

ALASKA LEGISLATURE COMMITTEE FILES 1983-1984 8672

2768 HRES HJR 58 - SB 47

2768

PETITION:

ISSUE: ALASKA'S KILLER WHALES
TO: ALASKA'S SENATORS AND REPRESENTATIVES (STATE AND FEDERAL)

We the undersigned would like to see the following:

1. the holding of public hearings in Alaska on the capture of killer whales by Sea World or any other organization;
2. the approval (or disapproval) by the Alaska Dept. of Fish and Game of any permits to capture killer whales in Alaskan waters.

NAME

ADDRESS:

Augustus A. Jelline 21-443 #E CITRUS Elmendorf ^{AK} AFI 99506
 Ray de l'Étoile 21-443 H CITRUS AVE Elmendorf AFB, AK 99506
 Stephen J Burg PO Box 665 Eagle River AK 99577
 James O. Egan SEA BOX 97-D Anchorage AK 99507
 Raymond Roper 1527 F Anchorage AK 99501
 Janice K. Royce 1527 F ST Anchorage AK 99501

12. The undersigned would like to see ~~all~~ all capturing of killer whales banned in Alaskan waters.

NAME

ADDRESS

~~Bill~~ MANINGER - P.O. Box 1021, FBKS., AK. 99707

~~Chris Lett~~ 8422 Lake Stis Anch AK. 99508

~~Mike White~~ 4220 Baxter Anch AK 99508

~~Red Praser~~ P.O. Box 241 Clam Gulch Ak. 99568

~~George Lett~~ - George Lett - 2715 Aspen Dr., Anch AK 99503

~~Mary Haddock~~ Box 2083 Kenai 99603

~~Tom Cockin~~ 7801 E 84th Anch AK 99507

~~Ruth Arcand~~ Ruth Arcand 4530 O'Malley Rd .. 99516

~~George Arcand~~ George Arcand 4530 O'Malley Rd, Anchorage 99516

~~Stana Masovic~~ 3341 W. 84th - Anch AK. 99502

~~Bob Pomroy~~ 7800 Debarre Ak. #36 Anch. AK. 99504

~~Lori Habowski~~ 7800 Debarre #36 ANch. AK 99504

W. W. Kail Box 11134 Anchorage AK 99511

John Connolly 6839 Stella Pl. Anch. Ak. 99507

Mary Kate Smith 6839 Stella Pl. Anch ak. 99507

Alvo A. Schmitt 3407 Spenard Anchorage 99503

Eric Johnson 931 W 71st Anch AK 99502

Heidi M. Jamison 1336 W 23 #212 Anch, AK. 99503

~~George Eisen~~ SRA Box 57-D Anch. AK 99507

Jeff J. Anderson 530 Tonsina Ct. Eagle River 99577

Alex Jansen-Dennekers 2110 Dawsonlight Ct Anchorage, 99501

Charles A. Peters SRA Box 5477-Q Anchorage AK 99576

I, the undersigned, would like to see a total ban on the capture of killer whales in Alaska waters.

Signature

Printed name

address:

Anne Streit

Anne Streit

3000 W 34th Anch., AK

JEFF SHERZER

JEFF SHERZER

3076 BETTLES BAY LP Anch AK

DAVE COKER

DAVE COKER

308A BUNNEL ST ANCHORAGE, AK.

LISA MAHAN

LISA MAHAN

PO Box 110257 Anch., AK

Ellen Evans

Ellen Evans

Box 18, Twenty Grand Eagle River AK.

CAROLINE KAPUOSKI

CAROLINE KAPUOSKI

272 E. DYEA Ft. Rich, AK

STEPHEN J. BOUCHARD

STEPHEN J. BOUCHARD

2406 W. 34th Anch. AK.

LORIN BLAKELY

LORIN BLAKELY

3941-B CHECKMATE DR. ANCH. AK.

GRETCHEN L. WISE

GRETCHEN L. WISE

3605 S. ARCTIC #166 Anch. 99503

MAUREEN E. WISE

MAUREEN E. WISE

410 E. 45th Anch #2 99503

Deborah Fields

Deborah Fields

6825 Timothy St Anch. 99502

ROBERT GROSSNICKHE

ROBERT GROSSNICKHE

7331 Augustine Ave. Anch. 99504

ROVANO N. SILVERIO

ROVANO N. SILVERIO

8610 E 7th Anch AK. 99504

KATHRYN REIMAN

10505 Humble Berry Dr Anch AK 99515

KATHRYN REIMAN

3605 arctic #1329

ANCH AK 99503

Rebecca J. Marshall

Rebecca J. MARSHALL

5901 E. 6th, Sp. 116, Anch. AK. 99504

Sandra C. Ryan

Sandra C. Ryan

1023 W. 26th Ave. #302 Anchorage, AK 99502

Sandra C. Ryan

ISSUE: ALASKA'S KILLER WHALES
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NAME

ADDRESS:

~~Shirley Bost Jim Bost 3501 Hartwood Pl. Anch. AK 99504~~
~~Alain James Diane Jones 1386 W23 Anch. AK 99503~~
 Fannie McEvoy (Ferrie McEvoy) 4751 Mars Dr. Anch. AK 99507
~~Susan BURG, PO Box 665, Eagle River, AK 99570~~
~~Eric Eason, SRA Box 47-D, ANCHORAGE, AK 99507~~
~~John Ole, SRA 2517-A, ANCHORAGE, AK 99516~~
 Charles R. Lewis, Box 1972 Soldotna AK 99669
 Ann M. Lewis P.O. Box 1972 Soldotna, AK 99669
~~Janet Janssen 2110 Darwinleigh Ct, Anchorage 99501~~
~~Charles J. Peterson SRA Box 5472-Q Anchorage AK 99516~~

We, the undersigned, would like to see a total ban on the capture of killer whales in Alaska waters.

GAIL SOMERVILLE	Gail Somerville	7301 DURANDA CT, ANCHORAGE, 99507
PAUL STEER	Paul Steer	SRABox 24M anchorage 99507
Bonnie Steer (Priscilla)	Priscilla Steer	SRABOX 24M Anch 99507
Will Knoppe	Will Knoppe	Box 2095-G SR Anch AK 99516
Susan Clough	Susan Clough	9700 Prospect Dr. Anch 99511
Diane Crawford	Diane Crawford	1718 SRA Anch. Ak. 99507
Ruth Schmidt	Ruth Schmidt	1040-C-St, Anch. AK 99501
LINDA GOODRICH	Linda Goodrich	830 E TB Anch 99502
CONNIE VAN HORN	Connie Van Horn	6830 OAKWOOD DR, ANCH. 99507
Walter A. Van Horn	Walter A. Van Horn	6830 Oakwood Dr. Anch. 99507
KEN PENDLETON	Ken Pendleton	8631 VIGOR CIR. ANCH. 99504.
BRUCE STACY	Bruce Stacy	6515 Colgate Anchorage 99507
DAVID AUGERSON	David Augerson	10550 OUR RD Anch. AK 99507
Mary R Cassell	Mary R Cassell	4238 Cherry Cross Anch 99504
Betty Boudart	BETTY BOUDART	Box 11010 Anch. AK 99511
Bo Boudart	Bo Boudart	" " "
Jim BERRY	Jim Berry	Box 8704 INDIAN AK 99540
Shirley Bost	Shirley Bost	3521 Westwood Pl, Anch. AK 99504
SHANTI ELDER	Shanti Elder	3921 BRYANT RIDGE PL, #2, Anch. 99504
Walter J. Deen	W. J. Deen	11776 Wilderness Dr. Anch. AK 99511
Ruth J Deen	Ruth J Deen	PO. Box 110618 Anch - 99511
Timothy G. Konkus	TIMOTHY G. KONKUS	804 Pst. #7, Anch. 99501
Marge A. Kiley	Marge A. Kiley	Box 387 Cordova 99574
WALTER B. WOOD	Walter B. Wood	705 MULDOON Rp. Sp. 158 99504

PETITION:

ISSUE: ALASKA'S KILLER WHALES

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NAME

ADDRESS:

Diane E. Messin - 3900 W. 72nd St. Anch. Ak. 99502
(Messin)

Carol Ann Sullivan 1644-B Geneva Dr. Anch. Ak. 99501

Paul Emberson POB 112113 ANCH AK 99511

Richard Messin Box 121527 Anch Ak 99510

Maureen Richmond Box 4-079 Anch 99509

BANTON PENNY 4581 Sandy Beach Dr. 99502.

James O. Chubb P.O. Box 279
NEENAH 99760

Smith I. Kuhn P.O. Box 11-1843 99511
KENNETH L. KUHN

Stephen B. Croyer P.O. Box 1561N ANCHORAGE. AK 99507

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Walter B. Wood 705 MULDOON RD. Sp. 158¹⁶¹⁶ 99514

Margy Lynne Kadletz 1525 Alder Dr. Anch. AK 99508



Official Business

Alaska State Legislature House Resources Committee

SIGN-IN

FEB 29, 1984

HJR 58
ORCAS

NAME	ADDRESS	PHONE	REPRESENTING
REP. MIKE SZYMANSKI			SPONSOR
LANNY CORNELL	1720 South Shores San Diego CA 92102	619 222-6363	SEA WORLD
Dr. PAUL SPONG	Box 258, Alert Bay, B.C. VAN 1A0		Orca lab, Alert Bay B.C.
Richard Osborne	P.O. Box 945, FRIDAY HBR. CWA.		Moclips Cetological Institute
DICK FARNELL	P.O. BOX 2633, JUNEAU, AK 99803		JUNEAU GROUP - SIERRA CLUB
Austin Hammond	Haines	766-2606	self - A.N.B. - A.N.S. - Camp #5
Stephen Leatherwood	2225 Etiwanda St. San Diego, Calif.	619- 2228591	Hubbs Sea World Research Institute
Guy Oliver	421 Judy Lane JUNEAU	586-4042	SELF
Linda Corder	P.O. BOX 1811 Juneau, A.K.	no home 465-2875W	ORCA
John McManis	Box 2502 Juneau AK 99803	787-5068	@

FEB 29



FEB 28 1984

UNIVERSITY OF ALASKA, FAIRBANKS
Fairbanks, Alaska 99701

24 February 1984

Representative John Ringstad
Chairman, House Resources Committee
Alaska State Legislature
Pouch V (MS 3100)
Juneau, AK 99811

Dear Representative Ringstad:

I understand that the House Resources Committee will conduct a hearing on 29 February 1984 on the issue of capture of killer whales in Alaskan near-shore seas. I gave testimony concerning this matter before the Senate Resources Committee on 31 January, but I will be unable to attend the meeting of your committee next week. The purpose of this letter is to enter my written testimony into the record, and I should be very grateful if it can be accepted in this manner.

My comments are directed to two parts of this issue: my experience of collaborative work with Sea World and the related autonomous Hubbs-Sea World Research Institute in San Diego and my knowledge of the background and prospects for the research program which is planned in conjunction with the killer whale capture. It is my opinion that much of the discussion of these issues has resulted in exaggeration and inflammation of the purposes and likely outcome of these activities.

