ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

3049 SCOMM 138: HOUSE SPECIAL COMMITTEE ON FISHERIES 2005-2006

STATE OF ALASKA

Interim:
119 North Cushman St., Rm. 205
Fairbanks, Alaska 99701
(907) 456-7423
Fax: (907) 451-9293

Session:
State Capitol Building
Juneau, Alaska 99801
(907) 465-3466
Fax: (907) 465-2937

REPRESENTATIVE JIM HOLM
DISTRICT 9

DATE: April 6, 2005

TO: Representative Bill Thomas, Co-Chair
House Special Committee on Fisheries

FROM: Representative Jim Holm Holm

Please schedule the following bill for hearing in the Fisheries Committee at your earliest convenience.

HB 252, SPORT FISHING FACILITY REVENUE BONDS

Back-up information is attached. Thanks very much for your help.

Toll Free: 1-866-465-3466
Representative_Jim_Holm@legis.state.ak.us

[redacted] IOUSE COMMITTEE REPO [redacted]

ate Referred to Committee: April 5, 2005 — **FURTHER REFERRALS: Resources, Finance**

Date of Committee Action: ____________________

The HOUSE SPECIAL COMMITTEE ON FISHERIES considered: **HB 252**

HOUSE BILL NO. 252 — **SPORT FISHING FACILITY REVENUE BONDS**

"An Act providing for a sport fishing facility surcharge on sport fishing licenses; providing for the construction and renovation of state sport fishing facilities and for other projects beneficial to the sport fish resources of the state as a public enterprise; and authorizing the issuance of revenue bonds to finance those projects."

Recommends it be replaced with [ ] HCS *or* [ ] CS *for* ______________________(________)
For Senate Bills with new title: [ ] Technical Title [ ] New Title: HCR_______ **[ ] Same Title [ ] New Title**

[ ] attach amendments
[ ] add new referral to ___________Committee
[ ] Letter of Intent___________Committee

List of Abbrev for Depts.:
ADM, CED, COR, CRT, EED, DEC, DFG, GOV, HSS, LEG, LAW, LWF, MVA, DNR, DPS, REV, DOT, UA

NEW **FISCAL NOTES**
*Assigned by Chief Clerk's Office

List by Dept(s):	*FN#	Fiscal	Indet.	Zero

PREVIOUS **FISCAL NOTES**

List by Dept(s):	FN#	Fiscal	Indet.	Zero

Signing with recommendations	Printed Last Name	DP	DNP	NR	AM
[signature]	WILSON	X			
[signature]	HARRIS			X	
[signature]	SALMON		X		
[signature]	ELKINS	X			
Chair: [signature]	LeDOUX		X		
Chair: [signature]	Thomas	X			

Representative Jim Holm
Alaska State Legislature
District 9

Session
Capitol Building, Room 110
Juneau, AK 99801
Phone: (907) 465-3466
Fax: (907) 465-2937

Interim
119 N. Cushman St.
Fairbanks, AK 99701
Phone: (907) 456-7423
Fax: (907) 451-9293

SPONSOR STATEMENT
HB 252
04/06/05

"An Act providing for a sport fishing facility surcharge on sport fishing licenses; providing for the construction and renovation of state sport fishing facilities and for other projects beneficial to the sport fish resources of the state as a public enterprise; and authorizing the issuance of revenue bonds to finance those projects."

Alaska's only sport fish hatcheries are located at Ft. Richardson and Elmendorf A.F.B. Both are more than 30 years old and nearing the end of their useful life. Alaska has an ever-growing demand for fish stocks. More people want to fish. Resident populations are growing. Tourist demand for recreational opportunity is increasing. At the same time, sport fish production is decreasing.

Hatcheries require warm water to enhance growth in baby fish. Waste heat from the Ft. Richardson and Elmendorf power plants has provided that energy for many years, but both power plants will be shutting down hot water production in October. Doing nothing is not an acceptable option for it only leads to substantially reduced fish stocks in our lakes and streams, but we can fix this problem and plan for years to come.

House Bill 252 provides for renovation and expansion of the Ft. Richardson and Elmendorf facilities to meet South Central needs. It also provides for a new hatchery in Fairbanks to meet the demands of Interior Alaska.

Federal funds have been procured to meet increased demand due to military expansion. Other capital costs will be met by a revenue bond package of no more than $69 million. A modest "fishery enhancement fee" will be added to the price of a fishing license until the bonds are paid off. The combined price of a fishing license and the enhancement fee will still be a bargain, especially when it ensures that a person buying a license can actually expect to catch fish!

Sport Fishery Enhancement Surcharge Proposal

The Division of Sport Fish is seeking to sustain and enhance the opportunities and the social and economic benefits that recreational fisheries provide. Hatchery production is key to meeting these objectives. However, our hatchery facilities are aging and are unable to meet current and future demands. In order to rebuild and refurbish the state's hatchery infrastructure, and thereby ensure sport fishing opportunity, ADF&G is proposing a sport fishery enhancement surcharge on sport fishing licenses. Without the revenues generated by this surcharge, sport fishing opportunity will be in jeopardy.

We need $6.0 million in additional revenues annually to adequately address our aging hatchery infrastructure. Revenues generated by the enhancement surcharge will be used to build a new hatchery in Fairbanks, rebuild the Fort Richardson hatchery in Anchorage, and address hatchery-related needs in Southeast Alaska. To generate this revenue, we propose a modest surcharge on both non-resident and resident sport fishing licenses. These funds will be used to leverage other federal funds to meet the needs.

Before an enhancement surcharge can be imposed on sport fishing license holders, the Alaska Legislature must first pass legislation establishing a surcharge and authorizing the Commissioner of the Alaska Department of Fish and Game (ADF&G) to implement the surcharge by regulation. Simultaneously, the Legislature must also pass legislation giving the Division of Sport Fish the authority to bond for the construction of new hatcheries. Revenues generated by the enhancement surcharge will be used in combination with federal funds for annual debt service on the bond. The surcharge will be terminated by regulation when the ADF&G Commissioner determines that the surcharge is no longer necessary to fund sport fishery enhancement facilities or to repay revenue bonds issued for construction or renovation of sport fishery enhancement facilities.

Enhancement Surcharge Rates Necessary to Meet Annual $6.0M Bond Payment:

License Category	Number Sold in CY 2003	Proposed Fee	Potential SF Revenue Increase
Resident Sport Fishing	115,197	$8.50	$979,175
Resident Sport Fishing/Hunting	44,153	$8.50	$375,301
Resident Fishing/Hunting/Trapping	6,068	$8.50	$51,578
Nonresident Military Sport Fishing	4,210	$8.50	$35,785
Nonresident Military Fishing/Small Gam	254	$8.50	$2,159
Nonresident 1-day Sport Fishing	109,622	$8.50	$931,787
Nonresident 3-day Sport Fishing	52,933	$15.00	$793,995
Nonresident 7-day Sport Fishing	84,314	$25.00	$2,107,850
Nonresident 14-day Sport Fishing	23,491	$30.00	$704,730
Nonresident Annual Sport Fishing	12,403	$45.00	$558,135
Revenue Provided by Resident Anglers			**$1,406,053**
Revenue Provided by Non-Resident Anglers			**$5,134,441**
Potential Revenue Generated			**$6,540,494**
Adjust New Revenues for Vendor Payments (-5%)			**$6,213,469**

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Sport Fishery Enhancement Surcharge Proposal

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Sport Fishing Opportunities are at Stake

With many of our wild stocks already fully utilized, hatcheries play an important role in Alaska by providing additional stocks for angling by sport fishermen.

Production from our hatcheries:

- Generates roughly $45 million annually for Alaska's economy.
- Accounts for between 10-15% of all the angling effort in Alaska.
- Reduces pressure on our wild stocks, thereby adding to conservation for fully utilized stocks.

Hatchery operations are essential and must continue. Without an increase in revenues, we will be forced to reprioritize our expenditures in order to address our aging hatchery infrastructure. This reprioritization will result in reduced expenditures on other programs that are essential, such as our:

- Ability to monitor wild stocks and fisheries statewide.
  - ⇒ Resulting in more conservative management and potential lost fishing opportunity.
- Ability to assess and restore damaged habitats statewide.
  - ⇒ Resulting ultimately in reduced production and associated loss of sport fishing opportunity.
- Ability to support management activities statewide.
  - ⇒ Resulting in reduced public outreach.

Invest Now to Protect Current and Future Opportunities

We estimate that we will need $6 million in additional revenues annually to adequately address our aging hatchery infrastructure. To generate this revenue, we propose a modest surcharge on both non-resident and resident sport fishing license fees. These funds will be used to leverage other federal funds to meet the needs.

Failure to address this problem in a timely manner will demand increased expenditures to maintain aging facilities; increase pressure on wild stocks (many of which are fully allocated); and increase our need to monitor and assess wild stocks and associated fisheries.

Funding Construction with Revenue Bonds

As the Fish and Game Fund is dedicated per federal law, and the enhancement of fishing opportunity spurs license fee collection, the use of revenue bonds is an appropriate financing tool. The sport fish portion of the Fish and Game Fund is a discreet component that will be pledged to repayment of the bonds that will be used to fund construction. The direct benefactors of the fish raised at these hatcheries over the coming decades will be paying a portion of the hatcheries' cost through a surcharge on licensing fees.

Sport Fishery Enhancement Surcharge FAQ's

Why are hatcheries important?

The Alaska Department of Fish and Game (ADF&G) Division of Sport Fish currently owns and operates two hatcheries in Anchorage. These hatcheries produce sport fish that are stocked in creeks and lakes from Kodiak and Southcentral Alaska all the way up into Alaska's Interior. Production from these hatcheries contributes roughly $45 million annually to Alaska's economy; accounts for between 10-15% of all the angling effort in Alaska; and reduces pressure on our wild stocks, thereby adding to conservation for fully utilized stocks.

Why does the State of Alaska need to build/refurbish its hatcheries?

The two existing hatcheries (one at Fort Richardson and one at Elmendorf Air Force Base) are over 30 years old and have deteriorated to the point where they can no longer meet current, let alone future projected production demand. Failure to address these infrastructure issues will result in significant loss of hatchery production, and as a result, sport fishing opportunity.

How does ADF&G's Division of Sport Fish propose to address this problem?

ADF&G proposes building a new hatchery in Fairbanks, rebuilding the Fort Richardson hatchery in Anchorage, and addressing additional hatchery-related needs in Southeast Alaska. The new hatcheries in Fairbanks and Anchorage will be designed to meet projected demand in Southcentral and Interior Alaska over the next 25 years.

How much will it cost and where will the money come from?

Various funding sources will be used to finance this package. ADF&G has already received some federal funds for the new hatchery in Fairbanks and anticipates additional federal funds in the future. In addition to the federal funding, ADF&G estimates that it will cost roughly $63 million to build these new hatcheries and make hatchery-related improvements in Southeast Alaska. These funds will be generated by the issuance of revenue bonds.

Who will issue the revenue bonds?

The State of Alaska's State Bond Committee will issue revenue bonds on behalf of ADF&G's Division of Sport Fish. The Committee will issue up to $69 million in revenue bonds to fund the construction of the hatcheries.

How come the revenue bond authorization is greater than the construction cost?

Bond proceeds will be used to pay for construction and also for costs of issuing bonds and providing an advance funded debt service reserve account. The debt service reserve account is a security feature found on nearly all revenue bonds whereby an amount equal to one year's worth of payments is deposited in a pledged account to ensure bond purchasers they would have at least a one year window to seek remedy if a given revenue system failed. This money is then used to make the final payment on the bond issue.

How will the revenue bonds be paid back?

In order to meet the $6 million annual debt payments on the bond, ADF&G proposes a new sport fish enhancement surcharge on sport fishing licenses. The proposed surcharge has been structured so that it will generate roughly $6 million annually – the same amount required to pay debt service on the bond. These revenues will be used, in combination with federal funds, to pay back the bond debt.

Why won't these revenue bonds impact the State's credit?

These bonds will be limited obligations of the State with a pledge of the sport fish portion of the dedicated Fish and Game Fund. The only source of repayment for purchasers of these bonds will be the sport fish portion of the Fish and Game Fund, and no commitment or pledge of the State's General Fund will be made. This same type of bond is used by the State for the Alaska International Airports System ($427.1 million outstanding) and by many municipalities for a variety of enterprise fund activity ($513.8 million outstanding).

Is it worth the cost?

Production from the Division's hatchery program contributes roughly $45 million annually to Alaska's economy. Over the life of this bond issue, this translates into roughly $1 billion. When you compare the $69 million cost to the $1 billion return, this is a good deal.

How will ADF&G pay for the additional increase in operating costs?

ADF&G already spends $1.9 million annually to fund the operation of our two sport fish hatcheries in Anchorage and estimates that it will cost an additional $1 million annually to operate these new facilities. We will use available federal aid and surcharge fees to finance these additional costs.

How will different regions of Alaska benefit from this proposal?

This is a statewide proposal that is a win-win situation for everyone. Sport anglers in Southcentral and the Interior will benefit directly because they will have two new hatcheries designed to meet current and future demands tailored to meet their specific stocking needs.

ADF&G currently spends $750,000 annually in Southeast to support private non-profit hatcheries that produce fish and provide sport fishing opportunities. ADF&G plans to spend $200,000 annually for the next 20 years from the revenues generated by the enhancement surcharge to further expand sport fishing opportunities in Southeast – bringing our total annual expenditure to roughly $1 million.

Residents from rural Alaska will also benefit. When anglers are fishing in stocked lakes and creeks, they are fishing on hatchery-produced fish. If the hatchery fish are no longer available or ceased to exist, then sport fish ng pressure would shift to wild stocks, many of which are located in rural areas. This could result in increased harvest and eventually more restrictive harvest limits. Subsistence fishermen are not required to purchase a sport fishing license.

How many of the hatchery fish will be harvested by commercial fishermen?

Our stocking program is designed to minimize commercial harvest. As a result, a very low percentage of the stocked fish are commercially harvested. In Cook Inlet, for example, sport and personal use fishermen caught 96% (53,600) of all kings harvested that were released from ADF&G hatcheries. Commercial fishermen caught 4% (2,153). The main reason the commercial harvest is so low is that the vast majority of adult kings have entered fresh water drainages by the time the major commercial fisheries begin, and are unavailable for harvest by this user group.

What impact will this surcharge have on charter operators or sport fish guides?

Imposing an enhancement surcharge on non-residents will not have a negative impact on Alaska's charter boat/sport fish guide industry. ADF&G has increased license and tag fees several times over the last two decades, and license/tag sales and guided sport fish efforts have continued to grow despite these increases. There is no correlation between changes in license/tag fees and the number of licenses/tags sold, or in the number of angler days of fishing effort with guides. Therefore, ADF&G is confident that this surcharge will not result in a significant decline in the number of licenses/tags sold or in the number of anglers that pay to fish with a guide.

