

SB

68

SFIN

FILE

SB 68

was referred to the
Senate Finance
Committee

Hearing(s) were held

The bill did not move
from Committee



Official Business

Alaska State Legislature

Senate

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CS Senate Bill 68 (RES)

"An act relating to cooperation with federal programs relating to management of fish and game."

Alaska became a state in 1959. In accordance with the Statehood Act, Secretary Fred Seaton transferred the fish and wildlife management responsibilities to the new state in 1960. Since then, Alaskans have witnessed the continued erosion of their fish and wildlife management authorities.

Passage of federal legislation such as the Marine Mammal Protection Act, the Endangered Species Act, the Magnuson Fishery Conservation and Management Act, and the Alaska National Interest Lands Conservation Act have all contributed directly or indirectly to this loss of jurisdiction. Equally important are the administrative actions and legislative interpretations developed by the various federal agencies -- sometimes in stark contrast to Congressional action, the Statehood Act and existing federal law.

In a recent transmittal to the Superintendent of Glacier Bay National Park and Preserve, Governor Knowles clearly stated the growing conflict with the federal agencies:

"As a preliminary matter, the proposed rule contains several statements with which the State disagrees. Among the most significant of these is NPS' characterization of the marine waters within Glacier Bay National Park as federally owned and regulated."

"Under the constitutional doctrine of equal footing, confirmed by the Submerged Lands Act, the Alaska Statehood Act, and the Alaska Constitution, the State owns and therefore manages all water columns, shorelands, tidelands, and submerged lands, including the resources located within or on such lands and waters."

The Governor was commenting on the proposed NPS rule to phase out commercial fishing in Glacier Bay proper and to develop a "cooperative" management and planning system for the remainder of the marine waters. The 1998 Congressional

amendments to Glacier Bay National Park and Preserve did require NPS to cooperate in the development of a management plan; it is obvious from the Environmental Assessment that the agency will attempt to exercise its prerogative of overriding state management when the agency unilaterally decides it is necessary to protect Park "resources and values."

Alaska's fisheries management, which has included Glacier Bay National Park, has been far more successful than the Federal management it succeeded. Although most resources are transient to the Park, it is clear that Alaska will now be required to establish a much expanded and expensive research and management program just to satisfy the demands of the National Park Service. This has now taken the form of an unnecessary and unfunded mandate.

There are a growing number of unfunded mandates associated with the creeping preemption actions of the federal agencies. On June 6 and 7, 1996, the U.S. Fish and Wildlife Service released briefing material related to "Implications of Federal Management of Subsistence Fisheries in Alaska." In this document it states:

"Two scenarios could occur for Federal subsistence management. One scenario assumes that the State of Alaska will cooperate with Federal managers, allowing federal management activities to supplement State management in a partnership effort."

"The second scenario assumes that the State will not cooperate, requiring a complete duplication of the State system with Federal staff to perform all management activities in river systems with Federal reserved waters. This would be more expensive, approaching \$18 million in the first year, leading up to \$31 million annually thereafter."

"In either scenario, Federal managers would require access to all the information concerning fish stocks of a particular river system to develop management objectives and guidelines and perform in-season management activities."

"Such capability would include the discretion to override State in-season decision-making where Federal objectives are in conflict"

"Such cooperation would require direct involvement with ADF&G with in-season information gathering as well and a willingness of State managers to defer to Federal oversight."

It is obvious that proposed federal fisheries management will follow the same pattern as with the last 10 years of federal subsistence wildlife management on federal public lands. The Federal agencies will attempt to utilize state expertise and resources to

facilitate federal preemption. According to the briefing materials, federal management will cost anywhere from \$18 million to \$31 million, depending on the level of state cooperation in this preemption exercise.

Congress and the Federal courts have made it clear that states should not be faced with unfunded Federal mandates. During this period of severe state budget deficits, it is important the Federal government pay its fair share -- especially when it is the intent of the federal agency to preempt traditional state management of resources.

This bill does not prohibit cooperation with the Federal agencies. It just requires that when Federal actions restrict state management of fish and game resources, the state will be fully reimbursed for any action taken in that cooperative effort.



Official Business

ALASKA STATE LEGISLATURE

SENATE RESOURCES COMMITTEE

State Capitol
Juneau, AK 99801

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Vice Chair: Senator Robin Taylor
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Major Points: CS Senate Bill 68 (RES)

ANILCA Created an Unfunded Federal Mandate

- To date, the federal preemption under ANILCA of state fish and game management has been mostly applied to wildlife.
- State management costs have increased significantly in an attempt to comply with federal law.
- ANILCA provided for reimbursement of up to \$5 million for 50% of the state's effort to implement subsistence provisions in law.
- The federal government has never provided over \$1 million, despite the fact that the state has consistently submitted \$2.0 to \$3.5 million in reimbursable expenses.
- The reimbursable expenses submitted to the federal agencies should have been much higher, as expenses associated with data gathering required by the Advisory Committees and Regional Boards, although they qualified for federal reimbursement, were never submitted.
- The federal agencies used the state technical staff as management instructors until they reached a point of self-sufficiency and technical independence. This is clearly illustrated by the areas where state wildlife management decisions have been preempted by the federal process.
- The federal agencies are now proposing to duplicate the same process for fisheries.
- To illustrate how much the state is spending to facilitate federal management, the Implications of Federal Management booklet indicates that it would cost \$9 million to implement with state cooperation and \$31 million to implement without state cooperation. In other words, the state is subsidizing the federal program to the tune of almost \$22 million per year.

ART LPA
PUBLIC LAW 96-487—DEC. 2, 1980

IMPLEMENTATION

In subsection (d) of this section, the term "establishment" means—

resource regions which, the number and boundaries of which shall be determined to assure that regional subsistence needs are adequately accommodated; (3)(D)(iv) of this subsection.

each subsistence resource

proposed of residents of the

proposals for regulations, matters relating to subsistence within the region;

expression of opinions and in any matter related to subsistence within the region; regional participation in the decisionmaking process regarding the taking of fish and wildlife on the public lands;

to the Secretary which

anticipated subsistence needs within the region; anticipated subsistence needs within the region; the management of fish and wildlife within the region to accommodate

management policies, standards, and procedures to implement the strategy. The committees or such local advisory councils may establish pursuant to this subsection may provide advice to the Secretary in carrying out the

qualified staff to the distribution of all available data to the regional advisory committees or the Secretary may establish

monitoring responsibility of his closure and other matters, shall consider the recommendations of the advisory councils concerning public lands within their jurisdiction. The Secretary may choose not to implement a recommendation if the Secretary determines that such action is not supported

by substantial evidence, violates recognized principles of fish and wildlife conservation, or would be detrimental to the satisfaction of subsistence needs. If a recommendation is not adopted by the Secretary, he shall set forth the factual basis and the reasons for his decision.

(d) The Secretary shall not implement subsections (a), (b), and (c) of this section if within one year from the date of enactment of this Act, the State enacts and implements laws of general applicability which are consistent with, and which provide for the definition, preference, and participation specified in, sections 803, 804, and 805, such laws, unless and until repealed, shall supersede such sections insofar as such sections govern State responsibility pursuant to this title for the taking of fish and wildlife on the public lands for subsistence uses. Laws establishing a system of local advisory committees and regional advisory councils consistent with section 805 shall provide that the State rulemaking authority shall consider the advice and recommendations of the regional councils concerning the taking of fish and wildlife populations on public lands within their respective regions for subsistence uses. The regional councils may present recommendations and the evidence upon which such recommendations are based, to the State rulemaking authority during the course of the administrative proceedings of such authority. The State rulemaking authority may choose not to follow any recommendation which it determines is not supported by substantial evidence presented during the course of its administrative proceedings, violates recognized principles of fish and wildlife conservation or would be detrimental to the satisfaction of rural subsistence needs. If a recommendation is not adopted by the State rulemaking authority, such authority shall set forth the factual basis and the reasons for its decision.

(e)(1) The Secretary shall reimburse the State, from funds appropriated to the Department of the Interior for such purposes, for reasonable costs relating to the establishment and operation of the regional advisory councils established by the State in accordance with subsection (d) and the operation of the State fish and game advisory committees so long as such committees are not superseded by the Secretary pursuant to paragraph (2) of subsection (a). Such reimbursement may not exceed 50 per centum of such costs in any fiscal year. Such costs shall be verified in a statement which the Secretary determines to be adequate and accurate. Sums paid under this subsection shall be in addition to any grants, payments, or other sums to which the State is entitled from appropriations to the Department of the Interior.

(2) Total payments to the State under this subsection shall not exceed the sum of \$5,000,000 in any one fiscal year. The Secretary shall advise the Congress at least once in every five years as to whether or not the maximum payments specified in this subsection are adequate to ensure the effectiveness of the program established by the State to provide the preference for subsistence uses of fish and wildlife set forth in section 804.

FEDERAL MONITORING

SEC. 806. The Secretary shall monitor the provisions by the State of the subsistence preference set forth in section 804 and shall advise the State and the Committee on Interior and Insular Affairs and on Merchant Marine and Fisheries of the House of Representatives and the Committees on Energy and Natural Resources and Environment and Public Works of the Senate annually and at such other times as

Implementation.

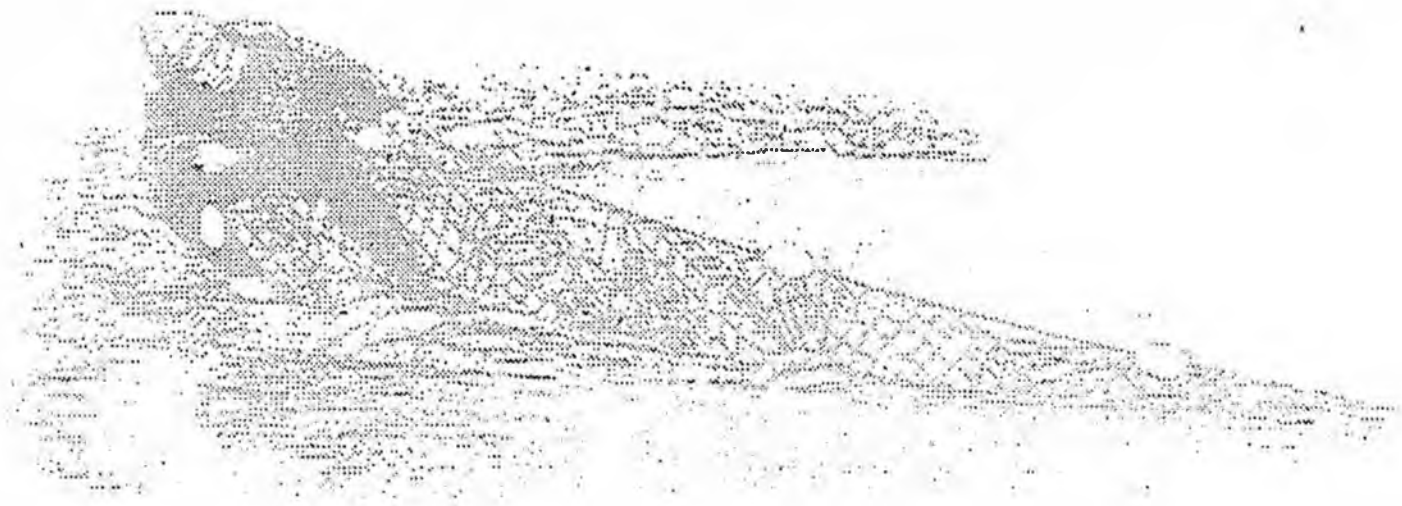
Reimbursement to States.

Report to Congress.

Report to congressional committees. 16 USC 3116.

Excerpts FROM
Briefing Material

Implications of Federal Management
of
Subsistence Fisheries in Alaska



June 6 and 7, 1996
Washington, D.C.