From 1961 until 1970 I was a member of the research staff and from 1970 to 1973 a faculty member at Scripps Institution of Oceanography. Stimulated by earlier Alaskan experience, I had embarked on a program of study of marine mammal physiology expecting to explore the mechanisms whereby these animals can experience long and deep dives underwater and can protect themselves from the effects of life-long immersion in polar seas. The nearby Sea World oceanarium was just getting started in the early 1960's, and their activities naturally attracted the attention of persons involved in marine mammal studies. From the beginning, Sea World has shown an interest in providing opportunities for qualified scientists to study their captive animals in ways that would not harm them. Sea World management was and continues to be, of course, especially interested in new knowledge which contributes to the healthy condition of their marine mammals, but their enlightened attitude toward research has extended well beyond those concerns. It is fair to say that Sea World has supported investigations of physiology, behavior and animal welfare by many reputable scientists which would not otherwise be possible. That dedication to understanding these remarkable animals has steadily gained in strength and effectiveness as Sea World has grown and initiated new and improved technology for husbandry of marine mammals. That organization and its research arm - Hubbs-Sea World Research Institute - are today world leaders in this field.

Sea World research into the care of captive dolphins, for example, has progressed to such a level that it is no longer necessary for them to capture those animals in the wild. In recent years, 20 live births of dolphins have taken place at Sea World. It is for a similar purpose, among others, that the presently debated killer whale capture is proposed. If any organization is to succeed in the captive breeding of killer whales, it is likely to be Sea World. I believe that we should applaud these efforts. Sea World proposes to take 10 killer whales into captivity over a period of 5 years. In that process more whales would be temporarily held for a few hours in order to evaluate which animals would be taken into captivity. For this reason Sea World has sought to "take" up to 100 killer whales. News reports sometimes fail to make this distinction clear, and the public then may be left with the inaccurate impression that a total of 100 Alaskan killer whales are destined for removal to California.

The proposed research program will provide an unprecedented opportunity to expand our knowledge of killer whales in the Alaskan environment. Seventeen scientists from several institutions will take part in more than a dozen research projects. These are not trivial activities, and they are not hobbies. They are part of the long-term, step-by-step process by which reliable and useful scientific information is acquired.

Since I joined the faculty of the University of Alaska in 1973 I have continued research investigations of marine mammals. I have also continued collaborative studies with colleagues in other places, including Sea World. Much of our research success depends upon team work to realize the most productive means for acquiring new information and understanding of marine mammals. As a result of such studies we know more about the biology of those animals and, incidentally, about our own physiological processes. Adaptations to long underwater diving, for instance, were originally identified in mammals and birds which live in aquatic habitats. We know today that those adaptations can also be traced in other species, including humans, as a defense against the threats of asphyxia. Studies of aquatic animals have lead directly to new appreciation of the importance of these reactions in medical problems. The possible implications extend to protection of newborn infants against asphyxia, survival of victims of near-drowning and hypothermia, prevention of sudden infant death syndrome and new perspectives on heart disease.

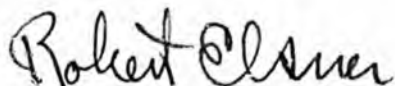
Quite apart from these examples of contributions to human health, there is a great need to learn more about marine mammal populations, distribution and ecology in these days when rapid and possibly irreversible changes are taking place in our marine environments. I cannot think of a location where such knowledge can be more usefully gained and put into practice than here in Alaska. In my view the State of Alaska can gain considerable benefits while making adequate safeguards for a rational and considered approach to this issue.

There is clearly a basis for difference of opinion regarding the ethics of keeping animals in captivity for purposes of public display. Many millions of Americans accept that premise as reasonable, and they have

gained enormously by the educational and aesthetic values which have been derived from appreciation of Nature gained through learning about animals in this way. Sea World, its profit motives notwithstanding, has made an essential and lasting contribution to that public knowledge and appreciation. There is also a basis for disagreement about the use of animals for scientific research. Certainly, every thoughtful and humane person would accept the idea that such animals should be well cared for and not subjected to unkind treatment. Such conditions are accepted as the responsibility of scientists and form the basis upon which new knowledge is founded. I have confidence that the proposed killer whale research will adhere strictly to these policies.

There have been recent news reports suggesting that the Greenpeace organization intends to use its ship to physically interfere with the killer whale captures if they are undertaken in Alaskan waters. In my opinion such an activity would constitute a most unfortunate and uninformed misplacement of that group's priorities. An otherwise well-meaning and sincere concern for animal welfare would be dissipated in an irrational effort. How much more useful a contribution to Alaskan interests and to our society could be made if we would join forces to make certain that the resources available to the State of Alaska could be brought to bear in such a way as to assure maximum sensible use and beneficial results from this unique opportunity.

Respectfully,



Robert Elsner
Professor of Marine Science

RE/rmh

cc: Chancellor O'Rourke
Representative Mike Davis
Senator Vic Fischer
Senator Bettye Fahrenkamp
Editor, Fairbanks Daily News-Miner
John Burns, ADF&G
National Marine Fisheries Service



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
NATIONAL MARINE FISHERIES SERVICE
Washington, D.C. 20235

FEB 22 1984

F/M411:PM

Mr. Don W. Collinsworth
Commissioner
Alaska Department of Fish and Game
P.O. Box 3-2000
Juneau, Alaska 99802

MAR 12 1984

Dear Mr. Collinsworth:

This is in regard to your letter of January 16, 1984, concerning Permit No. 439 issued to Sea World, Inc. which authorizes the taking of killer whales in waters off Alaska.

I appreciate your concerns over the taking of killer whales in areas which conflict with State sanctuaries and viewing areas or religious and social systems in Alaska. Factors such as these are considered by the National Marine Fisheries Service (NMFS) Regional Offices, who make a final determination on the specific dates and locations of takings under permit. Special Condition B-10 of Permit No. 439 requires Sea World to receive approval from the NMFS Alaska Region prior to any takings in the Alaska area. As indicated in our letter to you of November 1, 1983, the Alaska Region will consult with the Alaska Department of Fish and Game prior to allowing any takings in State waters. I will also encourage Sea World to consult directly with your department well in advance to discuss and determine those State areas which would be unacceptable for capture operations, and understand that Sea World has already been in contact with your staff.

The requirement for observers to accompany activities under permit is also determined by the Regional Office. The NMFS intends to require observers for both the temporary capture of animals for research and the capture of animals for display. The arrangements for observers will also be coordinated with your Department and, at your request, the Alaska Region will require Sea World to accommodate State of Alaska observers.

Concerning your last request, I will send you copies of all reports received from Sea World as well as all authorizations or modifications made by NMFS to Permit No. 439. I believe that these provisions address your concerns.

Sincerely yours,

Richard B. Roe
Director
Office of Protected Species
and Habitat Conservation

bcc: Cornell and Heffernar-Sea World





Alaska Princess CHARTERS inc.

8RA 647 Anchorage, AK 99507 (907) 345-5583

MAR 5 1984

March 1, 1984

Representative John Ringstad
House Resources Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Ringstad

I attended the Alaska State Legislature Teleconference Hearings in Anchorage today on the subject of HJK 58. Because of the high number of people wanting to testify and the limited amount of time available for testimony, I was unable to testify as I had intended. Enclosed is a copy of the text that I had intended to read. I hope that you will find it useful in your consideration of this resolution and I hope that you will conclude, as I have, that this resolution should not be passed. Let's get on with the research!

Sincerely,

Rachael D. Meeks
President

RDM:ajh
Attachment



Alaska Princess
CHARTERS inc.

RACHAEL MEEKS
President

3320 Seawind Drive · Anchorage, AK 99516 (907) 345 5583

"DISCOVER Prince William Sound With Us."

I appreciate the opportunity to provide input to your consideration of House Joint Resolution 58. I do not support it.

My name is Rachael Meeks and I am the President of Alaska Princess Charters, Inc., a charter operation which derives its entire income from cruises in Prince William Sound.

Sea World's request for a permit to remove ten killer whales and study up to 90 more during the next five years caught my interest in May 1983 when I read an article about it in the ANCHORAGE TIMES. It was at a time when we were gearing up for our summer season. During the winter of 1982-83, we had requested information on the killer whales in Prince William Sound from various governmental agencies. The only information that was provided was the most recent report of the Marine Mammal Protection Act of 1972 published by the US Department of Commerce. It stated that killer whale populations are unknown, although they are large enough to not be considered an endangered species.

After further researching Sea World's application for the permit, I sent letters of support to the National Marine Fisheries Service, Governor Bill Sheffield, Representative Don Young and Senators Murkowski and Stevens. Additionally, I personally spoke with Senator Murkowski about this issue and indicated my support. During this time, the press did a good job of covering the issue on TV, radio and in the Alaska newspapers.

Public hearings were held during August 1983 in Seattle, Washington, despite the fact that Sea World had previously suggested to National Marine Fisheries Service (NMFS) that public hearings be held in Alaska. I contacted NMFS in Juneau and voiced opposition to hearings outside the state, but all they could recommend was to send in my public comment, which I did.

At the hearing, renowned scientists, veterinarians, the general public and even politicians testified both for and against granting Sea World this permit.

After evaluation of all the input, the National Marine Fisheries Service apparently believed that the advantages of this research outweighed the disadvantages and they granted Sea World its permit to capture killer whales in Alaskan waters. I believe that there has been adequate input to have made a rational decision and that that decision has been made. With this in mind, I do not understand why the legislature in Juneau is practically starting the process all over again; unless it is to get more publicity for what has become an emotional issue. Where were Mike Syzmanski and Vic Fischer last year when the hearings were in progress? And why didn't they make their comment during the public comment period just like the rest of us?

I have been to Sea World's San Diego Park as a tourist and I am impressed with its educational programs. Of course, seeing a whale in the wild is incomparable to seeing one in an aquarium, yet, marine parks such as Sea World are the only place where most people can acquire the sense of wonder that comes from exposure to these magnificent animals. Anyone who sees the orcas perform is unlikely to ever be indifferent about harm done to whales. Therefore, marine parks not only expand our knowledge and understanding of the whales, but I believe they also mass-produce opposition to commercial whaling. I base this on the fact that the countries that have extensive commercial whaling operations such as Russia and Japan, do not have marine mammal parks like Sea World. From my research, I have learned that over 75 million visitors have attended Sea World Parks. Sea World has a formal education program that has reached over 1½ million students since its inception in 1972. A program coordinator for the Orange County Public School System in Florida wrote that they depend on Sea World to provide marine biological programs. During May 1983 alone, over 20,000 students were involved from that state's educational institutions. I understand that continuing education programs are provided, a veterinary program for medical students is conducted and a range of programs are available for the mentally, visually and severely handicapped. Sea World has been the recipient of numerous educational awards and was rated by the Stanford Research Institute as "the world standard, against which all others of its kind are measured."

To make allegations that Sea World would jeopardize this permit by abusing it is absurd. There is no reason to believe that the captured whales from Alaska will not

receive as good of care as the whales that Sea World currently has. These whales range in age from 8 to 25 years old and have been in captivity for from 6 to 15 years.

We support this research on the killer whales particularly in Prince William Sound because whales are a prime attraction in our charter business. While the capture of a few whales may make the whales skittish for a while, I believe that the benefits of establishing a baseline of population and migratory patterns will be lasting, especially in view of the increased numbers of cruise ships coming into Prince William Sound. We do not need another fiasco like Glacier Bay where small operators like myself were denied permits to enter the bay due to the fact that whale population research was incomplete.

