the Alaska Department of Fish and Game make specific adjustments in their ongoing programs to

address subsistence management questions, to gather additional biological data on matters being addressed by the fish and game advisory system, and to provide services to the regional councils and local committees on subsistence resource issues. Reimbursement covers program adjustments made specifically to assist the regional councils and local committees in addressing subsistence management and resource questions. The connection between program adjustments and subsistence issues considered by regional councils and local committees will be documented in the reporting process.

4. Administrative Overhead

Reimbursement covers the indirect costs associated with the expenditures described in Criteria 1, 2, and 3. The indirect cost rate is established by the Indirect Cost Negotiation Agreement between the Alaska Department of Fish and Game and the U.S. Department of the Interior. The rate under these Criteria will conform to the rate set pursuant to that agreement.

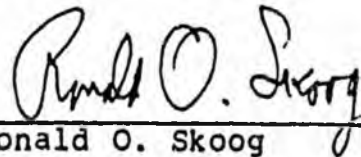
The above Criteria and the statutory requirements upon which they are based will control the annual reimbursement process. Additionally, other costs will be allowed upon the State's showing that, although not included in the Criteria, the expenditures were reasonable costs relating to the establishment or operation of regional councils or the operation of local advisory committees.



William P. Horn
Deputy Under Secretary
Department of the Interior

Date: _____

9/10/82



Ronald O. Skoog
Commissdior er
Alaska Department of
Fish and Game

13 Sep 82

IVE COWPER
GOVERNOR



RECEIVED
DEC 22 1989
BOARDS

#4

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

December 21, 1989

Regional Fish and Game Councils
Chairmen
c/o Department of Fish and Game
Division of Boards
P.O. Box 3-2000
Juneau, AK 99802-2000

Dear Regional Council Chairmen:

Thanks for your letter of October 25, which we received in late November, in which you express concerns regarding adequate funding for the Division of Boards within the Department of Fish and Game. The regulatory process for fish and wildlife management issues does involve an extraordinary level of public participation, involving input from the advisory committees, regional councils, and the general public. I am most supportive of this public process, and feel that the quality of the resulting regulations, as promulgated by the Boards of Fisheries and Game, are greatly enhanced.

The Division of Boards has recently undergone a reorganization in order to improve the functioning of the regional regulatory program assistants located throughout the state. This reorganization has resulted in the need for more funding in order for the Division of Boards to adequately do its job. I'm aware that the level of funding for travel and meetings for the advisory committees and the regional councils is of concern, and this will be closely reviewed. Ultimately, of course, it will be the responsibility of the Legislature to approve the funding level for the State.

As you know, ANILCA Title VIII specifies that the State and federal government will share the cost of the subsistence law. Although the federal government is supposed to reimburse the State for half our expenditures for this program, it has been increasingly difficult to get this money into the federal budget. My Washington, D.C., office has been working with the Appropriations Committee to make sure amounts for the reimbursement are included in the Department of Interior's appropriation. This year, that

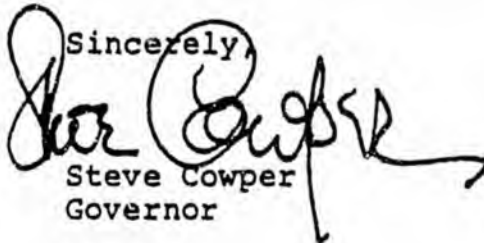
December 21, 1989

amount is for only \$750,000, despite the fact that our actual expenditure was more than \$3 million for the Division of Boards and Division of Subsistence. We will attempt next year to increase the support for this program, which is in fact a fulfillment of a federal mandate.

In this regard, I have just approved a Department request for full funding for the Division of Boards. An increment in the amount of \$350,000 will be presented to the Legislature for their consideration during the FY 91 budget deliberations. I have also approved an increment intended to make up the shortfall in federal funding. Together, we will be requesting \$475,000 in increased State funding for the division. What level of supplemental funding for FY 90, the current fiscal year, is still under consideration. Your interest in the support for the public regulatory and participation program will be of great interest to the Legislature as they consider these requests.

Again, thanks for bringing these concerns to my attention.

Sincerely,



Steve Cowper
Governor



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

January 18, 1990

RECEIVED
JAN 22 1990
BOARDS

Chairmen
Regional Fish and Game Councils
Alaska Department of Fish and Game
Division of Boards
Post Office Box 3-2000
Juneau, Alaska 99802

Gentlemen:

Secretary Lujan asked me to respond to your letter of October 27, 1989, cosigned by each of you, concerning funding problems facing the fish and game advisory system in Alaska. The Secretary and I are aware of these problems and have documented this fact in both the annual Section 806 Subsistence Monitoring Report, as required by the Alaska National Interest Lands Conservation Act (Lands Act), and the triennial Section 813 Subsistence Management and Use Report. Both reports are prepared here in the Department and submitted to the Congress for their consideration.

