

ALABAMA LEGISLATURE

COMMITTEE FILES

1903-1904

2827

SRES

SB 120

-

SB 124

0012

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

TO: Senate Resources Committee Members
FROM: Senate Resources Committee Staff
RE: April 8th Hearing
DATE: April 7, 1983

The following bills will be heard by the Senate Resources Committee Friday, April 8 at 3:00 p.m. in the Beltz Room.

SSSB 120 AN ACT RELATING TO SOIL AND WATER CONSERVATION.

SSSE 120 increases the membership of the Board from 3 to 5, allowing for appointment of 1 member from each of 5 geographic areas of the state, and authorizes the Commissioner of DNR to appoint an executive director and clerical staff to assist the Board. The Board provides services to the whole state, and demand on their services has increased to the point that this proposed restructuring is necessary.

The Department of Natural Resources does not have funding available for this proposal this year, but the sponsor has requested that the restructured board be put in place. The Department plans to offer an amendment on Page 2, Lines 2-6, which would allow the Board to provide input to the Commissioner on sales and leases of state agricultural land, but would not allow the Board to review appeals of the Commissioner's decisions.

SB 169 AN ACT ESTABLISHING THE ALASKA GRAIN RESERVE PROGRAM AND THE ALASKA GRAIN RESERVE REVOLVING LOAN FUND.

SB 169 establishes a grain reserve program and a grain reserve revolving loan fund in the Department of Natural Resources to assist state grain producers by making loans secured by grain reserves. Alaska grain producers have no production history so are not eligible for Federal programs that aid grain producers in the Lower 48. SB 169 would give the Alaskan producer an incentive to produce grain

MEMO
April 7, 1983

by guaranteeing compensation. If the grain is not sold, a loan could be made to the producer against the value of the grain in storage. This would help establish a production record which would make the Alaskan producer eligible for the federal programs.

The following conditions are placed on loans under this program:

- grain used as collateral must be Grade 3 or better
- formula for loan amount is based on the target price per ton of the grain
- interest rate is the same as the Agriculture Revolving Loan Fund rate (minimum 8%)
- the grain storage facility must be approved by the division
- maximum term of loan is 3 years

The program and fund proposed in SB 169 would sunset 1/1/87.

SB 170 AN ACT MAKING A SPECIAL APPROPRIATION TO THE ALASKA GRAIN RESERVE REVOLVING LOAN FUND.

SB 170 appropriates \$4 million from the general fund to the Alaska grain reserve revolving loan fund.

SB 195 AN ACT SUPPLEMENTING THE FY 82 APPROPRIATION TO THE AGRICULTURAL ACTION COUNCIL FOR LIVESTOCK FACILITY LOANS.

SB 195 appropriates an additional \$350,000 to the Ag. Action Council for livestock facility loans (an increase from \$2,650,000 to \$3,000,000 from the general fund). This appropriation is based on action taken by the AAAC on March 9, 1983. The Council voted to request additional funds to allow for development of two red meat processing facilities, one in Southcentral and one in Interior Alaska.

Alaska State Legislature

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Senate

Committee on Resources

RESOURCES COMMITTEE MINUTES

Bettye Fahrenkamp
Chairman

April 8, 1983
3:10 p.m.

Beltz Room
Room 211, Capitol

MEMBERS PRESENT

Senator Fahrenkamp, Chair
Senator Mulcahy
Senator Vic Fischer

Senator Paul Fischer
Senator Eliason

CALENDAR

- SB 120 Relating to soil and water conservation.
- SB 169 Establishing the Alaska grain reserve program and the Alaska grain reserve revolving loan fund.
- SB 170 Making a special appropriation to the Alaska grain reserve revolving loan fund.
- SB 195 Supplementing the FY82 appropriation to the Agricultural Action Council for live-stock facility loans.

Commissioner Wunnicke, Department of Natural Resources, briefed the committee on the Supreme Court decision in Gilman vs. Martin, regarding land disposal residency discount regulations and the need for change in state regulations. New policy by DNR on land disposal ends residency discounts as of April 1, 1983, on over the counter sales and on land disposal lottery No. 3. The court decision was based on prior decisions which abrogated classification of Alaskans by length of residency. Also discussed long standing state regulations now in litigation (i.e. Potlatch Ponds).

Senator Fahrenkamp asked how this would affect Homestead program.

Sharon Barton, Special Assistant, Department of Natural Resources, said that the Homestead program involved "free" land making the discount moot.

Commissioner Wunnicke said that homestead qualification requirements are not in question, only credits for length of residency. Any other opinion was deferred to the Attorney General.

SB 169, SB 170

Commissioner Wunnicke read a telegram from Governor Sheffield, dated April 8, 1983, to Agricultural Task Force in support of their efforts. DNR endorsed the bills and recommended modifications in SB 169; 1) limit the term to the 1983 crop year; 2) provide loan funds for grades of grain; 3) provide for the state to pay for storage, and; 4) reallocate the appropriation for grain elevator at Delta II West as source of funding. Due to the need for only one year's funding, also recommended that the amount be reduced from \$4 million to \$1.6 million in SB 170. [Amendments will be presented in writing later.]

In answer to a question regarding suspension of loan payments, the Commissioner said with current loan programs there is an option that allows renegotiation, suspension or extension of loan payments and the agencies are responsive to individual hardship cases.

Senator Moss stated that one year is insufficient and suggests that it be extended as a two year program to be more effective.

Sig Restad, of Palmer, recommended that the deadline be extended through October, 1984, instead of July, 1984 to give farmers time to prepare for the next crop year.

Senator Fahrenkamp stated that the bills would be held until Monday, April 11, 1983.

SB 120

Senator Fahrenkamp requested a motion for adoption of CSSSSB 120 and Senator Mulcahy so moved. The motion was opened for testimony and discussion.

Richard Ramsey presented a statement from Senator Kerttula in support of the Soil and Water Conservation Commission's work.

Sig Restad of Palmer, testified that the new bill adds water to Soil Conservation Commission's authority to fit with federal regulations and controls in performing technical services. Reviewed history of conservation efforts and stated that it benefited all water users. Also, it upgrades subdistricts to full district status, creates a fifth district in Alaska and provides for a coordinator for a unified conservation program.

Commissioner Esther Wunnicke of DNR, asked for the committee's support and thanked the volunteers on the Board for their efforts. The bill will answer some of the coordination problems between Fish and Game Department and Natural Resources.

Senator Fahrenkamp made note of the fiscal note change. Senator Mulcahy moved adoption of the committee substitute for sponsor substitute for Senate Bill 120 and there was no objection to move the bill out of committee.

SB 195

Rick Johnson, aide to Senator Moss testified in support of SB 195 and asked for support of the committee.

Commissioner Wunnicke, of DNR, spoke in support of the bill.

Bill Zybeck, aide to Fairbanks North Star Borough Mayor B.B. Allen, testified in support of SB 195. The Borough supports the development of the livestock facility and its benefits to the local economy. The Borough planners have made preparations for the facility and are ready to implement those plans.

There being no further testimony or discussion, Senator Mulcahy moved that SB 195 be reported out of committee with individual recommendations. There being no objection, it was so moved.

The meeting adjourned at 4:10 p.m.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

APR 8 1983

JAY S. HAMMOND, GOVERNOR

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

April 8, 1983

Adopted in C.S.

The Honorable Bettye Fahrenkamp
Chairman
Senate Resources Committee
Pouch "V"
Juneau, Alaska 99811

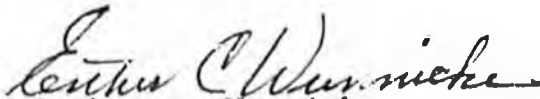
Dear Senator Fahrenkamp:

I have attached a new fiscal note and a proposed amendment to SB 120.

The significant time for SCD review of an appeal is prior to a commissioner's decision, not after the decision is made. Once the commissioner's decision is made, any further appeal is with the Superior Court. It is my understanding that the sponsor and the SCD approve of this amendment.

We support SB 120, and we will be pleased to testify at the convenience of the committee.

Sincerely,



Esther C. Wunnicke
Commissioner

cc: Senator Kerttula

I. REQUEST

Bill/Resolution No.: SB 120
Title: re: soil & Water conservation
Sponsor: Kerttula
Requestor: _____

II. FISCAL DETAIL

Agency Affected: Div. of Agriculture
Program Category Affected: _____
BRU, Program of Subprogram(s) Affected: Ag. Development

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		
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Department of Natural Resources
Division: Division of Agriculture

Phone: 376-3276
Date: _____

Approved ^{for} by Commissioner: Muhammad Qureshi
Department: NATURAL RESOURCES

Date: 4/8/83

Distribution:

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

Introduced: 2/10/83
Referred: Resources and
Finance

BY KERTTULA
BY REQUEST

1 IN THE SENATE

2

SENATE BILL NO. 120

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to soil and water conservation; and
7 providing for an effective date."

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

9 * Section 1. AS 41.10.030 is amended to read:

10 Sec. 41.10.030. PURPOSE OF CHAPTER [DISTRICT]. The purpose of
11 this chapter [THE DISTRICT] is to provide for the orderly development
12 of lands, for guiding settlement, and for conserving soil and water
13 and soil resources and controlling and preventing soil erosion.

14 * Sec. 2. AS 41.10.040 is amended to read:

15 Sec. 41.10.040. SOIL AND WATER CONSERVATION BOARD. The
16 [DISTRICT IS GOVERNED BY THE] Alaska Soil Conservation Board is com-
17 posed of six [THREE] members. The commissioner of natural resources
18 or, in the absence of the commissioner, the director of agriculture,
19 serves ex officio but without a vote on the board.

20 * Sec. 3. AS 41.10 is amended by adding a new section to read:

21 Sec. 41.10.045. EXECUTIVE DIRECTOR. The commissioner of natural
22 resources shall appoint an executive director and clerical staff to
23 assist the board.

24 * Sec. 4. AS 41.10.060 is amended to read:

25 Sec. 41.10.060. QUALIFICATIONS OF BOARD MEMBERS. Members of the
26 board shall be resident bona fide occupiers of land [FARMERS] selected
27 from the six major land [FARMING] areas of the state.

28 * Sec. 5. AS 41.10 is amended by adding a new section to read:

29 Sec. 41.10.065. MAJOR LAND AREAS OF THE STATE. The six major

1 land areas of the state are:

- 2 (1) the Arctic;
- 3 (2) northwest Alaska;
- 4 (3) the Yukon;
- 5 (4) southwest Alaska;
- 6 (5) southcentral Alaska; and
- 7 (6) southeast Alaska.

8 * Sec. 6. AS 41.10.070 is amended to read:

9 Sec. 41.10.070. TERM OF OFFICE. The term of office of members
10 is three years [, EXCEPT THAT INITIAL APPOINTMENTS SHALL BE FOR TERMS
11 OF ONE, TWO, AND THREE YEARS, RESPECTIVELY].

12 * Sec. 7. AS 41.10 is amended by adding a new section to read:

13 Sec. 41.10.075. BOARD MEETINGS. The board shall hold one regu-
14 lar meeting annually at the state capital and one or more additional
15 meetings at a time and place in the state selected by the board.

16 * Sec. 8. AS 41.10.100 is amended to read:

17 Sec. 41.10.100. DUTY OF BOARD TO ADVISE COMMISSIONER OF NATURAL
18 RESOURCES. At the request of the commissioner of natural resources,
19 the board shall meet and advise the commissioner [HIM] in the exercise
20 of the [HIS] powers, duties, and functions of the commissioner.

21 * Sec. 9. AS 41.10.100 is amended by adding a new subsection to read:

22 (b) The board shall also

23 (1) receive and review reports concerning the use of soil
24 resources of the state;

25 (2) hold public hearings and meetings to determine whether
26 land in the state is being used in a manner consistent with sound soil
27 and water conservation practices;

28 (3) make recommendations for specific action necessary to
29 provide for the effective and orderly development of agricultural,

1 forest, and grazing land in the state;

2 (4) review an appeal by an applicant or lessee from a
3 decision of the director of the division of land and water management
4 or of the commissioner of natural resources concerning a sale or lease
5 of state agricultural or grazing land and submit its recommendations
6 to the commissioner or hearing officer;

7 (5) act in an advisory capacity to the soil and water
8 conservation districts in the state;

9 (6) act in an advisory capacity to the commissioner of
10 natural resources and director of the division of agriculture in the
11 review of farm conservation plans for all state agricultural land
12 sales in the Alaska District.

