

EO

107

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*Featuring the Images of
Iaxo and Dorothy Keeler*



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March 24, 2003

Dear Senator Stevens,

Please allow "House and Senate Concurrent Resolution Number 1" to pass out of your committee so the full House and Senate can vote on it. My reasons follow.

Governor Murkowski is trying to give the appearance of providing a sound financial plan to balance the budget. He is desperate... his campaign for Governor promised income of up to \$300,000,000.00 a year from the McCovey oil well, and that well was plugged and abandoned in February. He promised income from resource development would close the fiscal gap and is now willing to sacrifice the long term health of our fish and wildlife so he can look better during his term as governor.

Moving the habitat permitting authority from Fish & Game to the Dept. of Natural Resources is inviting the fox to guard the henhouse. I am appalled, yet not surprised, by the governor's arrogance in continuing to promote the idea when all five of the last Fish and Game Commissioners, who served under three governors, opposed the idea, citing a basic conflict of interest as the underlying reason.

Sure, his plan will save money this year. However, his plan is like using DDT to increase crop yield... both are guaranteed to work for the short term, but the long-term consequences, both planned and unexpected, will not be worth the cost. When a system of checks and balances is eliminated to save money, the State of Alaska will suffer long after Murkowski is no longer governor. Responsible members of the Legislature must not allow this to happen.

We must not allow his desperation and arrogance to forever ruin the state we love. I implore you... vote to oppose Executive Order 107.

Thank you for the opportunity to express my views.

Sincerely,

Dorothy Keeler

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March 24, 2003

Dear Senator Stevens,

Please allow "House and Senate Concurrent Resolution Number 1" to pass out of your committee so the full House and Senate can vote on it. My reasons follow.

I oppose passage of Governor Murkowski's Executive Order 107 directing that the Habitat Division of Fish and Game be reduced in size and moved into the Department of Natural Resources. I have been in Alaska for over 20 years and, through my federal job dealing with lands, have had numerous opportunities to work with both the Habitat Division of ADF&G and DNR. I have always found DNR extremely difficult to work with and never responsive to problems. The long history of DNR's budget being reduced has only made that problem worse. Recently I have been told if I wanted DNR to act on my request for road access, that I would need to provide the funding to hire someone to do their paperwork.

With their attitude that those that pay get service, only large companies will gain the attention of DNR's staff, and thus the permits they need. This process will prevent diversification of our economy through developing small businesses.

The logging of Native lands throughout Alaska is a prime example of poor environmental oversight by DNR staff. The DNR Forester from Glenallen was responsible for assuring that Tyak Corporations logging near Cordova was done properly. He was able to visit the site twice a year for a few days, not nearly enough time to cover the ground and assure fish streams and wildlife habitat were protected. The results showed the lack of oversight.

My working with ADF&G, though not always pleasant, has always left me with the feeling that they were protecting the resource for future generations. The staff in Habitat often present new ideas to problems I have encountered and are willing to discuss them.

I ask all legislators to require they be presented a thorough analysis of the benefits to be gained before allowing Governor Murkowski to implement this plan. To date, no information has been presented to support moving Habitat into DNR. All that is presented are political statements of support, statements with no facts to support such a position.

The fact that five Fish and Game Commissioners stand against this action should raise many red flags warning of danger. I look at the fact that DNR and DOT Commissioners stand to gain by supporting moving Habitat. I also see Alaska's resources being raped and its people being ran over by big business interests.

Time is not of the essence in this situation and there is no reason to rush into a new management system. Please stop the pending move of Habitat into DNR.

Sincerely,

Leo Keeler

EO 107

To: Senate State Affairs Committee Chair Gary Stevens

MAR 31 2002

If Alaskans looked to a social and economic future that included only mining, the obvious course would be to dismantle environmental regulation in an effort to boost Alaska's Policy Potential Index. I don't believe that Alaskans are that foolish, as was readily evident from public testimony at the Senate Resources Committee (3/10/03) and to the House State Affairs Committee (3/11/03) public hearings. **The vast majority (approximately 75%) of testimonies clearly informed the legislature that EO 107 is not an acceptable way to do business in Alaska. Sentiment at the House Special Fisheries Committee hearing on EO 107 (March 26, 2003) overwhelmingly opposed EO 107. The administration's answers were vague and the administration could not make a legitimate case for EO 107.**

The relevance of what has been reported above is that:

- 1) The administration is trying to convince us that the myth - Habitat Division as an obstruction to economic progress - they have fabricated with half-baked and insufficient knowledge is an economic necessity.
- 2) Contrary to Commissioner Irwin's version of the Fraser Institute's *Annual Survey of Mining Companies* report, the results do not support the Murkowski administration's assertion that ADF&G - Habitat Division is an obstruction to development and therefore a drag on Alaska's economy.
- 3) Despite the numerous documented false allegations and documented misinterpretations, the administration blatantly continues to promote EO 107.
- 4) Despite recent Senate and House committee hearings where public testimony, and ADNR Commissioner Irwin and Acting ADF&G Commissioner Duffy, made it clear that there is a resounding lack of supportable justification for EO 107, Governor Murkowski's supporters in the legislature may not be doing anything to correct the administrations behavior.
- 5) Despite the numerous documented false allegations and documented misinterpretations, the Murkowski administration wants us to believe them when they tell us there will be no decrease in the level of fish and fish habitat protection under EO 107.
- 6) Because EO 107 is neither a cost cutting measure nor an administrative efficiency measure (as has been clearly proven and documented in numerous public forums and media) the cabinet members are forced to support and promote EO 107 via deceit.
- 7) Based on ADNR Commissioner Irwin's significant and blatantly flawed representation of the Fraser Report data, there is no doubt that the legislature should probe deeply the validity of the rest of Murkowski administration's justifications (many of which have been proven illegitimate already) for EO 107 (and against ADF&G Habitat Division) and demand that EO 107 be brought to the floor for immediate disapproval.
- 8) Based on number 1, 2, 3, 4, 5, and 6 above, if certain members of the legislature behave in a manner that prevents EO 107 from being **DISAPPROVED (REJECTED)**, they should not be considered worthy of representing our supposed democratic republic.

Distributed by Anchorage L.I.O.

Re: Fraser Report – “Annual Survey of Mining Companies” & Executive Order 107

To: Alaska Senate Resource Committee hearings regarding EO 107 – 3/10/03

To: State Affairs Committee hearings regarding EO 107 – 3/11/03

From: Doug Hill of Anchorage, Alaska (I am testifying on behalf of myself).

Tom Irwin (Commissioner of ADNR) and Kevin Duffy (Acting Commissioner of ADF&G), have cited the Fraser Report as one of the justifications for moving fish habitat protection authority from ADF&G to ADNR on the following occasions:

3/7/03 - Press Conference, Habitat Title 16 Permitting Reorganization Plan

3/10/03 - Senate Resource Committee hearing, EO 107: Transferring Fish Habitat Functions from DFG to DNR (public testimony occurred) ▲

3/11/03 - House State Affairs Committee hearing, E.O. 107 Transfer of Habitat Functions from ADFG to DNR (public testimony occurred)

ADNR Commissioner Irwin has provided the legislature and the public with a MISINTERPRETATION of the FRASER REPORT. The results of the Fraser Institute's "Annual Survey of Mining Companies" do not support the administration's case against ADF&G Habitat Division.

What is the Fraser Report? Since 1997 the Fraser Institute (Vancouver, British Columbia, Canada) has been surveying junior and senior mining companies annually to assess how mineral potential and governmental policy factors affect exploration and investment decisions. The factors included in the assessment include: (1) environmental regulations, (2) regulatory duplication and inconsistencies, (3) uncertainty concerning the administration/interpretation/enforcement of existing regulations, (4) uncertainty concerning what areas will be protected as wilderness or parks, (5) uncertainty concerning native land claims, infrastructure, (6) labor regulation/employment agreements, (7) socio-economic agreements/community development conditions, (8) infrastructure, (9) taxation, and (10) mineral potential. As the survey has grown it has expanded to include more governments/geographical regions from around the world. The Fraser Report currently queries 162 companies for their opinions about the investment attractiveness of 47 jurisdictions around the world. The Fraser Report is essentially a “report card” that rates the mining company perception of governments/geographical regions investment attractiveness.

The Fraser Report provides several indices of how the mining industry perceives a given jurisdiction as a place to do business. However the three major indices are the Policy Potential Index, the Mineral Potential Index, and the Investment Attractiveness Index. The Policy Potential Index is a composite index that measures the affects nine government policy factors on the willingness of mining companies to do business in Alaska. The factors included in the assessment include: (1) taxation, (2) environmental regulations, (3) administration and duplication of regulations, (4) uncertainty concerning native land claims, (5) protected areas, (6) labor issues, (7) infrastructure, (8) socioeconomic agreements, and (9) political stability. The Mineral Potential Index rates a region's attractiveness based on mining company executives' perceptions of geology. The Investment Attractiveness Index is a combination of the nine Policy Potential Index factors assessed and the Mineral Potential Index. The index rating numbers that a government/geographical region receives are a composite index derived from a compilation of the ratings provided by a subset of the companies that responded. **The index numbers do not indicate that a particular jurisdiction was rated; say 50 out of 100 jurisdictions. The index numbers are simply scores; the same as a score that one receives on a math test. The scores can then be used to depict an area's relative ranking for the particular topic being considered.**

The following statements are direct quotes from ADNR Commissioner Irwin's testimony at various public forums where he used the Fraser Report as a reason for supporting EO 107.

March 7, 2003 – Administration Press Conference*

ADNR Commissioner Irwin stated:

“A Fraser Report was just completed, to give you an example, and this is a sorry story. This... (inaudible)...No! The Fraser Report, it's a large company, it's a mining report. They interview the mining companies around the world. And Curt Freeman (*President/CEO Avalon Development Corporation*, Fairbanks based geological consulting firm) just gave a presentation down here couple of weeks ago on it. And in the Fraser Report there's one section that talks about how the major mining companies perceive various areas. They include all the states, they include numerous countries, they include the provinces of Canada. Zero is terrible, 100's perfect. Every year over the last several years, Alaska [presumably *Alaska's Fraser Report ranking*] has been dropping. Now, the title of Curts' report, if I can remember it is “Perception Is Reality”. These are the decision makers in mining companies; they ranked Alaska with a score of 50 [presumably Policy Potential Index] as place to do business. Part of that was the permitting process. They actually, this year ranked Alaska, well for last year, the report came out this year, they ranked Alaska lower than Russia and China as politically acceptable places to do work. That's totally unacceptable to me, it should be totally unacceptable to every Alaskan.”

March 10, 2003 – Senate Resource Committee EO 107 Hearing*

ADNR Commissioner Irwin stated:

“I heard a talk about a week and a-half two weeks ago. And this talk was [titled] “Perception Is Reality” [by Curt Freeman]. There's a Fraser Report done every year. And this Fraser Report is specifically mining related, but it speaks really for industry in general. And all of the large significant large mining companies world wide, just not Alaska, but worldwide are poled, on, each state, each province in Canada, and numerous countries throughout the world. And that pole [Fraser Report] came out last year for 2002, very disappointing. Its [presumably Alaska's Policy Potential Index] been dropping the last “several” years. And Alaska ranked 50 on perception of public companies who want to invest here. Zero is bad, 100 is good. We ranked 50 in perception politically. We have now fallen below China and Russia as areas, even though we have the resources, areas we would politically be acceptable to do work in. Perception is reality, when people vote with their pocketbooks they take their exploration and development dollars elsewhere.”

March 11, 2003 – House State Affairs Committee EO 107 Hearing*

ADNR Commissioner Irwin stated:

“Some of you folks have heard me talk about the Fraser Report. And the Fraser Report comes from my background, the mining side, but it applies to the perception of how Alaska is seen in this day and age. And it’s very sobering to read it. They pole the major mining companies in the world and they do that every year. The results have been put out for the year 2002. And I’m embarrassed for our state. There’s two sections in this report. It poles the decision makers in companies. And it poles them on two things; are the resources here, and they look at Alaska and all the other states, they look at the provinces in Canada, they look at other countries. We rank very high and very well on the resources. The political perception, on a score of zero’s horrible and a 100’s good, this last year we ranked 50 [presumably Alaska’s Policy Potential Index]. Now, whether it’s perception or reality, they vote with their pocketbooks. They’re telling us now, that the major mining companies find it more politically acceptable to do investment in both Russia and China than Alaska.”