Instead of rehashing the permit process at the state level, I believe we would be far better off to do everything possible to support Sea World in their research and benefit from that research as well as capitalize on the advertising aspect of offering OUR killer whales to the people of the less fortunate states. Particularly at a time of dwindling oil revenues, we are wise to invest in renewable resources; namely tourism. Providing a few killer whales to the lower 48 could stimulate interest in the state and supplement the Division of Tourism's advertising campaign. Who knows? Sea World may even name one of the whales after a famous Alaskan!

From: North Pacific Fishermen's Federation

TO: Senate Resources
House Resources

SUB: Sea World proposed capture of killer whales.

Madam Chairmen

Mr. Chairman

As I am frequently around killer whales, I am intensely appreciative of and respect the magnificence of these mammals. It is hard to visualize these mammals in captivity.

I have met with representatives of Sea World and discussed their proposal to capture a few killer whales. After consideration of some important reasons for the whales capture, we would appreciate being put on record as supportive of Sea World's proposal.

The educational benefits to the public, the scientific benefits to the deeper and better understanding of the killer whales, the expression of seemingly ease of the whales to adapt to captivity, the quality personnel and facilities as expressed by many who have visited Sea World as well as representative document and personnel, seem to give credibility to Sea World's proposal.

We believe the killer whales are going to

be studied to a great extent, anyway. We would definitely appreciate these types of projects done in the private sector rather than by governmental agencies. The results will be thorough, the care will be the best, and the costs and investment be protected. This, as past experience shows, is not the case with governmental involvement.

These capturing activities should, as can be worked out with Sea World representatives, be done in a manner as to not hinder fishing activities in Southeast Alaska.

Jerry Arnold
Chairman NPFF
Box 3020
Juneau, Ak. 99803
907-789-9923

SeaWorld



*Entertainment
Education
Research*



HJR

73



Alaska State Legislature

HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

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

M E M O R A N D U M

TO: House Resource Committee members

FROM: Committee Staff

DATE: May 14, 1984

RE: HJR 73, Relating to the licensing of commercial halibut vessels

WHAT THE RESOLUTION DOES

Requests the International Pacific Halibut Commission to appoint the Alaska Commercial Fisheries Entry Commission as its agent to process halibut vessel license applications and to issue licenses on the behalf of the IPHC.

The reason for doing this: currently to fish halibut in Alaska a person must obtain both a IPHC's vessel license and a license from the Alaska Commercial Fisheries Entry Commission. The effect of this Resolution is to require fishermen to only apply for one license. This action provides the fishermen one less license form to fill out and send in.

HJR

75



Official Business

Alaska State Legislature
House Resources Committee

SIGN-IN

APR 2, 1984

**HJR 75
OIL EXPORT**

NAME

ADDRESS

PHONE

REPRESENTING

NAME	ADDRESS	PHONE	REPRESENTING
Bob Berkowitz			

AGO 786815

Introduced: 3/28/84
Referred: Resources

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2

HOUSE JOINT RESOLUTION NO. 75

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

Relating to crude oil exports.

6

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

7

WHEREAS the United States Congress has extended the life of the Export

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Administration Act (EAA) prohibiting the export of North Slope crude oil;

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and

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WHEREAS the right of Alaska to freely enter the international trade in

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hydrocarbons enjoyed by the other 49 states is impaired by the action of

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the United States Congress extending the EAA; and

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WHEREAS the export of Alaska crude oil could result in a large in-

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crease in federal and state revenue; and

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WHEREAS the balance of trade deficit that the United States has with

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its Pacific Rim trading partners could be significantly decreased by the

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export of Alaskan crude oil to those nations; and

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WHEREAS a majority of the Alaska Legislature's Joint Oil and Gas

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Committee endorsed on May 17, 1983, exporting Alaskan oil and natural gas;

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and

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WHEREAS the current oversupply of hydrocarbons on the West Coast will

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be further increased when the off-shore Santa Barbara oil field comes into

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production forcing Alaskan crude oil products to even more distant and less

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profitable markets on the Gulf Coast;

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BE IT RESOLVED that the Alaska State Legislature requests the Governor

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to formally announce an intention by the state to challenge the constitu-

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tionality of the EAA by declaring Alaska's right to export on a one-time

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basis 200,000 barrels of North Slope crude oil to a buyer in a Pacific Rim

29

nation for the purpose of asserting Alaska's right to freely enter the

1 international trade in hydrocarbons that the other 49 states enjoy; and be
2 it

3 FURTHER RESOLVED that the Governor enter into contact negotiations
4 with a United States ocean shipper for the purpose of transporting the
5 200,000 barrels of crude oil from Valdez to a buyer in a Pacific Rim
6 nation; and be it

7 FURTHER RESOLVED that the Governor notify North Slope producers that
8 on a date certain the state will take delivery of 200,000 barrels of the
9 state's royalty oil for the one-time shipment to a buyer in a Pacific Rim
10 nation.

11 COPIES of this resolution shall be sent to the Honorable Ronald
12 Reagan, President of the United States; the Honorable George Bush, Vice-
13 President of the United States and President of the U.S. Senate; the Honor-
14 able Thomas P. O'Neill, Jr., Speaker of the U.S. House of Representatives;
15 the honorable Dante Fascell, chairman of the House Foreign Affairs
16 Committee; the Honorable John Heinz, the Honorable William Brockmire, the
17 Honorable John Tower, the Honorable Alan Cranston, members of the Export
18 Administration Act Conference Committee; and to the following United States
19 Congressmen, members of the U.S. House Conference Committee on the Export
20 Administration Act: the Honorables Don Bonker, Dante Fascell, Lee
21 Hamilton, Gus Yatron, Steve Solarz, Andy Ireland, Dan Mika, Michael Barnes,
22 Howard Wolpe, Sam Gejdenson, Howard Berman, Toby Ropth, Olympia Snowe,
23 Gerald Solomon, Douglas Bereuter, Ed Zschau, Sam Gibbons, Jim Jones, Bill
24 Frenzel, Beverly Byron, Earl Hutto, and Jim Courter; and to the Honorable
25 Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the
26 Honorable Don Young, U.S. Representative, members of the Alaska delegation
27 in Congress.

HJR 75

Testimony of
Rep. Bob Bettisworth
Before the House Resources Committee
April 2, 1984

I support House Joint Resolution 75. I seek your approval of the resolution.

Twice I have suggested to the Governor that he could, and should, very effectively test our STATE'S RIGHT to export crude oil to Pacific Rim nations. The Governor has ignored my suggestion. HJR 75 would re-issue the suggestion from the Legislative body. This action would be a test of Article X of the United States Constitution.

That Article, the "States' Rights Amendment", reads: POWERS RESERVED TO STATES OR PEOPLE. The powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people."

Alaska is the only state in America that is prohibited from exporting crude oil. That is unfair. It is an infringement of our basic State's Rights concept. Eastern seaboard Congressmen and Senators and special interest maritime forces have successfully extended the life of the Export Administration Act which prohibits Alaska from exporting its crude.

This resolution before you simply asks the Governor of Alaska to step out boldly and test Alaska's right to sell and transport 200,000 bbl of North Slope crude oil to a willing buyer in Japan, Korea or Taiwan.

The resolution asks the governor to notify the producers that on a date certain he expects to take delivery of 200,000 barrels of crude at Valdez. It also asks the governor to enter into negotiations with a competent American shipper to transport the 200,000 barrels to the willing buyer in one of the Pacific Rim nations.

This enterprise is one time only. A test, if you will.

Admittedly, this would be a bold move. However, it would be a message that the Congress and the constitutional adherents would receive with clarity. That message is simply: It is unconstitutional to prohibit Alaska from entering the free market of the world.

It is ironic that North Slope oil and gas come up out of the same holes in the ground, and we are allowed to export gas but we are not allowed to export oil.

ARTICLE X.

Powers reserved to states or people. The powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people.¹⁸

ARTICLE XI.

Restriction of judicial power. The judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by citizens of another state, or by citizens or subjects of any foreign state.¹⁹

ARTICLE XII.

Election of President and Vice President. The electors shall meet in their respective states, and vote by ballot for President and Vice President, one of whom, at least, shall not be an inhabitant of the same state with themselves; they shall name in their ballots the person voted for as President, and in distinct ballots the person voted for as Vice President, and they shall make distinct lists of all persons voted for as President, and of all persons voted for as Vice President, and of the number of votes for each, which lists they shall sign and certify, and transmit sealed to the seat of the government of the United States, directed to the President of the Senate; -- The President of the Senate shall, in presence of the Senate and House of Representatives, open all the certificates and the votes shall then be counted; -- The person having the greatest number of votes for President, shall be the President, if such number be a majority of the whole number of electors appointed; and if no person have such majority, then from the persons having the highest numbers not exceeding three on the list of those voted for as President, the House of Representatives shall choose immediately, by ballot, the President. But in choosing the President, the votes shall be taken by states, the representation from each state having one vote; a quorum for this purpose shall consist of a member or members from two thirds of the states, and a majority of all the states shall be necessary to a choice. And if the House of Representatives shall not choose a President whenever the right of choice shall devolve upon them, before the fourth day of March next following, then the Vice President shall act as President, as in the case of the death or other constitutional disability of the President. The

18. Proposed by Congress on September 25, 1789, and declared ratified on December 15, 1791.

19. Proposed by Congress on March 4, 1794, and declared ratified on January 8, 1798.

Alaska State Legislature

Sen. Bettye Fahrenkamp,
Co-Chairman
Sen. Vic Fischer
Sen. Don Bennett



Rep. John J. Cowdery,
Co-Chairman
Rep. Mike Davis
Rep. Joe Hayes
Rep. John Ringstad
Rep. Mike Szymanski
Rep. Rick Uehling
Rep. Anthony N. Vaska

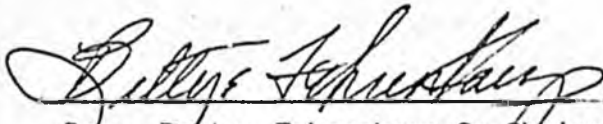
Joint Committee on Oil and Gas


REVIEW & COMMENT

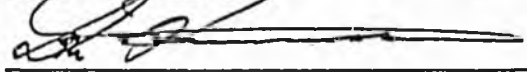
ON RESOLUTIONS IN SUPPORT OF EXPORTING ALASKAN NATURAL RESOURCES

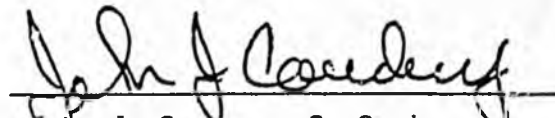
DATE: 17 May, 1983


The Joint Committee on Oil & Gas has reviewed the issue of exporting Alaskan crude oil and natural gas, and unanimously supports the adopting of joint resolutions encouraging enactment of such provisions of law that will permit the export of Alaska's natural resources, and improve relations with our Pacific Rim Allies.


Sen. Bettye Fahrenkamp Co-Chairman

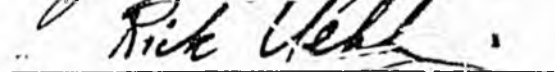

Sen. Vic Fischer

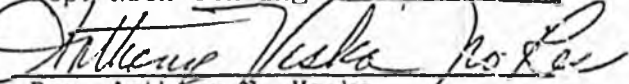

Sen. Don Bennett

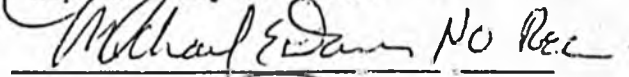

John J. Cowdery Co-Chairman

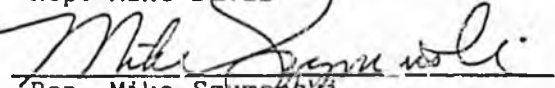

Rep. Joe Hayes


Rep. John Ringstad


Rep. Rick Uehling


Rep. Anthony N. Vaska


Rep. Mike Davis


Rep. Mike Szymanski

State cruise sought

By JOHN LINDBACK
Daily News reporter

JUNEAU — Gov. Bill Sheffield is asking the legislature for as much as \$750,000 for a Pacific Rim trade conference slated to include a cruise through Alaska waters.

