

HB

254

<TARGET><BILL>HB 254</BILL><SUBJECT>HB
254</SUBJECT><COMM>SFIN29</COMM></TARGET>

SENATE FINANCE COMMITTEE REPORT

DATE: 4/13/16

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered HOUSE BILL NO. 254

HB 254-EXTEND BIG GAME COMMERCIAL SERVICES BOARD

"An Act extending the termination date of the Big Game Commercial Services Board; and providing for an effective date."

and recommends:

- be replaced with SCS HB 254 (FIN) Same Title Technical Title Change
 New Title/SCR No. _____
- adopt previous SCS _____ (_____) Same Title Technical Title Change
 New Title/SCR No. _____
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
EED	MVA
DEC	DNR
DFG	DPS
GOV	REV
DHS	DOT
AJS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
CED	X			2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	No REC	AMEND
	M. CICCONI	✓			
	BISHOP	✓			
	D. D. ...	✓			
	OLSON			✓	
	HOFFMAN	✓			
CO-CHAIR:	KELLY			✓	
CO-CHAIR: Anna Mackinnon	Mackinnon	✓			

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version:	HB 254
Fiscal Note Number:	2
(H) Publish Date:	4/5/2016

Identifier: HB254-DCCED-CBPL-04-01-16
 Title: EXTEND BIG GAME COMMERCIAL SERVICES BOARD
 Sponsor: STUTES
 Requester: (H) Finance

Department: Department of Commerce, Community and Economic Development
 Appropriation: Corporations, Business and Professional Licensing
 Allocation: Corporations, Business and Professional Licensing
 OMB Component Number: 2360

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
OPERATING EXPENDITURES								
Personal Services								
Travel		19.9	19.9	19.9	19.9			
Services		2.1	2.1	2.1	2.1			
Commodities		0.3	0.3	0.3	0.3			
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	22.3	22.3	22.3	22.3	22.3	0.0	0.0

Fund Source (Operating Only)

1156 Rcpt Svcs		22.3	22.3	22.3	22.3		
Total	0.0	22.3	22.3	22.3	22.3	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2016) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Modified to reflect funding through sunset date with a one year wind-down.

Prepared By: Janey Hovenden, Director
 Division: Corporations, Business and Professional Licensing
 Approved By: Catherine Reardon, Director
 Agency: Division of Administrative Services, DCCED

Phone: (907)465-2536
 Date: 04/01/2016 10:25 AM
 Date: 04/01/16
REPORTED OUT OF
HFC 04/04/2016
 Control Code: vqlXx

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

Analysis

HB254 implements Legislative Audit's recommendation to extend the Big Game Commercial Services Board through June 30, 2019.

Adoption of the bill will continue existing activities by the board and administration by the division. Failure to adopt the bill will result in a one-year wind-down of the board in FY2017, and the division will assume all licensing responsibility in FY2018.

If the bill passes the following expenses will be incurred:

Travel: \$19.9 (one staff and board members to attend four board meetings per year)

Services: \$0.7 (advertising of public notice of board meetings)

\$1.2 (room rental for board meetings)

\$0.2 (fees associated with booking board travel)

Commodities: \$0.3 (beverage service at board meetings)

Professional licensing programs within the Division of Corporations, Business and Professional Licensing are funded by Receipt Supported Services, fund source 1156 Rcpt Svcs (DGF). Licensing fees for each occupation are set per AS 08.01.065 so the total amount of revenue collected approximately equals the occupation's actual regulatory costs.

Alaska State Legislature



Chair

Fisheries Committee

Member

State Affairs Committee
Health and Social Services Committee
Transportation Committee
Economic Development Committee

Session:
Alaska State Capitol, #416
Juneau, AK 99801

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REPRESENTATIVE LOUISE STUTES

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HB 254 Sponsor Statement

House Bill 254 extends the Big Game Commercial Service Board's (BGCSB) sunset date from June 30, 2016, to June 30, 2019.

The BGCSB provides a legislative command to assist in resource conservation and consumer protection. The Board develops professional and ethical standards, administers exams, makes final licensing decisions and takes civil action against persons who violate regulations.

The BGCSB is staffed by the Division of Corporations, Business and Professional Licensing. The BGCSB consists of two licensed Registered Guide-Outfitters, two licensed Transporters, two private landholders, two public members, and one member from the Board of Game. Board members are appointed by the Governor and confirmed by the Legislature.

The Board's regulated professions include Assistant Guide, Class-A Assistant Guide, Master Guide-Outfitter, Registered Guide-Outfitter, Retired Guide-Outfitter, and Transporter.

SENATE CS FOR HOUSE BILL NO. 254(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE STUTES

A BILL
FOR AN ACT ENTITLED

1 "An Act extending the termination date of the Big Game Commercial Services Board;
2 relating to the Big Game Commercial Services Board; and providing for an effective
3 date."

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 * Section 1. AS 08.03.010(c)(9) is amended to read:

6 (9) Big Game Commercial Services Board (AS 08.54.591) - June 30,

7 2019 [2016];

8 * Sec. 2. The uncodified law of the State of Alaska is amended by adding a new section to
9 read:

10 REPORT. The Big Game Commercial Services Board shall submit to the legislature a
11 written report that outlines in detail the board's plan to be financially solvent by December 31,
12 2019. The board shall submit the report required under this section not later than October 31,
13 2016. The board shall deliver the report to the senate secretary and the chief clerk of the house
14 of representatives and notify the legislature that the report is available.

1

* **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).

adopted 4/15/16

29-LS1309\W
Bruce
4/14/16

SENATE CS FOR HOUSE BILL NO. 254(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE STUTES

A BILL

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THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Commerce, Community,
and Economic Development**

DIVISION OF CORPORATIONS, BUSINESS AND
PROFESSIONAL LICENSING

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Main: 907.465.2550
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April 14, 2016

The Honorable Anna MacKinnon and Honorable Pete Kelly
Co-Chairs, Senate Finance Committee
State Capitol
Juneau, Alaska 99801

Dear Senators MacKinnon and Kelly:

We appreciated the time with your committee this week and offer the following responses to the questions that were posed and thoughtful discussion that occurred regarding HB254:

What are the reasons for the Big Game Commercial Services Board's deficit?

Several potential reasons for the deficit in this program exist:

1. **This licensing program has a high volume of investigations and appeals by licensees.** The prior legislative audit in 2011 identified several areas in need of fiscal improvement, which the Department has responded to. Despite our dramatic reduction in program costs since that audit, certain major expenses remain outside the Board and Department's control—most notably, the volume and complexity of investigations of legitimate complaints of licensing violations and the volume of licensee appeals of Board disciplinary decisions.

Due to our investigative resources, all investigations are complaint-driven, and complaints only proceed to an investigation upon the advice of a reviewing board member. In complaints jurisdictional to a licensing board, a reviewing board member with expertise in the area of the complaint reviews the facts presented and advises the Department whether to proceed. For this program in particular, there are a number of appeals of Board decisions by licensees, which results in additional legal and hearing expenses. These appeals cannot be anticipated, so an expensive case can set back deficit recovery and trigger higher fees the next renewal cycle.

2. **The hunt record and transporter activity database must be maintained.** The 2011 audit recognized the high cost of maintaining hunt records and transporter activity reports, and the Department responded by developing a new system to reduce that expense. However, the historical cost of entering these records under the old system is estimated at a few hundred thousand dollars.

3. **Controversy over increasing fees deterred the Administration from supporting a fee increase in 2011, which resulted in a lost opportunity to recoup some of this expense.** The Department proposed regulations to increase fees for the BGCSB in 2011; however, there was a large pushback from the Board(s), the industry, and members of the Legislature. Legislative hearings took place and it was determined that a fee increase could not be sustained without support by important stakeholders.
4. **Reconciliation of Department indirect expenses to the state accounting system, as requested by the Legislature, uncovered the program's responsibility for additional expenses.** In 2012, the Department examined allocation of indirect expenses, which revealed that over \$200,000 in expenses had not been accurately allocated or reported to the Board. This reallocation process resulted in greater procedural oversight by the Department going forward.

What is the projected fiscal status of this program, and when will it be out of debt?

The Department anticipates this program to have eliminated its deficit by the close of FY2019. This projection is based on the recently increased fees, new fees, and FY2015 licensing and revenue and expenditure data. If this trajectory changes, fees will be adjusted to ensure fiscal goals are met.

CALCULATIONS BASED ON CURRENT FEES

<i>Revenues and Expenditures</i>	<i>FY2012/2013 Actuals</i>	<i>FY2014/2015 Actuals</i>	<i>Projected FY2016/2017</i>	<i>Projected FY2018/2019</i>	<i>Projected FY2020/2021</i>
Revenue	735,399	989,098	1,697,031	1,697,031	1,697,031
Expenses	(1,166,017)	(1,067,881)			
Adjustments					
<i>Expenses adjusted for 2% biennial increase</i>			(1,089,239)	(1,111,023)	(1,133,244)
<i>Fee adjustment for pro-rated renewal</i>			(23,115)	(23,115)	(23,115)
Projected Net		(78,783)	584,677	562,893	540,672
Beginning Cumulative Surplus (Deficit)		(1,041,267)	(1,120,050)	(535,373)	27,520
Ending Cumulative Surplus (Deficit)		(1,120,050)	(535,373)	27,520	568,192

What is the program's current fiscal position?

The program currently has an annual surplus of \$223,304. It is bringing in enough revenue to cover its operating expenses. With the recent renewal revenue, the program has reduced the deficit from \$1,120,051 in FY2015 to \$896,747 at December 31, 2015. The program will be monitored regularly to ensure the new fees are providing additional cost recovery and whether further increases are warranted. See table below.

	FY16 1st & 2nd Qtr
Licensing Revenue	393,090
Allowable Third Party Reimbursement*	-
Total Revenue	393,090
Direct Expenditures	
Personal Services	111,752
Travel	-
Contractual	1,155
Supplies	1,469
Equipment	-
Total Direct Expenditures	114,376
Indirect Expenditures**	55,409
Total Expenses	169,786
Annual Surplus (Deficit)	223,304
Beginning Cumulative Surplus (Deficit)	(1,120,051)
Ending Cumulative Surplus (Deficit)	(896,747)

How does the existence of the Board affect the deficit?

Program expenses are incurred regardless of the existence of the Board. If the Board sunsets, the program will continue under the purview of the Director of the Division of Corporations, Business and Professional Licensing. While a savings in travel and regulations expenses may be gained, the program will suffer from a lack of readily available, engaged, and empowered oversight by licensees and major stakeholders. This would likely result in additional expenses to hire expert witnesses to complete the investigative review functions that board members currently perform and contractors to analyze regulatory changes.

Would a staggered renewal cycle (some license types renewing in even years and some in odd years) improve the annual operating cash flow of this program?

This is the model the Department currently uses to manage the large volume of construction contractor renewals. It is possible that this model could help, especially once the program has retired its debt. Drawbacks could mean that the one licensing examiner for the program is constantly in renewal mode, and that contracting guides are annually managing the renewal paperwork for themselves and their assistants. Additional research is needed to come to an educated conclusion.

As to the additional discussion that arose during the meeting, DCCED offers the following for clarification and understanding:

How are professional licensing programs funded?

All 43 of the Department's professional licensing programs are funded by program receipts: They receive no undesignated general funds.

How does the Department set licensing fees, and why do deficits occur?

Current law requires these program revenues to approximately equal the expenses in each professional licensing program. Because programs renew biennially, there is but one opportunity every two years to estimate and cost-effectively implement changes to the operating expenses of a program—including all investigations, appeals, and litigation—and to set fees to cover those as-yet unknown costs.

Since fees are set in regulation, this analysis must be completed no later than six months before a program is scheduled to renew. This lag time results in a two- to three-year gap between setting a renewal fee and knowing whether the amount was accurate.

How are program costs covered while in deficit?

Most revenue is accrued during the license renewal period—a three-month window that opens every two years. This creates a cash flow problem at the program level, giving the perception that programs in surplus are “carrying” those that are not. At no time do programs “borrow” from other programs. All program receipts and direct expenses are maintained in separate accounts in the state's accounting system. Because the appropriation of authority is determined at the division level, the division maintains a positive balance each fiscal year.

One remedy to this cash flow dynamic is to set fees high enough to carry a surplus equal to one fiscal year's expenses in order to cover unexpected investigation costs. Board members and licensees have registered concern about this strategy because of the effect high fees have on small businesses. However, Legislative Finance has advised the Department that incremental increases in fees may be implemented over several years in order to overcome large deficits.

What is the Department doing to improve fee analysis and to bring programs into a surplus position?

To aid in fee-setting, the Department developed a new fee analysis model—a plan going forward—and has been successfully using it to analyze fees since last summer. This new tool, which was shared with Legislative Finance, allows us to collaborate with boards in real time to explore various fee levels and impacts on their surplus or deficit before proposing fee regulations. As statute requires, the Department annually analyzes fees to maintain visibility on each program's status. Division management provides boards a quarterly report of their program's fiscal position and is available at each regular meeting of each board to discuss in depth.

What would help the Department improve its fee-setting model?

Since 2013, the Department has highlighted the need for legislative reform to the current statutory licensing fee structures through support for HB187, in meetings with the Legislative Budget & Audit Committee, and in discussions with individual legislators.

These concepts have been primarily focused on issues pertaining to the financial burden of investigation, litigation, and appeals on the average licensee. They include a request to allow revenue from licensing fines to be receipted back to licensing programs to offset some of this expense and raise the question of the public's role in consumer protection. These concepts remain under discussion.

How has the Department addressed the recommendations in this legislative audit?

The Department appreciates the opportunity to work with the Department of Legislative Audit to identify ways the boards and the Department may improve our unique roles in implementing our mission. **The Department takes audit recommendations seriously and has implemented several strategies to address the findings pertaining to its support of the Big Game Commercial Services Board.** These improvements are also highlighted in the audit, beginning on page 31:

Recommendation 1: The Department has ensured that program staff is separately noticing subcommittee meetings and following the Department's policy and procedure on all public notices. These functions have also been centralized for improved oversight.

Recommendation 2: The Department has made several significant improvements to investigative case management over the time frame of this audit.

In the fall of 2014, the Director and new Chief Investigator took immediate efforts to address the bottleneck of case review by restructuring the investigative unit to provide more effective supervision of investigative actions. Two supervisory investigators were reclassified from existing positions in order to decrease the supervisor to subordinate ratio from 18:1 to 7:1.

Since hired in September 2014, the Chief Investigator has implemented several strategies to ensure cases are investigated and completed timely, including monitoring of cases referred to Department of Law to ensure timely litigation and supervisory intervention on cases with more than 30 days of inactivity.

At the time of the audit, the case load for the Big Game Commercial Services Board Investigator was at seventy investigative actions, and we feel this number is manageable. Thirty-one of those seventy matters—just under 50%—are in “Monitor” status, denoting action required by an outside agency. In most instances these matters are pending the resolution of a criminal matter being investigated or prosecuted by the Alaska Wildlife Troopers in cooperation with the Office of Special Prosecutions and Appeals and/or the Department of Law.

Additionally, the investigator for this program has established an electronic review process with reviewing board members which allows them to contact each other during hunting season and while in the field, decreasing gaps in investigative activity and reducing caseload.

Recommendation 3: Over the last few years, the Board and Department have taken demonstrable steps to reduce the program's deficit.

- The Department has found more efficient ways to administer this program: Staff has been reduced from two licensing examiners to one, the hunt record database was rewritten to automate many staff functions of forms handling, management triages informational requests to the Department of Law, and the board has utilized less expensive meeting locations.
- The Board has supported an increase in license fees in both 2013 and 2015, resulting in a reduction of the program deficit by nearly \$250,000 in the first two quarters of FY16, the period after the audit had concluded.
- Three new fees were adopted in 2015 to relieve non-contracting guides and transporters of the responsibility of paying for services they don't use. Only the guides and transporters who are actively contracting hunts, transporting hunters, and registering for guide use areas will pay a processing fee to cover the administrative expense of those specific activities.

Recommendation 4: The transporter renewal application has been corrected and posted on the program's web site.

What is the Department's position on this bill?

The Department concurs with Legislative Audit's finding that the Big Game Commercial Services Board has satisfactorily performed its job in regulating guide-outfitters and transporters, and that this regulation has benefited the public's safety and safeguarded the state's wildlife resources. Without the expertise of this board and its representatives from various licensing and stakeholder groups, it would be difficult for our office to successfully regulate this industry as required in statute.

Best regards,



Sara Chambers
Division Operations Manager

Report Highlights

Why DLA Performed This Audit

The purpose of the audit is to determine if there is a need for the board's continued existence and whether its termination date should be extended. The board is set to sunset June 30, 2016, and will have one year from that date to conclude its administrative operations.

What DLA Recommends

1. The Division of Corporations, Business and Professional Licensing's (DCBPL) director should ensure staff adhere to procedures designed to provide efficient and effective support to the board.
2. DCBPL's director should take steps to improve the timeliness of investigations.
3. DCBPL's director, in coordination with the board, should increase licensing fees to address the board's operating deficit.
4. DCBPL's director should ensure the transporter license renewal application form complies with statute.

A Sunset Review of the Department of Commerce, Community, and Economic Development, Big Game Commercial Services Board

August 26, 2015

Audit Control Number 08-20093-15

REPORT CONCLUSIONS

Overall, the audit concludes the board has provided reasonable assurance that individuals licensed to guide and/or outfit hunts, as well as transport hunters to and from hunt locations, in Alaska are qualified to do so. Additionally, the board's regulation and licensing of qualified guides, guide-outfitters and transporters benefited the public's safety and safeguarded the state's wildlife resources. In recognition that the board reported an operating deficit of over \$1 million as of April 30, 2015, we recommend extending the board only three years under the condition that the board demonstrate the ability to address its deficit during the legislative sunset review process. The board believes proposed regulations that increase licensing fees and create new record processing fees will address its deficit by the end of FY 17. If the board fails to demonstrate the ability to address its operating deficit, we recommend it be considered for termination.

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ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347
legaudit@akleg.gov

September 14, 2015

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Big Game Commercial Services Board and the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY,
AND ECONOMIC DEVELOPMENT
BIG GAME COMMERCIAL SERVICES BOARD
SUNSET REVIEW

August 26, 2015

Audit Control Number
08-20093-15

The audit was conducted as required by AS 44.66.050 and under the authority of AS 24.20.271(1). Per AS 08.03.010(c)(9), the Big Game Commercial Services Board is scheduled to terminate on June 30, 2016. We recommend the termination date be extended to June 30, 2019, under the condition that the board demonstrate the ability to address its deficit. The board believes proposed regulations that increase licensing fees and create new record processing fees will address its deficit by the end of FY 17. If the board fails to demonstrate the ability to address its operating deficit, we recommend it be considered for termination.

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology.

A handwritten signature in black ink, appearing to read "Kris Curtis".

Kris Curtis, CPA, CISA
Legislative Auditor

ABBREVIATIONS

ACN	Audit Control Number
AS	Alaska Statute
board	Big Game Commercial Services Board
CISA	Certified Information Systems Auditor
CPA	Certified Public Accountant
DCBPL	Division of Corporations, Business and Professional Licensing
DCCED or department	Department of Commerce, Community, and Economic Development
DFG	Department of Fish and Game
DLA	Division of Legislative Audit
FY	Fiscal Year
GMU	Game Management Unit

CONTENTS

Report Sections	Organization and Function	1
	Report Conclusions	5
	Findings and Recommendations	7
	Analysis of Public Need	13
	Objectives, Scope, and Methodology	23
Appendices	Appendix A: Department of Commerce, Community, and Economic Development, Division of Corporations, Business and Professional Licensing, Big Game Commercial Services Board Fees Types, FY 06 through FY 16	27
Agency Responses	Department of Commerce, Community, and Economic Development	31
	Big Game Commercial Services Board	35
	Legislative Auditor's Additional Comments	37
Exhibits	Exhibit 1: Big Game Commercial Services Board Members as of June 30, 2015	1
	Exhibit 2: Big Game Commercial Services Board Schedule of Revenues and Expenditures, FY 12 through April 30, 2015	14
	Exhibit 3: Schedule of Guide-outfitters and Transporters Licenses Issued, FY 12 through April 30, 2015	18

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ORGANIZATION AND FUNCTION

Big Game Commercial Services Board (board)

Under AS 08.54.591, the Big Game Commercial Services Board (board) consists of nine members, which includes two public members, two currently licensed registered guide-outfitters, two licensed transporters, one member of the Board of Game, and two private landholders. Public members are prohibited from engaging in the guiding or transporting profession, or having a direct financial interest in the guiding or transporting profession. All members must be Alaskan residents.

The board is responsible for licensing and regulating activities of big game guides, guide-outfitters, and transporters. Guiding involves providing services, equipment, or facilities to a big game hunter in the field. Transporting, which can be provided both by a guide-outfitter or a separately licensed transporter, is the delivery of big game hunters, their equipment, or harvested animals to, from, or in the field.

Alaska Statute 08.54.600 defines the board's functions. This statute authorizes the board to:

1. Prepare and grade a qualification examination that requires registered guide-outfitter licensee applicants to demonstrate that they are qualified to provide guided and outfitted hunts, as well as possess specific knowledge of fishing, hunting, and guiding laws and regulations.

2. Prepare and grade a certification examination for each game management unit (GMU) in which the registered guide-outfitter intends to provide big game hunting services. The exam requires guide-outfitters to demonstrate that they possess knowledge of the terrain,

transportation problems, game, and other characteristics of the GMU.

Exhibit 1

Big Game Commercial Services Board Members (As of June 30, 2015)

Kelly Vrem
Chair and Licensed Registered Guide-Outfitter

James (Tom) A. Atkins
Licensed Transporter

David L. Brown
Board of Game Member

James (David) D. Jones
Licensed Transporter

Michele Metz
Private Landholder

Gene Peltola Sr.
Public Member

Karen Polley
Public Member

Brenda A. Rebne
Private Landholder

Henry D. Tiffany IV
Licensed Registered Guide-Outfitter

3. Provide for the administration of registered guide-outfitter examinations at least twice each year. If requested at the time of application for the license, the board shall provide for administration of an oral examination for a registered guide-outfitter or GMU certification.

4. Authorize the issuance of registered guide-outfitter, master guide-outfitter, Class-A assistant guide, assistant guide, and transporter licenses. Prior to receiving a new or renewed license, applicants must certify that their right to obtain or exercise the privileges granted by a hunting, guiding, outfitting, or transportation services license is not revoked or suspended in Alaska, another state, or Canada.

5. Impose appropriate disciplinary sanctions on a licensee.

6. Regularly disseminate information regarding examinations and other qualifications for all classes of guide licenses to residents of the rural areas of the state.

7. Adopt procedural and substantive regulations. Additionally, the board may adopt regulations that establish a code of ethics for professionals regulated by the board, establish requirements for the contents of written contracts for board-regulated services, and authorize the department to request a copy of a big game hunting services or transportation services contract entered into by a person licensed by the board.

8. Meet at least twice annually.

**Department of Commerce,
Community, and
Economic Development
(department)**

Alaska Statute 08.01.065 mandates that the department adopt regulations to establish the amount and manner of payment for application, examination, license, registration, permit, and investigation fees, and all other fees as appropriate for the occupations covered by the statute.

The department's Division of Corporations, Business and Professional Licensing (DCBPL) provides administrative assistance to the board. This includes functions such as collecting fees; maintaining licensing files; receiving and issuing application forms; and publishing notices of examinations, meetings, and proposed regulations.

DCBPL's licensing examiners administer and grade the written portion of the registered guide-outfitter and GMU examinations, issue initial and renewal licenses for guides, guide-outfitters and transporters, review and enter the data contained in hunt records and transporter activity reports from guide-outfitter and transporter licensees, handle requests for information, issue and receive correspondence concerning licensees, refer complaints to DCBPL's investigation unit, and provide various board support activities.