◆◆◆ CONTRARY TO WHAT ADNR COMMISSIONER IRWIN HAS STATED:

- **ALASKA WAS NOT RANKED 50 OVERALL IN 2002/2003**
- **ALASKA WAS RANKED “MORE POLITICALLY ACCEPTABLE” FOR BUSINESS THAN CHINA AN RUSSIA**

(See Table 1 and Figures at end of report this report)

- **ALASKA RANKED 12th “OVERALL” as a PLACE TO DO BUSINESS.**
47 jurisdictions were ranked worldwide.
Taking tie scores into account resulted in 34 ranks.
The criteria assessed include those identified above.
(Investment Attractiveness Index - Fraser Report - 2002/2003)

- **ALASKA’S RANKED 20th “OVERALL” as a “POLITICALLY ACCEPTABLE” PLACE TO DO BUSINESS.**
CHINA RANKED 29th and RUSSIA RANKED 34th
47 jurisdictions were ranked worldwide.
Taking tie scores into account resulted in 36 ranks.
The nine criteria assessed include those identified above.
(“Policy” Potential Index - Fraser Report - 2002/2003)

- **ALASKA RANKED 3rd "OVERALL" as a "POLITICALLY STABLE" PLACE TO DO BUSINESS.**
CHINA RANKED 16th and RUSSIA RANKED 24th
 From: Percent of Companies Who Indicate "POLITICAL STABILITY" "ENCOURAGES" DOING BUSINESS IN ALASKA.
 47 jurisdictions were ranked worldwide.
 Taking tie percentages into account resulted in 28 ranks.
 ("Political" Stability Ranking - Fraser Report - 2002/2003)
- **Alaska's "OVERALL" Policy Potential Index Ranking HAS "NOT" BEEN DROPPING OVER THE LAST "SEVERAL" YEARS.**
- Alaska's Policy Potential ranking increased from 14th place in the 1998/1999 (FIRST year Alaska was included in the survey) survey, to 12th place in the 2001/2001 survey. Alaska's Policy Potential rank increased as the survey expanded to include more governments/geographical regions. Alaska's Policy Potential ranking dropped only in the 2002/2003 survey. (Fraser Report 1998-2003).
- **ALASKA RANKED SIGNIFICANTLY HIGHER THAN CHINA AND RUSSIA IN TERMS OF BEING A POLITICALLY ACCEPTABLE PLACE TO DO BUSINESS.**

Alaska's Policy Potential (and Political Stability) ranking does not justify the extreme measures taken by the Murkowski administration against ADF&G Habitat Division

No where in the Fraser Report is STATE GOVERNMENT implicated as an impediment to "doing business".

In fact:

In contrast to the administration's case against ADF&G - Habitat Division, Liv Fredricksen (Fraser Institute - "Annual Survey of Mining Companies" survey Research Co-coordinator) has indicated that, mining company perception of uncertainty about Environmental Protection Agency regulatory consistency and the actions of environmental activists may have something to do with the recent drop in Alaska's 2002/2003 Policy Potential Index score
 (personal communication, 3/18/03)

Quote:

...democrats would leave the country and federal EPA closed.
 -President of a junior mining company
 (Quote provided by Liv Fredricksen, Fraser Institute - "Annual Survey of Mining Companies" survey Research Co-coordinator, 3/18/03)

Without a review of politics and events on a national and global scale there can be no honest and thorough evaluation of the Fraser Report results.

◆◆◆ CONTRARY TO WHAT ADNRC COMMISSIONER IRWIN HAS STATED:

- Alaska's "OVERALL" Investment Attractiveness Index ranking HAS "NOT" BEEN DROPPING OVER THE LAST "SEVERAL" YEARS.
- Alaska's Investment Attractiveness ranking increased from 9th place in the 1998/1999 survey (first year Alaska was ranked) to 5th place in the 2001/2002 survey. Alaska's Investment Attractiveness ranking increased as the survey expanded to include more governments/geographical regions. Alaska's Investment Attractiveness ranking dropped only in 2002/2003 - Alaska, China, and Russia received basically equal rankings (Alaska ranked 12th - Russia ranked 11th - China ranked 10th). However, remember that the Investment Attractiveness Index is a combination of the Mineral Attractiveness Index and the Policy Potential Index. And, the Investment Attractiveness Index was weighted 60% mineral and 40% policy in the 2001/2002 and 2002/2003 surveys. Further, China and Russia's Mineral Potential ranking rose above Alaska's Mineral Potential ranking in the 2002/2003 Fraser Report and Alaska's Mineral Potential ranking dropped from the 2001/2002 ranking of 5th place to 11th place in 2002/2003.

Liv Fredricksen (Fraser Institute - "Annual Survey of Mining Companies" survey Research Co-coordinator, 3/18/03) confirmed the obvious fact that the 60% mineral weighting of the Investment Attractiveness Index would have a noticeable affect on the overall Investment Attractiveness score; in this case a downward pull on Alaska's overall score.
(Personal communication, 3/18/03).

- Once again, contrary to Commissioner Irwin's statements, ALASKA'S POLICY POTENTIAL RANKING WAS HIGHER THAN CHINA AND RUSSIA IN BOTH 2001/2002 and 2002/2003 (China and Russia were included only in the 2001/2002 & 2002/2003 Fraser Reports).
(Fraser Report 1998-2003)

Alaska's "OVERALL" increase in Investment Attractiveness Index ranking as a favorable place to do business occurred while ADF&G Habitat Division controlled fish and fish habitat protection authority and during the so-called extreme pro-environmental administration of the ex-Governor Tony Knowles.

Since inception of considering Alaska in the survey (1998), when considering only the United States, Alaska has received a "composite" Investment Attractiveness Index ranking that has been second only to Nevada each year of the survey.
(Fraser Report 1998-2003)

Russia has unfavourable policies, including "political, regulatory and legal harassment (freezing accounts) because of refusal to cooperate with continuing and increasing layoffs"

-Evaluations Manager, senior mining company
(2002/2003 Fraser Report, Graphical Results section, page 32)

"Indonesia and Russia [are] corrupt [and take] too long for permitting. [We] never know if we own the mining title."

-President of a junior mining company

(2002/2003 Fraser Report, Graphical Results section, page 32)

"Alaska" has the most favorable policies. "Promotion of natural resource development [is] mandated by state constitution-- [the] state actively supports mining by loans, grants, etc., 3-year production tax (state) moratorium at start up, enhance by bottom line exploration expenditure write off re exploration at each property..."

-President of a junior mining company

(1999/2000 Fraser Report, Graphical Results section, page 9)

◆◆◆CONTRARY TO WHAT ADNRC COMMISSIONER IRWIN HAS STATED:

- **ALASKA WAS RANKED "MORE POLITICALLY ACCEPTABLE" FOR BUSINESS THAN CHINA AN RUSSIA in the 2001/2002 and the 2002/2003 Fraser Report**
- Percent of companies who indicate MINERAL POTENTIAL ASSUMING CURRENT REGULATIONS/LAND USE POLICIES "**ENCOURAGES**" DOING BUSINESS IN ALASKA.
47 jurisdictions were ranked worldwide.
Taking tie percentages into account resulted in 34 ranks.
ALASKA RANKED 10th OVERALL as a PLACE TO DO BUSINESS
CHINA RANKED 17th and RUSSIA RANKED 25th
(Fraser Report 2002/2003)
- Percent of companies who consider uncertainty concerning the ADMINISTRATION, INTERPRETATION, and ENFORCEMENT of EXISTING REGULATIONS a "**STRONG DETERRENT**" to DOING BUSINESS IN ALASKA.
47 jurisdictions were ranked worldwide.
Taking tie percentages into account resulted in 40 ranks worldwide.
ALASKA RANKED 17th OVERALL as a PLACE TO DO BUSINESS
CHINA RANKED 33rd and RUSSIA RANKED 40th
(Fraser Report 2002/2003)
- Percent of companies who consider REGULATORY DUPLICATION AND INCONSISTENCIES a "**STRONG DETERRENT**" to DOING BUSINESS IN ALASKA.
47 jurisdictions were ranked worldwide.
Taking tie percentage into account resulted in 37 ranks.
ALASKA RANKED 16th OVERALL as a PLACE TO DO BUSINESS
CHINA RANKED 25th and Russia RANKED 36th
(Fraser Report 2002/2003)

- Percent of companies who consider TAXATION a "**STRONG DETERRENT**" to DOING BUSINESS IN ALASKA.
 47 jurisdictions were ranked worldwide.
 Taking tie percentage into account resulted in 29 ranks.
ALASKA RANKED 9th OVERALL as a PLACE TO DO BUSINESS
CHINA ranked 18th and RUSSIA ranked 26th
 (*Fraser Report 2002/2003*)
- Percent of companies who consider LABOR REGULATION a "**STRONG DETERRENT**" to DOING BUSINESS IN ALASKA
 47 jurisdictions were ranked worldwide.
 Taking tie percentages into account resulted in 23 ranks.
ALASKA RANKED 9th OVERALL as a PLACE TO DO BUSINESS
CHINA RANKED 13th and RUSSIA RANKED 21st
 (*Fraser Report 2002/2003*)
- Percent of companies who consider SOCIOECONOMIC AGREEMENTS a "**STRONG DETERRENT**" to DOING BUSINESS IN ALASKA.
 47 jurisdictions were ranked worldwide.
 Taking tie percentages into account resulted in 30 ranks.
ALASKA RANKED 5th OVERALL as a PLACE TO DO BUSINESS
CHINA RANKED 23rd and Russia RANKED 29th
 (*Fraser Report 2002/2003*)
- The Fraser Report survey does not include all the U.S states. In 2002/2003 the survey considered 47 jurisdictions worldwide – fewer jurisdictions were considered in previous years. As we all know there are 50 states in the United States.

BEWARE

"Mining Watch", a pan-Canadian group whose aim is to ensure that mineral development practices are consistent with the goals of sustainable communities and environmental health and advocates policies to improve the efficiency and reduce the risks of mineral development, released a critique of the *Fraser Report*. Mining Watch issued the following statement regarding the *Fraser Report*, "**It is clear from the report that a vote for mining friendly policy is a vote against fair taxation, against collective bargaining, against environmental protection, against aboriginal land rights, and against protected areas.**" In light of this statement, remember that ADNR Commissioner Irwin cited the *Fraser Report* as justification for transferring fish and fish habitat authority from ADF&G to the state agency (ADNR) that is responsible for mining, oil, and gas development.

ADNR Commissioner Irwin has been involved in the mining industry in Nevada and Alaska for a number of years. I have a hard time believing that he does not understand the content of the Fraser Report. Commissioner Irwin told the Petroleum News • Alaska (March 2, 2003; page 8) that he has watched the Fraser survey results for years. If it is true that he does not understand the report, what faith can I have in a man who spreads doctrine without knowing what it is that he is promoting. Or, if he is deliberately misinterpreting the Fraser Report's Alaska rankings what faith can I have in his integrity. In either case I am led to suspect that ADNR Commissioner Irwin (Governor Murkowski's messenger) may not have the best interest of the public trust, Alaska's social well being, or the overall future well being of Alaska's future economy - which should include fish and fish habitat as well as mining – in mind as he promotes EO 107.

If Alaskans looked to a social and economic future that included only mining, the obvious course would be to dismantle environmental regulation in an effort to boost Alaska's Policy Potential Index. I don't believe that Alaskans are that foolish, as was readily evident from public testimony at the Senate Resources Committee (3/10/03) and to the House State Affairs Committee (3/11/03) public hearings. **The vast majority (approximately 75%) of testimonies clearly informed the legislature that EO 107 is not an acceptable way to do business in Alaska.**

The relevance of what has been reported above is that:

- 1) The administration is trying to convince us that the myth - Habitat Division as an obstruction to economic progress -- they have fabricated, with half-baked and insufficient knowledge is an economic necessity.
- 2) Contrary to Commissioner Irwin's version of the Fraser Institute's Annual Survey of Mining Companies report, the results do not support the Murkowski administration's assertion that ADF&G – Habitat Division is an obstruction to development and therefore a drag on Alaska's economy.
- 3) Despite the numerous documented false allegations and documented misinterpretations, the administration blatantly continues to promote EO 107.
- 4) Despite recent Senate and House committee hearings where public testimony, and ADNR Commissioner Irwin and Acting ADF&G Commissioner Duffy, made it clear that there is a resounding lack of supportable justification for EO 107, Governor Murkowski's supporters in the legislature may not be doing anything to correct the administrations behavior.

- 5) Despite the numerous documented false allegations and documented misinterpretations, the Murkowski administration wants us to believe them when they tell us there will be no decrease in the level of fish and fish habitat protection under EO 107.
- 6) Because EO 107 is neither a cost cutting measure or an administrative efficiency measure that favors forums Alaskan's (as has been clearly proven and documented in numerous public forums and media) the cabinet members are forced to support and promote EO 107 via deceit.
- 7) Based on ADNR Commissioner Irwin's significant and blatantly flawed representation of the Fraser Report data, there is no doubt that the legislature should probe deeply the validity of the rest of Murkowski administration's justifications (many of which have been proven illegitimate already) for EO 107 (and against ADF&G Habitat Division) and demand that EO 107 be brought to the floor for immediate disapproval.
- 8) Based on number 1, 2, 3, 4, and 5 above, if certain members of the legislature behave in a manner that prevents EO 107 from being **DISAPPROVED (REJECTED)**, they should not be considered worthy of representing our supposed democratic republic.