U.S. Fish and Wildlife Service
Department of the Interior

EXECUTIVE SUMMARY

IMPLICATIONS OF FEDERAL MANAGEMENT OF SUBSISTENCE FISHERIES IN ALASKA

This report is based on *A Preliminary Report to the Secretaries of the Interior and Agriculture - Federal Management of Subsistence Fishing in Navigable Waters of Alaska* (August 1994). It was triggered by the United States District Court decision in *Katie John v. Alaska* (April 1994). On appeal (*Alaska v. Babbitt*, March 1995) the Ninth Circuit Court of Appeals found that the United States has jurisdiction in navigable waters for which the U.S. has reserved waters for purposes of implementing Title VIII of the Alaska National Interest Lands Conservation Act.

This report will:

- provide an update on the Advance Notice of Proposed Rulemaking setting forth draft regulations that would implement the court's decision;
- inform key policy officials of the scope of management that would be required to implement the draft regulations; and
- substantiate the need for significant supplemental funding and staff for Fiscal Year 1997 and beyond.

In July, 1990, the Federal government assumed management of subsistence on Federal public lands in Alaska under Title VIII of ANILCA, when the State of Alaska could no longer comply. Federal regulations defined public lands as Federal lands not selected for conveyance by the State or Native Corporations. To date, application of this definition has primarily resulted in Federal regulation, for subsistence purposes, of terrestrial wildlife on Federal public lands. Jurisdiction in inland waters was restricted only to non-navigable waters except for certain navigable waters flowing through pre-statehood withdrawals and certain marine waters. As such, Federal management of fisheries has remained limited.

The Ninth Circuit Court's decision in *Alaska v. Babbitt* and the Supreme Court's refusal to hear the State's appeal, significantly expands Federal subsistence management of fisheries in Alaska. This requires Department of Interior agencies and the U.S.D.A. Forest Service to manage subsistence harvests of fish in all inland waters within the exterior boundaries of conservation system units and inland

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Salmon management will
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waters bordered by national forest lands. An Advanced Notice of Proposed Rulemaking considers this and other provisions that would further expand jurisdiction to certain selected but not conveyed lands, and off Federal public lands to insure the subsistence priority on Federal public lands. The District Court has urged promulgation of a final rule by January 31, 1997. The capabilities (funding and staffing) of participating Federal agencies to accommodate this expansion of jurisdiction does not exist.

The scope of fisheries management in Alaska is immense. For example, in 1995 the ex-vessel value of all commercial fisheries was \$1.26 billion, which includes 218 million salmon worth \$461 million. As a subsistence resource, salmon are used by over 200 rural villages. The Alaska Department of Fish and Game employs 286 permanent and 546 part-time employees to manage commercial and subsistence harvests. The budget for this management in 1995 was \$39 million with capital equipment exceeding \$1 billion. The primary management focus for subsistence is the five species of Pacific salmon. Salmon management involves two decision levels: pre-season planning which estimates run strengths or run outlooks, harvest allocations, escapement objectives, and other guidelines; and in-season decisions, which include setting fishing times and managing escapements. In large systems like the Yukon River, management is complex, given that there are over a hundred stocks and a large number of commercial and subsistence users. Such management must benefit from an understanding of the whole drainage system before responsible decisions can be made for any single fishery. A fragmented approach in these large systems would not represent sound conservation. Other important components of salmon management include stock abundance assessments and harvest assessments. Salmon management will be the primary focus of a new Federal subsistence fishery management program. The delegated authority to extend jurisdiction beyond Federal reserved waters will allow Federal managers to manage holistically.

Two scenarios could occur for Federal subsistence management. One scenario assumes the State of Alaska will cooperate with Federal managers, allowing Federal management activities to supplement State management in a partnership effort. It would require coordinated pre-season planning and in-season decision making. Some level of duplication with State staffing at both levels would be required. Liabilities of this scenario include high costs, up to those presented in the August 1994 report, but lower than with no cooperation; and no practical means of enforcing Federal decisions. It is unknown whether the State will or can cooperate, and if so, the level of cooperation that can be expected. The second scenario assumes that the State will not cooperate, requiring a complete duplication of the State system with Federal staff to perform all management activities in river systems with Federal reserved waters. This would be more expensive, approaching \$18 million in the first year, leading up to \$31 million annually thereafter.

In large systems like the Yukon River, management is complex. A fragmented approach in these large systems would not represent sound conservation.

The funding level for both scenarios is predicated on the need to develop management systems, either fully or partially duplicating State systems, that cover whole river drainages, some of which cover vast areas that are not easily accessible, and contain a complex array of fisheries, stocks, and users. The need for timely, high quality data is critical in order to assure delivery of fish to subsistence users, and to not unnecessarily restrict high value commercial users, or even the mixed cash/subsistence based economies in the numerous rural communities.

The geographic scope of Federal fisheries management in Alaska would be immense, greater than found in any state and in most nations. For example, the portion of the Yukon River system in Alaska drains 205,000 square miles, equal to the land mass of the Pacific Northwest.

Other potential impacts to the Federal Subsistence Program include expansion of the Regional Advisory Council system, and expansion of jurisdiction on terrestrial lands and wildlife.

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includes forecasting run strengths, establishing allocations and escapement objectives, and subsistence management guidelines. Salmon systems range from short coastal drainages with single stock fisheries, to very lengthy river systems like the Yukon River that contain over a hundred stocks of the five Pacific salmon species with complex timing and mixing patterns and a large number of commercial and subsistence users. The active management of these more complex systems becomes more of an art than a science with management strategies evolving over a period of many years.

Because salmon are such an important subsistence resource and Federal lands border a significant portion of inland waters where salmon fisheries occur, salmon management will be the primary focus of a Federal subsistence fishery management program. ADF&G management of salmon has sustained a harvest exceeding 190 million salmon since 1991. Management varies in different regions of the state depending upon the value of fisheries. For lucrative species such as Bristol Bay sockeye salmon, optimum escapement goals are quantified for all river systems, a long-time series (>30 years) of accurate escapement estimates are available for each river, smolt out-migration is measured and quantified, environmental characteristics and density dependent factors are incorporated into forecasts and management, harvests are updated within 24 hours, and in-river monitoring provides accurate and instantaneous estimates of salmon abundance. For less valuable fisheries, escapement goals are not quantified, pre-season projections are not available, but rather, local biologists use average historical harvests and local knowledge of recent events to develop run outlooks; in-season monitoring is based upon crude aerial surveys; and harvests are not known in a timely manner. Under both scenarios, years of experience by administrators, fishery managers, and fishery biologists are required to successfully manage salmon stocks. Any Federal program will require five or more years to develop satisfactory management of salmon.

Yukon River Salmon Fishery and Management

Any Federal subsistence fisheries program will include the Yukon River as a major component of salmon management. Herein we use the Yukon River as an example for examining the potential complexities of Federal management of subsistence fisheries because it portrays all management elements in a major way with the exception of high-intensity sport fishing.

Any Federal subsistence fisheries program will include the Yukon River as a major component of salmon management. Both subsistence and commercial fishing are inextricably intertwined in the subsistence lifestyle of Yukon River communities, as well as elsewhere in Alaska.

The Yukon River is the largest river in Alaska, draining approximately 35% of the state (205,000 square miles). The Alaska portion of the drainage equals the same land mass as the Pacific Northwest. The Yukon River is the largest provider of native chinook and chum salmon in North America. The fishery resources are extremely important to the indigenous peoples of the Yukon. Over sixty Alaskan villages, most of them economically

Federal Management Strategy

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Unfortunately, the nature of Federal jurisdiction, which is intermittent in much of the inland waters of the state, serves to fragment Federal management.

As with State management of anadromous fisheries, Federal management would be futile if it does not take the approach of managing whole river systems. This is a fundamental principle that must be embraced in designing any Federal management strategy. Holistic management includes obtaining information on all fish stocks within a system to the extent practicable, and,

consistent with a predetermined management

plan, retaining discretion for some level of in-season management intervention in all the fisheries (commercial, subsistence, and sport) throughout the migratory range of those stocks. This means managing those stocks as they pass through the marine environment and into and throughout the entire river system. The present system won't work, with the Federal Subsistence Board as the sole decision making authority in Alaska.

Unfortunately, the nature of Federal jurisdiction, which is intermittent in much of the inland waters of the state, serves to fragment Federal management. Therefore, the provision included in the Advance Notice, delegating authority to manage fishing outside federal reserved waters, is necessary to accommodate a holistic management approach. This authority may only be used to remedy situations where there may be a failure to provide the subsistence priority on the public lands. While this provision does not provide authority to regulate in a completely holistic fashion, it does allow Federal managers to consider management actions on commercial or sport fisheries, both on and off public lands, that may impact subsistence fisheries within Federal domain. In that sense, Federal management must be considered as managing whole systems even though only portions are within Federal jurisdiction.

Components of a Federal subsistence fisheries management program would include elements similar to those occurring within existing State management. Implementation of Federal management under the regulatory provisions contained within the Advanced Notice could occur under two scenarios. One scenario assumes that the State of Alaska would cooperate fully with the new Federal management regime thereby minimizing the amount of Federal involvement. A second scenario assumes

The Federal Subsistence Board, as currently structured, could approve pre-season fishery plans. It will take a cadre of experienced fishery managers and biologists to successfully implement in-season decisions.

that the State would not cooperate (for political or legal reasons), requiring Federal managers to assume all management functions, fully replicating all ADF&G management activities at least in those river systems where significant Federal reserved waters exist. In either scenario Federal managers would require access to all the information concerning fish stocks of a particular river system to develop management objectives and guidelines and perform in-season management activities. The major difference between the two scenarios would be the levels of involvement by either Federal managers or ADF&G in performing these functions.

Federal/State Partnership: In this scenario, Federal responsibilities would be achieved through supplementing rather than duplicating similar State-funded efforts. For example, Federal activities and in-stock assessment would augment those currently being performed by the State. In some systems, Federal projects (FWS, NPS and BLM) are already accomplishing this. These activities may include establishing test fishing sites, weirs and counting towers, sonar sites, or monitoring escapements with flight surveys. Even though ADF&G has an established network of field monitoring and sampling stations, there remain numerous opportunities to augment or supplement efforts to provide greater depth to both pre-season and in-season management decisions. ADF&G fisheries management in many parts of the State is significantly under-funded and understaffed. Augmenting the existing monitoring network would serve to provide much needed information about stocks targeted by subsistence users and could go a long way toward resolving

One could assume some level of cooperation given that State and Federal programs operate from a common goal of providing a priority for subsistence uses. The difference lies in the State's inability to establish this priority on the basis of rural or non-rural residence.

user conflicts. As an example, the U.S. Fish and Wildlife Service currently operates four monitoring sites, a fisheries genetics laboratory, tagging programs, and an outreach program to augment management activities within the Yukon River in support of the Yukon River Salmon Interim Agreement between the U.S. and Canada. Funding for this operation is \$1.4 million. Up to 10 additional monitoring network sites and expanded genetics, tagging, and

outreach programs are required if serious consideration is given to meeting the Title VIII mandate of providing a subsistence priority. These field operations are expensive given the high logistical costs of operating in remote locations, often distant from roads and home bases.

A second component of this scenario would be establishing pre-season management objectives and guidelines for the stocks within each river system to insure that the priority for subsistence uses in that system is achieved. This planning process would rely on the stock and harvest assessment work described above, and could be integrated on several levels with the State's planning process. The level of cooperation would be contingent on many factors and remains to be explored thoroughly with State officials. However, one could assume some level of cooperation, even though unknown at this time, given that State and Federal programs operate

from a common goal of providing a priority for subsistence uses. The difference lies in the State's inability to establish this priority on the basis of residence (rural or non-rural). Because many fisheries in or near Federal reserved waters are conducted by rural residents, user conflicts may be readily resolved with the same management objectives. However, conflicts may occur, for example, where there are differences in defining appropriate escapement levels within parts of the river system to provide adequate opportunities for subsistence uses. A core staff of fishery managers, counterpart to State regional fisheries managers, would be needed within the FWS's Office of Subsistence Management to perform this planning function. Moreover, this core staff would be supported by field fishery staffs (management biologists and technicians) located in regional or field locations of all the participating Federal agencies that would analyze data for ... input to this planning process. It is likely that the Federal Subsistence Board would approve these management plans for implementation by either Federal or State field managers.

