

ALASKA LEGISLATIVE COUNCIL FILED FEBRUARY 20 2012

1834 HRES HB 126 - HB 142 834

TABLE 6. Operating Budget: Country Elevators

Year	81 & prior	82	83	84	85	86	87
Tonnage	18,000	35,000	47,000	64,000	121,000	161,000	192,000
<b>OWNERSHIP COSTS:</b>							
Interest on Investment	35,485	49,500	99,000	148,500	198,000	247,500	247,500
Depreciation	39,033	54,450	108,900	163,350	217,800	272,250	272,250
<b>TOTAL OPERATING COSTS</b>	<b>315,687</b>	<b>546,345</b>	<b>810,669</b>	<b>1,134,420</b>	<b>1,952,975</b>	<b>2,577,940</b>	<b>2,999,833</b>
<b>TOTAL COST</b>	<b>390,205</b>	<b>650,795</b>	<b>1,018,569</b>	<b>1,446,270</b>	<b>2,368,775</b>	<b>3,097,690</b>	<b>3,519,583</b>
Total Cost Per Ton	21.68	18.59	21.67	22.60	19.58	19.24	18.33
Fixed Tariff	18.33	18.33	18.33	18.33	18.33	18.33	18.33
Deficit Per Ton	(3.35)	(.26)	(3.34)	(4.27)	(1.25)	(.91)	0
Total Deficit	(60,300)	9,100	(156,980)	(273,280)	(151,250)	(146,510)	0
Cumulative Deficit	(60,300)	(69,400)	(226,380)	(499,660)	(650,910)	(797,420)	

unit cost which was linearly proportionate to the costs reported by Thomas. In other words, the cost figure used was \$15.62/ton when put-through was 29,000 tons or greater but with put-through between 3,800 and 29,000 tons, the cost was between \$15.62 and \$51.62/ton depending on specific tonnage level.

Operating costs are inclusive of all storage, drying and handling expense. Thus the fixed tariff, set equal to per ton total costs in 1987, represents the total charge on a per ton basis for average storage, handling and drying of a farmer's crop. Per ton and total deficit of operation are presented for this scenario of development of a system of country elevators. The cumulative deficit or "development cost" is \$797,420.

Investment Summary. Construction of a modern, slaughter/processing facility was assumed as an initial point from which to begin this analysis of the interrelated nature of the components of an agricultural industry based on feed grain and livestock production. Livestock production schedules were then developed that would allow full utilization of that facility as quickly as practically possible. Construction of feed lot facilities compatible with the beef production schedule was outlined and a schedule of barley production was projected based on development plans for the Delta and Nenana areas.

Subtracting the estimated feed grain requirements of the scheduled livestock production from the scheduled total barley production, the net difference is the surplus available for export. Since feed grain would need to be stored, dried and

handled for both export or in-state feed use, the system of country elevators included in this analysis are of sufficient capacity to handle all grain produced. Grain movement through the export facility, however, was the residual supply remaining after satisfying in-state needs for feed grain.

In Table 7 the investment costs are summarized for the four key types of infrastructure: feed lot, slaughter facility, country elevators and export facility. Also investment requirements for the facilities, equipment and stock are listed for all crop and livestock production based on the production schedules that have been outlined. In the case of grain farms (Delta I and II and Nenana I and II), investment costs were based on survey data used in Costs of Production: Barley (5). Investment requirements listed in the table were calculated at \$27,000 investment in shop and equipment storage buildings per 1000 acres and at \$160,000 investment in equipment per 1000 acres.

Based on the report by Lewis, et.al., investment in the Point MacKenzie project includes \$1600 per milk cow, \$1,241,711 facilities cost per 150 cow dairy and \$150,000 cost in crop equipment per 150 cow dairy (6).

Investment levels for both swine and beef operations were based on the report by Featherstone Corporation (4). Swine production investment includes a facility investment of \$500,000 per 150 sow unit and \$90,000 investment in breeding stock per unit. For beef, investment required is \$1386.67 in breeding stock and \$1933.33 in facilities and equipment per cow unit.

TABLE 7. Facilities, Buildings, Equipment and Stock Investment Schedules

	81 & prior	82	83	84	85	86	87	88
<b>FARM &amp; RANCH INVESTMENT</b>								
Delta I								
Buildings	432,000	378,000	162,000					
Equipment	2,560,000	2,240,000	960,000					
Delta II								
Buildings			135,000	270,000	324,000			
Equipment			800,000	1,600,000	1,920,000			
Nenana I								
Buildings				135,000	594,000			
Equipment				800,000	3,520,000			
Nenana II								
Buildings					270,000	945,000	594,000	
Equipment					2,400,000	5,600,000	3,520,000	
Point MacKenzie								
Facilities	6,208,555	12,417,110	6,208,555					
Crop Equipment	750,000	1,500,000	750,000					
Stock	720,000	2,344,000	2,712,000	1,272,000	184,000			
Swine Production								
Facilities			5,000,000	5,500,000	5,000,000			
Stock			900,000	990,000	900,000			
Beef Production								
Facilities & Equip.		9,666,650	9,666,650	3,576,660	7,153,321	8,477,652	7,555,454	2,654,462
Stock		6,933,350	6,933,350	2,565,340	5,130,679	6,080,548	5,419,106	1,903,898
Subtotal	10,670,555	35,479,110	34,227,555	16,709,000	27,396,000	21,103,200	17,088,560	4,558,360
<b>INFRASTRUCTURE INVESTMENT</b>								
Feed lot				300,000				200,000
Slaughter Facility	1,172,633	1,172,633	586,387	586,317				
Country Elevators								
Delta	1,182,835	467,165	1,650,000					
Nenana				1,650,000	1,650,000			
Export Facility	5,700,000							
Subtotal	8,055,468	1,639,798	2,236,317	2,536,317	1,650,000	1,650,000	-0-	200,000
<b>TOTAL</b>	<b>18,726,023</b>	<b>37,118,908</b>	<b>36,463,872</b>	<b>19,245,317</b>	<b>29,046,000</b>	<b>22,753,200</b>	<b>17,088,560</b>	<b>4,758,360</b>
<b>CUMULATIVE TOTAL</b>	<b>18,726,023</b>	<b>55,844,931</b>	<b>92,308,803</b>	<b>111,554,120</b>	<b>140,600,120</b>	<b>163,353,320</b>	<b>180,441,880</b>	<b>185,200,240</b>

Breeding stock cost includes bulls as a stocking ratio of 1 per 15 cows.

In the table total annual investment requirement for farm and ranch development and for infrastructure are shown separately as the subtotal in each respective category. The sum of the two provides the total investment requirement and the final line of the table provides the cumulative investment required year by year.

Table 8 and 9 complete the summary of investment requirements. Table 8 lists the clearing investment required. For the Delta and Nenana Projects, a clearing cost of \$165 per acre was used. This is the loan amount that was available for clearing land on the original Delta Agricultural project. Acreages cleared are fifty percent greater than the barley acreages listed in Table 4 because it is assumed that only two-thirds of the land will be cropped annually to barley. For Point MacKenzie, 500 acres were assumed necessary for silage and hay production per 150 cow dairy. A clearing cost, based on initial estimates by the Alaska Agricultural Action Council, of \$230 per acre was used. For range and hayground for beef production, it was assumed that four acres would be required per cow-calf unit and that clearing costs would be the same as for grain farms, \$165 per acre. All land was assumed to be cleared one full year prior to production except in the case of dairies. Point MacKenzie land was assumed to be cleared in the winter immediately prior to cropping.

Table 9 lists the land purchase investments necessary under

TABLE 8. Landclearing Costs Investment Schedule

	81 & prior	82	83	84	85	86	87
Delta I \$165./acre	7,425,000	1,485,000					
Delta II \$165./acre		1,237,500	2,475,000	2,970,000			
Nenana I \$165./acre			1,237,500	5,445,000			
Nenana II \$165./acre				3,712,500	8,662,500	6,682,500	
Point MacKenzie \$230./acre	287,500	862,500	862,500	287,500			
Range and Hayland (Cattle) (\$165./acre)	3,300,000	3,300,000	1,221,000	2,442,000	2,894,100	2,579,280	906,180
<b>TOTAL</b>	<b>11,012,500</b>	<b>6,885,000</b>	<b>5,796,000</b>	<b>14,857,000</b>	<b>11,556,600</b>	<b>9,261,780</b>	<b>906,180</b>
<b>CUMULATIVE TOTAL</b>	<b>11,012,500</b>	<b>17,897,500</b>	<b>23,693,500</b>	<b>38,559,500</b>	<b>50,107,100</b>	<b>59,368,880</b>	<b>60,275,060</b>

TABLE 9. Land Purchase Costs Investment Schedule

	81 & prior	82	83	84	85	86	87
Delta I \$51./acre	2,958,000						
Delta II \$100/acre	4,000,000						
Nenana I \$100/acre		4,000,000					
Nenana II \$100/acre			10,000,000				
Point MacKenzie \$100/acre	1,000,000						
Range & Hayland (Cattle) \$100/acre	2,000,000	3,000,000	740,000	1,480,000	1,754,000	1,563,200	549,200
<b>TOTAL</b>	<b>9,958,000</b>	<b>6,000,000</b>	<b>10,740,000</b>	<b>1,480,000</b>	<b>1,754,000</b>	<b>1,563,200</b>	<b>549,200</b>
<b>CUMULATIVE TOTAL</b>	<b>9,958,000</b>	<b>15,958,000</b>	<b>26,698,000</b>	<b>28,178,000</b>	<b>29,932,000</b>	<b>31,495,200</b>	<b>32,044,400</b>

this analytic development scenario. Purchase price per acre listed in the table are the actual sales price for Delta I and the minimum statutory price on all other projects. It is important to note that this investment represents a purchase by individuals of land currently owned by the state. Land is an obviously essential investment within the agricultural industry but from the state perspective, income from sale of agricultural land is an income or benefit from agricultural development.

## V. IMPLICATIONS OF DEVELOPMENT DELAYS

This analysis, though relying on an admittedly weak data base, has quantitatively related several of the subcomponents of Alaska's developing agricultural industry to one another. In order to do so, specific development schedules for each sub-component were assumed. The principal purpose of the analysis, however, is to demonstrate the magnitude and direction of influence of interrelationships among sub-components of the industry. To do so, four different deviations from the base development scenario are examined.

Delayed Grain Production. What is the effect of delaying the development schedules of Delta II and Nenana I and II by one year? The principal influence of this delay would be upon the export facility assuming all in-state demand for feed-grain to be met in preference to export. Grain production would still be sufficient for scheduled livestock production. Construction of additional country elevators could be delayed in correspondence to grain production. While the livestock sector would not be directly affected, the economic benefit of volume would be reduced for agricultural supplies (equipment, chemicals, fertilizer, seed).

Quantity available for export in years 1983 through 1987 would be reduced to 23,519 tons, 21,668 tons, 28,749 tons, 68,401 tons and 97,476 tons, respectively. With per ton operating costs of the export facility proportionate on a volume basis to those of the original operating budget, annual operation deficit would increase to \$420,049 in 1983, \$428,160 in 1984, \$397,886 in 1985, \$232,563

in 1986, and \$116,971 in 1987. The cumulative deficit or "development cost" would be \$2,489,803, an increase of \$607,788 from the original development schedule.

Delayed Livestock Production. With construction of a slaughter/processing facility as originally projected but with a one-year delay in projected increases in livestock production, primary economic impact would obviously be on the slaughter facility. Offsetting this impact, however, would be an increase in export sales and thus increased use of the export facility. Added "development cost" to the slaughter facility would be \$281,432. That is, one more year of ownership expenses would be incurred prior to achieving a put-through sufficient for profitable operation. Though logically the construction of a feed lot would be delayed in conjunction with delay of livestock production, if it were not, ownership cost for an additional year would accrue to the "development cost" of this facility also.

