

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86 / 2

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Male:
(continued)

about many thousands of acres, then I see it's not applicable. So--I--a general policy there, I think it has to be broken down a little bit on what the ground is going to be used for, and what programs you're involving. I have a lot of empathy for the program on the selections right now as far as the open entry or the State homesteads. Now, I do think there should be a greater opportunity, though, for the ground to be selected by the people participating in it. You were saying, "This is the ground, these are the lots." Fine, but before this ground is selected and these lots are subdivided, I think there should be a more equitable and an avenue for people who are interested in this area to participate in how this ground should be split up and where these lots should be. I can think of many areas where I personally participate, and I've also seen ground split up by bureaucracies that, after they've split it up, the ground is virtually useless for the intentions of the people participating.

Male:

That's a really good point. It brings to mind a program that's going on in Southeast Alaska and a little bit in Southcentral but not very much with the National Forest people--the Chugach and the Tongass National Forests surround a lot of communities in Southeast. And under the Statehood Act those communities are due X amount of land for community expansion. The program that the Department of Natural Resources is doing, which sounds a lot like what you're advocating, is having a team of people that work for the Department of Natural Resources go into each community and ask the community people where are the lands around your community that you would like to use. You know, they've got maps of the whole area. They've got outlines of where the State lands, or where the boundaries are, and so forth. They ask the people, "What do you want to use the land for, and where do you want the land to be?"--and then take that back and they work with the National Forest people to work out some sort of a deal so that the people actually do have some input into that use--

Male:

To take that one step further, you're asking for a group to say to the State, "This is how we want to use this land." I also think that there should be--if you want to put it on a form where you draw a map and say, "This chunk of land right here." It's a specific chunk of land--I would be interested in if this could come up under your homestead selection and when you're surveying this out that there could be a consideration that this piece be laid out in such a manner. And if enough people made their applications prior to the survey, the surveyors, or whoever's chopping up the ground, will have the input of the people. And

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- Male:
(continued) obviously there's going to be some controversy and some people that won't be satisfied. I think the end product could work out to be more satisfactory, and there might be areas chosen one or two plots two miles away from another plot, so you're not looking at strictly people having to move into 5-acre subdivisions rather than 5-acre lots spread out a little bit on the State ground. And this could also be worked into your access problem and everything else. If a plot here two miles away from another plot--if there's going to be access there and to lots in the future, they're going to be filled in, they still have the option of providing access to areas around or through that ground.
- Male: Okay, that's good--that's a good suggestion.
- Male: I'd like to ask a question. Did any of you attend that land use thing that happened here not too long ago--that town meeting thing?
- Male: I attended it.
- Male: Okay, would you mind running over for me what was discussed at that and what some of the suggestions were out of that? Does that relate at all to what we're talking about today?
- Male: Well, the town meeting--it covered--
- Female: Didn't it have more to do with community and political organizations, I think?
- Male: Are you talking about the town meeting or are you talking about the Forest Service thing--which one?
- Male: Okay---I guess I'm talking about the Forest Service--yeah.
- Male: The town meeting wasn't too much about the land--
- Male: Okay, the Wrangell Mountains study was--they came through last month.
- Male: There was a meeting at (indistinguishable) and a meeting at King Lake and there was a meeting at Klaune (??). I didn't go to any of the meetings--generally, they're--land use auctions is what they wanted to get a consensus on, and to see if there was any changes from last year's input on the study.
- Male: Okay--and that was--?
- Male: I don't think there was anything too specific on the study--
- Male: Who was it that conducted those? Not the person, perhaps, but the agency.
- Male: It's the Forest Service man out of Anchorage--

- Male: They were tied in with the university some way--
- Male: Yeah, they contracted with the university to do the coordinating and writing of the--
- Male: Does anybody else have any comments or questions that we could throw around?
- Male: Yeah--I think a number of ten percent was brought up of what the State should reserve. I don't agree with that number just as 10%. I think if the State has excellent ground in an area, and they're going to be disbursing it over a number of years, a percentage of the ground should be let out at each disbursement-- that percentage could be made available. And in doing it in this manner, that would automatically reserve the balance for in the future, and this would, I think, enable a reasonable development of the ground in the area, knowing that so much ground would be available. And this would make an automatic percentage reserve left, and whatever is left--if that's the first offerings, they offer--this would be a maximum amount they could offer rather than a mandate of how much they shall offer.
- Male: So that if they had a thousand-acre tract, you would advocate perhaps letting go of a third of that this year, wait a few years and decide what to do with another third of that at that time?
- Male: Um, humm--a third I think is--if you're talking about a thousand-acre tract in an area, fine--but if you're talking about all the State lands in a region, a third is too great--
- Male: Too great--okay--yeah.
- Female: When you're talking about this thousand-acre tract or something like that, would that be just let out for use as homesites or agriculture, or does that include the land that would go into the park system or--
- Male: Well, the thousand acre figure is just hypothetical, of course, and I'm using that because that's the one area that they do have a tangible plan for up in the Delta area. It's just a small self-contained, all-in-one-piece thousand acres they have identified for residential use. That doesn't, then mean that if in this area that the total number of acres that's in State ownership were to be broken up and sold or leased, that--there's a good chance that some of it would end up with a certain classification like agriculture or that--you know--there would be a lot of different things that could happen with that. It wouldn't all be one thing or the other.
- Female: Okay--how about--like we were talking about putting lands in trust and letting so much go every five years or something. Those lands

Female: that are in trust--would that include the parks, State parks,
(continued) and--

Male: I would assume so--I could be wrong in that--I would assume that would be right. But that would mean that every time a meeting came up to decide what to do with that, it would have to be decided at that time how much you wanted to save for a park or something. Or they would have to do it differently and identify from the very beginning what of the total amount of State land there is, what part--identifying what parts would be saved ultimately for parks.

Male: What I think is that they need to do is to do regional planning throughout the state. Take a region like the Copper River Basin as one unit and see what they have in all types of land uses and do an investigation on the type of lands that are available--agriculture, residential, you know--start doing regional planning is what you have to do where the--like the State does now is go out and sell some property out in Glennallen because we don't want it and just go do it.

Male: --and they don't have any involvement with the region.

Male: They might sell out a whole bunch of good farmlands for commercial, and then when they do need farmlands then they won't have them.

Male: Yeah--and I think the university has the capability of doing that--at least doing an initial study on the types of soil and capabilities of the land on a regional basis.

Male: And, also, in doing this it would be very beneficial to the people and the native organizations to participate in this so that everybody's heading in the same direction.

Male: Yeah--I'm not sure that this effort isn't being done at this time. I was talking with John Dolnak(?), and he said that they are doing that for this region. I'm not sure that the State hasn't also done similar programs--classifying programs--for this area. But I'm not an expert on it, so I don't really know what they've done, or if they've done, but I will check on that. -- Do you think that if the State adopted your suggestion that they come out here and spend, oh, let's say, a week traveling throughout the area, having meetings like this to get the people to come out and identify the area that they think would be good for residential, the areas that would be good for agriculture, do you think that that would be productive for this community? Do you think people would respond to that? What I'm getting at is that a lot of towns are getting really burned out on public meetings. They just see meetings and meetings without any results. So I'm wondering--do you think that public meeting kind of a concept would work if you're asking people to make a decision on the lands around the community?

- Male: I think that goes with good planning. Whatever the ground is best--or the property is best suited for, that's what it should be used for. And incidentally, your Soil Conservation Service, which is part of the U.S. Department of Agriculture, has soil samples and things of this nature over just darn near all of this area. They can take a look at an area for us and tell you which is suitable for agriculture and which is not, which is sitting on real bum permafrost, which is gravel bars and like that--and they can tell you things like that. And they can probably even make recommendations, but I don't know--and I'm sure they'd be glad to do it.
- Male: I think a better--if the State is going to have a sale in that area with the regional planning in mind and have more opportunity for individual public input rather than meeting public input. I think they would probably get a feeling of people who want to be participating in the activity rather than just trying to get a consensus of a group of people sitting in a room.
- Male: How would you define individual as opposed to a meeting? Having someone like myself just spend two or three weeks in the area just meeting people in the store or post office and in the lodge, at the school, just talking to people on a one-to-one basis?
- Male: I would think--well, that might be productive, but that wasn't what I had in mind. If you're going to sell a thousand acres in this area, make it known to the people that the State is intending to sell a thousand acres in the area--and what ground, with the zoning that you people have decided, should be available? And, also, just because you've decided the ground should be used in that manner, the State bureaucracy--that that should not be final--that there should be a time to challenge that before the ground is actually marketed.
- Male: An advertisement of some sort in the paper and also, maybe, set up an office out here where we--where people could plan to participate--look at the map--
- Male: So first, maybe even before the advertisement, just say there's a need for selling a thousand acres in the valley and you want people's input on where a thousand should be sold.
- Male: So first you want them to announce that they're thinking about selling or leasing or whatever X amount of land. They come out here and spend the better part of a week, let's say, finding out what--where the land should come from and what its use should be--taking that back, deciding how much acreage is going to be sold and where and for what use--coming back to the

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Male: community for another week with their amended plan---
(continued)

Male: Sounds like it would be a good idea--

Male: When you get done with the final product, you have about two
or three meetings and finalize it.

Male: Yeah, by that time everybody in the community would have heard
about it and be pretty familiar with the uses, the sizes--
okay, well, that's good. Thank you very much.

**: PLEASE NOTE: THE PRECEDING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.**

Governor Jay
Hammond:

It is a great pleasure to be back in Dillingham after too long an absence. I'd like to say to anybody that I may have passed on the street or in the halls and appeared to have failed to recognize that I am not, as some might presume, afflicted with that political shortcoming--an inability to remember names at all. I never forget names. I do have some other problems, and that was brought home to me here awhile back when a fellow got off the plane at King Salmon and said, "Hi, Jay, how are you?" And he noticed my blank look of non-recognition, he says, "You forgot my name, didn't you?" I said, "The heck I did; I just can't place your face." So he went off mumbling to himself.

But I do appreciate the opportunity to kick off the public forum. I regret that I was not here last year when the public forum appeared in town. I have great confidence in the public forum as a means of providing a two-way communications channel between the people and their government. It's an idea I had, actually, long before I assumed this office, and I determined that, if I were in the position to do so, would create some sort of an improved communications process that, with the departure of the old practice of those of us in government too often telling the people what's best for them rather than asking to find out what their needs and desires really were. Now I know that to some that suggests a lack of direction--perhaps indecision, and so forth--but I think it's evident, with all the monumental issues confronting us these days, complex and traumatic to the degree they are, it obligates that unless the public knows what's fully going on and those of us in public office as your hired hands, so to speak, communicate with you and we work together toward common objectives, we'll find that one group or another may end up on the outside with their nose pressed to the glass while some people end up with great benefits and others find themselves short changed.

I might, as a brief departure before getting into the public forum, respond to something Freeman had asked me. He said, "You've got a lot of people guessing as to what your political plans are." And I was about to tell him that I had been approached by somebody from the press the other day who asked me if I planned to run again, and I told him it depended upon the state of my health, family circumstances, and the availability of acceptable alternative candidates. He said, "Do you have any health problems?" I said, "No, but after four years of this business I may not be fit to be anything but governor." I don't know. To bring that even more dramatically home to roost, a fellow from Togiak I ran into in town here some months

ago came up to me and he says, "You've got old!" And I said, "If you think it's bad from the outside looking in, you ought to see it from the inside looking out." It really is an interesting and provocative job, and it's certainly a privilege to have been the governor of this state for the past three years; and I frankly find that the public forum process is one of the things that add to the stimulation and privilege of being governor. I frankly have been heartened by what I think is a common segment of goals--or a common listing of goals--that seems to prevail throughout Alaska no matter where one goes. You hear a lot of talk from extremist factions, a lot of charges of preservationists or ulter-developers, etc., but I find that Alaskans in general have essentially the same common objectives. I'm very much heartened by that.

I think we all agree and are willing to play our role as a national energy provider, and I think we all wish to utilize and develop our natural resources, but to do so in such a way as to retain those qualities of life that make Alaska, to most of us, the only place on earth we'd care to live.

The public forum last year provided us with a number of interesting bits and pieces of information. I suspect that somebody else will go into them in more detail. We asked questions as to what the public wished to do with their oil wealth, how they thought those monies should be expended, whether they believed that more should go into a permanent fund--and incidentally, the permanent fund was another long term goal of mine that I am pleased is now in the pattern, which will provide a sort of savings account to assure that we leave some legacy of that oil wealth to our children. The earnings from that fund should be what is used to provide for ongoing day-by-day government expenses instead of what we have done in past years--and that is to become dangerously dependent upon one time capital--what I call nest egg--oil wealth dollars. In other words, in the past every time we needed another five hundred bodies on the state payroll or another expansion of state services, we'd sell a lease in the Lower Cook Inlet or somewhere else and use those monies to expand state government. And that's a very dangerous practice. It's rather like an individual who might receive an inheritance from his great aunt of say \$50,000, and while it's appropriate to use those monies to fix the roof of his house or to repair the driveway or do something of that nature, to expand and double the size of his house to the extent that he could no longer pay for the household expenses of heat and light, etc., from his ongoing income but must dip ever deeper into the remnants of that inheritance to pay those costs, evidence what will happen when you run out of that inheritance and you don't have incoming revenues to provide for those types of governmental expenses.

The State of Alaska, much to my dismay, quite frankly, had gotten itself into a position where we were paying our day-by-day expenses from lease monies, royalty monies, one-time-only dollars, to the extent that 61% of our day-by-day costs were being paid for by that source. We had locked onto taxes that were set back in the 1960's, and instead of going to the people and saying, "Do you want these programs badly enough to permit us to extract some tax monies to pay for them," we simply fed in painlessly this lease money, royalty monies--that's where your \$900 million went. To give you some dramatic examples of what happened, in 1969 we took in through gas taxes, gasoline taxes, highway taxes, enough money to more than maintain our highways to the extent that they were maintained then, and actually were \$600,000 in the black that year. We are now \$37 million a year in the red in exceeding what we take in from highway taxes with the amount of money we expend for highway maintenance--day-to-day ongoing yearly maintenance costs that should be paid for with ongoing income. Similarly, the ferry system was subsidized to the tune of something like I think \$500 thousand in 1965--I can't remember the figures exactly. We are now subsidizing that \$18 million a year. Air fields are being subsidized \$23 million a year. We are spending so much more money in per capita services than we are taking in in per capita income, unless we do something about it we are going to find the roof will fall in on our kids, if not ourselves, in the near future.

Now, when I first uncovered these data, I frankly hoped somebody would point out where I was wrong--say "You're all wet, you've overlooked this, and this is something you haven't taken into consideration." Instead, I have not found anybody that's looked at all that data that doesn't say, "You're exactly right. Something has to be done about it."

What can you do about it? The first thing we've done about it is create that permanent fund, which removes at least a portion of those royalty bonus lease purchase monies from the capability of those of us in public office to simply feed them painlessly into government expansion. The public forum last year evidenced that the public, which I think many times more quickly grasp some of these things than do those of us in public office--the public was determined that even a greater amount than the 25% constitutionally obligated lease monies and royalty monies go into the permanent fund. They felt that those monies, the earnings from our non-renewable resources, should go into enhancing and rehabilitating our renewable resources--fisheries and agriculture. Accordingly, we have expanded substantially programs involving agricultural or fisheries rehabilitation and enhancement.

Similarly, they felt that education was perhaps the primary public service to be rendered by the State. Certainly it's a constitutionally

mandated obligation of the State. We are intent upon trying to meet that obligation. Right now we're not doing it in an equitable manner at all. We are totally out of conformity with the constitutional obligation that says you shall fund education on par for all throughout the state. We provide some with education at an entirely different level and cost than we do others. We are trying to remedy that by expanding the so-called foundation program and by providing a more precise definition of what constitutes basic needs.

But all of these things were issues addressed by the public forum in which the public spoke out loudly and clearly. One of the questions I had asked informally at the public forums was simply this: how many in the room felt that we should expand state government by feeding in one more dollar of that finite--what I call nest egg--wealth. And almost unanimously everyone would say, "No." They didn't want government funded from that source. When they found that we were currently obligated to put some \$500 million a year of such capital wealth into funding current state government costs, they were aghast. The only way that we can back off from plowing that sort of money, which is what I term our children's legacy, into funding government is to supplant it with earnings, per chance from a permanent fund investment or from appropriate taxes. Last year I tried to dramatize the point that we were certainly willing to provide services, but I was not going to increase that 61% dependency on inappropriate monies but would ask that, if somebody aspired to have new services provided, that we be provided as well with new recurrent income-engendering devices, be they taxes or more money into the permanent fund earning income.