Where conflicts could not be resolved, a third component of the this scenario would be establishing a Federal capability to oversee in-season monitoring conducted by State managers to insure that Federal subsistence management objectives are met. Such capability would include the discretion to override State in-season decision-making where Federal objectives are in conflict. This would involve some duplication of State staffing (the core and regional staffs mentioned above) and an extremely high level of State cooperation. In-season decisions that open and close fisheries and manage escapements at various points in the river system often occur within days or hours of receipt of the necessary data and information. Such cooperation would require direct involvement with ADF&G with in-season information gathering as well and a willingness of State managers to defer to Federal oversight.

Funding for such a program will be high. While detailed analysis of this scenario remains to be completed, it is anticipated that earlier budget estimates (\$18 million expanding up to \$31 million over three years) outlined in the report to the Secretaries, *Federal Management of Subsistence Fishing In Navigable Waters of Alaska*, in August, 1994, would hold up. This high estimate is predicated on the need to manage whole systems across vast, remote, not easily

This high estimate is predicated on the need to manage whole systems across vast, remote, not easily accessible landscapes, and to significantly expand current information-gathering activities to assure fulfillment of the ANILCA Title VIII mandate.

accessible landscapes, and to significantly expand current information gathering activities to assure fulfillment of the ANILCA Title VIII mandate. If the State assures a high level of cooperation, it is possible that these estimates could be lower. The State may only grant such cooperation if Federal agencies reciprocate by expanding the existing stock and harvest assessment efforts to better manage the more complex fisheries. In view of reduced State funding levels, the State might likely expect the Federal government to assume an increased portion of the cost.

One could suspect that the liabilities of this scenario are numerous. While it represents the minimum level of Federal involvement, it remains an expensive proposition. It is doubtful that the State will agree to cooperate to the extent necessary to insure a successful program. Furthermore, enforcement of Federal management decisions over State objections remains problematic. Resorting to the courts to enforce openings or closures is not practical considering the short lead times for decisions during in-season management. Leaving users in all categories to assume that Federal management will override State decisions may lead to chaos.

Even with these liabilities, this scenario, or a variation of it, may be the best approach to take. While it does assume some authority from the State, it can work in conjunction with any political strategy that moves the State toward regaining full management authority for fish and wildlife management statewide. This approach allows recognition of the skill and experience of the State management regime, and also allows State decision making to proceed if it aligns with Federal management goals and objectives.

Without State Partnership: In this scenario the underlying assumption is little or no cooperation by the State. Therefore, the Federal Subsistence Management Program would assume all of the management functions currently performed by the State in river systems where subsistence fisheries occur in Federal reserved waters. This would represent a duplication of all staffing and funding within those systems. It would take many years to build the management system, and acquire the skills and experience to develop and establish full management on many of the river systems, especially the complex systems such as the Yukon River. Moreover, it would be extremely expensive to duplicate a portion of the State's management regime and would not be likely to result in significant changes to subsistence harvests without significant economic impacts to the commercial sector. Budget estimates of this scenario are clearly on the high end of those outlined in the August, 1994, report to the Secretaries.

A significant issue that will create problems under either scenario is customary trade. Pursuant to Title VIII, customary trade for cash is a component of the subsistence lifestyle. In the context of fisheries, it has the potential to significantly exacerbate conflicts between subsistence and commercial users and between subsistence users from different communities who target the same salmon stocks, depending on the amount of cash received by individual subsistence users in exchange for their fish. Enabling subsistence users to sell salmon outside the restrictions of the limited entry permit system will increase demand for subsistence fish from rural residents. There will be two immediate effects of increased allocations for subsistence users: 1.) the amount of fish allocated to commercial users will be reduced; and 2.) there will be a redistribution of fishing income from rural commercial to subsistence fishers. Rural commercial fishers will likely see a significant reduction in their commercial catches. Although, rural commercial fishers may recoup some of the shortfall through customary trade, they may not be able to make up all the lost revenue. In addition, allocations of limited salmon stocks among subsistence users who have sequential in-river access are likely to become more contentious and increase conflicts between up and down river residents. Interestingly, subsistence users that fish within Federal reserved waters will have a decided advantage in the regulatory arena over subsistence users that fish in the same river but outside Federal reserved waters.

Geographic Scope of Federal Management

The potential geographic scope of Federal management under the proposed rulemaking is immense. It is greater than found in any other state and most countries. While there are significant gaps statewide, given the necessity to manage whole systems, most of the major river systems in the state would have to be covered with at least some oversight capability. For systems such as the Yukon River, and other rivers where intense user conflicts currently exist, a significant Federal presence is required. It should also be recognized that subsistence fishing has been suppressed by State management in some locations. Federal managers may be asked to reopen those fisheries. The following is a synopsis of potential Federal management coverage.

The potential geographic scope of Federal management under the proposed rulemaking is immense: It is greater than found in any other state and most countries.

Yukon River: Management of Yukon River salmon stocks will be a high priority for Federal management. The geographic scope of direct management activities will include large portions of the Yukon River and major tributaries occurring within or adjacent to six national wildlife refuges (Yukon Delta, Innoko, Koyukuk, Kanuti, Nowita, Yukon

Flats, and one national preserve (Yukon Charley). This includes approximately 700 miles of the 1200 mile total Yukon River length within Alaska, and significant portions of the Koyukuk, Andraefsky, Anvik, Innoko, and Porcupine rivers (major tributaries of the Yukon). Management could extend to any part of the Yukon River if Federal managers extend jurisdiction off Federal reserved waters. This could include marine areas where commercial fisheries intercept salmon stocks inbound to the Yukon River system. A classic conflict with Yukon River stocks is the False Pass or Area M commercial fishery that occurs offshore near the end of the Alaska Peninsula primarily in the North Pacific Ocean. This fishery targets sockeye salmon headed for Bristol Bay, but incidentally harvests large numbers of chum salmon long suspected of being Western Alaska stocks with origins in the Yukon and other drainages. The Yukon River system contains a highly complex mix of stocks used by both subsistence and commercial users. Commercial harvests in the U.S. portion of the Yukon River have averaged 1.3 million salmon and subsistence harvests have averaged 400,000 salmon.

Kuskokwim River: Management of Kuskokwim River system salmon will also be a high priority. The geographic scope of direct management will include approximately 145 miles of the lower Kuskokwim River (of the 500 mile total Kuskokwim River length) occurring entirely within the exterior boundaries of the Yukon Delta National Wildlife Refuge. Similar to the Yukon River, management could be extended into marine commercial fisheries if required to protect subsistence fishing in the Kuskokwim. This includes the False Pass fishery. Approximately 1.1 million salmon are harvested annually from the Kuskokwim River by all user categories.

Copper River: Management of the Copper River system salmon will be a high priority. Approximately 250 miles of river run along the exterior boundary of Wrangell St. Elias National Park and Preserve and through the Chugach National Forest. Federal management will be directed at subsistence fishing occurring all along the main stem and could be extended to regulate a significant commercial fishery at the mouth of the Copper River in the North Pacific. Approximately 1 million salmon are harvested by all user categories from the Copper River.

Southeast Alaska and Prince William Sound: Most salmon fisheries, including subsistence and commercial, within these areas occur within marine waters outside the jurisdiction of the Tongass and Chugach National Forests established pursuant to the Advance Notice. Subsistence fisheries do however occur within several inland waterways within the forests. These fisheries use stocks that are intercepted by commercial fisheries occurring in marine waters. Some in-river subsistence fisheries (currently closed under State management) may be proposed for reestablishment under Federal management. These openings may result in conflicts with commercial uses. Importantly, most inland waters are short coastal rivers, some of which harbor popular sport fisheries for anadromous species such as salmon, steelhead and cutthroat trout. Conflicts may arise in these systems as subsistence uses are asserted in these fisheries. An example is the Situk River which supports a run of steelhead used largely by recreationalists. Mixed jurisdiction in this system may lead to extension of Federal jurisdiction off the national forest to provide for subsistence uses by local residents fishing within the forest. Several longer rivers, the Taku, Stikine, Chickamin, and Unik, extend from Alaska upstream into Canada, creating the scenario for international considerations.] X

Bristol Bay Region: Bristol Bay harbors world class commercial sockeye salmon fisheries occurring in marine waters along the coastal rivers on the north side of the Alaska Peninsula into inner Bristol Bay. Of the five major sockeye production systems, the Togiak River drainage, occurring in its entirety within the Togiak National Wildlife Refuge, is the only one with substantial Federal reserved waters. The Togiak River will be the primary focus of Federal subsistence management within Bristol Bay. Potential conflicts exist for significant commercial fisheries intercepting sockeye and other Pacific salmon species used by subsistence users in this system. Additionally, there are several smaller coastal rivers, including the Kanektok, Arolik, and Goodnews rivers, within the Togiak National Wildlife Refuge. Conflicts between subsistence and sport uses have increased as the popularity of these systems, well known for their trophy rainbow trout fishing, has grown among sport fishing enthusiasts. Some subsistence uses of salmon also occur in Lake Clark National Park and Preserve in the upper reaches of the Kvichak River drainage, one of the five key sockeye salmon producers in Bristol Bay, as well as upriver on some of the coastal rivers and lakes in Becharof and Alaska Peninsula national wildlife refuges.

Cook Inlet Region: ~~This region contains major rivers such as the Susitna and the Kenai.~~ Federal reserved waters are more limited in this region. Management within the Susitna basin may not be necessary. However, Federal management activities on the Kenai River may be needed if subsistence users assert rights to traditional harvest sites on the upper portion of the river located within the Kenai National Wildlife Refuge and the Chugach National Forest. The Kenai River is] X

Impacts on Upland Management

Other than extension of jurisdiction into certain navigable waters, the two additional provisions in the Advance Notice will substantially expand Federal oversight in terrestrial wildlife management. These provisions are the extension of jurisdiction onto selected but not conveyed lands within conservation system units and national forests, and extension of jurisdiction off the public lands to insure that there will not be a failure of the subsistence priority on the public lands.

The extension of jurisdiction off public lands is more ominous in its impact. While the Advance Notice states that such authority will be used sparingly, once delegated it will be tested on a frequent basis.

The expansion of jurisdiction onto ~~certain lands selected but not yet~~ conveyed to Native Corporations and the State of Alaska, will add several million acres to the existing program.

The extension of jurisdiction off public lands is more ominous in its impact. While the Advance Notice states that such authority will be used sparingly, once delegated it will be tested on a frequent basis. It has already been a

key issue in several proposals that have come before the Federal Subsistence Board. As competition for wildlife resources grows, and when certain populations decline either from overharvest or as a result of natural cycling, it will be a provision that will be exercised with greater frequency. Closely tied to the use of this provision is the concern among subsistence users of encroaching competition for resources from non-rural or sport hunters. This provision will be used by those who believe that the presence of other users in or near their traditional hunting areas prevents them from using that area.

We anticipate a greater number of regulatory actions dealing with these two provisions. It remains to be seen how this will increase the administrative burden on the program, but some increase is expected.