Alaska Statute 08.01.087 empowers the department to conduct investigations under its own initiative or in response to a complaint. DCBPL provides investigative assistance to the board, and may:

1. Conduct an investigation if it appears a person is engaged in or is about to engage in a prohibited professional practice.
2. Issue an order directing the person to stop an act or practice.
3. Bring an action in superior court to enjoin the act.
4. Examine the books and records of an individual.
5. Issue subpoenas for the attendance of witnesses and records.

On behalf of the board, DCBPL investigators conduct investigations of complaints from guide-outfitter or transporter clients, the public, other guides, guide-outfitters, and transporters, licensing examiners, or other state or federal agencies. The investigator refers complaints which are potential criminal violations to an appropriate law enforcement agency.

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REPORT CONCLUSIONS

In developing conclusions regarding whether the Big Game Commercial Services Board's (board) termination date should be extended, its operations were evaluated using the 11 sunset criteria set out in AS 44.66.050. Under the State's "sunset" law, these factors are to be used in assessing whether a board has demonstrated a public policy need for continuing operations.

Overall, the audit concludes the board has provided reasonable assurance that individuals licensed to guide and/or outfit hunts, as well as transport hunters to and from hunt locations, in Alaska are qualified to do so. Additionally, regulating and licensing qualified guides, guide-outfitters, and transporters benefited the public's safety and safeguarded the state's wildlife resources.

In accordance with AS 08.03.010(c)(9), the board is scheduled to terminate June 30, 2016. In recognition that the board reported an operating deficit of over \$1 million as of April 30, 2015, we recommend extending the board only three years to June 30, 2019, under the condition that the board demonstrate the ability to address its deficit during the legislative sunset review process. The board believes proposed regulations that increase licensing fees and create new record processing fees will address its deficit by the end of FY 17. If the board fails to demonstrate the ability to address its operating deficit, we recommend it be considered for termination.

The audit makes four recommendations to improve board operations. The recommendations include improving Division of Corporations, Business and Professional Licensing (DCBPL) support to the board, improving the timeliness of investigations, increasing licensing fees to address the operating deficit, and ensuring transporters are licensed in accordance with statutes. (See Recommendations 1 through 4.)

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FINDINGS AND RECOMMENDATIONS

The prior sunset audit, *Department of Commerce, Community, and Economic Development, Big Game Commercial Services Board, Sunset Audit, September 13, 2011* (Audit Control No. 08-20071-11), included six recommendations to the Division of Corporations, Business and Professional Licensing (DCBPL) and/or the Big Game Commercial Services Board (board). The prior recommendation to develop procedures that provide efficient and effective support to the board's day-to-day operations has been partially resolved. The outstanding sections of this recommendation are reiterated as Recommendation 1.

The prior recommendation that the DCBPL director ensure staff adhere to investigative case management procedures is partially resolved. The unresolved aspects are reiterated in Recommendation 2.

The prior audit also recommended increasing licensing fees and/or reducing expenditures to mitigate the board's current and projected operating deficit. This recommendation was not addressed and is reiterated as Recommendation 3.

The prior audit recommendation for the board to consider modifying regulatory first aid requirements for registered and master guide-outfitters has not been implemented and is not reiterated as part of this audit. The board has included the need to address this finding as part of its annual goals, but has not addressed it due to competing priorities.

Finally, the prior audit recommendations related to database security, including physical custody of records, and electronic accumulation of hunt record and transporter activity report information have been resolved. A new database system was implemented to include adequate controls over database access.

One new recommendation, related to the transporter license renewal application, is presented as Recommendation 4.

**Recommendation 1:
DCBPL’s director should ensure staff adhere to procedures designed to provide efficient and effective support to the board.**

Prior Finding

Seven processes and procedures that DCBPL staff were required to provide were not adequately performed. The specific issues identified were:

- Untimely public notice of exams;
- Public notices not properly issued for board meetings;
- Untimely preparation of board meeting minutes;
- Untimely issuance of board meeting packets;
- Stale dated licensing applications not processed as abandoned;
- Incomplete and untimely board annual reports; and
- Summary financial and incomplete investigative data not consistently provided.

Alaska Statute 44.62.175(a) requires that notices concerning planned activities be posted on the Online Public Notice System. Additionally, DCBPL policy mandates the following notice requirements:

(1) Regularly scheduled in-person board meetings in one newspaper of general circulation no later than 10 days before the meeting; ... (3) Subcommittee meetings in one newspaper of general circulation no later than 5 days in advance; (4) Examinations; written or practical examinations which are administered through the Division in one newspaper of general circulation no later than 10 days before the examination application deadline. All notices will also be made available in the Alaska Online Public Notice System.

Alaska Statute 08.01.070(7) specifies administrative duties of the board, which includes providing a “draft of the minutes of proceedings to the department within 20 days after the proceedings.”

Current Status of Prior Finding

DCBPL staff developed procedures to improve the issuance of board meeting packets, processing licensing applications, preparing board reports, and communicating financial and investigative information to board members. However, the following deficiencies continued during the audit period:

1. Public notice not timely or not issued for exams. Three of eight public notices of examinations tested as part of this audit were not published on the Online Public Notice System. Two of the three were published in a newspaper of general circulation after the application deadline.¹ Failure to publish exam dates in a timely manner may prevent potential applicants from taking a scheduled exam.
2. Public notice was not properly issued for meetings. The board held eight regular board meetings and 21 teleconference meetings between July 2011 and April 2015. The audit tested three of eight regular meetings and six of 21 teleconferences. One teleconference meeting and three of three subcommittee meetings tested were not publicly noticed as required by statute or division policy. Failure to adequately publish meeting dates may prevent interested persons from attending or participating in board proceedings.
3. Untimely preparation of meeting minutes. Meeting minutes for three of nine board meetings tested as part of this audit were not drafted within 20 days after the scheduled meeting as required by statute. Failure to transmit minutes may prevent interested members of the public from learning about board activities in a timely manner.

DCBPL staff did not ensure meeting minutes were prepared timely and notices were appropriately published, in part, because of a staffing change including the reallocation of duties, and staff not adhering to policies and procedures.

We again recommend DCBPL's director ensure staff adhere to procedures designed to provide efficient and effective support to the board.

¹Registered guide-outfitter and game management unit exams were publicly noticed on November 16, 2013, and the application deadline was August 1, 2013.

**Recommendation 2:
DCBPL's director should
take steps to improve
the timeliness of
investigations.**

Prior Finding

Case deficiencies identified included: inaccurate case status classifications, lengthy periods of inactivity, cases incorrectly closed, and case files not available for review. The deficiencies were a result of investigative staff not following procedures, and the lack of an effective case monitoring system.

According to AS 08.01.050(a)(19), the Department of Commerce, Community, and Economic Development (department), is responsible for investigating and monitoring occupational licensing complaints. The lack of accurate timely information limits DCBPL's and the board's ability to effectively monitor the investigative process.

Current Status of Prior Finding

The case deficiencies identified above have been addressed by DCBPL staff except for the periods of inactivity within investigations. Of the 25 investigative cases² evaluated as part of this audit, 17 had excessive amounts of time where the case was not reviewed or updated by investigative staff. Periods of inactivity ranged from four months to almost five years. According to the lead investigator, periods of inactivity were due to a lack of resources to address the large caseload. The audit also noted a lack of effective case monitoring.

We recommend DCBPL's director take steps to improve the timeliness of investigations.

²The 25 investigative cases consist of 21 random and four judgmentally selected cases. Seventeen of the 21 investigative cases had periods of inactivity, or 81 percent error rate. There were no periods of inactivity on the four judgmentally selected cases.

**Recommendation 3:
DCBPL's director, in
coordination with the
board, should increase
licensing fees to address
the board's operating
deficit.**

Prior Finding

The board had an operating deficit of approximately \$374,000 as of June 30, 2011. Alaska Statute 08.01.065(c) requires the department to set occupational fees so that the amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation. If licensing fees were not increased and/or expenditures were not reduced, a deficit was expected to remain and likely increase.

Current Status of Prior Finding

As of April 30, 2015, the board's operating deficit was over \$1 million. The continuing and increasing deficit is due to various factors, including delayed increase in licensing fees, reduction in number of license renewals, and the reallocation of the division's indirect costs effective in FY 12.

During 2011, the division revised its indirect cost allocation methodology to correct deficiencies noted in a special audit of DCBPL.³ Based on the reallocation of indirect costs, the board's deficit increased by \$236,000, resulting in a beginning FY 12 deficit of approximately \$610,000.

To address the deficit, during FY 12 DCBPL proposed an increase in the licensing fees for the registered and master guide-outfitters and transporters from \$450 to \$725 (61 percent) and from \$250 to \$420 (68 percent) for the assistant and Class-A assistant guides. However, based on public comment, the DCBPL withdrew the proposed licensing fee increase and no increases were implemented. During FY 14, licensing fees were increased by approximately 44 percent for guide-outfitters, guides, and transporters. The division also increased the application and examination fees and established a new retired guide license with an associated fee.

³Department of Commerce, Community, and Economic Development; Division of Corporations, Business and Professional Licensing, *Select Occupational Licensing and Enforcement Issues, June 29, 2011*, Audit Control Number 08-30063-11.

Although the licensing fees were increased, the fees collected were not sufficient to cover the board's operating costs and were insufficient to address the deficit. At the end of August 2015, DCBPL proposed regulations to increase licensing fees, and establish a guide use area registration fee and an administrative filing fee for hunt records and transporter activity reports. See Appendix A for a schedule of the board's fees from FY 06 through proposed FY 16 fees.

We again recommend that DCBPL, in conjunction with the board, increase licensing fees to address the board's operating deficit.

**Recommendation 4:
DCBPL's director should
ensure the transporter
license renewal
application form complies
with statute.**

DCBPL staff failed to issue transporter licenses in accordance with statutes. Two of two transporter license renewal applications tested as part of this audit did not include an affidavit that all activity reports were submitted to the department. Transporter license renewal applications, both hard copy and online versions, did not include a section for the licensee to certify that all activity reports were submitted. As a result, DCBPL and the board have not effectively monitored transporter licensees.

Alaska Statute 08.54.660(c) states the department may not renew a transporter license unless the transporter has signed an affidavit that all activity reports during the term of the current license have been filed with the department.

We recommend DCBPL's director update the transporter license renewal application form to include an affidavit for submission of transporter activity reports to the department.

ANALYSIS OF PUBLIC NEED

The following analysis of Big Game Commercial Services Board (board) activities relates to the public need factors defined in the “sunset” law, Alaska Statute 44.66.050. This analysis was not intended to be comprehensive, but addresses those areas we were able to cover within the scope of our review.

Sunset Criteria No. 1

Determine the extent to which the board or commission has operated in the public interest.

With the exception of transporter licenses, the board has operated in the public’s interest by licensing qualified individuals, modifying and adopting regulations to improve operations and industry practices, and holding meetings, as required by statute. During the audit period, the board adopted regulatory requirements for assistant guides that specify the timeframe to attain hunting, guiding, and practical experience at the time of licensure. The regulation also requires a written recommendation from a registered guide-outfitter who intends to employ the assistant guide that attests to the required experience of the assistant guide. This regulation enhances the safety of the public by ensuring guides have the necessary experience. The board also enhanced regulations over professional ethics standards for guides and transportation services.

From July 2011 through April 2015, the board held eight regular meetings and 21 teleconferences. This number exceeds the statutorily required two meetings a year. A review of board member applications and résumés showed all current board members met eligibility requirements prior to appointment.

Sunset Criteria No. 2

Determine the extent to which the operation of the board or commission has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.

The board's operations have been impeded by a growing deficit caused by inadequate fee setting. Alaska Statute 08.01.065(c) requires "that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation." Exhibit 2 provides a schedule of board revenues and expenditures. This unaudited information was provided by Division of Corporations, Business and Professional Licensing (DCBPL) management for general information purposes. As shown in Exhibit 2, the board began FY 12

Exhibit 2

State of Alaska Big Game Commercial Services Board Schedule of Revenues and Expenditures (FY 12 through April 30, 2015) (Unaudited)				
	FY 12	FY 13	FY 14	July 2014 through April 30, 2015
Revenue	\$607,464	\$127,935	\$791,489	\$197,455
Direct Expenses:				
Personal Services	326,188	298,505	255,997	250,711
Travel	37,059	18,401	22,239	17,474
Contractual	94,595	172,807	188,426	76,093
Supplies	739	926	653	846
Total Direct Expenses	458,581	490,639	467,315	345,124
Indirect Expenses	111,156	105,642	122,387	93,699
Total Expenses	569,737	596,281	589,702	438,823
Annual Surplus (Deficit)	37,727	(468,346)	201,787	(241,368)
Beginning Cumulative:				
Surplus (Deficit)	(610,648)	(572,921)	(1,041,267)	(839,480)
Ending Cumulative:				
Surplus (Deficit)	(\$572,921)	(\$1,041,267)	(\$839,480)	(\$1,080,848)

Source: DCBPL documents.

with a \$610,648 operating deficit, of which \$236,318 was due to the reallocation of the division's indirect costs.⁴

The board's revenue is derived from examination, license, and renewal fees. Renewals are conducted on a biennial basis with fees due during even-numbered fiscal years. DCBPL planned to increase the board license fees during FY 12; however, based on public comment, the division withdrew the proposed regulations and no fee increases were made. Comments from the public included a perception that the proposed 60 percent increase in license fees was excessive and there was a lack of justification to warrant the significant increase.

During FY 14, an increase in license fees was proposed and passed; however, the increase in revenues was not sufficient to cover operating costs. Consequently, the deficit continued to grow. According to DCBPL management and board members, the continuing deficit is partly due to increased costs associated with investigations and related legal proceedings, additional support staff to assist with the backlog of investigative cases, and legal fees for board regulation revisions.

In an effort to eliminate the deficit, DCBPL proposed changing regulations to increase the FY 16 license fees. The proposed regulations also include a new activity report filing fee and a guide use area registration fee to offset division administrative costs related to these activities. Appendix A provides a schedule of board fees from FY 06 through FY 16.

The public has until September 28, 2015, to submit comments on the proposed regulations. After the public comment period ends, the Department of Commerce, Community, and Economic Development (DCCED or department) will either adopt the proposed regulations without further notice or decide to take no action. DCBPL management expects that revenue from the new fees will address the deficit by the end of FY 17. (See Recommendation 3.)

⁴A special audit report, *Department of Commerce, Community, and Economic Development; Division of Corporations, Business and Professionals Licensing, Select Occupational Licensing and Enforcement Issues, June 29, 2011*, identified indirect cost allocation methodologies used by the division needed significant improvement. DCBPL improved the methodologies which resulted in a one-time adjustment.

Sunset Criteria No. 3

Determine the extent to which the board or commission has recommended statutory changes that are generally of benefit to the public interest.

The board promoted changes to statutes and regulations as deemed necessary to benefit the public's interest in areas such as adding a retired guide license status and enhancing the hunting, guiding, and practical experience for guides.

Sunset Criteria No. 4

Determine the extent to which the board or commission has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

Alaska Statutes require the board publish its proposed regulation changes and meeting and examination dates, times, and locations on the State's Online Public Notice System. The board also publishes meeting and examination dates, and examination application deadlines, in a newspaper of general circulation.

The audit found that public notices were not posted to the online notification system for three of eight examinations reviewed as part of this audit, and two examination notices were posted after the application deadline had passed. Furthermore, notice for one of nine board meetings was published late, and three of three subcommittee meetings were not published on the online notification system or in the newspaper. (See Recommendation 1.)

The board has encouraged public participation during board meetings by designating a public comment period for regular board meetings. Interested persons offered comments at all three regular meetings reviewed as part of this audit.

Sunset Criteria No. 5

Determine the extent to which the board or commission has encouraged public participation in the making of its regulations and decisions.

Notice of proposed regulation changes were posted on the State's Online Public Notice System and in a news publication as required by statute. Detailed instructions for submitting public comments were included in the postings. The board reviewed and considered public comment before adopting new regulations. The public was also given an opportunity to comment during regular board meetings held during the audit period.

Sunset Criteria No. 6

Determine the efficiency with which public inquiries or complaints regarding the activities of the board or commission filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.

From FY 12 through April 2015, 716 board-related cases were either open or opened. As of April 30, 2015, 609 of 716 cases were closed, and 107 remained open. The audit reviewed 25 of the 716 cases and found that 17 of 25 cases had periods of inactivity that ranged from four months to almost five years. (See Recommendation 2.)

In an effort to reduce the number of complaints received and appeals processed, the investigative unit compiled an educational pamphlet to assist the guide-outfitters in understanding the board's laws and potential violations; the pamphlet was presented to the board in February 2015. Also, to ensure consistency in the board's disciplinary determinations, a disciplinary matrix was developed based on statutory and regulatory guidance and past precedence, and presented to the board in March 2015. The disciplinary matrix replaced the matrix that was developed and adopted in July 2012.

From FY 12 through March 31, 2015, no board-related complaints

were filed with the State's Office of the Ombudsman, the State Commission for Human Rights, or the Office of Victims' Rights.

Sunset Criteria No. 7

Determine the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.

As of April 30, 2015, there were 1,532 licensed guides, guide-outfitters, and transporters.

Exhibit 3 shows the number of licenses issued during the audit period.⁵

Exhibit 3

Schedule of Guide-outfitters and Transporters Licenses Issued (FY 12 through April 30, 2015)					
New Licenses Issued (Excluding Renewals)	FY 12	FY 13	FY 14	July 2014 - April 2015	Totals through April 30, 2015
Master Guide-Outfitter	8	9	10	5	129
Registered Guide-Outfitter	16	9	14	13	399
Class-A Assistant Guide	12	9	7	8	103
Assistant Guide	59	103	98	75	742
Retired Guide	-	-	6	2	8
Transporter	16	11	22	16	151
Totals	111	141	157	119	1,532

Source: DCBPL documents.

This audit found licenses were issued in accordance with statutory and regulatory requirements with one exception. Evaluation of two of two transporter application renewals identified the

⁵The prior sunset audit reported 1,748 total licenses. With the exception of an increase in the number of master guide-outfitter licenses, the number of licenses for the registered guide-outfitters, Class-A assistant guides, assistant guides, and transporters decreased between 13 and 22 percent. The total as of April 30, 2015, represents an overall reduction of 13 percent in the total number of licenses.

application forms do not include a statutorily required affidavit which states that all activity reports due during the term of the current license have been filed with the department. (See Recommendation 4.)

New statutes were enacted during 2014 to allow for an unlicensed person to:

Assist in providing the guide services of filed preparation of trophies, stalking, pursuing, tracking, killing, or attempting to kill big game, and using guiding or outfitting equipment, including spotting scopes and firearms, for the benefit of a hunter.

According to a legislator's sponsor statement, the unlicensed classification was created to establish an apprenticeship program within the guide industry which compensates individuals who eventually will gain sufficient experience to become assistant guides.

Sunset Criteria No. 8

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board or commission to its own activities and the area of activity or interest.

The audit found no evidence that the board failed to comply with state personnel practices, including affirmative action.

Sunset Criteria No. 9

Determine the extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the board or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

The audit found that DCBPL support to the board should be

improved to enable the board to better serve the public interest. Improvements are needed to address untimely investigations and inadequate public noticing. (See Recommendations 1 and 2.)

Additionally, the board has not addressed the prior sunset audit recommendation to resolve inconsistencies over first aid requirements between the four guide licensing types. Statutes require assistant and Class-A assistant guides to possess a current first aid card, while registered and master guide-outfitters are not subject to the same requirement. First aid certification for all license types is in the public's best interest and should be addressed by the board.

Sunset Criteria No. 10

Determine the extent to which the board or commission has effectively attained its objectives and purposes and the efficiency with which the board or commission has operated.

The board actively worked toward achieving its goals by improving the data entry and scanning of hunt records and transporter activity reports; working with the department to oversee the review of application and licensing of guide-outfitters, guides, and transporters; testing guide-outfitters; refining existing and developing new regulations for hunting and transporting services; refining investigations and disciplinary measures; and identifying new fee sources to increase revenues. However, the board did not meet its goal of improving the first aid and CPR training requirements.

Sunset Criteria No. 11

Determine the extent to which the board or commission duplicates the activities of another governmental agency or the private sector.

Information on the department's required hunt records is duplicated, in part, on the Department of Fish and Game (DFG) harvest tickets. The duplicative information is limited to hunter license number, name, address, registered guide-outfitter name if used, and specific

area/location of the hunt or game taken. The focus of the DFG harvest ticket is specific to the game type, location, and method of take. The board's hunt record is specific to the guide(s) contracting the hunt and all board licensed individuals involved with the hunt, dates in the field, client names, and transporter information.

According to DCCED, DFG, and Department of Public Safety staff, detailed information contained in the hunt records is used for licensing and investigative activities. This detailed information is not included on DFG harvest tickets, which are designed to collect information to manage game in various areas throughout the state.

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OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Title 24 and 44 of the Alaska Statutes, we have reviewed the activities of the Big Game Commercial Services Board (board) to determine if there is a demonstrated public need for its continued existence.

As required by AS 44.66.050(a), the report shall be considered by the committee of reference during the legislative oversight process in determining if the board should be reestablished. Currently, AS 08.03.010(c)(9), the board will terminate on June 30, 2016, and will have one year from that date to conclude its administrative operations.

Objectives

The four central audit objectives were:

1. Determine whether the board's termination date should be extended.
2. Determine whether the board is operating in the public's interest.
3. Determine whether the board has exercised appropriate regulatory oversight of licensed guide-outfitters, assistant guides, and transporters.
4. Evaluate the status of recommendations made in the prior sunset audit.

Scope and Methodology

The assessment of the board's operations and performance was based on criteria set out in AS 44.66.050(c). Under the State's sunset law, these criteria are to be used in assessing whether an agency has demonstrated a public need for continuing operations.

The audit reviewed board operations and activities from July 2011 through April 2015. Financial data was presented for July 2011 through April 2015.

During the course of the audit, the following were reviewed and evaluated:

- Applicable statutes and regulations to identify board functions and responsibilities, determine whether statutory or regulatory changes

enhanced or impeded board activities, and help ascertain if the board operated in the public interest.

- Board meeting minutes and annual reports to gain an understanding of board proceedings and activities, goals and objectives, as well as the nature and extent of public input.
- Board member applications and résumés filed with the Office of the Governor's Boards and Commission to verify that members met statutory requirements.
- Various state and federal websites containing hunt information for potential duplication of board activities.
- The prior sunset audit report (audit control number 08-20071-11) to identify issues affecting the board and report on the status of prior audit recommendations.

To identify and evaluate the various issues relating to board activities, we conducted interviews with state and federal agency staff, board members, and other stakeholders. Specific issues of inquiry included board operations, duplication of efforts, and use of hunt record and transporter report information.

During the course of the audit, the following samples were selected:

- A random sample of 25 initial and renewal license applications was selected from 1,532 licenses that were active between July 2011 and April 2015. Applications were assessed for statutory and regulatory compliance. The sample size was based on a low inherent risk. The testing results were projected to the population.
- A sample of 25 of 731 investigative cases open or opened by Division of Corporations, Business and Professional Licensing between July 2011 and April 2015 was selected to assess the efficiency of the investigative process. The sample consisted of 21 random and four judgmentally selected investigative cases. The sample size was selected based on a low inherent risk. The test results of the random sample were projected to the population.
- The following samples were selected for activity between July 2011

and April 2015, and assessed for compliance with public noticing requirements. The sample sizes of 30 percent were considered necessary as results of testing were significant to evaluating board operations. The testing results were projected to the population.