Proposed Fairbanks Hatchery

***Goal*:** To construct a hatchery in Fairbanks to meet the expected stocking needs of Interior Alaska beyond 2008.

Estimated capital cost: $25 million. This will be paid for using a combination of federal and state funds. State funds will primarily support the hatchery production facilities ($15 million) and will come from a bond repaid using the Fish and Game fund via a proposed license fee surcharge. The visitors/education and research center facilities ($10 million) will come from federal funds.

Hatchery Design: State-of-the-art water re-circulation round tank design. Includes visitors/education and research center in an architecturally pleasing building.

Location: In Fairbanks on the Chena River adjacent to Pioneer Park.

Estimated production capacity:	Rainbow Trout	Catchable	200,000
		Fingerling	210,000
	Grayling	Catchable	40,000
		Fingerling	10,000
	Coho salmon	Fingerling	40,000
	Chinook salmon	Catchable	74,000
	Arctic Char	Catchable	48,000
		Sub-catahable	19,000
		Fingerling	1,500
			642,500

Timeline: Construction to be completed in 2007. First production in 2008.

Proposed Anchorage Hatchery

Goal: To expand hatchery production facilities in Anchorage to meet the expected stocking needs of southcentral Alaska beyond 2008.

Estimated capital cost: $45 million. This will be paid for using state funds that will come from a bond repaid using the Fish and Game Fund via a proposed license fee surcharge.

Hatchery Design: State-of-the-art water re-circulation round tank design.

Location: The hatchery will be located in Anchorage at the current Fort Richardson Hatchery location. A separate education/information/visitors center will be located at the existing Elmendorf Hatchery location.

Estimated production capacity:

Rainbow Trout	Catchable	290,000
	Fingerling	1,500,000
Grayling	Catchable	37,500
	Fingerling	75,000
Coho salmon	Fingerling	300,000
	Smolt	1,410,000
Chinook salmon	Catchable	135,000
	Smolt	2,550,000
Arctic Char	Catchable	40,000
	Fingerling	75,500
		6,413,000

Timeline: Construction to be completed in 2007. First production in 2008.

Proposed Southeast Alaska Hatchery Enhancements

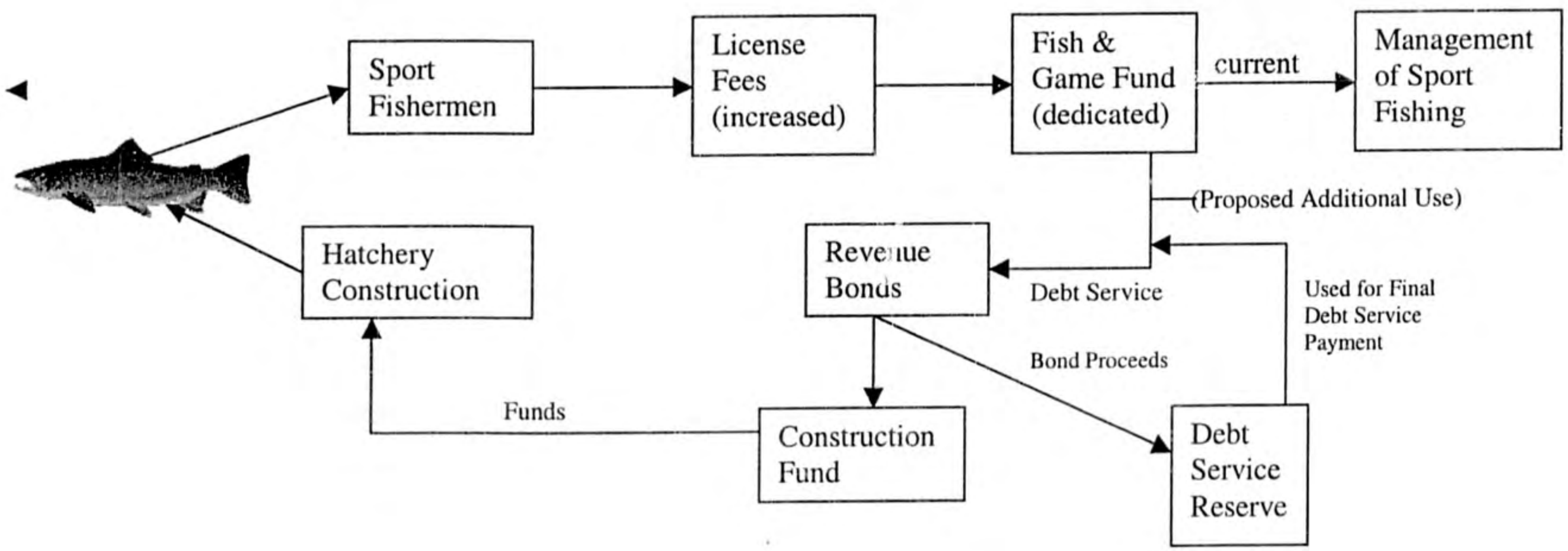
***Goal*:** To expand recreational fishing opportunities in Southeast Alaska by enhancing private non-profit hatchery production facilities.

***Projects*:**

- Address deferred maintenance issues at the Crystal Lake Hatchery: Cost $500,000.
- Provide $200,000 a year for the next 10 years for operational costs at the Crystal Lake Hatchery to offset the loss of Southeast Alaska Sustainable Salmon Fund money. This will allow the hatchery to maintain current king salmon stocking programs.
- Provide $500,000 to Skagway to support increased king salmon production aimed at increasing king salmon fishing opportunities around Skagway.

***Estimated cost*:** $3.0 million. This will be paid for using state funds. State funds will come from a bond repaid using the Fish and Game fund via a proposed license fee increase. This will bring our total support to the Southeast Alaska hatchery program to about $1 million annually.

SPORT FISH REVENUE BONDS



LEGAL SERVICES

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

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

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

M E M O R A N D U M April 8, 2005

SUBJECT: Sectional summary of HB 252, an Act providing for a sport fishing facility surcharge on sport fishing licenses; providing for the construction and renovation of state sport fishing facilities and for other projects beneficial to the sport fish resources of the state as a public enterprise; and authorizing the issuance of revenue bonds to finance those projects (Work Order No. 24-LS0850\A)

TO: Representative Jim Holm
Attn: Barbara Cotting

FROM: George Utermohle
Legislative Counsel

You have requested a sectional summary of HB 252, an Act providing for a sport fishing facility surcharge on sport fishing licenses, providing for the construction and renovation of state sport fishing facilities and for other projects beneficial to the sport fish resources of the state as a public enterprise, and authorizing the issuance of revenue bonds to finance those projects.

As a preliminary matter, note that a sectional summary of a bill is not an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1 of the bill amends AS 16.05.100 by adding a new paragraph to provide that the fish and game fund may be used to pay principal and interest on sport fishing facility revenue bonds to finance the construction and renovation of projects that benefit sport fishing.

Section 2 of the bill amends AS 16.05.130 by adding new subsections.

Subsection (e) provides that the proceeds of the sport fishing facility surcharge is to be deposited into the Alaska sport fishing enterprise account in the fish and game fund and may be used to pay principal and interest on sport fishing facility revenue bonds.

Subsection (f) provides that, except for the amount used to pay the cost of administration and issuance of bonds and the amount deposited into the bond reserve account, the proceeds from the sale of bonds shall be deposited into the Alaska sport fishing construction account in the fish and game fund.

Section 3 of the bill amends AS 16.05.340(i), relating to the cost of sport fishing licenses for residents of Yukon, Canada, to make a technical change to conform to provisions of sec. 4 of the bill.

Section 4 of the bill amends AS 16.05.340 by adding a new subsection that establishes the sport fishing facility surcharge and sets out the amount of the surcharge to be paid on each sport fishing license.

Section 5 of the bill amends AS 37.15 by adding new sections relating to the issuance of sport fishing facility revenue bonds.

Article 5A. Sport Fishing Facility Revenue Bonds.

Sec. 37.15.765 authorizes the issuance of revenue bonds to construct and renovate sport fishing facilities under AS 16.05.092. The state bond committee may issue a maximum of $69,000,000 in revenue bonds for sport fishing facilities.

Sec. 37.15.770 establishes the Alaska fish and game revenue bond redemption fund to be used to pay the principal and interest on sport fishing facility revenue bonds.

Sec. 37.15.773 sets out the terms under which the sport fishing facility revenue bonds will be issued and sold.

Sec. 37.15.777 provides that the state bond committee shall authorize the issuance of sport fishing facility revenue bonds by resolution.

Sec. 37.15.780 pledges that the state will not limit or impair the rights and powers of the state bond committee or the rights and remedies of bond holders.

Sec. 37.15.783 provides that the state bond committee shall certify the amounts to be paid out of the Alaska sport fishing enterprise account for payment of the revenue bonds and to maintain reserves.

Sec. 37.15.787 provides that the proceeds of the revenue bonds may be used for the purposes described in AS 16.05.092 and that the bonds may not be issued unless the state bond committee finds that revenue dedicated to the Alaska sport fishing enterprise account, together with other money, will be sufficient to comply with the covenants of the bond resolutions

Sec. 37.15.790 provides for the refunding of the bonds and the issuances of refunding bonds.

Sec. 37.15.793 provides that sport fishing facility revenue bonds are legal investments for banks, insurance companies, other financial institutions, and executors, trustees, and other fiduciaries. The bonds may be accepted as security for deposits of all money of the state and its political subdivisions.

Sec. 37.15.799 sets out the definitions of important terms used in AS 37.15.765 - 37.15.799.

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STATE OF ALASKA

FRANK H. MURKOWSKI
GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

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

April 12, 2005

The Honorable Jim Holm
Alaska State Legislature
Room 513, State Capitol
Juneau, AK 99801

Dear Representative Holm:

As the new Commissioner for the Alaska Department of Fish and Game (ADF&G), I want to assure you that the department will continue to support the enhancement programs that we currently conduct in Southeast Alaska, and pledge that we will expand these efforts if your sport fishing license surcharge legislation, H.B. 252, is passed.

ADF&G currently spends $931,800 a year on fish stocking projects in cooperation with the Douglas Island Pink and Chum hatchery, Crystal Lake hatchery, and Southern Southeast Regional Aquaculture Association. These stocking projects are paid with funds from the Fish and Game Fund (generated by revenues from the sale of sport fish licenses and king salmon tags), Federal Aid Funds (federal excise taxes on fishing equipment and fuel), and the Southeast Sustainable Salmon Fund (federal funds).

Each year, these funds are used to produce 3.2 million king salmon smolt, 110,000 coho salmon smolt, and 12,000 catchable sized king and coho salmon. These fish are released at 12 different locations around Juneau, Petersburg, and Ketchikan to improve sport fishing opportunities in these locations.

Additional enhancement projects have been discussed during this legislative session in conjunction with the sport fishing license surcharge legislation. If this legislation is passed, I am committed to funding additional enhancement projects that will further increase sport fishing opportunities in the Haines and Skagway areas and ensure the continued operation of the Crystal Lake hatchery programs for the Petersburg and Ketchikan areas.

My staff have been working with the City of Skagway on ways to increase king salmon sport fishing opportunities in the Skagway area. At this time, two options have been identified for enhancing king salmon fishing at Skagway. If the city decides that they would like to build and operate a king salmon hatchery in Skagway, I commit to including $1.5 million in the eventual hatchery bond for construction of this hatchery. If the city decides that hatchery operation costs are too high, we will instead fund the current king salmon brood stock development and smolt release programs at $160,000 per year until the brood stock development is completed in approximately 10 years. I pledge that ADF&G will work closely with the City of Skagway and will fund whichever stocking option they decide upon, as described above.

My staff are also working with the Northern Southeast Regional Aquaculture Association to produce approximately 250,000 king salmon smolt that would be released in the Haines area to increase king salmon fishing opportunity for this area. Although the project details have yet to be worked out, it appears that this stocking project would cost approximately $140,000 for the one-time purchase of equipment and supplies and $150,000 annual operational costs associated with producing and stocking 250,000 king salmon smolt. ADF&G will fund this project if the afore-mentioned license surcharge legislation is passed.

Approximately $193,000 of the annual operating costs at the Crystal Lake hatchery comes from the Southeast Sustainable Salmon Fund. This federal funding source will expire this year. ADF&G also provides $193,000 each year to fund Crystal Lake hatchery operating costs. We will increase our funding for Crystal Lake by $193,000 per year for the next 10 years to cover the loss of Southeast Sustainable Salmon funds. We also plan to spend an additional $500,000 for deferred maintenance work at the Crystal Lake hatchery. This adds up to additional funding of $2.5 million to the Crystal Lake hatchery over the next 10 years.

In combination, I believe all three of these enhancement projects will maintain and increase king salmon sport fishing opportunities and will directly benefit Southeast residents. I am firmly committed to funding these projects if the license surcharge legislation is enacted. ADF&G is planning to spend approximately $15 million over the next 10 years to fund the current and proposed Southeast Alaska enhancement projects

Please feel free to contact me or my staff if you have questions or would like additional information regarding this issue.

Sincerely,

McKie Campbell
Commissioner

AURORA
ENERGY, LLC
Keeping Fairbanks Warm

April 12, 2005

Representative Jim Holm
Alaska House of Representatives
State Capitol (MS 3100)
Juneau, Alaska 99801-1182

Regarding: House Bill 252

Dear Representative Holm:

Thank you for your leadership in introducing legislation to make it possible to fund the new fish hatchery in Interior Alaska. As you know, a key element of the hatchery is its proximity to the Aurora Energy power plant. This is important because Aurora has agreed to work with the Department of Fish and Game by providing heat we can recover from the outflow of the cooling water used in power production at the plant. This is a low grade heat, not usable for our traditional customer base, but ideally suited for raising fish. In addition, we hope to connect the hatchery to our District Heat system, so we can provide any additional heat needed for the hatchery offices, etc.

We have been asked to consider a fifteen year commitment to provide heat to the hatchery, which we are more than happy to do. Aurora Energy has every intention to be producing heat and electricity well beyond fifteen years.

Once the legislation is passed providing funding for the hatchery, Aurora Energy is prepared to negotiate a long term agreement to provide heat to the hatchery, primarily from the waste heat currently being discharged during the cooling process, but also from our traditional District Heat system. Aurora would anticipate such an arrangement should be for a minimum of fifteen years.

If we can be of any assistance in this matter, please do not hesitate to contact me.