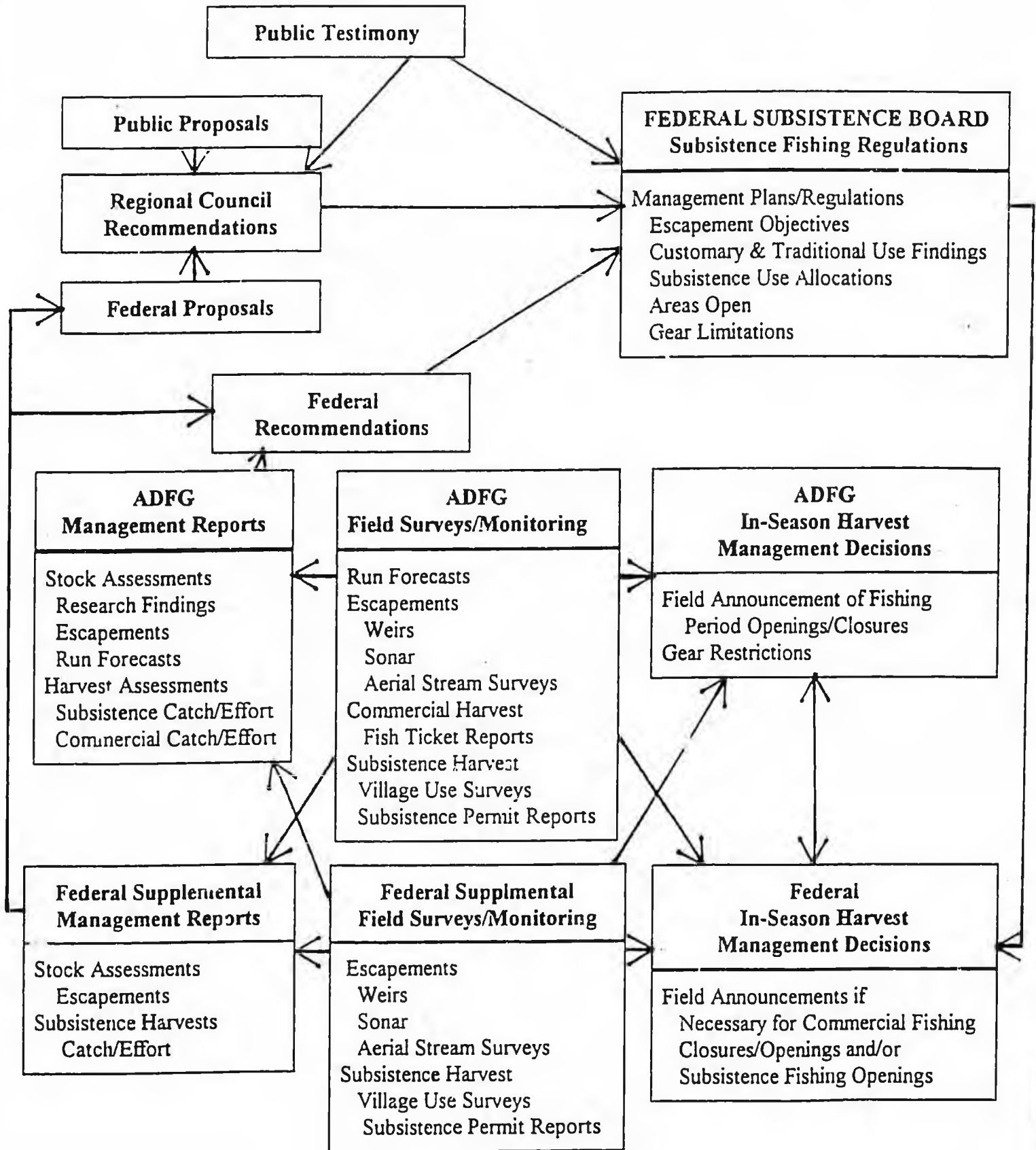
Conclusion

The implication of implementing the regulations contemplated in the Advance Notice of Proposed Rulemaking is a significant expansion of the current Federal Subsistence Management Program. It will obviously move the Federal program into fisheries management in a substantial way. Costs and staffing for implementing a Federal fisheries management program will represent a large addition to the current program. Depending on the level of cooperation by the State of Alaska, it will approach the level of funding suggested in the August, 1994, report to the Secretaries of Interior and Agriculture, *A Preliminary Report to the Secretaries of the Interior and Agriculture - Federal Management of Subsistence Fishing in Navigable Waters of Alaska*. This could approach \$18 million in the first year, leading up to \$31 million annually thereafter. Cooperation with the State could reduce this amount substantially. However, such cooperation has not been discussed, and it is unknown whether the State will or can cooperate, and if so, the level of cooperation that can be expected. This funding level is predicated on the need to develop management systems, either fully or partially duplicating State systems, that cover whole river drainages, some of which cover vast areas that are not easily accessible, and contain a complex array of fisheries, stocks, and users. The need for timely, high quality data is critical in order to assure delivery of fish to subsistence users, and to not unnecessarily restrict high value commercial users, or even the mixed cash/subsistence based economies in the numerous rural communities throughout Alaska.

ALASKA FEDERAL FISHERIES MANAGEMENT PROCESS WITH STATE PARTNERSHIP

INPUTS

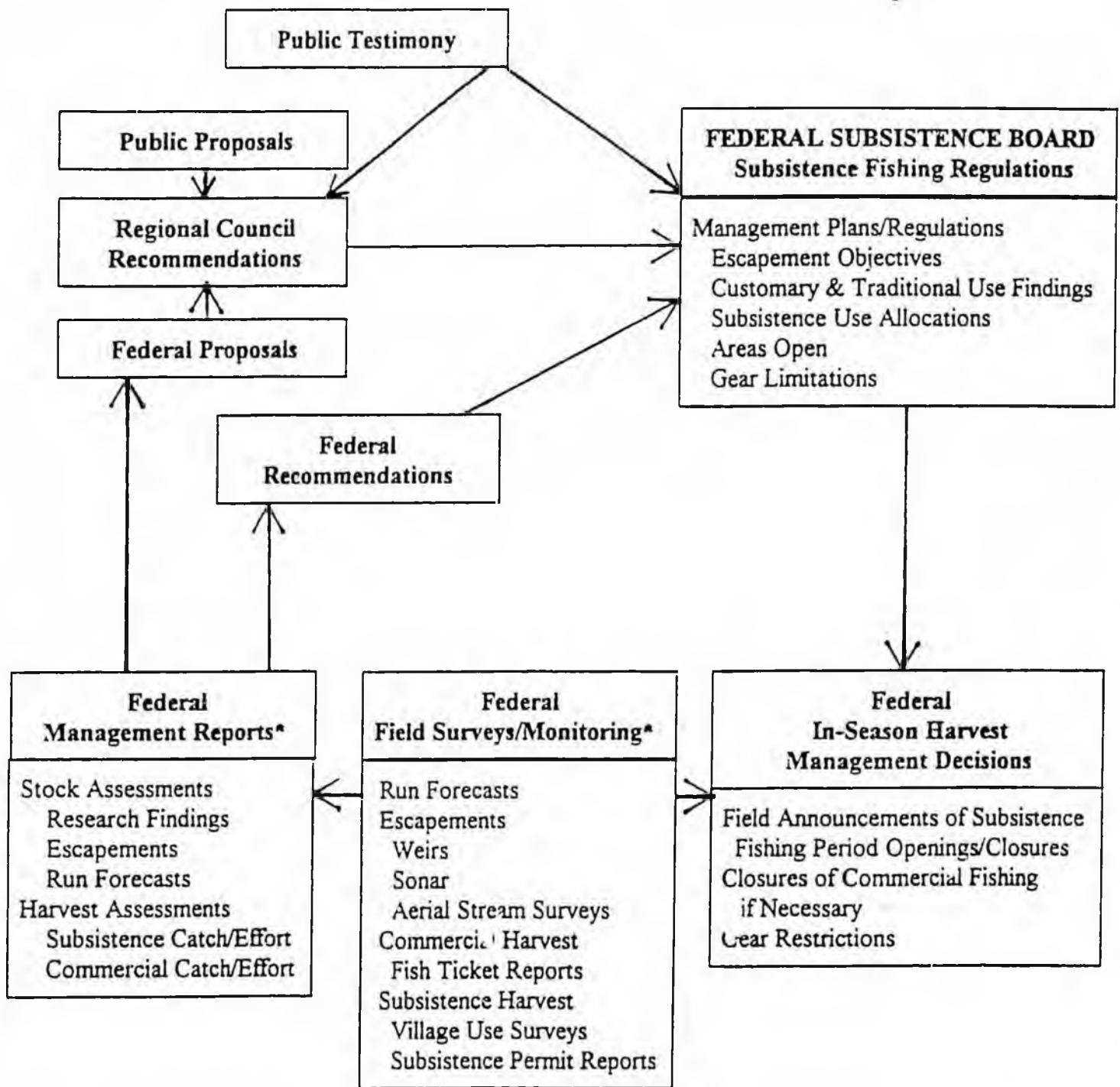
DECISIONS



ALASKA FEDERAL FISHERIES MANAGEMENT PROCESS WITHOUT STATE PARTNERSHIP

INPUTS

DECISIONS



* The scope of OSM field surveys/monitoring and resulting management reports would be equivalent to the existing State program with additional management work in areas presently lacking assessments of stocks and harvests.



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

Subsistence Reimbursement

SEP 1 1982

CRITERIA FOR PROJECT APPROVAL

Introduction

*File: CSU-ANILCA
reimbursements*

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

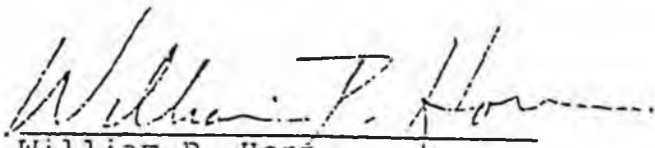
Other Divisions and Sections of the Alaska Department of Fish and Game make specific adjustments in their ongoing programs to

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.

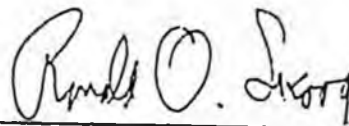
The above Criteria and the statutory requirements upon which they are based will control the annual reimbursement process. Additionally, other costs will be allowed upon the State's showing that, although not included in the Criteria, the expenditures were reasonable costs relating to the establishment 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
Commissioner
Alaska Department of
Fish and Game

13 Sep 82

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

P.O. BOX 25526
JUNEAU, ALASKA 99802-5526
PHONE: (907) 465-4100
FACSIMILE: (907) 465-2332

APR 06 1999

March 19, 1999

The Honorable Rick Halford
Alaska State Legislature
Capitol Building, Room 121
Juneau, AK 99801-1182

Dear Senator Halford:

You requested information on the cost for the staff of the Department of Fish and Game to participate in the Federal Subsistence Board process. I hope the following information meets your needs.

Cost related to federal advisory councils

Federal regional councils meet twice per year. There are ten councils. The department has one biologist from two to four divisions attending these meeting. The attached list shows the staff members that attended the federal regional council this winter/spring. An appropriate staff person nearest the location of the meeting attends to minimize travel cost.

During the ten meetings this spring, 41 staff members attended a meeting of a federal regional subsistence council. Each meeting lasted for two days, so 82 man-days were expended. At an average salary cost of \$200 per day the staff salary cost is \$16,400.

Twenty-six of these staff members had to travel to the site of the meeting. Estimating travel cost at \$250 per person results in cost of \$6,500. These 26 people would collect 2 days of per diem at \$80 per day. Total per diem costs equal \$4,160.

Summary of cost:	Salary	\$16,400
	Airfare	\$ 6,500
	Per diem	\$ 4,160
	Total	\$27,060

This is the average cost to participate in these ten meetings. Since the federal regional councils meet twice per year the approximate annual cost is \$52,120. The cost will vary somewhat depending on the location of each meeting and the salary cost of the people that attend.

Cost related to the Federal Subsistence Board

The Federal Subsistence Board meets twice a year. The department sends one person to this meeting. The meeting usually last two days. Estimated salary cost is \$400. Per diem cost is \$160 and airfare cost is \$300. Total cost per meeting is about \$860. Total annual cost is \$1,720.

The estimated total annual cost for the department to participate in the federal regulatory process is \$53,840.

Sincerely,

A handwritten signature in cursive script, appearing to read "Frank Rue", followed by a horizontal line extending to the right.