As you are aware, the Lands Act directs the Secretary to reimburse the State of Alaska, from funds appropriated for this purpose by Congress, up to 50 percent of the reasonable cost of operating the Regional fish and game advisory councils in meeting their subsistence responsibilities. Since the beginning of the grant program in 1982, the Department has reimbursed the State an average of about 30 percent or \$980,000 per year.

I am happy to report that \$750,000 was appropriated to the U.S. Fish and Wildlife Service in Fiscal Year 1990 for Alaska Subsistence Grants. However, pursuant to the Budget Reconciliation Act (P.L. 101-239), this funding is subject to sequestration and \$740,325 is available to the State of Alaska for subsistence grants. I recognize that the funding needs for this program may be greater than the amount currently available and I fully appreciate the importance of the regional councils and the role of the public advisory system in implementation of the subsistence law.

I am hopeful that the funding available in 1990 will go a long way toward implementation of subsistence resource management. If I can be of assistance in this matter, please let me know.

Sincerely,

Deputy Assistant Secretary for Fish
and Wildlife and Parks

WALTER B. JONES, NORTH CAROLINA, CHAIRMAN

GERRY E. STUDDS, MASSACHUSETTS
 CARROLL HUBBARD, JR., KENTUCKY
 LIAM J. HUGHES, NEW JERSEY
 HUTTO, FLORIDA
 TAUZIN, LOUISIANA
 MAS M. FOLLIETTA, PENNSYLVANIA
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 WILLIAM O. LIPINSKI, ILLINOIS
 ROBERT A. BORSKI, PENNSYLVANIA
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 ROBIN TALLON, SOUTH CAROLINA
 SOLOMON P. ORTIZ, TEXAS
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 THOMAS J. MANTON, NEW YORK
 OWEN B. PICKETT, VIRGINIA
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 GEORGE J. HOCHBRUECKNER, NEW YORK
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 STEPHEN J. SOLARZ, NEW YORK
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 CLAUDINE SCHNEIDER, RHODE ISLAND
 HERBERT H. BATEMAN, VIRGINIA
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 JOHN R. MILLER, WASHINGTON
 HELEN DELICH BENTLEY, MARYLAND
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 CURT WILDON, PENNSYLVANIA
 PATRICIA SAIKI, HAWAII
 WALLY HENGER, CALIFORNIA
 JIM BUNNING, KENTUCKY
 JAMES M. INHOFE, OKLAHOMA
 PORTER J. GOSS, FLORIDA

CHIEF COUNSEL
 EDMUND B. WELCH

CHIEF CLERK
 BARBARA L. CAVAS

MINORITY STAFF DIRECTOR
 GEORGE O. PENCE

MINORITY CHIEF COUNSEL
 DUNCAN C. SMITH III

U.S. House of Representatives
Committee on
Merchant Marine and Fisheries
 Room 1334, Longworth House Office Building
 Washington, DC 20515-6230

November 28, 1989

RECEIVED
 DEC 07 1989
 BOARDS

Regional Fish and Game Councils
 c/o ADF&G
 Division of Boards
 P.O. Box 3-2000
 Juneau, AK 99802

Gentlemen:

Thank you for your recent correspondence concerning the budgetary needs for the six Regional Fish and Game Councils as established in ANILCA for the State of Alaska.

Please be aware that the Merchant Marine and Fisheries Committee, on which I serve as Ranking Minority Member, has gone on record as supporting full funding for the six Regional Councils and has made recommendations to the Appropriations Committee on this position. I am aware that the FY '90 budget did not provide a full funding amount for the six Councils although I am hopeful that other monies may become available so that full funding needs for these Regional Councils can be met. Also, as we proceed into the Second Session of the 101st Congress, the FY '91 budget for the Department of the Interior, Fish and Wildlife Service, specifically the line item for funding ANILCA Regional Councils, will soon be before us. I am a strong supporter of full funding for these Regional Councils and would hope that with the upcoming budget submission by the Administration that full funding is obtained.

Again, thank you for your recent correspondence.