Of course, that pronouncement to the legislature was like handing them a gun pointed at my head, because all that would have to happen was to expand the programs without providing the new revenues; and that, of course, is what happened, and in the wake of that, I was obligated to contain that 61% and keep it from increasing. I was obligated to veto something like \$30 million from the budget, which certainly is most unpleasant and an action which I'm sure affronted everybody in this room to some degree or other. So--my point being simply this: we can't have it both ways. If the public does not want to put more of that nest egg lease wealth into expanding government, we must then provide other revenues, or either cut the cost of per capita government--per capita cost of government--to the point that we can meet it with those recurrent revenues. We are a long way from that point

answers that some will. For example, if you ask somebody if you favor an increase in taxes, naturally they'll say "no." But if you ask somebody if they prefer to have services reduced as an alternative that throws a different kicker into the equation. I can give you a prime example of how, without all the data at your command, it's easy without full information to make assumptions and pronouncements. I am going to depart a little bit from the public forum because it's the first chance I've had to convey to you in Dillingham something that we've seen in the way of data regarding an issue which I know was most controversial here in Bristol Bay. Let me ask you if--I'm sure--if you were to be asked offhand if you favored say a limited entry program for fisheries that would increase revenues to the State, that would reduce the amount of gear in the water to a manageable level, that would assure appropriate and adequate escapement, that virtually doubled the collective percentage take of the fishery by resident Alaskan fishermen and was totally legal, and did not require the type of limited entry program we now have structured in the statute, I suspect that most people would say, "Hey, that sounds great!" But, believe it or not, you had it. You actually had a program that did all those things--increased the revenues to the State, cut the gear in the water by 60%, increased the resident percentage of the pay day collectively from 43% to 75%, was totally legal, and treated everybody exactly the same, and it was rejected. It was rejected because of certain elements that were more immediately apparent that the people found repugnant. I'm talking about the sliding gear scale in pooling, which was a peculiar and difficult thing for people to understand. I'm not suggesting that was a good thing or bad thing. I'm simply saying there was much confusion in the public mind, and it's unfortunate that the whole issue could not have been explored, laid out, so that people could really determine what was in their long term best interest. All of these questions have two sides to them, and one of the most interesting things I think you'll find is that when you plow into them, that what may appear black and white initially ends up as a rather unusual shade of gray. And, if we can focus in and distill those shades of gray down to some meaningful end product, there then can be a directive from you to those of us in public office as to what sort of legislation or administrative approach truly meets what you conclude to be the broad public interest, and that's what we want to find out, and that's wherein I see the public forum as providing a monumental benefit to Alaskans. I'm hopeful, frankly, that whether I'm in office any time in the future or not, that we will have conditioned in the wake of the public forum efforts of this administration--we will have conditioned the public to demand the sort of input that the public forum can provide.

But the public forum will succeed or flounder only if you see at the end of the line some meaningful hard decision or end product that

causes you to conclude that somebody out there is listening. Thank you very much.

Thank you, Governor. I'd like to take this opportunity to introduce the City people that I see here present. Mr. Dave Carlson, one of our City Councilmen, sitting here. I see Mr. Jim Bingman, another of our Councilmen. I see a third one that we have here. He's a Councilman tonight, but there's an election tomorrow, so we don't know whether he's going to be a Councilman tomorrow, but that's Duane Bell standing over in the corner. Our City Manager, Mr. Gordon Ryan. I see Mr. Harvey Samuelson sitting up there who is President of the Bristol Bay Native Corporation. And I'd like to introduce to you Miss Nancy Blunck, who is going to be the moderator for the public forum. Nancy.

Nancy Blunck:

Can you all hear me? It's a little bit high here. My name is Nancy Blunck. I'm from Anchorage. This is my first time in Dillingham, though I've spent quite a bit of time in the bush, most of that in the Yukon/Kuskokwim area, and though it was raining when I came in this afternoon, it's really a pretty place with all the trees turning fall colors. And I'm really glad to be here tonight.

I'd like to introduce a couple of people. Bill Luria is one of our resource people here tonight. If you'd just raise your hand. These are some of the people that can answer questions that you've got. Sue Green, over in the black and white striped shirt by the wall over here. There are two resource people here tonight from Fish and Game who can answer some questions, perhaps on the management and the way Fish and Game operates. And Adelaide Herman is over here. She's working on the Interim Legislative Committee on Subsistence, and when we get into discussing the issue of subsistence, she'll have a report to give on what that Committee has heard so far in the meetings that they've been holding statewide on subsistence.

I'd like to just tell you how we're planning to structure the evening tonight. As the people were coming in I heard comments like, "Ah-oh! it looks like school," and things like that. People sitting around tables and small group discussions. The reason we decided to do that is that if only one person speaks at a time then that means--we counted--there's about 104 people here tonight--and if one person talks, 103 other people have to sit and wait their turn. And so the reason for the small groups is one person can talk and only seven others have to wait their turn.

There's two main issues that we're going to discuss tonight. The permanent fund is the first one, and subsistence is the second one. And what I'd like to do is spend about an hour and fifteen minutes on each issue, and we'll begin by giving a brief presentation. You can kind of read over there on the easel. I'll be very brief--about ten minutes. There will be a chance for you to ask questions about the permanent fund, and then we'll spend about a half an hour in discussions at the small group tables.

There's a questionnaire in that tabloid that Freeman is holding up. Each one of you has a copy of that in that yellow packet in front of you, and if anyone sitting over on the bleachers wants to get copies of them, we've got them. I'm just not sure where they are. I think they're on the table over here--yeah. There's a questionnaire on the back page of that tabloid, and it's something for each individual to fill out. The questions that the small groups will be discussing are going to be a bit different than the questions that are in the tabloid. We'd prefer if you'd fill that questionnaire out tonight and hand it in to us, but if you want to take it home, it is postmarked so that you can fill it out and send it in and we'll get it in our office.

The last part of the discussion on the permanent fund will be a chance for each of the small groups at the tables to report back to the large group what that table discussed in answering the questions, and we estimate that will take about twenty minutes.

Are there any questions on how we're planning to spend the next three hours? Okay, then I'll just go ahead and start with the presentation on the permanent fund. If I step away from the mike, will it still pick up what I'm saying? (certain indistinguishable comments about operating the equipment)

In the last statewide election where you elected your legislators last year, there was an issue on the ballot relating to the permanent fund. It was an amendment to revise the constitution of the State of Alaska, and it passed 9 to 1. It's really not very often that there is an amendment to revise the constitution, so that doesn't happen very often. But the other thing that was sort of amazing was how largely the amendment passed. The thing probably that we can draw from that is that whatever it was people were voting for--like I might have been thinking one thing when I voted for the permanent fund, and you might have been thinking another thing. But, whatever it was, it was really clear the people of Alaska wanted it. And so, what I'd like to do to kind of explain this whole process is over here on this big long sheet against the wall--back here when we voted on this in November, the legislature then in the first part of 1977

session had before them the problem--at least the beginning of the problem--of writing the legislation for the permanent fund. And the main things that they were trying to decide is--was called the investment strategy, that is, where to invest the money from the permanent fund, the size of the fund--how large should it be? The law as it's written now says that at least 25% of certain monies goes into the fund, but it's written so that you could include anywhere from 25% to 100%. And the last thing the legislature has to decide is who's going to manage the whole thing. When the legislature gets together this January 15, that's when the decisions are going to be made. They are going to be weighing all of the bills, and they're going to be making a decision on it. The main players in this whole thing are the Governor and the administration as one, the House Committee on the Permanent Fund is another, and the Senate Committee on the Permanent Fund is another. In terms of the--in other words, the Governor and the administration submitted two bills last legislature that are already in existence about the permanent fund, the House Committee will be submitting one, the Senate Committee will be submitting one, and, as you all know, those will not be the four final bills. I'm sure there will be many other bills submitted and discussed. But the decision will be made this legislative session.

Kind of where we are tonight--and what we're going to spend time on tonight--is right here: helping to find solutions to these questions and beginning to evaluate these solutions. The only two bills that we've got to discuss tonight are the two that were submitted by the Governor and the administration. For purposes of discussion tonight, they're called House Bill 298 and 300. They are fairly similar; there's not a lot of big differences, and we're going to tell you a little bit about those bills as well as we're going to tell you what we heard people saying at the public forum last year statewide and what we heard people saying in Dillingham about the permanent fund.

Are there any questions on this right now? Feel free to ask questions throughout this whole thing. The information can be confusing, and any time anyone's got a question, just raise your hand and we'll answer it. No questions right now, huh? Okay.

There's five really important things to remember, and they're just keys. I think if you'll look on Page 6 of your tabloid in the bottom lefthand corner in bold print are these five keys, and so you can refer to them during your discussion, or you can refer to the graphic on the wall.

The first thing is that at least 25% of certain oil and gas monies goes into the permanent fund. That can change and can be anywhere

between 25% and 100%.

The second thing to remember is that only certain monies--certain mineral monies--go into it. Not all of the monies are eligible for going into the permanent fund. I think royalties is in there-- I don't have mine in front of me--bonuses and royalties are--

(inserted correction from male "leases, bonuses--")

leases, bonuses and royalties are the key ones that might speak to people--

(inserted comment from male "no severance taxes")

no severance taxes.

The third item that's important to remember is that the principal can be invested but you can't spend it. You can't give it away; it has to be invested, and it has to make money.

And then the last thing is that the interest that the State makes off of the principal goes into the general fund and that can be spent. And over here are some examples of what I just said. For instance, if the State put \$250 million into a savings account, that's called the principal, and that's the part that can be invested. If it makes 7% interest in one year, it would make \$17.5 million; over five years it would make \$87.5 million. This cannot be spent; that has to be invested, and it has to make money. The interest that comes off of the investment we can spend.

And here's another example. For instance, if the permanent fund made a loan to a community for a dock, and it was a \$100,000 loan and it was at 6% interest, the earnings for one year would be \$6,000. The \$100,000 could not be spent; the \$6,000 could be spent.

Those are two different examples that say what you can spend and what you can't spend. Any questions?

Question: \$250 million is for one year? That's what you're expecting--or
(female) what is expected in that permanent fund?

Nancy Blunck: The amount that we expect in the next seven years is about \$1.3
billion.

Question: Okay. If we can't spend that principal, what happens to that-like
(female) billion dollars. I hear that Texas has a problem with having too--
such a big surplus--supposed to be a billion dollar surplus--you know,
how come, and why is that a problem, and what are we going to do with
our billion dollars?

Nancy Blunck: In answer to the question, "What are you going to do with the billion dollars?"--is the billion dollars would be invested. One of the things we're going to do tonight is discuss the ways in which it could be invested.

Comment:
(female) I know but--with that principal--what I'm sort of thinking of-- I just came back from a meeting where we were talking about facilities--like Dillingham wants a building to put in a theater and put in classroom space for a university and a whole pile of stuff. We're looking toward a bond issue, but there's a question why we can't get money from permanent fund for something like that, which would be permanent, it's for people, it will always be there for people, and couldn't--you know--in something like that--what's going to be done with a billion dollars sitting only making money, and it's going to be more than a billion. I don't know what the--

Nancy Blunck: The example you gave of a community facility is possible under the permanent fund on a loan basis to a community. In other words, Dillingham, or any community, could apply for a loan at an interest rate. The money would have to be repaid back with interest, but loans for community facilities and community development is one of the possible investments. Does that answer the question, Dorothy?

Dorothy: Sort of. I still don't--that could be--oh, I don't know how many billion dollars plus the interest which will be used, but it---

Nancy Blunck: It keeps sitting there making money. The interest that we make off of it can be spent directly.

Gov. Hammond: Could I comment on that, Dorothy? It should be pointed out that this--the billion and a half you talked about respectively is only one quarter. You're gonna have \$4.5 billion over here that could be used for the sorts of capital improvements you're talking about that will have no permanent fund lock on them. But you mentioned about if we're going to have oil flowing for twenty years, aren't we going to have such a tremendous revenue locked up that should otherwise and could otherwise be working? Let me tell you a little frightening statistic that we have plotted out that shows that the annual average increase in government growth since statehood was 22% per year, and if that continued until 1985, it means that come 1985 we'll have approximately one billion less coming in from our revenues from oil and all sources than the size of state government, if we don't do something to curb that. So the presumption that we're going to be up to our hips in oil wealth is really not only premature but perhaps not as assured as some would think. I find this everywhere I go. I go back to Washington. Everybody thinks the State of Alaska is filthy rich. You don't need any help--you've got all the monies in the world. Again, another little frightening statistic you should be aware of is that we are currently obliged, and have been for the past

two years, to borrow \$200 million a year on future revenues, so unless we do something, that's the sort of thing that leads to these \$30 million worth of vetoes and some of these things that I don't like having to be the bad guy and talk about, but that are so necessary for the public to understand or we are not going to have that tremendous windfall. We've got to, I think, appropriately put something aside for a permanent fund and also at the same time curb this constant expansion of government. But to do it, somebody's gotta say no for me. But you do have three-quarters of those monies that will not be locked up that could be used for the sorts of things Dorothy's talking about.

Question: Well, for instance, the \$87.5 million that's the interest there, (female) what is the guidelines for spending that? How is that going to be spent?

Nancy Brunck: As the law is written now, it goes into the general fund, and the general fund is--that's where the State gets its money to operate. In other words, the guidelines on it are the same as the legislative money that gets spent every year.

Question: This is only for the support of government, then? It does not go (female) into the state communities or cities or things like that?

Gov. Hammond: Well, we're very-----that is, of course--revenue sharing going to communities is a government expense, now totalling what--(Sue, can you tell me?)--nine, twelve, fifteen million a year

Sue Green: Closer to fifteen, but I don't recall.

Gov. Hammond: Same thing for education purposes. We're at \$452 million, I think, education purposes. That's government, but it's monies that are sent out to the municipalities and school districts.

Nancy Brunck: Did that answer the question? Okay.

Gov. Hammond: Government isn't all bad.

Nancy Brunck: Yes (acknowledging a question).

Question: Are there any provisions to protect our principal against annual (male) inflation? (rest is indistinguishable)

Gov. Hammond: Well, that, of course, is a very serious consideration and it's one that's hopefully addressed in the manner in which you invest it--to hopefully accrue revenues that reflect an inflationary increase because you're right--if you keep just that amount in ten years from now dollars it will be worth --what?-- 50% of what it is now in buying power at the rate of current inflation. So that's a very real concern. That's one of the issues that the permanent fund investment council--and one of the reasons why they're asking the public how and what you want done with those monies.

Nancy Brunck: Yes (acknowledging a question).

Question: Is there now a provision, Governor, to maintain a certain amount
(male) off of the interest to assure that the principal maintains its current value?

Gov. Hammond: I think that idea has been proposed, and it may well be structured into the final legislation. This is one of the arguments--that very inflationary thing--we know that the price of oil theoretically will increase with inflation. Then the question becomes: are we better off then leaving those revenues, that capital wealth, in the ground where it's reflecting an inflationary increase, or are we better off translating it into dollars now which are going to erode under inflation. That's one of the reasons why, frankly, I am not of the opinion that we should garbage out all of our leases right now and get it all translated into dollars because of that. But then somebody comes along--like a Milton Friedman--who tells you that his prediction is that the OPEC nations are going to come unspooled and the price of oil may cut in half. So, you know, these are the inponderables that we're dealing with that are really interesting, to say the least.

Nancy Brunck: Are there other questions? Here's the result of the Dillingham discussions on the permanent fund from last year. It's really interesting at the first annual Alaska Public Forum meeting there were about twenty or twenty-five people here, and those people were in two different groups. The first group in terms of their priority for investing the permanent fund was to save it, and the second priority--it kind of went hand in hand--loans to communities for the kind of thing Dorothy was talking about and loans for renewable resource industries. They went together. Those of you who are here tonight who were there last year might remember this.

The second group, they had the same priorities but they just reversed them. The first one was loans for renewable resource industries, the second one was saving, and the third one was a very interesting comment to me--that they wanted--no matter what it was--they wanted strict guidelines so the politicians didn't get carried away with this.

I'm going to flip this chart, but during the discussion, if you want to refer back to it, just let me know and we'll tape it on the wall. These are very similar to what people said statewide. In fact, what people said statewide was--what we heard people saying--was the exact thing we heard people saying here in Dillingham last year.

These are the statewide results from the public forum. The first one, the most important thing statewide including the urban areas, was loans for developing the renewable resource industries.

Second of importance was saving it.

Third in importance was loans for community development, and the least important were loans for other kinds of industrial development.

What I'm going to do is I'm going to go through each of these four categories, and I'm going to tell you more specifically what it was we heard people saying about each of these categories last year. Because I didn't want to write so small it's on different pages, but if you want to refer back to any of them, just let me know.

In terms of renewable resources, which was the most important, we heard people saying the four traditional kinds of industries: fisheries, timber, agriculture and subsistence-related activities. Fisheries were really important here in the Bristol Bay area and Southeastern, in Kodiak, in the north, and in the Yukon/Kuskokwim area.

Timber was important in Southeast.

Agriculture was important in the Mat Valley and the Copper River Valley and a little bit in the interior.