Sincerely,

Buki Wright

A. L. Buki Wright Jr.

100 Cushman Street, Suite 210 • Fairbanks, AK 99701-4650 • Phone: (907) 452-8767 Fax: (907) 451-6543

Fairbanks North Star Borough
Office of the Mayor
809 Pioneer Road P.O. Box 71267 Fairbanks, Alaska 99707-1267 907/459-1300
Fax 907/459-1102
Email mayor@co.fairbanks.ak.us

April 12, 2005

Via Facsimile 907-465-5241

The Honorable Ralph Seekins
State Capitol
Juneau, Alaska

Via Facsimile 907-465-2937

The Honorable Jim Holm
State Capitol
Juneau, Alaska

Dear Senator Seekins and Representative Holm:

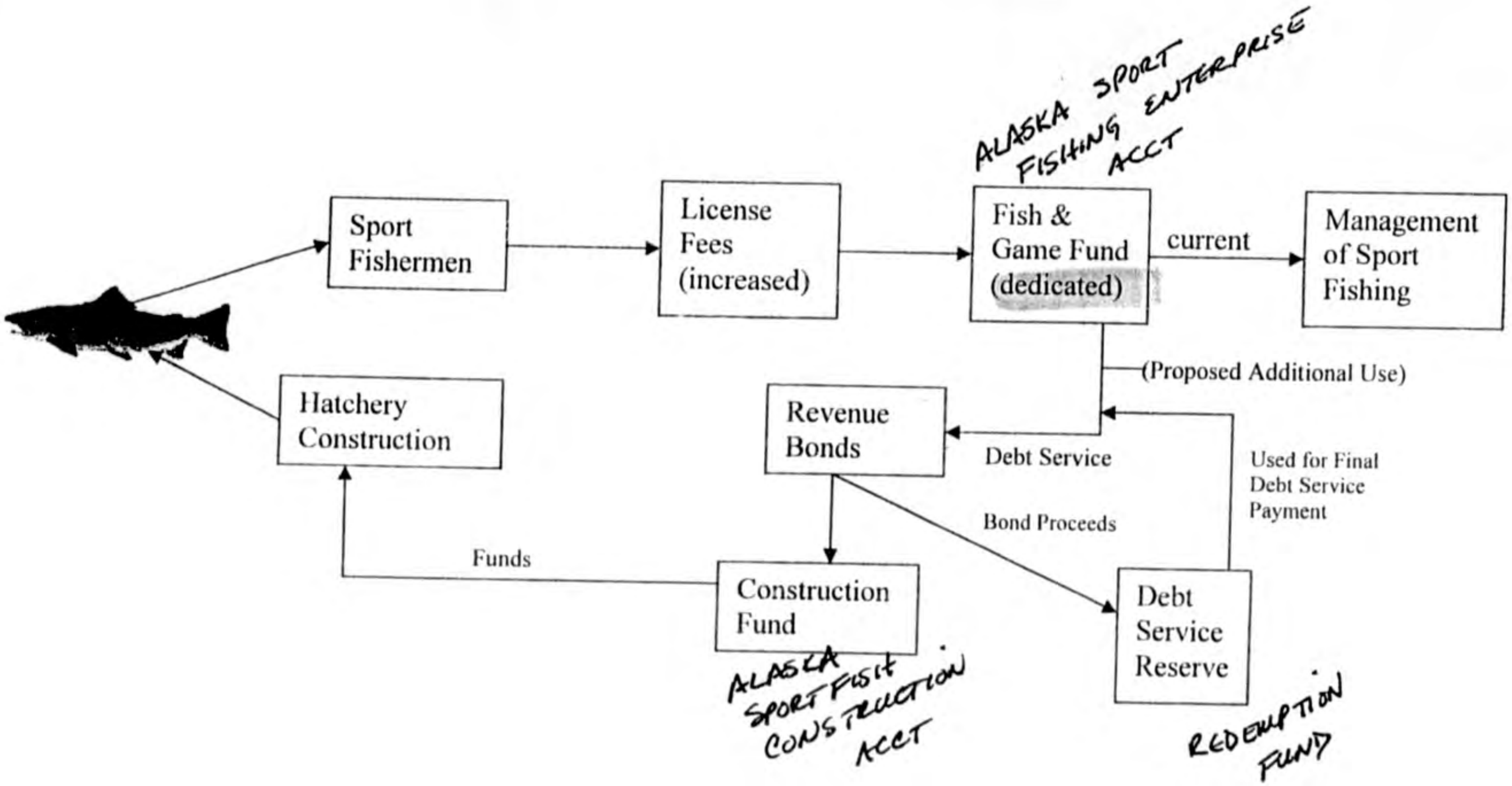
It has been forwarded that HB 252 and/or SB 147 may be unnecessarily and perhaps detrimentally amended unless assurance is forthcoming from the Fairbanks North Star Borough that the location of the proposed State sport fish hatchery will not interfere with scheduled recreational or league baseball games on FNSB parklands which may or many not be the site of the proposed hatchery.

Please consider this letter as assurance to that end: no disruption or interference to scheduled recreational or league games will occur if a decision is made to site the fish hatchery at or in proximity to FNSB parklands.

Sincerely,

Jim Whitaker, Mayor

SPORT FISH REVENUE BONDS



Fishing License Sales for Cordova and Southeast Alaska with Comparison to Rest of State										
Location	2000 Numbers	2000 Net Revenue	2001 Numbers	2001 Net Revenue	2002 Numbers	2002 Net Revenue	2003 Numbers	2003 Net Revenue	2004 Numbers	2004 Net Revenue
Cordova	3,321	100,792.25	3,353	101,204.00	3,531	108,005.00	3,465	108,424.00	3,495	109,027.00
Southeast Alaska	113,496	2,490,722.80	111,297	2,428,182.00	115,512	2,471,224.30	117,420	2,550,289.50	128,377	2,694,887.00
Total Cordova/SE AK	**116,817**	**2,591,515.05**	**114,650**	**2,529,386.00**	**119,043**	**2,579,229.30**	**120,885**	**2,658,713.50**	**131,872**	**2,803,914.00**
Statewide Minus Cordova/SE AK	**341,822**	**6,444,858.95**	**338,569**	**6,403,797.00**	**355,822**	**6,575,420.70**	**362,710**	**6,668,341.50**	**377,557**	**7,065,776.00**
Total Statewide Sales	**458,639**	**9,036,374.00**	**453,219**	**8,933,183.00**	**474,865**	**9,154,650.00**	**483,595**	**9,327,055.00**	**509,429**	**9,869,690.00**
% of Sales										
Cordova/SE AK % of Sales	25%	29%	25%	28%	25%	28%	25%	29%	26%	28%
Rest of State % of Sales	75%	71%	75%	72%	75%	72%	75%	71%	74%	72%

Fishing License Sales for Cordova and Southeast Alaska with Comparison to Rest of State

ZIP	Location	2000 Numbers	2000 Revenue	2001 Numbers	2001 Revenue	2002 Numbers	2002 Revenue	2003 Numbers	2003 Revenue	2004 Numbers	2004 Revenue
99574	Cordova	3321	100,792.25	3353	101,204.00	3531	108,005.00	3465	108,424.00	3495	109,027.00
Total	**Cordova**	**3321**	**100,792.25**	**3353**	**101,204.00**	**3531**	**108,005.00**	**3465**	**108,424.00**	**3495**	**109,027.00**
99820	Angoon	1001	27,847.00	956	27,259.00	757	20,642.00	733	20,701.00	745	20,707.00
99918	Coffman Cove	377	13,141.00	437	14,715.00	379	13,887.00	442	14,453.00	466	15,039.00
99821	Craig	6892	116,552.25	5024	93,521.00	4370	78,957.00	4170	81,233.00	4779	87,741.00
99825	Elfin Cove	1227	37,514.00	1267	38,686.00	1473	43,534.00	1540	46,230.00	1656	49,233.00
99826	Gustavus	2146	52,537.00	2085	51,390.00	1954	50,227.00	2171	54,385.00	2135	56,053.00
99827	Haines	3414	79,408.00	3566	84,069.00	4183	96,845.00	4035	96,158.00	4813	104,343.00
99829	Hoonah	880	22,326.00	896	21,551.00	864	21,406.00	880	21,775.00	1133	25,309.00
99922	Hydaburg	11	200.00	7	95.00	0	0.00	0	0.00	0	0.00
99923	Hyder	267	8,953.00	249	8,824.00	273	6,776.00	249	7,334.00	278	8,884.00
99921	Juneau	26707	559,277.00	26134	552,944.50	26066	548,263.25	24946	526,266.75	28079	566,911.50
99830	Kake	300	8,632.00	267	9,175.00	214	6,791.00	256	7,991.00	218	6,363.00
99950	Ketchikan	559	17,170.00	521	18,933.00	583	17,334.00	679	20,101.00	744	23,311.00
99901	Ketchikan/Edna Bay	33027	637,759.00	33330	629,087.25	35501	646,124.50	35253	666,168.00	39386	725,018.00
99925	Klawock	1764	50,617.00	1668	46,783.00	1928	52,579.00	1852	52,937.00	1954	53,145.00
99926	Metlakatla	101	2,648.00	27	505.00	31	1,001.00	49	1,398.00	65	1,394.00
99903	Meyers Chuck	27	745.00	28	1,021.00	24	841.00	47	1,295.00	68	1,885.00
99832	Pelican	286	8,888.00	283	8,105.00	218	6,277.00	200	6,590.00	226	6,244.00
99833	Petersburg	4052	120,905.25	3932	120,926.25	3975	117,773.25	4027	119,981.25	3979	120,562.25
99927	Point Baker	107	3,187.00	47	2,022.00	110	3,879.00	114	3,759.00	118	4,044.00
99836	Port Alexander	117	2,395.00	59	1,780.00	86	2,287.00	93	2,741.00	134	3,731.00
99835	Sitka	19424	420,312.00	20678	429,090.00	22013	464,106.25	22364	463,397.50	24554	501,774.25
99840	Skagway	2005	40,844.00	2017	42,116.00	2041	38,909.00	2595	44,891.00	2605	49,332.00
99841	Tenakee Springs	189	5,915.00	227	6,079.00	284	8,069.00	273	7,671.00	225	6,165.00
99919	Thorne Bay	1144	35,667.00	914	30,198.00	867	28,955.00	939	35,269.00	1207	42,656.00
99928	Ward Cove	739	8,519.00	862	8,943.00	1495	15,150.00	3817	72,345.00	2841	30,403.00
99929	Wrangell	2000	62,615.25	1808	55,752.00	1851	55,751.00	1608	49,886.00	1891	59,408.00
99689	Yakutat	4733	146,149.00	4008	124,612.00	3972	124,860.00	4088	125,333.00	4078	125,231.00
Total	**Southeast Alaska**	**113,496**	**2,490,722.75**	**111,297**	**2,428,182.00**	**115,512**	**2,471,224.25**	**117,420**	**2,550,289.50**	**128,377**	**2,694,887.00**
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Sport Fishery Enhancement Proposal

News Media Briefing Packet

Alaska Department of Fish and Game
and
Alaska Department of Revenue

March 18, 2005

Sport Fishery Enhancement Surcharge Proposal

The Division of Sport Fish is seeking to sustain and enhance the opportunities and the social and economic benefits that recreational fisheries provide. Hatchery production is key to meeting these objectives. However, our hatchery facilities are aging and are unable to meet current or future demands. In order to rebuild and refurbish the state's hatchery infrastructure, and thereby ensure sport fishing opportunity, ADF&G is proposing a sport fishery enhancement surcharge on sport fishing licenses. Without the revenues generated by this surcharge, sport fishing opportunity will be in jeopardy.

Sport Fishing Opportunities are at Stake

With many of our wild stocks already fully utilized, hatcheries play an important role in Alaska by providing additional stocks for angling by sport fishermen.

Production from our hatcheries:

- Generates roughly $45 million annually for Alaska's economy.
- Accounts for between 10-15% of all the angling effort in Alaska.
- Reduces pressure on our wild stocks, thereby adding to conservation for fully utilized stocks.

Hatchery operations are essential and must continue. Without an increase in revenues, we will be forced to reprioritize our expenditures in order to address our aging hatchery infrastructure. This reprioritization will result in reduced expenditures on other programs that are essential, such as our:

- Ability to monitor wild stocks and fisheries statewide.
  ⇒ Resulting in more conservative management and potential lost fishing opportunity.
- Ability to assess and restore damaged habitats statewide.
  ⇒ Resulting ultimately in reduced production and associated loss of sport fishing opportunity.
- Ability to support management activities statewide.
  ⇒ Resulting in reduced public outreach.

Invest Now to Protect Current and Future Opportunities

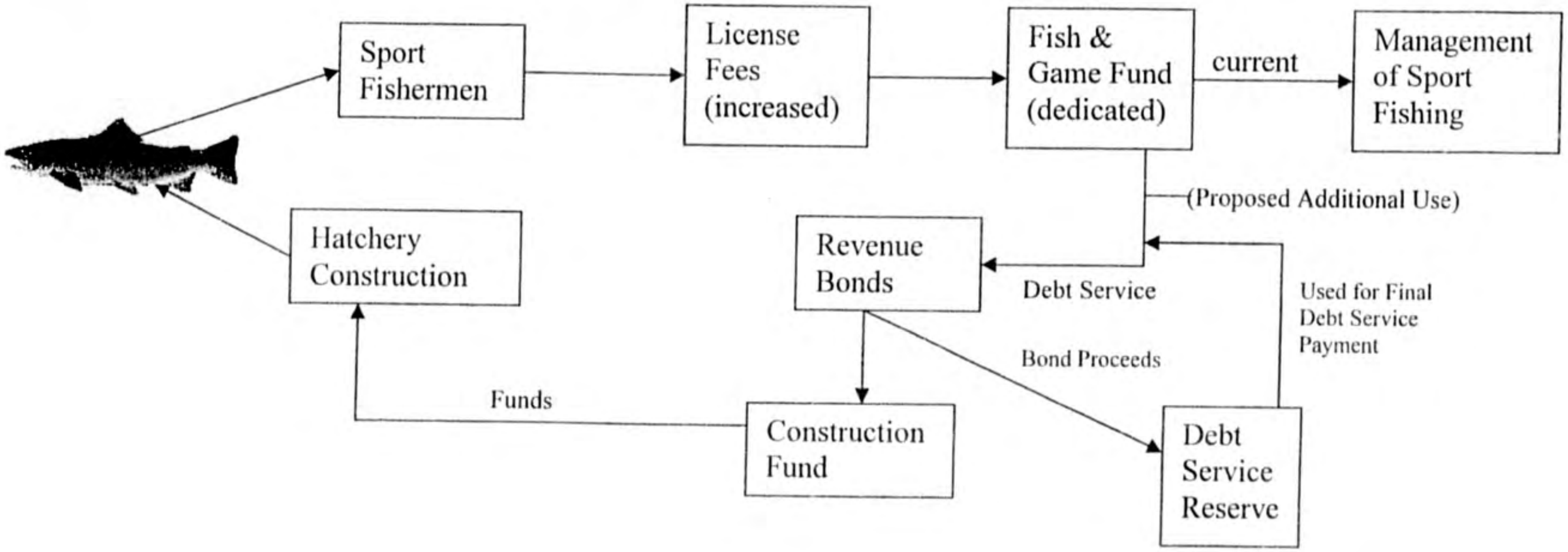
We estimate that we will need $6 million in additional revenues annually to adequately address our aging hatchery infrastructure. To generate this revenue, we propose a modest surcharge on both non-resident and resident sport fishing license fees. These funds will be used to leverage other federal funds to meet the needs.

