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HRES

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HB

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MATANUSKA-SUSITNA TAXPAYERS' ASSOCIATION  
Inc.  
Box 779  
Palmer, Alaska  
99645



A RESOLUTION IN SUPPORT OF ALASKA HOUSE BILL NO. 225,  
ESTABLISHING THE TALKEETNA MOUNTAINS STATE GRAZING RESERVE

WHEREAS, The Matanuska-Susitna Borough Assembly and Planning Commission has proposed an act establishing the Talkeetna Mountains State Grazing Reserve, and

WHEREAS, the proposed act provides for multiple-use concept with local agencies' control, and

WHEREAS, the proposed act provides a larger tax base which will assist in keeping our tax burden at a lower level,

NOW, THEREFORE, BE IT RESOLVED that the Matanuska-Susitna Taxpayers' Association go on record as supporting House Bill No. 225 to establish the Talkeetna Mountains State Grazing Reserve.

PASSED AND APPROVED by the Matanuska-Susitna Taxpayers' Association, the 18th day of March, 1977.

*Lois M. Knapp*  
Lois M. Knapp, President

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# Alaska State Legislature

## House MEMORANDUM

*File*

JUNEAU ALASKA

1 March 1977

TO: House Resources Committee

FROM: Alvin Osterback, Chairman  
House Resources Committee

*Al Osterback, Jr.*

SUBJECT: Telephone Conversation with Mayor Maze

March 1, 1977 Mayor Maze informed the House Resources Committee that he supports HB 225 and will be sending a resolution.



THE HEART OF THE MATANUSKA VALLEY

## CITY OF PALMER

COUNCIL-MANAGER GOVERNMENT

P. O. BOX 1368 PHONE (907) 745-3273

PALMER, ALASKA 99645

March 29, 1977

Mr. Al Osterback, Chairman  
House Resources Committee  
Pouch V, State Capitol  
Juneau, Alaska 99811

RE: H.B. #225, Talkeetna Mountains State Grazing Reserve

Mr. Mr. Osterback:

In reply to your request for the City of Palmer to take a position on subject bill, this letter is to inform you of the position taken by the City Council of the City of Palmer in action at the March 8, 1977 meeting.

Accordingly, we are enclosing a copy of the City Council minutes of that meeting, together with a copy of the newspaper article which appeared in the local newspaper.

Sincerely yours,

CITY OF PALMER

A handwritten signature in cursive script that reads "William E. Curtis".

William E. Curtis  
City Manager

WEC/rk

Enclosure (2)

cc: Senator Jalmar Kerttula  
Representative Al Ose  
Mr. Robert Risley

CITY OF PALMER  
CITY COUNCIL REGULAR MEETING  
TUESDAY, MARCH 8, 1977  
CITY COUNCIL CHAMBERS

A. CALL TO ORDER: at 8:02 P. M. by Mayor Jack E. Maze.

B. ROLL CALL, DETERMINATION OF A QUORUM, APPROVAL OF AGENDA:

Present were Mayor Maze and Councilmen Pedersen, Dolenc, Ekstedt, Johnson and Hanson which established a quorum. Councilman Ingalls was out of the state with an excused absence. City Manager Curtis and City Attorney Biss were also present.

Changes to agenda:

Council unanimously approved, by request of Mayor Maze, the call for an executive session at the close of this agenda for the purpose of discussing personnel and contracts. They also approved the presentation of the Federal Highway Act to be placed on the agenda earlier in the meeting.

C. PLEDGE OF ALLEGIANCE: led by Councilman Ekstedt.

D. MINUTES OF PREVIOUS MEETING:

1. Minutes of regular meeting of Tuesday, February 22, 1977 were approved as presented with no changes or corrections.

E. COMMUNICATIONS AND APPEARANCE REQUESTS: none

F. HEARINGS, ORDINANCES AND RESOLUTIONS: none

G. BIDS: none

H. OLD BUSINESS:

1. Request by Sr. Citizens to Utilize Apartment in Community Center

Speaking on behalf of the Senior Citizens, Edna Wehking said they had inspected the apartment which she felt would be adequate for their purpose, but requested that the city remove one wall partition which separates the kitchen from the living room. City Manager is to get approval from the Alaska Railroad that this could be done. The council concurred to the rent free arrangement to the Senior Citizens, provided it meets with the approval of the Railroad.

2. Request to take Position on Hatcher Pass Grazing Reserve - H. B. #225

City Manager Curtis explained this bill was originally drafted by Robert Risley who is in support of the area being utilized for agricultural purposes rather than recreational. He said Mr. Risley also spoke before the Chamber of Commerce in this regard. Mr. Curtis said that several years ago, development plans were made for a very large recreational area with state lands to be leased to individual business comprised mainly of mining business and private individuals which was a very lengthy bill. He said he personally feels that this H. B. #225 is overly simplified for that large amount of acreage and would not pass legislation in this form. He also felt the Board of Directors is out of proportion wherein there is some representation from the Commissioner level vs. the Director of the Division of Agriculture. He did not feel there would be 20,000 sheep grazing in that area, but rather his recommendation was that the area be utilized for recreation if handled properly which would also help the economy.

Councilman Johnson agreed with the comments of Mr. Curtis and questioned how all those cattle would be fed during the winter season. Councilman Ekstedt said he is opposed to the park concept because it is so restrictive. He mentioned the Borough is presently in a hassle with the State and questioned if action taken opposing this bill may have a bearing on the amount of land the Borough is eligible for.

Councilman Dolenc preferred some flexibility and stated he did not favor the idea of the bill written in such a manner that grazing is the primary use. He said he is under the impression that all those serving on the Board of Directors should have equal say. City Manager Curtis said he felt it is poor to do it in that manner from a political angle and from an administrative level, i.e. the Director of the Division of Agriculture may be reluctant to vote against two commissioners on the apparent four man board.

Mayor Maze noted the bill does provide for an advisory group which includes a Borough representative as well as local committees who would have an input into it and could control this particular area. Councilman Hanson stated he felt the intent of this bill is not specifically to support grazing, but possibly a method of paving the way for local people to have some control over the uses of the area.

MOVED EKSTEDT, SECONDED PEDERSEN that the City of Palmer go on record as being in support of the CONCEPT of the Talkeetna Mountain State Grazing Reserve Bill, House Bill No. 225. MCU.

Administration was directed to send copies of this action to Mr. Al Osterback, Chairman of the House Resources Committee, Mr. Risley, Senator Kerttula and Representative Ose.

3. Bike Trails Matter:

City Manager Curtis said this plan was originally triggered by Mrs. Helena Myers and a Bike Trails Committee. The Borough presently has plans to construct bike trails to the new Palmer High School and coming in from the Butte along the Glenn Highway alternate and would now like to know what the city can do to establish bike trails within the city limits to connect with these proposed routes. He said the City Council previously approved the Bike Trails Master Plan but did not commit anything as far as funding is concerned. From an engineering and construction standpoint, he said there are problems since the majority of the street improvements are paid for by adjoining property owners and we cannot expect them to pay for bike trails. He said the priority exists for roads, curb, gutter and sidewalks which is needed a lot more than bike trails.

MOVED HANSON, SECONDED EKSTEDT to table this matter until the next meeting in order to get more information on it.

In discussion, Councilman Johnson asked what more information we can get, feeling we have all we need. He said it is a matter that the city cannot justify spending money for bike trails and we do not have a place to put them. City Manager Curtis said the Borough should have an overall plan for the entire Borough noting to date, the city has only had copies of the plan for the City of Palmer. Councilman Hanson commented that the Bike Trails Master Plan for Palmer was brought up rather suddenly and in all fairness, his recommendation was as stated in his motion, to have this matter deferred to the next meeting. MCU.

4. Request from Credit Union - to Utilize Airport Lands for Gardening

City Manager Curtis said he discussed this possibility with Mr. Paul Crippen of the Credit Union and felt if there is sufficient interest, it would be possible to provide a small amount of land at the airport. Councilman Hanson estimated five acres to be more than adequate for this purpose. Some points brought up for consideration in furnishing land is the fact that it not be in the construction area, the city would not be liable, tilled land is subject to wind, accessibility and the availability of water if needed.

MOVED JOHNSON, SECONDED PEDERSEN that the City Manager be authorized to negotiate a plan with the Credit Union for garden plots at the airport. MCU.

5. Establish Terms of Lease with F.A.A. for New Flight Service Station Facilities:

City Manager Curtis explained the original plan was to lease space in the new Flight Service Station facility to F.A.A. In planning this, we detected the city is required to comply with certain handicap requirements such as the installation of elevators, etc. In our meeting with them, we have now determined their attitude has changed and they perhaps won't need the space at all since they will be going remote because of lack of funds and closing them down. He said he explained to them that the city has planned the building for their use with 100% grant funds and in order to comply with E.D.A. requirements of commencing construction within 90 days of acceptance of grant offer and the 150-day completion date, there is no way the city can now change the plans. He said they offered no further explanation until F.A.A. has had an opportunity to review the entire operation.

Mr. Curtis added they originally informed us this would be a regional office and all of a sudden, they tell us they will not be maning anything and everything will be remote. Legally, they can only lease on a year-to-year basis. He said the city is somewhat committed, since part of this space was designed specifically for F.A.A. and the grant offer from EDA has been accepted. He inquired of the council if they would be willing to lease space to FAA on a "no rent" basis with them paying all utilities and basic costs. Councilman Ekstedt stated he could not see how FAA could possibly close it down because the airport is used a lot and this facility is badly needed. Councilman Johnson spoke in favor of constructing the building for the future since things do have a way of changing.

MOVED HANSON, SECONDED JOHNSON that the City Manager be authorized to negotiate terms with F.A.A. for leasing the new Flight Service Station facilities. MCU.

Learn "The Matanuska"

# Grazing bill backed

Despite "problems" with a bill to create a Talkeetna Mountains State Grazing Reserve, the Palmer City Council gave the measure its endorsement Tuesday night.

Consideration of the bill, HB 225, introduced in Juneau by Rep. Al Ose (D-Dist. 6), had been held over from a previous meeting.

"I have problems with this bill," said City Manager Bill Curtis. "I feel it is overly simplified. It covers such a vast area of thousands of acres, but it's taken care of in a couple of pages."

"It's an ag bill from the word go," he commented on the legislation that originally was drafted by Robert Risley, member of the Matanuska-Susitna Borough Planning & Zoning Commission.

Risley has been an advocate of agricultural uses as opposed to recreation alone for the Hatcher Pass area.

Curtis's principal criticism was that the grazing reserve would be adminis-

tered by a board of directors headed by the director of the state Division of Agriculture. The board also would include the department commissioners of Highways and Fish and Game, as well as a representative of the Matanuska-Susitna Borough.

"Actually," Curtis continued, "the director of agriculture is on a very low level in this state, not equal with the commissioners."

He did not mention Allan K. Linn, the current director, whose headquarters are in Palmer. The division is part of the Department of Natural Resources.

"My opinion of the bill is that it's a rag-tag kind of thing that's thrown together.

## City eyes downtown auto race

An auto race through the streets of downtown Palmer may be considered as an attraction for the 1977 Midsummer Festival.

City Manager Bill Curtis, who also serves as president of the Greater Palmer Chamber of Commerce, told the council Tuesday night some of the plans that are aimed at bringing visitors into the central business district.

Curtis admitted he didn't know what the liability would be for the city to permit stock car racing. It would be similar to an event at the Anchorage Fur Rendezvous.

The possible race course would follow S. Alaska Street to the Old Glenn Highway, then proceed across the Alaska Railroad tracks and return along S. Valley Way.

It will never get through the Legislature."

The city manager added some comments that he said represented "old Bill Curtis talking."

Referring to arguments that 20,000 sheep could be grazed in the Talkeetna Mountains, Curtis said: "To me, personally, it's ridiculous. To me, the potential of the area is recreational."

Mayor Jack Maze supported the provision in HB 225 for an advisory group largely representing recreational organizations that use the Hatcher Pass area.

"These people will have great input on the management of the grazing area," he said.

The motion to support HB 225 was made by Jim Ekstedt with the second of Everett Pederson. The vote was unanimous.

In other matters, the council:

- Agreed with Edna Wehking that it would be suitable to permit senior citizens to occupy an apartment in the Community Center. Approval will be sought from the Alaska Railroad, owner of the former depot.

- Tabled action on the matter of establishing bike trails through the city to connect routes reserved by the Matanuska-Susitna Borough that now come to the city limits. "In no good conscience can I recommend the city spend money on bike trails," said Curtis. "We need roads, sidewalks, curbs and gutters a heck of a lot more than we need bike trails."

He explained that by existing law, bicycles are not allowed to travel over sidewalks. The real problem, he added, is from an engineering and construction standpoint. "Our streets are built by special improvement money — by the adjoining property owners. Who's going to pay for bike trails?"

this bond request.

Both of the schools will eventual two-story wooden frame structures, ing 600.

Big Lake, with only about 75 students this year, is still a long way from net the whole thing. The planned addition add four basic classrooms to the school there now, plus a gym and multi-purpose room, media center, offices, and nurse station.

The addition would be joined to existing school by a long wide corridor leading toward the rear of property. Play areas would be behind the two buildings.

Boundaries for this school would generally from Houston to the Rain Lakes area, according to Rousey, provided those lines keep the enrollment under 140.

Until this school opens, some youngsters will continue at Iditarod, and others will be moved into portables on the site that are now being used as music and physical education rooms. Included equipment, it would come to \$1.6 million.

### SU VALLEY SHOP

The proposed Susitna Valley vocational building is another planned to develop in stages.

This phase has a wood shop, metal shop, two classrooms, shop office, storage room and storage space. Besides the classes, an English-social studies classroom and the music practice area will move into the new building. A home economics curriculum will take over what is now a small shop area in the main building.

With completion of this project, designed as a separate building done in the same wooden, steep-roofed style as the original, the high school could add another 180 youngsters to its 180 capacity.

Future additions to the vocational building might include an expanded metal-auto shop, theater, drafting room and band-chorus room. The main building was also designed for additions, to a total of 400 students.

Principal Vern Olson says the present shop is inadequate, with much of the equipment having to be kept in storage.

## Credit union bill nears vote

James Love, director of the Alaska Public Interest Research Group, said in Palmer Wednesday his group is sponsoring legislation to permit state-chartered credit unions.

"The bill should be coming to a vote in the next couple of weeks," Love said in an interview following his talk to the Greater Palmer Chamber of Commerce Wednesday.

In comparison to federally chartered credit unions, which offer consumer and personal loans, the state-chartered institutions would be able to compete in the mortgage market and offer a limited form of personal checking account, Love said.

# STATE OF ALASKA

## DEPARTMENT OF HIGHWAYS

OFFICE OF THE COMMISSIONER

P. O. BOX 1467 - JUNEAU 99802  
(907) 364-2121  
(TELEX 099-45-371)

JAY S. HAMMOND, GOVERNOR

February 23, 1977

Re: 00-3077  
House Bill #225

Mr. Alvin Osterback, Chairman  
House Resources Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Osterback:

Please refer to your letter dated February 19, 1977 requesting a position paper and material we may have on subject House Bill #225.

This department has neither a position paper or any other material which may be helpful to your committee and know of no fiscal implication at this time. We would, however, suggest that you contact the Department of Natural Resources if you have not already done so. Their input would quite possibly be much more meaningful to the endeavors of your committee.