"In general, the United States has the least favourable policies towards mining, with certain exceptions such as Nevada and Alaska." "Move mining lands out of federal jurisdiction and give them to the states "
Vice President Exploration, junior mining company
(Quote provided by Liv Fredricksen (*Fraser Institute* – "Annual Survey of Mining Companies" Research Co-coordinator)

"Alberta, Alaska [have] low tax levels, welcoming attitudes, and accept natural resources as a responsible industry...Governments must set and adhere to their laws and regulations for extended periods (5 to 10 years), taxation rates must be lower and considerate of the payback periods (must be shorter)...
-CEO, senior mining company
(2001/2002 *Fraser Report*, page 16)

On a number of occasions both ADNR Commissioner Irwin and Acting ADF&G Commissioner Duffy had to publicly defer to Chris Kennedy (Assistant Attorney General) for answers about basic policy procedure questions such as, when there is a contentious issue will the debate rise to commissioner or the deputy commissioner? These are the men that may be implementing EO 107 and it appears that neither one of them have done their EO 107 homework, yet they blindly support and promote EO 107. Do they not have a clear understanding of what it is they are promoting or do they not want the legislature or the general public to understand the true nature of EO 107?

EO 107 places supervision of fish and fish habitat protection under the Deputy Commissioner and the State Forester. The Governor appoints neither position. In other words, the board recommends neither position and neither position receives legislative scrutiny and approval. Currently Title 16 is under the ultimate supervision of the Commissioner of the ADF&G who must be approved publicly by the legislature. What happened to the transparency in government that Governor Murkowski spoke of on numerous occasions during his campaign?

EO 107 is neither a cost cutting measure nor an administrative streamlining measure. EO 107 is the Murkowski administration's Hydro-Ax that is idling and ready to clear a right of way for development at the cost of salmon, resident fish, fish habitat, wildlife and humans supported by fish and fish habitat, nearshore and inland subsistence, sport, commercial, and personal use fisheries.

Salmon have benefited Alaskan socially and economically for thousands of years. Look to the overall future of Alaska's social and economic well-being and do not allow salmon, resident species of fish, and wildlife and humans that depend on fish and fish habitat to be trampled in the stampede for the "New Wealth" of Alaska. **I support responsible development, therefore the only choice I have is to strongly urge the legislature and all Alaskans to DISAPPROVE Governor Murkowski's transfer of fish and fish habitat protection authority from ADF&G to ADNR. Please bring EO 107 to the floor for DISAPPROVAL.**

Thank you for allowing this testimony.
Doug Hill
P.O. Box 220236
Anchorage, Alaska 99522
Home Phone: 348-8519
email: deeryard2001@yahoo.com

I am willing to discuss this issue with anyone. I can provide copies of text and figures.

***ADNR Commissioner Irwin Quotes From The Following KTOO Gavel To Gavel Audio Archives - (<http://www.ktoo.org/gavel/audio.cfm>)**

3/7/03 - Press Conference, Habitat Title 16 Permitting Reorganization Plan
Time Start: 25:12 - Time Stop 26:50

3/10/03 - Senate Resource Committee hearing, EO 107: Transferring Fish Habitat Functions
Time Start: 8:13 - Time Stop 10:12

3/11/03 - House State Affairs Committee hearing, E.O. 107 Transfer of Habitat Functions from ADFG to DNR (public testimony occurred)
Time Start: 11:34 - Time Stop 13:16

Biography

My name is Doug Hill

I am an Alaska resident.

I am 44 and have been in Alaska since my teens.

I have lived on and off the road system - most of my life in Alaska has been spent in rural areas.

I am currently an employee of the ADF&G - Habitat Division Biologist
MY POSITION IS SLATED FOR TRANSFER TO ADNR IF EO 107 IS NOT DISAPPROVED.

I assist the permitting biologist (permit scoping comments, field inspections), work in the schools on restoration projects, and watershed awareness curricula.

I work part time for Wildlife Conservation Division/Waterfowl Section.

I also supervise the ADF&G camp at Redoubt Bay Critical Habitat Area (joint Habitat/Wildlife Conservation bear/angler project).

I also have extensive field experience with Alaska's inshore and inland fisheries while working for the Alaska Department of Fish and Game's Habitat, Wildlife, Sportfish and Commercial fisheries Division. I have a degree in biology from UAF and I have approximately 14 years of combined technician and biologist experience with ADF&G.

I have worked as a building construction carpenter

I have worked for Alaska Packers unloading fish and as a carpenter.

I have been a village maintenance worker for the catholic diocese

I have extensive experience with Alaska's inshore and inland fisheries as a commercial fisherman, a personal use fisherman, a sport fisherman, and a subsistence fisherman.

While living in the Yukon River village of St Marys I spent summers with Yupik friends gillnetting (commercial/subsistence) and putting fish up for the winter at their fish camp on Manning Island near the mouth of the Yukon River.

In the winters I worked blackfish traps and gillnets with friends from the village, as well as ice fishing I spend a lot of personal time fishing, hunting, and paddling on the inshore and inland waterways of Alaska.

Re: *Fraser Report* – “Annual Survey of Mining Companies” & Executive Order 107.

Testimony of Doug Hill (Anchorage, Alaska) - Testifying on Behalf of Myself

Testimony To: Alaska Senate Resource Committee hearings regarding EO 107 –3/10/03

Testimony To: State Affairs Committee hearings regarding EO 107 – 3/11/03

Fraser Report - "Annual Survey of Mining Companies"

Summary of Fraser Report's Composite Indices

	<u>Rank</u>					<u>Rank</u>		<u>Rank</u>	
	ALASKA*					CHINA**		RUSSIA**	
Year	1998/1999	1999/2000	2000/2001	2001/2002	2002/2003	2001/2002	2002/2003	2001/2002	2002/2003
POLICY Potential Index	14	14	13	12	20	28	29	33	34
Mineral Potential Index	16	3	4	5	11	10	8	7	4
Investment Attractiveness Index	9	8	7	5	12	13	10	12	11

* Survey initiated in 1997 - Alaska was not included in the 1997 survey.

** China and Russia were included only in the 2001/2002 and 2002/2003 survey.

Figure 21: Policy Potential Index (North America)

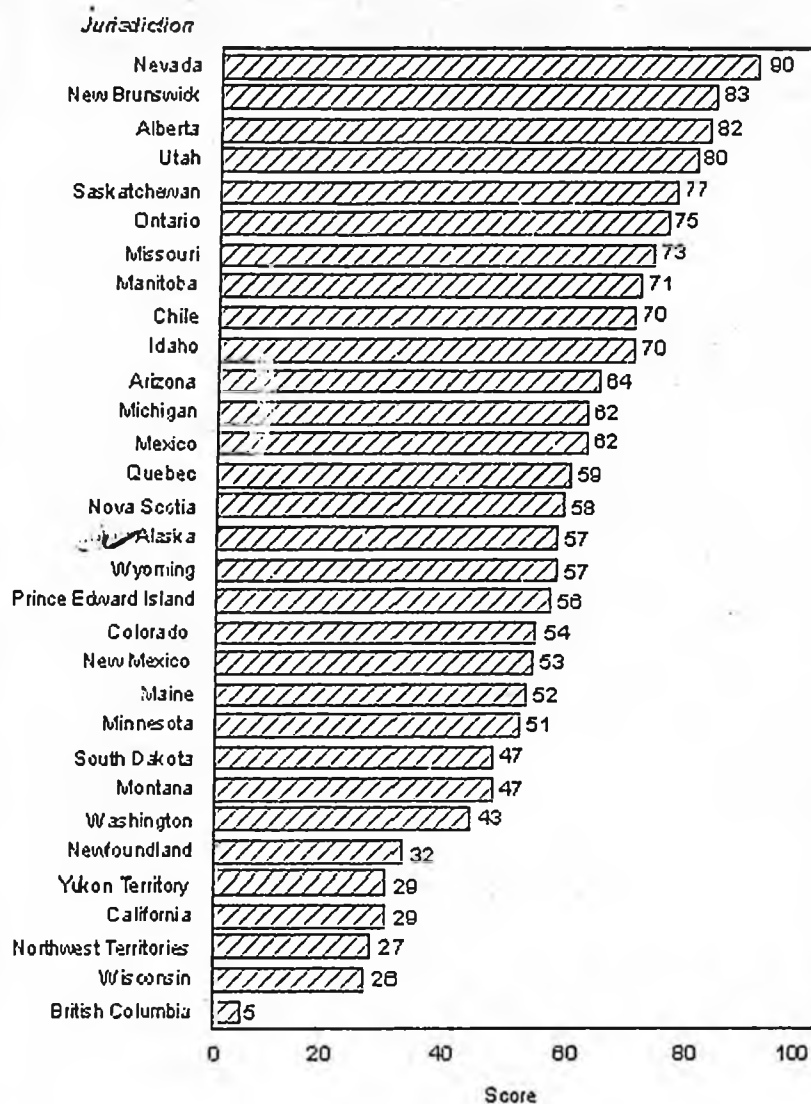


Figure 20: Mineral Potential Index (North America)

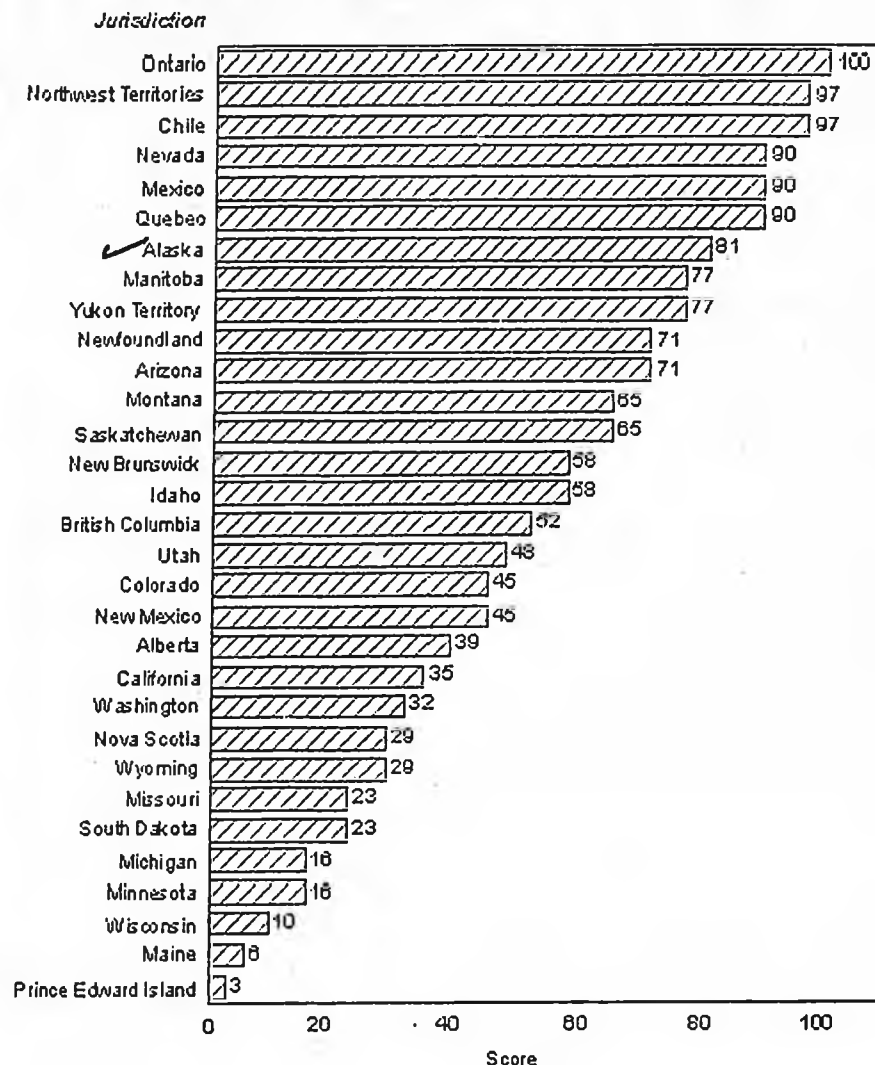


Figure 22: Investment Attractiveness Index (North America)