- o A random sample of nine board meetings was selected from 29 meetings held.
- o A random sample of eight exam offerings was selected from a total of 28 exams held.
- o A judgmental sample of two proposed regulation registers from six registers issued.

Inquiries regarding any board-related complaints were made of the following organizations:

- Department of Commerce, Community, and Economic Development's Office of the Commissioner;
- Department of Administration's Division of Personnel and Labor Relations;
- Alaska State Commission for Human Rights;
- Office of the Governor's Boards and Commissions
- Office of the Ombudsman;
- Office of Victims' Rights; and
- United States Equal Employment Opportunity Commission.

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APPENDICES

Appendix A provides a schedule of Big Game Commercial Services Board fee types from FY 06 through FY 14, and FY 16 proposed fees.

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APPENDIX A

Department of Commerce, Community, and Economic Development
Division of Corporations, Business and Professional Licensing
Big Game Commercial Services Board
Fee Types
(FY 06 through FY 16)

Fee Type	FY 06	FY 08	FY 10	FY 14*	FY 16 (Proposed)
Application Fee – All license types	\$50	\$50	\$100	\$200	\$200
Guide Exam or Retake	50	50	50	125	125
Game Management Unit Exam or Retake	50	50	200	390	400
Exam Prep Packet	25	25	25	100	100
Master Guide-Outfitter License					
Initial and Renewal - Resident	\$185	\$450	\$450	\$650	\$850
Initial and Renewal – Non Resident	370	900	900	1,300	1,700
Registered Guide-Outfitter License					
Initial and Renewal - Resident	\$185	\$450	\$450	\$650	\$850
Initial and Renewal – Non Resident	370	900	900	1,300	1,700
Class-A Assistant Guide License					
Initial and Renewal - Resident	\$75	\$250	\$250	\$360	\$410
Initial and Renewal – Non Resident	150	500	500	720	820
Assistant Guide License					
Initial and Renewal - Resident	\$75	\$250	\$250	\$360	\$410
Initial and Renewal – Non Resident	150	500	500	720	820
Transporter License					
Initial and Renewal - Resident	\$185	\$450	\$450	\$650	\$850
Initial and Renewal – Non Resident	370	900	900	1,300	1,700
Retired License					
Master Guide-Outfitters	NA	NA	NA	\$300	\$300
Registered Guide-Outfitters	NA	NA	NA	300	300
Class-A Assistant Guides	NA	NA	NA	175	175
Assistant Guides	NA	NA	NA	175	175
Report Filing (per filed record/report)					
Hunt Record	NA	NA	NA	\$50	\$50
Transporter Activity Report	NA	NA	NA	50	50
Guide Use Area Registration	NA	NA	NA	\$100	\$100

Source: DCBPL documents.

*There were no fee increases between FY 10 and FY 14.

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Agency Response from the Department of Commerce, Community, and Economic Development



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Commerce, Community, and Economic Development

OFFICE OF THE COMMISSIONER

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November 10, 2015

Ms. Kris Curtis, CPA, CISA
Legislative Auditor
Alaska State Legislature
Legislative Budget and Audit Committee
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811-3300

RECEIVED
NOV 10 2015
LEGISLATIVE AUDIT

RE: "Confidential" Preliminary Audit Report – A Sunset Review of the Department of Commerce, Community, and Economic Development (DCCED), Big Game Commercial Services Board (board), August 26, 2015

Dear Ms. Curtis:

Thank you for the September 30, 2015, preliminary audit report regarding sunset audit findings and recommendations concerning the Big Game Commercial Services Board sunset audit. I appreciate your review and the opportunity to provide input in this process. In general, the department concurs with the report conclusion and recommendations; our comments are provided below.

Report Conclusion

DCCED agrees with the report conclusion and will continue to implement steps to address all recommendations.

Recommendation No. 1

DCCED concurs that additional training and oversight of licensing staff are needed to ensure meetings, exams, and minutes are properly noticed. In January 2015, the division's policies and procedures pertaining to board meeting management were updated to include additional guidance and checklists to ensure these standards are met. The public notice procedures were rewritten and the responsibilities consolidated to one position in 2014, streamlining the tasks involved and improving accountability.

That said, the subcommittee meetings referenced are held as part of the published agenda of properly noticed board meetings, so the division believes these meetings were compliant with AS 44.62.175 and its own policies and procedures. In fact, the board's web page specifically clarifies that "subcommittees generally meet during break-out sessions at regularly scheduled board meetings. Licensees and public are welcome to attend and participate in subcommittee meetings."

Recommendation No. 2

DCCED concurs that the director of the Division of Corporations, Business and Professional Licensing (CBPL) should take steps to improve the timeliness of investigations.

The division has made several significant improvements to case management over the time frame of this audit:

In the fall of 2014, the Director and new Chief Investigator took immediate efforts to address the bottleneck of case review by restructuring the investigative unit to provide more effective supervision of both personnel and investigative actions:

- In December 2014, two PCNs were revised creating mid-level managers (Senior Investigators) in order to decrease the supervisor to subordinate ratio to 7:1.
- Each Senior Investigator supervises seven subordinate investigators creating the conditions for hands on and effective supervisory guidance.
- In addition the Chief Investigator now has the ability to focus on organizational goals and refine processes to speed the pace of investigative efforts.
- The case load for the Big Game Commercial Services Board Investigator is currently seventy (70) investigative actions and we feel this number is manageable.
 - Thirty-one (31) of those seventy matters (just under 50%) are in "Monitor" status.
 - Monitor status denotes an action in which the Division is unable to move forward due to action required by an outside agency. In most instances these matters are pending the resolution of a criminal matter being investigated or prosecuted by the Alaska Wildlife Troopers in cooperation with the Office of Special Prosecutions and Appeals and/or the Department of Law.

Since hired in September 2014, the Chief Investigator has implemented the following strategies to ensure cases are investigated and completed timely:

- The investigative unit has the goal of decreasing unexplained investigative gaps to no more than 60 days. This is a primary goal on each employee's performance evaluation and is a measurable objective individually, as well as collectively.
- Additionally, the individual investigator assigned to support the Big Game Commercial Services program has established electronic review process with Reviewing Board Member(s) which allow him to contact them even during hunting season and while in the field.
 - This helps the Division to more quickly evaluate allegations and determine where violations are present, as well as triaging the most serious matters to the forefront of investigative pursuits.
 - This also serves to rapidly resolve complaints in which there is no violation of licensing law and allows more time and energy to be devoted to complex, egregious complaints impacting public or consumer safety.
- All supervisory personnel employ the use of a database management "tackler" tool, which reports actions with no investigative activity within thirty (30) calendar days, allowing for supervisory intervention prior to cases exceeding the unit's goal for investigative activity.

- Supervisory investigators review investigative actions of all team members on a quarterly basis to reenergize any stalled investigative action and to ensure that we are achieving unit goals of no unexplained investigative gaps of greater than sixty (60) calendar days.
- The Chief Investigator enacted Standard Operating Procedures for the monitoring of matters referred to the Department of Law for litigation, requiring investigators to monitor and document every 60 days the status of those actions. This will provide valuable insight into the reason behind some periods of inactivity.

Recommendation No. 3

DCCED concurs that the division director, in coordination with the board, should increase licensing fees to address the board's operating deficit. The program's deficit was known in 2011, and after a legislative inquiry into the division's proposed necessary fee increases for this program, the decision was reached to not pursue a fee increase at that time.

At every regular board meeting since 2011, division management has made a presentation on the program's financial situation and methods to resolve it. Staff reductions, an overhaul of the hunt records/transporter activity reports data base, and a more conservative approach to board meeting logistics have reduced licensing expenses.


By 2013, when the program was due to renew—thus engaging in its largest revenue-generating exercise—the division ensured that the board and licensees were aware of the growing deficit and need to increase fees. A modest yet assertive increase was applied in time for the 2013 renewal. Fees have again been increased for the 2015 renewal, and the director anticipates the program will retire its existing debt after the 2017 renewal.

Recommendation No. 4

DCCED concurs that the transporter license renewal application should be updated to comply with statute. It will be updated in time for the 2015 renewal season.

Again, thank you for the opportunity for the DCCED to provide input on this matter. We feel that the specificity of our response should translate to you our complete understanding of the findings and our absolute commitment to redress. Should you have any questions about the contents of this letter, please do not hesitate to contact me at 907-465-2500.

Regards,


Chris Hladick
Commissioner

cc: Janey Hovenden, Director, Division of Corporations, Business and Professional Licensing,
DCCED
Micaela Fowler, Legislative Liaison, DCCED

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Agency Response from the Big Game Commercial Services Board

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Kelly Viem/Rough & Ready

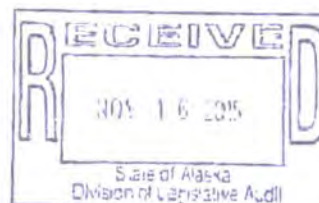
907-745-8737

p 1

Kelly Viem
PO Box 54
Sutton, Alaska 99674

Kris Curtis
PO Box 113300
Juneau, AK 99811

November 11, 2015



Board Chair Response to LB&A findings.

Recommendation 1

The board notes this is primarily a staff and Department issue and has no comment.

Recommendation 2

The board is aware of the back log and appreciates the efforts of the new chief Investigator and Board Investigator to process cases. The board and investigations are working to streamline the investigative process. The board has offered to increase the frequency of executive sessions to deal with adjudication of cases

Recommendation 3

The budget issue has 2 components and its debt can be directly attributed to DCBPL. The board was under the assumption it was solvent until 2011. Then it was presented with the findings of an audit that showed a significant debt. The board and public were surprised and confused at the the new findings. Two subsequent audits were performed and each audit differed from the previous one. Each time the board and public were assured the results were accurate

The first component is how board was handed an "invoice" for it's operations cost for staff, and other direct and indirect costs. DCBPL is the one who estimates these costs. Our licensing fees cover these costs and the board has raised fees to cover these costs despite changing cost estimates. The board has minimal to no say in it's operational costs, it can only react to the "invoice"

The second component is the requirement that the board also cover it's investigative and legal costs. The DCBPL failed to anticipate these costs for several years and handed the board a large debt at reinstatement. The board prior to the new chief investigator had little to no say in which cases to pursue. Our legal costs can vary widely year to year and the board cannot budget for the legal costs. It is the chairmans belief that license fees cannot be expected to cover our investigative and legal costs. A separate fee dedicated to legal and investigative costs appears to be a workable solution. After 2 years of suggestions to that effect the new director quickly saw the merit of that idea. The new fees for records submissions will retire the debt in a timely manner.

Recommendation 4

The board appreciates the finding and will address the issue

Nov 16 15 10 51a

Kelly Vrem/Rough & Ready

907-745-8737

p. 2

In conclusion the board is aware of our debt and will take action to eliminate it. DCBPL and legislative unfunded mandates and regulations are responsible for the debt. In the board's opinion DCBPL mishandled the presentation of the debt discovery to the board. Much valuable time was wasted by former staff in it's poor presentation of the causes of the debt. That issue is behind us and the board is now tasked with providing a rational explanation of the magnitude of the problem to our licensees and public.

Sunset Criteria

1. The board finds no issue and has no further comment.
2. The board wishes to restate the delay in raising fees was a direct result of the poor communication to the board of the notice of our deficit. The news of the substantial debt was a surprise and no explanation other than there was an audit was furnished. As noted in the sunset criteria a plan to eliminate the debt is being implemented.
3. The board finds no issue and has no further comment.
4. The board finds no issue and has no further comment.
5. The board finds no issue and has no further comment.
6. The board has been working with our investigations department to implement additional educational material to clarify some regulations and prevent inadvertent violations of a non criminal nature. Other methods of insuring regulation compliance are being researched to reduce investigations costs. The board is optimistic it can maintain compliance and reduce litigation by professional licensees over non-criminal offenses.
7. The board finds no issue and has no further comment.
8. The board finds no issue and has no further comment.
9. The board finds no issue and has no further comment.
10. The board will have a public notice of proposed regulations regarding first aid training for all classes of licensees at the December 2015 meeting. It is worth noting that there is probably a 90% first aid card compliance by contracting registered/master guides already. Currently there is no requirement for transporters to possess a current first aid card for licensure. This will be addressed in the proposed regulations as well.
11. There is a need for better access and accounting the level of guide and transporter activity in specific locations. Currently there is no method short of a hand count to determine numbers of clients or game harvest by guides and transporters.

The board appreciates the opportunity to comment. As the Chairman I am available to answer any further questions or offer any cooperation in our continued operation.


Kelly Vrem
Chairman BGCSB

Legislative Auditor's Additional Comments

ALASKA STATE LEGISLATURE LEGISLATIVE BUDGET AND AUDIT COMMITTEE



Division of Legislative Audit

P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347
legaudit@akleg.gov

November 18, 2015

Members of the Legislative Budget
and Audit Committee:

We have reviewed the Department of Commerce, Community, and Economic Development (DCCED) and Big Game Commercial Services Board (BGCSB) responses to the audit report. Nothing contained in the responses causes us to revise or reconsider the report conclusions or recommendations. The DCCED commissioner disagrees that board subcommittees are subject to the same public notice requirements as regular or teleconference board meetings since subcommittee meetings are identified on the regular meeting agendas available on BGCSB's website. Alaska statutes require that public notice be issued using the online public notice system for all meetings of a governmental body. We reaffirm the conclusions and recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "Kris Curtis".

Kris Curtis, CPA, CISA
Legislative Auditor

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The Economic Impacts of

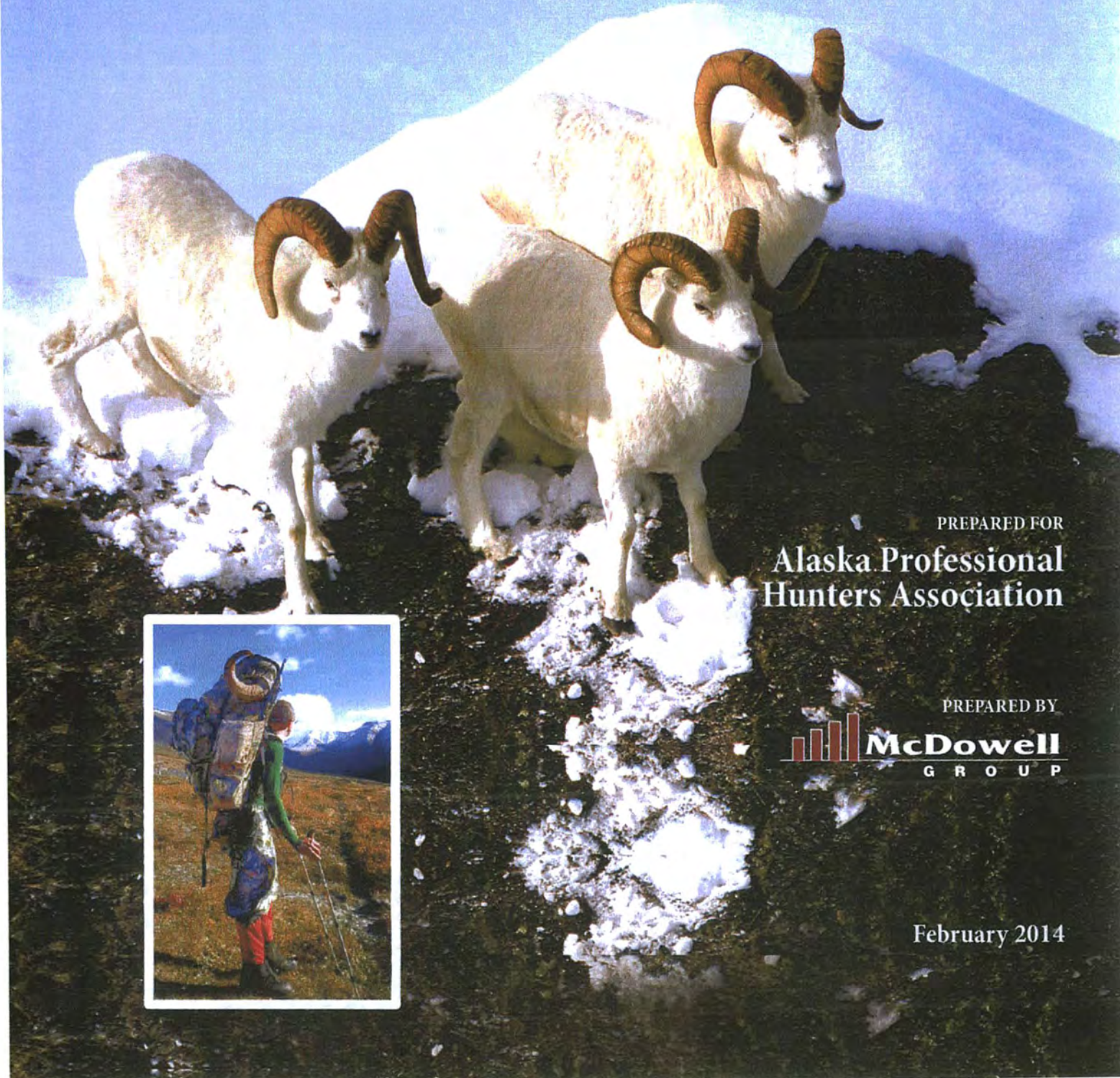
Guided Hunting

in Alaska

PREPARED FOR
Alaska Professional
Hunters Association

PREPARED BY
 **McDowell**
GROUP

February 2014



Economic Impacts of Guided Hunting in Alaska

Prepared for:
**Alaska Professional
Hunters Association**

Prepared by:



Juneau • Anchorage

February 2014

Table of Contents

Executive Summary	1
Introduction and Methodology	4
Introduction	4
Methodology	4
Profile of Alaska’s Guided Hunting Industry	6
Guided Hunting in Alaska.....	6
Types of Hunting Guides.....	6
Number of Guided Hunters.....	7
Number of Hunters by Geographic Region	8
Size of Alaska Guiding Operations	8
Alaska Guides’ Place of Residency.....	9
Economic Impact of Guided Hunting	11
Guide Business Revenues and Expenditures.....	11
Guiding-Related Employment, Payroll, and Spending in Alaska.....	12
Multiplier Effects of Alaska’s Guided Hunting Industry.....	14
License and Game Tag Sales and Revenue.....	16
License and Tag Sales and Revenue from Nonresident Hunters (Guided and Unguided).....	16
License and Tag Sales and Revenue from Nonresident Hunters (Guided Only).....	16
Tags Purchased by Guided Hunters, by Species and Geographic Region Hunted	18
Appendix A.....	20
Pittman-Robertson Act/Fish and Game Fund.....	20

Executive Summary

The Alaska Professional Hunters Association (APHA) contracted with McDowell Group to conduct a study of the economic impact of guided hunting in Alaska. Because guided hunting occurs in remote parts of the state, many Alaskans are not aware of the significant contributions that hunting guides and their clients make to the state's economy, especially the rural economy. Following are key findings from the study.

Guided hunting in Alaska accounted for a total of 2,210 jobs and \$35 million in total labor income in 2012, including all direct, indirect and induced impacts.

An estimated 1,620 people were directly employed in guiding activity in Alaska in 2012. While most of these jobs were seasonal, they provided \$21 million in direct wages and guide income. Those directly employed in the industry include registered guides, assistant guides, packers, pilots and boat captains, camp support, cooks, mechanics, and accountants. Multiplier effects generated another 590 jobs and \$14 million in wages in Alaska's support sector.

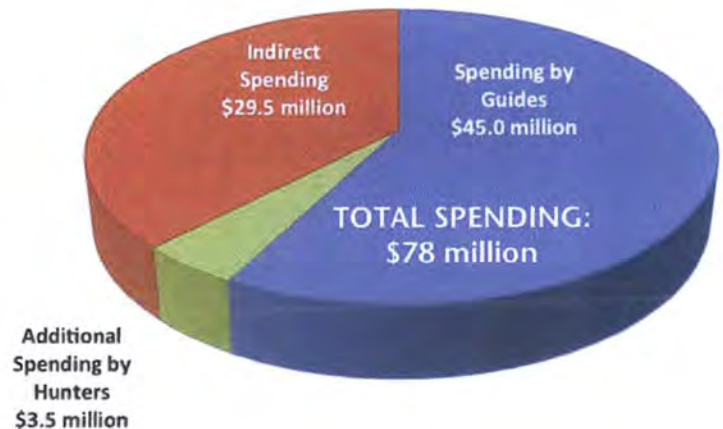
Employment Associated with Guided Hunting in Alaska, 2012



Guided hunting generated a total of \$78 million in economic activity in Alaska in 2012.

In 2012, guides contracted with 3,207 hunters, 3,055 of them nonresidents. In total, hunters spent \$51 million on guided hunts. Of the total, nonresident hunters spent an estimated \$48 million. In addition to hunting packages, non-resident hunters and their companions spent another \$3.5 million on lodging, food and beverage, clothing, souvenirs, and outdoor equipment, among other purchases while in Alaska. Dollars spent in Alaska by non-residents provides new dollars that help support the state's economy.

Spending Associated with Guided Hunting in Alaska, 2012



Including \$29.5 million in direct and indirect (multiplier effects) associated with this spending, guided hunting in Alaska accounted for \$78 million in total economic activity in 2012.

Guided hunters purchased nearly \$2 million in hunting license and game tags.

Revenues from the sales of license and tags are an important source of funding for Alaska Department of Fish & Game (ADF&G) and sales are part of the funding formula used to allocate Pittman-Robertson Act funds. ADF&G's Fish and Game fund provides a source of matching funds for wildlife management-related projects. In addition to the total economic activity mentioned above, guided hunters spent **\$361,500** on hunting licenses and **\$1.6 million** on game tags in 2012.

Guided hunting operations provided \$13 million in wages and guide income and \$12 million in spending for goods and services in areas outside urban Alaska.

Nearly nine out of ten guides are Alaska residents. They live in communities throughout the state, with about half living outside urban communities. A significant portion of the assistant guides, packers, camp staff, pilots and boat captains also reside in the state, many in small communities. Guides spent **\$12 million** for goods and services and accounted for **\$13 million** in wages and income in outlying areas of the state. This **\$25 million** in economic activity is especially important in rural areas where opportunity for cash income is limited.

Guides provide significant non-monetary support to rural communities in the form of donated meat and other contributions.

In addition to the economic impact associated with jobs, payroll, and spending for goods and services, hunting guides provide a significant level of non-monetary support to residents of rural Alaska including distributing tens of thousands of pounds of game meat each year.

The table on the following page summarizes the highlights of guided hunting impacts.

Summary of Guided Hunting Economic Impacts in Alaska, 2012

	Impacts
Guided Hunting Industry Related Employment	
Direct employment	1,620 jobs
Indirect and induced employment	590 jobs
Total employment (direct, indirect, and induced)	2,210 jobs
Guided Hunting Industry Related Labor Income	
Direct labor income (payroll and guide income)	\$21 million
Indirect and induced labor income	\$14 million
Total labor income (direct, indirect, and induced)	\$35 million
Guided Hunting Industry Direct Spending for Goods and Services	
Guide spending on goods and services with Alaska-based vendors	\$24 million
Hunter and companion pre/post hunt spending	\$3.5 million
Indirect and induced spending	\$15.5 million
Total direct, indirect, and induced non-payroll spending	\$43 million
Total Guide Industry-Related Output	\$78 million
Guided Hunter License and Game Tag Spending	
License sales	\$361,500
Game tag sales	\$1.6 million
Guided Hunters	
Alaska residents	152
Nonresident US citizen	2,599
Foreign nationals	456
Total Hunters	3,207

Sources: Registered Guide Survey, ADF&G, and McDowell Group Estimates.