Sincerely,

*H. D. Scougal*  
H. D. Scougal  
Commissioner of Highways

CC: Fran Ulmer, Governor's Office

HDS/DMC/mth

*File*

HOUSE RESOURCE COMMITTEE - Minutes - February 17, 1976

Subject: HCR 82; HB 580 and HB 664

Present were Eliason, Huntington, Osterback, Smith, Rhode, Hershberger, Brown, Staff Assistant Van Doren and Chmn. Anderson.

Chmn. Anderson opened with several general statements, including the fact that the governor has a bill ready for introduction similar to HCR 82. Anderson has written a letter to Bradner, and one to the governor, asking for the FLUPC to study the agreement on Cook Inlet before the committee takes action. "My stand is that I want a closer look at the bill. The terms are complex. I don't feel I can recommend to the House approval at this time."

*Talbot*

Discussion as to the legal deadline for the legislature to act upon the bill brought to light the fact that the "Terms and Conditions" document mentioned in HCR 82 contains the 60-day limit, which will be met on March 12. Any change in that date would have to be approved by the Secretary of Interior.

Rep. Rhode expressed concern about the complexity of the problem--but that everyone had given something--federal, state, and natives. He moved a DO PASS.

Chmn. Anderson read to the group the rough draft of the bill to be presented by the governor on Cook Inlet. Although the bill was not officially before the committee, there was general agreement that it was better than the resolution, since it was clearer on subsurface rights.

Discussion ensued as to whether a bill could be introduced as a Committee Substitute for a Resolution. Answer - No.

It was moved that HCR 82 be given a Do Pass recommendation by unanimous consent. Motion carried.

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Rep. Huntington moved a Do Pass on CSHB 664.

Smith stated that HB 580 does create a multiple use management area within the park, the state's first effort along those lines.

Huntington urged acceptance of HB664 because it puts the people in charge.

Smith mentioned a possible problem with miners coping with a prime agricultural use, as laid out in HB 664.

Anderson noted that in HB 580, the prime use is recreation, and yet the people themselves living in the area don't consider recreation to be prime.

In answer to Rep. Browns concern about permissible uses in both bills, Smith responded that he agreed neither was perfect, but a decision needed to be reached on which bill to work on.

Rep. Rhode stated his criteria for analyzing bills--Is it needed, will it work, and how much does it cost?

Mr. Smith moved to table HB664 with unanimous consent asked. Chmn. Anderson asked for a withdrawal of the motion in the interests of continuing action.

Chairman Anderson appointed Mr. Smith, Mr. Brown and Mr. Ose to work out problems in HB664, since that appeared to be the bill the committee wanted to mark up. Work is to be done Wed. at 4:30.

Vote on tabling HB664 failed.

Meeting recessed.

HOUSE RESOURCE COMMITTEE - Minutes - February 13, 1976

Present were Osterback, Hershberger, Huntington, Smith, Swanson, Staff Assistant Van Doren and Chmn. Anderson.

Subject: HB 664 and HB 580

*7/13/76*

Sponsor Ose stated that description corrections have been made in the Committee Substitute. Also, due to the request of the Borough, wording in the original bill pertaining to Sections 10 - 60 ...fff.. are deleted. Regarding the "advisory committee", the word "active" was added.

Mr. Smith reminded the committee that there is a motion pending to substitute the wording of SB 603 for the description in HB 580. The motion carried.

Sponsor Ose stressed passing HB 663--there are enough park projects in the area. Uncertainty of land status needs to be cleared up so as to relieve the anxieties of the people. There is no quarrel with recreational uses of the area--only the "lock up" that a park would cause.

Rep. Swanson expressed concern that Natural Resources still remains in charge of the area, in the CS.

Mr. Smith asked the sponsor whether there are people in the area experienced in management of agricultural and recreational aspects involved; also whether persons are available to handle the physical management of a recreational area. It is Smith's understanding that at least one group in the area wants the state to get involved in maintenance, to get the burden off the back of locals. In response to Ose's comment that locals have been doing o.k., Smith said he had a differing opinion--locals want help. Enforcement also would be necessary. He suggested an amendment be drawn up re: enforcement.

Swanson expressed concern about bureaucracy--rules and regulations force a team of "bureaucracy" to arrive on the scene. However, Swanson stated he is not against the bill.

Rep. Smith noted that the description in HB580 has more agricultural land involved than HB664. Maybe the descriptions should be reversed.

Rep. Huntington stated that we need to get away from having private property within parks, which then has to be bought up by the state at a future date. What is needed is clear title to park lands before they become parks.

Meeting was recessed.

✓  
February 2, 1976 - Talkeetna State Park--Agricultural Reserve Hearings

Robert Risely - presented copy of MSB code title 16 - 8/20/74

Ed Martin, Sr., a resident, favors multiple use. There hasn't been enough exploration of the land to determine what the use should be. Not in favor of either bill--favors multiple use.

Mrs. Gene Woods, a resident, supports 664 with changes. She opposes 580. People can live with HB 664.

Miss Barbara Woods, a resident, favors HB 664. Multiple use, with some control.

A.L. Renshaw, a resident, is a 3rd generation mining engineer. He represents the Alaska Miners Association, and the people of the area. This is the 5th hearing on this issue. The proposals have hampered mineral exploration because of uncertainty. The Willow Creek Mining District has good gold potential. There are 2000 jobs involved--and a 10 billion dollar industry. HB 580 is a rehash of the Committee Substitute for last session from the mountaineering club. It is restrictive. Mr. Renshaw questioned Ln. 5 Pg. 5. Does this mean no development? How do you get access if no motor vehicles are allowed. He was also concerned with MAY wordings, veto power of the Park Dept., and Ln. 21 Pg. 6--reasonable to the state--Does not mention private. This could lead to possible condemnation. There is no responsibility for protecting in-holdings. Re: U.S.G.S. 10004--the recreation zone has shaded patented claims and survey areas--but does not show unpatented lands. Mr. Renshaw also stated that the Chief Planner had said that the recreation area was unmanageable. It is heavily mined. There is stored dynamite--a tremendous hazard. There would have to be restriction on public activities. There would have to be insurance for liability for the owners. Responsibility would have to be spelled out. Traditionally this has been a multiple use area...grazing, recreation, mining, etc. He opposes HB580. "Put the bill to rest--it keeps coming up" HB664 defines a reasonable multiple use for the area--the mining people can live with this.

Henry Hill, a resident, and involved in mining in the area. His family owns property in the area. Leave it exactly as it is. No one bothered it until recreation came in, then agriculture, now mining. Everybody used it before without any classification. Why change it. Existing laws will take care of it. HB580 allows one use--he's opposed. HB664--possibility of good economic source. Possible problem of revenue source vs. recreation source. In HB664 the management responsibility is too far removed from the people.

Mr. Harry Luckwald, a resident: There is gold potential in the area. Mining laws hold precedent--grandfather rights. Against HB580. HB664 is a giant step forward. People used to mine up high near Eagle River, but the Borough stopped them by use.

Anchorage Motor Musers Club--600 members--supports HB664.

Dean Bunker, a homesteader near the area. We do not need any more parks. There is Denali Park expansion. This park could expand.

Susitna Valley Kiwanis Club: We do not need more parks, but if there is a need for this park HB664 is more palatable.

Russ Cahill, Director of Parks, State of Alaska: HB580 is concerned with the area. It is a departure from normal parks, in that it has a corridor of multiple use within it. The Dept. is taking into consideration all mining claims patented and active. The intent of the Park is to NOT purchase land within the Park unless it is essential to campground or management. If land is to be purchased it will be at fair market value. Ranger patrols will be in effect. There will be a possible loss of revenue. Re: HB 664, this is 430,000 acres. 13% is good for agricultural purposes. 87% is not good for agriculture. Cahill is not in favor of this proposal. Only one Department and one man should run the system. If he does not do a good job, he can be removed.

Dr. Deerborn, a resident of the area: Is opposed to all regulations to create a park. It would cripple recreational potential by private ownership. Why not further develop Chugiak Park for Anchorites.

Virginia Del Piaz: President, Upper Cook Inlet Conservation Society: I favor HB580 strongly. 150,000 people in 1975 were opposed to HB664. The majority of the land is above 12,000 ft., and should be included within a Park. The area is not agricultural land. (Del Piaz lives in the area)

Wayne Bowens, a local dairy man: Favors HB664. The multiple use concept is best. Don't lock it up as a park. There is a grazing area, and some crops can be grown.

Arthur Criter, of the Willow Creek Miners: Is opposed to a Park which affects the mining area. Tired of fighting the issue of parks. Prepared to initiate lawsuits (31) Re: HB664, three mining claims additional would be working if not for the cloud of a Park over them.

Pete Green, a local realtor, and member of the Realtors Association: (30 members) Is not too concerned with either bill. Multiple use concept best--protect --put rights and mining first. Park people haven't shown him that they can manage parks. Costs haven't been brought up. Central location, and one agency, to which the people could go to secure all necessary permits, is necessary.

Sig Rigstad, a resident: 1 million acres of parks within the Borough now. There would be more than an acre per person if Talkeetna Mt. Park is enacted. It was mining that opened the area. Parks should take small areas and manage them for the people who would use them. Only outdoor people who are healthy can use the proposed Park areas. There is considerable expense to run a park even if it is not developed. Invest in the parks that are already established. Re: HB664, there is an option if the land has to be tied up. The Adv. Jury Committee is important. But this committee should have as a criteria the size of the organizations involved--not naming specific organizations.

Pat Carney, a dairy farmer: Is opposed to HB664. Is it proper for members of the committee to voice their opinions at this hearing? Feels we are facing a special interest group (mining) who is against HB580 and using HB664. Feels that the HB664 cannot stand as it is. There is not enough agricultural land to justify the bill.

George Parkee: Enjoys parks, but there is a need for agricultural reserve. Supports multiple use, but need to maintain agricultural land. Need for mining--the proven area is needed for recreation also.

HOUSE RESOURCE COMMITTEE - Minutes - Feb. 10, 1976

Present were Smith, Huntington, Hershberger, Osterback, Brown  
Staff Assistant Van Doren and Chmn. Anderson

Subject: HB 664 and HB 580

*Talkeetna*

Rep. Al Ose began testimony. (Chmn. Anderson requested the hearing to begin without a quorum.) Mr. Ose stated that grazing, mining, and recreation were the main uses of the area. The people living there do not want a park, but they do want recreation. A Park status would essentially close the area to mining. It would also take away a tax base from the Borough. Mining would involve major investment if the people involved knew it was to remain open. Now, under current uncertain conditions, the people won't invest. (Above statements refer to HB 680)

(Chmn. Anderson announced that a quorum was now present). Mr. Ose expressed opposition to HB 580, stating that it is too large an area to lock up in a park.

Ron Hawk, of the Alaska Chapter of the Sierra Club, expressed concurrence with HB 580 and opposition to HB 664. The wilderness experience in the Talkeetna area is great. The scenic resource alone justifies the park status. The area cannot absorb the tremendous growth pressures. Park designation would provide a management vehicle. The proposal of agriculture as the basic use does not make sense since recreation is in fact the basic use. He stressed that grazing and mining are possible in a multiple use area. He also stressed that there should be hearings in Anchorage with at least a week's notice.

Rep. Huntington stated that many people living in the area of the proposed park are against it. Mr. Hawk said that all people should decide what to do with the area.

Rep. Ose mentioned that there is no trouble in the area yet, but there will be if a park is made.

Russ Cahill, Director of Parks for the state, presented the written testimony he had used up north. He added that HB 580 does provide for mining now in existence. However, there are other mining areas that are not included in the bill. The grazing issue is real; however, the bill does not take away anything or any use now in existence. Mr. Cahill feels that the opposition is coming from a distrust of parks per se. He also mentioned the over-speculation of land in the area now because of the capitol move issue.

Chmn. Anderson: Does the Division of Parks enforce how land is to be used? If not, who can do it?

Cahill answered that Fish and Game or Parks could enforce, depending on the major use of the land. Major uses of this area are driving for pleasure, camping, hang-gliding, fishing, hunting, berry picking, skiing, snowshoeing, snowmobiling and bird hunting.

Chmn. Anderson asked how prohibiting motorized vehicles would help the area. He was answered by Cahill stating that most of the problems with land being damaged is because of misuse by motorized vehicles. Anderson asked if Fish and Game could regulate the moose hunting in the area? (This was in response to a statement that the moose herd was on the decline because of overhunting) Answer--Yes, if it were responsible for it.

Chmn. Anderson asked why Cahill was proposing a committee to manage the area, when he had previously stated that a committee was not a good way to manage? Cahill replied that this proposed committee was for "masterplanning", not managing.

Chmn. Anderson stated that it appeared that the people of the area were having problems with the wording on Page 5, Line 14 of HB 580 stating that the Commissioner would designate the uses that were compatible under the bill. Anderson felt that the land residents should have input into the use of the land. Cahill stated that the Senate version of the bill allows local input, and also takes out the Willow part of the proposal--it is a smaller proposal.

Rep. Hershberger asked how recreational use would be affected if the area were not a park. Cahill stated that now there is excess and unsafe shooting--it needs to be limited. Also there is uncontrolled auto use. Furthermore, recreation users bother the mines and miners. Rangers on duty in a park could patrol and cut down the problems.

Chmn. Anderson stated that recreation uses shouldn't weigh more than domestic uses of those living in the area.

Rep. Smith moved that on Pg. 5, Line 19, HB 580, after the word "B", add "reviewed by the Matanuska-Susitna Borough and". Motion carried unanimously.

Rep. Smith moved that on Line 27, Pg. 5, HB 580, after "management", add "of land specified in 425 A of this chapter and". Motion carried

Regarding HB 664, Chmn. Anderson stated that grazing was considered primary, with other uses to be controlled accordingly. He asked Mr. Cahill what his arguments were against HB 664. Cahill stated that his basic objection was the setting-up of agriculture as the dominant use. Also, having the Director of Agriculture as the Land Manager for the area wasn't correct, since agriculture was not the primary use of the area.

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Rep. Smith suggested that the Senate description of the park be put into HB 580.

Phil Holdsworth, member, Joint Land Use Planning Commission, stated that hearings were needed in the north. Many of the people there did not find out about the hearings until they were over. He expressed disapproval of the statement in HB 580 which limits activities in the proposed park to those activities in existence prior to Jan. 1, 1976. This would not allow persons operating unpatented claims to develop the claims, and access to the claims, as well as processing the claims. No new mining would be allowed. He also stressed that park rangers couldn't begin to control problems in the area when city police can not do it in cities.

Richard Gordon, of the Alaska Wilderness Council, stated that the primary objective of HB 580 was to provide extensive recreational value, including scenic values. For instance, very few areas in the state have extensive alpine lakes such as this one does. Within the proposed park natural separations would enhance camping. However, funds need to be appropriated for staff within the park. This park would allow the new capitol city to be surrounded by "green belt".

Sharon Lobaugh, of the Alaska Conservation Society, expressed support of HB 580 with the amendments and adding endorsement by local groups to the management plan.

Des Dooley, of the Alaska Department of Highways stated that this proposal does not conflict with any current highway plans,---there is no 4-F conflict. However, there seems to be a problem with the park description in the Jonesville area.