Subsistence-related activities, like reindeer herding--we heard that being spoken of in the north in the Kotzebue area. In Anchorage and some of the urban areas, people also mentioned tourism as a renewable resource and developing alternative energy sources as renewable resources, but they were not heard as often as these other top four right here.

The second thing that people were very concerned with was saving the money, and the two things we heard were they wanted it made in safe investments and they wanted some kind of steady return on the money.

Actually on the questionnaire last year, the five categories were renewable resources, save it, loans to individuals, loans to communities, and other industrial development. As people discussed this in small groups, they combined two of those things. They combined loans for individuals, and they combined that with loans for communities. And so what we did this year in telling you what people said last year was we put that all under one category and we called it community development, and it includes loans for community facilities like fire halls or community halls, loans for utilities in small communities--electricity, sewer, and water are some examples that people gave--personal loans for housing, and personal loans for

small businesses. And the one thing that was very clear was the desire for loans for communities held true throughout Alaska regardless of the size of the community. People in Anchorage and the larger cities spoke of it, and people in places where there were about 100 in villages also spoke of it.

The last category that was the least favored by people was other industrial development, and that meaning any other form of economic development besides renewable resources. And that did rank low.

This is--I want to describe to you the two bills that were introduced in the legislature last year, and I want to tell you what it is they're proposing the investments be. And I want to also say the public forum tonight is not trying to tell you these are the best bills. That's not what we're saying at all. It's the only bills that are available for you to look at right now, and we want you to know what's beginning to happen with the bills so that whenever you hear "permanent fund" you perk up your ears and you say, "Is it going the way we want it to be going?" And if it is, let your legislator know and your governor know. And if it's not, let your legislator know and let the Governor know. Because the decisions will be made this January, and though these aren't the final bills, these are the first two that have come out, and future ones may be close to it or may be very different.

The one thing about House Bills 298 and 300--the most important thing that that bill expresses is saving it, and that part is matching what we heard people saying last year. The way the bill's written is it says at least 40% of the money will be invested to save it, which means somewhere between 40% and 100% of the permanent fund could be invested in this category. And the kinds of things it means are investment grade securities, and those, I think, would mean a steady return and a safe investment.

The other two categories that these bills have--they're both listed as No. 2 here. That's because they're both treated the same way. Somewhere between 0 and 30% of the money could go into economic development, and somewhere between 0 and 30% of the money could go into community development.

Community development, as defined in those bills, is pretty much the way we heard people at the public forum talking about. It includes loans for community development, it includes loans for owner-occupied homes, and it would include money for public corporations like ASHA or AHFC, which are housing--concerned with housing. The main difference lies right here in the 0 to 30% that goes into economic development. It's defined as going to "profitmaking private enterprise." Small business loans are included in this category. And the main difference is it could include money for renewable

resources, but there's no stated emphasis written into the bills. In other words, if money goes to renewable resources, it would come from this category, but there's no clear emphasis written into the bills to the extent that we heard people asking for it last year.

The other thing to keep in mind about this is, for instance, if 70% of the money went in to save it, that means 30% is left and it could all go into economic development and none here; it could all go into community development, and none here; it could all go into saving it with investments grade securities and nothing in either one of these categories. The point is, of course, the people--the group of people--who are managing the whole thing have a great deal of choice and flexibility in deciding within this formula of where the investments go. And I wanted to point that out to you as one of the things about that bill. This is a lot of flexibility, and some really important decisions will be made by the people who are managing it.

Question: Who are these people managing it?
(male)

Nancy Brunck: It isn't decided yet who's managing it. That's one of the issues that will be decided. These bills address it in a certain way, and perhaps you could best answer that question.

Gov. Hammond: Yes. That has not been decided. It's been suggested all the way from a "hiring-the-best-management-consultants-imaginable to giving you a piece of the action and let you manage your share as you saw fit--perhaps through a proxy vote or something--all between those two extremes is how it could conceivably be managed. One thing that should be made clear, and I'm not sure it has been, is the distinction between the capital itself--the monies that go into the fund--and the interest. When you're talking about the monies being used for community development, loans, etc., you're talking about the capital, I believe, and not the interest, the earnings. And that's one of the things that the public forum did not clearly resolve last year, unfortunately. They talked about should a portion of the oil wealth go into this, that or the other thing. They didn't distinguish between the oil wealth itself, the capital and the earnings. There are some who conclude that maybe the earnings should be treated entirely different--perhaps some sort of call it a dividend, tax reduction, or what have you be passed on to the citizens with that earning. Or, of course, in my view, it should appropriately go into supplanting the capital wealth we are now using for ongoing day-to-day expenses till that's satisfied. But I think that's the major

distinction that has to be made when you think about how do you think these monies ought to be used--whether they're earnings or whether it's the income capital wealth.

Nancy Brunck: Did that answer your question? Yes?

Question:
(male) There are two bills mentioned. What is the difference between the two--they're both house bills.

Nancy Brunck: The differences are really pretty small, ugh--let's see if I can think of some.

Gov. Hammond: The names of the authors are essentially. This commonly occurs. The administration will put in a bill, and the legislature will also put in a bill.

Nancy Brunck: For instance, one of the differences is--I think the first bill describes an investment committee of seven people appointed by the governor. The second bill says that group is appointed by the governor and approved by the legislature. So that's one of the differences.

(male) There really isn't much difference?

Nancy Brunck: This is the same--how much goes into save it, and how much goes here, and how much goes here--those are the same. The other thing that these two bills says is that 50%--it raises oil from 25--a minimum of 25--to 50% of certain oil and gas monies will go into the permanent fund. But both of those bills make the same change.

Question:
(female) Can you say what will happen to the interest from--?

Nancy Brunck: They both go into the general fund.

Question:
(male) I have a question. Are we going to be asked to make a decision based on the distinctions that you have there--the one, two, three.

Nancy Brunck: Actually, what we're going to do is let you decide what distinctions you want to make on each category yourselves and, through a process, come up with what percentages each group might recommend going into each category

Question:
(male) Well, okay, because I have a problem with the distinctions here because there seems to be another distinction which is important in all this issue, and that is the--it seems to be an item--it would

occur to me when we were talking about the example of the \$100,000 loan and 6% interest that the example you were using was one in which, if I'm not mistaken, that very example is one in which a municipality such as Dillingham, where the municipality owns that dock,....the experience to be able to raise that money through tax-free municipal bonds which is a powerful incentive, of course, for - in the money market - for investors to invest in that direction because of the tax-free aspect of it which would not be an incentive for the permanent fund because the permanent fund doesn't pay taxes anyway. At least I don't think so.

And so it seems to me that it might be - a very important thing to make a distinction and maybe we should consider whether or not we should maybe not spend the permanent fund money in ways - or invest permanent fund money in ways in which it would compete with the tax-free bond market in which we would be able to raise the money from that direction.

The reason that's important is that in our example there we are talking about 6% interest and interest of that nature and even lower which can't be found in the tax-free bond market because of the fact that it's tax free. There's no point in us investing money at 6% or lower interest in competition with tax-free investors when we're not getting the benefit of the tax-free aspect of it and they would. It would be better, it seems to me, that municipalities would go ahead and borrow their money from the market where they're anxious to loan it because of the tax incentive and for the state, then, to go ahead and invest our money at higher interest in areas in which they aren't competing with the money-market that would have that tax incentive. Is that clear?

Gov. Hammond:

Well, no. That would certainly be correct in those instances where the municipality had the capability of floating those types of bond issues. I couldn't agree more, but I think you touched on a very important and significant point, and it's one that, you know--for example--if you're going to provide somebody a lower interest loan than what they can get at the market rate, and use your monies to do that, it gives me a loan that gives me a couple of cuts in the percentage of interest rate, you are in essence giving me a dividend, and that's one of the major questions that I think should be resolved--whether or not, let's say, that we took the earnings of the permanent fund and said, as many request, "Okay, let's cut taxes." Let's say we eliminated the income tax.

There's a tremendous distinction between, for example, what--well, let's say what my good friend Bob Hatcher would receive in the way of a "dividend" compared to somebody who may have \$5,000 a year income. He would receive virtually nothing, and the individual who had made the tremendous amount of income would get a windfall dividend. Some of us are concerned that at least a portion of those earnings be distributed equally so that everybody gets a piece of the action--not just those fortunate enough to make big income, not just those fortunate enough to receive a low interest loan, or something of that nature. And that's one of the things I'd like the public forum concern themselves with. For example, you could give people a tax cut, but maybe it should be a tax credit that everybody got exactly the same instead of somebody saving thousands of dollars and somebody saving tens and doing it on your money. But the same thing with the municipal governments. If you give a municipality a really good deal--say, gave them money for two or three percentage points--then that means that everybody else in the state is in essence subsidizing that. That's one of the things that came through clearly in the public forum. People would say: "Hmhm. We want to see industrial development and we want to see renewable resources enhanced." But then I'd say, "Do you want them enhanced if it means that you've got to subsidize it from monies that belong at least in part to you?" Well, that was a different story, and I think that when you talk about industrial development--for example, I've been charged and accused of being opposed to growth and development. Let me tell you--I favor true economic growth, but I disfavor subsidized uneconomic growth, and that, unfortunately, is what you can do if you're not very careful in the manner in which you use these monies. You can massively subsidize some enterprise and make anything in Alaska fly--you could grow melons on Mt. McKinley if you're willing to subsidize it enough--build a road up there, warp a gas flight line around there to heat up the greenhouses, pay 'em teamsters' wages and give them a guaranteed market. Man, somebody'd love you, and this guy is doing wonderful things for the economy, but it would be on your money, subsidized, and this is one of the major concerns we have to be careful of when we talk about using either the capital or the interest. How can we give everybody some sort of piece of the action?

Nancy Brunck:

Are there other questions? We're ready to start working in the small groups. I'd like to just encourage those of you who were sitting in the back on the bleachers if you'd join us and put down your ideas on paper, too. It's really important that everyone have a chance to say what's important to them, where they'd like to see the money going, and why. And there's a whole empty table up here with Freeman and myself, and if you want to join us, we'd be glad to have you.

The staff from the Public Forum are going to be handing out large sheets of paper now and markers, and I'd like each table to just take a couple of minutes and choose or vote somebody to be the recorder. And the job of that person is--find someone who writes really clearly--and ask them to keep a record on the large sheet of paper of every single thing every person says at that table. The reason for that is that's the only record we've got of what you're saying in your small groups tonight.

Table No. 2:
(male)

-----our No. 2 table here. Two of us thought that we should save 50% of the money in the permanent fund. Some thought that was too much. There's 25 and there's--let's see--there's three of us who thought we should save 50% permanently, and some thought 25 was enough. Another one thought 50% of the money should go into renewable resources, meaning such things as fisheries rehabilitation and exploration for minerals and exploiting them if any is found and it becomes feasible to develop, and also power sources to be looked into, such as dams and windpower, and solar power was mentioned. And, incidentally, I believe somebody is experimenting with solar power here in Dillingham now. Personally, I think we don't have enough sunshine here to make it amount to anything, but, anyway, here's one person who has the opinion that we should spend, of the 50% investment policy, spend as much of it--I mean the 50% that would be put in the permanent fund--should be invested in Alaska as long as it is considered a safe investment. And by that they meant such things as helping Alaska banks and other solid enterprises. I don't think anyone meant that they should make a lot of loans that probably will never be repaid, though. But, anyway, here's another person who thought 40% should go into communities to develop cultural things, and I suppose, improve roads and docks and everything like that. And everyone agreed that a good percentage should be spent in renewable resources. And that, as I mentioned a minute ago, would be the fisheries and exploring possibly herring fisheries if people wanted, and everything like that, to make a good safe livelihood for those who are engaged in fishing. Now, I believe that's about the size of it, and I want to commend the person who wrote these things down. They're quite intelligible, I think. Thank you.

Nancy Brunck:

Thank you. The next group back here.

(female)

Well, we kind of hashed over this thing for quite a while trying to sort out which monies exactly we were talking about. The first thing immediately that came to our mind was renewable resources as the immediate answer, so we put that as No. 1 without a doubt, and we were talking about salmon hatcheries, and timber, and

reindeer herding and things like this, and then suddenly it was decided that these things aren't really a sure thing as far as guarding that money. They're not really for sure, and if you had a salmon hatchery, you know, you're going to feed all these little fish and turn them loose, and who knows what kind of return you're going to get on them. So we kind of decided, then, with that in mind, that maybe we shouldn't in fact make that the No. 1 priority as far as return, a really safe return on the money, so we gave that only 10%. We really did prefer to save 50% of it, and in fact one of us was very thrifty and wanted to save 75% of it. Primarily, the reason was because we wanted to be absolutely sure there was some left. We didn't want it gambled in high risk, or even low risk or any risk at all. We wanted to make sure there was money there that was at absolutely no risk.

Then we were quite concerned with community development next. That seemed to be--paving roads, the fire department, docks, water and sewer, public buildings, and maybe a theater like Dorothy mentioned--things to better our town and our lives here. If we're making this our home, you know--don't we want a paved road some day?

And then last of all we decided that economic and industrial development might be the next sure thing as far as the good the money can do, primarily maybe going with large industry, or something like that, who would be more likely to repay the money that we've got out--or the resources we have, whether it be timber, whether it be fish, something like that. But we really did want to save an awful lot of it.

Nancy Brunck:

What about the table over here in the corner? Are you ready to give your report?

(male)

There you can see our paper doesn't have quite so many hen scratches on it as the others, and we don't necessarily agree with some of the things that we've heard. We felt that renewable resources was the No. 1 category, and primarily, I think, because of the possibility of a double return on a renewable resource. There is the gamble that the fish you put in the stream might not come back, and there might be several places where this happens, but the places where they do come back are going to be a tremendous gain, not only in just the project itself but in the fishermen, and in the--all the rest of the development that goes with it. As far as the saving it category was concerned, we hashed it about quite a bit and thought that a very small percentage should be saved in the sense that most of the safe loans that we are aware of are outside the state, and if the

money is going to go outside the state to work for others, just for the percentage of interest that we can get for it, we can do better than that.

Community development--there was a very strong sense of distrust, because of the fiasco we've seen in housing and several other projects that have come and gone. There was a mention of the possibility of development of things like hospitals, hydroelectric power, this sort of thing, that would definitely benefit everyone, not necessarily concentrating on cultural things that might benefit a small group, but things that would benefit everyone.

Economic and industrial development we didn't get into. We ran out of time. We felt it would be necessary to invest some of the money in this category, but it would have to be done very, very carefully. Like the Governor mentioned, it would be awfully easy to benefit, through low interest loans, any one area where other areas would be left lacking. Consequently, people would feel as though their toes were stepped on, and there would be---this category leaves open an awful lot of political meddling, and if the State gets involved in loaning money to industrial development, we find industry courting politics and creating problems that are unnecessary.

Nancy Brunck:

Thank you. What about this table right here?

(female):

When we started to prioritize, we also started out with renewable resources as our first priority. And as we got to talking, we decided that we'd better save some money as a sure thing. We feel that renewable resources are really very important, and when we were talking about it, we were talking about fisheries and hatcheries, but also investigating utilization of fish that aren't used at this time, like bottom fish. We talked about timber, but we didn't feel it was very applicable to our area at all. You know, we were thinking more in terms of the entire state. We talked about the need to preserve habitat for game and for fur bearing animals as being very important, such as not destroying beaver dams. Then there was an awful lot of discussion about tourism as a renewable resource, and the table was really, really---we spent a lot of time talking about was tourism a renewable resource or not. Some people felt that it was, and a lot of people felt that it wasn't and that it wasn't worth it for the misuse of the game, and that it also didn't bring the capital into the community, that people were hit-and-run type tourists, that they come in on the Wien and go off on a small plane and go over to one of the lodges that doesn't belong to someone in the region and that they would be gone and that

the money would never actually come into the community.

We really didn't know exactly how we were going to save the money. We decided that 65% of it should be saved, but that there really, really should be a strong input from the people on how the interest would be used. We want to see the interest used for these things that we didn't leave the initial permanent fund--expend the permanent fund money on. We ended up leaving 20% for renewable resources and 15% for community development. We put nothing down for economic and industrial development from the State.

At first we had small business loans and boat and fishing gear loans under community development. Then we changed it over to economic or industrial development. I think there's still some feeling about which is it--you know, is it really economic or industrial development or is it really a thing that will benefit the community.

Nancy Brunck: Thank you. Is this group here ready to give their report?

(male): We picked renewable resources as our No. 1 priority, because this is the economic base for this area. The whole area is based on renewable resources. We thought that commercial fishing, hydroelectric power, the timber industry(developed at some future date or sometime), herring fisheries, and hunting and sport fishing would be the kind of the main points to look at here--not necessarily in that order. The commercial fishery should probably be No. 1 on this because it is a multi-million dollar industry in this area, so it would be the key to our future growth here.