Introduction and Methodology

Introduction

The Alaska Professional Hunters Association hired McDowell Group to conduct a study of the economic impacts of the guided hunting industry in Alaska. The purpose of this study is to measure the economic contribution of guided hunting, including employment, payroll, and spending on goods and services (by both the hunter and the guide), as well as “multiplier effects” resulting from guide industry-related spending circulating through the Alaska economy.

Methodology

Data Sources

Two primary sources of data were used to analyze the economic impacts of guided hunting in Alaska, a detailed analysis of guided hunt records maintained by the State of Alaska, and a survey conducted with registered hunting guides.

DCCED HUNT RECORDS

The Alaska Commercial Big Game Services Board regulates the big game commercial services industry in Alaska. The Board is staffed by the Division of Corporations, Business and Professional Licensing within the State of Alaska, Department of Commerce, Community, and Economic Development (DCCED). The guided hunting industry is governed by a myriad of statutes and regulations which, among other things, require detailed reporting of hunt activities to the state.^[1]

For every guided hunter, DCCED requires a hunt record be submitted following completion of the hunt. The record includes information on the hunter’s place of residence, hunt dates, hunt location, number and types of game tags acquired, as well as the names and status of all guides associated with the hunt. While hunt record data was used, confidentiality restrictions and database management limitations prohibited detailed analysis of hunt record data.

REGISTERED GUIDE SURVEY

In consultation with the Alaska Professional Hunters Association, an online survey was designed and administered by McDowell Group. Survey content included species hunted, duration and price of hunts, number of hunters, number of employees, and business revenues and expenses (by type and location), among other questions. Each licensed guide was sent a letter in late November 2013 inviting them to participate in the survey, using their own secure unique password to access the online survey. The survey was conducted between late November 2013 and mid-January 2014.

^[1] Guide industry statutes and regulations can be found at: <http://commerce.alaska.gov/dnn/Portals/5/pub/BGCSStatutes.pdf>.

Of the 566 licensed guides who received the survey (having valid mailing addresses), 111 accessed the survey website for a response rate of 20 percent. Of the 111 respondents, 75 were a contracting guide for at least one hunt in 2012. Respondents guided 1,167 hunters, or 36 percent of all guided hunters in 2012.

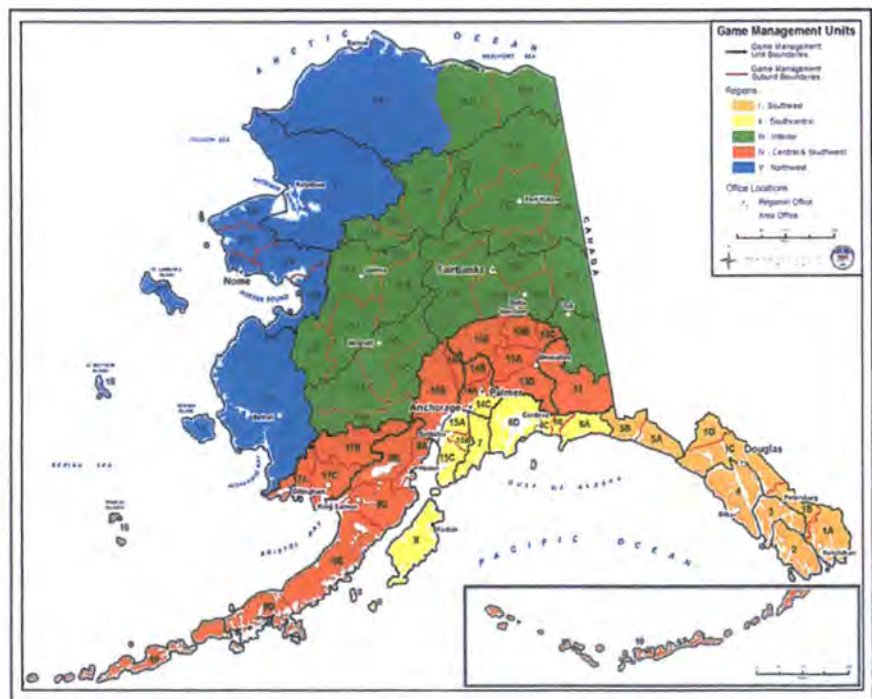
Additional Sources of Data

- Alaska Visitor Statistics Program VI (AVSP VI) data for **pre and post-hunt expenditures by nonresident hunters and companions**. Hunter spending in Alaska that occurs before or after the actual hunt, such as spending on lodging, food and beverage, clothing, souvenirs, gifts, equipment, and other items, are not part of the purchased hunting package. To estimate hunters' (and their companions') non-package spending, AVSP VI data was analyzed. AVSP is an intercept survey conducted for the State of Alaska, most recently in 2011; McDowell Group surveyed 6,700 visitors as they exited Alaska. A small sample of those visitors were hunters and their companions who had been on a guided hunting trip, and their spending in Alaska was captured in the AVSP data.
- **Alaska Department of Fish & Game (ADF&G) game tag and license sales data**. A list of all 2012 game tag sales was purchased from ADF&G. The list included hunter residency and type of tags purchased. Hunting license sales data is made publicly available annually by ADF&G.
- **Executive interviews with licensed guides**. Telephone interviews were conducted with guides to gain better insight into various aspects of guided hunting activity in Alaska.

This report includes a brief overview of guided hunting activity in Alaska, a profile of guided hunters, license and game tag sales and revenue, guide business expenses and revenue, and an economic analysis of how employment, payroll, and spending around guided hunting activities impacts Alaska's economy.

Regions

For this study, the state was split into five regions (Southcentral, Interior, Central/Southwest, Southeast and Northwest) to describe where hunting and spending took place, and where guides live. The regions are defined by Game Management Units (GMU) and Guide Use Areas (GUA), which are roughly equivalent. The accompanying map shows the GMU regional borders and can be found on the ADF&G website in the general information section of the 2012-2013 hunting regulations.¹



¹ <http://www.adfg.alaska.gov/index.cfm?adfg=wildliferegulations.hunting>

Profile of Alaska's Guided Hunting Industry

This section provides a profile of Alaska's guided hunting industry, including the number and types of guides working in Alaska, their place of residence, number of clients served, facilities and equipment used, lands on which they guide, and other information.

Guided Hunting in Alaska

Guided hunting is one of the oldest renewable resource industries in Alaska. Regulations require guides for nonresident hunting of three game species; mountain goats, Dall sheep, and brown/grizzly bear.² Many nonresident hunters choose to hire a guide for other species, especially moose, caribou, and black bear. Because of the inherent risks and logistics of hunting in remote Alaska, hunters are often willing to pay for professional assistance from someone able to provide a higher-quality hunt through extensive knowledge of the land and the target species.

Types of Hunting Guides

Alaska's professional guides consist of registered guide-outfitters (including master guides) and assistant guides, as described below.

- An "assistant guide" is required to be 18 years of age, and to either take an assistant guide training course or have a recommendation from a registered guide who intends to hire them. A class "A" assistant guide must be 21 years of age or older, been employed as a guide for at least three years in the game management unit where the endorsement is sought, and have at least 10 years of hunting experience.
- A "registered guide-outfitter" license may be obtained by a person 21 years of age or older, who has significant field experience related to hunting in Alaska, has hunted in the state for at least five years, passed an written and oral exam, has been an active licensed assistant guide for at least three years, and has positive recommendations from previous clients. They must be present and in close proximity of the hunter while in the field.
- "Master guide" status can be obtained by a registered guide after 12 years of guiding and with significant favorable recommendations from previous clients.
- A "contracting guide" is a registered or master guide who contracts with the hunter and is responsible for completing hunt records and other paperwork. Only master and registered guides can function as contracting guides. Some master and registered guides choose to work for other contracting guides. Assistant guides may not contract hunts.

Other positions such as packers and support staff are not currently licensed by the state. However, there are detailed limitations on what packers and camp support staff can and cannot do to assist guides.

² US citizens with first degree kindred may hunt these species with a relative who is a resident of the state. Foreign nationals must use a guide for these species.

Number and Type of Guides

As of August 2012, there were 575 registered guides in Alaska.³ Of these, 128 were classified as master guides. In addition, there were 930 licensed assistant guides; 130 had class "A" licenses.

Registered Guides and Assistant Guides, 2012

	# of Guides
Registered Guides	
All registered guides	575
Contracting guides	299
Master guides	128
Assistant Guides	
All assistant guides	930
Class A assistant guides	130
Total Registered and Assistant Guides	1,505

Source: Division of Corporations, Business and Professional Licensing, DCCED, and McDowell Group estimates.

Number of Guided Hunters

Between 2007 and 2012, the number of guided hunters in Alaska ranged from 3,764 to 3,207 (resident and nonresident hunting clients). A dip in the number of hunters in 2009 and 2010 is likely the result of the recession. Preliminary estimates for 2013 show a 7 percent increase, to 3,443 guided hunters.

Number of Guided Hunters, 2007-2013

Year	Guided Hunters	% Annual Change
2007	3,623	
2008	3,764	4%
2009	3,337	-11
2010	3,260	-2
2011	3,301	1
2012	3,207	-3
2013*	3,443	7

Source: Hunt record data, Division of Corporations, Business and Professional Licensing, DCCED.

*Preliminary data.

In 2012, 152 guided hunters were Alaska residents, or 4.7 percent of all guided hunters. Approximately one out of five nonresidents (3,055 hunters) that bought an Alaska hunting license hired a registered guide.

³ Division of Corporations, Business and Professional Licensing, DCCED.

Non-Hunting Companions

In addition to 3,207 hunters guided in 2012, an estimated 500 non-hunting companions accompanied these hunters in the field.⁴ Many guide operations host non-hunting companions, charging a daily fee for lodging, transportation, and food expenses.

Number of Hunters by Geographic Region

In 2012, the most popular regions for guided hunting were Central/Southwest Alaska, with 1,018 guided hunters, and Interior Alaska, with 915 guided hunters. In Southeast and Southcentral Alaska, there were 505 and 471 guided hunters, respectively. The fewest number of guided hunters hunted in Northwest Alaska (298).

Number of Guided Hunters, by Geographic Region of Hunt, 2012

	# of Hunters	% of Total
Central/Southwest	1,018	32%
Interior	915	29
Southeast	505	16
Southcentral	471	15
Northwest	298	9
Total	3,207	100%

Source: Hunt record data, Division of Corporations, Business and Professional Licensing, DCCED.

Due to rounding, percentage column does not equal 100 percent.

Size of Alaska Guiding Operations

Over the last three years there have been roughly 300 guides each year that contracted hunts. Most contracting guides (about 80 percent) serve 15 or fewer hunting clients each year. In fact, many (40 percent) contracted with five or fewer clients. In 2012, 18 contracting guides guided more than 25 hunters; the largest operator guided about 50.

Contracting Guides, by Number of Clients Served, 2010-2012

# of Hunters Served	2010 # of Guides	2011 # of Guides	2012 # of Guides
1 – 5	120	107	119
6 – 10	67	77	67
11 – 15	51	51	52
16 – 20	33	26	24
21 – 25	22	26	19
26+	22	20	18
Total	315	307	299

Source: Hunt record data, Division of Corporations, Business and Professional Licensing, DCCED.

⁴ McDowell Group estimates, Registered guide survey data.

Land Use

Guides must obtain permits from the State of Alaska to guide in specific Guide Use Areas (GUA). They may apply to guide in a maximum of three GUAs. If predator hunting, guides can apply for permits for more than three GUAs. A complex matrix of land ownership/management underlies Alaska's GUA system. Land can be managed by the State, federal government (Bureau of Land Management, US Fish and Wildlife Service, US Forest Service, National Park Service), or by private landowners (including Alaska Native Corporations).

Guides pay fees to, and must have signed agreements with, relevant land managers prior to applying for a GUA permit where they wish to guide. Permits are often limited to specific species. Some land managers (through limited concessions) restrict the number of guides that may hunt in a specific area, or the overall number of hunts each year, to assure game sustainability and quality hunts.

Contracting guides reported that 46 percent of their 2012 revenues came from hunts conducted on land managed by the State of Alaska. Almost half of revenue was earned hunting on federal lands, including US Fish and Wildlife Service (22 percent), US Forest Service (11 percent), NPS (9 percent), and BLM (4 percent). Eight percent was derived from private land (including Alaska Native Corporation land).

Guide Revenue by Land Hunted, 2012

Land Manager	% of Guide Revenue
State of Alaska	46%
US Fish and Wildlife Service (USFWS)	22
US Forest Service (USFS)	11
National Park Service (NPS)	9
Private land owners (including Alaska Native Corps)	8
Bureau of Land Management (BLM)	4

Source: Registered guide survey.

Alaska Guides' Place of Residency

Among Alaska's 575 registered guides in 2012, 89 percent (510) were Alaska residents, while 11 percent (65) were nonresidents. Guides' place of residence is dispersed throughout the state with more than half (52 percent) living outside Alaska's major urban areas (areas with populations of less than 30,000). The largest concentration of guides was in Southcentral, with 43 percent (217 guides). Central/Southwest was home to 28 percent (141 guides), the Interior 14 percent (73 guides), Southeast 13 percent (64 guides), and Northwest 4 percent (15 guides).

(see table next page)

Registered Hunting Guide Place of Residence, 2012

	# of Guides
Southcentral	219 (43% of Total)
Anchorage/Chugiak/Eagle River	118
Kodiak	24
Soldotna	21
Homer	8
Kenai (7), Kasilof (6), Girdwood (4), Sutton (4), Anchor Point (3), Nikolai (3), Ninilchik (3), Cordova (2), Nikiski (2), Port Lions (2), Seward (2), Sterling (2), Valdez (2), Alexander Creek (1), Cooper Landing (1), Ft. Richardson (1), Moose Pass (1), Old Harbor (1), Seldovia (1)	
Central/Southwest	140 (28% of Total)
Palmer/Wasilla	71
Dillingham	8
Talkeetna	8
Gakona (6), King Salmon (6), Port Alsworth (6), Willow (6), Chickaloon (5), Pedro Bay (4), Iliamna (3), Cantwell (2), Chitina (2), Cooper Center (2), Ekwok (2), Trapper Creek (2), Chignik (1), Cold Bay (1), Glennallen (1), Kokhanok (1), Nondalton (1), Port Moller (1), Skwentna (1)	
Interior	72 (14% of Total)
Fairbanks/North Pole	35
Delta Junction	9
Tok (6), Healy (5), Ester (4), Aniak (2), Manley Hot Springs (2), Salcha (2), Sleetmute (2), Bettles (1), McGrath (1), Nenana (1), Tanana (1), Two Rivers (1)	
Southeast	64 (13% of Total)
Juneau/Auke Bay/Douglas	18
Sitka	13
Haines (5), Hoonah (5), Ketchikan (5), Petersburg (5), Gustavus (4), Klawock (2), Elfin Cove (1), Throne Bay (2), Yakutat (2), Wrangell (2)	
Northwest	15 (3% of Total)
Huslia (2), Mekoryuk (2), Nome (2), Bethel (1), Galena (1), Holy Cross (1), Kaltag (1), Kobuk (1), Kotzebue (1), Red Devil (1), Two Rivers (1) Unalakleet (1)	

Source: DCCED, Division of Corporations, Business & Professional Licensing.

Economic Impact of Guided Hunting

This chapter describes the economic impact of guided hunting activity in Alaska. Economic impacts are measured in terms of guide business-related revenues and expenditures, employment and income for guides and their employees, and all related multiplier effects.

Guide Business Revenues and Expenditures

Revenues

In 2012, purchases of guided hunting packages in Alaska generated an estimated \$51 million in total gross revenue; including an estimated \$1.3 million in non-hunting companion package sales. Approximately, 95 percent of the total revenue (or \$48 million), and all of the \$1.3 million in pre and post-hunt spending, was generated by nonresident hunters (U.S. and alien) and their non-hunting companions. These estimates are based primarily on the results of the registered guide survey.

Non-Payroll Expenditures in Support of Guiding Operations

Guides spend money on a wide variety of goods and services, including transportation (aircraft, boats, ATVs, other vehicles, and fuel), groceries, and a variety of outdoor equipment and gear. They also pay access fees to land managers (federal agencies and Alaska Native Corporations). The survey of registered guides indicated that non-payroll spending by contracting guides in support of guiding operations totaled about \$30 million in 2012. Approximately 81 percent (slightly more than \$24 million) of this spending was with Alaska vendors.

Where in Alaska spending occurs is largely determined by two factors; where the guide lives and where the hunting occurs. Often, the guide's hunt locations are far removed from their place of residence, and in many cases, they hunt two or three different remote locations. The net effect is that most guides have significant spending in their home community, the nearest hub community if they live in a remote rural area, and in communities near their hunt locations, most of which are in rural areas.

Southcentral had the highest level of guide spending for goods and services in 2012 at \$8.3 million. The Interior and Central/Southwest regions received roughly \$5 million in spending, while Southeast received \$3.4 million, and Northwest \$2.4 million.

Guide Spending in Alaska by Region, Guide Place of Residence by Region, and Number of Hunts by Region, 2012

Region	Guides Residing in Region	% of Hunts in Region	Guide Spending in Region
Southcentral	217	15%	\$8.3 million
Interior	73	29	\$5.4 million
Central/Southwest	141	32	\$4.9 million
Northwest	15	9	\$2.4 million
Southeast	64	16	\$3.4 million
Total	510	100%	\$24.4 million

Source: Registered guide survey and McDowell Group estimates.

Guiding-Related Employment, Payroll, and Spending in Alaska

Employment

Guiding related jobs include registered guides, assistant guides, packers, and camp/office support staff. Nine out of 10 contracting guides hired at least one person in 2012. Due to the seasonal nature of guiding, most of these jobs are seasonal.⁵

Registered and Contracting Guides: As described previously, there were 575 registered guides in 2012. Not all of those were active, however. According to the registered guide survey, 6 percent of registered guides (about 35 guides) did not guide in 2012. Therefore, it is estimated there were approximately 540 active guides that year. Just over half of the active registered guides in 2012 were contracting guides (299). Contracting guides market their businesses, communicate with clients, and sign contracts. Nearly half (46 percent) of contracting guides reported working at their business more than 8 months of the year. When not in the field, guides are engaged in logistics management, equipment and facility maintenance, marketing (such as attending trade shows), sales, and client relations.

Assistant Guides: There were 930 licensed assistant guides in 2012. The number of active assistant guides employed is unknown. Some assistant guides work for more than one contracting guide and some assistants maintain their license but no longer guide for a variety of reasons. Based on analysis of registered guide survey data and guide interviews, it is estimated that about 600 assistant guides were employed in 2012. On average, each assistant guide worked a little less than three months. Of all registered assistant guides, 54 percent are Alaska residents.

Packers: Based on the registered guide survey data and guide interviews, slightly less than half of contracting guides reported hiring packers. Total employment is estimated at about 180 packers in 2012. According to guides interviewed for this study, the vast majority of packers are Alaska residents and many are hired from small communities near the guide's hunting areas. Packers averaged slightly less than two months of employment in 2012.

Support Staff: About 60 percent of contracting guides reported hiring support staff. Total employment is estimated at about 300 support staff in 2012. Undoubtedly, some staff are employed year-round but the majority of support staff average two to four months of employment per year. An estimated three-quarters of support staff (or 225 people) are Alaska residents.

In summary, approximately 1,620 people were directly employed in Alaska's guided hunting sector in 2012.

⁵ Many guides hunt in the spring and/or the fall seasons; typically four to six weeks in the spring and six to eight weeks in the fall. Hunts catering to sea duck and deer hunters in more temperate areas of Alaska, as well as those hunting predators, tend to have extended seasons.

Alaska Hunting Guide Industry Employment, 2012

	Employment
Active master/registered guides	540
Assistant guides	600
Packers	180
Support staff	300
Total Employment	1,620

Source: Hunt record data, Division of Corporations, Business and Professional Licensing, DCCED, Registered guide survey, and McDowell Group estimates.

Wages/Income

Registered guides are either paid by a contracting guide on a per hunt basis or earn income from their own guiding business. Most of the 1,080 assistant guides, packers, and support staff are paid on a per day basis. Some administrative support staff are likely paid hourly and a small number of those working year-round may be salaried. Based on registered guide survey data, total industry payroll and business-owner net income (before taxes) is estimated to be \$21 million in 2012.

Pre and Post-Hunt Expenditures

Typically, hunters (and their companions) spend an average of about 2.5 nights per trip (pre and post-hunt combined) in addition to their time spent in the field. Expenditures related to this extra time in Alaska are usually not included in the hunting package. This additional spending may include transportation, lodging, food and beverages, clothing, souvenirs, and other goods and services.

Based on AVSP VI data, it is estimated that hunters and their companions spent an average of \$970 each for their pre and post-hunt stays, or about \$3.5 million for all nonresident guided hunting pre and post-hunt visits.

Nonresident Guided Hunters and Companion Pre and Post-Hunt Expenditures, 2012

	Count	Average Trip Expenditures	Total Spending
Hunters	3,055	\$970	\$3.0 million
Companions	500	\$970	\$0.5 million
Total	3,555		\$3.5 million

Source: Registered guide survey, AVSP VI, and McDowell Group estimates.

BED TAXES PAID

Of the \$970 spent on pre- and post-hunt stays, about one-third (\$1.2 million) of spending was on lodging. Many of Alaska's communities where nonresident hunters fly into, particularly the larger centers of Anchorage, Fairbanks, Juneau, and Kodiak, have a bed tax. Bed tax revenues are used for a wide variety of purposes, including funding destination marketing programs and local governments. These bed taxes can range from 5 percent (Kodiak) to 12 percent (Anchorage). It can reasonably be assumed that guiding hunting parties generate about \$70,000 in bed tax revenue statewide (assuming an average tax rate of 6 percent).

Multiplier Effects of Alaska's Guided Hunting Industry

The guided hunting industry's direct impact of 1,620 jobs and \$21 million in annual wages and owner's income is only part of the industry's impact on the Alaska economy. The guided hunting industry, much like the mining, tourism, and seafood industries, brings new dollars to the Alaska economy. As these new dollars circulate through the economy, additional jobs and income are created.

A full accounting of economic impacts, including direct, indirect and induced effects, includes:

- **Direct impacts:** jobs held by guides and their employees, and the income they earn.
- **Indirect impacts:** Jobs and income in businesses providing goods and services to guiding operations. This includes jobs with, for example, air taxi/charter operators, independent lodge operator, sporting goods stores, and grocery stores.
- **Induced impacts:** Jobs and income created as a result of guide operation employees spending their payroll dollars in the Alaska economy.

The economic impact estimates below are based on a widely used input/output model, IMPLAN, which provides multipliers for determining the indirect and induced impacts. IMPLAN multipliers are adjusted to account for nonresident workers in the guiding industry.

Indirect and Induced Impacts

Annual in-state spending of \$24 million in support of guiding operations, coupled with in-state spending of \$21 million in guiding industry wages and income, is estimated to account for approximately 590 jobs in Alaska's support sector. Therefore total direct, indirect, and induced employment associated with the Alaska guided hunting industry is estimate at 2,210 jobs.

Total direct, indirect, and induced income associated with the Alaska guided hunting industry is estimate at \$35 million, including \$21 million in direct wages and owners' income, and \$14 million in indirect and induced wages and income.

One additional measure of economic impact is output, or total spending activity. Including all direct, indirect, and induced wages and income, and all direct and indirect business non-payroll spending, guided hunting related economic activity in Alaska totals approximately \$78 million annually, based on 2012 data.