Failure to address this problem in a timely manner will demand increased expenditures to maintain aging facilities; increase pressure on wild stocks (many of which are fully allocated); and increase our need to monitor and assess wild stocks and associated fisheries.

Funding Construction with Revenue Bonds

As the Fish and Game Fund is dedicated per federal law, and the enhancement of fishing opportunity spurs license fee collection, the use of revenue bonds is an appropriate financing tool. The sport fish portion of the Fish and Game Fund is a discreet component that will be pledged to repayment of the bonds that will be used to fund construction. The direct benefactors of the fish raised at these hatcheries over the coming decades will be paying a portion of the hatcheries' cost through a surcharge on licensing fees.

SPORT FISH REVENUE BONDS



Sport Fishery Enhancement Surcharge Proposal

The Division of Sport Fish is seeking to sustain and enhance the opportunities and the social and economic benefits that recreational fisheries provide. Hatchery production is key to meeting these objectives. However, our hatchery facilities are aging and are unable to meet current and future demands. In order to rebuild and refurbish the state's hatchery infrastructure, and thereby ensure sport fishing opportunity, ADF&G is proposing a sport fishery enhancement surcharge on sport fishing licenses. Without the revenues generated by this surcharge, sport fishing opportunity will be in jeopardy.

We need $6.0 million in additional revenues annually to adequately address our aging hatchery infrastructure. Revenues generated by the enhancement surcharge will be used to build a new hatchery in Fairbanks, rebuild the Fort Richardson hatchery in Anchorage, and address hatchery-related needs in Southeast Alaska. To generate this revenue, we propose a modest surcharge on both non-resident and resident sport fishing licenses. These funds will be used to leverage other federal funds to meet the needs.

Before an enhancement surcharge can be imposed on sport fishing license holders, the Alaska Legislature must first pass legislation establishing a surcharge and authorizing the Commissioner of the Alaska Department of Fish and Game (ADF&G) to implement the surcharge by regulation. Simultaneously, the Legislature must also pass legislation giving the Division of Sport Fish the authority to bond for the construction of new hatcheries. Revenues generated by the enhancement surcharge will be used in combination with federal funds for annual debt service on the bond. The surcharge will be terminated by regulation when the ADF&G Commissioner determines that the surcharge is no longer necessary to fund sport fishery enhancement facilities or to repay revenue bonds issued for construction or renovation of sport fishery enhancement facilities.

Enhancement Surcharge Rates Necessary to Meet Annual $6.0M Bond Payment:

License Category	Number Sold in CY 2003	Proposed Fee	Potential SF Revenue ~~Increase~~
Resident Sport Fishing	115,197	$8.50	$979,175
Resident Sport Fishing/Hunting	44,153	$8.50	$375,301
Resident Fishing/Hunting/Trapping	6,068	$8.50	$51,578
Nonresident Military Sport Fishing	4,210	$8.50	$35,785
Nonresident Military Fishing/Small Gam	254	$8.50	$2,159
Nonresident 1-day Sport Fishing	109,622	$8.50	$931,787
Nonresident 3-day Sport Fishing	52,933	$15.00	$793,995
Nonresident 7-day Sport Fishing	84,314	$25.00	$2,107,850
Nonresident 14-day Sport Fishing	23,491	$30.00	$704,730
Nonresident Annual Sport Fishing	12,403	$45.00	$558,135
Revenue Provided by Resident Anglers			**$1,406,053**
Revenue Provided by Non-Resident Anglers			**$5,134,441**
Potential Revenue Generated			**$6,540,494**
Adjust New Revenues for Vendor Payments (-5%)			**$6,213,469**

Sport Fishery Enhancement Surcharge FAQ's

Why are hatcheries important?

The Alaska Department of Fish and Game (ADF&G) Division of Sport Fish currently owns and operates two hatcheries in Anchorage. These hatcheries produce sport fish that are stocked in creeks and lakes from Kodiak and Southcentral Alaska all the way up into Alaska's Interior. Production from these hatcheries contributes roughly $45 million annually to Alaska's economy; accounts for between 10-15% of all the angling effort in Alaska; and reduces pressure on our wild stocks, thereby adding to conservation for fully utilized stocks.

Why does the State of Alaska need to build/refurbish its hatcheries?

The two existing hatcheries (one at Fort Richardson and one at Elmendorf Air Force Base) are over 30 years old and have deteriorated to the point where they can no longer meet current, let alone future projected production demand. Failure to address these infrastructure issues will result in significant loss of hatchery production, and as a result, sport fishing opportunity.

How does ADF&G's Division of Sport Fish propose to address this problem?

ADF&G proposes building a new hatchery in Fairbanks, rebuilding the Fort Richardson hatchery in Anchorage, and addressing additional hatchery-related needs in Southeast Alaska. The new hatcheries in Fairbanks and Anchorage will be designed to meet projected demand in Southcentral and Interior Alaska over the next 25 years.

How much will it cost and where will the money come from?

Various funding sources will be used to finance this package. ADF&G has already received some federal funds for the new hatchery in Fairbanks and anticipates additional federal funds in the future. In addition to the federal funding, ADF&G estimates that it will cost roughly $63 million to build these new hatcheries and make hatchery-related improvements in Southeast Alaska. These funds will be generated by the issuance of revenue bonds.

Who will issue the revenue bonds.

The State of Alaska's State Bond Committee will issue revenue bonds on behalf of ADF&G's Division of Sport Fish. The Committee will issue up to $69 million in revenue bonds to fund the construction of the hatcheries.

How come the revenue bond authorization is greater than the construction cost?

Bond proceeds will be used to pay for construction and also for costs of issuing bonds and providing an advance funded debt service reserve account. The debt service reserve account is a security feature found on nearly all revenue bonds whereby an amount equal to one year's worth of payments is deposited in a pledged account to ensure bond purchasers they would have at least a one year window to seek remedy if a given revenue system failed. This money is then used to make the final payment on the bond issue.

How will the revenue bonds be paid back?

In order to meet the $6 million annual debt payments on the bond, ADF&G proposes a new sport fish enhancement surcharge on sport fishing licenses. The proposed surcharge has been structured so that it will generate roughly $6 million annually – the same amount required to pay debt service on the bond. These revenues will be used, in combination with federal funds, to pay back the bond debt.

Why won't these revenue bonds impact the State's credit?

These bonds will be limited obligations of the State with a pledge of the sport fish portion of the dedicated Fish and Game Fund. The only source of repayment for purchasers of these bonds will be the sport fish portion of the Fish and Game Fund, and no commitment or pledge of the State's General Fund will be made. This same type of bond is used by the State for the Alaska International Airports System ($427.1 million outstanding) and by many municipalities for a variety of enterprise fund activity ($513.8 million outstanding).

Is it worth the cost?

Production from the Division's hatchery program contributes roughly $45 million annually to Alaska's economy. Over the life of this bond issue, this translates into roughly $1 billion. When you compare the $69 million cost to the $1 billion return, this is a good deal.

How will ADF&G pay for the additional increase in operating costs?

ADF&G already spends $1.9 million annually to fund the operation of our two sport fish hatcheries in Anchorage and estimates that it will cost an additional $1 million annually to operate these new facilities. We will use available federal aid and surcharge fees to finance these additional costs.

How will different regions of Alaska benefit from this proposal?

This is a statewide proposal that is a win-win situation for everyone. Sport anglers in Southcentral and the Interior will benefit directly because they will have two new hatcheries designed to meet current and future demands tailored to meet their specific stocking needs.

ADF&G currently spends $750,000 annually in Southeast to support private non-profit hatcheries that produce fish and provide sport fishing opportunities. ADF&G plans to spend $200,000 annually for the next 20 years from the revenues generated by the enhancement surcharge to further expand sport fishing opportunities in Southeast – bringing our total annual expenditure to roughly $1 million.

Residents from rural Alaska will also benefit. When anglers are fishing in stocked lakes and creeks, they are fishing on hatchery-produced fish. If the hatchery fish are no longer available or ceased to exist, then sport fishing pressure would shift to wild stocks, many of which are located in rural areas. This could result in increased harvest and eventually more restrictive harvest limits. Subsistence fishermen are not required to purchase a sport fishing license.

How many of the hatchery fish will be harvested by commercial fishermen?

Our stocking program is designed to minimize commercial harvest. As a result, a very low percentage of the stocked fish are commercially harvested. In Cook Inlet, for example, sport and personal use fishermen caught 96% (53,600) of all kings harvested that were released from ADF&G hatcheries. Commercial fishermen caught 4% (2,153). The main reason the commercial harvest is so low is that the vast majority of adult kings have entered fresh water drainages by the time the major commercial fisheries begin, and are unavailable for harvest by this user group.

What impact will this surcharge have on charter operators or sport fish guides?

Imposing an enhancement surcharge on non-residents will not have a negative impact on Alaska's charter boat/sport fish guide industry. ADF&G has increased license and tag fees several times over the last two decades, and license/tag sales and guided sport fish efforts have continued to grow despite these increases. There is no correlation between changes in license/tag fees and the number of licenses/tags sold, or in the number of angler days of fishing effort with guides. Therefore, ADF&G is confident that this surcharge will not result in a significant decline in the number of licenses/tags sold or in the number of anglers that pay to fish with a guide.

Proposed Fairbanks Hatchery

***Goal*:** To construct a hatchery in Fairbanks to meet the expected stocking needs of Interior Alaska beyond 2008.

Estimated capital cost: $25 million. This will be paid for using a combination of federal and state funds. State funds will primarily support the hatchery production facilities ($15 million) and will come from a bond repaid using the Fish and Game fund via a proposed license fee surcharge. The visitors/education and research center facilities ($10 million) will come from federal funds.

Hatchery Design: State-of-the-art water re-circulation round tank design. Includes visitors/education and research center in an architecturally pleasing building.

Location: In Fairbanks on the Chena River adjacent to Pioneer Park.

Estimated production capacity:	Rainbow Trout	Catchable	200,000
		Fingerling	210,000
	Grayling	Catchable	40,000
		Fingerling	10,000
	Coho salmon	Fingerling	40,000
	Chinook salmon	Catchable	74,000
	Arctic Char	Catchable	48,000
		Sub-catchable	19,000
		Fingerling	1,500
			642,500

Timeline: Construction to be completed in 2007. First production in 2008.

Proposed Anchorage Hatcheries

Goal: To expand hatchery production facilities in Anchorage to meet the expected stocking needs of southcentral Alaska beyond 2008.

Estimated capital cost: $45 million. This will be paid for using state funds that will come from a bond repaid using the Fish and Game Fund via a proposed license fee surcharge.

Hatchery Design: State-of-the-art water re-circulation round tank design.

Location: The hatchery will be located in Anchorage at the current Fort Richardson Hatchery location. A separate education/information/visitors center will be located at the existing Elmendorf Hatchery location.

Estimated production capacity:

Rainbow Trout	Catchable	290,000
	Fingerling	1,500,000
Grayling	Catchable	37,500
	Fingerling	75,000
Coho salmon	Fingerling	300,000
	Smolt	1,410,000
Chinook salmon	Catchable	135,000
	Smolt	2,550,000
Arctic Char	Catchable	40,000
	Fingerling	75,500
		6,413,000

Timeline: Construction to be completed in 2007. First production in 2008.

Proposed Southeast Alaska Hatchery Supplements

Goal: To expand recreational fishing opportunities in southeast Alaska by enhancing private non-profit hatchery production facilities.

Projects:

- Address deferred maintenance issues at the Crystal Lake Hatchery: Cost $500,000
- Provide $200,000 a year for the next 10 years for operational costs at the Crystal Lake Hatchery to offset the loss of Southeast Alaska Sustainable Salmon Fund money. This will allow the hatchery to maintain current king salmon stocking programs.
- Provide $500,000 to Skagway to support increased king salmon production aimed at increasing king salmon fishing opportunities around Skagway.

Estimated cost: $3.0 million. This will be paid for using state funds. State funds will come from a bond repaid using the Fish and Game fund via a proposed license fee increase. This will bring our total support to southeast Alaska hatchery program to about $1 million annually.