For saving it, we think it should be put in safe investments, primarily Alaska banks, so that Alaska can benefit from the capital. Whether the banks turn around and re-invest the money in the Lower 48, at least they will be benefiting from their interest that they charge and the money would stay here in Alaska in that manner. We thought that 25% of it should be put there.

For community development, we need electricity for the villages, possibly hydroelectric power generated maybe on Grant Lake on the falls there, and transportation--better airports, possibly roads, ferry system, barge system in here, better port facilities. Community centers--places where people can meet so we don't have to meet in the high school gymnasium like this--and where we can have community college courses taught, possibly day care center, and a mental health clinic. and along with all this, a detox center, a place where the--for older people.

For economic and other development, we put that way down the list--industrial development, because there is mining here and there is a possibility of timber in the area but at this time it is not

economically feasible to export it or to get it out. So we thought that was only worth about 10%. Thank you.

Nancy Brunck: Thank you. Is the next table ready? --- Could one of you give the report? Is the next table ready to give a report?

(male): We were really confused when we started out. We weren't really sure what we were doing, and that is reflected in what we wrote down here. We started out talking about renewable resources, and we asked the question, "Why is renewable resources important?" We decided that the reason was because it provided a recurring benefit and something for the future, something for our children. Then we asked the question, "What should we spend the money on?" And one of our people raised the issue that--several of the people in our group raised the issue--that it should be the money should be spent not only on -- we started talking immediately in terms of the fishery as being the thing that we were interested in in terms of renewable resource, and the point was made that we should not only spend the money on development, exemplified by hatcheries, but also on harvesting, money there to be spent on such things as boat loans and other things dealing with harvesting of the fishery. Both are important was the point that was being made.

Then we moved on to saving the money, and we didn't really deal with that too much. We asked the question, "How important is that?" And we really never answered it.

We moved on to community development, and we talked about that. We gave a lot of examples of what we thought that meant--remodeling schools, housing, somebody said schools again, roads, sanitation, communications, recreation, public health, airports--those are all things that we meant by community development.

And then we moved on and we talked about economic or industrial development, and again we talked about what we thought that meant--alternate industries for areas in which there was a high dependency on only one industry, this area being an example of that. We thought that it was a healthy thing if money was to be invested in industrial development, it should be emphasized on alternate industries to diversify the economic base of an area. Examples of that for this area being possibly tourism, hatchery feed production industry, fish by-product uses--what do we do with some of the things that are wasted from the fish. Maybe an industry could be developed around that. Light, high technology manufacturing--things which were

manufactured but which were small and therefore didn't depend on or weren't affected by the high transportation costs to a great degree. Most of their value was concentrated in small packages. A lot of things in high technology are like that--electronics, a prime example.

Other things--transportation, such as boats, scows, air taxis and ferries were mentioned, and other small businesses. And then we started talking about, "Okay, what's our priority here in percentages?" And we couldn't really find a starting point, so we proposed--we started it by going, "Okay, well, let's just take 25% for each one and then argue about it." And we started arguing about it, and we finally decided that the thing we couldn't buy on that was that we really didn't think 25% belonged down here in industrial development. And we said, "Well, okay, what should it be then?" And we said--and we finally agreed, "Well, 10%." Okay, what do we do with the 15%, and it ended up up here--that this is what we really cared about,--renewable resources. And that's how we ended up with 40%, 25, 25, which we just kind of left alone and ended up with 10% here, and we've got our justification here. The 15% from industrial development went to renewable resources, because industrial development has the historic ability to raise money from private sources and therefore wouldn't need the money to come from this source as this one--renewable resources.

Nancy Brunck:

Thank you. What about the group back here?

(male):

This was redrafted--couldn't read the first one.

Renewable resources, 30%, and we're going to save 40. We assume this is going to be invested, this 40%, into safe investments. 20% community development; 10% for economic or other industrial development.

A lot of the reasons that were expressed under renewable resources we agree with. One area of concern that was not mentioned is that in fisheries, for example, we got a hatchery out here at Lake Nagavagaluk, as we all know, Snake Lake. There was a substantial amount of money plowed into a road, plowed into the facility, and and then you know they never did put the guts inside of it. For some reason, we think that's wrong--that if you're going to conceive this kind of program on the front end, then you ought to have monies budgeted--maybe this is not possible, but there should be some way whereby there is ongoing money available, so that the thing finally does get operational. I mean, to pull out the power plant, for instance, and to put in a smaller one, just to maintain the building doesn't make a lot of sense.

We have listed a number of things under renewable resources in the order of importance. One was fishery, the other was hydro-electric power, reindeer husbandry or herding, timber, geothermal energy. This may be remote at this time, although this area does have some potential for farming. Under water, the comment on water was, "When the pipeline is through pushing oil or gas to the South 48, we want to sell water." It's not that unreasonable. I mean they're starting to haul icebergs, they're talking about selling icebergs, let's sell water. We've got lots of it.

Community development--the big concern was with the kids. Emphasis was in recreation. In the wintertime, we think a swimming pool is a good idea. It's been an idea around here for a long time; it's never happened. Park, playground, got started this year; needs to be improved. Youth center, maybe skiing in the winter.

Under community development--sewer and water. It's been an ongoing thing since I've been here since 1965. Some of us pay taxes; we don't get the services. For some reason, I don't think that's right. That should be improved, including electrification for some of these people who are starting to move out further from town, and the cost for those who are not alongside of the road is really prohibitive. Housing is an ongoing program. It's being worked out; we just can't keep up.

Economic development--oil and gas, including the uplands, which is State land, native lands, as well as OCS.

Recreation, tourism, mining. That's it.

Nancy Brunck: Thank you, and I think a woman from that one table is going to give a report.

(female): Basically we came up with about what the rest of you have come up with. No. 1 priority was fisheries as a renewable resource. Bio-socio-economic studies, salmon, herring hatcheries, and we gave that 60%.

Under community development we came up with things like community center, a multipurpose building. Also, in addition to that, a community college classroom facility--a separate facility. Standard of living improvements, which would involve housing, sewer, water; larger facilities and staff in the employment place. Alcohol treatment was also listed under that. That was given 30%.

As industrial development we listed airports, airport facilities, roads, improvement in the roads, eventually a paved road, and that we assigned 10%.

Savings--we put 10%, and that was a low priority, also. So basically, we emphasized fisheries and renewable resources, as you did.

Nancy Brunck: Is there any table that we left out for giving a small group report? I think I got them all. Okay, Governor do you want to make any quick comments before we go on to the next issue tonight?

Gov. Hammond: Only that again I would point out that there are three sources of revenue that we are dealing with, and it gets a little easy to confuse them. One of them, of course, being the 25% of royalties and bonuses that have to go into the permanent fund; the 75% of those monies, along with the current income taxes, etc., which can be used for all sorts of programs, anything and, of course, the interest, which could be used, could go back to the permanent fund. But my concerns are--I noticed, for example, it was mentioned that save it translates in the minds of many to invest it, as it appropriately should, but we really are talking about an obligation to invest; whether we put it into renewable resources or economic and industrial development we are really talking about an investment. And the question really should be: do you want to use the monies for renewable resources or economic development or any of these other programs in a manner which in essence subsidizes them. For example, we can pour massive amounts of money into enhancing the fishery, and unless there's a return that the rest of those who don't engage in the fishery see by way of either a dividend or a tax accumulation to the State, which provides them with some benefits from that, they are going to less than entranced with the idea of taking a massive amount of that money and putting it into something that they don't see a piece of the action from.

Similarly, within economic development and industrial development. I think the important thing is again to distinguish between subsidized and non-subsidized development. Like we'd all like to see a great deal of money, whether you're a fisherman or not, go into renewable resource enhancement and expansion as long as it returns as the permanent fund is required to do some sort of an investment that everybody sees some benefits from. Now, you might think that "Well, all industrial development does that automatically." That used to be the presumption in the state of Alaska. We used to say, "Himm, come on up here, put a pulp plant in Southeastern Alaska, and we'll not charge you any taxes for the first ten years because we all know it does good things--provides jobs, provides revenues to the State." But what did we find out? We found out that more

people came up than the jobs made available, thus increasing rather than decreasing your unemployment in some places, that the amount of new revenues that the State got didn't offset the cost of providing the new services for those new bodies that came up here, so actually we went backwards instead of forwards. Now, unless we do certain things, either change our tax structure or reduce those per capita costs of government, we almost assure that what new industrial development we have in the state of Alaska is going to cost the rest of the citizens of the state more than they receive in the way of benefits.

Let me explain why that's the case. Right now it costs us--the State \$1750 a year--two years ago, rather--it costs \$1750 a year to provide for the services for everybody in Alaska. But we only took in \$1065. And worse, 60% of that \$1065--or I mean of that \$1750--came from bonuses and royalties, etc. I know I'm throwing too many figures at you in a hurry, but my point being simply that you don't automatically improve the businesslike condition of the state of Alaska for everybody by throwing money into any of these programs unless you're sure that you get some return from whatever you do with those monies that gives you a safe investment. Now, some people have asked, "How much are the people of Alaska are going to tolerate us to put in fisheries enhancement and rehabilitation?" We, incidentally, just passed a \$30 million bond issue to do that. That's great, from the fisherman's point of view. But let me tell you this. There isn't anybody in this room, including me, that pays enough in the way of state taxes to offset his current costs of services the State provides for us. So, with that thought in mind, you'd better be very careful about just automatically assuming that industrial or economic development, or even fishery expansion, unless it translates into benefits for the people now here, is necessarily going to be a good business deal. And that's why I have said repeatedly, time and again, that I'm not interested in bringing more people up here until we've done something with these monies to bring the people already here on up. Everybody--merchants, etc. that prosper as the numbers of people in Alaska grow--they don't like that kind of talk because they like to see, of course, increased population. And that's fine with me as long as it doesn't require a subsidization from these monies. But my point being, do you want to deal with economic development, industrial development, renewable resource enhancement, unless it returns something in the way of a dividend to all the citizens of the state. And sometimes you'll

find that these enterprises, and sometimes you'll find they won't. But I think we have to be very careful and bear in mind that we're going to run into great difficulty as fishermen if we ask for more and more monies to go into enhancing fisheries and the rest of the people who don't engage in fisheries find out that it's costing them because it's diminishing the amounts of money that they can use for their various interests and programs. So I think that ought to be the bottom line--that it pay some sort of return, a dividend, to the citizens of the state.

(female): Out of all the allowable revenues, what percent is actually--does Alaska receive--under leases and royalties? What percent are we talking about?

Gov. Hammond: Right now about \$500 million of the total \$840 million that is going into government--about \$500 million is coming from severance taxes, royalties and bonuses.

(female): So that's about 60-65%?

Gov. Hammond: Yes.

(female): And do you see it increasing or decreasing?

Gov. Hammond: Well, it will increase, of course, as oil starts flowing. Now, mind you, when I say--\$200 million of that is a borrowing on future revenues. Severance taxes--not royalties and bonuses--but severance tax. So what I'm saying is \$500 million is coming from oil, but only about \$150 million from the royalties and bonuses and lease monies earnings that you're talking about that would go into the permanent fund.

Nancy Brunck: I'd like to point out that on the questionnaire on the last page the question the Governor just brought up is there, so be sure you fill it out. And the question is, "If you were voting for renewable resource industries, would you still vote for that even if the money earned was less than the money that could be earned from other investments?" And that is somewhat addressing the question that the Governor brought out, and I just want to remind you again that I don't mind at all if you fill this out while I'm talking. That's just fine with me. It's on the last page, and the permanent fund questions are right at the bottom, and subsistence is above it. And there's two other issues that we aren't talking about tonight, but that we would really appreciate if you filled out and turned in before you left. I'd like to go on to the last issue tonight, that is subsistence. We really don't have a presentation on it per se. I can tell you why we're here discussing it tonight, and we have someone who is ready to describe what the Fish and Game management structure is.

But the most important part of tonight is for everyone to answer two questions. One is, "What are the problems that you see with the Fish and Game management structure?" And the second part is, "What are the solutions you suggest to those problems?"

The one thing I do want to tell you is why we're talking about it tonight. We're here talking about it because the Governor asked us to. He has made a commitment on the part of the State of Alaska to giving subsistence priority whenever the fish or the game resources are threatened. In other words, in fact subsistence has been given a priority in the past. It's just that people say it's not been reflected. It's been a State policy to give it priority, but in reality that just isn't happening. And I believe the Governor is recognizing that, and he is asking you to identify what are some of the specific problem areas that you with experience with the management structure of Fish and Game. Another reason, by the way, that we are discussing subsistence is because those people who were at the public forum last year brought it up over and over again. We tried discussing land, and people talked about subsistence. We discussed oil and gas, and they talked about subsistence. It was a very vital concern in the north-and in the southwest were the two regions in particular where it came up last year. And, in fact, I guess people were suggesting that subsistence itself should be a public forum issue. And so that's the second reason why we're discussing it here tonight.

I want to mention that there is a special legislative interim committee on subsistence. That's chaired by Nels Andersen. He is not able to be with us here tonight because he's in Glennallen with a meeting on subsistence tonight, and he'll be in Fairbanks tomorrow and Nenana the next day. There's a member of his staff that's here, and perhaps during the report-out session--or is now the time you want to do that, Adelaide? She's going to give a report on what that committee has heard at the meetings that they've been going to statewide on subsistence. Is now the time that you'd like to do that?

Adelaide Herman: The Interim Committee on Subsistence was established by the legislature during the past session. The committee is made up of eight members. The Chairman is Representative Nels Andersen, Jr. of Dillingham, and if you want a list of the others I have it. And the staff includes Joe Guthrie in Juneau, who is the staff attorney, George Uttermo, the research assistant, and Dorothy Larson, the staff assistant, and I'm the secretary.

The goals of the committee are (1) to seek a consensus on subsistence by a collection of available data and information and hold hearings

throughout the state; (2) review state law regarding subsistence and attempt to determine extent of implementation of subsistence zoning under state statutes; (3) to attempt to quantify the amount of food taken from the land; (4) review subsistence activities within lands under federal jurisdiction; and (5) to attempt to define subsistence as it relates to Alaskans throughout the state.

The first meeting/hearing was held in Dillingham on August 9th, and the second was held in Kipnuk. Nels Andersen, Jr. and Dorothy Larson of Dillingham and Rep. Billie Akers of Chuloonawik attended the meeting. A total of 28 coastal villages, representing four Western Alaska Fish and Game advisory boards, met in Kipnuk September 3, 1977, to discuss herring, walrus, water fowl, subsistence, and D-2. The third hearings were held in Kotzebue and Nome. The people in Kotzebue were testifying at the bowhead whale hearings before our hearings, and we will use much of what was said during the bowhead whale hearings because it is what we are looking for in our testimony.

The next meetings are being held tonight in Glennallen, and from there the committee members will go to Fairbanks and Nenana. And then I have the list of the remainder of the meetings, and if you want that, I could give that to you later. And some of the concerns the people expressed were walrus head hunting. It came out in the Kipnuk meeting that the people object to being blamed for headless walrus that washed ashore. They say there is no way to prove that a village person would waste walrus just for the walrus ivory. In the October issue of the Alaska magazine there is an article titled "Ivory Hunting Alaska Style" where two men openly admit they fly around looking for walrus so they can get the ivory. These people were not village people and were collecting the ivory for commercial gain. The blame for this type of activity does not belong with the local people, who use the entire walrus for food as well as ivory.

The second concern was the herring fishery. This is a big issue in the Bristol Bay area. One question I have is, "Will subsistence needs be met before the commercial taking of herring?" Right now the Fish and Game have no regulations for the commercial taking of herring in most areas, and there seems to be little knowledge of how big that fishery is. The main take has been by subsistence users. Recently the commercial fishermen have realized the potential of commercial harvest of herring. During the Kipnuk meeting on September 3rd, the people voted unanimously to prohibit any commercial herring fishing along the western coast of Alaska until biological and socio-economic data is developed to make sound management decisions. And the Nushigak Advisory Board--their decisions were. When the people, Togiak north, wanted the herring fishery closed completely to commercial fishing, and (2) the Naknek/Dillingham areas wanted subsistence needs met first and open to commercial fishing with the exception of using gillnets only. And the Kodiak and Petersburg seiners want to continue fishing

but would like biological studies done so as not to kill the fisheries.

In the Kotzebue area one concern was that the people don't want to exchange subsistence resources for welfare or food stamps. One older lady mentioned she stopped using welfare because she saw it made her people lazy. There is strong feeling against welfare. You can imagine what would happen if all of a sudden a hunting and fishing village turned to welfare or food stamps. They would lose their sense of unity; there would be no purpose for a village. One native man in his testimony said, "Native people cannot eat money during long, cold winters. Stocks in the stores go quickly, and kids cannot eat money, either. Great dependence in Lower 48 to grow things like corn and beef. Here the land is frozen and we cannot raise things so people must depend upon subsistence foods." And this testimony was taken from the August 20th issue of Tundra Drums.