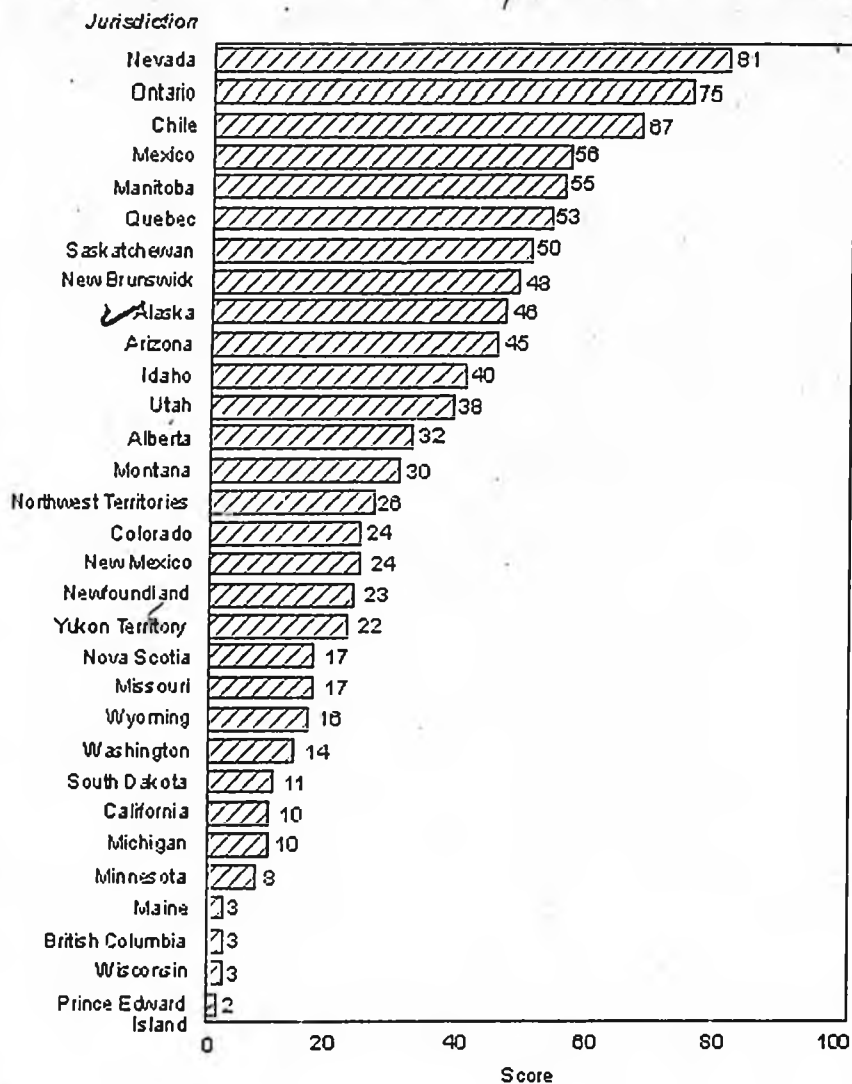
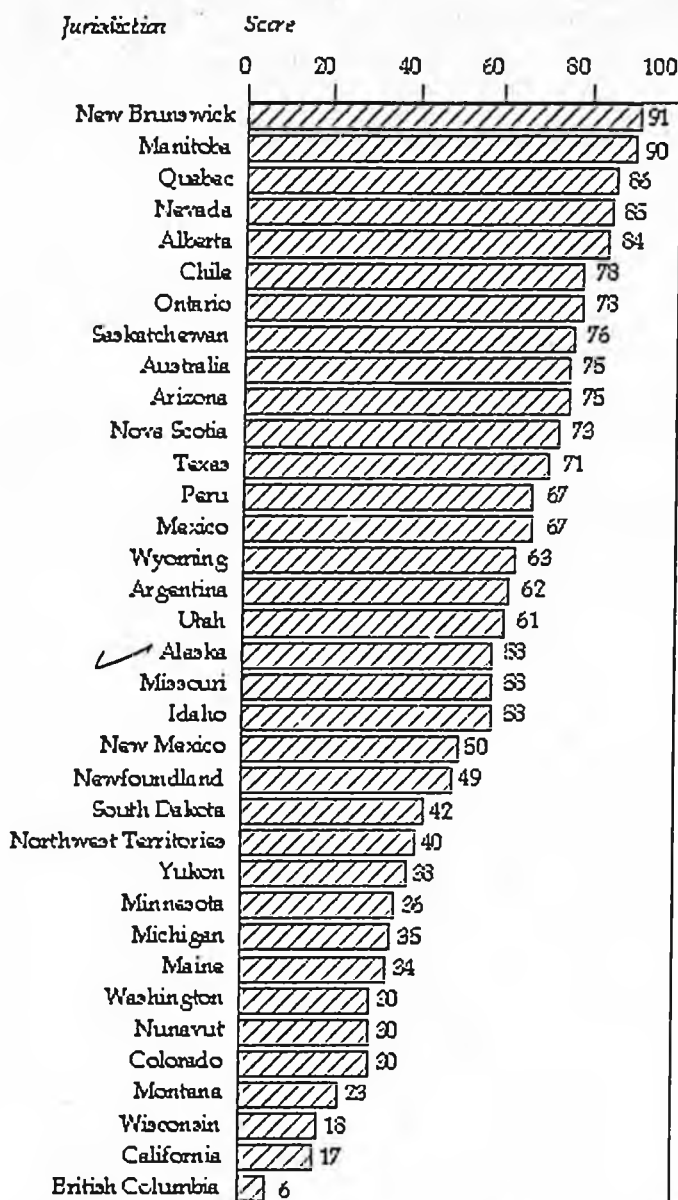


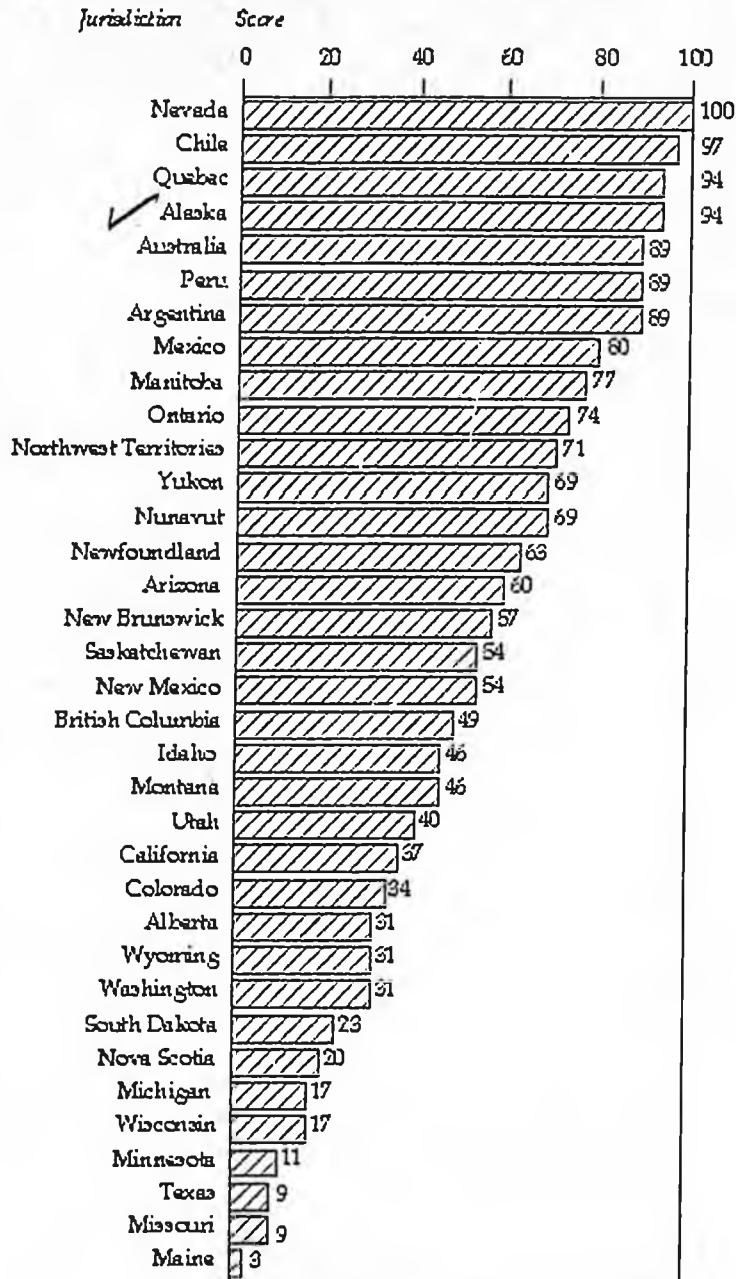
Figure 1: Policy Potential Index



The Mineral Potential Index

The Mineral Potential Index rates a region's attractiveness based on companies' perceptions of geology. The top-rated regions are Nevada, with a perfect score of 100, Chile (97), Quebec and Alaska (tied at 94), Australia, Peru, and Argentina (tied at 89). The worst-rated regions on this index include Maine (3), Missouri and Texas (tied at 9), Minnesota (11), and Michigan and Wisconsin (tied at 17).

Figure 2: Mineral Potential Index



The Investment Attractiveness Index Shows the Best and Worst Rated Places to Spend Exploration Dollars

An overall Investment Attractiveness Index is constructed by combining the mineral potential index, which rates regions based on geological attractiveness, and the policy potential index, a composite index that measures the effects of government policies on exploration investment.

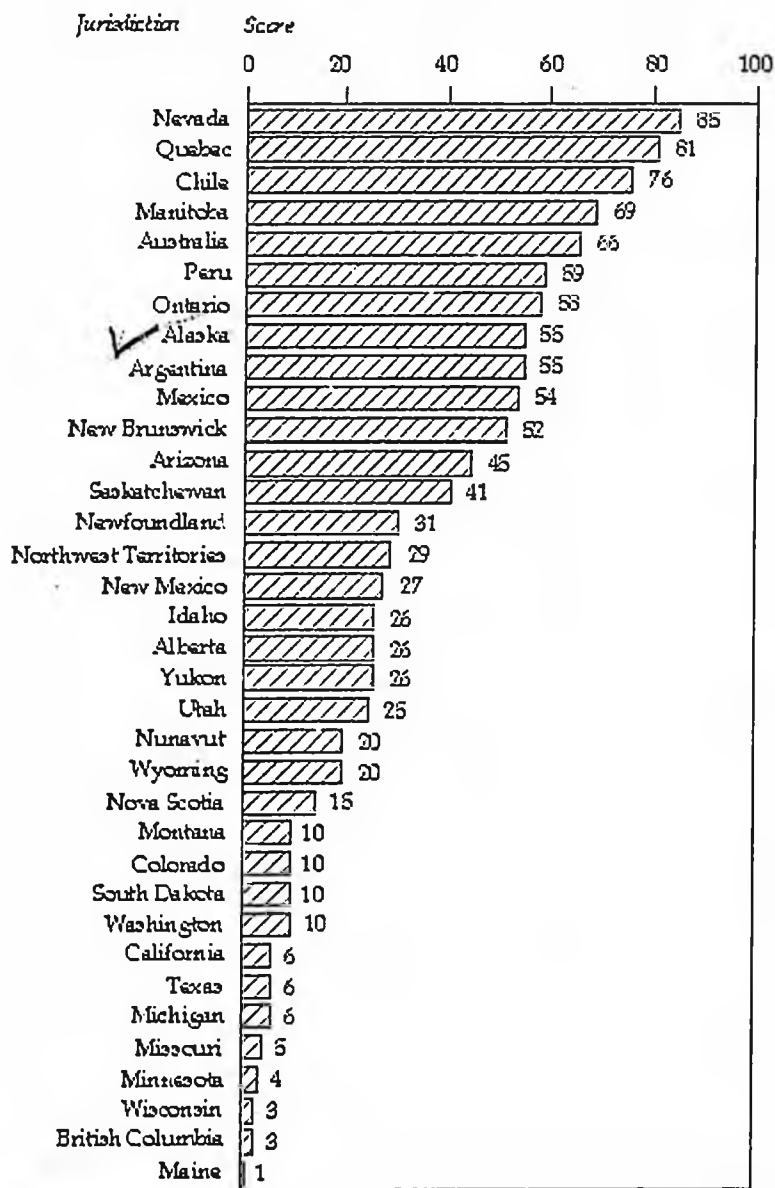
The State of Nevada is the highest rated jurisdiction for overall investment attractiveness for the second year in a row with a score of 85 points out of a possible 100. The high rating is a result of the state's top rating on mineral potential (100) and its high rating on policy (85). The next top rated regions are Quebec (81), Chile (76), Manitoba (69), and Australia (66). Nevada and Quebec beat third and fifth place contenders Chile and Australia in terms of investment attractiveness, even though the two latter countries have reputations of attracting high levels of exploration investment based on mineral potential

and favourable investment environments.