As a result of this delay in livestock production, barley for export would increase to 28,000 tons, 35,762 tons, 46,269 tons, 95,918 tons and 125,099 tons respectively in years 1982 through 1986. This increase in put-through at the export facility would reduce the cumulative deficit or "development cost" of this facility to \$1,703,127, a reduction of \$178,888.

Delayed Slaughter Facility and Livestock Production. If construction of the slaughter/processing and the feed lot facility were delayed one year in accompaniment of a one-year delay in livestock production, the "development cost" of these facilities

would be unchanged. Thus delaying development of the entire livestock sector by one year would show no added development cost for this sector but the \$178,888 reduction in the "development cost" of the export facility would still be attained.

Delayed Rangeland Development. Within the initial development scenario, a substantial program of range and hayland development for beef production was included. The schedule required approximately 100,000 acres of rangeland by 1987. If livestock production were to remain on schedule while range and hayland development fell behind schedule, land for grain production would have to shift to rangeland. In addition to the direct effect of grain use by the livestock industry on export volume, land conversion from grain to range and hay would cut into the barley volume produced. If twenty percent of the Delta and Nenana land were converted from barley to hay and rangeland for the years from 1982 to 1986, total grain production would also be reduced by twenty percent in these years. Thus export volume would fall to 12,762 tons, 15,069 tons, 19,718 tons, 48,099 tons, and 59,651 tons respectively for the five years. As a result, the "development cost" of the export facility would increase to \$2,422,769, which is an increase of \$540,754 over the base projection.

## VI. CONCLUSIONS

The term "development cost" has been used in this report to describe the diseconomies of operating agricultural facilities at low volume put-through levels as the basic production industries are being developed. Slaughter facilities, a feed lot, country elevators and an export facility all provide essential services necessary to establishing a viable grain and livestock based agricultural industry. They perform basic functions necessary to linking production agriculture to product markets and are essential to encouraging actual farm production. Because of the scale of plant design necessary to achieve the economies of scale available to competing agriculture elsewhere in North America, facilities considered for Alaska will initially have excess capacity until sufficient farm production of grain and livestock can be developed. The "development costs" reported in this analysis demonstrate the direction and general magnitude of influence that the development scheduling of various sub-sectors can have on one another. Even recognizing the weakness of data used, it is clear that delays in land development will severely impact the economic performance of new infrastructure. Also the competition of grain and livestock for the land resource has been demonstrated. Clearly, construction of a slaughter facility must be accompanied by rangeland development. Otherwise, diversion of land from grain production will seriously dampen the economic performance of grain exporting activities.

Effective market access is essential to the growth of Alaskan

agriculture. Development of infrastructure will provide market access and thus create a favorable setting for increased crop and livestock production if tariffs are competitive with those elsewhere in U.S. agriculture. The "development costs" mark the degree of lack of competitiveness associated with low product volumes in development years; they are relatively short term costs that must be borne by the industry and/or by state governmental support until production volumes are sufficient to fully utilize new infrastructure.

Decisions regarding development of Alaskan agriculture become increasingly complex as that development progresses. Not only does the viability of individual projects need to be assessed, but also the effects of such projects on the existing agricultural base and on general development plans must also be evaluated. The same is equally, if not more importantly, true of the impacts of delays in proposed development plans. Agriculture is a highly complex and interrelated industry. Economic interrelations within the industry must be fully recognized and incorporated in the planning process if "development costs" are to be kept at a minimum.

REFERENCES CITED

1. Alaska Crop and Livestock Reporting Service, Alaska Agricultural Statistics, State of Alaska, Department of Natural Resources, Division of Agriculture, Palmer, 1979.
2. Alaska Economic Information and Reporting System, Quarterly Report - April 1980, State of Alaska, Department of Commerce and Economic Development, Division of Economic Enterprise, Juneau, 1980.
3. Faris, J.E. and R.J. Hildreth, Considerations for Development-Alaska's Agricultural Potential, Report 14, Federal-State Land Use Planning Commission for Alaska, Anchorage, 1977.
4. Featherstone Corporation, The Nenana Livestock Report: AG102, unpublished report submitted to the State of Alaska, Office of the Governor, Special Projects Office, Juneau, 1981.
5. Harker, J.M., Cost of Production: Barley - Delta Agricultural Project, P-234, Cooperative Extension Service, University of Alaska, Fairbanks, 1980.
6. Lewis, C.E., J.M. Harker, E.L. Arobio and W.C. Thomas, Potential Milk Production in the Point MacKenzie Area of Southcentral Alaska, Bulletin 58, Agricultural Experiment Station, University of Alaska, Fairbanks, 1980.
7. Lewis, C.E. and F.J. Wooding, Barley Production in the Delta-Clearwater Area of Interior Alaska, Bulletin 49, Agricultural Experiment Station, University of Alaska, Fairbanks, 1978.
8. Reiger, S., "Soils," Alaska's Agricultural Potential, ed. Alaska Rural Development Council, (Cooperative Extension Service, University of Alaska, Fairbanks, 1974), pp. 19-24.
9. Thomas, W.C., K.L. Casavant and A.F. Gasbarro, Transportation and Grain Elevator Assessment for the Delta Agricultural Project, unpublished report submitted to the State of Alaska, Department of Commerce and Economic Development, Division of Economic Enterprise, Juneau, 1980.

HB

132

# COMMITTEE REPORT

## HOUSE

2/6/81

FURTHER:

(11)

Date: 5/25/81

Mr. Speaker:

The Committee on RESOURCES has had HB 132

"An Act authorizing the commissioner of natural resources to acquire certain timber cutting rights."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HB 132  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation INDIVIDUAL
- referred to the \_\_\_\_\_ Committee

**MEMBERS SIGNING  
DO PASS**

Terry Gardiner

Robert H. Good

Paul J. Gorman

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**MEMBERS HAVING  
OTHER RECOMMENDATIONS:**

W. B. Carson 7/10/81

Robert H. Good NO REC

Paul J. Gorman No Rec

\_\_\_\_\_ \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Terry Gardiner

Co - C. AIRMAN

Paul J. Gorman

# STATE OF ALASKA

DNR

JAY S. HAMMOND, GOVERNOR

## BOARD OF FISHERIES/BOARD OF GAME DEPARTMENT OF FISH AND GAME

SUPPORT BUILDING  
JUNEAU, ALASKA 99801

March 4, 1981

The Alaska Board of Fisheries and the Alaska Board of Game are responsible for regulating the harvest of Alaska's immense fisheries and wildlife resources. These regulations are implemented by the staff of the Alaska Department of Fish and Game.

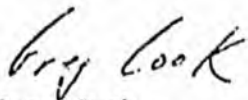
At their December, 1980 joint meeting in Anchorage, the two Boards listened to four hours of presentations by the United States Forest Service and the Alaska Department of Fish and Game regarding a crucial Alaskan habitat issue: timber harvest in Southeast Alaska. Both presentations were followed by an extensive period of questions and answers regarding the impacts of clearcutting on fisheries and wildlife available for public harvest.

On behalf of the two Boards, I urge you to read the enclosed Resolution and give serious consideration to the issues it raises. If you have specific questions, I would be pleased to respond on behalf of the Boards. Dr. Ronald O. Skoog, Commissioner, will respond on behalf of the Department of Fish and Game.

### DISTRIBUTION:

Governor Hammond  
U.S. Forest Service-Regional and Washington, D.C.  
Commissioner Skoog-ADF&G  
Commissioner LeResche-DNR  
USFWS Regional Director  
Senator Ted Stevens  
Senator Frank Murkowski  
Representative Don Young  
Secretary of Agriculture  
All Alaska Legislators  
Juneau Empire, Sitka Sentinel, Ketchikan News  
All Southeast Alaska local Fish and Game Advisory Committees

Sincerely,



Greg Cook  
Executive Director  
Boards of Fisheries and Game  
(907) 465-4108

Enclosure: Joint Resolution #80-80-JB

BOARDS OF FISHERIES AND GAME  
JOINT RESOLUTION #80-80-JB

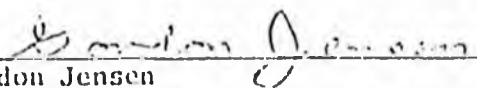
CLEARCUT LOGGING IN SOUTHEAST ALASKA

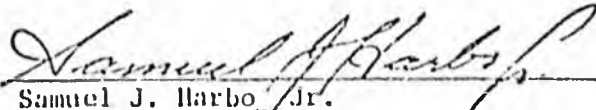
- WHEREAS, the Alaska Boards of Fisheries and Game are statutorily charged with the conservation and development of fish and game resources of the State and the Alaska Constitution mandates maintenance of fish and game populations on a sustained yield basis, and
- WHEREAS, the U.S. Forest Service is committed to multiple use management through various federal acts and its own regulations, and
- WHEREAS, the present forest management practice of clearcut logging throughout Southeast Alaska on a 90-125 year rotation is permanently converting diverse old growth stands with high fish and wildlife values to less diverse second growth stands of much less value to fish and wildlife, and
- WHEREAS, past and projected timber harvest is concentrated in the higher volume stands of limited occurrence and current research has shown these stands to be highly important Sitka black-tailed deer winter habitat, and
- WHEREAS, current scientific knowledge of other fish and wildlife species needs in relation to old growth forest is limited, yet indicates goats, marten, Vancouver Canada geese, bald eagles, salmonids and other species of fish and wildlife may be old growth dependent during some periods of the year, and
- WHEREAS, the salmon commercial fisheries are one of the most valuable industries in Southeast Alaska and both subsistence and recreational use of fish and wildlife is highly important from both an economic and social standpoint, and
- WHEREAS, the State Forest Practices Act, which regulates forest management activities on State and private lands, does not adequately address wildlife concerns,

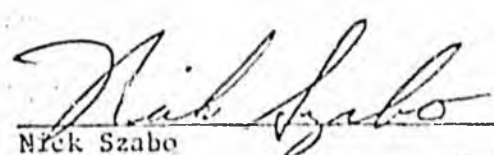
Now therefore be it resolved by the Joint Boards of Fisheries and Game that:

1. The public be fully informed by the Department of Fish and Game and the U.S. Forest Service of the long term known and potential impacts of clearcut logging on fish and wildlife habitat and subsequent population levels.
2. The Tongass Land Management Plan be revised by the Forest Service to provide more protection for valuable fish and wildlife habitat and reflect recent research findings.

3. If information is not adequate to ensure the protection of fish and wildlife resources, then targeted timber outputs should be reduced by the Forest Service rather than risk permanent damage to these resources.
4. Research be expanded by both the Department of Fish and Game and the U. S. Forest Service to determine the effects of timber harvest on fish and wildlife habitat requirements, and as new information becomes available, results be incorporated in the Forest Service planning process.
5. In all future timber harvests by the State and U. S. Forest Service, timber stands of more than 50,000 board feet per acre not be cut and other volume classes be cut only in proportion to their occurrence.
6. Multiple use management of all resources be maintained by the U. S. Forest Service on the remaining lands not withdrawn for wilderness management nor selected by Native Corporations.
7. Any assessment of resource values by the U. S. Forest Service include a full economic and social analysis of fish and wildlife resources and their human use.
8. Selective cutting with techniques such as balloon and helicopter logging be considered by the U. S. Forest Service as an alternative to clearcutting.
9. The State Forest Practices Act be amended to adequately address wildlife concerns.
10. Major islands or management units as proposed for the Forest Service Regional Plan, whichever are smaller, should be used by the U. S. Forest Service as the basis for individual forest management planning units.