Sincerely,

Bob Davis

ROBERT W. DAVIS
 Republican Vice Chairman
 Committee on Merchant Marine
 and Fisheries

RWD:tmm

DON YOUNG

CONGRESSMAN FOR ALL ALASKA

WASHINGTON OFFICE

2331 RAYBURN BUILDING
TELEPHONE 202/225-5765

COMMITTEES:

INTERIOR AND INSULAR
AFFAIRS

MERCHANT MARINE AND
FISHERIES

POST OFFICE AND
CIVIL SERVICE



Congress of the United States

House of Representatives

Washington, D.C. 20515

January 10, 1990

DISTRICT OFFICES

701 C STREET BOX 3
ANCHORAGE ALASKA 99513
TELEPHONE 907 271-5978

BOX 10 101 12TH AVENUE
FAIRBANKS ALASKA 99701
TELEPHONE 907 456-0210

401 FEDERAL BUILDING
PO BOX 1247
JUNEAU ALASKA 99802
TELEPHONE 907 586-7400

501 FEDERAL BUILDING
KETCHIKAN ALASKA 99902
TELEPHONE 907 225-6880

RT 1 BOX 1605
KENAI ALASKA 99611

BOX 177
KODIAK ALASKA 99615

PO BOX 1860
SITKA ALASKA 99762

RECEIVED
JAN 19 1990
BOARDS

Chairmen
Regional Fish and Game Councils
c/o Alaska Department of Fish and Game
Division of Boards
P.O. Box 3-2000
Juneau, AK 99802

Dear Fellow Alaskans:

Thank you for your letter regarding additional funding for Regional Fish and Game Councils. I appreciated hearing from you.

In its final version, the Fiscal Year 1990 appropriations bill for the Department of the Interior contains funding for the Regional Councils. Although the amount appropriated was not as much as you requested, I believe it will help offset the costs that you face in conducting your operations.

If I can provide any additional assistance, please do not hesitate to let me know.

Sincerely,

DON YOUNG
Congressman for all Alaska

DY:rmm

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

DIVISION OF BOARDS

STEVE COWPER, GOVERNOR

P.O. BOX 3-2000
JUNEAU, ALASKA 99802-2000
PHONE: (907) 485-4110

November 7, 1989

TO WHOM IT MAY CONCERN:

The Joint Board of Fisheries and Game has serious concerns about the level of funding available to the Department of Fish and Game, Division of Boards. This concern is based on our State and Federal ANILCA mandate, as well as the practical aspects of doing board business. We list below the specific violations we see with the spirit and intent of ANILCA Sec. 805(D):

ANILCA Sec. 801(5) "rural residences...to have a meaningful role in the management of fish and wildlife and of subsistence uses..."

ANILCA Sec. 805(a)(C) "the encouragement of local and regional participation...in the decision making process..."

ANILCA Sec. (d) "...establishing a system of local advisory committees and regional advisory councils...shall provide that the State rule making authority...the advice and recommendations..."

In addition to those legal mandates, the practical aspect of advisory committee and regional council participation in the board process is apparent. We cannot and should not engage in the allocation process without informed and widespread public comment from affected resource users. The funding of this activity is an important public policy decision.

Please read the attached letter carefully. The Joint Board of Fisheries and Game is in full support with the spirit and detail of the Regional Councils' letter.

Thank you for your attention to this concern.

Sincerely,

for Gary Slaven
for/ Gary Slaven
Chair

Board of Fisheries

Henry Springer

Henry Springer
Chair

Board of Game



REGIONAL FISH & GAME COUNCILS

c/o ADF&G, DIVISION OF BOARDS, P.O. BOX 3-2000, JUNEAU, ALASKA 99802 PHONE: (907) 465-4110

October 27, 1989

The Honorable Morris K. Udall
Chairman
Committee on Interior and Insular Affairs
United States Congress
1324 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Udall:

The Regional Council representatives met in Anchorage at the Joint Board of Fisheries and Game meeting October 22-26, 1989. The six Regional Fish and Game Councils (see appendix I) are made up of 79 local Fish and Game Advisory Committees throughout the state. The Division of Boards which provides administrative support to the Boards of Fisheries and Game and to the regional councils/advisory committees, presented a disturbing budget which would make the public advisory system completely ineffectual. The proposed budget would allow for only one regional council meeting per region this year and the attendance of the one regional council member to represent their region at upcoming board meetings (see appendix II).

The key to our ability to function properly is funding! At this meeting, the six Regional Councils recommended an acceptable minimum standard for meetings and funding of the public advisory system established by the State statutes and ANILCA. The six regional council representatives agreed that the minimum we should meet for conducting business and still have some degree of efficiency would be twice a year for each regional council. We agreed that each local fish and game advisory committee must meet at least 3 times a year. One representative from each fish and game advisory committee should attend the Board meetings for at least five days.

3 advisory committee meetings/year	Minimum
2 regional council meetings/year	Standards
1 advisory committee representative to	(Cost:
attend 5-days at Board meetings	\$1.2 mil)

Without this minimum amount of participation, the regional council/advisory committee structure will not be able to function. Furthermore, without adequate funding it will violate ANILCA Sec. 805 (d).