The governor would like to hold at least part of the conference in an "enclosed environment" — possibly on a cruise ship — where the participants' attention would be exclusively focused on Alaska trade, said Pete Spivey, Sheffield's press secretary.

The conference is intended to "encourage participation of key industry and government leaders from Korea, Taiwan, the Philippines and the Lower 48," according to an administration budget request.

Commissioner of Commerce and Economic Development Dick Lyon said Wednesday the state would ask conference participants to pay most of the costs of items such as the cruise, which would stop at Alaska ports that hold investment potential. Stops may include Ketchikan, Sitka, Whittier, Seaward and Valdez, he said.

"We'd like to find some way to expose the participants of the conference to several places in Alaska," Lyon said. Plans call for conference participants to visit other regions of the state such as Prudhoe Bay and the Red Dog zinc mine near Kotzebue, he said.

The public funds are needed to pay the costs of setting up the conference and to help defray some costs to the participants, Lyon said.

The conference is in the planning stages, so the budget and portions of the conference

Moslems feel the Christians have disproportionate representation.

- Assurance of the security of southern Lebanon, the Saudi formulation for insuring the security of northern Israel through controls against guerrilla infiltration.

- Replacement of the multinational peacekeeping force of American, French, Italian and British troops by a United Nations force.

Conference

Continued from Page A 1

such as the cruise are subject to change, Lyon said.

The conference is viewed as a follow-up to Sheffield's trip to Korea and Japan in October. The administration will focus the participants' attention on Alaska's fish, timber, mining, tourism, oil, natural gas and agricultural resources, Lyon said.

"One of the things this will say to our Asian neighbors is that Governor Sheffield and the State of Alaska want them here," Lyon said.

To hold part of the conference on a cruise ship the administration will have to get federal permission to board the passengers in Alaska, Lyon said. The federal Jones Act prohibits ships registered in foreign countries from such activities without permission.

If a Jones Act waiver can't be obtained the administration may explore the possibility of holding the conference on a state ferry, Lyon said.

Washington Watch

Robert D. Hershey Jr.

Reviving Plan To Export Oil

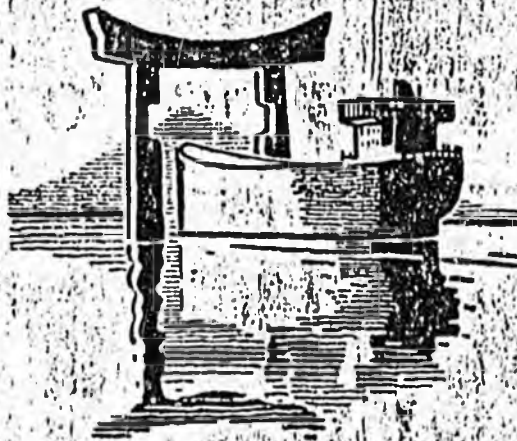
SENATOR Frank H. Murkowski, a Republican from Alaska who sits on the Energy Committee, has dusted off and modified a long-dormant plan to authorize the export of Alaskan oil to Japan. He plans to offer it as an amendment to the Export Administration Act when it comes up for renewal later this month.

Some Capitol aides think the measure could pass this time around. But the maritime industry, which has been the biggest stumbling block, says it remains adamantly opposed to the plan. The export of American crude, except for barrel-for-barrel swaps with Canada, is forbidden by law.

According to Senator Murkowski, Alaska's output could increase as much as 200,000 barrels a day, an increment that he would make available for export. He contends that the plan would reduce the nation's trade deficit with Japan by \$2 billion a year and raise \$133 million for the Treasury in "windfall profits" taxes.

The Senator has attempted to overcome the opposition of the American marine industry, which now transports Alaskan oil to West Coast and Gulf of Mexico ports, by stipulating that all vessels carrying exports would be repaired only in United States shipyards. In addition, the amendment provides that the President could cancel export contracts for reasons of a national emergency.

Vice President George Bush has told Senator Murkowski that the changes should make it acceptable to the opponents. However, Jesse M. Calhoun, president of the National Marine Engineers' Bene-



David Suter

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Making Noise at the Fed

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Briefcases:

¶The Transportation Department proposes for security reasons to bar helicopter flights over the nation's nine nuclear weapons facilities. Flights by fixed-wing craft would be prohibited below specified altitudes, generally 3,000 feet.

¶The International Monetary Fund's policy-making Interim Committee, which had thought about skipping its regular spring meeting this year has decided to hold it on April 12.

¶Two Jersey's Democratic Senators, Bill Bradley and Frank R. Lautenberg, seek an investigation into why the price of home heating oil in the state has risen 20 cents a gallon.

RECEIVED
BUDGET/AUDIT
COMMITTEE

Bill Sheffield

Free Alaska's Oil

American energy consumers have a large stake in the existing restrictions on the export of Alaska crude oil. Because Congress must soon act on an extension of the ban, its rationale and costs deserve scrutiny. I share the considered opinion of most economists and of the federal Department of Energy that the United States would produce more oil at lower prices if the export restrictions were lifted.

The origins of the oil export ban lie in the December 1973 authorization for construction of the Trans-Alaska Pipeline System, a project that currently carries some 20 percent of U.S. oil production. Energy security concerns became paramount in the wake of the October 1973 OPEC embargo, and Congress chose to restrict the destination of oil shipped through the pipeline. At that time, when U.S. ability to obtain any imported oil was in question, the restrictions made political sense.

The energy supply picture for the United States has changed during the past 10 years, however. About half of Alaska's oil production of 1.6 million barrels a day is in excess of West Coast needs. As a result, this oil must move to the larger market of the Gulf of Mexico and the East Coast. Unfortunately, this journey is an expensive one, costing four times as much as the tanker run to California. This additional transportation cost means reduced federal tax revenues and reduced incentives for expanding Alaska oil production. Higher trade deficits and diminished national security also result from the ban on our allies.

America's Pacific Rim allies, in close proximity to Alaska, would very much like to purchase this surplus oil to diversify their sources away from the Middle East, but are prohibited from doing so by federal law. The ban is particularly unfair because no other U.S. oil production is barred from export, and the United States currently ships overseas in excess of 701,000 barrels a day of domestically produced refined petroleum products.

Along with Alaska's congressional delegation, I have proposed that Congress relax the existing export ban on Alaska oil to allow 200,000 barrels a day to be shipped to Japan on U.S.-flag tankers. Most knowledgeable observers agree that the federal government and energy consumers in the United States would experience significant benefits from the adoption of this proposal:

- The federal Treasury would realize almost \$200 million per year in increased tax revenues as a result of the higher value of oil shipped to the Pacific Rim.

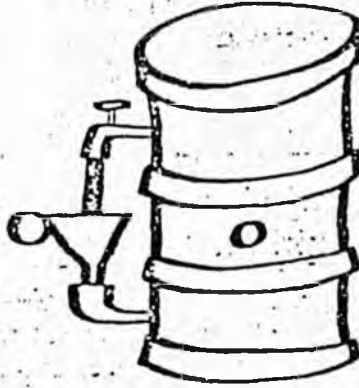
- The oil industry would have a greater incentive to develop currently marginal fields on Alaska's high-cost North Slope and to explore for addi-

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By Zarko Karabatic

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In light of these convincing arguments, why does the export ban remain in effect? The Alaska oil trade currently supports a substantial portion of the U.S. merchant marine fleet. Any action that reduces the amount of time Alaska oil must spend in U.S. tankers is therefore fiercely opposed by the owners and workers supported by these ships. To accommodate their concerns, the proposal I am making would sharply limit exports, and would require the use of U.S.-flag tankers manned by American seamen and maintained in American shipyards.

Those of us who live in Alaska strongly believe in the importance of a healthy merchant marine, given our heavy reliance on waterborne commerce. Nevertheless, the Alaska oil export ban is an expensive and ineffective means of achieving it. In a recent draft report, the U.S. Department of Energy said most of the problems likely to confront the U.S. tanker fleet in the future will occur whether or not export restrictions are eased. To forgo substantial federal tax revenues, national trade benefits, improved national security and increased oil production primarily to protect narrow merchant marine interests is not sound public policy.

The writer is governor of Alaska.

Washington Watch

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New York Times 2/23/84

Let Alaska's Oil Flow Naturally

By law — indeed, five laws — the United States prohibits exports of Alaskan oil. The nominal reason is national security. The controlling reason is protectionist politics. The ban should be repealed.

Alaska's Senators, Frank Murkowski and Ted Stevens, want to amend the Export Administration Act to authorize at least some sales abroad. To win votes, they've conceded too much to protectionism. Nonetheless, because the House has already voted to extend this senseless embargo, their amendment offers the only hope for reducing its harm.

Alaska currently pumps out 1.8 million barrels a day. The idea behind the ban was that it's more efficient — and serves the national interest — to direct that oil to West Coast refineries, a short run down the coast. In fact, those refineries have been able to use only half of it. The rest goes through the Panama Canal and a Panama pipeline to refineries on the Gulf of Mexico, or all the way around South America to the Virgin Islands. What a waste, and discouragement, to Alaska's oil development.

The cost of the long-distance transportation runs as high as \$3.25 a barrel. Shipment to the logical buyers in the Pacific basin — Japan, South Korea and Taiwan — would cost \$1 or less.

The benefit would be twofold. Gulf and Caribbean refineries could get their crude oil at lesser cost from Mexico, Venezuela and Nigeria. And Alaskan oil across the Pacific would become more

competitive, and thus stimulate more exploration.

What about national security? It is said that the Arab oil embargo and resulting escalation of oil prices proved the value of holding on to every drop of American oil. So why let others buy it?

The question turns the issue upside down. Exporting Alaska's oil would enhance national security, not hurt it. The countries that would buy this oil are important allies whose access to oil is vital to American security interests. They have no oil of their own. An assured supply is especially necessary for Japan. By reducing Japanese dependence on the Middle East and also stimulating more production in Alaska, two important interests would be served.

The Murkowski-Stevens amendment would permit exports of 200,000 barrels a day and let the President stop all exports if ever the oil is needed in the United States. That's a reasonable concession to get the amendment approved but of no realistic consequence. If cut off by the Persian Gulf, Japan is not likely to be cut off also by America.

What is objectionable is the Murkowski-Stevens requirement that all exports be shipped in American vessels and that the vessels be maintained and repaired in American shipyards. These concessions, to win over the maritime unions, would increase the cost of shifting transportation patterns and reduce their value. But the ban offends economics in larger ways and violates security. Even at that price, it's worth relaxing.