13 * Sec. 10. AS 41.10.110 is amended to read:

14 Sec. 41.10.110. POWERS OF COMMISSIONER OF NATURAL RESOURCES
15 RELATING TO SOIL AND WATER CONSERVATION. The commissioner of natural
16 resources has the power to

17 (1) conduct land capability surveys and investigations of
18 potential agricultural areas and of soil conservation and erosion
19 control, including necessary preventative and control measures, in the
20 state; to publish the results of these surveys and investigations and
21 to disseminate information concerning the results of the surveys and
22 investigations to prospective settlers and the general public;

23 (2) make technical guidance and other assistance available
24 to settlers of new land to assure the development of the land in a
25 manner that will permit it to be used in accordance with its capabili-
26 ties and treated in accordance with its needs;

27 (3) carry out measures for soil conservation and erosion
28 control within the state [DISTRICT], including engineering operations,
29 methods of cultivation, the growing of vegetation, and changes in use

1 of land, with the consent and cooperation of the land occupier or
2 agency having jurisdiction of the land;

3 (4) cooperate with, furnish assistance to, and enter into
4 agreements with, an occupier of land or agency within the state [DIS-
5 TRICT, SUBJECT TO THE CONDITIONS AS THE BOARD CONSIDERS NECESSARY TO
6 ADVANCE THE PURPOSES OF THIS CHAPTER];

7 (5) construct, improve, and maintain soil erosion control
8 and conservation structures as are necessary and practical for carry-
9 ing out the purposes of this chapter;

10 (6) develop comprehensive plans for the conservation of
11 soil and control of soil erosion within the state [DISTRICT], cropping
12 programs, tillage practices and changes in land use, and publish plans
13 and information and bring them to the attention of occupiers of lands
14 within the state [DISTRICT];

15 (7) accept contributions in money, services, materials, or
16 equipment from the United States or its agencies, from an agency of
17 the state, and from any other source, for use in carrying out the
18 purposes of this chapter.

19 * Sec. 11. AS 41.10.120 is amended to read:

20 Sec. 41.10.120. LAND OCCUPIER SHALL APPROVE PLANS, ETC. No
21 survey, investigation or plan for land shall be undertaken by the
22 commissioner of natural resources [DISTRICT], nor shall measures for
23 soil conservation and erosion control be carried out, without the
24 prior approval of the occupier of the land.

25 * Sec. 12. AS 41.10.130 is amended to read:

26 Sec. 41.10.130. CREATION AND BOUNDARIES OF SOIL AND WATER CON-
27 SERVATION DISTRICTS [OF SUBDISTRICTS]. (a) The commissioner of
28 natural resources may, on the recommendation of the board, create soil
29 and water conservation districts in the state [SUBDISTRICTS OF THE

1 SOIL CONSERVATION DISTRICT OF ALASKA,] upon petition signed by 25 or
2 more land occupiers setting out the proposed boundaries of the pro-
3 posed district [SUBDISTRICT]. The commissioner shall fix a time for
4 and give notice of a public hearing based on the petition at a con-
5 venient location or locations within the boundaries of the proposed
6 district [SUBDISTRICT]. The commissioner may fix the boundaries of
7 the district [SUBDISTRICT] created, supervise the election of, pre-
8 scribe the duties of, and install a governing body of five land occu-
9 piers to be known as district supervisors for each district [SUBDIS-
10 TRICT] created, and delegate to the district supervisors powers as the
11 commissioner considers necessary to accomplish the purposes of this
12 chapter within the district [SUBDISTRICT] boundaries.

13 (b) The area of the state that is not located within a district
14 organized under (a) of this section shall be governed by the commis-
15 sioner of natural resources on the recommendations of the board.

16 * Sec. 13. AS 41.10.140 is repealed and reenacted to read:

17 Sec. 41.10.140. DEFINITIONS. In this chapter

18 (1) "board" means the Alaska Soil and Water Conservation
19 Board;

20 (2) "land occupier" or "occupier of land" means a person
21 who

22 (A) holds title to, or is in possession of, three or
23 more acres of land in the state, whether as owner, lessee,
24 renter, tenant, or otherwise; and

25 (B) has a current cooperative agreement with a soil
26 and water conservation district.

27 * Sec. 14. AS 41.10.020 and AS 41.10.150 are repealed.

28 * Sec. 15. The terms of the members of the Alaska Soil Conservation
29 Board terminate on the effective date of this Act. The initial members of

1 the Soil and Water Conservation Board appointed under this Act shall be
2 appointed for the following terms: two members shall serve for three-year
3 terms; two members shall serve for two-year terms; and two members shall
4 serve for a one-year term.

5 * Sec. 16. This Act takes effect July 1, 1983.

Offered: 4/14/83
Referred: Finance

Original sponsor: Kerrettula by request

- change membership from 6 to 5
- [occupier] user
- specifies that the Board review appeals prior to Commissioner's decision. If after, any further appeal is with Superior Court.

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2

CS FOR SENATE BILL NO. 120 (Resources)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

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19 culture, serves ex officio but without a vote on the board.

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27 and water conservation practices;

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1 forest, and grazing land in the state;

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3 decision of the director of the division of land and water management
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18 control, including necessary preventative and control measures, in the
19 state; to publish the results of these surveys and investigations and
20 to disseminate information concerning the results of the surveys and
21 investigations to prospective settlers and the general public;

22 (2) make technical guidance and other assistance available
23 to settlers of new land to assure the development of the land in a
24 manner that will permit it to be used in accordance with its capabili-
25 ties and treated in accordance with its needs;

26 (3) carry out measures for soil conservation and erosion
27 control within the state [DISTRICT], including engineering operations,
28 methods of cultivation, the growing of vegetation, and changes in use
29 of land, with the consent and cooperation of the land user [OCCUPIER]

1 or agency having jurisdiction of the land;

2 (4) cooperate with, furnish assistance to, and enter into
3 agreements with, a user [AN OCCUPIER] of land or agency within the
4 state [DISTRICT, SUBJECT TO THE CONDITIONS AS THE BOARD CONSIDERS
5 NECESSARY TO ADVANCE THE PURPOSES OF THIS CHAPTER];

6 (5) construct, improve, and maintain soil erosion control
7 and conservation structures as are necessary and practical for carry-
8 ing out the purposes of this chapter;

9 (6) develop comprehensive plans for the conservation of
10 soil and control of soil erosion within the state [DISTRICT], cropping
11 programs, tillage practices and changes in land use, and publish plans
12 and information and bring them to the attention of users [OCCUPIERS]
13 of land [LANDS] within the state [DISTRICT];

14 (7) accept contributions in money, services, materials, or
15 equipment from the United States or its agencies, from an agency of
16 the state, and from any other source, for use in carrying out the
17 purposes of this chapter.

18 * Sec. 11. AS 41.10.120 is amended to read:

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21 undertaken by the commissioner of natural resources and [DISTRICT, NOR
22 SHALL] measures for soil conservation and erosion control may not be
23 carried out [,] without the prior approval of the user [OCCUPIER] of
24 the land.

25 * Sec. 12. AS 41.10.130 is amended to read:

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3 proposed district [SUBDISTRICT]. The commissioner shall fix a time
4 for and give notice of a public hearing based on the petition at a
5 convenient location or locations within the boundaries of the proposed
6 district [SUBDISTRICT]. The commissioner may fix the boundaries of
7 the district [SUBDISTRICT] created, supervise the election of, pre-
8 scribe the duties of, and install a governing body of five land users
9 [OCCUPIERS] to be known as district supervisors for each district
10 [SUBDISTRICT] created, and delegate to the district supervisors powers
11 as the commissioner considers necessary to accomplish the purposes of
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18 Board;

19 (2) "land user" or "user of land" means a person who

20 (A) is a producer of renewable resources, including
21 farming and forestry; and

22 (B) has a current cooperative agreement with a soil
23 and water conservation district.

24 * Sec. 14. AS 41.10.020 and AS 41.10.150 are repealed.

25 * Sec. 15. The terms of the members of the Alaska Soil Conservation
26 Board terminate on the effective date of this Act. The initial members of
27 the Soil and Water Conservation Board appointed under this Act shall be
28 appointed for the following terms: two members shall serve for three-year
29 terms; two members shall serve for two-year terms; and one member shall

1 serve for a one-year term. Until soil and water conservation districts
2 have been created under AS 41.10.130 as enacted in sec. 12 of this bill, a
3 "land user" includes a person who would have been qualified for appointment
4 to the Alaska Soil Conservation Board.

5 * Sec. 16. This Act takes effect July 1, 1983.

Spoke to Doug Witte, Division of Agriculture, DNR on

SB 120 RELATING TO SOIL AND WATER CONSERVATION

Soil Conservation Service was begun in Alaska in 1947 at the request of the federal USDA to monitor conservation. Gave Governor authority to appoint 3 board members to advise the commissioner of DNR, and allowed that, as settlement increased, subdistricts could be organized upon petition of local landowners.

The SCS works directly with the USDA. The SCS gets no federal funding but is provided with technical expertise by the USDA.

Witte feels passage of SB 120 is critical as it expands the membership of the Board (he feels 3 people cannot adequately represent the whole state) and provides a budget for an administrative assistant. Fears the SCS in Alaska might fold if they don't get this funding - if that happens, the State cannot benefit from the expertise of the USDA.

*Have a memorandum
of understanding
between State &
Federal gov-
ernment*

MAR 11 1983



Alaska Soil Conservation District
Pouch A • Wasilla, Alaska 99687 • (907) 376-FARM

March 8, 1983

Senator Bettye Fahrenkamp
Chairman
Senate Resources Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Fahrenkamp:

Early in 1982, as the Alaska Soil Conservation Board was developing what is now SB 120, we drafted an information packet to be sent to legislators and others interested in Alaska's soil and water conservation programs. Since that time, I have been appointed as chairman and I feel that it is important for your committee to be well informed as you decide the future of SB 120.

Along with the Executive Summary you will find the District's Long-Range Plan in which resource concerns and plans of action are outlined. As you can see, we are a multi-resource organization, however, as in the past, agricultural development is our primary point of concern. Soil Conservation Subdistrict supervisors throughout the state review and approve or disapprove farm conservation plans which are a requirement as part of the contract of sale on all state lands sold under Alaska's agricultural disposal program.

As chairman of the Alaska Soil Conservation Board of Directors, I would like to stress the importance of SB 120 for the future of Alaska's soil conservation program. I hope this information will answer any questions the Senate Resource Committee may have in their support of this bill.

Sincerely,

A handwritten signature in cursive script that reads "Claud Oxford". The signature is written in dark ink and is positioned above the typed name and title.

Claud Oxford
Chairman



Alaska Soil Conservation District
Pouch A • Wasilla, Alaska 99687 • (907) 376-FARM

August 30, 1982

EXECUTIVE SUMMARY

The Alaska Soil Conservation District and its nine Soil Conservation Subdistricts are an entity of the state government which is poorly understood and therefore, relatively unknown. Our purpose is to promote positive growth through wise land use and conservation planning. This is a goal which will touch the life of every Alaskan and we have remained dedicated to this cause for the past 35 years.

In 1982 our support of federal programs has been responsible for approximately \$195,000 worth of cost shared conservation practices on more than 15,000 acres of land in Alaska. Recent Soil Conservation Service records indicate 5,595,222 acres of land in Alaska which is adequately treated as a result of conservation planning. The Alaska Soil Conservation District has been active in the acquisition of approximately \$500,000 of state and federal funds to help support the National Cooperative Soil Survey program in Alaska. In 1981 this money was used to fund soil and range surveys in the Susitna Valley, Copper River Valley, Delta, Fairbanks, Kenai Peninsula, and the Seward Peninsula. A recent Memorandum of Understanding with the Alaska Division of Forestry establishes a working relationship for conservation planning with regard to privately owned timber resources. The Department of Environmental Conservation also recognizes the ability of the District to address non-point source pollution on agricultural lands for the protection of Alaska's water quality.

Our counterparts throughout the lower 48 states and Hawaii are considered a vital unit within the state government. As a result, they are recognized in many cases as a division within the Department of Natural Resources and receive substantial political and financial backing from their respective legislatures. In 1981 the Idaho legislature appropriated \$400,000 to begin implementing a state conservation cost-share program. In June 1982 Maryland funded \$5,000,000 from the sale of state bonds under the 1974 Water Quality Loan Act for the purpose of establishing a cost-share program for certain projects to control non-point source, agriculturally related water pollution caused by sediment loss, animal waste and chemicals. In June of 1982 the Minnesota legislature authorized the State Conservation Board to allocate funds to share the cost of implementing any systems or practices for erosion or sedimentation control for water quality improvement. Last year, New Jersey funded \$50,000,000 for grants to be administered by the State Conser-

vation Board to land owners for soil and water conservation projects whether they involved farmland, forest, urban, or recreational areas. The list goes on for similar programs sponsored by the Soil Conservation Districts of North Carolina, South Carolina, Oklahoma, Nebraska, etc.

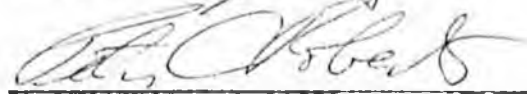
Alaska is unique in the fact that it requires farm conservation plans on any state land disposed for agriculture. However, development of privately owned land through conservation planning is basically voluntary. The Alaska Soil Conservation District is therefore non-regulatory, and implementation of soil and water conservation programs depends on the educational process and reasonable economic incentive.

The state board has requested legislative support in 1971 (SB-177), in 1980 (SB-223), and again in 1981 (HB-456) and was unsuccessful in all three attempts. With the increased rate of resource development experienced in Alaska at this time, it is increasingly difficult to function as a responsible arm of the state government without political and financial support from the legislature and state officials. Our past requests have been quite reasonable when compared to the cost effectiveness of our program. We serve as board members appointed by the governor because we are concerned that Alaska not suffer from the same mistakes made by her sister states as they developed. Other states must function under expensive remedial conservation programs while Alaska has an opportunity to continue a less expensive, preventative program. Without your help, Alaska's conservation program will lose the development race and then we, too, will find ourselves operating under the more expensive remedial programs.