People are concerned that decisions on how they use subsistence resources are not only overseen by the State and Federal governments but are also of international concern. There was a decision made to ban bowhead whale hunting worldwide at the International Whaling Commission Conference in Australia. This was because of commercial taking of whale by countries to make perfume, etc. However, the decision affects the subsistence taking of whale by Alaska natives as well, and as far as I know, they had no voice at this conference. People are concerned that this type of thing may happen again.

Since the Committee started in July, they have found they are getting into a lot more than planned. They're involved in trying to change the Fish and Game regulations to more fit the needs of people and to recommend a new funding source for the Alaska Department of Fish and Game, which now depends heavily upon the sale of fishing and hunting licenses for funding. Also, there is some talk of creating a Subsistence Division by the Department of Fish and Game, to be staffed by a game biologist and a fish biologist and support staff. This is just in the stage of a feasibility study now.

* The Committee expects to use the testimony gathered to make recommendations to the legislature, possibly present some draft legislation to the legislature in January. We are gathering data on subsistence harvest throughout the state and will analyze maps showing areas of subsistence use during the various seasons of the year. Since I have the chance tonight, I would like to invite the people of Bristol Bay and other regions to write to us at:

The Subsistence Committee
P. O. Box 234
Dillingham
Phone 842-5970

Please voice your opinions and educate the outsiders on how you use your land and what your subsistence needs are. Everything these days seems to be in the national interest. Well, I feel we are a part of the nation and we should tell people what our interests are like, and it is important that we be able to hunt and fish and this needs to be known before someone else decides that it is more important to develop whatever the State and Federal government want to do with the land.

Nancy Brunck:

Thank you. Over here is the first question for the night. From your point of view, what are the problems of the present structure of Fish and Game?

The second part of that question is going to be: What do you suggest should be changed? How can local involvement be increased? And list all the actions you can think of to give more priority to subsistence.

Before you start on that, we thought it would be helpful if we described the way that Fish and Game is presently structured. Can you see over at this table? You might want to just walk around to the back just for this part of the presentation so you can see it.

(male):

I'm not quite sure how I got talked into presenting the organization of Fish and Game, but I did, somehow. I'd like to quickly just run through what the basic structure of the Department is, and, when I am finished, possibly the Governor would comment on some proposals that both the administration and the department itself have been considering in terms of options to what exists presently. Generally the Department is broken into two main functions: the management side is the side where the Commissioner sits, and the regulatory side is the side where the Board of Fish and the Board of Game are located. From what I've been able to gather from the organizational structure of Fish and Game, people in Alaska seem to rub shoulders with Fish and Game people at three different locations: (1) on the management side, where field representatives and research people are working in local communities and regions, where local communities exist. On the regulatory side there are 53 to 55 advisory committees statewide, and there are a number of individual members spread throughout the state who represent local communities and regions. And I know there are numbers here locally

both on the advisory committee that represents the area and on the Board of Fish and Game. And then, also, on the regulatory side, the enforcement side, the Department of Public Safety has a responsibility in the area of fish and game for protection of the resource. And that's one other area where the people seem to come in contact with Fish and Game, not necessarily the best area to come in contact but certainly one where contact is made.

Just quickly running down, then, the various responsibilities. Below the Commissioner are his divisions within the Department, the Division of Sport Fishery, Division of Commercial Fisheries, Division of Game, and the Division of Fisheries Rehabilitation.

Below the divisions are the regional supervisors, and below the supervisors are the field representatives in each of the regions.

On the regulatory side you have the Board of Fish, as I have mentioned, and the Board of Game, and directly responsible to these boards are the 53 advisory committees represented statewide. And then, of course, on the enforcement side you have the Commissioner of Public Safety and the Division of Fish and Game Protection. So that is, very generally, what the management structure is, so are there any questions?

Gov. Hammond:

Thank you, (indistinguishable). I had requested that subsistence be an issue brought before the public forum because it's one, as Nancy said, they bring up at every public forum meeting. And it poses some very difficult problems, first, because the State of Alaska constitution says that the game resources and fish resources of the state belong to the people of the state--equally. It doesn't say that any group, class, color, race creed, or what have you, is more equal than any other. Because of that, it's difficult to simply structure something that by law accommodates the subsistence user. That difficulty is compounded by the fact that nobody has ever been able to come up with a definition of the word "subsistence." It's kinda like, in my view, the word "pornography." Nobody can define it, and we all know it when we see it. The difficulty of determining whether or not one is a subsistence user, though--let me cite some examples. Is a subsistence user an individual who necessarily requires that particular animal or fish to feed himself, or--for example, we found in Barrow (I was in Barrow here a few weeks ago) it was equally important for the people of Barrow to hunt whale because of the cultural aspects as it was to sustain themselves insofar as the food substance was concerned. Very, very important--far more important to get the whale even, in the view of some, than it was necessarily to consume the whale. Similarly, is an individual who may be working for one of the native corporations and earning a substantial salary but still desiring to go out and

obtain a great deal of subsistence off the land, truly a subsistence user compared perhaps to a destitute non-resident who might come up here and need a food substance to simply sustain himself? These are the questions that pose very great problems in coming up with a definition of subsistence, and something that has not yet been resolved. The best definition I've been able to come up with for subsistence is that which sustains one, both body and soul. That bowhead whale hunter in Barrow's existence is diminished substantially, even though he may survive with welfare and food stamps and so forth, -if he can't go whale hunting, it removes a major portion of significance from his life. So what have we tried to do over the years to assure that subsistence is the priority use? We have structured into state policies that subsistence shall be, when there is a matter of deficient fish and game resources, that subsistence be the No. 1 priority. Also, I've tried some years ago to provide more meaningful input from the local levels, who are best able to determine what they think is appropriately a subsistence use than perhaps some fish and game board that meets once or twice a year in some far off spot. I was responsible for the establishment of the advisory committees. Quite frankly, that has not satisfied the local residents adequately. The advisory committees have performed a function, but too often they feel that their recommendations are ignored or overlooked. In an effort to upgrade that assurance that the local people have substantially more say in the promulgation of fish and game regulations, I drew up some years ago a so-called satellite, or regional fish and game board system, which would have divided the state into some twelve regions and provided each of them with their own fish and game board that would promulgate regulations that could only be overridden if they were deemed by a member of each of these twelve boards to be (1) either at odds with some conservation or (2) broad public interest. Frankly, I think, in the light of developing circumstances, the demand for improved subsistence utilization and prioritization, it obligates us to pull down off the shelf all sorts of proposals and take another look at them. I've done that with the satellite board proposal. We have discussed it with some of the various interest groups, villagers throughout the state of Alaska, and frankly, that's one of the main things that I would like to have the public forum consider: whether or not they believe that some sort of regionalization of a board system that perhaps would say, for example, that maybe you divide the state into five major regions and have within each of those regions five or six sub-regions from which some individual who lives in that region would have to come

to sit on a regional board, and they would then deal with the herring or determine the methods and means of bag limits, the seasons, and so forth; and only if those were deemed to be at odds with strong conservation or again broad public interest-- because the constitution, mind you, says that those resources belong to everybody, and we can't, through some regulatory device, say that nobody except the people in Bristol Bay can use them, but you can through seasons and bag limits and methods and means better accommodate the people who live here perhaps than someone who lives someplace else--now my question would be whether or not a regional board system of that nature or an expansion of the existing advisory system or maybe an entire new system that we haven't even thought of would more appropriately deal with that whole issue of now only subsistence but the utilization of all those resources. I can tell you that we are taking another look at the satellite system, and we're requesting input and will have some proposals that we will float out to the public; and I want to emphasize that these are only proposals, that we're exploring this as a means of better addressing this question. And, unfortunately, the word "explore" all too often translates in people's minds as "endorsement," and as soon as you put something out on paper you realize what this idiot is proposing to do to us, and all that sort of thing. So I would ask you to bear in mind that these are proposals that we're exploring and that we want to do it in company with the people. Let me tell you that already some of my sportsman friends and guides in Anchorage are very distressed with this proposal of mine which would permit the locals a substantially say. But I think it's the only way we can assure that subsistence is sustained and that the people are satisfied that they're having a more meaningful say in this whole issue of management of your fish and game resources. So I don't know what the questions on the public forum will address and whether or not they'll deal that specifically with regional or satellite boards, but I would like you to consider that approach to the problem.

Nancy Brunck:

Thank you, Governor. Certainly, when you get into discussing solutions to the problems, that's a very appropriate time to discuss the regional board concept that he just very briefly outlined. As you discuss, I want to let you know that there are several people here tonight that can help answer questions. There are some advisory committee members, whose names these are--there's three people: David Nanalook, Frank Woods and Andy Golia -- is that correct?-- those three names who I understand are members of the advisory committee.

(male):
Frank Woods -----(indistinguishable)---organization that was formed last November in Bethel, and we was talking about the resources we have and we decided to call ourselves the Subsistence Resource Council. We're statewide, we represent each region, we've got probably 28 members statewide, and we've been fighting this issue for the last two years. We finally decided that instead of calling us a committee or (?) liaison or RuralCap, that we wanted to form into something that people would recognize as a resource council. That's what we're talking about. We're not just talking about animals; we're talking about people. And I really wanted to say something, but that's all right. I could clear up a lot of things that maybe Adelaide was saying, and also Hammond, but I don't know if we have the time for it. I don't know.

Nancy Brunck: What we could do is let that be a part of the small group report after people have had a chance to discuss. Would you be willing to do that?

(male):
Frank Woods It don't really matter. A lot of things would have to be cleared up when we talk about subsistence, and you've got to get both sides of the coin before you start talking about the subject.

Nancy Brunck: My main concern---I don't mind letting you have some time right now--my main concern is that each of the small groups also have time. Would you be able to say what you wanted to say in a couple of minutes?

(male): Sure.

Nancy Brunck: Come on up.

(male):
Frank Woods What Hammond was talking about, I agree with it. And I think what he was talking about was cooperative management. If I'm wrong, he can correct me. A year and a half ago we talked about the state divided into so many what you call regions. Our problem is--the big question is how to define subsistence. Then you talk about a big state. We've got twelve regional corporations. Now we know that it's not functional to have twelve what you'd call either a state board or to have twelve individuals like you should have twelve---all your different areas will have one representation to sit on the state board. What we're talking about is what you call cooperative management between the local people, between the State, between the Federal government, to make the decision as to what happens within this area. The people that come from this area--

what we would like to decide is if they sit on our board when a decision is made on either D-2 or rules and regulations that affects that area, I surely, in the fact, wouldn't want to be sitting here in Dillingham and decide what happens up in Nana. Same with the Federal government--rules and regulations that are set with the State and Federal government--have made rules and regulations for the whole state and they have made it for a whole. They have never set down and made rules and regulations based to fit this area. Part of our state rules and regulations are like that.

I agree with Hammond. We've got knocked down for two years trying to talk about this thing. What you call the urban people has been opposing us. We're talking about rural people. If you talk about our Subsistence Resource Council, which will be the local people here--okay, let's say that we've got five--five that will sit on the board. This group that represents Nana might have eleven guys on that committee. That committee here will decide who they're gonna pick to represent that area on the state board. That's why I say in order to make something function, that control has to come from locals, which is the villages up. It shouldn't come from the State down to the villages. And I think that's what we are deciding here: what is subsistence? Who gets to use it? I can't go up there and tell Lyle Smith he's not a subsistence user. We've got to be able to sit down and decide what are we going to do with it. And the only thing is we came up after two years--at least we hope it will work--with what you call cooperative management. And it's a really touchy situation. You get knocked on from all different areas--the State, the Federal government, the Sierra Club, you name it. So it's a very tough situation. After two years we came down to what you call cooperative management. That's all I've got.

Nancy Brunck:

Thank you, Frank. Why don't you just go ahead and start in your discussions in your small groups, and when you do get to the point of discussing what are some of the solutions you'd suggest, we'd like to add that you discuss the regional board concept in your small groups and make any comments about that. And we've got an excellent resource here tonight if you've got any questions on it. Does anyone have any questions right now? There are also some Fish and Game people here if you've got specific questions for them. Have at it.

Okay, on Question No. 1, which is "From your point of view, what are the problems with the present structure of Fish and Game?" --and we thought that funding was a primary problem with Fish and Game. No. 1, we need an area game biologist for Bristol Bay. We don't have any game biologist in this area. We had one apparently promised,

you might say, for the area, and it disappeared somewhere. And we need funding to continue the char program. They went up there and impounded 5,000 dolly varden, Arctic char, whichever you want to call them, and by that think they possibly should have saved a million more salmon to go out to the sea. And we should realize a couple hundred thousand out of that returning. We need more money for counting towers because many fish spawn on the Nushagak, the Mulchatna and the Nuyakuk Rivers, and they are not counted. At this time the towers have been dropped and they're not counted. And I believe there's also a tower been cut out on the Branch River.

And we need more money for stock separation program. They're starting to examine the scales off salmon and hopefully they can tell where the individual salmon are spawning. And by that, the management people can go out here in the bay and take scale samples off the salmon, and if they have enough salmon, say in the Wood River Lake system and the salmon in the bay are those which are going to the Nushagak, they can shut down the bay and let those salmon through. Or if they are salmon that are coming up to the Wood River Lake system, why they can open up the fisheries some more, even though the Nushagak does not have its escapement, or the Kvichak, or the Naknek, or whichever system it is.

And on the herring fishery, we know virtually nothing about the herring in this area--where they come from, whether the same ones come to this area to spawn, what percentage of the stock, their parent stock, we can harvest and still maintain a fishery. We need the beluga program reinstated to keep the belugas out of our migrating smolt and returning salmon after they get inside the bay area here. And that's what we think about Fish and Game.

And on the second question, what do we suggest should be changed?--we think that the local advisory committee should be less advisory and more regulatory. They should have more say in what goes on in this area than they do now. They don't have any. They can just advise. And by having more regulatory power, that would give more priority to subsistence. We could realize greater control on the subsistence, and we also need, in addition to the local committees, we need board representation from each management unit on both fish and game boards. Thank you.

Nancy Brunck:

I just want to note the other thing it says up there in question No. 2--What do you suggest should be changed? The funding source changed--less dependence on the sale of licenses and fees and more money--the suggestion is from the permanent fund. I think the idea

is trying to find alternate sources of funding for Fish and Game. Is that correct? Okay, thank you for that report. Whose report is this one right here? Would someone from this group come up and give this report? Is this the table right here? What about this one?

(male):

I came late this evening, so I didn't really get into the swing of things, and we had a small group. What we're saying here basically is that the thrust of the Fish and Game management historically has been sportsman-oriented. It's been developed by people who want to control the fishery for the sake of the big game hunters and the sports fishermen, and this is a valuable industry in Alaska. And yet, for the people who live out in the boonies like we do, it seems like there should be more emphasis on the subsistence part of it, so what we're saying is that Fish and Game is sportsman-oriented and regulations are politically developed, and some examples would be when you go to take fish for subsistence, if you're hungry, however you can take that fish would be fair game. If it's a net, or a triple-barbed hook, or a string of them--whatever it takes to get that fish to supply food for you and your family should be fair game. And if a person is going out for sport, then you can start talking about fishing with a single-barbed hook or a hook with no barb on it, or maybe a plug with no eyes, or something, you know, to make it a little more difficult so that it is more fun and more sportsmanlike, and all this. But when it comes to subsistence, when a man needs to eat something, or he needs food for his family, he should be able to take it. So we're saying that would be kind of an answer to No. 1.

For saying an answer to No. 2, solutions--the priorities should be switched around. The priority should go for game and resource--if we could make it a little broader than just game--game and resource management utilization should be prioritized first for subsistence, or local need, it might be termed, second for commercial, and third for sports. And to define subsistence more narrowly--to define it as a personal, immediate family use. This gets away from the broad idea of somebody under the guise of subsistence taking a lot more than he and his family need and using it for other purposes. Then for the taking of that immediate and personal family use subsistence, relax the restrictions on that kind of hunting and fishing.

Nancy Brunck:

Thank you very much. Is this report from your table? This one right here, the second one. Go ahead and bring it on up and tape it up on the wall. I'm just reading some of the things on this,

and I'd like to find the group that did it. There's some really good ideas up there. Whose is this right here?

(male):

The first one that we addressed was the problem with the current structure, and the first one under that was that decisions are made by urban outsiders, not enough local input. For instance the marine mammal protection act, and the moratorium and the waiver of the walrus issues to the State of Alaska from the Federal government, or the U. S. Fish and Wildlife Service. The hearings for that issue were taken up at Barrow and at Bethel, and I feel, and I think that there was no representation from the Bristol Bay region. After the moratorium and the waiver issue took place, the State of Alaska immediately made a blanket decision closure for Unit 17 on down for the closure of walrus taking.