Anchorge Area and Fairbanks Area Production Comparison - Present and Future with

Species	Production Stage	Size Grams	Anc. Area Current Production #'s Fish (1)	Fbks Area Current Production #'s Fish (1)	Anc. Area Proposed Increase #'s Fish (2)	Fbks Area Proposed Increase #'s Fish (2)	Anchorage Area Proposed Biomass Increase Kgs Fish (3)	Fairbanks Area Proposed Biomass Increase Kgs Fish (3)
Arctic Char	Catchable	120	40,000	24,000	40,000	48,000	4,800	5,760
	Fingerling	4	50,000		75,000	1,500	300	6
	Subcatchable	40		30,000		19,000		760
							0	
							0	
							0	
							0	
Arctic Char Total			**90,000**	**54,000**	**115,000**	**68,500**	**5,100**	**6,526**
Chinook Salmon	Catchable	120	100,000	40,000	135,000	74,000	16,200	8,880
	Smolt	13	1,700,000		2,550,000		33,150	
Chinook Salmon Total			**1,800,000**	**40,000**	**2,685,000**	**74,000**	**49,350**	**8,880**
Coho Salmon	Fingerling	4	200,000	220,000	300,000	40,000	1,200	160
	Smolt	23	940,000		1,410,000		32,430	
Coho Salmon Total			**1,140,000**	**220,000**	**1,710,000**	**40,000**	**33,630**	**160**
Grayling	Catchable	120	25,000	25,000	37,500	40,000	4,500	4,800
	Fingerling	4	50,000	40,000	75,000	10,000	300	40
Grayling Total			**75,000**	**65,000**	**112,500**	**50,000**	**4,800**	**4,840**
Lake Trout	Catchable	120	0	0	0		0	
	Subcatchable	40	0	0	0		0	
Lake Trout Total			0	0	0		**0**	
Rainbow Trout							0	
							0	
							0	
	Catchable	120	200,000	100,000	290,000	200,000	34,800	24,000
	Fingerling	4	1,000,000	600,000	1,500,000	210,000	6,000	840
Rainbow Trout Total			**1,200,000**	**700,000**	**1,790,000**	**410,000**	**40,800**	**24,840**
Grand Total			**4,305,000**	**1,079,000**	**6,412,500**	**642,500**	**133,680**	**45,246**

Current Biomass Goal	**88,655 kgs** (4)	**Current Biomass Goal**	**22,534 kgs** (4)
Anchorage Area		**Fairbanks Area**	
Increase Biomass to	**133,680 kgs** (5)	**Increase Biomass to**	**45,246 kgs** (5)
Percentage Increase	**151%**	**Percentage Increase**	**201%**

2004-08 Target Biomass Kgs (6)	**111,189**	2008 - Target Biomass Kgs (7)	**178,926**
% Anc.	80%	% Anc.	75%
% Fairbanks	20%	% Fairbanks	25%

Notes:

(1) Current annual production goals by area, numbers of fish-**best case but not achievable**

(2) Proposed annual production goals by area, numbers of fish - **new facilities**

(3) Proposed annual production goals by area in kilograms (kgs x 2.2 = lbs) fish - **new facilities**

(4) Current production goals by area in kilograms (kgs x 2.2 = lbs) fish - **not presently achievable w/o heat**

(5) Proposed production goals by area in kilograms (kgs x 2.2 = lbs) fish-**to show % increase**

(6) Current production goal statewide in kilograms (kgs x 2.2 = lbs) fish-**showing % distribution**

(7) Proposed production goal statewide in kilograms (kgs x 2.2 = lbs) fish-**showing % distribution**

Anchorage Daily News

Michael J. Sexton, President and Publisher
Patrick Dougherty, Senior Vice President & Editor
Steve Lindbeck, Associate Editor

Founded in 1946 by Norman C. Brown
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Gerald E. Grilly, Publisher, 1984-1993
Katherine Fanning, Editor and Publisher, 1971-1983
Lawrence Fanning, Editor and Publisher, 1967-1971

OUR VIEW

A little more to hunt, fish

Higher fees are fair investment

The Alaska Department of Fish and Game figures it needs $9 million more to build and improve fish hatcheries, manage wildlife, control predators, run shooting ranges and provide the public with information. Alaska and nonresident hunters and anglers are fair game to provide the millions — and so are nonconsumptive wildlife viewers.

The proposal would raise the price of a resident fishing license from $15 to $20, a hunting license from $25 to $50, a combined fishing and hunting license from $39 to $65. Nonresidents would pay more for licenses and big-game tags, ponying up about three-fourths of the $3.5 million the wildlife conservation division stands to gain with the increases.

Wildlife division spokesman Bruce Bartley points out that license fees haven't been raised since 1993. Without more money, the state would be forced to cut back on field work that provides the basis for management decisions, forcing a more conservative approach that could cut seasons and bag limits. Without more money, the division might have to curtail operations at indoor shooting ranges in Fairbanks and Juneau — ranges the Legislature told the division to operate without funding to cover the costs.

Even with the increases, the cost of hunting and fishing licenses in Alaska compares well with other Western states.

"What you're going to see is a steady erosion of hunting opportunity," Mr. Bartley said, a reversal of the policy to increase hunting opportunity.

And while traditionally hunters and fishers have provided much of the funding for fish and game management, it's fair for wildlife photographers and viewers to contribute as well. Nonconsumptive users rightly claim a stake in wildlife decisions, so it's only fair they share in the expense. The question is how to collect their share.

Alaskans also should think hard about having nonresident hunters and fishers pick up more of the tab. Alaska's mystique and unrivaled opportunities are resources for which we should draw full value. Outside sportsmen and women who can afford the Alaska adventure can afford a

Nobody enjoys paying more for the right to hunt, fish and trap in Alaska. The protest at increased fees is particularly understandable in cash-poor parts of the Bush. But as Mr. Bartley points out, the department has no plans to change the $5 low-income license that allows a bearer to hunt, fish and trap. Anyone who made less than $8,200 the previous year or who has received public assistance within the last six months qualifies for that license.

For those who don't qualify, Mr. Bartley points out that even with the increases, Alaska still compares well with other Western states. A hunter who would pay $50 in Alaska still has a shot at a better return on the license dollar in caribou and moose than a hunter who pays a little more than that to take one antelope and one deer in Wyoming. "For $25, you can kill a lot of meat. ... Even if we double the price, we think it's still a bargain compared to other states."

The Legislature will decide on ~~the~~ hunting and fishing license fees. The only immediate alternative to increased fees would be an appropriation from the state's general fund. That's possible with a budget surplus, but as Mr. Bartley points out, oil price volatility takes fish and game management off a steady course, while license and tag fees and federal taxes provide a more predictable source of income and more consistent management.

"We're not saying this is the only way to do it," Mr. Bartley said. The Legislature may decide to revise the license and fee schedule, but this proposal is a fair start. Like everything else, the costs of the hunt and the cast are going up.

BOTTOM LINE: Hunters, fishermen and viewers should all bear increased costs of fish and game management.

Fairbanks Daily News-Miner

Worth the price

Wednesday, November 24, 2004 - Twenty-five bucks and a claim to Alaska residency will buy a local hunter a chance at one of the largest wild game species on the continent, the Alaska-Yukon moose.

Would it be a bargain at twice the price?

We think so.

It's been more than a decade since hunting, fishing and trapping license fees have seen an increase. License and tag fee sales, matched by federal funds, provide the fuel for the Alaska Department of Fish and Game. Its most recent annual budget figure is $140 million.

Nonresident hunters would continue to shoulder the lion's share of the Fish and Game financial burden, with a nonresident hunting license twice the price of a resident license, but the proposed percentage increase for nonresidents seems to recognize that nonresident fees are already "up there."

It's best to take the fee increases in the context that the majority of our local Fish and Game budget comes from nonresident hunters and matching federal dollars.

Our resident hunters, fishers and trappers will see the largest percentage increases, but a combined license to hunt, fish and trap in our great state still will come in at the bargain price of $100. If the hunter wishes to pursue only small game, the rate would be only $75, because a new $25 "small game" license will be made available. Rounding out the tally, resident sport-fishing licenses would increase from $15 to $20. Resident hunting licenses would double from $25 to $50 and resident trapping licenses would go from $15 to $30.

Other fees, such as drawing-permit application fees, state waterfowl stamps, Tier II application fees and registration permit stamps also will increase in price.

Hunters who travel to other states, and those who grew up or still have family elsewhere, can appreciate the relatively simple, and relatively inexpensive, licensing system in Alaska. Montana, for example, has a different fee and license to buy for each of its big-game species. If a hunter wanted the option to hunt the full variety of Montana game, the cost would be $323. While Alaskans need separate tags for species such as moose and caribou, most fees are covered under that initial hunting license expense.

Alaska's fishing license fees are on par with other states, and perhaps a little on the higher side, but a direct pay-off from this increase appears to be establishment of a fish hatchery in Fairbanks and perhaps a second in Anchorage. That makes an Alaska fishing license an easy sell at $20 a pop. That much will buy you about 2 pounds of salmon (depending on the species and the cut) at the local market about now.

The fee increases would raise an additional $3.5 million for the Division of Wildlife Conservation and $5.5 million for the Division of Sport Fish.

Fish and Game will forward the license increase proposal to the Alaska Legislature when it convenes in January.

While the increase feels like a big one, we have gone 10 years without an increase in fees and we are asking no less of Fish and Game managers. The request appears to be a reasonable one.

ALASKA BOARD OF FISHERIES

A RESOLUTION IN SUPPORT OF INCREASING RESIDENT AND NONRESIDENT SPORT FISHING LICENSE FEES AND NONRESIDENT KING SALMON STAMP FEES IN ORDER TO PROTECT AND ENHANCE THE OPPORTUNITIES AND BENEFITS PROVIDED BY RECREATIONAL FISHERIES

#2004-233-FB

WHEREAS, the Alaska Board of Fisheries and Alaska Department of Fish and Game (ADF&G) recognize sport fishing as an important Alaskan tradition and pastime; and

WHEREAS, ADF&G's Division of Sport Fish wants to sustain and enhance the opportunities and benefits that recreational fisheries provide; and

WHEREAS, a key component of this effort is maintaining and enhancing our capabilities to meet our current and future needs through hatchery production; and

WHEREAS, production from our hatcheries generates roughly $45 million annually for Alaska's economy; accounts for between 10-15% of all the angling effort in Alaska; and reduces pressure on our wild stocks, thereby adding to conservation for fully utilized stocks; and

WHEREAS, existing hatchery facilities are aging and are unable to meet either current or future demands; and

WHEREAS, hatchery operations are essential and must continue; and

WHEREAS, ADF&G needs $5.3 million in additional revenues annually to adequately address this statewide problem; and

WHEREAS, ADF&G proposes an increase in resident and non-resident sport fishing license fees and non-resident king salmon stamp fees to generate this revenue; and

WHEREAS, revenues generated by the fee increase will be used to build a new hatchery in Fairbanks, refurbish and/or rebuild the hatcheries in Anchorage, and to fund hatchery production needs in Southeast Alaska; and

WHEREAS, without an increase in revenues, we will be forced to reduce expenditures on essential programs, such as our ability to monitor wild stocks and fisheries statewide; assess and restore damaged habitats statewide; and to support management activities statewide; and

WHEREAS, these reductions will result in more conservative management and potential lost fishing opportunity; and

WHEREAS, failure to address this problem in a timely manner will also demand increased expenditures to maintain aging facilities; increase pressure on wild stocks (many of which are fully allocated); and increase our need to monitor and assess wild stocks and associated fisheries.

THEREFORE BE IT RESOLVED that the Alaska Board of Fisheries supports an increase in resident and non-resident license fees and non-resident king salmon stamp fees to enhance the state's hatchery infrastructure and help ensure a bright future for sport fishing in Alaska.

ADOPTED this 17th day of November, 2004, in Anchorage, Alaska.

Art Nelson, Chair

JUNEAU DOUGLAS FISH AND GAME ADVISORY COMMITTEE

A RESOLUTION OF THE JUNEAU DOUGLAS FISH AND GAME ADVISORY COMMITTEE IN SUPPORT OF INCREASING RESIDENT AND NON-RESIDENT SPORT FISHING LICENSE FEES AND NON-RESIDENT KING SALMON STAMP FEES IN ORDER TO PROTECT AND ENHANCE THE OPPORTUNITIES AND BENEFITS PROVIDED BY RECREATIONAL FISHERIES

WHEREAS, the Juneau Douglas Fish and Game Advisory Committee and Alaska Department of Fish and Game (ADF&G) recognize sport fishing as an important Alaskan tradition and pastime; and

WHEREAS, ADF&G's Division of Sport Fish wants to sustain and enhance the opportunities and benefits that recreational fisheries provide; and

WHEREAS, a key component of this effort is maintaining and enhancing our capabilities to meet our current and future needs through hatchery production; and

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WHEREAS, hatchery operations are essential and must continue; and

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WHEREAS, ADF&G proposes an increase in resident and non-resident sport fishing license fees and non-resident king salmon stamp fees to generate this revenue; and

WHEREAS, revenues generated by the fee increase will be used to build a new hatchery in Fairbanks, refurbish and/or rebuild the hatcheries in Anchorage, and to fund Sportfishing hatchery production needs in Southeast Alaska; and

WHEREAS, without an increase in revenues, we will be forced to reduce expenditures on essential programs, such as our ability to monitor wild stocks and fisheries statewide; assess and restore damaged habitats statewide; and to support management activities statewide; and

WHEREAS, these reductions will result in more conservative management and potential lost fishing opportunity; and

WHEREAS, failure to address this problem in a timely manner will also demand increased expenditures to maintain aging facilities; increase pressure on wild stocks (many of which are fully allocated); and increase our need to monitor and assess wild stocks and associated fisheries.

THEREFORE BE IT RESOLVED that the Juneau Douglas Fish and Game Advisory Committee supports an increase in resident and non-resident license fees and non-resident king salmon stamp fees to enhance the state's hatchery infrastructure and help ensure a bright future for sport fishing in Alaska.

PASSED AND ADOPTED by the Juneau Douglas Fish and Game Advisory Committee on this 16th day of December, 2004.

Kathy Hansen, Chair

CC: Board Support, Office of the Governor, ADFG, Rep Beth Kerttula, Rep. Bruce Weyhrauch, Sen. Kim Elton

RECEIVED
JAN 1 0 2005
SPORT FISH

Paxson ADVISORY COMMITTEE

A RESOLUTION OF THE Paxson ADVISORY COMMITTEE IN SUPPORT OF INCREASING RESIDENT AND NON-RESIDENT SPORT FISHING LICENSE FEES AND NON-RESIDENT KING SALMON STAMP FEES IN ORDER TO PROTECT AND ENHANCE THE OPPORTUNITIES AND BENEFITS PROVIDED BY RECREATIONAL FISHERIES

WHEREAS, the Paxson Advisory Committee and Alaska Department of Fish and Game (ADF&G) recognize sport fishing as an important Alaskan tradition and pastime; and

WHEREAS, ADF&G's Division of Sport Fish wants to sustain and enhance the opportunities and benefits that recreational fisheries provide; and

WHEREAS, a key component of this effort is maintaining and enhancing our capabilities to meet our current and future needs through hatchery production; and

WHEREAS, production from our hatcheries generates roughly $45 million annually for Alaska's economy; accounts for between 10-15% of all the angling effort in Alaska; and reduces pressure on our wild stocks, thereby adding to conservation for fully utilized stocks; and

WHEREAS, existing hatchery facilities are aging and are unable to meet either current or future demands; and

WHEREAS, hatchery operations are essential and must continue; and

WHEREAS, ADF&G needs $5.3 million in additional revenues annually to adequately address this statewide problem; and

WHEREAS, ADF&G proposes an increase in resident and non-resident sport fishing license fees and non-resident king salmon stamp fees to generate this revenue; and

WHEREAS, revenues generated by the fee increase will be used to build a new hatchery in Fairbanks, refurbish and/or rebuild the hatcheries in Anchorage, and to fund hatchery production needs in Southeast Alaska; and

WHEREAS, without an increase in revenues, we will be forced to reduce expenditures on essential programs, such as our ability to monitor wild stocks and fisheries statewide; assess and restore damaged habitats statewide; and to support management activities statewide; and

WHEREAS, these reductions will result in more conservative management and potential lost fishing opportunity; and

WHEREAS, failure to address this problem in a timely manner will also demand increased expenditures to maintain aging facilities; increase pressure on wild stocks (many of which are fully allocated); and increase our need to monitor and assess wild stocks and associated fisheries.