Frank Rue
Commissioner

Enclosure

cc: Pat Pourchot

ADF&G Attendance Worksheet
Winter 1999 Regional Council Meetings
(as of 1/14/99)

REGION	DATE/LOCATION	ADF&G Staff to Attend Council Meeting	Federal Coordinator
North Slope	Feb. 23-24, Barrow	Sverre, Pedersen, Subsistence Geoff Carroll, Wildlife	Barb Armstrong (800) 478-1456 (907) 786-3878
Kodiak/Aleutian Islands	Feb. 24-25, Port Lions	Wayne Donaldson, Comm. Fish Len Schwarz, Sport Fish Larry VanDaele, Wildlife	Cliff Edenshaw (800) 478-1456 (907) 786-3888
Bristol Bay	Feb. 24-25, Dillingham	Jim Browning, Comm. Fish Dan Dunaway, Sport Fish Molly Chythlook, Subsistence Jim Woolington, Wildlife Elizabeth Andrews, Team	Jerry Berg (800) 478-1456 (907) 786-3876
Eastern Interior	Feb. 27-28, Delta Junction	Keith Shultz, Comm. Fish Fronty Parker, Sport Fish David James, Wildlife Polly Wheeler, Subs. Terry Haynes, Team/Subs.	Vince Matthews (800) 267-3997 (907) 456-0277
Northwest Arctic	March 2, Kotzebue	Tom Kohler, Comm. Fish Charles Swanton, Sport Fish Susan Georgette, Subsistence Jim Dau, Wildlife	Barb Armstrong (800) 478-1456 (907) 786-3878
Y-K Delta	March 2-3, Alakanuk	Dan Bergstrom, Comm. Fish John Burr, Sport Fish Mike Coffing, Subsistence Roger Seavoy, Wildlife	John Andrew (800) 621-5804 (907) 543-3151
Seward Peninsula	March 4-5, Nome	Charlie Lean, Comm Fish Fred DeCicco, Sport Fish Susan Georgette, Subsistence Kate Persons, Wildlife	Cliff Edenshaw (800) 478-1456 (907) 786-3888
Western Interior	March 9-11, Galena	Bill Busher, Comm. Fish Charles Swanton, Sport Fish Dave Andersen, Subsistence Glenn Stout, Wildlife	Vince Matthews (800) 267-3997 (907) 456-0277
Southeast	March 16-18, Sitka	Bill Davidson, Comm. Fish Tom Brookover, Sport Fish Mike Turek, Subsistence Neil Braten, Wildlife Al Havens, Team Elizabeth Andrews, Team	Dave Johnson (907) 826-1620
Southcentral	Mar. 23-24, Anchorage	Ellen Simpson, Comm. Fish Tom Taube, Sport Fish Bill Simeone, Subsistence Steve Machida, Wildlife Elizabeth Andrews, Team	Helga Eakon (800) 478-1456 (907) 786-3888

MEMORANDUM
ALASKA DEPARTMENT OF FISH AND GAME

To: Division Directors

Date: 12/01/95

From: Robert Bosworth 
Deputy Commissioner

Subject: Current responsibilities in subsistence management

The governor and lieutenant governor are working towards a comprehensive subsistence management solution, but even under the best case scenario it will be several years before dual federal/state subsistence management is behind us. The continuing evolution of "dual management" compels a review of the department's interaction with the federal subsistence management process. Based on what we know of the intransigence of the political and legal problems that surround subsistence management, the deficiencies in the current state system, and some of the directions the federal program is taking, it's easy to conclude that subsistence management in Alaska may face additional stress in the years ahead.

Clearly our primary goals in this arena are to sustain the state's wildlife and fish resources, and use of them, and then to regain fish and game management authority statewide. Our actions must be consistent with these goals.

In this memorandum I revisit the manner in which the department participates in dual federal/state subsistence management, and suggest an approach designed to serve both the public interest and the resources we are mandated to protect. Our response will necessarily be an evolving one. For the present, I want to emphasize certain staff responsibilities vital to our effective involvement in the federal system.

Communication and Cooperation

At the onset of dual management in 1990, the department and the federal agencies instructed their personnel to cooperate and communicate in mutual support. Former Commissioner Collinsworth and former Fish and Wildlife Service Regional Director Walt Stieglitz agreed that their respective staffs would exchange information and advice to expedite dual management with minimum disturbance to state and federal operations. This relationship has often foundered, and as a consequence our insights, analysis, and recommendations have carried little weight before the Federal Subsistence Board. The interests of the department and both rural and urban publics have on occasion been ill-served by a poorly integrated state-federal subsistence management effort.

Looking forward, it is important that the department maintain a cooperative attitude toward the federal subsistence program. If conflicts arise between the department and other participants in the federal subsistence process, we must ensure that the department is not the source of these problems. We must analyze and understand situations in which cooperation is not working. Communication and cooperation are so important in all aspects of our work that the attention we give them, both in interacting with other agencies and within the department, has much to do with our success.

Teamwork

Working closely together within the department will enhance our ability to influence federal decisions, and our reputations as problem solvers. Fisheries and wildlife biologists and subsistence resource specialists must work more closely together to monitor local subsistence issues, notify supervisors and coordinators about the issues, and recommend appropriate department responses. There are three key players here. John Morrison will continue to serve as the primary liaison to the Federal Subsistence Board. Tina Cuning will continue to administer the ANILCA program. Terry Haynes will continue to work with Tina and John on all federal issues. Collectively they will advise us of the federal issues that merit our attention, and suggest an appropriate level of response.

Interdivisional collaboration is critically important for fully understanding all ramifications of an issue. The same holds true for constructing accurate, complete, department-wide positions on the issues. All staff proposals or comments on federal proposals from regional staff must be reviewed by regional supervisors from the subsistence division, and any other appropriate division, before being submitted to John. Regional supervisors in all divisions must encourage frequent communication between biologists and subsistence staff, in order to achieve mutual understanding of issues and agree on appropriate department responses to them.

Professional Interagency Relationships

Much of the communication between department personnel and the federal subsistence program has occurred in the course of inquiries by federal staff seeking information to use in preparing their analyses of federal subsistence regulatory proposals. These discussions often are time consuming and can be aggravating, not only because of time demands but also because we cannot always be sure the data will be used wisely. As in the past, it is appropriate for staff to take control of such discussions to limit their duration, while nonetheless attempting to provide the needed information. The department can benefit from interactions with federal representatives if field staff work with those managers early in the regulation development process to share our understanding of the issues, the context for the issues, and pertinent scientific data. At a minimum, staff should keep John, Tina, and Terry informed when they discuss management or policy issues with federal agency representatives. I expect that you also wish to stay informed of any substantive interactions.

Currently, department staff appear to be following these general guidelines. It is important that we continue to find opportunities to influence and improve federal decisions by working to ensure appropriate use of data. This interaction will have other benefits as well, including improving our understanding of the effect of federal board actions, and solidifying the department's role as the principle repository of the needed expertise.

Understanding and Interacting With the Public

In working with the federal subsistence program, and in the interest of our own management programs, we must maintain close contact with rural residents and their interests. Overall we have been doing a good job in this task, and consequently have benefited greatly in keeping current with most of the serious issues. However, we can gain even more benefit by taking the time needed to analyze the issues, rural groups advance, and addressing these at Regional Council meetings and in our comments on proposals with the appropriate scientific data. The latter task is of utmost significance. The federal subsistence staff has frequently made far more comprehensive use of department data in support of their actions than we have for our own purposes. Staff in area and regional offices must coordinate closely in producing thoroughly researched and documented responses to federal developments.

We must seek and employ new methods for understanding and responding to the needs of our broad array of constituents. This will greatly benefit our efforts to gain public understanding and support for the department's role in subsistence management. Sensitivity to the variety of cultural practices and expectations regarding subsistence opportunity must be integrated into all of our regular fish and wildlife management programs, including information and education projects. We must increase effort in this area. In a memorandum on 8/29/95 explaining his major goals as Director of the Division of Wildlife Conservation, Wayne Regelin announced a new social science program in that division that will integrate public opinion research results with the division's wildlife management programs. Recent discussions have emphasized the significance of this "human dimensions" research throughout the department, the contribution of the Subsistence Division in this arena, and the opportunities for mutually beneficial inter-divisional collaboration. Last spring's "Harvest Assessment" conference highlighted the importance of improving relationships and increasing our dialogue with rural residents and especially Alaska Natives, integrating local concerns and perceptions into our management programs, and acknowledging the value of traditional ecological knowledge.

Department representatives should participate in federal regional subsistence advisory council meetings, if at all possible. These meetings provide us with a prime opportunity to discuss issues of concern to the department, and to educate regional council members. Because of the deference given to regional council recommendations by the Federal Subsistence Board, council meetings may be the best place to influence the federal decision making process. John Morrison will assure that of the staff who attend council meetings, at least one will prepare a written summary of the meeting, focusing on topics

that may require further attention by the department. As part of our involvement in these meetings, we need to formulate more comprehensive department, rather than just division, positions. Regional supervisors must take responsibility for this, working with John and Terry, and for assuring that staff purporting to speak for the department at these meetings are in fact doing so. This structured approach to department positions should not preclude less formal but nonetheless professional involvement of knowledgeable, qualified staff in regional council debate. Once again, regional supervisors must assume the responsibility for this interaction.

An Integrated Response

The evolution of "dual management" has placed increasing demands on department resources. We have commonly regarded this as an intrusion imposed on our regular duties, rather than being important components of planned work schedules. But we can anticipate even more and increasingly complex dual management issues for some time to come, possibly including significant fisheries issues. Subsistence management has become one aspect of our overall mission in which we are all engaged to one degree or another. To the extent to we can use it as an integrating factor rather than a divisive one, we can better fulfill our mission, serve the public, and strengthen the fabric of the department as a whole.

Please distribute this memorandum to appropriate staff. I invite feedback on these issues, and your suggestions for new approaches that maximize our effectiveness.

STEVE COWPER
GOVERNOR



Rec'd 3/10/89

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

August 1, 1989

The Honorable Sidney Yates
Chairman
House Appropriations Committee
Subcommittee on Interior and Related Agencies
B-308 Rayburn House Office Building
Washington, DC 20515

Dear Mr. Chairman:

I am writing to ask your support for three items in the Interior and Related Agencies appropriations bill. One is report language and has no fiscal impact. The other two support critical programs for Alaskans in remote villages.

Reimbursement for ANILCA Subsistence Program. The Alaska National Interest Lands Conservation Act (ANILCA) requires the State to promulgate separate and specific hunting and fishing regulations governing the subsistence use of Alaska's fish and wildlife resources on federal lands. The law also sets forth detailed requirements for participation in this regulatory decision-making by the subsistence users themselves, most of whom are villagers in remote communities throughout the state. It also calls for establishment of six regional councils and advisory committees in individual communities.

In enacting this program, Congress provided that the State would be reimbursed for half the cost up to \$5 million. The State has spent about \$4 million per year since passage of ANILCA to document subsistence uses, to enable village residents to participate in regulatory meetings, to staff the regional councils and assist 79 local advisory committees with meetings, to assist residents in preparation of regulatory proposals, and to prepare an annual report to the Secretary of the Interior from each of the six regional councils. Each year, the federal reimbursement has been less than half the expenditure, with a consistent annual reduction in the amount reimbursed. In FY 89, for example, the State spent about \$3.2 million and was reimbursed for \$980,000.

Honorable Sidney Yates

- 2 -

August 1, 1989

The Senate version of the Interior appropriation includes \$750,000 in the Fish and Wildlife Service budget. This falls far short of the 50 percent reimbursement called for by ANILCA. The House version of the bill, however, includes no reimbursement at all. I am writing to urge you to preserve the \$750,000 reimbursement in the conference bill. The State has done its part to implement the subsistence resource management program called for by ANILCA. Without the funds to support the advisory system called for in ANILCA, we could not meet the public participation requirement Congress has required. In our opinion, this is not a parochial state grant program, but fulfillment of an important federal mandate.