  
\_\_\_\_\_  
Gordon Jensen  
Chairman, Joint Boards of Fisheries & Game

  
\_\_\_\_\_  
Samuel J. Harbo, Jr.  
Chairman, Board of Game

  
\_\_\_\_\_  
Niek Szabo  
Chairman, Board of Fisheries

ADOPTED: Anchorage, Alaska  
December 7, 1989

VOTE: Adopted, 14 to 0

House Bill 132-Twelfth Legislature  
Analysis and Proposed Amendments by  
Cape Fox Corporation

MARCH 1981

The Cape Fox Corporation wishes to express some serious concerns we have if HB 132 passes as currently drafted.

Our suggested amendments are necessary to assure:

- the private landowner has the opportunity to participate in determinations made by the Department of Fish and Game.
- areas where timber rights are acquired are specifically defined;
- a timber owner is aware of "consideration" and "terms" prior to agreeing to give timber rights up;
- "other consideration" is of equivalent value to rights given up;
- criteria is established for determining "hazardous" effects of timber cutting and "fair" market value;
- "timely" payment, exchanges of land, etc., occur; and
- Action can begin by the state based on an offer by a private landowner related to land not meeting the fish concerns i. criteria 105a(1)

& (2):

As noted in our attached correspondence to Representative Osterback last session, we feel the legislation has merit and wholly support the concept if our concerns are adequately addressed. The following comments have been reviewed by our legal council and are offered as suggested amendments.

Section 1. We propose that subsection (a) (2) be amended:

- (1). to add after the words "fish and game" the words "provides written notice to the affected owner or owners of the timber of their intent to make a determination and"

This is necessary to make sure the timber owner is aware of a concern so that he may participate in the findings and plan effectively; and

- (2). to add after the words "timber cutting" the words "for a defined area" to assure the area considered hazardous to spawning, etc., is defined, thereby allowing timber cutting in other adjacent areas (i.e., up-river where timber cutting is determined to not be hazardous if conducted under certain forest practices).

In subsection (a) (3), we propose adding after the words "timber agrees" the words "under the terms and conditions offered in section 105(b) and (d)" to assure the timber owner is aware of the terms and considerations offered prior to agreeing to convey his rights. If this amendment were acceptable, there may be no need to maintain subsection (e) (2) of this section.

Also in subsection (a) (3), after the words "150 years," add the following words, "unless reevaluated under subsection (c) of this section, "to assure consistency under reevaluations provided for in subsection (c).

In subsection (a) and (c), we assume that criteria presently exists in statutes or regulations to properly define the terms used in this chapter, such as "hazardous" in line 13, p. 1, or "hazardous nature" in line 5, p. 2, which are no less restrictive than practices permitted under the Alaska Forest Practices Regulations. However, we request a definition be included in this chapter to assure consistency.

To permit the acquiring of timber rights by the state for land that does not fit the criteria in subsection (a) (1) and (2) of Section 105, we suggest that after (a) (3) that "; or" be added and subsection (a) (4) be included to read: "the owner of timber rights requests the state to acquire the rights":

In subsection (i) we ask that the following amendment be added to assure timber is properly valued and determined by a neutral third party. After the words "as determined" ~~STRIKE THE REMAINDER OF THE SENTENCE AND~~ add the following words "by a third party mutually agreed to by the Commissioner of Natural Resources and the owner of the timber to make the determination of fair market value under criteria agreed to by the Commissioner of Natural Resources and the owner of the timber."

In subsection (c), we ask that it be clearly under-

stood that reevaluations occur under the guidelines established in subsection (a) (1) and (2) of Section 105 by deleting everything beginning with the words "that the" in line 7, through "fish," in line 10 and adding the phrase "conditions (1) and (2) in subsection (a) of this section are not met to permit the state to acquire the right to cut and remove timber from private forest land." For clarification, after the word "paid" in line 13 add the words "or exchanged". Strike everything after the word "rights" in line 14 to avoid interest accumulation since the timber rights would be voluntarily given up by a private owner as a favor to the public and more rightly returned at its former value.

To assure that terms are satisfactory and that payments in money or "other considerations" are effected in a timely manner, the following amendments are requested. In subsection (d) (4) after the word "subsection" delete the "period" and add the following "so long as the payment and/or exchange terms are agreed to by the commissioner and the owner of the timber."

(2) BE DELETED (i) AND  
We request that the existing subsection (h) be changed to (i) and the following subsection be substituted "(h)" acquisition of and full payment for timber cutting rights must take place by the end of the following regular legislative session or within one year of the date the owner of the timber rights is first advised in writing of the state's interest to acquire the right, whichever is later, or the timber owner shall be immediately compensated by an amount equal to 1.2 times the value of the timber determined under subsection (b) of this section."

Without a specific timeframe, acquisition could occur and a settlement follow (based on appropriation <sup>and</sup> concurrence of the legislature) at a later date causing significant economic loss to the private landowner. To assure that all costs incurred to permit the state to acquire these rights are paid by the state, we suggest the following sentence be added to the suggested amendment above: "All costs incurred by the state or by the landowner to effect acquisition of timber rights by the state under Sec. 105(a) (1) or (2) of this chapter shall be considered obligations of the state."

We would be very happy to discuss our concerns with any interested party.

April 25, 1980

Representative Osterback, Chairman  
House Resources Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811


Dear Representative Osterback:

At the direction of Mr. Frank Seymour, Executive Vice President of Cape Fox Corporation, I would like to advise you of our position on HB 688.

We have reviewed this legislation in depth and note a number of problems, many of which have been noted in Sealaska's letter to you. However, we are very much in favor of retaining buffer zones around lakes and streams. Although the legislation has merit we do not feel it permits a trade for other land or purchase of land in buffer zones in a manner acceptable to Cape Fox Corporation.

We would be very happy to discuss our concerns with any interested party.

Sincerely,

  
Kellus Sewell  
Legislative Agent  
Cape Fox Corporation

cc: Frank Seymour  
Cape Fox Corporation

Bob Loescher  
Sealaska Corporation

Sub. Committee  
Draft 5/15/81

Introduced: 2/6/81  
Referred: Resources

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 132

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing the commissioner of natural re-  
7 sources to acquire certain timber cutting rights."

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

9 \* Section 1. AS 41.17 is amended by adding a new section to read:

10 Sec. 41.17.105. ACQUISITION OF TIMBER RIGHTS. (a) If requested

11 by the commissioner of fish and game, the commissioner of natural re-  
12 sources may acquire for the state the right to cut and remove timber  
13 from private forest land if

14 (1) the timber is on land which is adjacent to a river,  
15 lake, or stream specified under AS 16.05.870 as important to the spawn-  
16 ing, rearing, or migration of anadromous fish;

17 *Provides written notice to the affected owner or owners of the timber of their intent to make*

18 (2) the commissioner of fish and game *for a defined area* finds that the timber  
19 cutting *under the terms and conditions offered in Sec. 105(b) & (d) & (h)* would be hazardous to the spawning, rearing or migration of  
20 anadromous fish; and

21 (3) the owner of the timber agrees *for* to convey his right to  
22 cut and remove the timber to the state for a term of not less than 30  
23 *unless reevaluated under Subsection (c)* years or more than 150 years, which term shall be the period required  
24 for regrowth of the timber after cutting as determined by the commis-  
25 sioner of natural resources based on site and soil characteristics and  
26 comparable periods for regrowth of timber in adjacent areas or in other  
27 areas with similar geography and climate;

28 *(4) The owner of timber rights requests the state to acquire the rights.*

29 (b) The money or other consideration offered for timber cutting  
rights under this section shall equal the fair market value of the  
timber cutting rights as determined by the commissioner of natural

2. Informational

1 by a third party mutually agreed to by the Commissioner  
2 of Natural Resources and the owner of the timber to make  
3 the determination of fair market value under criteria  
4 agreed to by the Commissioner of Natural  
5 resources, Resources and the owner of the timber.

6 (c) The commissioner of fish and game shall ~~regularly~~, and when  
7 requested by the owner of the land or by the former owner of the  
8 timber, <sup>shall</sup> reevaluate the importance of the adjacent waters for, or the  
9 hazardous nature of cutting timber acquired under this section to, the  
10 spawning, rearing, or migration of anadromous fish. ~~If~~, upon reeval-  
11 uation, the commissioner of fish and game determines <sup>conditions (1) or (2)</sup> ~~that the timber~~  
12 ~~cutting activity is no longer hazardous to the spawning, rearing, or~~  
13 ~~to acquire the right to cut and remove timber from~~  
14 ~~migration of anadromous fish or that the adjacent waters are no longer~~  
15 ~~important to the spawning, rearing, or migration of anadromous fish,~~  
16 ~~the former owner of the timber is entitled to repurchase the timber~~  
17 ~~cutting rights from the Department of Natural Resources for considera-~~  
18 ~~tion of the same value paid by the Department of Natural Resources for~~  
19 ~~the timber cutting rights with annual interest at a reasonable rate~~ <sup>current timber value → exchanged</sup>  
20 ~~determined by the commissioner of natural resources.~~

21 (d) The commissioner of natural resources may acquire privately  
22 owned timber cutting rights under this section by

- 23 (1) paying money;  
24 (2) exchanging state land or an interest in state land;  
25 (3) purchasing private or public land to exchange that land  
26 for the timber rights; and  
27 (4) using any combination of the methods described in (1) -  
28 (3) of this subsection <sup>so long as the payment and/or exchange terms</sup>  
29 <sup>under subsection (b) (h) of this chapter are agreed</sup>

(e) The commissioner of natural resources shall <sup>to by the Commissioner & the owner of the timber.</sup>

- (1) advise the commissioner of fish and game on the perfor-  
mance of his duties under this section;  
(2) at least 120 days before the acquisition of timber cut-  
ting rights under this section, determine the consideration to be paid  
for those rights; and

1 (3) give public notice of the proposed exchange of state  
2 land in the manner specified in AS 38.05.345 for the sale of state land  
3 by public auction.

4 (f) AS 38.50 does not apply to an exchange of state land under  
5 this section.

6 (g) If the value of a proposed acquisition of privately owned  
7 timber cutting rights under (d) of this section exceeds \$1,000,000, the  
8 timber cutting rights may not be acquired unless acquisition is ap-  
9 proved by the legislature by concurrent resolution.

10 *insert (h)* This section does not authorize a state department or agency  
11 to exercise the power of eminent domain to acquire land or timber cut-  
12 ting rights for the protection of waters important to the spawning or  
13 migration of anadromous fish.

14 (j) In this section,

15 (1) "owner of the timber" means a person who owns the right  
16 to cut or harvest standing timber that may be acquired under this sec-  
17 tion even if the person holds no other interest in the land on which  
18 the timber is located;

19 (2) "timber cutting rights" or "right to cut or harvest  
20 timber" means an assignable license together with an interest in the  
21 standing timber held by the owner of the timber which allows the owner  
22 of the timber or his assignee to enter upon the land on which the  
23 timber is located to cut and remove the timber of commercial value.

16 (h) If there is an agreement to purchase timber cutting rights  
17 between the commissioner of natural resources and the owner of timber  
18 cutting rights, the state shall have 100 days from the date of the,  
19 agreement to tender the consideration specified in the agreement. If  
20 the state fails to tender the consideration within 100 days from the  
21 date of the agreement, the state or the owner of the timber cutting  
22 rights may terminate the agreement. If the state fails to tender the  
23 consideration within 100 days from the date of the agreement, and  
24 neither the state nor the owner of the timber cutting rights terminates  
25 the agreement, the state shall pay the lawful rate of interest on the  
26 consideration from the 100th day after the date of execution of the  
27 agreement. *All costs incurred by the state or by the*

28 *landowner to effect acquisition of timber rights by the state*  
29 *under (a)(1) or (2) of this section shall be considered*  
*obligations of the state and reimbursed under the*  
*conditions above.*

7:00

The Department shall annually submit to the Legislature <sup>the</sup> amount of funds needed to implement this ~~act~~ <sup>section</sup> before incurring costs under this section.