NY Times 2/23/84

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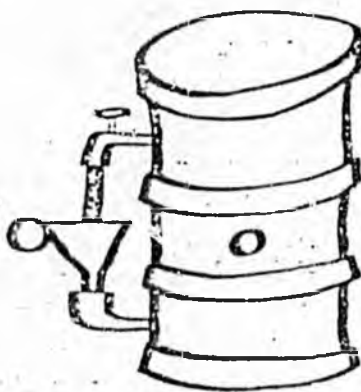
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ST

Foes cite expense and time

Oil export study panel runs into trouble

by DAVID RAMSEUR
News-Miner Bureau

WASHINGTON—A presidential study commission Alaska lawmakers managed to salvage from their overwhelming defeat early this month on efforts to lift the ban on Alaska oil exports appears in trouble.

The maritime industry is gearing up for a lobbying campaign to delete the study and the majority of House and Senate members selected to put final touches on the measure are firmly against Alaska oil exports.

In the meantime, Gov. Bill Sheffield has stepped up his lobbying on the issue. He has sent a packet of materials to the lawmakers involved and a state-hired lobbyist is making the rounds to convince congressmen in person.

Although Alaska Sen. Frank Murkowski remains optimistic the commission will eventually become law, others aren't so sure.

"So far there is certainly support for deleting the study altogether or delaying the due date," said Howard Marlowe, head of the Coalition to Keep Alaska Oil.

Admits a state official: "It's going to be an uphill battle to keep it in,"

At issue is a seven-member presidential commission Murkowski attached to the Export Administration Act after the Senate defeated 70-20 his proposal to permit the export of some types of Alaska oil.

The study commission, charged with reviewing the merits of Alaska oil exports, was the best Murkowski could do in the face of overwhelming

Senate opposition to selling Alaska oil abroad.

The commission, which was given an open budget, is to report its findings next January. Proponents of Alaska oil exports hope those findings will strengthen their case for lifting the federal ban on exporting Alaska oil.

But opponents point to a handful of government and private studies on

the issue conducted in the last year alone and say the time and expense of another is hard to justify.

"We're not hysterically opposed like the administration is to some of our projects but we're going to fight it," said an aide to Rep. Don Bonker, a Washington Democrat heading up the House opposition.

A panel of members of both the House and Senate have been

appointed to work out the differences in the two versions of the bill. The Senate version contains the Alaska oil export study but the House version does not.

Of the 16 House conferees, nine are co-sponsors of a measure to permanently ban Alaska oil exports. On the five-member Senate panel, only Sen. John Tower, R-Texas, voted to permit Alaska oil exports.

Town chiefs cite state threats over hydro project

By MARK BAUMGARTNER
Associated Press Writer

JUNEAU—Gov. Bill Sheffield, two of his cabinet members and a state senator have threatened to withhold capital projects from a Southeast Alaska town in effort to coerce its municipal officials in a signing contracts to buy power from a state hydroelectric plant, according to participants in the negotiations.

Sheffield in November told negotiators from Petersburg that their town could be deprived of state dollars, particularly money the community wants so it can repair and improve its high school, if they didn't agree to buy power from the Tyee Lake hydro project, said Mayor Don Koenigs.

Commerce and Economic Development Commissioner Dick Lyon, Office of Management and Budget Director Robert Stewart

board of directors, and Faiks sits on the Senate Finance Committee.

Petersburg City Manager Rich Underkofler and Lin Wilson, a consultant hired to help the town in negotiations with the Alaska Power Authority, said they are aware of the threats.

But a spokesman for Sheffield said what Petersburg officials perceive as threats are in reality blunt warnings of likely legislative reaction to the extended deadlock.

"I suppose there's a thin line between a threat and a warning," said Sheffield Press Secretary Pete Spivey.

"All I've heard is the governor saying good luck getting the Legislature to act on your projects if the state has to eat" the money it has sunk into the Tyee project, Spivey said. "I don't think that's far off base."

Legislators could be faced with

which he says depends on signed power sales agreements.

A legislator who has followed the negotiations, Rep. Ron Wendte of Ketchikan, said he heard Lyon make some "off the wall" comments to representatives from Petersburg, hinting that they would pay a price if they held out on signing contracts to buy Tyee power.

At one point, Lyon suggested ferry service in Southeast Alaska could suffer if representatives of the municipal utilities didn't cooperate, Wendte said.

Sheffield overheard Lyon's comments and told the commissioner he was out of line, Koenigs said.

"I've never threatened Petersburg," Lyon said. It's Koenig's "paranoia" that causes him to see threats in the commissioner's explanation of political realities, Lyon said.

deal possible, Lyon said.

Threatening to withhold capital project money is just one negotiating tactic employed against representatives of utilities in the four dam pool, according to Koenigs.

A memorandum written by Wilson, a consultant hired from a Bellevue, Wash., engineering firm to help Petersburg in its negotiations with APA, outlines the frustrations and pressures felt by Petersburg officials. Koenigs said.

"APA's conduct of the negotiations, whether deliberately manipulative, politically motivated, or merely heavy handed through inexperience, tends to color any evaluation of the merits of what is offered," Wilson said.

In his critique of APA's negotiating style, Wilson said the state power authority has tried to

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AGD 786832
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S

B

2

I. REQUEST

Bill/Resolution No.: CSSB-2
 Title: Vessel License Exemption
 Sponsor: Senator Ferouson
 Requestor: Senator Mulcahv

II. FISCAL DETAIL

Agency Affected: ADF&G
 Program Category Affected: EPR
 BRU, Program of Subprogram(s) Affected: Commercial Fisheries Entry Commission

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-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE REDUCTION	-0-	39.6	39.6	39.6	39.6	39.6

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 (Please see reverse side)

Prepared By: Derrill L. Johnson Phone: 465-4081
 Division: Commercial Fisheries Entry Commission Date: 3-23-83
 Approved by Commissioner: John Williams, Chairman Date: 3-23-83
 Department: Commercial Fisheries Entry Commission

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)

ANALYSIS:

The licensing revenue from commercial vessels would be reduced by approximately \$39.6 annually by the bill. It will exempt all vessels used inclusively for the commercial harvesting of salmon in the administrative areas known as Arctic-Yukon-Kuskokwim (A-Y-K).

The number of vessels licensed annually is relatively stable, hence future year fiscal impacts are projected as constant.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

COMMERCIAL FISHERIES ENTRY COMMISSION

POUCH KS
JUNEAU, ALASKA 99811

February 7, 1983

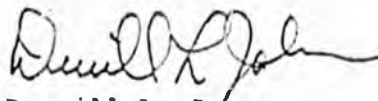
Senator Mulcahy
State Capitol
Pouch U (MS3100)
Juneau, AK 99811

RE: SB-2 Vessels 24' & Under Exempt from Licensing Requirement

Dear Senator Mulcahy:

As per your request I have attached the copies of correspondence outlining the Commission's in-house response to the above referenced bill.

Sincerely,



Derrill L. Johnson
Director, Admin. and Operations

DLJ:dan
Attachment

MEMORANDUM


State of Alaska

TO: John Williams
Chairman

DATE: January 27, 1983

FILE NO:

TELEPHONE NO:

FROM: Derrill L. Johnson 
Director, Administration
& Operations

SUBJECT: SB-2 Vessels 24' & Under
Exempt from Licensing
Requirement

Kurt, Roger, Beth, Larry, Chris and I met to discuss the effects of the passage of the proposed legislation referenced above.

We concluded that if the bill were to pass in its present state, the following concerns would need to be addressed:

1. The majority of the vessels in the herring gill net and salmon hand troll fisheries are 24' and under. This bill would complicate and possibly defeat regulations promulgated by the Board of Fisheries for exclusive registration in the Cape Romanzof and Norton Sound herring gill net fisheries and the troll vessel registration system in Southeast. Both regulations are viewed by the Board as part of the overall management strategies for these respective fisheries.

The total number of vessels falling in the 24' and under category is equal to 45% of the total vessels licensed in the entire fishing fleet statewide. (See memo of January 20, 1982 24' and under exemption.)

2. Vessel licensing is the main criterion establishing vessel ownership for point classification in limited entry schemes. Loss of such information would result in inability to properly rank applicants.

3. Marking requirement regulations for buoys in the small vessel long line, gill net, and herring fisheries would need to be changed.

4. It would make it almost impossible to determine who is sport fishing or commercial fishing in the troll fishery.

5. Research data for historical profiles of vessel activity would be lost. There would be a direct impact on any further modeling for halibut, hand troll (and to some extent power troll),

and herring gill net fisheries because each have a high percentage of vessels 24' and under. Research suggests that these impacts could be minimized by lowering the exempt size to 18' or 20' but there is some concern about the reliability of vessel-length reporting.

If the intent is to remove vessel licensing requirements for salmon set netters, then two suggestions are offered:

1. All vessels used in conjunction with salmon set net operations are exempt from licensing requirements.
2. If the primary concern is for those fishermen using stationary salmon gear in the AYK and Yakutat freshwater river fisheries, then exempt all vessels used in conjunction with stationary salmon gear from commercial licensing requirements.

DLJ/dw

MEMORANDUM

State of Alaska

TO: John Williams
Chairman

DATE: January 20, 1983

FILE NO:

TELEPHONE NO:

FROM: Derrill L. Johnson
Director, Administration & Operations

SUBJECT: 24' and under vessel
exemption

In answer to your inquiry regarding the number of vessels licensed annually and their length, I have compiled the following:

# of vessels statewide \leq 24 feet	7,573
# of vessels statewide \geq 25 feet	<u>9,061</u>
Total vessels licensed in 1982	<u>16,634</u>

If all vessels 24 feet and under were exempted from state licensing requirements, it would represent 7,573 or 45% of the total fleet. This would mean a loss of \$151,460 (7573 X \$20 license fee - 151,460) in license revenues.

If on the other hand you were to exempt only AYK vessels 24 feet or under it would only affect 88% of the total AYK vessels; 12% would still have to license annually.

# of vessels in AYK \leq 24 feet	1,751 X \$20 license fee = \$35,020
# of vessels in AYK \geq 25 feet	<u>231 X \$20 license fee = \$ 4,620</u>
Total AYK vessels	<u>1,982</u>

* All data compiled from 1982 year-end computer file.

DLJ:nlg

STATE OF ALASKA

Bill Sheffield, Governor

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

P.O. BOX 3-2000
JUNEAU, ALASKA 99802
PHONE: 465-4100

February 2, 1983

The Honorable Bob Mulcahy
Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Mulcahy:

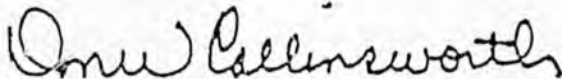
This letter is in response to a telephone inquiry from Troy Henley of your staff requesting the position of the Department of Fish and Game on Senate Bill 2, an act providing for a license exemption for commercial fishing vessels 24 feet or less.

The Department of Fish and Game is opposed to the provision of Senate Bill 2. Many of the State's statutes and regulations governing commercial fishing address licensed vessels as a means of enforcing those regulations and controlling the harvest of our fishery resources. Not requiring all vessels to be licensed could result in a chaotic fishery that would be of no benefit to the State and its fishermen. If it is the intent of the sponsor to eliminate or reduce the fee for licensing of commercial fishing vessels of 24 feet or less, we would propose amending AS 16.05.530 to reduce or eliminate the license fee for vessels 24 feet or less. Whether a fee is charged or the amount is immaterial to the Department of Fish and Game we do need to retain a licensing mechanism for adequate resources management. Our suggested amendment may address the concerns of the sponsor. If not, I am sure other less drastic means can be suggested to address the problem.