Chmn. Anderson recessed the meeting until Friday, Feb.13, at 8:00 a.m.

HOUSE RESOURCE COMMITTEE - Minutes - February 17, 1976

Subject: HCR 82; HB 580 and HB 664

Present were Eliason, Huntington, Osterback, Smith, Rhode, Hershberger, Brown, Staff Assistant Van Doren and Chmn. Anderson.

Chmn. Anderson opened with several general statements, including the fact that the governor has a bill ready for introduction similar to HCR 82. Anderson has written a letter to Bradner, and one to the governor, asking for the FLUPC to study the agreement on Cook Inlet before the committee takes action. "My stand is that I want a closer look at the bill. The terms are complex. I don't feel I can recommend to the House approval at this time."

*Talbot*

Discussion as to the legal deadline for the legislature to act upon the bill brought to light the fact that the "Terms and Conditions" document mentioned in HCR 82 contains the 60-day limit, which will be met on March 12. Any change in that date would have to be approved by the Secretary of Interior.

Rep. Rhode expressed concern about the complexity of the problem-- but that everyone had given something--federal, state, and natives. He moved a DO PASS.

Chmn. Anderson read to the group the rough draft of the bill to be presented by the governor on Cook Inlet. Although the bill was not officially before the committee, there was general agreement that it was better than the resolution, since it was clearer on subsurface rights.

Discussion ensued as to whether a bill could be introduced as a Committee Substitute for a Resolution. Answer - No.

It was moved that HCR 82 be given a Do Pass recommendation by unanimous consent. Motion carried.

- -----  
Rep. Huntington moved a Do Pass on CSHB 664.

Smith stated that HB 580 does create a multiple use management area within the park, the state's first effort along those lines.

Huntington urged acceptance of HB664 because it puts the people in charge.

Smith mentioned a possible problem with miners coping with a prime agricultural use, as laid out in HB 664.

Anderson noted that in HB 580, the prime use is recreation, and yet the people themselves living in the area don't consider recreation to be prime.

In answer to Rep. Browns concern about permissible uses in both bills, Smith responded that he agreed neither was perfect, but a decision needed to be reached on which bill to work on.

Rep. Rhode stated his criteria for analyzing bills--Is it needed, will it work, and how much does it cost?

Mr. Smith moved to table HB664 with unanimous consent asked. Chmn. Anderson asked for a withdrawal of the motion in the interests of continuing action.

Chairman Anderson appointed Mr. Smith, Mr. Brown and Mr. Ose to work out problems in HB664, since that appeared to be the bill the committee wanted to mark up. Work is to be done Wed. at 4:30.

Vote on tabling HB664 failed.

Meeting recessed.

HOUSE RESOURCE COMMITTEE - Minutes - February 13, 1976

Present were Osterback, Hershberger, Huntington, Smith, Swanson, Staff Assistant Van Doren and Chmn. Anderson.

Subject: HB 664 and HB 580

*Valletta*

Sponsor Ose stated that description corrections have been made in the Committee Substitute. Also, due to the request of the Borough, wording in the original bill pertaining to Sections 10 - 60 ...fff.. are deleted. Regarding the "advisory committee", the word "active" was added.

Mr. Smith reminded the committee that there is a motion pending to substitute the wording of SB 603 for the description in HB 580. The motion carried.

Sponsor Ose stressed passing HB 663--there are enough park projects in the area. Uncertainty of land status needs to be cleared up so as to relieve the anxieties of the people. There is no quarrel with recreational uses of the area--only the "lock up" that a park would cause.

Rep. Swanson expressed concern that Natural Resources still remains in charge of the area, in the CS.

Mr. Smith asked the sponsor whether there are people in the area experienced in management of agricultural and recreational aspects involved; also whether persons are available to handle the physical management of a recreational area. It is Smith's understanding that at least one group in the area wants the state to get involved in maintenance, to get the burden off the back of locals. In response to Ose's comment that locals have been doing o.k., Smith said he had a differing opinion--locals want help. Enforcement also would be necessary. He suggested an amendment be drawn up re: enforcement.

Swanson expressed concern about bureaucracy--rules and regulations force a team of "bureaucracy" to arrive on the scene. However, Swanson stated he is not against the bill.

Rep. Smith noted that the description in HB580 has more agricultural land involved than HB664. Maybe the descriptions should be reversed.

Rep. Huntington stated that we need to get away from having private property within parks, which then has to be bought up by the state at a future date. What is needed is clear title to park lands before they become parks.

Meeting was recessed.

✓  
February 2, 1976 - Talkeetna State Park--Agricultural Reserve Hearings

Robert Risely - presented copy of MSB code title 16 - 8/20/74

Ed Martin, Sr., a resident, favors multiple use. There hasn't been enough exploration of the land to determine what the use should be. Not in favor of either bill--favors multiple use.

Mrs. Gene Woods, a resident, supports 664 with changes. She opposes 530. People can live with HB 664.

Miss Barbara Woods, a resident, favors HB 664. Multiple use, with some control.

A.L. Renshaw, a resident, is a 3rd generation mining engineer. He represents the Alaska Miners Association, and the people of the area. This is the 5th hearing on this issue. The proposals have hampered mineral exploration because of uncertainty. The Willow Creek Mining District has good gold potential. There are 2000 jobs involved--and a 10 billion dollar industry. HB 580 is a rehash of the Committee Substitute for last session from the mountaineering club. It is restrictive. Mr. Renshaw questioned Ln. 5 Pg. 5. Does this mean no development? How do you get access if no motor vehicles are allowed. He was also concerned with MAY wordings, veto power of the Park Dept., and Ln. 21 Pg. 6--reasonable to the state--Does not mention private This could lead to possible condemnation. There is no responsibility for protecting in-holdings. Re: U.S.G.S. 10004--the recreation zone has shaded patented claims and survey areas--but does not show unpatented lands. Mr. Renshaw also stated that the Chief Planner had said that the recreation area was unmanageable. It is heavily mined. There is stored dynamite--a tremendous hazard. There would have to be restriction on public activities. There would have to be insurance for liability for the owners. Responsibility would have to be spelled out. Traditionally this has been a multiple use area...grazing, recreation, mining, etc. He opposes HB580. "Put the bill to rest-- it keeps coming up" HB664 defines a reasonable multiple use for the area--the mining people can live with this.

Henry Hill, a resident, and involved in mining in the area. His family owns property in the area. Leave it exactly as it is. No one bothered it until recreation came in, then agriculture, now mining. Everybody used it before without any classification. Why change it. Existing laws will take care of it. HB580 allows one use--he's opposed. HB664--possibility of good economic source. Possible problem of revenue source vs. recreation source. In HB664 the management responsibility is too far removed from the people.

Mr. Harry Luckwald, a resident: There is gold potential in the area. Mining laws hold precedent--grandfather rights. Against HB580. HB664 is a giant step forward. People used to mine up high near Eagle River, but the Borough stopped them by use.

Anchorage Motor Musers Club--600 members--supports HB664.

Dean Bunker, a homesteader near the area. We do not need any more parks There is Denali Park expansion. This park could expand.

Susitna Valley Kiwanis Club: We do not need more parks, but if there is a need for this park HB664 is more palatable.

Russ Cahill, Director of Parks, State of Alaska: HB580 is concerned with the area. It is a departure from normal parks, in that it has a corridor of multiple use within it. The Dept. is taking into consideration all mining claims patented and active. The intent of the Park is to NOT purchase land within the Park unless it is essential to campground or management. If land is to be purchased it will be at fair market value. Ranger patrols will be in effect. There will be a possible loss of revenue. Re: HB 664, this is 430,000 acres. 13% is good for agricultural purposes. 87% is not good for agriculture. Cahill is not in favor of this proposal. Only one Department and one man should run the system. If he does not do a good job, he can be removed.

Dr. Deernborn, a resident of the area: Is opposed to all regulations to create a park. It would cripple recreational potential by private ownership. Why not further develop Chugiak Park for Anchorites.

Virginia Del Piaz: President, Upper Cook Inlet Conservation Society: I favor HB580 strongly. 150,000 people in 1975 were opposed to HB664. The majority of the land is above 12,000 ft., and should be included within a Park. The area is not agricultural land. (Del Piaz lives in the area)

Wayne Bowens, a local dairy man: Favors HB664. The multiple use concept is best. Don't lock it up as a park. There is a grazing area, and some crops can be grown.

Arthur Criter, of the Willow Creek Miners: Is opposed to a Park which affects the mining area. Tired of fighting the issue of parks. Prepared to initiate lawsuits (31) Re: HB664, three mining claims additional would be working if not for the cloud of a Park over them.

Pete Green, a local realtor, and member of the Realtors Association: (30 members) Is not too concerned with either bill. Multiple use concept best--protect --put rights and mining first. Park people haven't shown him that they can manage parks. Costs haven't been brought up. Central location, and one agency, to which the people could go to secure all necessary permits, is necessary.

Sig Rigstad, a resident: 1 million acres of parks within the Borough now. There would be more than an acre per person if Talkeetna Mt. Park is enacted. It was mining that opened the area. Parks should take small areas and manage them for the people who would use them. Only outdoor people who are healthy can use the proposed Park areas. There is considerable expense to run a park even if it is not developed. Invest in the parks that are already established. Re: HB664, there is an option if the land has to be tied up. The Advisory Committee is important. But this committee should have as a criteria the size of the organizations involved--not naming specific organizations.

Pat Carney, a dairy farmer: Is opposed to HB664. Is it proper for members of the committee to voice their opinions at this hearing? Feels we are facing a special interest group (mining) who is against HB580 and using HB664. Feels that the HB664 cannot stand as it is. There is not enough agricultural land to justify the bill.

George Parkee: Enjoys parks, but there is a need for agricultural reserve. Supports multiple use, but need to maintain agricultural land. Need for mining--the proven area is needed for recreation also.

HOUSE RESOURCE COMMITTEE - Minutes - Feb. 10, 1976

Present were Smith, Huntington, Hershberger, Osterback, Brown  
Staff Assistant Van Doren and Chmn. Anderson

Subject: HB 664 and HB 580

*Talkeetna*

Rep. Al Ose began testimony. (Chmn. Anderson requested the hearing to begin without a quorum.) Mr. Ose stated that grazing, mining, and recreation were the main uses of the area. The people living there do not want a park, but they do want recreation. A Park status would essentially close the area to mining. It would also take away a tax base from the Borough. Mining would involve major investment if the people involved knew it was to remain open. Now, under current uncertain conditions, the people won't invest. (Above statements refer to HB 680)

(Chmn. Anderson announced that a quorum was now present). Mr. Ose expressed opposition to HB 580, stating that it is too large an area to lock up in a park.

Ron Hawk, of the Alaska Chapter of the Sierra Club, expressed concurrence with HB 580 and opposition to HB 664. The wilderness experience in the Talkeetna area is great. The scenic resource alone justifies the park status. The area cannot absorb the tremendous growth pressures. Park designation would provide a management vehicle. The proposal of agriculture as the basic use does not make sense since recreation is in fact the basic use. He stressed that grazing and mining are possible in a multiple use area. He also stressed that there should be hearings in Anchorage with at least a week's notice.

Rep. Huntington stated that many people living in the area of the proposed park are against it. Mr. Hawk said that all people should decide what to do with the area.

Rep. Ose mentioned that there is no trouble in the area yet, but there will be if a park is made.

Russ Cahill, Director of Parks for the state, presented the written testimony he had used up north. He added that HB 580 does provide for mining now in existence. However, there are other mining areas that are not included in the bill. The grazing issue is real; however, the bill does not take away anything or any use now in existence. Mr. Cahill feels that the opposition is coming from a distrust of parks per se. He also mentioned the over-speculation of land in the area now because of the capitol move issue.

Chmn. Anderson: Does the Division of Parks enforce how land is to be used? If not, who can do it?

Cahill answered that Fish and Game or Parks could enforce, depending on the major use of the land. Major uses of this area are driving for pleasure, camping, hang-gliding, fishing, hunting, berry picking, skiing, snowshoeing, snowmobiling and bird hunting.

Chmn. Anderson asked how prohibiting motorized vehicles would help the area. He was answered by Cahill stating that most of the problems with land being damaged is because of misuse by motorized vehicles. Anderson asked if Fish and Game could regulate the moose hunting in the area? (This was in response to a statement that the moose herd was on the decline because of overhunting) Answer--Yes, if it were responsible for it.

Chmn. Anderson asked why Cahill was proposing a committee to manage the area, when he had previously stated that a committee was not a good way to manage? Cahill replied that this proposed committee was for "masterplanning", not managing.

Chmn. Anderson stated that it appeared that the people of the area were having problems with the wording on Page 5, Line 14 of HB 580 stating that the Commissioner would designate the uses that were compatible under the bill. Anderson felt that the land residents should have input into the use of the land. Cahill stated that the Senate version of the bill allows local input, and also takes out the Willow part of the proposal--it is a smaller proposal.

Rep. Hershberger asked how recreational use would be affected if the area were not a park. Cahill stated that now there is excess and unsafe shooting--it needs to be limited. Also there is uncontrolled auto use. Furthermore, recreation users bother the mines and miners. Rangers on duty in a park could patrol and cut down the problems.

Chmn. Anderson stated that recreation uses shouldn't weigh more than domestic uses of those living in the area.

Rep. Smith moved that on Pg. 5, Line 19, HB 580, after the word "B", add "reviewed by the Matanuska-Susitna Borough and". Motion carried unanimously.

Rep. Smith moved that on Line 27, Pg. 5, HB 580, after "management", add "of land specified in 425 A of this chapter and". Motion carried

Regarding HB 664, Chmn. Anderson stated that grazing was considered primary, with other uses to be controlled accordingly. He asked Mr. Cahill what his arguments were against HB 664. Cahill stated that his basic objection was the setting-up of agriculture as the dominant use. Also, having the Director of Agriculture as the Land Manager for the area wasn't correct, since agriculture was not the primary use of the area.

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Chmn. Anderson recessed the meeting until Friday, Feb.13, at 8:00 a.m.

HB

233

John Washburn

SS

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BY: RESOURCES COMMITTEE

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 233

For an Act entitled: "An Act relating to land under the Alaska Native Claims Settlement Act; and providing for an effective date."

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

\* Section 1. PURPOSE AND STATEMENT OF POLICY. (a) Section 17 (d)(2) of the Alaska Native Claims Settlement Act of 1971 directed the Secretary of the Department of Interior to withdraw from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, and from selection under the Alaska Statehood Act . . . up to, but not to exceed, eighty (80) million acres of unreserved public lands in the State of Alaska . . . which the Secretary deems are suitable for addition to or creation as units of the National Park Forest, Wildlife Refuge, and Wild and Scenic Rivers System."

(b) Congress is now considering bills calling for up to one hundred fourteen (114) million acres for inclusion in the aforementioned systems. The legislature finds it essential that Alaskans be provided an opportunity to affect the system and nature of public land management in Alaska in order to insure that the rights of the State of Alaska under the Statehood Act are fully recognized. The Legislature further finds it is in the best interest of the Nation and the State not to immediately classify the large tracts of Alaska Public Lands.

\* Sec. 2. STEERING COUNCIL FOR d-2 LAND. There is created in the Office of the Governor the Steering Council consisting of nine members as follows: the state co-chairman of the Joint Federal-State Land Use Planning Commission for Alaska, four members appointed by the governor, two members of the house of representative appointed by the speaker of the house, and two members of the senate appointed by the president of the senate. The Steering Council may select one of its members as chairman.