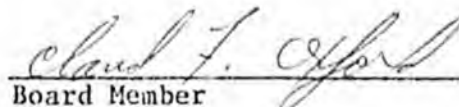
We hope this attempt to gain your attention and inform you of our purpose will prove successful in the upcoming legislative session as we once again request support for our program. It is not a selfish goal but rather one that serves the interests of all Alaskans.



Chairman



Board Member



Board Member

ALASKA SOIL CONSERVATION DISTRICT

Long Range Plan

FOREWORD

The Alaska Soil Conservation District's purpose is to help landowners solve problems involving soil and water conservation and develop additional land with conservation in mind. It is established by Alaska law, with the Commissioner of Natural Resources having power to create subdistricts and plan for the program.

The basic concept of the Alaska Soil Conservation District is that soil and water conservation programs do not deal directly with the land - they deal with people who work with the land. Because most public resource management programs deal with the land base, this fact is frequently misunderstood. However this program hopes to show that, because this program depends on landowners, its effectiveness is measured by the ability of the District Board to get the landowners to apply conservation techniques.

This Long Range Plan will appraise the resources and establish a preventative program. Most states initiate remedial programs, correcting existing problems. Because we work in a developing state we have the opportunity to install needed conservation practices during the development stages. This plan will also be the foundation of the District's annual plan of operation.

I. HISTORY OF DISTRICT AND SUBDISTRICTS

The Soil Conservation District of Alaska was created by an Act of the Legislature of the Territory of Alaska in 1947. The Governor appointed the Alaska Soil Conservation Board to govern the District, and the Conservation Advisory Committee as prescribed by the Act. The Board and Advisory Committee governed the District until the Alaska State Organization Act was approved by the Governor, April 3, 1959.

This legislation vested administration of the Soil Conservation District in the Department of Natural Resources. Administration of the District is delegated to the Director of the Division of Agriculture, who is assisted by an Advisory Committee appointed by the Governor.

Along with this legislation, the Commissioner of the Department of Natural Resources has been given the authority to create subdistricts of the Soil Conservation District of Alaska, upon petition signed by 25 or more land occupiers setting out the proposed boundaries of the Subdistrict. There are presently nine active Subdistricts in Alaska. They are Kodiak, Homer, Kenai-Kasilof, Palmer, Wasilla, Montana, Kenai, Fairbanks, and Salcha-Big Delta.

II. State Authorities

The "Soil Conservation District Law," Title 41 of the Alaska Statutes, gives the District Board of Directors authority and responsibility to design a Long Range Plan for Alaska. This Statute provides for the development, use, and conservation of farm, forest, and grazing lands. The purpose of the District is to "provide for the orderly development of lands for guiding settlement, and for conserving soil and soil resources and controlling and preventing soil erosion."

III. State Policies

Alaska Statute 38.05.362 states that those lands classified as agricultural lands will remain as such and only the agricultural rights to those lands can be sold. The State retains all other rights. The Board supports this policy, and any other policy that supports preservation of agricultural lands.

IV. Environmental Setting

A. Location

Alaska, located in the Northern Hemisphere between longitudes 130° and 172° west, and between latitudes 51° and 72° north, is bordered on the south by the Pacific Ocean, on the west by the Bering Sea, on the north by the Arctic Ocean, and to the east lies the Canadian Provinces. It is the largest of the 50 states, equalling an area one-fifth the size of the United States.

To give a description of Alaska's natural resources, climates, land use trends, and its socio-economic trends would require many volumes.

Because of this, the Board recommends a six volume publication entitled the Alaska Regional Profiles. These profiles were developed through the efforts of the State/Federal Land Use Planning Commission, University of Alaska, and the Division of State Planning and Research.

Also recommended is the Alaska Agricultural Potential, prepared by the Alaska Rural Development Council, which has over a dozen State and Federal agencies as members. It discusses market potentials and the utilization of crops, range, forest, and livestock in developing resources.

The Exploratory Soil Survey of Alaska was used as a resource text in developing this Plan. Containing information useful in large-scale land planning, it also includes predictions of soil behavior for selected land uses, limitations of soil, and environmental impact. Available through the Soil Conservation Service or the Cooperative Extension Service, it broadly describes soils in Alaska.

B. Soils

The earliest soil surveys in Alaska, made in 1914, were done as a study of possible routes for the railroad. More detailed surveys were done in 1939 and 1940 by the Soil Conservation Service in the Matanuska Valley. A more comprehensive study was done in 1946, resulting in publication of a schematic map and general discussion of soils in 1951.

Today, detailed surveys have been made in many principal farming and ranching areas and parts of the National Forests, for a total of 1,220,000 acres. These detailed surveys are continuing at an accelerating rate in an effort to keep pace with the resource development plans of Alaska. They have become the most valued tool for determining resource values.

It is noted that Alaska has many types of soil. Some general observations show that:

Poorly drained soils with permafrost cover 1/3 of Alaska; organic soils, many perennially frozen, cover a greater area than all other states put together; and rough mountain land covers 80 million acres, with 16.5 million under permanent ice cover.

However, several development potentials are shown relative to Alaskan Agriculture. These are that there are approximately 20.5 million acres of soil with high agricultural potential, 18.6 million acres with high grazing potential for domestic livestock, and that there are approximately 200 million acres with high potential for reindeer grazing.

Of course, this exploratory survey does not provide all of the information given in detailed soil surveys and must be supplemented or verified by the detailed soil surveys before resource commitments are finalized. For this reason the District will place the continued development of detailed soil surveys as a high priority.

C. Climate

Alaska has four major climatic zones. They are:

1. Maritime, having water as an influence. It includes Southeast Alaska, has heavy precipitation, cool summers, warm winters, and strong surface winds.
2. Continental Zone, in the interior, characterized by extreme seasonal temperatures, light precipitation, and light surface

winds.

3. Transition Zone, between Maritime and Continental Zones, has variable weather, more extreme temperatures than Maritime but not so great as Continental. Precipitation and surface winds are quite variable.

4. Arctic Zone, from central Brooks Range north to the ocean. Moderate temperatures along the coast, strong to moderate winds, precipitation is light.

See figure 3 for Zones.

D. Water

Alaska's large size, location, and extreme range in climate and topography create very diverse hydrologic conditions. According to geological characteristics, geographic regions are broken down into areas with similar hydrologic characteristics. They are identified as (a) the southeastern portion, east of the 141st meridian, including the Coast mountains; (b) the Southcentral area south of Alaska Range, including Susitna River, Copper River Lowlands, Cook Inlet, and Kenai-Chugach Mountains; (c) Southwestern, principally the Aleutian Range province; (d) Interior with its low broad valleys and the Intermontane Plateaus; and (e) Northern Alaska, including Brooks Range, Arctic Foothills, and Arctic Coastal Plain.

Permafrost and glaciers are widespread in Alaska. Permafrost, or perennially frozen ground, is found in all parts of Alaska except for a strip 25-125 miles wide along the southern coast. Even there, a few small isolated patches persist. Depending on the climatic zone, you will find a transition from thin, scattered patches (discontinuous) to areas over 2000 feet

thick near Barrow (continuous). Because it is impermeable, it limits water absorption, increasing direct run-off and creating numerous lakes or wetlands. Glaciers cover about 17,000 square miles, and are (hydrologically) considered to be water storage facilities.

E. Land Use and Economic Trends

Alaskan economy, heavily influenced by use of natural resources, is dependent on resource development and wise use for economic stability. When looking at renewable and non-renewable resources and their selection for future use, several land uses should be considered. They are:

1. Agriculture - Because of its potential as a renewable resource industry, the State is trying to acquire 650,000 acres of quality farm land. With the potential of approximately 20.5 million acres, the 250,000 acres presently scheduled for development creates little impact. Using only a small part of these lands, Alaska is providing 15% of its dairy needs, but still must import over 90% of its food. Development and use of agricultural land could decrease Alaska's dependence on food imports, expand export markets as the world food demand increases, and provide a viable renewable industry within the State.

2. Forestry - With logging being a traditional industry in Alaska, it is important to focus on obtaining an adequate supply of forest lands, thus insuring the future of forest products. Because of limited land selections, and with an approximate 41 million acres of high potential, forest selections should take into account future timber industries (production of chipped and pressed wood products) using interior forest species. This could also help meet local needs for lumber and fuel in the interior.

3. Commercial fisheries - Due to the fact that commercial fishing

Is the leading renewable resource industry in Alaska, land use and management decisions should not interfere with waterways. To protect particular watersheds, key parcels of land must be in State ownership. Selections should focus on existing potential hatchery, enhancement, weir, research facility, and access sites as well as certain key watershed areas.

4. Tourism - Rapidly growing into Alaska's second largest renewable resource industry, tourism brought in \$110 million in 1976. Alaska's prime attraction is in scenic wildlands and wildlife. This should be considered when selecting park and recreation lands.

5. Hard rock mineral industries - Approximately 189 million acres of Alaska's land have mineral potential, most of which have not been evaluated in detail at this time. As the demand for this industry develops, lease rentals and royalties may add significantly to revenue. Selection should center around adequate areas to guarantee this source of revenue.

6. Coal lands - Because easily-developed coal lands are somewhat limited, selection should be made with an eye for the potential present and future development. As State oil and gas supplies decrease, coal will become more important, bringing with it a 10% royalty to the State coffers.

7. Oil and gas lands - Oil and gas revenues currently provide the major portion of Alaska's budget. Through direct control of these lands, the State can possibly avoid "boom" and "bust" cycles and extend the benefits of these non-renewable resources over longer periods of time.

V. Alaska's Historic and Cultural Resources

Discovered by Vitus Bering and Aleksel Chirikov in 1741 and claimed by Russia at that time, Alaska was immediately beset by Russian traders trapping for otter. They followed the Aleutian Islands to the Peninsula, on to Kodiak Island, Cook Inlet, and Prince William Sound. Trading companies were established on Unalaska Island, Kenai Peninsula, and in Prince William Sound. Not firmly established in Alaska, the Russians were concerned over the voyages of the English into the North Pacific. In 1799, the Russian-American Company was organized and the first Russian post was established in Southeast Alaska. Russia had virtually full control.

For most of its 68 years, the Russian-American Company was concerned almost entirely with the sea otter trade. The decline of the sea otter population, along with a failure to develop other resources, the ever-growing numbers of English and American traders, and the defeat of Imperial Russia in the Crimean War influenced the decision to sell Alaska. On October 18, 1867, Secretary of State Seward closed the Alaska deal.

By the 1880s and 1890s, Americans were getting mining well established. Military expeditions put Alaskan rivers on the maps. The Klondike Gold Rush of 1897-98 brought tens of thousands of people into the state. The Army established posts and strung telegraph lines to connect Alaska with the lower United States.

In 1905, the Alaska Road Commission began work on what is now the Richardson Highway. Private enterprise constructed the White Pass and Yukon Railway from Skagway to Whitehorse, linking the navigable Yukon River to a deep-water port. The Copper River Valley, rich in copper, was opened to

development by the construction of the Copper River and Northwestern Railway. Between 1915 and 1923 the Alaska Railroad was built, serving Seward, Anchorage, Fairbanks, and points between, permitting the development of the Susitna and Tanana River Valleys.

Organized a Territory in 1912, Alaska witnessed the end of the gold rush era with World War I and found its economic development dominated by big business. The Alaska Road Commission continued making progress in road construction and the air age arrived. An agricultural community in the Matanuska River Valley was established by the government during the Depression of the Thirties.

World War II and the Cold War ushered in another era. Large military bases were set up near Anchorage and Fairbanks, more airfields were built, the Alaska Highway was put into action, and the Taylor, Seward, and Glenn Highways were opened. This all increased the population tremendously and a drive for Statehood began. On January 3, 1959, President Eisenhower signed the law making Alaska the 49th state in the Union.

Since then, rapid economic growth has occurred, especially in fisheries, timber, and petroleum industries, virtually assuring the State secure economic foundations. When the 104 million acres granted under the Statehood Act (1959) are conveyed, Alaska will be the largest land-holding state west of the Mississippi. The Alaska Native Claims Settlement Act gave \$925 million and 44 million acres of land to Native peoples. Even with these grants, most Alaska lands will remain in Federal ownership.

B. Cultural Resources in Alaska

To survive the harsh conditions, people had to become ingenious and resourceful. For example, to hunt and trap, the Eskimo had to know about game habits, and weather and ice conditions, developing special weapons as

he learned. Surviving winter entailed permanent housing heated by available fuel; clothing was made from furs and skins; dog sleds were used as transportation. They survived under incredible conditions, indicating their tremendous resourcefulness.

The past has endowed Alaska with rich legacies. Ancient civilizations built round or rectangular houses from sod, skin, bark, or earth using pole, bone, or log frames. They were either entirely above the ground or built into the ground at various levels. Today they are identifiable by ground depressions, by willow flooring, collapsed posts, or stone rings used to anchor skin tent sides.

Other indications of past civilizations are caribou fences, sometimes miles in length, used to channel caribou to a point for capture; cairns, which were lines of sod or rock piles that were made to look like men to the caribou to aid in capture, and caches where food was stored above or below the ground for future use. We see remains of their fireplaces; ceramic, stone, ivory, antler, bone and wood artifacts; and stone tools. Because of their ready deterioration, ivory, antler, bone and wood objects are not found as often as the others, making them extremely valuable to relic collectors.