You may also wish to contact the Commercial Fisheries Entry Commission for its position on this legislation.

Please let us know whenever we can be of further assistance.

Sincerely,



Don W. Collinsworth
Acting Commissioner

PROPOSED HCS FOR SCS SENATE BILL NO. 2 (Resources)

A BILL

For an Act entitled: "~~An Act providing for a vessel license exemption in certain commercial fisheries.~~"

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

* Section 1. AS 16.05 is amended by adding a new section to read:

Sec. 16.05.495. VESSEL LICENSE EXEMPTION. A vessel used exclusively for the commercial capture of salmon in the drainage systems of the Yukon and Kuskokwim Rivers, or at a salmon set net site is exempt from the licensing requirements of AS 16.05.490.

* Section 2. This Act takes effect January 1, 1984.

JUN 20 RECD

I. REQUEST

Bill/Resolution No.: CSSB-2
 Title: Vessel License Exemption
 Sponsor: Senator Ferguson
 Requestor: Senator Mulcahy

II. FISCAL DETAIL

Agency Affected: ADF&G
 Program Category Affected: FRC
 BRU, Program of Subprogram(s) Affected:
Commercial Fisheries Entry Commission

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-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE REDUCTION	-0-	83.1	83.1	83.1	83.1	83.1

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:

See reverse

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: John Williams Phone: 465-4081
 Division: Commercial Fisheries Entry Commission Date: 6/20/83
 Approved by Commissioner: John Williams Date: 6/20/83
 Department: Commercial Fisheries Entry Commission

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)

ANALYSIS:

The analysis assumes that no adjustment in permit renewal fees charged under AS 16.43.160 is attempted to offset the negative fiscal impact of this legislation.

The licensing revenue from commercial vessels would be reduced by approximately \$79.8 annually by the bill. It will exempt all vessels used inclusively for the commercial harvesting of salmon in the administrative areas known as Arctic-Yukon-Kuskokwim (A-Y-K) and at salmon set net sites in Yakutat, Prince William Sound, Cook Inlet, Kodiak, Alaska Peninsula and Bristol Bay.

The number of vessels licensed annually is relatively stable, hence future year fiscal impacts are projected as constant.

S

B

45

Sectional Analysis
of 2ndSJSB 45am:

"An Act relating to reimbursement for the cost of land clearing; and providing for an effective date."

Section 1. AS 38.05.065 is amended by adding a new section under which the commissioner of DNR may declare a moratorium of up to five years on principal payments if:

- (1) it is in the best interest of the state;
- (2) the purchaser performs farm development, crop production, and harvesting requiring expenditures equivalent to the payments that would otherwise be due;
- (3) the sale of the land takes place after July 1, 1979;
- (4) the purchaser is in compliance with the development plan specified in the purchase contract at the time of application for the moratorium and continues to remain in compliance during the moratorium.

Section 2. Provides that the Act is effective immediately.

IMPORTANT POINTS ON 2nd SSSB45

There are no significant changes in the terms of payments proposed by this legislation.

This legislation will help those who are actually working and investing money in their farm development.

The land sale payments will be paid in full. This legislation seeks only a postponement of payments to allow a few more years to develop the farms.

COMPARISON OF 2ndSSSB 45 and CSSSB 47(Res)

2ndSSSB 45 "An Act establishing an agricultural land sale payment moratorium; and providing for an effective date."

CSSSB 47(Res) "An Act relating to reimbursement for the cost of land clearing; and providing for an effective date."

2nd SSSB 45
LAND PAYMENT MORATORIUM

CSSB 47 (Res)
CLEARING PAYMENT MORATORIUM

Amends AS 38.05.065
(Title 38: Public Lands,
Ch.5: Alaska Land Act,
Art.2: Sale of Lands)

Relates to AS 44.33.470(8)
(Title 44: State Government,
Ch.33: DCED,
Art.10:AAAC)

Terms of Contract of Sale

Powers and Duties of the Council

Up to five year moratorium
on principal payments
on the sale
of agricultural land sold
after July 1, 1979.

Up to three year moratorium
on principal payments
on reimbursement due to the state
for land clearing activities
contracted before Jan. 1, 1984
with the AK Ag Action Council.

Application is to the Department
of Natural Resources.

Application is to Agricultural
Revolving Loan Fund Board.

INVESTMENT CREDIT:
The purchaser must perform farm
development requiring expenditure
equivalent to the payments which
would otherwise be due.

PRODUCTION CREDIT:
The land owner must have 1,000
acres, or 50 percent of their
tillable acres in production at
the time of application and for the
duration of the moratorium.

Must be in compliance with their
development plan.

Must be in compliance with their
development plan.

NOTE: The Department of Natural Resources
supports both of these bills.

2d SS for SB 45: "An Act relating to an emergency farm relief program;
and providing for an effective date."

The Department of Commerce and Economic Development finds that this bill
brings the land purchase contracts into a logical parallel with similar
agriculture loan programs.



3/30/84

Richard A. Lyon, Commissioner

CHAIRMAN
SENATE TRANSPORTATION
COMMITTEE
SENATE SPECIAL AGRICULTURE
COMMITTEE

MEMBER:
HEALTH, EDUCATION AND
SOCIAL SERVICES
COMMITTEE
LEGISLATIVE COUNCIL
REAA BUDGET OVERSIGHT
COMMITTEE

Alaska State Legislature



State Senate

SENATOR
H. PAPPY MOSS
P.O. BOX 182
DELTA, JUNCTION, ALASKA 99737
907 895-4384

JUNEAU OFFICE:
POUCH V
JUNEAU, ALASKA 99811
907 465-4921

SENATE SPECIAL COMMITTEE ON AGRICULTURE

M E M O R A N D U M

March 20, 1984

TO: Senator Bettye Fahrenkamp, Chair
Senate Resources Committee

FROM: Senator H. Pappy Moss, Chair
Senate Special Committee on Agriculture *HPM*

RE: 2nd Sponsor Substitute for Senate Bill 45

This sponsor substitute for Senate Bill 45 provides relief to farmers of the State of Alaska who are actually working on developing their farms. This legislation makes no significant changes in the terms of the original contract for land payments, and makes no difference in the amount of the total payment. The state is paid in full by the farmers for the amount specified at the time of the land sale.

The 2nd sponsor substitute for SB 45 provides for the postponement of principal payments and the ceasing of interest accrual, for a period not to exceed five years, if the commissioner determines it to be in the best interest of the state, and if the following conditions are met:

The farmer must have invested an amount equal to his payment which would otherwise be due in farm development, crop production, and harvesting expenses. Expenses involved in land clearing or related activities would not be considered in the application for this moratorium.

The expenses must be certified by the commissioner.

The sales of agricultural land were made after the repeal of AS 38.05.325 Homestead Entry which occurred in 1979.

The contract purchaser must be in compliance with the development plan as specified in the contract before applying for this postponement of payments.

This legislation was developed with help from the Division of Forest, Land and Water Management, who administer the sale of these lands and is supported by the Department of Natural Resources. This bill does not ask for money—only for time to enable Alaska's farmers to develop their farms.

This legislation is not offered to assist poor business managers in the area of farming to continue where they are failing. This legislation is offered to support the successful, producing farmer who is contributing to agricultural development in the state of Alaska.

On March 19th, a delegation of farmers from the Delta II project came to Juneau to seek assistance from the legislature and the Sheffield Administration. Each had received foreclosure notices on their land from the Division of Land and Water Management. Land payments had been due at the end of February, but because of the grain market situation in the state, none had been able to sell their crops to come up with the money.

They brought with them proposed legislation which had they had been assisted in preparing by the Division of Land and Water Management. This legislation allowed for a postponement of principal payment and interest accrual where the contract purchaser put an equal amount of money as would have otherwise been due into farm development, crop production and harvesting.

The Delta delegation discussed this legislation with the Governor, Commissioners Lyon (DCED), and Wunnike (DNR), and made a presentation to the Senate Resources Committee. Their proposed legislation was incorporated into a Sponsor Substitute for SB 45 by Senator H. Pappy Moss. For three days, the Delta group met with senators and representatives explaining their request for more time, and all in all, making a favorable impression in lobbying for their needs.

51345

NKN

March 22, 1984

Senator Bettye Fahrenkamp
Pouch V
Juneau, Alaska 99811

Dear Senator Fahrenkamp;

This week you were so kind in sharing your precious time with our farm group from Delta II. We want to take this opportunity to thank you for lending your support to our cause.

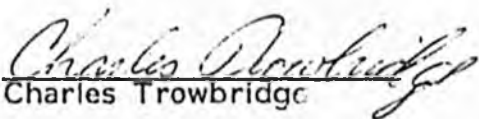
We need more time to develop our farms and markets, and having the payments and interest on our land payments tolled for a few years will help us get this accomplished. The sponsor substitute for Senate Bill 45 will give us that opportunity without reducing the purchase price or changing the terms of our original contracts.

We are actively involved in promoting the dairy industry and beef and hog production, and are working to supply grain to these groups at a lower cost so our agriculture base will expand and as it grows we all hope to become successfully self-supporting.


There is a real future for Agriculture here in Alaska and we feel that it makes a valuable contribution to our way of life here. We are excited about farming here and are engaged in making Alaska a better place to live and raise our families. Isn't this really what life is all about?

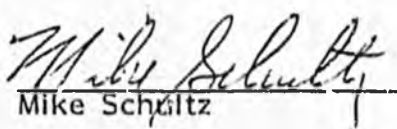
Thank you again, our visit with you was delightful.

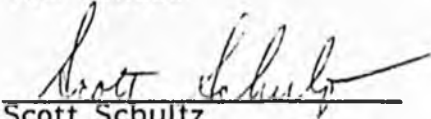
Yours very truly,


Charles Trowbridge


Dick Jensen


Tom Krause


Mike Scholtz


Scott Schultz

MAR 28 1984

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 CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources

MINUTES

March 30, 1984
3:55 pm

Beltz Room
Room 211, Capitol

MEMBERS PRESENT

Senator Fahrenkamp, Chairman
Senator Ziegler, Vice Chairman
Senator Paul Fischer
Senator Mulcahy
Senator Sturgulewski

CALENDAR

SB 225, Creating the Matanuska Valley Moose Range.

2dSSSB 45, Establishing an agricultural land sale payment moratorium.

SB 369, An Act relating to the planning, designing, and construction of agriculture and forestry facilities by the Department of Natural Resources.

SCR 42, Relating to sport fishing of salmon and underutilized species.

SB 225

Ned Farquhar, Special Assistant to the Commissioner of the Department of Natural Resources, testified in support of the Committee Substitute, and proposed an amendment that would clarify that coal and mineral entry and development would be allowed within the Range.

Deborah Heidecker, Aide to Senator Kerttula, explained that the Committee Substitute, a result of negotiations with the Department of Natural Resources and the Department of Fish and Game, contains specifics on management responsibility, multiple use definitions, and boundaries.

Senator Kerttula explained why the proposed Chickaloon Bench subdivision should remain within the Moose Range and not be disposed.

John Clark, Habitat Division, Department of Fish and Game, spoke in support of the Committee Substitute.

Senator Mulcahy moved to adopt DNR's proposed amendment. There was no objection.

Ron Sommerville, Alaska Outdoor Council, spoke in support of the Committee Substitute.

Jay Nelson, Alaska Environmental Lobby, spoke in support of the Committee Substitute and recommended that a timetable for implementing the management plan be included in the bill.