Also placing in the top ten jurisdictions for overall investment attractiveness are Peru (59), Ontario (58), Argentina and Alaska (tied at 55), and Mexico (54).

On the other end of the scale, Maine (1), Wisconsin and British Columbia (tied at 3), Minnesota (4), and Missouri (5), were rated the least attractive areas for new mining investment. British Columbia's low rating on the investment attractiveness index is mainly due to its abysmal performance on the policy potential index. Wisconsin's low investment attractiveness score suggests the results of its moratorium on mining and well-publicized anti-mining attitude as well as its low score on the mineral potential index. Maine did poorly because of its bottom rating on the mineral potential index and its mediocre performance on policy. Other low scoring jurisdictions include Michigan, Texas and California (tied at 6).

Figure 3: Investment Attractiveness Index



[[Previous](#)] [[Contents](#)] [[Next](#)]

Figure 1: Policy Potential Index

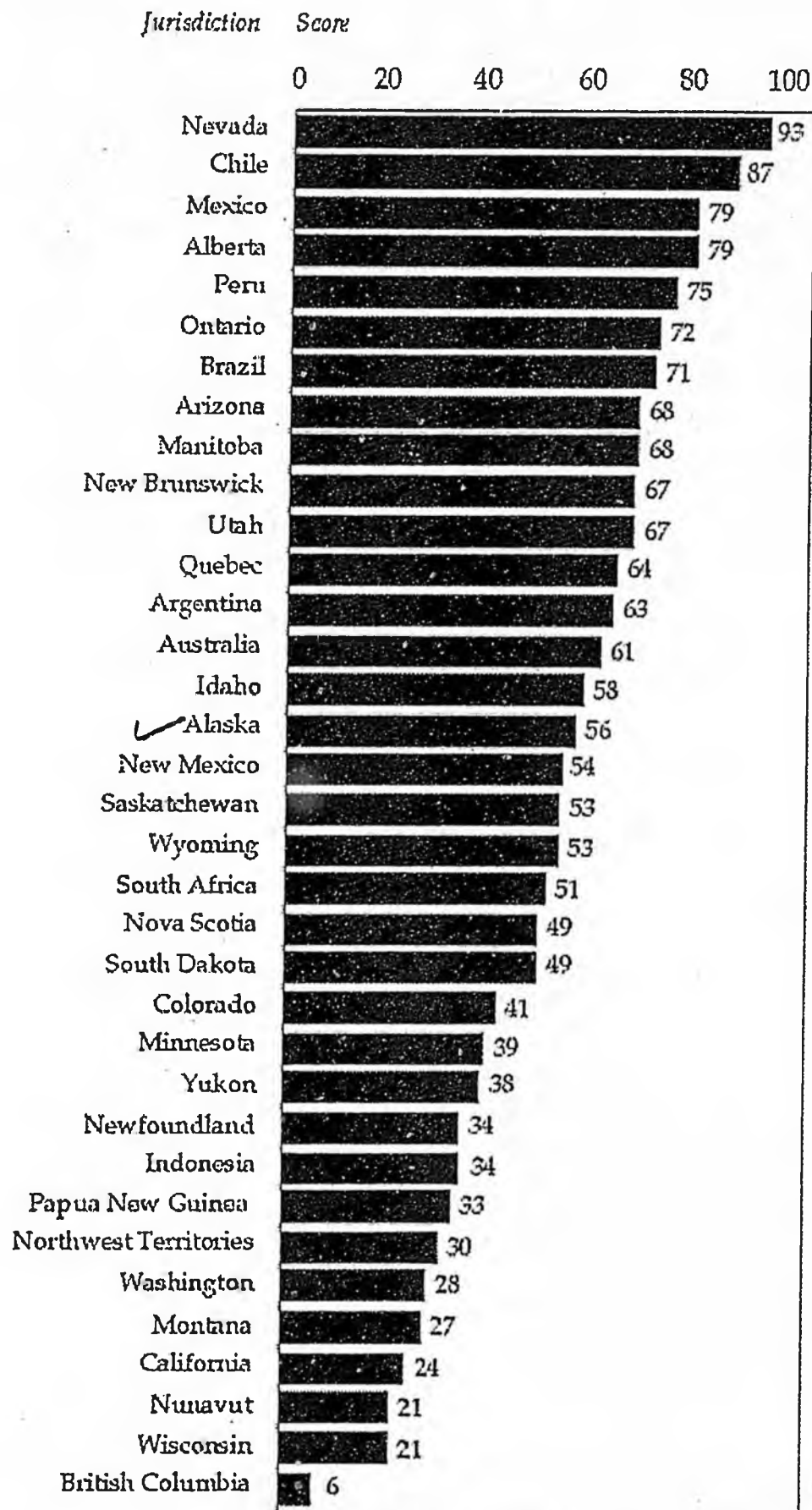


Figure 2: Mineral Potential Index

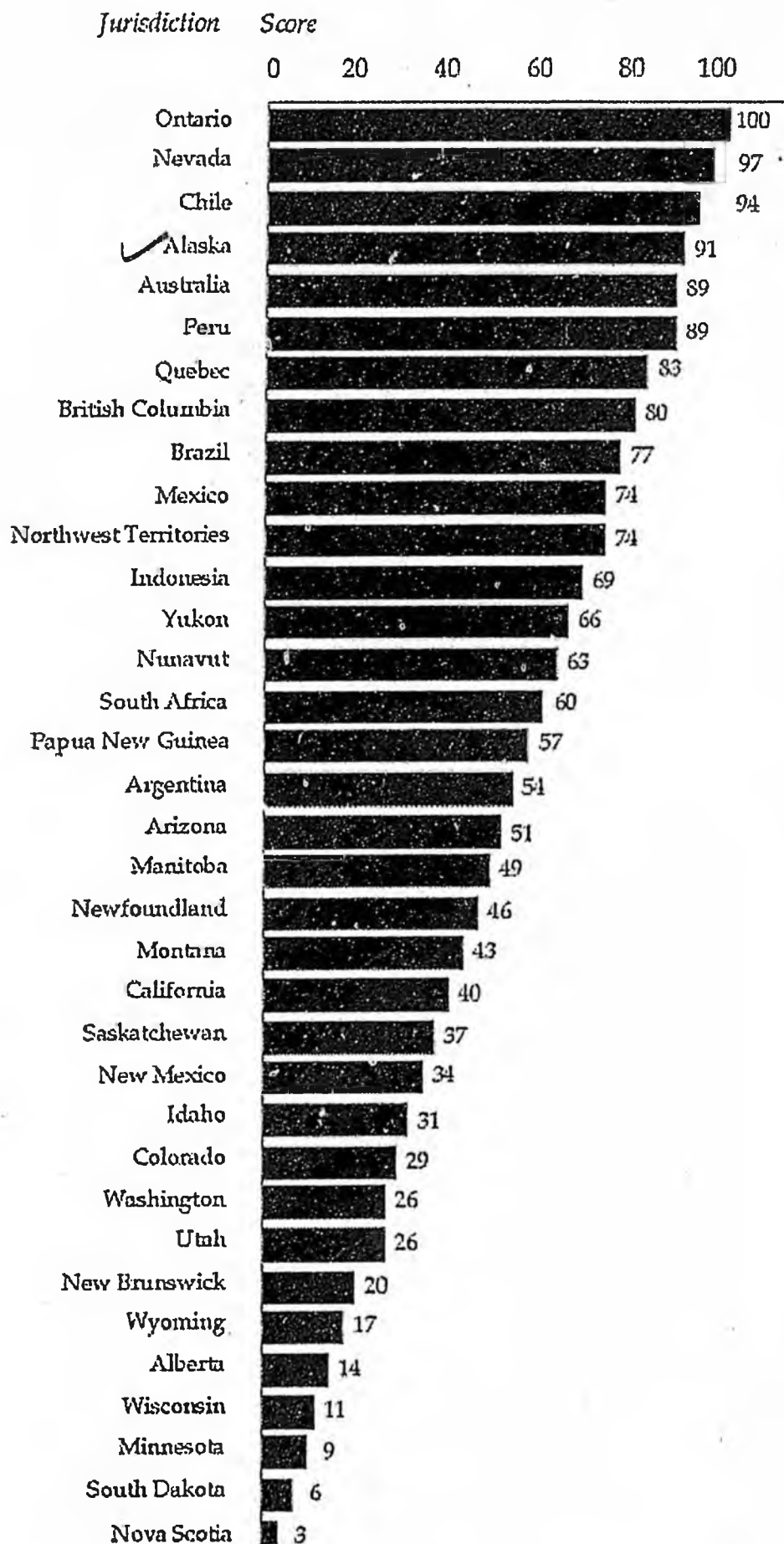
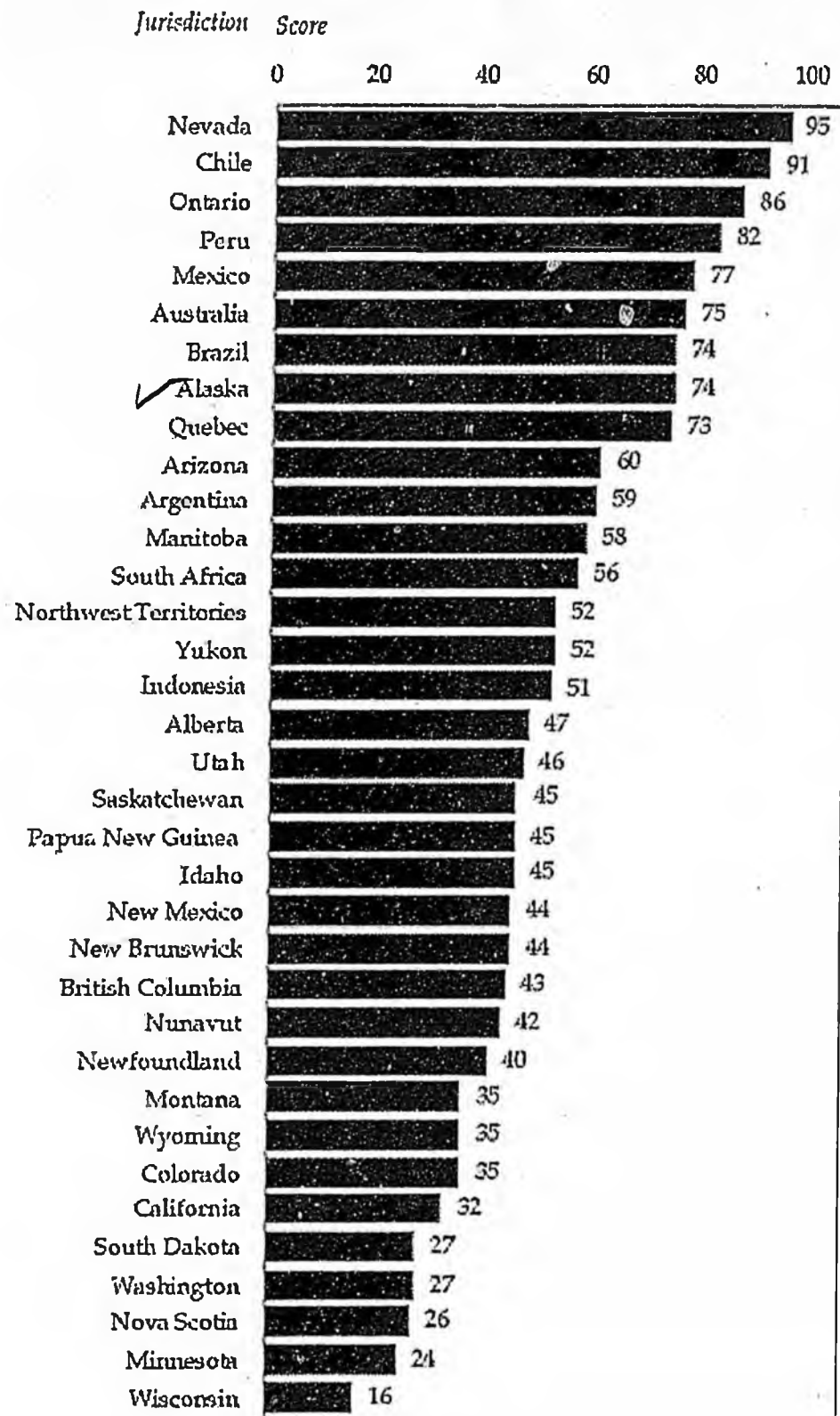