April 20, 1981

The Honorable Ben Grussendorf  
Subcommittee Chairman  
Resources Committee  
State House of Representatives  
Alaska State Legislature  
Pouch V  
State Capitol  
Juneau, Alaska 99811

RE: HOUSE BILL 132

Dear Representative Grussendorf:

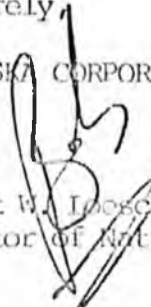
Please find enclosed our suggested revisions to HB132 as per our discussion during the hearing on this piece of legislation. These amendments have been reviewed by Cape Fox Corporation - Saxman, Alaska and have been concurred with by their lobbyist Kellus Sewell.

A recommendation to advance an appropriation bill to go along with the enabling legislation is enclosed. Our recommendation is that no more than \$500,000 be appropriated as an initial amount to the Anadromous Fish Protection Fund.

If we can be of further assistance, please advise us immediately. Thanking you for this consideration.

Sincerely,

SEALASKA CORPORATION

  
Robert W. Loescher  
Director of Natural Resources

Enclosures

cc: Representative Sally Smith  
Representative Robert Bettisworth  
Representative Mike Miller  
Representative Terry Gardiner  
Norm Staton  
Byron Mallott

Introduced: \_\_\_\_\_  
Referred: \_\_\_\_\_

Funding Information

General Fund \_\_\_\_\_  
Other Funds \_\_\_\_\_

IN THE HOUSE

BY THE RESOURCES COMMITTEE

HOUSE BILL NO. \_\_\_\_\_  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE - FIRST SESSION  
A BILL

For an Act entitled: "An Act making an appropriation to the Department of Revenue for use by the Alaska Renewable Resources Corporation and other state agencies in acquiring timber cutting rights for the purpose of restoring and protecting anadromous fish streams in Alaska; and providing for an effective date."

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

- \* Section 1. The sum of \$ \_\_\_\_\_ is appropriated from the general fund to the Department of Revenue for the purchase of timber cutting rights adjacent to salmon streams in Alaska in accordance with AS 37.11.075 (Anadromous Fish Protection Fund).
- \* Section 2. On June 30, 1982, the unexpended and unobligated portion of the appropriation made by this Act will be deposited in accordance with AS 37.11.060.
- \* Section 3. This Act takes effect immediately in accordance with AS 01.10.070(c).

Introduced: 2/6/81  
Referred: Resources

IN THE HOUSE

BY THE RESOURCES COMMITTEE

HOUSE CS FOR HOUSE BILL NO. 132  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE - FIRST SESSION  
A BILL

For an Act entitled: "An Act authorizing the state of Alaska commissioner of natural resources to acquire certain timber cutting rights for the protection and restoration of anadromous fish."

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

\* Section 1. AS 41.17 is amended by adding a new section to read:

Sec. 41.17.105. ACQUISITION OF TIMBER RIGHTS. (a) If requested by the commissioner of fish and game, the commissioner of natural resources in conjunction with the Alaska Renewable Resources Corporation may acquire for the state the right to cut and remove timber from private forest land if

(1) the timber is on land which is adjacent to a river, lake, or stream specified under AS 16.05.870 as important to the spawning, rearing, or migration of anadromous fish;

(2) the commissioner of fish and game provides written notice to the affected owner or owners of the timber of their intent to make a determination and finds that the timber cutting for a defined area would be hazardous to the spawning, rearing or migration of anadromous fish; and

(3) the owner of the timber agrees under the terms and conditions offered in Sec. 105(b) and (d) to convey its right to cut and remove the timber to the state for a term of not less than 30 years or more than 150 years, unless reevaluated under subsection (c) of this section, which term shall be the period required for regrowth of the timber after cutting as determined by the commissioner of natural resources based on site and soil characteristics and comparable periods for regrowth of timber in adjacent areas or in other areas with similar geography and climate; or

(4) the owner of timber rights requests the state to acquire the rights.

(b) The money or other consideration offered for timber cutting rights under this section shall equal the fair market value of the timber cutting rights as determined by a third party mutually agreed to by the commissioner of natural resources and the owner of the timber to make the determination of fair market value under criteria agreed to by the commissioner of natural resources and the owner of the timber.

(c) The commissioner of fish and game shall regularly, and when requested by the owner of the land or by the former owner of the timber, reevaluate the importance of the adjacent waters for, or the hazardous nature of cutting timber acquired under this section to, the spawning, rearing, or migration of anadromous fish. If, upon reevaluation, the commissioner of fish and game determines conditions (1) or (2) in subsection (a) of this section are not met to permit the state to acquire the right to cut and remove timber from private forest lands, the former owner of the timber is entitled to repurchase the timber cutting rights from the Department of Natural Resources for consideration of the same value paid or exchanged by the Department of Natural Resources for the timber cutting rights.

(d) The commissioner of natural resources may acquire privately owned timber cutting rights under this section by

(1) paying money from the Alaska Renewable

Resources Investment Fund (37.11.050.);

(2) exchanging state land or an interest in state land;

(3) purchasing private or public land to exchange that land for the timber rights;

(4) paying money from the general fund subject to legislative approval; and

4 (5) using any combination of the methods described in (1) - (4) of this subsection, so long as the payment and/or exchange terms under subsection (h) of this chapter are agreed to by the commissioner and the owner of the timber.

(e) The commissioner of natural resources shall

(1) advise the commissioner of fish and game on the performance of his duties under this section;

(2) at least 120 days before the acquisition of timber cutting rights under this section, determine the consideration to be paid for those rights;

(3) give public notice of the proposed exchange of state land in the manner specified in AS 38.05.345 for the sale of state land by public action; and

(4) work in conjunction with the Alaska Renewable Resources Corporation trustees to finance acquisition of timber necessary to rehabilitate, enhance, and develop anadromous fish streams as outlined in 37.11.070.

(f) AS 38.50 does not apply to an exchange of state land under this section.

(g) If the value of a proposed acquisition of privately owned timber cutting rights under (d) of this section exceeds \$1,000,000, the timber cutting rights may not be acquired unless acquisition is approved by the legislature by concurrent resolution.

(h) If there is mutual agreement as to the terms of the timber acquisition between the Department of Natural Resources, other affected agencies and the landowner, the state shall have 90 days to tender the agreed upon consideration specified in the agreement. Failure to proffer the agreed upon consideration within 90 days shall give the landowner the election of terminating the acquisition or completing the acquisition, provided, however, that the state shall pay the lawful rate of interest as set out in AS 45.45.010(a) or its successor statute computed against the purchase price or value of other consideration as of the date of execution of the written agreement, and this sum shall be paid in addition to the agreed upon consideration.

(i) This section does not authorize a state department or agency to exercise the power of eminent domain to acquire land on timber cutting rights for the protection of waters important to the spawning or migration of anadromous fish.

(J) In this section,

(1) "owner of the timber" means a person who owns the right to cut or harvest standing timber that may be acquired under this section even if the person holds no other interest in the land on which the timber is located;

(2) "timber cutting rights" or "right to cut or harvest timber" means an assignable license together with an interest in the standing timber held by the owner of the timber which allows the owner of the timber or his assignee to enter upon the land on which the timber is located to cut and remove the timber of commercial value.

\* Section 2. AS 37.11 is amended by adding a new section to read:

Sec. 37.11.075. ANADROMOUS FISH PROTECTION FUND. (a)  
There is created in the Alaska Renewable Resources Corporation (AS 37.12.010) the anadromous fish protection fund. The anadromous fish protection fund shall be administered by the board of the Alaska Renewable Resources Corporation which shall assist the Alaska Department of Fish and Game and Alaska Department of Natural Resources in acquiring certain timber rights for the long term restoration and rehabilitation of anadromous fish spawning areas. Protection of anadromous

fish spawning areas under this section may be financed only by appropriations of the legislature to the anadromous fish protection fund, as established herein.

(b) The board of trustees of the Alaska Renewable Resources Corporation may use money in the anadromous fish protection fund to finance acquisition of timber cutting rights in accordance with AS 37.11.070.

(c) The approval of the commissioners of natural resources and fish and game is required before approval of any expenditure of anadromous fish protection fund monies.

(d) Funds not expended under this section at the end of any fiscal year shall not lapse but instead be deposited in accordance with AS 37.11.060.

STATE OF ALASKA  
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 22, 1981

SUBJECT: Timber cutting rights  
(CSHB 132 (Resources))

TO: Representative Terry Gardiner  
Representative Fred F. Zharoff  
Co-Chairmen, House Resources Committee

FROM: Richard A. Bradley  
Legislative Counsel *B*

The committee has requested a committee substitute for HB 132.

At the time that I did a draft committee substitute for Representative Grussendorf, I became concerned with the use of the defined terms in the bill. See subsec. (i) of HB 132 and subsec. (j) of this draft. Time did not then permit a review of the terms and an attempt to refine the usages. This draft committee substitute does contain those changes and I suggest that the committee review the draft with these changes in mind. I believe more precision is achieved by the changes.

Because some changes were made in the bill enclosed from the draft provided to us, an explanation of those changes is offered.

The committee has suggested a new paragraph (4) be added to subsection (a) of the bill to permit the owner of timber cutting rights to request the state to acquire the timber cutting rights. Because it seemed awkward to put the authorization for the owner to initiate the request at that point, I have modified the initial phrases of (a) to permit either the commissioner of fish and game or the owner to initiate efforts toward a purchase.

Representative Terry Gardiner  
Representative Fred F. Zharoff  
Page 2  
May 22, 1981

The committee suggested in the draft subsec. (a)(3) that the agreement of the owner be "under the terms and conditions offered in subsecs. (b), (d), and (h)" of this section. I have deleted the phrase for several reasons. Since the state does not have the option of eminent domain unless it is affirmatively granted [to the extent that subsec. (j) is gratuitous and unnecessary], all aspects of the agreement of the owner are entirely voluntary. Tying that agreement to the provisions of the section is to that extent unnecessary.

But another reason for eliminating that language is that the stated provisions are not in fact describable as "terms and conditions". Moreover, both subsecs. (d) and (h) themselves require the consent of the owner to any agreement.

I have reworked subsec. (c) and I believe that it achieves the goals of the committee.

I have also shortened the provisions of subsec. (d)(4) consistently with the committee's goals.

Draft subsec. (h) is broken into two parts. The second part, subsec. (i), which consists of the handwritten material from the draft, has been reworked and is somewhat different from the request. I have deleted the requirement that the state consider as an obligation of the state the costs incurred by the state in achieving an agreement. That result is inevitable in the absence of law to the contrary.

But I have also limited the assumption of the state of the costs of the owner to those "costs determined by the commissioner to be reasonable costs of the owner of timber cutting rights necessary to achieve an agreement with the state . . ." and only then if an agreement for the purchase of timber cutting rights is achieved. Some limitation on the exposure of the state to the reasonable or unreasonable costs of the owner in the absence of a final agreement or even with a final agreement seemed required.

The remaining subsections of the bill are relettered.

RAB:ljb

Enclosure

STATE OF ALASKA  
THE LEGISLATURE

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


LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

June 2, 1981

SUBJECT: Timber cutting rights  
(CSHB 132 (Resources))

TO: Representative Terry Gardiner

FROM: Richard A. Bradley   
Legislative Counsel

In the present version of CSHB 132 (Resources), I failed to include language responsive to your request; you had asked for language that

The department shall annually submit to the legislature the amount of funds needed to implement this section before incurring costs under this section.

I have responded to the request with new subsection (j).

Your request was susceptible to two interpretations:

- (1) the department may incur costs after requesting funds from the legislature; or
- (2) the department may not incur costs until it has received funds from the legislature.

While the latter version is constitutionally mandated (Article IX, section 3), nonetheless it constitutes reasonable legislative policy to prohibit executive agreements that limit legislative options.