And then, secondly, the Fish and Game licensing structure is selling the renewable resources to outsiders. The license fee should not go to Fish and Game and Fish and Wildlife does not enforce sports, and then the hunting regulations are not in compliance with our rural ways of life. For instance, you can take--when I look at my father's old records when he was a licensing officer, I look at the regulation book back in 1965. Unit 17 used to be open for a whole month for moose hunting, and now it's only ten days. And those ten days are centered within the rutting season. And another one which is going to affect in the future our renewable resources and the fisheries resources, the beaver hunting season has been closed for the past two years. And I just went out just a couple weeks ago up to our region in the (indistinguishable). There are a lot of beaver dams and a lot of beavers, and still no word from the Board of Game on the opening. This is another portion of the subsistence life style and another economic benefit to the rural villages in Alaska.

Nancy Brunck:

Thank you, David. Which group does this one belong to? Would someone come up from there?

(male):

The first question we had, I think, was what do you suggest change should be made? Normally, just a figure of speech, it should be the structure. What David was talking about is exactly what's happening in our area. He talked about the beaver situation. Since 1974 it is closed. They said within two years we'll have it back open again. Last spring we approached Fish and Game and talked about this situation. We showed them where all the beaver dam is. They're all over the place. They're up the sloughs; they're up the creeks--you name it. They say that we have to make a comparison that has to relate to 1968. Okay, this week or next week they're

going to find out, say, that they're going to make a study on it whether the beaver will be open or closed. So about a half hour later they come back and say that the decision has already been made. For 1978 and part of 1979 it's gonna be closed in the lower Nushagak. I'm wondering, when I talk about changing the management, if we had a local input--and the study itself proved that the beaver season should be open--that's what I say about management. If we had some kind of input--we know that the game is out there, but they don't believe us. And that's what I talk about local controls--the State and the Federal government working together to get the problem done and start planning what's going on in the state.

We have Fish and Game local supervisors should work together closely with the policy board. We're talking about with local control State and Federal government. The local supervisors within your geographical area will work closely with the policy board. Naturally, they'll have to, because they're within their geographical area.

Access to information--we'll get a lot of information, like the advisory board we have now, there's a lot of information that's not really there. They're still seeking for information. The only people that have information is the State or Federal government.

And it says the policy board which will be combined of all the three different agencies should work closely with the local supervisors. That also ties in with what you call management.

We have a lot of problems. We have problems between--conflicts between fishing/hunting, and we find out certain species are being depleted. We wonder why. We live here. You look at the State record, you'll find out that we are the minority of the people. When rules and regulations are made, it is the urban people, or the people that are in Anchorage, Fairbanks, you name it. On the same token, by being the minority people, we are the majority land users of the State, but we have no input.

When we talked about zoning, we're talking about either subsistence zones, D-2 zones, it looked pretty funny if we had a park here that said we can subsist within that park or area. If there's some old lady taking a picture of a ptarmigan in the springtime when they come down from the mountains and you come by with your snowmachine, or even skis, or whatever you've got to get there, and you shoot it in front of her, you could see the conflict. When you talk about zoning, we're talking about the game that we

have. They migrate; they move. We know that. The State knows that. So what I'm trying to say is that when you manage the resource is that you follow the game. Like one area will be open for subsistence. Maybe the next year it won't be, or the fall time it won't be, because the game is gonna be gone. Then it's an ideal situation for visitors.

We talked about orientation. We have orientation on the pipeline. They have programs to orient you how the environment is, the people, the conditions, and you name it. But we don't have anything for sports fishers that's coming from Anchorage outside and orient them how our lifestyle is, or anything like that. We don't have a program like that. So they just come in whether we like it or not.

And the last issue, I think, was how should you put as a priority on subsistence. I mentioned before that we are the majority land users of this state, and I think and honestly feel that it is a very high priority, and the subsistence should dominate over commercial and also sport. Thank you.

Nancy Brunck:

Thank you, Frank. Would someone from this group come up and give their report?

(female):

I don't know how we did about answering the questions like they are, but this is what we talked about.

One problem with Fish and Game is that people don't know how they operate, why the regulations are like they are. Maybe it's because they come down from the Feds, I don't know. But there's not very good p.r. between people and Fish and Game.

We talked about native culture and life style--things like hunting in the spring and harvesting fish and drying fish. And we thought Fish and Game regulations should be clearly stated. They're hard to understand.

We need local representation, and the problem is the advisory board is only advisory, and that's not good enough. There's not enough control--that the structure of Fish and Game discourages immediate action. We talked about the conflict between commercial and subsistence fishing, the problem with Fish and Game funding source coming from--well, we weren't sure--probably permits, tags and fines. We wondered what the difference was between the revenues Fish and Game gets and their expenditures. We had a discussion about what people want. Do they want subsistence, or do

they want conveniences--whether you can have both--subsistence life style and development, or do you have to make compromises. We didn't come to any conclusions; we just talked about that.

But we do think--some people were thinking that people who don't live a subsistence life style should be the ones to buy the licenses, and the people who live subsistence shouldn't have to.

We talked about the beaver and things like that, as far as the difference between what Fish and Game and the local people feel is enough game, you know, as far as being able to go out and get some. And that there wasn't equal enforcement of the law--that for local involvement, maybe the people in the villages could be trained to do studies of animals in their area--like with the beaver, since they're already there and they know what's happening.

Kind of over all, we kinda thought Fish and Game was a mystery to us.

Nancy Brunck:

Thank you. Which table had this report? Would someone come up and give a report. I think that's the last table. Have you given yours back there?

(male):

The first thing I guess we started off with was our point of view on the present management structure, and we sort of got into a number of the other questions as we went down, too, but I think we sort of stuck to the structure initially. For the first part, I guess our main problem, as we saw it, was that the Fish and Game Department seems to hire a lot of outsiders who don't seem to understand the environment and the cultural aspects. That causes a lot of clashes right there. I don't need to reiterate that. I think we have said it many times over, and we see it in the papers, and it's all over.

The other thing is that the management seems to be run out of Anchorage and Juneau, and various agencies like that, and we need local control similar to the regional education attendance areas. Getting it down to where the people are at, decentralizing programs and having local authority making decision powers right at the local level, because we're the ones that have to live with that and have to abide by our own decisions. If we mess things up, I mean that's it forever, and I think we know the consequences of that and have ways of dealing with our own. We feel like we

should hire local people to work with Fish and Game and provide career ladders so that they can provide management and enforcement as necessary by the local boards--so that this management and enforcement again is down at the local level. We know that many of our people aren't educated--quote, unquote--with the degrees to qualify themselves for the jobs that we have right now, and, as a result, very few native people are applying for any of the Fish and Game positions--at least the higher-up positions where they really count. We felt that there should be something to allow local management to set management areas or boundaries depending upon the plentifulness of game and fish and changes in migratory patterns--have that again--that local decision-making power right down at the local level. If Region 17, one area is good and another area is bad, close down one area, open another area--these types of things. We didn't feel there was enough flexibility as it is right now. We're not too well aware of all these sort of things, but at least from our own perceptions.

We feel that the management structure should get out of the Department of Public Safety. We don't want cops and all those things all over out there. Everyone we see one--if somebody died, or somebody shot someone, or something's happened--and it's got a bad taint to it. We want Fish and Game separated. There's no place for the Department of Public Safety with the Department of Fish and Game. And that there, I guess a guy could go on a half hour worth of examples and problems that we've been having there, but we feel very, very strongly about that as a structural change.

The management now seems to cater to sports fishermen and head hunters. As an example, one of the consultants I was working with, I told him what I would like him to do is find me a very, very good likeness of a white man's head down below somewhere, and I wanted it put on a frame and I didn't care what it would cost, but I wanted to donate that type of thing to each of the different spots where head hunters come in--like King Salmon, Dillingham, Iliamna--and say, "This is the last head hunter who left all the meat behind and came out with a head. He lost his own." Something of that sort. But it's really a problem, regardless of the laws, and wanton waste things and stuff like that, it still happens.

Fish and Game officers--and we heard a number of things and we couldn't quite agree, so we put "allegedly" search fishing boats without warrants for fish and game and illegal equipment. And

this also goes into rumors about searching homes and stuff like that, and it causes a lot of problems. You hear about people going hundreds of miles away, getting game, and they're only a couple of miles away from home, a plane lands, takes away their snow-go, all their equipment and everything, and he's out for subsistence. But you have other head hunters out who only bring back maybe a hindquarter and a head and they say, "Gee, thanks, we got a couple thousand dollars out of you," which is really nothing.

More problems--we feel that more time should be spent on education about fish and game rather than enforcement. If we're going to get people involved in that area--and we feel more of our people should be--we need education in the schools at the primary and at the secondary level by law enforcement officers and others who are around here, because they know more about it than anybody.

By removing from Public Safety, the stigma of the Fish and Game will be minimized and will hopefully allow more local involvement. Again, that came up as we were going into, I believe, the second question about what do you suggest should be changed, how can local involvement be increased, and list all the actions you think would help prioritize subsistence. Again, establish local boards. It's the very, very key, we feel. Give more priority to subsistence. Raise the license fee for outsiders to a very high level. I understand they're getting something like five grand for a lion now. We could probably up our moose to about ten grand, and stuff like that, and maybe we'll have enough game around for subsistence and enough for our grandchildren. If you have problems with something, and you want to still allow them to come, even if you raise it to fifty grand, you'll still have those rich buggars comin' up here when they fly Lear jets up here--

---most local input. All along we kept hittin' up local input. We were intrigued with the idea of cooperative management; we feel that's very, very necessary. We understand laws are necessary, but regulations interpret laws, and regulations should be made by those people that are most affected, and not by somebody again away who thinks they know the law.

Permitting subsistence in areas that are at times close to sports fishing or hunting so that a way of life may be preserved. Again I think it pretty well explains itself, but again, allowing subsistence hunting to prevail over regular hunting and fishing, especially when game gets down to below maximum sustained yield areas. And using clearer language in Fish and Game regulations, so that all people can understand regulations, not just those who

speaking legalese. That's a problem I always brought out. Things are too sophisticated, and even if you did understand, we still may not necessarily follow the law. That's always a problem. Like they say you can't hunt in the spring. Well, the game's plentiful in the spring, so you go out and hunt. They're not necessarily plentiful at other times, so that's something I don't think you'll ever stop. And you hear about the people in Barrow are going to go out whale hunting regardless of what the law says. They've always done it; they always will do it. So rather than making something illegal you should adapt it to the situation at hand, knowing that they're going to do it anyway, and trying to make things less severe and more applicable to the area, and making it more difficult to the people outside, like seasons when people should be back to work, not during the summers and stuff like that, when kids are going back to school. A lot of those sorts of things can be, and are, I think, already being implemented to a lesser degree.

Weigh each violation individually so that human factors are considered. It's very difficult when you set up a law that's set up for the whole state or for the whole nation. It does not consider a lot of times the individual circumstances that often warrant one to break a law because they need that game just to survive. They need that food. And I think many of our game officers, at least in the past, at times, have been very good with kind of looking the other way; but lately we have more of a crop of people--these cops, I guess they are, playing Fish and Game guys that are out there that are playing right strictly by the letter, and that causes a lot of problems. And some unfortunate circumstances could arise because of that, because they're not being flexible enough.

Need native subsistence user on all levels of boards. We feel that if people were native subsistence users on the different levels of boards, whether they be Fish and Game, local boards, or wherever, that they can keep hammering home that point and let people not forget that there are subsistence users, and it's needed, and even though it isn't defined, they know because they are subsistence users, and they could tell these other people they don't know what they're talking about. And as we proceed to try to explain how one exists, or subsists, or whatever you want to call it, that is the paramount thing, I think, out in all of Alaska--rural Alaska.

And I guess that's all we had.

Nancy Brunck:

Thank you. Have you given your report over here at this table? I think that's the last report we have.

(male):

Okay. The No. 1 question, what was it--from our point of view what problems exist? To make it short and sweet, it looks like education is one problem and enforcement is the other. We run into problems where enforcement officers are in a village attempting to enforce the law and trying to explain to violators why they can't do this or why they can't do that. And either through ignorance, or the fact they just don't care, people don't seem to understand that they can't go up the river and net all the fish out of the holes and still have fish three or four years later.

The problem of p.r. was brought up, and the problem of the policeman picture of the game enforcement officer was brought up. And, as an air taxi pilot, I personally have seen a lot of Fish and Game people go out in the field, attempting to enforce the law, and running into a stone wall where the local villagers have made absolutely no attempt to assist them--made no attempt to understand or to care simply because the man was a policeman out to arrest one of their own for what they feel wasn't a law that applied to them. So I think the idea of education beginning in the schools and right out to the village of the fact that we are all citizens of the same country and that the laws apply to us all, not just to the few that pay the taxes and are educated or who care. The education process has got to be completed right from the ground up so that everybody understands. I've seen people that say, "Well, the fish have gone up the river every year for generations and generations, and we've gone out here and taken these fish this way ever since time began and they're still here today, and we just can't understand why there are fewer and fewer fish." And the law enforcement officer says, "Well, you can't go up there, and if you do, we're going to fine you, or we're going to punish you," or whatever is necessary. And then the conflict arises, so education is really important.

And then the other thing that's important, as we saw it, was enforcement. During our peak fishing seasons it's not at all uncommon to have several fishing boats outside the line, especially when weather conditions make it tough for the enforcement people to watch everybody, or after dark up the river. It would pay, I think--or we thought it would pay--if there were enough enforcement people to cover. If there was a man put up the river and left there--if there was people covering the line all the time--not just out there once in a while making a spot check, but there all the time. If we're going to draw line and say nobody can fish beyond

that line, we can't say, "well, nobody can fish beyond that line," when the man's looking, and nobody can fish beyond that line anytime. It has to be for everybody. That is the way we addressed question No. 1.

And No. 2--the same problem. How do you suggest change? Well, we suggest stronger enforcement of what we've got. If you don't like what we've got, then change it. But we have to live with what we've got right now, and we have to enforce it if we're going to try to make it work.

Consistent and tough penalties--we find a lot of inconsistencies in different places. If a man violates a particular law in Naknek and the same law in Dillingham, one man will get a slap on the hand and the other guy goes to the pokey. The thing has got to be put together so that if a guy goes over the line, he knows what he's going to get, and then he gets it if he gets caught.

On the second part, we believe that the advisory system as we have now is a good thing and is working but that it has got to be expanded. I believe that here in Dillingham all of the villages within this district were invited to participate in the local advisory. Some of them did; some of them didn't. It's possible that some didn't because they really didn't understand what they were being invited to. It's back to the education process again.

As far as the actions that could be taken to give more priority to subsistence, we are back to the problem of definition again. If you can't define "subsistence," how can you give priority to it? If you can say, "This man is a subsistence hunter because he's got to have this fish or this game in order to subsist or to live through the winter," then you can say, "Okay, this man can be identified either through the possibility of some kind of a simple state licensing system that says this man has got a subsistence license which allows him to go out and take his fish or this game any time of the year, any manner necessary, as long as it's strictly for his use and is necessary. If it isn't necessary--if the man is out here making \$35,000 a year fishing, then he isn't a subsistence hunter, whether he thinks so or not.

That's all we have.

Nancy Brunck: Okay, thank you.

(male): I'd like to respond

(male):

Talking about what these gentlemen have already been saying, as a 45-year resident of the Dillingham area, when our Governor was here some years ago, as compared to the game, say, the moose down the coast area, there's only about 10% of the moose down in that area now that there was when you were here. And it goes back to--well, having hunted down there for some 35 years, in 35 years we've had to leave one moose. Now there's a law that says that we should not leave--we cannot leave the meat there. In 35 years we've had to leave one moose there because a three-week fog and rain came in and it was soured when we got back there. And you go over to Naknek and you see hundreds of horns come through every fall, and you don't see any meat coming with it. And yet they want us to abide the rules, and it just doesn't make sense.

We're talking about subsistence again. Subsistence means different things to different people in different areas. Now I go up in villages and work. You go into a village, I dare say that there isn't a Fish and Game man that eats moose three times a day. And I've been in many of the homes where you moose and rice for breakfast, moose and rice for dinner, moose and rice for supper, and you have that day after day until that moose is gone. I like this. Subsistence should be No. 1 priority.

Nancy Brunck:

Thank you for all the time that you've spent tonight. There isn't another table left, is there? Oh, no--there is.

(male):

One of the problems with structure of Fish and Game, we talked about it before. Our table thought funding was a major problem and that what was needed, was a long term base.

Second, we supported the regional board that people talked about here, although some words were local boards.

Third, we need more followup from local input. If the regional board thing is implemented, the local input will automatically happen.

Priority--subsistence over commercial and recreational or sports fishing. And one thing that no one wants to talk about which I thought was important because it has been expressed to me on numerous occasions by many native people, and it has to do with snow machines, and we recognize that the snow machine is necessary in subsistence hunting. However, we don't know what effect it has on the game, and we kinda thought that maybe a statewide

impact study should be done on it to see what the impact is and make the information available.