Figure 3: Investment Attractiveness Index

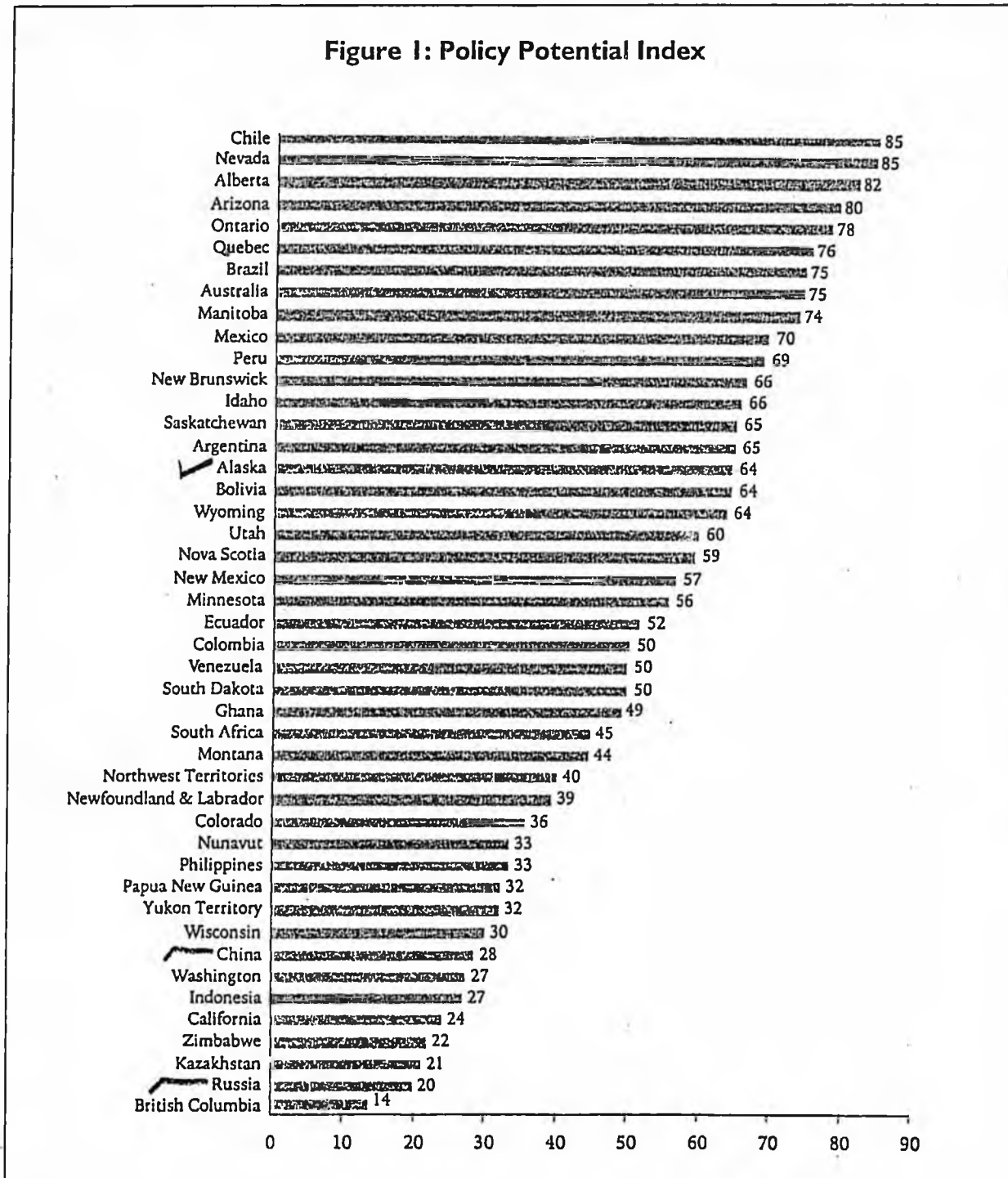


The Investment Attractiveness Index Shows the Best- and Worst-Rated Places to Spend Exploration Dollars

An overall Investment Attractiveness Index is constructed by combining the mineral

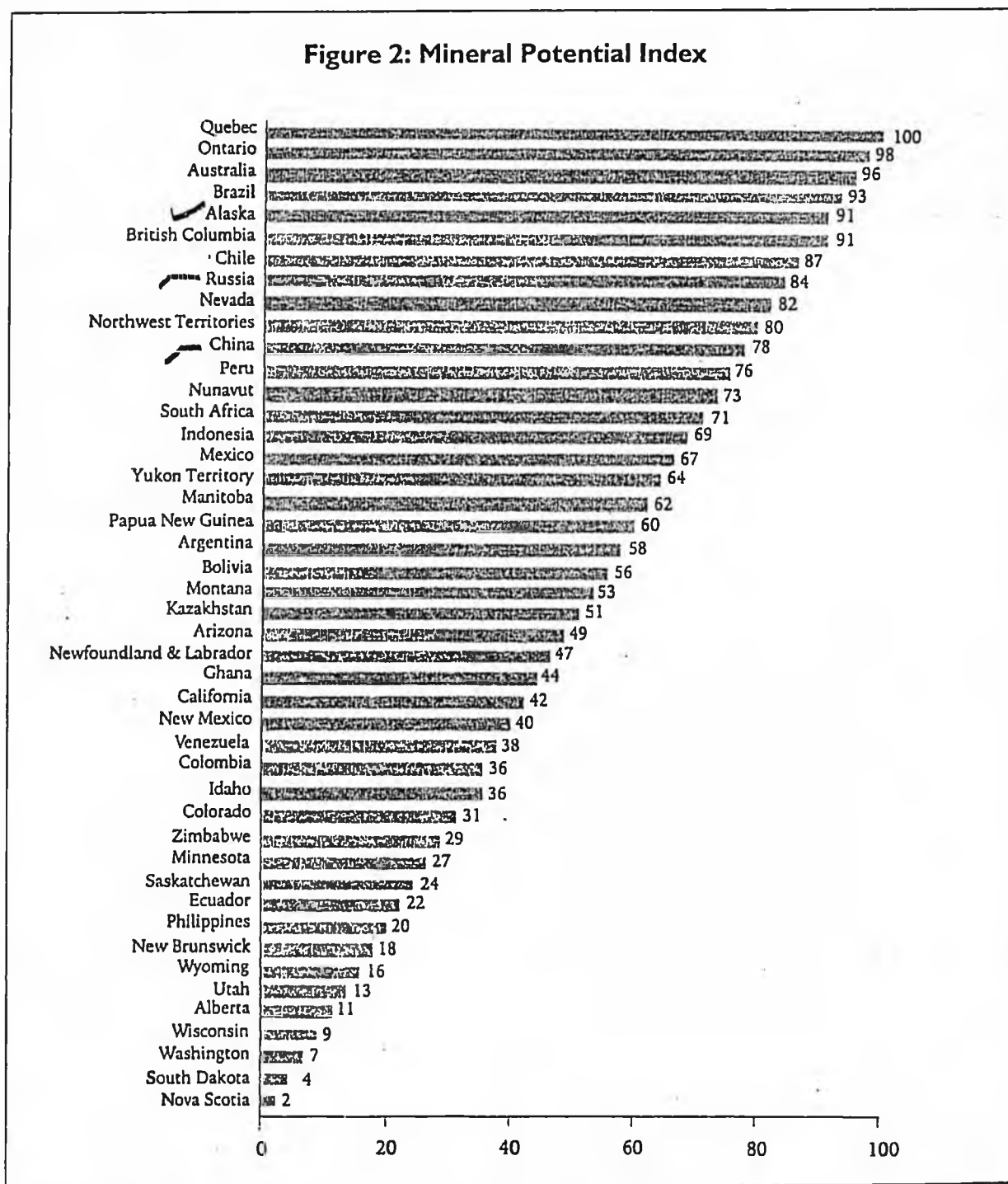
year's first place, rates a close second with a score of 98. Other top jurisdictions include Australia (96), Brazil (93), Alaska (91), British Columbia (91), Chile (87), Russia (84), Nevada (82) and the Northwest Territories (80). The worst-rated regions on this index include Nova Scotia (2), South Dakota (4), Washington (7), Wisconsin (9), and Alberta (11).

Figure 1: Policy Potential Index



The Investment Attractiveness Index takes both Mineral and Policy Potential into Consideration

An overall Investment Attractiveness Index is constructed by combining the mineral potential index, which rates regions based on geological attractiveness, and the policy potential index, a composite index that measures the effects of government policy on attitudes towards exploration investment.



In past years, we have given equal weight to the policy and mineral scores. This year we asked respondents what weights they would put on policy and mineral potential. We used the median result, which puts a 60 percent weight on mineral potential and a 40 percent weight on policy.