\* Sec. 3. COMPENSATION. Members of the Steering Council receive the same travel pay and per diem as provided by law for boards and commissions.

\* Sec 4. STAFF. The Council may employ those persons necessary to carry out the purposes of this Act, including but not limited to regular or temporary employees, consultants or other experts in the field.

\* Sec. 5. (a) The Steering Council shall develop a unified lobbying and informational effort to make Alaska's needs and future land use requirements known to Congress and the public in all matters relating to land withdrawals and classifications under the Alaska Native Claims Settlement Act or any other federal act, regulation, or order.

(b) The Steering Council is to provide a forum for Alaskans interested in the d-2 land to develop recommendations to protect Alaska's present and future needs and to assist Alaskans in presenting their views on Alaskan land questions before Congress.

(c) The Steering Council may expend funds to enable independent Alaskan groups to make presentations before Congress and the public.

(d) The Steering Council may do other things considered advisable for maximizing the development of positions on the issues of withdrawal and the effectiveness of presentation of these positions to Congress and the public.

\* Sec. 6. This Act takes effect immediately in accordance with AS 01.01.070(c).

MOENING-GREY & ASSOCIATES, INC.  
GEOLOGISTS AND ENGINEERS

715 L STREET, SUITE 8 ANCHORAGE, ALASKA 99501

TELEPHONE 274-2314

February 23, 1977

Section 17  
(d)  
of  
ANCSA

Honorable Alvin Osterback, Representative  
Pouch V  
Juneau, Alaska 99811

Dear Representative Osterback:

The Department of Interior published proposed regulations for the Proposed Amendment of Principals and Procedures for Land Classifications in the January 19, 1977 Federal Register. The period for comment expired February 22, 1977. Little or no other publicity was made regarding the proposed regulations and they could apparently go into effect with few revisions.

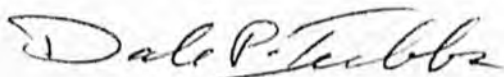
Our attention was drawn to the notice on February 17th, thus, leaving no meaningful time for comment. Contact with the Alaska Division of Lands on that date indicated that there was casual concern on the impact of such regulations if they were promulgated.

Since then we have learned the state will be asking for an additional 120 days to prepare comments. They also are proposing to have the Department of Interior combine regulations necessary to interpret Section 17(d)(1) of ANCSA and the BLM Organic Act.

These proposed regulations have to do with the classification of land set aside by Section 17(d)(1) of the Alaska Native Claims Settlement Act. None of the proposed regulations appear to honor the 90 day preference right provided in the Alaska Statehood Act.

It must be made clear that these regulations pertain to the (d)(1) lands and not the (d)(2)(National Interest) lands. Your awareness to this important issue cannot be over emphasized. Review of the States interest may be warranted by the legislature or appropriate committee.

Sincerely,



Dale P. Tubbs

DPT/lv  
attachment

[ 40 CFR Part 52 ]

[ FR 672-7 ]

ILLINOIS

Approval and Promulgation of State Implementation Plans; Emergency Episodes

On January 31, 1972, the State of Illinois submitted to the Administrator of the United States Environmental Protection Agency an implementation plan to achieve and maintain the National Ambient Air Quality Standards. The plan was approved by the Administrator on May 31, 1972 (37 FR 10862) with several exceptions, including disapproval of regulations pertaining to Prevention of Air Pollution Emergency Episodes. These deficiencies were corrected and the plan was fully approved on October 23, 1973 (38 FR 29297).

On April 9, 1976, the Illinois Pollution Control Board revised its emergency episode regulations after due notice and public hearings. The regulations (Illinois Pollution Control Board Regulations, Chapter 2, Part IV) took effect on April 1, 1976 and were submitted to U.S. Environmental Protection Agency (EPA) on July 22, 1976 as revisions to the Illinois State Implementation Plan (SIP).

The new regulations primarily address one episode situations, and would revise the plan as follows: (1) The regulations specifically state that Illinois Environmental Protection Agency has sole authority for declaring episode stages; (2) The requirement for a forecast of 8 hours of poor dispersion before an episode can be declared has been revised to allow the declaration of an episode whenever specified ozone levels occur one day and are expected to recur the next day, or if an air stagnation advisory is received for any area within the State; (3) The term Ozone Advisory replaces the former designation of Ozone Watch, and is issued when a 2 hour average of 0.07 ppm of ozone is measured; (4) Episode stages have been set for concentration levels occurring for a one hour period at any monitoring station as follows: ozone yellow alert level has been raised from 0.10 to 0.17 ppm; ozone red alert level has been decreased from 0.40 to 0.30 ppm; ozone emergency level has been decreased from 0.30 to 0.50 ppm; (5) The regulations establish a procedure for filing emission reduction contingency plans and requirements for reduction of pollution levels during periods of high concentrations. Indirect sources of pollution such as large government agencies, parking garages, and fleet vehicle operations are included among sources required to file emission reduction contingency plans.

Approval of the revisions depends on their consistency with the requirements set forth in section 110(a)(2)(A)-(D) of the Clean Air Act, as amended, and implementing regulations found in 40 CFR Part 51. The Administrator has received the submission and found it to be a necessary revision to the existing

The Administrator is also proposing these proposed changes to the Illinois plan for the purpose of securing public comments. Any interested party may make a comment on the proposed rule-making in writing by addressing correspondence to Region V's Air Programs Branch, Air and Hazardous Materials Division, 230 South Dearborn Street, Chicago, Illinois 60604. All comments received no later than thirty days from the date of this notice will be considered. Receipt of comments will be acknowledged.

Copies of the proposed regulations and public hearing transcript of hearings conducted by the State of Illinois are available for public inspection during normal working hours at the Illinois Pollution Control Board, 309 West Washington Street, Suite 300, Chicago, Illinois 60606. Copies of the proposed regulations are also available at the Illinois Environmental Protection Agency, 2200 Churchill Road, Springfield, Illinois, 62706; and at Air Programs Branch, Air and Hazardous Materials Division, EPA, Region V, 230 South Dearborn, Chicago, Illinois 60604.

Authority: 42 U.S.C. 1857c-5(a)

Dated: January 11, 1977.

GEORGE R. ALEXANDER, JR.,  
Regional Administrator.

[ FR Doc. 77-1624 Filed 1-18-77; 8:45 am ]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[ 43 CFR Part 2400 ]

ALASKA

Proposed Amendment of Principles and Procedures for Land Classifications

This proposed amendment of and addition to the regulations contained in Part 2400 of Title 43 of the Code of Federal Regulations is being made to add the authority for classification and reclassification of lands in Alaska contained in section 17(d)(1) of the Alaska Native Claims Settlement Act (43 U.S.C. 1610.2(d)(1)), and to place all classification criteria and procedures relating to lands in Alaska under the proposed Subpart (2480).

It is hereby determined that the publication of this proposed rulemaking is not a major Federal action significantly affecting the quality of the human environment and that no detailed statement pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) is required.

The Department of the Interior has determined that this document does not contain a major proposal requiring preparation of an inflation impact statement under Executive Order 11621 and OMB Circular A-1071.

In accordance with section 310 of the Federal Land Policy and Management Act of 1976, public participation is invited in rulemaking. Interested parties may

submit comments to the Bureau of Land Management, Department of the Interior, Washington, D.C. 20250, or to the Regional Office of the Bureau of Land Management, 230 South Dearborn Street, Chicago, Illinois 60604.

Comments on this proposed rulemaking will be available for public inspection at the foregoing address during regular working hours (7:45 a.m. to 4:15 p.m.).

It is therefore proposed to revise Chapter I, Subchapter B, Group 2400 of 43 CFR as set forth below.

JACK O. HORTON,

Assistant Secretary of the Interior.

JANUARY 14, 1977.

PART 2400—LAND CLASSIFICATION

1. Section 2400.0-2 is amended by designating the existing paragraph a paragraph (a) and adding a new paragraph (b) to read as follows:

§ 2400.0-2 Objectives.

(b) Procedures for land classification in Alaska are contained in Subpart 2480 of this part.

§ 2400.0-3 [Amended]

2. Section 2400.0-3 is amended by deleting the words "In the case of Alaska" from the first sentence in paragraph (f).

3. Section 2400.0-3 is amended by deleting paragraph (h) and renumbering paragraphs (i) and (j) accordingly.

4. Part 2400 is amended by adding new Subparts 2480 to 2495 to read as follows:

Subpart 2480—Land Classification; Alaska

Sec.  
2480.0-2 Objectives.  
2480.0-3 Authority.  
2480.0-4 Procedures.  
2480.0-5 Exclusions.  
2480.0-7 Appendix.

Subpart 2490—Land Classification; Alaska

§ 2490.0-2 Objectives.

Various statutes, many of which are cited in § 2490.0-3, authorize the Secretary of the Interior of classify Federal lands. The objectives of this subpart are (a) to establish the criteria and procedures for the classification of the Secretary's authority and (b) to establish the procedures for the prompt and efficient exercise of this authority with the knowledge and participation of interested parties, including the general public.

§ 2490.0-3 Authority.

The Secretary of the Interior, or his delegate, is authorized by 43 U.S.C. 2 to perform all executive duties in anywise respecting the public lands of the United States. He is also authorized by 43 U.S.C. 1624 to enforce and carry into execution by appropriate regulations every part of the provisions of the Alaska Native Claims Settlement Act (ANCSA). The following statutes, among others, authorize land classification by the Secretary:

(a) Section 17(d)(1) of the ANCSA (43 U.S.C. 1610(d)(1)) authorizes the

in Alaska withdrawn for classification and to open such lands to appropriation in accord with such classification. By various Public Land Orders, lands have been withdrawn from all forms of appropriation under the public land laws, including State selections (some exceptions); from location and entry under the mining laws, with some exceptions for locations for metalliferous minerals (30 U.S.C. Ch. 2); and from leasing under the Mineral Leasing Act of February 25, 1920, as amended (30 U.S.C. sections 187-287 (1970)). By these Orders, all such lands not otherwise withdrawn or appropriated are subject to classification and reclassification.

(b) The Recreation and Public Purposes Act, as amended (43 U.S.C. 369-869-4), authorizes the Secretary to classify lands for lease or sale for recreation or public purposes.

(c) The Act of August 30, 1949, as amended (43 U.S.C. 687b), authorizes the Secretary to sell at public auction lands that he classifies as suitable for industrial or commercial purposes, including construction of housing.

(d) Section 6(d) of the Wild and Scenic Rivers Act (16 U.S.C. 1277(d)) authorizes the Secretary to exchange federally owned property which he classifies as suitable for exchange or other disposal for nonfederal property within the authorized boundaries of any federally administered component of the national wild and scenic rivers system.

#### § 2480.0-4 Responsibility.

Except where specified to the contrary in this subpart, the authority of the Secretary to classify lands and make other determinations in accordance with the regulations of this part has been delegated to officials of the Bureau of Land Management.

#### § 2480.0-5 Definitions.

As used in the regulations of this subpart—

(a) "Agricultural" refers to the growing of cultivated crops; it does not include grazing or the production of native grasses or native forage plants.

(b) "Authorized Officer" refers to the head of a Bureau of Land Management field office who has been delegated authority to make classification decisions.

(c) "Bureau" means the Bureau of Land Management.

(d) "Classification" means a positive determination as to whether certain Federal lands will be subject to appropriation under specified law(s) or will remain in Federal ownership and control.

(e) "Appropriation" means, but is not limited to, grant, sale, exchange, selection, entry, or location for purposes of transfer of title from Federal ownership; or a lease under the Recreation and Public Purpose Act (43 U.S.C. 869, et seq.) or under the Act of May 24, 1928, as amended (40 U.S.C. 211-214).

(f) "Land Use Plan" means a plan, as of a given point in time, that sets out the future use(s) of the land based upon a systematic analysis of physical, environ-

fective, the land.

(g) "Secretary" means the Secretary of the Interior.

(h) "State Director" means the Director of the Alaska State Office, Bureau of Land Management.

#### § 2480.0-7 Applicability.

The regulations of this Subpart govern all classification of lands administered by the Bureau that are made pursuant to the authorities described in § 2480.0-3. They also apply to lands not administered by the Bureau where the head of the administering agency agrees and the specific classification authority applies; e.g., the Recreation and Public Purposes Act (43 U.S.C. 869, et seq.). Classification is a prerequisite to the approval of all appropriations and sales under the following parts, chapters, and sections of this chapter: Exchange—Part 2482; Commercial, Agricultural, and Industrial—Part 2481; and Indian Allotments—Part 2483. Indian Allotments—Part 2483; and Manufacturing Sites—Subpart 2483; State Grants—Subpart 2627; Recreation and Public Purposes—Part 2740 and Subpart 2912; Airports—Subpart 2911.

#### Subpart 2481—Classification Principles

Sec.

2481.1 General.

2481.2 Requirements.

#### Subpart 2481—Classification Principles

##### § 2481.1 General.

The authorities in § 2480.0-3 of Subpart 2480 of this part grant the Secretary full discretion, subject to statutory guidelines and limitations, to determine whether to classify any particular tract of Federal Lands for appropriation. The regulations in this subpart contain the principles and procedures which personnel of the Department of the Interior shall consider and follow in the exercise of land classification authority delegated to them by the Secretary.

##### § 2481.2 Requirements.

(a) In arriving at the classification decision the authorized officer must find that the lands involved have the geographical, physical, and economic attributes to support the use or values upon which the classification decision is based.

(b) In arriving at a classification decision under the regulations of this part, the authorized officer shall consider:

(1) Federal uses, policies, programs and plans, including Bureau Land use plans and applicable policies and objectives set forth in Group 1700 of this chapter;

(2) State and local governmental uses, policies, programs, plans and laws, including zoning and other land use regulations, to the extent such are consistent with Federal uses, policies, programs and plans;

(3) Reasonably ascertainable present and potential uses and users of the lands;

(4) Environmental effects, including economic and social impacts;

could be used for such purposes; and the availability of such lands for such purposes under the laws of the State.

(6) Effect on the administration of other public lands;

(7) The impact on resources utilized for such purposes.

#### Subpart 2482—Classification for Appropriation

Sec.

2482.1 General.

2482.2 Relative values for types of appropriation.

2482.3 Classification for appropriation under particular laws.

#### Subpart 2482—Classification for Appropriation

##### § 2482.1 General.

When lands are classified for appropriation, the classification decision shall specify the particular public law(s) under which they may be appropriated and, where applicable, the particular types of use and appropriation for which the lands will be open under such law(s).

##### § 2482.2 Relative values for types of appropriation.

Where lands are found to have value for more than one type of nonfederal use or appropriation under more than one public land law, the law or laws specified in the classification decision shall be chosen so as to give the most benefit to the public, as determined by the authorized officer, with particular regard to the considerations in § 2481.2 (b) of Subpart 2481 of this part.

##### § 2482.3 Classification for appropriation under particular laws.

(a) A Classification allowing appropriation for a homestead (Part 2510 and Subpart 2567 of this chapter) may be made if the lands are (1) chiefly valuable for agriculture, (2) suitable for development as a home and farm, (3) sufficient to provide an adequate return anticipated for the farm family, and (4) in an area where rainfall or groundwater and/or irrigation water is adequate and available under Alaskan law in sufficient quantity to permit agricultural development of the particular lands.