Moratorium on Oil and Gas Exploration in Bristol Bay. Both the House and Senate versions of the bill include a moratorium on oil and gas exploration in Bristol Bay. We ask that you not only support that moratorium, but also retain language that calls for a study of the options for cancelling the leases.

The State of Alaska has consistently opposed the development of oil and gas in this area. Bristol Bay is the site of the richest salmon runs in the world, and is the single most important region of the U.S. Outer Continental Shelf (OCS) for the conservation of marine mammals and endangered species. It is the only area on the entire Alaska OCS where we have opposed development.

Alaskans want to do their share to contribute to national energy security. However, after the grounding of the tanker EXXON VALDEZ in Prince William Sound, we are more committed than ever to protecting our other natural resources--like those in Bristol Bay--from the threat of such an event.

The relatively low probability of finding commercial deposits of oil in Bristol Bay does not justify the risk. Accordingly, we respectfully request the Conference Committee to retain in the appropriations bill not only the moratorium on exploration and drilling in Bristol Bay, but also the direction to the Secretary of the Interior to examine the prospects for cancellation of Lease Sale 92. We support the study called for in the Senate bill, but believe Congress would be much better informed of all of its options if the House study is included as well. Such a study would not compel a repurchase; it simply directs the Secretary to examine what options exist. When the State repurchased

Honorable Sidney Yates

- 3 -

August 1, 1989

leases in Kachemak Bay in the mid-1970s, we were able to avoid outright cash appropriations by providing an array of compensation mechanisms. The House study would apprise Congress of potential federal alternatives.

Community Health Aide Funding Increase. We ask that you support the Senate's provision, which would increase by \$7 million the funding for this crucial health care program.

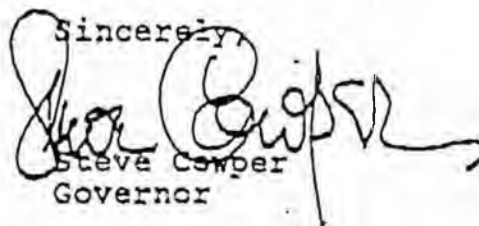
Community Health Aides are Alaska Native paraprofessionals who, with long-distance telephone and radio support from physicians in urban centers, provide primary and emergency care to 42,722 Alaskans--primarily Natives--who live in 171 remote Alaska villages.

Despite the fact that health aides are the very backbone of health care in these villages, the program is critically underfunded, leaving the health aides shockingly underpaid, undertrained, and overworked. Currently, most health aides earn an income below the poverty level for receipt of Aid to Families with Dependent Children. Nearly a third have received less than the first four weeks of basic training, while over half have less than eight weeks of training and are not certified. They receive inadequate supervision and support for their extremely demanding and stressful jobs. Given these problems, the attrition rate for health aides is 33 percent.

The proposed increase in the Senate bill, although not sufficient to the program's needs, is an important step in the right direction. Your support of the increase is critical to improve the health status of Alaska Native people.

Thank you for your consideration of these important appropriations issues.

Sincerely,



Steve Cowper
Governor

Identical letter sent to Chairman Robert C. Byrd

cc: Senate Conferees
Senator Frank Murkowski
Congressman Don Young

August 2, 1989

The Honorable Manuel Lujan, Jr.
Secretary
Department of the Interior
Room 6151
C Street between 18th
and 19th Streets, NW
Washington, DC 20240

Dear Mr. Secretary:

The National Park Service (NPS) is proposing changes in the way the agency determines who is eligible to hunt and fish for subsistence purposes in Alaskan national parks and monuments. The proposal would replace the present concept of a "resident zone community" with a list of individual eligible users. In a preliminary stage is a proposed regulation that refers specifically to the Denali National Park, but also would apply to Lake Clark and other park units whose Subsistence Resource Commissions (SRC) recommend deletion of a resident zone.

The State of Alaska objects to this proposal for several reasons. First, the responsibility for regulating subsistence use lies with the State, and the National Park Service has not availed itself of our regulatory process to address this issue. Second, the substance of the proposal is not justified by the facts. Third, the proposal would foster divisiveness in rural communities at a time when the State is working hard to minimize conflicts among subsistence and other resource users.

The premise behind the agency's proposal is a concern that population growth in or near certain resident zone communities will result in increased competition for and overharvest of park wildlife resources. Consequently, members of the Denali and Lake Clark Subsistence Resource Commissions have suggested that these communities be deleted from the resident zone and that a "roster" comprised of those with a personal or family history of use of the park be developed.

Hon. Manuel Lujan, Jr.

- 2 -

August 2, 1989

The State has no evidence of significant changes occurring in either community structure or resource use in these park areas that would warrant such a drastic change to the current regulatory system. There also is no evidence that subsistence use is having any adverse effect on the resources of the park.

When Congress faced the question of subsistence use in passing ANILCA in 1980, it examined several alternative means for distinguishing who should be able to use the parks for subsistence. They rejected setting criteria for making individual determinations, and they rejected distinctions based on race. What Congress settled upon was a preference for such use by all residents of local, rural communities or areas having a customary dependence upon subsistence activities. That preference is not to be restricted or limited except to protect the viability of a wildlife population, and only in that case are individual, rather than community, allocations called for. Whenever restrictions are necessary, Section 804 of ANILCA specifies the criteria to be used: customary and direct dependence, local residency, and the availability of alternative resources. The agency's proposal does not reflect consideration of this provision.

I also am concerned about the long-term implications of this proposed rule on the State's ability to effectively manage wildlife resources. In 1982, the Alaska Department of Fish and Game and the NPS signed, pursuant to ANILCA, a Master Memorandum of Understanding (MMOU). The MMOU specifies that:

... implementation by the Secretary of the Interior of subsistence program recommendations developed by Park and Park Monument Subsistence Resource Commissions pursuant to ANILCA Section 808(b) will take into account existing State regulations and will use the State's regulatory process as the primary means of developing park subsistence use regulations (emphasis added).

The Joint Boards of Fisheries and Game regularly consider subsistence uses and have a public process that encourages local participation to tailor management and regulatory schemes to local needs. Rather than bringing concerns about resource use in the park to the Boards, the Park Service developed the proposed eligibility rules unilaterally.

Hon. Manuel Lujan, Jr.

- 3 -

August 2, 1989

Further, the State has wildlife population and resource use information that can be used to address concerns such as whether increased human population is putting pressure on wildlife. But until very recently, for example, State biologists and subsistence resource specialists were not included on the agenda of the Subsistence Resource Commission meetings and often were not even notified of the meetings. Participation, involvement, and exchanges of information between State and park officials and local commission members could go a long way toward dispelling concerns that resources are in jeopardy. This, in our view, is preferable to restrictive rulemaking and would promote consistency between State and federal approaches to subsistence use.

Finally, the proposed rule will unnecessarily complicate hunting regulations in many rural areas of Alaska and discourage local cooperation and compliance. Over time this type of distinction will create divisions within the communities where now all residents, because of the nature of the community, may qualify to hunt in parks. I believe the Congress intended to minimize this type of disruption and delete the resident zones only as a last resort if community harvests and use patterns in park areas changed significantly. The NPS has not demonstrated that any growth which may be occurring in park areas is actually jeopardizing park resources or causing use levels to exceed those of 1980.

The State of Alaska supports the implementation in national park areas of sound management programs in keeping with provisions of the MMOU. I urge you to abandon the proposed rulemaking and recommend that the NPS use the State's regulatory system to address concerns expressed by the SRCs, instead of taking unilateral regulatory action which preempts the State's management authorities.

Thank you for your consideration of this matter.

Sincerely,

S/S Steve Cowper

Steve Cowper
Governor

cc: Senator Ted Stevens
Senator Frank Murkowski
Congressman Don Young

1997/98 STATE-FEDERAL REGULATION PROBLEM CATEGORIES

[KEY: Record # (Species) Subunit; * = record # repeated, @ = federal land issue]

(SPECIES KEY: Bl = black bear; Br = brown bear; Bi = bison; Ca = caribou; D = deer;
E = elk; G = goat; M = moose; Mo = muskox; S = sheep; W = wolf;
We = wolverine; C = coyote; AF = Arctic Fox; RF = Red Fox;
L = lynx; Gr = grouse; H = hare; Pt = ptarmigan)

(Key to 1997 Changes: f = federal; s = State, ct = C&T finding)

9/15/97 JMC

Difference in Season for Bay Limit

GMU	No Fed. Season	No Resident Difference	Biol. Problem	Complexity/Confusion	Enforcement	Total # Unique Records
1	8(E)	1(BI)	6(D)C	9(G)A*	10(G)B*	
	9(G)A	2(Br)	10(G)B	10(G)B*	19(M)A*	
	21(M)C	3(D)A	17(G)D	15(G)D*		
	24(M)D	4(D)B	28(RF)	17(G)D*		
		5(D)C	29(L)	19(M)A		
		7(D)D		20(M)B		
		11(G)AB		28(RF)*		
		12(G)C-f		29(L)*		
		13(G)C-f				
		14(G)C				
		15(G)D				
		16(G)D				
		18(G)D				
		22(M)C				
		23(M)C				
		25(W)				
	26(We)					
	27(C)					
	30(Gr)					
	31(H)					
	32(Pt)					
1 Total	4	21	5	2		32
2	35(E)	33(BI)	34(D)	39(C)		
		36(M)		40(RF)		
		37(W)-f		41(L)		
		38(We)				
		42(Gr)				
		43(H)				
	44(Pt)					
2 Total	1	7	1	3		12

SB 151

Backup

Positive Federal C&T Determination

Restrictions with No Federal C&T Determination	Restrictions to Traditional Users	Confusion/Conflict with State C&T	Negative Federal C&T	GMU
9(G)A	1(BI)	5(D)C	7(D)D	1
15(G)D	2(Br)	6(D)C	8(E)	
16(G)D	3(D)B		21(M)C	
17(G)D	4(D)B			
18(G)D	10(G)B-ct			
19(M)A	11(G)AB			
22(M)C	12(G)C			
23(M)C	13(G)C			
25(W)	14(G)C			
26(We)	20(M)B-ct			
27(C)	24(M)D			
28(RF)				
29(L)				
30(Gr)				
31(H)				
32(Pt)				
16	11	2	3	1 Total
33(BI)	34(D)		35(E)	2
37(W)			36(M)	
38(We)				
39(C)				
40(RF), 41(L)				
42(Gr), 43(H)				
44(Pt)				
9	1		2	2 Total

1997/98 STATE-FEDERAL REGULATION PROBLEM CATEGORIES

(KEY: Record # (Species) Submit; * = record # repeated; @ = federal land issue)

(SPECIES KEY: BI = black bear; Br = brown bear; Bi = bison; Ca = caribou; D = deer;
E = elk; G = goat; M = moose; Mo = muskox; S = sheep; W = wolf;
We = wolverine; C = coyote; AF = Arctic Fox; RF = Red Fox;
L = lynx; Gr = grouse; H = hare; Pt = ptarmigan)

(Key to 1997 Changes: f = federal; s = State; ct = C&T finding)

9615CAT.doc

Difference in Season +/or Bag Limit

GMU	No Fed. Season	No Resident Difference	Biol. Problem	Complexity/ Confusion	Enforcement	Total # Unique Records
3	46(Br) 49(E)s	45(BI) 47(D) 48(D) 50(M) 51(W) 52(We) 53(C) 56(Gr) 57(H) 58(Pt)	47(D)* 54(RF) 55(L)	47(D)* 50(M)* 54(RF)* 55(L)*		
3Total	2	10	2			14
4		59(Br) 61(Br) 62(Br) 65(G) 66(W) 67(We) 68(C) 71(Gr) 72(H) 73(Pt)	63(D)@ 64(D)@ 69(RF) 70(L)	60(Br)s 61(Br)* 63(D)* 64(D)* 69(RF)* 70(L)*	63(D)* 64(D)*	
4Total		10	4	1		15