Under 2, a lot of the things that we have here under 1 are interrelated with 2. What we suggest should be changed: the advisory boards need more power, perhaps regional or local board system is the way to do it.

Nancy Brunck:

Thank you very much. It's really late, and I just want to tell you thanks for staying this late and sharing your ideas with us. I hope that they have been helpful for you to listen to tonight, Governor, and part of what our job is now that you've spent the time writing all your ideas on the paper is, it is our job now to go translate it and put it into the report that goes directly to the Governor. And I'll just turn the meeting over to the Governor to say a few words in closing.

Gov. Hammond:

All I'm going to do is close it, believe me. I realize the hour is late. I want to express my appreciation for your patience and attendance and input. I think there's been a lot of significant comment made. I recall Frank's mentioning the cooperative--necessity for cooperative regulatory fish and game management. I had this called directly to my attention in Barrow here just recently where it is very evident, as somebody else has said, that they're going to continue to hunt whales in Barrow regardless what any International Whaling Convention comes up with in all probability. Now what do you do, Federal government? Send in the troops to preclude this from happening. I can just see that. But I think by sitting down--we sat down with something like a hundred Barrow whaling captains--not Barrow, but northern village whaling captains--and they recognized the need to improve the method by which they took whales. Some of the villages lost a number of whales because of certain methods that most of the whaling captains agreed were inappropriate. But by eliminating those types of methods without taking additional whales than they actually use now, they can continue that whaling culture from here on in. And I think through that cooperation between the Federal, State and local people, we can work out a system that meets everybody's concern, but without it we will fall flat on our faces--no question about it.

One of the concerns I have is in regard to if you go into a regional board system. In my view, my proposal of some years ago, the so-called satellite board, had a system whereby the State was divided into regions, and then they would be entitled--each region--to so many advisory committees. And then instead of the Governor

selecting somebody who's going to tell you what the fish and game regulations are going to be, permitting the most democratic process imaginable to occur, in which the advisory boards would select somebody to serve in their regional board, and they in turn would select, by election at the local level, or what have you, somebody to represent them on the master board level. Frankly, I much prefer that. I think you people should select who is your best representative in the realm of fish and game management. I'd like you to consider that as an alternative to the present system, which simply has somebody selected for you to represent your interest. Sure, we ask you who you may prefer, but I think it far preferable that you in essence determine who you want to have represent you. Then you've only got yourselves to blame if you don't attend the meetings, if you don't select the people you want, rather than blaming me. And I much prefer that.

But I came here primarily to listen. I've probably talked too much already, and I should mention to you something that I've told other public forums. And that is that I recognize now that one can get in a lot of trouble by talking when he should be listening. I had this brought home dramatically to me when I put the call in to then Governor Carter before he was inaugurated. I had my secretary place that call, and she announced on the intercom that the Governor was on the telephone. So I picked it up and I said, "Governor, or is it Mr. President Elect, or just what does protocol dictate I call you?" The answer came back, "You can call me the operator. I'll go get the Governor for you."

So, as I say, I'd better sit down and shut up, and I want again to express my thanks for your input and look forward to seeing you again.

SCOMM

#7:6

PUBLIC HEARING TESTIMONY

BY THE ALASKA STATE LEGISLATURE
INTERIM COMMITTEE ON SUBSISTENCE

COMMITTEE MEMBERS PRESENT:

Representative Nels A. Anderson Jr., Chairman
Representative Steve Cowper
Representative Joe Hayes
Senator Patrick Rodey

STAFF MEMBERS PRESENT:

Dorothy M. Larson, Staff Assistant

PUBLIC HEARING LOCATION:

FAIRBANKS, ALASKA
USO BUILDING

DATE: Tuesday, October 4, 1977
TIME: 7:00 P.M.

THOSE REGISTERED IN ATTENDANCE AT PUBLIC HEARING

<u>Name</u>	<u>Address</u>	<u>Organization</u>
Jim Kowalsky	1895 Pioneer Way, Fairbanks	Friends of the Earth
Richard Stern	3824 Birch Lane, Fairbanks	
T. Stell Nauman	2311 Palos Verdes Eagle River	NPS
Samuel Demientieff	1725 Cottonwood, Fairbanks	Tanana Chiefs Conference
Bob Rogers	Box 224, Fairbanks	Self
Chris Anderson	200 Well Street, Fairbanks	Self
George Matz	1895 Pioneer Way, Fairbanks	Fairbanks Environment Center
Jim Kubanyi	20 Timberland Dr., Fairbanks	Self
David G. Kelleyhouse	1300 College Road, Fairbanks	Alaska Department of Fish and Game
Carole Yazzie	#39 Chena Pump Rd., Fairbanks	Deloycheet, Inc.
Bud Wiese	1426 2nd Ave., Fairbanks	Interior Wildlife Association
Marian Hao	Box 867, Fairbanks	Interested citizen
Dave Snarski	Box 10, Ester	Alaska Conservation Society
Jonathan Solomon	Box 98, Fort Yukon	Gwitchyee Zhee Corp.
Mark Baumgartner	6 Mile Farmers Loop, 72883, Fairbanks	Self
R. Clar	72883, Fairbanks	Self
Alfred M. Fabian	Box 776, Fairbanks	Self
E. Carlson	Box 2741, Fairbanks	Self
A. M. Swarner	312 5th Ave.	Self and is on Advisory Committee to Fairbanks
Fred M. Anderson	1300 College Rd., Fairbanks	Alaska Department of Fish and Game
Harold Gillam	104 2nd Ave., Fairbanks	Self
John Wright	ACWRU U of A, Fairbanks	Self
Moris Samuelson	631 Noyes St.	Self
Keith Samuelson	631 Noyes St.	Self
Mary E. Binkley	Box G - Fairbanks	Self
Hardy M. Smith	Box 5153 North Pole	Self
Geoff Kennedy	1089 Park Drive	Self
Tom Scarborough	Fairbanks	Tanana Valley Sportman's Association

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JUNEAU ALASKA

Alaska State Legislature

House

INTERIM COMMITTEE ON SUBSISTENCE
Nels A. Anderson, Jr., Chairman
P. O. Box 234
Dillingham, AK 99576 Tel: 847-5970

OCTOBER 4, 1977 - FAIRBANKS PUBLIC HEARING

Representative Nels Anderson called the Subsistence meeting to order at this time. For those of you that may not know me, my name is Nels Anderson, I represent District 16, I come from Dillingham, Alaska, and I would like to at this time introduce people on the panel with me. To my immediate right is Representative Joe Hayes from Anchorage; Representative Steve Cowper I think most of you know, and sitting at the end of the table is Dorothy Larson our Staff Assistant. At this time I would like to very briefly state the purpose of our meeting tonight, and maybe before we get into that I would like to acknowledge our Representatives that we have here and have them make introductory statements or whatever they wish to state to the public at this time.

Representative Joe Hayes: Nothing in particular, I am just happy to be here, I enjoy being on this Committee. I think it serves a very useful and timely purpose, particularly when we are faced with the present D-2 Legislation and I am very interested in hearing your testimonies here this evening.

Representative Steve Cowper: I have nothing to say.

Representative Nels Anderson: We may as well get right into it, I think

most people know the purpose of our meeting is and to be brief, our goals for the study on subsistence this year is to make sure that the hunting, fishing and gathering activities of Alaska's residents are guaranteed and protected by not only State Law, but Federal Law and I think that most people know that Representative Cowper and Representative Hayes are both on the D-2 Steering Committee for the State of Alaska and they are going to be making statements to the Federal Government in the State of Washington at a later time, and any comments that the public can give us regarding subsistence, how they feel about it, whether or not the term subsistence ought to be defined and what the State ought to do about protecting subsistence in Legislative activity are our concern. We would like to know how you feel about that and what you think we ought to do about those particular issues. Another use that is becoming more and more evident and that is the subsistence use of our resources, and in our State we have very few rules and regulations that guarantee or in any way regulate the subsistence take of any of our fish and game resources in the State of Alaska. I think probably the only resources that we have at this time that has any kind of regulation is the Salmon fishery and there are a lot of other resources that we are looking at now. The purpose of our Committee is to take a look at the rules and regulations that exist today to see whether or not they fit with the Alaskan lifestyle, and if they don't what we should do to make sure that lifestyle is protected, and to make absolutely sure that Federal Legislation does not pre-empt or in anyway preclude subsistence hunting and fishing of any of the resources that the State of Alaska has within its boundaries.

At this time, I would like, if the public does not mind, and I would

beg them to defer to the Chairman's wish that Mr. Gillam be the first to testify this evening, he does have another commitment tonight, but I would like if people have a public statement to make either in writing or orally, we are going to be recording statements and they will be entered into public record and any statement that is made will be taken into consideration in our deliberations in the Legislature in 1978.

Mr. Harold Gillam, Mayor: Representative Anderson, I appreciate your allowing me to speak first. The item of subsistence is becoming more so than before and somewhat being given little more emphasis than it should be. I think the partial solution to the problem is a little bit simpler than we think, as I mentioned before in one of the Congressional hearings I think that Subsistence hunting and fishing can be handled better on a variable bag limit than any other way, in other words somebody around the North Slope as until just these last few years did not have a viable source of income or had a greater dependency on subsistence hunting and fishing, and because of no roads and limited access the variable bag limit in the particular area was appropriate. More of the villages that have a greater demand on the wild life for subsistence I think can be better serviced by the variable bag limit, and then around the more populated areas a lesser bag amount. I believe that subsistence should be just that, if you need the game for subsistence then you should be allowed that game.

I disagree very strongly with how some of the subsistence hunting and fishing, primarily fishing has evolved that subsistence under the guides of subsistence fishing some people have been using it as a commercial game, and this I think is wrong. I heard more stories from the Fish and

Wildlife, one man down the Yukon River some 40,000 fish under the subsistence fishing allocation and the only thing he was doing was stripping the fish through the throat and wasting the rest of it. Of course this was the failure of the Fish and Game to prosecute that individual for want and waste. I think that individual should have been, but I think that anytime you do define subsistence that it should be individuals own use and or a minor amount for whoever friends he's got, but nothing on the magnitude say 40,000 fish that amount is commercial. I don't believe that subsistence should be based, as Congressman Seiberling pointed out, on a racial bases, I don't. I think that is completely wrong. If man needs the use of a wild life it doesn't make any difference what his color is or what his background is, if he needs subsistence off the land then he needs that just as much as the other person. I don't think it should be on a racial bases in fact I think that is completely wrong. I was very distressed with Congressman Seiberling and Morris Udall's statement that they would write into the new D-2 Legislation of subsistence on a racial bases. I made the charges before the Congresses that this is some of the height of hypocrisy. We in the Fairbanks area, we just ran into the small problem which I just hope does not evolve in the future years. The Fairbanks district, the Tanana River the only one with sufficient game decided that after the commercial limit of fish was taken that they would also close the subsistence fishing. The commercial limit was set arbitrarily in the Tanana Valley of 15,000 fish, which is a ridiculously low number of fish to be taken in this particular area because that did extend down below Manley Hot Springs because that took in quite a few fish wheels. More commercial fishermen in the local area down in the Manley, Nenana area with the upshot that the commercial fishermen in the immediate Fairbanks area only got just a, I

think, a total of less than 20 days of fishing through the whole summer of actual fishing before they were shut off. And the subsistence fishermen, this was the only area that the rule applied that they would cut off the subsistence the same time they cut off the commercial. Also the subsistence fishing was cut off. I have raised protest of this to the Governor and to the Fish and Game and they say they think there isn't anything they can do about it this year. I'd hope that they would at least extend it, the season, since it was a banner year run for all fish this year.

We had a strong run of silvers and I was hoping they would extend the season for the next couple of weeks anyway, but apparently that's not going to happen. But I do hope that is not the policy in the future years, that commercial fishing should be, if you are going to issue a commercial license that man should be entitled to catch as many fish as commercial fishermen anywhere else.

Subsistence, they did place a limit of fish in this particular area, of 75 fish per individual. I have no quarrel with the limitation placed on that. I have no quarrel with the variable bag dependent upon the area that you are in. In fact I would say in the Fairbanks area, 75 fish is a reasonable area. Probably down in the lower Yukon if they are still running dogs, they might use a thousand fish. In essence, that is my testimony.

Representative Nels Anderson: Thanks, Mr. Gillam. Mr. Cowper do you have any questions, comments?

Representative Steve Cowper: Yeah, Harold, if I take it you do not have any problem with the subsistence preference, but the definition is what's in question, okay.

Mr. Harold Gillam: No, I don't have any quarrel at all with the need for subsistence. In fact, I think that Alaskans should be entitled the first use of their land.

Representative Nels Anderson: Mr. Hayes, do you have any questions?

Representatives Joe Hayes: No, I don't have any questions.

Representative Nels Anderson: Mr. Gillam, I would just like to get just a little bit more clarification on the variable bag limit. Could you just give me a little bit more of an idea of what you're shooting at, when you make that proposition, please.

Mr. Harold Gillam: Well, like I said, probably the best example is right here in subsistence fishing. The allocation is 75 fish per subsistence license. Well, in another area there are no limitations. Now, I do think that there should be some reasonable limitations. This is where the 40,000 fish figure came from, where an area had no limitations whatsoever. There should be, I mean that there should be a reasonable limitation. Like I said if a person is dependent upon his circumstances, if he needs he's running dogs, he is going to need 1000 fish, 1500 fish to feed the dogs through the winter. I have no quarrel with that whatsoever. I do have a quarrel when a guy takes 10,000 fish, 40,000 fish and starts in under the

guise of subsistence. And then sells it commercial, or wastes the product, and just strips the fish of the roe. Now I think that's wrong. If a man wants to use it, I don't care how much game he takes himself, if he has got the full use of that game and no waste. I have no quarrel.

Representative Nels Anderson: Another question that I would have; you stated that you requested some kind of action from the Governor and the Commissioner of the Fish and Game. You had made a request, would you elaborate a little more on that please?

Mr. Harold Gillam: Okay, this is on the arbitrary limit of cutting off the commercial fisheries after the commercial fishery had taken 15,000 fish in this particular area. In the Fairbanks area, I'll define the Fairbanks area as the area above the Wood River. The Wood River comes into the Tanana about 20 miles above Nenana. But in this particular area, probably from Wood River up subsistence hunting, pardon me, subsistence fishing also ceased at the same time as commercial fishing ceased. The area below the Wood River but still in the Tanana drainage subsistence fishing was still allowed to go on. I felt that the 15,000 fish since this was a banner run of fish this year was arbitrarily set to low because that was set a year ago when they were anticipating a smaller harvest of fish.

The fishing ended here on September 4th, very early here and so I had appealed to both the Governor and the Commissioner of Fish and Game to examine this thing, which I felt was a grave injustice to the people of Fairbanks area. They did and felt it was too late to do anything about it this year. I do disagree I think there was time they could have opened

the season up. They did not wish to use emergency regulations to open the season up but didn't do any irreparable damage. To me it was just a matter of injustice more than anything else. 15,000 fish per the number of commercial fishermen in this particular area was unreasonable just way to low.

Representative Nels Anderson: What was the Governor's response?

Mr. Harold Gillam: Well the Governor's response was correct in that he said he did not want to use his influence in Fish and Game matters. And he referred me to Mr. Skoog and I did talk to Mr. Skoog. And I think Mr. Skoog will be an excellent Fish and Game man I am very much impressed with him. To say that he did give me complete satisfaction at this point and time I am not going to try and say that but I do think this is an injustice and should be corrected.

Representative Nels Anderson: I would like to introduce Senator Pat Rody from Anchorage. He's also a member of our subsistence committee. Senator do you have any comments to make or questions to ask of Mr. Gillam?

Senator Patrick Rodey: Not at this time, Mr. Chairman I have know Harold for a long time and I chance to talk to him about these things(?).

Representative Nels Anderson: Are there any other questions from the Committee? If not than Mr. Gillam thank you.

Mr. Harold Gillam: Representative Anderson, I thank you very much for your

courtesy to hear me first.

Representative Nels Anderson: There is I think a piece of paper going around, could that be circulated around the public so that we can have more names added to of those people who wish to testify or at least let people know that they were here. We would be more than happy to hear from someone else at this time if they would like to make a statement to the committee to come up to the table here and make a statement at this time.