(b) A classification allowing appropriation for an Indian allotment (Part 2530 of this chapter) may be made if (1) the lands are chiefly valuable for agriculture; (2) the lands are, on the whole, suitable for a home, and (3) the anticipated agricultural use would support the allottee and the allottee's family.

(c) Needs in relation to subsistence living will be considered in investigations of the classification of lands for possible appropriation for headquarter sites, homesteads, or trade and manufacturing sites (Subparts 2563 and 2562 of this chapter).

(d) The authorized officer will not finalize a proposed classification allowing appropriation solely for exchange unless the estimated fair market values of the offered and selected lands are approximately equal. Where the exceptions con-

Section 17 of the Act of January 19, 1916 (39 Stat. 1156) are desired to be used by the authorized officer, the classification will not become final without the specific approval of the Secretary.

**Subpart 2483.1—Applications**

- 2483.1-1 Application or Bureau Motion.
- 2483.1-2 Filing.
- 2483.1-3 Rejection or suspension.
- 2483.1-4 Administrative Review.

**Subpart 2483.2—Proposed Classification**

- 2483.2-1 Commencement of Classification Action.
- 2483.2-2 Proposed Classification Decisions.
- 2483.2-3 Protests.

**Subpart 2483.3—Classification**

- 2483.3-1 Involving an environmental impact statement.
- 2483.3-2 In absence of protests.
- 2483.3-3 With protests.
- 2483.3-4 Classification by Secretary without certain procedures.
- 2483.3-5 Administrative Review.

**Subpart 2483.1—Applications**

- § 2483.1-1 Application or Bureau Motion.

Lands may be classified for appropriation in response to either an application for appropriation or on Bureau Motion.

- § 2483.1-2 Filing.

(a) An application must be on an approved form. Application forms and lists indicating the proper office for the filing of applications may be obtained from any office of the Bureau. All applications must be submitted in accordance with the applicable provisions of Subpart 1821 of this chapter and all other regulations concerning filing.

(b) The filing of an application gives no right to enter, occupy, or settle upon the lands.

(c) All filing fees which accompany applications submitted in accordance with the regulations of this Subpart shall be earned upon the filing of such applications with any office of the Bureau.

- § 2483.1-3 Rejection or suspension.

The classification authorities cited in § 2480.0-3, authorize classification action and applications requesting classification may be rejected without classification action at the discretion of the authorized officer or as provided by other regulations of this chapter.

(b) If the requested lands have already been classified and the application is for a type of appropriation not allowable by the existing classification, the application shall be rejected.

(c) An application for a type of appropriation not allowable under a proposed classification decision shall be suspended until the proposed decision is vacated or a final decision is issued.

(d) Applications shall also be rejected where the provisions of Subpart 2091 and other regulations of this chapter concerning segregation apply. However, applications shall not be rejected solely on the basis that the land is withdrawn pending classification under this Part.

(e) Upon finality of a classification decision, any inconsistent applications, which are then pending, will be rejected.

(f) Decisions rejecting applications will contain a statement giving the reasons for rejection and advising the applicant of corrective steps, if any, that may be taken.

(g) Upon finality of a decision rejecting an application, any advance payments on other such monies, except filing fees and reimbursement payments, submitted with the application will be returned or refunded.

- § 2483.1-4 Administrative review.

A rejection or suspension of an application pursuant to § 2483.3(a) through (e), supra, shall not be appealable to the Board of Land Appeals.

**Subpart 2483.2—Proposed Classification**

- § 2483.2-1 Commencement of classification action.

If an application is not rejected or suspended, or if the classification action is initiated by Bureau motion, the authorized officer shall proceed to examine the lands and prepare a proposed classification decision.

- § 2483.2-2 Proposed classification decision.

(a) Before issuing a proposed classification decision, the authorized officer shall determine whether the proposed action requires preparation of an environmental impact statement (an EIS) under section 102(2)(c) of the National Environmental Policy Act (43 U.S.C. 4332 (2)(c)). In those instances where he determines that an EIS is required, the authorized officer shall proceed to prepare an EIS based on the proposed classification decision.

(b) The authorized officer shall make and issue a proposed classification decision which shall (1) state whether the lands will be retained or offered for appropriation; (2) if appropriation, state the extent or under which authority (ies) appropriation will be allowed as provided in § 2482.1 of Subpart 2482 of this part; (3) state whether an EIS has been or is being prepared; (4) identify any and all applications filed for the land; (5) if no application has been filed and disposition is contemplated, state that the land will be open to application by all qualified persons on an equal-opportunity basis after public notice; (6) contain a statement of reasons in support of the decision proposed; and (7) specify a period of not less than 30 days during which protests shall be received. Should the authorized officer find good cause, the protest period may be shortened, and, if so shortened, the proposed decision shall contain the reason(s) in support of such lesser period of time.

(c) Such decisions shall be served upon (1) each applicant for use or appropriation of the land; (2) each permittee, licensee, or lessee using the land; (3) the local governing board, planning commission or other official body having

control authority in the area where the land is located; (4) any governmental officials or agencies from whom written comments concerning future use of the lands have recently been received; and (5) such other persons as the authorized officer deems appropriate.

(d) A proposed classification decision that would classify more than 2,560 acres shall be published in the FEDERAL REGISTER and in a newspaper having general circulation in the vicinity of the lands. A proposed classification decision for 2,560 acres or less may be also so published if it is deemed appropriate by the authorized officer.

(e) The authorized officer shall hold a public meeting on the proposal if the proposed classification is for more than 100,000 acres, or he determines that sufficient public interest exists to warrant the time and expense of a meeting.

- § 2483.2-3 Protests.

After a proposed classification decision has been issued, any interested party may file a written protest with the State Director during the period specified in the proposed decision. No particular form of protest is required. The protest must be sufficient to identify the specific proposed decision being protested.

**Subpart 2483.3—Classification**

- § 2483.3-1 Involving an environmental impact statement.

If, under § 2483.2-2(a) of Subpart 2483.2 of this part, it was determined that an EIS is necessary, no classification will become final until the final EIS has been filed. In such cases, the authorized officer shall issue a final classification notice or decision as appropriate.

- § 2483.3-2 In absence of protests.

If no protest is filed within the time allowed, the proposed classification shall become final, and the authorized officer shall serve a notice of final classification upon those served with the proposed decision. A notice shall also be published in the FEDERAL REGISTER and a local newspaper if the proposed decision was so published.

- § 2483.3-3 With protests.

If a protest to the proposed classification decision is timely filed, the following procedures shall apply:

(a) The protest shall be reviewed by the State Director. At the conclusion of the review, the State Director shall either vacate, affirm, or modify the proposed classification decision. Notice of his decision shall be served upon those served with the proposed classification decision and upon all protestants. It shall also be published in the FEDERAL REGISTER and a local newspaper if the proposed classification decision was so published.

(b) For a period of 30 days after service of the notice of the State Director's decision, any interested person may petition the Secretary for review. Notice of the filing of a petition with the Secretary

must be served on the State Director within the 30-day period.

(c) If within the 30-day period, the State Director does not receive notice of petition to the Secretary, the decision shall become the final classification decision.

(d) If a petition is timely received, including service on the State Director, the State Director's decision shall be suspended. Notice of suspension shall be given to the same persons and in the same manner as notice of the State Director's decision. Therefore, the Secretary shall make the final classification decision. Notice of the Secretary's action shall be given to the same persons and in the same manner as the notice of suspension.

**§ 2483.3-4 Classification by Secretary without certain procedures.**

Where the Secretary determines that the public interest would be served thereby, he may issue a final classification decision without following any or all of the procedures in §§ 2483.2-2(b) through 2483.2-3 of Subpart 2483.2 of this part and §§ 2483.3-2 and 2483.3-3 by publishing his decision in the FEDERAL REGISTER and a newspaper having general circulation in the vicinity of the lands being classified.

**§ 2483.3-5 Administrative Review.**

No person shall be entitled to any administrative review of a classification decision other than that provided by § 2483.3-3.

**Subpart 2484—Opening of Lands**

Sec.

- 2484.1 Preference rights.
- 2484.2 Appropriation in absence of preference rights.
- 2484.3 Right to enter, occupy, or settle.

**Subpart 2484—Opening of Lands**

**§ 2484.1 Preference rights.**

(a) No applicant shall have a preference right unless it is expressly provided by law.

(b) If it should be necessary for any reason to reject the application of the first applicant entitled to a preference right, other qualified applicants who filed prior to classification shall succeed to the preference right in order of filing.

**§ 2484.2 Appropriation in absence of preference rights.**

Where there is no preference right, the authorized officer shall, in accordance with the specifics of the classification:

(a) Seek application for the land from an applicant where there is only one possible qualified applicant, e.g., the State of Alaska.

(b) Publish a notice setting a time and place at which the land will be sold to the highest bidder.

(c) Publish a notice providing for a period during which applications may be filed, with the successful applicant to be determined by a drawing among all qualified applicants.

(d) In the event there is no response to the specific notices given in paragraphs (b) and (c) of this section, the

authorized officer, in his discretion, may cancel the classification or the final classification to stand until the first qualified applicant submits a proper application, or the classification is rescinded for other reasons.

**§ 2484.3 Right to enter, occupy, or settle.**

(a) A classification for appropriation does not give a right to enter, locate, occupy, or settle upon the lands unless the classification decision expressly opens the lands. If a classification decision does not so provide, no person shall be entitled to possession or use of the land until otherwise expressly authorized by the authorized officer. Entry, location, occupancy, or settlement on the land prior to that time constitutes a trespass.

(b) After lands have been classified, all the laws and regulations governing the particular type of appropriation must be complied with in order for title to vest or other interest to pass. No final determination on whether an applicant has satisfied all requirements for appropriation need be made until the lands have been classified. No conveying instrument or lease shall be executed until the lands are opened.

**Subpart 2485—Termination of Classification**

**§ 2485.1 Continuance.**

A final classification shall continue in full force and effect until it is revoked, until it terminates by its own terms or by operation of law, or until the lands are reclassified. Lands may be reclassified at any time.

**§ 2485.2 Recreation and public purpose classifications.**

If no application is received for lands classified for appropriation under the Recreation and Public Purposes Act, as amended (43 U.S.C. 869-869-4), within 18 months of the date of classification, the classification shall automatically terminate.

[FR Doc. 77-1731 Filed 1-16-77; 8:45 a.m.]

Office of the Secretary  
[43 CFR Part 29]

**TRANS-ALASKA PIPELINE LIABILITY FUND**

**Establishment of Non-Profit Corporation**

The United States Department of the Interior, in order to implement section 204(c) of the Trans-Alaska Pipeline Authorization Act, 43 U.S.C. 1653(c) (the Trans-Alaska Pipeline Liability Fund), proposes to adopt regulations pursuant to the Act for the purpose of establishing a non-profit corporate entity to be strictly liable without regard to fault for all damages, sustained by any person or entity as a result of discharges of oil from vessels engaged in the coastwise transportation of oil from the terminal facilities of the Trans-Alaska Pipeline to a port under the jurisdiction of the United States. Specifically, the contents of these proposed regu-

ulations are hereby published for public comment and notice of the availability of the regulations is hereby published in the FEDERAL REGISTER.

The Department of the Interior hereby solicits public comment on the proposed regulations so that they may be improved. Comments should be submitted to the Office of the Secretary, U.S. Department of the Interior, 18th & C Streets, N.W., Washington, D.C. 20240, on or before March 7, 1977. Following the close of the comment period and after review of the comments, the Secretary may amend these proposed regulations to reflect necessary and permissible changes. The Secretary shall then publish final regulations in the FEDERAL REGISTER.

Thomas S. Brantley,  
Secretary of the Interior

This part of the Code of Federal Regulations is proposed to be revised as follows:

**PART 29—TRANS-ALASKA PIPELINE LIABILITY FUND**

- 29.1 Definitions.
- 29.2 Creation of the fund.
- 29.3 Fund administration.
- 29.4 General powers.
- 29.5 Officers and employees.
- 29.6 Financing of the fund.
- 29.7 Imposition of strict liability.
- 29.8 Notification and advertisement.
- 29.9 Claims, settlement and adjudication.
- 29.10 Subrogation.
- 29.11 Investment.
- 29.12 Borrowing.
- 29.13 Termination.
- 29.14 Audit.

**AUTHORITY:** Sec. 204(c), Trans-Alaska Pipeline Authorization Act, 43 U.S.C. 1653(c).

**§ 29.1 Definitions.**

As used in this part:

(a) "United States" includes the various States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Canal Zone, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(b) "Secretary" means the Secretary of the Interior or his authorized representatives.

(c) "Act" means the Trans-Alaska Pipeline Authorization Act, Title II of Pub. L. 93-153.

(d) "Trans-Alaska Pipeline System" means any pipeline or terminal facilities constructed by the Permittees.

(e) "Fund" means the Trans-Alaska Pipeline Liability Fund established as a non-profit corporate entity by Sec. 204(c) of the Trans-Alaska Pipeline Authorization Act.

(f) "Person" means an individual, a corporation, a partnership, an association, a joint stock company, a business trust, an unincorporated organization, or a Government entity.

(g) "Oil" means petroleum in any form including crude oil, refined products, and other liquid hydrocarbons which have

...to be served on the State Director within the 30-day period.

(c) If within the 30-day period, the State Director does not receive notice of petition to the Secretary, the decision shall become the final classification decision.

(d) If a petition is timely received, including service on the State Director, the State Director's decision shall be suspended. Notice of suspension shall be given to the same persons and in the same manner as notice of the State Director's decision. Therefore, the Secretary shall make the final classification decision. Notice of the Secretary's action shall be given to the same persons and in the same manner as the notice of suspension.

§ 2483.3-4 Classification by Secretary without certain procedures.

Where the Secretary determines that the public interest would be served thereby, he may issue a final classification decision without following any or all of the procedures in §§ 2483.2-2(b) through 2483.2-3 of Subpart 2483.2 of this part and §§ 2483.3-2 and 2483.3-3 by publishing his decision in the FEDERAL REGISTER and a newspaper having general circulation in the vicinity of the lands being classified.

§ 2483.3-5 Administrative Review.

No person shall be entitled to any administrative review of a classification decision other than that provided by § 2483.3-3.

Subpart 2484—Opening of Lands.

Sec.

- 2484.1 Preference rights.
2484.2 Appropriation in absence of preference rights.
2484.3 Right to enter, occupy, or settle.

Subpart 2484—Opening of Lands

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(b) If it should be necessary for any reason to reject the application of the first applicant entitled to a preference right, other qualified applicants who filed prior to classification shall succeed to the preference right in order of filing.

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(a) Seek application for the land from an applicant where there is only one possible qualified applicant, e.g., the State of Alaska.

(b) Publish a notice setting a time and place at which the land will be sold to the highest bidder.

(c) Publish a notice providing for a period during which applications may be filed, with the successful applicant to be determined by a drawing among all qualified applicants.

(d) In the event there is no response to the specific notices given in paragraphs (b) and (c) of this section, the

classified area, to be... until the first qualified applicant submits a preference application, or the classification terminates for other reasons.

§ 2484.3 Right to enter, occupy, or settle.