Total Guide Industry Employment and Income Impacts in Alaska, 2012

	Direct	Indirect & Induced	Total
Employment	1,620	590	2,210
Wages/income	\$21 million	\$14 million	\$35 million
Non-payroll spending	\$24 million	\$13 million	\$37 million
Pre and post-hunt spending	\$3.5 million	\$2.5 million	\$6 million
Total Output	\$48.5 million	\$29.5 million	\$78 million

Source: McDowell Group estimates.

Distribution of Economic Impacts Within Alaska

It is beyond the scope of this study to measure all of the regional indirect and induced economic impacts of the guiding industry in Alaska. However, it is evident from available data that the industry has an important impact in areas outside the state's primary centers of commerce.

GUIDE PLACE OF RESIDENCE

Revenues from guided hunting are distributed widely throughout the state in the form of payroll and owner's income as well as spending on goods and services. About half (52 percent) of registered guides live in areas outside Alaska's largest urban areas (Anchorage, Fairbanks, and Juneau). A significant portion of their annual expenditures take place outside the urban centers. Additionally, many of the people employed by hunting guides (regardless of where the guides live) also live in rural and smaller communities.

Hunting Guide Area of Residence, 2012

Residence	# of Guides	% of Total
Urban centers	242	47%
All other areas of Alaska	264	52
Guides Living in Alaska	510	100%

Source: Division of Corporations, Business, and Professional Licensing, DCCED.

GUIDE SPENDING

In 2012, half of all guide spending in Alaska on goods and services (an estimated \$12 million) took place in areas outside urban Alaska. At least an additional \$13 million was distributed in payroll and income to guides and their employees living in these areas. In many of these communities, especially the remote rural locations, the opportunities to earn cash income are limited.

Impacts Outside Urban Alaska, 2012

	Expenditures
Purchases of goods and services	\$12 million
Payroll and guide income	\$13 million
Total	\$25 million

Source: Registered guide survey data and McDowell Group estimates.

RURAL COMMUNITY SUPPORT

In addition to the impacts of jobs, payroll, and spending for goods and services, hunting guides provide a significant level of voluntary support to residents of rural Alaska. The most important of these is the distribution of meat donated by hunters. Because of the expense and logistics of taking meat home from Alaska, the majority of all game meat harvested in the state is donated. While the total amount of meat distributed is unknown, it could reasonably be assumed to be tens of thousands of pounds annually. Guides also often provide in-kind assistance such as monitoring remote cabins, and moving people and materials.

License and Game Tag Sales and Revenue

Following is a detailed look at revenue generated by all hunters (guided and unguided) through the purchase of hunting licenses and game tags. License and tag revenues accrue to the State's Fish and Game Fund and are used as matching funds for additional Pittman/Robertson funding. Combined, these sources of revenue fund a significant portion of ADF&G Wildlife Division research and other activities related to wildlife and habitat in Alaska. A brief discussion of these funding sources is provided in the appendix.

License and Tag Sales and Revenue from Nonresident Hunters (Guided and Unguided)

In 2012, 15,952 nonresidents (including U.S. residents living outside of Alaska and non-U.S. residents) purchased hunting licenses and 13,383 purchased game tags. This was the highest number of licenses sold to nonresidents since 2007. Tag sales in 2012 were well below the 16,218 sold in 2007, but sales were up about 10 percent from a low of 12,180 in 2009.

Total Nonresident Hunter License and Tag Sales and Revenue (in millions), 2007-2012*

	2007	2008	2009	2010	2011	2012
Tags						
Tag sales	16,218	14,857	12,180	12,829	12,970	13,383
Tag revenue	\$4.3	\$4.0	\$3.3	\$3.5	\$3.6	\$3.7
Licenses						
Hunting license sales	15,091	14,266	13,390	14,504	15,278	15,952
Hunting license revenue	\$1.2	\$1.1	\$1.0	\$1.0	\$1.0	\$1.1
Total combined revenue	\$5.5	\$5.1	\$4.3	\$4.5	\$4.6	\$4.8

Source: ADF&G.

*Includes all nonresident (guided and unguided) and foreign (alien) hunters.

Also, includes combination hunting, sportfishing, and trapping licenses.

License and Tag Sales and Revenue from Nonresident Hunters (Guided Only)

In 2012, 3,207 guided hunters generated \$361,500 in hunting license revenue and \$1.6 million in game tag revenues (41 percent of all nonresident tag and license revenue). Guided hunters contribute approximately 39 percent of all ADF&G nonresident license and tag sales revenue.

(see table next page)

Guided Hunter License and Tags Sales and Revenue, 2012

Licenses	
Hunting license sales	3,207
Hunting license revenue	\$361,500
Tags	
Tag sales	4,513
Tag revenue	\$1,593,000
Total combined revenue	\$1,954,500

Source: ADF&G, Division of Corporations, Business and Professional Licensing, DCCED.

Of all 2012 nonresident guided hunters, 2,599 were nonresidents living elsewhere in the US and 456 were foreigners (referred to as "aliens"). Non-Alaska residents living in the U.S. paid a total of \$220,900 in license fees, aliens \$136,800, and Alaska residents \$3,800. Combined, nonresidents and aliens generated 99 percent of guided hunter license and tag revenue in 2012.

Guided Hunter License Revenue, by Hunter Residency, 2012

	Hunters	Revenue	% of Guided Hunters
Total Alaska resident	152	\$3,800	1%
Total nonresident (U.S.)	2,599	\$220,900	61
Total alien	456	\$136,800	38
Total Guided Hunters	3,207	\$361,500	100%

Source: Hunt record data, Division of Corporations, Business and Professional Licensing, DCCED, and McDowell Group estimates.

In 2012, nonresident guided hunters purchased an average of about 1.4 tags per hunter. About 2,300 hunters bought only one tag in 2012, while the remainder purchase 2 or more with a handful of hunters purchasing as many as six tags.

Tags Purchased by Guided Hunters, by Species and Geographic Region Hunted

The table below highlights tags purchased by guided hunters and provides a general measure of interest in each species. Some hunters plan multi-species hunts, paying higher package prices up front. Other hunters focus on a single species with “trophy fees” paid if an opportunity to harvest an incidental species arises.

In 2012, guided hunters purchased approximately 4,513 tags, including big game, wolf, and wolverine. By far, a brown/grizzly bear tag was the most popular tag purchased by guided hunters (1,598 tags in 2012). brown/grizzly bear tags represented about 35 percent of all guided hunter tags purchased and 51 percent of all guided hunter tag revenue. Other popular tags included black bear (655), moose (590), wolf (482), Dall sheep (429), and caribou (349).

Guided Hunter Tag Purchases and Revenue, By Species, 2012

	Resident			Nonresident			Alien		Total Revenue by Species	
	#Tags	\$ Per Tag	Total Tag Fees	#Tags	\$ Per Tag	Total Tag Fees	#Tags	\$ Per Tag		Total Tag Fees
Brown/G. Bear	33	\$25	\$825	1,402	\$500	\$701,000	163	\$650	\$106,000	\$807,800
Black Bear	35	\$0	\$0	571	\$225	\$128,500	49	\$300	\$14,700	\$143,200
Moose	32	\$0	\$0	495	\$400	\$198,000	63	\$500	\$31,500	\$229,500
Wolf	2	\$0	\$0	408	\$30	\$12,200	72	\$50	\$3,600	\$15,800
Dall Sheep	6	\$0	\$0	390	\$425	\$165,800	33	\$550	\$18,200	\$183,900
Caribou	35	\$0	\$0	281	\$325	\$91,300	33	\$425	\$14,000	\$105,400
Mtn Goat	6	\$0	\$0	157	\$300	\$47,100	9	\$400	\$3,600	\$50,700
Deer	5	\$0	\$0	141	\$150	\$21,200	20	\$200	\$4,000	\$25,200
Muskox	29	\$500	\$14,500	8	\$1,100	\$8,800	1	\$1,500	\$1,500	\$24,800
Wolverine	0	\$0	\$0	18	\$175	\$3,200	13	\$250	\$3,300	\$6,400
Bison	1	\$0	\$0	1	\$450	\$450	0	\$650	\$0	\$450
Elk	1	\$0	\$0	0	\$300	\$0	0	\$400	\$0	\$0
Total	185		\$15,300	3,872		\$1,377,000	456		\$200,300	\$1,593,000

Source: ADF&G and McDowell Group estimates.

Tags Purchased by Region Hunted

The most tags were purchased by hunters who hunted in Interior (1,441) and Central/Southwest (1,333) Alaska. Southeast and Southcentral Alaska hunters purchased 633 and 566 tags, respectively. The Northwest region saw the fewest number of tags purchased (383).

Guided Hunter Tags Purchased, by Geographic Region Hunted and Species, 2012*

	Northwest	Interior	South-central	Central/Southwest	Southeast	Total
Brown/G. Bear	111	304	212	728	188	1,543
Black Bear	5	138	98	153	237	631
Moose	49	328	20	173	0	570
Wolf	38	133	21	182	92	466
Dall Sheep	6	323	9	77	0	415
Caribou	134	193	4	5	0	336
Mtn. Goat	0	3	104	7	53	167
Deer	0	0	98	0	61	159
Muskox	37	0	0	0	0	37
Wolverine	3	17	0	8	1	29
Bison	0	2	0	0	0	2
Elk	0	0	0	0	1	1
Total	383	1,441	566	1,333	633	4,356

Source: Division of Corporations, Business, and Professional Licensing, DCCED, and McDowell Group estimates.

*Total count and by species counts are slightly different than in the previous table due to incomplete information in the DCCED data base.

Pittman-Robertson Act/Fish and Game Fund

The Pittman-Robertson Act was passed in 1937. Revenue generated from excise taxes on sporting goods is apportioned to state wildlife agencies for hunter education, shooting ranges, and wildlife conservation programs. Funds can be specifically used for the following:⁶

Wildlife Restoration

- Surveys and inventories of wildlife
- To acquire, manage and improve habitat
- Wildlife relocation
- To improve public access and enjoyment of wildlife

Hunter Education

- Develop hunter education programs
- Develop and manage shooting and archery ranges

Taxes are levied on the wholesale price of some sporting goods (long guns, ammunition, and archery equipment at 11 percent and handguns at 10 percent). The taxes are collected by the federal government and distributed according to a set formula. Some funds are set aside for specific programs, such as hunter education and grants for specific projects. The remaining funds are distributed to states based on population, land area and number of paid hunting license holders. There are minimum and maximum adjustments to assure that no state receives an unreasonably large portion of the annual funding. States must provide 25 percent matching (non-federal) funds for projects. Typically these matching funds come from the ADF&G's Fish and Game Fund. Fish and Game Fund revenues are received primarily from the sale of hunting licensees, big game tags, and drawing permit fees.

In 2012, 38 percent of ADF&G's Division of Wildlife expenditures were paid by Pittman Robertson Funds and 20 percent from the Fish and Game Fund.

Pittman-Robertson Fund and Fish and Game Fund Expenditures by ADF&G, \$Million, FY2007-FY2013

	2007	2008	2009	2010	2011	2012	2013
Pittman-Robertson	\$9.1	\$10.0	\$10.9	\$11.7	\$14.9	\$14.9	\$15.7
Fish and Game Fund	7.5	7.7	8.2	8.4	7.8	7.9	8.3

Source: ADF&G

⁶ For Alaska, approximately 95 percent of funding received is allocated to wildlife restoration projects.



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**DEPARTMENT OF COMMERCE, COMMUNITY
AND ECONOMIC DEVELOPMENT**

**Division of Corporations, Business and
Professional Licensing**

Program Deficits

presented to

Senate Labor & Commerce

Division Director Janey Hovenden

January 19, 2016



Overview

The mission of the Division of Corporations, Business and Professional Licensing is to ensure that competent, professional and regulated commercial services are available to Alaska consumers.

This division is fully supported by fee receipts.

68,935 licensees

Business Licensing

- Process applications and issue licenses
- Grant tobacco endorsements

60,469 entities in good standing

Corporations

- Register and maintain reporting corporate compliance
- Register trademarks

71,642 licensees

Professional Licensing

- Provide public protection through licensure of professionals
- Support to all boards and licensing programs
- Respond to public complaints Enforce licensing statutes and regulations

43 licensing programs:

21 boards and commissions

22 managed by the division



Fee Analysis

Significant improvements

- New, detailed tool to analyze fees
- Programs monitored more frequently
- Strengthened partnership and communication with boards
- Professional Licensing ended FY15 in a surplus position for the second year in a row

Ongoing Challenges

- Fee spikes created by unanticipated investigations or appeals of board decisions
- The majority of revenue is collected every other year, forcing programs to operate in deficit unless large fees increases are implemented



Fee Analysis Tool

Fee Type	Current fee schedule			Proposed by board				Proposed by division				Adjustments		
	Current Fee	Projected Units	Projected Revenue	Fee Adjustment	Fee with Recommended Adjustment	Projected Revenue after Adjustment	% Change	Fee Adjustment	Fee with Recommended Adjustment	Projected Revenue after Adjustment	% Change	Fee Adjustment for Estimated Renewals	Projected Units**	Projected Revenue Loss
Application Fee	300	302	\$ 90,400	-	\$ 200	\$ 60,400	100%	0	\$ 200	\$ 60,400	100%			
Guide Exam or Retake	125	30	3,750.00	-	125	3,750	100%	0	125	3,750	100%			
Game Management Exam	390	110	42,900.00	10	400	44,000	103%	10	400	44,000	103%			
Hunt Record or Transporter Activity Report Filing**	-	2661	-	100	100	266,500	0%	50	50	266,250	0%			
Transporter Use Area Registration*	-	481	-	-	-	-	0%	0	-	-	0%			
Guide Use Area Registration*	-	481	-	100	100	120,250	0%	100	100	120,250	0%			
New Master Guide (Resident)	650	18	11,700.00	200	850	15,300	131%	200	850	15,300	131%	(425.00)	5	(2,125.00)
New Master Guide (Non-Resident)	1,300	2	2,600.00	400	1,700	3,400	131%	400	1,700	3,400	131%	(820.00)	1	(820.00)
Renew Master Guide (Resident)	650	132	85,800.00	200	850	112,200	128%	200	850	112,200	128%			
Renew Master Guide (Non-Resident)	1,300	15	16,900.00	400	1,700	25,500	151%	400	1,700	28,700	130%			
New Registered Guide (Resident)	650	28	18,200.00	200	850	23,800	131%	200	850	25,800	131%	(425.00)	10	(4,250.00)
New Registered Guide (Non-Resident)	1,300	4	5,200.00	400	1,700	6,800	131%	400	1,700	6,800	131%	(820.00)	2	(1,700.00)
Renew Registered Guide (Resident)	650	400	262,200.00	200	850	346,800	131%	200	850	346,800	131%			
Renew Registered Guide (Non-Resident)	1,300	60	78,000.00	400	1,700	102,800	131%	400	1,700	102,800	131%			
New Class-A Asst Guide (Resident)	360	12	4,320.00	30	410	4,920	124%	30	410	4,920	124%	(200.00)	2	(410.00)
New Class-A Asst Guide (Non-Resident)	720	2	1,440.00	100	820	1,640	124%	100	820	1,640	124%	(420.00)	0	-
Renew Class-A Asst Guide (Resident)	360	126	45,360.00	30	410	51,660	124%	30	410	51,660	124%			
Renew Class-A Asst Guide (Non-Resident)	720	14	10,080.00	100	820	11,480	124%	100	820	11,480	124%			
New Assistant Guide (Resident)	360	104	37,440.00	30	410	42,640	124%	30	410	42,640	124%	(200.00)	19	(3,285.00)
New Assistant Guide (Non-Resident)	720	94	67,680.00	100	820	77,080	124%	100	820	77,080	124%	(420.00)	25	(10,660.00)
Renew Assistant Guide (Resident)	360	617	222,120.00	30	410	252,970	124%	30	410	252,970	124%			
Renew Assistant Guide (Non-Resident)	720	413	297,360.00	100	820	338,660	124%	100	820	338,660	124%			
New Transporter (Resident)	650	40	26,000.00	200	850	34,000	131%	200	850	34,000	131%	(425.00)	14	(5,950.00)
New Transporter (Non-Resident)	1,300	4	5,200.00	400	1,700	6,800	131%	400	1,700	6,800	131%	(820.00)	1	(820.00)
Renew Transporter (Resident)	650	166	107,300.00	200	850	141,100	131%	200	850	141,100	131%			
Renew Transporter (Non-Resident)	1,300	8	10,400.00	400	1,700	13,600	131%	400	1,700	13,600	131%			
Exam Prep Packet	100	2	200.00	-	100	200	100%	0	100	200	100%			
Retired Master/Asst Guides	300	12	3,600.00	-	300	3,600	100%	0	300	3,600	100%			
Retired Class-A Asst Guides	175	0	-	-	175	-	100%	0	175	-	100%			
Controlled Fees	9,891	1	9,891		9,891	9,891	100%		9,891	9,891	100%			
			\$ 1,452,641			\$ 2,454,541				\$ 2,363,291				\$ (30,690)

* New Fee - based on 2015/16 GUA registration expiration, assuming half will renew annually and half will renew for five years; TUA requires board to propose regulations to create it

** New Fee - based on FY13 and FY14 HR/TAAs

*** Fees in FY14 were \$14,250

**** FY15 projection based on FY13 outlook to reflect a similar 5-year cycle, adjusted higher if FY15 3rd Q reflects higher revenue/expenditure

Beginning Cumulative Surplus must be from FY2014

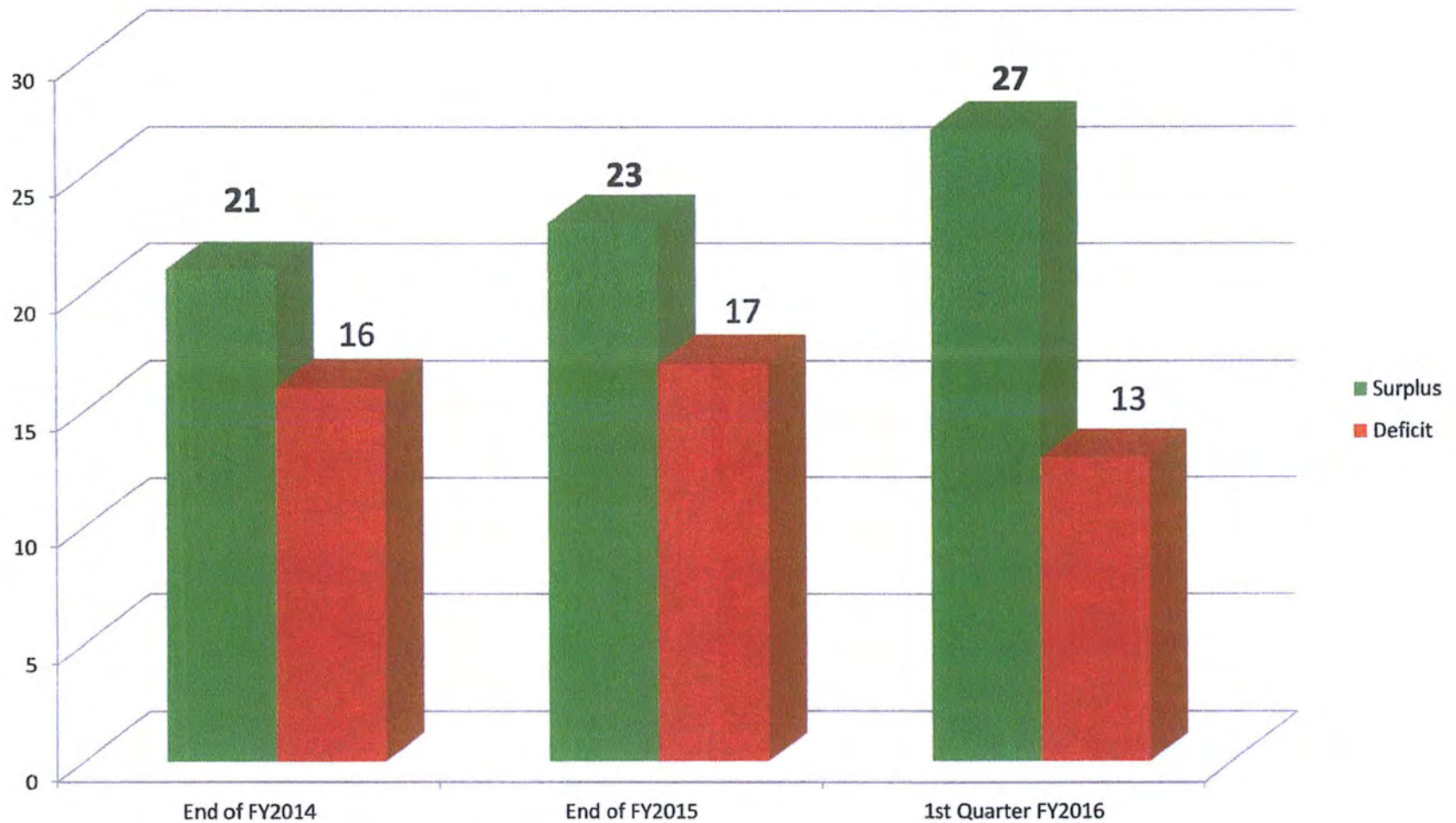
Revenue and Expenditures	CALCULATIONS BASED ON CURRENT FEES				
	FY2012/2013 Actuals	FY2015***	Projected FY2016/2017	Projected FY2018/2019	Projected FY2020/2021
Revenue	735,399	909,098	1,452,641	1,452,641	1,452,641
Expenditures	(1,196,017)	(1,067,881)			
Adjustments:					
- Sponsor adjusted for 2% biennial increase			(1,089,239)	(1,111,023)	(1,132,244)
- Fee adjustment for pro-rated renewals			(30,690)	(30,690)	(30,690)
Projected Net		(70,783)	332,712	310,928	286,707
Beginning Cumulative Surplus (Deficit)		(1,041,267)	(1,120,030)	(787,338)	(476,410)
Ending Cumulative Surplus (Deficit)		(1,112,050)	(787,318)	(476,410)	(189,703)

Revenue and Expenditures	CALCULATIONS BASED ON BOARD'S PROPOSAL			
	FY2015****	Projected FY2016/2017	Projected FY2018/2019	Projected FY2020/2021
Revenue	909,098	2,454,541	2,454,541	2,454,541
Expenditures	(1,067,881)			
Adjustments:				
- Sponsor adjusted for 2% biennial increase		(1,089,239)	(1,111,023)	(1,132,244)
- Fee adjustment for pro-rated renewals		(30,690)	(30,690)	(30,690)
Projected Net	(70,783)	1,334,612	1,312,828	1,291,607
Beginning Cumulative Surplus (Deficit)	(1,041,267)	(1,120,030)	214,562	1,507,388
Ending Cumulative Surplus (Deficit)	(1,112,050)	214,562	1,327,350	2,317,997

Revenue and Expenditures	CALCULATIONS BASED ON DIVISION'S PROPOSAL			
	FY2015****	Projected FY2016/2017	Projected FY2018/2019	Projected FY2020/2021
Revenue	909,098	2,161,291	2,161,291	2,161,291
Expenditures	(1,067,881)			
Adjustments:				
- Sponsor adjusted for 2% biennial increase		(1,089,239)	(1,111,023)	(1,132,244)
- Fee adjustment for pro-rated renewals		(30,690)	(30,690)	(30,690)
Projected Net	(70,783)	1,041,362	1,019,578	997,307
Beginning Cumulative Surplus (Deficit)	(1,041,267)	(1,120,030)	(78,638)	940,890
Ending Cumulative Surplus (Deficit)	(1,112,050)	(78,666)	940,890	1,938,247