Also historically significant are trappers' and miners' cabins, early farming implements, old railroad cars, sternwheelers, gold dredges, downed aircraft; we are familiar with historic trails, and places history happened. Many important historical structures need to be refurbished before they deteriorate past repair.

C. Alaska State Selections, an Historical Overview

With Congress' enactment of the Alaska Statehood Act in 1959, Alaska

became entitled to more land than any other state in the history of the nation. By 1968, the State had selected about 26 million acres of Federal land under the statehood entitlement, based on potential for oil, gas, and mineral industries. However, the Department of Interior "froze" selections on December 11, 1968, and suspended action until December 18, 1971, the date of the passage of the Alaska Native Claims Settlement Act. This clearly settled the question of Native land rights, but clouded the future of land ownership patterns until after all lands were selected.

Other provisions of the Act withdrew up to 260 million acres, to be allocated by the Secretary of the Interior. The State filed selections on some 77 million acres one month after the approval of the Act and before the Secretary could act on withdrawing land for the Native and Federal pools. When the Interior Department failed to act, the State filed suit in court, winning an affirmation of title on 41 million acres.

The next major selection of state general grant lands occurred in 1973-74 when the State selected an additional 2.5 million acres. In 1976, when Native rights expired on selection of 30 million acres, the State filed selections against its original statehood entitlements. In April 1977 the State filed selections on 3.6 million acres. The controversial (d) (2) lands then came under contention. In the fall of 1977, the Interior "froze" all selections again until this issue was settled. This legislation is still in a state of debate.

VI. Soil, Water, and Related Resource Concerns

A. During 1978, natural resource problems were inventoried by each of Alaska's nine soil and water conservation subdistricts to fulfill requirements of the federal Resource Conservation Act (RCA).

Public meetings were held throughout the State in order to accurately appraise the real problems and concerns of Alaskans, as well as gather ideas and projected solutions to those problems. The results of this inventory were posted in Parts I and II of the Long Range Plan according to the appropriate geographical areas. The field office representing the different subdistricts were as follows:

<u>Field Office</u>	<u>Subdistrict</u>
Fairbanks (Interior)	Fairbanks
Delta (Interior)	Salcha-Big Delta
Palmer (Southcentral)	Kenny Lake Montana Palmer Wasilla
Homer (Kenai Peninsula)	Homer Kenai-Kasilof Kodiak

When one considers the size of Alaska, this survey identified only those concerns from a rather small portion of the State.

B. This part of the Long Range Plan will be an overall perspective of the conservation problems and potential conservation problems of Alaska. As stated in the Introduction of this Plan, Alaska's conservation problems are basically ones of prevention, rather than remedy. However, considering the potential agricultural developments, the potential problems become evident. Alaska has the unique opportunity of being in a position to develop its agricultural potential properly, to institute best management practices as a complimentary part of the overall development program, as well as a part of individual conservation plans.

In addition to agriculture, problems relating to mining, construction, urban waste disposal, recreation, etc., will be discussed, with an

attempt to identify solutions. Emphasis is placed on private and state land with federal lands receiving a lower priority. The District will continue to influence what happens on Federal lands in its ongoing effort to achieve "conservation on the land", with the full realization of the enormosity of this task.

It has been suggested that the State fund its own conservation program to take the place of the dying Federal programs that have been so much help in the past. A program of this type would be one way of making a positive effort in preventing and eliminating conservation problems in the State.

The following problem identification and plan of action is drawn from the RCA process, input from local supervisors, SCD supervisors, and agency people who work with Alaska's natural resources. It is not intended to be all-inclusive, but to identify the needs which are presently known. The key to this part of the Alaska Soil Conservation District is the continual review and update as new items develop. An effort has been made in this section to reflect areas within the State which have a very high level of concern for various involvements, based primarily on the RCA process.

VII. CONSERVATION PROBLEM CONCERN

A. Agriculture

1. Preservation of Important Farmland (Present and Potential)

a. This is a prime concern of the Alaska citizen. Both present and potential farmlands are being committed to irreversible uses. Approximately 20.5 million acres of potential croplands were identified by the Exploratory Soil Survey of Alaska.

b. Viability of family farms

2. Food and Fiber Production

a. Alaska citizens have for many years expressed a concern for Alaska's need for more local food production, due to the State's isolation. More local food and fiber production could lower costs, improve quality, lower energy consumption, and retain more land in agricultural production.

b. Energy inputs to agriculture production is key to fully developing Alaska's potential

c. Overall production costs in Alaska pose serious problems compared to most other states

VII. PLAN OF ACTION

A. Agriculture

1. Preservation of Important Farmland

a. Development of a strong State agricultural policy

b. Extensive agricultural classification of agricultural soils

c. Resolution of conflicting interests

d. Rapid development of presently known project areas

e. Maintain policy of agricultural rights only

f. Verify areas thought to have high percentage of potential agricultural land

g. Sound resource inventory, planning, and application on project bases

h. Active follow-up of conservation plans on former State lands

2. Food and Fiber Production

a. Same as items a, c, d, & g, above

b. Maximize the transportation and use locally manufactured fertilizer (urea)

c. Expand crop potentials through extensive research programs

d. Develop adequate market/transportation system that will complement and expand to the fullest Alaska agricultural production, both present and potential

B. Forestry

The RCA process notes a concern on the Kenai Peninsula relative to land use commissions and reforestation. Concern has been expressed due to lack of a forestry (State & Private) industry, competition with potential agricultural lands, availability of wood products, forest utilization and classification, and the loss of quality forestry resources in proposed development projects.

C. Habitat

1. Fish habitat - levels of pollutants in the water, streamflow levels, and habitat manipulation have a significant bearing on fish habitat
2. Game habitat - concerns have developed as a potential conflict with other land uses, such as agricultural, and the loss of critical game habitats

D. Lands

1. Important farmlands - Alaska has 20.5 million acres of what is considered unique and important Class II and III agricultural lands, giving Alaska a large agricultural potential.
2. RCA process defined a critical concern for the loss of lands to uses other than desired or real resource potentials. Expressions have been made in loss of production acreages, potential agricultural lands, conversion to irreversible uses, ownership patterns, urban sprawl, and competing uses.

B. Forestry

1. Develop a strong state forestry policy with consideration for other land uses, such as agriculture, recreation, and wildlife. Must resolve conflict with agricultural interests.
2. Establish a forestry demonstration project comparable to an existing agricultural project with full consideration given to economics, transportation, marketing, and ultimate utilization of the forest products.
3. Strengthen the utilization of the forestry potentials when identified in project development.

C. Habitat

1. Fish habitat
 - a. maintain full consideration in land use planning and project development
 - b. maintain critical or necessary wetland
2. Game habitat
 - a. same as item C-1, a and b above
 - b. use of wildfire as a management aid
 - c. development of improved woody plants for habitat uses
3. Develop policy statement (plan) for the identification, preservation, and use of Alaska's fish and game habitat in keeping with other identified land uses, to the maximum benefit of all Alaskans.

D. Lands

1. Continue the disposal of agricultural classified lands as agricultural rights only; encourage municipalities to do the same when disposing of their lands.
2. Encourage the strengthening of agricultural classifications, agricultural rights, and other efforts that will promote the maintenance and use of agricultural lands.

D. Lands, cont.

3. Resource planning - the State of Alaska will receive approximately 104 million acres of land from the Federal government with many resource potentials, one of which is agriculture. A significant percent of these lands will eventually go to private ownership. These private lands will require conservation planning and application before and during development.

4. Urban sprawl - This is a concern/problem that not only commits these lands to irreversible uses, but also requires a high energy cost due to distances from the core area.

5. Native land - Alaska Natives are receiving 44 million acres of land with multi-resource potentials.

E. Mining

1. Coal and hardrock mining are two areas of concern in Alaska, posing a potential problem.

2. Alaska has a large peat resource with little development being done.

3. Placer mining is commonplace in Alaska. Most of the environmental problems from mining are in this area.

F. Range Land

1. The expanding reindeer herding industry will utilize approximately 15 million acres of tundra ranges by increasing the number of reindeer.

2. Range areas within the State

G. Recreation

1. Recreation is an important aspect of this State's economy. Soil and water conservation is vital to this industry in many respects. All Alaskans are involved and should become active in the soil conservation effort.

D. Lands, cont.

3. Strengthen a policy of multi-resource planning and development based on a sound environmental foundation.

4. Limit new subdivision platting to be more in keeping with local demand, energy costs, and other local costs.

5. Use of coal as heat sources in rural areas.

6. Develop a policy and plan of action to best meet the future needs that will be generated as a result of the Alaska Native Settlement Act.

E. Mining

1. Encourage reclamation of coal and hardrock mines and areas affected by these mining operations through legislation and policy statements made by legislators and government groups

2. The Board will support and encourage research and development of our peat resources.

3. The Board will work with miners in developing conservation standards and encouraging the use of conservation practices in placer mining operations.

F. Range Land

G. Recreation

1. Educate local people of the importance of soil and water conservation in the tourist industry. Unless our natural resources are conserved, our prime recreational areas could easily suffer from the effects of erosion and pollution.

H. Rural Development

The importation of food, especially fresh vegetables, at a reasonable cost is a serious problem in "bush" communities and native villages.

I. Soil Erosion

1. Water erosion of fire trails and cat trails on forestland has been a concern in recent years as development continues. Foot traffic streambanks such as the Russian River is also becoming a concern.
2. Water erosion of certain transportation corridors such as the Haul Road is constantly a problem in Alaska.
3. Streambank erosion is caused mainly by high waters during spring runoff or high rains in upper drainages.
4. Shoreline erosion resulting from big tides, winter storms, and large ice floes is a problem near certain boat harbors and developed shorelines.
5. Water erosion on Alaska's rangeland and tundra results from overgrazing and destructive use by off-road vehicles.
6. Urbanization and poor construction of subdivisions is an increasing problem, especially in the major population areas in Anchorage.
7. Wind erosion in the Delta Junction and Palmer areas is always a concern especially with the increased activity in agriculture. High winds on exposed fields can be devastating. The Knik River has always been a serious problem and the potential in Nenana is there if that agricultural project is approved.

J. Water

1. Water quality

- a. roadside erosion has been a major concern with respect to water quality. The DOT is doing an excellent job of stabilizing disturbed areas along State roads and highways.

H. Rural Development

Encourage and support village gardening projects. Work with Extension Service and other agencies in promoting similar projects.

I. Soil Erosion

1. The District will work with the US Forest Service and other State agencies in regulations and policies addressing the construction of cat trails and fire trails in forested areas.
2. The District will continue supporting the activities of the Soil Conservation Subdistricts in seeding roadsides and ditches. The District has and will continue to support the Department of Transportation (DOT) in their conservation practices on State highways.
3. Encourage and support any solutions offered which will retard streambank erosion.
4. Continue to support NACD and the Army Corps of Engineers in their efforts in preventing shoreline erosion at Ninilchik and Kotzebue.
5. Support the Kodiak SCSD in promoting their off-road vehicle policy. Work with the Reindeer Herders Association and other livestock producers in promoting better rangeland management and animal distribution.
6. Work for better zoning laws and land use planning in urban expansion projects.
7. Encourage the use of windbreaks and shelter belts in areas susceptible to wind erosion. Also encourage the use of no-till or minimum tillage practices on cropland. Support the Palmer SCSD in their efforts in stabilizing the soils on the Knik River.

J. Water

1. Water quality

- a. subdistricts will be encouraged to support DOT revegetation activities.

1. Water quality cont.

b. moderate sedimentation occurs with the employment of placer mining.

c. water quality is affected during high waters caused by spring runoff and heavy rains. Minimum damage along streams results from the effects of the river boats.

d. agricultural nutrients and chemical pollution pose a potential problem with the increase in agricultural activities in the State. The Agricultural Phase of the State of Alaska Water Quality Management Plan addresses the potential problem in Alaska of water quality degradation associated with agricultural pollutants.

e. animal-waste pollution is a concern and will be of high priority when the Point McKenzie dairy project materializes.

f. ground water pollution is a problem in some heavily populated subdivisions in Alaska. Inadequate sewage facilities, improper land use planning, and other related considerations are some reasons leading to these problems.

2. Management

a. present effects of irrigation on soil and water resources has been minimal to non-existent, but is a concern with intensified development.

b. drainage poses strong concerns in the development of the State's agricultural resources

c. there is a continually increasing demand on water supplies, especially where rapid growth is occurring because of urban sprawl.

3. Flooding

a. flooding has caused property damage in several areas in the State. Areas such as the Chena River around Fairbanks, Knik River near the Cook Inlet, and the Susitna Valley are noted for periods of serious flooding, being more heavily populated.

1. Water quality cont.

b. the district will work with miners and offer assistance in developing adequate conservation measures, with emphasis toward placer and strip mining.

c. work with Fish & Game and DEC to determine ways of retarding sedimentation of streams and stream-bank erosion.

d. as agricultural development continues, best management practices (BMPs) will be applied to prevent the degradation of water quality. The District will cooperate with other State and Federal agencies in implementing these BMPs and the Federal Non-Point Source Pollution Act.

e. support cost-share programs for animal-waste disposal systems and storage facilities, as well as support practices which involve spreading the waste.

f. Assist boroughs and municipalities in zoning and planning and offer technical help in problems related to soils and soil characteristics.