(a) A classification for appropriation does not give a right to enter, locate, occupy, or settle upon the lands unless the classification decision expressly opens the lands. If a classification decision does not so provide, no person shall be entitled to possession or use of the land until otherwise expressly authorized by the authorized officer. Entry, location, occupancy, or settlement on the land prior to that time constitutes a trespass.

(b) After lands have been classified, all the laws and regulations governing the particular type of appropriation must be complied with in order for title to vest or other interest to pass. No final determination on whether an applicant has satisfied all requirements for appropriation may be made until the lands have been classified. No conveying instrument or lease shall be executed until the lands are opened.

Subpart 2485—Termination of Classification

§ 2485.1 Continuance.

A final classification shall continue in full force and effect until it is revoked, until it terminates by its own terms or by operation of law, or until the lands are reclassified. Lands may be reclassified at any time.

§ 2485.2 Recreation and public purpose classifications.

If no application is received for lands classified for appropriation under the Recreation and Public Purposes Act, as amended (43 U.S.C. 869-869-4), within 18 months of the date of classification, the classification shall automatically terminate.

[FR Doc. 77-1731 Filed 1-16-77; 8:45 a.m.]

Office of the Secretary [43 CFR Part 29]

TRANS-ALASKA PIPELINE LIABILITY FUND.

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The United States Department of the Interior, in order to implement section 204(c) of the Trans-Alaska Pipeline Authorization Act, 43 U.S.C. 1653(c) (the Trans-Alaska Pipeline Liability Fund), proposes to adopt regulations pursuant to the Act for the purpose of establishing a non-profit corporate entity to be strictly liable without regard to fault for all damages, sustained by any person or entity as a result of discharges of oil from vessels engaged in the coastwise transportation of oil from the terminal facilities of the Trans-Alaska Pipeline to a port under the jurisdiction of the United States. Specifically, the contents of these proposed regu-

...the requirements of section 204(c) of the Act.

The Department of the Interior hereby publishes the comment on the proposed regulations so that interested persons may submit their comments to the Secretary, U.S. Department of the Interior, 400 & C Streets, N.W., Washington, D.C. 20240, on or before March 7, 1977, following the close of the comment period, and after review of the comments the Secretary may amend these proposed regulations to reflect necessary and permissible changes. The Secretary shall then publish final regulations in the FEDERAL REGISTER.

THOMAS S. BROWN, Secretary of the Interior

It is proposed to add a new part, 29, part 29 as follows:

PART 29—TRANS-ALASKA PIPELINE LIABILITY FUND

- Sec. 29.1 Definitions.
29.2 Creation of the fund.
29.3 Fund administration.
29.4 General powers.
29.5 Officers and employees.
29.6 Financing of the fund.
29.7 Imposition of strict liability.
29.8 Reputation and advertisement.
29.9 Claims, settlement and adjudication.
29.10 Subrogation.
29.11 Investment.
29.12 Borrowing.
29.13 Termination.
29.14 Audit.

Authority: Sec. 204(c), Trans-Alaska Pipeline Authorization Act, 43 U.S.C. 1653(c).

§ 29.1 Definitions.

As used in this part:

(a) "United States" includes the various States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Canal Zone, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(b) "Secretary" means the Secretary of the Interior or his authorized representatives.

(c) "Act" means the Trans-Alaska Pipeline Authorization Act, Title II of Pub. L. 93-153.

(d) "Trans-Alaska Pipeline System" means any pipeline or terminal facilities constructed by the Permittees.

(e) "Fund" means the Trans-Alaska Pipeline Liability Fund established as a separate corporate entity by Sec. 204(c) of the Trans-Alaska Pipeline Authorization Act.

(f) "Person" means an individual, a corporation, a partnership, an association, a joint stock company, a business trust, an unincorporated organization, or a Government entity.

(g) "Oil" means petroleum in any form including crude oil, refined products, and other liquid hydrocarbons which have

(3781 - Ref)

Rio → Juneau - Las Vegas

(2 wks.)

Passport  
Vacation

- Post office

↓  
Application

(Water pills)

Rio  
Dean

Face  
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Rep  
Mike  
Miller  
3738

*[Handwritten signature and scribbles]*

Introduced: 2/18/77  
Referred: Resources and  
Finance

BY GRUENING, MALONE, GARDINER  
AND SWANSON

1 IN THE HOUSE

2 HOUSE BILL NO. 233 ✓

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to land under the Alaska Native Claims  
7 Settlement Act; and providing for an effective date."

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

9 \* Section 1. STEERING COUNCIL FOR d-2 LAND. There is created in the  
10 Office of the Governor the Steering Council consisting of nine members as  
11 follows: the state co-chairman of the Joint Federal-State Land Use Planning  
12 Commission for Alaska, four members appointed by the governor, two members of  
13 the house of representatives appointed by the speaker of the house, and two  
14 members of the senate appointed by the president of the senate. *The Council*

15 *may select one of its members as chairman.*  
16 \* Sec. 2. COMPENSATION. Members of the Steering Council receive the same  
17 travel pay and per diem as provided by law for boards and commissions.

18 \* Sec. 3. STAFF. The committee may employ those persons necessary to  
19 carry out the purposes of this Act, including but not limited to regular or  
20 temporary employees, consultants or other experts in the field.

21 \* Sec. 4. DUTIES. (a) The Steering Council shall develop a lobby effort  
22 to represent Alaska's interest before Congress in matters relating to land  
23 withdrawals under sec. 17(d)(2) of the Alaska Native Claims Settlement Act  
(43 U.S.C. 1601 et seq.).

24 (b) The Steering Council ~~is to provide a forum for parties interested~~  
*may coordinator for Alaska*  
*representative on the d-2 land and may*  
25 ~~in the d-2 land to develop and maintain a common broad front on the issues~~  
*expert funds to carry out the purposes of this act.*  
26 ~~and to develop a capability for these interested parties to adequately~~  
27 ~~present their views before Congress.~~

28 ~~[(c) In order to ensure the widest possible presentation of Alaska's~~  
29 ~~views before Congress the Steering Council may make grants from the funds.~~

1 available to it to independent groups for the purpose of presentations before  
2 Congress on these issues. (These groups must have an interest in the issue of  
3 d-2 withdrawal but their position need not be identical to the position of  
4 the Steering Council of the state or the official position of the executive  
5 branch of government of the state. The interest may concern specific issues  
6 or particular portions of the land being withdrawn.

7 (d) The Steering Council may do other things considered advisable for  
8 maximizing the development of positions on the issues of withdrawal and the  
9 effectiveness of presentation of these positions to Congress.

10 \* Sec. 5. The provisions of AS 39.50 (conflict of interest) apply to the  
11 Steering Council for d-2 land created by this Act.

12 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-  
13 070(c).



Section 1. Purpose and statement of Policy

Section 17 (d) (2) of the Alaska Native Claims Settlement Act of 1971 directed the Secretary of the Department of Interior "to withdraw from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, and from selection under the Alaska Statehood Act.... up to, but not to exceed, eight million acres of unreserved public lands in the State of Alaska.... which the Secretary deems are suitable for addition to or creation as units of the National Park, Forest, Wildlife Refuge, and Wild and Scenic Rivers System."

Congress is now considering bills calling for up to 114 million acres for inclusion in the aforementioned systems. The legislature finds it essential that Alaskans be provided an opportunity to affect the system and nature of public land management in Alaska in order to insure that the rights of the State of Alaska under the Statehood Act will be fully <sup>and</sup> recognized and that <sup>the</sup> needs and well being of all Americans are considered when Congress acts upon the status of Alaska's Public Lands. ~~and by providing measures to~~ ~~land classifications.~~

*fully*  
*that*

Section 4 (a) The Steering Council shall develop a unified lobbying and informational effort to make Alaska's needs and future land use requirements known to Congress and <sup>the Public</sup> throughout the other 49 states in all matters relating to land withdrawals <sup>and land use</sup> under Section 17 (d)(2) of the Alaska Native Claims Settlement Act <sup>or any other federal act, regulation, order.</sup>

*to*  
*before*

(b) The Steering Council is to provide a forum for Alaskans interested in the d-2 land to develop recommendations protective of Alaska's present and future needs and to assist Alaskans in presenting their views on the <sup>land</sup> land questions <sup>to</sup> Congress, and the American public.

*to make*  
*to make*

(c) The Steering Council may <sup>expend fund</sup> make grants from the funds available to it to independent Alaskan groups for the purpose of presentations before Congress <sup>and the public.</sup> on these issues.

Suggested Amendments to HB 233

Section 1. Purpose and statement of Policy

Section 17 (d) (2) of the Alaska Native Claims Settlement Act of 1971 directed the Secretary of the Department of Interior "to withdraw from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, and from selection under the Alaska Statehood Act.... up to, but not to exceed, eight million acres of unreserved public lands in the State of Alaska.... which the Secretary deems are suitable for addition to or creation as units of the National Park, Forest, Wildlife Refuge, and wild and Scenic Rivers System."

Congress is now considering bills calling for up to 114 million acres for inclusion in the aforementioned systems.

The legislature finds it essential that Alaskans be provided an opportunity to affect the system and nature of public land management in Alaska in order to insure that the rights of the State of Alaska under the Statehood Act ~~will be fully~~ *fully* are recognized, ~~and that needs and well being of all Americans are considered when Congress acts upon the status of Alaska's Public Lands.~~ *The legislature further finds it to be in the best interest of the Nation and the State that it be classified*

Section 4 (a) The Steering Council shall develop a unified lobbying and informational effort to make Alaska's needs and future land use requirements known to Congress and throughout the other 49 states in all matters relating to land withdrawals under Section 17 (d) (2) of the Alaska Native Claims Settlement Act.

(b) The Steering Council is to provide a forum for Alaskans interested in the d-2 land to develop recommendations protective of Alaska's present and future needs and to assist Alaskans in presenting their views on the d-2 land-question to Congress and the American public.

(c) The Steering Council may make grants from the funds available to it to independent Alaskan groups for the purpose of presentations before Congress on these issues.

*These large portions of Alaska Public Lands*

Suggested Amendments to HB 233

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(c) The Steering Council may make grants from the funds available to it to independent Alaskan groups for the purpose of presentations before Congress on these issues.

out



Alaska State Legislature  
House

JUNEAU ALASKA

Memo to: Alvin Osterback, Chairman  
House Resources Committee

From: Subcommittee on Parks, Timber and Lands  
Sally Smith, Chairman

Re: HB 156-Privately Owned Agricultural Land

February 23, 1977

On request of the sponsor, we recommend that HB 156 be held indefinitely and not be taken up by the complete Resources Committee as scheduled.

Sally Smith

Mike Miller

Dick Eliason

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 22, 1977

SUBJECT: Land questions (Work Order #3369)  
TO: Representative Alvin Osterback  
FROM: Joel F. Bennett *JFB*  
Legislative Counsel

You asked several questions relating to lands matters. As I understand it, they were as follows:

(1) What can the so-called "D-2 lands" be used for, and can the uses be changed?

The "D-2" lands were those federal lands withdrawn by the Secretary of the Interior under sec. 17(d)(2) of the Alaska Native Claims Settlement Act for designation by Congress as additions to or new National Parks, National Forests, Wild and Scenic Rivers, and Wildlife Refuges (approximately 80 million acres). Congress has until December, 1978 to act on "D-2" withdrawals. Until then, no state selections can be made on the lands. After lands are designated to be included within the four systems, no state selections within them may occur. Lands not designated by Congress under 17(d)(2) will be open to selection by the state. Uses within the four federal systems are restricted according to the provisions of the respective federal laws governing those systems and cannot be changed by the state. Change must thereafter come by congressional action. (The state eventually will be able to select from lands within the following: native withdrawals not chosen by the natives; "D-2" lands not acted upon by Congress; and "D-1" lands withdrawn to insure that the public interest is adequately protected, and not acted upon).

(2) What can the state do with the lands it selects?

After selection, the state has broad powers of classification for its lands under AS 38.05.300. The director of lands is directed to make a preliminary classification for surface use of "all lands in areas where he considers it necessary

and proper for future development." This must be transmitted to the commissioner, with a land use plan, for his approval, modification or rejection. However, no state land, water, or land and water area shall, except by act of the state legislature, be closed to multiple purpose use, if the area contains more than 640 acres. So although lands can be classified as agricultural, commercial, industrial, utility, grazing, mineral, timber etc., large areas over 640 acres closed to multiple purpose use (i.e., parks, recreation areas) must be done by act of the legislature.

Following its classifications, the state may dispose of it in accordance with those classifications; retaining it for public use (for ex, parks, recreation areas), leasing it (for ex, minerals ) or selling it (for ex, as residential, utility land), or otherwise disposing of it (for ex, the sale of timber).

(3) Can the state select land specifically for timber harvest?

Yes, under the present classification system, state lands can be classified as timber lands and although this does not preclude other uses, they must conform to its primary use as timber land. Once classified, the state may contract for the sale of the timber on the land, but not for the sale of the land itself. Presumably, the state in many cases does select land with the primary intention of disposing of its timber resources. (See AS 38.05.110-125, generally).

(4) If land is put into state parks, can it later be withdrawn for timber and mineral development?

Whether the park is 640 acres or more makes a difference. If it is, it can be changed and devoted to timber development only by act of the legislature. If it is not over 640 acres, the director of lands can reclassify it (or any other category) for use as timber lands when the public interest warrants it (see AS 38.05.300).

JFB:smh

HB

234



Alaska State Legislature  
House

HOUSE RESOURCES COMMITTEE

Alvin Osterback, Chairman

Pouch V, State Capitol  
Juneau, Alaska 99811  
(907) 465-3715

M E M O R A N D U M

28 February 1977

RE: HB 234

TO: Steve Cowper, Chairman  
House Finance Committee

FROM: Alvin Osterback, Chairman  
House Resources Committee

The House Resources Committee recommends the following amendment for HB 234:

Section 2 becomes Section 3 and a new Section 2 will read:

\* Sec. 2. The sum of \$20,000 is hereby appropriated to the Department of Legislative Affairs for the purpose of paying travel and other necessary expenses of members of the legislature on d-2 lands.

The intent of Section 1 is to appropriate for the operation of the Steering Council, including the travel and per diem of all members of the Council.

The intent of the new Section 2 is to appropriate for a special legislative committee to provide for additional legislator participation on the d-2 question.

AMENDMENT

OFFERED IN THE HOUSE:

BY: Resources Comm.

TO: \_\_\_\_\_ HOUSE BILL No. 234

SENATE BILL No. \_\_\_\_\_

PAGE: 1

LINE: \_\_\_\_\_

Section 2 becomes Section ~~2~~<sup>3</sup> and  
a new Section 2 will read:

\* Sec. 2. The sum of \$20,000  
is hereby appropriated to the Department  
of Legislature affairs for the purpose  
of paying travel and other necessary  
expenses of members of the legislature  
on d-2 lands.