Senator Sturgulewski moved to adopt the proposed amendment regarding the timetable for a management plan. There was no objection.

Senator Mulcahy moved CS SB 225 from Committee with individual recommendations. There was no objection.

2dSSSB 45

Senator Moss explained that this bill would authorize the Department of Natural Resources to declare a moratorium of up to five years on agricultural land purchase payments if certain conditions are met.

Senator Mulcahy moved 2dSSSB 45 from Committee with individual recommendations. There was no objection.

SB 369

Senator Kerttula reviewed the history of construction cost overruns at the Department of Natural Resources plant materials center. SB 369 would begin to solve those problems by transferring construction responsibilities from the Department of Transportation and Public Facilities to DNR.

Senator Mulcahy moved SB 369 from Committee with individual recommendations. There was no objection.

SCR 42

Phil Daniel, United Fishermen of Alaska (UFA), spoke in support of the resolution, recommending aquaculture as a way of guaranteeing sportsfishermen an adequate supply of fish, and resolving user group conflicts.

Ron Sommerville, Alaska Outdoor Council offered no formal position on the bill, but supported enhancement of sportfishing stocks as a way of resolving user group conflicts.

Senator Mulcahy moved SCR 42 from Committee with individual recommendations. There was no objection.

The meeting adjourned at 4:40 pm.

SENATE SPECIAL COMMITTEE ON AGRICULTURE
Senator H. Pappy Moss, Chairman
May 4, 1984

EARLIER THIS YEAR, MANY OF YOU WERE VISITED BY ONE OR MORE OF THE FARMERS THAT CAME DOWN FROM DELTA JUNCTION. THEY SPOKE TO YOU INDIVIDUALLY AND ALSO ADDRESSED THE SENATE RESOURCES COMMITTEE. MANY OF YOU ARE KEENLY AWARE OF THE PROBLEMS THEY ARE FACING, BECAUSE THEY REPRESENT FARMERS FROM ALL OVER THE STATE.

THEIR MESSAGE WAS PLAIN AND SIMPLE. THEY NEED MORE TIME TO DEVELOP THEIR FARMS AND THEIR MARKETS. RESTING IN THE BALANCE IS ALL THE EFFORT, TIME AND MONEY THEY HAVE INVESTED IN THEIR FARMS. MANY FACE FORCLOSURE ON THEIR PROPERTIES. WE ARE NOT SPEAKING OF SPECULATORS OR PART-TIME FARMERS. WE'RE TALKING ABOUT FAMILIES THAT HAVE CLEARED THEIR LAND AND PRODUCED CROPS, BUT WHO ARE FACED WITH LIMITED MARKETS FOR THEIR HARVEST.

THE SPONSOR SUBSTITUTE FOR SENATE BILL 45 WILL HELP ALASKA'S FARMERS ACCOMPLISH A GOAL THAT IS BOTH THEIRS AND THE STATE'S. THAT IS, TO HELP ALASKA'S AGRICULTURAL INDUSTRY TO GET TO THE POINT WHERE IT WILL SUPPORT ITSELF AND BE ABLE TO BECOME INDEPENDENT OF HELP FROM THE STATE.

ALASKAN FARMERS ARE ACTIVELY INVOLVED IN PROMOTING THE DAIRY INDUSTRY AND BEEF AND HOG PRODUCTION AND IN WORKING TO SUPPLY THESE ALASKAN MARKETS WITH ALASKAN-GROWN GRAIN. THEY ARE WORKING TO EXPAND ALASKA'S AGRICULTURAL BASE, BUT ITS GOING TO TAKE MORE TIME.

SENATE BILL 45 PROVIDES FOR A FIVE YEAR MORATORIAUM ON LAND PAYMENTS AND INTEREST DUE ON AGRICULTURAL LAND PURCHASED FROM THE STATE. NO SIGNIFICANT CHANGES IN THE ORIGINAL TERMS OF PAYMENT ARE PROPOSED. THE LAND SALE PAYMENTS WILL BE PAID IN FULL. PAYMENTS ARE SIMPLY POSTPONED. FARMERS WILL HAVE THE TIME TO DEVELOP THEIR FARMS TO THE POINT WHERE THEY PROVIDE AN INCOME WITH WHICH THEY CAN REPAY THEIR DEBTS TO THE STATE.

TO OUALIFY FOR A MCRATORIUM UNDER SENATE BILL 45, FARMERS MUST BE IN COMPLIANCE WITH THEIR ORIGINAL DEVELOPMENT PLAN AND, FOR EACH YEAR, MUST HAVE INVSTED AN AMOUNT EQOAL TO THE PAYMENT WHICH WOULD OTHERWISE BE DUE INTO FAPM DEVELOPMENT, CROP PRODUCTION AND HARVESTING EXPENSES.

THE FARMERS ARE NOT ASKING FOR MONEY--ONLY FOR TIME. THIS LEGISLATION WILL NOT ASSIST POOR BUSINESS MANAGERS IN THE AREA OF FARMING TO CONTINUE WHERE THEY ARE FAILING. THIS LEGISLATION IS OFFERED TO SUPPORT THE SUCCESSFUL, PRODUCING FARMER WHO IS CONTRIBUTING TO AGRICULTURAL DEVELOPMENT IN THE STATE OF ALASKA.

SENATE BILL 45 WILL PROVIDE EMERGENCY RELIEF TO HELP THOSE FARMERS SAVE THEIR LAND, AND TO PROTECT THEIR, AND THE STATE'S, INVESTMENT IN ALASKA'S DEVELOPING AGRICULTURE INDUSTRY.

I URGE YOU TO VOTE FOR THE PASSAGE OF THE SPONSOR SUBSTITUTE FOR SENATE BILL 45.



Alaska State Legislature

HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

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

LETTER OF INTENT
2ndSSSC 45 am

"An Act relating to reimbursement for the cost of
land clearing; and providing for an effective date."

It is the intent of the House Resources Committee that the moratorium
on payments to the state for the sale of agricultural land be a
moratorium on principal and interest, though interest shall continue to
accrue.

Representative John Ringstad
Co-Chairman, House Resource Committee

COMMITTEE REPORT

HOUSE

(9)

FURTHER:

(Returned to Resources 5/19/84)

5/19/84

Date: MAY 21, 1984

The Committee on RESOURCES has had 2d SSS 45am

"An Act establishing an agricultural land sale payment moratorium; and providing for an effective date."

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for 2d SSSB 45 (RESOURCES) same title
 new title
- and recommends GIVES INDIVIDUAL RECOMMENDATIONS
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

SMITZ
RINGSBAD

CAUDERY
LARSON
BUSSELL
COLL
VASKA
LISKA
UEHLING

Chairman
CHAIRMAN

Introduced: 3/22/84
Referred: Resources and
Finance

1 IN THE SENATE

BY MOSS

2 2d SPONSOR SUBSTITUTE FOR SENATE BILL NO. 45 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing an agricultural land sale
7 payment moratorium; and providing for an effective
8 date."

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

10 * Section 1. AS 38.05.065 is amended by adding a new subsection to
11 read:

12 (d) The commissioner may declare a moratorium of up to five
13 years on principal payments on a sale of agricultural land under this
14 section if

15 (1) the commissioner determines that the moratorium is in
16 the best interest of the state;

17 (2) the commissioner certifies and the contract purchaser
18 agrees to perform farm development, crop production, and harvesting,
19 not including land clearing or related activity, requiring the expen-
20 diture of amounts equivalent to the payments that would otherwise be
21 made during the moratorium;

22 (3) the sale of the agricultural land takes place after
23 July 1, 1979; and

24 (4) the contract purchaser is in compliance with the devel-
25 opment plan specified in the purchase contract at the time the pur-
26 chaser applies for a moratorium under this subsection and continues to
27 remain in compliance with the development plan during the moratorium
28 granted under this subsection.

29 * Sec. 2. This Act takes effect immediately in accordance with

Original sponsor: Moss

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 HOUSE CS FOR 2d SPONSOR SUBSTITUTE FOR SENATE BILL NO. 45 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing an agricultural land sale pay-
7 ment moratorium; and providing for an effective
8 date."

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

10 * Section 1. AS 38.05.065 is amended by adding a new subsectic. to
11 read:

12 (d) The commissioner may declare a moratorium of up to five
13 years on payments on a sale of agricultural land under this section if
14 (1) the commissioner determines that the moratorium is in the best
15 interest of the state; (2) the commissioner certifies and the contract
16 purchaser agrees to perform farm development, crop production, and
17 harvesting, not including land clearing or related activity, requiring
18 the expenditure of amounts equivalent to the payments that would
19 otherwise be made during the moratorium; (3) the sale of the agricul-
20 tural land takes place after July 1, 1979, and (4) the contract pur-
21 chaser is in compliance with the development plan specified in the
22 purchase contract at the time the purchaser applies for a moratorium
23 under this subsection and remains in compliance with the development
24 plan during the moratorium. Interest payments are subject to the
25 moratorium but interest continues to accrue during the moratorium.

26 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
27 10.070(c).
28
29

Offered: 5/7/84
Referred: Rules

Original sponsor: Moss

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 47 (Finance) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to reimbursement for the cost of
7 land clearing; and providing for an effective date."

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

9 * Section 1. LAND CLEARING REIMBURSEMENT MORATORIUM. (a) A land owner
10 who has contracted before January 1, 1984, with the Alaska Agricultural
11 Action Council under AS 44.33.470(8) for reimbursement to the state of the
12 cost of clearing, draining, and breaking of land, may be granted a mora-
13 torium up to three years on the payment of principal on the reimbursement
14 by applying to the agriculture revolving loan fund board.

15 (b) A land owner may not qualify for a moratorium under (a) of this
16 section unless at least 1,000 acres or 50 percent of the land owner's till-
17 able acreage, whichever is less, is in production at the time of applica-
18 tion for the moratorium and continues to remain in production during the
19 moratorium granted under this subsection.

20 (c) In order to qualify for a moratorium under (a) of this section a
21 land owner must, at the time of application for the moratorium, be in
22 compliance with the development plan set out in the owner's contract and
23 continue to remain in compliance with the development plan during the
24 moratorium granted under this subsection.

25 (d) A moratorium under (a) of this section may not be granted after
26 July 1, 1987.

27 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
28 10.070(c).

S

B

47

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 4/16/84

REQUEST

Bill/Resolution No.: SSSB 47
Title: Reimbursement for land clearing

Sponsor: Sen. Moss

Requestor: _____

Date of Request: _____

FISCAL DETAIL

Agency Affected: Natural Resources

Program Category Affected: NRMEC

BRU, Program or Subprogram(s) Affected: _____

Agriculture Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

The delay in payments will reduce revenues in near term but all loans will remain payable in full.

ANALYSIS: Attach a separate page for analysis

Prepared By: Ed Kern Phone: 745-7200

Division: Agriculture Date: 4/16/84

MA Approved by Commissioner: Wm D. Amodeo, Deputy Date: 4/16/84

Agency: Natural Resources

Distribution (by Agency preparing fiscal note):

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

12/1/83

Sectional Analysis
of CSSSB 47(Res)am:

"An Act relating to reimbursement for the cost of land clearing; and providing for an effective date."

Section 1. Describes the conditions which must be met for a land owner to be granted a moratorium up to three years on the principal payments for reimbursement to the state of the cost of land clearing activities.