Positive Federal C&T Determination

Restrictions with No Federal C&T Determination	Restrictions to Traditional Users	Confusion/ Conflict with State C&T	Negative Federal C&T	GMU
45(BI) 48(D) 50(M)ca 51(W) 52(We) 53(C) 54(RF) 55(L) 56(Gr) 57(H), 58(Pt)	47(D)		46(Br) 49(E)	3
11	1		2	3Total
66(W) 67(We) 68(C) 69(RF) 70(L) 71(Gr) 72(H) 73(Pt)	59(Br) 60(Br) 61(Br) 62(Br) 63(D) 64(D) 65(G)			4
8	7			4Total

1997/98 STATE-FEDERAL REGULATION PROBLEM CATEGORIES

(KEY: Record # (Species) Subunit, * - record # repeated; @ - federal land issue)

(SPECIES KEY: Bl - black bear, Br - brown bear, Bi - bison; Ca - caribou; D - deer;

E - elk; G - goat; M - moose; Mo - muskox; S - sheep; W - wolf;

We - wolverine; C - coyote; AF - Arctic Fox; RF - Red Fox;

L - lynx; Gr - grouse; H - hare; Pt - ptarmigan)

(Key to 1997 Changes: f - federal; s - State; ct - C&T finding)

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Difference in Season /or Buy Limit

Positive Federal C&T Determination

GMU	No Fed. Season	No Resident Difference	Biol. Problem	Complexity/ Confusion	Enforcement	Total # Unique Records	Restrictions with No Federal C&T Determination	Restrictions to Traditional Users	Confusion/ Conflict with State C&T	Negative Federal C&T	GMU
8	132(Ca) 136(E)s 137(E)s 138(E) 139(E)s 140(G) 141(C) 143(L) 144(Gr)	142(RF) 145(H) 146(Pt)	130(Br)f 131(Br)f 134(D)s 135(D)s	130(Br)f* 131(Br)f*			142(RF) 145(H) 146(Pt)	130(Br) 131(Br) 133(D) 134(D) 135(D) 136(E)ca 137(E)ca 138(E)ca 139(E)ca		132(Ca) 140(G) 141(C) 143(L) 144(Gr)	8
8Total	9	3	4	1		17	3	9		5	8Total
9	150(Br)C 151(Br)D.s	147(BI) 149(Br)A 154(Ca)B.s 155(Ca)D 158(M)A 161(M)C 162(M)D 165(W) 166(We) 167(C) 169(RF) 170(L) 171(Gr) 172(H) 173(Pt)	148(Br)AB 153(Ca)AC 157(Ca)E 159(M)B.s 160(M)C 163(M)E	148(Br)AB* 152(Br)C'DE 153(Ca)AC* 156(Ca)E 157(Ca)E* 159(M)B* 160(M)C* 163(M)E* 164(S) 168(AF)	163(M)E*		165(W) 166(We) 167(C) 168(AF) 169(RF) 170(L) 171(Gr) 172(H) 173(Pt)	147(BI)ca 148(Br)AB 152(Br)C'DE 153(Ca)AC 154(Ca)B 155(Ca)D 156(Ca)E 157(Ca)E 158(M)A 159(M)B 160(M)C 161(M)C 163(M)E 164(S)		148(Br)AB* 149(Br)A 150(Br)C 151(Br)D 162(M)D	9
9Total	2	15	6	1		27	9	14		4	9Total
10	175(Br) 185(L) 186(Gr)	176(Ca) 177(Ca) 179(Ca) 180(W) 181(We) 182(C) 183(AF) 184(RF) 187(H) 188(Pt)		178(Ca)			176(Ca) 178(Ca) 179(Ca) 180(W) 181(We) 182(C) 183(AF) 184(RF) 187(H) 188(Pt)	177(Ca) 176(Ca)*		175(Br) 185(L) 186(Gr)	10

1997/98 STATE-FEDERAL REGULATION PROBLEM CATEGORIES

[KEY: Record # (Species) Subunit; * = record # repeated, @ = federal land issue]

(SPECIES KEY: BI = black bear; Br = brown bear; Bi = bison; Ca = caribou; D = deer;
E = elk; G = goat; M = moose; Mu = muskox; S = sheep; W = wolf;
We = wolverine; C = coyote; AF = Arctic Fox; RF = Red Fox;
L = lynx; Gr = grouse; H = hare; Pt = ptarmigan)

(Key to 1997 Changes: f = federal; s = State; ct = C&T finding) 96FSCAT doc

GMU	No Fed. Season	No Resident Difference	Difference in Season +/or Bag Limit			Total # Unique Records	Positive Federal C&T Determination			GMU	
			Biol. Problem	Complexity/ Confusion	Enforcement		Restrictions with No Federal C&T Determination	Restrictions to Traditional Users	Confusion/ Conflict with State C&T		Negative Federal C&T
14	247(BI)A	248(BI)BC*	274(L)*	248(BI)BC*			247(BI)A			249(Br)	14
	248(BI)BC	271(We)*	276(Gr)C*	270(W)*@			248(BI)BC			251(Ca)AC	
	249(Br)B,s	272(C)*		273(RF)*@			250(Br)			252(Ca)B	
	250(Br)AC			274(L)*@			270(W)			253(G)AB	
	251(Ca)AC			276(Gr)C*@			271(We)			254(G)C	
	252(Ca)B			279(H)C*@			272(C)			255(G)C	
	253(G)AB			280(Pt)*			273(RF)			256(M)A	
	254(G)C						274(L)			257(M)B	
	255(G)C						275(Gr)AB			258(M)C	
	256(M)A						276(Gr)C			259(M)C	
	257(M)B						277(H)A			260(M)C	
	258(M)C						278(H)B			261(M)C	
	259(M)C						279(H)C			262(M)C	
	260(M)C						280(Pt)			263(M)C	
	261(M)C									264(M)C	
	262(M)C									265(M)C	
	263(M)C									266(M)C	
	264(M)C									267(S)AB	
	265(M)C									268(S)C	
	266(M)C									269(S)C	
	267(S)AB										
	268(S)C										
	269(S)C,s										
	270(W)										
	271(We)										
	272(C)										
	273(RF),s										
	274(L),s										
	275(Gr)AB										
	276(Gr)C										
	277(H)										
	278(H)										
	279(H)										
	280(Pt),s										
14 Total	74					74	11			70	14 Total

1997/98 STATE-FEDERAL REGULATION PROBLEM CATEGORIES

[KEY: Record # (Species) Subunit; * = record # repeated; @ = federal land issue]

(SPECIES KEY: BI = black bear; Br = brown bear; Bi = bison; Ca = caribou; D = deer;
E = elk; G = goat; M = moose; Mo = muskox; S = sheep; W = wolf;
We = wolverine; C = coyote; AF = Arctic Fox; RF = Red Fox;
L = lynx; Gr = grouse; H = hare; Pt = ptarmigan)

(Key to 1997 Changes: f = federal; s = State; ct = C&T finding)

96FSCAT.doc

GMU	<u>Difference in Season +/-or Bag Limit</u>					Total # Unique Records	<u>Positive Federal C&T Determination</u>				GMU
	No Fed. Season	No Resident Difference	Biol. Problem	Complexity/ Confusion	Enforcement		Restrictions with No Federal C&T Determination	Restrictions to Traditional Users	Confusion/ Conflict with State C&T	Negative Federal C&T	
18	365(Mo) 366(Mo)	359(BI) 360(Br) 362(Ca)-f 363(M) 367(W) 368(We) 369(C) 370(AF) 371(RF) 372(L) 373(Gr) 374(H) 375(Pt)	361(Ca) 364(M)	360(Br)* 362(Ca)* 364(M)*			367(W) 368(We) 369(C) 370(AF) 371(RF) 372(L) 373(Gr) 374(H) 375(Pt)	359(BI) 360(Br) 361(Ca) 362(Ca) 363(M)-ct 364(M)-ct	365(Mo) 366(Mo)	18	
18Total	2	13	2		17	9	6		2	18Total	
19	376(Bi)	377(BI) 379(Br)B 394(W) 395(We) 396(C) 397(RF) 398(L) 399(Gr) 400(H) 401(Pt)	380(Ca)A 382(Ca)C 386(M)A 387(M)A 389(M)C-s 390(M)D-s 391(M)D-s 392(M)D 393(S)	378(Br)ACD 381(Ca)AB 383(Ca)D-s 384(Ca)D-s 385(M)A@ 386(M)A* 387(M)A* 388(M)B 389(M)C* 390(M)D* 391(M)D* 392(M)D* 393(S)*	388(M)B* 389(M)C* 390(M)D* 391(M)D* 392(M)D* 393(S)*		377(BI) 393(S) 394(W) 395(We) 396(C) 397(RF) 398(L) 399(Gr) 400(H) 401(Pt)	378(Br)B 380(Ca)A 381(Ca)A-f 382(Ca)C 383(Ca)D 384(Ca)D 385(M)A 386(M)A 387(M)A 388(M)B-C 389(M)C 390(M)D 391(M)D 392(M)D	376(Bi)C)D* 377(Br)A)C)D	19	
19Total	1	10	9	6	26	10	14	1	1	19Total	

1997/98 STATE-FEDERAL REGULATION PROBLEM CATEGORIES

(KEY: Record # (Species) Subunit; * = record # repeated; @ = federal land issue)

(SPECIES KEY: BI = black bear; Br = brown bear; Bi = bison; Ca = caribou; D = deer;
E = elk; G = goat; M = moose; Mo = muskox; S = sheep; W = wolf;
We = wolverine; C = coyote; AF = Arctic Fox; RF = Red Fox;
L = lynx; Gr = grouse; H = hare; Pt = ptarmigan)

(Key to 1997 Changes: f = federal; s = State; ct = C&T finding)

98/SCAT/Joc

GMU	<u>Difference in Season +/or Bag Limit</u>				Total # Unique Records	<u>Positive Federal C&T Determination</u>			GMU	
	No Fed. Season	No Resident Difference	Biol. Problem	Complexity/ Confusion/ Enforcement		Restrictions with No Federal C&T Determination	Restrictions to Traditional Users	Confusion/ Conflict with State C&T		Negative Federal C&T
22	477(Br)C, 480(Ca)CDE 484(M)C 491(C)	475(BI) 479(Ca)AB 483(M)B 486(M)D 487(M)E 490(We) 492(AF) 494(L) 495(Gr)	476(Pt)A 478(Br)B 488(Mo)F	476(Br)A* 478(Br)B* 481(M)A 482(M)B-s 485(M)D-s 488(Mo)* 489(W) 493(RF) 496(H) 497(Pt)		488(Mo)A 489(W) 490(We) 491(C) 492(AF) 493(RF) 494(L) 496(H)	477(Br)C 479(Ca)AB-ct 480(Ca)CDE 482(M)B 483(M)B 484(M)C 486(M)D 487(M)E 495(Gr) 497(Pt)	475(BI)-ct 476(Br)A 478(Br)BDE 481(M)A 485(M)D 488(Mo)BC*		22
22Total	4	9	3	7	23	8	10	5		22Total
23	505(S)	499(BI) 502(M) 508(We) 509(C) 510(AF) 511(RF) 512(L) 513(Gr) 514(H) 515(Pt)	504(Mo)-f 506(S)	500(Br) 501(Ca) 503(M) 504(Mo)* 506(S)* 507(W)		499(BI) 507(W) 508(We) 509(C) 510(AF) 511(RF) 512(L) 514(H)	500(Br) 501(Ca)-ct 503(M) 505(S) 506(S) 513(Gr) 515(Pt)	502(M) 504(Mo)-ct		23
23Total	1	10	2	4	17	8	7	2		23Total
24		516(BI) 518(Ca) 519(Ca) 521(M) 527(W) 528(We) 529(C) 530(RF) 531(L) 532(Gr) 533(H) 534(Pt)	523(M) 525(S)-f 526(S)	517(Br) 520(M) 521(M)* 522(M)-s 523(M)* 524(M) 525(S)* 526(S)*		527(W) 528(We) 529(C) 530(RF) 531(L) 532(Gr) 533(H) 534(Pt)	520(M) 521(M) 522(M) 523(M) 525(S)-ct 526(S)-ct	516(BI)-ct 517(Br) 518(Ca)-ct 519(Ca)-ct 524(M)		24
24Total		12	1	4	19	8	6	5		24Total