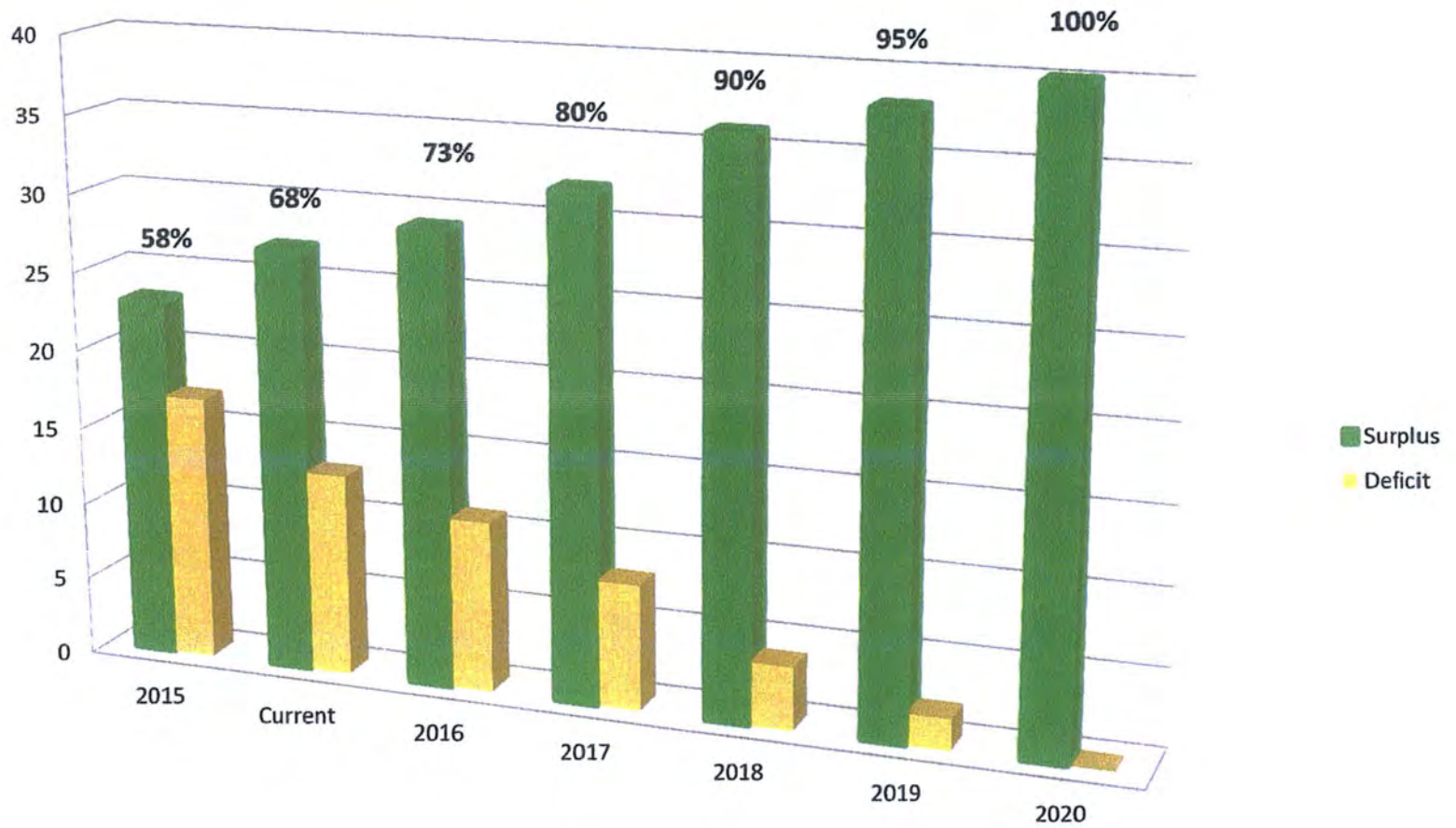


Professional Licensing Fee Improvement





Projected Programs in Surplus



* by calendar year



Questions?

HB 254

Big Game Commercial Services Board Fee Types

	Fee Schedule Through 11/19/15			Adopted by Division 10/21/15 Effective 11/20/15			
	Current Fee	Projected Units	Projected Revenue	Amount of Fee Adjustment	Fee with Recommended Adjustment	Projected Revenue after Adjustment	% Change
Application Fee	200	302	\$ 60,400	0	\$ 200	\$ 60,400	0%
Guide Exam or Retake	125	30	3,750	0	125	3,750	0%
Game Management Exam	390	110	42,900	10	400	44,000	3%
Hunt Record or Transporter Activity Report Filing	-	5865	-	50	50	293,250	n/a
Transporter Use Area Registration	-	481	-	0	-	-	n/a
Guide Use Area Registration	-	481	-	100	100	120,250	n/a
New Master Guide (Resident)	650	18	11,700	200	850	15,300	31%
New Master Guide (Non-Resident)	1,300	2	2,600	400	1,700	3,400	31%
Renew Master Guide (Resident)	650	132	85,800	200	850	112,200	31%
Renew Master Guide (Non-Resident)	1,300	13	16,900	400	1,700	22,100	31%
New Registered Guide (Resident)	650	28	18,200	200	850	23,800	31%
New Registered Guide (Non-Resident)	1,300	4	5,200	400	1,700	6,800	31%
Renew Registered Guide (Resident)	650	408	265,200	200	850	346,800	31%
Renew Registered Guide (Non-Resident)	1,300	60	78,000	400	1,700	102,000	31%
New Class-A Assistant Guide (Resident)	360	12	4,320	50	410	4,920	14%
New Class-A Assistant Guide (Non-Resident)	720	2	1,440	100	820	1,640	14%
Renew Class-A Assistant Guide (Resident)	360	126	45,360	50	410	51,660	14%
Renew Class-A Assistant Guide (Non-Resident)	720	14	10,080	100	820	11,480	14%
New Assistant Guide (Resident)	360	104	37,440	50	410	42,640	14%
New Assistant Guide (Non-Resident)	720	94	67,680	100	820	77,080	14%
Renew Assistant Guide (Resident)	360	617	222,120	50	410	252,970	14%
Renew Assistant Guide (Non-Resident)	720	413	297,360	100	820	338,660	14%
New Transporter (Resident)	650	40	26,000	200	850	34,000	31%
New Transporter (Non-Resident)	1,300	4	5,200	400	1,700	6,800	31%
Renew Transporter (Resident)	650	186	120,900	200	850	158,100	31%
Renew Transporter (Non-Resident)	1,300	8	10,400	400	1,700	13,600	31%
Exam Prep Packet	100	2	200	0	100	200	0%
Retired Master/Registered Guides	300	12	3,600	0	300	3,600	0%
Retired Class-A Assistant Guides	175	0	-	0	175	-	0%
Estimated Centralized Fees	9,887	1	9,887	0	9,887	9,887	0%

DCCED



**Big Game Commercial Services
Disciplinary Guidelines and
Precedence**

DLCED

DISCLAIMER: The information contained within product was developed, by the Division of Corporations, Business and Professional Licensing (DCBPL), at the request of the Big Game Commercial Services (BGCS) Board, to capture recent historical discipline taken (within the preceding ten years) which allows the Board to consistently apply discipline, as provided for in accordance with: (IAW) AS 08.01.075(f). The guidelines herein are a reference for Board consideration during a circumstance that may merit censure or discipline. However, each matter is considered on its individual merits. These guidelines are comprised of a range of penalties, which allow for discretion by the Board based upon the individual case specifics.

		Case Precedence (Previous Action Taken by the Board)		
		1X	2X	3X
AS 08.54.710(a)(1) is convicted of a violation of any state or federal statute or regulation relating to hunting or to provision of big game hunting services or transportation services;		2X Criminal Fine Probation up to 1 year Reprimand	3X Criminal Fine Probation up to 2 years Reprimand	\$5000 Fine Suspension 1-3 years Probation up to 2 years Reprimand
AS 08.54.710(a)(2) has failed to file records or reports required under this chapter;		Letter of Advisement or \$500-\$5000 Fine Probation up to 1 year Reprimand	2X Previous Fine Probation up to 2 years Reprimand	2X Previous Fine Suspension 1 year Probation up to 5 years Reprimand
AS 08.54.710(a)(3) has negligently misrepresented or omitted a material fact on an application for any class of guide license or a transporter license;		\$500-\$5000 Fine Probation up to 1 year Reprimand	\$2500 to 5000 Fine Suspension 2-5 years Probation up to 5 years Reprimand	Permanent Revocation
AS 08.54.710(a)(4) has breached a contract to provide big game hunting services or transportation services to a client.		Client Restitution Probation up to 1 year Reprimand	Client Restitution \$500-\$5000 Fine Probation up to 2 years Reprimand	Client Restitution \$500-\$5000 Fine and/or Suspension 1-3 years Probation up to 5 years Reprimand
08.54.720(a)(1) person who is licensed under this chapter to knowingly fail to promptly report, unless a reasonable means of communication is not reasonably available, to the Department of Public Safety, and in no event later than 20 days, a violation of a state or federal wildlife or game, guiding, or transportation services statute or regulation that the person reasonably believes was committed by a client or an employee of the person	08.54.720(b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both. 08.54.720(f)(1) the court may order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense for a specified period of not more than three years;	\$500-\$5000 Fine Probation up to 2 years Reprimand	\$500-\$5000 Fine Suspension up to 1 year Probation up to 2 years Reprimand	\$5000 Fine Suspension 2-5 years Probation up to 5 years Reprimand

		Case Precedence (Previous Action Taken by the Board)		
		REPRIMAND	PROBATION	SUSPENSION
AS 08.54.720(a)(2) person who is licensed under this chapter to intentionally obstruct or hinder or attempt to obstruct or hinder lawful hunting engaged in by a person who is not a client of the person	08.54.720(b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both. 08.54.720(f)(2) the court shall order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense of this section for a specified period of not less than one year and not more than five years;	Letter of Advisement or \$500-\$5000 Fine Probation up to 5 years Reprimand	2X Previous Fine up to \$5000 and/or Suspension 1 year Probation up to 5 years Reprimand	\$5000 Fine Suspension 1 year Probation up to 5 years Reprimand
08.54.720(a)(3) class-A assistant guide or an assistant guide to knowingly guide a big game hunt except while employed and supervised by a registered guide- outfitter;	08.54.720(b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both. 08.54.720(f)(1) the court may order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense for a specified period of not more than three years;	Client Restitution Suspension 1 year Probation up to 5 years Reprimand	Client Restitution Up to \$5000 Fine Suspension 2-5 years Probation up to 5 years Reprimand	Client Restitution \$500-\$5000 Fine and/or Suspension 1-3 years Probation up to 5 years Reprimand
08.54.720(a)(4) person who holds any class of guide license or transporter license to knowingly enter or remain on private, state, or federal land without prior authorization during the course of providing big game hunting services or transportation services;	08.54.720 (b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both. 08.54.720 (f) (1) the court may order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense for a specified period of not more than three years;	\$500-\$5000 Fine Probation up to 5 years Reprimand	Up to \$5000 Fine Suspension 1-2 years Probation up to 5 years Reprimand	Permanent Revocation
08.54.720(a)(5)(A) registered guide-outfitter to knowingly engage in providing big game hunting services outside of (A) a game management unit for which the registered guide-outfitter is certified;	08.54.720(b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both. 08.54.720 (f) (1) the court may order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense for a specified period of not more than three years;	\$500-\$5000 Fine Probation up to 3 years Reprimand	Up to \$5000 Fine Suspension 1 year Probation up to 5 years Reprimand	\$5000 Fine Suspension 2-5 years Probation 5 years Reprimand

		Case Precedence (Previous Action/Taken by the Board)		
<p>08.54.720(a)(5)(B) registered guide-outfitter to knowingly engage in providing big game hunting services outside of (B) a use area for which the registered guide-outfitter is registered under AS 08.54.750 unless the registration requirement for the area has been suspended by the Department of Fish and Game</p>	<p>08.54.720 (b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both.</p> <p>08.54.720 (f) (1) the court may order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense for a specified period of not more than three years;</p>	<p>\$500-\$5000 Fine Probation up to 3 years Reprimand</p>	<p>Up to \$5000 Fine Suspension 1 year Probation up to 5 years Reprimand</p>	<p>\$5000 Fine Suspension 2-5 years Probation 5 years Reprimand</p>
<p>08.54.720(a)(6) person to knowingly guide without having a current registered guide-outfitter, class-A assistant guide, or assistant guide license and a valid Alaska hunting license in actual possession;</p>	<p>08.54.720(b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both.</p>	<p>Letter of Advisement or \$500-\$5000 Fine Probation up to 3 years Reprimand</p>	<p>Up to \$5000 Fine Suspension 1 year Probation up to 5 years Reprimand</p>	<p>\$5000 Fine Suspension 2-5 years Probation up to 5 years Reprimand</p>
<p>08.54.720(a)(7) registered guide- outfitter to knowingly fail to comply with AS 08.54.610 (e);</p>	<p>08.54.720(b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both.</p> <p>08.54.720(f)(1) the court may order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense for a specified period of not more than three years;</p>	<p>\$500-\$1500 Fine Probation up to 1 year Reprimand</p>	<p>2X Previous Fine Probation up to 2 years Reprimand</p>	<p>\$5000 Fine Suspension 1 year Probation up to 5 years Reprimand</p>
<p>08.54.720(a)(8)(A) person who is licensed under this chapter to knowingly (A) commit or aid in the commission of a violation of this chapter, a regulation adopted under this chapter, or a state or federal wildlife or game statute or regulation</p>	<p>08.54.720(c) a misdemeanor and is punishable by a fine of not more than \$30,000 or by imprisonment up to one year, or both.</p> <p>08.54.720(f)(1) the court may order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense for a specified period of not more than three years;</p>	<p>\$1000-\$4000 Fine Probation up to 1 year Reprimand</p>	<p>2X Previous Fine Probation up to 2 years Reprimand</p>	<p>2X Previous Fine Suspension 1 year Probation up to 5 years Reprimand</p>

		Case Precedence (Previous Action/Taken by the Board)		
		1X	2X	3X
08.54.720(a)(8)(B) person who is licensed under this chapter to knowingly (B) permit the commission of a violation of this chapter, a regulation adopted under this chapter, or a state or federal wildlife or game statute or regulation that the person knows or reasonably believes is being or will be committed without (i) attempting to prevent it, short of using force; and (ii) reporting the violation;	08.54.720(c) a misdemeanor and is punishable by a fine of not more than \$30,000 or by imprisonment up to one year, or both.	\$1000-\$4000 Fine Probation up to 1 year Reprimand	2X Previous Fine Probation up to 2 years Reprimand	2X Previous Fine Suspension 1 year Probation up to 5 years Reprimand
	the court shall order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense set out in (a)(2) or (9) - (14) of this section for a specified period of not less than one year and not more than five years			
08.54.720(a)(9) person without a current registered guide-outfitter license to knowingly guide, advertise as a registered guide-outfitter, or represent to be a registered guide-outfitter	08.54.720(c) a misdemeanor and is punishable by a fine of not more than \$30,000 or by imprisonment up to one year, or both.	\$1000 to \$3000 Fine Restitution and/or Suspension 1 year Probation up to 5 years Reprimand	Up to \$5000 Fine Restitution and/or Suspension 1 - 3 years Probation up to 5 years Reprimand	\$5000 Fine Restitution and/or Suspension 2 - 5 years Probation 5 years Reprimand or Permanent Revocation
	08.54.720(f)(2) the court shall order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense of this section for a specified period of not less than one year and not more than five years;			
08.54.720(a)(10) person without a current master guide-outfitter license to knowingly advertise as, or represent to be, a master guide-outfitter;	08.54.720(c) a misdemeanor and is punishable by a fine of not more than \$30,000 or by imprisonment up to one year, or both.	\$1000 to \$3000 Fine Restitution and/or Suspension 1 year Probation up to 5 years Reprimand	Up to \$5000 Fine Restitution and/or Suspension 1 - 3 years Probation up to 5 years Reprimand	\$5000 Fine Restitution and/or Suspension 2 - 5 years Probation 5 years Reprimand or Permanent Revocation
	08.54.720(f)(2) the court shall order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense of this section for a specified period of not less than one year and not more than five years;			
08.54.720(a)(11) person without a current registered guide-outfitter license to knowingly outfit a big game hunt, provide outfitting services, advertise as an outfitter of big game hunts, or represent to be an outfitter of big game hunts	08.54.720(c) a misdemeanor and is punishable by a fine of not more than \$30,000 or by imprisonment up to one year, or both.	\$1000 to \$3000 Fine Restitution and/or Suspension 1 year Probation up to 5 years Reprimand	Up to \$5000 Fine Restitution and/or Suspension 1 - 3 years Probation up to 5 years Reprimand	\$5000 Fine Restitution and/or Suspension 2 - 5 years Probation 5 years Reprimand or Permanent Revocation
	08.54.720(f)(2) the court shall order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense of this section for a specified period of not less than one year and not more than five years;			

		Case Precedence (Previous Action Taken by the Board)		
08.54.720(a)(12) person to knowingly provide transportation services to big game hunters without holding a current registered guide-outfitter license or transporter license	08.54.720(c) a misdemeanor and is punishable by a fine of not more than \$30,000 or by imprisonment up to one year, or both.	\$1000-\$4000 Fine Probation up to 1 year Reprimand	Up to \$5000 Fine Suspension 1 - 2 years Probation up to 5 years Reprimand	\$5000 Fine Suspension 2 - 5 years Probation 5 years Reprimand
	08.54.720(f)(2) the court shall order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense of this section for a specified period of not less than one year and not more than five years;			
08.54.720(a)(13) person without a current transporter license to knowingly advertise as, or represent to be, a transporter	08.54.720(c) a misdemeanor and is punishable by a fine of not more than \$30,000 or by imprisonment up to one year, or both.	\$500 to \$2000 Fine Probation up to 1 year Reprimand	2X Previous Fine Suspension 1 year Probation up to 5 years Reprimand	\$5000 Fine Suspension 2 - 5 years Probation 5 years Reprimand
	08.54.720(f)(2) the court shall order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense of this section for a specified period of not less than one year and not more than five years;			
08.54.720(a)(14) class-A assistant guide or an assistant guide to knowingly contract to guide or outfit a hunt	08.54.720(c) a misdemeanor and is punishable by a fine of not more than \$30,000 or by imprisonment up to one year, or both.	\$1000 to \$5000 Fine Suspension 1 - 3 years Probation up to 5 years Reprimand	Permanent Revocation	
	08.54.720(f)(2) the court shall order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense of this section for a specified period of not less than one year and not more than five years;			
08.54.720(a)(15) person licensed under this chapter to knowingly violate a state statute or regulation prohibiting waste of a wild food animal or hunting on the same day airborne	08.54.720(d)(1) for a first offense, of a misdemeanor and is punishable by a fine of not more than \$30,000 or by imprisonment up to one year, or both	\$3000 to \$5000 Fine Suspension 1 - 3 years Probation 5 years Reprimand	Permanent Revocation	
	08.54.720(d)(2) for a second or subsequent offense, of a class C felony			
	08.54.720(f)(3) the court shall order the board to suspend the guide license or transporter license for a specified period of not less than three years, or to permanently revoke the guide license or transporter license, of a person who commits an offense set out in (a)(15) or (16) of this section;	Per Court Order	Permanent Revocation	

		Case Precedence (Previous Action Taken by the Board)		
		SERIOUS OFFENSE		
08.54.720(a)(16) person to knowingly provide big game hunting services or transportation services during the period for which the person's license to provide that service is suspended or revoked	08.54.720(e) class C felony 08.54.720(f)(3) the court shall order the board to suspend the guide license or transporter license for a specified period of not less than three years, or to permanently revoke the guide license or transporter license, of a person who commits an offense set out in (a)(15) or (16) of this section;	Per Court Order	Permanent Revocation	
08.54.720(a)(17)(A) registered guide-outfitter, except in the defense of life or property, to knowingly personally take (A) big game while accompanying a client in the field;	08.54.720(b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both.	\$500 to \$1500 Fine Probation up to 1 year Reprimand	2X Previous Fine Probation up to 2 years Reprimand	\$5000 Fine Suspension 1 - 3 years Probation 5 years
	08.54.720(f)(1) the court may order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense for a specified period of not more than three years;		Per Court Order	Per Court Order
08.54.720(a)(17)(B) registered guide-outfitter, except in the defense of life or property, to knowingly personally take (B) a species of big game if the registered guide-outfitter is under contract with a client to provide a guided hunt for that species of big game and the client is in the field	08.54.720(b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both.	\$500 to \$1500 Fine Probation up to 1 year Reprimand	2X Previous Fine Probation up to 2 years Reprimand	\$5000 Fine Suspension 1 year Probation 5 years
	08.54.720(f)(1) the court may order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense for a specified period of not more than three years;		Per Court Order	Per Court Order
08.54.720(a)(18) person who is licensed as a registered guide-outfitter, a class-A assistant guide, or an assistant guide, except in the defense of life or property, to knowingly personally take big game while a client of the registered guide-outfitter by whom the person is employed is in the field unless the person is not participating in, supporting, or otherwise assisting in providing big game hunting services to a client of the registered guide-outfitter by whom the person is employed;	08.54.720(b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both.	\$500 to \$1500 Fine Probation up to 1 year Reprimand	2X Previous Fine Probation up to 2 years Reprimand	\$5000 Fine Suspension 1 year Probation 5 years
	08.54.720(f)(1) the court may order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense for a specified period of not more than three years;		Per Court Order	Per Court Order

		Case Precedence (Previous Action Taken by the Board)		
		1st Offense	2nd Offense	3rd Offense
08.54.720(a)(19) person who is licensed as a transporter, or who provides transportation services under a transporter license, to knowingly accompany or remain in the field with a big game hunter who is a client of the person except as necessary to perform the specific duties of embarking or disembarking big game hunters, their equipment, or big game animals harvested by hunters; this paragraph does not apply to a person who holds both a transporter license and a registered guide-outfitter license issued under this chapter when the person has a contract to provide guiding services for the client	08.54.720(b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both.	\$500 to \$1500 Fine Probation up to 1 year Reprimand	2X Previous Fine Probation up to 2 years Reprimand	\$5000 Fine Suspension 1 year Probation 5 years
	08.54.720(f)(1) the court may order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense for a specified period of not more than three years;		Per Court Order	Per Court Order
AS 08.54.720(f)(4) all guns, fishing tackle, boats, aircraft, automobiles, or other vehicles, camping gear, and other equipment and paraphernalia used in, or in aid of, a violation of (a) of this section may be seized by persons authorized to enforce this chapter and may be forfeited to the state as provided under AS 16.05.195.				
AS 08.54.720(g) Upon conviction of a person for committing an offense set out in (a) of this section, the execution of sentence may not be suspended and probation may not be granted except on the condition that the minimum term of imprisonment is served. Imposition of sentence may not be suspended				
<i>DISCLAIMER: The information contained within product was developed, by the Division of Corporations, Business and Professional Licensing (DCBPL), at the request of the Big Game Commercial Services (BGCS) Board, to capture recent historical discipline taken (within the preceding ten years) which allows the Board to consistently apply discipline, as provided for in accordance with (LAW) AS 08.01.075(f). The guidelines herein are a reference for Board consideration during a circumstance that may merit censure or discipline. However, each matter is considered on its individual merits. These guidelines are comprised of a range of penalties, which allow for discretion by the Board based upon the individual case specifics.</i>				