I have accordingly used the second interpretation as the basis for my new subsection (j).

Please review to determine that I have achieved your goal.

RAB:ljb

Enclosure

April 25, 1980

Representative Osterback, Chairman  
House Resources Committee  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Representative Osterback:

At the direction of Mr. Frank Seymour, Executive Vice President of Cape Fox Corporation, I would like to advise you of our position on HB 688.

We have reviewed this legislation in depth and note a number of problems, many of which have been noted in Sealaska's letter to you. However, we are very much in favor of retaining buffer zones around lakes and streams. Although the legislation has merit we do not feel it permits a trade for other land or purchase of land in buffer zones in a manner acceptable to Cape Fox Corporation.

We would be very happy to discuss our concerns with any interested party.

Sincerely,



Kellus Sewell  
Legislative Agent  
Cape Fox Corporation

cc: Frank Seymour  
Cape Fox Corporation

Bob Loescher  
Sealaska Corporation

# ALASKA

## STATE LEGISLATURE

### MEMORANDUM

Section Analysis: HB 132  
Subcommittee, Resources

- "An Act authorizing the commissioner of natural resources to acquire certain timber cutting rights."

#### Section 1.17.105. ACQUISITION OF TIMBER RIGHTS.

(a) 2 is amended to read, "the commissioner of fish and game provides written notice to the affected owner or owners of the timber of their intent to make a determination and finds that the timber cutting for a defined area would be hazardous to the spawning, rearing or migration of anadromous fish; and

This is necessary to make sure the timber owner is aware of a concern so that he may participate the findings and plan effectively.

(a) 3 is amended to read "the owner of the timber agrees under the terms and conditions offered in Sec. 105(b)&(d) to convey his right to cut and remove the timber to the state for a term of not less than 30 years or more than 150 years, unless re-evaluated under subsection(c) of this section, which term shall be....etc.

This change is proposed to assure the timber owner is aware of the terms and considerations offered prior to agreeing to convey his rights

NOTE. If this amendment is acceptable, there may be no need to maintain subsection (e) 2 of this section.

(a) 4 is added. The owner of timber rights requests the state to acquire the rights.

This subsection will permit the acquiring of timber rights by the state for land that does not fit the criteria in subsection (a) 1 and 2 of Section 105.

(b) is amended to read, "The money or other consideration offered for timber cutting rights under this section shall equal the fair market value of the timber cutting rights as determined by a third party mutually agreed to by the Commissioner of Natural Resources and the owner of the timber to make the determination of fair market value under criteria agreed to by the Commissioner of Natural Resources and the owner of the timber.

Section (c) beginning at line 7 is amended: "conditions (1) and (2) in subsection (a) of this section are not met to permit the state to acquire the right to cut and remove timber from private forest land." the former owner of the timber is entitled to repurchase the timber cutting rights from the Department of Natural Resources for consideration of the same value paid or exchanged by the Department of Natural Resources for the timber cutting rights.

This change makes it understood that re-evaluations occur under the guidelines established in subsection (a) 1 and 2. By deleting the last line, it avoids interest accumulation since the timber rights would be voluntarily given up by a private owner as a favor to the public and more rightly returned at its former value.

Subsection (d) 4 is amended by adding "so long as the payment and/or exchange terms are agreed to by the commissioner and the owner of the timber."

This assures terms are satisfactory and that payment whether in money or other considerations are effected in a timely manner.

A new subsection (h) is suggested: "...Acquisition of and full payment for timber cutting rights must take place by the end of the following regular legislative session or within one year of the date the owner of the timber rights is first advised in writing of the state's interest to acquire the right, whichever is later, or the timber owner shall be immediately compensated by an amount equal to 1.2 times the value of the timber determined under subsection (b) of this section...."

This addition adds a specific timeframe without which acquisition could occur and a settlement follow at a later date causing significant economic loss to the private landowner.

It is also suggested that "all costs incurred by the state or by the landowner to effect acquisition of timber rights by the state under Sec. 105(a) 1 or 2 of this chapter shall be considered obligations of the state" be added to this section.

The above additions make Subsection (h) relettered (i) and (i) relettered (j).

ALASKA

STATE LEGISLATURE

MEMORANDUM

Section Analysis: HB 132  
Subcommittee, Resources

"An Act authorizing the commissioner of natural resources to acquire certain timber cutting rights."

Section 41.17.105. ACQUISITION OF TIMBER RIGHTS.

(a) 2 is amended to read, "the commissioner of fish and game provides written notice to the affected owner or owners of the timber of their intent to make a determination and finds that the timber cutting for a defined area would be hazardous to the spawning, rearing or migration of anadromous fish; and

This is necessary to make sure the timber owner is aware of a concern so that he may participate the findings and plan effectively.

(a) 3 is amended to read "the owner of the timber agrees under the terms and conditions offered in Sec. 105(b)&(d) to convey his right to cut and remove the timber to the state for a term of not less than 30 years or more than 150 years, unless re-evaluated under subsection(c) of this section, which term shall be....etc.

This change is proposed to assure the timber owner is aware of the terms and considerations offered prior to agreeing to convey his rights

NOTE: If this amendment is acceptable, there may be no need to maintain subsection (e) 2 of this section.

(a) 4 is added. The owner of timber rights requests the state to acquire the rights.

This subsection will permit the acquiring of timber rights by the state for land that does not fit the criteria in subsection (a) 1 and 2 of Section 105.

(b) is amended to read, "The money or other consideration offered for timber cutting rights under this section shall equal the fair market value of the timber cutting rights as determined by a third party mutually agreed to by the Commissioner of Natural Resources and the owner of the timber to make the determination of fair market value under criteria agreed to by the Commissioner of Natural Resources and the owner of the timber.

Section (c) beginning at line 7 is amended: "conditions (1) and (2) in subsection (a) of this section are not met to permit the state to acquire the right to cut and remove timber from private forest land." the former owner of the timber is entitled to repurchase the timber cutting rights from the Department of Natural Resources for consideration of the same value paid or exchanged by the Department of Natural Resources for the timber cutting rights.

This change makes it understood that re-evaluations occur under the guidelines established in subsection (a) 1 and 2. By deleting the last line, it avoids interest accumulation since the timber rights would be voluntarily given up by a private owner as a favor to the public and more rightly returned at its former value.

Subsection (d) 4 is amended by adding "so long as the payment and/or exchange terms are agreed to by the commissioner and the owner of the timber."

This assures terms are satisfactory and that payment whether in money or other considerations are effected in a timely manner.

A new subsection (h) is suggested: "...Acquisition of and full payment for timber cutting rights must take place by the end of the following regular legislative session or within one year of the date the owner of the timber rights is first advised in writing of the state's interest to acquire the right, whichever is later, or the timber owner shall be immediately compensated by an amount equal to 1.2 times the value of the timber determined under subsection (b) of this section...."

This addition adds a specific timeframe without which acquisition could occur and a settlement follow at a later date causing significant economic loss to the private landowner.

It is also suggested that "all costs incurred by the state or by the landowner to effect acquisition of timber rights by the state under Sec. 105(a) 1 or 2 of this chapter shall be considered obligations of the state" be added to this section.

The above additions make Subsection (h) relettered (i) and (i) relettered (j).

Introduced: 2/6/81  
Referred: Resources

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 132

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing the commissioner of natural re-  
7 sources to acquire certain timber cutting rights."

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

9 \* Section 1. AS 41.17 is amended by adding a new section to read:

10 Sec. 41.17.105. ACQUISITION OF TIMBER RIGHTS. (a) If requested  
11 by the commissioner of fish and game, the commissioner of natural re-  
12 sources may acquire for the state the right to cut and remove timber  
13 from private forest land if

14 (1) the timber is on land which is adjacent to a river,  
15 lake, or stream specified under AS 16.05.870 as important to the spawn-  
16 ing, rearing, or migration of anadromous fish;

17 PROVIDES WRITTEN NOTICE TO THE AFFECTED OWNER OR OWNERS OF THE TIMBER OF THEIR  
18 FOR A DEFINED AREA

19 cutting, would be hazardous to the spawning, rearing or migration of  
20 anadromous fish; and

21 UNDER THE TERMS AND CONDITIONS OFFERED IN SEC. 105(G) AND

22 (3) the owner of the timber agrees to convey his right to  
23 cut and remove the timber to the state for a term of not less than 30  
24 UNLESS REEVALUATED UNDER SUBSECTION (C) OF THIS SECTION,  
25 years or more than 150 years, which term shall be the period required  
26 for regrowth of the timber after cutting as determined by the commis-  
27 sioner of natural resources based on site and soil characteristics and  
28 comparable periods for regrowth of timber in adjacent areas or in other  
29 areas with similar geography and climate; OR

(b) The money or other consideration offered for timber cutting  
rights under this section shall equal the fair market value of the  
timber cutting rights as determined by the commissioner of natural

(a) (f) THE OWNER OF TIMBER RIGHTS REQUESTS THE STATE  
TO ACQUIRE THE RIGHTS.

RESOURCES AND THE OWNER OF THE TIMBER TO MAKE THE DETERMINATION OF FAIR MARKET  
VALUE UNDER CURRENT LAW. AGREED TO BY THE COMMISSIONER OF NATURAL RESOURCES AND THE  
OWNER OF THE TIMBER.

1 resources.

2 (c) The commissioner of fish and game shall regularly, and when  
3 requested by the owner of the land or by the former owner of the  
4 timber, reevaluate the importance of the adjacent waters for, or the  
5 hazardous nature of cutting timber acquired under this section to, the  
6 spawning, rearing, or migration of anadromous fish. If, upon reeval-

7 uation, the commissioner of fish and game determines <sup>CONDITIONS (1) OR (2)</sup> ~~that the timber~~  
8 ~~cutting activity is no longer hazardous to the spawning, rearing, or~~ STATE  
9 ~~migration of anadromous fish or that the adjacent waters are no longer~~  
10 ~~important to the spawning, rearing, or migration of anadromous fish,~~  
PRIVATE FOREST LANDS

11 the former owner of the timber is entitled to repurchase the timber  
12 cutting rights from the Department of Natural Resources for considera-  
13 tion of the same value paid <sup>OR EXCHANGED</sup> by the Department of Natural Resources for  
14 the timber cutting rights, ~~with annual interest at a reasonable rate as~~  
15 ~~determined by the commissioner of natural resources.~~

16 (d) The commissioner of natural resources may acquire privately  
17 owned timber cutting rights under this section by

- 18 (1) paying money;
- 19 (2) exchanging state land or an interest in state land;
- 20 (3) purchasing private or public land to exchange that land
- 21 for the timber rights; and
- 22 (4) using any combination of the methods described in (1) -

23 (3) of this subsection, <sup>SO LONG AS THE PAYMENT AND/OR EXCHANGE TERMS UNDER</sup>  
24 <sup>SUBSECTION (4) OF THIS CHAPTER ARE AGREED TO BY THE COMMISSIONER AND THE</sup>  
~~OWNER OF THE TIMBER.~~

25 (e) The commissioner of natural resources shall  
26 (1) advise the commissioner of fish and game on the perfor-  
27 mance of his duties under this section;

28 (2) at least 120 days before the acquisition of timber cut-  
29 ting rights under this section, determine the consideration to be paid  
for those rights; and

1 (3) give public notice of the proposed exchange of state  
2 land in the manner specified in AS 38.05.345 for the sale of state land  
3 by public auction.

4 (f) AS 38.50 does not apply to an exchange of state land under  
5 this section.

6 (g) If the value of a proposed acquisition of privately owned  
7 timber cutting rights under (d) of this section exceeds \$1,000,000, the  
8 timber cutting rights may not be acquired unless acquisition is ap-  
9 proved by the legislature by concurrent resolution.

10 (h) (i) This section does not authorize a state department or agency  
11 to exercise the power of eminent domain to acquire land or timber cut-  
12 ting rights for the protection of waters important to the spawning or  
13 migration of anadromous fish.