THEREFORE BE IT RESOLVED that the Paxson Advisory Committee supports an increase in resident and non-resident license fees and non-resident king salmon stamp fees to enhance the state's hatchery infrastructure and help ensure a bright future for sport fishing in Alaska.

PASSED AND ADOPTED by the Paxson Advisory Committee on this 4 day of November, 2004.

RECEIVED
NOV 2 4 2004
SPORT FISH

COPPER BASIN ADVISORY COMMITTEE

A RESOLUTION OF THE COPPER BASIN ADVISORY COMMITTEE IN SUPPORT OF INCREASING RESIDENT AND NON-RESIDENT SPORT FISHING LICENSE FEES AND NON-RESIDENT KING SALMON STAMP FEES IN ORDER TO PROTECT AND ENHANCE THE OPPORTUNITIES AND BENEFITS PROVIDED BY RECREATIONAL FISHERIES

WHEREAS, the Copper Basin Advisory Committee and Alaska Department of Fish and Game (ADF&G) recognize sport fishing as an important Alaskan tradition and pastime; and

WHEREAS, ADF&G's Division of Sport Fish wants to sustain and enhance the opportunities and benefits that recreational fisheries provide; and

WHEREAS, a key component of this effort is maintaining and enhancing our capabilities to meet our current and future needs through hatchery production; and

WHEREAS, production from our hatcheries generates roughly $45 million annually for Alaska's economy; accounts for between 10-15% of all the angling effort in Alaska; and reduces pressure on our wild stocks, thereby adding to conservation for fully utilized stocks; and

WHEREAS, existing hatchery facilities are aging and are unable to meet either current or future demands; and

WHEREAS, hatchery operations are essential and must continue; and

WHEREAS, ADF&G needs $5.3 million in additional revenues annually to adequately address this statewide problem; and

WHEREAS, ADF&G proposes an increase in resident and non-resident sport fishing license fees and non-resident king salmon stamp fees to generate this revenue; and

WHEREAS, revenues generated by the fee increase will be used to build a new hatchery in Fairbanks, refurbish and/or rebuild the hatcheries in Anchorage, and to fund hatchery production needs in Southeast Alaska; and

WHEREAS, without an increase in revenues, we will be forced to reduce expenditures on essential programs, such as our ability to monitor wild stocks and fisheries statewide: assess and restore damaged habitats statewide; and to support management activities statewide; and

WHEREAS, these reductions will result in more conservative management and potential lost fishing opportunity; and

WHEREAS, failure to address this problem in a timely manner will also demand increased expenditures to maintain aging facilities: increase pressure on wild stocks (many of which are fully allocated); and increase our need to monitor and assess wild stocks and associated fisheries.

THEREFORE BE IT RESOLVED that the Copper Basin Advisory Committee supports an increase in resident and non-resident license fees and non-resident king salmon stamp fees to enhance the state's hatchery infrastructure and help ensure a bright future for sport fishing in Alaska.

PASSED AND ADOPTED by the Copper Basin Advisory Committee on this 19th day of November, 2004.

Don Horrell

Don Horrell – Chairman, Copper Basin Advisory Committee

STATE OF ALASKA

Frank H Murkowski, Governor

Matanuska Valley
Fish & Game Advisory Committee

Wayne Kubat, Chair
PO Box 874867
Wasilla, Alaska 99687
ph. & fax: 376-9568
email: args@mtaonline.net

February 2, 2005

Alaska Department of Fish and Game
Sportfish Division
333 Raspberry Road
Anchorage, Alaska 99518-1599
Attention - Kelly Hepler - Director of Sportfish

Director Hepler,

Dave Rutz, our area sport fish biologist, gave a presentation at our November 17, 2004 Advisory meeting concerning plans to increase the cost of resident and non-resident fishing licenses. The planned increases were about $5.00 for resident licenses (from $15.00 to $20.00) and about $10.00 for each of the five different classes of non-resident licenses. Dave mentioned that the increased funds would be used entirely for hatcheries and sportfish stocking programs.

A brief discussion followed, which reflected that our committee is supportive of the departments sportfish stocking efforts, and would support a fee increase to continue and improve those programs.

A motion was made to support the above mentioned increases, contingent upon their use for sportfish hatcheries and sportfish stocking programs. The motion also included a request to sunset the fee increases in the event that they didn't get used for their intended purpose.

This motion passed 12-0-0.

Sincerely,

Wayne Kubat, Chair

cc: Acting Commissioner of F&G Wayne Regelin, Senator Lyda Green, Senator Charlie Huggins, Representative Carl Gatto, Representative Vic Kohring, Representative Bill Stoltz, Representative Mark Neuman, Sherry Wright Boards Support

STATE OF ALASKA

Frank H Murkowski, Governor

Matanuska Valley
Fish & Game Advisory Committee

Wayne Kubat, Chair
PO Box 874867
Wasilla, Alaska 99687
ph. & fax: 376-9568
email: args@mtaonline.net

February 2nd, 2005

NOW, THEREFORE BE IT RESOLVED that the MATANUSKA VALLEY FISH AND GAME Advisory Committee supports an increase in resident and non-resident hunting license and tag fees, but first we would like to see the following concerns addressed:

1. The serious ungulate declines that we are experiencing in much of Alaska, started about the time of the last license fee increase. Increased hunting and trapping fees in 1993, didn't improve game management or increase hunting and trapping opportunity. What will be done differently this time to assure that the people footing the bill - hunters and trappers - will benefit from the increased cost?
2. We oppose the use of state funds for all of the management plans that seem to be coming online in rural areas. The end result of most of these plans seem to end up with reduced opportunity by excluding non locals, and especially non - residents. Since the average non-resident hunter pays about 28 times the amount of the average resident hunter, excluding them further decreases our funds and only makes matters worse. State funds obtained from hunters should be used to increase opportunity, not reduce it for the benefit of a select few.
3. We think designated funding would work better than just increased license fees across the board. Charging a fee for big game harvest tickets that would provide enough revenue to conduct surveys and predator control programs for that species statewide, makes sense to us. We don't like hunter's moneys being spent on watchable wildlife programs, that often expand at the expense of hunting opportunity. Neither do we agree with funding for insignificant research projects when there isn't enough money to conduct big game surveys.
4. Another concern we have, is how much of Fish and Games budget goes to subsistence? We don't feel hunters should pay for subsistence expenses when most hunters are excluded from participation.
5. We want to thank the department for their efforts towards enacting and defending predator control programs to increase ungulate populations. While they may not be moving as fast as we would like, we do recognize that progress is being made.

Having addressed our concerns in writing above, and hoping for a good faith effort from the department to see that some of these concerns are at least recognized and looked into. The MATANUSKA/SUSITNA Advisory Committee PASSED AND ADOPTED THIS RESOLUTION on January 19th, 2005.

Wayne Kubat/Chairman
PO Box 874867
Wasilla, Alaska 99687
907-376-9568

cc: Acting Commissioner of F&G Wayne Regelin, Senate President Ben Stevens, Senator Lyda Green, Senator Charlie Huggins, Speaker of the House John Harris, Representative Carl Gatto, Representative Vic Kohring, Representative Bill Stoltz, Representative Mark Neuman, Sherry Wright Boards Support

STATE OF ALASKA

Matanuska/Susitna Valley
Fish & Game Advisory Committee

Frank H Murkowski, Governor

Wayne Kubat, Chair
PO Box 874867
Wasilla, Alaska 99687
ph. & fax: 376-9568
email: args@mtaonline.net

Alaska Department of Fish and Game
Sportfish Division
333 Raspberry Road
Anchorage, Alaska 99518-1599
Attention - Kelly Hepler - Director of Sportfish

Director Hepler,

Dave Rutz, our area sport fish biologist, gave a presentation at our November 17, 2004 Advisory meeting concerning plans to increase the cost of resident and non-resident fishing licenses. The planned increases were about $5.00 for resident licenses (from $15.00 to $20.00) and about $10.00 for each of the five different classes of non-resident licenses. Dave mentioned that the increased funds would be used entirely for hatcheries and sportfish stocking programs.

A brief discussion followed, which reflected that our committee is supportive of the departments sportfish stocking efforts, and would support a fee increase to continue and improve those programs.

A motion was made to support the above mentioned increases, contingent upon their use for hatcheries and sportfish stocking programs. The motion also included a request to sunset the fee increases in the event that they didn't get used for their intended purpose.

This motion passed 12-0-0.

Sincerely,

Wayne Kubat, Chair

Territorial Sportsmen INC.
Post Office Box 20761 • Juneau, Alaska 99802
Telephone: (907) 789-2399 • Fax: (907) 586-6020

Dr. Wayne Regelin
Acting Commissioner
Alaska Dept. of Fish & Game
P0st Office Box 25526
Juneau, Alaska 99802-5526

January 21, 2005

Dear Dr. Regelin:

The Board of Directors of the Territorial Sportsmen appreciates the staff of the Department taking the time to attend our Board meeting and present the fiscal status of the Division of Wildlife Conservation. Particular emphasis was on the condition of the Fish and Game Fund.

We are all aware of the background of the Fish and Game Fund, the requirement for the creation of the fund for federal matching and other fish and wildlife management purposes. Similarly, we are aware that the Fish and Game Fund is made up of license and other fees from resident and non-resident hunters and fishermen. Your presentation outlined clearly the status of the Fund and the fiscal crisis that is facing the Division. Most importantly, we are concerned that the fiscal situation will mean a diminishment of the services we have learned to expect from the Department.

In light of the critical funding situation and the need to maintain a quality management program, we are faced with looking for additional funding. At the last monthly meeting, the Board of Directors voted to support a hunting and sport fish license increase for both residents and non-residents. Although we did not address exactly how much of an increase we would support, we are willing to work with the Department and the legislature as this process progresses. We also think that the fees should be frozen for those 18 years and younger.

We do have one concern and caveat to propose, however. The Board expressed deep concerns about the abuse of the Fish and Game Fund and the questionable uses of these Funds. We can concur with license increases if some mechanism is developed to assure that the fish and wildlife consumptive users (i.e. the ones paying the bills) are assured of benefiting from the increases. We realize that this may be difficult to accomplish but once again, we are willing to participate in developing legislative direction ~~that~~ accomplishes this objective.

Again, we thank you and staff for providing our Board with the information we needed to make an informed decision.

Sincerely,

Mal Linthwaite
President

RECEIVED
JAN 2 1 2005
DEPT. OF FISH & GAME
COMMISSIONER'S OFFICE

Cc: Governor Murkowski
Representative Weyhrauch
Representative Kertulla
Senator Elton

Sportsmen Promoting Conservation of Alaska's Fish and Wildlife Since 1945

Proposed Fairbanks Hatchery

Goal: To construct a hatchery in Fairbanks to meet the expected stocking needs of Interior Alaska beyond 2008.

Estimated capital cost: $25 million. This will be paid for using a combination of federal and state funds. State funds will primarily support the hatchery production facilities ($15 million) and will come from a bond repaid using the Fish and Game fund via a proposed license fee surcharge. The visitors/education and research center facilities ($10 million) will come from federal funds.

Hatchery Design: State-of-the-art water re-circulation round tank design. Includes visitors/education and research center in an architecturally pleasing building.

Location: In Fairbanks on the Chena River adjacent to Pioneer Park.

Estimated production capacity:	Rainbow Trout	Catchable	200,000
		Fingerling	210,000
	Grayling	Catchable	40,000
		Fingerling	10,000
	Coho salmon	Fingerling	40,000
	Chinook salmon	Catchable	74,000
	Arctic Char	C tchable	48,000
		Sub-catahable	19,000
		Fingerling	1,500
			642,500

Timeline: Construction to be completed in 2007. First production in 2008.

Proposed Anchorage Hatchery

Goal: To expand hatchery production facilities in Anchorage to meet the expected stocking needs of southcentral Alaska beyond 2008.

Estimated capital cost: $45 million. This will be paid for using state funds that will come from a bond repaid using the Fish and Game Fund via a proposed license fee surcharge.

Hatchery Design: State-of-the-art water re-circulation round tank design.

Location: The hatchery will be located in Anchorage at the current Fort Richardson Hatchery location. A separate education/information/visitors center will be located at the existing Elmendorf Hatchery location.

Estimated production capacity:	Rainbow Trout	Catchable	290,000
		Fingerling	1,500,000
	Grayling	Catchable	37,500
		Fingerling	75,000
	Coho salmon	Fingerling	300,000
		Smolt	1,410,000
	Chinook salmon	Catchable	135,000
		Smolt	2,550,000
	Arctic Char	Catchable	40,000
		Fingerling	75,500
			6,413,000

Timeline: Construction to be completed in 2007. First production in 2008.

Proposed Southeast Alaska Hatchery Enhancements

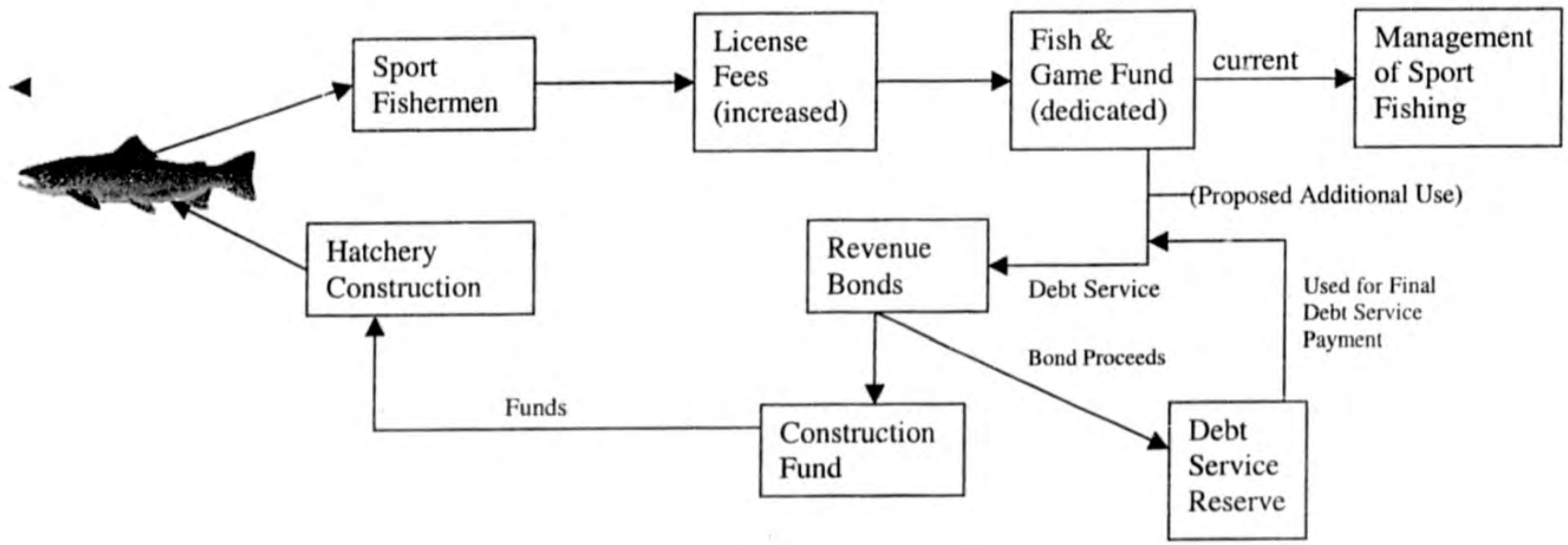
***Goal*:** To expand recreational fishing opportunities in Southeast Alaska by enhancing private non-profit hatchery production facilities.

