

ALASKA LEGISLATURE COMMITTEE REPORTS

1949 SRES SJR 60 - HB 31

1949

## 2.6 Management Measures and Rationale for the Foreign Fishery

### 2.6.1 Existing area closures

- i. Fishing for herring is not allowed within 12 miles of the baseline used to measure the Territorial Sea, except in certain waters adjacent to the western Aleutian Islands specified in the Bering Sea/Aleutians groundfish FMP.
- ii. No foreign vessel may fish for herring east of 168°W longitude.

#### Rationale

These measures prevent conflicts with U.S. fixed gear and small, inshore fishery vessels and also prevent the catch of herring and localized inshore species important to U.S. fishermen.

- iii. The Bering Sea/Chukchi Sea management unit will be closed to herring fishing by vessels of a nation for the remainder of the herring fishing year when that nation's allocation of herring OY is reached.

#### Rationale

This implements the requirement of the Magnuson Act that a foreign nation's fishery be terminated when the nation's allocation of TALEFF for that fishery has been reached.

- iv. Time/area closures specified in the implementing regulations of the Bering Sea/Aleutian Islands Groundfish Fishery Management Plan apply to herring fishermen using trawl gear in the Bering Sea/Aleutian Island area.
- v. All or part of the Herring Savings Area, as described in Appendix 18.2 will be closed to herring and groundfish trawl fisheries by the Regional Director, in consultation with the Council if:

- a. there is no remaining AIC or herring TALFF; or
- b. the amount of remaining AIC or herring TALFF can be harvested within one reporting period.

### Rationale

The purpose of this time/area closure is to minimize the incidental catch of herring by foreign groundfish trawl fisheries. An in-season closure provision is necessary to allow the Regional Director to act within a reasonable amount of time to protect herring stocks from being over harvested during one reporting period (see Section 10.3).

This closure applies to trawl gear only. Longline, pot or other gear types which are not utilized to fish for herring or catch herring above trace amounts (less than 0.001% of total catch) are exempt from this time-area restriction.

#### 2.6.2 Foreign reporting requirements

The operators of all foreign vessels must maintain an accurate log of catch and effort information in accordance with the requirements of the implementing regulations of the Bering Sea/Aleutian Islands Groundfish Fishery Management Plan and other Foreign Fishing Regulations, 50 CFR Part 611.

#### 2.6.3 Permit requirements

All foreign vessels fishing for herring or groundfish in the FCZ must have on board a permit issued by the Secretary of Commerce, as required by the Magnuson Act.

#### 2.6.4 Prohibited species

The retention of salmonids, Pacific halibut, Tanner crab, king crab, coral, snails, scallops, shrimp, surf clams, horsehair crab, lyre crab, or Dungeness crab, or other continental shelf fishery resources is prohibited. This prevents covert targeting on species of importance to U.S. fishermen.

#### 2.7 In-season Adjustment of Time and Area

The Regional Director of the National Marine Fisheries Service, Alaska Region, or his designee, may issue field orders adjusting time and area restrictions.

SJR

70

COMMITTEE REPORT  
SENATE

2/15/82

FURTHER: None

Date: 3/22/82

Mr. President:

The Committee on RESOURCES has had SJR 70

Relating to commercial fishing of North Pacific chinook salmon

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 SJR 70  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

\_\_\_\_\_

Bob McLean

Don Gorman

Steve Larson

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MEMBERS HAVING  
OTHER RECOMMENDATIONS:

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Steve Larson

CHAIRMAN

Amendments to SCR 40, SJR 70, and SJR 79 suggested by TROLL PERMIT

SCR 40: page 1, line 8 delete "tollers" and insert "state wide troll entry permit holders"  
page 1, line 13 delete "trollers" and insert "state wide troll entry permit holders"  
page 1, line 17 insert "without adverse effects on salmon stocks" after ity.

SJR 70: Page 1, line 17 delete "10" and insert "15".

Page 1, line 22 insert "which would be a 25% reduction since 1980" after range.

Page 2, line 9 delete "upper end of the 1981" and insert "1980".

SJR 79 Page 1, lines 15 and 16: delete lines 15 and 16 and insert "WHEREAS the National Park Service failed to provide timely notice of the closure; and

Page 1, line 21 delete "several"

Page 1, line 21 insert "severe, unnecessary, and unwarranted" before economic.

THESE AMENDMENTS WERE INCORPORATED INTO THE COMMITTEE SUBSTITUTE FOR SJR 79 AND SJR 70.

SENATE RESOURCES COMMITTEE  
LEGISLATION CHECKLIST

BILL NUMBER SJR 70

IDENTIFICATION:

BILL NAME: Relating to commercial fishing of North Pacific chinook salmon.

SPONSOR(S): Ziegler

RELATED BILLS PENDING:

DATE INTRODUCED: 2/15/82

REFERRALS Resources

INITIAL RESEARCH:

INITIAL BILL SUMMARY COMPLETED \* es\*

SUMMARY BY LEGAL DIVISION:  
DEPT. OF LAW SUMMARY:

SPONSOR CONTACTED FOR BACKUP  
MATERIALS:

FISCAL NOTE:

AGENCY RESPONSE:

OTHER INTERESTED SENATORS OR  
REPS. NOTIFIED:

BACKGROUND RESEARCH:

SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES:

RESPONSES FROM INTERESTED PERSONS AND/OR GROUPS:

OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, LAWS:

HEARING PREPRATION:

CHAIRMAN BRIEFED:

DATE AND PLACE SET:

STAFF MEMO TO COMMITTEE:

TELECONFERENCE

BACKGROUND MATERIAL DISTRIBUTED

PSA/PRESS RELEASE

LIST OF WITNESSES:

SUGGESTED AMENDMENTS/CS DRAFTED:



# Alaska State Legislature

## Senate Resources Committee

Official Business

Pouch V  
State Capitol  
Juneau, Alaska 99811

TO: Senate Resources Committee  
FROM: Senate Resources Committee Staff  
RE: 3/22/82 Committee Hearing  
DATE: March 19, 1982

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Please find attached background information for Monday's hearing on the following bills:

SB 731 Establishing the Shuyak Island State Park.  
(This bill has been heard before. Technical language changes were required, resulting in the attached Committee Substitute.)

SB 769 Removing the requirement that power projects constructed under the energy program for Alaska be owned by the State.  
(This bill has been heard before. A Committee Substitute has been prepared.)

SB 843 Relating to surface coal mining and the surface effects of underground coal mining.  
(This will be a continuation of the Friday, 3/19/82, meeting. Materials have been distributed.)

SJR 70 Relating to commercial fishing of North Pacific chinook salmon.

SJR 79 Requesting the National Park Service to adopt procedures providing public notice of proposed regulations, emergency regulations, and field orders for national parks, preserves, and monuments in Alaska.



Alaska State Legislature  
Senate

JUNEAU, ALASKA

RESOURCES SUBCOMMITTEE ON FISHERIES

TO: Senator Fahrenkamp, Chairman  
Senate Resources Committee

FROM: Senate Resources Subcommittee on Fisheries

SUBJ: SJR 70 "Relating to commercial fishing of North Pacific chinook salmon".

The subcommittee has taken testimony and replaced SJR 70 with CS SJR 70, and reports CSSJR 70 back to the committee as a whole with the following recommendations.

Members		Recommendation
Senator Mulcahy	<u>Bob Mulcahy</u>	<u>No Rec</u>
Senator Eliason	<u>W. Eliason</u>	<u>Do Pass</u>
Senator Gilman	<u>Alan Gilman</u>	<u>Do Pass</u>



Official Business

# Alaska State Legislature

## SENATE Resources Committee

Pouch V  
State Capitol  
Juneau, Alaska 99811

TO: Bob Mulcahy, Chairman  
Fisheries Subcommittee

FROM: Bettye Fahrenkamp, Chairman  
Senate Resources Committee

DATE: February 25, 1982

The following legislation has been referred to the Senate Resources Committee for consideration:

- SSSB 51: "An Act relating to penalties for violations of fishing laws and regulations."
- SB 755: "An Act relating to the licensing of commercial fishing; and providing for an effective date."
- SB 787: "An Act relating to damage to fishermen's gear caused by contact with certain man-made objects; and providing for an effective date."
- SB 788: "An Act making special appropriations to the Department of Revenue for administration of the fishermen's gear damage compensation fund and to the Department of Natural Resources for a survey of man-made obstructions hazardous to gear of commercial fishermen fishing in state waters; and providing for an effective date."
- SB 806: "An Act relating to the issuance of citations for fish and game violations."
- SJR 70: Relating to commercial fishing of North Pacific chinook salmon.

I am assigning the above listed legislation to the Fisheries Subcommittee for your Subcommittee's consideration.

LEGISLATION SUMMARY

SJR 70: Relating to commercial fishing of North Pacific chinook salmon.

WHEREAS commercial fishing provides the highest employment of any industry in the state, and that Alaska commercial fishermen, especially trollers, depend on the North Pacific (king) salmon for their livelihood, and that the fishery management plan implemented by the Secretary of Commerce since 1977 have substantially reduced the harvest of chinook salmon in the fishery conservation zone off the coast of Southeast Alaska, and that Alaska commercial fishermen suffered a more than 10% reduction for the 1981 allowable harvest, and that the North Pacific Fishery Management Council has tentatively voted for management of the Yakutat-Southeast Alaska chinook salmon fishery at the lower end of the 1981 optimum yield range, and that Canadian commercial fishermen off British Columbia have not experienced a similar reduction, and continue to harvest chinook salmon in increasingly greater quantities, and thereby present a severe economic threat the Alaska and other Pacific coast state commercial fishermen, and that salmon interception treaty negotiations between the United States and Canada have not resolved the international dispute;

RESOLVED that the Legislature requests that North Pacific Management Council to provide for the Yakutat-Southeast Alaska chinook salmon fishery to be managed at the upper end of the 1981 optimum yield range, and requests the President of the United States to direct the Secretary of Commerce to disapprove amendments to the North Pacific fishery management plan that would reduce the harvest of Chinook Salmon in the Yakutat-Southeast Alaska Region below the 1981 level, and further requests the President to direct American participants in salmon interception treaty negotiations with Canada to effect a speedy resolution of North Pacific salmon fishery issues.

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PRIME SPONSOR: Ziegler

CO-SPONSOR(S): None



# Alaska State Legislature

## SENATE Resources Committee

POUCH V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3834  
(907) 465-3835

### Official Business

BETTYE FAHRENKAMP, Chairman  
VIC FISCHER, Vice-Chairman  
BRAD BRADLEY  
DICK ELIASON  
DON GILMAN  
BOB MULCAHY  
ARLISS STURGULEWSKI

### MEMBERS PRESENT

Senator Fahrenkamp  
Senator Eliason  
Senator Gilman  
Senator Mulcahy  
Senator Sturgulewski

March 22, 1982

1:35 p.m.

Beltz Room

Room 211 - Capitol

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### Hearings:

- SB 731 Establishing the Shuyak Island State Park.  
SB 769 Removing the requirement that power projects constructed under the energy program for Alaska be owned by the State.  
SB 843 Relating to surface coal mining and the surface effects of underground coal mining.  
SJR 70 Relating to commercial fishing of North Pacific chinook salmon.  
SJR 79 Requesting the National Park Service to adopt procedures providing public notice of proposed regulations, emergency regulations, and field orders for national parks, preserves, and monuments in Alaska.

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### SB 731

Senator Mulcahy said a Committee Substitute had been prepared, changing the word "compatible" to "other".

Jim Lieb, Alaska Department of Fish and Game, expressed support for the Committee Substitute.

Senator Gilman moved the acceptance of the Committee Substitute. He then moved CSSB 731 with individual recommendations.

### SB 769

Senator Gilman explained that a Committee Substitute with a changed title had been prepared. It requires that federal power projects in which the State participates must meet the same tests as all State projects, and gives the Alaska Power Authority approval to proceed with the Bradley Lake project.

Senator Mulcahy moved the acceptance of the Committee Substitute. He then moved CSSB 769 with individual recommendations.

SB 843

Jay Nelson, Alaska Environmental Lobby, stated that some provisions of SB 843 are not strong enough to protect the people and the environment. He stressed the need for revegetation with native species, the designation as unsuitable for surface coal mining areas that are highly biologically productive, and the recognition of the fisheries value.

Mark Wittow, Department of Natural Resources, stated that the Department of Fish and Game and the Department of Environmental Conservation both have permitting requirements that protect fisheries which would still stand. He further stated that performance standards will determine the type of reclamation and the amount of habitat protection required.

Senator Sturgulewski stated that State lands on which surface mining will not be allowed should be further defined.

Phil Holdsworth, COAL, in supporting the bill, clarified the point that all State agencies will continue to work together, so there are "built in" protections.

Senator Fahrenkamp stated that SB 843 would be held until 3/24/82.

SJR 70

Senator Mulcahy stated that SJR 70 had been heard in the Fisheries Subcommittee. He moved the acceptance of the Committee Substitute. He then moved CSSJR 70 with individual recommendations.

SJR 79

Senator Mulcahy stated that SJR 79 had been heard in the Fisheries Subcommittee. He moved the acceptance of the Committee Substitute. He then moved CSSJR 79 with individual recommendations.

The meeting was adjourned at 2:35 p.m.

NOTE REGARDING THE FOLLOWING FRAME ON MICROFILM:

COMPLETE DOCUMENT IS AVAILABLE IN ORIGINAL FILES  
IN ALASKA STATE ARCHIVES. TITLE PAGE ONLY HAS  
BEEN FILMED.

Relating to HJR-78  
SJR-70

F I N A L

ENVIRONMENTAL IMPACT STATEMENT/PRELIMINARY FISHERY MANAGEMENT PLAN

High Seas Salmon Fisheries of Japan

U.S. DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

NATIONAL MARINE FISHERIES SERVICE

P. O. Box 1668  
Juneau, Alaska 99802

January 1977

SJR

79

COMMITTEE REPORT  
SENATE

2/23/82

FURTHER: None

Date: 3/22/82

Mr. President:

The Committee on RESOURCES has had SJR 79

Requesting the National Park Service to adopt procedures providing public notice of proposed regulations

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 SJR 79  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

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_  
*Bob [unclear]*  
 \_\_\_\_\_  
*Don Helman*  
 \_\_\_\_\_  
*Mike [unclear]*  
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CHAIRMAN

IDENTIFICATION:

BILL NAME: Requesting the National Park Service to adopt procedures providing public notice of proposed regulations, emergency regulations, and field orders for national parks, preserves, and monuments in Alaska.

SPONSOR(S): Labor and Commerce

RELATED BILLS PENDING:

DATE INTRODUCED: 2/23/82

REFERRALS Resources

INITIAL RESEARCH:

INITIAL BILL SUMMARY COMPLETED

SUMMARY BY LEGAL DIVISION:  
DEPT. OF LAW SUMMARY:

SPONSOR CONTACTED FOR BACKUP  
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CHAIRMAN BRIEFED:

DATE AND PLACE SET:

STAFF MEMO TO COMMITTEE:

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BACKGROUND MATERIAL DISTRIBUTED

PSA/PRESS RELEASE

LIST OF WITNESSES:

SUGGESTED AMENDMENTS/CS DRAFTED:



JUNEAU, ALASKA

Alaska State Legislature  
House

MAY 6 - 1982

MESSAGE TO THE SENATE

Date May 6, 1982

MR. PRESIDENT:

The House has passed CSSJR 79(Res) (Requesting the National Park Service to adopt procedures providing public notice of proposed regulations, emergency regulations, and field orders for national parks, preserves, and monuments in Alaska.) with the following amendment:

HCS CSSJR 79(Res) (same title)

and it is transmitted herewith for consideration.

20-0  
yes

(27 10 3)

  
Chief Clerk of the House

# The last salmon

(First of three parts)

By BILL DIETRICH

Vancouver Columbian

VANCOUVER, Wash. (AP) — Who will catch the last salmon in the Columbia River? Will it be an Indian? A white gillnetter? A sportsman?

A thief, most likely.

As runs dwindle, seasons shorten and the value of salmon climbs to as much as \$100 a fish, the attraction of illegal fishing grows.

"It's better than robbing a bank," said Joe Salte of Cathlamet, a Washington state fisheries agent. "If you go out and poach for a season, you can make maybe \$40,000 or \$50,000."

If caught in Washington, the fine for a first offender is sometimes less than the wholesale price of a night's catch. Jail time is unlikely.

While Oregon has made illegal commercial fishing a felony, Washington's Legislature voted in 1979 to keep it a misdemeanor after lobbying by some commercial fishermen.

One Skamokawa man amassed 23 fishing violations, three resisting arrest charges and one escape in just four years.

In 1979, a Skamania County grandmother was sent to prison in Oregon for selling an estimated \$380,000 of illegal fish in just three months.

An undercover sting operation last year led to charges of illegal fish-buying against three Portland brokers. Two have pleaded guilty.

Five state and federal agencies and four Indian tribes with enforcement powers are attempting to crack down. But enforcement remains understaffed and uncoordinated.

"I think we're barely scratching the surface," said Salte. "There's no question we need more people" to police the fish laws.

Washington and Oregon officials are belatedly recognizing that as salmon runs decline, poaching may be serious enough to push the fish to extinction.

Half of the fall chinook wild run disappeared between Bonneville and John Day dams in 1980 and 1981. Biologists fear poaching may be the cause.

Maintaining the Columbia River fish in this year will cost the public more than \$16 million. The annual value of the stolen fish is not known, but based on undercover investigations, fisheries agents believe it is hundreds of thousands of dollars. Some guesses run more than \$1 million.

Some fish are sold to restaurants and brokers in the Vancouver-Portland area. Others have been flown to California or the East Coast.

One 33-year-old poacher now in prison boasts of making more than \$1 million from fish caught illegally in the lower Columbia River. Upriver, a minority of Indians are believed abusing ceremonial fishing privileges to poach. In tributary streams, so-called sportsmen have been caught snagging and clubbing spawning fish for later sale.

Each group tends to point accusingly at the other as the real culprit.

"Uppermost should be the preservation of the resource, but too many fishermen of both races look on it as who's going to catch the last salmon in the Columbia River," said Jeff Sanders, police chief of Oregon's Warm Springs Tribe.

If a group of organized thieves annually embezzled hundreds of thousands of dollars from government coffers, one would expect a public outcry and police crackdowns.

Yet the thefts from the Columbia are often ignored by the public, condoned by some fishermen, inadequately policed, unenergetically prosecuted and punished with light sentences.

Because the salmon are hidden from human eyes until caught or they go over a fish ladder, there are no reliable numbers on how many are illegally caught in the Columbia.

Yet authorities fear illegal fishing may be threatening to annihilate the fall wild chinook that spawn at Priest Rapids near Hanford, the last free-flowing part of the river.

In 1980, 30,000 natural spawning fall chinook disappeared when swimming between the fish ladders at Bonneville and John Day dams. They were not reported as commercial catches, did not show up at hatcheries and did not swim up tributary streams.

Some fishermen contend they were killed by dam turbines. Washington fisheries biologist Don McIssac of Vancouver said most scientists think it is more likely the majority were caught illegally.

Last fall, the problem worsened: 33,000 wild chinook and 20,000 hatchery fish ended up missing.

"Our needed spawning escapement was not realized," said McIssac. "We got half of what was needed to perpetuate runs at maximum sustained yield."

State biologists were concerned enough to ask for a halt to river fishing on the fall run in 1981, but the courts awarded the Indian tribes eight days. Biologists may seek a shutdown again this year.

And, in a science-fiction-like twist, they hope to implant some fish at Bonneville with radio transceivers so they can be tracked while swimming upstream to John Day. Then scientists could say with certainty whether it is poaching or dams that cause the fish to disappear.

Even without thousands of fish mysteriously missing, undercover investigations and arrests have consistently forced authorities to increase their estimates of illegal fishing.

"It's a pretty widespread problem," said Salte. "I think it's severe enough that it's affecting the fish runs."

Simple arithmetic is one reason agents are concerned. Saturation patrols in 1981 brought five to six arrests on Bonneville Pool alone for four to five consecutive nights, said Oregon State Police Sgt. Joe Schwab. Some 47 illegal nets were confiscated during 1981 in the vicinity of The Dalles. About 200 nets were confiscated on the river last year.

Ed Wickesham, a U.S. Fish and

Wildlife agent who lives in Vancouver, said one illegal floater net near Spring Creek hatchery above Bonneville was found so full of fish it had been dragged under water. In 1979, just two illegal nets yielded 2,500 pounds of chinook. On Sept. 6, 1980, four illegal nets contained 4,138 pounds of chinook.

"It wouldn't be uncommon to catch 100 fish in a single night," Salte said. That number easily could be worth \$5,000.

Veteran poacher Marvin Tolva Jr., now in prison, said up to \$10,000 can be caught a night when runs peak.

James Lithgow, a Portland fish broker, pleaded guilty in December and paid a \$1,000 fine. His Lithgow Inc. fish brokerage was fined an additional \$5,000. Carlson Seafood Inc. pleaded guilty and was fined \$4,000. Owner Craig Carlson was fined an additional \$1,000. Action is pending against Joe Jaha of Sea Sands brokerage.

Those cases were prosecuted under Oregon's felony law. Under Washington law, the crime is at worst a gross misdemeanor, with a fine up to \$5,000.

(See LAST SALMON, Page 8B)

# Last salmon, from page 1B

and a penalty of a year in jail. In reality, most fines remain well below \$1,000 and jail time is given only to repeat offenders.

Fisheries agents suspect many area restaurants, knowingly or unknowingly, are buying and serving stolen fish. Arrests, however, are rare.

Tracing illegal fish to the retail market is difficult. Most legal salmon served or sold outside regular fishing seasons have been frozen and stored. Black market fish need only be frozen to prevent enforcement officers from determining when it was caught.

Even if fish is sold fresh out of local season, sellers often point to other legal salmon seasons elsewhere. There is a legal salmon troller fishery for chinook salmon in the Strait of Juan de Fuca almost year around.

The Columbia River experiences spring, summer and fall runs of salmon, but because the number returning to the river to spawn continues to decline, river commercial fishing has been sharply reduced.

Under a compact agreed to between the states of Washington and Oregon and the Yakima, Warm Springs, Umatilla and Nez Perce Indian tribes, about one-third of the fish destined to migrate upriver from Bonneville Dam are reserved to lay eggs for future runs.

Of the remainder, Indians are supposed to get 40 percent of the spring chinook and 60 percent of the fall chinook, with the rest for non-Indians. However, the tribe's recorded catch often lags behind those percentages.

One winter commercial fishing season is planned for later this month and March, agreed to by the states and tribes. A brief fall fishery may be set later. Tribal fishing seasons are different from those of non-Indians to try to ensure the tribes catch the percentage they are allowed.

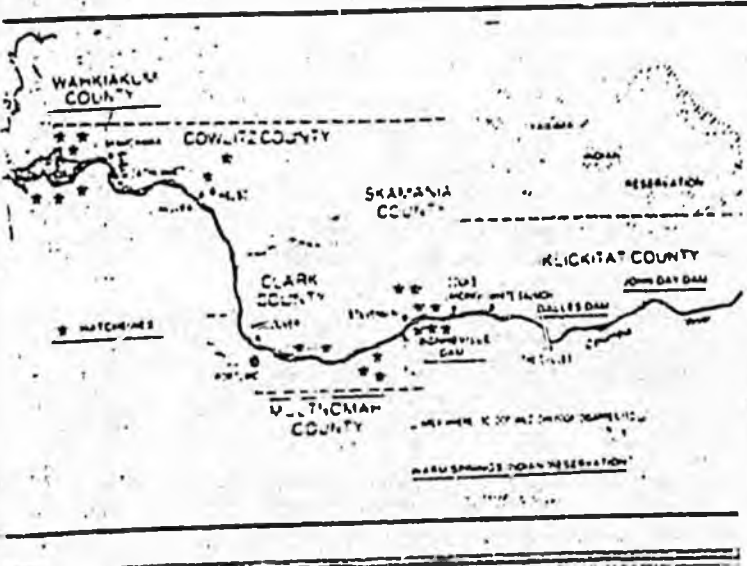
Indian tribes also are allowed to set their own special seasons for ceremonial fishing, to provide fish for traditional religious or tribal gatherings. The catch is not supposed to exceed the number needed for the ceremony, and the recorded number of fish caught for ceremonial purposes is small.

But fisheries officers believe large numbers of unrecorded surplus fish are caught on out-of-season ceremonial permits and sold on the black market.

Fisheries agents say a distinct part of the Northwest's heritage is at stake.

"Unless more is done, in our lifetime we will see the extinction of the run," said Sanders, the Warm Springs reservation police chief. "You will have to go to an aquarium to see salmon."

Next week: Law Enforcement.



Warm Springs Tribal Chief Jeff Sanders warns that if poachers aren't stopped, future salmon will be seen only in aquariums. (AP Laserphoto)

## Columbia River

Dear Editor:

Trollers in Alaska apprehensively await a decision by Craig, a Federal judge. Craig's decision concerning returning king salmon to the Columbia River system will decide the future of Alaskan trollers. If he decides Alaskans must let more king salmon go-by, in order that Indian tribes in Washington get their 50% share of the run, Alaskan trollers will have a king quota of 240,000 and a bleak future. Next year, the king quota will probably be dropped again, and again the next year, and on and on until Alaskans will have no quota. I believe this will happen because the Alaska king quota

was supposed to stay at 320,000 the first year it was instituted. The very next year it was lowered to 272,000. This year the quota may drop to 240,000, depending on Judge Craig's decision.

Before Craig makes his decision, I hope he considers the following information:

—In 1976, 2,800,000 king salmon were killed during a test to see how low the water level on part of the Columbia would go if water were used to cool two nuclear plants at Hanford Washington.

—The "Royal Chinook" run was practically wiped out with the building of the Grand Coulee Dam.

—Stream fluctuations on Washington's Cowlitz River killed up to 18,000 small fish a day.

—Irrigation interests along the Columbia River system can now take water below minimum levels of the past.

—The Japanese incidentally caught 700,000 king salmon last year and the Canadians caught about three times as many king salmon as Alaskans.

—The cutting of Alaska's king quota this last year has shown no noticeable difference upon the Columbia run.

—There is not conclusive biological proof that Alaskans are catching detrimental numbers of the Columbia king salmon run.

Last of all, I hope Judge Craig is a reasonable man and sees that a minority of people are receiving a majority of a natural resource which more than meets the U.S. government's treaty obligations to them.

Yours very truly,  
Ronald L. Merritt  
P.O. Box 912  
Wrangell, AK



# Alaska State Legislature

## Official Business

BETTYE FAHRENKAMP, Chairman  
VIC FISCHER, Vice-Chairman  
BRAD BRADLEY  
DICK ELIASON  
DON GILMAN  
BOB MULCAHY  
ARLISS STURGULEWSKI

## SENATE Resources Committee

### MEMBERS PRESENT

Senator Fahrenkamp  
Senator Eliason  
Senator Gilman  
Senator Mulcahy  
Senator Sturgulewski

POUCH V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3834  
(907) 465-3835

March 22, 1982  
1:35 p.m.

Beltz Room  
Room 211 - Capitol

### Hearing:

- SB 731 Establishing the Shuyak Island State Park.  
SB 769 Removing the requirement that power projects constructed under the energy program for Alaska be owned by the State.  
SB 843 Relating to surface coal mining and the surface effects of underground coal mining.  
SJR 70 Relating to commercial fishing of North Pacific chinook salmon.  
SJR 79 Requesting the National Park Service to adopt procedures providing public notice of proposed regulations, emergency regulations, and field orders for national parks, preserves, and monuments in Alaska.

### SB 731

Senator Mulcahy said a Committee Substitute had been prepared, changing the word "compatible" to "other".

Jim Lieb, Alaska Department of Fish and Game, expressed support for the Committee Substitute.

Senator Gilman moved the acceptance of the Committee Substitute. He then moved CSSB 731 with individual recommendations.

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Senator Sturgulewski stated that State lands on which surface mining will not be allowed should be further defined.

Phil Holdsworth, COAL, in supporting the bill, clarified the point that all State agencies will continue to work together, so there are "built in" protections.

Senator Fahrenkamp stated that SB 843 would be held until 3/24/82.

SJR 70

Senator Mulcahy stated that SJR 70 had been heard in the Fisheries Subcommittee. He moved the acceptance of the Committee Substitute. He then moved CSSJR 70 with individual recommendations.

SJR 79

Senator Mulcahy stated that SJR 79 had been heard in the Fisheries Subcommittee. He moved the acceptance of the Committee Substitute. He then moved CSSJR 79 with individual recommendations.

The meeting was adjourned at 2:35 p.m.

February 17, 1982

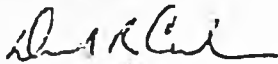
Senator Richard I. Eliason  
State Capitol  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Eliason:

I am enclosing a copy of a letter which I wrote to Governor Hammond concerning the troll fishery in Southeast Alaska. I would appreciate it deeply if you would take time to read this letter so that you may become more aware of the unfortunate situation in which we find our fishery today.

Thank you, in advance, for your time and consideration.

Sincerely,



David R. Carlson  
F/V Quest  
PO Box 1232  
Petersburg, AK 99833  
772-3765

February 16, 1982

The Honorable Jay S. Hammond, Governor  
State of Alaska  
Pouch A  
Juneau, Alaska 99811

Dear Mr. Hammond:

I am a commercial Salmon Power Troller in Southeast Alaska. I am writing this letter to you to apprise you of the dire situation in which we now find our fishery. I will try to make this letter as short and brief as possible but there are certain facts and events which have recently taken place of which I believe you should be aware.

Presently, and since 1973, our fishery has been under Limited Entry which has limited the number of participants in the fishery. Although the concept of Limited Entry has been ruled unconstitutional by Judge Carlson, I trust that the Alaska Supreme Court will uphold the Limited Entry Law. In 1980, the Alaska Board of Fisheries in conjunction with the North Pacific Management Council (NPFMC) imposed a "Quota" or "Optimum Yield" on the King Salmon harvest for the first time. This allowed us a harvest of 320,000 King Salmon which was supposed to be the last ten year average of King Salmon harvests in Southeast Alaska. However, this did result in a substantial reduction from the 1979 harvest level. We were led to believe that this harvest level would remain in effect for the foreseeable future thus stabilizing our harvest levels. This quota or optimum yield was imposed, for the most part, because both boards believed, although scientific data was grossly inadequate, that we were harvesting a large number of the Columbia River Bright stock of King Salmon which was not reaching the desired escapement goal as outlined by the Washington Department of Fish and Wildlife. In 1981, the Alaska Board of Fisheries and the NPFMC again recommended a further reduction of the King Salmon harvest level. There was, however, a difference of opinion as to whether the reduction would be ten or fifteen percent. No agreement was reached so we fished last season under a quota or optimum yield range of 272,000 to 288,000 King Salmon. The net result of these quotas or optimum yields and subsequent reductions resulted in a loss of approximately 40% of fishing time as compared to 1979.

In January of this year, the Alaska Board of Fisheries and the NPFMC again met to discuss the Southeast Troll Fishery and regulations for the 1982 season. The NPFMC again recommended another reduction which would lower our King Salmon Harvest to 243,000. The Alaska Board of Fisheries declined to vote in favor of this further reduction at this time. Thus, we now have a range in the quota or optimum yield

February 16, 1982

Governor Hammond

page -2-

of 243,000 to 288,000 King Salmon. Both boards will meet again in March to decide on which figure, or somewhere inbetween, will be the King Salmon harvest for 1982. The Alaska Board of Fisheries did not agree with the NPFMC recommendations for the following reasons: In 1981, we harvested 52,000 fewer King Salmon than in 1980. Although our quota for 1981 was 272,000 to 288,000 King Salmon, we actually harvested only 268,000 King Salmon. (This figure includes harvest by all gear types in Southeast Alaska). This was because Alaska Fish & Game made a "double-entry" error with their computer calculations which resulted in an additional closure late in the season. Bear in mind, now, that the primary purpose for these reductions in our King Salmon harvests was to allow more escapement of the Columbia River Bright stock of King Salmon. As a result of this reduction of 52,000 fewer King Salmon harvested in 1981, the number of King Salmon reaching the Bonneville Dam near the mouth of the Columbia River increased by a paltry 2000 fish. This indicates a cost-benefit ratio of 25 to one. In other words, for every 25 King Salmon we allow to pass through Southeast Alaskan waters, one makes it to the mouth of the Columbia River. The worst of the situation is yet to come. By the time these fish made it to the McNary Dam and, thus, to their spawning grounds ( I believe four dams and about one hundred miles upriver) there were actually fewer fish than there were in 1980. It is obvious that the reductions in King Salmon harvests in Southeast Alaska have had absolutely no effect on this stock of King Salmon. The escapement goal as proposed by the Washington Department of Fish and Wildlife for the Bright stock of King Salmon is 40,000 fish. 67,900 made it to the Bonneville Dam but only 25,500 made it to the McNary Dam. That means an interdam loss of SIXTY PERCENT. What happened to these fish? Well, the dams certainly don't help the fish on their way to the spawning grounds but poaching and other illegal harvesting of these fish is certainly to be considered. The Washington Department of Fish and Wildlife has refused, or at least been very reluctant, to solve the problem. It has been much easier to point their finger at Alaskans than at the problem in their own "backyard". It has already been determined that if we were not to harvest any King Salmon at all in Southeast Alaska, the escapement goal would still not be met for these stocks of fish. In fact, the Washington Department of Fish and Wildlife has now built in a 60% interdam loss in escapement goals. They are obviously not willing to determine the reasons or attempt to alleviate this loss of King Salmon between the dams. An obvious solution, although perhaps an unorthodox one, would be to truck these King Salmon the hundred or so miles to the upriver side of the McNary Dam and thus to their spawning grounds. So Washington and Oregon again approached the NPFMC and the Alaska Board of Fisheries to further reduce our harvest quota or optimum yield which history has shown will provide no benefit to these stocks of King Salmon. It must

February 16, 1982  
Governor Hammond  
page-3--

also be pointed out that the Canadians harvested more than three times the number of King Salmon that we harvested in 1981. I'm sure you are aware of the fact that geographically they are much closer to the Columbia River than we are in Southeast Alaska.

This brings me to the purpose of writing this letter to you. I urge you to support and encourage the Alaska Board of Fisheries to adhere to their 288,000 harvest range of King Salmon for 1982. Further reductions will NOT reduce or alleviate the problem of the Columbia River Bright King Salmon stocks. We simply DO NOT catch that many to make any significant consequence. Our King Salmon harvest has already been reduced by approximately one-third since 1979. Further reductions would deal an almost fatal blow to our troll fishery.

I purchased a permit in 1979 and the value of that permit has been reduced by a third since then. The vessel I own is essentially unsellable for a "fair" price because no one is willing to enter the fishery with all the "chaos" we have been going through for the past two years. Although our seasons and harvest levels have been significantly reduced over the past two years, the level of participants allowed in the fishery has remained the same. It doesn't take a mathematical genius to figure out that reduced harvest levels and fishing seasons means less money for the fisherman. I am unable to make a living at trolling, however, I cannot sell out because the present market values would not cover the existing loans I have on the boat and permit. Since 1979, we have had absolutely no stabilization in our fishery. Every year we have been confronted with even further cuts and reductions in our harvest levels and seasons. This year, again, we will not know how many King Salmon we can harvest or what our fishing seasons will be until the end of March. Somehow, someone has got to make some coherent sense out of this situation if there is to be any hope at all of maintaining this fishery for those other than school teachers, vacationers, etc.

I offer the following recommendations or suggestions to save the fishery from virtually becoming extinct:

1. Support the Alaska Board of Fisheries with their 288,000 King Salmon harvest level and urge them to resist any further reductions until it can be shown, for biological and NOT political or allocation reasons, that further reductions will benefit the fishery.

2. Take a hard look and make revisions in the Limited Entry system so that reductions in our harvest levels will result in a reduction of participants allowed to enter the fishery so that those remaining in the fishery have a reasonable opportunity to make a living which was the whole purpose of instituting Limited Entry in the first place. I purchased my permit expecting to have this opportunity. With all the reductions imposed on us over the past two years, I can no longer do this.

3. Urge our two Senators and one Representative in the United States Legislature to offer an amendment to revise the Federal Marine Fisheries Act to allow more representation by Alaskans on the NPFMC. At the present time, Alaskans do not even have a voting majority on this body; the very body that regulates our traditional fisheries. In addition, all persons appointed to the NPFMC should fully support Alaskans and their fisheries. Clem Tillion, a present member of the board, has repeatedly been quoted as saying that if he has a choice between voting for the fisherman or the fish, he will vote for the fish every time. He has voted for the fish but the fish he has voted for in our situation have wound up in the hands of Canadian or Washington fishermen or in some cases, poachers on the Columbia River. It would also be exceedingly helpful if there was a troller on the NPFMC. As long as this body is going to continue to concentrate on the troll fishery, we need an Alaskan troller to represent and convey our interests and concerns.

4. Mandate that all regulations be reviewed by the local advisory boards. At present, most regulations that are passed by the Alaska Board of Fisheries are not those which have been reviewed and considered by the advisory boards. This has led to a total lack of confidence by fishermen in these boards. This does not help in promoting trust in government.

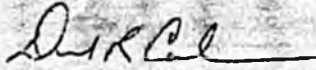
5. Lastly, I, and many other trollers, would like to know what the future of our fishery is going to be. If it is the desire of the State of Alaska and the Federal Government to put trollers out of business, I'd like to know it now so I can do something else. We can't take being "nickled, dimed, and quartered" to death. We HAVE to have some stabilization and confidence in this fishery if it is to survive.

I know this letter is lengthy and I apologize but I am very concerned and disappointed over what has happened to our fishery and my investments and livelihood. I rely on fishing to support my family and make a living. I can no longer do this. I would appreciate your assistance in this matter.

February 16, 1982  
Governor Hammond  
page-5-

Thank you for taking the time to read this letter.

Sincerely,



David R. Carlson  
F/V Quest

PO Box 1232

PETERSBURG AK 99833

772-3765

Amendments to SCR 40, SJR 70, and SJR 79 suggested by TROL PA

SCR 40: page 1, line 8 delete "tollers" and insert "state wide troll entry permit holders".

page 1, line 13 delete "trollers" and insert "state wide troll entry permit holders".

page 1, line 17 insert "without adverse effects on salmon stocks" after ity.

SJR 70: Page 1, line 17 delete "10" and insert "15".

Page 1, line 22 insert "which would be a 25% reduction since 1980" after range.

Page 2, line 9 delete "upper end of the 1981" and insert "1980".

SJR 79 Page 1, lines 15 and 16: delete lines 15 and 16 and insert "WHEREAS the National Park Service failed to provide timely notice of the closure; and

Page 1, line 21 delete "several"

Page 1, line 21 insert "severe, unnecessary, and unwarranted" before economic.

THESE AMENDMENTS WERE INCORPORATED INTO THE COMMITTEE SUBSTITUTE FOR SJR 79 AND SJR 70.

February 26, 1982

Senator Ziegler  
Alaska State Legislature  
Pouch V (MS 3001)  
Juneau, AK 99811

Mr. Ziegler:

Thank you for introducing SCR40. The troll industry has been trying to regain our privilege to fish statewide as we had before 1976.

I feel the reduction in the take of the Japanese High Seas gill net salmon has dramatically helped the return of fish runs in western Alaska. With an ever watchful eye I feel the king salmon returns will increase even more.

The high quality of the troll caught king salmon and the superb demand is a very good reason to make the troll industry state wide.

The enclosed information shows the dramatic catch increase by other gear groups in Alaska. In the one area where fish are not on an increase, I propose that the troll fleet not fish these stocks.

The North Pacific Fisheries Management Council and the Alaska Department of Fish are operating in a data void for king salmon stocks in the Gulf of Alaska and Bering Sea. At least a small group of boats should be allowed to sample stocks and tag king salmon to help determine run sizes and areas where fish travel.

For example, only 2 and 5 year old Taku River king salmon are caught by Alaska fishermen. Where are the 3 and 4 year old fish? The troll industry would certainly like to know.

Mr. Ziegler, I'd again like to thank you for your support of the Alaska troll industry, and I also fully support SJR70.

Sincerely yours,

Walter C Pasternak

Walter C. Pasternak

WP, dw

CHINOOK CATCH BY AREAS

	<u>Catch</u>		<u>Change</u>
Prince William Sound	1981	21,400	+146%
	1980	8,700	
Cook Inlet	1981	12,000	- 7%
	1980	12,900	
Bristol Bay	1981	239,000	+152%
	1980	95,000	
Kodiak	1981	1,400	+180%
	1980	500	
Chignik	1981	2,700	+ 23%
	1980	2,200	
Alaska Peninsula	1981	27,400	+ 25%
	1980	22,000	
Alaska, Yukon, Kuskokwim (AYK)	1981	246,300	+ 19%
	1980	207,500	
Total chinook in areas outside Southeastern	1981	550,200	+ 58%
	1980	348,600	
Southeastern	1981	268,100	- 16%
	1980	320,600	

Table 1. Incidental catch of prohibited species in Gulf of Alaska by foreign trawlers, 1977-1980.

Table 2

	<u>Shumagin</u>	<u>Chirikof</u>	<u>Kodiak</u>	<u>Yakutat</u>	<u>Southeastern</u>	<u>Total</u>
<u>Halibut (m.t.)</u>						
1977	1,291	848	1,001	279	208	3,627
1978	666	158	152	196	45	1,217
1979	165	73	438	1,375	278	2,329
1980	120	38	1,356	443	131	2,088
Average	560	279	737	573	166	2,315
<u>Salmon (no's.)</u>						
	90% of Salmon catch are kings					
1977	1,071	166	3,184	607	244	5,272
1978	34,738	8,089	2,318	312	128	45,585
1979	13,916	3,034	2,424	82	212	19,718
1980	19,179	8,746	7,377	404	61	35,767
Average	17,226	5,021	3,826	351	161	26,586
1981	9,000	12,000	500	300	0	22,000
<u>King Crab (no's.)</u>						
1977	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1978	89,692	0	99	750	0	90,541
1979	20,365	9	54	127	19	20,594
1980	1,691	0	79	312	21	2,103
Average (78-80)	37,256	3	77	396	13	37,746
<u>Tanner Crab (no's.)</u>						
1977	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1978	6,757	14	337	7,521	0	14,629
1979	240	202	7,033	1,308	57	8,840
1980	3,111	0	6,124	2,588	7	11,830
Average (78-80)	3,269	72	4,498	3,805	21	11,766

NIPF.MC - AGNOR ITW. E-5

4/21



# Alaska State Legislature

Senate

Resources Committee

Official Business

Pouch V  
State Capitol  
Juneau, Alaska 99811

TO: Senate Resources Committee  
FROM: Senate Resources Committee Staff  
RE: 3/22/82 Committee Hearing  
DATE: March 19, 1982

---

Please find attached background information for Monday's hearing on the following bills:

SB 731 Establishing the Shuyak Island State Park.  
(This bill has been heard before. Technical language changes were required, resulting in the attached Committee Substitute.)

SB 769 Removing the requirement that power projects constructed under the energy program for Alaska be owned by the State.  
(This bill has been heard before. A Committee Substitute has been prepared.)

SB 843 Relating to surface coal mining and the surface effects of underground coal mining.  
(This will be a continuation of the Friday, 3/19/82, meeting. Materials have been distributed.)

SJR 70 Relating to commercial fishing of North Pacific chinook salmon.

SJR 79 Requesting the National Park Service to adopt procedures providing public notice of proposed regulations, emergency regulations, and field orders for national parks, preserves, and monuments in Alaska.



Alaska State Legislature  
Senate

JUNEAU, ALASKA

RESOURCES SUBCOMMITTEE ON FISHERIES

TO: Senator Fahrenkamp, Chairman  
Senate Resources Committee

FROM: Senate Resources Subcommittee on Fisheries

SUBJ: SJR 79 "Requesting the National Park Service to adopt procedures providing public notice of proposed regulations, emergency regulations, and field orders for national parks, preserves, and monuments in Alaska".

The subcommittee has taken testimony and replaced SJR 79 with CS SJR 79, and reports CSSJR 79 back to the committee as a whole with the following recommendations.

Members	Recommendation
Senator Mulcahy	<u>Bob Mulcahy</u> <u>No Pass</u>
Senator Eliason	<u>Dick Eliason</u>
Senator Gilman	<u>Don Gilman</u> <u>No Pass</u>

# Alaska State Legislature



Senate

## Committee on Resources

BETTYE FAHRENKAMP, CHAIRMAN  
VIC FISCHER, VICE-CHAIRMAN  
BRAD BRADLEY  
DICK ELIASON  
DON GILMAN  
BOB MULCAHY  
ARLISS STURGULEWSKI

POUCH N  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3834  
(907) 465-3835

TO: Bob Mulcahy, Chairman DATE: 3/2/82  
Fisheries Subcommittee

FROM: Bettye Fahrnkamp; Chairman RE: SJR 79

The following bill has been referred to the Senate Resources Committee:

SJR 79 Requesting the National Park Service to adopt procedures providing public notice of proposed regulations.

I am assigning it to the Fisheries Subcommittee for your Subcommittee's consideration.

cc: Members Senate Resources Committee

H B

2

# Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN  
VIC FISCHER, VICE-CHAIRMAN  
BRAD BRADLEY  
DICK ELIASON  
DON GILMAN  
BOB MULCAHY  
ARLISS STURGULEWSKI



POUCH V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3834  
(907) 465-3835

## Senate

### Committee on Resources

TO: Kay Shelton  
Legislative Library

DATE: 11/10/82

FROM: Resa King *R.K.*  
Administrative Assistant

RE: Committee Files

---

Attached is an itemization of Committee files being transmitted to the library.

Since some files are still in use, we are not sending the following:

SB 29	Hazardous Waste
SB 582	Forestry
SB 732	Production License - 6(i)
SB 843	Coal Reclamation
SB 872	Seafood Quality
SB 875	University of Alaska Trust Lands
HB 2	University of Alaska Lands/Seismic Information

If you should receive inquiries regarding the above files, please have the person contact us and we will be happy to share the information.

Attachment

H B

6

**COMMITTEE REPORT**  
**SENATE**

5/12/81

FURTHER: Finance

Date: \_\_\_\_\_

Mr. President:

The Committee on RESOURCES has had HB 6  
historical districts and to loans qualifying under the Historical District Loan Act

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
- and recommends \_\_\_\_\_  new title
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

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

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

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

\_\_\_\_\_  
CHAIRMAN

HISTORICAL DISTRICT REVOLVING LOAN FUND

AS 45.98.010-45.98.070

GENERAL PURPOSE

To promote the restoration, improvement, rehabilitation, and maintenance of structures within the boundaries of a historical district established by Alaskan statute.

ELIGIBILITY REQUIREMENTS

A person, firm, business, or municipality may apply if the structure to be renovated is within the boundaries of a State-recognized historical district.

TERMS OF LOANS

Maximums

<u>Purpose</u>	<u>Amount</u>	<u>Term</u>	<u>Interest</u>
A. Renovation	\$100,000	30 yrs.	7.5%

Provisions:

- Loans are limited \$1,500,000 in total for any one historical district.
- A financial institution may service loans for a fee not to exceed .25%.

ADMINISTERING AGENCY

The Department of Commerce and Economic Development, Division of Business Loans. Loan approvals are contingent on the endorsement of both the local historical district commission and a majority of members of the State Historic Sites Advisory Committee.

SOURCE OF FUNDS

General Fund appropriation.  
Interest earned from program loans.  
In addition, loans have been prepurchased by the Department of Revenue (DR). DCED retains a service fee for processing these loans. The service fee is deposited into the revolving loan fund.

Program has not received an appropriation. Only funding to date has been loan pre-purchases from DR.

PROGRAM HISTORY

Enacted: 1977

Amended: 1979

Recent Activity:

	<u>1980</u>	<u>1979</u>	<u>1978</u>
Applicants during FY	<u>3</u>	<u>N/A</u>	<u>-0-</u>
Total amount of Loans to be transferred to DR at June 30	\$183,000	\$79,000	-0-

N/A: Not readily available from agency files.

# Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN  
VIC FISCHER, VICE-CHAIRMAN  
BRAD BRADLEY  
DICK ELIASON  
DON GILMAN  
BOB MULCAHY  
ARLISS STURGULEWSKI



POUCH V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3814  
(907) 465-3835

## Senate

### Committee on Resources

June 3, 1981  
1:30 p.m.

Beitz Room  
211 Capitol

#### MEMBERS PRESENT

Senator Fahrenkamp  
Senator Fischer  
Senator Eliason  
Senator Gilman  
Senator Mulcahy  
Senator Sturgulewski

---

#### Hearing:

- HB 9 An Act relating to energy
- HJR 50 Expressing the sense of the Alaska Legislature that the state's coal resources be developed for sale and export.
- HB 6 An Act relating to historical districts and to loans qualifying under the Historical District Loans Act.

---

Representative Brian Rogers, District 20, went through HB 9 section by section with the Committee. He requested that the Committee consider putting in effective date clauses, and language to assert that previous audits be considered both abbreviated and extended.

George Danner, Juneau, stated that he supports HB 9. In particular, he supports the section raising the loan limit.

In response to the question, does the Division of Business Loans insist on first mortgages? Dave Massey, Deputy Director, Division of Business Loans, stated that it is the Division's policy to accept a subordinate deed of trust.

Representative Buchholdt, stated that the original intent of HJR 50 was to express gratitude to Korea for bringing Alaska into the world coal market. She further said that

SENATE RESOURCES COMMITTEE

PAGE: 2

June 3, 1981

she understood that there was a proposed Senate Committee Substitute expanding the resolution and including her suggested additional resolve clause. She stated that she had no objections to the Senate Committee Substitute.

Senator Gilman put forth the motion to move S CS CS HJR 50 with a new fiscal note with individual recommendations.

Jeff Petrich, Administrative Assistant for Representative Miller, stated that the intent of HB 6 is to make it clear in the statutes that the existing policy of designating more than one historical district within a municipality is permissible; and to raise the loan limit for a single structure from \$100,000 to \$250,000.

Senator Mulcahy put forth the motion to move HB 6 with individual recommendations.

The Committee adjourned at 2:45 p.m.



TO: Tom Johnson  
Senate Resource Committee

FROM: Jeff Petrich *J.P.*  
A.A., Rep. Mike Miller

DATE: May 28, 1981

RE: Historical District Loans (HB 6)

The intent of this legislation is simple and straight forward-- to make it clear in the statutes that the existing policy of designating more than one historical district within a municipality is permissible; and to raise the loan limit for a single structure from \$100,000 to \$250,000.

Sec. 1 makes it abundantly clear that historical districts may be designated within municipalities. This in no way changes the current program administration policy, but rather clarifies the statutory authority.

Sec. 2 takes into account the drastic inflation of construction costs, and increases the loan limit for a single historical structure from \$100,000 to \$250,000.

House Bill 6 improves a successful program that has increasing support from around the State. In particular, Gary Massey of the Div. of Business Loans, Maxwell Perrow of Sheldon Jackson College in Sitka (747-5224), Kim Hunter of Northwest Community College in Nome, and the City and Borough of Juneau Planning Department (586-3300).

**REP. MIKE MILLER**

**ALASKA STATE LEGISLATURE**  
DURING SESSIONS: POUCH V, JUNEAU, ALASKA 99811  
BETWEEN SESSIONS: BOX 1494, JUNEAU, ALASKA 99802  
HOME PHONE (907) 586-3067  
LEGISLATIVE PHONE (907) 465-4964 OR 465-4965

CHAIRMAN, HOUSE STATE AFFAIRS COMMITTEE  
VICE CHAIRMAN, HOUSE RULES COMMITTEE  
MEMBER, ALASKA LEGISLATIVE COUNCIL  
MEMBER, HOUSE JUDICIARY COMMITTEE

H B  
O

COMMITTEE REPORT  
SENATE

FURTHER: Finance

5/21/81

Date: \_\_\_\_\_

Mr. President:

The Committee on RESOURCES has had CSSSHB 9(Fin)(efd failed)  
energy

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

CHAIRMAN

A M E N D M E N T

OFFERED IN THE SENATE:

By: Senate Resources Committee

To: CS SENATE BILL No. \_\_\_\_\_

HOUSE BILL No. SSHB 9(Fin)(efd failed)

PAGE: 16

LINE: 19

On page 16, line 19 add the following:

\*Sec. 24. TRANSITION. An energy audit completed under the state residential energy conservation program before the effective date of this act qualifies until December 31, 1981 as both an abbreviated and detailed audit for purposes of receiving refunds or grants under 46.13.110 and for purposes of receiving loans of up to \$10,000 under 46.13.010-099.

\*Sec. 25. This Act takes effect immediately in accordance with AS 01.10.070(c).

# Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN  
VIC FISCHER, VICE-CHAIRMAN  
BRAD BRADLEY  
DICK ELIASON  
DON GILMAN  
BOB MULCAHY  
ARLISS STURGULEWSKI



POUCH V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3834  
(907) 465-3835

## Senate

### Committee on Resources

June 9, 1981  
3:30 p.m.

Beltz Room  
211 - Capitol

#### MEMBERS PRESENT

Senator Fahrenkamp  
Senator Fischer  
Senator Sturgulewski  
Senator Mulcahy  
Senator Eliason  
Senator Gilman

---

#### HEARING:

CSHB 272 (Res) am An Act relating to survey and improvement of public land.

CSSSHB 9 (Fin) An Act relating to energy.

SCSCR 31 (Res) Relating to the Southeastern Alaska troll fishery.

Staff discussed CSHB 272.

Senator Gilman put forth the motion to move CSHB 272 with individual recommendations.

Senator Fischer put forth the motion to move CSSSHB 9 (Res) am with individual recommendations.

Senator Eliason stated that he had rephrased the resolve clause and other technical changes to SCR 31.

Senator Gilman put forth the motion to move SCSCR 31 with individual recommendations.

# Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN  
VIC FISCHER, VICE-CHAIRMAN  
BRAD BRADLEY  
DICK ELIASON  
DON GILMAN  
DON MULCAHY  
ANLIGS STURGULEWSKI



POUCH V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3834  
(907) 465-3835

## Senate

### Committee on Resources

June 3, 1981  
1:30 p.m.

Beltz Room  
211 Capitol

#### MEMBERS PRESENT

Senator Fahrenkamp  
Senator Fischer  
Senator Eliason  
Senator Gilman  
Senator Mulcahy  
Senator Sturgulewski

---

#### Hearing:

- HB 9      An Act relating to energy
- HJR 50    Expressing the sense of the Alaska Legislature that the state's coal resources be developed for sale and export.
- HB 6      An Act relating to historical districts and to loans qualifying under the Historical District Loans Act.

---

Representative Brian Rogers, District 20, went through HB 9 section by section with the Committee. He requested that the Committee consider putting in effective date clauses, and language to assert that previous audits be considered both abbreviated and extended.

George Danner, Juneau, stated that he supports HB 9. In particular, he supports the section raising the loan limit.

In response to the question, does the Division of Business Loans insist on first mortgages? Dave Massey, Deputy Director, Division of Business Loans, stated that it is the Division's policy to accept a subordinate deed of trust.

Representative Buchholdt, stated that the original intent of HJR 50 was to express gratitude to Korea for bringing Alaska into the world coal market. She further said that

SENATE RESOURCES COMMITTEE

PAGE: 2

June 3, 1981

she understood that there was a proposed Senate Committee Substitute expanding the resolution and including her suggested additional resolve clause. She stated that she had no objections to the Senate Committee Substitute.

Senator Gilman put forth the motion to move S CS CS HJR 50 with a new fiscal note with individual recommendations.

Jeff Petrich, Administrative Assistant for Representative Miller, stated that the intent of HB 6 is to make it clear in the statutes that the existing policy of designating more than one historical district within a municipality is permissible; and to raise the loan limit for a single structure from \$100,000 to \$250,000.

Senator Mulcahy put forth the motion to move HB 6 with individual recommendations.

The Committee adjourned at 2:45 p.m.

# Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN  
VIC FISCHER, VICE-CHAIRMAN  
BRAD BRADLEY  
DICK ELIASON  
DON GILMAN  
BOB MULCAHY  
ARLISS STURGULEWSKI



POUCH V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3834  
(907) 465-3835

## Senate

### Committee on Resources

TO: SENATE RESOURCES COMMITTEE  
FROM: SENATE RESOURCES COMMITTEE STAFF  
DATE: June 1, 1981  
RE: Sectional Analysis - CSSSHB 9  
An Act relating to energy.

---

Attached please find a Sectional Analysis of CSSSHB 9 which was prepared by Representative Rogers' staff.

Attachment.

Sec. 1 Adds "energy conservation" to the definition of "renewable resources" for purposes of development and investment by ARRC.

Sec. 2 Broadens the definition of an "alternative energy system" to include "superinsulation" for purposes of receiving a business energy conservation credit.

Sec. 3 Adds a duty to the Department of Administration, allowing the department to adopt regulations to implement an energy conservation procurement policy.

Sec. 4 Allows the Division of Energy and Power Development to make appropriate technology small grants as well as match federal funding for them.

Sec. 5-6 Amends the bulk fuel storage grant program to allow grants of up to \$100,000 rather than \$60,000.

Sec. 7 Amends the purpose of the Power Authority to clarify that they may be involved in waste energy facilities.

Sec. 8-10 Amends the scope of reconnaissance studies to include consideration of all electrical and thermal needs, sources, and alternatives.

Sec. 11 Amends the definition of "power project" to include thermal as well as electrical.

Sec. 12 Amends the definition of "reconnaissance study" to include thermal as well as electrical energy.

Sec. 13 Allows DEPD To establish criteria for audits of cultural facilities and other public buildings as well as commercial and industrial buildings.

Sec. 14 Allows DEPD to contract for the performance of audits with nonprofits and utilities as well as municipalities and individuals.

Sec. 15 Establishes two classes of energy audits - abbreviated and detailed. Forbids DEPD from setting audit fees, but allows reimbursement for the abbreviated audit of \$50, regionally adjusted, to auditors. (In other words, the price of the first audit will float in the free market, with individuals paying whatever the market will bear above the \$50 the state pays, and individuals paying the full cost of the detailed audit.)

Sec. 16-17 Establishes an energy conservation procurement policy for state agencies, requiring them to consider energy efficiency and life-cycle costing when purchasing equipment.

Sec. 18 Broadens the definition of "alternative energy system" to include "superinsulation" for what a financial institution must take into account when considering financing homes with state financial assistance.

Sec. 19 Amends the definition of "energy audit" to emphasize the determination of energy savings.

Sec. 20 Defines "cultural facility" for purposes of being audited.

Sec. 21 Provides for the Energy Center to adopt building energy performance standards.

Sec. 22. Combines the existing alternative technology and energy and energy conservation loan funds into a single fund, and broadens those eligible to receive loans to include businesses. Requires a detailed audit, but allows the cost of the audit to be included in the loan terms, raises the amount that can be borrowed to \$100,000, and keeps the existing rate of interest (5% on loans made before Jan. 1, 1984 and bond market rates after.) Reenacts the existing refund and grant program, with the refunds adjusted regionally to reflect cost-of-living differences. Establishes a new state program of energy conservation assistance to replace the federal weatherization program. Under it, low-income residents or those who live in small communities without year-round surface transportation would be eligible for grants, of up to \$3000 per dwelling, to make energy conservation improvements.

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 9 (Finance) # 2  
 Title An anct relating to departments and programs of state government  
 Requested by \_\_\_\_\_ Date May 16, 1981

II. FISCAL DETAIL

Agency Affected Department of Commerce and Economic Development  
 Program Category Affected Development  
 BRU, Program, or Subprogram(s) Affected Division of Energy and Power Development  
 (Note: If more than one budget component is affected, separate line-item amount 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		398.5				
200 TRAVEL		80.0				
300 CONTRACTUAL		200.9				
400 COMMODITIES		27.5				
500 EQUIPMENT		25.5				
600 LAND & STRUCTURES		-0-				
700 GRANTS, CLAIMS, ETC.		-0-				
MISC		305.5				
TOTAL		1037.9				

FUNDING (Thousands of )

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		1037.9				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS


	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME		12				
PART TIME						
TEMPORARY						

This provides for twelve new positions to administer an expanded energy conservation program, including two new regional energy

III. ANALYSIS

(See Fiscal Note Preparation Instructions, Section III)

offices in Bethel and Nome. The miscellaneous line item is for 6-month funding for existing federal positions which administer the audit and information/education program.

  
 Oral Freeman, Vice-Chairman  
 House Finance Committee

IV. DATE 5/16/81 PREPARED BY \_\_\_\_\_  
 AGENCY \_\_\_\_\_  
 PHONE \_\_\_\_\_  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS SS HB9 # 1  
 Title An Act Relating To Energy  
 Requested by \_\_\_\_\_ Date May 16, 1981

II. FISCAL DETAIL

Agency Affected Department of Commerce & Economic Development  
 Program Category Affected Development  
 BRU, Program, or Subprogram(s) Affected Division of Business Loans  
 (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		180.7				
200 TRAVEL		11.2				
300 CONTRACTUAL		36.5				
400 COMMODITIES		2.1				
500 EQUIPMENT		--				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>230.5</b>				

FUNDING (Thousands of Dollars)

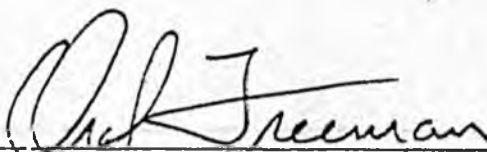
GENERAL FUND		230.5				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		5				
PART TIME						
TEMPORARY						

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

Fiscal note detail attache reflects cost to process and service loans.

  
 Oral Freeman, Vice-Chairman  
 House Finance Committee

IV. DATE May 16, 1981 PREPARED BY \_\_\_\_\_  
 AGENCY \_\_\_\_\_  
 PHONE \_\_\_\_\_

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

PROPOSED AMENDMENT

CSSSHB 9

Add a transition section:

TRANSITION. An energy audit completed under the state residential energy conservation program before the effective date of this act qualifies until Dec. 31, 1981 as both an abbreviated and detailed audit for purposes of receiving refunds or grants under 46.13.110 and for purposes of receiving loans of up to \$10,000 under 46.13.010 - 099.

*Rep. Paul Rogers*  
*11/22/81*

Phone: 465-2510

January 7, 1981

*To Mr. Danner*  
Mr. George Danner  
P.O. Box 123  
Juneau, Alaska 99802

Dear Mr. Danner:

The expiration date of our September 2, 1980 commitment letter is modified as follows:

This commitment to lend is good until May 28, 1981, and if it is not exercised by that time it automatically expires.

All other terms and conditions of our September 2, 1980 commitment letter will remain the same.

Sincerely,

*Joe Davis*  
Joe Davis  
Loan Examiner

ST/mi:1/19

Mr. George Danner

-2-

September 2, 1980

This commitment to lend is good until February 28, 1981, and if it is not exercised by that time, it automatically expires.

If you have any questions, please do not hesitate to contact Joe Davis.

Very truly yours,

*Sharon Traylor*

Sharon Traylor  
Director

ST/s1K7

September 2, 1980

Mr. George Danner  
P.O. Box 123  
Juneau, Alaska 99802

Dear Mr. Danner:

Your request for an Alternate Technology and Energy Loan from this agency has been approved in the amount of \$10,000.00 for a term of 20 years with interest at five percent (5%). This loan is subject to the following conditions:

1. The loan proceeds are to be used for the purchase and installation of a hydroelectric generating system.
2. The loan will be secured by a Deed of Trust on Block B. Lot 002, Survey 1568.
3. All loan costs will be paid by the borrower.
4. Repayment of the loan will be made in equal monthly installments of \$66.00, including principal and interest, commencing within 45 days of loan closing and continuing on the first day of each month thereafter until paid in full.
5. The loan funds will be disbursed from a controlled account. You will be required to furnish the division with copies of bills, receipts or invoices to verify the cost of the project.
6. You will be required to furnish the division with proof that the collateral being offered is in your name. This may be accomplished by submitting a copy of your warranty deed to the property or title insurance policy.
7. Proceeds will not be disbursed until a copy of your right-of-way permit has been submitted.
8. The Promissory Note will be signed by George Danner III and Joyce Danner McPherson.

SENT to  
STEVENS  
Murkowski  
Young

April 23, 1981

James P. Fenster  
George Danner III  
7502 Glacier Highway  
Juneau, Alaska 99801

Dear

First of all, we would like to extend our thanks to you and your staff for your quick response in support of our small-scale Hydro project. Your inquiries on our behalf to people in decision making capacities in the Forest Service and F.E.R.C. have brought us assurances from these people that when we submit our application for a F.E.R.C. permit, we will receive expeditious handling of our application from F.E.R.C., and upon granting of a F.E.R.C. permit, the Forest Service has also assured prompt consideration of our application for a specific use permit.

The Forest Service also requires that we have the dam designed by a registered engineer, which we have had done. We have submitted those plans to the Forest Service recently, and as yet have not heard from them on whether the designs are acceptable, but we feel fairly confident they will meet Forest Service scrutiny.

Enclosed with this letter is a copy of our application for a F.E.R.C. permit. As you can see, the application is quite lengthy, especially the environmental report, and the documentation required from resource agencies that must be informed of the project and given opportunities to comment.

Now, as you may know, the reason we were denied a waiver for a F.E.R.C. permit is that we were not utilizing an existing structure or natural pool for our point of take. If you propose to build any kind of water impoundment structure, no matter how small, you must obtain a F.E.R.C. permit.

At that point, we sent off to F.E.R.C.'s regional office in San Francisco for an application, known as Order #11. We also received the revised and simplified application for license for minor water power projects and major water projects 5 megawatts or less, known as Docket #RM 81-10.

A minor water power project is defined as having an installed capacity of 1/5 mega (million) watts or less.

A million and a half watts is enough power to, conservatively, light up 200 homes.

April 23, 1981

Page 2

It would definitely be an aid to people in the future who, like us, want to install systems to generate power for one or two houses, if there was an application procedure scaled down to the scope of the project, especially if the stream you propose to use is not a fish producing stream, but merely runoff from the hill behind your house.

Basically, the F.E.R.C. permit process is a repetition of the Forest Service special use permit process. The Forest Service sends a person to the site to do an environmental assessment, as part of a report they do in conjunction with your application. They also send a hydrologist to the site, who tests water quality and quantity.

Many of the resource agencies F.E.R.C. required us to contact had already been contacted as part of the Forest Service special use permit process. The Forest Service requires basic clearance of the project from the Department of Environmental Conservation, Department of Fish and Game, and Department of Natural Resources, Division of Forest, Land and Water Management.

F.E.R.C. required we contact these agencies, and also that we contact other agencies to get Archaeological and Cultural resource clearance, comments on public recreation opportunities, and a water quality certificate (or waiver).

We feel that if a village or logging camp wanted to install a hydroelectric system of 1.5 megawatts or less, and proposes to build a dam containing millions of gallons of water, they should comply to environmental and engineering standards, designed to protect the natural setting and minimize impact.

However, to impose these same standards on the one or two house power development is, we feel, a bit severe, and a genuine deterrent to that kind of activity. It took us weeks, and no small expense, to compile this application (16 copies are required by F.E.R.C., plus secretarial costs and personal time invested).

So, basically, we feel F.E.R.C. has no real interest in projects this small. The Forest Service is covering all of the areas that F.E.R.C. covers. We have been in close contact with personnel of the Forest Service, and they have a good handle (finally) on how to deal with projects on a scale such as ours.

We might suggest, then, that in the future, F.E.R.C. also should grant waivers for permits, based on the size of impoundment structure, and whether a fish-supporting stream is affected.

April 23, 1981

Page 3

So, in closing, we feel that one federal agency is enough for us. If we were a large corporation we would hire a professional to do what we have just completed, but we don't have that kind of money. All we have is our own time and effort, but how much of that should be required to get through government red tape? We know it's the same old story of small people (individuals) against government, but we feel that individuals who communicate their experiences to other individuals can perhaps change what somebody else in the future may or may not have to go through.

This letter is written, then, for the person who comes after us, with the hope that some changes will be effected by then, which will make it easier to become energy self-sufficient. We as a country have to diversify, and government regulations that tend to force us into conformity only slow and hinder the process. On that note, we thank you again for your understanding and effort. Keep up the good work in Washington, D.C. for individuals in Alaska.

Respectfully yours,

James P. Fenster

George Danner III

H B

31

COMMITTEE REPORT  
SENATE

5/11/81

FURTHER: Finance

Date: \_\_\_\_\_

Mr. President:

The Committee on RESOURCES has had CSHB 31(Fin) am  
management of state land

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 CSHB 31 (RES) am  same title  
 new title
- and recommends do pass
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
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 \_\_\_\_\_  
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MEMBERS HAVING  
OTHER RECOMMENDATIONS:

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

\_\_\_\_\_  
 CHAIRMAN

~~SENATE~~ AMENDMENT

By FREE CONFERENCE COMMITTEE ON HB 31

To: \_\_\_\_\_ SENATE BILL No. \_\_\_\_\_

To: \_\_\_\_\_ HOUSE BILL No. SCS CSRR 21 (FIN) am 5

PAGE:

LINE:

Page 25, Line 15 delete "1979" and in its place insert "1981"

SENATE AMENDMENT

By FREE CONFERENCE COMMITTEE ON HB 31

To: \_\_\_\_\_ SENATE BILL No. \_\_\_\_\_

To: \_\_\_\_\_ HOUSE BILL No. SCS CSHB 31 (FIN) am S

PAGE:

LINE:

Page 24, Line 29 after the first "of" insert "the request for"

From Keely's office.

SENATE AMENDMENT #1

By FAHRENKAMP

To: \_\_\_\_\_ SENATE BILL No. \_\_\_\_\_

To: Senate CS for CS for HOUSE BILL No. 31 (Finance)

PAGE: 22 LINE: 29

Insert a new Section 39 to read:

38

\*Sec. 39. AS 38.08.060(a)(1) is amended to read:

(1) occupies the land for a cumulative total of 35 months within the seven-year [FIVE-YEAR] period following issuance of the homesite entry permit;

Renumber current Secs. 39 - 50.

Page 25, line 19  
after "ch. 85 SLA 1979" insert:  
"and sec. 39 of this act"

Jem can't finish this in the bill

app. m. c  
6/23

Senat Sec. office

ASAP

SENATE AMENDMENT

By Fahrenkamp, Halford, etc.

To: \_\_\_\_\_ SENATE BILL No. \_\_\_\_\_

To: \_\_\_\_\_ HOUSE BILL No. \_\_\_\_\_

PAGE: 25      LINE: 20

\*Sec. 47. The commissioner may prohibit the municipal selection of mental health lands allowed under sec. 1(b) ch. 181 SLA 1978 if the commissioner determines that the municipalities are not complying with land disposal requirements as contained in ch. 181 SLA 1978.

# A M E N D M E N T

OFFERED IN THE HOUSE:

By: Belrne

To: \_\_\_\_\_ HOUSE BILL No. CSHB 31 (Finance)

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

PAGE: 5

LINE: 23-27

Delete entire subsection (k) and insert:

The commissioner shall establish within the land disposal bank a separate category for land under state ownership not currently planned for disposal. A person may nominate land in blocks of approximately 5,760 or 11,520 acres for inclusion into the special category of the land disposal bank. Within 90 days after receipt of the nomination the commissioner shall conduct the sale. The commissioner may not establish a minimum bid of the sale under this subsection and may not reject an amount bid at the auction under this subsection because he believes that the amount bid for the land is inadequate.

## REASON

This amendment would allow a person to nominate large chunks of land for inclusion into a special category of the land bank. I have always noted with interest that it is still possible in other states to buy large areas of land at pretty reasonable prices. One has only to look in the papers and see land being advertised at \$400-\$600 dollars an acre. Yet in Alaska, with all the land we have, prices tend to run in the neighborhood of \$4000-\$6000 an acre. I find that to be totally absurd.

I believe that this amendment might provide us with a means of lowering the price of land. Here again the auction method is employed thereby assuring that land will be sold at whatever price it can get on the open market.

AMENDMENT

OFFERED IN THE HOUSE:

By: Beirne

To: \_\_\_\_\_ HOUSE BILL No. \_\_\_\_\_

SENATE BILL No. Senate Bill 531 #031

PAGE: 6

LINE: following line # 9

Insert a subsection "(k)" as follows:

The commissioner shall establish within the land disposal bank a separate category for land under state ownership not currently planned for disposal. A person may nominate land in blocks of approximately 5,760 or 11,520 acres for inclusion into the special category of the land disposal bank. Within 90 days after receipt of the nomination the commissioner shall conduct the sale. The commissioner may not establish a minimum bid of the sale under this subsection and may not reject an amount bid at the auction under this subsection because he believes that the amount bid for the land is inadequate.

The buyer shall dispose of 50% of this land within 5 years by selling it to members of the general public at public auction. The terms and conditions shall not be less favorable than those obtained by the buyer from the state.

AMENDMENT

5

OFFERED IN THE HOUSE:

By: Beirne

To: \_\_\_\_\_ HOUSE BILL No. CSHB 31 (Finance)

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

PAGE: 10

LINE: 5

After military service insert- "attendance of school"

Page: 11 Line: 10

After military service insert- "attendance of school"

Each of these changes concerns Auction and Lottery Sale Procedures. Hb 31 states that you must be physically present at all such sales in order to participate unless you have a medical reason or you are in the military service outside the state. This amendment would also allow those persons attending school outside of the state to appoint an agent or attorney to represent them at these sales.

*can*

A M E N D M E N T

OFFERED IN THE HOUSE:

BY: Beirne

TO: \_\_\_\_\_ HOUSE BILL No. CSHB 31 (Finance)

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

PAGE: 10

LINE: 4

After qualified bidder delete "as determined by the director"

REASON

Amends the section on Auction Sale Procedures in HB 31. As presently worded, the sale of state land shall be made to the highest qualified bidder as determined by the director. I want the auction procedure made as simple as possible. There really is no need for determination by the director. He that bids the highest gets the land.

# AMENDMENT

OFFERED IN THE HOUSE:

By: Beirne

To: \_\_\_\_\_ HOUSE BILL No. HB 31

SENATE BILL No. ~~Senate Bill 537~~

PAGE: 15

LINE: following line 4

Insert a new section entitled AUCTION SALE.

(a) A lessee may request the director to conduct a public auction sale of the land after the preparation of a survey of the leased land acceptable to the director but before a habitable dwelling is erected on the land.

(b) The sale shall be held at a reasonable time after the request for the sale by the lessee but in no case later than 45 days after the request is filed with the director.

(c) The sale shall be conducted by the director. The sale shall be made to the highest qualified bidder. At the time of the sale, the highest qualified bidder shall deposit an amount equal to one-twentieth of the amount bid. The director shall immediately issue a receipt containing a description of the land purchased, the amount bid, and the terms of the sale. A contract of sale on a form approved by the attorney general shall be signed by the highest qualified bidder, and, after approval by the commissioner, the contract shall be signed by the director on behalf of the state.

(d) If the highest qualified bidder at the sale is not the lessee who requested the sale, it is a condition of the sale that the highest qualified bidder reimburse the lessee who requested the sale for the reasonable costs of the survey paid by the lessee which are approved by the director. Reimbursement shall be made within 30 days of the date of the sale.

(e) The commissioner, upon recommendation of the director, shall determine the terms of the sale which shall be consistent with AS 38.05.065 (a) and (c). The highest qualified bidder under this section may receive the benefits of AS 38.05.058.

(f) The director shall fix the time of sale and the manner of giving notice of the sale. The sale shall take place at the time and location specified in the notice of sale and within the recording district where the leased land is located or in an adjacent recording district.

Renumber accordingly

A M E N D M E N T

OFFERED IN THE HOUSE:

BY: Beirne

To: \_\_\_\_\_ HOUSE BILL No. CSHB 31 (Finance)

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

PAGE: 14

LINE: 4-9

After the first "land" delete and erects a habitable dwelling on the land. The lessee of a remote parcel may prove the existence and the location of a habitable dwelling by executing an affidavit as to its existence and location and including with the affidavit a clear photo and an accurate drawing prepared, signed, dated by the lessee and described with reference to one or more survey corners of the remote parcel.

REASON

This amendment simply deletes the requirement that the lessee of a remote parcel must erect a habitable dwelling on the parcel before he can purchase it.

*OK*

SENATE AMENDMENT

By Fahrenkamp, Gilman, Halford, Bettisworth

To: \_\_\_\_\_ SENATE BILL No. \_\_\_\_\_

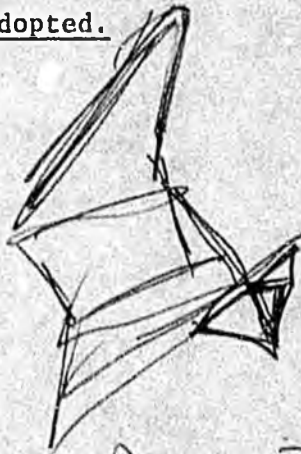
To: \_\_\_\_\_ HOUSE BILL No. HB 31

PAGE: 9 LINE: 17

(as requested by Dept. of Law)

\*Sec. \_\_\_ AS 38.04.065(d) is amended to read:

(d) Official regional or area plans and subsequent amendments adopted by the commissioner after public and local governmental participation shall be signed and dated by the commissioner. Notwithstanding any other provision of this title, the commissioner may dispose of an interest in land if a land planning report has been included in the classification order, even if a regional or area plan has not been adopted.



OK  
BF

DB

RH

DB

problem - Doug Merks

clarifies that land class

A M E N D M E N T

Offered in the \_\_\_\_\_

By \_\_\_\_\_

TO: SCS CSHB 31 (Res)

ALTERNATE (1)

Page 21, between lines 8 and 9:

Insert the following new material:

"Sec. 35. A person who was granted a homesite entry permit before July 1, 1979 is entitled to a patent to the land if the person satisfies either the conditions imposed in the homesite entry permit or the conditions imposed by AS 38.08.060(a) as amended by sec. 11, ch. 181 SLA 1978 and sec. 42, ch. 85 SLA 1979.

*SES.*

Justification for amendment:

Individuals who have received permits under the old homesite program (21 month\* occupancy; dwelling within 3 years) should be allowed to take advantage of revised program requirements (35 months occupancy; habitable dwelling within 5 years). This approach is consistent with policy embodied in both House and Senate versions of HB 31 which allow lessees under current program to convert to the new, more liberal terms. Please note, that there are a number of homesite entrants with permits issued under the original program who may be disqualified for failure to comply with occupancy or habitable dwelling requirements. This amendment will give them an additional two years, at their option.

\* 5 months for 20 year residents

LEGISLATIVE RELIEF FOR STATE LEASEHOLDERS

A Factual Summary of Apparent Legislative Oversight in Granting Relief to Leaseholders

During 1975 and 1976 severe problems arising from unprecedented increases in rental rates on state leases administered by the Division of Lands came to the attention of the Legislature. The problems noted by the Legislature were also examined by a special task force appointed by the governor to explore the administration of state leases. The findings of the special task force as well as the findings of an administrative appeal panel appointed by the director of the Division of Lands confirmed the existence of the difficulties previously noted. Illustrative was the fact that the appeals panel appointed by the Division of Lands unanimously sustained virtually every complaint by appealing leaseholders with respect to defects in the Division of Lands' own reappraisal techniques.

The problems recognized by the Legislature included such matters as the refusal of commercial lending institutions to lend funds for the development of state lease premises due to the terms of the lease and the method of administration by the Division of Lands. Of significant concern was the fact that rental adjustments in 1975 and 1976 arising from the five year reappraisals provided in the lease generated inequitable lease rental increases which in many cases were as much as 400 to 800 percent over previous rates. The Legislature responded by enacting Ch. 138, SLA 1977, allowing

leaseholders the option of converting to a lease containing a more commercially reasonable provision for rental adjustment. Further legislative action the following year (Ch. 182, SLA 1978) was necessary to block an attempt by the Division of Lands to evade the intent of the 1977 act.

Both of the above referenced acts were premised upon the belief of the Legislature that all of the offending rental increases arose from reappraisals made by the Division of Lands after January 1, 1975. This factual assumption was based on the best information which the leaseholders' representatives had been able to obtain from the Division of Lands. The Division of Lands throughout was less than cooperative in providing the leaseholders with information concerning the identity of persons holding state leases that might be affected as well as data necessary to draft legislation and inform legislators of the form of relief necessary.

It is now known that some of the grossly inequitable rental increases addressed by the Legislature in 1977 and 1978 resulted from appraisals made by the Division of Lands during the second half of 1974 and thereby slightly preceded the January 1, 1975 reappraisal date utilized by the Legislature in the 1977 and 1978 acts. Legislative oversight action is necessary to provide equal treatment for leases whose rentals were subjected to inequitable increases in rates which arose from similar reappraisals performed during 1974. There presently exists a situation where the holder of state leases reappraised in the second half of 1974

experienced a rental increase of 600 percent while an adjacent leaseholder whose lands happened to be appraised after January 1, 1975 received substantial relief from the 1977 and 1978 legislation.

The particular circumstances referred to above include the following case.

A single leaseholder was the legal or beneficial holder of three contiguous leases within the Municipality of Anchorage. Two of his leases, ADL Nos. 02846 and 03135 came due for five year rental adjustments and the five year reappraisal was completed in July of 1974 with the following results.

The preceding five year reappraisal completed in 1970 (Exhibit 1) for ADL 02846 established a quarterly rental of \$597.50. A copy of a quarterly rental billing for this parcel is attached as Exhibit 2. The five year reappraisal report completed July 31, 1974; Appraisal No. 1111, (Exhibit 3) resulted in a decision from the Division of Lands that effective January 1, 1975 ADL 02846 would have a quarterly rental of \$3,045.00 for a percentage increase of approximately 600 percent. A copy of the notice is Exhibit 4.

A similar adjustment was made on ADL 03135. The gross inequity for which the legislative oversight relief is presently requested is illustrated by the fact that the same leaseholder's third contiguous lease was not due for five year reappraisal until a year later and accordingly this

third lease was afforded the legislative relief provided in the 1977 and 1978 acts.

Two types of relief appear to be necessary in order to correct the oversight which presently results in grossly disproportionate treatment for leases reappraised in the latter half of 1974 as compared to those reappraised after January 1, 1975.

First, an amendment is needed in the language of Sec. 21, Ch. 182, SLA 1978, to provide that the fair market value used to establish the fixed base annual rent for the initial period should be based on the last appraisal performed prior to July 1, 1974. Present law refers to the utilization of the last appraisal performed prior to January 1, 1975. It is believed that this change would sufficiently reflect the legislative intent to support funding for the second phase of relief necessary.

Second, funds should be reallocated within the contemplated appropriations to the Municipality of Anchorage to accomplish the intended relief. The necessity for the utilization of funds arises from the following circumstance.

Fee title to many of the leaseholds for which relief was provided by the 1977 and 1978 acts was conveyed to the Municipality of Anchorage as a result of the municipal selection completed during 1979. Thus, the Municipality of Anchorage became the landlord to many of the leaseholders affected including the leaseholder for which oversight relief is now sought. Anchorage then enacted Municipal

Ordinance AO No. 79-73, authorizing the sale of the fee title to the affected leaseholders. The sales price by the Municipality of Anchorage was derived from the relevant preceding state appraisals then in effect as a result of state law. Accordingly, most leaseholders were able to purchase from the Municipality of Anchorage at prices based on appraisals made effective by the 1977 and 1978 state legislation. That legislation had eliminated from utilization offending reappraisals made by the Division of Lands after January 1, 1975. In this case the offending appraisal was made between July 1, 1974 and January 1, 1975 and the effect of these appraisals was not eliminated by the Legislature. Accordingly, the sales price from the Municipality of Anchorage to the subject leaseholder was approximately 600 percent greater than it would have been if this leaseholder had been within the ambit of the 1977 and 1978 legislation as intended.

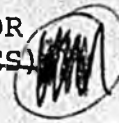
The proposal made for granting oversight relief to the excluded leaseholder (now a contract purchaser from the Municipality) does not include any direct remuneration to the leaseholder. The proposed avenue of relief merely suggests the allocation of a portion of the Municipality's share of the current budget legislation be conveyed to the Municipality of Anchorage by application of the leaseholder-purchaser's purchase money obligation so as to reduce that purchaser's obligation to the Municipality by the amount

that his purchase price exceeded what it would have been if his leaseholds had been picked up by the original legislation. Proposed language for the budget bill is attached as Exhibit 5.2a:

Senate CS for CS HB 31 (Resources)

SECTIONAL ANALYSIS FOR  
~~CS FOR HB 31 (RESOURCES)~~

CS



Section 1 - If a municipal selection or nomination is rejected by the Director, a municipality may select additional State land as necessary to satisfy its entitlement not later than 90 days after receiving the Director's rejection.

OK

Section 2 - Authorizes a municipality to lease municipal land for up to 55 years to a non-profit charitable, religious, scientific, educational or social welfare organization without an ordinance or voter <sup>RA</sup> ratification. This land may not be used for commercial development. The organization must be financially able to carry the project and the land must be used for an established or proposed project which is open for use by the public.

OK

Section 3 - LAND DISPOSAL BANK. Consolidates AS 38.04.020 (land disposal bank provisions) and 38.05.047 (classification and disposal procedures for land within municipalities); clarifies confusing provisions in both sections of the law; makes a number of substantive changes to these laws including:

1. The Department is required to classify all State lands outside municipalities into disposal or State retention categories by July 1, 1983

- 11B (3)
2. The 100,000 acre quota is repealed. The Department would be required to submit an annual recommendation for disposals to the legislature based on a demand assessment.
  3. Financing requests for capital improvements required by municipal subdivision <sup>ORDINANCES</sup> ~~on demand~~ must be submitted to legislature in addition <sup>to</sup> requests for identification, survey and disposal of State land.
  4. Subdivision parcels can exceed 5 acres if necessary to conform to local zoning requirements or unique <sup>Soil</sup> terrain <sup>WATER OR SEWAGE</sup> considerations.

*Specifically:*

Requires Department of Natural Resources to finish classifying all State lands either as land disposal bank lands or retained multiple use lands by July 1, 1983. (Current law only applies to lands within municipalities). All land suitable for disposal of fee simple title including commercial, industrial, agricultural, residential, recreational and other lands would be included in land bank unless the land has been selected by a municipality to satisfy a municipal entitlement. (Under current law, agricultural lands are not included in the land bank). Lands conveyed to the State by the Federal government which are

are to be retained in State ownership or deposited in the land disposal bank consist of those lands classified by the Commissioner within two years of receipt of tentative approval or patent whichever occurs first. The banks must contain at least 500,000 acres. (No change).

On January 15 of each year the Department is required to report to the Legislature the status of land in the land disposal bank. The 100,000 acre annual quota is repealed. Instead, Department of Natural Resources is required to submit annually a recommendation based on assessment of demand for disposal of State land in the land disposal bank. The request must include an estimate of the amount necessary for (1) survey and disposal of land proposed to be made available for remote parcel staking for the succeeding fiscal year with the general location of the land (2) survey and disposal of land to be offered as agricultural, commercial or industrial land during the succeeding fiscal year with general locations (3) survey and disposal of the land proposed to be offered as subdivisions with general locations (4) preliminary feasibility studies, engineering design work and construction of access roads and capital improvements required by municipal subdivision ordinances or regulations of the platting boards; if an accurate determination of those

(F)  
expand