Big Game Commercial Services

Investigation Sanction Matrix

DCCED

STATUTE/REGULATION	CRIMINAL SANCTION	1st Offense	2nd Offense	3rd Offense
<p>*08.54.710(a) (1) is convicted of a violation of any state or federal statute or regulation relating to hunting or to provision of big game hunting services or transportation services;</p>		<p>2X Criminal Fine Donate price of animal if apply Reprimand</p>	<p>3X Criminal Fine Probation 2 years Donate price of animal if apply Reprimand</p>	<p>\$5000 Fine Suspension, 1-3 years Probation 5 years Donate price of animal if apply Reprimand</p>
<p>*08.54.710(a) (2) has failed to file records or reports required under this chapter;</p>		<p>Letter of Advisement or \$500-\$5000 Fine Reprimand</p>	<p>2X Previous Fine Probation 3 years Reprimand</p>	<p>2X Previous Fine Suspension 1 year Probation 5 years Reprimand</p>
<p>*08.54.710(a) (3) has negligently misrepresented or omitted a material fact on an application for any class of guide license or a transporter license;</p>		<p>\$5000 Fine and/or Suspension 1-3 years Probation 5 years Reprimand</p>	<p>\$2500-\$5000 Fine Suspension 2-5 years Probation 5 years Reprimand</p>	<p>Permanent Revocation</p>
<p>*08.54.710(a) (4) has breached a contract to provide big game hunting services or transportation services to a client.</p>		<p>Restitution Reprimand</p>	<p>Restitution \$500-\$5000 Fine Probation 2 years</p>	<p>Restitution \$500-\$5000 Fine and/or Suspension 1-3 years Probation 5 years</p>

<p>*08.54.720(a) (1) person who is licensed under this chapter to knowingly fail to promptly report, unless a reasonable means of communication is not reasonably available, to the Department of Public Safety, and in no event later than 20 days, a violation of a state or federal wildlife or game, guiding, or transportation services statute or regulation that the person reasonably believes was committed by a client or an employee of the person;</p>	<p>08.54.720 (b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both.</p>	<p>\$500 -5000 Fine Probation 2 years Donate price of animal if apply Reprimand</p>	<p>\$5000 Fine Suspension 1 year Probation 5 years Donate price of animal if apply Reprimand</p>	<p>\$5000 Fine Suspension 2-5 years Probation 5 years Donate price of animal if apply Reprimand</p>
	<p>08.54.720 (f) (1) the court may order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense for a specified period of not more than three years;</p>			
<p>*08.54.720(a) (2) person who is licensed under this chapter to intentionally obstruct or hinder or attempt to obstruct or hinder lawful hunting engaged in by a person who is not a client of the person;</p>	<p>08.54.720 (b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both.</p>	<p>\$500-\$5000 Fine Probation 1-5 years Reprimand</p>	<p>2X Previous Fine up to \$5000 and/or Suspension 1 year Probation 5 years Reprimand</p>	<p>\$5000 Fine Suspension 2-5 years Probation 5 years Reprimand</p>
	<p>08.54.720 (f) (2) the court shall order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense of this section for a specified period of not less than one year and not more than five years;</p>			
<p>*08.54.720(a) (3) class-A assistant guide or an assistant guide to knowingly guide a big game hunt except while employed and supervised by a registered guide-outfitter;</p>	<p>08.54.720 (b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both.</p>	<p>Client Restitution Suspension 1 year Probation 5 years Reprimand</p>	<p>\$5000 Fine Client Restitution Suspension 2-5 years Probation 5 years Reprimand</p>	<p>Permanent Revocation</p>
	<p>08.54.720 (f) (1) the court may order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense for a specified period of not more than three years;</p>			

<p>08.54.720(a) (4) person who holds any class of guide license or transporter license to knowingly enter or remain on private, state, or federal land without prior authorization during the course of providing big game hunting services or transportation services;</p>	<p>08.54.720 (b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both.</p>	<p>\$5000 Fine Probation 5 years Reprimand</p>	<p>\$5000 Fine Suspension 1-2 years Probation 5 years Reprimand</p>	<p>Permanent Revocation</p>
	<p>08.54.720 (f) (1) the court may order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense for a specified period of not more than three years;</p>			
<p>*08.54.720(a) (5) registered guide-outfitter to knowingly engage in providing big game hunting services outside of (A) a game management unit for which the registered guide- outfitter is certified; or</p>	<p>08.54.720 (b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both.</p>	<p>\$5000 Fine Probation 3 years Reprimand</p>	<p>\$5000 Fine Suspension 1 year Probation 5 years Reprimand</p>	<p>\$5000 Fine Suspension 2-5 years Probation 5 years Reprimand</p>
	<p>08.54.720 (f) (1) the court may order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense for a specified period of not more than three years;</p>			
<p>*08.54.720(a) (5) registered guide-outfitter to knowingly engage in providing big game hunting services outside of (B) a use area for which the registered guide-outfitter is registered under AS 08.54.750 unless the registration requirement for the area has been suspended by the Department of Fish and Game;</p>	<p>08.54.720 (b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both.</p>	<p>\$5000 Fine Probation 3 years Reprimand</p>	<p>\$5000 Fine Suspension 1 year Probation 5 years Reprimand</p>	<p>\$5000 Fine Suspension 2-5 years Probation 5 years Reprimand</p>
	<p>08.54.720 (f) (1) the court may order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense for a specified period of not more than three years;</p>			
<p>08.54.720(a) (6) person to knowingly guide without having a current registered guide-outfitter, class-A assistant guide, or assistant guide license and a valid Alaska hunting license in actual possession;</p>	<p>08.54.720 (b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both.</p>	<p>Letter of Advisement</p>	<p>\$500-\$1000 Reprimand</p>	<p>\$500-\$2000 Probation 2 years Reprimand</p>

<p>08.54.720(a) (7) registered guide-outfitter to knowingly fail to comply with AS 08.54.610 (e);</p>	<p>08.54.720 (b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both.</p>	<p>\$500-\$1500 Fine Reprimand</p>	<p>2 X Previous Fine Probation 2 years Reprimand</p>	<p>\$5000 Fine or Suspension 1 year Probation 5 years Reprimand</p>
	<p>08.54.720 (f) (1) the court may order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense for a specified period of not more than three years;</p>			
<p>08.54.720(a) (8) person who is licensed under this chapter to knowingly (A) commit or aid in the commission of a violation of this chapter, a regulation adopted under this chapter, or a state or federal wildlife or game statute or regulation;</p>	<p>a misdemeanor and is punishable by a fine of not more than \$30,000 or by imprisonment up to one year, or both.</p>	<p>\$1000-\$4000 Fine Reprimand</p>	<p>2 X Previous Fine Probation 2 years Reprimand</p>	<p>2 X Previous Fine Suspension 1 year Probation 5 years Reprimand</p>
	<p>08.54.720 (f) (2) the court shall order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense set out in this section for a specified period of not less than one year and not more than five years;</p>			
<p>08.54.720(a)(8) person who is licensed under this chapter to knowingly (B) permit the commission of a violation of this chapter, a regulation adopted under this chapter, or a state or federal wildlife or game statute or regulation that the person knows or reasonably believes is being or will be committed without (i) attempting to prevent it, short of using force; and (ii) reporting the violation;</p>	<p>08.54.720 (c) a misdemeanor and is punishable by a fine of not more than \$30,000 or by imprisonment up to one year, or both.</p>	<p>\$1000-\$4000 Fine Reprimand</p>	<p>2 X Previous Fine Probation 2 years Reprimand</p>	<p>2 X Previous Fine Suspension 1 year Probation 5 years Reprimand</p>
	<p>08.54.720 (f) (2) the court shall order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense set out in this section for a specified period of not less than one year and not more than five years;</p>			

<p>08.54.720(a) (9) person without a current registered guide-outfitter license to knowingly guide, advertise as a registered guide-outfitter, or represent to be a registered guide-outfitter;</p>	<p>08.54.720 (c) a misdemeanor and is punishable by a fine of not more than \$30,000 or by imprisonment up to one year, or both.</p>	<p>\$1000-\$3000 Fine Restitution and/or Suspension 1 year Probation 3-5 years Reprimand</p>	<p>\$5000 Fine Restitution and or Suspension 1-3 years Probation 5 years Reprimand</p>	<p>\$5000 Fine Restitution Suspension 1-3 years or permanent Revocation Probation 5 years Reprimand</p>
	<p>08.54.720 (f) (2) the court shall order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense set out in this section for a specified period of not less than one year and not more than five years;</p>			
<p>08.54.720(a) (10) person without a current master guide-outfitter license to knowingly advertise as, or represent to be, a master guide-outfitter;</p>	<p>08.54.720 (c) a misdemeanor and is punishable by a fine of not more than \$30,000 or by imprisonment up to one year, or both.</p>	<p>\$1000-\$3000 Fine Restitution and/or Suspension 1 year Probation 3-5 years Reprimand</p>	<p>\$5000 Fine Restitution and or Suspension 1-3 years Probation 5 years Reprimand</p>	<p>\$5000 Fine Restitution Suspension 1-3 years or permanent Revocation Probation 5 years Reprimand</p>
	<p>08.54.720 (f) (2) the court shall order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense set out in this section for a specified period of not less than one year and not more than five years;</p>			
<p>08.54.720(a) (11) person without a current registered guide-outfitter license to knowingly outfit a big game hunt, provide outfitting services, advertise as an outfitter of big game hunts, or represent to be an outfitter of big game hunts;</p>	<p>08.54.720 (c) a misdemeanor and is punishable by a fine of not more than \$30,000 or by imprisonment up to one year, or both.</p>	<p>\$1000-\$3000 Fine Restitution and/or Suspension 1 year Probation 3-5 years Reprimand</p>	<p>\$5000 Fine Restitution and or Suspension 1-3 years Probation 5 years Reprimand</p>	<p>\$5000 Fine Restitution Suspension 1-3 years or permanent Revocation Probation 5 years Reprimand</p>
	<p>08.54.720 (f) (2) the court shall order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense set out in this section for a specified period of not less than one year and not more than five years;</p>			

<p>08.54.720(a) (12) person to knowingly provide transportation services to big game hunters without holding a current registered guide-outfitter license or transporter license;</p>	<p>08.54.720 (c) a misdemeanor and is punishable by a fine of not more than \$30,000 or by imprisonment up to one year, or both.</p>	<p>\$1000-\$4000 Fine Probation 1 year Reprimand</p>	<p>\$5000 Fine Suspension 1-2 years Probation 3-5 years Reprimand</p>	<p>\$5000 Fine Suspension 2-5 years Probation 5 years Reprimand</p>
	<p>08.54.720 (f) (2) the court shall order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense set out in this section for a specified period of not less than one year and not more than five years;</p>			
<p>08.54.720(a) (13) person without a current transporter license to knowingly advertise as, or represent to be, a transporter;</p>	<p>08.54.720 (c) a misdemeanor and is punishable by a fine of not more than \$30,000 or by imprisonment up to one year, or both.</p>	<p>\$500-\$2000 Fine Probation 1 year Reprimand</p>	<p>2 X Previous Fine Suspension 1 year Probation 3-5 years Reprimand</p>	<p>\$5000 Fine Suspension 2-5 years Probation 5 years Reprimand</p>
	<p>08.54.720 (f) (2) the court shall order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense set out in this section for a specified period of not less than one year and not more than five years;</p>			
<p>08.54.720(a) (14) class-A assistant guide or an assistant guide to knowingly contract to guide or outfit a hunt;</p>	<p>08.54.720 (c) a misdemeanor and is punishable by a fine of not more than \$30,000 or by imprisonment up to one year, or both.</p>	<p>\$1000-\$5000 Fine Suspension 1-3 years Probation 3-5 years Reprimand</p>	<p>Permanent Revocation</p>	
	<p>08.54.720 (f) (2) the court shall order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense set out in this section for a specified period of not less than one year and not more than five years;</p>			

<p>08.54.720(a) (15) person licensed under this chapter to knowingly violate a state statute or regulation prohibiting waste of a wild food animal or hunting on the same day airborne;</p>	<p>08.54.720 (d) (1) for a first offense, of a misdemeanor and is punishable by a fine of not more than \$30,000 or by imprisonment up to one year, or both;</p>	<p>08.54.720(d)(2) for a second or subsequent offense, of a class C felony.</p>	<p>\$3000-\$5000 Fine Suspension 1-3 years Probation 5 years Reprimand</p>	<p>Permanent Revocation</p>	
	<p>08.54.720 (f) (3) the court shall order the board to suspend the guide license or transporter license for a specified period of not less than three years, or to permanently revoke the guide license or transporter license, of a person who commits an offense set out in this section;</p>		<p>Per Court Order</p>	<p>Permanent Revocation</p>	
<p>08.54.720(a) (16) person to knowingly provide big game hunting services or transportation services during the period for which the person's license to provide that service is suspended or revoked;</p>	<p>08.54.720 (e) class C felony</p>		<p>Per Court Order</p>	<p>Permanent Revocation</p>	
	<p>08.54.720 (f) (3) the court shall order the board to suspend the guide license or transporter license for a specified period of not less than three years, or to permanently revoke the guide license or transporter license, of a person who commits an offense set out in this section;</p>				
<p>08.54.720(a) (17) registered guide-outfitter, except in the defense of life or property, to knowingly personally take (A) big game while accompanying a client in the field;</p>	<p>08.54.720 (b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both.</p>		<p>\$500-\$1500 Fine Reprimand</p>	<p>2 X Previous Fine Probation 2 years Reprimand</p>	<p>\$5000 Fine Suspension 1-3 years Probation 5 years Reprimand</p>
	<p>08.54.720 (f) (1) the court may order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense for a specified period of not more than three years;</p>			<p>Per Court Order</p>	<p>Per Court Order</p>

<p>08.54.720(a) (17) registered guide-outfitter, except in the defense of life or property, to knowingly personally take (B) a species of big game if the registered guide-outfitter is under contract with a client to provide a guided hunt for that species of big game and the client is in the field;</p>	<p>08.54.720 (b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both.</p>	<p>\$500-\$1500 Fine Reprimand</p>	<p>2 X Previous Fine Probation 2 years Reprimand</p>	<p>\$5000 Fine or Suspension 1 year Probation 5 years Reprimand</p>
	<p>08.54.720 (f) (1) the court may order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense for a specified period of not more than three years;</p>			
<p>08.54.720(a) (18) person who is licensed as a registered guide-outfitter, a class-A assistant guide, or an assistant guide, except in the defense of life or property, to knowingly personally take big game while a client of the registered guide-outfitter by whom the person is employed is in the field unless the person is not participating in, supporting, or otherwise assisting in providing big game hunting services to a client of the registered guide-outfitter by whom the person is employed;</p>	<p>08.54.720 (b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both.</p>	<p>\$500-\$1500 Fine Reprimand</p>	<p>2 X Previous Fine Probation 2 years Reprimand</p>	<p>\$5000 Fine or Suspension 1 year Probation 5 years Reprimand</p>
	<p>08.54.720 (f) (1) the court may order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense for a specified period of not more than three years;</p>			

<p>08.54.720(a) (19) person who is licensed as a transporter, or who provides transportation services under a transporter license, to knowingly accompany or remain in the field with a big game hunter who is a client of the person except as necessary to perform the specific duties of embarking or disembarking big game hunters, their equipment, or big game animals harvested by hunters; this paragraph does not apply to a person who holds both a transporter license and a registered guide-outfitter license issued under this chapter when the person has a contract to provide guiding services for the client.</p>	<p>08.54.720 (b) guilty of a misdemeanor and is punishable by a fine of not more than \$10,000 or by imprisonment up to one year, or both.</p>	<p>\$500-\$1500 Fine Reprimand</p>	<p>2 X Previous Fine Probation 2 years Reprimand</p>	<p>\$5000 Fine or Suspension 1 year Probation 5 years Reprimand</p>
	<p>08.54.720 (f) (1) the court may order the board to suspend the guide license or transporter license of a person who commits a misdemeanor offense for a specified period of not more than three years;</p>		<p>Per Court Order</p>	<p>Per Court Order</p>
<p>08.54.720 (f) (4) all guns, fishing tackle, boats, aircraft, automobiles, or other vehicles, camping gear, and other equipment and paraphernalia used in, or in aid of, a violation of (a) of this section may be seized by persons authorized to enforce this chapter and may be forfeited to the state as provided under AS 16.05.195.</p>				
<p>08.54.720 (g) Upon conviction of a person for committing an offense set out in (a) of this section, the execution of sentence may not be suspended and probation may not be granted except on the condition that the minimum term of imprisonment is served. Imposition of sentence may not be suspended.</p>				

Steve Handy

From: Rep. Louise Stutes
Sent: Friday, February 12, 2016 9:21 AM
To: Steve Handy
Subject: FW: HB254 support

From: Loren Karro [mailto:lorenk@mtaonline.net]
Sent: Thursday, February 11, 2016 8:10 PM
To: Rep. Louise Stutes <Rep.Louise.Stutes@akleg.gov>
Cc: thorstacey@gmail.com
Subject: HB254 support

ALASKA TROPHY ADVENTURES

Loren J. Karro Daniel G. Montgomery

Reg. Guide # 941 Master Guide # 173

P.O. Box 874492

Wasilla, AK 99687

(907) 373-4898

February 11, 2016

Dear Representative Stutes;

We want to thank you for sponsoring HB254, in support of reauthorizing the Big Game Commercial Services Board (BGCSB).

We have lived in Alaska for 35 years, and during that time have resided in Auk Bay, Kotzebue and now the Mat Su Valley. We have been in the guiding industry for over 22 years, and since the re-inception of the BGCSB have been involved in many facets of it, for the betterment of our industry and of our impact on the state as a whole.

The 2014 McDowell Report on the Economic Impacts of Guided Hunting in Alaska pointed out that in 2012, guided hunting accounted for a total of 2,210 jobs in Alaska, with a total labor income of over \$35 million. Guided hunting generated a total of \$78 million in economic activity in Alaska during that same year. What is most important is that much of these jobs and economic impacts are felt within the small, rural communities throughout our state. We spend part of every year in Port Heiden, where we conduct much of our

business. Besides having wonderful friends and relationships within the community, we hire local people to oversee our property, to provide food and baked goods for our clients, and to do various jobs as they come up. We buy as much of our food and supplies as possible at the local store. We buy thousands of dollars in gas and aviation gas locally, and worked with the City to be sure that av gas prices were set at an advantageous level for the local government. We showed them what our avoided costs were by buying local, and recommended that they charge this price when they were looking at a much lower rate. We have been asked to speak at the local school, and we give all of our excess food to local people.

We also operate out of the Meadow Lakes area and up along the Glenn Highway to near Glennallen. We utilize the local cafes and roadhouses along this route. We buy most of the food and supplies needed for this part of our business at local grocery stores and shops, choosing to shop first locally and then, as needed, within urban Alaska.

Maintaining a high level of professional standards is of the utmost importance to keep guided Alaskan hunts desirous amongst the hunting community worldwide. Alaskan guides are known as some of the most professional and most regulated guides in North America. If this was not so, much of our business would go to Canada or other states. The BGCSB sees to maintaining these standards in a variety of ways. The investigative arm checks into complaints and allegations of illegal or unethical activity and holds the guides accountable to a very high ethical standard. The Board has the power to suspend or revoke a professional guide's license. Unfortunately, when the BGCSB was temporarily sunsetted in the nineties, these investigative activities resulted in a very high and uncontrolled debt. Although no BGCSB had any part in these investigations and their costs, we have been left holding the bag for the accrued debt of over \$600,000. The BGCSB has taken steps to increase our licensing and testing costs to pay off the accrued debt as soon as possible.

Another route to maintaining a high professional standard is by making sure that anyone applying for a guide license is experienced, knowledgeable and holds the professional skills necessary to guide hunters and take care of the meat and the priceless trophies. To this end, the Board is constantly reevaluating the requirements to apply for an Assistant Guide or a Registered Guide license, as well as the testing necessary to become a guide once the other requirements are met. For the past few years Loren has chaired a committee that has almost finished rewriting the practical portions of the exam and is beginning on the written portion. We also manage the proctors for the practical portions of the exam, and am proud of the Registered Guides who give of their time and knowledge to administer the exams. We are all volunteers. Without a BGCSB, the Division of Occupational Licensing would not have a knowledgeable, experienced pool of people to be sure that the exams remain pertinent, thorough and up to the highest standards.

The guides who participate in the BGCSB meetings have the best of the guiding industry at heart. As such, we are respectful of our fellow guides as well as of local hunters, and are concerned with maintaining viable and healthy game populations. We work to weed out the "bad" amongst us and have input to keep regulations such that our industry is held to a high standard, while recognizing the individual differences amongst the wide variety of independent guide businesses. The members of the BGCSB are the key in keeping the professional standards of the Guide Industry. We have personally witnessed new board members from outside the industry, who may come to the Board without a favorable view of guides, embrace our industry as they learn of the economic benefits we bring and the high level of professional standards that we hold ourselves to.

If there were not a BGCSB, there would be no knowledgeable base to review the new licensees, to write and administer the exams, and to continually review the regulations to be sure they work with current laws and needs. There would not be a professional group to authorize and direct investigators to keep the standards high and nitpicking to a minimum.

We are proud to be a professional guides in Alaska, and Loren is working to obtain her Master Guide License. These titles mean something to us in that we are part of a highly professional industry, whose members are held to a higher standard than are the general public, and who make a positive impact within our region and state. We have great respect for our Board, and know without a doubt that if the BGCSB were to be sunsetted, the standards we have set would be at stake, and with that, the reputation of the guiding industry in Alaska would also be in peril.

Thank you for your sponsorship of HB254. We know many respected and dedicated guides in Kodiak, and know that they too work to keep our industry professional, accountable and ethical.

Sincerely,

Loren J Karro

Daniel G. Montgomery

Reg. Guide # 941

Master Guide # 173

ALASKA

PROFESSIONAL HUNTER ASSOCIATION, INC.

P.O. Box 240971 ~ Anchorage, AK 99524

Phone: (907)-929-0619 ~ (907)-868-1562

Email: office@alaskaprohunter.org ~ www.alaskaprohunter.org

February 12, 2016

Representative Louise Stutes
State Capitol Room 416
Juneau AK, 99801

RE: HB254

Dear Rep. Stutes,

The Alaska Professional Hunters Association (APHA) would like to thank you for sponsoring HB254 and lend our strong support to re-authorizing the Big Game Commercial Services Board (BGCSB). APHA is Alaska's only organization advocating for Alaska's historic hunting guide industry. Founded in 1971, APHA has approximately 135 professional members, representing more than 40% of Alaska's guide businesses. As a professional organization we advocate for high ethical and professional standards within our industry. APHA recognizes the Alaska's big game resources we rely on are held in the public trust and our access to those resources is a privilege that comes with stewardship responsibilities. The BGCSB is the central public institution that keeps our profession vital and our relationship with the general public sustainable and healthy in an ever changing, complex world.

APHA recognizes that the BGCSB is facing significant challenges with its current deficit. This challenge is partly due to the previous sunset of the BGCSB several years ago, and partly due to the complexities and differences in our program versus other professional licensing boards. As an association we have worked as closely as possible with the Division, the Board, and our members to get clear communication and understanding of the scope of the challenges facing our program and our industry. The APHA understands that licensees must pay for the cost of licensure and our board functions, therefore we have supported the two most recent rounds of fee increases. During the last two years, as the division, legislature, board and legislative budget and audit have held hearings and meetings on our deficit we have closely monitored the various findings and proposed solutions. While the discussions have been enlightening and helped us understand how we got to where we currently are, one theme has come across loud and clear; it is up to the licensees to pay the bill and move on. APHA members and leadership accept their responsibilities while at the same time insisting that having our board is essential for our future.

