

2740

HRES

OVERVIEW

FED.

CROP

INSUR.

-

HB 14

2740

RECORDS DIVISION (PREVIOUS) BY USDA 11/85

A CROP INSURANCE PRIMER

BACKGROUND

The Federal Crop Insurance Corporation (FCIC), some 45 years old, is the Federal agency charged with administering a nationwide crop insurance program which is the American producer's primary source of risk protection.

The program, initially very limited, was overhauled by the Federal Crop Insurance Act of 1980, which authorized crop insurance coverage of every commercially grown crop in the U.S., plus timber, livestock, and aquiculture. Today, crop insurance coverage is offered on over 30 major crops in 3,000 U.S. counties. Virtually all former "disaster crop" acreage is or soon will be covered.

HOW DOES IT WORK

A crop insurance policy can be designed to accommodate a producer's individual needs; more than 50 different coverage options are available.

YIELD GUARANTEES. The 1980 FCI Act limits crop insurance coverage to 75 percent of a producer's average yield. Crop insurance offers yield guarantees at 50, 65, or 75 percent of average yield.

Although the average yield on most crops is determined on an "area coverage" basis, FCIC's Board of Directors recently approved using a producer's actual production history as the sole basis for yield guarantees. Producers have often complained that area coverages are substantially lower than the production expectations on their farms, making crop insurance less desirable.

Actual production history will be used to determine guarantees on cotton and rice beginning in 1984; other insured crops will join the program by 1987.

PRICE SELECTIONS. A producer may select one of three different prices for his policy. Price selections are made for each crop by estimating the harvest price for the crop, and pegging the top value at 90 percent of that price. Price selections change annually and represent high, medium and low harvest price estimates.

PREMIUMS. Premiums are calculated to cover risk of loss and are adjusted periodically to account for changes in loss history. The FCI Act of 1980 requires that the crop insurance program be actuarially sound. To accomplish this, FCIC maintains a loss ratio (indemnities paid vs. premiums collected) goal of .90, with the remainder intended to cover catastrophic losses.

The Federal Government subsidizes producer premiums at 70 percent up to the 65 percent coverage level. The dollar subsidy at the 75 percent coverage level remains the same, but the percentage is understandably lower.

INDEMNITIES. Indemnities are paid whenever the producer's actual yield falls below his yield guarantee. The difference between the two yields is multiplied by the price election and the number of acres insured. The result is the indemnity due.

HAIL-FIRE OPT OUT. A producer carrying private hail-fire coverage may exclude such coverage from his policy and receive a commensurate premium reduction. Private hail-fire coverage, however, must be in an amount equal to or greater than that which would be provided under an FCIC policy.

CROP INSURANCE-POLICIES. Crop insurance policies are continuing contracts which renew automatically unless specifically cancelled in writing by the insured or insurer. Unpaid premiums may result in the cancellation of a policy if the account is not settled by a predetermined "termination date."

HOW IS IT DELIVERED

The FCI Act of 1980 established a dual delivery system for crop insurance, with each system utilizing the insurance resources of the private sector.

MASTER MARKETERS. General Sales and Service Agencies (known as Master Marketers) with at least 25 agents contract with FCIC to write policies on FCIC paper. Master Marketers provide management, supervision, contract servicing and quality control, and the Federal Government compensates the agencies on a commission basis.

Training for Master Marketing agents is provided by FCIC, and all such agents must be licensed and certified in the crops they intend to sell.

Additionally all loss adjustment functions on master marketer policies are carried out by FCIC.

REINSURED COMPANIES. Under this system, private Multi-Peril Crop Insurance Companies write crop insurance policies under their own brand names, but in identical terms and conditions as Master Marketers. The Federal Government reinsures the private companies against catastrophic loss and compensates them for sales and loss adjustment functions.

Reinsured companies provide marketing, distribution, servicing, training, quality control, premium collection and loss adjustment functions.

ASCS. In a small number of counties with marginal agricultural activity, ASCS will continue to provide crop insurance sales and service. As private delivery systems become available in these counties, it is anticipated that ASCS activity will be phased out.

SHARE OF BUSINESS. As more private companies handle the crop insurance line, the share of business written by reinsured companies will continue to grow. In crop year 1982, when relatively few MPCIC companies were writing crop insurance, reinsured companies accounted for only 20 percent of FCIC's total book of business. Although final crop year 1983 figures are not yet in, it is estimated that the reinsured share will increase to approximately 35 percent. For 1984, we expect reinsurance to continue to grow and account for approximately 45 percent of all crop insurance business.



TO: Interested Parties

FROM: Manager

SUBJECT: State Participation in Federal Crop Insurance

Background:

The Federal Crop Insurance Act, as amended October 1, 1980, provides under Section 508(b) (5) that:

"The Board (of Directors) may enter in to agreements with any State or agency of a State under which such State or agency may pay to the Corporation additional premium subsidy to further reduce the portion of the premium paid by farmers in each State."

Discussion:

There are presently four methods available to the Corporation to accommodate states desiring to participate in this program:

1. The State could make direct payments to the producers for a specified share of the farmer-paid portion of his premium which is paid to the Federal Crop Insurance Program. This would be in the form of a State "refund" for a pre-determined portion of that premium.
2. The State could provide tax credits for participating farmers on its State Income Tax returns. This would be regulated strictly within each State and would have no direct Federal connection other than added incentive.
3. The Federal government could bill each cooperating State for its share of the additional payment--to be determined initially by each State--at the time the acreage reports are processed and the extent of farmer participation in each State is determined for the crop year.
4. The State could offer the entire insurance plan and FCIC or a Federal agency could act as a reinsurer and share in the cost to a pre-determined extent.



Conclusion:

The Corporation will provide any information needed by states participating in this program in order to facilitate the process and will work directly with State officials to meet their particular needs. Following is an example of the Cooperation's work with officials to establish a program in their State:

A State wished to explore the possibility of providing assistance to farmers. Officials contacted us and asked that we provide estimated premium volume in their State for the current and two succeeding years. They selected option 3 as their preferred method of compensating insured farmers. At their request, we met with budget personnel and the Comptroller of that State to assist them in arriving at dollar needs over the next two years and determining the mechanism and frequency of billing for amounts due the Corporation. We also offered suggestions concerning courses of action in the event that demand exceeded funds available. At this point in time a bill is now before the State Legislature for consideration.



United States
Department of
Agriculture

Federal Crop
Insurance
Corporation

Spokane
Field Actuarial
Office

N. 112 University Rd.
Suite 200
Spokane, Washington 99206

535-6641

To: Merritt W. Sprague, Manager
FCIC, Washington, D. C.

August 25, 1983

Attention: Dennis Lynn, Comptroller

Subject: Alaska Proposed Legislation
(Conversation Knox -- J. W. Ellis)

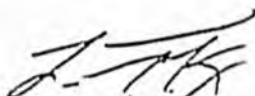
With regards to the proposed Congressional Affairs and Legislation Division of FCI meeting with Alaskan agriculture officials to explain the advantages of Alaskan legislation subsidizing premiums paid by farmers, it has come to our attention that specific crop acreage, yields, and historical data is unavailable to your office as Alaska does not have a strong data bank of such information as it is "new" on the agriculture scene.

The attached information was put together using existing Alaska Statistical Reporting Service (SRS) data, present insurance premium rates, participation levels, and the following assumptions:

1. FCI Management will approve additional crops for insurance purposes in Alaska 1982-1990.
2. Alaska cropland eligible for insurance purposes will expand at the rate of 10 percent per year 1982-1990 inclusive.
3. Projected actuarial information, i.e. percent of participation, production guarantee's, settlement price election, and crop premium rates are based upon existing programs and projected risk rate levels as viewed by SFAO Director Knox.

With regards to data shown on attachment 5, base year of 1981 was used as it more closely fits the "norm" than 1982 due to extreme climatic conditions during 1982 crop year.

If Mr. Lynn, or one of his staff, has any questions with regards to this situation or wishes further verification, please contact Mr. Knox.


Leroy F. Knox
Director

Attachments (5)



The Federal Crop Insurance
Corporation is an agency of the
Department of Agriculture

BARLEY - ALASKA 1975-1981
(Total State Acres through 1982)

District	Year	Area Planted Acres	Area Harvested for Grain				Value (000)
			Acres	Yield Bu.	Production Bu. (000)	Production Cwt.	
Tanana Valley	1975	300	250	21.7	5.4	2,600	23.4
	1976	157	175	34.3	6.0	2,900	26.0
	1977	1,350	1,300	47.6	61.9	29,700	240.0
	1978	2,500	2,450	33.9	83.1	39,900	310.0
	1979	4,400	4,080	45.6	186.0	89,300	536.0
	1980	12,500	10,600	29.2	309.6	148,600	904.0
	1981	15,600	5,800	32.9	191.0	91,700	774.0
	1982						
Matanuska Valley	1975	1,200	1,200	52.4	62.9	30,200	255.0
	1976	1,175	1,125	54.2	61.0	29,300	235.0
	1977	1,720	1,300	49.3	64.1	30,800	239.0
	1978	1,710	1,550	43.2	66.9	32,100	260.0
	1979	2,050	1,720	58.7	101.0	48,500	325.0
	1980	1,400	900	32.7	29.4	14,100	113.0
	1981	900	700	38.6	27.0	13,000	120.0
	1982						
Kenai Peninsula	1975	100	50	33.3	1.7	800	8.6
	1976	50	-	-	-	-	-
	1977	30	-	-	-	-	-
	1978	90	-	-	-	-	-
	1979	50	-	-	-	-	-
	1980	100	-	-	-	-	-
	1981	-	-	-	-	-	-
State Total	1975	1,600	1,500	47.0	70.0	33,600	287.0
	1976	1,400	1,300	51.5	67.0	32,200	261.0
	1977	3,100	2,600	48.5	126.0	60,500	479.0
	1978	4,300	4,000	37.5	150.0	72,000	570.0
	1979	6,500	5,800	49.5	287.0	137,800	861.0
	1980	14,000	11,500	29.5	339.0	162,700	1,017.0
	1981	16,500	6,500	33.5	218.0	104,700	894.0
	1982	8,500					

OATS - ALASKA 1975-1981
(Total State Acres through 1982)

District	Year	Area Planted Acres	Area Harvested for Grain				Value (000)
			Acres	Yield Bu.	Bu.	Production Cwt.	
Tanana Valley	1975	3,000	250	37.2	9.3	3,000	24.5
	1976	2,900	250	39.2	9.8	3,100	24.5
	1977	1,500	300	44.8	13.4	4,300	35.5
	1978	2,000	450	48.6	21.9	7,000	57.5
	1979	400	150	54.2	8.1	2,600	19.0
	1980	2,100	450	42.9	19.3	6,200	52.0
	1981	5,100	300	47.7	14.3	4,600	39.0
Matanuska Valley	1975	900	150	50.0	7.5	2,400	19.5
	1976	700	50	43.8	2.2	700	5.5
	1977	800	100	62.0	6.2	2,000	15.5
	1978	600	150	45.8	6.9	2,200	21.5
	1979	500	150	50.0	7.5	2,400	22.0
	1980	600	150	45.3	6.8	2,200	29.0
	1981	600	200	37.0	7.4	2,400	26.0
Kenai Peninsula	1975	400	-	-	-	-	-
	1976	400	-	-	-	-	-
	1977	500	-	-	-	-	-
	1978	500	-	-	-	-	-
	1979	300	-	-	-	-	-
	1980	400	-	-	-	-	-
	1981	300	-	-	-	-	-
State Total	1975	4,300	400	42.0	16.8	5,400	44.0
	1976	4,000	300	40.0	12.0	3,800	30.0
	1977	2,800	400	49.0	19.6	6,300	51.0
	1978	3,100	600	48.0	28.8	9,200	79.0
	1979	1,200	300	52.0	15.6	5,000	41.0
	1980	3,100	600	43.5	26.1	8,400	81.0
	1981	6,000	500	43.5	21.7	7,000	65.0
	1982	3,200					

POTATOES - ALASKA 1975-1981
(Total State Acres through 1982)

District	Year	Area		Production	
		Harvested Acres	Yield Cwt.	Cwt.	Value (000)
Tanana Valley	1975	120	125	15,000	210.0
	1976	95	108	10,300	135.0
	1977	95	103	9,800	123.0
	1978	125	135	16,900	223.0
	1979	110	159	17,500	254.0
	1980	95	129	12,300	247.0
	1981	80	110	8,800	191.0
Matanuska Valley	1975	390	230	89,700	1,038.0
	1976	400	196	78,500	927.0
	1977	405	253	102,300	1,163.0
	1978	300	205	61,500	688.0
	1979	330	190	63,800	745.0
	1980	340	184	62,700	1,176.0
	1981	395	204	80,500	1,591.0
Kenai Peninsula	1975	20	200	4,000	56.0
	1976	15	147	2,200	30.0
	1977	20	145	2,900	37.0
	1978	25	105	2,600	21.0
	1979	20	185	3,700	47.0
	1980	25	80	2,000	40.0
	1981	25	228	5,700	118.0
State Total	1975	530	205	108,700	1,304.0
	1976	510	178	91,000	1,092.0
	1977	520	222	115,000	1,323.0
	1978	450	180	81,000	932.0
	1979	460	185	85,000	1,046.0
	1980	460	167	77,000	1,463.0
	1981	500	190	95,000	1,900.0
	1982	480			

FORAGE
ALL HAY - ALASKA 1975-1981
(Total State Acres through 1982)

District	Year	Area		Production	
		Harvested Acres	Yield Tons	Tons	Value (000)
Tanana Valley	1975	4,600	1.72	7,900	979.0
	1976	4,350	1.56	6,800	788.0
	1977	3,600	1.39	5,000	635.0
	1978	3,850	1.53	5,900	711.0
	1979	3,000	1.03	3,100	380.0
	1980	4,900	.86	4,200	580.0
	1981	6,200	1.39	8,600	1,317.0
Matanuska Valley	1975	7,600	1.45	11,000	1,420.0
	1976	7,350	1.33	9,800	1,268.0
	1977	6,570	1.92	12,600	1,670.0
	1978	6,600	1.80	11,900	1,578.0
	1979	6,200	1.73	10,700	1,420.0
	1980	6,250	1.34	8,400	1,160.0
	1981	6,200	1.55	9,600	1,595.0
Kenai Peninsula	1975	2,050	1.17	2,400	370.0
	1976	1,900	1.00	1,900	255.0
	1977	2,030	1.43	2,900	462.0
	1978	1,650	1.52	2,500	349.0
	1979	1,400	1.29	1,800	232.0
	1980	1,450	1.38	2,000	300.0
	1981	1,900	1.00	1,900	304.0
Southwest <u>1/</u>	1975	150	.67	100	13.0
	1976	100	1.00	100	14.0
	1977	100	1.00	100	14.0
	1978	100	1.00	100	14.0
	1979	200	1.00	200	22.0
	1980	200	2.00	400	60.0
	1981	100	1.00	100	16.0
State Total	1975	14,400	1.49	21,000	2,782.0
	1976	13,700	1.36	18,600	2,325.0
	1977	12,300	1.67	20,600	2,781.0
	1978	12,200	1.67	20,400	2,652.0
	1979	10,800	1.46	15,800	2,054.0
	1980	12,800	1.17	15,000	2,100.0
	1981	14,400	1.40	20,200	3,232.0
	1982	13,100			

1/ Includes Southeast.

Cr/Yr	Acres	80% Insured	Bushel Guarantee	Settlement Price Election	Premium Rate	Projected Premium Subsidy
<u>Barley</u>			30	\$2.60	.20	.30
1981	16,500	13,200	396,000	\$1,029,600 Liability		\$ 62,000
1985	24,000	19,200	576,000	1,497,600 Liability		90,000
1990	38,700	30,960	928,800	2,414,880 Liability		145,000
<u>Oats</u>			50	\$1.70	.20	.30
1981	6,000	4,800	240,000	\$ 408,000 Liability		\$ 24,500
1985	8,800	7,000	352,000	598,400 Liability		35,900
1990	14,200	11,400	568,000	965,600 Liability		58,000
<u>Potatoes</u>			150 Sacks	\$4.00	.25	.30
1981	500	400	60,000	\$ 240,000 Liability		\$ 18,000
1985	800	640	96,000	384,000 Liability		28,800
1990	1,300	1,040	156,000	624,000 Liability		46,800
<u>Forage (All Hay)</u>			.8 Tons	\$45.00	.25	.30
1981	14,400	11,520	9,200	\$ 414,000 Liability		\$ 31,000
1985	21,000	16,800	13,440	604,800 Liability		45,400
1990	33,800	27,040	21,600	972,000 Liability		72,900
<u>Total Acres -- all 4 crops</u>				Total Projected Premium Subsidy - all 4 crops (based on our expansion assumptions)		
1981	37,400			1981		\$135,500
1985	54,600			1985		200,100
1990	88,000			1990		322,700

\$12.50

13.60

10.90

7.20

ROYALTY
OIL
CONTRACTS



Alaska State Legislature

HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

JOHN RINGSTAD, CO-CHAIRMAN
RICHARD SHULTZ, CO-CHAIRMAN
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3715

M E M O R A N D U M

To: All Members, House Resources Committee,
Senate Resources Committee and
Joint Committee on Oil and Gas

From: House Resources Committee Staff

Date: January 16, 1984

Re: Royalty oil contract changes

Major contract differences between those contracts submitted to the 1983 Legislative session and those which will be presented to the 1984 session are as follows:

Section 2.13 has been deleted. In the old contracts, section 2.13 read:

2.13. Future Dispositions of Royalty Oil. Seller recognizes that AS 38.05.183, which governs disposition of royalty oil by the State of Alaska, establishes a statutory preference for dispositions proposing (1) in-state processing of royalty oil and (2) in-state supply of products generated from processing of royalty oil, in that order. Seller represents that, in conjunction with future dispositions of royalty oil, Purchaser will be afforded the consideration contemplated by AS 38.05.183.

The Purchasers' needs originally addressed in Section 2.13 have been met by other contract terms, and this provision will no longer be a standard contract term.

2. A second change to the contracts is that they and future contracts will no longer require legislative approval for any amendments. *Including price increases*
3. Changes to specific contracts are as follows:

- a. Tesoro Alaska Petroleum Company, Prudhoe Bay

The previous Tesoro/Prudhoe contract outlined a

provision in the price term that would allow the premium paid by Tesoro to be applied against the Amerada Hess settlement if the State prevails in that dispute. The new contract does not contain this provision. Translated into dollars to the State, this negotiated provision means an additional \$24.9 million in revenue.

An additional five cents has been added to the premium of the new contract. Translated over the life of the contract at the estimated number of barrels to be taken, this means an additional \$3.6 million in revenue to the State.

The new contract contains a six year price reopener term with reopeners at two year intervals thereafter.

b. Chevron, USA

The Chevron contract now differs from the previous contract in that it now contains provisions for a price reopener every two years.

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 269
 Title: sale of royalty oil
to Chevron, U.S.A., Inc.
 Sponsor: Rules Committee
 Requestor: Governor
 Date of Request: 4-19-83

FISCAL DETAIL

Agency Affected: Natural Resources
 Program Category Affected: Management of Energy Resources
 BRU, Program or Subprogram(s) Affected: Oil and Gas Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Sharon L. Barton Phone: 465-2400
 Division: Commissioner's Office Date: 1-12-84

Approved by Commissioner: Wm D Arnold Deputy Date: 1/12/84
 Agency: Department of Natural Resources

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

LETTER OF INTENT
FOR CSHB 320
January 19, 1984

The House Resources Committee has considered CSHB 320, providing for approval of the Agreement between the State of Alaska and Tesoro Alaska Petroleum Company for the sale of a portion of Alaska's royalty oil. This Agreement must be approved by the legislature under the provisions of AS 38.06.055(a) which provides that "the commissioner of natural resources may not enter into a sale, exchange, or other disposition of oil or gas or of the rights or waiver of the rights to receive future production of royalty oil or gas under AS 38.05.183 without the prior approval of the legislature."

Section 19.1 of the Agreement provides that the Agreement may be "supplemented, amended or modified at any time, but only by written instrument duly executed by the parties to this Agreement." In making any such changes to the Agreement pursuant to this section, the Commissioner would be acting on behalf of the State of Alaska as one of the parties to the Agreement.

The Committee recognizes that a supplement, amendment, or modification of the Agreement could be a further "sale, exchange, or other disposition" within the meaning of AS 38.06.055(a). The Committee is also cognizant that pursuant to Section 20.1 of the Agreement, the Commissioner has the right to "grant" (consent to) an assignment of the Agreement.

It is the intent of the Committee that it be understood that approval of CSHB 320 does not constitute prior approval of any supplement, amendment or modification or any assignment that would be a further "sale, disposition, exchange, or other disposition" within the meaning of AS 38.06.055(a) and that it is expected that any such action by the Commissioner must first be preceded by compliance with the procedures for obtaining the prior approval of the legislature.

Representative John Ringstad
Co-Chairman, Resource Committee

Representative Dick Stultz
Co-Chairman, Resource Committee

Representative Rick Uehling
Vice-Chairman, Resource Committee

Representative John Cowdery
Member, Resource Committee

Representative Charlie Bussell
Member, Resource Committee

Representative John Liska
Member, Resource Committee

Representative Anthony Vaska
Member, Resource Committee

Representative Peter Goll
Member, Resource Committee

Representative Ronald Larson
Member, Resource Committee

LETTER OF INTENT
FOR CSSB 269
January 19, 1984

The House Resources Committee has considered CSSB 269, providing for approval of the Agreement between the State of Alaska and Chevron U.S.A., Inc., for the sale of a portion of Alaska's royalty oil. This Agreement must be approved by the legislature under the provisions of AS 38.05.055(a) which provides that "the commissioner of natural resources may not enter into a sale, exchange, or other disposition of oil or gas or of the rights or waiver of the rights to receive future production of royalty oil or gas under AS 38.05.183 without the prior approval of the legislature."

Section 19.1 of the Agreement provides that the Agreement may be "supplemented, amended or modified at any time, but only by written instrument duly executed by the parties to this Agreement." In making any such changes to the Agreement pursuant to this section, the Commissioner would be acting on behalf of the State of Alaska as one of the parties to the Agreement.

The Committee recognizes that a supplement, amendment, or modification of the Agreement could be a further "sale, exchange, or other disposition" within the meaning of AS 38.06.055(a). The Committee is also cognizant that pursuant to Section 20.1 of the Agreement, the Commissioner has the right to "grant" (consent to) an assignment of the Agreement.

It is the intent of the Committee that it be understood that approval of CSSB 269 does not constitute prior approval of any supplement, amendment or modification or any assignment that would be a further "sale, disposition, exchange, or other disposition" within the meaning of AS 38.06.055(a) and that it is expected that any such action by the Commissioner must first be preceded by compliance with the procedures for obtaining the prior approval of the legislature.

Representative John Ringstad
Co-Chairman, Resource Committee

Representative Dick Shultz
Co-Chairman, Resource Committee

Representative Rick Uehling
Vice-Chairman, Resource Committee

Representative John Cowdery
Member, Resource Committee

Representative Charlie Bussell
Member, Resource Committee

Representative John Liska
Member, Resource Committee

Representative Anthony Vaska
Member, Resource Committee

Representative Peter Goll
Member, Resource Committee

Representative Ronald Larson
Member, Resource Committee

LETTER OF INTENT
FOR CSHB 271
January 19, 1984

The House Resources Committee has considered CSHB 271, providing for approval of the Agreement between the State of Alaska and Tesoro Alaska Petroleum Company for the sale of a portion of Alaska's royalty oil. This Agreement must be approved by the legislature under the provisions of AS 38.06.055(a) which provides that "the commissioner of natural resources may not enter into a sale, exchange, or other disposition of oil or gas or of the rights or waiver of the rights to receive future production of royalty oil or gas under AS 38.05.183 without the prior approval of the legislature."

Section 19.1 of the Agreement provides that the Agreement may be "supplemented, amended or modified at any time, but only by written instrument duly executed by the parties to this Agreement." In making any such changes to the Agreement pursuant to this section, the Commissioner would be acting on behalf of the State of Alaska as one of the parties to the Agreement.

The Committee recognizes that a supplement, amendment, or modification of the Agreement could be a further "sale, exchange, or other disposition" within the meaning of AS 38.06.055(a). The Committee is also cognizant that pursuant to Section 20.1 of the Agreement, the Commissioner has the right to "grant" (consent to) an assignment of the Agreement.

It is the intent of the Committee that it be understood that approval of CSHB 271 does not constitute prior approval of any supplement, amendment or modification or any assignment that would be a further "sale, disposition, exchange, or other disposition" within the meaning of AS 38.06.055(a) and that it is expected that any such action by the Commissioner must first be preceded by compliance with the procedures for obtaining the prior approval of the legislature.

Representative John Ringstad
Co-Chairman, Resource Committee

Representative Dick Shultz
Co-Chairman, Resource Committee

Representative Rick Uehling
Vice-Chairman, Resource Committee

Representative John Cowdery
Member, Resource Committee

Representative Charlie Bussell
Member, Resource Committee

Representative John Liska
Member, Resource Committee

Representative Anthony Vaska
Member, Resource Committee

Representative Peter Goll
Member, Resource Committee

Representative Ronald Larson
Member, Resource Committee

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINERALS & ENERGY MANAGEMENT

Contracts which will be presented to the 1984 legislature:

1. Long-term sale of Cook Inlet crude.

Purchaser: Tesoro Alaska Petroleum Company
Quantity : 100% royalty crude from Cook Inlet
Term : January 1, 1985 to January 1, 1995. (This contract commences upon the termination of the one-year emergency contract (1/1/84-12/31/84)).
Price : Volume-weighted average of the producers in the Cook Inlet area. (What the state would have received had it taken the oil in-value).

2. Long-term sales of Prudhoe Bay Royalty Oil:

A. Purchaser: Chevron U.S.A., Inc.
Quantity : 09.60% of the State's daily royalty share of crude. (Approximately 18,000 bpd).
Term : May 31, 1984 to January 1, 1995. (The expiration date of the emergency one-year contract is May 30, 1984).
Price : Volume-weighted average of all producer prices, 30 cents premium, plus field costs, to be adjusted upon settlement of the Amerada Hess litigation. Price reopener two years after date of first delivery and every two years thereafter.

Option contract: In the event that the above contract for the sale of approximately 18,000 bpd of royalty crude is not approved by the Alaska State Legislature, Shell Oil Company will purchase the 18,000 bpd of nominated crude commencing May 31, 1984. This contract will contain all of the standard State contract terms with a price term equalling volume-weighted average producer's field price, plus \$1.00 premium, plus field costs, to be adjusted upon settlement of the Amerada Hess litigation.

B. Purchaser: Tesoro Alaska Petroleum Company
Quantity : 13.867% of the State's daily royalty crude (approximately 26,000 bpd).
Term : January 1, 1985 is the estimated date of first delivery with January 1, 1995 the date of termination.
Price : Volume-weighted average of all producer prices, plus 35 cents premium, plus field costs, to be adjusted upon settlement of Amerada Hess. Price reopener after six years from date of first delivery and at two year intervals thereafter.

ROYALTY OIL INFORMATION

I. Existing Agreements

A. Cook Inlet - Tesoro takes all royalty oil under 1969 contract; expires in 1983; a ten-year renewal is now before the Legislature (HB 320).

B. Prudhoe Bay

1. Golden Valley Electric Association - may take up to 5,000 barrels a day (b/d) under their 1977 agreement which expires in 1984. Currently working with Department on renewal.
2. North Pole Refining (Mapco) - entitled to 15 percent, or up to 35,000 b/d under their 1978 agreement, which expires in 2003.
3. Tesoro - entitled to 24.5 percent, or up to 46,000 b/d under their 1982 agreement, which expires in 1994.

All of the existing Prudhoe Bay agreements were approved by the Alaska Legislature. Two other long-term proposals, by Alpetco and Doyon, were approved by the Legislature in 1973 and 1982, respectively, but have since been terminated.

DEPARTMENT OF NATURAL RESOURCES

MINERALS AND ENERGY MANAGEMENT

Pouch 7-034
Anchorage, Alaska 99510

Prudhoe Bay Oil:

Nominations as of August 1, 1983

<u>Contracts</u>	<u>% of Daily Royalty</u>	<u>BPD</u>	<u>Term</u>
North Pole Refinery (MAPCO)	.186667	35000	12/2003
Golden Valley Electric Assn	.026667	500	6/30/84
Tesoro Alaska Petroleum Co.	.206178	38658	1/1/95
Chevron U.S.A., Inc.	.096	18000	5/31/84
Royalties taken in-value	<u>.484488</u>	<u>90842</u>	
	100%	<u>187500</u>	

Nominations as of January 23, 1984

MAPCO	.186667	35000	
GVEA	.026667	5000	
Tesoro	.21208	39765	
Chevron	.096	18000	
Royalties taken in-value	<u>.478586</u>	<u>89735</u>	
	100%	<u>187500</u>	

Nominations if the new contracts pass

MAPCO	.186667	35000	
GVEA	.026667	5000	5/94
Tesoro Alaska (old)	.21208	39765	
Tesoro Alaska (new)	.13867	26000	1/1/95
Chevron (new)	.096	18000	1/1/95
Royalties taken in-value	<u>.339916</u>	<u>63735</u>	
	100%	<u>187500</u>	

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
AVAILABILITY OF ROYALTY OIL FOR SALE

YEAR	ESTIMATED TOTAL PRODUCTION PER DAY			ESTIMATED ROYALTY BARRELS PER DAY			ESTIMATED SALES OF ROYALTY OIL							ROYALTY IN VALUE
	PRUDHOE	KUPARUK	TOTAL	PRUDHOE ROYALTY BBLs PER DAY	KUPARUK ROYALTY BBLs PER DAY	TOTAL ROYALTY BBLs PER DAY	MAPCO PRODUCTION COMPANY (1)	GVEA (OLD) (2)	GVEA (NEW) (3)	TESORO (OLD) (4)	TESORO .13867 (NEW) (5)	CHEVRON (OLD) (6)	CHEVRON .096 (NEW) (7)	RIV (8)
1983	1500000	120000	1620000	187500	15000	202500	35000	5000		38550		18000		105842
1984	1500000	120000	1620000	187500	15000	202500	35000	5000		39765		18000		104735
1985	1500000	120000	1620000	187500	15000	202500	35000		5001	39765	28001		18000	78731
1986	1500000	120000	1620000	187500	15000	202500	35000		5001	39765	28001		18000	78734
1987	1475000	200000	1675000	184375	25000	209375	35000		4917	39102	25547		17700	87008
1988	1325000	200000	1525000	165625	25000	190625	35000		4417	38094	22967		15900	74247
1989	1175000	200000	1375000	146875	25000	171875	35000		3917	33781	20367		14100	64709
1990	1050000	200000	1250000	131250	25000	156250	35000		3500	32200	18200		12600	54750
1991	950000	200000	1150000	118750	25000	143750	35000		3167	29133	16467		11400	48583
1992	850000	200000	1050000	106250	25000	131250	35000		2834	26066	14734		10200	42416
1993	750000	200000	950000	93750	25000	118750	35000		2500	23000	13000		9000	36250
1994	650000	170000	820000	81250	21250	102500	35000		2167	19933	11267		7800	26333
1995	575000	145000	720000	71875	18125	90000	35000			90000			6900	20500
1996	510000	120000	630000	63750	15000	78750	35000			70000				43750
1997	460000	100000	560000	57500	12500	70000	35000			62500				35000
1998	420000	80000	500000	52500	10000	62500	35000			56875				27500
1999	380000	75000	455000	47500	9375	56875	35000			44375				21875
2000	340000	65000	405000	42500	8125	50625	35000			29375				15625
2001	300000	55000	355000	37500	6875	44375	25000							15000
2002	270000	50000	320000	33750	6250	40000	20000							15000
2003	240000	40000	280000	30000	5000	35000								15000
2004	210000	35000	245000	26250	4375	30625								15000
2005	180000	25000	205000	22500	3125	25625								30625
2006	160000	25000	185000	20000	3125	23125								25625
2007	140000	20000	160000	17500	2500	20000								23125
2008	110000	20000	130000	13750	2500	16250								20000
2009	80000	10000	90000	10000	1250	11250								16250
2010	50000	10000	60000	6250	1250	7500								11250
														7500

- NOTES:
- (1) Mapco's daily quantity is not to exceed 15% of Seller's royalty oil minus that minimum quantity of oil which must be taken in-value for pricing purposes. Mapco may purchase up to 35,000 bpd from Prudhoe and other state leases if the oil is available and unobligated. This contract expires December, 2003.
 - (2) GVEA's current contract expires June 30, 1984.
 - (3) GVEA's proposed contract would commence July 1, 1984 and expire June 30, 1994. Quantity is 2.667% of daily royalty crude.
 - (4) Tesoro's current contract calls for a maximum quantity of 24,533% of daily royalty crude less Cook Inlet royalty production. Cook Inlet production is expected to be at a minimal level in 1990. This contract expires December, 1995.

- (5) Tesoro's proposed contract calls for a maximum quantity of 13.867% of daily royalty production. The contract is anticipated to commence January, 1985. The expiration date of this proposed contract is January 1, 1995.
- (6) Chevron is currently taking royalty oil on a one-year emergency contract which expires May 31, 1984.
- (7) Chevron's proposed contract calls for a maximum quantity of 9.6% of daily royalty production. It would commence on June 1, 1984 and expire January 1, 1995.
- (8) Some minimum amount of oil must be retained for contract pricing purposes. Currently, that amount is 15,000 bpd.

Shell Oil Announces Buying Price for Crude From Prudhoe Bay

A WALL STREET JOURNAL News Roundup

Shell Oil Co. announced a buying price of \$18.75 a barrel for Alaskan North Slope crude oil at Prudhoe Bay, the first time an oil company has posted a price for this crude.

When transportation costs to West Coast markets of about \$7.50 a barrel are added, the price would be about \$26.25 for the crude, which Houston-based Shell said represents about a dollar-a-barrel premium over the average current value reported by some producers for the oil at the pumping station.

The move, some analysts believe, reflects a long simmering controversy surrounding the North Slope oil. Critics in Congress and elsewhere have charged that Los Angeles-based Atlantic Richfield Co., which produces oil at Prudhoe Bay, has set too low a price on the Alaskan oil its exploration units sell to its own refineries.

Oil industry sources said this arrangement has the effect of reducing windfall profit taxes on Arco's Alaskan crude. This tax saving allows Arco to undercut gasoline competitors on the West Coast, these critics allege.

In October, the Internal Revenue Service rejected Arco's method of computing its windfall tax on Alaskan crude. Arco has denied any wrongdoing.

A source close to Shell said the company is posting a price for Alaskan crude "because we feel they (Arco) have an advantage."

A Shell spokesman said the company posted the price because it has an "urgent need" for Alaskan oil, primarily for its West Coast refineries.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

December 19, 1983

SUBJECT: HB 370 & HB 371
TO: Representative Ringstad
FROM: Thomas A. Sofo *TAS*
Legislative Counsel

You have asked whether HB 370 and HB 371, the pending bills for ratification of the Chevron and Tesoro royalty oil contracts, can be used as vehicles for the ratification of the more recently negotiated contracts with the same firms. Since the subject matter of the latter agreements is nearly identical, the only change necessary would be the removal of the March 16, 1983 reference and the insertion of the date of the new contracts in its place.

TAS:csh
c2/120

AGO 786324

HB 320 HOUSE ACTION

DATE	SEQ	PAGE	LEGISLATIVE ACTION
04/04/83	01	0722	FIRST READING --- COMMITTEE REPORTS
04/04/83	02	0722	GOV TRANSMITTAL LETTER
04/04/83	03	0722	F/NOTE EQUALS ZERO
06/14/83	04	1715	FIN COMM REFERRAL ADDED BY UNAN CONSENT
06/21/83	05	1851	NOT MOVED FROM RES COMM BY DIV 16-23-01
06/25/83	06	2016	NOT MOVED FROM RES COMM BY DIV 18-22-00 RESOURCES FINANCE RULES

HB 371 HOUSE ACTION

DATE	SEQ	PAGE	LEGISLATIVE ACTION
04/19/83	01	0919	FIRST READING -- COMMITTEE REPORTS
04/19/83	02	0919	GOV TRANSMITTAL LETTER
04/19/83	03	0919	F/NOTE EQUALS ZERO
06/14/83	04	1715	FIN COMM REFERRAL ADDED BY UNAN CONSENT
06/21/83	05	1851	NOT MOVED FROM RES COMM BY DIV 16-23-01
06/25/83	06	2016	NOT MOVED FROM RES COMM BY DIV 18-22-00 RESOURCES FINANCE RULES

SR 269 SENATE ACTION

DATE	SEQ	PAGE	LEGISLATIVE ACTION
04/19/83	01	0747	FIRST READING -- COMMITTEE REPORTS
04/19/83	02	0748	GOV TRANSMITTAL LETTER
04/19/83	03	0747	F/NOTE EQUALS ZERO
05/10/83	04	0934	RES -- DP06, NR01
06/01/83	05	1159	FIN -- DP06
06/15/83	06	1317	RLS -- OTHER04 TAKEN UP IMMEDIATELY
06/15/83	07	1319	SECOND READING
06/15/83	08	1319	ADVANCED TO 3RD READING BY UNAN CONSENT
06/15/83	09	1319	THIRD READING
06/15/83	10	1319	PASSED BY DIV 18-02-00
06/15/83	11	1320	EFFECTIVE DATE VOTE SAME AS PASSAGE

SB 269 HOUSE ACTION

DATE	SEQ	PAGE	LEGISLATIVE ACTION
06/16/83	12	1734	FIRST READING -- COMMITTEE REPORTS RESOURCES FINANCE RULES

Revision Date:

REQUEST

Bill/Resolution No.: SB 269
 Title: sale of royalty oil to Chevron, U.S.A., Inc.
 Sponsor: Rules Committee
 Requestor: Governor
 Date of Request: 4-19-83

FISCAL DETAIL

Agency Affected: Natural Resources
 Program Category Affected: Management of Energy Resources
 BRU, Program or Subprogram(s) Affected: Oil and Gas Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Sharon L. Barton Phone: 465-2400
 Division: Commissioner's Office Date: 1-12-84

Approved by Commissioner: William D. Amodei, Deputy Date: 1/12/84
 Agency: Department of Natural Resources

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

RESOURCES
CS

12/1/83

AGO 786328

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No : HB 371
 Title: sale of P. Adhoe Bay
royalty oil to Tesoro
 Sponsor: Rules Committee
 Requestor: Governor
 Date of Request: 4-19-83

FISCAL DETAIL

Agency Affected: Natural Resources
 Program Category Affected: Management of Energy Resources
 BRU, Program or Subprogram(s) Affected: Oil and Gas Management

EXPENDITURES/REVENUES: (The sands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Sharon L. Barton Phone: 465-2400
 Division: Commissioner's Office Date: 1-12-84

Approved by Commissioner: Wm D Arnold, Deputy Date: 1/12/84
 Agency: Department of Natural Resources

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

AGO 786329

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 320
 Title: sale of royalty oil
to Tesoro Alaska Pet. Co.
 Sponsor: Rules Committee
 Requestor: Governor
 Date of Request: 4-4-83

FISCAL DETAIL

Agency Affected: Natural Resources
 Program Category Affected: Management of Energy Resources
 BRU, Program or Subprogram(s) Affected: Oil and Gas Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Sharon L. Barton Phone: 65-2400
 Division: Commissioner's Office Date: 1-12-89

Approved by Commissioner: Wm D Arnold, Deputy Date: 1/21/89
 Agency: Department of Natural Resources

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

AGO 786330

Phil Smith

TO

CFEC

Confirmation

RESUME

Philip J. (Phil) Smith

January 1984

PERSONAL INFORMATION

Name: Philip Joseph SMITH

Address: SRA Box 1026F 2718 Roger Street
12521 Beachcomber Dr. Juneau, AK 99801
Anchorage, AK 99502

Telephone: 345-0709 (W) 586-3456 364-3625

Family: Married to Deborah (Employment Program Manager,
State Division of Community Development);
Two Children: Crispian (11 years), and Moira (8 years)

Age: 40 years (DOB 1/25/43)

Health: Excellent

Alaskan: Since December 1943; raised in rural Alaska; resident of
Anchorage since 1969

PROFESSIONAL EXPERIENCE

October 83 - Present - Commissioner, Commercial Fisheries Entry
Commission (Pouch KB, Juneau 99811)

Serve with two other Commissioners in appointed position
to administer Limited Entry Program, adjudicate claims of
fishermen seeking entry permits.

July 82 - October 83 - Private Business ("Phil Smith & Associates,"
ABL #05085), specializing in public policy analysis,
business management, program development, and planning.

May 82 - November 82 - Candidate for Alaska State Senate (District "D"
including South Anchorage, Kenai Peninsula, and Prince
William Sound).

November 81 - July 82 - Director, Research & Education, Alaska Native
Foundation, Inc. (411 W. 4th Avenue, Anchorage 99501)

Directed effort to assess impact of Alaska Native Claims
Settlement Act (ANCSA) on individuals and Alaska Native
Corporations; Initiated effort to analyze potential
dislocations resulting from allowable stock alienation in
1991;

Resume
Philip J. SMITH
January 1984
Page Two

Professional Experience (Cont'd)

Produced first statewide broadcast of Alaska Federation of Natives Convention on "Learn/Alaska" Instructional Satellite Television Project (and arranged for "simulcast" on Alaska Public Radio Network);

Served as Interim President from January through March 1982;

Resigned to start Private Business.

February 75 - October 81 - Executive Director, Rural Alaska Community Action Program, Inc. (327 Eagle St., Anchorage 99501)

Chief Executive Officer for statewide corporation; responsible to 27-member Board of Directors (representative of all areas of Alaska and all levels of Government) for planning, design, implementation, and management of \$12 million program emphasizing Child Development, Energy, Natural Resources, Health & Alcoholism, and Citizens Participation for low-income rural Alaskan residents;

Position required knowledge of, and participation in, Federal/State/Local administrative and legislative processes, public relations/communications skills, secure knowledge of rural/Native cultures and economies, and strong fiscal/personnel management abilities;

Resigned to initiate ANCSA Assessment effort for Alaska Native Foundation.

March 73 - January 75 - Deputy Director, Rural Alaska Community Action Program, Inc. (327 Eagle St., Anchorage 99501)

Responsible to Executive Director for Program Planning and Development, internal management;

Promoted by Board to position of Executive Director.

January 71 - February 73 - Director of Video Production, Community Enterprise Development Corporation of Alaska, Inc. (1011 East Tudor Road, Anchorage 99507)

Responsible for all video-tape production in project using film and video-tape media as tools for community development/education in Yukon Delta village of Emmonak.

Resigned to pursue opportunity at Rural CAP.

Resume
Philip J. SMITH
January 1984
Page Three

Professional Experience (Cont'd)

Earlier Experience - Various positions, including Television Production Specialist, for the Anchorage School District, Youth Counselor, for the State of Alaska, Audio-Visual Technician and Commercial Radio Announcer in College, Commercial Fisherman, Cannery Worker, Laborer, etc.

MILITARY

- Enlisted - U.S. Army, Fort Richardson (AK); April 1964. Received training as medical corpsman/administrator; qualified for Special Forces, Officer's Candidate School. Took Basic Training at Fort Ord (CA), Medical Training at Fort Sam Houston (TX);
- Served - U.S. Army Dispensary, Camp des Loges (Paris), France; worked as administrator, was Non-Commissioned Officer in Charge of Dispensary upon discharge;
- Discharged - Fort Dix (NJ); June 1967. Honorable Discharge at rank of Staff Sergeant (E-6).

EDUCATION:

College & University

National Judicial College, University of Nevada, Reno; 1983;

Certificate in Administrative Law/Fair Hearing Processes.

Golden Gate College, San Francisco (CA); 1968-1969;

Graduated with BA in Political Science (Magna cum Laude) in January 1969.

University of Washington, Seattle (WA); 1967-1968;

Completed necessary course-work for minor in Communications, Radio/TV Production.

Mount Angel Seminary, Mt. Angel (OR); 1963-1964;

Philosophy/Theology Courses.

University of Notre Dame, Notre Dame (IN); 1960-1963;

General Liberal Arts concentration, with emphasis on classics.

Resume
Philip J. SMITH
January 1984
Page Four

Education (Cont'd)

High School

Cordova High School, Cordova (AK); 1956-1960;

College Preparatory Courses.

OTHER EXPERIENCE (Boards, Commissions, etc.)

Anchorage Community College Council - Appointed by the President of the University of Alaska to serve on Citizens Advisory Council for largest Community College in the State.

Alaska Energy Center - Appointed by Governor to serve as one of seven people to guide development of State-chartered corporation with the stated purpose of "privatizing" Alaska's energy wealth by investing in private sector ventures to research, design, manufacture, and market new energy technologies appropriate to cold climate areas (resigned from Board upon filing for State Senate in May 1982).

Title 29 Review Commission - ExOfficio member of Commission established by Legislature to review Alaska Local Government statutes and to recommend appropriate revisions; changes introduced in 12th Legislature.

Other - Numerous committees, panels, etc., related to ensuring that the concerns of rural Alaska were well-represented in policy deliberations of State and Federal Government and private groups.

Also, experience as effective public speaker, in preparation and delivery of testimony before public bodies addressing a wide variety of topics, and in community organization/advocacy activities.

COMMUNITY ACTIVITIES

- Theatre Guild, Inc. - President, member since 1970;
- KIMO TV Community Council - member since 1980;
- Active in wide variety of neighborhood/school concerns.

Resume
Philip J. SMITH
January 1984
Page Five

PERSONAL INTERESTS

- Family Activities (camping, boating, etc.)
- Community Theatre and the Arts
- Woodworking
- Photography

REFERENCES

Personal and Professional references numerous; available upon request.

PHILSMITH & ASSOCIATES

SRA BOX 1026F/12521 BEACHCOMBER DR./ANCHORAGE, ALASKA 99502/(907) 345-0709

August 13, 1983

Ms. Carol Derfner
Special Assistant to the Governor
Office of the Governor
Pouch "A"
Juneau, AK 99811

Dear Carol,

In reviewing my materials related to fisheries issues, I remembered and located a copy of my responses to the UFA "Fishpac" questionnaire which was distributed to Legislative Candidates last year. I'm enclosing a copy of the questionnaire and my responses to it for your information, and in support of my candidacy for appointment to the Commercial Fisheries Entry Commission.

Following my completion of the questionnaire last summer, I chanced upon a copy of Governor Sheffield's response to the questionnaire devised for gubernatorial candidates. Frankly, I was delighted to see that our views on the importance of the fishery and fisheries issues generally are almost exactly parallel! This, even though the questions were phrased differently for the different offices.

At any rate, I hope the enclosed is useful. Please give me a call if you have any observations, recommendations, or questions.

Peace to you and yours.

Sincerely,


Phil Smith

FISHPAC

THE FISHERMEN'S POLITICAL ACTION COMMITTEE

197 S. Franklin St.
Juneau, Alaska 99801
(907) 586-2820

Dear Candidate,

With peak season employment approaching 50,000 individuals, the commercial fishing industry is Alaska's largest private employer. The industry generates a product with a first wholesale value exceeding \$1.5 billion, making it the largest renewable resource industry in Alaska.

FISHPAC is the political action committee of the United Fishermen of Alaska, the largest organization of commercial fishermen in the United States. The UFA represents 5,000 fishermen, including individuals who belong to the UFA's 18 member groups.

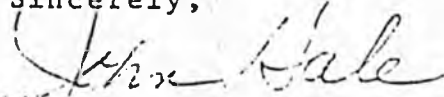
Representatives of each of these groups will meet soon after the August primary to consider endorsements and we would very much appreciate your thoughts on the following issues. We do not ask that you limit your responses to an arbitrary number of words, but that you be specific, concise and to the point. Please make sure we receive your responses no later than Friday, July 16.

1. Do you feel the State of Alaska should attempt to assume greater responsibility for the management of Alaskan fisheries resources now under federal control and if so, will you, as a legislator, support additional funding for research and enforcement in these areas?
2. What is your assessment of the management of commercial fisheries by the Alaska Dept. of Fish & Game and, as a legislator, what changes, if any, would you seek in the operations of the Dept.?
3. In your opinion, what specific types of renewable and nonrenewable resource development might adversely impact fisheries and how will you, as a legislator, attempt to balance the interests of different resource users and resolve conflicts between them?
4. If the Alaska Supreme Court rules provisions limiting entry to fisheries unconstitutional, will you, as a legislator, support an alternative limited entry program structured to accommodate the court's ruling?
5. Do you feel it is appropriate for the Legislature to involve itself in setting policies concerning management of Alaska's commercial fisheries, including allocations between gear groups?

6. If elected, what specific steps would you take to assist the salmon industry in recovering from the impacts of the botulism incidents, recalls and embargoes?
7. Why should commercial fishermen vote for you?

We wish you luck on the campaign trail and will look forward to receiving your response.

Sincerely,



John Hale
FISHPAC Coordinator



"FISHPAC" QUESTIONNAIRE

- 1 -- "DO YOU FEEL THE STATE OF ALASKA SHOULD ATTEMPT TO RESUME GREATER RESPONSIBILITY . . . (IF SO) WOULD YOU SUPPORT ADDITIONAL FUNDING FOR RESEARCH AND ENFORCEMENT IN THESE AREAS?"

Yes!! One of the major battles over which Statehood was fought was the issue of control of the commercial fishery in Alaska. Today, in a climate of decreasing Federal funds for management of Natural Resources, increased Federal pressure for (potentially adverse) oil and other marine resource development, and other Federally-imposed restrictions, it is clear that the "Feds" haven't improved -- in fact, they are less concerned than ever before with the health of Alaska's fishery economy.

Yes. Decreasing funding for research, enhancement, and enforcement of fisheries management by the State is unconscionable, especially because the commercial fishery is vital to the present and future economic health of Alaska.

- 2 -- ". . . ASSESSMENT OF THE MANAGEMENT . . . WHAT CHANGES WOULD YOU SEEK . . .?"

Generally, not too bad. However, management should be provided through cooperation with fishermen, not in opposition to them. Therefore, it should be required in the management process that ADF&G formally involve representatives of fishermen's groups in the development of recommendations to the Board of Fish.

Additionally, in areas in which there is extreme competition (either real or imagined) between user groups such as "sportsmen" and commercial fishermen, (in particular, the Cook Inlet King & Silver Salmon runs), there is a clear need to set up special systems of communication and conciliation. If the Board were to fail to do that, I would seek the necessary legislation to accomplish it.

- 3 -- ". . . TYPES OF RENEWABLE AND NONRENEWABLE RESOURCE DEVELOPMENT ADVERSELY IMPACT FISHERIES . . . HOW BALANCE INTERESTS . . .?"

Renewable resource development which might adversely impact the fishery include both timber harvest (which affects stream temperatures, has the potential of disrupting spawning streams due to deadfalls, road development, etc. and which could negatively affect the ocean if poor mitigation of milling sites is not curtailed) and hydro-electric development (which has the potential of impacting stream flow, water temperature, etc.). Also, competing methods of fishing (such as trawling) could well adversely impact the health of other species (through incidental catch, disruption of habitat, harvest of non-segregated stocks, etc.).

Nonrenewable resource development which might adversely impact the fishery is virtually anything that occurs on the coast and/or the waters off-shore in our State. This would include oil & gas exploration and development, petro-chemical development, mining (shore-based) deep-water mineral development extraction processes, etc.

Other forms of development which could impact the fishery include transportation systems (such as the Knik and Turnagain Arm crossings (both proposed, but presently still in the "study" stage), oil (crude, refined, and natural gas) pipelines and tourism/recreation development which could lead to greater non-commercial pressures on the resources.

Of course, the list could go on indefinitely. Virtually any form of "development," on or near the fisheries habitat could have an adverse impact on the resource itself.

In the Legislature, I believe there is an important responsibility to establish priorities prior to approving development. For instance, I remain reluctant to endorse the Susitna Dam Project, in large measure due to the inadequate data concerning the potentially adverse impact on the fishery. Also, I agree with the Governor's reluctance to accept DOI's leasing plan for the Outer Continental Shelf, again because of the adverse impact on the fishery (not to mention the socio-economic impact on small coastal towns and villages).

That being said, I would only add that the NUMBER ONE priority consideration in making "development" decisions on or near Alaska's coastline should be the adverse impact on the fishery. Clearly, projects should not proceed which would do harm to our most important renewable resource.

4 -- ". . . LIMITED ENTRY . . ."

In 1976, I led the effort of Rural CAP to defeat the proposed repeal of Limited Entry, joining with UFA and other organizations. It was my feeling then (as it remains today) that providing a property right to individuals in a common-property resource is constitutionally questionable; HOWEVER, in spite of that reservation. I have always held that a Limited Entry program is the only way to insure the biological health of the resource and the economic health of the industry.

Therefore, the answer to your question is "YES!"

5 -- ". . . LEGISLATURE INVOLV(ING) ITSELF IN SETTING POLICIES . . . ALLOCATIONS BETWEEN GEAR GROUPS?"

As a general rule, NO, especially insofar as the legislature is composed of increasingly 'urban' individuals who have no particular expertise or even interest in the commercial fishery. Besides (at least in theory), the present system of leaving regulatory matters (including user-group allocation decisions) to the Board(s) of Fish (and Game), based on information from the ADF&G and the Public should work quite well.

When it doesn't (see response to question #2), I still would be reluctant to involve the Legislature in the specific decision-making process, preferring instead to establish a system which would accommodate competing interests through the regulatory mechanism as opposed to the Legislative mechanism.

6 -- ". . . ASSIST THE SALMON INDUSTRY IN RECOVERING . . .?"

- A - Set an example by eating canned salmon, from the can, on the floor of the Legislature;
- B - Enhance quality control efforts, including appropriate staffing levels, to insure and VERIFY quality through the entire cycle of harvest, processing, shipping, and marketing;
- C - Authorize (and provide appropriate funding) for the ASFMI to VIGOROUSLY engage in the process of improving markets for the product (starting at home -- it will be a great day when our kids eat Alaska Salmon in the school's lunch program!);
- D - Expand the present loan programs to fishermen, as well as processors, in order to assist the industry through what will be some unavoidably lean years;
- E - Provide "price supports" to fishermen, not processors. It is clearly inappropriate to reward processors for their own failures; rather, the support should be provided to the harvesters, permitting the processors and marketers to suffer the consequences of their own deficiencies.
- F - In consultation with both the fishermen and the processors, attempt to devise a price arbitration system which would go into affect long before the run begins so that both could plan effectively. Also, support a "closed shop" fishery, insuring that scabs don't reap the benefits of stalled negotiations.
- G - If all of the above sounds too harsh on processors and non-union fishermen, I would only say that NO ONE has a more important vested interest in the long-range health of the commercial fishery in Alaska than the fisherman him/her-self. Therefore, it is those individuals, collectively, whose interests I feel the greatest obligation to support and protect.

7 -- "WHY SHOULD COMMERCIAL FISHERMEN VOTE FOR YOU?"

Please see all of the above, and the cover letter -- and consider the following:

- I am a life-long Alaskan, raised in the rural areas (Naknek, Annette, Cordova). I was set-netting with my family on the Kvichak in 1953, at the age of 10. I fished commercially out of Cordova during the 1960's. I also worked in canneries.
- As Executive Director of Rural CAP for 9 years, I was directly involved in the public policy processes which impacted rural economies and life-styles (including the commercial fishery).
- Senate District "D" (see stationery) provides a prospective Senator with a VERY important base from which to address fisheries issues through-out the entire State. I am committed to doing so!

Thanks very much for your consideration.

Collateral references. — 36 C.J.S.,
Fish, § 13 et seq.

Article I. Alaska Commercial Fisheries Entry Commission.

Section

10. Purpose and findings of fact
20. Alaska Commercial Fisheries Entry Commission
30. Term of office; vacancy and removal
40. Quorum
50. Qualifications
60. Compensation

Section

70. Legal counsel
80. Employment of personnel
100. General powers
110. Regulations and hearing procedures
120. Application of Administrative Procedure Act

Sec. 16.43.010. Purpose and findings of fact. (a) It is the purpose of this chapter to promote the conservation and the sustained yield management of Alaska's fishery resource and the economic health and stability of commercial fishing in Alaska by regulating and controlling entry into the commercial fisheries in the public interest and without unjust discrimination.

(b) The legislature finds that commercial fishing for fishery resources has reached levels of participation, on both a statewide and an area basis, that have impaired or threaten to impair the economic welfare of the fisheries of the state, the overall efficiency of the harvest, and the sustained yield management of the fishery resource. (§ 1 ch 79 SLA 1973)

NOTES TO DECISIONS

Constitutionality. — The entry restriction of the Limited Entry Act violate neither § 3, art. VIII, nor § 1, art. I, of the state constitution. *State v. Ostrosky*, Sup. Ct. Op. No. 2702 (File Nos. 6336, 6373), P.2d (1983).

Purposes. — From the legislature's statement of purpose in this section, the following broad purposes can be discerned: 1) enhancing the economic benefit to fishermen since too many involved in the industry prevented those relying on fishing for a livelihood from securing adequate remuneration; 2) conserving the fishery; and 3) avoiding unjust discrimination in the allocation of a limited number of entry permits. *Commercial Fisheries Entry Comm'n v. Apokedak*, Sup. Ct. Op. No. 2011 (File No. 4464), 606 P.2d 1255 (1980).

Allocating one permit between two partners solely on the fortuitous circumstances of which one held the gear license in two given years did not realistically weigh the relative hardship which each partner would suffer by denial of a permit, and the commission was required to issue the permit to both partners in order to avoid "unjust discrimination." *State, Com. Fisheries Entry Comm'n v. Templeton*, Sup. Ct. Op. No. 1893 (File No. 4042), 598 P.2d 77 (1979).

While a gear license may be a good general indicator of ownership and operation of gear for the purpose of weighing relative hardship, to foreclose automatically consideration of special circumstances under a regulation establishing means of measuring economic dependence, in the absence of a gear

license would result, in many cases, in unjust discrimination. State, Com. Fisheries Entry Comm'n v. Templeton. Sup. Ct. Op. No. 1893 (File No. 4042), 598 P.2d 77 (1979).

Applied in Isakson v. Rickey, Sup. Ct. Op. No. 1267 (File No. 2550), 550 P.2d 359 (1976).

Quoted in Younker v. Alaska Com. Fisheries Entry Comm'n, Sup. Ct. Op. No.

1892 (File No. 4145), 598 P.2d 917 (1979); Vik v. Commercial Fisheries Entry Comm'n, Sup. Ct. Op. No. 2431 (File Nos. 4588, 4629), 636 P.2d 597 (1981); Rose v. Commercial Fisheries Entry Comm'n, Sup. Ct. Op. No. 2515 (File No. 5361), P.2d (1982).

Cited in Jones v. Commercial Fisheries Entry Comm'n, Sup. Ct. Op. No. 2547 (File No. 5903), 649 P.2d 247 (1982).

Sec. 16.43.020. Alaska Commercial Fisheries Entry Commission. (a) There is established the Alaska Commercial Fisheries Entry Commission as a regulatory and quasi-judicial agency of the state. The commission consists of three members appointed by the governor and confirmed by the legislature in joint session.

(b) The governor shall designate one member of the commission as chairman of the commission. The member designated shall serve as chairman for a term of two years, and may be designated chairman for successive two-year terms. (§ 1 ch 79 SLA 1973)

NOTES TO DECISIONS

Stated in State, Com. Fisheries Entry Comm'n v. Templeton, Sup. Ct. Op. No. 1893 (File No. 4042), 598 P.2d 77 (1979).

Sec. 16.43.030. Term of office; vacancy and removal. (a) The members of the commission shall be appointed for terms of four years. Initial appointments shall be as follows: one member for two years, one member for three years, and one member for four years.

(b) A vacancy on the commission shall be filled by appointment by the governor and the appointment shall be confirmed by the legislature in joint session. A member selected to fill a vacancy shall hold office for the balance of the full term for which the member's predecessor on the commission was appointed.

(c) A vacancy on the commission does not impair the authority of a quorum of commissioners to exercise all the powers and perform all the duties of the commission.

(d) The governor may remove a commissioner from office for cause, including but not limited to incompetence, neglect of duty, or misconduct in office. A commissioner being removed for cause shall be given a copy of the charges and afforded an opportunity to publicly present a defense in person or by counsel upon not less than 10 days' notice. If a commissioner is removed for cause, the governor shall file with the lieutenant governor a complete statement of all charges made against the commissioner and the governor's findings based on the charges, together with a complete record of the proceedings. (§ 1 ch 79 SLA 1973)

Revisor's notes. — In 1983, the former last three sentences of (a) of this section were redrafted and reorganized into present subsection (d) pursuant to AS 01.05.031.

Sec. 16.43.040. Quorum. Two members of the commission constitute a quorum for the transaction of business, for the performance of a duty or for the exercise of a power of the commission. (§ 1 ch 79 SLA 1973)

Sec. 16.43.050. Qualifications. The commission shall consist of three members with a broad range of professional experience, none of whom has a vested economic interest in an interim-use permit, entry permit, commercial fishing vessel or gear, or in any fishery resource processing or marketing business. (§ 1 ch 79 SLA 1973)

Sec. 16.43.060. Compensation. Members of the commission are in the exempt service and are entitled to a monthly salary equal to Step C, Range 26 of the salary schedule in AS 39.27.011(a) for Juneau, Alaska. (§ 1 ch 79 SLA 1973; am § 5 ch 47 SLA 1974; am § 1 ch 148 SLA 1976; am § 2 ch 263 SLA 1976; am §§ 2, 17 ch 3 SLA 1980)

Effect of amendments. — Section 2, ch. 3, SLA 1980 substituted "are entitled to an annual salary of \$49,000, payable monthly in 12 equal installments" for "shall receive an annual salary as established under AS 39.23." Section 17 of ch. 3 substituted "are entitled to a monthly salary equal to Step C, Range 26 of the salary schedule in AS 39.27.011(a) for Juneau, Alaska" for the language substituted by § 2 of ch. 3.

Sec. 16.43.070. Legal counsel. The attorney general is the legal counsel for the commission. The attorney general shall advise the commission in legal matters arising in the discharge of its duties and represent the commission in suits to which it is a party. However, the commission may retain additional legal counsel as appropriate. (§ 1 ch 79 SLA 1973)

Sec. 16.43.080. Employment of personnel. (a) The commission may employ those persons necessary to carry out the purposes of this chapter. Employees of the commission are in the exempt service under AS 39.25.110.

(b) In addition to its staff of regular employees, the commission may contract for and engage the services of consultants, experts and hearing officers as necessary. (§ 1 ch 79 SLA 1973)

Sec. 16.43.100. General powers. (a) To accomplish the purposes set out in AS 16.43.010 the commission shall:

(1) regulate entry into the commercial fisheries for all fishery resources in the state;

(2) establish priorities for the application of the provisions of this chapter to the various commercial fisheries of the state;

(3) establish administrative areas suitable for regulating and controlling entry into the commercial fisheries;

(4) establish, for all types of gear, the maximum number of entry permits for each administrative area;

(5) designate, when necessary to accomplish the purposes of this chapter, particular species for which separate interim-use permits or entry permits will be issued;

(6) establish qualifications for the issuance of entry permits;

(7) issue entry permits to qualified applicants;

(8) issue interim-use permits as provided in AS 16.43.210 and 16.43.220;

(9) establish, for all types of gear, the optimum number of entry permits for each administrative area;

(10) administer the buy-back program provided for in AS 16.43.310 and 16.43.320 to reduce the number of outstanding entry permits to the optimum number of entry permits;

(11) provide for the transfer and reissuance of entry permits to qualified transferees;

(12) provide for the transfer and reissuance of entry permits for alternative types of legal gear, in a manner consistent with the purposes of this chapter;

(13) administer the collection of the annual fees provided for in AS 16.43.160;

(14) administer the issuance of commercial fishing vessel licenses under AS 16.05.490;

(15) issue educational entry permits to applicants who qualify under the provisions of AS 16.43.340 — 16.43.390.

(b) The commission may do all things necessary to the exercise of its powers under this chapter, whether or not specifically designated in this chapter. (§ 1 ch 79 SLA 1973; § 14 ch 105 SLA 1977; am § 3 ch 123 SLA 1978)

Sec. 16.43.110. Regulations and hearing procedures. (a) The commission may adopt regulations, consistent with law, necessary or proper in the exercise of its powers or for the performance of its duties under this chapter.

(b) The commission shall adopt regulations, consistent with due process of law, which govern practice and procedure and the conduct of all investigations, hearings and proceedings which it holds.

(c) The Alaska Rules of Evidence apply to investigations, hearings and proceedings before the commission, except when the commission determines that their application is not required in order to assure fair treatment of all parties and that the evidence is relevant and of the sort on which responsible persons are accustomed to rely in the conduct of serious matters.

(d) The commission, each commissioner or an employee authorized by the commission may administer oaths, certify to all official acts, and

issue subpoenas and other process to compel the attendance of witnesses and the production of testimony, records, papers, accounts and documents in an inquiry, investigation, hearing, or proceeding before the commission in any part of the state. The commission may petition a court to enforce its subpoenas or other process. (§ 1 ch 79 SLA 1973; am § 1 ch 47 SLA 1981)

Effect of amendments. — The 1981 amendment substituted "the Alaska Rules of Evidence" for "common-law rules of evidence" preceding "apply to investigations" in subsection (c).

Sec. 16.43.120. Application of Administrative Procedure Act.
 (a) The administrative adjudication procedures of the Administrative Procedure Act (AS 44.62) do not apply to adjudicatory proceedings of the commission except that final administrative determinations by the commission are subject to judicial review as provided in AS 44.62.560 — 44.62.570.

(b) AS 44.62.010 — 44.62.320 and 44.62.640 apply to regulations adopted by the commission. (§ 1 ch 79 SLA 1973)

NOTES TO DECISIONS

The right to peremptorily challenge a judge exists in an appeal to the superior court from a final administrative determination of the Alaska Commercial Fisheries Entry Commission. State, Com. Fisheries Entry Comm'n v. Polushkin, Sup. Ct. Op. No. 2300 (File Nos. 4658, 4685, 4723, 4737, 4780), 628 P.2d 6 (1981).
 Quoted in Anderson v. State, Com. Fisheries Entry Comm'n, Sup. Ct. Op. No. 2588 (File No. 6107), P.2d (1982).

Article 2. Entry Permit System.

Section	Section
140. Permit required	170. Transfer of entry permits
150. Terms and conditions of entry permit; annual renewal	180. Emergency transfers
160. Fees	182. Entry permit deductible as business expense

Sec. 16.43.140. Permit required. (a) After January 1, 1974, a person may not operate gear in the commercial taking of fishery resources without a valid entry permit or a valid interim-use permit issued by the commission.

(b) A permit is not required of a crewmember or other person assisting in the operation of a unit of gear engaged in the commercial taking of fishery resources as long as the holder of the entry permit or the interim-use permit for that particular unit of gear is at all times present and actively engaged in the operation of the gear.

(c) A person may hold more than one interim-use or entry permit issued or transferred under this chapter only for the following purposes:

DipNETTERS ASSOCIATION

1--1

1__1

YES I want to join the Chitina Dipnetters Association

Here is my \$10.00 *

NAME Michael T. McLaughlin Address HAC 222nd Ave. Phone _____

Governor Sheffield and Legislators:

I support the Chitina Dipnetters Assoc. in their opposition to the Board of Fisheries recent change in dipnetting to a Personal Use Fishery. We request the allocation of salmon be increased so that all dipnetters who get a permit can catch a limit of fish, based on last years numbers of permits issued. We object to a limited number of permits in any given week. Under the weekly quota system many people who drive all the way to Chitina will be denied a permit when they get there. We feel this will cause disrespect for the law, anger, and unlawful dipping.

We further request that the complete Board of Fisheries NOT be confirmed until all the geographical areas of Alaska and users are fairly represented on the Board. No user group or area should make up a majority of Board members. The present makeup of the Board is TOTALLY UNACCEPTABLE.

SIGNATURE Michael T. McLaughlin

Add your own comments.
 * Additional family members \$5.00 ea.

Mail to: CHITINA DIPNETTERS ASSOC. SR 10645, FAIRBANKS, AK 99701

Please sign if you support the
Chitina Dipnetters Association

NAME	ADDRESS
Peggy Brown	2805 Mack Rd, Fbks, AK
Jaye Douglas	716 25th Ave " "
Kay Br. Train	SR Box 330 KENAY LAK - via ^{CPV=K} CENTER AK
Ronnie Graham	8805 Mack Rd. Fbks, AK
Martha R. Keener	S.R. Box 70215 Fbks, AK 99701
Judy LaChapelle	P.O. Box 75272 Fbks, Ak. 99707
Tom Louless	4202-2 600th St. Ft. Wainwright AK.
James Nunley	1170 IVY DR FAIRBANKS AK
Mary A. Deacon	Gen. Del. Grayling AK 99590
Rosblain Ottum	SR 10364-9 FAIRBANKS 99701
Michael E. Comer	4101 'E' ST. # 3 FAIRBANKS, AK 99701
John Kretowski	2205 HANSOME RD. FAIRBANKS, AK. 99701
Robert L. Lore	2115 Lakeview Terrace FBAs, AK 99701
Michael Grayes	SR, Box 50092 FAIRBANKS
Joe Ketchum	261 COLLEGE RD. FR FBKS, AK 99701
Ed E. Bak	SR 40555-B Fbx, AK 99701
Elizabeth Baker	SR 40555-B Fbx, Alaska 99701
Frank Barnett	Gen Del. Junt. ak 99680
Maurice Bluk	P.O. BOX 56753 N. POLE AK. 99705
Paul Baraka	1215 9th Ave
O. Cunningham	P.O. Box 2396, Fairbanks, AK 99707
Kevin D. Russell	1908 Carr Ave FBKS AK
Left Man	5106 G Hoyutt Eidsvold FB AK
David L. Hopkins	SR 80837 Fairbanks, AK
Heresa M. Hopkins	SR 80837 Fbk AK 99701
Spurwin Scott	100 B Fairbanks 99701
Dorothy Scott	100 B Fairbanks 99701
Michael Kind	RICHARDSON VISTA 50 ANCHORAGE 99501
Charlene M. Luswold	P.O. Box 58151 FBKS AK 99711
Deborah C. Jacques	SR Box 80562-G Fbks AK 99701
John Riel	Box 10465 FBKS AK 99710
Gilbert J. Andrews	2019 Carr Fbks. AK. 99701
BERD. Tompkins	P.O. Box 74480 FBKS AK 99707
Susan M. Tremble	P.O. Box 73371 FBKS, AK 99707

Name

Address

Nicholas Anderson	SR Box 60940-A FBX
Mary Scott	SR Box 70550 FBX
Scott Jones	764 17 th Ave FBKS AK
Paula Jones	764 17 th Ave FBKS. AK
Paul Ball	810-29 th Ave
James Sweetzer	S.R. BOX 70550, FAIRBANKS, AK 99701
James B. Olney	JAMES B Olney, JR - 1009 2nd Ave FBKS AK 99701
Estie Bussaint	1009 Second Ave FBKS 99701
Joseph W. Vargas	SR 20208 FBKS. AK. 99701
Ernie L. Latta	411 Wedgewood Dr. FBKS, AK. 99701
Doris M. Gates	411 Wedgewood Dr. FBKS AK 99701
Norman L. Moffet	2660 Turner St #1 FBKS, AK 99701
Ronald E. Blum	5.8 mile CHSR FBKS AK 99706
John S. Hansen	1024 Kellum FBK, AK 99701
John M. [unclear]	SR BX 40629 FBKS, AK 99701
Duffy Halladay	Box 1995 FAIRBANKS 99707
Debbie Kokrine	SR BX 80827 109th FBKS AK 99701

P 0 9

MSG 84-00033539 PRTY 1 01/24/84 13:15:32 ORIG: LF00 IN= 0004 OUT= 0078
FROM: TRACIE/F8X TO: JNU INFO
TARGET: LARK SUBJ: FOR

TO: BEPS DAVIS, BETTSMORTH, SOFONEN, RINGSTAD, H.W. MILLER
SEIS BENNETT, LAHREKAMP, NOSS

CR 00171412
CR 94304
PRC 32711
488-8277

RE: CHITINA DIPNETTING

MSG: CHITINA FIRST STARTED TO FISH NO TIME LIMIT, THEN CAME TIME LIMIT
AND 30 FISH. NOW MORE TIME LIMIT AND LESS SALMON. COMPARE CHITINA
DIPNET TO COMMERCIAL FISHING NET. SALMON IS A HEALTHY SOURCE OF
STRETCHING THE BUDGET FOR A FAMILY. PLEASE REMEMBER THE PEOPLE OF THE
TERRITORY OF ALASKA.

EDM

84-00038562 PRTY 1 04/24/84 13:53:38 ORIG: LF00 IP= 0008 OUT= 0008
FM: TRACIE/FBX TO: JNU INFO
RGST: LJK SUBJ: POH

REPS DAVIS, BETTSMORTH, LOFREN, RINGSTAD, K.W. MILLER
SEMS BENNETT, FAURENBERG, NOSS

CROSBY LEWIS
1157 SUNSET DRIVE
FDX, 99701
452-4603

CHITINA DIPNETTING

SPORTSFISHERMEN HAVE AS MUCH RIGHTS TO RIVERS AS FISH AND GAME,
COMMERCIAL FISHERMAN. BY CUTTING OUR TIE AND BAG LIMITS YOU CUT
RIGHTS TO OUR NATURAL RESOURCES. I STRONGLY OPPOSE THIS ACTION, AND
LEGISLATION SHOULD WORK FOR ALASKANS AND NOT AGAINST THEM.

-FOH

Answered

MSG 84-00029198 PRTY 1 03/28/84 11:42:28 ORIG: LF00 IN= 0007 OUT= 0066
FROM: PAULA/FKS TO: JNU INFO
TARGET: LJHK SUBJ: POM ²⁵

TO: REPS DAVIS BETTISWORTH, KOPONEN, RINGSTAD, M.W. MILLER
SENS BENNETT, FAHRENKAMP, MOSS

SEN RESOURCES

SENS FAHRENKAMP, ZIEGLER, MULCAHY, ELIASON, P. FISCHER, STURGULEWSKI,
V. FISCHER ,

HOUSE RESOURCES

REPS RINGSTAD, SHULTZ, UEHLING, COWDERY, RUSSELL, LISKA, VASKA, GOLL,
LARSON

FROM: DR. BRIAN YAMAMOTO
4012 #6 PINE STREET
FT. WAINWRIGHT, AK, 99703
356-3280-H

RE: BOARD OF FISHERIES

MSG: AS AN ALASKAN RESIDENT I WANT TO EXPRESS MY DISPLEASURE WITH
GOVERNOR SHEFFIELDS APPOINTMENTS TO THE STATE FISHERIES BOARD. THIS
CONNOTES A FLAGRANT NONREPRESENTATION OF INTERIOR ALASKANS. CHITINA
DIPNETTING BENEFITS MORE ALASKANS AND LOCAL ECONOMIES. WHEN COMMERCIAL
FISHING INTERESTS ARE FORMOST IN OUR FISHERIES POLICY, THE PEOPLE OF
ALASKA SUFFER.

-----EOM

Answered

MSG 84-00029945 PRTY 1 03/30/84 09:22:12 ORIG: LF00 IN= 0001 OUT= 0025
FROM: PAULA/FKS TO: JNU INFO
TARGET: LJHK SUBJ: POM

TO: REFS DAVIS, BETTISWORTH, KOPONEN, RINGSTAD, M.W. MILLER
SENS BENNETT, FAHRENKAMP, MOSS

FROM: ANNA GIVENS
SR 71191
FAIRBANKS, AK, 99701
488-9752-H

RE: CHITINA DIPNETTING

MSG: I WHOLEHEARTEDLY DISAGREE WITH THE NEW DIPNETTING REGULATIONS AND
URGE YOU TO RETURN TO LAST YEARS (1983) DIPNETTING STATUS. THE INTERIOR
DELEGATION/COMMITTEE SHOULD CONSIST OF VARIOUS MEMBERS **NOT ALL LEGISLATORS**.
-----EOM



Alaska State Legislature

House of Representatives

Official Business

April 13, 1984

Pouch V
State Capitol
Juneau, Alaska 99811

DRAFT

Vinside_addressV

Dear VnameV:

Thank you for your message of concern regarding the Copper River fisheries allocation.

legislature
As you may be aware, this conflict has escalated the controversy surrounding the Governor's appointments to the Board of Fisheries. While I cannot say for sure, it appears at this time that the House of Representatives will not vote to confirm the present Board in its entirety. There may be votes to retain, perhaps, two at most of the current members.

We are keeping abreast of this controversy, and are filing all correspondence as a matter of record for our committee files. I expect to hold hearings on both the Board of Fisheries and the Board of Game next week, and will make the volume of correspondence known and available to the committee members.

Once again, thank you for your time in this matter. Please feel free to add any additional input in the future.

Sincerely,

John Ringstad, Co-Chairman
House Committee on Resources

JR/ds/jwm

3-26-84

All of the following people agree with the attached questionnaire as filled out (all boxes checked)

Name	Address	City	State	Zip	Ph.#
John H. Burlison	1916 Esquire Ave.	FBK.	AK.	99701	456-858
James G Ballam	P.O. Box 1495	Fairbanks	AK.	99701	488-3928
Jon J. STAHL	P.O. BOX 58174	FAIRBANKS.	AK.	99711	488-6454
David DeHevs	1224 10 TH Ave	Fairbanks	AK	99701	456-6880
William Leslie	P.O. Box 55374	north Pole	AK	99705	488-9791
William Elaiti	P.O. Box 3490	Sandwich Rd	FBKs AK	99701	479 6644
David Marshall	305 Eagle	Fairbanks	AK.	99701	452-8838
Bruce Delbridge	P.O. Box 1698	Fbx	AK	99707	452-3832
Gedy Arica	573 Wilcox Ave.	Fbk	AK	99701	979-244

Alaska State Legislature

Representative Niilo Koponen

FAIRBANKS
Box 252
Fairbanks, Alaska 99707
479-6782

JUNEAU
Pouch V
Juneau, Alaska 99811
465-4992

M E M O R A N D U M

TO: ~~Rep. Mike Davis, Rep. Mike Miller (North Pole),~~
~~Rep. Dick Schultz, Rep. John Ringstad,~~ and Rep. Bob Bettisworth

FROM: Rep. Niilo Koponen

RE: Chitina Dipnetters

DATE: April 12, 1984

Attached is a packet I received from Byron Haley of the Chitina Dipnetters Association. Mr. Haley has asked me to circulate these forms to the Interior delegation.

You may want to remove, as I have, forms from your own constituents before you pass the packet on. Please check your name off the list and send the packet on to the next name. Thanks.

Attachment

Byron W. Haley Pres.
Chitina Dipnetters Assoc.
1002 Pioneer Road
Fairbanks, AK. 99701

April 6, 1984

Rep. Niilo Koponen
Alaska State Legislature
Pouch V (MS3100)
Juneau, Alaska 99811

Dear Rep. Koponen:

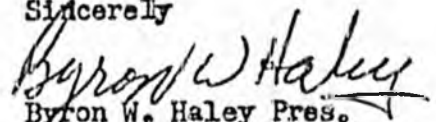
Inclosed is an add that the Chitina Dipnetters Assoc. run in the News-Miner and Anchorage Times and some forms in which we asked people to join or support the Chitina Dipnetters Assoc. and are belief on the Chitina Dipnet Fishery.

We would like your support in are effort with a NO VOTE on confirmation of the Fisheries Board. If you feel you can not vote no then please be absent when the vote is called for.

We would like a diffident answer on weather you will vote no or be absent if you feel you can answer us it would be greatly appreciated. We hope we can count on your support on this issue and others that will come up on this Dipnet fishery.

Please show the inclose material to other legislature.

Sincerely


Byron W. Haley Pres.
Chitina Dipnetters Assoc.

to catch salmon in the Copper River and use them to feed your family, please complete the following questionnaire, and send it back to us immediately!

YOU DO NOT HAVE TO BE A CURRENT MEMBER OF THE DIPNETTERS ASSOCIATION, NOR ARE YOU OBLIGATED TO JOIN, TO DO SO!

MAIL TO: Chitina Dipnetters Association, 1002 Pioneer Rd., Fbks., AK. 99701

Whereas I, the undersigned, object to the present control of the State Board Of Fisheries (a body which, by constitutional definition exists to serve the interests of all Alaskans, be they sport fishermen, commercial fishermen, or others) by the commercial fishing industry and, whereas, I further object to the legal process by which, with virtually no exceptions, only individuals whose livelihoods are derived directly from the commercial fishing industry are appointed by Alaskan Governors to serve on the State Fisheries Board and, whereas, since I further object to the most recently established regulations which will apply to my activities as a dipnet user of the Chitina fishery during 1984, I request that; (if in agreement)

- those individuals (all of whom have directly vested interests in commercial fishing) recently appointed by Governor Sheffield and whose names are presently being considered for seats on the State Fisheries Board not be confirmed.
- recently altered catch limits, fishing boundaries, fishing time periods, etc., for Chitina dipnetters be returned to their 1983 status.
- the number of fish necessary to satisfy all users of the Chitina/Copper River Fishery, be made available, (by escapement, etc.) based upon 100 percent of the 1983 subsistence catch plus 10 percent of the average annual catch based upon figures derived over the past ten year period.
- House Bill #645, Senate Bill #487 be amended to stipulate that no user group or resident of any specific geographic area shall be given preference when appointments to any State Fisheries Board are made.
- legislation be passed which will specifically prevent future State Fisheries Boards from being composed of a majority with vested commercial interests in the fisheries resource that is served and regulated by the Board.
- the entire upper Copper River fishery be returned to the SUBSISTENCE status or that the priorities of the newly created PERSONAL USE category be reestablished on an equal basis with the traditional subsistence priorities that have existed for dipnet fishing in past years.
- my endorsement of Mr. James Greiner be accepted for his immediate appointment as a member of the State Fisheries Board Representing the Interior of Alaska.

Additional Things You Can Do!

- 1). Send a cost-free telegram to the Legislature.
- 2). Write to Governor Sheffield, requesting his attention on the above points.
- 3). Write to the Editor of the newspaper in which this ad appears.
- 4). Call your Chamber of Commerce.
- 5). Testify at the Legislative Teleconference which will stem from this message.
- 6). Write to the Alaska Commissioner of Fish & Game

NAME VINCE MEURLOTT
ADDRESS 22 D FARWELL
CITY FAIRBANKS
STATE AK ZIP 99701
PHONE 456-2722

YES, I want to join the CHITINA DIPNETTERS ASSOCIATION, and assure my voice will be heard during future times!
DUES: \$10; Additional Family Members \$5.00 ea.

ATTENTION CHITINA DIPNETTERS!

ATTENTION CHITINA DIPNETTERS!

If you value your right, as a tax-paying Alaskan resident, to catch salmon in the Copper River and use them to feed your family, please complete the following questionnaire, and send it back to us immediately!

YOU DO NOT HAVE TO BE A CURRENT MEMBER OF THE DIPNETTERS ASSOCIATION, NOR ARE YOU OBLIGATED TO JOIN, TO DO SO!

MAIL TO: Chitina Dipnetters Association, 1002 Pioneer Rd., Fbks., AK. 99701

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those individuals (all of whom have directly vested interests in commercial fishing) recently appointed by Governor Sheffield and whose names are presently being considered for seats on the State Fisheries Board not be confirmed.

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- 6). Write to the Alaska Commissioner of Fish & Game

NAME	<u>PARDY, G.</u>
ADDRESS	<u>1857 STANDARD</u>
CITY	<u>FAIRBANKS</u>
STATE	<u>AK</u> ZIP <u>99701</u>
PHONE	<u>456-6789</u>
<input type="checkbox"/> YES, I want to join the CHITINA DIPNETTERS ASSOCIATION, and assure my voice will be heard during future times!	
DUES: \$10; Additional Family Members \$5.00 ea.	

H

B

14

COMMITTEE REPORT

HOUSE

JUDICIARY
FINANCE

FURTHER:

4/26/83

Date:

5/9/83

Mr. Speaker:

The Committee on RESOURCES has had HB 14

"An Act relating to processing of permits by state agencies, and to administrations of the Alaska coastal management program."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 14 (Resources) same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

 CO-CHAIRMAN

STATE OF ALASKA

Bill Sheffield, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
UNEAU, ALASKA 99811
PHONE: (907) 465-4700

February 7, 1983

POSITION PAPER

RE: HB 14

SPONSOR: Representative Martin

Program Effects of Bill

The bill deals with permit reform and provides for a "fast tracking" of all permit applications requiring agency decisions within certain timeframes. The measure also provides for a "Lead Agency" concept for the issuance of coastal management consistency determinations.

Comments

The proposed revisions to regulatory procedures are considerable; some of the changes are probably desirable and others have no direct bearing upon this Department or its concerns. Section 44.62.635 "Lead Agency" is of particular interest, as it deals with Alaska Coastal Management Program (ACMP) consistency determinations. One of the foremost selling points of the National Coastal Management Program is the requirement that federal coastal actions must be consistent with approved State programs. In Alaska that concept has been expanded upon to require that proposed State and Federal coastal activities be consistent with ACMP approved local programs. HB 14 and Executive Order 53 are in opposition in that the latter would continue to vest consistency review authority in the Governor's Office, while the former would disperse this responsibility to individual line agencies. Moreover, subsection (b) would weaken the consideration afforded to approved local programs to an extent rendering them little more than advisory. Communities and regions that have Coastal Management Programs in place or in the works have proceeded under the expectation that local programs would have more than advisory powers.



STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 14 Date on Bill: 1/18/83
 Title: Permit Processing/Alaska Coastal Management Program
 Sponsor: Representative Martin
 Requestor: _____

1. Estimated fiscal impacts on: Department of Community & Regional Affairs

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital				-0-	-0-	-0-		
Operating				-0-	-0-	-0-		
Total				-0-	-0-	-0-		

b. Revenues:

Revenue								
---------	--	--	--	--	--	--	--	--

2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

The reshuffling of permit authority would have no impact upon the Department. No fiscal impact.

4. Disclaimer:

This statement has not been reviewed by the OMB in the Office of the Governor. It does not represent the policy of the Sheffield Administration or the final estimate of fiscal impact.

Prepared By: Richard Rainery *RR* Phone: 465-4703
 Division: Commissioner's office Date: 2/15/83
 Approved by Commissioner: *[Signature]* Date: 2/18/83
 Department: Community & Regional Affairs

5. Distribution:

- Original to Legislative Finance
- Copy to OMB
- Copy to Sponsor
- Copy to Requestor



IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
FIRST JUDICIAL DISTRICT AT JUNEAU

1
2
3 CITY OF ANGOON and SIERRA)
4 CLUB,)
5)
6 Petitioners,)
7 vs.)
8)
9 ALASKA DEPARTMENT OF)
10 ENVIRONMENTAL CONSERVATION)
11 and SHEE ATIKA, INC.,)
12)
13 Respondents.)
14 (C))

FILED IN THE DISTRICT COURT
STATE OF ALASKA, FIRST DISTRICT
AT JUNEAU
FEB 10 1983
By SAW
No. 1JU-82-1919 Civil

MEMORANDUM OF DECISION AND ORDER

15 Upon hearing oral arguments of counsel and testimony of
16 three witnesses, and upon consideration of the pleadings and
17 memoranda, the court has arrived at the following conclusions.

18 1. Petition for Review

19 The Petition for Review is granted, pursuant to App. R.
20 610(b)(1). Postponement of review of the November 8, 1982
21 decision of the Commissioner of the Department of Environmental
22 Conservation (DEC) on petitioners' emergency motion for stay
23 would result in injustice. The injustice consists of petitioners
24 inability to obtain a ruling from the Commissioner of DEC on
25 their request for a stay before clearcutting takes place.

26 The Petition for Review raises the question of whether the
27 Commissioner of DEC erred in concluding he had no jurisdiction to
28 enjoin the clearcutting at issue. The court finds in favor of
29 the petitioners on this question. The Commissioner himself
30 recognized that he should consider standards for protection of
31 the coastal zone under the Alaska Coastal Management Act when
32 reviewing respondent's plans to construct a log transfer facility.
However, the Commissioner did not feel that the proposed clear-
cutting was a proper subject of his permitting authority.
Therefore, he held he had no power to enjoin the clearcut.

The Coastal Management Act should be given a broader reading

1 The Commissioner's authority is not delineated by the activity
2 on the face of the application for a Certificate of Reasonable
3 Assurance. The Act envisions a comprehensive review by agencies
4 of impacts to coastal land and water. Consequently, activities
5 closely associated with uses specifically mentioned in permit
6 applications must also be considered.

7 The court finds no compelling reason to treat the clearcut
8 separately from the log transfer facility. The cutting, by
9 respondents' own testimony, will serve a variety of functions,
10 all related to the sorting, storage, and transfer facilities of
11 this project. The fact that some of the cut acreage is in-
12 tended for a log sort yard does not alter the court's reasoning.
13 No persuasive evidence was presented to require that a sort yard
14 must receive separate consideration. Since the Commissioner has
15 the authority, and is in fact mandated, to determine consistency
16 with the ACMP for the entire project at Cube Cove, he has the
17 jurisdiction to issue a stay if warranted.

18 The case is remanded to the Commissioner of DEC to determine
19 whether the clearcutting should be enjoined pending the
20 adjudicatory hearing. The interests of judicial and adminis-
21 trative economy dictate that DEC make this decision, not the
22 court, given the extensive record before the department in this
23 case already. In remanding, this court is not making any
24 judgment on the merits of petitioners' emergency motion for stay.
25 The court is only confirming the Commissioner's authority, and
26 directing that he exercise that authority as soon as possible.

27 2. Preliminary Injunction

28 Ordinarily, the function of a preliminary injunction is to
29 preserve the status quo -- or establish a new status -- while an
30 underlying action is pending. The showing for an injunction
31 involves three factors: irreparable harm to petitioners, little
32 or no harm to respondents, and the existence of a substantial

1 question presented on the merits.

2 In this case, the underlying action before the court is a
3 Petition for Review. The question presented by the Petition has
4 been decided, in favor of the petitioners, so the traditional
5 purpose of an injunction does not exist. However, since a TRO
6 has been in effect for almost three months, and the Commissioner
7 will shortly be deciding the propriety of a stay, this court
8 finds further temporary injunctive relief appropriate. The
9 current injunctive order will be extended only until such time
10 as the Commissioner issues a ruling on petitioner's emergency
11 motion for stay. The court urges that this action take place
12 in the very near future, so that the duration of its injunctive
13 order is extremely short-lived.

14 For the reasons stated above, the Petition for Review is
15 granted and decided in favor of petitioners. The Motion for
16 Preliminary Injunction is granted only insofar as it extends
17 the court's current injunctive order until the Commissioner of
18 DEC rules on the merits of petitioners' emergency motion for stay.
19 The Commissioner is directed to handle this matter expeditiously.

20 IT IS SO ORDERED.

21 DONE at Juneau, Alaska, this 10th day of February, 1983.

22 *Walter L. Carpeneti*

23 _____
24 Walter L. Carpeneti
25 Superior Court Judge

26 CERTIFICATION

27 This is to certify that on the above date I provided a copy
28 of the above Memorandum of Decision and Order to:

29 Barbara Malchick, Esq.
30 Douglas Mertz, Esq.
31 Jacquelyn R. Luke, Esq.

32 *Sharon L. Walker*

Secretary to the Judge

April 8, 1983

The Honorable Bettye Fahrenkamp
Chairman of the Senate Resources
Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: Enclosed Coastal Management Legislation

Dear Senator Fahrenkamp:

The purpose of this letter is to transmit and recommend for your consideration legislation which would make certain changes to the Alaska Coastal Management Act (AS 46.40).

The changes are sought because of several problems with the Alaska coastal management program which are shared by Sealaska and Alaskan industry as a whole. These problems are, to a degree, the same which have been raised over the past four years in the course of "permit reform" debate. As you quite are aware, permit reform legislation has become quite controversial, with little likelihood that comprehensive legislation will be enacted in the near future. There are, however, certain problems in existing state regulation over which there is little disagreement. Rather than await the uncertain resolution of the larger "permit reform" controversy, Sealaska believes that real and substantial progress in regulatory reform can be made by addressing a few specific problems at this point in time.

The first problem addressed by the enclosed legislation is perhaps the most notorious--the duplicative and potentially conflicting "consistency determinations" which are authorized by existing law. As you know, any number of state agencies are

Senator Fahrenkamp
April 8, 1983
Page 2

required to make a "consistency determination" on the same project. The administration long ago acknowledged that there was absolutely no justification for this state of affairs. Yet while everyone recognizes a need for having but one "consistency determination" for each project, the pitfall has been agreeing on the agency to make that decision. While many industry groups advocate that the decision be made by the Department of Natural Resources, environmental organizations have not surprisingly recommended the Department of Environmental Conservation.

The proposed legislation strikes a middle ground by providing that one consistency determination will be made for each project by the Division of Policy Development and Planning. The division is already the agency primarily responsible for coastal management matters, and, as a result, this bill does not make revolutionary changes from the existing law. It would, however, solve the problem of overlapping consistency determinations immediately, leaving for later, more comprehensive legislation, the issue of where that authority should ultimately reside.

There is an equally important issue addressed by the bill, one of which some legislators may be unaware. When the Coastal Management Act was enacted in 1977, it was the intent of the legislature that the program be implemented through existing agency authorities. The last thing the legislature wanted was to expand the jurisdiction of any state bureaucracy.

However, earlier this year, Judge Walter Carpeneti of the State Superior Court in Juneau ruled that the coastal management program had the effect of expanding agency jurisdiction. The problem is essentially this: if the Department of Environmental Conservation has permit jurisdiction over a particular dock, Judge Carpeneti believes that DEC may deny the permit for that dock if it concludes that the activities which that dock will facilitate will violate the coastal management program--even if those activities themselves do not require a DEC permit. To carry Judge Carpeneti's ruling to its logical extreme, when DEC reviews the first transfer dock for a new major oil development--such as the Beaufort Sea--it may acquire jurisdiction over all field operations by virtue of the coastal management act.

A copy of Judge Carpeneti's decision is enclosed. While we believe that the court was mistaken, clarifying legislation is necessary. Under the enclosed bill, for example, if a coastal management consistency determination is needed for a dock, a determination will be made on that dock, and not on every single activity which will in any manner be aided by the construction of the dock.

Senator Fahrenkamp

April 8, 1983

Page 3

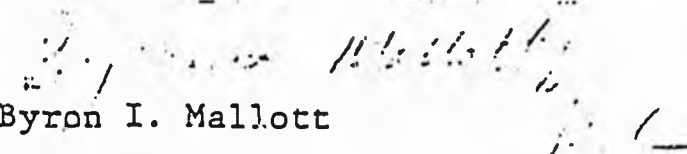
Third, there is a developing problem of extraterritorial regulation by Alaska cities under the guise of the coastal management program. Some small cities have prepared coastal management plans which include standards and guidelines for lands outside the city limits. While the Office of Coastal Management is technically calling these extraterritorial zoning laws "advisory," it is apparent that as a practical matter, state agencies may begin to adopt and apply them. It is Sealaska's view that if a particular city wishes to control land use outside its existing borders, it should seek to expand those borders, rather than using the coastal management act as a means of indirect annexation.

Finally, under the Alaska coastal management program, the Coastal Policy Council may designate "areas which merit special attention" outside existing district limits--zones in which development is severely restricted or perhaps precluded. Some have proposed to designate large tracts of privately-owned land as "AMSA's." Sealaska believes that private land owner consent should be required before an AMSA is designated over privately owned land outside existing district boundaries. Under this proposal, the Council will be required to accomodate the private land owner before the AMSA may be designated.

I realize that it is late in the session, and that your committee has many matters before it. On the other hand, most of the issues addressed by the enclosed legislation have been aired and debated in committee after committee for some four years. At the present time, absolutely nothing has come from the time consuming and acrimonious debate over permit reform. This bill would at least resolve some of the most obvious problems with the existing coastal management program without endless and repetitive debate.

I would appreciate it, if at your earliest convenience, you could discuss this legislation with Jon Tillinghast. I have also requested Sam Kito and Robert Loescher to work with Mr. Tillinghast on this legislation.

Sincerely,


Byron I. Mallott

cc: Representative Terry Martin
Robert Loescher
Sam Kito



Resource Development Council

for Alaska, Inc.

444 West 7th Avenue, Anchorage, Alaska 99501
Box 100516, Anchorage, Alaska 99510 — 907/278-9615

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Sarah Memphis
Robert Huck
Frank Jones
William Ogle
Dale Tubbs

April 8, 1983

APR 14 1983

William Sheffield, Governor
State of Alaska
Pouch A
Juneau, Alaska 99811

RE: REGULATORY REFORM

Dear Governor Sheffield:

The Resource Development Council has had serious concerns about regulatory reform for the past four years and each year has encouraged the administration to do something about permitting problems. We have recently learned your administration intends to do something about it, and for this we commend you.

However, we understand administration "working groups" are nearing a final conceptual decision to have one lead agency, OMB, act for all state permits. We also understand your staff has been informed that industry has no problem with OMB's having this authority. Our industry contacts indicate exactly the opposite to be true. For this reason, we urge you to not finalize any position until there has been representative input from the various industries affected.

Attached is a copy of the new RDC policy statement on regulatory reform which was passed unanimously by the Executive Committee. As you can see, we are advocating changes in permit handling and attitudes. We think the direction your staff is heading will not only result in longer permit times, but will require more regulations, statutory and contractual changes. Also it perpetuates an unnecessary layer of bureaucracy which used to be in DPDP and has been given new life under a different name in OMB.

Comments indicate one of the selling points in having OMB issue the permits is that it is "neutral" and "capable of conflict resolution." Governor, industry doesn't really need someone who is "neutral." It needs to deal with people who are knowledgeable and can understand business problems and the free enterprise system.

Government employees need to understand that each stipulation costs money and many stipulations discourage development. Alaska is rapidly pricing itself out of the market because of the gold-plated stipulations being imposed by multilayers of government. The cost to the state in jobs and money due to "lost opportunity" runs into the hundreds of millions of dollars each year. It's too bad business can't take advantage of these opportunities and create new jobs, as bad as our state needs them.

Most of industry's problems in permitting do not come from the permitting agency charged by law to issue the permits. These agencies generally have enough expertise to understand industry's problems; permits and changes can be negotiated.

By far, most of the problems come from other agencies who have no statutory authority to act on the permit but who have gained authority under MOU's between agencies. These latter agencies insist that industry construct the project their way. They try to design many parts of the project, but having little or no expertise, they cannot conceive of the problems they cause and the costs that result. In most cases they don't care. Their lack of experience can result in permit provisions which are near fatal to a project. Unfortunately, these requirements seem to be in the majority of permits. Most of the problems could be eliminated by the agency setting standards and letting industry determine how to meet those standards.

State agencies that issue permits are required to show that the proposed operation is consistent with the state or locally approved CEM plan before they issue a permit. Who is better qualified than that permitting agency to make such a determination and why must the determination be made twice? In other words, why does the added layer of OMB have to be in the picture at all?

We need a system which significantly speeds up the permitting process. The new proposal sounds much like the earlier proposal for Uniform Procedures Regulations which would have been a disaster if they had been implemented. We urge you and your staff to abandon any thoughts along that line. We don't need new regulations to implement regulatory reform.

No amount of change in law or regulations can accomplish regulatory reform without complete backing by you. On the other hand, we are not sure that any change is required in law or regulations. We believe the main change needed is one of employee attitude and that only you can bring that about.

To accomplish regulatory reform, the main thing needed is for you, the Governor, to issue a command to all of your troops that you want the permit time and stipulations reduced by 50% within a year, and that after one year you will personally challenge any supervisor who has not accomplished this objective. With strict enforcement, this approach would be very effective.

Gov. Sheffield


4/8/83

Page 3

The prior administration never gave state employees the feeling that it was serious and intended to accomplish reform; we are confident you can.

Sincerely,

RESOURCE DEVELOPMENT COUNCIL
for Alaska, Inc.

A handwritten signature in cursive script that reads "Mano Frey". The signature is written in dark ink and is positioned to the left of the typed name and title.

Mano Frey
President

encl.



Resource Development Council

for Alaska, Inc.

444 West 7th Avenue, Anchorage, Alaska 99501
Box 516, Anchorage, Alaska 99510 - 907/278-9615

POLICY STATEMENT NO. 11

REGULATORY REFORM

EXECUTIVE DIRECTOR
Paula P. Easley

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The Resource Development Council recognizes the need for certain regulations to implement statutes to protect the public health, safety and welfare. However, the proliferation of applications, stipulations, regulations and permits is overwhelming to Alaskans and has resulted in, and continues to have an increasingly negative effect on the economy. Everyone including labor and business suffers and the helpless consumer ends up paying the bill. Many promises of reform have been made with few tangible results.

Regulations should facilitate and maintain orderly administration of policy where the broad public interest is at issue. However, when the power of the government to regulate becomes such a burden to the private sector that it creates economic hardship, suffering or negation of individual liberties and rights of property, then the Council concludes that regulatory powers have been over-extended. When regulations multiply and overlap, the power may be abused and it becomes counter-productive and in need of reform.

The Resource Development Council recommends the following:

I

That governments draw up a test of standards by which any regulation will be measured, such as:

- 1) Is it duplicative?
- 2) is it truly calculated to protect only the broad public interest?
- 3) does it violate individual personal or property rights?
- 4) does it create undue financial burden which will translate to negative shift in the overall economy?
- 5) when individual and personal rights are subjected to threat, then full burden of proof of need, as well as financial responsibility, will be borne by the agency or agencies responsible for promulgation of the regulation,
- 6) that a clear distinction be made between established laws of the land and government regulation as created at will within government agencies and bureaus.

continued...

II

That local, state and federal governments make a positive commitment to an effective regulatory reform program that eliminates duplication of permits, multiple handling of permits, duplication of statutory authorities, "networking," and prohibits employees from writing law through "stipulations." These various governments should require their employees to adhere to this commitment of regulatory reform and should stringently enforce that commitment.

III

That government allow its employees to add stipulations only when there is a proven need and then only if required by statute.

IV

That, as public policy, the resource agency responsible for issuing a permit should be the lead agency and be responsible for all provisions of the permit. The lead agency should be able to override the recommendations of any agency furnishing advice and should not include stipulations of other agencies not provided for under the law authorizing the permit and should establish and enforce reasonable time limits for input by other agencies.

V

That the state and local governments eliminate the subtle "networking" process which functions without statutory authority and results in delays, re-work and non-issuance of permits.

VI

That the burden of proof be placed on the government to show why a permit does not comply with law.

VII

That the federal, state and local governments require agencies to review their regulations and work toward elimination of those that are archaic and not absolutely required by law; and that legislature and Congress annually review administrative progress in achieving regulatory reform.

VIII

That legislation be enacted to require disclosure of the costs, both public and private, related to permit processing and administration of regulations and that testimony at public hearings on cost/benefits be required prior to agency adoption of any regulation.

continued...

IX

That legislation be enacted to require fiscal notes on the external economic effect as well as environmental impact of each proposed statute and a cost/benefit review be included in the fiscal note.

X

That to minimize frivolous lawsuits, many of which are based on ill-founded regulations and stipulations, legislation should be enacted to require the loser in each lawsuit to pay the court costs, all attorney fees, the cost of delays, plus interest on all of these funds.

XI

That prior to adoption of regulations, public hearings be held as required by the Alaska Administrative Procedure Act (AS 44.62.190-210.)

Adopted -----

OVERKILL

OR

HAVE WE ARRIVED AT THE POINT WHERE IT IS NO LONGER
POSSIBLE TO GET THERE FROM HERE?



Part of the life blood of any logging operation in Southeast Alaska is the ability to establish logging camps and the facilities to put logs into the water and boom and raft them preparatory to towing them to a mill site or shipping point. Because these facilities involve uplands, tidelands and navigable waters, an applicant must clear the activity necessary for construction with an upland owner (if other than his own private property), the Alaska Department of Natural Resources (DNR) because they are custodians of the State's tidelands and the Corps of Engineers, Department of the Army (Corps) as the agency responsible for issuing permits for facilities in navigable waters.

To illustrate the total "overkill" of procedures and duplication one must struggle through in obtaining the necessary permits and approvals, it is necessary to track the procedure. Neets Bay 10 and 12 are a good example of such facilities and their record.

Neets Bay is within the Ketchikan Pulp Company (KPC) (KPC is a wholly-owned subsidiary of Louisiana-Pacific Corporation) long term timber sale and the original need for camp, log transfer and boom and rafting facilities was recognized and reviewed by the Forest Service (FS) multi-discipline team when designating areas for the 1974-79 five-year operating area for which an environmental impact statement (EIS) was written. Therefore, as the upland owners, the Forest Service reviewed and approved the site for these facilities and included them in the EIS prior to commencing logging operations on the five-year period beginning July 1, 1974.

On April 26, 1977 (Exhibit A) a letter was sent to the Corps together with application for a permit described as "proposed standing log boom retained in position by 5 ton anchors, log transfer facility using approximately 1,000 cubic yards of upland shot rock and employing an A-frame lift-off device, an offloading ramp consisting of a lashed log crib filled with shot rock from an upland source, a small boat dock and ramp to aid in construction of roads and facilities".

On June 15, 1977 we were sent a letter by the Corps notifying us of their receipt of our application, the assignation of Reference No. 071-OYD-2-770123 and the notification of assessment of a \$100.00 processing fee should approval be granted. (Exhibit B)



On July 19, 1977 we received from the Corps (Exhibit C) a copy of a letter from the U. S. Environmental Protection Agency (EPA) requesting the permit, if issued, contain the following special conditions:

1. The permittee shall implement, once per year for a period of three years, a bottom sampling program to determine whether lost solids have accumulated in the project waters associated with the log transfer site. Each such sampling shall be completed not later than September 1 of each sampling year.
2. The permittee shall submit a brief report of the findings of each sampling effort and a sketch showing location of sampling sites, to the Corps of Engineers, the Alaska Department of Environmental Conservation and the U.S. Environmental Protection Agency not later than October 15, of each sampling year.
3. The permittee shall remove all significant accumulations of lost wood solids, if any, and dispose of them in an upland fill approved by the U.S. Forest Service and/or the Alaska Department of Environmental Conservation and concurred in by the Environmental Protection Agency. The permittee shall modify log transfer procedures, including possibly the relocation of the transfer site if significant accumulations of lost wood solids are found as a consequence of any sampling program conducted by the permittee or the Environmental Protection Agency.

Although EPA saw fit to copy the Alaska Department of Environmental Conservation (DEC), the U.S. National Marine Fisheries Service (NMFS), the U.S. Fish & Wildlife Service (USF&WS) and the Forest Service with their letter, they did not see fit to send it to the applicant thus requiring a copy of the letter to come from the Corps with their notice to us and our return agreement July 29, 1977 to the Corps (Exhibit D) with copy to EPA.

On August 2nd 1977 and after advertisement of request for public comment, the Corps sent a letter (Exhibit E) informing us to submit our processing fee and we would receive our permit. On September 15, 1977 having submitted the required fee we received a cover letter and our permit from the Corps (Exhibit F). This permit contained standard Corps conditions a-x (24 in number) plus the three additional conditions of EPA. Included in the 24 Corps conditions are the conditions for applicant

to "at all times be consistent with applicable water quality standards, effluent limitations and standards of performance, prohibitions, and pretreatment standards established pursuant to Sections 301, 302, 306 and 307 of the Federal Water Pollution Control Act of 1972 (P.L. 92-500; 86 Stat. 816), or pursuant to applicable State and local law".

Another subsequent section also adds, "...if applicable water quality standards are revised or modified during the term of this permit the permit will be modified if necessary to conform with such revised standards within 6 months of the revision..."

On September 30, 1977 we applied to the Department of Natural Resources for a tideland permit for this same area. However, due to market changes affecting our need for logs, scheduling our logging operations, together with the need to recover blown down timber in other areas, it became apparent we would not be moving into this area as planned.

It is difficult to be precise in these schedules when we must get our Corps permits started a minimum of six months prior to construction and construction must precede logging by at least one year. This means we are estimating our logging needs one and one-half to as much as three years in advance in relation to needing permits, and we are working with the Forest Service preparatory to writing environmental impact statements as far as eight years in advance of construction for some of these facilities.

In any event, we did not start the work applied for in either the DNR tidelands permit or the Corps permit as expected. On April 16, 1979 we received notice from DNR (Exhibit G) to notify them of our intentions on the tidelands permit or they would close the file. We advised DNR by letter of April 20, 1979 (Exhibit H) of our new estimated dates of construction schedule starting on March 1, 1980 and completion on August 1, 1980.

It was now apparent our logging activities in this area would not be completed during the 1974-79 five-year period but would now fall within the 1979-84 period. This necessitated the FS multi-discipline team review and the inclusion of this area and its facilities in yet another EIS.

We also wrote the Corps on August 8, 1979 (Exhibit I) requesting extension of our permit to cover our new schedule. On October 4, 1979 (after a period of almost two months) we received word from the Corps (Exhibit J) stating they could not extend our permit because we had not commenced work by April 26, 1978 or a year after our original application and must reapply.



On October 16, 1979 we sent a cover letter and application to the Corps (Exhibit K). The letter, application and drawing were basically the identical ones used for our original application of April 26, 1977. On or about October 23, 1979 we received from the Corps a letter (undated) (Exhibit L) designating our application NPACO-RF-P Neets Bay 12 with the reference number 071-OYD-2-790398. We were further informed by the Corps that further action on our permit was suspended because the permit area was within the Alaska coastal zone and we must provide a certification that our activity would comply with the Alaska Coastal Management Program. Also, they advised us that a permit cannot be issued until we have obtained a Certificate of Reasonable Assurance or Waiver of Certification as required by Section 401(a)(1) of the Clean Water Act. This certification or waiver is to be issued by the DEC.

We next received a letter dated November 30, 1979 from DNR (Exhibit M) informing us that our tideland permit ADL 100073 for Neets Bay was to be advertised as shown on the attached notice. We then received a copy of the Corps public notice dated December 7, 1979 (Exhibit N) and attached was a copy of the public notice from the Office of the Governor, Division of Policy Development & Planning (DPDP) for Application for Certification of Consistency with the Alaska Coastal Management Program and also attached was the DEC public notice of Application for Water Quality Certification. This latter certification is assurance that any discharge to waters of the United States resulting from the project described in the Corps permit will comply with the Clean Water Act and applicable state laws, even though the applicant must agree to abide by these laws as a condition of obtaining the permit from the Corps and the permit itself so stipulates (see Corps permit General Conditions part b).

A letter dated December 12, 1979 was sent to the Corps from DPDP (Exhibit O) advising them they had received the application, were reviewing it for Alaska Coastal Management Program Consistency Determination and had distributed the material to the appropriate governmental agencies for a review which they were scheduled to close on January 10, 1980, soon after which they would send the review decision to the Corps. Also, the State Clearinghouse has now assigned State ID No. FD280-79121111FP.

On December 28, 1979 we had a telephone call from the NMFS questioning whether there was enough water under the transfer site to float the log bundles at all tides. We directed him to the plat submitted with our application indicating 50 to 60 feet and pointed out that the site would be of no use for our purposes if the bundles did not float. We agreed to make ourselves available to travel to the site with them. However, we later found they had visited the site without contact with us.



On January 4, 1980 we were copied on a letter sent from the Alaska Department of Fish & Game (ADF&G) (Exhibit P) requesting a one month extension to permit a more thorough evaluation and assessment of the impacts of this development. ADF&G sent copies of this letter to USF&WS, NMFS, EPA, two recipients (Juneau and Anchorage) at DNR, two recipients (both Juneau) at DEC, one other recipient at ADF&G and the State Clearinghouse.

Also, on January 4, 1980 the DPDP wrote the Corps (Exhibit Q) notifying them the Alaska State Clearinghouse was extending the closing date for review from their original January 10, 1980 by fifteen days which they calculated would be a closing date of February 2, 1980. (Actually, 15 days from January 10, 1980 is January 25, 1980).

On January 17, 1980 we received a copy of a letter from EPA to the Corps (Exhibit R) advising them the proposal may have adverse impacts on water quality and/or the aquatic resources and accordingly, coordination with appropriate State and Federal resource agencies was needed and they would expect to provide additional comments within 30 days. The EPA copied USF&WS, ADF&G, DEC and NMFS.

On January 18, 1980 we received a copy of a letter from the Corps to NMFS (Exhibit S) agreeing to extend the review period to February 7, 1980.

On January 29 we received notice and billing from DNR (Exhibit T) for the advertisement for our State Tideland Permit.

On February 8, 1980 we received a copy of a letter from EPA to the Corps (Exhibit U) informing them of no objection to issuance of this permit "provided the applicant complies with all State & Federal resource agency conditions that may be needed to protect the aquatic resources". A copy of this letter went to USF&WS, NMFS, ADF&G, and DEC. Had EPA read the requirements written into a Standard Corps Permit they would have noted the applicant must not only agree to comply with all State and Federal conditions but must also agree to currently comply if rules or regulations are added or modified and we would not now at this late date have to agree with what we must agree with to obtain the valid permit.

On February 15, 1980 we received a letter from the Corps (Exhibit V) enclosing a copy of a letter they received from the ADF&G saying they had reviewed the application and "find this project consistent with those Coastal Zone Management standards we have responsibility for reviewing and have no objections to issuance of a permit, provided the following special stipulations are included:

1. A non violent log transfer facility is employed.

OVERKILL

-6-



2. The permit is limited to a five year period".

Copies of this letter dated February 1, 1980 were sent to NMFS, USF&WS, EPA, 2 recipients at DNR, 2 recipients at DEC, ADF&G, Clearinghouse and to the Applicant.

It is interesting to note that at this late date there is a requirement for a non violent dump when both the original and subsequent applications for permit detailed in the drawings of the facilities as well as in the verbal description of lift-off, non violent type of equipment to be used. Also, the insistence of a five year limitation with no explanation whatsoever of why they think this is necessary or investigation as to whether this limitation is consistent with the applicant's requirements.

We next heard directly from DPDP on February 19, 1980 (Exhibit W). They informed us that, "As currently planned, we have found the proposal to be inconsistent with ACMP. It will be consistent with the ACMP provided the attached stipulations are met.

INCONSISTENT DETERMINATION ATTACHMENT

Conditions related to South Neets Bay Timber Project
(State I.D. # FD 26Q-79121111 FP):

1. The Department of Environmental Conservation must first issue a Certificate of Reasonable Assurance stating that the proposed activity will comply with the requirements of Section 401 of the Federal Water Pollution Control Act Amendments of 1972 as modified by the Clean Water Act of 1977.
2. A non-violent log transfer facility must be employed.

Copies of this letter were sent to Office of Coastal Management (OCM), Department of Law, COE(Corps) and DEC. Again, we have the requirement for a non violent log transfer in the permit application.

At this point we seem to be in the position of not being able to get approval from DPDP until DEC goes to public notice and issues a Certificate of Reasonable Assurance that the project will be in compliance with Section 401 of the Federal Water Pollution Control Act even though this is stipulated by the Corps as a general condition of the permit.

We next received a letter from the Corps dated February 21, 1980 (Exhibit X) and relaying to us a letter they received from NMFS and indicating they had made two on-site inspections of the area to be covered by this application. They state, "As a result of these investigations, we believe that the proposed action will not significantly harm marine, estuarine, or anadromous fisheries resources if the following stipulations are incorporated into the permit:

1. Log transfer methods should be non violent. This will reduce the amount of bark debris knocked off in the transfer process.
2. This permit shall expire in five years.
3. A sufficient amount of clean shot rock shall be placed over all fill material so that erosion and leaching of fill material will not occur".

We were not copied on this letter, necessitating the Corps send us a copy and request our comments to NMFS who must then contact the Corps of our agreement. Also, had this agency read either the original or second application for this facility they, too, would have noted it was specifically for a lift-off (non violent) type and was to be filled entirely by shot rock. They also deemed a five year limitation on the permit without any explanation of the necessity or inquiry of the applicant.

Also on February 21, 1980 we wrote DPDP (Exhibit Y) agreeing to a non violent dump, even though this was the intention from the original application for this permit on April 26, 1977.

On March 3, 1980 we received from the DEC by Certified Mail, Return Receipt Requested (Exhibit Z) a cover letter transmitting to us a State of Alaska Department of Environmental Conservation Certificate of Reasonable Assurance. This document states the log transfer facility consisting of 1,000 cubic yards of shot rock fill and an A-frame lift-off device will be constructed along with other facilities. It then stipulates the following provisions:

1. A spill prevention control and counter measures plan in accordance with 40 CFR 112.4(c)*has been prepared by the applicant and submitted to ADEC.