The intent of Section 1 is to App

HB

250

REPRESENTATIVE  
ALVIN OSTERBACK  
BOX 71  
SAND POINT, ALASKA 99661  
(907) 383-2363

# Alaska State Legislature



WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA  
99811

## House of Representatives

### M E M O R A N D U M

25 February 1977

DISTRICT 15

ADAK  
AKHIOK  
AKUTAN  
ALITAK  
ATKA  
BELKOFSKI  
CHIGNIK  
CHIGNIK LAGOON  
CHIGNIK LAKE  
COLD BAY  
FALSE PASS  
IVANOF BAY  
KARLUK  
KING COVE  
LARSEN BAY  
NELSON LAGOON  
NIKOLSKI  
OLD HARBOR  
PERRYVILLE  
PORT LIONS  
SAND POINT  
SQUAW HARBOR  
ST. GEORGE  
ST. PAUL  
UGANIK BAY  
UNALASKA

TO: House Resources Committee  
FROM: Alvin Osterback, Chairman  
House Resources Committee  
SUBJECT: HB 250

*Alvin Osterback*

Representative Severson is getting a fiscal note prepared on this for \$161,225.

MEMORANDUM

February 9, 1977

SUBJECT: Advisory Committee member travel and per diem costs

TO: Representative Martin Severson

FROM: Joel F. Bennett  
Legislative Counsel

Regarding your advisory committee member bill request, the rough figure given to me by the administrative branch of the Department of Fish and Game for travel and per diem costs is \$110,000 - \$130,000.

The breakdown, according to their calculations, is as follows:

There are 23 committees that are "areawide", out of a total of 53 in the state. Of the 23, 16 are not on a road system. That makes 126 members. Assuming one-fourth of the members live in the town where the meeting is held, that makes a basis of 92 members.

Figuring 4 meetings a year, at one and one-half days per diem each (\$55) and travel costs per member per meeting, (\$200) you get the following:

	\$73,600	- travel
	<u>\$35,880</u>	- per diem
Total:	\$109,480	for non-road system expenses
plus	<u>\$ 19,500</u>	for costs of used road system members
	\$128,980	

I hope this is of assistance to you. After you introduce the bill, a detailed, more exact fiscal note will be prepared by the department.

JFB:hjd

$32,245 + 128,980 = 161,225$   
 $4) 128,245$

RESOLUTION FROM NUSHAGAK ADVISORY COMMITTEE

TO

ALASKA BOARD OF GAME

REGARDING: FUNDING FOR TRAVEL AND PER DIEM FOR ADVISORY COMMITTEE MEMBERS

The State of Alaska has recognized the value of the advice of local residents by the formation of Advisory Committees to council the State Boards of Fisheries and Game. Many of the areas represented by these local Advisory Committees are geographically large and members must travel long distances to attend meetings.

At the present time, the members from the outlying villages must pay for travel, meals, and lodging from their own pockets. Since their advice is deemed desirable, and since the State has encouraged these Committees, some provision should also be made to reimburse those individuals who must travel and pay their own expenses while attending Advisory meetings. This will relieve those members of an unfair burden and encourage good representation from the villages.

HB

264

# COMMITTEE REPORT

2-24-77

FINANCE

## HOUSE

3/11/77

Date

Mr. Speaker:

The Committee on RESOURCES has had HB 264

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that  
CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_  
committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) \_\_\_\_\_

### MEMBERS SIGNING THE MAJORITY REPORT:

[Signature] \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

[Signature] recommends: [Signature]

[Signature] recommends: [Signature]

\_\_\_\_\_ recommends: \_\_\_\_\_

Chairman

# Cordova District Fisheries Union

Headquarters: Box 939, Cordova, Alaska



March 25, 1977

Representative A. Osterback, Chairman  
House Resources Committee  
Pouch V  
Juneau, Ak. 99811

*File*

Dear Representative Osterback:

We request your support of CS for House Bill #264 "An act relating to fisheries enhancement". This bill will enact many factors needed for sound well rounded planning for, and funding of, future salmon enhancements projects. The cause is good, the need is great. The fishermen and community feel this is a motherhood and apple pie issue.

We would offer a small wording change suggestion for what we consider the betterment of the bill.

Sec: 16.10.375, Regional Salmon Plan; The commissioner shall designate regions of the State for the purpose of salmon production and shall develop and amend as necessary a comprehensive salmon plan for each region including (for) both public and private non profit hatchery systems.

We appreciate you consideration of that one word change.

Sincerely,

*Bob Blake*

Bob Blake  
Chairman

bb/jd

GAVE CC TO TERRY GARDINER (JMD 3-30-77)

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

REVISED FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 264  
 Title An Act relating to fisheries enhancement  
 Requested by House Resources Committee Date 2/24/77

II. FISCAL DETAIL

Agency Affected Commerce & Economic Development  
 Program Category Affected Development  
 Budget Request Unit(s) Affected Business Loans

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
GRANTS, CLAIMS, ETC.	1,500.0					
	1,500.0	0	0	0	0	0
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	1,500.0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

There are expected to be ten (10) regional associations. I am sure each association will request the \$150,000 grant for a total of \$1,500,000.

IV. DATE March 3, 1977 PREPARED BY *Pete Jeans*  
 AGENCY Division of Business Loans  
 PHONE 465-2510  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator named)

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Proposed CSMB 264  
 Title An Act Relating to Fisheries Enhancement  
 Requested by Rep. Terry Gardiner Date 3/10/77

II. FISCAL DETAIL

Agency Affected Commerce & Economic Development  
 Program Category Affected Development  
 Budget Request Unit(s) Affected Business Loans

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	750.0	750.0	Ø	Ø	Ø	Ø
TOTAL						

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND	750.0	750.0	Ø	Ø	Ø	Ø
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

NONE

FULL TIME					
PART TIME					
TEMPORARY					

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

FY/77 - At this time it appears that 5 regions will be attempting to organize as soon as funding is available. These include Ketchikan, Sitka, Beistol Bay, and Cook Inlet. The question of whether Prince William Sound, which is already organized, will qualify for grant funds should be answered by legislation or Letter of Intent.

FY/78 - It is expected that an additional 5 regions will organize.

IV. DATE 3/11/77 PREPARED BY Pete Jeans  
 AGENCY Division of Business Loans  
 Original: Legislative Finance PHONE 465-2510  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Number of  
Facilities.

12

11

10

9

8

7

6

5

4

3

2

1

0

1

2

3

4

5

6

7

8

9

10

11

12

13

14

Years

Pilot Phase  
500,000 to  
1,500,000 per  
facility

Demonstration  
Phase  
2-4,000,000 per  
facility

Production Phase  
unknown cost

Restrictions

1.0. Brood Stock

2.0. Inadequate numbers of experienced  
personnel

3.0. Inadequate organization

- research & development

- extension services

- operating groups

- management and regulation

4.0. Money

5.0. Siting

- native vs. hatchery fish separation

- good water and estuary

- logistics

Years 1-7 need extensive time on building up the brood stock.

# TELEGRAM

RCA ALASKA COMMUNICATIONS, INC.

PHONE: 586-6440

JUNEAU, ALASKA 99801

1977 MAR 9 PM 6 53

#

19002 N. CORDOVA ALASKA 409 03-09 430P AST

PMS MR. A. OSTERBACK (FONE AND DLR BEFORE 1PM) 465-3715

CHAIRMAN, <sup>1245</sup>HOUSE RESOURCE COMMITTEE OR 465-3878

POUCH V

JUNEAU ALASKA 99811

DEAR MR. OSTERBACK:

IN REGARD TO HB 264, PRINCE WILLIAM SOUND AQUACULTURE CORPORATION WOULD LIKE TO EMPHASIZE TO YOUR RESOURCE COMMITTEE, THE VALUE THAT OUR CORPORATION PLACES ON THE VOLUNTARY METHOD OF ASSESSMENT COLLECTION. TO DATE WE HAVE COLLECTED OVER \$440,000.00 LOCALLY AND HAVE HAD OVER 90 PERCENT VOLUNTARY PARTICIPATION RATE FROM FISHERMEN AND FISH PROCESSORS. WE WOULD LIKE TO SEE ANY LEGISLATION THAT IS CONSIDERED ALLOWED FOR BOTH VOLUNTARY OR MANDATORY ASSESSMENT DEPNDING ON WHAT EACH REGIONAL CORPORATION ITSELF DECIDES.

WE WOULD ALSO LIKE TO EXPRESS THE POSITIVE VALUE WE PLACE ON JOINT REGIONAL PLANNING BETWEEN THE REGIONAL CORPORATION AND THE ALASKA DEPARTMENT OF FISH & GAME WITH ALL USER GROUPS BEING REPRESENTED. WE SEE THIS AS A WAY TO AVOID USER GROUP CONFLICTS AND PROVIDE A COORDINATED APPROACH TO RESOLVE REGIONAL FISHERY PROBLEMS. WE LOOK TO FURTHER WORK WITH THE A. D. F. & G. IN PLANNING AND REVIEWING PROPOSALS FOR OUR AREA AND TAKE A VERY POSITIVE VIEW OF SUCH JOINT PLANNING EFFORT.

PRINCE WILLIAM SOUND AQUACULTURE CORPORATION SUPPORTS THE POWERS TO CREATE A SALMON ENHANCEMENT AUTHORITY AS A NECESSARY TOOL TO RECEIVE FEDERAL SUPPORT AND IN THE FUTURE RAISE MONEY THROUGH BONDING AUTHORITY. THE POWER TO CREATE A SALMON ENHANCEMENT AUTHORITY WILL HELP US TO BE A SELF SUSTAINING HATCHERY SYSTEM AND NOT BE A BURDEN ON EITHER THE STATE OR FEDERAL GOVERNMENT.

THE REVISIONS TO THE LOAN BILL NECESSARY, ESPECIALLY THE FORGIVENESS OF PAYMENTS OF INTEREST AND PRINCIPLE FOR THE FIRST SIX YEARS. THIS IS NEEDED AS FOR THE FIRST THREE FISH CYCLES THE ECONOMIC RETURN IN SUCH A RENEWABLE RESOURCE CANNOT BE COUNTED ON AS A SURE METHOD OF LOAN REPAYMENT.

THE ORGANISATIONAL GRANTS SHOULD BE AVAILABLE TO ALL REGIONAL HATCHERY GROUPS SO THAT THE FORMATION, ORGANIZATIONAL AND EDUCATIONAL COSTS CAN BE SHARED AND NOT BE AN EXCESSIVE BURDEN ON THE REGIONALS CORPORATION.

IN CONCLUSION WE FEEL THAT THE SUPPORT THAT THE STATE OF ALASKA AFFORDS THE REGIONAL HATCHERY CORPORATIONS WILL COME BACK TO THE STATE OF ALASKA THROUGH THE BETTERMENT OF THE COMMON PROPERTY FISHERY, GREATER EMPLOYMENT, AND GREATER INVESTMENT BY FISH PROCESSORS IN ALASKA. WE ARE STRIVING TO BE A SELF SUSTAINING SYSTEM. THIS NEXT MONTH WE WILL RELEASE OUR FIRST 10 MILLION FRY FROM OUR FIRST HATCHERY.

IF YOUR COMMITTEE HAS PROBLEMS WITH THIS BILL THAT WOULD DELAY PASSAGE, PLEASE LET US KNOW AND WE WOULD BE WILLING TO OFFER TESTIMONY AND EXPLAIN OUR VIEWS. SINCERELY,

PRINCE WILLIAM SOUND AQUACULTURE CORPORATION

MARK KAZAZEAN GENERAL MANAGER

## NON-PROFIT HATCHERY PROGRAM

Under Present Law As Amended by HB 264

The present concept calls for the creation of regional wide non-profit corporations throughout the State of Alaska. Presently, one exists at Prince William Sound, and a second regional corporation for Southern Southeast Alaska, from Petersburg south to the Canadian Boarder. Those regional corporations are qualified under the present Non-Profit Hatchery Program. The Commissioner of the Alaska Department of Fish & Game qualified the structure of the corporations in light of AS16.10.380 which states that the corporation must be broad based in its board of directors and encompass all of the user groups within the area including commercial fishermen, processors sport fishermen, subsistence fishermen, municipalities and other user group entities.

The establishment of such a region into a cohesive functional unit requires an immense amount of energy, time and money. The above mentioned user groups have never in history been united together. In the Southern Southeast Region over 30 to 40,000 dollars has been expended in organizational and planning efforts. Primarily to inform the fishermen within the area of the basic concept, what is possible, why hatcheries should be built, who should build them, the economics of doing so, the requirement of an assessment upon the fishermen to help pay for it, and various other matters.

### AS16.10.510(9) Organizational and Planning Grants

HB 264, AS16.10.510(9) provides for additional grant monies for further organizaitional effort on the human level and also to begin site preparation and site selection so that some pilot projects can be commenced.

An Assessment Program

The next step in establishing the private non-profit corporation is to move from the organizational planning stage into site selection and also an assessment program for the fishermen. AS16.10.530(e) is a new section proposed by HB 264. This establishes and sets up a rather detailed and extensive means of establishing an assessment within a qualified regional association. At this point, the regional boundaries have been established, the initial board of directors has been created and the Commissioner of the Dept. of Fish & Game has authorized that corporation to represent the area within its boundaries.

The present law allows for two different means of arriving at an assessment on the fishermen. One under section AS16.10.530 and one under section AS16.10.540. The Prince William Sound Corporation has opted to establish, its assessment under section 540, primarily based upon the inherent make-up of their area prior to the non-profit hatchery legislation being introduced. They have a very cohesive marketing association to which most fishermen in that area belong to. That is very different from the experience in Southeastern and other parts of Alaska where there is no cohesive unit to which most of the fishermen in the area belong to.

AS16.10.530 provides a means by which the fishermen in the area encompassed by the regional corporation can decide whether to impose an assessment upon all of the fishermen. Basically section 530 states that if the Regional Corporation follows the procedures outlined in 530(e) and a majority of the limited entry permit holders which participate

in the fishery within the boundaries of the corporation, vote to have an assessment imposed upon their gross income, then that assessment will be imposed upon the gross income of all of the fishermen who participate in the fishery in that area. The reason being that the money will go towards the construction of hatcheries within the regional area which will produce fish for the benefit of all of the fishermen in the area.

HB 264 also amends the law regarding participation with the State Dept. of Fish & Game in drawing up a comprehensive plan for the implementation of the non-profit hatchery program within each regional area throughout the State. The present law called for the development of the comprehensive plan and HB 264 further defines the language and sets up a regional planning team composed of department personnel and personnel from the regional corporations to develop a plan and such plan would then be subject to approval by the Commissioner of the Dept. of Fish & Game.

#### Financing Opportunities

##### AS16.10.520(b) 100% Loan Financing

The remainder of HB 264 deals with the financing structure and opportunities for the regional corporations to begin to develop a viable hatchery program. AS16.10.520(b) is deleted from the present law. That provision provided that the State would lend up to 75% of the total project costs as determined by the Commissioner. Such a loan cannot exceed three million dollars per hatchery as limited in AS16.10.520(a). It has been the experience of the regional corporation in Prince William Sound and the regional corporation in Southern Southeast Alaska

that it is near impossible to come up with 25% of the cost of building a production size facility without time delays of many years. The estimated cost for such a facility is 2 to 4 million dollars which means front money of 500,000 to 1 million dollars. To this date the Southeastern Region has not been able to raise that type of money through the private industry sector. Total annual assessment of all expenses is 350,000 dollars.

The second factor in beginning one of these types of facilities on loan money less than 100%, is the fact of the uncertainty of the venture. There is a long lag time before the possible return of any money through surplus fish back to the hatchery, potentially 6 to 10 years. Since hatcheries are non-profit entities it is difficult to generate capital from normal outside private sources when there is no possibility for large profits.