2. Management

a. continue to appraise ground waters in the State and provide assistance in the development of irrigation projects. Encourage those involved to be energy conscious and make continuous appraisals of future energy resources relative to needs.

b. the Board will support and encourage agricultural development which is cognizant of soil and water conservation.

3. Flooding

a. encourage the updating of flood plain maps in developed areas. The need for more detailed maps is important in areas such as the Matanuska and Knik Rivers. The Board shall encourage the Federal government

3. Flooding, cont.

to outline those potential hazard areas affected by flooding in presently developed areas, and in areas with development potential.

4. Supply

a. water supply has never been a major problem in Alaska. The State holds 40% of the Nation's fresh water supply. The biggest concern in this area is the lack of information about groundwater and its availability.

4. Supply

a. work with SCS and other agencies in identifying water tables and other ground water sources and make that information available to the public

K. Wetlands

K. Wetlands

L. Socio-Political

1. Effective local leadership
2. Adequate legislative authorities
3. Effective use of existing authorities
4. Adequate local capital
5. Capability of local units of government to meet resource need
6. Need for cooperative arrangements with other units of government

L. Socio-Political

Alaska State Legislature

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Senate

Committee on Resources

TO: Senate Resources Committee Members
FROM: Senate Resources Committee Staff
RE: March 25 Hearing
DATE: March 24, 1983

On Friday, March 25 at 3:00 pm in the Beltz Room, the following bills will be heard:

SB 120 AN ACT RELATING TO SOIL AND WATER CONSERVATION.

The sponsor of SB 120 has requested that the Committee consider Sponsor Substitute for SB 120 in lieu of the original bill.

SSSB 120 creates the Soil and Water Conservation Board in place of the Soil Conservation Board, and replaces the current system of one Soil Conservation District (which includes the area of the entire state) divided into subdistricts, with a system of Soil and Water Conservation Districts.

The membership of the Board is increased to allow for appointment of 1 member from each of 5 geographic areas of the state; each board member must be a producer of renewable resources and have a cooperative agreement with a soil and water conservation district, rather than possessing land as is currently required. The Board's advisory duties are increased to allow them to hold public hearings and to review appeals. The Commissioner of DNR is authorized to appoint an executive director and clerical staff to assist the Board.

The following 3 bills have passed out of the Resources Subcommittee on Fisheries. Recommendations of the Subcommittee have been incorporated into draft Committee Substitutes, which will be discussed by Senator Mulcahy, Subcommittee Chairman, at the hearing.

CSSB 73 AN ACT RELATING TO COMMERCIAL FISHING LOANS, which changes the residency requirement for a commercial fishing loan from 5 years to 2 years.

CSSB 136 AN ACT RELATING TO THE OPERATION OF STATIONARY FISHING GEAR, which provides exemptions to the present requirement that a permit holder be physically present during the operation of stationary fishing gear.

CSSB 156 AN ACT RELATING TO THE SALE, LEASE OR GRANT OF STATE HATCHERY FACILITIES, which allows the Commissioner of Fish and Game to sell, lease, or grant a state hatchery facility to a qualified regional aquaculture association.

The following two bills will also be heard:

SR 2 RELATING TO THE CROSS ISLAND WELL

SR 2 resolves that the North Slope Borough not impose restrictions in addition to those already required by the state on the operator of the Cross Island Well in the Beaufort Sea.

SB 151 AN ACT RELATING TO REGIONAL RESOURCE DEVELOPMENT AUTHORITIES.

The Committee will be considering further a Committee Substitute for SB 151. Additional amendments to the CS are still being prepared, and will be submitted to you under separate cover prior to Friday's hearing.

It is hoped that final Committee action could be taken on several of these bills.

The Alaska Soil and Water Conservation District is supported by over 900 cooperators statewide in the purpose of promoting positive growth through wise land use and conservation planning. For the past 35 years, Alaskans involved in agriculture and forestry have been dedicated to this goal.

In 1982, some \$195,000 worth of federal cost sharing programs was utilized in conservation practices on more than 15,000 acres of land in Alaskan. The Alaska Soil Conservation District has been active in the acquisition of some \$500,000 of state and federal funds to aid in the National Cooperative Soil Survey program in Alaska. In 1981 this money was used to fund soil and range surveys in Susitna Valley, Copper River Valley, Delta, Fairbanks, Kenai Peninsula, and the Seward Peninsula. A recent Memorandum of Understanding was adopted by the Soil Conservation District and the State Department of Environmental Conservation where the Soil Conservation District would address non-point source pollution on agricultural lands for the protection of Alaska's water quality. Alaska is unique in the fact that it requires farm conservation plans on any state land disposed for agriculture. The Soil and Water Conservation Board is vested with the responsibility to perform these conservation plans. However, the development of privately owned land through conservation planning is basically voluntary. The Alaska Soil Conservation District is therefore non-regulatory, and implementation of soil and water conservation practices depends on the educational process and reasonable economic incentive.

With the increased rate of resource development experienced in Alaska at this time, it is increasingly difficult for the Alaska Soil Conservation Board to function as a responsible arm of government without political support from the Legislature and State officials.

The citizens serve in the Soil Conservation District because they are concerned that Alaska not suffer from the same mistakes made by her sister states as they developed. Other states must function under expensive remedial conservation programs while Alaska has an opportunity to continue a less expensive, preventative program. Without the support of this bill, Alaska's conservation program will lose the development race and then we, too will find ourselves operating under the more expensive remedial programs.

5/20 from Kertula's office.

SB 120 RELATING TO SOIL AND WATER CONSERVATION.

KERTTULA'S BILL. BUT HE'S ASKED THAT YOU CARRY IT ON THE FLOOR.

THE ALASKA SOIL AND WATER CONSERVATION DISTRICT IS SUPPORTED BY OVER 900 COOPERATORS STATEWIDE IN THE INTEREST OF WISE LAND USE AND CONSERVATION PLANNING. THE EXISTING 3-MEMBER VOLUNTEER BOARD PROVIDES SERVICES TO THE WHOLE STATE. DEMAND ON THEIR SERVICES HAS INCREASED TO THE POINT THAT RESTRUCTURING OF THE BOARD IS NECESSARY. (SB 120 INCREASES THE MEMBERSHIP FROM 3 TO 5 ALLOWING FOR APPOINTMENT OF 1 MEMBER FROM EACH OF FIVE GEOGRAPHIC AREAS OF THE STATE, AND AUTHORIZES THE COMMISSIONER OF DNR TO APPOINT AN EXECUTIVE DIRECTOR AND CLERICAL STAFF TO ASSIST THE BOARD.)

THERE IS A ZERO FISCAL NOTE. THE DEPARTMENT HAS INDICATED THEY DO NOT HAVE FUNDING AVAILABLE FOR THIS PROPOSAL THIS YEAR, BUT DOES SUPPORT PUTTING THE RESTRUCTURED BOARD ON THE BOOKS.

CHANGES IN RESOURCES COMMITTEE SUBSTITUTE:

- * MEMBERSHIP IN THE ORIGINAL BILL WAS 6. WE CHANGED IT TO 5 TO ENSURE EQUITABLE REPRESENTATION OF THE RESOURCE AREAS IN THE STATE.
- * MEMBERS IN ORIGINAL BILL HAD TO BE LAND OCCUPIERS. WE CHANGED IT TO USERS TO ENSURE THAT MEMBERS ACTUALLY WORK THE LAND.
- * SPECIFIES THAT THE BOARD REVIEW APPEALS PRIOR TO THE COMMISSIONER'S DECISION. IF REVIEWED AFTER, ANY FURTHER APPEAL WOULD BE WITH THE SUPERIOR COURT. (THIS WAS DNR'S RECOMMENDED AMENDMENT.)

SENATE FINANCE AMENDED THE BILL TO DELETE PAGE 4, LINES 14-17, WHICH WOULD HAVE ALLOWED THE COMMISSIONER OF DNR TO ACCEPT CONTRIBUTIONS (MONEY, SERVICES, MATERIALS) TO CARRY OUT THE PURPOSES OF THE CHAPTER. KERTTULA HAS NO PROBLEM WITH THE AMENDMENT.

TWO REPEALERS:

AS 41.10.020 DEFINED THE ALASKA SOIL AND WATER CONSERVATION DISTRICT AS THE WHOLE STATE (SB 120 DIVIDES INTO 5 GEOGRAPHIC AREAS.)

AS 41.10.050 DEFINED THE CHAPTER'S SHORT TITLE AS "SOIL CONSERVATION LAW". (SB 120 CHANGES ALL REFERENCES TO SOIL AND WATER.)

BRADLEY

1 IN THE SENATE

BY KERTTULA BY REQUEST

2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 120

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to soil and water conservation; and
7 providing for an effective date."

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

9 * Section 1. AS 41.10.030 is amended to read:

10 Sec. 41.10.030. PURPOSE OF CHAPTER [DISTRICT]. The purpose of
11 this chapter [THE DISTRICT] is to provide for the orderly development
12 of land [LANDS], for guiding settlement, and for conserving soil and
13 water and soil resources and controlling and preventing soil erosion.

14 * Sec. 2. AS 41.10.040 is amended to read:

15 Sec. 41.10.040. SOIL AND WATER CONSERVATION BOARD. The [DIS-
16 TRICT IS GOVERNED BY THE] Alaska Soil and Water Conservation Board is
17 composed of five [THREE] members. The commissioner of natural re-
18 sources or, in the absence of the commissioner, the director of agri-
19 culture, serves ex officio but without a vote on the board.

20 * Sec. 3. AS 41.10 is amended by adding a new section to read:

21 Sec. 41.10.045. EXECUTIVE DIRECTOR. The commissioner of natural
22 resources shall appoint an executive director and clerical staff to
23 assist the board.

24 * Sec. 4. AS 41.10.060 is amended to read:

25 Sec. 41.10.060. QUALIFICATIONS OF BOARD MEMBERS. Members of the
26 board shall be resident bona fide users of land [FARMERS] selected
27 from the five major land [FARMING] areas of the state.

28 * Sec. 5. AS 41.10 is amended by adding a new section to read:

29 Sec. 41.10.065. MAJOR LAND AREAS OF THE STATE. The five major

1 land areas of the state are:

- 2 (1) the Arctic and northwest Alaska;
3 (2) the Yukon and Tanana Valleys;
4 (3) southwest Alaska and the Kenai Peninsula;
5 (4) southcentral Alaska; and
6 (5) southeast Alaska.

7 * Sec. 6. AS 41.10.070 is amended to read:

8 Sec. 41.10.070. TERM OF OFFICE. The term of office of members
9 is three years [, EXCEPT THAT INITIAL APPOINTMENTS SHALL BE FOR TERMS
10 OF ONE, TWO, AND THREE YEARS, RESPECTIVELY].

11 * Sec. 7. AS 41.10 is amended by adding a new section to read:

12 Sec. 41.10.075. BOARD MEETINGS. The board shall hold one regu-
13 lar meeting annually at the state capital and one or more additional
14 meetings at a time and place in the state selected by the board.

15 * Sec. 8. AS 41.10.100 is amended to read:

16 Sec. 41.10.100. DUTY OF BOARD TO ADVISE COMMISSIONER OF NATURAL
17 RESOURCES. (a) At the request of the commissioner of natural re-
18 sources, the board shall meet and advise the commissioner [HIM] in the
19 exercise of the [HIS] powers, duties, and functions of the commis-
20 sioner.

21 * Sec. 9. AS 41.10.100 is amended by adding a new subsection to read:

- 22 (b) The board shall also
23 (1) receive and review reports concerning the use of soil
24 resources of the state;
25 (2) hold public hearings and meetings to determine whether
26 land in the state is being used in a manner consistent with sound soil
27 and water conservation practices;
28 (3) make recommendations for specific action necessary to
29 provide for the effective and orderly development of agricultural,

1 forest, and grazing land in the state;

2 (4) review an appeal by an applicant or lessee from a
3 decision of the director of the division of land and water management
4 or of the commissioner of natural resources concerning a sale or lease
5 of state agricultural or grazing land and submit its recommendations
6 to the commissioner or hearing officer;

7 (5) act in an advisory capacity to the soil and water
8 conservation districts in the state;

9 (6) act in an advisory capacity to the commissioner of
10 natural resources and director of the division of agriculture in the
11 review of farm conservation plans for all state agricultural land
12 sales in the Alaska District.

13 * Sec. 10. AS 41.10.110 is amended to read:

14 Sec. 41.10.110. POWERS OF COMMISSIONER OF NATURAL RESOURCES
15 RELATING TO SOIL AND WATER CONSERVATION. The commissioner of natural
16 resources has the power to

17 (1) conduct land capability surveys and investigations of
18 potential agricultural areas and of soil conservation and erosion
19 control, including necessary preventative and control measures, in the
20 state; to publish the results of these surveys and investigations and
21 to disseminate information concerning the results of the surveys and
22 investigations to prospective settlers and the general public;

23 (2) make technical guidance and other assistance available
24 to settlers of new land to assure the development of the land in a
25 manner that will permit it to be used in accordance with its capabili-
26 ties and treated in accordance with its needs;

27 (3) carry out measures for soil conservation and erosion
28 control within the state [DISTRICT], including engineering operations,
29 methods of cultivation, the growing of vegetation, and changes in use

1 of land, with the consent and cooperation of the land user [OCCUPIER]
2 or agency having jurisdiction of the land;

3 (4) cooperate with, furnish assistance to, and enter into
4 agreements with, a user [AN OCCUPIER] of land or agency within the
5 state [DISTRICT, SUBJECT TO THE CONDITIONS AS THE BOARD CONSIDERS
6 NECESSARY TO ADVANCE THE PURPOSES OF THIS CHAPTER];

7 (5) construct, improve, and maintain soil erosion control
8 and conservation structures as are necessary and practical for carry-
9 ing out the purposes of this chapter;

10 (6) develop comprehensive plans for the conservation of
11 soil and control of soil erosion within the state [DISTRICT], cropping
12 programs, tillage practices and changes in land use, and publish plans
13 and information and bring them to the attention of users [OCCUPIERS]
14 of land [LANDS] within the state [DISTRICT];

15 (7) accept contributions in money, services, materials, or
16 equipment from the United States or its agencies, from an agency of
17 the state, and from any other source, for use in carrying out the
18 purposes of this chapter.