The Honorable Morris K. Udall

The State of Alaska has been charged with implementing the subsistence resources management as mandated by ANILCA. The public advisory system has the responsibility to protect subsistence uses in Alaska through recommendations to the regulatory body of the Boards of Fisheries and Game. This cannot be done without appropriating full funding needed for travel and per diem for the members of the public advisory system to attend the Board meetings, attend advisory committee meetings, and regional council meetings.

If this regulatory process is improperly funded or does not receive sufficient funds, it delays the implementation of the subsistence law, and reduces the public advisory system to the Board's deliberations. The domino effect will be the Board's decisions would be made without proper public information propelling the state into the courts repeatedly. Thus, it causes the whole process to be taken out of the public domain and into the courts where there is no public input or public control. These court cases will be and are becoming more and more costly to the State of Alaska and eventually to the federal government. If the State of Alaska and the federal government give full funding now, it will allow the public advisory system to work effectively in a shorter span of time which will save a lot of money over the long term for both bureaucracies.

The advisory committee/regional council system needs a supplement of \$1.2 million now to meet our responsibilities for this year which includes the present supplemental request from the Division of Boards. When you meet this fiscal responsibility, you should also plan to appropriate full funding until the subsistence regulatory process has been established. Give us (the regional councils, advisory committees, the Board of Fisheries and Game, and the Alaska Department's Subsistence Division) the full funding now to do at least an adequate job.

The advisory committee/regional council participation has not been given the priority status it needs for funding by the State of Alaska, or by the federal government in the budgetary process. All agencies involved in appropriating fiscal notes need to re-evaluate their priorities and decide if this is a valuable process or not. If it is, fund it.

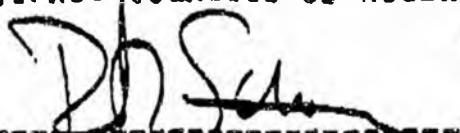
We appreciate the support that has been given to our request for full staffing to provide administrative support to the public advisory process. This, however, is only half of the solution to our problem. The other is the ability to come together for the common purpose of helping implement subsistence uses and priorities.

The Honorable Morris K. Udall

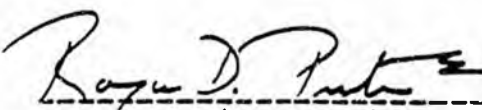
We thank you in advance for your assistance as we are sure you will understand the priority needs of this process.

Sincerely,


Regional Councils of Alaska



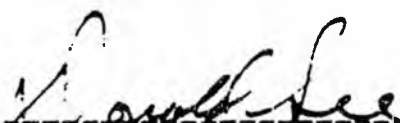
Pete Schaeffer, Chairman
Arctic Regional Council




Royce Purinton, Chairman
Interior Regional Council



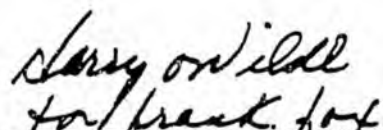
Bill Ellis, Chairman
Southcentral Regional Council



Donald See, Chairman
Southeast Regional Council



Robert Heyano, Chairman
Southwest Regional Council



Frank Fox, Chairman
Western Regional Council

APPENDIX I

FISH AND GAME REGIONAL COUNCILS



Appendix II

FY 90 BUDGET PROJECTIONS
LINE 71000 - 74000

Description	Personal 71000	Travel 72000	Services 73000	Supplies 74000	Total
Personal Services	732.8				
SUB TOTAL					732.8
Board/Subcommittee/Hearing		380.0			
AC and RC		185.7			
Administrative		93.1			
SUB TOTAL					658.8
Board Meeting Contractual			81.0		
Other Meeting Costs			36.7		
Other Contractual Costs			194.3		
SUB TOTAL					312.0
Headquarters				6.5	
F ons				4.5	
SUB TOTAL					<u>11.0</u>
TOTAL					<u>1714.6</u>
Minimum Budget Requirements	1714.6				
Authorized FY90 Budget	<u>-1330.6</u>				
Deficit	384.0				
Deficit	384.0				
Requested Supplemental	<u>-320.0</u>				
Difference	64.0				

FY90 BUDGET PROJECTIONS
LINE 71000-74000

Description	Personnel 71000	Travel 72000	Services 73000	Supplies 74000	Total
Additional supplemental (5-day attendance of AC members from each AC)		706.7			
Additional supplemental (10-day attendance of AC members from each AC)		962.9			
Additional supplemental (3 AC meetings per year)		48.0	2.8		
Additional supplemental (2 RC meetings per year)		54.0			
SUB TOTAL (5-day attendance, 3 AC, 2 RC)		808.7	2.8		811.5
1 TOTAL .0-day attendance, 3 AC, 2 RC)		1064.9	2.8		1067.7

**FY90 BUDGET PROJECTIONS
LINE 72000-TRAVEL**

Travel and per diem for 1 advisory committee member to attend all scheduled board meetings (not including joint board meetings). Column figures are travel only, travel and 5-day attendance (with 2 travel days) per diem, and travel and 10-day attendance (with 2 travel days) per diem.