Projects:

- Address deferred maintenance issues at the Crystal Lake Hatchery: Cost $500,000.
- Provide $200,000 a year for the next 10 years for operational costs at the Crystal Lake Hatchery to offset the loss of Southeast Alaska Sustainable Salmon Fund money. This will allow the hatchery to maintain current king salmon stocking programs.
- Provide $500,000 to Skagway to support increased king salmon production aimed at increasing king salmon fishing opportunities around Skagway.

Estimated cost: $3.0 million. This will be paid for using state funds. State funds will come from a bond repaid using the Fish and Game fund via a proposed license fee increase. This will bring our total suppórt to the Southeast Alaska hatchery program to about $1 million annually.

SPORT FISH REVENUE BONDS



Southeast Alaska Fishermen's Alliance
9369 North Douglas Highway
Juneau, AK 99801

Phone 907-586-6652 Fax 907-523-1168 E-mail: seafa@gci.net

April 7, 2005

Representative Gabrielle LeDoux, Co-Chair
Representative Bill Thomas, Co-Chair
House Committee on Fisheries
Alaska State Legislature
Juneau, AK 99801

RE: Support for HB 252

Southeast Alaska Fishermen's Alliance (SEAFA) supports HB 252, As part of the revenue that is raised by HB 252 will be used to help fund a portion of the operating costs and some infrastructure needs on the State owned facility Crystal Lake Hatchery that is operated by the Southern Southeast Regional Aquaculture Association (SSRAA).

Funding for the sport fish Chinook project at Petersburg has been funded by 1/3 by SSRAA, 1/3 by sport fish funds and 1/3 by Southeast Sustainable Salmon Funding grant that ends this year. Funding from HB 252 will secure the funding necessary for the sport fish Chinook project to continue.

Many of our members also love to sport fish during the spring time and participate in the Petersburg and Wrangell king salmon derbies.

SSRAA is an important hatchery to the commercial fisheries in Southeast Alaska through a variety of projects that contribute to the gillnet, troll and seine fisheries and we support legislation that will continue funding for this project for SSRAA.

Respectfully,

Kathy H

Kathy Hansen
Executive Director

CC: Representative Holm, UFA

Juneau Douglas Fish and Game Advisory Committee
Kathy Hansen, Chair
9369 North Douglas Hwy
Juneau, AK 99801

April 7, 2005

House Fisheries Committee
Representative Gabrielle LeDoux, Co-Chair
Representative Bill Thomas, Co-Chair
Alaska State Legislature, State Capitol
Juneau, AK 99801-1182

RE: Support for HB 252

At the December 16th meeting of the Juneau Douglas Fish and Game Advisory Committee, Alaska Dept of Fish and Game gave a presentation about sport fish enhancement projects that needed funding which they would like support for a fee increase of sport fish licenses.

The Juneau Douglas Fish and Game Advisory Committee supported the request and passed the attached resolution. We understand that in Southeast Alaska the projects that would be funded under this fee increase would provide for 1/3 of the operating funding for the Crystal Lake Hatchery and for some infrastructure improvements needed at this state facility.

The legislation that ended up being introduced is in keeping with the resolution the advisory committee passed in December.

Respectfully,

Kathy H

Kathy Hansen
Chair

JUNEAU DOUGLAS FISH AND GAME ADVISORY COMMITTEE

A RESOLUTION OF THE JUNEAU DOUGLAS FISH AND GAME ADVISORY COMMITTEE IN SUPPORT OF INCREASING RESIDENT AND NON-RESIDENT SPORT FISHING LICENSE FEES AND NON-RESIDENT KING SALMON STAMP FEES IN ORDER TO PROTECT AND ENHANCE THE OPPORTUNITIES AND BENEFITS PROVIDED BY RECREATIONAL FISHERIES

WHEREAS, the Juneau Douglas Fish and Game Advisory Committee and Alaska Department of Fish and Game (ADF&G) recognize sport fishing as an important Alaskan tradition and pastime; and

WHEREAS, ADF&G's Division of Sport Fish wants to sustain and enhance the opportunities and benefits that recreational fisheries provide; and

WHEREAS, a key component of this effort is maintaining and enhancing our capabilities to meet our current and future needs through hatchery production; and

WHEREAS, production from our hatcheries generates roughly $45 million annually for Alaska's economy; accounts for between 10-15% of all the angling effort in Alaska; and reduces pressure on our wild stocks, thereby adding to conservation for fully utilized stocks; and

WHEREAS, existing hatchery facilities are aging and are unable to meet either current or future demands; and

WHEREAS, hatchery operations are essential and must continue; and

WHEREAS, ADF&G needs $5.3 million in additional revenues annually to adequately address this statewide problem; and

WHEREAS, ADF&G proposes an increase in resident and non-resident sport fishing license fees and non-resident king salmon stamp fees to generate this revenue; and

WHEREAS, revenues generated by the fee increase will be used to build a new hatchery in Fairbanks, refurbish and/or rebuild the hatcheries in Anchorage, and to fund Sportfishing hatchery production needs in Southeast Alaska; and

WHEREAS, without an increase in revenues, we will be forced to reduce expenditures on essential programs, such as our ability to monitor wild stocks and fisheries statewide; assess and restore damaged habitats statewide; and to support management activities statewide; and

WHEREAS, these reductions will result in more conservative management and potential lost fishing opportunity; and

WHEREAS, failure to address this problem in a timely manner will also demand increased expenditures to maintain aging facilities; increase pressure on wild stocks (many of which are fully allocated); and increase our need to monitor and assess wild stocks and associated fisheries.
THEREFORE BE IT RESOLVED that the Juneau Douglas Fish and Game Advisory Committee supports an increase in resident and non-resident license fees and non-resident king salmon stamp fees to enhance the state's hatchery infrastructure and help ensure a bright future for sport fishing in Alaska.

PASSED AND ADOPTED by the Juneau Douglas Fish and Game Advisory Committee on this 16th day of December, 2004.

Kathryn C. H

Kathy Hansen, Chair

CC: Board Support, Office of the Governor, ADFG, Rep Beth Kerttula, Rep. Bruce Weyhrauch, Sen. Kim Elton

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB 252
() Publish Date:

Revision Date/Time (Note if correction):

Title	Sport Fishing Facility Revenue Bond
Sponsor	Representative Holm
Requester	House Fisheries

Dept. Affected:	Revenue
RDU	Revenue Programs & Services
Component	Treasury Management
Component No.	121

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel	10.0					
Contractual	1,388.6					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Service		5,821.5	5,914.7	5,916.8	5,916.8	5,914.3
TOTAL OPERATING	**1,398.6**	**5,821.5**	**5,914.7**	**5,916.8**	**5,916.8**	**5,914.3**
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
Fish and Game Fund		5,821.5	5,914.7	5,916.8	5,916.8	5,914.3
Revenue Bond proceeds	1,398.6	0.0				
TOTAL	**1,398.6**	**5,821.5**	**5,914.7**	**5,916.8**	**5,916.8**	**5,914.3**

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal: [ ]

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

This bill creates and authorizes the Sport Fishing Facility Revenue Bond sale of up to $69 million in revenue bonds to finance construction of fisheries projects that benefit sport fishers. This fiscal note and analysis contemplates 20-year level debt service and a 5.5% interest rate/true interest cost, a negotiated sale, and credit ratings in the A category. The financing could take place 60 to 90 days after authorization became effective.

Financing assumptions include debt service beginning in FY07, interest earnings on bond proceeds of $1,561,000, a 5.5% interest rate/true interest cost, underwriting spread of $483,000, bond insurance cost of $405,621, and other costs of issuance of $500,000. Up to $6,000,000 of bond proceeds will be placed in a reserve to secure the bonds. This balance will be invested with annual earnings offsetting debt service and the principal balance used for the final payment on the bonds.

Prepared by: Deven Mitchell | Phone 465-3750
Division: Treasury Division | Date/Time 4/13/05 8:16 AM

Approved by: Tom Boutin, Deputy Commissioner | Date 4/13/2005
Agency: Department of Revenue

(Revised 12/2003 OMB)

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: H.B. 252
() Publish Date:

Revision Date/Time (Note if correction)
Dept. Affected: Fish and Game
Title: Sport Fishing Facility Revenue Bonds
RDU: Sport Fisheries
Component: Sport Fisheries
Sponsor: Representative Holm
Requester: House Fisheries Committee
Component No. 464

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING						
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (1024)	1,553.4	6,213.5	6,213.5	6,213.5	6,213.5	6,213.5

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL						

Estimate of any current year (FY2005) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

POSITIONS	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

This legislation creates and authorizes the Sport Fishing Facility Revenue Bond sale for up to $69 million in revenue bonds to finance the building of a new hatchery in Fairbanks, rebuilding of the Fort Richardson hatchery in Anchorage, and hatchery-related needs in Southeast Alaska.

Passage of this legislation will establish a framework that will allow ADF&G to (1) issue revenue bonds for the construction/enhancement of sport fish hatcheries; and (2) establish a new sport fishing facility surcharge.

(Continued on Page 2)

Prepared by: Tom Lawson, Director — Phone 465-5999
Division: Division of Administrative Services — Date/Time 4/12/05 6:20 PM
Approved by: McKie Campbell, Commissioner — Date 4/12/2005
Agency: Alaska Department of Fish and Game

(Revised 9/23/2004 OMB)

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

BILL NO. H.B. 252

ANALYSIS CONTINUATION

Upon passage of this legislation, the State of Alaska's State Bond Committee will issue revenue bonds on behalf of ADF&G's Division of Sport Fish. The Committee will issue up to $69 million in revenue bonds to fund the construction/enhancement of the hatcheries. Bond proceeds will be used to pay for construction and also for costs of issuing bonds and providing an advance funded debt service reserve account. The annual debt service on the bond is shown in a separate fiscal note submitted by the Department of Revenue.

ADF&G has submitted a one-time CIP funding request that will allow the Division of Sport Fish to use bond funds for construction of a new hatchery in Fairbanks, rebuilding the Fort Richardson hatchery in Anchorage, and addressing additional hatchery-related needs in Southeast Alaska.

Sport fishing license surcharges established in the legislation have been structured so as to generate roughly $6 million annually – the same amount required to pay debt service on the bond. These revenues will be used, in combination with federal funds, to pay back the bond debt issued by the State Bond Committee. The surcharge will be terminated by regulation when the ADF&G Commissioner determines that the surcharge is no longer necessary to fund sport fishery enhancement facilities or to repay revenue bonds issued for construction or renovation of sport fishery enhancement facilities. The department expects to implement the surcharges on January 1, 2006, which allows the department to collect 25 percent of the net surcharges in FY2006, but the full net amount in FY2007 and beyond.

License Category	# Sold CY 2003	Proposed Fee	Potential SF Revenue Increase
Resident Sport Fishing	115,197	$8.50	$979,175
Resident Sport Fishing/Hunting	44,153	$8.50	$375,301
Resident Fishing/Hunting/Trapping	6,068	$8.50	$51,578
Nonresident Military Sport Fishing	4,210	$8.50	$35,785
Nonresident Military Fishing/Small Game	254	$8.50	$2,159
Nonresident 1-day Sport Fishing	109,622	$8.50	$931,787
Nonresident 3-day Sport Fishing	52,933	$15.00	$793,995
Nonresident 7-day Sport Fishing	84,314	$25.00	$2,107,850
Nonresident 14-day Sport Fishing	23,491	$30.00	$704,730
Nonresident Annual Sport Fishing	12,403	$45.00	$558,135
Revenue Provided by Resident Anglers			**$1,406,053**
Revenue Provided by Non-Resident Anglers			**$5,134,441**
Potential Gross Revenue Generated			**$6,540,494**
Adjust new revenues for vendor payments (-5%)			**$6,213,469**

FISCAL NOTE

STATE OF ALASKA		Fiscal Note Number:	
2005 LEGISLATIVE SESSION		Bill Version:	HB 252
		() Publish Date:	
Revision Date/Time (Note if correction):		Dept. Affected:	Commerce
Title	Sport Fishing Facility Revenue Bonds	RDU	Investments (122)
		Component	Investments
Sponsor	Holm		
Requester	House Fisheries	Component No.	383

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal: [ ]

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

This bill does not impact any of the programs administered by the division. The division's director does participate in meetings of the State Bond Committee that would be responsible for authorizing the sale of revenue bonds if this legislation is enacted.

Prepared by:	Greg Winegar, Director	Phone	907 465-2510
Division	Investments	Date/Time	4/12/05 5:13 PM
Approved by:	Edgar Blatchford, Commissioner	Date	4/12/2005
Agency	Commerce, Community, and Economic Development		

SCOMM

138:15

Representative Jay Ramras
Co-Chair, House Resources
V-Chair, Economic Develop.
Tourism & Trade
House State Affairs
119 N. Cushman St. Suite 207
Fairbanks, Alaska 99701
Phone: (907) 452-1088
Fax: (907) 452-1146

Alaska State Legislature

While in Session
State Capitol, Room 104
Juneau, Alaska 99801-1182
(907) 465- 3004
Fax: 465-2070
Toll Free: (877) 465-3004

House District 10

House of Representatives

MEMO

To: Representative Gabrielle LeDoux,
Co-Chair, House Special Committee on Fisheries

Fm: Jim Pound

Cc: Representative Bill Thomas

Date: April 6, 2005

Re: Hearing Request for HB 256

Please accept this memo and attached documents for the House Special Committee on Fisheries to hear at its earliest convenience HB 256 "An Act naming the Ruth Burnett Sport Fish Hatchery in Fairbanks."