14 (j) (1) In this section,

15 (1) "owner of the timber" means a person who owns the right  
16 to cut or harvest standing timber that may be acquired under this sec-  
17 tion even if the person holds no other interest in the land on which  
18 the timber is located;

19 (2) "timber cutting rights" or "right to cut or harvest  
20 timber" means an assignable license together with an interest in the  
21 standing timber held by the owner of the timber which allows the owner  
22 of the timber or his assignee to enter upon the land on which the  
23 timber is located to cut and remove the timber of commercial value.

24 (h.) ACQUISITION OF AND FULL PAYMENT FOR TIMBER CUTTING RIGHTS MUST TAKE  
25 PLACE BY THE END OF THE FOLLOWING REGULAR LEGISLATIVE SESSION OR  
26 WITHIN ONE YEAR OF THE DATE THE OWNER OF THE TIMBER RIGHTS IS  
27 FIRST ADVISED IN WRITING OF THE STATE'S INTEREST TO ACQUIRE THE  
28 RIGHT, WHICHEVER IS LATER, OR THE TIMBER OWNER SHALL IMMEDIATELY  
29 COMPENSATED BY AN AMOUNT EQUAL TO 1.2 TIMES THE VALUE OF THE  
TIMBER DETERMINED UNDER SUBSECTION (f) OF THIS SECTION. ALL COSTS  
INCURRED BY THE STATE OR BY THE LANDOWNER TO EFFECT ACQUISITION  
OF TIMBER RIGHTS BY THE STATE UNDER SEE. 105 (a)(1) OR (2) OF  
THIS CHAPTER SHALL BE CONSIDERED OBLIGATIONS OF THE STATE.

Introduced: 2/6/81  
Referred: Resources

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 132

3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing the commissioner of natural re-  
7 sources to acquire certain timber cutting rights."

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

9 \* Section 1. AS 41.17 is amended by adding a new section to read:

10 Sec. 41.17.105. ACQUISITION OF TIMBER RIGHTS. (a) If requested  
11 by the commissioner of fish and game, the commissioner of natural re-  
12 sources may acquire for the state the right to cut and remove timber  
13 from private forest land if

14 (1) the timber is on land which is adjacent to a river,  
15 lake, or stream specified under AS 16.05.870 as important to the spawn-  
16 ing, rearing, or migration of anadromous fish;

17 (2) the commissioner of fish and game finds that the timber  
18 cutting would be hazardous to the spawning, rearing or migration of  
19 anadromous fish; and

20 (3) the owner of the timber agrees to convey his right to  
21 cut and remove the timber to the state for a term of not less than 30  
22 years or more than 150 years, which term shall be the period required  
23 for regrowth of the timber after cutting as determined by the commis-  
24 sioner of natural resources based on site and soil characteristics and  
25 comparable periods for regrowth of timber in adjacent areas or in other  
26 areas with similar geography and climate.

27 (b) The money or other consideration offered for timber cutting  
28 rights under this section shall equal the fair market value of the  
29 timber cutting rights as determined by the commissioner of natural

1 resources.

2 (c) The commissioner of fish and game shall regularly, and when  
3 requested by the owner of the land or by the former owner of the  
4 timber, reevaluate the importance of the adjacent waters for, or the  
5 hazardous nature of cutting timber acquired under this section to, the  
6 spawning, rearing, or migration of anadromous fish. If, upon reeval-  
7 uation, the commissioner of fish and game determines that the timber  
8 cutting activity is no longer hazardous to the spawning, rearing, or  
9 migration of anadromous fish or that the adjacent waters are no longer  
10 important to the spawning, rearing, or migration of anadromous fish,  
11 the former owner of the timber is entitled to repurchase the timber  
12 cutting rights from the Department of Natural Resources for considera-  
13 tion of the same value paid by the Department of Natural Resources for  
14 the timber cutting rights with annual interest at a reasonable rate as  
15 determined by the commissioner of natural resources.

16 (d) The commissioner of natural resources may acquire privately  
17 owned timber cutting rights under this section by

- 18 (1) paying money;
- 19 (2) exchanging state land or an interest in state land;
- 20 (3) purchasing private or public land to exchange that land  
21 for the timber rights; and
- 22 (4) using any combination of the methods described in (1) -  
23 (3) of this subsection.

24 (e) The commissioner of natural resources shall

- 25 (1) advise the commissioner of fish and game on the perfor-  
26 mance of his duties under this section;
- 27 (2) at least 120 days before the acquisition of timber cut-  
28 ting rights under this section, determine the consideration to be paid  
29 for those rights; and

1 (3) give public notice of the proposed exchange of state  
2 land in the manner specified in AS 38.05.345 for the sale of state land  
3 by public auction.

4 (f) AS 38.50 does not apply to an exchange of state land under  
5 this section.

6 (g) If the value of a proposed acquisition of privately owned  
7 timber cutting rights under (d) of this section exceeds \$1,000,000, the  
8 timber cutting rights may not be acquired unless acquisition is ap-  
9 proved by the legislature by concurrent resolution.

10 (h) This section does not authorize a state department or agency  
11 to exercise the power of eminent domain to acquire land or timber cut-  
12 ting rights for the protection of waters important to the spawning or  
13 migration of anadromous fish.

14 (i) In this section,

15 (1) "owner of the timber" means a person who owns the right  
16 to cut or harvest standing timber that may be acquired under this sec-  
17 tion even if the person holds no other interest in the land on which  
18 the timber is located;

19 (2) "timber cutting rights" or "right to cut or harvest  
20 timber" means an assignable license together with an interest in the  
21 standing timber held by the owner of the timber which allows the owner  
22 of the timber or his assignee to enter upon the land on which the  
23 timber is located to cut and remove the timber of commercial value.  
24  
25  
26  
27  
28  
29

*Bud Simpson*

April 20, 1981

The Honorable Ben Grussendorf  
Subcommittee Chairman  
Resources Committee  
State House of Representatives  
Alaska State Legislature  
Pouch V  
State Capitol  
Juneau, Alaska 99811

RE: HOUSE BILL 132

Representative Grussendorf:

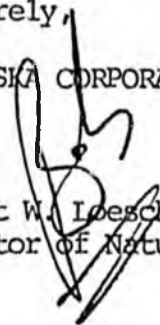
Please find enclosed our suggested revisions to HB132 as per our discussion during the hearing on this piece of legislation. These amendments have been reviewed by Cape Fox Corporation - Saxman, Alaska and have been concurred with by their lobbyist Kellus Sewell.

A recommendation to advance an appropriation bill to go along with the enabling legislation is enclosed. Our recommendation is that no more than \$500,000 be appropriated as an initial amount to the Anadromous Fish Protection Fund.

If we can be of further assistance, please advise us immediately. Thanking you for this consideration.

Sincerely,

SEALASKA CORPORATION

  
Robert W. Loescher  
Director of Natural Resources

Enclosures

cc: Representative Sally Smith  
Representative Robert Bettisworth  
Representative Mike Miller  
Representative Terry Gardiner  
Norm Staton  
Byron Mallott

SEALASKA CORPORATION ONE Sealaska Plaza, Juneau, Alaska 99801 Phone (907) 586-1312

Introduced: \_\_\_\_\_  
Referred: \_\_\_\_\_

Funding Information

General Fund \_\_\_\_\_  
Other Funds \_\_\_\_\_

IN THE HOUSE

BY THE RESOURCES COMMITTEE

HOUSE BILL NO. \_\_\_\_\_  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE - FIRST SESSION  
A BILL

For an Act entitled:

"An Act making an appropriation to the Department of Revenue for use by the Alaska Renewable Resources Corporation and other state agencies in acquiring timber cutting rights for the purpose of restoring and protecting anadromous fish streams in Alaska; and providing for an effective date."

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

- \* Section 1. The sum of \$ \_\_\_\_\_ is appropriated from the general fund to the Department of Revenue for the purchase of timber cutting rights adjacent to salmon streams in Alaska in accordance with AS 37.11.075 (Anadromous Fish Protection Fund).
- \* Section 2. On June 30, 1982, the unexpended and unobligated portion of the appropriation made by this Act will be deposited in accordance with AS 37.11.060.
- \* Section 3. This Act takes effect immediately in accordance with AS 01.10.070(c).

Introduced: 2/6/81  
Referred: Resources

IN THE HOUSE

BY THE RESOURCES COMMITTEE

HOUSE CS FOR HOUSE BILL NO. 132  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE - FIRST SESSION  
A BILL

For an Act entitled: "An Act authorizing the state of Alaska commissioner of natural resources to acquire certain timber cutting rights for the protection and restoration of anadromous fish."

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

\* Section 1. AS 41.17 is amended by adding a new section to read:

Sec. 41.17.105. ACQUISITION OF TIMBER RIGHTS. (a) If requested by the commissioner of fish and game, the commissioner of natural resources in conjunction with the Alaska Renewable Resources Corporation may acquire for the state the right to cut and remove timber from private forest land if

(1) the timber is on land which is adjacent to a river, lake, or stream specified under AS 16.05.870 as important to the spawning, rearing, or migration of anadromous fish;

(2) the commissioner of fish and game provides written notice to the affected owner or owners. of the timber of their intent to make a determination and finds that the timber cutting for a defined area would be hazardous to the spawning, rearing or migration of anadromous fish; and

(3) the owner of the timber agrees under the terms and conditions offered in Sec. 105(b) and (d), to convey its right to cut and remove the timber to the state for a term of not less than 30 years or more than 150 years, unless reevaluated under subsection (c) of this section, which term shall be the period required for regrowth of the timber after cutting as determined by the commissioner of natural resources based on site and soil characteristics and comparable periods for regrowth of timber in adjacent areas or in other areas with similar geography and climate; or

(4) the owner of timber rights requests the state to acquire the rights.

(b) The money or other consideration offered for timber cutting rights under this section shall equal the fair market value of the timber cutting rights as determined by a third party mutually agreed to by the commissioner of natural resources and the owner of the timber to make the determination of fair market value under criteria agreed to by the commissioner of natural resources and the owner of the timber.

(c) The commissioner of fish and game shall regularly, and when requested by the owner of the land or by the former owner of the timber, reevaluate the importance of the adjacent waters for, or the hazardous nature of cutting timber acquired under this section to, the spawning, rearing, or migration of anadromous fish. If, upon reevaluation, the commissioner of fish and game determines conditions (1) or (2) in subsection (a) of this section are not met to permit the state to acquire the right to cut and remove timber from private forest lands, the former owner of the timber is entitled to repurchase the timber cutting rights from the Department of Natural Resources for consideration of the same value paid or exchanged by the Department of Natural Resources for the timber cutting rights.

(d) The commissioner of natural resources may acquire privately owned timber cutting rights under this section by

(1) paying money from the Alaska Renewable

Resources Investment Fund (37.11.050.);

(2) exchanging state land or an interest in state land;

(3) purchasing private or public land to exchange that land for the timber rights;

(4) paying money from the general fund subject to legislative approval; and

(5) using any combination of the methods described in (1) - (4) of this subsection, so long as the payment and/or exchange terms under subsection (h) of this chapter are agreed to by the commissioner and the owner of the timber.

(e) The commissioner of natural resources shall

(1) advise the commissioner of fish and game on the performance of his duties under this section;

(2) at least 120 days before the acquisition of timber cutting rights under this section, determine the consideration to be paid for those rights;

(3) give public notice of the proposed exchange of state land in the manner specified in AS 38.05.345 for the sale of state land by public action; and

(4) work in conjunction with the Alaska Renewable Resources Corporation trustees to finance acquisition of timber necessary to rehabilitate, enhance, and develop anadromous fish streams as outlined in 37.11.070.

(t) AS 38.50 does not apply to an exchange of state land under this section.