- (a) A land owner must have contracted before January 1, 1984 with the Alaska Agricultural Action Council under AS 44.33.470(8) and must apply to the agriculture revolving loan fund board.
- (b) The land owner must have 1,000 acres of 50 percent of their tillable acres, whichever is less, in production at the time of application for and during the moratorium granted.
- (c) The land owner must be in compliance with the development plan set out in the owners contract at the time of application for and during the moratorium granted.
- (d) A moratorium may not be granted after July 1, 1987.

Section 2. Provides that the Act is effective immediately.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 4/16/84

REQUEST

Bill/Resolution No.: SSSB 47
Title: Reimbursement for land clearing
Sponsor: Sen. Moss
Requestor:
Date of Request:

FISCAL DETAIL

Agency Affected: Natural Resources
Program Category Affected: NPMEC
BRU, Program or Subprogram(s) Affected: Agriculture Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

The delay in payments will reduce revenues in near term but all loans will remain payable in full.

ANALYSIS: Attach a separate page for analysis

Prepared By: Ed Kern Phone: 745-7200
Division: Agriculture Date: 4/16/84

MH Approved by Commissioner: Wm D. James, Deputy Date: 4/16/84
Agency: Natural Resources

Distribution (by Agency preparing fiscal note):

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

12/1/83

SENATE SPECIAL COMMITTEE ON AGRICULTURE
Senator H. Pappy Moss, Chairman

SENATE BILL 47

"An Act relating to reimbursement for the cost of land clearing; and providing for an effective date "

This bill provides for a three year moratorium on the principal payments for reimbursement to the state of the cost of land clearing activities contracted through the Alaska Agricultural Action Council.

The first section of the bill describes the following conditions which must be met for a land owner to be granted the moratorium:

- (a) A land owner must have entered their contract with the AAAC before January 1, 1984 and must apply to the agriculture revolving loan fund board for the moratorium.
- (b) The land owner must have 1,000 acres or 50 percent of their tillable acres, whichever is less, in production at the time of application for and throughout the moratorium.
- (c) The land owner must be in compliance with the development plan set out in the original contract at the time of application for and throughout the moratorium.
- (d) The moratorium may not be granted after July 1, 1987.

These conditions ensure that only those who are working their land and, by doing so, improving both their, and the state's, investment in Alaska's agricultural industry, will be eligible.

This legislation will cover the Ag Action Council's land clearing contracts on the Delta and Point McKenzie projects as they become due this year and in 1986. By the July 1, 1987 deadline, all land owners meeting the requirements will have had the opportunity to take advantage of the moratorium, and the program will be ended.

The fiscal note for this bill is zero. The three year moratorium will not extend the original 40 year payback period. The entire land clearing reimbursement and interest due will still have to be paid back but over a period of 37 years.

The three more years granted to the farmers by this moratorium will give Alaskan markets for Alaskan agricultural products time to grow. Original repayment schedules were based on a market for grain which has not yet been realized, but which, through increased hog and dairy operations, is growing fast. The moratorium increases the chances for Alaska's agricultural projects' success, through which farmers will be able to repay their debts to the state.

What is the original schedule for repayment on the land clearing?

The first land clearing reimbursements are due to the state on May 31st, 1984. These payments would be from the 22 Delta I farmers, who entered their contracts with the state in 1978. There are 15 Delta II farmers and 31 Pt. McKenzie farmers that entered their contracts in 1982, whose first payments will not be due until 1986.

There is 40 year payback period from the date the contracts were signed. The three year moratorium does not extend that 40 year period. The entire amount will still have to be paid back by the end of forty years from the signing of the contract. In effect, the moratorium makes the land clearing reimbursement due over a 37 year payback period by pushing back the starting date for repayment. The yearly payments will be slightly increased, while the amount of interest paid will be slightly reduced.

Is 40 years an excessively long loan period?

No. In the lower 48, most agricultural land loans have a term of 30 years. On Delta I and II, the buyers were given an 20 year term on their land payments. To balance their payments to equal the 30 year national average, the Agricultural Action Council decided on a 40 year term for their land clearing payments.

How will a three more moratorium help?

Three more years will give the farmers more time to get their land into good condition, and to get their farms into production. They have been unanticipated problems in getting the land cleared. Among them is the difficulty in obtaining burning permits to remove the berms of logs and organic matter that is piled up in the clearing process. This problem is now being worked out. More effective controls and new burning processes are being developed which will allow more efficient burning in the summer season, rather than in winter as is now required.

Another problem where improvement can be foreseen in the next few years is the area of marketing. Last year the establishment of the Grain Reserve Loan Program created a back-up market for grain producers. The state, through that program, can accept grain as collateral for a loan for \$100 per ton of grain. If the farmer has not been able to find a better price than that within three years, the state becomes the owner of the grain, and the farmer has in effect sold his grain to the state.

Meanwhile, the increase in hog farms and dairy farming within the

state is creating an increased in-state market. Within three years the in-state demand for grain will have increased to reflect, for example, the fact that where there is one dairy farm at Pt. McKenzie in production today, by 1985 it is estimated that there will be 19 in production.

Meanwhile, the foreign market is also available for Alaskan grain marketing as soon as a marketing system is in place. The legislature has previously provided for a grain transfer facility at North Pole and a grain terminal at Seward. While these projects are currently on hold, their completion seems to be just a matter of time.

How does SB 47 fit into the original plan for the Ag projects?

The intent of the original legislation funding the Alaska Agricultural Action Council was for the purpose of administering the agricultural projects in the best possible way to develop an agricultural industry in Alaska while at the same time protecting the state's investment. An extension of three years before land clearing payments become due does not deviate from the intent of that legislation.

This legislation is designed to assist the working farmers who are actually producing crops on their land. A high level of production is required for the farmer to be eligible for this moratorium. Senate Bill 47 will provide no assistance to farmers who are not working their land, and by doing so, improving both their, and the state's, investment in Alaska's developing agriculture industry.

Sponsor Substitute for Senate Bill 47

"An Act relating to reimbursement for the cost of land clearing; and providing for an effective date."

The Sponsor Substitute for SB 47 provides relief to farmers who have contracted, before January 1, 1984, with the Alaska Agricultural Action Council for reimbursement to the state of the cost of clearing, draining, and breaking of land. This legislation would allow for a moratorium of up to three years on the payment of principal and interest on the reimbursement by application to the Alaska Agricultural Action Council.

SSSB 47 requires that a land owner must have at least 1,000 acres or 50 percent of the land owner's tillable acreage, whichever is less, in production at the time of application for the moratorium. This legislation would go into effect immediately upon passage and would make this moratorium available until July 1, 1987.

This legislation was developed with the aid of the Director of the Division of Agriculture and the Executive Director of the Alaska Agricultural Action Council. It was first dealt with as an amendment to Senate Bill 298, and was introduced as SSSB 47 on the Senate Floor on April 2, 1984.

The original schedule of payment on land clearing was based on the premise that there would be an adequate market for the barley produced

on the projects by 1984, when the first payments become due. This prediction was based on a plan which assumed large-scale export production of the grain. However, in the absence of the marketing, transfer and export facilities that had been promised by the state, project farmers have not been able to move into large-scale crop production, and are now unable to make their payments. It has since been seen that there is not adequate in-state demand for the barley to support the planting of the amount of acreage that is necessary for economical farm operation.

Delta I was a test project, and as a learning experience, it has shown that more time is required to clear and prepare land for production and for farmers to get mobilized than was originally considered. It has also shown that the state's original plans to develop a marketing infrastructure may have been overly ambitious for such a young industry. In any case, the state has been unable to meet its end of the bargain, and SSSB 47 responds to that situation by allowing the farmers to have more time to find a solution to their dilemma.

CHAIRMAN
SENATE TRANSPORTATION
COMMITTEE
SENATE SPECIAL AGRICULTURE
COMMITTEE

MEMBER
HEALTH, EDUCATION AND
SOCIAL SERVICES
COMMITTEE
LEGISLATIVE COUNCIL
REAA BUDGET OVERSIGHT
COMMITTEE

Alaska State Legislature



State Senate

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SENATE SPECIAL COMMITTEE ON AGRICULTURE

MEMORANDUM

April 12, 1984

TO: Senator Bettye Fahrenkamp, Chair
Senate Resources Committee

FROM: Senator H. Pappy Moss, Chair
Senate Special Committee on Agriculture *HPM*

RE: Sponsor Substitute for Senate Bill 47

Sponsor Substitute for Senate Bill 47 is offered to assist those farmers who have actually gotten their farms into production to preserve their, and the state's, investment in time, money, and energy in Alaska's developing agricultural industry.

SSSB 47 provides for a three year moratorium on payments of principal and interest to the state on the cost of land clearing activities as contracted by the Alaska Agricultural Action Council. The land owners must have entered contracts before January 1st, 1984.

In order to qualify for the moratorium, the land owner must have at least 1,000 acres, or 50 percent of the land owner's tillable acreage, whichever is less, in production at the time of application.

The original schedule of payment on land clearing was based on the premise that there would be an adequate market for the barley produced on the projects by 1984, when the first payments became due. This prediction was based on a plan which assumed large-scale export production of the grain. However, in the absence of the marketing, transfer and export facilities that had been promised by the state, project farmers have not been able to move into large-scale crop production, and are now unable to make their payments. It has since been seen that there is not adequate in-state demand for the barley to support the planting of the amount of acreage that is necessary for economical farm operation.

Delta I was a test project, and as a learning experience, it has shown that more time is required to clear and prepare land for production and for farmers to get mobilized than was originally considered. It has also shown that the state's original plans to develop a marketing infrastructure may have been overly ambitious for such a young industry. In any case, the state has been unable to meet its end of the bargain, and SSSB 47 is in response to that situation. A three year moratorium on payments will allow the farmers more time to find a solution to their dilemma.

The attached amendment to SSSB 47 proposes that the land owner shall be granted a moratorium provided the specified qualifications are met, and specifies that the application for the moratorium would be made to the Department of Natural Resources Agricultural Revolving Loan Board rather than the Alaska Agricultural Action Council.

MEMORANDUM

State of Alaska

TO: The Honorable Bettye Fahrenkamp
Alaska State Senate

DATE: March 21, 1984

FILE NO:

TELEPHONE NO:

FROM:

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

SUBJECT:

SB 297 and SB 298
Requested
Information

The following is a summary of the AAAC loans made to date:

Delta I - 22 tracts with 21 loans made to date, 5-year moratorium on payments, 40-year contract, 6% interest on loans from the original appropriation and 8% on the 1983 supplemental, first payments due in July 1984.

Delta II - 15 tracts with 15 loans to date, 4-year moratorium on payments, 40-year contract, 8% interest, first payments due in 1986.

Pt. MacKenzie - 31 tracts with 30 loans made to date, 4-year moratorium on payments, 40-year contract, 8% interest, first payments due in 1986.

During 1984 a total of \$25,000 is scheduled for repayment. DNR does not have a breakdown of payment schedules beyond 1984. That information is available through the AAAC.

Financial summary of AAAC loans:

	<u>Funds encumbered</u>	<u>Drawn to date</u>
Total Clearing Funds	\$16,048,154.00	\$11,837,980.00
Delta I Original Loan	8,964,170.00	8,547,716.00
Delta I Supplemental	370,168.00	68,609.00
Delta II	4,125,600.00	2,241,207.00
Pt. MacKenzie	2,958,384.00	1,049,054.00

If you have further questions, please let me know.