19 * Sec. 11. AS 41.10.120 is amended to read:

20 Sec. 41.10.120. LAND USER [OCCUPIER] SHALL APPROVE PLANS, ETC.
21 A [NO] survey, investigation or plan for land may not [SHALL] be
22 undertaken by the commissioner of natural resources and [DISTRICT, NOR
23 SHALL] measures for soil conservation and erosion control may not be
24 carried out [,] without the prior approval of the user [OCCUPIER] of
25 the land.

26 * Sec. 12. AS 41.10.130 is amended to read:

27 Sec. 41.10.130. CREATION AND BOUNDARIES OF SOIL AND WATER CON-
28 SERVATION DISTRICTS [OF SUBDISTRICTS]. (a) The commissioner of
29 natural resources may, on the recommendation of the board, create soil

1 and water conservation districts in the state [SUBDISTRICTS OF THE
2 SOIL CONSERVATION DISTRICT OF ALASKA,] upon petition signed by 25 or
3 more land users [OCCUPIERS] setting out the proposed boundaries of the
4 proposed district [SUBDISTRICT]. The commissioner shall fix a time
5 for and give notice of a public hearing based on the petition at a
6 convenient location or locations within the boundaries of the proposed
7 district [SUBDISTRICT]. The commissioner may fix the boundaries of
8 the district [SUBDISTRICT] created, supervise the election of, pre-
9 scribe the duties of, and install a governing body of five land users
10 [OCCUPIERS] to be known as district supervisors for each district
11 [SUBDISTRICT] created, and delegate to the district supervisors powers
12 as the commissioner considers necessary to accomplish the purposes of
13 this chapter within the district [SUBDISTRICT] boundaries.

14 (b) The area of the state that is not located within a district
15 organized under (a) of this section shall be governed by the board.

16 * Sec. 13. AS 41.10.140 is repealed and reenacted to read:

17 Sec. 41.10.140. DEFINITIONS. In this chapter

18 (1) "board" means the Alaska Soil and Water Conservation
19 Board;

20 (2) "land user" or "user of land" means a person who

21 (A) is a producer of renewable resources, including
22 farming and forestry, *and*

23 (B) has a current cooperative agreement with a soil
24 and water conservation district.

25 * Sec. 14. AS 41.10.020 and AS 41.10.150 are repealed.

26 * Sec. 15. The terms of the members of the Alaska Soil Conservation
27 Board terminate on the effective date of this Act. The initial members of
28 the Soil and Water Conservation Board appointed under this Act shall be
29 appointed for the following terms: two members shall serve for three-year

1 terms; two members shall serve for two-year terms; and one member shall
2 serve for a one-year term. Until soil and water conservation districts
3 have been created under AS 41.10.130 as enacted in sec. 12 of this bill, a
4 "land user" includes a person who is qualified for appointment to the
5 Alaska Soil Conservation Board.

6 * Sec. 16. This Act takes effect July 1, 1983.
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STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: SB 120 Date on Bill: 2/10/83
 Title: Relating to the Alaska Soil and Water Conservation Act.
 Sponsor: Kerttula
 Requestor: _____

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital				
Operating		75.0	79.5	92.0
Total		75.0	79.5	92.0

b. Revenues:

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

3. Assumptions:

Includes executive director to serve board and handle activities related to their proposed duties. Travel for six member board is \$10,000 annually. Contractual funds for office space and operating activities.

4. Disclaimer:

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

Prepared By: Sharon Barton Phone: 265-2400
 Division: Commissioner's Office Date: 3/17/83

Approved by Commissioner: _____ Date: 3/16/83
 Department: Natural Resources

5. Distribution:

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

2/15/83



STATE OF ALASKA
OFFICE OF THE GOVERNOR

BILL ANALYSIS

Department Natural Resources	Sponsor (Principal) Kerttula by request	Bill Number SB 120
Department Position We support this legislation.		
Division Director Bill Reim	Date 3-15-83	Commissioner's Signature <i>William D. Arnold, Deputy</i> Date 3-15-83

GOVERNOR'S OFFICE USE

Comments:

Position Noted By _____ Date _____

SUMMARY

1. a) Related Bills (Similar or Conflicting) none this session	1. b) Other Agencies Affected by Bill
2. a) Organizational Support for Bill Soil Conservation Sub-districts	2. b) Organizational Opposition to Bill We are aware of none.

3. Program Effects of Bill
Reorganizes the Soil Conservation Sub-districts, expands the scope of the Board, and increases the Board from three to six members.

4. Fiscal Impact: None Fiscal Note Attached

5. Amendments Proposed:

6. Comments:
This legislation is aimed at improving the effectiveness of the Soil Conservation Board. The Administration supported a similar bill (EB 456) last session.

ALASKA SOIL AND WATER CONSERVATION BOARD
Proposed 1983 Annual Plan of Operation

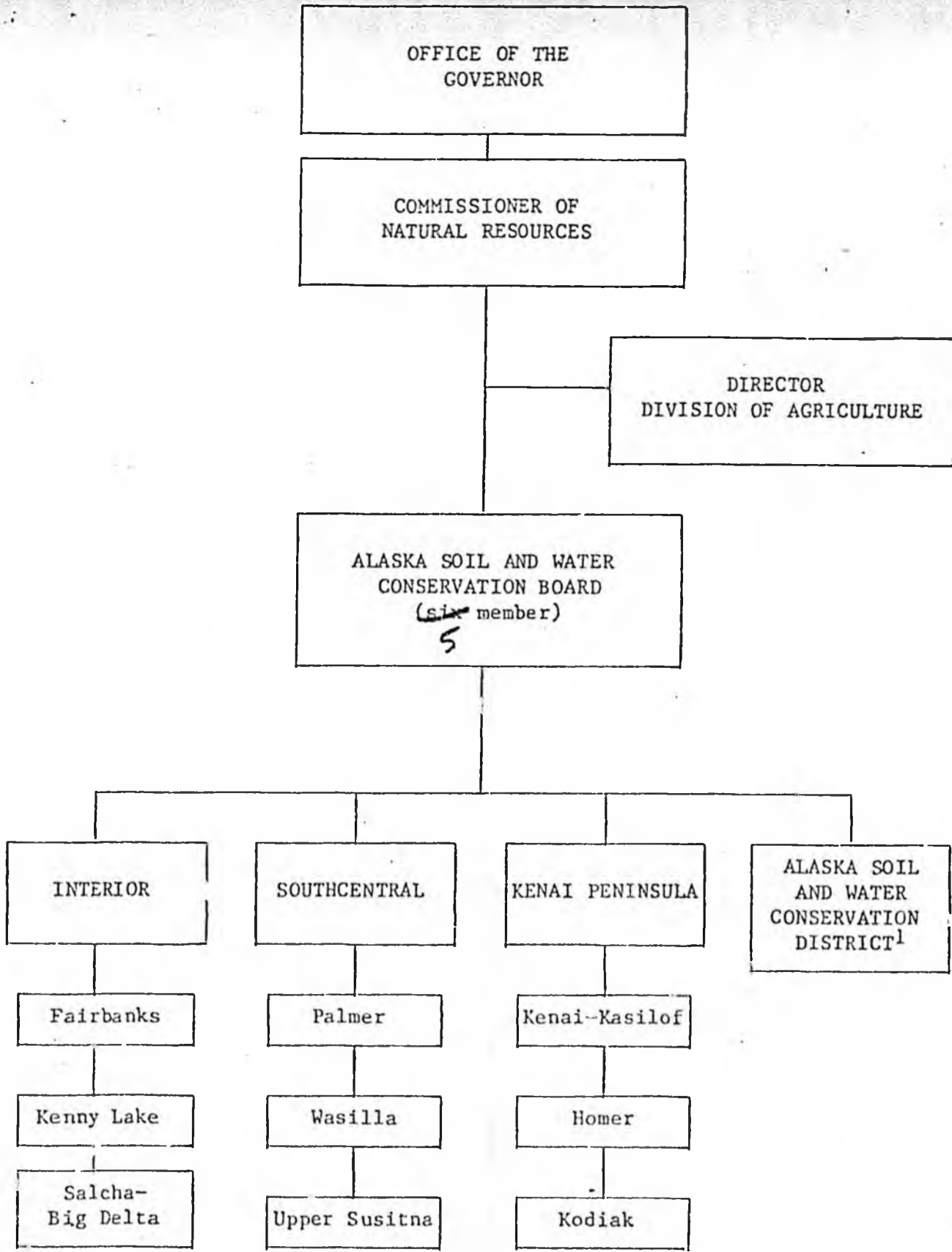
This plan was designed by the Alaska Soil and Water Conservation Board of Directors at a meeting held on October 14, 1982 in Anchorage, Alaska. The purpose of this plan is to 1) establish a definite purpose for the Board's existence as viewed by the members and in doing so make a policy statement and 2) identify those high priority tasks that the Board intends to accomplish in order to achieve their objectives. It is also intended that this plan be flexible enough to react to new problems. This will be listed as a "chasing other things priority". As a working plan the Board will review it at every meeting to keep current on the status of each task identified and to determine whether or not their goals are being met.

POLICY:

It is the purpose of the Alaska Soil and Water Conservation Board to guide agricultural development in Alaska to prevent conservation problems from occurring and to preserve and promote an economic agricultural industry, to encourage the wise use of natural resources and discourage misuse and disturbances of soil and water, and to provide general direction to districts in carrying out these policies.

TASKS:

- a) Work closely with the Alaska Department of Environmental Conservation in disbursement of contractual funds to the districts for water quality measures.
- b) Support the enactment of the new Soil and Water Conservation act and become active in district affairs:
 - 1) annual audits of each district;
 - 2) review of annual plans and reports;
 - 3) annual visit by at least one board member to local district meetings.
- c) Establish priority areas for fiscal year 83 soil surveys as agreed to through cooperative agreements with the Soil Conservation Service.
 - 1) Nenana West (detail)
 - 2) Nenana South (detail)
 - 3) Copper River area (detail)
 - 4) Tok (detail)
 - 5) Overland Ag Manley area (detail)
 - 6) Hatcher Pass area range survey
 - 7) McGrath area verification
- d) Review farm conservation plans for cooperators within the Alaska District. Request an annual review for those conservation plans in the Alaska District.
- e) Put more pressure on state and federal agencies for activity updates.
- f) Be active in 10-year plan by Alaska Agricultural Action Council.



¹ Defined as that area of the state which is not encompassed by an organized district. The Alaska Soil and Water Conservation District is administered by the Soil Conservation Board.

to and providing for the systematic collection, recording, and distribution of data on the water of the state. (§ 3 ch 41 SLA 1977)

Sec. 41.08.040. Cooperation with other agencies. The state geologist, with the consent of the commissioner, may enter into cooperative agreements with federal, state, and local governmental agencies to perform geological and geophysical surveys, studies, investigations, and services. (§ 1 ch 93 SLA 1972)

Chapter 10. Soil Conservation District Law.

Section	Section
10. Declaration of policy	100. Duty of board to advise commissioner of natural resources
20. Creation and boundaries of soil conservation district	110. Powers of commissioner of natural resources relating to soil conservation
30. Purpose of district	120. Land occupier shall approve plans, etc.
40. Soil conservation board	130. Creation of subdistricts
50. Appointment	140. "Land occupier" defined
60. Qualifications of board members	150. Short title
70. Term of office	
80. Vacancies	
90. Compensation and per diem	

Sec. 41.10.010. Declaration of policy. The farm, forest and grazing lands of the state are basic assets of the state. It is the policy of this chapter, in the interest of the health, safety, and general welfare of the people of the state, to provide for the development, use and conservation of these lands in accordance with their capabilities. (§ 47-4-2 ACLA 1949)

Am. Jur. and C.J.S. references. — 2 Am. Jur., Constitutional Law, §§ 424, 701; 37 Am. Jur., Agriculture, §§ 12, 19, 50, 217; 11 Am. Jur., Municipal Corporations, § 6. 3 C.J.S. Agriculture §§ 7 to 10.