Assessments from fishermen are not large enough to finance a viable hatchery program. A 3% assessment on gross income of fish caught within the boundaries of the Southern Southeast Regional Aquaculture Assoc. over historical catch periods range from 200 to 400,000 dollars per year. That is not a sufficient amount of money to participate in the present loan program and at the same time provide operating capital to run a hatchery program on an area wide basis. If assessment monies are tied up as front money for the loans, they are unavailable for operating costs to run the hatcheries. The hatchery program would be delayed up to two years while the assessment monies would be collected in a bank account in order to come up with enough money to front end the loan program.

AS16.10.510(8) Deferment of Principle & Interest

The present law, AS16.10.510(8) as amended by HB 264, defers payment on principle and interest for loans from the State up to a period of 6 years and states that interest shall not accrue on those loans during that 6 year period. That provision is necessary due to the fact there may be no return to the hatchery for a 6 to 10 year period and therefore no money to make payments on the loans. If hatchery corporations must set aside assessments as collateral to repay loans they will be unable to build more than one hatchery.

For the private sector venture to succeed we have to look down the road for a twenty or thirty year period and look for methods and means by which to institutionalize the regional non-profit corporate concept and their financing. In order to enable the regional corporation to undertake the job of rebuilding the salmon runs, they must have a financing base. The corporation must have access to the assessment monies for the operating revenues of the regional corporation itself to create strong and viable organizations and to continue to site and develop more hatcheries.

AS16.10.600 - Creation Of Regional Salmon Enhancement Authority

The bill from page six to the end of the bill deals with the creation of a regional salmon enhancement authority and gives that authority a quasi-public status. The purpose of that portion of the bill is to allow the regional corporation the option of forming a regional salmon enhancement authority and obtaining a quasi-public status for opening up greater opportunities for financing from sources other than the state revenues. Primarily this is to become eligible for

Non-Profit Hatcheries  
March 10, 1977  
Page 6

Federal Economic Development Authority grant monies, EDA. The Prince William Sound Regional Aquaculture group recently had an experience in which they were eligible for a substantial amount of grant money from EDA under a certain program if they were able to qualify as a quasi-public organization. There are also other programs presently in the Congress which are being investigated at this time which eligibility may require a quasi-public status.

It should be noted that in no way is the state encumbered financially by the establishment of such an authority. Specifically AS16.10.690 on page 15 of the bill, it is stated that 'the credit of the state is not pledged.' It should be noted that this bill is identical to SB 39 which has passed out of the Senate Resources and is in Senate Commerce.

PRIVATE SECTOR

SALMON ENHANCEMENT AND REHABILITATION IN ALASKA

J.N. Milnes SSRAA

THE PROBLEM:

The annual harvest of salmon in Alaska has been steadily declining since 1936 and is in a severe state of depression in this decade. The following chart illustrates those facts:

ALASKA SALMON HARVEST  
(in thousands of fish)

	30 year consecutive high (average Harvest)	1960-1975 (average harvest)	1973-1975 (average harvest)
SOUTHEASTERN	38,200	14,862	8,118
PRINCE WILLIAM SOUND	8,000	4,575	3,509
COOK INLET	4,100	3,422	2,423
KODIAK	10,700	7,513	2,339
CHIGNIK	9,900	4,483	1,679
BRISTOL BAY	15,700	9,067	3,304
ARCTIC-YUKON KUSKOKWIM	800	845	2,309
STATEWIDE	<u>83,300</u>	<u>45,108</u>	<u>23,111</u>

Source: Alaska Department of Fish and Game  
American Fisheries Institute Speech  
Cordova, March, 1976

This is very comparable to a forest which has been harvested but not replanted or permitted to reforest itself. The salmon as a renewable resource simply has not been renewed.

The decimation of the resource has resulted in the decimation of the salmon industry so that it no longer has the capital to rebuild itself. Nor does the industry have the cohesion to create industry organizations whose role it would be to rebuild the salmon runs.

Technology exists to correct this problem. It has to be tried in Alaska and corrected to fit the Alaskan biology.

Hatchery technology has been well established in the Northwest for many years in Oregon, Washington, and British Columbia. Those states have embarked upon programs of immense investments to further utilize the salmon resource. Oregon has wanted the right to private-profit based hatcheries, the most major effort being made by the Weyerhaeuser Corporation, who intends to release 25,000,000 Coho smolt by 1978 and ultimately 85,000,000. Washington state has planned several hundred million dollars for salmon enhancement, as has British Columbia.

Overseas, Japanese hatcheries are releasing 1,000,000,000 fry annually and intend to increase that to 1,500,000,000 by 1985. Russia has a similar program.

Alaska's current production of hatchery salmon is miniscule by comparison.

Besides a reliance upon hatchery production, Alaska also has a tremendously cheap resource in its abundant streams which once provided the rich harvests of 30 years ago. However, fishery resource management techniques have lacked the precision to adequately control the decline of the salmon run.

Stream rehabilitation and significant improvement in management also offer a high leverage correction to this loss.

#### THE APPROACH TO A SOLUTION

The people of Alaska consider this subject vital to their well-being and to the well-being of the future of the state. It is a renewable resource currently employing thousands of fishermen and consequently supporting tens of thousands of individuals. Furthermore, it can be increased in its capacity to support a stable population and the supply chain which feeds it.

As a renewable resource, it is one of the prize possessions of the state of Alaska.

One strategy of "fixing" the current loss of resource is for the state of Alaska to have its government department build and run hatcheries and do the whole job of rebuilding the salmon runs.

A second strategy might be for the private sector to take over the job.

Since this entire effort is in its infancy in Alaska, such a dichotomy is not practical. Alaska must use all the available capabilities it has on hand.

Ultimately, it would be desirable for the private sector to perform this function, as it does in agriculture, and in forestry. For it to do so, there unfortunately must be government intervention to provide the funds and the technology to develop the capability of that sector. Once in place, however, the private sector would be paying its own way by developing revenues and capital to cover the costs of the public administration (A.D.F.&G.), improved research and development, and the operation of the rehabilitation and enhancement programs directly.

An objective which might be suggested for this effort is:

To create a healthy industry; one which is profitable, and supporting a large stable population in the year 2000 - providing pleasure in sports fishing, capital to aid fisheries, and monies to pay its own way.

The means to achieving that require:

- sound financing
- good organization of experienced personnel
- well developed base of experience
- salmon marketed at a price adequate to deliver profit to the people and enterprises in the industry.

The tack to take at this moment is one of getting into a safe level of production as fast as possible to obtain the best base of experience as quickly as possible. With a project of this scale, experience is the vital factor. It reduces costs, it increases productivity, it opens the door to new solutions and will accelerate the program with safety.

However, "scared money" in a situation having so many new factors and variables in itself creates problems. So, the funding source, currently the legislature, must make itself aware of the risks inherent in

- forming new social groups called "Regional Associations"
- operating hatcheries with no prior cost experience
- rebuilding brood stocks to levels adequate to start a major enhancement facility
- managing mixed stock fisheries so that native runs are not damaged.

it is  
In private enterprise, the role of "venture Capital" to fund the high risk start-up from its inception through its likely commercial success. The capital covers all costs associated with the venture - engineering and construction, staff, raw materials, equipment, operations and maintenance - including interest on short term debt.

Since venture capital is not available in Alaska,... because of the NONPROFIT nature of the current legislation, the loan program provides a means to get started and assures that the state of Alaska has its money returned.

This implies that the loans must serve the same purpose as venture capital; i.e. assure that there is adequate monies available to assure a high probability of success.

Creating self-help financing is not new to government. The U.S. government intervened prior to and during the Depression in agriculture financing by forming and initially funding the Farm Credit System; the P.C.A.; the Federal Land Banks, and the Bank for Co-ops.

The following typical kinds of costs associated with operating a regional association and a hatchery facility illustrate the need for completeness in the financing arrangements.

#### POSSIBLE SCENARIO FOR SOUTHEAST ALASKA

Using the chart on page 1, a likely goal for Southeast Alaska would be to return the salmon to the previous levels of 38, 000,000 from the current 8,000,000. A gain of 30,000,000 returning salmon would be required.

Assume half of that could come from rebuilding the native run using management techniques and that the other half of 15,000,000 would be obtained from hatchery production.

Let's also assume that those 15,000,000 salmon were chum salmon.

At current prices of \$6.00 per adult chum salmon, the increased value for 30,000,000 adults would be \$180,000,000. Everybody hopes the price will hold or inflate in time.

Currently, a hatchery to produce 1,000,000 returning adult chum salmon would cost approximately \$2,000,000 to construct and about \$300,000 annually to operate. If all the brood stock were available at the time of start-up (which is a remote possibility), it would take 3 to 5 years for that initial 1,000,000 to return. More realistically, it would take 8 to 10 years.

Approximately 20% of the salmon might escape the commercial fishery and return to the hatchery, ... 200,000 salmon. 55,000 of those would be needed for spawning the next year's production; leaving approximately 155,000 surplus fish to be sold by the hatchery to cover the cost of operations and repayment of the debt. Those 155,000 chum salmon at \$6.00 each would be worth \$900,000.

Since each hatchery produces 1,000,000 adult salmon returning to the fishery, it would take 15 hatcheries to meet the production targets. Each hatchery would need the \$2,000,000 for construction and 5 x \$300,000 per year for a total of \$3,800,000 to start up and to reach break-even. 15 of these facilities would require \$57,000,000 in total capitalization to achieve the goal.

If 4 facilities of this magnitude were installed in South-east, their combined surpluses would generate \$2,400,000 annually in capital... each facility contributing \$600,000 to the capital pool. These 4 facilities, once they reach their full capacity, would become an economic generator which would supply the capital for the rest of the region to expand.

So, for an investment of \$15,200,000, the State of Alaska levers its money to a total of \$57,000,000 worth of capital, ultimately producing \$180,000,000 in additional sales. 15 facilities would employ maybe 75 - 100 people directly and the harvest of 30,000,000 adults would employ at least several thousand fishermen.

The fishermen of the area would have assessed themselves for nearly 8 years at 3% of their gross salmon catch, contributing nearly \$1,000,000 per year. However, the overhead of running a region of that magnitude

- the administration, accounting and legal costs
- the site development costs
- the stream rehabilitation costs

could possibly use half to three-fourths of that assessment, leaving little surplus for the repayment of debt or to cover the operating costs of the facilities.

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. HB 264  
 Title An Act Relating to Fisheries Enhancement  
 Requested by Gardiner Date March 7, 1977

II. FISCAL DETAIL  
 Agency Affected Commerce and Economic Development  
 Program Category Affected Development  
 Budget Request Unit(s) Affected Business Loans

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		600,000				
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	600,000				
FEDERAL FUNDS					
OTHER (Specify)					

POSITIONS

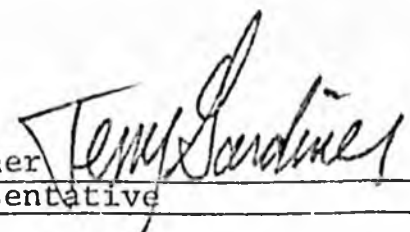
FULL TIME					
PART TIME					
TEMPORARY					

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This would fund the grants to three regional hatchery associations at \$100,000 each for \$300,000 total. It also provides \$300,000 for the additional matching grants from these three regional associations. It is not likely there will be more than three regional hatchery associations in FY '78, thus \$600,000 should fully cover all applicants.

IV. DATE March 7, 1977 PREPARED BY Terry Gardiner  
 AGENCY State Representative  
 PHONE 465-3718

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)



HB

289

# COMMITTEE REPORT

3-1-77

## HOUSE

FINANCE

3/10/77

Date

Mr. Speaker:

The Committee on RESOURCES has had HB 289

under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for \_\_\_\_\_ and that CS for \_\_\_\_\_ do pass
- (and) recommends it be referred to the \_\_\_\_\_ committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) \_\_\_\_\_

### MEMBERS SIGNING THE MAJORITY REPORT:

<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____
<u>[Signature]</u>	_____	_____

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_  
Chairman



Alaska State Legislature  
House

HOUSE RESOURCES COMMITTEE

Alvin Osterback, Chairman

Pouch V, State Capitol  
Juneau, Alaska 99811  
(907) 465-3715

8 March 1977

James W. Brooks, Commissioner  
Department of Fish and Game  
Subport Building  
Juneau, Alaska 99801

Dear Commissioner,

The House Resources Committee will be reviewing HCR 32, Bristol Bay Area to Region Redesignation and HJR 27, Native Representation on the North Pacific Fishery Management Council on Thursday March 17, 1977 in Room 118 of the Capitol Building at 1:15 p.m.

Please supply us with a position paper or material you have on these bills by the time of the meeting. If you have any information pertinent to these topics, the committee would appreciate receiving that, too. If you know of other interested groups, please contact them.

If you have suggested amendments, please supply the staff with copies of that prior to the meeting.

If there is a fiscal implication and a note is necessary, please prepare it and submit it to the committee -- preferably prior to the meeting.

Thank you for your cooperation.

Sincerely,

Al Osterback, Chairman  
House Resources Comm.

cc: Fran Ulmer  
Geoffrey Haynes

AO:ts

115 P.M.  
over March 10 — HB 289  
transplant Carbon Appropriation —  
Please be present —



Alaska State Legislature  
House

JUNEAU ALASKA

MEMORANDUM

2 March 1977

TO: House Resources Committee

FROM: Alvin Osterback, Chairman  
House Resources Committee

*Al Osterback jr*

SUBJECT: HB 289 Caribou Transplant

During the Ninth Alaska State Legislature, SCSHCR 93 passed, requesting Caribou transplant. This bill is the appropriation for SCSHCR 93.

Upon receiving the first estimate for \$98,420 I met with Bob Rausch, Director of the Game Division. I expressed my concern over the high cost. Mr. Rausch agreed to work up a new estimate, operating out of Cold Bay and catching the animals in Stepovak Bay. As you can see, the new estimate for transplanting 40 caribou would be \$28,660.

2/22/77

February 18, 1977

The Honorable Alvin Osterback, Chairman  
House Resources Committee  
Pouch V  
Juneau, Alaska 99811

Dear Representative Osterback:

My staff has prepared the requested cost estimate for transporting 40 caribou from the Alaska Peninsula to Nagai Island, using Cold Bay as the base of operations. The estimate follows:

Caribou Transplant:

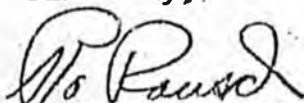
40 Caribou to Nagai - from Cold Bay

Helicopter @ \$325 X 5 hrs per day = \$1,625/day	
X 7 days helicopter time =	\$11,375
Goose 3 hr. round trip X 7 trips @\$720 =	5,040
(perhaps less if we can catch caribou in Stepovak Bay)	
Room and board chopper pilot, \$55 X 10 days =	550
Fuel at Cold Bay, 945 gal. at .48/gal. =	453
Per diem 3 biologists for 10 days =	1,650
Transportation of staff =	700
Drugs & equipment =	5,000
	<u>\$24,768</u>

If helicopters are not available locally,	
ferry time from Anch. to Cold Bay and return =	3,900
	<u>\$28,660</u>

This estimate does not include personnel costs which the division will absorb.

Sincerely,

  
 Robert A. Rausch  
 Director  
 Division of Game