Southeast Region

	<u>Travel</u>	<u>5 days</u>	<u>10 days</u>
Angoon	4.4	9.1	12.3
Craig	6.1	10.7	13.9
Edna Bay	6.3	10.3	14.2
Elfin Cove	4.6	9.2	12.5
Gastineau Channel	3.4	8.0	11.2
Hydeburg	5.9	10.4	13.7
Hyder	6.5	11.1	14.4
Icy Straits	3.9	8.5	11.8
Kake	5.7	10.3	13.6
Ketchikan	4.9	9.9	12.8
Klavock	6.0	10.6	13.8
Klukwan	4.6	9.2	12.4
Pelican	4.3	8.9	12.2
Petersburg	4.6	9.2	12.5
Port Alexander	3.4	8.0	11.2
Sitka	4.4	9.0	12.3
Vaner Straits	6.7	11.3	14.5
Wakae	3.9	8.5	11.8
Upper Lynn Canal	4.6	9.2	12.4
Wrangell	4.8	9.4	12.7
Yakutat	<u>4.7</u>	<u>9.3</u>	<u>12.6</u>
SUB TOTAL	103.7	199.7	268.8

Southcentral Region

	<u>Travel</u>	<u>5 days</u>	<u>10 days</u>
Anchorage	.5	1.7	2.6
Central Peninsula	1.3	5.9	9.2
Copper Basin	1.4	6.0	9.3
Copper River/PWS	1.7	6.3	9.5
Cooper Landing	1.0	5.5	8.8
Denali	1.6	6.2	9.5
English Bay/Port Graham	1.9	6.5	9.8
Homer	1.4	6.0	9.3
Konai/Soldotna	1.2	5.8	9.1
Matanuska	.7	5.2	8.5
Mt. Yenlo	.7	5.3	8.6
Paxson	1.4	6.0	9.3
Seldovia	1.8	6.4	9.7
Seward	1.1	5.7	9.0
Tok Cutoff/Nabesna Road	2.1	6.7	9.9
Tyonek	.9	5.5	8.7
Valdez	1.9	6.4	9.7
Wittier	<u>1.0</u>	<u>5.6</u>	<u>8.9</u>
SUBTOTAL	23.6	102.7	159.4

FY90 BUDGET PROJECTIONS
LINE 72000-TRAVEL

travel and per diem for 1 advisory committee member to attend all scheduled board meetings (not including joint board meetings). Column figures are travel only, travel and 5-day attendance (with 2 travel days) per diem, and travel and 10-day attendance (with 2 travel days) per diem.

Southwest Region

	<u>Travel</u>	<u>5 days</u>	<u>10 days</u>
Chignik	13.3	17.8	21.1
False Pass	12.5	17.0	20.3
Iliamna	9.7	14.2	17.5
King Cove	12.5	17.0	20.3
Kodiak	2.0	5.9	8.8
Lover Bristol Bay	5.4	10.0	13.3
Maknek/Kvichak	3.9	8.5	11.8
Nelson Lagoon	14.1	18.6	21.9
Nushagak	2.9	7.4	10.7
Sand Point	5.8	10.4	13.7
Togiak	5.7	10.3	13.6
Unalaska/Dutch Harbor	<u>10.9</u>	<u>15.4</u>	<u>18.7</u>
 SUB TOTAL	 98.7	 152.5	 191.7

Western Region

	<u>Travel</u>	<u>5 days</u>	<u>10 days</u>
Central Bering Sea	6.6	11.2	14.5
Central Kuskokwim	5.6	10.2	13.5
Lower Kuskokwim	3.1	7.7	11.0
Lower Yukon	<u>8.0</u>	<u>12.6</u>	<u>15.8</u>
 SUB TOTAL	 23.3	 41.7	 54.8

Arctic Region

	<u>Travel</u>	<u>5 days</u>	<u>10 days</u>
Eastern Arctic	11.5	16.1	19.4
Kotzebue Sound	3.8	8.4	11.7
Lower Kobuk	4.5	9.1	12.4
Noatak/Kivalina	4.6	9.2	12.5
Northern Norton Sound	8.5	13.1	16.3
Northern Seward Peninsula	4.6	9.2	12.5
Southern Norton Sound	7.2	11.8	15.1
St. Lawrence Island	8.5	13.1	16.3
Upper Kobuk	5.2	9.7	13.1
Western Arctic	<u>7.4</u>	<u>12.0</u>	<u>15.2</u>
 SUB TOTAL	 65.8	 111.7	 144.5

FY90 BUDGET PROJECTIONS
LINE 72000-TRAVEL

Travel and per diem for 1 advisory committee member to attend all scheduled board meetings (not including joint board meetings). Column figures are travel only, travel and 5-day attendance (with 2 travel days) per diem, and travel and 10-day attendance (with 2 travel days) per diem.