Sec. 41.10.020. Creation and boundaries of soil conservation district. The Soil Conservation District of Alaska is created. The district is composed of the area of the state. (§ 47-4-3 ACLA 1949)

Sec. 41.10.030. Purpose of district. The purpose of the district is to provide for the orderly development of lands, for guiding settlement, and for conserving soil and soil resources and controlling and preventing soil erosion. (§ 47-4-3 ACLA 1949)

Sec. 41.10.040. Soil conservation board. The district is governed by the Alaska Soil Conservation Board composed of three members. (§ 47-4-4 ACLA 1949; am § 1 ch 82 SLA 1960)

Sec. 41.10.050. Appointment. The governor shall appoint members of the board subject to confirmation by a majority of the members of the legislature in joint session. (§ 47-4-4 ACLA 1949; am § 1 ch 82 SLA 1960)

Sec. 41.10.060. Qualifications of board members. Members of the

board shall farming are

Sec. 41.10 years, except and three ye 1960)

Sec. 41.10 appointment 82 SLA 1960)

Sec. 41.10 salary but re members of

Sec. 41.10 resources. Al board shall and function

Sec. 41.10 relating to has the pow (1) conduc agricultural necessary pr results of information prospective

(2) make of new land permit it to accordance

(3) carry of the district, the growing and coopera land;

(4) cooper with, an occ conditions a this chapter

(5) constr conservation the purpose

(6) devel control of s

board shall be resident bona fide farmers selected from the major farming areas of the state. (§ 47-4-4 ACLA 1949; am § 1 ch 82 SLA 1960)

Sec. 41.10.070. Term of office. The term of office of members is three years, except that initial appointments shall be for terms of one, two, and three years, respectively. (§ 47-4-4 ACLA 1949; am § 1 ch 82 SLA 1960)

Sec. 41.10.080. Vacancies. The governor shall fill vacancies by appointment for the unexpired term. (§ 47-4-4 ACLA 1949; am § 1 ch 82 SLA 1960)

Sec. 41.10.090. Compensation and per diem. Members receive no salary but receive the same per diem and travel expenses authorized for members of state boards. (§ 47-4-4 ACLA 1949; am § 1 ch 82 SLA 1960)

Sec. 41.10.100. Duty of board to advise commissioner of natural resources. At the request of the commissioner of natural resources, the board shall meet and advise him in the exercise of his powers, duties, and functions. (§ 47-4-4 ACLA 1949; am § 1 ch 82 SLA 1960)

Sec. 41.10.110. Powers of commissioner of natural resources relating to soil conservation. The commissioner of natural resources has the power to

(1) conduct land capability surveys and investigations of potential agricultural areas and of soil conservation and erosion control, including necessary preventative and control measures, in the state; to publish the results of these surveys and investigations and to disseminate information concerning the results of the surveys and investigations to prospective settlers and the general public;

(2) make technical guidance and other assistance available to settlers of new land to assure the development of the land in a manner that will permit it to be used in accordance with its capabilities and treated in accordance with its needs;

(3) carry out measures for soil conservation and erosion control within the district, including engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, with the consent and cooperation of the land occupier or agency having jurisdiction of the land;

(4) cooperate with, furnish assistance to, and enter into agreements with, an occupier of land or agency within the district, subject to the conditions as the board considers necessary to advance the purposes of this chapter;

(5) construct, improve, and maintain soil erosion control and conservation structures as are necessary and practical for carrying out the purposes of this chapter;

(6) develop comprehensive plans for the conservation of soil and control of soil erosion within the district, cropping programs, tillage

practices and changes in land use, and publish plans and information and bring them to the attention of occupiers of lands within the district;

(7) accept contributions in money, services, materials, or equipment from the United States or its agencies, from an agency of the state, and from any other source, for use in carrying out the purposes of this chapter. (§ 47-4-5 (1 — 7) ACLA 1949; am §§ 2, 3 ch 82 SLA 1960)

Sec. 41.10.120. Land occupier shall approve plans, etc. No survey, investigation or plan for land shall be undertaken by the district, nor shall measures for soil conservation and erosion control be carried out, without the prior approval of the occupier of the land. (§ 47-4-5(8) ACLA 1949)

Sec. 41.10.130. Creation of subdistricts. The commissioner of natural resources may create subdistricts of the Soil Conservation District of Alaska, upon petition signed by 25 or more land occupiers setting out the proposed boundaries of the subdistrict. The commissioner shall fix a time for and give notice of a public hearing based on the petition at a convenient location or locations within the boundaries of the proposed subdistrict. The commissioner may fix the boundaries of the subdistrict created, supervise the election of, prescribe the duties of, and install a governing body of five land occupiers to be known as district supervisors for each subdistrict created, and delegate to the district supervisors powers as the commissioner considers necessary to accomplish the purposes of this chapter within the subdistrict boundaries. (§ 47-4-5(9) ACLA 1949; am § 3 ch 82 SLA 1960)

Sec. 41.10.140. "Land occupier" defined. In this chapter "land occupier" or "occupier of land" means a person who holds title to, or is in possession of, three or more acres of land in the state, whether as owner, lessee, renter, tenant, or otherwise. (§ 47-4-5(9) ACLA 1949; am § 3 ch 82 SLA 1960)

Sec. 41.10.150. Short title. This chapter may be cited as the Soil Conservation District Law. (§ 47-4-1 ACLA 1949)

Chapter 12. Western Interstate Nuclear Compact.

Section	Section
10. Entry into compact	40. Filing copies of bylaws
20. Appointment of board member	50. Workmen's compensation coverage
30. Appointment of deputy or assistant board member	

Sec. 41.12.010. Entry into compact. The Western Interstate Nuclear Compact, hereinafter called "the compact," is hereby enacted into law and entered into with all other states legally joining therein, in the form substantially as follows:

ARTICLE I. POLICY AND PURPOSE

The party states recognize that the proper employment of scientific

and technology and direct and techniques developed by the other resources of the industrial production economy of the nuclear and require skills require promotion from of the party state. It is the purpose of this framework for to enhance the community welfare

(a) There is as the "Western board). The state design which he report with such law of his duties the duration deputy or as this. The fee provision is

(b) The board vote on the meeting at states are present on the board

(c) The board

(d) The board chairman, a fix the compensation pleasure and treasurer, a bonded in state

(e) The board appoint an for the performance, per states.

(f) The board conjunction or subdivision

S

B

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Introduced: 2/14/83
Referred: Resources and
Finance

ONE amendments

1 IN THE SENATE

BY MOSS

2

SENATE BILL NO. 124

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act amending the Alaska Agricultural Loan Act

7

(AS 03.10); and providing for an effective date."

8

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

9

* Section 1. AS 03.10.030(a) is amended to read:

10

(a) A farm development, chattel, or irrigation loan made under

11

this chapter

12

(1) may not exceed a term of 30 years, except that a

13

chattel loan may not exceed a term of seven years;

14

(2) may not, when added to the outstanding balance of other

15

loans made under this chapter, exceed a total outstanding balance of

16

\$1,000,000;

17

(3) shall be secured by a real estate or chattel mortgage

18

of any priority, except that the portion of a loan that exceeds

19

\$500,000, when added to prior indebtedness that is secured by the same

20

property, must be secured by a first mortgage;

21

(4) shall bear interest at a rate that may not be less than

22

six [EIGHT] percent or more than the commercial rate, unless the

23

commercial rate is six [EIGHT] percent or less; in this paragraph

24

"commercial rate" means the prevailing rate of interest at private

25

lending institutions in the state for loans similar to those referred

26

to in this subsection.

27

* Sec. 2. AS 03.10.030(c) is amended to read:

28

(c) A short term loan, to be amortized within one year, not to

29

exceed \$1,000,000 [\$200,000] to any one borrower may be made for

delete

leave at 8%

delete

operating purposes.

delete
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(F) A farm product processing loan may not exceed \$2,500,000 [\$250,000]. A mortgage which secures a farm product processing loan may be of any priority if the total indebtedness on the real estate, including the secured farm product processing loan, does not exceed \$2,500,000 [\$250,000]. A farm product processing loan which, if made, would raise the existing indebtedness on the real estate securing the loan above \$2,500,000 [\$250,000], or a farm product processing loan on real estate which has a prior indebtedness of \$2,500,000 [\$250,000] or more, may be made only if all prior mortgagees agree to subordinate their mortgages to that of the state for the amount of the farm product processing loan which exceeds the \$2,500,000 [\$250,000] indebtedness limit on the real estate. A farm product processing loan may not exceed a term of 30 years or bear interest that is less than six [EIGHT] percent a year and shall be secured by a real estate or chattel mortgage or both.

* Sec. 4. AS 03.10.030(g) is amended to read:

(g) A loan for clearing land may not

- leave at 8%*
- (1) exceed \$1,000,000 [\$250,000];
 - (2) bear interest that is less than six [EIGHT] percent;
 - (3) have a term in excess of 20 years; or
 - (4) be made for clearing land that is not classified as

class III or better by the United States Soil Conservation Service under the land classification system used by the United States Soil Conservation Service.

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delete
(b) The board is composed of five members. The governor shall appoint one member and one member shall be elected from each of the

1 four Agricultural Stabilization and Conservation Service counties in
2 the state by the farmers registered with the soil conservation service
3 in that county [APPOINTED BY THE GOVERNOR AND CONFIRMED BY THE
4 LEGISLATURE IN JOINT SESSION. THREE MEMBERS SHALL BE PERSONS WITH
5 BACKGROUND AND EXPERIENCE IN ALASKA AGRICULTURE]. Members of the
6 board serve for overlapping two-year [THREE-YEAR] terms. Members of
7 the board are not entitled to receive compensation for their services,
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9 for boards and commissions.

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13 this section to make a personal appearance before the board to have
14 the board review the loan application decision.

15 (e) The agricultural revolving loan fund board may declare a
16 farm disaster in an area of the state because of crop failure due to a
17 natural disaster and, if the decision is concurred in by the commis-
18 sioner, may declare a two-year moratorium on principal and interest
19 payments on a loan made under this chapter to a person whose crops
20 have failed because of the natural disaster.

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24 a loan applied for by that member [, DURING THE MEMBER'S TERM OF
25 OFFICE OR WITHIN ONE YEAR AFTER CEASING TO BE A MEMBER OF THE BOARD,
26 OBTAIN A LOAN UNDER THIS CHAPTER OTHER THAN A SHORT-TERM LOAN UNDER
27 AS 03.10.030(c)].

28 * Sec. 8. ~~Terms of the members of the agricultural revolving loan board~~
29 ~~that are first appointed and elected under AS 03.10.050(b), amended by sec.~~

delete

leave original language

delete

1 5 of this Act, shall be as follows: (1) member appointed by the gover-
2 nor--two years; (2) two elected members--one year; (3) one elected
3 member--two years; (4) one elected member--three years. The commissioner
4 of natural resources shall determine which elected members hold the one,
5 two, and three-year terms in the initial board.

6 * Sec. 9. This Act takes effect immediately in accordance with AS 01.-
7 10.070(c).

SENATE RESOURCES COMMITTEE
LEGISLATION CHECKLIST

IDENTIFICATION:

BILL NUMBER: SB 124

BILL NAME: Amending Alaska Agricultural Loan Act.

SPONSOR(S): MOSS

RELATED BILLS PENDING:

DATE INTRODUCED: 2-14-83

REFERRALS: Resources
Finance

INITIAL RESEARCH:

BILL SUMMARY COMPLETED:

SUMMARY BY LEGAL DIVISION:

SPONSOR CONTACTED FOR
BACKUP MATERIALS:

DEPT. OF LAW SUMMARY:

FISCAL NOTE:

AGENCY RESPONSE:

OTHER INTERESTED SENATORS OR
REPS. NOTIFIED:

BACKGROUND RESEARCH:

SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES:

RESPONSES FROM INTERESTED PERSONS/GROUPS:

OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, LAWS:

HEARING PREPARATION:

CHAIRMAN BRIEFED:

DATE AND PLACE SET:

STAFF MEMO TO COMMITTEE:

TELECONFERENCE:

BACKGROUND MATERIAL DISTRIBUTED:

PSA/PRESS RELEASE:

LIST OF WITNESSES:

SUGGESTED AMENDMENTS/COMMITTEE
SUBSTITUTES DRAFTED:

Sharon Bauton, OLR - ~~Barbara Brown~~? Bob Arnold, Deputy Commissioner

Sen. Moss (or staff)

Carl Amstrup, Exec. Dir, AAAC

Terry Elden, Div. Loans

written
testimony
only

Alaska State Legislature

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



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

Senate

Committee on Resources

TO: Senate Resources Committee Members

FROM: Senate Resources Committee Staff

RE: March 9 Hearing

DATE: March 7, 1983

On Wednesday, March 9 at 3:00 p.m. in the Beltz Room the Senate Resources Committee will be hearing SB 124, An Act amending the Agricultural Loan Act. Major points are as follows:

Changes in the existing Agricultural Revolving Loan Fund:

1. Reduces maximum term of chattel loan from 30 to 7 years.
2. Lowers minimum interest rate on farm development, chattel, or irrigation loan from 8% to 6%.
3. Raises limit on short term loan (for operating purposes, amortized in 1 year) from \$200,000 to \$1,000,000.
4. Raises limit on farm product processing loan from \$250,000 to \$2,500,000.
5. Lowers minimum interest rate on farm product processing loan from 8% to 6%.
6. Raises limit on loans for clearing land from \$250,000 to \$1,000,000.
7. Lowers minimum interest rate on loans for clearing land from 8% to 6%.