(g) If the value of a proposed acquisition of privately owned timber cutting rights under (d) of this section exceeds \$1,000,000, the timber cutting rights may not be acquired unless acquisition is approved by the legislature by concurrent resolution.

*New & diff*

(h) If there is mutual agreement as to the terms of the timber acquisition between the Department of Natural Resources, other affected agencies and the landowner, the state shall have 90 days to tender the agreed upon consideration specified in the agreement. Failure to proffer the agreed upon consideration within 90 days shall give the landowner the election of terminating the acquisition or completing the acquisition, provided, however, that the state shall pay the lawful rate of interest as set out in AS 45.45.010(a) or its successor statute computed against the purchase price or value of other consideration as of the date of execution of the written agreement, and this sum shall be paid in addition to the agreed upon consideration.

(i) This section does not authorize a state department or agency to exercise the power of eminent domain to acquire land on timber cutting rights for the protection of waters important to the spawning or migration of anadromous fish.

(J) In this section,

(1) "owner of the timber" means a person who owns the right to cut or harvest standing timber that may be acquired under this section even if the person holds no other interest in the land on which the timber is located;

(2) "timber cutting rights" or "right to cut or harvest timber" means an assignable license together with an interest in the standing timber held by the owner of the timber which allows the owner of the timber or his assignee to enter upon the land on which the timber is located to cut and remove the timber of commercial value.

\* Section 2. AS 37.11 is amended by adding a new section to read:

Sec. 37.11.075. ANADROMOUS FISH PROTECTION FUND. (a) There is created in the Alaska Renewable Resources Corporation (AS 37.12.010) the anadromous fish protection fund. The anadromous fish protection fund shall be administered by the board of the Alaska Renewable Resources Corporation which shall assist the Alaska Department of Fish and Game and Alaska Department of Natural Resources in acquiring certain timber rights for the long term restoration and rehabilitation of anadromous fish spawning areas. Protection of anadromous

fish spawning areas under this section may be financed only by appropriations of the legislature to the anadromous fish protection fund, as established herein.

(b) The board of trustees of the Alaska Renewable Resources Corporation may use money in the anadromous fish protection fund to finance acquisition of timber cutting rights in accordance with AS 37.11.070.

(c) The approval of the commissioners of natural resources and fish and game is required before approval of any expenditure of anadromous fish protection fund monies.

(d) Funds not expended under this section at the end of any fiscal year shall not lapse but instead be deposited in accordance with AS 37.11.060.

HB

142

COMMITTEE REPORT

HOUSE

2/12/81

FURTHER:

(11)

Date: MARCH 9, 1981

Mr. Speaker:

The Committee on RESOURCES has had HB 14

"An Act relating to trophy hunting of caribou and moose."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature] DO NOT

[Signature] Do Not Pass

[Signature] Do Not Pass

[Signature]

[Signature]

[Signature] Do Not Pass

[Signature]  
CHAIRMAN

cc - [Signature]

#

# TELEGRAM

ALASCOM, INC.  
PHONE: 586-6442  
JUNEAU, AK 99802

1981 FEB 21 PM 1 51

02005 ANCHORAGE AK 22 02-21 1135A AST

PMS REP FRED ZHAROFF

JUN **1171**

RE HB142

THE ALASKA PROFESSIONAL HUNTERS FEEL THE INTENT OF THIS BILL  
IF TOO SEVERE FOR THE PROBLEM IT IS TO CONTROL.

LYNN CASTLE, PRESIDENT



# Alaska State Legislature

## House of Representatives

Official Business

Pouch V  
State Capitol  
Juneau, Alaska 99811

### MEMORANDUM

TO: House Resource Committee Members  
RE: House Bill 142  
FROM: Representative Ken Fanning  
DATE: March 9, 1981

It has come to my attention that HB 142 will be considered in the house Resources Committee today.

I urge your consideration of the attached reasons for rejecting this proposal.

Sincerely,

A handwritten signature in black ink, appearing to be "Ken Fanning", written over a horizontal line.

Ken Fanning

HB 142

- #1 - Legislative interference with the Game Board and Alaska Department of Fish and Game responsibilities results in politicization of renewable resource management, which should be strongly avoided.
- #2 - There have been no public hearings, which are important on legislation of this magnitude.
- #3 - A substantial number of residents are dependent upon guided non-resident hunters for the winter meat supply. This is beneficial because one animal serves two purposes. HB 142 would prohibit this beneficial use.
- #4 - Who kills a moose or caribou is far less important than who benefits from the use of the meat. The assumption of this legislation is that if a resident kills a moose or caribou; the meat is automatically salvaged for consumption. Facts indicate this is not true (see wanton waste violations).
- #5 - The bill is unnecessary because it creates rather than solves problems.
- #6 - Must have a fiscal note detailing cost of administering and enforcement.
- #7 - Alaska Department of Fish and Game opposes the bill.
- #8 - Department of Public Safety opposes the bill.
- #9 - Drastically reduces revenue to ADF & G that is used for matching PR funds (3 - 1 matching)  
(\$780.5 yearly license and tag fees - not including PR funding)
- #10 - Would eliminate exportation of reindeer antlers since there is no method of distinguishing between them.
- #11 - Would eliminate tourists from picking up naturally shed antlers and taking them out of state.
- #12 - Does not preclude a nonresident from taking a moose or caribou and/or exporting the meat.
- #13 - Does nothing to alleviate the real problem of waste.
- #14 - Prevents a resident from sending to taxidermists outside even though the finished product is to be returned to Alaska.
- #15 - HB 142 raises serious questions regarding violations of the Interstate Commerce clause. Attempted denial of a citizen to introduce private property into interstate commerce should be avoided.

To: Members of House Resources Committee  
From: Rep. Ken Fanning  
Subject: HB 142 and Relevant Wanton Waste Research

The following research information should provide valuable insight into discussion of issues relative to potential waste of wild meat resources.

The Department of Public Safety keeps track of the number of arrests which are made for waste of wild food animals; however, no one appears to record instances where an animal is found wasted but no citation is issued. According to the statistics which are currently available (data for 1980 is not yet complete), a total of 112 arrests have been made since 1975 for failure to salvage wild food animals; there were 54 arrests during this period for failure to salvage moose specifically. This information is shown on Table 1.

Table 2 illustrates that arrests for wanton waste of moose contributed 54 cases and caribou contributed 30 cases, for a total of 75% of the violations of wasting wild food animals.

Table 3 illustrates that in the past six years, 70% of the arrests for wanton waste of moose were made on residents, 80% of the arrests for waste of caribou meat, 76% of the arrests for waste of sheep meat and 100% of the arrests for waste of goat were made on residents. Overall, residents account for 75% of the arrests made for wanton waste of our valuable meat resources.

Naturally, arrests do not necessarily include all of the violations. However, it is reasonable to assume that if any bias exists, it favors residents, since non-residents are more closely regulated, by their occurrence for hunting purposes only during certain seasons, their use of local facilities and guides, and the greater licenses and tag fees paid.

All persons are, of course, required by law to salvage the edible portions of wild food animals.

I recommend that the solution to the problem of abuse of our wild food game animals is through legislation which imposes stringent mandatory sentences on all violators.

TABLE 1  
Arrests for Waste of Moose, Caribou, Sheep, Goat and Deer  
By Disposition of Case  
1975 - 1980

	1975	1976	1977	1978	1979	1980*	All Years	
Arrests	7	29	27	27	16	6	112	% of total
Resident	7	20	23	21	9	5	85	75
N-Resident		9	4	6	7	1	27	25
Convictions	6	21	18	20	13	4	82	

TABLE 2  
Arrests for Waste of Wild Food Animal By Type of Animal  
1975 - 1980

	1975	1976	1977	1978	1979	1980*	All Years
Moose	4	17	5	14	8	6	54
Caribou		10	10	5	5		30
Sheep	3	2	5	5	2		17
Goat			5	3			8
Deer			2		1		3
All animals	7	29	27	27	16	6	112

TABLE 3  
Arrests for Waste of GAME ~~By~~ Disposition of Case  
1975 - 1980

GAME ANIMAL		1975	1976	1977	1978	1979	1980*	All Years	
Moose	<u>Arrests</u>	4	17	5	14	8	6	54	% of total
	Resident	4	10	4	11	4	5	38	70
	N-Resident		7	1	3	4	1	16	30
	<u>Convictions</u>	4	13	5	11	6	4	43	
Caribou	<u>Arrests</u>		10	10	5	5		30	
	Resident		10	9	3	2		24	80
	N-Resident			1	2	3		6	20
	<u>Convictions</u>		7	7	5	4		23	
Sheep	<u>Arrests</u>	3	2	5	5	2		17	
	Residents	3		4	4	2		13	76
	N-Residents		2	1	1			4	24
	<u>Convictions</u>	2	1	1	1	2		7	
Goat	<u>Arrests</u>			5	3			8	
	Resident			5	3			8	100
	N-Resident								
	<u>Convictions</u>			3	3			6	
Deer	<u>Arrests</u>			2		1		3	
	Resident			1		1		2	67
	N-Resident			1				1	33
	<u>Convictions</u>			2		1		3	

TABLE 4  
 Arrests for Waste of Moose By Year  
 1975 - 1980  
 (Net penalty equals the amount actually paid  
 or length of time actually served.)

1975	Verdict	Fine		Jail		Revocation of License # Months	
		Total	Net	Total	Net		
1	Resident	Guilty	\$1000	\$500	5 days		
2	Resident	Guilty			15	15	
3	Resident	Guilty	500	300	5		
4	Resident	Guilty	500	350	60		

1976	Verdict	Fine		Jail		Revocation of License # Months	
		Total	Net	Total	Net		
1	N-Resident	Guilty	\$ 400	\$ 400			
2	Resident	Guilty					
3	N-Resident	Guilty	300	300			
4	N-Resident	Guilty	300	300			
5	Resident	Guilty	2000	500	30	30	13
6	N-Resident	Guilty	300	300			
7	Resident	Guilty	500	250	30	2	
8	Resident	Guilty	300	150			
9	Resident	Guilty	300	150			
10	Resident	Guilty			90	30	
11	N-Resident	N-Guilty					
12	Resident	Dismissed					
13	N-Resident	Dismissed					
14	N-Resident	Dismissed					
15	Resident	Guilty			10	10	
16	Resident	Guilty			10	10	
17	Resident	Guilty					

TABLE 4 Continued

1977		Verdict	Fine		Jail		Revocation of License # Months
			Total	Net	Total	Net	
1	Resident	Guilty	\$ 500	\$ 200	30	10	12
2	Resident	Guilty	1000	500			6
3	Resident	Guilty	1000	500			6
4	Resident	Guilty	1000		10	10	
5	N-Resident	Guilty	1000		10	10	

1978		Verdict	Fine		Jail		Revocation of License # Months
			Total	Net	Total	Net	
1	Resident	Guilty	\$2000	\$1000	180	90	12
2	N-Resident	Guilty	750	750			
3	N-Resident	Guilty	750				
4	Resident	Guilty					
5	Resident	N-Guilty					
6	Resident	Guilty					
7	Resident	Guilty	1000	500			6
8	Resident	Guilty	1000	500			5
9	Resident	Guilty	5000	3500			30
10	Resident	Guilty	200	200			
11	N-Resident	Guilty	1000	750	30	10	12
12	Resident	Guilty	250	250			
13	Resident	Dismissed					
14	Resident	Dismissed					

TABLE 4 Continued

1979		Verdict	Fine		Jail		Revocation of License # Months
			Total	Net	Total	Net	
1	N-Resident	Guilty	\$ 750	\$ 500			
2	N-Resident	Guilty	150	150	5		12
3	N-Resident	Guilty	500				
4	Resident	Dismissed					
5	Resident	Guilty	1000		90		12
6	N-Resident	Dismissed					
7	Resident	Guilty	500	500	30		
8	Resident	Guilty	500	500			

1980*		Verdict	Fine		Jail		Revocation of License # Months
			Total	Net	Total	Net	
1	Resident	Dismissed					
2	Resident	Guilty	\$ 750		30	5	
3	N-Resident	Guilty	500	250			
4	Resident	Guilty	500	500			
5	Resident	Dismissed					
6	Resident	Guilty	1000	500	30	1	6

\*Data for 1980 is incomplete.