Interior Region

	<u>Travel</u>	<u>5 days</u>	<u>10 days</u>
Delta	2.3	6.3	10.1
Eagle	2.6	7.2	10.5
Fairbanks	1.9	5.8	8.7
Gash	3.2	7.7	11.1
Koyukuk River	3.3	7.9	11.1
Lake Minchumina	3.1	7.7	11.0
McGrath	1.6	6.1	9.4
Middle Nenana River	1.1	5.7	9.0
Middle Yukon	3.0	7.6	10.9
Minto/Nenana	2.6	7.2	10.4
Ruby	3.3	7.9	11.1
T-R-M	2.6	7.2	10.4
Upper Tanana/Fortymile	1.8	6.3	9.6
Yukon Flats	<u>2.6</u>	<u>7.2</u>	<u>10.4</u>
 SUB TOTAL	 35.0	 98.4	 143.7
	 <u>Travel</u>	 <u>5 days</u>	 <u>10 days</u>
<u>TOTALS</u>	<u>350.1</u>	<u>706.7</u>	<u>962.9</u>

Additional needed request (5 days per diem) 706.7
 Additional needed request (10 days per diem) 962.9

**FY90 BUDGET PROJECTIONS
LINE 72000-TRAVEL**

Travel and per diem for advisory committee members to attend three advisory committee meetings per year. No staff costs included.

Southeast Region

Angoon	0.0
Craig	0.0
Edna Bay	0.0
Elfin Cove	0.0
Gastineau Channel	0.0
Hydaburg	0.0
Hyder	0.0
Icy Straits	1.5
Kake	0.0
Ketchikan	0.0
Klavock	0.0
Klukvan	0.0
Pelican	0.0
Petersburg	0.0
Port Alexander	0.0
Sitka	0.0
Sumner Straits	0.0
Tenakee	0.0
Upper Lynn Canal	1.7
Angall	0.0
Kutat	<u>0.0</u>

SUB TOTAL

3.2

Southcentral Region

Anchorage	0.0
Central Peninsula	0.0
Copper Basin	0.0
Copper River/PWS	0.0
Cooper Landing	0.0
Denali	0.5
English Bay/Port Graham	0.3
Homer	0.0
Kenai/Soldotna	0.0
Matanuska	0.0
Mt. Yenlo	2.4
Paxson	0.0
Seldovia	0.0
Sevard	0.3
Tok Cutoff/Nabesna Road	0.0
Tyonek	0.0
Valdez	0.0
Whittier	<u>0.0</u>

UBTOTAL

3.5

FY90 BUDGET PROJECTIONS
LINE 72000-TRAVEL

Travel and per diem for advisory committee members to attend three advisory committee meetings per year. No staff costs included.

Southwest Region

Chignik	6.0
False Pass	0.0
Iliamna	2.7
King Cove	0.0
Kodiak	2.2
Naknek/Kvichak	0.6
Nelson Lagoon	2.1
Lower Bristol Bay	3.3
Nushagak	3.2
Sand Point	0.0
Togiak	0.7
Unalaska/Dutch Harbor	<u>0.0</u>

SUB TOTAL 20.8

Western Region

Central Bering Sea	14.4
Central Kuskokwim	12.0
Lower Kuskokwim	8.6
Lower Yukon	<u>16.5</u>

SUB TOTAL 51.5

Arctic Region

Eastern Arctic	14.2
Kotzebue Sound	0.0
Lower Kobuk	2.2
Noatak/Kivalina	1.5
Northern Norton Sound	6.8
Northern Seward Peninsula	2.7
Southern Norton Sound	5.7
St. Lawrence Island	0.0
Upper Kobuk	2.2
Western Arctic	3.8
Regulatory Review	<u>2.5</u>

SUB TOTAL 41.6

**FY90 BUDGET PROJECTIONS
LINE 72000-TRAVEL**

Travel and per diem for advisory committee members to attend three advisory committee meetings per year. No staff costs included.

Interior Region

Delta	0.0	
Eagle	0.0	
Fairbanks	0.0	
Gash	2.9	
Koyukuk River	5.3	
Lake Minchumina	0.0	
McGrath	3.0	
Middle Nenana River	1.2	
Middle Yukon	1.6	
Minto/Nenana	2.7	
Ruby	0.0	
T-R-M	4.6	
Upper Tanana/Fortymile	0.8	
Yukon Flats	<u>0.3</u>	
SUB TOTAL		30.6
TOTAL ALL REGIONS		<u>151.2</u>

3 AC meetings per year	151.2
2 AC meetings per year	<u>-103.2</u>
Additional needed request	48.0

FY90 BUDGET PROJECTIONS
 LINE 72000-TRAVEL

Travel and per diem for regional council members to attend two regional council meetings per year.