The late former Fairbanks Mayor was instrumental in the original idea of a fish hatchery in the Interior. She worked closely with Alaska's Congressional delegation to secure $10 million in federal funds for design and initial construction of the facility. It is this dedication from local citizens that represents the true spirit of Alaska and passage of this bill will show our support of that spirit.

I thank you in advance for your consideration in hearing HB 256.

Attached: Sponsor Statement, HB 256, Statutory language reference

Representative_Jay_Ramras@legis.state.ak.us

Representative Jay Ramras
Co-Chair, House Resources
V-Chair, Economic Develop.
Tourism & Trade
House State Affairs
119 N. Cushman St. Suite 207
Fairbanks, Alaska 99701
Phone: (907) 452-1088
Fax: (907) 452-1146

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Toll Free: (877) 465-3004

House District 10

House of Representatives

Sponsor Statement
HB 256

"An Act naming the Ruth Burnett Sport Fish Hatchery in Fairbanks"

HB 256 is based on the belief that Fairbanks will soon be constructing a much needed fish hatchery, and the much of the credit for that project belongs to the late former Mayor Ruth Burnett.

Mayor Burnett's efforts were instrumental in securing approximately $10 million in federal funding for the construction of the hatchery. Passage of HB 256 will show that the Alaska Legislature believes in the hard work of its local citizens, in not only supporting an idea but assisting in making it a reality.

Representative_Jay_Ramras@legis.state.ak.us

AS 35.40 NAMES OF PUBLIC WORKS

Section
1. Reeve Boulevard.
5. Klondike Highway.
10. E. L. Patton Bridge.
15. Douglas Bridge.
20. Brenwick/Craig Road.
25. Dillingham to Aleknagik Road.
30. Woodrow Johansen Expressway.
35. Veterans' memorials.
40. Robert J. Mitchell Expressway.
45. Crabbie's Crossing.
50. Ralph M. Bartholomew Veterans' Memorial Bridge.
55. Clint Starnes Memorial Bridge.
60. Charles E. Carney Memorial Bridge.
65. Chief Eddie Hoffman Road.
70. Bob Blodgett Nome-Teller Highway.
75. Ina Johnston Bridge.
80. Briggs Bridge.
82. Sergeant James Bondsteel Bridge of Honor.
85. Black Veterans Recognition Bridge.
90. Manvil H. Olson Bridge.
95. Mountain View Road.
100. George W. Palmer Memorial Bridge.
105. East Egan Drive.
110. Robert B. Atwood Building.
115. Herman Leirer Road.
120. State Trooper Bruce A. Heck Memorial Corridor.
125. Terry Miller Legislative Office Building.
130. Ted Stevens Anchorage International Airport.
135. Alaska Native Veterans' Honor Bridge.
140. Joe Redington, Sr., Memorial Trail.
145. Fred Zharoff Memorial Bridge.
150. Trooper Hans-Peter Lothar Roelle Memorial Weigh Station.
155. Officer Justin Todd Wollam Memorial Bike Trail.
160. Mail Carrier Emil Wegner Memorial Corridor.
165. Wendy Ann Cogdell Memorial Rest Area.
170. Katelyn Ohmer Markley Bridge.
175. William Ransom Wood Centennial Bridge.
180. Tom Madsen Airport.
185. Sven Haakanson, Sr., Airport.
190. Jack Coghill Bridge to the Interior.

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: H.B. 256
() Publish Date:

Revision Date/Time (Note if correction):
Dept. Affected: Fish and Game

Title	An Act Naming the Ruth Burnett Sport Fish Hatchery in Fairbanks	RDU	Sport Fisheries
		Component	Sport Fisheries
Sponsor	Representative Ramras		
Requester	House Fisheries Committee	Component No.	145

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal: [ ]

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

Passage of this legislation would have no fiscal impact.

Prepared by: Sarah Gilbertson — Phone 465-6137
Division: Legislative Liaison — Date/Time 04/07/05 8:35 a.m.
Approved by: McKie Campbell, Commissioner — Date 4/7/2005
Agency: Alaska Department of Fish & Game

(Revised 12/2003 OMB)

Representative Jay Ramras
Co-Chair, House Resources
V-Chair, Economic Develop.
Tourism & Trade
House State Affairs
119 N. Cushman St., Suite 207
Fairbanks, Alaska 99701
Phone: (907) 452-1088
Fax: (907) 452-1146

Alaska State Legislature

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House District 10

April 4, 2005

Dear Mr. ~~Burnett~~ Wally,

It was a pleasure speaking to you on Friday. I have known your family since I was a child.

Thank you for expressing interest and support in naming the new Fairbanks fish hatchery, the Ruth Burnett Sport Fish Hatchery.

After Ruth's service to the community as City Mayor and your family's long storied commitment to the betterment of Fairbanks; along with Ruth's special passion about the fish hatchery idea that she expressed to Senator Stevens, I think it is a fitting honor.

Please fax back to us a letter indicating your consent to use Ruth's name.

We would like to finish drafting our bill in the next day or two, so we can get it read across the floor of the State House and begin the process of making the Ruth Burnett Sport Fish Hatchery a reality.

Please fax your return correspondence back to (907) 465-2070

Sincerely,

Representative Jay Ramras
District 10

Arctic Fire and Saftey
702 30th Ave
Fairbanks, AK 99701
907-452-7806

April 4, 2005

Dear Representative Jay Ramras,

Thank you so much for considering and taking interest in the Fairbanks fish hatchery bill, using Ruth's name is quite an honor, I'm sure she would be very pleased. You have my consent to use Ruth's name for the bill , we are very excited to see this happen.

Thank you,

Wally Burnett & family

Wally Burnett

ALASKA STATE HOUSE OF REPRESENTATIVES

Contact:
Interim Address:
3340 Badger Road
North Pole, AK 99705
(907)-488-5725
Fax# (907)-488-4271

Session
(907)-465-3719
FAX# (907)-465-3258
State Capitol
Room 204

REPRESENTATIVE JOHN COGHILL

MEMORANDUM

Date: March 2, 2006

To: Representative Bill Thomas, Co-Chair
Representative Gabrielle LeDoux, Co-Chair
House Special Committee on Fisheries

From: Representative John Coghill

Re: HB 304

I am requesting a hearing at your earliest convenience on HB 304, "An Act relating to the commercial fishing loan program". I have attached the sponsor statement and other backup for the bill.

Representative_John_Coghill@LEGIS.state.ak.us

House Bill 304 Commercial Fishing Loan Program

SPONSOR STATEMENT

This bill is a product of my philosophical belief that government should not compete with the private sector. I want to make sure that any loan program the State administers is the source of last resort.

This bill would require someone applying for a loan through the Commercial Fishing Resolving Loan Fund (CFRLF) to submit a loan application to two private sources that is substantially the same as the application to CFRLF and be turned down. While the division currently utilizes this practice I want it codify it to make it a permanent statutory requirement.

HB 304 reduces the amount of loans for refinancing a debt to $200,000 per person, down from $300,000. It limits all loans, including purchase of entry permits and gear, vessel purchases, repair of existing vessels, and federal tax debt for one person to $335,000. The bill reduces security of a loan from 90% to 80% of the appraised value of the collateral. It adjusts the interest rate to the prime rate plus two percentage points. The interest rate currently is a maximum of 10.5%

This bill has been a work in progress. I have been working with the depa·'ment diligently for the last year to clarify and tighten requirements in the Commercial Fishing Revolving Loan Program.

24-LS0523\I
Kane
2/28/06

CS FOR HOUSE BILL NO. 304( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVE COGHILL

A BILL

FOR AN ACT ENTITLED

"An Act relating to the commercial fishing loan program; and providing for an effective date."

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

* **Section 1.** AS 16.10.310(a) is amended to read:

(a) The department may

(1) make loans

(A) to individual commercial fishermen who have been state residents for a continuous period of two years immediately preceding the date of application for a loan under AS 16.10.300 - 16.10.370, who have had an annual crewmember or commercial fishing license under AS 16.05.480 or a permit under AS 16.43 for the year immediately preceding the date of application and any other two of the past five years, and who actively participated in the fishery during those periods

(i) for the purchase of entry permits; or

(ii) to upgrade existing vessels and gear for the purpose of improving the quality of Alaska seafood products;

(B) to an individual for the repair, restoration, or upgrading of existing vessels and gear, for the purchase of entry permits and gear, and for the construction and purchase of vessels, if the individual has been a state resident for a continuous period of two years immediately preceding the date of application for a loan under AS 16.10.300 - 16.10.370, and [EITHER]

(i) because of lack of training or lack of employment opportunities in the area of residence, does not have occupational opportunities available other than commercial fishing; [OR]

(ii) is economically dependent on commercial fishing for a livelihood and for whom commercial fishing has been a traditional way of life in Alaska; **or**

(iii) is not eligible for financing from other recognized commercial lending institutions;

(C) for the purchase of quota shares for fisheries in or off the state by individual commercial fishermen who

(i) have been state residents for a continuous period of two years immediately preceding the date of application for a loan under AS 16.10.300 - 16.10.370;

(ii) for any two of the past five years, possessed an annual crewmember or commercial fishing license under AS 16.05.480 or a permit under AS 16.43 and actively participated in a fishery for which the license or permit was issued;

(iii) qualify as transferees for quota shares under applicable law; and

(iv) are not eligible for financing from other recognized commercial lending institutions to purchase quota shares;

(D) to an individual commercial fisherman to satisfy past due federal tax obligations, if the fisherman has been a state resident for a continuous period of two years immediately preceding the date of application for the loan, has filed past and current federal tax returns with the federal government, has executed an agreement with the federal government for repayment of past due federal tax obligations, and either

(i) [HAS HAD AN ANNUAL CREWMEMBER OR COMMERCIAL FISHING LICENSE UNDER AS 16.05.480 OR A PERMIT UNDER AS 16.43 FOR THE YEAR IMMEDIATELY PRECEDING THE DATE OF APPLICATION AND ANY OTHER TWO OF THE PAST FIVE YEARS, AND HAS ACTIVELY PARTICIPATED IN THE FISHERY DURING THOSE PERIODS;

(ii)] because of lack of training or lack of employment opportunities in the area of residence, does not have occupational opportunities available other than commercial fishing; or

(ii) [(iii)] is economically dependent on commercial fishing for a livelihood and for whom commercial fishing has been a traditional way of life in Alaska;

(E) for the purchase of fishing quota shares by a community quota entity eligible under federal statute or regulation to purchase the fishing quota shares if the community quota entity is not eligible or qualified for financing from other recognized commercial lending institutions to purchase the fishing quota shares;

(F) to an individual for the upgrade of existing tender vessels and gear to improve the quality of Alaska seafood products, if the individual has been a state resident for a continuous period of two years immediately preceding the date of application for a loan under AS 16.10.300 - 16.10.370;

(2) designate agents and delegate its powers to them as necessary;

(3) adopt regulations necessary to carry out the provisions of AS 16.10.300 - 16.10.370, including regulations to establish reasonable fees for services provided;

(4) establish amortization plans for repayment of loans, which may include extensions for poor fishing seasons or for adverse market conditions for Alaska products;

(5) enter into agreements with private lending institutions, other state agencies, or agencies of the federal government to carry out the purposes of AS 16.10.300 - 16.10.370;

(6) enter into agreements with other agencies or organizations to create an outreach program to make loans under AS 16.10.300 - 16.10.370 in rural areas of the state;

(7) allow an assumption of a loan if

(A) the applicant has been a state resident for a continuous period of two years immediately preceding the date of the request for an assumption; and

(B) approval of the assumption would be consistent with the purposes of AS 16.10.300; an applicant for a loan assumption may not be disqualified because the applicant does not meet the loan eligibility requirements of (1) of this subsection;

(8) prequalify loan applicants for a limited entry permit loan or a quota shares loan and charge a fee not to exceed $200 for prequalification;

(9) charge and collect the fees established under this subsection;

(10) refinance a debt obligation incurred by a borrower or borrowers under this section if the borrower or borrowers otherwise qualify for a loan under AS 16.10.300 - 16.10.370;

(11) refinance debt obligations, not to exceed **<u>$200,000</u>** [$300,000], incurred by a borrower or borrowers for the purchase of a commercial fishing vessel or gear if the borrower or borrowers otherwise qualify for a loan under AS 16.10.300 - 16.10.370; the department may collect a refinancing loan origination charge as provided by regulation.

* **Sec. 2.** AS 16.10.320(a) is amended to read:

(a) Except as permitted in (h) of this section, a loan under AS 16.10.300 - 16.10.370

(1) may not exceed a term of 15 years, except for extensions under AS 16.10.310(a)(4);

(2) may not bear interest exceeding **<u>the prime rate plus two</u>**

percentage points [10 1/2 PERCENT]; **for purposes of this paragraph, "prime rate" has the meaning given in AS 44.88.599;**

(3) must be secured by a first priority lien and appropriate security agreement;

(4) may not exceed **80** [90] percent of the appraised value of the collateral used to secure the loan; and

(5) may not be made to a person who has a past due child support obligation established by court order or by the child support services agency under AS 25.27.160 - 25.27.220 at the time of application.

* **Sec. 3.** AS 16.10.320(d) is amended to read:

(d) The total of balances outstanding on loans made to a borrower under AS 16.10.310(a)(1)(A) may not exceed $300,000. The total of balances outstanding on loans made to a borrower under AS 16.10.310(a)(1)(B) may not exceed $100,000. The total of balances outstanding on loans made to a borrower under AS 16.10.310(a)(1)(C) may not exceed $300,000. The total of balances outstanding on loans made to a borrower under AS 16.10.310(a)(1)(D) to satisfy past due federal tax obligations may not exceed **$35,000** [$30,000]. The total of balances outstanding on loans made under AS 16.10.310(a)(1)(E) may not exceed $2,000,000 **for each** [PER] community eligible under federal statute or regulation to establish or participate in the establishment of a community quota entity. The total of balances outstanding on loans made to a borrower under AS 16.10.310(a)(1)(F) may not exceed $300,000. Excluding loans made under **AS 16.10.310(a)(1)(E)** [AS 16.10.310(a)(1)(C) - (F)], the total of balances outstanding on all loans, including debt refinancing under AS 16.10.310(a), made to a borrower under AS 16.10.300 - 16.10.370 may not exceed **$335,000** [$300,000].

* **Sec. 4.** AS 16.10.315 is repealed.

* **Sec. 5.** This Act takes effect July 1, 2006.