Source: Department of Public Safety, 2/10/81.

TABLE 5  
 Arrests for Waste of Caribou By Year  
 1975 - 1980  
 (Net penalty equals the amount actually paid  
 or length of time actually served.)

1975	Verdict	Fine Total Net	Jail Total Net	Revocation of License # Months
None				

1976	Verdict	Fine Total Net	Jail Total Net	Revocation License # Months
1	Resident Dismissed			
2	Resident Guilty	\$ 500 \$ 500	Suspended	12
3	Resident Guilty	500 500	Suspended	12
4	Resident Guilty	500 500	Suspended	12
5	Resident Dismissed			
6	Resident Dismissed			
7	Resident Guilty		10 days 10 days	
8	Resident Guilty	500 500	2 2	
9	Resident Guilty		10 10	
10	Resident Guilty	500 300	60	

Arrests for Waste of Caribou  
Continued

1977		Verdict	Fine Total Net		Jail Total Net		Revocation of License # Month
1	Resident	Guilty			:		
2	Resident	Guilty	\$ 500	\$500			
3	Resident	Guilty	500	500			
4	N-Resident	Guilty	500	500			
5	Resident	Guilty	500	500			
6	Resident	Dismissed					
7	Resident	Guilty	1000	400	10 days	2 days	
8	Resident	Dismissed					
9	Resident	Dismissed					
10	Resident	Guilty	1000	400	10		

1978		Verdict	Fine Total Net		Jail Total Net		Revocation of License # Months
1	N-Resident	Guilty	\$ 750		Suspended		
2	N-Resident	Guilty	750	750			
3	Resident	Guilty	250				
4	Resident	Guilty	250				
5	Resident	Guilty	250				

Arrests for Waste of Caribou  
Continued

1979		Verdict	Fine Total Net		Jail Total Net		Revocation of License # Months
1	Resident	Guilty	\$ 600	\$ 600	45 days	3 days	12
2	N-Resident	Guilty	750	500			
3	N-Resident	Guilty	500	500	Suspended		
4	N-Resident	Guilty	200		5		
5	Resident	Dismissed					

1980		Verdict	Fine Total Net		Jail Total Net		Revocation of License # Months
None							

TABLE 6  
 Arrests for Waste of Sheep By Year  
 1975 - 1980  
 (Net penalty equals the amount actually paid  
 or length of time actually served.)

1975		Verdict	Fine Total Net		Jail Total Net		Revocation of License # Months
1	Resident	Dismissed					
2	Resident	Guilty	\$ 300		5		
3	Resident	Guilty					

1976		Verdict	Fine Total Net		Jail Total Net		Revocation of License # Months
1	N-Resident	Guilty	\$1500	\$1500	30 days		24
2	N-Resident	Dismissed					

1977		Verdict	Fine Total Net		Jail Total Net		Revocation of License # Months
1	N-Resident	Guilty	\$ 500	\$ 500			
2	Resident	N-Guilty					
3	Resident	N-Guilty					
4	Resident	Dismissed					
5	Resident	Dismissed					

1978		Verdict	Fine Total Net		Jail Total Net		Revocation of License # Months
1	Resident	N-Guilty					
2	Resident	N-Guilty					
3	Resident	N-Guilty					
4	N-Resident	Guilty	\$ 500	\$ 500			
5	Resident	N-Guilty					

Arrests for Waste of Sheep By Year  
Continued

1979	Verdict	Fine		Jail		Revocation of License # Months
		Total	Net	Total	Net	
1	Resident	Guilty	\$ 200	\$ 200		12
2	Resident	Guilty	200	200		12

1980	Verdict	Fine		Jail		Revocation of License # Months
		Total	Net	Total	Net	
	None					

TABLE 7  
 Arrests for Waste of Goats By Year  
 1975 - 1980  
 (Net penalty equals the amount actually paid  
 or the length of time actually served.)

1975	Verdict	Fine Total Net	Jail Total Net	Revocation of License # Months
None				

1976	Verdict	Fine Total Net	Jail Total Net	Revocation of License # Months
None				

1977	Verdict	Fine Total Net	Jail Total Net	Revocation of License # Months
1	Resident Guilty	\$1000 \$ 500		
2	Resident Guilty	1000 500		
3	Resident Guilty	500 500		
4	Resident N-Guilty			
5	Resident N-Guilty			

1978	Verdict	Fine Total Net	Jail Total Net	Revocation of License # Months
1	Resident Guilty	\$ 150 \$ 150		
2	Resident Guilty	250 200		
3	Resident Guilty	250 200		

1979	Verdict	Fine Total Net	Jail Total Net	Revocation of License # Months
None				

Arrests for Waste of Goats  
Continued

1980	Verdict	Fine Total Net	Jail Total Net	Revocation of License # Months
	None			

TABLE 8  
 Arrests for Waste of Deer By Year  
 1975 - 1980  
 (Net penalty equals the amount actually paid  
 or the length of time actually served.)

1975		Verdict	Fine Total Net		Jail Total Net	Revocation of License # Months
None						
1976		Verdict	Fine Total Net		Jail Total Net	Revocation of License # Months
None						
1977		Verdict	Fine Total Net		Jail Total Net	Revocation of License # Months
1	N-Resident	Guilty	\$ 500	\$ 50		
2	Resident	Guilty	300	150	5 days	2
1978		Verdict	Fine Total Net		Jail Total Net	Revocation of License # Months
None						
1979		Verdict	Fine Total Net		Jail Total Net	Revocation of License # Months
1	Resident	Guilty	\$ 250	\$ 250	Suspended	
1980		Verdict	Fine Total Net		Jail Total Net	Revocation of License # Months
None						

TABLE 9

Year	Number of Convictions	Av. Fine	Av. Paid	Net Difference	Av. Jail Sentence	Av. Time Served	Net Difference
1975	4	750	383	\$367	21.5	3.75	17.5 days
1976	13	338	181	\$157	10	6	7 days
1977	5	900	240	\$660	10	6	4 days
1978	10	695	395	\$300	21	10	11 days
1979	6	566	275	\$291	21	0	21 days
1980	4	687	315	\$372	15	1.5	13.5 days

# TELEGRAM

ALASCOM, INC.  
PHONE: 586-6442  
JUNEAU, AK 99902

1201 FEB 21 PM 1 51

02005 ANCHORAGE AK 22 02-21 1135A AST

PMS REP FRED ZHAROFF

JUN 1171

RE HB142

THE ALASKA PROFESSIONAL HUNTERS FEEL THE INTENT OF THIS BILL  
IF TOO SEVERE FOR THE PROBLEM IT IS TO CONTROL.  
LYNN CASTLE, PRESIDENT

This bill HB 142 would prohibit persons who do not hold a resident hunting license from taking the antlers of moose and caribou outside the state. The bill does not bar anyone from hunting these animals for their main purpose which is meat, it just simply removes their trophy value. All over Alaska and especially in Anchorage people have indicated to me how angry they were at having hunters coming into the state from all over the world to hunt these meat animals strictly for their antlers. Non-Alaskans generally hunt for trophies and the taking of the meat is just incidental to the catch. The Alaskan hunts with the primary purpose to get food and the taking of the antlers is incidental to the catch. During the period from 1970 to 1980 while our population went from 300,000 to 400,000 our moose population fell by about 50%. We had testimony in this committee by the Dept. of Fish and Game on the bleakness of our moose situation. Loss of habitat, inability to implement a meaningful wolf control program, hard winters, and some over harvest have all contributed to this problem. It seems with all this it is not very hopeful that we can bring these animals to their pre-existing numbers. During this same time the hunting seasons have been cut from what used to be 5 and 6 month seasons down to 10, 20 and 30 day seasons all of which has restricted the Alaskan hunter. It follows then this question, can we afford to share these basic food animals with trophy hunters from all over the world. I don't think we can. What this bill would do is keep the hunter from Fairbanks, Anchorage, Galena, Homer, Holy Cross, Kenai and elsewhere in Alaska from having to compete for a limited food source with head hunters from San Francisco, Dallas, Europe, Florida, Sweden and other places in the world. The main thrust of this bill is to keep these animals on the hoof to be available to the Alaskan hunter. It is hard to justify the present situation to the Alaskan hunter who has been out hunting for 2 weeks and has not had any luck or just barely has, when he goes out to the Anchorage International Airport and sees all those moose and caribou antlers leaving the state with no meat. I can assure you that this does not sit well with the vast majority of the Alaskan public.

*Caribou and moose antlers from being removed from the state.*

Introduced: 2/12/81  
Referred: Resources

BY HURLBERT, BUGHOLDT, FULLER,  
GRUSSENDORF, ~~ABOOD~~, ADAMS, CATO,  
~~CHICKSON~~, CLOCKSIN, DUNCAN,  
GARDINER, HAUGEN, MALONE, MARTIN,  
MILLER, MOSS, VASKA AND ZHAROFF

1 IN THE HOUSE

2 HOUSE BILL NO. 142

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to trophy hunting of caribou and  
7 moose."

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

9 \* Section 1. FINDINGS AND INTENT. The legislature finds that caribou  
10 and moose are a valuable source of food. The legislature further finds that  
11 persons whose primary motivation for hunting caribou and moose is to secure  
12 food will make the best use of food available from these animals. The efore,  
13 the legislature intends to discourage the hunting of moose and caribou for  
14 purposes of acquiring trophies or any other reason unrelated to securing  
15 food.

16 \* Sec. 2. AS 16.05 is amended by adding a new section to read:

17 Sec. 16.05.782. DISPOSITION OF ANTLERS. (a) Antlers of caribou  
18 or moose may not be removed from the state unless the removal is autho-  
19 rized under (b) of this section.

20 (b) The department may issue a permit authorizing the removal of  
21 moose or caribou antlers if the applicant furnishes proof satisfactory  
22 to the department that

- 23 (1) the applicant holds a resident hunting license;
- 24 (2) the antlers will be removed from the state in the posses-  
25 sion of the applicant;
- 26 (3) the removal from the state by the applicant is a conse-  
27 quence of a change in domicile of the applicanc; and
- 28 (4) the applicant does not intend to sell the antlers outside  
29 the state.

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 142  
 Title Trophy Hunting of Caribou and Moose  
 Requested by Public Safety Date 02/19/81

II. FISCAL DETAIL

Agency Affected Public Safety  
 Program Category Affected NRMEC  
 BRU, Program, or Subprogram(s) Affected Fish & Wildlife Protection  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		69,303				
200 TRAVEL		13,000				
300 CONTRACTUAL		5,000				
400 COMMODITIES		3,000				
500 EQUIPMENT		2,000				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>92,303</b>				

FUNDING (Thousands of Dollars)

GENERAL FUND		92,303				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		1				
PART TIME		5				
TEMPORARY						

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

Investigator II	Seasonal	Total
100 55,456	13,847	69,303
200 10,000	3,000	13,000 Travel & Per diem
300 3,000	2,000	5,000
400 1,500	1,500	3,000
500 1,000	1,000	2,000
<u>70,956</u>	<u>21,347</u>	<u>92,303</u>

Positions: Full-time - (1) Investigator II = 69,456 (100)  
 Part-time - (5) Seasonals (5 mos) = 69,235 (100)

IV. DATE 2-19-81 PREPARED BY Charles M. Pesta  
 AGENCY Fish & Wildlife Protection  
 PHONE 269-5589

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