Southeast Region	23.3
Southcentral Region	17.4
Southwest Region	27.7
Western Region	4.7
Arctic Region	15.5
Interior Region	<u>16.8</u>
TOTAL	<u>105.4</u>

2 RC meetings per year	105.4
1 RC meeting per year	<u>- 51.4</u>
Additional needed request	54.0



SOUTHEAST REGIONAL FISH & GAME COUNCIL

c/o ADF&G, DIVISION OF BOARDS, P.O. Box 3-2000, JUNEAU, ALASKA 99802 PHONE: (907) 465-4110

TO: The File

DATE: November 8, 1989

ADVISORY COMMITTEES

Angoon
Craig
Edna Bay
Elfin Cove
Gastineau Channel
Hydaburg
Hyder
Icy Straits
Kake
Ketchikan
Klawock
Klukwan
Pelican
Petersburg
Port Alexander
Sitka
Sumner Straits
Tenakee
Upper Lynn Canal
Wrangell
Yakutat

FROM: *Janice L. Hotch*
Janice L. Hotch,
Southeast RRPA

RE: Distribution List

The Regional Councils' letter along with the Joint Board letter was mailed to the following distribution list:

1. The Secretary of Interior, Manual Lujan
2. Ron Thuma, Sub Spec, USF&WS
3. The Honorable Steve Cowper, Governor
4. Alaska Congressional Delegation
5. Southeast Alaska State Legislators
Cheri Davis
Jim Duncan
Richard Eliason
Peter Goll
Ben Grussendorf
Bill Hudson
Lloyd Jones
Robin Taylor
Fran Ulmer
6. Honorable J. Bennett Johnston, La.
Chairman
Committee on Energy and Natural Resources
United States Senate
SD-364 Dirksen Senate Office Building
Washington, D.C. 20510
7. James A. McClure, Id.
Ranking Member
Committee on Energy and Natural Resources
8. Honorable Quentin N. Burdick, N.D.
Chairman
Committee on Environment and Public Works
United States Senate
SD-458 Dirksen Senate Office Building
Washington, D.C. 20510
9. Honorable John H. Chafee, R.I.
Ranking Member
Committee on Environment and Public Works

10. Honorable Daniel K. Inouye, Hawaii
Chairman
Select Committee on Indian Affairs
United States Senate
SH-838 Hart Senate Office Building
Washington, D.C. 20510
11. Honorable Dennis DeConcini, Ariz
Majority Member
Select Committee on Indian Affairs
12. Honorable Thomas A. Daschle, S.D.
Majority Member
Select Committee on Indian Affairs
13. Honorable Kent Conrad, N.D.
Majority Member
Select Committee on Indian Affairs
14. Honorable John McCain, Arizona
Vice Chairman
Minority Member
Select Committee on Indian Affairs
SH-838 Hart Senate Office Building
Washington, D.C. 20510
15. Honorable Thad Cochran, Miss.
Minority Member
Select Committee on Indian Affairs
16. Honorable Morris K. Udall, Arizona
Chairman
Committee on Interior and Insular Affairs
United States Congress
1324 Longworth House Office Building
Washington, D.C. 20515
17. Honorable George Miller
Majority Member
Committee on Interior and Insular Affairs
United States Congress
18. Honorable Walter B. Jones, N.C.,
Chairman
Committee on Merchant Marine and Fisheries
United States Congress
1334 Longworth House Office Building
Washington, D.C. 20515
19. Honorable Robert W. Davis, Michigan
Ranking Minority Member
Committee on Merchant Marine and Fisheries

(1/90)

SEALASKA CORPORATION POSITION PAPER
on the
STATE LOCAL ADVISORY/REGIONAL COUNCIL SYSTEM AND ANILCA

Sealaska Corporation has a strong commitment to the well-being of its shareholders - a majority of who reside in rural Alaska. The subsistence lifestyle is vital to that well-being. Because there are questions about the effectiveness of state's implementation of ANILCA and the regional council system, Sealaska authorized research on the regional council system in Southeast Alaska. The key conclusions and results of that research are summarized here and represent Sealaska's position:

- o ANILCA requires that subsistence must be given the priority over all other consumptive uses of the forest. This would result in the "least adverse impact possible on rural residents who depend upon subsistence uses. Sealaska believes that this is not occurring either in the state's management of the fish and wildlife resources or the federal government's management of the land and resources.
- o ANILCA requires that the local advisory committees and regional councils provide subsistence recommendations to the state rulemaking authority and requires that they be permitted to participate in the decisions of all federal agencies having authority over public lands when agency decisions could significantly affect subsistence. This has not occurred. Presently the USFS is preparing to make major decisions regarding subsistence in the Tongass without the participation of the regional councils.
- o While the councils have not been effective, with proper guidance and budgetary support, Sealaska believes that they have the potential to ensure that the resources are properly managed in accordance with the priority subsistence provisions and consistent with their important mandate under ANILCA.
- o Section 805(d) requires the Board to adopt the advice and recommendations of the Regional Council unless Council recommendations are not supported by substantial evidence, violate recognized principles of fish and wildlife conservation or would be detrimental to the satisfaction of rural subsistence needs. At the Board's Juneau hearing in February 1989, the Board of Fisheries refused to accept SERC recommendations because they were not transmitted to the Board ten (10) days prior to the Board's meeting. In cases where the Council has met the 10 day rule the Board, with few exceptions, has ruled contrary to the advice of the Council without setting out the factual basis and reasons for its decision.
- o ANILCA establishes an extremely specific and discreet area of concern and responsibility for the local advisory committees/regional councils. The State has defined the area of concern in much broader terms which creates conflicts within the system because of confusing mandates and membership representation. Subsistence competes with other interests and uses on the same agenda *and as a result is compromised.*

- o Sealaska's analysis indicates that many of the active members of the regional council understand the importance of subsistence in the Native community, however, they continue to be stymied by lack of guidance and support from the administrative agency, both from a policy and budget perspective.
- o Section 810 of ANILCA requires federal agencies to give notice to local committees and regional councils, and to hold hearings in the affected area, prior to such decision making. This has not occurred.
 - ANILCA states that federal agencies "shall evaluate" the effect a land management or disposal decision may have upon subsistence uses and needs. This language is mandatory. When the potential effect on subsistence is significant, ANILCA requires the agency to provide a forum for the regional council, the local advisory committees, and local citizens to provide information and to air their views. The agency must listen to and consider the information provided and its findings must be supported by the facts before it. The agency must weigh alternatives and sound management principles. The amount of the affected lands must be the minimal amount necessary to meet the purposes of the disposition. Finally, the agency must find that "reasonable" steps will be taken to limit any potential adverse impacts upon subsistence uses and resources.
- o Where a federal agency finds that proposed land use action poses no significant possibility of a significant restriction upon subsistence uses and as a consequence does not give notice or hold local hearings under section 810, affected parties may challenge the finding in federal court. *It is possible that the regional councils and the advisory committees would have standing to sue in such a case;* however, we are not aware of any case where a regional council has challenged an agency action in court.
- o Section 805 authorizes each regional council to prepare and submit to the Secretary an annual report identifying subsistence needs and making recommendations for subsistence management on federal lands. Regional council involvement is superficial and sporadic. The 806 report doesn't examine why this situation exists.
- o The 806 reports directly references the lack of coordination between state and federal land/resource agencies and functions, but makes no reference to the role that the regional councils should play in facilitating and channeling information to federal agencies.
- o From the time the State began request reimbursement from the U.S. Department of the Interior, it has received less than 50 percent and considerably less than the \$5,000,000 upper limit established under ANILCA. USFWS attributes this to tight federal budgets and the relative importance of the subsistence grant in relation to other high priorities in the Interior.
- o All of the regional councils have expressed concern that the Federal grant program which helps finance the state subsistence program is inadequately funded and should be significantly increased. Sealaska agrees.
- o The councils historically have not had enough time, nor the resources nor the necessary understanding of what its mission and responsibilities are to effectively carry out its subsistence responsibilities. Administrative support for the regional council system is limited. However, since the reorganization of the Division of

Boards, additional staff has been hired. It is ADF&G's hope that they will improve council effectiveness.

- o As a result of the improved process proposed in their FY 1990 Application for Federal Assistance, ADF&G contends that the "public, through the committees, will be intimately involved". Sealaska feels that two advisory committee meetings and two regional council meetings a year is hardly conducive to intimate public involvement, nor is it adequate to carry out the responsibilities and authorities listed in ANILCA.

As a matter of information, the Alaska Department of Law Alaska Native Law Section 1989 Subsistence Update, gives an interpretation of Title VIII which is supportive of Sealaska's official position. In that document they state:

"Title VIII is important for four major reasons. First is that it establishes an absolute priority for subsistence users over all other competing consumptive purposes. Second is that it guarantees subsistence users access to fish and game on federal land which would otherwise be closed to hunting and fishing. Third is that it requires federal land managers to incorporate subsistence uses in their land use decision process. Fourth is that it establishes an administrative structure which would potentially serve to increase the representation of Alaska Native interests in fish and game management."