Alaska's guide industry is a net positive to the State coffers and contributes essential new dollars to the Alaskan economy, especially in rural Alaska. Alaska's active registered hunting guides are overwhelmingly Alaska residents (89%, McDowell 2014). Close to 50% of the total \$78 million total economic activity is directed to rural areas in Alaska. (McDowell 2014). These numbers and this relationship between Alaska ownership and Alaska's game resources are essential to keep in mind when considering re-authorizing the BGCSB. Without high licensing standards and the vocational/apprentice path to professional licensure that the BGCSB administers and oversees, this healthy economic relationship could be lost. We urge the legislature to keep in mind that while our board is running a deficit the Division of Wildlife (ADF&G) is a huge beneficiary of hunting license

ALASKA

PROFESSIONAL HUNTER ASSOCIATION, INC.

P.O. Box 240971 ~ Anchorage, AK 99524

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and tag fees from our clients and that these revenue streams are matched by federal dollars 3 to 1. The BGCSB is running a deficit to the Division of Corporations and Professional Licensing but the industry that it serves helps provide close to 80% of the Division of Wildlife's budget. The direct and indirect benefits to the State, economy and general public far outweigh the deficit to the licensing program.

Big game is a cornerstone of Alaskan culture. Game is a source of subsistence and food security; while providing immeasurable enjoyment when viewed. Game is a major attraction for domestic and global travelers alike. Wildlife and Alaska are synonymous. Alaska's reputation and attractiveness as a global destination requires that we have world-class game management and responsible programs where commercial take of wildlife is allowed. Guiding hunters may be the oldest value added tour in Alaska but it is essential that the industry and profession continually update its standards to maintain its place in the future. Without the BGCSB it would be impossible for the industry to stay current and responsive to the general public and the industry.

Guiding hunters in Alaska's vast wilderness requires a diverse and impressive set of skills. Wilderness travel, first aid, meat handling, charging bears, raging river and flying are the associations that come to mind when one thinks about an "Alaskan hunting guide." APHA is working hard to maintain these positive associations and we need our BGCSB to continue this process. APHA is a seasoned organization that has advocated for Alaska's guide industry through many challenging and difficult times in Alaska's history. We respectfully offer our strong support for the Big Game Commercial Services Board as an institution that is essential for the future of our industry.

Sincerely,

Sam Rohrer
President, APHA

From: Henry D. Tiffany IV [<mailto:henrydtiffanyiv@yahoo.com>]
Sent: Thursday, January 21, 2016 10:29 AM
To: Rep. Louise Stutes <Rep.Louise.Stutes@akleg.gov>
Cc: Sen. John Coghill <Sen.John.Coghill@akleg.gov>; Rep. David Guttenberg <Rep.David.Guttenberg@akleg.gov>
Subject: Support of HB 254

Dear Representative Stutes,

I would like to sincerely thank you for sponsoring and supporting HB 254. While I serve, at the pleasure of the Governor, as a member of the Big Game Commercial Services Board (BGCSB) perhaps more importantly I am a lifelong Alaskan and Professional Guide that has been fortunate enough to enjoy my profession and the natural resources of Alaska for the last 27 years, in large part thanks to the dedication, effort, work and regulatory processes provided by the BGCSB and its members.

Without the regulatory oversight, leadership and direction the BGCSB has, and will continue, to provide the guiding and transporter industries, those professions, the public and our natural resources in our great State will significantly suffer, just as it did when the BGCSB was last sunsetted and the State of Alaska took over the regulatory authority of the big game guides and transporters. When our board was reappointed we did inherit, from the States management, a significant financial liability but we are actively addressing that debt and working towards eliminating it, though some have argued it was a debt not created by the BGCSB, or the industry, as much as poor State management but regardless it is a responsibility we, as a board, have accepted and undertaken to correct and are in the process of doing so.

I fully support passage of HB 254 and look forward to continuing to work with the other members of the BGCSB and the public to help educate and improve the industries we are tasked to regulate. Again, I thank you for sponsoring and supporting HB 254 and should you have any questions, or if I may be of any assistance at all, please feel free to contact me via email or on my cell phone at 907-223-3226 at your convenience.

Sincerely,

Henry D. Tiffany IV
Master Guide & Outfitter #144
Big Game Commercial Services Board, Member
Fairbanks, Alaska

From: [Rep. Louise Stutes](#)
To: [Steve Handy](#)
Subject: FW: On re-authorization of the Guide Board HB254,
Date: Tuesday, February 16, 2016 8:26:50 AM

From: James P. Jacobson [mailto:huntnet@ak.net]
Sent: Monday, February 15, 2016 11:34 AM
To: Rep. Louise Stutes <Rep.Louise.Stutes@akleg.gov>
Subject: On re-authorization of the Guide Board HB254,

2-15-16 Hi Louise,

As you know from our previous telephone conversation, I strongly favor re-authorization of the Guide Board.

I've been guiding in Alaska since 1967 & have employed and involved 5 generations of my family in the hunting business, dba Arctic Rivers Guide & Booking Service. Most of our activities have taken place in NW Arctic Alaska, north of Kotzebue, but I have also worked in the Kodiak & other areas of Alaska.

Best regards in this most difficult of years,
Jake

Katmai Guide Service

JOE KLUTSCH, MASTER GUIDE

Dear Representative Stutes,

I am writing you from King Salmon, Alaska, where my Wife and I have lived for over 40 years. I have been guiding fishermen and hunters since 1974 as an Assistant Guide, and earned my Registered Guide license in 1979. These were dramatic years leading to the passage of ANILCA. Like all other people in the private sector, in the face of both Federal and State regulations, I have always advocated for proper regulatory standards that ensure conservation of Alaska's wildlife resources to the best extent possible.

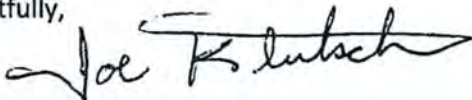
I have been involved with this process even before the passage of ANILCA and have a very good historical perspective on resource management in Alaska. I have served over 35 years on the Bristol Bay Naknek/Kvichak Advisory Committee and continue to learn a great deal about resource management. I cannot stress the importance of accountability and professional standards of conduct in the guiding profession. The Big Game Commercial Services Board is the primary vehicle to ensure we can accomplish these goals. This board is the one state entity that can address state wide guiding and transporter issues, aside from federal agencies who generally advocate agendas which do not fairly reflect the overall interests of the guiding profession and the State of Alaska as a whole.

You should also understand the role the guiding industry plays in contracting with airlines, air charter companies, hotels, restaurants and sporting good outlets in our state. This goes beyond the cash flow to major transport centers throughout the state but as importantly the rural villages where there are significant employment opportunities. In Kodiak and on the Alaska Peninsula, nearly all of the people who work with me are residents of the region. You should not underestimate the importance of our economic contribution.

Lastly, it is extremely important that we are able through a state board process to design proper regulations (not over regulation) and carry out regulatory enforcement designed to ensure professional standards of conduct and real conservation of our state's wildlife resources. The reauthorization of the Big Game Commercial Services Board will prevent the abrogation of state jurisdiction to a myriad of federal agencies that tend not to be informed or sensitive to state guiding issues beyond their parochial land "management" perspectives.

I urge you in all sincerity to reauthorize the Big Game Commercial Services Board, HB 254. Please contact me if you have any questions regarding my perspective on this legislation.

Respectfully,



Joe Klutsch

Master Guide 91



Paul A. Chervenak
Master Guide/Outfitter
Kodiak Outdoor Adventures, Inc
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Rep. Louise Stutes
Alaska Legislature

Dear Rep. Stutes,

Thank you for sponsoring HB254, reauthorizing the BGCSB.

I am a 36 resident of Kodiak Island and have been in the outdoor recreation business and guiding for over 30 years, here on Kodiak and elsewhere through out the state. I think it is extremely important to have high professional standards for both my business and the industry. I have contact with many other guides and guide associations around the world and in talking with them am reassured how important this professionalism is for our clients, our businesses, our guide association and the state.

I believe it is very important and our responsibility as citizens and as users of the resource to have a say in and be involved with the management and regulatory process. I have been on, and currently chairman of, the Kodiak Fish and Game Advisory Committee for over 20 years; participating in the Board of Game and Board of Fish processes. I am the State of Alaska trustee, and currently chairman of, the Kodiak Brown bear Trust. I helped form and am chairman of Kodiak's bear committee, KUBS (Kodiak Unified Bear Subcommittee). I also work regularly with the biologists and land managers of the ADF&G, USFWS and local native corporations.

I believe the reauthorization of the BGCSB is very important to maintaining the highest standards for our industry. This board knows the nuances of the industry and varied areas around the state, making it the most effective for helping manage, regulate and discipline the commercial operators.

I think it is very important to maintain the high quality guiding industry in Alaska as it is a major economic resource to the state and communities with in the state. The big game guiding industry for Kodiak alone is worth millions of dollars to the local and state economies with the added benefit of tourism dollars spent above and beyond our industry in transportation, lodging, dining, equipment purchases, etc.

I appreciate your sponsoring and support of this bill and please feel free to contact me if you should need any additional information.

Sincerely, Paul A. Chervenak

From: Sam Rohrer [<mailto:sam@kodiakbearcamp.com>]
Sent: Thursday, January 21, 2016 9:38 PM
To: Rep. Louise Stutes <Rep.Louise.Stutes@akleg.gov>
Cc: Sen. Gary Stevens <Sen.Gary.Stevens@akleg.gov>
Subject: HB 254

Representative Stutes,

I wanted to drop you a quick note and thank you again for sponsoring both HB 254 and for getting it off to such a fast start this session!

The Big Game Commercial Services Board is extremely important to the long term viability of the Guiding Industry. Our Industry is important to not only Kodiak's economy, but to the State of Alaska as a whole. It contributes more than 70 million dollars each year to Alaska's economy, over half of which ends up in rural communities.

Thanks for taking this important issue on. As I said before, please feel free to call or email me with any questions or if I can be of any assistance. I look forward to getting to testify in support of your bill!

Thanks,

Sam Rohrer
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Alaska Chapter SCI
PO Box 770511
Eagle River, AK 99577
(907) 980-9018



February 12, 2016

The Honorable Louise Stutes
Alaska House of Representatives
120 4th St. Rm. 416
Juneau, AK 99801

Dear Representative Stutes:

Safari Club International, Alaska Chapter is a leading supporter of wildlife conservation and the hunting heritage here in Alaska and as a member club of the world's largest hunting organization, we are very supportive of your legislation, HB 254, to extend the sunset date for the Big Game Commercial Services Board. We believe it is imperative that the State of Alaska has a board committed to maintaining high professional standards within this industry.

Alaska's fish and wildlife are very important to our citizens and therefore must be managed and allocated through sound science conducted by professionals. Having the BGCSB to regulate the guiding industry is an important component of such a professional management system.

We appreciate your willingness to support this important, sustainable industry that has contributed so much to Alaska's history and economy through the introduction of HB 254. If we may be of any assistance in assuring the passage of this legislation, please don't hesitate to let me know.

Sincerely,

A handwritten signature in black ink that reads 'Eddie Grasser'.

Eddie Grasser
Governmental Affairs Chairman

SCI's Top Gun Chapter

From: "Steven H. Perrins II" <guide88@hotmail.com>
Date: January 26, 2016 at 9:33:35 AM AKST
To: <Rep.louise.stutes@akleg.gov>
Subject: **HB254 BGCSB**

Hi Rep Stutes,

I wanted to personally Thank you for sponsoring this bill. It is absolutely vital to the guiding industry and well-being of all Alaskan hunters for the Big Game Commercial Services Board to be active. The last time it was sunset it ended up costing the state of Alaska a lot of money (which our industry is now paying back L) and resulted in a lot of poor regulation due to lack of knowledge and understanding. I completely understand the budget issues this year and the debt of this board looks bad so I urge you to understand the history of were that debt came from and see the huge rate increases that have been placed on us(Alaskan Guides) to pay that back. We are now on track with a pace of rapid pay off and financial sustainability of the board as long as the legislator does not sun set us again and cause these problems. I urge them to not be short sighted when facing these budget issues.

Please let me know if there is anything I can do to help make the passing of this bill a success. If you need co-sponsors I know a few Legislators that I could reach out to.

Thanks again and along with Rainy Pass Lodge our family owns Kodiak Safari's and I have been enjoying your very unique district since I was 8 years old. It's a very special place.

Steve H. Perrins II

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God Bless



April 1, 2016

Comments on HB 254 Extend Big Game Commercial Services Board

Resident Hunters of Alaska (RHAK) strongly **opposes** HB 254 to extend the termination date of the Big Game Commercial Services Board (BGCSB).

We would like to point out at the outset that the report, *A Sunset Review of the Department of Commerce, Community, and Economic Development, Big Game Commercial Services Board*, mistakenly implies in its report conclusions on the cover page that the BGCSB has anything at all to do with ensuring that federally regulated Part 135 air taxis who transport hunters to and from the field are "qualified to do so."

The only entity that provides "reasonable assurance" that individuals licensed to commercially carry any class of air passengers to and from the field are qualified to do so is the Federal Aviation Administration and the federal Department of Transportation.

The entire "transporter" system now attached to the BGCSB as it applies to air-charter transportation of hunters to and from the field is one of the main reasons why this Board should be sunsetted and **not** extended.

Currently there is a BGCSB Transporter Sub-Committee operating within the Board. This committee will meet by teleconference on April 7th, 2016 to discuss, among other things, the legality of the state trying to regulate federally-regulated commercial air carriers under the "transporter" system, and the new fees imposed on "transporters" for hunt-activity reports they are required to file.

As to the former topic, there is case law that demonstrates that federally regulated Part-135 air-taxis that also hold a federal Department of Transportation certificate are preempted within Alaska from any further city or state regulations governing routes, tariffs, or advertising. Currently the Alaska Air Carriers Assn and the BGCSB Transporter Sub-Committee are seeking a legal opinion on this matter. Should the legal opinion hold that the BGCSB has no authority to regulate federally regulated air carriers who hold a federal DOT certificate, it would make the entire "transporter" system as it relates to air carriers untenable.

As to the latter topic to be discussed at the BGCSB Transporter Sub-committee meeting on April 7th, many of the air carriers that *choose* to be a "transporter" – and this is an important distinction to recognize; not all air carriers who transport hunters to and from the field *choose* to be a "transporter," in fact many of the major air-taxis who fly hunters are not "transporters" – are requesting the new fees for mandated transporter hunt activity reports be reduced or rescinded entirely, and those who say they will remain as

“transporters” will be forced to shift these new costs on to their clientele, most of whom are resident hunters.

We want to stress that the BGCSB was never intended to regulate resident hunters in any way, shape, or form. The clear intent of adding on this “transporter” system to the guide board’s authority was so the guide industry could regulate the access of unguided hunters who compete with commercial guiding activities. But this was really never under the authority of the BGCSB. Only the Board of Game has the authority to restrict or limit the number of hunters in the field, or how those hunters can access the field, via such avenues as permit hunts and controlled use areas.

If the main focus of whether or not to extend or sunset the BGCSB revolves around the ability of the Board to pay off its debt, then we would ask legislators to consider the fact that the Board will soon engage in open discussion and vote on whether or not to reduce or eliminate the new transporter fees. Neither the Chairman of the Board or any of its members can tell the legislature with any kind of certainty that the Board will not vote to reduce or eliminate those fees. Too, as stated, many air-carriers currently with “transporter” licenses have stated they will forego their “transporter” license if these new fees are not reduced or eliminated. So when the legislature looks at the current budget predictions for the BGCSB, please note that the Board’s ability to pay off its debt is very much dependent on these new transporter fees and at minimum retaining the current number of “transporters” within the system to pay those fees.

In closing, Resident Hunters of Alaska would have no issues with the BGCSB if it returned to its original purpose: regulating the Big Game Guiding industry. Alaska Statute 08.54.600 defines the Board’s functions, and nowhere within that statute does it say anything about regulating air carriers that fly hunters to and from the field, or imposing additional fees on unguided hunters using an air taxi for transportation services ...in order to fund the guide board’s activities.

“Transporters” had absolutely no role in the Board’s incurred million-dollar debt. Burdening “transporters” – and particularly the resident Alaskan hunter who uses air-taxi transporters to access the hunting grounds – with these new \$50 fees is unwarranted and unfair. The entire “transporter” system within the BGCSB as it relates to air carriers needs to be abandoned.

We urge the legislature to sunset this Board now. We don’t believe it is operating as intended by the legislature and we question whether or not it truly will ever be self-funding in way that puts those costs on the intended licensees it is designated to oversee.

Sincerely,

Mark Richards

Executive Director Resident Hunters of Alaska

From: [Rep. Louise Stutes](mailto:Rep.Louise.Stutes)
To: [Steve Handy](mailto:Steve.Handy)
Subject: FW: Big Game Transporter License & Report Filing Fee Increase
Date: Wednesday, March 23, 2016 9:11:39 AM

From: Sea Hawk Air [<mailto:info@seahawkair.com>]
Sent: Tuesday, March 22, 2016 1:28 PM
To: Rep. Louise Stutes <Rep.Louise.Stutes@akleg.gov>
Cc: Sen. Gary Stevens <Sen.Gary.Stevens@akleg.gov>; Rep. Kurt Olson <Rep.Kurt.Olson@akleg.gov>; Sen. Mia Costello <Sen.Mia.Costello@akleg.gov>
Subject: Big Game Transporter License & Report Filing Fee Increase

Dear Representative Stutes,

My wife, Jo Murphy, and I own and operate Sea Hawk Air in Kodiak. By statute we and many other air services throughout the state are required to hold a Big Game Transporter License, issued by the Division of Licensing and administered through the Big Game Commercial Services Board system.

In November 2015 the Division increased the fees associated with our licenses and implemented a new fee for filing required reports. In January 2016 we received a filing form from the Division and were startled to learn that our fees have increased 3000% from the previous year for the same level of license and reporting activities - before the fee increase we paid \$325 per year; after the increase the cost to us will be \$9,675.

In an attempt to understand the process and seek a remedy for the impact on our business, I have researched the issue and communicated my concerns to Division Director Janey Hovenden, Operations Manager Sara Chambers, and Licensing Examiner Cindy Hansen. On March 8-10 I attended the BGCS Board meeting in Fairbanks to testify, and have been appointed to its transporter subcommittee.

I have taken responsible steps to resolve what I believe is a problem created by the Division of Licensing, but have not received a resolution yet. Director Hovenden explained that a Legislative audit leaves the Division in the difficult and unpopular position of raising the fees to licensees to balance their budget. That is an acceptable justification for the fee increases of 15% to 500% being assessed on guide licensees in the BGCSB system, but falls far short of a meaningful response to my request for relief from our 3000% rate hike.

I have included my latest letter to Dir. Hovenden to help you understand my concerns. I would be glad to provide more information at your request.

I realize that the state's budget situation is difficult for everyone. Thank you for taking the time to consider this issue.

Sincerely,

Rolan Ruoss

Sea Hawk Air
506 Trident Way
Kodiak, AK 99615
(907)486-8282, cell 907-654-7878
info@seahawkair.com

March 22, 2016

Ms. Janey Hovenden, Director
Alaska Division of Corporations, Business and Professional Licensing

Dear Ms. Hovenden,

On Feb. 17 I emailed you about a problem with the new filing fees for big game transporters. I described its impact our company. Other air taxis I have contacted are impacted in similar ways and share my concerns. I don't know how this transporter activity report filing fee affects all transporters, but in our case, something is very wrong with it.

The new filing fee will skyrocket our transporter license expense to nearly \$10,000 per year, which is 30 times higher than what we previously paid, far beyond what any other licensees in the Big Game Commercial Services system pay. Under the new fee structure, increases on guides will range from 15% to 600%.

In your Feb. 22 email to me you stated "The Board and the Division have taken the difficult steps ... to implement new fees that (will) be borne by those licensees who create the administrative expenses of the program. This protects the non-contracting licensees from having to pay for maintenance of hunt records and transporter activity fees". I agree with you that those who create an expense should pay for it, and I appreciate your view that the Division has a duty to protect some classes of licensees from expenses created by others. I doubt that our company, buying one transporter license and filing 185 sheets of paper with the Division, is creating an administrative expense of \$10,000.

BGCSB chairman Kelly Vrem is on the record stating that the cost of enforcing guide regulations is the cause of the accumulated BGCSB deficit. Board member Dave Jones produced an informal budget analysis using materials provided by the Division. His analysis shows that over 90% of the budget is spent administering and enforcing guide licenses, and that transporter license fees already generate more revenue than the administrative cost of those licenses, even without adding additional revenue from the new TAR filing fee. Perhaps the Division with its access to all the facts and figures will refine Mr. Jones findings and conclude that transporters deserve protection from guide-created expenses.

In previous communications with Division staff, I requested suspension of the new TAR filing fee. The response I received from yourself, Sara Chambers, and Cindy Hansen is that I am welcome to participate in the Board process and to offer suggestions to equitably resolve the budget deficit, but that the new fee is already in regulation and any changes to regulation must be done through a public process.

In reviewing the letters we received about this fee increase it appears that the Division of Licensing failed to provide sufficient public notice before implementing the new fee. It is ironic that the Division put the new fee in regulation by a faulty public process and now the Division is telling licensees who are harmed by this new fee that we must go through a full public process to reverse the damage.

In your Aug. 25 letter to licensees announcing the Division's new fee proposal you stated "A breakdown of the proposed fees is enclosed and located on the Board's web page at professionallicense.alaska.gov/BigGameCommercialServicesBoard", and that "contact information (for public comment) is enclosed on the public notice." The "breakdown of proposed fees" and "contact information" for public comment was not included with the letter and it is not available at that web address. Licensees received this notice in the middle of their busy season. We didn't catch the error in August; we only realized it now, 6 months after the public comment period has closed. I checked with other licensees and it appears that nobody else got the full notice and there was no follow-up communication from the Division about the missing information. You could say it was our fault for not reading more carefully, but apparently everyone, including the Division, overlooked the omission and it is only just now being discovered.

The chairman and members of the board are on record expressing their dissatisfaction with the process that put these new fees into regulation, particularly taking issue with the Division's statement that "the Board supported the fee increase in its July meeting", a meeting without a quorum. A guide commented at the Feb. 23 transporter subcommittee meeting, "The fact is, the Division screwed up". I agree.

Beyond the issue of the faulty public notice, there is a structural error in the filing fee that would have been identified in a thorough public process prior to implementation. Due to significant differences in business models between guides and transporters, there is good reason to set the Transporter Activity Report fee lower than the Hunt Report fee. Applying the same \$50 dollar filing fee to guide's Hunt Reports and to transporter's Transporter Activity Reports delivers a very uneven result. For example: a guide operation that grosses \$400,000 guiding 30 hunts will file 30 Hunt Reports and pay \$1500 in filing fees, whereas a transporter that grosses \$400,000 transporting 180 groups of hunters will file 180 Transporter Activity Reports and pay \$9000 in filing fees. There is no reasonable justification for such an unbalanced fee structure.

Div. of Licensing staff have made it clear that addressing the budget deficit requires a fee increase. BGCSB board members have stated numerous times that they want everyone to pay their fair share. Transporters are already paying more than their share of the BGCSB operating budget. You suggest passing the TAR filing fee onto our customers - that is not an honest solution, that is bad business.

I have communicated my concerns clearly to the Division multiple times since January. I am willing to participate in the public process to help find a solution. In that spirit, I attended BGCSB Transporter subcommittee meeting Feb. 23, and the Board's March 8-10 meeting in Fairbanks to testify regarding the budget dilemma and to suggest solutions. I have been appointed to the Transporter subcommittee and will be a contributing member.

I invite you to look into the facts, wrestle with it as much as I have, then give an honest

explanation why we, as a transporter, should quietly accept a 3000% increase in our license fees when we were already paying our fair share.

Once again, I request that you act to suspend the new fees until they are subjected to a thorough public process.

Sincerely,

Rolan Ruoss
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info@seahawkair.com