**Senior Citizen/Disabled Veteran Property Tax Exemption
Program History**

Fiscal Year	Total Number Applicants	Percent Increase	Assessed Value Exempted	Percent Increase	Municipal Taxes Exempted	Percent Increase	State Funding Level	
1973	911		\$12,960,993		\$197,050		\$197,050	Jan. 1, was the first senior exemption in Alaska
1974	1,887	107.14%	\$40,842,657	215.12%	\$631,891	220.68%	\$631,891	Jan. 1, the \$10,000 annual income prerequisite was removed
1975	2,426	28.56%	\$59,807,826	46.43%	\$930,915	47.32%	\$930,915	Jan. 1, an extension for late filing was allowed
1976	2,608	7.50%	\$76,825,685	28.45%	\$1,173,247	26.03%	\$1,173,247	Exemption limit language was added, eff. Jan. 1, 1977
1977	2,885	10.62%	\$107,397,810	39.79%	\$1,520,585	29.80%	\$1,557,485	Exemption limit was deleted, eff. Jan. 1, 1977
1978	2,909	0.83%	\$104,306,352	-2.88%	\$1,512,983	-0.50%	\$1,512,983	
1979	3,108	6.84%	\$128,810,117	23.49%	\$1,761,540	16.43%	\$1,761,540	
1980	3,393	9.17%	\$185,159,728	28.22%	\$1,899,611	7.84%	\$1,899,611	
1981	3,842	13.23%	\$211,428,981	28.01%	\$2,291,811	20.65%	\$2,291,811	
1982	4,147	7.94%	\$277,154,113	31.09%	\$1,757,887	-23.30%	\$1,757,887	
1983	4,893	17.99%	\$324,220,034	16.98%	\$2,092,317	19.02%	\$2,092,317	
1984	5,156	5.38%	\$392,215,073	20.97%	\$3,146,618	50.39%	\$3,146,618	
1985	5,418	5.08%	\$478,983,142	22.12%	\$4,005,075	27.28%	\$4,005,075	DAV @ 50% and Widow/Widowers @ 60 years were added
1986	6,061	11.87%	\$609,947,921	27.34%	\$4,977,451	24.28%	\$3,958,587	Jan. 1, First year program was not fully funded
1987	6,569	8.38%	\$737,706,208	20.95%	\$6,325,763	27.09%	\$2,770,300	Jan. 1, the \$150,000 limitation was enacted
1988	7,118	8.36%	\$760,355,699	3.07%	\$6,753,663	6.76%	\$2,822,969	
1989	7,900	10.99%	\$598,877,461	-21.24%	\$7,454,657	10.53%	\$2,619,344	
1990	8,557	8.32%	\$606,951,397	1.35%	\$8,827,081	15.57%	\$2,543,469	
1991	9,248	8.05%	\$665,058,233	9.57%	\$9,585,192	11.11%	\$2,557,900	
1992	9,986	8.00%	\$754,166,097	13.40%	\$11,293,150	17.82%	\$2,838,800	
1993	10,719	7.34%	\$863,539,005	17.15%	\$13,669,469	21.04%	\$2,838,800	
1994	11,594	8.16%	\$979,290,045	10.84%	\$14,843,296	8.59%	\$1,551,766	
1995	12,199	5.22%	\$1,064,556,490	8.71%	\$16,894,298	13.82%	\$1,163,800	
1996	12,919	5.90%	\$1,183,291,858	11.15%	\$18,636,513	10.31%	\$1,163,800	
1997	13,698	6.03%	\$1,294,087,798	9.36%	\$20,386,257	9.28%	\$0	Jan. 1, First year that the program has been zero funded
1998	14,643	6.90%	\$1,403,624,823	8.46%	\$22,317,994	9.58%	\$0	
1999	16,143	3.41%	\$1,544,691,456	10.05%	\$24,649,743	10.45%	\$0	
					\$209,325,955		\$49,487,955	Totals

State Funding History
Office of the State Assessor
Steve Van Sant

Exhibit 10

4/12/99

P. 02/03

FAX NO. 9072694539

ST ALASKA DCRA ANCH

PR-15-99 THU 16:08

TABLE 14 (B)

SENIOR CITIZEN AND DISABLED VETERAN PROPERTY TAX EXEMPTION

Program Summary
FY99/Tax Year 1998

Municipality	Number of Applicants Approved	Total Assessed Value Exempt	% Value Inc./Dec. Over 1997	Total Tax Amount Exempt	% Tax Inc./Dec. Over 1997	Average Value Per Appl	Average Tax Per Appl
Municipality of Anchorage	6,968	\$747,402,141	11.62%	\$13,749,282	11.51%	\$107,262	\$1,973
Bristol Bay Borough	15	\$1,178,100	2.24%	\$8,541	2.24%	\$78,540	\$569
Fairbanks North Star Borough	2,036	\$177,998,570	13.97%	\$3,292,769	11.34%	\$87,426	\$1,617
Haines Borough	127	\$12,814,300	4.14%	\$120,672	12.67%	\$100,900	\$950
City & Borough of Juneau	886	\$113,758,700	4.04%	\$1,367,101	5.18%	\$128,396	\$1,543
Kenai Peninsula Borough	1,596	\$136,213,750	9.08%	\$1,638,626	6.82%	\$85,347	\$1,027
Ketchikan Gateway Borough	553	\$61,147,800	3.08%	\$700,497	2.18%	\$110,575	\$1,267
Kodiak Island Borough	210	\$22,777,900	-0.86%	\$255,841	-1.16%	\$108,466	\$1,218
Matanuska-Susitna Borough	1,847	\$179,164,800	10.74%	\$2,652,105	12.20%	\$97,003	\$1,436
North Slope Borough	32	\$3,081,668	6.60%	\$57,011	6.55%	\$96,302	\$1,782
City & Borough of Sitka	280	\$33,509,890	6.23%	\$201,709	7.10%	\$119,678	\$720
City & Borough of Yakutat	16	\$889,600	-8.30%	\$7,966	-8.33%	\$55,600	\$498
Cordova	71	\$7,140,780	17.27%	\$99,061	30.02%	\$100,574	\$1,395
Craig	23	\$1,753,600	-5.07%	\$10,522	-5.07%	\$76,243	\$457
Dillingham	24	\$2,707,200	13.14%	\$21,658	13.14%	\$112,800	\$902
Eagle (no taxes in 1998)	0	\$0	-100.00%	\$0	-100.00%		
Nenana	24	\$786,842	0.20%	\$9,049	-7.81%	\$32,785	\$377
Nome	74	\$5,903,901	23.00%	\$65,599	7.18%	\$79,782	\$886
Pelican	7	\$378,900	27.82%	\$2,273	27.79%	\$54,129	\$325
Petersburg	137	\$16,259,874	-0.66%	\$162,599	10.38%	\$118,685	\$1,187
Skagway	43	\$4,643,820	5.83%	\$26,963	-4.78%	\$107,996	\$627
Unalaska	6	\$518,715	5.94%	\$6,110	5.94%	\$86,453	\$1,018
Valdez	55	\$5,084,917	18.36%	\$101,698	18.86%	\$92,453	\$1,849
Whittier	7	\$172,200	38.17%	\$861	38.20%	-99.98%	\$123
Wrangell	106	\$9,403,488	10.57%	\$91,230	21.49%	\$88,712	\$861

Totals 15,143 1,544,691,456 10.05% 24,649,744 10.45% \$102,007 \$1,628

Funding level 1998 \$0.00
Pro rata Reimbursement 0.00%



217 Second Street, Suite 200 ■ Juneau, Alaska 99801 ■ Tel (907)586-1325, Fax (907)-463-5480

April 20, 1999

Senator John Torgerson, Co-chair
Senator Sean Parnell, Co-chair
Senate Finance Committee
State Capitol
Juneau, AK 99801

Dear Chairs Torgerson and Parnell:

On behalf of the members of the Alaska Municipal League and Alaska Conference of Mayors, we are writing to support passage of SB 151, exemptions for municipal property taxes for certain primary residences (senior citizens and disabled veterans). We would like to see changes to the bill to:

- ensure that municipalities are not penalized under the school funding formula, and;
- give the communities the broadest possible discretion to work with seniors, veterans, and the public to design a program that meets the needs of individual communities including needs based exemptions, capping exemption amounts, or tax deferral, etc.

In 1973, the program to exempt senior citizens from local property taxes was enacted by the Alaska Legislature. AS 29.45.030(e) requires municipalities to exempt from local property tax, "real property owned and occupied as the primary residence and permanent place of abode by (1) resident 65 years or older; (2) disabled veteran; or (3) resident at least 60 years old who is a widow or widower of a person qualified" for such an exemption, up to an assessed value of \$150,000. The program also required the state to reimburse municipalities for tax revenues lost to their communities because of the exemption.

Although the exemption is mandated by state law, full funding for the exemption has not been provided by the state since 1985, which has meant that all other municipal taxpayers have been forced to bear an additional tax burden. The state zeroed out reimbursement for the program in 1996, and now costs municipal taxpayers nearly \$25 million in 1999. The cost of this program is increasing at \$2-3 million per year and has increased 400 percent since 1990.

Over the years, the League has supported changes to the program in order to give local taxpayers an option on how it is managed. Our first choice is that the state fully fund its exemptions by reimbursing municipalities. In light of current budget considerations, however, we understand that may not be possible.

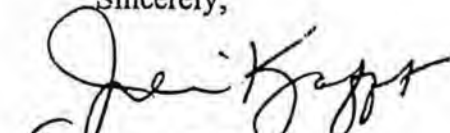
Our understanding is that SB 151 eliminates the requirement for municipalities to exempt senior citizens and disabled veterans and makes it an optional program with a vote of the people. At this time, we know of no community that plans to eliminate the program entirely, because seniors have come to rely on the exemption. Municipalities could change the program to try and slow the growth by:

- Reducing the exemption amount. In the past, we have proposed reducing the exemption to \$75,000, which would protect seniors who need it most and still offer a substantial discount to others, or
- Make it a needs-based program, or
- Defer the taxes until the property is sold or some other future date, or
- Some combination of the above

None of the above changes would reduce the present cost of the program to taxpayers, but only slow the growth in future years. SB 151 should be part of a long-range fiscal plan to control costs. While we support decisions on tax exemptions to be made at the local level, we must emphasize that we are unaware of any community that plans to eliminate the exemption.

We again stress that SB 151, in fairness to seniors and disabled veterans, will not realistically recapture substantial revenues from seniors and disabled veterans next year. Also, for those municipalities with a tax cap, this bill will not increase revenues but will spread the tax burden among more tax payers. In addition, passage of this bill will not make up for cuts to state revenue sharing programs. If you have any questions, please call 586-1325.

Sincerely,


for Kevin C. Ritchie
Executive Director

cc: AML Board of Directors

SENATE FINANCE COMMITTEE

SIGN-IN

SB 68-COOPERATION WITH FEDERAL AGENCIES

NAME: Dick Bushong Subject/Bill No: 68
Co./Dept./Title: Al. Outdoor Council Phone: 463 3830
Address: 211 4th #302A 99501 Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: Sevan Bruce Subject/Bill No: 68
Co./Dept./Title: Dept Fish and Game Phone: 465-6143
Address: Rt 25526 Zip: 99801

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions