

ALASKA LEGISLATURE COMMITTEE FILES 1983-1984 8672

2748 HRES HB 267 - HB 298

2748



STATE OF ALASKA
OFFICE OF THE GOVERNOR

BILL ANALYSIS

Department Fish and Game	Sponsor (Principal) Fuller	Bill Number HB 267
Department Position Neutral		
Division Director Steven Pennoyer <i>SP</i>	Date 3/16/83	Commissioner's Signature Don W. Collinsworth <i>DK Collinsworth</i> Date 3-17-83

GOVERNOR'S OFFICE USE

Comments:

Position Noted By _____ Date _____

SUMMARY

1. a) Related Bills (Similar or Conflicting) SB 180	1. b) Other Agencies Affected by Bill Department of Environmental Conservation
2. a) Organizational Support for Bill Unknown	2. b) Organizational Opposition to Bill Unknown
3. Program Effects of Bill None	
4. Fiscal Impact: <input checked="" type="checkbox"/> None <input type="checkbox"/> Fiscal Note Attached	
5. Amendments Proposed: None	

6. Comments:

Stripping of herring roe and in-water disposal of herring carcasses has been allowed for the Bering Sea in the past with no apparent damage to the natural resources of the area. The disposal provision lapsed this year, which will now require that herring carcasses not be wasted. The current non-waste disposal method has been to deliver the carcasses to reduction plants in Kodiak and Seward, but the Kodiak plant will be closed or operating at reduced levels during 1983, making non-wasteful disposal of Bering Sea herring very difficult.

The Board of Fisheries does have a regulation (5 AAC 27.093) in place that will govern carcass disposal in the Bering Sea.

The Department estimates that the Bristol Bay herring fishery may open as early as the

first or second week in May this year. Therefore, to be effective this season, this bill would have to be signed into law no later than April 30.

Article 3. Herring Spawn.

Section

175. Removal of herring from state

Sec. 16.10.172. Legislative policy on utilization of herring.

Editor's notes. — Section 1, ch. 27, SLA 1980 provides: "LEGISLATIVE FINDINGS AND POLICY ON HERRING STRIPPING. (a) Notwithstanding AS 16.10.172, the legislature finds that in cer-

tain circumstances the processing technique described in AS 16.10.172(3), commonly referred to as "stripping", provides benefits of such importance to the state economy that the benefits may

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§ 16.10.173

FISH AND GAME

§ 16.10.200

outweigh the waste involved in the process.

"(b) It is the policy of the legislature that notwithstanding AS 16.10.173 the disposal of herring carcasses is acceptable only if

"(1) the herring is taken from waters in which the herring population is large enough to support a stripping industry

without substantially reducing the availability of the herring for other uses; and

"(2) the stripping process is conducted in an area of the state where local industry either does not exist or, if it does exist, it is insufficient to provide reasonable economic support to the people who live in the area."

Sec. 16.10.173. Utilization of commercially taken herring.

Editor's notes. — Section 1, ch. 27, SLA 1980 provides: "HERRING STRIPPING. (a) Notwithstanding AS 16.10.173 and until July 1, 1982, the stripping of commercially taken herring for the purpose of removing and selling the roe product is authorized if the herring is taken from and the carcass disposal process occurs in the Bering Sea.

"(b) The Board of Fisheries shall adopt

regulations in accordance with the Administrative Procedure Act (AS 44.62) [AS 44.62.010 — 44.62.650] regarding disposal of herring carcasses for each administrative area where disposal occurs.

"(c) The provisions of AS 46.03.100 apply to the disposal of herring carcasses under this section."

Sec. 16.10.175. Removal of herring from state. (a) It is unlawful for a person to remove herring from the state before the herring has been frozen or otherwise processed for shipment.

(b) In this section, "processed for shipment" includes, but is not limited to, icing, stripping or salting of the herring; however, it does not include salting of the herring if five percent or more of the body weight of the herring consists of roe. (§ 3 ch 27 SLA 1980)

5 AAC 27.070. REGISTRATION AND INSPECTION DOCUMENTS. Repealed 4/14/82.

ARTICLE 3.
PROHIBITIONS

Section

- 90. Unlawful possession of herring or herring gear
- 92. Unlawful acts within an adjacent seaward biological influence zone
- 93. Disposal of herring
- 95. General restrictions
- 96. Violation of reporting requirements
- 97. Violation of landing requirement
- 98. Violation of regulations

5 AAC 27.090. UNLAWFUL POSSESSION OF HERRING OR HERRING GEAR. (a) It is unlawful for any person to possess unprocessed herring aboard a vessel licensed as a commercial fishing vessel within any statistical area unless the season is open or unless the person is acting under the authorization of 5 AAC 27.030(b). This prohibition does not apply to herring possessed for subsistence or personal bait purposes under applicable cable regulations.

(b) It is unlawful for any person to possess aboard a vessel licensed as a commercial fishing vessel within any statistical area any herring or any gear used in the taking of herring if the herring or herring gear are prohibited by other regulations in 5 AAC 27 governing the area, unless the vessel is acting under the authorization of 5 AAC 27.030(b).

(c) It is unlawful for any person to possess, purchase, sell, barter, or transport herring within the state or within waters subject to the jurisdiction of the state if that person knows or has reason to know that that herring was taken or possessed in contravention of the regulations of this chapter. (In effect before 1982; am 4/14/82, Reg. 82)

Authority: AS 16.05.251(a)(4),(7) and (10)
AS 16.05.720
AS 16.05.900
AS 16.05.920

5 AAC 27.092. UNLAWFUL ACTS WITHIN AN ADJACENT SEAWARD BIOLOGICAL INFLUENCE ZONE. It is unlawful for any person to take, attempt to take, cause to be

taken, or possess herring, or to operate, attempt to operate, or cause to be operated any vessel or gear or to possess any gear or to take, attempt to take, cause to be taken, or fail to take any action in violation of 5 AAC 27.010(b).

Authority: AS 16.05.251(a)(4),(7) and (10)
AS 16.05.720
AS 16.05.900
AS 16.05.920

5 AAC 27.093. DISPOSAL OF HERRING. In statistical areas N, T, W and Q, herring carcasses may be disposed of only as follows:

(1) any vessel with less than 5 metric tons of herring on board may only dump herring carcasses in waters more than five fathoms in depth;

(2) any vessel with five metric tons or more of herring on board may only dump herring carcasses in waters more than three miles from the mainland;

(3) or as specified by a permit issued by the Department of Environmental Conservation.

Authority: AS 16.05.251(a)(7)
AS 16.10.172-16.10.173

5 AAC 27.095. GENERAL RESTRICTIONS. A person shall obtain a permit from the department before taking herring during the period June 15 through February 28 in statistical areas K, L, M and N. (In effect before 1982; am 4/14/82, Reg. 82)

Authority: AS 16.05.251(a)(2) and (7)

5 AAC 27.096. VIOLATION OF REPORTING REQUIREMENTS. (a) It is unlawful for any person to file a fish ticket representing the catch governed by the fish ticket as having been taken in a particular statistical area when in fact the catch or part of the catch were taken in another statistical area.

(b) It is unlawful to file any fish ticket containing information which has been purposely falsified.

Authority: AS 16.05.251(a) AS 16.05.900
AS 16.05.690 AS 16.05.920
AS 16.05.720

5 AAC 27.097. VIOLATION OF LANDING REQUIREMENT. It is unlawful for any vessel

CITATION Sec. 16.10.172.

LEGISLATIVE POLICY ON UTILIZATION OF HERRING.

The legislature finds the following: (1) extensive and valuable herring populations are available for harvest in waters subject to the jurisdiction of the state; (2) commercial markets are available for herring processed in several forms; (3) one processing technique presently employed involves deliberately permitting decomposition of the herring carcass to allow for removal and subsequent sale of the roe product, with the consequence that the flesh is unusable and discarded. The legislature declares that the process referred to in (3) of this section is wasteful and does not constitute utilization of this resource for the maximum benefit of the people. Therefore, it is the policy of the legislature that this process should be eliminated to the fullest extent possible.

HISTORY (Sec. 1 ch 9 SLA 1977)

CITATION Sec. 16.10.173.

UTILIZATION OF COMMERCIALY TAKEN HERRING.

(a) It is unlawful for a person, as defined in AS 01.10.060 and including a joint venture, to waste or to cause to be wasted any commercially taken herring.

(b) As used in this section, "waste" means the failure to use the flesh of commercially taken herring for reduction to meal, production of fish food, human consumption, food for domestic animals, scientific or educational purposes, food for herring bait. Normal, inadvertent loss of flesh associated with the uses described in this subsection which cannot be prevented by practical means does not constitute waste. The commissioner may authorize other uses of commercially taken herring not inconsistent with the intent of this section and sec. 172 of this chapter at his discretion upon receipt of a request accompanied by a detailed justification.

(c) For purposes of this section, "flesh" means all muscular body tissue surrounding the bony skeleton of the herring.

(d) The Board of Fisheries may adopt regulations under the Administrative Procedure Act (AS 44.62) it considers necessary for implementation of this section. The board may delegate its authority under this section to the commissioner.

(e) The provisions of this section do not apply to herring taken commercially in the Bering Sea (including appurtenant bays, sounds, estuaries, and water of the state) north of 56 North Latitude, until January 1, 1979.

HISTORY (Sec. 1 ch 9 SLA 1977)

Sec. 46.02.100. Waste disposal permit. (a) A person who conducts an operation which results in the disposal of solid or liquid waste material or heated process or cooling water into the waters or onto the land of the state must procure a permit from the department before disposing of the waste material or water. The permit must be obtained for direct disposal and for disposal into publicly operated sewerage systems

(b) This section does not apply to a person discharging only domestic sewage into a sewerage system. (§ 3 ch 120 SLA 1971; am § 3 ch 220 SLA 1976)

Effect of amendment. — The 1976 amendment in the first sentence of subsection (a), substituted "an operation" for "a commercial or industrial operation," inserted "or heated process or cooling water" and "or onto the land," and added "or water" to the end of the sentence.

Sec. 46.03.110. Waste disposal permit procedure. (a) An application for a permit shall be made on forms prescribed by the department or on forms prescribed by the United States Environmental Protection Agency and shall contain the name and address of the applicant, a description of his operations, the quantity and type of waste material sought to be disposed of, the proposed method of disposal, and any other information considered necessary by the department. Application for permit shall be made at least 60 days before commencement of a proposed discharge.

(b) Upon receipt of a proper application the department shall publish notice of the application in two separate publications of a newspaper of general circulation within the general area in which the disposal of waste material is proposed to be made. The notice may also be published in other appropriate information media. The notice shall include a statement that a person who wants to present his views to the department in regard to the application may do so in writing to the department within 30 days of the second publication of the notice. The written response entitles the writer to a copy of the application.

(c) When the department receives an application, the commissioner shall immediately send copies of the application to the commissioner of fish and game, the commissioner of natural resources, the commissioner of commerce and economic development and the commissioner of health and social services.

(d) The department may specify in a permit the terms and conditions under which waste material may be disposed of. The terms and conditions shall be directed to avoiding pollution and to otherwise carry out the policies of this chapter. No permit may be effective for a period in excess of five years from the date of issuance.

(e) If the department has certified a National Pollutant Discharge Elimination System permit under sec. 401 of the Federal Water Pollution Control Act Amendments of 1972 (33 U.S.C. sec. 1341), and the United States Environmental Protection Agency has issued that permit to a person, the department may waive the requirements of this section, and adopt the federal permit as the permit required under § 100 of this chapter. (§ 3 ch 120 SLA 1971; am § 6 ch 104 SLA 1971; am § 116 ch 218 SLA 1976; am §§ 4, 5 ch 220 SLA 1976)

Effect of amendments. — The first 1976 amendment substituted "commissioner of commerce and economic development" for "commissioner of economic development" in subsection (c).

The second 1976 amendment inserted "or on forms prescribed by the United States Environmental Protection Agency" in the first sentence of subsection (a) and added subsection (e).

Article 3. Herring Spawn.

Section	Section
140 — 170. [Repealed]	173. Utilization of commercially taken herring
172. Legislative policy on utilization of herring	

Secs. 16.10.140 — 16.10.170.

Repealed by § 2 ch 91 SLA 1970.

Sec. 16.10.172. Legislative policy on utilization of herring. The legislature finds the following: (1) extensive and valuable herring populations are available for harvest in waters subject to the jurisdiction of the state; (2) commercial markets are available for herring processed in several forms; (3) one processing technique presently employed involves deliberately permitting decomposition of the herring carcass to allow for removal and subsequent sale of the roe product, with the consequence that the flesh is unusable and discarded. The legislature declares that the process referred to in (3) of this section is wasteful and does not constitute utilization of this resource for the maximum benefit of the people. Therefore, it is the policy of the legislature that this process should be eliminated to the fullest extent possible. (§ 1 ch 9 SLA 1977)

Effective date. — Section 2, ch. 9, SLA 1977, provides: "This Act takes effect January 1, 1978."

Sec. 16.10.173. Utilization of commercially taken herring. (a) It is unlawful for a person, as defined in AS 01.10.060 and including a joint venture, to waste or to cause to be wasted any commercially taken herring.

(b) As used in this section, "waste" means the failure to use the flesh of commercially taken herring for reduction to meal, production of fish food, human consumption, food for domestic animals, scientific or educational purposes, or round herring bait. Normal, inadvertent loss of flesh associated with the uses described in this subsection which cannot be prevented by practical means does not constitute waste. The commissioner may authorize other uses of commercially taken herring not inconsistent with the intent of this section and § 172 of this chapter at his discretion upon receipt of a request accompanied by a detailed justification.

(c) For purposes of this section, "flesh" means all muscular body tissue surrounding the bony skeleton of the herring.

(d) The Board of Fisheries may adopt regulations under the Administrative Procedure Act (AS 44.62) it considers necessary for implementation of this section. The board may delegate its authority under this section to the commissioner.

(e) The provisions of this section do not apply to herring taken commercially in the Bering Sea (including appurtenant bays, sounds, estuaries, and water of the state) north of 56° North Latitude, until January 1, 1979. (§ 1 ch 9 SLA 1977)

Effective date. — Section 2, ch. 9, SLA 1977, provides: "This Act takes effect January 1, 1978."

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STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

**DEPARTMENT OF PUBLIC SAFETY
OFFICE OF THE COMMISSIONER**

POUCH N
JUNEAU, ALASKA 99811
PHONE:

March 21, 1983

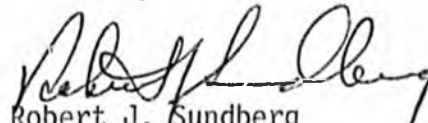
465-4322

The Honorable John Ringstad
Chairman, House Resources Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Ringstad:

The Division of Fish and Wildlife Protection, Department of Public Safety, supports HB 273. The Guide Board has been instrumental in decreasing guide violations by disciplining those who have violated and has fairly dealt with the industry in other areas. We concur with your recognized need for this Board and will support your efforts to see passage of this piece of legislation.

Sincerely,


Robert J. Sundberg
Commissioner

cc: Colonel Robert M. Henderson, Director, F&WP

HB 273 "An Act continuing the Guide Licensing and Control Board, and authorizing the board to license marine mammal guides."

SHORT SECTIONAL ANALYSIS

Section 1 simply extends the sunset date on the board from June 30, 1982 to June 30, 1986. The board was extended last year in SB 834, but the bill was vetoed by the Governor because it contained certain unrelated language regarding the validity of regulations promulgated by the administration. Governor Hammond saw the additional section as an invasion of the separation of powers provision of the Constitution.

Technically, the board sunsetted at the end of the last fiscal year, and is now in its wind-down year. Unless the legislature extends its life, it will completely cease to function on June 30.

Section 2 would allow the Guide Licensing and Control Board to take on marine mammal guiding, for which it has already adopted the necessary regulations. It is anticipated that at some point in the next few years the state will regain management authority over marine mammals from the federal government, and it would be helpful to have in place the necessary statutes and regulations to manage the guiding industry on those species.

Editor's notes. — This section was redrafted by the revisor of statutes to remove personal pronouns in conformity with AS 01 05 031(c) and § 4, Chapter 68, SLA 1982.

Cross references. — As to constitutionality of ch. 102, SLA 1978, see notes to AS 09 65 536 and Alas. Const., art. II, § 14.

Chapter 03. Termination, Continuation and Reestablishment of Regulatory Boards.

Section	Section
10. Termination dates for regulatory boards	20. Procedures governing termination, transition and continuation

Cross references. — Auto review of the activities of agencies, boards and commissions, see AS 44 66 010 et seq.

Sec. 08.03.010. Termination dates for regulatory boards. (a) Boards listed in this subsection have a termination date of June 30, 1979:

- (1) Repealed by § 3 ch 36 SLA 1980.
- (2) Repealed by § 3 ch 40 SLA 1980.
- (3) Repealed by § 3 ch 87 SLA 1980.
- (4) Repealed by § 3 ch 74 SLA 1979.
- (5) Repealed by § 3 ch 39 SLA 1980.
- (6) Repealed by § 3 ch 37 SLA 1980.
- (7) Repealed by § 3 ch 38 SLA 1980.
- (8) Repealed by § 3 ch 41 SLA 1980.
- (9) Repealed by § 3 ch 67 SLA 1980.
- (10) Repealed by § 2 ch 43 SLA 1980.
- (11) Repealed by § 3 ch 42 SLA 1980.

(b) Boards listed in this subsection have a termination date of June 30, 1980:

- (1) Repealed by § 15 ch 32 SLA 1980.
- (2) Repealed by § 5 ch 159 SLA 1980.
- (3) Collection Agency Board (AS 08 24.011) (obsolete);
- (4) Repealed by § 5 ch 159 SLA 1980.
- (5) Repealed by § 11 ch 71 SLA 1980.
- (6) Repealed by § 7 ch 72 SLA 1980.
- (7) Repealed by § 2 ch 53 SLA 1981.
- (8) Repealed by § 8 ch 143 SLA 1980.
- (9) Repealed by § 42 ch 167 SLA 1980.
- (10) Repealed by § 2 ch 153 SLA 1980.
- (11) Repealed by § 13 ch 52 SLA 1981.

(c) The following boards have the termination date provided by this subsection:

- (1) Board of Nursing (AS 08 68 010) — June 30, 1983.
- (2) Board of Chiropractic Examiners (AS 08 20 010) — June 30, 1981.

(3) Board of Examiners in Optometry (AS 08 72 010) — June 30, 1984.

(4) Board of Pharmacy (AS 08 80 010) — June 30, 1984.

(5) Board of Dispensing Opticians (AS 08 71 010) — June 30, 1985.

(6) Board of Dental Examiners (AS 08 36 010) — June 30, 1986.

(7) Board of Veterinary Examiners (AS 08 98 010) — June 30, 1985.

(8) State Physical Therapy Board (AS 08 84 010) — June 30, 1986.

(9) Board of Nursing Home Administrators (AS 08 70 010) — June 30, 1986.

(10) Board of Psychologist and Psychological Associate Examiners (AS 08 86 010) — June 30, 1982.

(11) State Medical Board (AS 08 64 010) — June 30, 1983.

(12) Board of Marine Pilots (AS 08 62 010) — June 30, 1983.

(13) Board of Welding Examiners (AS 08 99 010) — June 30, 1981 (obsolete).

(14) Board of Electrical Examiners (AS 08 40 010) — June 30, 1986.

(15) State Board of Registration for Architects, Engineers, and Land Surveyors (AS 08 48 011) — June 30, 1984.

(16) Board of Barbers and Hairdressers (AS 08 13 010) — June 30, 1984.

(17) Board of Public Accountancy (AS 08 04 010) — June 30, 1984.

(18) Real Estate Commission (AS 08 88 011) — June 30, 1986.

(19) Board of Governors of the Alaska Bar Association (AS 08 08 040) — June 30, 1985.

(20) Guide Licensing and Control Board (AS 08 54 010) — June 30, 1982.

(d) Repealed by § 3 ch 74 SLA 1979.

(e) Repealed by § 3 ch 74 SLA 1979. (§ 2 ch 149 SLA 1977; am §§ 1, 3 ch 74 SLA 1979; am §§ 1, 3 ch 36 SLA 1980; am §§ 1, 3 ch 37 SLA 1980; am §§ 1, 3 ch 38 SLA 1980; am §§ 1, 3 ch 39 SLA 1980; am §§ 1, 3 ch 40 SLA 1980; am §§ 1, 3 ch 41 SLA 1980; am §§ 1, 3 ch 42 SLA 1980; am §§ 1, 2 ch 43 SLA 1980; am §§ 1, 3 ch 67 SLA 1980; am §§ 10, 11 ch 71 SLA 1980; am §§ 0, 7 ch 72 SLA 1980; am §§ 2, 15 ch 82 SLA 1980; am §§ 1, 3 ch 87 SLA 1980; am §§ 7, 8 ch 143 SLA 1980; am §§ 1, 2 ch 153 SLA 1980; am §§ 2, 5 ch 159 SLA 1980; am §§ 41, 42 ch 167 SLA 1980; am §§ 1, 13 ch 52 SLA 1981; am §§ 1, 2 ch 53 SLA 1981; am § 1 ch 28 SLA 1982; am § 1 ch 60 SLA 1982; am § 1 ch 96 SLA 1982)

Revisor's notes. — Subsection (c) was rearranged by the revisor of statutes pursuant to AS 01 05 031 to conform to a logical arrangement of the subject matter.

Cross references. — For present provisions covering the subject matter of subsection (c) as it read prior to the 1979 amendment and of former subsections (d) and (e), see AS 08 03 020.

Effect of amendments. — The 1979 amendment repealed paragraph (1) of subsection (a), which read "Board of Nursing (AS 08 68 010)," rewrite subsection (c), and repealed subsections (d) and (e), which read "The termination, dissolution, continuation or reestablishment of a regulatory board shall be governed by the legislative oversight procedures of AS

for shipping to its destination for the purpose of human consumption. If the meat is delivered to a person other than the person who took the animal, a signed and dated statement or receipt stating the kind and quantity of meat received in approximate pounds or named portions of the carcass must be obtained from the recipient and presented upon request to any officer authorized to enforce this chapter. (Eff. 6/28/74, Reg. 50)

Authority: AS 08.54.050

12 AAC 38.120. COOPERATION WITH OFFICIALS. Failure on the part of a guide to assist the Departments of Fish and Game and Public Safety in determining the truth of any statements reported in accordance with 12 AAC 38.030 - 12 AAC 38.180 is considered a violation of ethical conduct. (Eff. 6/28/74, Reg. 50)

Authority: AS 08.54.050

12 AAC 38.130. REQUIREMENT FOR AN ASSISTANT GUIDE LICENSE. Repealed 5/12/79.

12 AAC 38.140. REQUIREMENTS FOR A REGISTERED GUIDE LICENSE. In addition to the requirements of AS 08.54.110, to be qualified for a registered guide license, a person must

(1) demonstrate to the board that he has spent 90 days in the field acting as an assistant guide as certified by the master or registered guides who employed him;

(2) not have violated a federal or state sport fish, game or guide statute or regulation or engaged in unethical activity, unsafe activity or activity which adversely affects the natural resources of the state for the preceding five years. (Eff. 6/28/74, Reg. 50)

Authority: AS 08.54.050
AS 08.54.110(12)

12 AAC 38.150. REQUIREMENTS FOR A MASTER GUIDE. In addition to the requirements of AS 08.54.100, to be qualified for a master guide license a person must have acted as a registered guide for 12 consecutive years. (Eff. 6/28/74, Reg. 50)

Authority: AS 08.54.050
AS 08.54.100(5)

12 AAC 38.155. REQUIREMENTS FOR MARINE MAMMAL GUIDE LICENSE. (a) To help provide economic opportunity for residents of rural coastal Alaska who engage in subsistence uses of marine mammals, the board will, in its discretion, issue a marine mammal guide license to an applicant who meets the following criteria:

(1) is at least 21 years old;

(2) has legally hunted marine mammals during each of at least 10 years, in a manner directly contributing to his experience and competency as a marine mammal guide;

(3) is physically able to perform the services of a marine mammal guide;

(4) demonstrates to the board sufficient standards of competence and ethical conduct and has not been convicted of a crime of moral turpitude;

(5) passes a qualification examination approved by the board and administered by the board or its agent, which covers the following areas:

(A) fishing, hunting, and guiding regulations;

(B) relevant characteristics of marine mammals;

(C) relevant characteristics of the ice, ocean, currents, and weather;

(D) field preparation of trophies;

(E) care of meat;

(F) firearms safety;

(G) practical first aid;

(H) photography; and

(I) booking and contracting guided hunts.

(b) A marine mammal guide will be authorized only to contract for and conduct guided hunts for species of marine mammals and in geographic areas of the state designated by the board.

(c) No marine mammal guide may contract for, or guide, more than two hunters in the field on any one hunt.

(d) A marine mammal guide must comply with AS 08.54 and 12 AAC 38. (Eff. 10/15/82, Reg. 84)

Authority: AS 08.54.040(a) and (b)
AS 08.54.050

12 AAC 38.156. REQUIREMENTS FOR ASSISTANT MARINE MAMMAL GUIDE LICENSE.

(a) To help provide economic opportunity for residents of rural coastal Alaska who engage in subsistence uses of marine mammals, the board will, in its discretion, issue an assistant marine mammal guide license to an applicant who meets the following criteria:

(1) is at least 19 years old;

(2) has legally hunted marine mammals during each of at least seven years, in a manner directly contributing to his experience and competency as an assistant marine mammal guide;

(3) is physically able to perform the duties of an assistant marine mammal guide; and

(4) demonstrates to the board sufficient standards of competence and ethical conduct and has not been convicted of a crime of moral turpitude.

(b) No assistant marine mammal guide may

(1) book or contract for a guided marine mammal hunt;

(2) conduct a guided hunt for marine mammals; or

(3) guide for a marine mammal, unless under the immediate supervision of a licensed marine mammal guide. (Eff. 10/15/82, Reg. 84)

Authority: AS 08.54.040(a) and (b)
AS 08.54.050

12 AAC 38.160. IMPROPER CERTIFICATION. No master or registered guide may improperly certify that a person has met the qualifications for a guide license. (Eff. 6/28/74, Reg. 50)

Authority: AS 08.54.050

12 AAC 38.170. IMPROPER REPORTING. No guide may knowingly falsify any information required to be set out on any form required by the Alaska Department of Fish and Game or the Guide Licensing and Control Board. (Eff. 6/28/74, Reg. 50)

Authority: AS 08.54.050

12 AAC 38.175. EMPLOYMENT AND SUPERVISION OF ASSISTANTS. A registered or master guide may employ an unlimited number of registered, master, or class A guides to assist in his guiding operation; a registered or master guide may employ or have under his supervision an unlimited number of employees and helpers who hold assistant guide licenses, but not more than three employees may act in the capacity of, or be employed as, assistant guides at the same time by the same registered or master guide. No assistant guide employed or acting in a capacity other than as assistant guide may count any period of such other employment toward qualification for a registered, master or class A guide license. (Eff. 6/15/80, Reg. 74)

Authority: AS 08.54.210(a)(6)
AS 08.54.050
AS 08.54.040(a)(2)

12 AAC 38.180. GUIDING ETHICS. Unethical activity includes, but is not limited to

(1) not fully cooperating with state and federal wildlife officials or not abiding by and advising clients and personnel of all applicable conservation and game laws and regulations or condoning their violation;

(2) misrepresenting or not clearly defining rates, accommodations and services to prospective clients prior to booking and acceptance of deposit, or otherwise misleading prospective clients through false or fictitious advertising;

(3) being unwilling or incapable of making financial restitution to a client for any breach of

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
POSITION PAPER

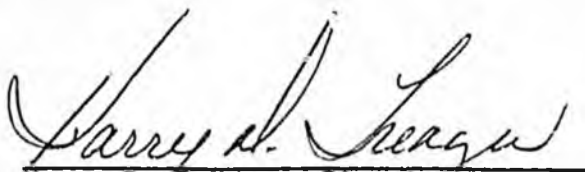
HB 273: "An Act continuing the Guide Licensing and Control Board, and authorizing the board to license marine mammal guides; and providing for an effective date."

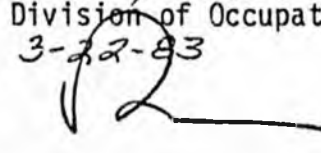
The Department of Commerce and Economic Development supports the continuation of the Guide Licensing and Control Board and the addition of licensing and regulating functions for marine mammal guides to the board.

In 1982, legislation to continue the board was passed by the Legislature and was subsequently vetoed by the Governor. The veto was due to language that "violated the constitutional separation-of-powers doctrine and determined to violate Article III, sections 1, 16 and 24 of the Alaska Constitution by infringing upon the inherent authority of the Guide Board to adopt interpretative regulations to execute AS 08.54." (Letter from Governor Hammond to Senate President Jalmar Kerttula, dated June 24, 1982.) This language is not in SB 138.

The board has responsibly addressed issues that concern licensed professional guides and the protection of resources. Two major issues which involved the board were land withdrawals under D2 and their effects on the guiding industry, and the preparation of a licensing program in anticipation of the Federal Government returning marine mammal protection and management to State jurisdiction. A marine mammal guide licensing program, including an examination (both oral and written), has been formulated and administered on a trial basis. The board held meetings in Western Alaska, and worked with Native representatives from the Arctic villages to establish the program.

The Alaska Professional Hunters Association also supports continuation of the Guide Licensing and Control Board.


Harry D. Treager, Director
Division of Occupational Licensing
3-22-83

 3/22/83
Richard A. Lyon, Commissioner
Department of Commerce and
Economic Development

STATE OF ALASKA
FISCAL NOTE

Revision Date March , 1983

I. REQUEST

Bill/Resolution No.: HB 273
 Title: An Act continuing the Guide Licensing
 Sponsor: Resources Committee & Control Bd.
 Requestor: _____

II. FISCAL DETAIL

Agency Affected: Commerce & Econ. Development
 Program Category Affected: Public Protection
 BRU, Program of Subprogram(s) Affected: Licensing Boards

EXPENDITURES, REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	18.0	19.0				
CAPITAL						
REVENUE	* 38.8					

FUNDING: (Thousands of Dollars)

GENERAL FUND	18.0	19.0				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Harry D. Treager, Director
 Division: Occupational Licensing
 Approved by Commissioner: Richard A. Lyon
 Department: Commerce & Economic Development

Phone: 465-2534
 Date: 3-22-83
 Date: 3/22/83

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

HB 273: FISCAL NOTE ANALYSIS

Expenditures are those funds allocated for board per diem and travel only, under the division's budget - Licensing Boards component.

Additional expenditures in support of the board are allocated through the Administrative component of the division's budget. The licensing examiner assigned to the Guide Board serves two other licensing boards in addition to the Guide Licensing and Control Board.

The legislation, as written, will not add a fiscal impact.

Funding for the board has been included in the FY '84 request.

GUIDE LICENSING AND CONTROL BOARD STATISTICS

I. NUMBER OF CURRENT LICENSEES BY TYPE OF LICENSE - 12/31/82

Assistant Guide		666
Class A Assistant Guide		122
Registered Guide		346
Master Guide		41
	Subtotal	<u>1,175</u>
Transporter		75
	Total	<u>1,250</u>

II. HEARINGS FOR LICENSE VIOLATIONS AND AREA NONUSE (FY '82)

	<u>Lic.</u>	<u>Area</u>
Pending	4	17
Opened	6	44
Held	9	49
Completed	8	46

5 Revoked
 1 Suspended
 1 Denied
 1 Approved
8

III. NUMBER OF LICENSES ISSUED BY FISCAL YEAR BY TYPE OF LICENSE

<u>YEAR</u>	<u>MASTER</u>	<u>REGISTERED</u>	<u>CLASS A</u>	<u>ASSISTANT</u>	<u>TRANSPORTER</u>
1973	11	397*	126*	735*	---
1974	17	*	*	*	---
1975	1	*	*	*	---
1976	3	11	40	202	---
1977	4	18	23	109	6**
1978	4	18	18	112	47
1979	2	18	9	135	24
1980	2	16	12	151	15
1981	2	21	11	123	32
1982	<u>1</u>	<u>26</u>	<u>6</u>	<u>124</u>	<u>26</u>
TOTALS	47	525	245	1,691	150

* Figures for 1973-5 merged

** Licensing of transporters began in FY '77

IV. EXCLUSIVE AREAS

There are 366 exclusive areas statewide.

STATE OF ALASKA

DEPARTMENT OF PUBLIC SAFETY

DIVISION OF FISH & WILDLIFE PROTECTION

BILL SHEFFIELD, GOVERNOR

ROBERT J. SUNDBERG
COMMISSIONER

P. O. BOX 6188, ANNEX
ANCHORAGE, ALASKA 99502

February 4, 1983

Paul Conger
Legislative Aide
Department of Public Safety
450 Whittier Street
Juneau, Alaska 99801

Dear Paul:

This is in response to the request by the House Resource Committee for information on the hunting and fishing guides in the State of Alaska.

In regards to fishing guides we have numerous individuals who provide charter and commercial fishing trips throughout the state, however, there is only one area within the state that has specific regulations relating to sport fishing guides, and that is on the Kenai River, located on the Kenai Peninsula. I am enclosing a copy of the codification of Register 82, 5 AAC 56.036, Kenai River Guiding Requirements. The sport fish guides on the Kenai River are required to maintain logs and provide information on their trips, however, reporting of monetary remuneration is not required.

It is estimated that a guided sport fish trip on the Kenai River costs approximately \$80.00 to \$100.00 per person.

The following information pertains to the sport fish guides who registered with the Department of Fish and Game in 1982, the first year of the regulation being in effect.

- 207 Sport fish guides who registered and were issued log books
- 43 Did not actually fish -- no logs
- 56 Sport fish guides who took 50 or more clients
- 125 Separate sport fish guide business, with one or more guides employed
- 179 Boats registered by guides

There were approximately 24,880 man days of sport fishing efforts by the guides and clients on the Kenai River in 1982.

It is a requirement for game guides to submit a statement of financial remuneration report that does reflect the name of the client(s) who was/were guided. Enclosed is a blank statement of a financial remuneration form that shows the required information that must be submitted on all guided hunts.

There is no requirement that a guide must show the amount of monetary remuneration received from a client for the guide service provided.

There is a space provided on the form that the guide must mark to indicate if financial remuneration was or was not received from a client.

We have the following classification and numbers of guides in the state of Alaska as of this date.

Master Guides	41
Registered Guides	346
Class A Assistant Guides	122
Assistant Guides	666

In 1981 there were approximately 1120 non-resident clients and 350 non-resident alien clients who were provided guide service.

In 1980 there were a combined total of 1600 non-resident and non-resident alien clients provided with guide service. We have not had an opportunity to compile the number of clients receiving guide service for 1982.

The following information is an estimated high and low cost that a guide charges for the animal hunted by a client.

Sheep	\$4,500 to \$5,500
Moose	\$3,000 to \$4,000
Caribou	\$1,500 to \$2,500
Black Bear	\$1,500 to \$2,500
Brown Bear	\$5,000 to \$9,000

There are some guides who will charge a client a lesser overall price for a combination hunt as when compared to a single animal hunt. For more information on prices we suggest contacting the Alaska Professional Hunters Association.

Paul Conger

3

February 4, 1983

If we can be of further assistance to you on this matter, please let us know.

Sincerely,



Captain James R. Nutgrass
Operations Commander

JRN/rt
Attachment

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: HB 273
 Title: "Guide Licensing & Control Board"
 Sponsor: House Resources
 Requestor: House Resources

II. FISCAL DETAIL

Agency Affected: Public Safety
 Program Category Affected: F&WP
 BRU, Program of Subprogram(s) Affected: Fish and Wildlife Protection

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis No fiscal impact anticipated

Prepared By: Paul A. Conger Phone: 464-4338
 Division: Administrative Services Date: 3/21/83
 Approved by Commissioner: [Signature] Date: 3/21/83
 Department: Public Safety

Distribution:

Original to Legislative Finance
 Copy to Office of Management and Budget (for Legislature introduced bills)
 Copy to Department (for Governor introduced bills)
 Copy to Sponsor
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3/8/83

SENATE BILL 138 EXTENDS THE GUIDE LICENSING & CONTROL BOARD FOR ANOTHER" FOUR YEARS. I WOULD URGE ITS PASSAGE FOR THE FOLLOWING REASONS: TESTIMONY BEFORE OUR SENATE COMMITTEE SHOWED THE PROFESSION IS A VERY VIABLE INDUSTRY GENERATING 320 MILLION INTO THE ECONOMY. IN MANY RESPECTS, IT IS A FACTOR OF THE TOURIST TRADE. THE HUNTER CLIENT SPENDS MONEY FOR TRAVEL, HOTEL, SPECIAL GIFTS, AND STATE LICENSES AND GAME TAGS. THE NON-RESIDENT LICENSE MONEY IS USED ON A 4 TO 1 MATCHING PROGRAM UNDER THE FEDERAL PITTMAN-ROBENSON ACT. THE MONEY HAS FUNDED 80 TO 90% OF STATE PROGRAMS.

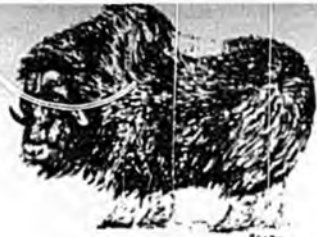
THE GUIDE BOARD HAS BEEN INEXISTENCE FOR TEN YEARS. IT HAS ACCOMPLISHED MANY THINGS. IT HAS DEVELOPED A HIGH STANDARD OF PERFORMANCE. IN DOING SO IT HAS REVOKED OVER 25 GUIDE LICENSES. MANY OF THESE WERE SOME OF THE BIG OPERATORS IN THE STATE. THE INDUSTRY HAS BECOME VERY CONSERVATION MINDED AND HAS WORKED CLOSELY WITH BOTH THE DEPARTMENT OF GAME AND THE FISH AND WILDLIFE PROTECTION.

THE BOARD HAS ESTABLISHED ORDER BY HAVING BOUNDARIES IN WHICH THE GUIDE MUST WORK. THIS HAS ELIMINATED CONFLICT IN THE FIELD.

THE BOARD HAS HELD HEARINGS AND WORKED CLOSELY WITH THE WALRUS COMMISSION TO DEVELOP REGULATIONS FOR LICENSING MARINE MAMMAL GUIDES. THE STATE IS IN THE PROCSSE OF TAKING OVER MANAGEMENT AND WHEN THIS HAPPENS IT WILL BE A BIG HELP IN SUPPLEMENTING THE ARCTIC ECONOMY.

TESTIMONY WAS RECEIVED FROM NEW AND YOUNG GUIDES, THAT THE PROGRAM IS WORKING AND THEY HAVE AN OPPORTUNITY TO WORK INTO THE SYSTEM.

I URGE THE PASSAGE OF S.B. 138.



GUIDED TOURS FOR
WALRUS - MUSK-OX
SPORT FISHING
PHOTOGRAPHY ADVENTURES

Nunivak Island Guide Service

Ed J. Shavings, Sr.
Registered Alaskan Guide

ASSISTANT GUIDES

Chuck Shavings
Tom G. Amos

P.O. BOX 31
MEKORYUK, ALASKA 99630

March 17, 1983



MEMBER
A.P.H.A. - N.R.A.
S.C.I.

Associates
L & S OUTFITTERS

Rep. Ringstead, Co-Chairman
House of Resource Committee
Pouch V
Juneau, Alaska 99811

Dear Rep. Ringstead:

This is to let you know that I am fully supporting Guide Bill 138 in the House.

I would like to see continuation of the Guide Board in the State we live in today as with out Guide Board, guiding in Alaska will not function right.

Being Arctic representative I have been working hard to get Sea Mammal Guides started in coastal areas for walrus and Polar bear hunting.

There are many Ivory carvers in coastal areas, but there are good hunters who needs to be licensed to become Sea Mammal Guides.

Sincerely yours,

Edward J. Shavings, Sr.

Edward J. Shavings, Sr.

Arctic Representative for
Alaska Professional Hunter's Association

STATE OF ALASKA

DEPARTMENT OF PUBLIC SAFETY
OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH N
JUNEAU, ALASKA 99811
PHONE:

March 21, 1983

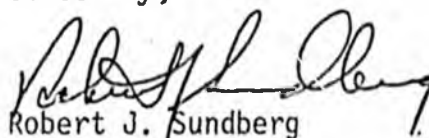
465-4322

The Honorable John Ringstad
Chairman, House Resources Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Ringstad:

The Division of Fish and Wildlife Protection, Department of Public Safety, supports HB 273. The Guide Board has been instrumental in decreasing guide violations by disciplining those who have violated and has fairly dealt with the industry in other areas. We concur with your recognized need for this Board and will support your efforts to see passage of this piece of legislation.

Sincerely,



Robert J. Sundberg
Commissioner

cc: Colonel Robert M. Henderson, Director, F&WP

H B

276

I. REQUEST

Bill/Resolution No.: HB 276
 Title: An act amending the ag loan act
 Sponsor: Schultz and others
 Requestor: _____

II. FISCAL DETAIL

Agency Affected: DNR
 Program Category Affected: ARLF
 BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		-0-	-0-	-0-		
CAPITAL		-0-	-0-	-0-		
REVENUE		-0-	-0-	-0-		

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Sharon Barton Phone: 465-2400
 Division: Commissioner's Office Date: 4-7-83
 Approved by Commissioner: _____ Date: 4-7-83
 Department: Natural Resources

Distribution:

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- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

- (2) designate agents and delegate its powers to them as necessary;
- (3) adopt rules and regulations necessary to carry out its functions;
- (4) establish amortization plans for repayment of loans, which may include delayed payments of principal and interest for not to exceed five years;
- (5) enter into agreements with private lending institutions, other state agencies or agencies of the federal government, to carry out the purposes of this chapter. (§ 4 ch 122 SLA 1953; am § 1 ch 156 SLA 1955; am § 1 ch 41 SLA 1961; am § 1 ch 113 SLA 1982)

Effect of amendments. — The 1982 inserted "clearing land for agricultural amendment, effective June 25, 1982, purposes" in paragraph (1).

Sec. 03.10.030. Limitations on loans. (a) A farm development, chattel, or irrigation loan made under this chapter

- (1) may not exceed a term of 30 years;
- (2) may not, when added to the outstanding balance of other loans made under this chapter, exceed a total outstanding balance of \$1,000,000;
- (3) shall be secured by a real estate or chattel mortgage of any priority, except that the portion of a loan that exceeds \$500,000, when added to prior indebtedness that is secured by the same property, must be secured by a first mortgage;
- (4) shall bear interest at a rate that may not be less than eight percent or more than the commercial rate, unless the commercial rate is eight percent or less; in this paragraph "commercial rate" means the prevailing rate of interest at private lending institutions in the state for loans similar to those referred to in this subsection.

(b) Repealed by § 72 ch 113 SLA 1982.

(c) A short term loan, to be amortized within one year, not to exceed \$200,000 to any one borrower may be made for operating purposes.

(d) Repealed by § 72 ch 113 SLA 1982.

(e) An installment payment is delinquent unless it is mailed by the borrower on or before the 30th day after the date specified for payment in the loan agreement or unless it is received by the department on or before the 30th day after the date specified for payment in the loan agreement. If an installment payment is delinquent, the director may assess a delinquency penalty. The delinquency penalty shall be an amount equal to seven percent of the delinquent payment, but the combined delinquency penalty and loan interest may not exceed 15 percent.

(f) A farm product processing loan may not exceed \$250,000. A mortgage which secures a farm product processing loan may be of any priority if the total indebtedness on the real estate, including the secured farm product processing loan, does not exceed \$250,000. A farm product processing loan which, if made, would raise the existing

APPENDIX A

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AGRICULTURAL REVOLVING LOAN FUND
TYPE OF LOANS AND TERMS
For the Fiscal Year Ended June 30, 1982

Loan Types and Terms

As specified by AS 03.10.030, the following six types of loans are made:

<u>Type</u>	<u>Limit</u>	<u>Current Interest Rate</u>	<u>Terms</u>	<u>Purpose</u>
Short-term	\$200,000	Not addressed	1 year	Operation of farm
Chattel	Total outstanding balance may not exceed \$1,000,000 when added to other loans	(Note 1)	30 years	Animals, equipment
Farm Development			30 years	Land, improvements, buildings
Irrigation			30 years	Irrigation equipment
Farm Product Processing	\$250,000	Not less than 8%	30 years	Processing of agricultural products
Land Clearing	\$250,000	Not less than 8%	20 years	Clear land for planting

Note 1: Chapter 113, SLA 1982, effective June 25, 1982, amended the statutory interest rate to not less than eight percent or more than commercial rate, unless the commercial rate is eight percent or less. The Commissioner may establish interest rates for loans within these statutory guidelines.

TELEGRAM

Alascom Telegraph Office

Alascom Telegraph Office

23 MAR 83 11: 17

TEL NR	474-7188
FOINED TO	AD50
DISP	WPU
CLERK & TIME	10:05/29
LWWC 9125A 13/29	

02204 NL TDA JUNEAU AK 154 03-28 752 AST

PMS JAMES DREW 4793947 474-7188

4848 PALC VERDE

FAIRBANKS AK 99701

02289

I AM IN RECEIPT OF YOUR LETTER CONVEYING RECOMMENDATIONS MADE BY THE AGRICULTURE TASK FORCE AT THEIR FIRST MEETING. AS YOU KNOW I HAVE ALREADY EXPRESSED SUPPORT OF THE RAISING OF THE LOAN LIMIT AS PROPOSED BY CSSB 124. WITH REGARD TO YOUR URGING SUPPORT OF THE GRAIN RESERVE LEGISLATION, I AM INCREASINGLY PURSUADED THAT SOME MARKET CERTAINTY IS IMPORTANT FOR THE UPCOMING PLANTING SEASONS AND THAT ACTION BE TAKEN PROMPTLY. I WOULD BE WILLING, THEREFORE, TO CONSIDER A ONE YEAR PROGRAM THAT WOULD PROVIDE THE ASSURANCE NEEDED FOR THIS YEARS PLANTING BUT WOULD TERMINATE AFTER ONE YEAR. THIS WILL ALLOW TIME FOR THE TASK FORCE AND THIS ADMINISTRATION TO FORMULATE A LONG TERM AGRICULTURAL POLICY FOR ALASKA. I HAVE INSTRUCTED THE APPROPRIATE COMMISSIONERS AND STATE OFFICIALS TO WORK TOGETHER TO DEVELOP A PROGRAM AND ADVISE ME THIS WEEK WHAT REASONABLE STEPS MIGHT BE TAKEN TO SOLVE THE IMMEDIATE NEEDS OF THE FARMERS.

BILL SHEFFIELD, GOVERNOR



MEMORANDUM

State of Alaska ¹⁴ 14 1983

TO: The Honorable Bettye Fahrenkamp
Alaska State Senate

DATE: March 14, 1983

FILE NO:

TELEPHONE NO

FROM: Sharon L. Barton *SB*
Special Assistant
Department of Natural Resources

SUBJECT: SB 124

While the Department does not have a big problem with the \$300,000 operating loan limit, we feel that under normal circumstances the \$200,000 is still sufficient. The ARLF Board concurs in this view. As an alternative to raising the maximum, we recommend leaving in the disaster provision of SB 124 and expanding it to authorize the waiving or raising of the \$200,000 maximum in case of a declared area disaster. To accomplish the purpose of this legislation, language should be drafted in such a way that offers relief in the current situation at Delta.

MAR 14 1983

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: CSSE 124 Date of Bill: 2-14-83
Title: An Act amending the Alaska Agricultural Loan Act etc.
Sponsor: Moss
Requestor: _____

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

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

b. Revenues:

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

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

3. Assumptions:

4. Disclaimer:

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

Prepared By: Sharon Barton Phone: 465-2400
Division: Commissioner's Office Date: 3-15-83

Approved ^{For} Commissioner: *Mary H. Halloran* Date: 3-15-83
Department: Natural Resources

5. Distribution:

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- Copy to Requestor

2/15/83

Alaska State Legislature



BETTYE FAHRENKAMP
CHAIRMAN
ROBERT H. ZIEGLER, SR.
VICE-CHAIRMAN
DICK ELIASON - PAUL FISCHER
VIC FISCHER - BOB MULCAHY
ARLISS STURGULEWSKI

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

Senate

Committee on Resources

TO: Senate Resources Committee Members
FROM: Senate Resources Committee Staff
RE: Committee Substitute for SB 124,
Amending the Alaska Agricultural Loan Act
DATE: March 11, 1983

Attached is a Committee Substitute for SB 124 which will be considered by the Committee at a meeting which will be held Monday, March 14 at 3:00 p.m. in the Beltz Room.

The Committee Substitute contains only the following provisions:

- 1) reduces the terms for chattel loans from 30 years to 7 years maximum;
- 2) increases the maximum short term loan for operating purposes from \$200,000 to \$350,000

The first provision was supported by the Administration and the bill's sponsor as being consistent with the normal life of "chattel". The second provision is intended to provide short-term relief for those farmers who cannot borrow additional monies for seed this spring without exceeding the maximum short-term borrowing limits.

All provisions relating to reduction in interest rates and changes in the composition and operations of the Loan Board were deleted.

It is hoped that final Committee action could be taken on SB 124 at the Monday meeting.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

POUCH M
JUNEAU, ALASKA 99811
PHONE: (907) 465-2400

March 31, 1983

The Honorable Richard Shultz
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Shultz:

In preparation for the House Resources Committee hearing on HB 276, I would like to offer the following comments on behalf of the Department of Natural Resources:

1. The proposed legislation reduces the term for chattel loans from thirty to ten years. While the Department supported the reduction of term to seven years in SB 124, we believe that fifteen years will exceed the expected useful life of most chattel. Therefore, we would prefer a term of seven years.

2. We support raising the maximum to \$300,000 (as proposed in SB 124) or \$350,000 for operating loans, since that would allow the Board the flexibility to offer larger loans if an operation is large enough to warrant that amount. It should be noted, however, that the \$200,000 maximum represents more than the maximum recommended debt burden for short term monies at the expected level of production on any one farm unit at Delta this year.

If the objective of HB 276 is to offer relief in the current situation at Delta, we would further recommend a disaster provision authorizing the Department to waive or extend the operating limit in times of a declared disaster. The Department is already authorized to waive payments of principal and interest for up to five years.

We will be available to testify on this bill as needed.

Sincerely,



Sharon L. Barton
Special Assistant
to the Commissioner

H B

278

Protecting fishery is prime concern

Mr. Chappell neglected several important points in his article in last Sunday's Daily News "Battle rages over Kenai River salmon." In a telephone interview, March 19, he asked me several times what our group's primary goal was and I told him each time that it was for "preservation of the resource" — that is the king salmon run itself. This point wasn't ever mentioned in his article. The resource preservation has been our prime goal since our association was formed last summer.

We strongly protest the action by the

fisheries board last July that allowed the commercial overharvesting of the second king salmon run in the Kenai. That 13-day continuous "emergency opening" of 24-hour commercial fishing blocked this second run of large king salmon from even getting to the river — it may have wiped out the run.

When I was quoted as saying, "Why does the commercial fisherman have more right to those fish than my kids do?" it was stated in regard to the "emergency opening" last July that allowed some 85 or so commercial fishermen to harvest over 700,000 red salmon. Those fish that were netted would have allowed a daily bag limit for instance to over 200,000 sport fishermen. Why wasn't the sportsman limit for reds raised from three to six or more salmon for that same period of time? It's incredible that the sportsman received an "emergency closure" so the commercial fisherman could have an "emergency opening."

We do not blame any commercial fisherman or set netter for harvesting any fish that he's allowed to by the fisheries board. We do, however, strongly object to that board's policy when its action allows the possible destruction of a salmon run — as it did last July. We have never advocated nor did I tell, Mr. Chappell that we were against the present July 1 to Aug. 15 commercial fishing period. We do, however, feel the period shouldn't start before July 1 as it has several times in the past.

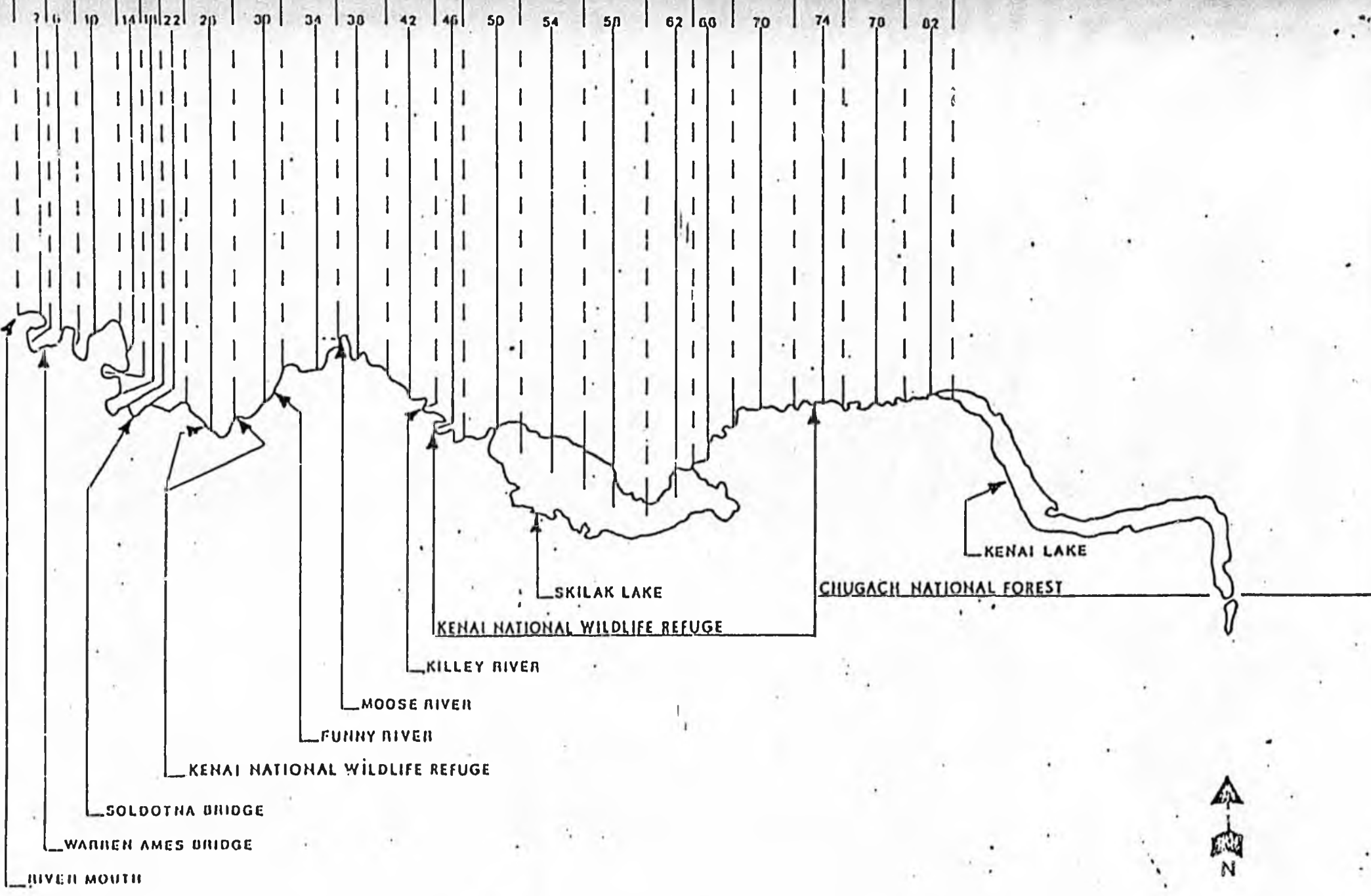
Once again, our bottom line from day one has been for the protection of the resource. There are fish for all of us, commercial and sportsmen, however, nobody wants to see the last king salmon caught as was almost done in Cook Inlet during the 1950s and '60s. Those records of overharvesting speak for themselves — let's not have history repeat itself again. Let's protect the resource above all. Let's all work together toward that end.

— Robert C. Penney

Kenai River Sportfishing Association

RIVER MILES

0 4 8 12 16 20 24 28 32 36 40 44 48 52 56 60 64 68 72 76 80 84



KENAI RIVER TASK FORCE

KENAI RIVER

disjunct attempts to address specific aspects of the overall problem, he spoke strongly about the need for a unified approach to the stewardship of the River. He stated his belief that "the first step toward finding a solution is for the various agencies to join together with interested private groups and associations to sort out responsibilities and to address future management needs on the river." He concluded by noting that he was requesting the Departments of Natural Resources, Fish and Game and Public Safety to initiate such an effort.

Procedure Used By the Kenai River Task Force

An initial letter of invitation went out to twenty-seven different agencies and individuals advising them of the effort that was ahead and soliciting their participation. Over sixty people responded by attending the organizational meeting which was held in Soldotna thus forming the core of the Task Force.

Following a general discussion by all participants and the selection of a permanent chairman, two seven-man subcommittees were named to address biology/habitat problems and social/enforcement problems. The group as a whole identified an initial list of problems to be considered.

Interspersed with their separate working sessions the combined subcommittees functioning as the Joint Working Committee (Appendix A) held public hearings (Appendix B and Appendix C) in Soldotna and Anchorage and met with concerned agencies. This work allowed each subcommittee to draft a statement about the problems and the suggested solutions which they had identified.

The Joint Working Committee reviewed the two reports, made modifications where they were desired and merged them into this single preliminary draft report.

Overall Assumptions Made By the Kenai River Task Force

There are several broad concepts that recurred throughout the Joint Working Committee and Task Force deliberations and are important to the understanding of the choices and recommendations which the group ultimately made. They are equally important to the understanding of the critical point at which the Kenai River now is in the eyes of the professionals and laymen most familiar with it.

Conditions for both river inhabitants (fish and wildlife) and river users (people) have deteriorated during the past two decades; and the rate of deterioration seems to be increasing.

Unless some meaningful remedial action is taken soon, conditions will continue to worsen - perhaps to the point of irretrievable loss.

The biological productivity of the River is the central concern for most users of the River and to a public well beyond the immediate confines of the River.

The additional passage of time before remedial action is taken can only increase the severity of the measures that will, ultimately, have to be imposed.

It is this context that the Joint Working Committee undertook the consideration of the specific issues and alternatives.

ISSUE H:

The increasing use of the river has created a conflict between users and land owners with riverfront property.

PROBLEM STATEMENT:

As public usage of the river increases, public access facilities are stressed to capacity and beyond. Trespass violations escalate; litter, both as detritous and as human waste, burden river banks. The conflict between public usage and private rights weighs heavily on riparian landholders.

RECOMMENDED ACTION:

Increase access points on the Kenai River. On the main stem, increased launch facilities on the upper and middle sections of the river and boat-accessible sanitation stations on the upper, middle and lower sections of the River should be provided.

Expand access to alternative salmon stocks at Deep Creek, Whiskey Gulch and in the Susitna drainage. The increase of access, both on and off the Kenai River, is essential to reduce existing conflicts between anglers and landowners.

OTHER SUGGESTED SOLUTIONS:

- (1.) Restrict public access to the river, e.g., allow fishing only on alternate days.
 - (2.) Restrict private ownership on the river, e.g., condemn a 20 foot access strip along the river banks.
- - - - -

ISSUE I:

Lack of regulatory enforcement resources may be preventing the enforcement of existing regulatory measures designed to protect the Kenai River and its fishery resources.

PROBLEM STATEMENT:

Some current regulations designed to protect the habitat or fish stocks of the Kenai River are ineffective for one of two primary reasons; it is incomprehensible to the public or a lack of enforcement resources has prevented prosecution of those violating the regulations.

Lack of resources by the various agencies charged with enforcing existing regulations, either manpower or

equipment or both, have severely restricted the investigation and prosecution of the offenses. Inability to assign qualified men to the Kenai River during the busier times and a certain reluctance or public apathy regarding these violations have resulted in offenders going unreported or unidentified.

Certain public agencies have expressed their frustration about trying to conceive and enforce a consistent river policy. Singularly or in combination, the illegal alteration of habitat or illegal harvest of fish stocks may result in decreased productivity of the Kenai River.

RECOMMENDED ACTIONS:

Increase funding and manpower for all aspects of enforcement of current and future Kenai River regulations designed to protect habitat and/or fish stocks. [also see ISSUES G and J; Recommended Actions]

Conduct a legal review of the current regulations affecting the Kenai River.

Codify the regulations pertaining to the Kenai River. With almost (twenty agencies) having some degree of control over the River, the present need for a central reference document of river regulations is overwhelming. The codification of diverse river regulations could do much to reduce perceived conflict between "intent" and the "wording" of existing regulations.

OTHER SUGGESTED SOLUTIONS:

- (1.) Create enforceable regulations.
- (2.) Standardize sentences or create mandatory sentences for various violations.

ISSUE J:

There is a conflict caused by the negligent operation of boats by some river users.

PROBLEM STATEMENT:

The negligent operation of boat can bring it into conflict with other craft operating on the river at the same time. There is apparent public concern particularly for stationary or slow moving boats being dangerously rocked or even swamped by high speed and negligent operations of some boats. As river use intensifies, the

ISSUE N:

There is a conflict that arises from the differing management philosophies which govern various aspects and sections of the River.

PROBLEM STATEMENT:

With almost twenty public bodies having both direct and indirect impact on the River, the potential for conflict is enormous. Moreover, small policy decisions by an upstream agency (e.g., Bureau of Mines) can exert large pressures in downstream policies. At present, there is no public body to either monitor or adjust conflicting agency philosophies.

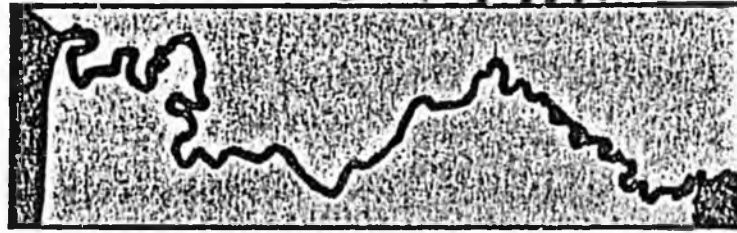
RECOMMENDED ACTION:

Create a Kenai River Commission or Authority within the Office of the Governor. The Commission could coordinate programs and attempt to resolve disputes between various governmental units; serve as a clearinghouse for permit applications; perform appropriate planning functions and make recommendations with respect to how proposed activities along the River conform to the declared primary function of the River. The creation of a River Commission could eliminate much of the existing and potential conflict. [also see ISSUE A; Recommended Actions]

OTHER SUGGESTED SOLUTIONS:

(1.) Adopt the Division of Parks proposal developed previously. If combined with a citizen's policy board that proposal could provide greater centralization and unification of river policies than exists at present.

FROM: KENAI RIVER STATE PARK UNITS MASTER PLAN



ANALYSIS AND EVALUATION

Based upon factors such as the natural and social environments, existing recreational patterns, emerging recreational trends and issues, and public opinion and perceptions, several conclusions can be drawn concerning the role of the State Park System on the Kenai River. Information provided in preceding chapters has been synthesized in order to present specific recommendations. For clarity, the analysis discussion is divided into these categories:

- Overall river management
- Spectrum of recreational opportunities
- Environmental protection
- Major actions, proposals affecting recreation

Overall River Management

An overriding public concern is the lack of comprehensive management of the river itself. Various public agencies have specific responsibilities in the river corridor (See Figure 22, page 44), but none of these agencies has an overall coordinating function, thus land and water use proposals and developments are evaluated and managed only from narrow perspectives. Because many

developments and activities have secondary or cumulative effects, the river has suffered from a lack of comprehensive management technique.

The Kenai River needs a lead group or agency whose mission is the protection of the river's natural systems and the coordination of the various, and sometimes competing, human enterprises which the river attracts.

This clearinghouse function can be accomplished in a number of ways. Because many of the activities causing concern are recreational in nature, it has been suggested that the Division of Parks assume responsibility for managing the river water column in addition to managing the specific park units. Under this proposal, the division would manage the river as it does other park units. Regulations would be formulated concerning acceptable and unacceptable activities. Boat types, engine horsepowers, motorized and non-motorized boating areas, speed limits and commercial enterprises would be regulated by the division.

As the Division of Parks is not presently capable of assuming such a monumental

responsibility, it is recommended that an ad-hoc group - representing the agencies with jurisdiction on the river - be convened to examine the various problems. This is consistent with a directive by Governor Hammond to the Departments of Natural Resources and Fish and Game to begin cooperative planning for management of state-owned resources. These state agencies should be joined by their counterparts at the federal and local governmental levels. After being given a report from the assembled agencies concerning jurisdictions, policies, responsibilities and possible approaches for comprehensive river management, the governor might convene a citizens' task force. This group could be made up of non-affiliated citizens and report directly to the governor with its final recommendations.

Spectrum of Recreational Opportunities

Recreation on the Kenai River is overwhelmingly oriented towards sport fishing and boating, yet there are other activities and opportunities, which become apparent on close examination and evaluation. These opportunities will affect the division's recommendations for various park units.

In the lower river stretch, from river mile 0 at Cook Inlet to mile 12, the river gradient lessens and water velocity slows considerably. The river undergoes a dramatic change from the well-defined and often steep-banked channel found upstream to a slow, meandering channel which waves to and fro within a wide, flat wetland. These wetlands host significant populations of

Figure 22. SELECTED AGENCIES HAVING RESPONSIBILITIES ALONG THE KENAI RIVER

		RESPONSIBILITY/AREA OF EXPERTISE														
		Recreation	Land Management	Coastal Management	Solid Waste Management	Land Use Planning	Public Safety	Commercial Fishing	Sport Fishing	Wildlife Habitat Protection	Wetlands Development	Water Quality Protection	Law Enforcement	Public Works Projects	Natural Resources Research	Natural Resources Development
FEDERAL AGENCIES	U.S. FOREST SERVICE	●														
	SOIL CONSERVATION SERVICE		●													
	NATIONAL MARINE FISHERIES SERVICE															
	ARMY CORPS OF ENGINEERS															
	ENVIRONMENTAL PROTECTION AGENCY				●	○	●				●			○	●	●
	BUREAU OF LAND MANAGEMENT	●	●			●				●					●	●
	U.S. FISH AND WILDLIFE SERVICE	●	●			●				●		●			●	●
	U.S. GEOLOGICAL SURVEY														●	
U.S. COAST GUARD												●				
STATE AGENCIES	DEPT. OF COMMUNITY AND REGIONAL AFFAIRS			●		●										
	DEPT. OF ENVIRONMENTAL CONSERVATION				●											
	DEPT. OF FISH AND GAME	●	●			○					●				●	
	DEPT. OF NATURAL RESOURCES, LAND AND WATER	●	●			○										●
	DEPT. OF NATURAL RESOURCES, PARKS	●	●			●										
	DEPT. OF PUBLIC SAFETY						●						●			
LOCAL AGENCIES	DEPT. OF TRANSPORTATION AND PUBLIC FACILITIES		●			●							●			
	KENAI PENINSULA BOROUGH	●	●	●	●	●						●	●			●
	CITY OF SOLDOTNA	●	●			●						●	●			
	CITY OF KENAI	●	●			●						●	●			

Source: Alaska Division of Parks

STATE OF ALASKA
FISCAL NOTE

Revision Date _____, 1983

I. REQUEST

Bill/Resolution No.: HCR 31
 Title: River Commission
 Sponsor: House Resources
 Requestor: House Resources

II. FISCAL DETAIL

Agency Affected: Public Safety
 Program Category Affected: Justice/NRMEC
 BRU, Program of Subprogram(s) Affected: AST and FWP

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		33.1	35.1	37.2	39.4	41.8
200 TRAVEL						
300 CONTRACTUAL		.6	.6	.7	.7	.8
400 COMMODITIES		1.0	1.1	1.1	1.2	1.3
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		34.7	36.8	39.0	41.3	43.9
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		34.7	36.8	39.0	41.3	43.9
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						
STAFF MONTHS		5.6	5.6	5.6	5.6	5.6

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Not identified.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: ^{D.C.A.} Francis C. Allan / ^{JR} Capt. James Nutgrass Phone: 269-5691/269-5589
 Division: Alaska State Troopers / Fish & Wildlife Prot. Date: 4-22-83
 Approved by Commissioner: R. J. Sundberg ⁷ mmw/ls Date: 4/22/83
 Department: Public Safety ¹¹

Distribution:

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3/8/83

ANALYSIS

The Division of Alaska State Troopers and Fish and Wildlife Protection have examined the "Final Statement Of Findings" of the Kenai River Task Force dated March 1983. This report recommends the following for the Department of Public Safety on page 31 of the report:

"Increase public safety patrols. Specifically, three new patrol officer positions should be created and funded; and they should be assigned to the (Kenai) River full time during June and July. Increased enforcement patrols could substantially reduce the conflicts."

While we would like to meet the recommendation of the Task Force, it is impractical to employ two full time officers all year and only work them on the Kenai River for two months. We believe that we can more economically provide a similar amount of coverage by receiving funding for additional overtime for our current staff plus some operating costs for the boats already available. These costs are summarized as follows:

	<u>FWP</u>	<u>AST</u>	<u>DPS TOTAL</u>
<u>Personal Services</u> - 500 hrs. overtime for FWP & 400 for AST @ - 76D	14,500	11,540	26,040
Benefits @ .2721	3,945	3,140	7,085
Subtotal	<u>18,445</u>	<u>14,680</u>	<u>33,125</u>
<u>Contractual</u> - Additional repair on boats/motors due to increased use	600		600
<u>Commodities</u> - Fuel, oil etc to operate current equipment	<u>1,000</u>		<u>1,000</u>
TOTAL	<u>20,445</u>	<u>14,680</u>	<u>34,725</u>

It should be noted that this fiscal note is submitted with the assumption that the River Commission will be issuing a minimum number of orders or regulations that would require direct law enforcement personnel involvement to assure that these requirements are followed. Should this not prove to be a correct assumption a substantially more sizeable fiscal impact would be required.

NOTE: 6% inflation factor has been calculated on all costs after FY'84.

Suggested amendment to proposed Resources Committee
Resolution Regarding the Kenai River

On page 1, line 24:

Delete the word "commercial"

(3) identify areas of overlapping or conflicting jurisdiction among State and Federal agencies that have jurisdiction over the Kenai River;

(4) identify problem areas of the Kenai River over which no agency has jurisdiction;

(5) publish a list of priorities for the uses of the Kenai River;

(6) recommend, in a coordinated and comprehensive manner, regulations to be adopted or actions to be taken by State and Federal agencies to address the problems of the Kenai River; and

(7) report the findings and recommendations to the second session of the thirteenth Alaska State Legislature; and be it

~~FURTHER RESOLVED that the Department of Public Safety and Fish and Game shall be requested to adopt regulations, including emergency regulations, to correct the immediate problems existing on the Kenai River.~~

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IN THE HOUSE

HOUSE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE - FIRST SESSION

Relating to the Kenai River.

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


WHEREAS the legislature finds that the Kenai River is an important natural resource and that it must be protected and preserved for the maximum benefit of all Alaskans; and

WHEREAS the vitality of the Kenai River is threatened. Power boat wakes and streambank development have contributed to the erosion of river banks and degradation of fish beds. Increased user traffic on the river endangers fish and wildlife habitats. Competition among sportfishers, professional guides, and persons who use the river for recreation and transportation creates overcrowded, hazardous and unpleasant conditions; and

WHEREAS a multitude of State and Federal agencies with jurisdiction over various aspects of the Kenai River have created a labyrinth of regulations without effectively preventing the deterioration of the river; and

WHEREAS a need exists for an interagency effort to take a comprehensive look at the problems of the Kenai River, to recommend a coordinated approach to solving those problems, and to take emergency action where necessary to deal with the most immediate problems of the river; and

BE IT RESOLVED that the Alaska State Legislature respectfully requests the Governor to organize through his office representatives from the Departments of Environmental Conservation, Fish and Game, Natural Resources, and Public Safety who shall:

- (1) solicit and consider information from Federal agencies, local governments, industries, landowners, persons engaged in  fishing and others who have an interest in the Kenai River;
- (2) make a comprehensive study of State and Federal laws affecting the Kenai River, users of the river, land adjacent to the river, and fish and wildlife resources dependent on the river;

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(3) identify areas of overlapping or conflicting jurisdiction among State and Federal agencies that have jurisdiction over the Kenai River;

(4) identify problem areas of the Kenai River over which no agency has jurisdiction;

(5) publish a list of priorities for the uses of the Kenai River;

(6) recommend, in a coordinated and comprehensive manner, regulations to be adopted or actions to be taken by State and Federal agencies to address the problems of the Kenai River; and

(7) report the findings and recommendations to the second session of the thirteenth Alaska State Legislature; and be it

FURTHER RESOLVED that the Department of Public Safety shall be requested to adopt regulations, including emergency regulations, ^{correcting} ~~addressing~~ the immediate ~~safety~~ problem, resulting from heavy power boat traffic on the Kenai River.

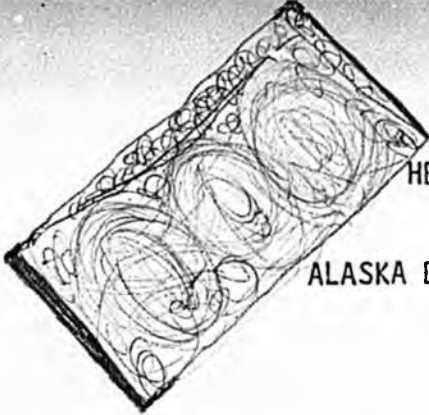
Preliminary Statement of Fiscal Impact

CSHB 278

Based upon the best available knowledge of the costs of existing boards and commissions, it is estimated that establishing the Kenai River Commission, as described in CS HB 278 will cost:

Executive director.....	\$ 63,700
3 Staff people.....	72,500
Travel & Per Diem.....	150,000
Supplies, contractual, etc.....	26,000
	<hr/>
Total.....	\$212,200

These figures are estimates given by Mike Nizich of the Governor's office, and assume that the commission would hold five or six meetings, as well as two public hearings.



HB 278 - RELATING TO ESTABLISHING A
ALASKA RIVER COMMISSION

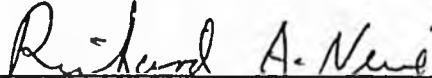
ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION
POSITION PAPER

BEFORE THE HOUSE RESOURCES
March 31, 1983

This department has no objection to proposed legislation to establish a Alaska River Commission, based upon the following reasoning:

- 1) A need does exist for an interagency body to take a comprehensive look at the multitude of State and Federal agencies with jurisdiction over various aspects of Alaska rivers.
- 2) A need does exist to create a coordinated approach to preserve the vitality of Alaska rivers.

The department supports amendment of the bill to include the phrase "economic enhancement" between the words "for recreation" in line 16 of Section 1. FINDINGS. The use of Alaska rivers for economic enhancement has an impact which creates conditions similar to those identified with recreation and transportation. Legislative recognition of this fact will help to simplify the work of the Commission.



Richard A. Neve
Commissioner

STATE OF ALASKA
FISCAL NOTE

Revision Date _____, 1983

REQUEST

Bill/Resolution No.: HB 278
 Title: Alaska River Commission
 Sponsor: Fritz, Malone, Szymanski, Busse
 Requestor: _____

II. FISCAL DETAIL

Agency Affected: DEC
 Program Category Affected: WPC
 BRU, Program of Subprogram(s) Affected: EOM

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES	-0-	0.6	0.6	0.6	0.6	0.6
200 TRAVEL	-0-	1.2	1.2	1.2	1.2	1.2
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING		1.8	1.8	1.8	1.8	1.8
CAPITAL		-0-	-0-	-0-	-0-	-0-
REVENUE		-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS		1.8	1.8	1.8	1.8	1.8
OTHER (Specify Source)		-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME		-0-	-0-	-0-	-0-	-0-
PART-TIME		-0-	-0-	-0-	-0-	-0-
TEMPORARY		-0-	-0-	-0-	-0-	-0-

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Funding necessary to provide salary and transportation to meetings of the Commission will be taken out of the State's Clean Water Act Section 106 Water Pollution Grant.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Alex Viteri
 Division: Environmental Quality Management

Phone: 465-2653
 Date: _____

Approved by Commissioner: Richard A. Nevo
 Department: Environmental Conservation

Date: 3/29/83

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Preliminary Statement of Fiscal Impact

CSHB 278

Based upon the best available knowledge of the costs of existing boards and commissions, it is estimated that establishing the Kenai River Commission, as described in CS HB 278 will cost:

Executive director.....	\$ 63,700
3 Staff people.....	72,500
Travel & Per Diem.....	150,000
Supplies, contractual, etc.....	26,000
	<hr/>
Total.....	\$312,200

These figures are estimates given by Mike Nizich of the Governor's office, and assume that the commission would hold five or six meetings, as well as two public hearings.

STATE OF ALASKA
THE LEGISLATURE

MAR 30 RECD

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 29, 1983

SUBJECT: Kenai River Commission
(CSHB 278 (Resources))

TO: Representative Milo Fritz
Chairman, House Health, Education
and Social Services Committee

FROM: Edward H. Hein *EH*
Legislative Counsel

HB 278

Section 2 of the bill:

Sec. 44.19.200. This section establishes the Kenai River Commission in the Office of the Governor. Seven members are appointed by the governor, representing four state departments with jurisdiction over or concerns and expertise related to the Kenai River. Also represented among the seven members are the environmental lobby, industries using the Kenai River resources (e.g. utilities supplying hydroelectric power, barges, private ferries and tour boats, professional guides, commercial fishermen, logging), and sport fishermen and recreational boaters. The governor is also authorized to appoint nine non-voting ex officio members representing nine federal agencies with jurisdiction over or concerns and expertise related to the Kenai River. The composition of the commission is an attempt to balance the need to have all interested parties represented versus the need to limit the size of the commission to a reasonable number of members so that they can function efficiently.

Subsection (d) of Sec. 44.19.204 requires that local interests be given the opportunity to contribute to the commission's decision-making process.

Sec. 44.19.201. This section provides that commission members serve during the term of the governor who appointed them. The rationale for this is that the commission is an interdepartmental body whose membership should change when a new governor takes office and appoints new cabinet members.

Representative Milo Fritz

Page 2

March 29, 1983

This arrangement should foster coordination and cooperation among commission members, which is critical to the success of the commission. Of course, a member serves at the pleasure of the governor and may be replaced during the governor's term. A member may continue to serve on the commission after the member's term expires until a successor is appointed.

Sec. 44.19.202. Because most commission members are government employees, they will not receive a salary for service on the commission. However, per diem and travel expenses are provided as for other commissions and boards.

Sec. 44.19.203. The commission may meet as often as necessary.

Sec. 44.19.204. The commission is charged with six specific duties:

(1) study state and federal laws affecting the Kenai River;

(2) identify the areas of overlapping or conflicting jurisdiction among government agencies that deal with the Kenai River;

(3) identify the problem areas of the Kenai River no agency has jurisdiction to deal with;

(4) publish a list of priorities for the use of the Kenai River;

(5) recommend regulations to be adopted or actions to be taken by state and federal agencies to address the problems of the Kenai River; and

(6) adopt regulations, including emergency regulations, to deal with problems of the Kenai River which no other agency has jurisdiction.

Sec. 44.19.205. This section provides for an executive director and staff to perform the administrative duties of the commission.

Sec. 44.19.206. The commission is required to submit an annual report to the legislature and the governor, which may

Representative Milo Fritz
Page 3
March 29, 1983

include recommendations for legislation and reorganization of state agency functions dealing with the Kenai River.

Sec. 44.19.207. The Department of Public Safety and any other enforcement officers designated by the commission are charged with enforcing commission regulations.

Section 3 of the bill:

This section amends AS 44.66.010 to bring the commission under the sunset provisions. The commission would terminate June 30, 1985, and would then have another year to wind up its business if not extended by the legislature. Legislative review under AS 44.66.050 would occur during the 1985 session.

EHH:ljb
12/031

H B

298

DRAFT

Transcript of testimony
Pertaining to HB 298
February 8, 1984
House Committee on Resources
(Excerpted)

Tape No. 14
Recording
Number

Rep. Goll:
This 50% - it doesn't say it here, but we've talked about the permanent fund on a number of occasions - are you saying the other 50% would logically go to the permanent fund?

Rep. Bussell:
Oh, it has to - has to by law - by constitution.

Rep. Goll:
Oh, I sec. [General Discussion]

Number 0898

Rep. Goll:
And then you're say here that this review of the 50% would mean if it were determined that the policy of the state dictated that we should put 70% into the permanent fund - is that the -

Rep. Adams:
No

Rep. Goll:
Then what is the review of this percentage?

Rep. Adams:
The review is every five years - that's stated in the bill. And the amendment that was made is going from five to two years - that was the statement I made.

Rep. Goll:
Yes, I understand that. What I was trying to understand was the purpose of any adjustment of that 50%. My understanding had been that 50% goes into the Permanent Fund. The reason I asked whether that was the case was because when we speak of a re-adjustment, that implies flexibility, so I assume we cannot adjust that percentage up, because 50% must go into the Permanent Fund.

Rep. Adams:
No, it was no intention of adjusting the Permanent Fund any more than 50%.

Rep. Goll:

What is meant by "a review of the percentage", then?

Rep. Adams:

It could be the percentage that goes to the impact areas.

Rep. Ringstad:

So then, what you're saying is that of the percent that doesn't go to the Permanent Fund, we could send 10% to the impact areas and 40% to the general fund, or 40% to the impact areas and 10% to the general fund, either way.

Rep. Adams:

Yeah, because a portion of that, you know, 50% of that actually goes to the Permanent Fund. The other half is split between the general fund and the impact areas, then you've got to look at that percentage -

Rep. Ringstad:

We appropriate out which ever amount works out to X percent.

Rep. Adams:

That's all they're asking you to do - is review the percentage of that - how it's broken down. Perhaps in the future they might change the law here, instead of 50% of the royalties going in there, they might change it - you might have to look at that percentage area again.

Rep. Goll:

Oh, so you're saying then that this, for example, would respond to changes in Federal Law regarding the dedication of those funds that are going -

Rep. Adams:

Either Federal or State law.

Rep. Goll:

I see. Thank you. Well, excuse me, I guess what I'm not understanding is this: The statement was made earlier by the Department of Law that these are funds which are coming from the Federal government with restrictions, that these are, in a manner of speaking, dedicated funds that we're receiving. So, it's hard for me to understand any other circumstance other than a change in the Federal statutes that would permit us to reduce the percentage going to the subdivisions that are impacted. In other words, you've answered the Permanent Fund question - we can't adjust this up -

the only thing we can do is adjust it down, or split it up. And if we're splitting it up, that's not mentioned in the bill. It only says the amount that goes to the subdivisions. I guess it is implied that if a lower amount goes to the subdivision, the remainder would go to the general fund. But, does, in fact, the Federal law permit us to do that? My impression from the previous witness was that it does not. And if that's the case, then this only responds to changes in Federal law, in which case I do understand. But if there are other circumstances I've yet to hear what they are. And I would appreciate understanding that.

Tom Koester, Department of Law:

My understanding of the way this bill is intended to work is that if we get 100% of the Federal revenues, 50% automatically go into the Permanent fund. The remaining 50% go into this fund. Half of that then, it is intended, would go to impacted political subdivisions, so, in effect, one-quarter of the Federal receipts would go to the impacted political subdivisions. The remaining one-quarter would be in this fund, subject to appropriation by the Legislature, for the purposes set out in the Federal law. The Federal law purposes are the same ones that appear here in subsection (d) and in subsection (e). Those purposes for which these funds can be spent are the ones specified in federal law. So, under subsection (c) the one-quarter of the federal receipts subject to appropriation by the Legislature can be used for planning, construction, maintenance, operation of essential public facilities and other necessary public services. The intended one-quarter of the federal receipts going to impacted political subdivisions can then be spent by those political subdivisions under subsection (e) for planning, construction, maintenance, operation of essential public facilities by the subdivisions and other necessary public services provided by the subdivisions. So, taking 100% of the Federal receipts, half of those go to the Permanent Fund, and it is the intent of this bill that one-quarter of them go to political subdivisions, and one-quarter remain in this fund, subject to appropriation by the Legislature, for these purposes. Is that the understanding of the sponsor.

Rep. Adams:
Yes.

Rep. Goll
I'm going to take one more minute of the committee's time on this, and then deal with it privately if I

can't get this understood. It says here that 50% of the amount received from the Federal government under the Federal Act, and I assume the Federal Act is this Federal Act - this Federal Act doesn't say anything about the Permanent Fund - this Federal Act simply provides money to the State of Alaska. The State of Alaska, according to this bill, is going to take 50% of that money and use them for this purpose so I don't see any 25% in here, at all. I see 50% to the Permanent Fund, and 50% appropriated or recommended by this bill. Now, if you'd help me be corrected, that would be a big help, if I'm wrong here. I mean, I don't see any 25% here at all. I only see 50%, and I see 50% of the money that comes from the Federal government.

Mr. Koester:

Mr. Chairman, if I might, I believe, if I accurately stated the sponsor's intent, to the extent that the bill is drafted, might not completely reflect that to everyone's satisfaction, that a technical amendment to reach that result would be relatively easy to draft, and I would be happy to do that, and after running it by the sponsor, to be sure that he agrees with it, submit it to the committee for its consideration.

Rep. Ringstad:

I think Peter's question at this point is how does 50% get to the Permanent Fund. Is that what you're getting at?

Rep. Goll:

Let me say it once for the benefit of the chair, and as I say, I'm no expert in this matter, it's just my reading of the phrase doesn't correspond at all to the statement that was just made by the attorney general. It says here that, on line 3, that, the, uh 2 and 3, that the amount appropriated for payment to the subdivisions equals 50% of the amount received from the Federal government. Now that should be perfectly clear. There's no 25% here, at all. It says 50% will be paid to the subdivisions. I assume, from my question to Mr. Adams, that the other 50%, I understand, is automatically appropriated or required to be appropriated to the Permanent Fund. That's what this says to me. Now, if there's a further subdivision, it's not in this bill. I don't know what the intent of the sponsor is on that. My understanding was that this whole amount, this whole 50% that didn't go into the Permanent Fund, goes into your fund here. I didn't know there was 25% going into the fund and another 25% going into the General fund - that's not stated

in here.

Rep. Adams:

I'd like the commissioner to respond to that, under leases and royalty oil sales.

Commissioner Heath:

Well, it's my understanding that we're talking about two different numbers here. It's a 25% number viewed in one direction, and a 50% number viewed from another direction. You start out with 100%, the amount of the lease sales -

Rep. Goll:

No. We start out with the money that's coming to the state from the Federal government, whatever that is.

Commissioner Heath:

That's my point. It depends how on how you get to 25%. If you start with 100% of the money received by the Federal government, they then give us 50%. Half of that 50%, or 25%, goes to the permanent fund. The other half would go to this fund.

Rep. Goll:

That's not what this bill says.

Rep. Ringstad:

What requires half to go to the Permanent Fund?
[General discussion]

Rep. Ringstad:

Now you start out with 100% of the money. The Federal government takes half of it, right? So, the State of Alaska gets 50%. Now, we're saying half of that goes to the Permanent Fund. What requires half to go to the Permanent Fund?

Commissioner Heath:

Mr. Chairman, I believe that's the Constitution.

Rep. Ringstad:

So, at that point, that's where we get the 25%, correct?

Commissioner Heath:

Yes, sir.

Rep. Ringstad:

So, what we're dealing with is 25% of the total amount, and then you break it down further from that to partial - part of that 25% goes to this.

Commissioner Heath:

No, Mr. Chairman, all of that 25% goes to this.
[General discussion]

Rep. Adams

The confusing part is - here's the way, ok, let's assume we had \$63 million, like I said earlier, half of that would go to the Federal government, half would go to the State of Alaska, which is \$33 million. Now we've got the \$33.4 million for the State of Alaska here. 50% of that would go into the Permanent Fund, which is \$16.7 million now you set up your reserve fund, which you put in 16.7, but only 50% of that 16 (million) would be spent on impact communities, which is a quarter like, of the amount the attorney general has stated here.

Rep. Ringstad:

So, you're saying 8 goes to the impacted area.

Rep. Adams:

Yeah. But, if my friend from Haines wanted to put all the 50% of the royalty, I mean into this reserve fund, I'll be happy to go with you, but I'm going to have to -

Rep. Ringstad:

Rep. Adams, just on your numbers, you start out with 64 for the total sale, correct?

Rep. Adams:

I was using the example, like the two sales, there was two sales...\$67 million was the total.

Rep. Ringstad:

Let me run it out. You start with a total sale of 64. Half goes to the feds, so the state gets 32. Half of that goes to the Permanent Fund, which leaves 16. 16 goes to this specific impact fund. Ok. Of the 16 that goes into the impact fund, half goes to the local areas. So you're saying 8 goes to the local areas. So you're going one step further in saying 1/8th of the total sale, or 1/4 of the State's total income from the sale.

Rep. Goll:

Mr. Chairman, I'm sorry, I may not be right on some parts of this, but I'm afraid there are a couple of errors in what you just said. The 50% figure is not correct, and let me try to start this from another perspective. First of all, the constitution does not require that 25% of the money taken by the Federal government goes into the Permanent Fund. The

Constitution states that 25% of the money that comes from the Federal government to the State goes into the Permanent Fund. Before I go any further, is that clear? 25% of the revenues deriving to the State from the Feds goes into the Permanent Fund, not 25% of 64. 25% of 32. So that's the first error in this whole discussion. Okay?

Rep. Ringstad:

So, we're saying, we're receiving 32.

Rep. Goll:

We're starting out with 32, and then 24 - 8 goes into the Permanent Fund, 24 is to be discussed, ok?

Mr. Koester:

Mr. Chairman, if I may. The Constitution requires that a minimum of 25% go in the Permanent Fund. As a result of a statute passed, I believe in either 1980 or 1981, the Legislature has mandated by statute, that rather than the bare minimum required by the constitution, 50% would go into the Permanent Fund, so it's now a statutory directive that 50% go into the - -

Rep. Goll:

Good. Let's stop there.

Rep. Ringstad:

Okay, yeah. 50% of what we receive from Federal lease - - it's not just the Constitution, it's a combination of Constitution and statutes.

[General discussion]

Rep. Goll:

We are really on track now. Now let me say to my friend from Kotzebue, yes, that was my intention, that the other 50% go into this fund. Now, we then have 64 dollars going to the Feds, 32 dollars going to the state, 16 dollars going to the permanent fund and 16 dollars left. Now, what this bill does, based only on my reading of it, and not the intent, is that the amount appropriated for payment to the subdivisions equal 50% of the amount received from the federal government. Now that should be pretty clear. Half of it goes into the Permanent Fund, half of it goes into this account. I'm not objecting to that, I'm just trying to make sure that we all understand the same thing.

Rep. Ringstad:

Are you reading that on line 2 & 3?

Rep. Goll:

2 & 3 of page 2, yes sir.

Rep. Ringstad:

I think, Rep. Adams, being our finance wizard, now the way the language reads, it says the intent of the Legislature is to - the amount appropriated for payment to the subdivisions equals 50%. The amount appropriated is the amount we put out of that fund, not the amount going in. So if 8 million goes into that fund, or if 16 million goes into the fund, what this is saying the intent is that - - we're going to appropriate 16 million dollars, and half of that. 50% should be appropriated to the local funds.

Rep. Adams:

That's correct. We're going to put \$16 million into the fund.

Rep. Ringstad:

I think the verbiage is we're going to appropriate it there.

Rep. Goll:

No, the error is on line 3. Instead of saying "received from the Federal government", it should say, "placed into the fund". Then 50 - am I incorrect? - then 50% of the money that goes into the fund goes to the local communities. So, that's what I've been leading up to, here. and I'm done. That the words "received from the Federal government" is incorrect.

Rep. Ringstad:

Rep. Adams, do you feel he is correct, that we need to change that, is that what you're saying Rep. Goll that - -

Rep. Goll:

I'm saying that if your intent is that 50% of the money which goes into fund be appropriated to these impact - -

Rep. Ringstad:

As opposed to 50% of the money received from the Federal government.

Rep. Goll:

Which would be 100% of the money which goes into the fund. So it's a policy choice.

Rep. Ringstad:

So, it should be 50% of the money placed into the fund.

Rep. Adams:
That's correct.

Rep. Goll:
Thank you, sir.

001 - CTO
3:00

List Cond Cars Shultz
Rings - Goll
Bussell - Uehl
Vaska -

008 - Rings - review CS.

016 - Goll - Statement clarifying his view

069 Shultz - moved adopt CS /ok /no obje -

079 Vaska - How much \$ involved -
Larson - reviewed numbers from previous mtgs

101 Larson - Reducing amt

105 Shultz - moved, it indiv recs CSHB 298 Res
Uehling obje to ask for Comm's Health
Heath made short statement

119 Withdrew objection - Uehl

122 Rings - discuss letter of intent -

133 Goll - Why letter here, not finance -
Rings -

143 Vaska - USC 508 - Interpreted to mean whole
State, not just part of it.

166 Luann Cutler -

letter proposed to deal w/ definition of impact areas

214 Larson - Q. letter - conflicting statement p 2, next
to last ¶ - perhaps not as clearly written as
could be to distinguish "slow & imperceptible" from
"severe" - Q. Larson - Mat Su not eligible under
bill? - Δ if could be "measurable, significant"
shown - Gen'l discussion

(2)

304 Velling - muddled -
Cutler - not to be specific, but still take care
of needs of impacted communities.

340 Larson - suggested change -
4 - 11 $\frac{1}{2}$ '2 up to boundaries

367 Larson moved deletion, no obje

376 Shultz moved letter, u/c, no obje

385 Announcement re HB600 tomorrow

389 Adjourn 3:30

PROPOSED HOUSE RESOURCES COMMITTEE
LETTER OF INTENT TO ACCOMPANY
HOUSE BILL 298

It is the intent of the legislature that the Department of Revenue rely on the following analysis of House Bill 298 and P.L. 96-514, Title 1, Sec. 100 when administering this Act. In particular, it is the intent of the legislature that the Department determine if a subdivision is "most directly or severely impacted" by oil and gas development in the National Petroleum Reserve-Alaska for purposes of Sec. 2(c) of this Act in a manner consistent with the analysis of such impacted communities provided in this letter of intent.

HB 298 implements the revenue sharing provisions of P.L. 96-514, Title 1, Sec. 100 (1380) dealing with the Interior Department's oil and gas leasing program in the National Petroleum Reserve-Alaska. This leasing and revenue sharing program was part of the Interior Department Appropriations Act of 1981.

HB 298 establishes a state program which carries out the legislative intent of the federal act, which states as follows:

"That 50 per centum thereof (rentals, bonuses, royalties, etc.) shall be paid by the Secretary of the Treasury...to the State of Alaska for (a) planning; (b) construction, maintenance, and operation of public facilities; and (c) other necessary provisions of public service. PROVIDED FURTHER, that in the allocation of such funds, the State shall give priority to use by subdivisions of the state most directly or severely impacted by development of oil and gas leased under this section." 42 U.S.C. Sec. 6508

The purpose of this provision is to provide a source of funds for dealing with impacts related to the NPR-A oil and gas leasing program. The provision states that the funds are to be used for "planning," for "construction," and "operation of public facilities" and for "other necessary" public services. The purpose was also to allocate these funds to communities where the impacts are "most directly or severely" felt. The provision requires the state to give "priority" to subdivisions "most directly or severely impacted" by the NPR-A leasing program in "the allocation of such funds." This will rule out the possibility of a statewide revenue sharing program or even one designed to ameliorate oil and gas development impacts in general. The purpose is restricted by federal law to communities suffering the effects of the NPR-A leasing program.

The federal provision does not expressly define further than this which communities could qualify for impact funds. Certainly the North Slope Borough would qualify since the program affects the Borough in the most "direct" way possible, being entirely inside of it. This is consistent with the statutory predecessor to the federal revenue sharing provision, P.L. 94-258 (1976) which transferred jurisdiction over the NPR-A from the Navy to the Interior Department authorized the Secretary to assist impacted communities "located on or near the reserve as a direct result of the exploration and study activities, Sec. 107.

The language in the 1980 act allows the state more leeway in allocating funds to local communities than the 1976 act, nonetheless, the intention is to abide by the limitation that funds be allocated to communities "most severely or directly impacted." ~~While~~ ^{Even if} this would exclude slow, imperceptible or other non-severe or direct growth related impacts in areas outside of the Borough, it would not exclude impacts anticipated to be severe and direct such as those related to development, production and transportation of commercial quantities of oil and gas. Thus, for example, a firm making a major discovery of oil in NPR-A might need to significantly expand its base of operations in Anchorage, including office construction, placing an acute, possibly severe impact on that community. Major pipelines could also result in impacts crossing the Borough's boundaries. This bill should be implemented with the degree of flexibility necessary to cover such eventualities, but restrained by the purpose of the federal provision.

This approach would also be consistent with similar interpretations of the courts of federal law and federal programs. The U.S. Supreme Court recently interpreted the Coastal Zone Management Act's "directly affecting" language in the SECRETARY OF THE INTERIOR V. CALIFORNIA. The court found that for an affect to be direct there had to be a significant, physical alteration of an area, in this case, California's coastal zone. When Congress adopted the Coastal Energy Impact Program (16 U.S.C. 1456 (a)) it limited loans and grants to coastal states and local governments actually in the coastal zone. Also Senator Stevens' OCS revenue sharing bill S. 800 would qualify only coastal local governments to receive OCS revenue sharing funds. Thus, in othersimilar situations both Congress and the courts narrowly relate direct effects on a geographic basis, providing a sound factual underpinning to federal revenue sharing for adverse effects of specific federal programs.

STATE OF ALASKA
FISCAL NOTE

Revision Date 12/30, 1983

I. REQUEST

Bill/Resolution No: HB 298
Title: National Petroleum Reserve
Alaska Special Revenue Fund
Sponsor: Adams
Requestor: H. Resources and Finance

II. FISCAL DETAIL

Agency Affected: Revenue
Program Category Affected: Revenue
Collection and Management
BRU, Program of Subprogram(s) Affected:
Treasury Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC.	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	-	-	INDETERMINATE	-	-	-
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis.

Prepared By: Cathy A. Poe
Division: Treasury

Phone: 465-2350
Date: 12/01/83

Approved by Commissioner: Kath D. Keith
Department: Revenue

Date: 1/9/84

Distribution:

Original to Legislative Finance
Copy to Office of Management and Budget (for Legislature introduced bills)
Copy to Department (for Governor introduced bills)
Copy to Sponsor
Copy to Requestor (if different from Sponsor)

Bret:

Perhaps the following language might be a good starting point for defining "impacted subdivisions" in CS HB 298.

In Sec. 2(c) of this Act "subdivisions of the state that are most directly or severely impacted" means cities or unincorporated communities within the National Petroleum Reserve in Alaska where economics, population, housing, public services have been substantially enlarged or disrupted from oil and gas leasing activities.

Dick Folta
2450

Alaska State Legislature

House of Representatives

Al Adams

Chairman

Committee on Finance



Official Business

April 6, 1983

MEMORANDUM

TO: ✓ Representative John Ringstad, Co-Chairman
Representative Dick Shultz, Co-Chairman
House Resources Committee

FROM: Representative Al Adams *APX*

SUBJECT: House Bill 298 - Establishing a National Petroleum Reserve, Alaska, Special Revenue Fund

HB 298 is pending in House Resources. I would appreciate the committee's consideration of the legislation at the earliest possible date.

In 1980, Congress approved Public Law 96-514 which contained language requiring that 50% of the royalties received from oil and gas leases in the National Petroleum Reserve - Alaska shall be paid to the State of Alaska. Part of that stipulation also provided that the priority use of these funds would be by the subdivisions of the state that were most directly impacted by the development of oil and gas leases in the NPR-A. I have introduced HB 298 to establish the special revenue fund into which these monies will be deposited. It is in this manner that I believe we can best assure the state's compliance with the intent of the federal Act. You may recall that last session, a comparable piece of legislation passed both houses of the Legislature but was vetoed by the Governor. I have attached a copy of the Attorney General's letter in which he advised the Legislature of necessary changes in order to comply with constitutional and statutory requirements. I believe you will find that HB 298 satisfies the concerns raised by the past Administration.

For the committee's further review, I have attached copies of letters and testimony concerning the federal legislation, as well as comments offered by the Mayor of the North Slope Borough. Should you like any additional information, please let me know.

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P.O. Box 333
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1024 W. 6th
Anchorage, Alaska 99501
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HOUSE BILL 298

Establishing a National Petroleum Reserve, Alaska
Special Revenue Fund

Section 1. FINDINGS.

(1) The U.S Congress provided by law (P.L. 96-514) that Alaska shall receive 50% of the royalties derived from competitive oil and gas leases in the NPRA:

(2) Nearly all of NPRA NPR-A lies within the boudaries of the North Slope Borough; and

(3) Because of the nature of the congressional appropriation, this bill establishes a fund to comply with the federal Act's provisions.

Section 2. NATIONAL PETROLEUM RESERVE, ALASKA, SPECIAL REVENUE FUND.

(a) Establishes the NPRA Special Revenue Fund consisting of money received from the federal government under P.L. 96-514.

(b) The fund shall be managed by the Commissioner of Revenue.

(c) The commissioner is directed to pay the funds, as appropriated by the legislature, to the subdivisions most severely impacted by oil and gas leases. It is the intent of the legislature that 50% of the revenues received from the federal government under this las shall be appropriated for this purpose. The percent of funds for this purpose shall be reviewed by the legislature every five years.

(d) The remaining 50% shall be used by the state, as appropriated by the legislature, for planning, construction, maintenance and operation of essential public facilities, and other necessary public services.

(e) The subdivisions receiving funds may only use them for purposes that are in conjunction with development of NPRA and with competitive oil and gas leasing program. These shall also include planning, construction, maintenance and operation of essential public facilities and other necessar, public services.

Section 3. Immediate effective date.

(B)

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R. KEITH GUTHRIE
PETER D. DICKSON

December 20, 1979

MEMORANDUM

TO: Mayor Eben Hopson
North Slope Borough

Edward Hopson
President
Arctic Slope Regional Corporation

FROM: G. William Frick *SWF*

RE: Summary of NPR-A Meeting

This memorandum will summarize the meeting held with representatives of the Arctic Slope Regional Corporation, North Slope Borough and others in Anchorage on December 7, 1979. The persons who attended the meeting are on the attached list.

A. Arctic Gas Pipeline

The first item of discussion was a presentation by Jack Bachman (907-276-2900), the Alaska representative of Northwest Pipeline, who provided an update on the Salt Lake City meeting between Mayor Hopson and other Borough representatives, and John McMillian and Northwest Pipeline staff. Bachman indicated that Northwest Pipeline was pleased with the interest of the North Slope Borough to participate in some manner in the project and was interested in providing an opportunity for the local as well as state involvement if possible. He did note that state actions thus far had been disappointing. He indicated that Northwest Pipeline hoped to begin civil construction in 1981, begin laying pipe in 1982, and finish the line in the warm weather of 1985.

He pointed out that the Northwest Pipeline Company has no direct responsibility for the conditioning plant, although it is extremely interested in its construction as an essential part of the overall system. While the state has indicated it wants to do "something" on the conditioning plant, it has not yet formulated a position. Bachman did note that moving the conditioning plant to Fairbanks would prevent the pipeline from being built. Northwest Pipeline is looking at producers as "overrun insurance," who will be turned to if necessary for completion of the line; the Department of Justice has problems with producers owning the line. Larry Dinneen pointed out that ARCO has expressed interest in knowing what the North Slope Borough and ASRC plan to do regarding the conditioning plant.

Mayor Hopson expressed concern about the failure of the North Slope Borough to have been consulted on issues surrounding the conditioning plant and the pipeline that affect the North Slope Borough. He also emphasized that while NSB had proposed having some involvement, it was subject to further decisions and negotiations involving the NSB and ASRC.

Follow-up actions from the discussion with Bachman are:

1. This firm is to contact Howard Butner, Vice President for Finance of Northwest Alaska Pipeline in Washington. Butner apparently has a variety of studies and other documents regarding various financial schemes for financing the pipeline that may be of use to the NSB in reviewing its potential participation.
2. This firm is to develop a brief analysis summarizing what has transpired with the gas pipeline to date and to prepare recommendations to the Borough on what future actions to take on this issue.

B. NPRA Legislation

The next item discussed was the position of ASRC and NSB on the NPRA legislation now being drafted by the Department of the Interior. Under this legislation NPR-A would be designated a "National Conservation Area." Mayor Hopson emphasized that the North Slope Borough supported any effort, including private leasing, that would open up NPR-A for exploration and development as the North Slope Borough's contribution to the national goal of improving energy supplies. Mayor Hopson emphasized that the Borough has always supported onshore development.

There was general agreement with the basic statutory positions that DOI had indicated would be included in the legislation.

Conrad Bagne suggested that the bill include provisions allowing local access to non-commercial and commercial discoveries found near communities on the North Slope. Herb Bartel pointed out that the BLM had already developed several years of planning analysis and data on NPR-A and that this experience should not be lost in the transition to the NCA management scheme. In particular, with respect to the four areas that were to be given special attention, the governmental offices charged with responsibility for those special areas, assuming it is not BLM, should be required to utilize BLM analysis.

Jon Buchholdt noted that the four areas cited for special consideration are possibly the most promising for private leasing; the boundaries, terms, and access of those areas should be examined carefully to insure development is not precluded. Herb Bartel also observed that the protection for fishing sites should not be limited to designated sites but rather to "systems" that would allow movement within fishing areas as the fish populations, and other influences on fishing, change.

With respect to the leasing systems, it was pointed out that a "nominating" system should be used in order to give the Borough, as well as the federal government, advance notice of what areas should be studied to determine the need for environmental or other protection. There was general agreement that any leasing system should, to the maximum extent possible, utilize bids that would internalize non-economic factors such as environmental protection and local hire. In addition, local considerations and provisions encouraging participation by small companies should be included into a system. Senator Gravel apparently is looking into developing such a program independently of the Department of the Interior. It was also pointed out that the Teshekpuk Lake had already been identified as an area that should be protected for the Native community. This should be kept in mind as the provisions regulating the Teshekpuk Lake area are formulated.

Senator Stevens joined the meeting at this point and made the following comments:

1. He considers the letter of Acting Secretary Joseph, regarding the legislative program of NPR-A, to be balanced but is concerned about those areas that DOI proposes to "set aside." He also feels that any provisions relating to the Mineral Leasing Act may present problems.
2. He is concerned about the revenue sharing provisions and feels it may be hard to hold the 50% now proposed

to be allocated to the state because of the large royalty already received by the state from Prudhoe Bay. Provisions guaranteeing local share from the revenues to the state would help maintain this provision.

3. He supports the NCA being administered by the BLM but is concerned about BLM continuing to apply the approaches they have traditionally followed under the Mineral Leasing Act. Stevens indicated he was meeting with Guy Martin on the legislation on December 10.
4. He is quite committed to keeping this bill separate from D-2 and indicated that this was the view of Secretary Andrus. Senator Stevens cautioned about trying to put D-2 related Native amendments on the bill when it comes from the House.
5. Senator Stevens vigorously emphasized the need to slow the Beaufort Sea sale. He is very concerned about drilling in the Beaufort Sea and feels that the international situation will result in a compressing of the time for leasing of NPR-A.
6. He is very interested in getting small companies involved in the development of NPR-A.
7. He supports the efforts to find a new agency or agencies to fund and administer NARL. He mentioned also the possibility of turning over the gas field at Barrow to the North Slope Borough and providing authority for requiring federal facilities to pay for gas from the field.

In the afternoon we were joined by representatives of the Department of the Interior: Gerry Gilliland, Curt McVie, Irene Rowan, Jim Wicks, and Ed Eisenson.

Gerry Gilliland outlined the Department's views on the legislation. He emphasized that the legislation is to encourage oil and gas development while protecting the unique surface values and lifestyle of the native residents. BLM is to administer the area in a multiple use manner and the local residents are to assist BLM in land use planning and in its lease program. He noted also that the bill included language that would lead to transfer of the Barrow gas field to the North Slope Borough.

With respect to leasing, the Department hopes to have a minimum time schedule that would result in the first lease within twenty months of the legislation. The legislation would provide

broad leasing authority to the BLM to establish terms and conditions. He emphasized that the authority would allow stipulations to protect the environment and require access yet he noted that the proposal did not have any corridors specifically set aside. He said that the bill would provide the Secretary with discretionary authority to lease minerals but only local leasing of coal would be specifically allowed. The report from Gilliland basically coincided with the information provided in Undersecretary Joseph's letter.

Gilliland indicated that the legislation was being reviewed within the Administration but that there had been no major changes proposed. The only objections from other agencies involved issues unrelated to the direct administration of NPR-A, e.g., the Department of Justice was concerned about anti-trust language, some agency was concerned about the size of the tracts being too large and thereby inhibiting participation by local companies, and there was concern over the name of the NCA. Gilliland does not know the exact timetable for submission of the bill to Congress but expects it to happen before January. He felt it was too late for any additional input at this time from the local community although the Department remains interested in the local reaction.

With respect to the four special areas he emphasized that the bill would only have Congress stating that BLM is to give those areas special consideration; it would be left up to the BLM, after consultation with an Advisory Committee, to determine exactly what those special considerations should be. BLM proposes to use the Federal Land Policy Management Act (FLPMA) planning process to establish appropriate restrictions. He also pointed out that Section 603 of FLPMA would not apply nor would the 1876 Mineral Act. This would preclude hard rock mining and provide no protection of existing claims. It was pointed out by Charlie Edwardson that there might be some outstanding claims that existed before the formulation of NPR-A.

Gilliland agreed that the leasing approach authority in the bill would allow internalization of costs but such leasing would not be mandated by the legislation.

Mayor Hopson emphasized the importance of sharing information from prior exploration of NPR-A inasmuch as the data is a key factor affecting exploration on the Slope. Mayor Hopson expressed his desire that the legislation should turn over leasing totally to private companies so that the Federal government would not be involved in the actual exploration.