Mr. Jim Kowalsky: Mr. Chairman, I am also supposed to be somewhere else at this time. Mr. Chairman, members of the committee my name is Jim Kowalsky. I am a field representative for Friends of the Earth. I thought I should come to this hearing not certainly as a person who is involved in subsistence in terms of the practice or certainly not to speak for such users. But instead to share with you some of the legal or analysis that we have prepared to use in the so called D-2 negotiations if you might call them that which are going on now in Congress. So I thought I would just like to summarize them for you. And I'll leave the document with you, it is rather lengthy I'm not sure if you would want it printed in the hearing record or not at least you may wish to have it in your files I have, would like to submit Mr. Chairman, for the record, a brief summary of what is in that document and from that summary I will further summarize, to make it short, the analysis that is entitled "Legal Issues and Federal Protection for Subsistence on the Proposed National Interest Lands", which is prepared for us by Dennis Kelso, who at the time was a graduating Harvard Law student. Who is now working for the State Supreme Court. I should mention also that it I think, I would like to recommend you that if you wish

to hear from him and he of course can best speak to his own analysis, I think it would be appropriate because of the potential conflicts of interest and so forth. In his case clerking for the Chief Justice of the State Supreme Court. You might wish to make a request of the Supreme Court Chief Justice at some future time if you are going to be considering something in more detail. I am sure that he would be happy to work with you. The paper addresses four broad categories of these issues: First, of all treaty constraints on subsistence policies; secondly, constitutional basis of Federal power over biotic resources on Federal lands; third, constitutional permissibility of the Federal granting priority to subsistence users; and fourth, statutory management boundaries for existing administrative agencies. And to really pare this summary down he has concluded that in his review of the legal issues surrounding Federal protections of subsistence that there are four crucial factors which must be included in any serious attempt to address this question. First of all, management by the most appropriate agency; secondly, clear priority for subsistence relative to other consumptive uses and third, meaningful participation of subsistence users in shaping regulations and last or fourth, flexibility of the subsistence management design. Now I will - the paper deals, the analysis deals primarily with Federal issues but I heard you say Mr. Chairman your interested in the entire picture. He does also address to a lesser extent and in less detail the authority of the State of Alaska to grant subsistence priority. He discusses these questions and I'll just tell you what they are, the limits enclosed by the constitution of Alaska; Alaska Statutes dealing with subsistence; State Administrative Agencies and Subsistence Policy; and I'll just read you a very brief conclusion of that discussion, from the paper itself. He says the Alaska

Constitution provides ample flexibility for creating a clear preference for subsistence use of renewable resources. Today, however, the Legislature has dealt only with pieces of the problem but it has delegated broad authority to the board of Fisheries and of Game and to the Department of Fish and Game. This authority has been exercised to manage, for subsistence use and to declare the Departments position that subsistence is the highest beneficial use of Fish and Game resources. At the present this management approach is adequate but as competing demands for use of the resources increase the adequacy of administrative preference unsupported by a legislative statement of priority he feels will be threatened. And continuing "for purposes of the present analysis it is most significant that the State of Alaska has constitutional operating space for development of subsistence policy. Full cooperation and participation with the Federal Government in Management of the national interest lands is possible through both legislative and administrative action and State authority can thus be exercised in concert with federal powers in coordinated search to a wise Alaskan subsistence policy.

I was quoting from Mr. Kelso's conclusions on the discussion on the authorities on the State of Alaska which grants us priority. Then there is a summary of the Federal and States subsistence policy limits. I won't read that but I think that it is very important in terms of mixing the two authorities, Federal and State, and particularly I call your attention on page 121 to the suggested criteria for evaluating policy proposals. I should say that this was prepared in anticipation of a rather substantial discussion over this question which is going on, of course, at this very moment in the House Interior Committee. Then if I may submit both of these

for the record. Put a rubber band around the big one here.

Representative Nels Anderson: We appreciate it Mr. Kowalsky.

Mr. Jim Kowalsky: It's not in very good shape I apologize for that but let me just conclude than by making some informal suggestions on what the State legislature might do. First of all, I think and I'm sure Mr. Chariman and your colleagues are aware that one thing I think needs to be done is to piece together a complete picture on the State legislative level I have thus addressed that earlier; number two I think this is important enough to bring up here and to press, and that is I think that the State legislature should make a vastly greater effort to insure protection for sensitive landscapes and habitats to keep them productive. I think so often we get in a mesh involved sometimes in an emotional way over management, competition for management, management authority, regulations and so forth that we really forget that the basic fundamental thing as necessary as the landscape.

And I'm sure you will agree, I hope you would, that subsistence users, in particular, and certainly other users of fish and wildlife and biotic resources are extremely vulnerable to resource depletion resulting from other consumptive uses of land, such resource development which results in habitat destruction. And what I'm suggesting is I really think looking at it from a functionary working for a national organization whether you like it or not there is a great deal of decision making to be going on at the national level particularly in Congress and I think the State legislature might help the State to change its image. I think we've seen some private organizations

which have toured the country asking the nation to support less protection not more. I'm not sure if I may, Mr. Cowper, pose the question of what the legislative steering council on D-2 would do but I think there is an image there that needs to be portrayed that the Alaskans are sincerely interested in protecting sensitive habitat because, again, it is the basis for production of wildlife and other sources that are vital to subsistence use. We have a national controversy raging right now which is in many ways extremely unfortunate over the bowhead whale. And then, thirdly, and lastly, I would suggest that there be a very strong emphasis if I could suggest this on educational programs. They might be arranged in this manner: First of all, to tell the story of subsistence needs perhaps to the States very rapidly growing urban population; what are the personal needs; what are the landscape needs for example. And, to also make that story available to the nations's urban population who have almost no knowlwdge at all if any about these kind of uses of animals and other natural products. Secondly under a educational program I think the legislature might think about identifying more clearly the limits of the resource and what more efficient means for less wasteful harvests for the users themselves might be, or at least help them to or work with them to help identify these aspects of the harvest itself. Lastly, I think this is extremely important to involve those very knowledgeable local people who are directly involved in subsistence activities in some sort of on going research program to determine the needs, determining the range and the habitat requirements, the carrying capacity and the harvest capacity of the resource, involvement of the local people. That sort of a three prong educational approach which perhaps your committee might consider.

In closing, I'd like to thank you for letting me give you these views and this material and would certainly like to be around to assist in the deliberations in Congress which are going on now and will probably continue throughout most of next year. Thank you very much.

Representative Nels Anderson: Thank you, Mr. Kowalsky. Are there any questions from the members of the committee? Mr. Cowper, how are feeling? Mr. Hayes?

Representative Joe Hayes: None, Mr. Chairman.

Representative Nels Anderson I don't have any questions at this time but I would like to accept that report. Thank you Mr. Kowalsky. I note in the audience is Representative Sarah, somebody, Smith back there. Would you like to join us up here? You would be more than welcome. Are there enough chairs for people back there if not I'm sure accommodations can be made for people to be comfortable. Is there anyone else who would like to make a statement to the committee at this time on their views on subsistence?

Mr. Al Fabian: Yeah, I would like to talk a little bit here.

Representative Nels Anderson: Would you give us your name first?

Mr. Al Fabian: Yeah, my name is Al Fabian. Born and raised here in Fairbanks. And a half breed. My mom was born in Rampart. It's 10 years now since I've been going back and forth to Rampart now where my mom lives. I've been learning how to fish. I learned the technique of building a wheel during

the summer, and in back 1975 and 1976 I bought license, commerical license. But I didn't sell enough fish there to keep the license according to Fish and Game. I mean I (inaudible) subsistence fishing. Since I just got through subsistence fishing I feel I got the right to fish over here since I was born and raised here. But 75 fish, that is not enough to make (inaudible) thats not enough. Besides the closing of the subsistence it was open on Monday and closed on Wednesday night, 6 o'clock. Now if I ain't got a greezer to keep the fish I catch than I'm storing out of nothing. 75 fish I think it should be open again for people that, because in Rampart I could probably be able to keep fish now where it is cold enough to keep. But they got no limit over there. Subsistence there is you catch as many as you want, as long as you use them and have a good purpose to use them, but over here, there is nothing. I feel that the 75 fish limit should be knocked off for people that have been fishing and have records of fishing. I feel my self that if they close it here, that will be the strong hold and next will be Nenana and on down the river. Where are we going to go? Get a big boat like the other guys and go out in the ocean? Put out a six mile net when all we got is a 100 ft. maybe a 12 foot wide wheel? Which is like taking a squat in a doggone big river. The fish just don't go in one spot. You can tell that there's people all over the river catching fish. I just don't feel that's right that we be discriminated over here because this is Fairbanks. This is just like any other village as far as I'm concerned. Just that we got more business over here.

Representative Nels Anderson: Is that it? I've got a question. What was the open season again?

Mr. Alfred M. Fabian: When they opened the commercial I mean the subsistence fishing they opened it on a Monday and on Wednesday at 6:00 o'clock they had it shut down and that was it for the whole goldarn year.

_____ : That was the second opening of the commercial and the commerical and subsistence when hand and hand this year.

Representative Nels Anderson: What is your name?

Robert Clay: Robert Clay and excuse me for interrupting.

Representative Nels Anderson: To your knowledge that was the only opening?

Mr. Alfred Fabian: That was it. That was it man. They never opened it again and that was late August I'm pretty sure. I don't got the dates but I would have dates but I didn't know about the meeting until yesterday. I called the Tanana Chiefs to see what kind of representation they had down in Juneau at present.

Representative Nels Anderson: Well basically you feel that the 75 fish is not enough? You would like to see it increased?

Mr. Alfred Fabian: That is not enough. Yeah, I'd like to see it increased.

Representative Nels Anderson: By what amount would you like to see it increased?

Mr. Alfred Fabian: I don't want no limit at all because chances is when you put your goldurn wheel or net in there thats like a gamble. You don't know if you have it at the right eddy. You might have put the net where all you catch is drift and thats going to pick the net up. Then again you might hit a spot where you will have a fish in every goldurn hole. You know your gambelling all the time. You put a wheel in you never know when the daughter-in-law is going to come down and wipe the whole wheel out. And it takes time to build a wheel and it takes money too. I'm not the richest person in Alaska thats for sure. I can't afford no fancy stuff. But I don't like to be messed over neither.

Representative Nels Anderson: Thank you. Any questions or comments?

_____ : Mr. Fabian, what did Fish and Game tell you was the reason for that low a number? Did they just tell you there wasn't enough fish or what?

Mr. Alfred Fabian: 75 they figure thats enough for any family over here. And you get five king. Thats all that is it. The one I asked earlier about that was just talking and he said he thinks that is to much himself that limited amount here, but thats not enough. People eat fish just besides just Friday.

Representative Nels Anderson: Mr. Hayes do you have any questions or comments at this time?

Representative Joe Hayes: No I don't think so.

Representative Nels Anderson: Mr. Fabian thank you very much for your comments. We appreciate it. Is there anyone else who would like to testify at this time?

Mr. Bud Wiese: I represent the Interior Wildlife Association of Alaska. I came here mainly to listen and see what the other bookings were going to be. But in connection with the idea that you wanted additional information also we did bring copies of testimony that we gave to Keith Specking. I thought there were going to be three people here so I brought three copies of the information that we have to Keith Specking on the problems with king netting in Alaska. Also I brought three copies of a more or less news item we send out to our members dated August 20th in which we marked two areas where we made comment on the subsistence in the subsistence hunting regions in Alaska. You may be interested to know we have been working on this problem. And then there are some comments I would like to make here. Also I only got three copies.

This is dated October 4th, from the Interior Wildlife placed to be considered for Fish and Wildlife Management. To perpetuate the resources of first priority there simply not enough fish and game for the present and future needs for the population of Alaska. We feel that the population of Alaska has exploded and will continue to grow and the rate that the fish and game is not going to sufficient for unlimited use. In other words its going to have to be managed as to what it can stand to take and not unlimited like we have in the past, because of the population growth in the past and in the future. And also along the same lines these numbers of animals and fish that we have had in the past are no longer secluded by transportation.

With the airplane, the snowmachine and the new river boats there isn't a place in Alaska that can be left out discarded as not being harvested. Its all being harvested and I don't care what part your talking about. Weather does not stop people, the rain will no longer stop them and distance does not stop them. Second, we don't favor subsistence is the final. We figure it is not the final. We've tried to work on it we've walked the floor. We believe that anybody trying to define subsistence is just wasting our time. Subsistence, as far as we are concerned was the life style of Alaska. And about the time of the pipeline this era of Alaska passed. Population has caused the subsistence style of living in Alaska to be an era of the past. There probably is no true subsistence residents in Alaska living 100% subsistence way right today. We feel that is a thing of the past. Subsistence living especially 100%. Subsistence is being used as a means of commerical use and or welfare. As it was brought up earlier that we heard a report with nothing to substantiate it that subsistence in the Yukon that the fish were stripped of the roe the fish were left to spoil in the river and the roe was set to use commercially. Ivory off from the walrus in the Bering Sea is being used commercially the animal itself was left in the sea to rot. But the ivory was used commercially. Now earlier, after the Western Arctic caribou herd was found to be pretty well depleted the Fish and Game tried to use this as a welfare for the communities up there. And that was nullified by the courts when the system they were using. So as I say for subsistence to use as a commerical use or welfare use I think that this is wrong. You must find some other way if we're going to use subsistence.

Subsistence - defination should not be attempted along ethnic lines.

The State constitution prevents this. And I think this is a very very strong point we must defend even against the Congress of the United States. I think they have ideas that they should violate this but I don't think we should allow it. Because it is going to leave problems that will probably never be settled. In or out of courts either way. Another one, the game laws must be enforced. And I'm sure that you people are aware as we are the enforcement is extremely weak and the public and the courts do not support our enforcement efforts, of our law people who are in the field. I gave a list of the infractions those that are brought to court and are fined and their absolutely ridiculous. The violations could be for an officer to make an arrest spend the time to write up the report, which would probably take him days to do, all the red tape, and the guy goes to court gets fined \$50.00 with \$25.00 suspended. I think this is ridiculous. If we are going to get any teeth in our laws we're to have to get some enforcement and get the backing of the public to help get some enforcement and I think the courts are going to have to start putting some fines on the people who violate these laws to make them draw their attention. Right now it behoves somebody to violate these laws because your not going to get hurt enough with that kind of fine.

Representative Nels Anderson: Thank you Mr. Wiese. Mr. Cowper do you have any comments or Mr. Wiese at this time?

Representative Steve Cowper: Yeah. There's a whole lot to what you say there about the enforcement. I've watched that over a period of over 10 years or so and its always been tough to get a conviction and once you got a conviction it was really tough to really punish for the violation. There

maybe some ways that we can improve that. Something that I would like to ask you, suppose, lets assume that game and number of game is shrinking up and you have to make some sort of priorities. You have to figure out what the allowable harvest is and create some preference as to the harvest? How do you think we ought to handle that? Do you think it ought to be handled on the basis , geographical basis? You think the local residents of the area, of the management area we'll say, should have the preference on the taking? How would you handle it if you had that problem to wrestle with?

Mr. Bud Wiese: Well legally the game belongs to the people of the United States. So I feel that legally everybody is entitled to them. Now I go along with the concept of management and as I said earlier that game is the first priority. Perpetuation of the game. So if we have an area, as I say transportation is no longer a problem and if you try to make it into a certain area and going to limit it to the people in that area than you are getting into the more ethnic group and your giving them priorities to that resource. And your denying the equal rights of everybody else that has liberty to that. I go along with the concept of the Fish and Game in that you have a resource in an area you control it by two things. One by limit and another is by length of season. And I think your first one, one of them is length of season and if you have to shorten your length of season so far than your limit has to drop and you still have to go further than you have to go to the permit system. I don't feel you can only shorten the season just so far than you have to go to the permit system and on the resident against non-resident I don't want to make any comment cause I just don't feel I studied it enough. I do know one problem that is coming along this line, we're getting alien hunters that are coming from Europe

that are moving in enmasse. It's multiplying by numbers that people don't even realize. We don't have the figures but we hope to get them in the very near future. And will be able to make more definite comments on this. But we do know this that they are multiplying at a rate that people can't believe.

Representative Steve Cowper: Well, lets take it another step further. What if the law were to set up priorities of use, don't you suppose that those hunters from other countries ought to be the first ones to get cut off?

Mr. Bud Wiese: This is right; the alien should first because the game belongs to the people of the United States.

Representative Steve Cowper: Okay, now would you prioritize, let's leave aside subsistence for the minute, would you prioritize between commercial fishermen and sports fishermen.

Mr. Bud Wiese: I've not studied that I wouldn't want to make a comment. I've never taken that up with my directors of the organization or other people.

Representative Steve Cowper: Okay, thank you.

Participant in Audience: What have you studied?

Representative Steve Cowper: Pardon?

Participant: What have you studied here?

Representative Steve Cowper: Well the management of the game itself, the resources part as the

Participant: How can you make these statements that you make without having actually

Representative Nels Anderson: Excuse me, excuse me, what is your name?

Marian Hao: My name is Marian Hao and I'm from Fairbanks.

Representative Nels Anderson: Okay, you know if you'd like to take this up later with the gentlemen, that's your privilege, but I think that possibly members of the committee would like to possibly ask the same questions to him and

Marian Hao: I'm sorry.

Representative Nels Anderson: That's okay but if you don't mind we would like to carry the ball from here. Steve do you have any other comments?

Representative Steve Cowper: No, no thank you.

Representative Nels Anderson: Mr. Hayes?

Representative Joe Hayes: Just to carry what Steve started a little further.