Figure 3: Investment Attractiveness Index

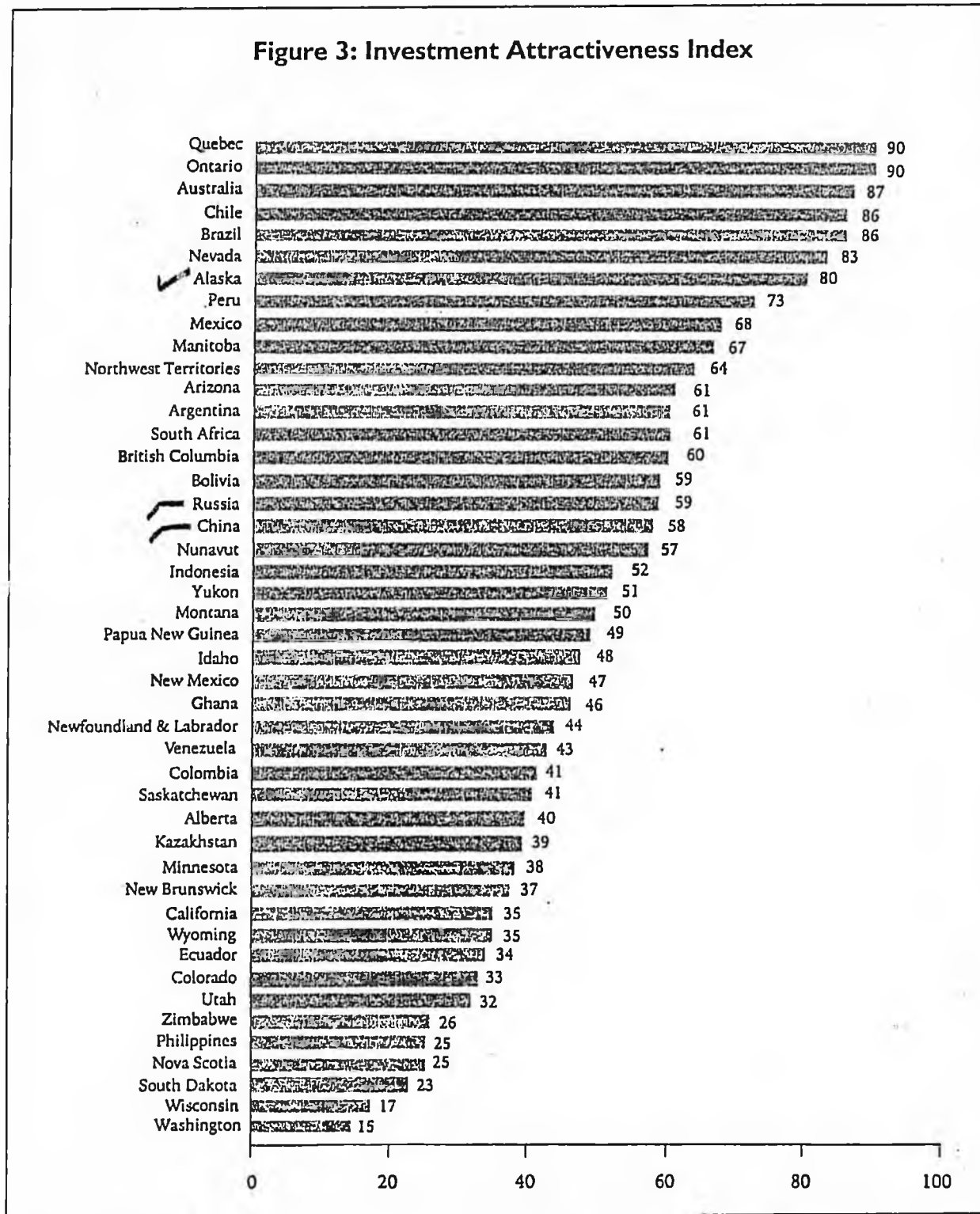


Figure I: Policy Potential Index

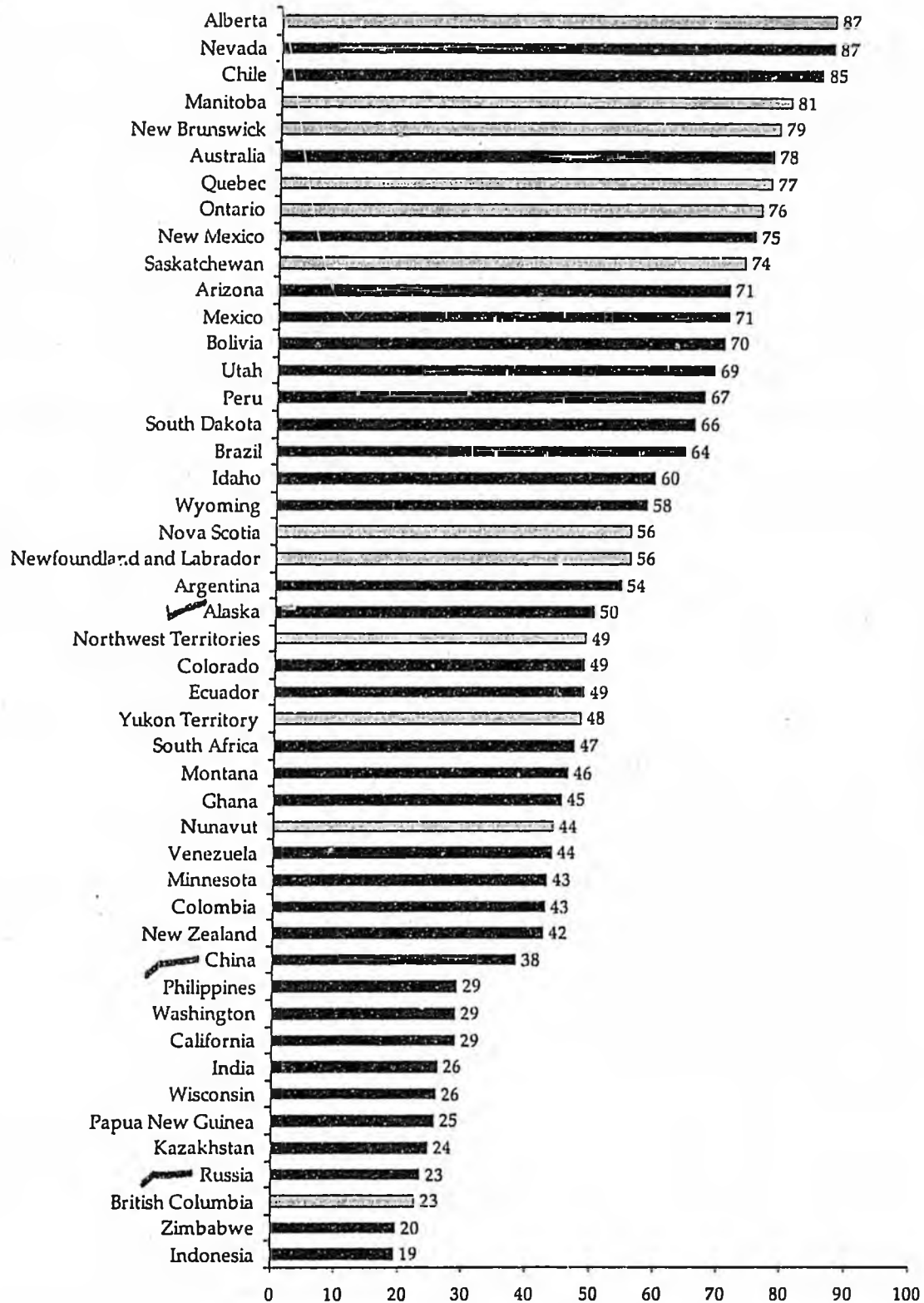


Figure 2: Mineral Potential Index

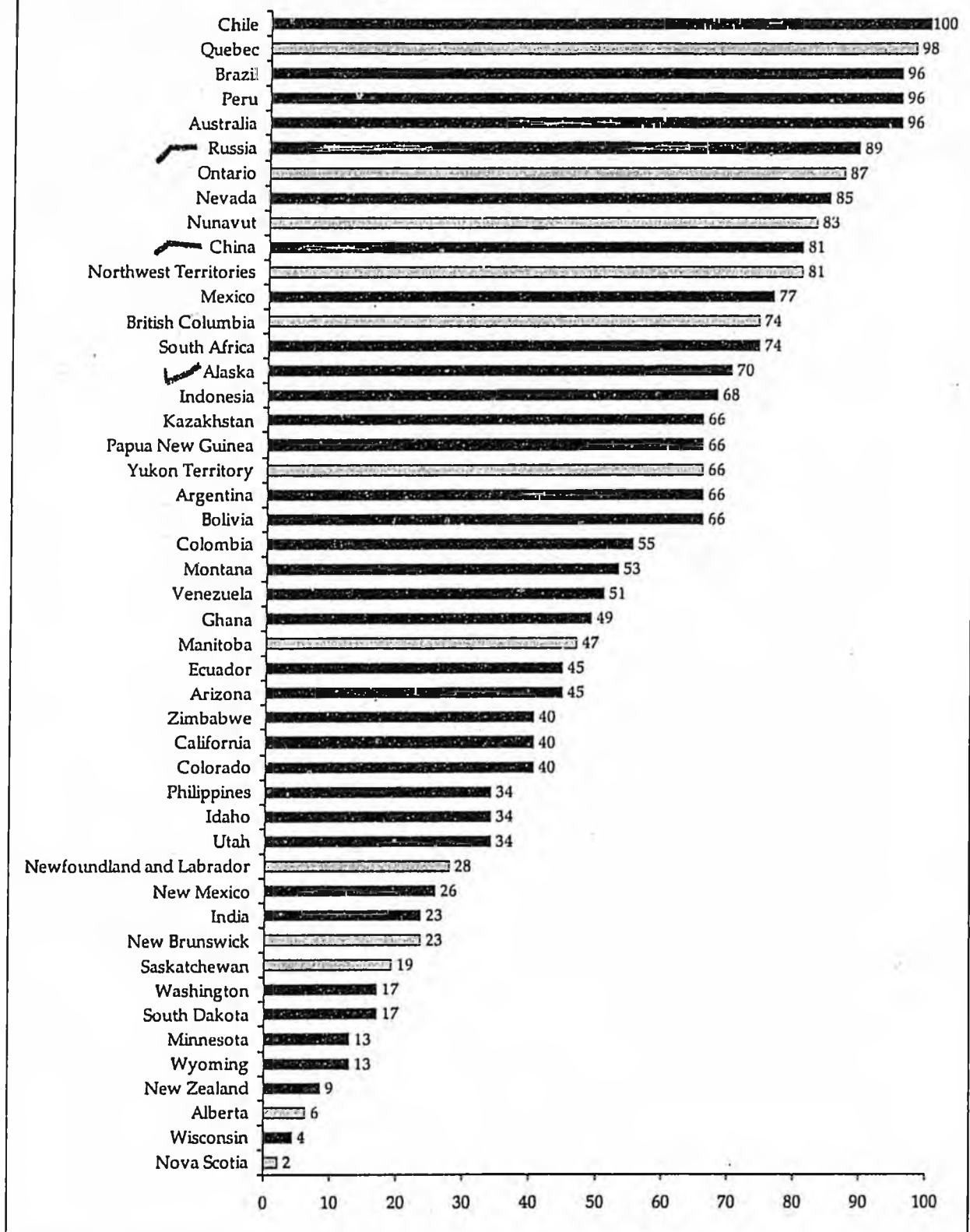
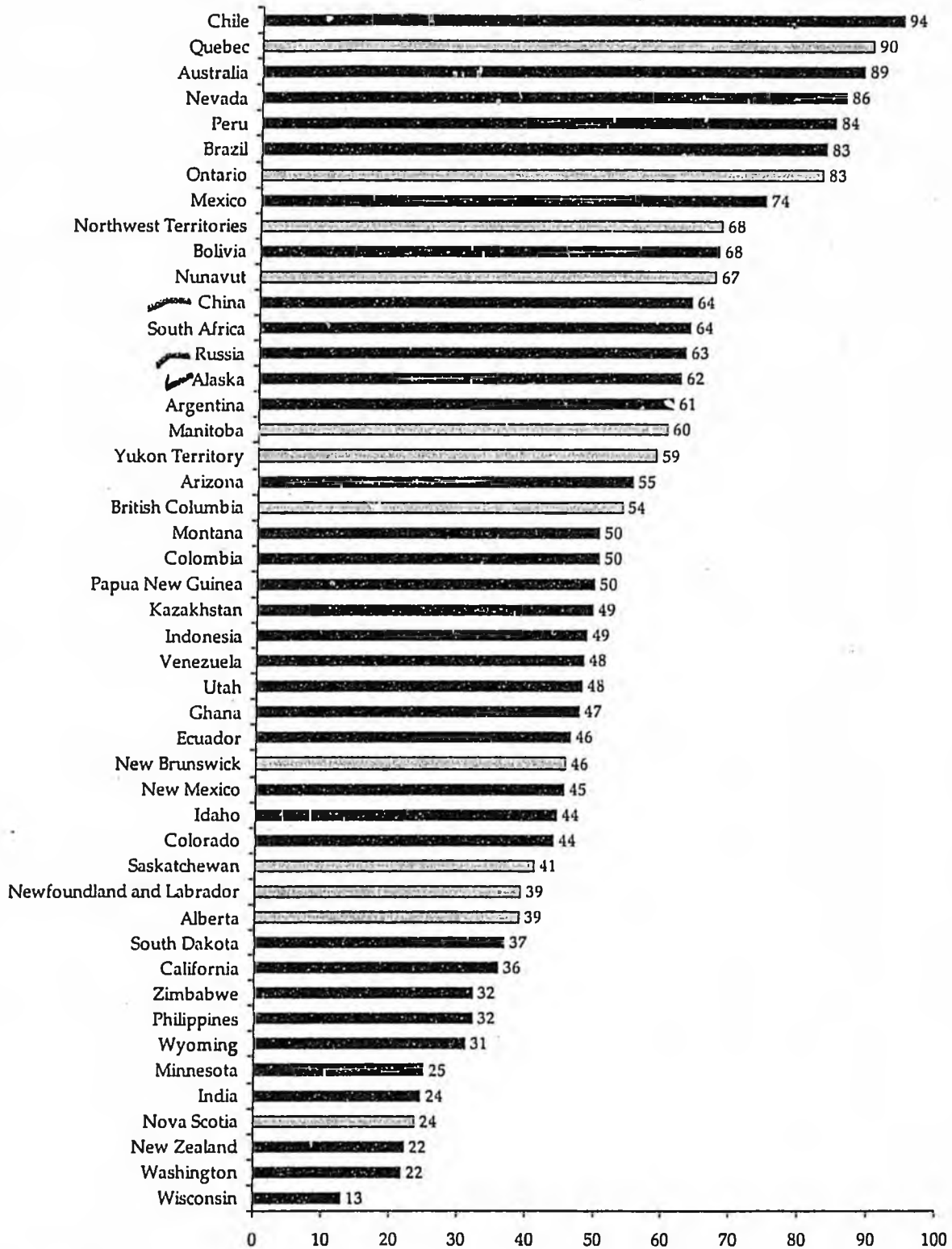


Figure 3: Investment Attractiveness Index



Jeff Fair
4741 E. 112th Ave.
Anchorage, AK 99516
Tel/fax 907-346-4555
fairwinds@gci.net

Fax to Senator Gary Stevens
State Affairs Committee
907-465-3517

March 25th, 2003

Dear Senator Stevens:

Please help facilitate the passage of HOUSE AND SENATE CONCURRENT RESOLUTION NUMBER 1 out of your committee for a full House and Senate vote.

And PLEASE, PLEASE VOTE AGAINST EO 107, the executive order transferring permitting authority from ADF&G to the DNR. This is a poorly structured and fully unjustified action destined to degrade our habitat and fisheries, throw state government checks and balances out of balance, allow for political and unbased vindictiveness affecting the lives of many state employees, and cost all Alaskans and their children in the future.

Thank you for your kind attention to this matter.

Yours sincerely,



FEB 12 2002



American Fisheries Society

ALASKA CHAPTER

February 10, 2003

Governor Frank Murkowski
Office of the Governor
P.O. Box 110011
Juneau, AK 99811-0001

POSTAGE PAID

Dear Governor Murkowski:

The members of the Alaska Chapter of the American Fisheries Society urge you not to transfer habitat permitting from the Department of Fish and Game to the Department of Natural Resources. We believe that this action will cause long-term, cumulative harm to Alaska's fishery resources. Fish are Alaska's most valuable renewable natural resource and have critical historical, cultural, and economic importance to Alaska's subsistence, commercial, and sport users. This valuable resource also represents additional opportunity for economic development.

The American Fisheries Society is the oldest and largest international scientific organization of professional fisheries scientists with nearly 8000 members dedicated to wise management and use of our sustainable aquatic resources and the continuing education of fishery scientists. The Alaska Chapter is one of over 100 subunits of the American Fisheries Society and includes more than 400 fisheries professionals who work in state and federal government, academia, and the private sector. A primary mission of the American Fisheries Society is "to ensure self-sustaining populations that support commercial and recreational fishing both now and in the future."

The Alaska Constitution states that fish and wildlife resources must be managed by the State for the sustained yield, maximum benefit and common use of all people. The framers of our State Constitution were concerned for the long-term viability of Alaska's most important renewable resource when they enacted safeguards to ensure that fish habitats would be maintained. These safeguards are a "check and balance" to assure that fishery and aquatic resources have equal standing with other important resources. This is accomplished by a review of project plans that may affect fish habitat by an independent professional fisheries scientist.

There is ample evidence from States in the Pacific Northwest that poorly designed, installed, or maintained culverts result in loss of access by fish to thousands of miles of productive habitat. Fishery scientists have estimated that the production of anadromous fish in Washington and Oregon is about three percent of historic levels; resident fish abundance is affected as well. Most of the productivity loss has been attributed to loss of aquatic habitat. Alaska is not immune to such loss; for example, recent studies of the State road system and logging roads on the Kenai Peninsula revealed that more than half of culverts block or impede fish passage to spawning, rearing and overwintering habitats.



American Fisheries Society

ALASKA CHAPTER

We, the Alaska Chapter of the American Fisheries Society, believe that if Alaska's fisheries resources are to be sustained for the benefit of all Alaskans, common property fisheries and aquatic resources must be given equal consideration with other land uses at the highest level. The best way to achieve this is to maintain the time-tested process enacted by the first State Legislature. We believe that if the review and permitting function is transferred from the Alaska Department of Fish and Game to the Department of Natural Resources the invaluable system of checks and balances that have existed in

State Statute since statehood will be lost. We believe that professional fisheries scientists within the Department of Fish and Game must continue to review and approve the design and installation of all proposed projects that affect our fish and aquatic resources in Alaska to ensure responsible stewardship of our sustainable fisheries and the healthy habitats that support them.

We encourage a dialogue (public hearings for example) concerning this matter and members of the Alaska Chapter of American Fisheries Society are available to assist if that will be useful. Please feel free to contact us if you have questions about our fishery and aquatic resources (akafs@hotmail.com).

Thank you,
Alaska Chapter of the American Fisheries Society

cc:
Senate and House Legislators

David M. Johnson

7410 Foxridge Way Apt E
Anchorage, AK 99510 U.S.A.
Tel. +1.907.336-8717 * Cell +1.907.748-5417
dmjohnson@outam.com

Saturday, March 29, 2003

Committee Chairmen
House State Affairs Committee, Resources
Committee, Finance Committee, Labor and
Commerce Committee
Senate State Affairs Committee, Resources
Committee
Alaska State Capitol
Juneau, AK 99811

**RE: HSCR1 Disapproving
Executive Order No. 107,
transferring habitat
protection responsibilities
from ADFG to ADNR.**

Dear Committee Chairman:

I am writing to ask you to bring HSCR1 that would disapprove Gov. Murkowski's EO 107 out of committee and to a vote.

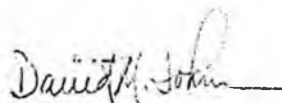
As a 31-year Alaska resident, I understand and appreciate the Governor's desire to increase efficiency of state government operations. However, efficiency cannot be the only yardstick in measuring the appropriateness of change in government. Alaska's fish and wildlife resources are crucial to our well-being -- from a variety of perspectives.

The missions of the Departments of Fish & Game and Natural Resources are significantly different. Moving habitat protection responsibilities into Natural Resources...with fewer staff at that...will actually mean LESS efficiency for natural resource development and use permitting AND LESS protection for fish and wildlife.

Please do not allow this ill-advised executive order to pass into effect without at least a vote of the legislature.

I thank you for your consideration.

Sincerely,



David M. Johnson

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MONEY & BUSINESS

Habitat biologists brace for layoffs

FISH AND GAME: Employees may receive pink slips as soon as Friday.

By PAULA DOBBYN
Anchorage Daily News

(Published: March 5, 2003)

State habitat biologists may get their layoff notices as early as Friday under a controversial plan by Gov. Frank Murkowski to streamline permitting for development projects.

From a total Habitat Division payroll of 86, some 16 full-time employees are slated to lose their jobs along with five temporary workers, according to internal staff memos obtained by the Daily News. Three of the 16 people targeted for layoff are regional supervisors Lance Trasky of Southcentral, Al Ott of the Interior and Bill Hanson of Southeast, Trasky told his staff this week.

"All of the regional supervisors will be terminated," Trasky wrote.

Trasky confirmed the contents of his memo Tuesday but said the layoffs and transfers remain subject to the approval of Jim Clark, Murkowski's chief of staff. Clark is expected to sign off and Murkowski will release the plan when he unveils his budget proposal tonight, Trasky said.

Of the 16 layoffs, one is in Fairbanks, six positions are Anchorage and nine are in Juneau and the Southeast region, Hanson wrote in an e-mail to his supervisor.

Twenty habitat staffers would be transferred to the Sport Fish and Wildlife Conservation divisions of the Department of Fish and Game, and 35 would go to the Department of Natural Resources, where they would work under the state forester and deputy commissioner.

The remaining staffers, who work for the Exxon Valdez Oil Spill Trustee Council and the Kachemak Bay National Estuarine Research Reserve, would stay at Fish and Game.

The names of the biologists, supervisors and administrative workers being let go should be public by Thursday, with layoff notices going out on Friday, Hanson wrote.

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More Details

Kevin Brooks, chief administrative officer for Fish and Game, said more than \$1 million in federal funds for habitat work cannot be transferred to Natural Resources because of legal guidelines over who administers the money.

The federal dollars will remain at Fish and Game but will be channeled to Sport Fish and Wildlife Conservation divisions, Brooks said.

The layoffs and transfers essentially gut the Habitat Division and reassign the Fish and Game commissioner's legal authority to protect fish habitat to Natural Resources, a state agency that promotes and regulates development.

Murkowski laid out the shift through an executive order last month, saying that habitat biologists have stymied too many development projects ranging from logging to highway improvement to hydroelectric projects.

The executive order takes effect in mid-April unless the Legislature blocks it, but few expect the Republican majority to buck the governor.

Fishermen, hunters, scientists, wildlife advocates and others have condemned the plan as an environmental rollback that will cause long-term harm to Alaska's salmon, among other species. Others, including shellfish farmers, loggers, road engineers and some fishermen, have said the changes are long overdue and don't necessarily spell doom for the environment.

Although several biologists suspected that big changes were in store for them if Murkowski got elected last fall, the demise of the Habitat Division is happening more quickly than most expected.

"The incredible pace of these changes and the uncertainties involved make it very difficult to deal with in an organized and logical way. Essentially, the requirement for the governor to submit the budget by Thursday is driving the process," Hanson wrote.

Daily News reporter Paula Dobbyn can be reached at pdobbyn@adn.com or 257-4317.

 McClatchy Company Privacy Policy

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dmjohnson@outam.com

Saturday, March 29, 2003

Committee Chairmen
House State Affairs Committee, Resources
Committee, Finance Committee, Labor and
Commerce Committee
Senate State Affairs Committee, Resources
Committee
Alaska State Capitol
Juneau, AK 99811

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protection responsibilities
from ADFG to ADNR.**

Dear Committee Chairman:

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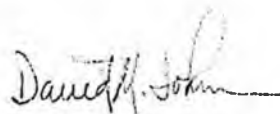
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Please do not allow this ill-advised executive order to pass into effect without at least a vote of the legislature.

Thank you for your consideration.

Sincerely,



David M. Johnson

ONLY PAGE

MARCH 30, 2003

TO: GARY STEVENS
STATE AFFAIRS COMMITTEE
FAX: 465-3517

FROM: FRED & DODY FROEHLICH (28-year Alaska residents)
FAX: 345-1125
ADDRESS: 5801 BEVERLY DRIVE
ANCHORAGE, AK 99516 (No Mail)

RE: HOUSE & SENATE CONCURRENT RESOLUTION NUMBER 1

WE ASK THAT YOU MAKE CERTAIN THAT THIS RESOLUTION PASSES FROM YOUR COMMITTEE.

WE ARE APPALLED AT RECENT ACTIONS BY THIS GOVERNOR! IT IS TIME THAT THE WILL OF THE PEOPLE WAS HONORED, AND ONLY YOU CAN DO THAT.

EVERY THINKING AND CARING INDIVIDUAL KNOWS THAT THE HABITAT PERMITTING AUTHORITY BELONGS WITH FISH & GAME, WHICH IS THE ONLY ENTITY WITH THE BACKGROUND, INTELLIGENCE AND COMPASSION TO DEAL WITH THIS MATTER.

THANK YOU.

Dody Froehlich *Fred Froehlich*

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 17, 2003

SUBJECT: Executive Order 107 (Work Order No. 23-GS1071\A)
(Revised Memo)

TO: Senator Gary Stevens
Attn: Katrina Matheny

FROM: George Utermohle *GU*
Legislative Counsel

This memorandum is in response to your request for information regarding possible statutory amendments that may be necessary if Executive Order 107 takes effect.

Executive Order 107 (cited herein as E.O. 107) provides for the transfer of certain permitting and other functions from the Department of Fish and Game to the Department of Natural Resources and for the transfer of certain functions within the Department of Natural Resources.

ONE: There are two provisions of E.O. 107 where the governor appears to have exceeded his authority.

First, in sec. 5 of the executive order, a new sec. 41.14.165 is added to provide that a peace officer may issue a citation for violations of the requirements of the fishway and anadromous fish stream permits. Included in the new sec. 41.14.165 is a requirement that the Alaska Supreme Court determine which misdemeanors under the new AS 41.14 are appropriate for disposition without court appearance. Also included in that section is a requirement that the court establish an advisory committee consisting of certain members, including judges and the chairs of the House and Senate judiciary committees. The governor's executive order authority is a limited authority to restructure the executive branch of state government. That authority does not allow the governor to place duties on either the legislative or judicial branch of government. In this case, both the Alaska Supreme Court and the legislature could completely ignore the requirements imposed by this section because the governor does not have the authority to impose any duty on them through an executive order.

Second, in sec. 45 of the executive order, a provision is added to protect certain Department of Fish and Game employees from losing their "police officers retirement benefits" if they are transferred to the Department of Natural Resources by the order. This section does not involve a reorganization of functions of the executive branch.

Senator Gary Stevens
March 17, 2003
Page 2

Instead, it relates to the retirement benefits accorded to state employees under law. The governor does not have the power to change laws regarding employee retirement benefits by an executive order.

In both instances, the change the governor sought to make may be necessary and appropriate to fully achieve the intent of the executive order. However, the changes cannot be made in an executive order. In the event that the executive order does take effect, it would be advisable that the legislature enact these provisions in legislation so that there would be no legal uncertainty as to the duty of the Alaska Supreme Court in regard to bailable offenses and bail schedules for offenses under AS 41.14 and as to the status of retirement benefits for certain employees who are transferred to the Department of Natural Resources under the executive order.

TWO: Executive Order 107 makes a number of technical conforming amendments to the numerous statutes that must be changed in order to accomplish the transfer of responsibility from the commissioner of fish and game under AS 16.05.870 to the deputy commissioner of natural resources under AS 41.14.870. However, the executive order fails to contain two statutes that should be amended to correct soon to be obsolete references to AS 16.05.870. AS 46.15.035(c) and 46.15.037(c) provide for the reservation of a volume of water necessary to protect fish habitat in anadromous fish streams identified, as of July 1, 1996, by the Department of Fish and Game under AS 16.05.870 when the state approves the transfer of water from one hydrologic unit to another, or when the state sells water from a hydrologic unit. Both of these statutes should be amended to replace the reference to "AS 16.05.870" with "former AS 16.05.870".

THREE: Section 3 of the executive order makes a technical conforming amendment to AS 16.05.925(a) by deleting the reference to AS 16.05.860 in order to conform to the repeal of AS 16.05.860 by sec. 44 of the Order. The amendment also adds "AS 41.14.860" to the list of statute sections that establish specific penalties for certain fish and game crimes that are not covered by the penalty described in AS 16.05.925(a). This amendment to AS 16.05.925(a) appears to be an error. There is no provision of AS 16.05 or AS 16.20 that would impose a penalty for violation of AS 41.14, so there is no reason to make an exception for AS 41.14.860 in AS 16.05.925(a). Thus AS 16.05.925(a) should be amended to delete the reference to AS 41.14.860.

* * *

In order to implement the changes discussed in this memorandum, the legislature must pass a bill that includes these changes.

If I may be of further assistance, please advise.

GU:med
03-312.med