Changes in the Agricultural Revolving Loan Fund Board:

1. One board member will be appointed by the Governor; the other 4 will be elected from each of the 4 Agricultural Stabilization and Conservation Service Counties in the state by farmers registered with the Soil Conservation Service in that county.

Members will serve for overlapping 2-year terms. (Under current statute, all members are appointed by the Governor and confirmed by the legislature. All serve 3-year terms.)

2. Requires the board to permit a person whose loan application has been disapproved to make a personal appearance before the board to have the decision reviewed.
3. Allows the board to declare a farm disaster in an area of the state because of crop failure due to a natural disaster, and, if concurred in by the Commissioner (DNR), may declare a 2-year moratorium on principal and interest payments on a loan to a person whose crops have failed because of the natural disaster.
4. Allows a board member to obtain a loan from the agricultural revolving loan fund, but prohibits the member from voting on his own application.

Immediately following the hearing on SB 124, the Committee will be briefed on the Admiralty Island Greens Creek mining project. Background information is attached.

Introduced: 2/14/83
Referred: Resources and
Finance

1 IN THE SENATE

BY MOSS

2

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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4 of natural resources shall determine which elected members hold the one,
5 vo, and three-year terms in the initial board.~~

~~6 * Sec. 9. This Act takes effect immediately in accordance with AS 01.-
7 10.070(c).~~

The Convention of Alaskan Farmers, at its December 5th and 6th, 1981 meeting, held in Glenallen, after discussing problems and solutions on the following topics went into committees and formed the following resolutions and recommendations. These resolutions and recommendations were amended, voted on, and accepted by the entire convention as the Platform of the Convention of Alaskan Farmers.

See IV - Resolving loan fund

Received from Senator Moss's office, 3/7/83

[REDACTED]

Whereas, the loan fund has experienced a shortage of capital to lend to developing agriculture in Alaska; be it resolved that the Convention of Alaskan Farmers request the following changes be made:

1. The legislature reinstate the loan funds former ability to sell off some of its loans to the Department of Revenue.
2. The ceiling on the size of the loan fund be removed.
3. The probable impact on the loan fund of each new agricultural land disposal be assessed and then new funds be transferred to the R.L.F. at the time of each new agricultural land disposal.

Whereas, first mortgage rights are not available on Agricultural lands with state clearing loans and land purchase contracts; be it resolved that the Convention of Alaskan Farmers requests the state subordinate this first mortgage position to other agricultural on-farm loans.

Whereas, developing agricultrue is a higher than normal risk and the R.L.F. will reflect this by higher than normal bank accepted delinquency; be it resolved the Legislature direct the Legislative Budget and Audit Committee to take this into consideration when making a determination that legislative intent is being carried out.

Whereas, the loan fund board does not appear to be responsive to all areas of the state; be it resolved the Convention of Alaskan Farmers requests the following changes be made:

1. Length of service on the board be established at two years with one half of the board elected each November.
2. The board members be elected by the farmers with (R.L.F.) loans.
3. That no more than one board member be from each soil subdistrict. *ASCs Con'y; malines*
4. A loan applicant have the privilege of personal appearance before the board at the next regularly scheduled meeting after his loan has been rejected.
5. The board establish regularly scheduled monthly meetings at a predetermined time and place, and that at least once each year a regularly scheduled meeting is to be held at the location of each loan office.

Whereas, the loan officers do not appear to be adequately familiar with the farmers' requirements; be it resolved the Convention of Alaskan Farmers requests the following changes:

1. The number of loan officers be increased to adequately service loan applicants and administer each loan in a timely manner.
2. A loan officer is to have regularly scheduled visits to each farming area of the state where a loan office does not exist.

Whereas, the loan fund policy does not appear consistent throughout the state and from year to year; be it resolved the Convention of Alaskan Farmers requests the following:

1. A five year plan be required of each applicant and once approved, the R.L.F. commits to fund that plan if funds are available and if the plan is adhered to.

V. REVOLVING LOAN FUND - PAGE TWO

Whereas, the loan fund has restrictive limits; be it resolved the Convention of Alaskan Farmers recommends that the limits be removed and that each loan request be judged on its own merits.

Whereas, a conflict of interest can occur in any program dispersing public funds; be it resolved the Convention of Alaskan Farmers request the R.L.F. should adopt written policy governing such conflict.

Following is a rough draft of an informational fact sheet put together by Dr. Jim Drew, Dean of the School of Agricultural Science, U. of A., Fairbanks. While it is purely technical in nature it does point out the need for initial investment in the industry.

See page 4.

Received from Senator Moss's office, 3/7/83.

AGRICULTURAL DEVELOPMENT

IN

ALASKA'S TANANA VALLEY

QUESTIONS AND ANSWERS

Q. What are the advantages of agricultural development for the Tanana Valley of Alaska?

A. Agriculture is a renewable resource industry that offers many long-term benefits. Approximately 1.8 million acres of potential agricultural land are in state and Native ownership in Alaska's Tanana Valley.

Development of land for agriculture can provide jobs both on the farm and in supporting industries. It can stabilize food costs by establishing self-sufficiency in the production of adapted crops and livestock.

Agriculture encourages the private ownership of land for use in producing income. It produces "value-added" commodities through the feeding of grain to raise livestock, and through the processing of crop and animal products.

Geographically, Fairbanks' central location permits it to provide transportation, services, and supplies for existing and proposed agricultural development projects in the Tanana Valley from Delta Junction to Nenana.

Q. For what crops is the Tanana Valley best suited?

A. Cereal grains, forages, and vegetables that are produced in other northern countries are adapted to the climate and soils of the Tanana Valley. For an expanding agriculture, however, a crop is needed that

will grow well on newly cleared land and that will stimulate the "value-added" production of other farm products.

Barley is a feed grain and human food that is well suited for production on newly cleared land. It thrives in cool climates and is a major crop in the farming areas of northern Canada and Finland. In fact, it is the fourth most important grain crop in the world.

The production of barley on an efficient scale in Alaska can provide an important part of the feed base necessary to produce "value-added" commodities such as meat and milk.

Q. Are there examples of successful agriculture in Alaska?

A. Yes. Since the early 1900s, field and vegetable crops, meat, and milk have been produced successfully in the Tanana and Matanuska Valleys; beef and sheep have been raised on the Kenai Peninsula, Kodiak Island, and the Aleutians; and reindeer herds thrive in western Alaska.

From 1915 to 1935, farming was a major economic activity in the Tanana Valley. Dairy farming in the Matanuska Valley continues to supply a portion of Alaska's needs for milk. Meat, eggs, and vegetables are produced locally.

Recently, farms near Delta Junction, equivalent in size to farms in major grain-producing states, have produced barley at a cost no higher than in other states.

Q. Then why does Alaska's current agricultural production provide less than 5% of the food consumed within the state?

A. Alaska's agriculture has not yet attained the volume of production necessary to support the integrated system of production, processing,

marketing, and financing that characterizes successful agricultural industries elsewhere. Alaska has just begun to develop this system.

In the absence of sufficient processing and marketing systems, Alaskan farmers cannot make the investment necessary to expand their production. And current farm production in Alaska is not yet large enough to support cost-effective processing and marketing systems for agricultural commodities.

Q. Is that why we hear about the goal of 500,000 acres of cropland in Alaska by the end of the 1980s?

A. Yes. Production from this acreage would provide sufficient farm business to permit Alaskan farmers to employ the economies of scale available in other agricultural states. *In fact there are more than* ~~Moreover, approximately~~ 500,000 acres of state land with agricultural potential ~~are available~~ near the *transportation systems in the Tanana Valley.* ~~existing road and railbelt in Alaska.~~ Single counties in northern agricultural states are often about this size.

Production from 500,000 acres ~~in Alaska~~ would support the farm implement firms, fertilizer distributors, seed dealers, and other businesses that provide inputs for farm production. It would support the storage facilities, feed mills, and processing plants for meat and milk, and the transportation system necessary to market farm commodities. With a cost-effective agribusiness system, production costs on the farm will decrease and financing will become easier to obtain.

Q. Why has Alaskan agriculture not been able to supply food to Alaskans at prices comparable to other areas of the United States?

A. Alaska's relatively small population and market as well as the "one-way haul" transportation systems serving Alaska tend to increase

the price of food shipped to the state. At the same time, the low volume of agricultural production in Alaska does not permit cost-effective inputs such as fertilizer and machinery maintenance or the development of economically efficient processing systems. Consequently, food prices are higher than in other areas of the United States.

[REDACTED]

Q. Will Alaskan agriculture continue to depend on state subsidies?

A. No. Experience in producing cereal grain, meat, and milk in Alaska indicates that production costs in the state will be comparable to production costs elsewhere when a fully developed agricultural system is in place.

However, in the initial years of agricultural development, the front-end costs of clearing land, building roads, providing electrical power, constructing farms, and developing processing and marketing systems place considerable financial burden and risk on new farmers and processors. State programs aimed at offsetting these pressures can result in a viable agricultural industry.

When the critical volumes of agricultural production are reached, well managed commercial farms and efficient processing and marketing systems will operate at a profit without state subsidy.

Q. Can we expect substantial increases in the production of red meat and milk in Alaska?

A. Yes. The cost of feed grain represents 75% of the cost of producing pork, and 20% of that of producing milk.

As the acreage of grain production increases in interior Alaska and the efficiency of grain processing, storage, and marketing improves, livestock producers will pay less for feed grain. This will stimulate the production of such "value-added" products as meat and milk.

Q. What about the production of other agricultural commodities?

A. The development of new farms will encourage other agricultural enterprises. A nucleus for the expansion of poultry and vegetable production exists in the Tanana Valley. Commercial greenhouses will benefit from the general expansion of agriculture. Grain production and the availability of by-products from meat and fish processing will provide a feed base for the expansion of fur farming. Historically, Alaskan furs have maintained a top position in the market place.

Q. What advantage does Fairbanks offer as a service, supply and transportation center for agricultural development in interior Alaska?

A. Fairbanks is a growing metropolitan center with the facilities and labor force to handle service and supply industries for Alaska's developing agriculture. The University of Alaska-Fairbanks is the headquarters for the agricultural research and extension services necessary to support agricultural development.

Fairbanks is the hub of Alaska's transportation system. Highways tie Fairbanks to extensive areas of potential agricultural soils. The state highway system and the Alaska Railroad provide routes from Fairbanks to the coastal seaports of Anchorage, Seward, Whittier, and Valdez. The Fairbanks International Airport handles worldwide needs for air transportation.

Attractive local and state tax structures, efficient support services, and the encouragement of agricultural development by local government make Fairbanks a positive environment for agricultural businesses.

*to you for
Richard
ag. Dept.*

Box 168
Palmer, Alaska 99645
March 1, 1983

1/21/83

Sen. Jalmar Kerttula
Pouch V
Juneau, Alaska 99801

Dear Jay,

In order to assure a high success rate on the Point MacKenzie Agricultural Project, it is evident that the total loan funds authorized on dairy tracts should be raised from the present \$1.0 million to \$1.5 million. Specific disbursement should, of course, remain based on financial and experience requirements on the part of the prospective loan recipients.

Karen Lee's dairy at Point MacKenzie is nearing completion and the following cost summary is available.

Sitework, barn and parlor, manure system, young stock facilities, well	\$932,500 ?
Feed Storage (bunker silos)	17,000
Power generation system and distribution	17,500
Equipment shop and tools	32,900
Employee housing	58,000
Field and yard machinery	235,000 ?
Stock	216,000
First year operating advance	140,000 ?
	<hr/>
	\$1,648,900

This is for a 220-cow dairy. Therefore, within limits, it is reasonable to say that the average cost per animal to get into operation is \$7495/cow.

The highest minimum stocking rate on the Point MacKenzie project is about 120, yielding a minimum loan requirement of \$899,400, adjusted upward because of the fact that machinery requirements for a small facility are nearly identical to those of the larger facilities.

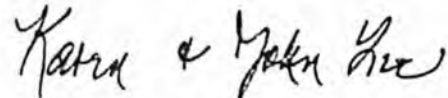
Prudent farmers will likely opt for facilities that are larger than the stocking minimums in order to widen the margin between gross revenue and operating cost/debt service.

If the tract owner can meet the financial and managerial criteria, and has a good business plan consistent with sound lending practice, the State of Alaska should not hesitate to extend the additional funds.

The farmer will find no other choices for financing, since the state is and must be in the position of first deed of trust holder. Commercial banks remain extremely reluctant to advance funds for any agricultural endeavor in Alaska, even one as time-proven as a dairy farm. This reluctance, coupled with the state's need for a first position, makes it very difficult, if not impossible, to make up the shortfall on a new dairy facility from conventional sources.

We strongly urge an increase in the individual Agricultural Revolving Loan Fund maximum loan limit.

Sincerely,

Handwritten signature of Karen and John Lee in cursive script.

Karen and John Lee

Alaska State Legislature

BETTYE FAHRENKAMP
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ROBERT H. ZIEGLER, SR.
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POUCH V
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Senate

Committee on Resources

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

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

The Committee Substitute contains only the following provisions:

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

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

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

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



Alaska State Legislature

Senate

Resources Committee

Official Business

Senator Bettye Fahrenkamp
Chairman

Pouch V
State Capitol
Juneau, Alaska 99811

March 9, 1983
3:10 p.m.

Beltz Room 211

MEMBERS PRESENT

Senator Fahrenkamp ✓
Senator Ziegler
Senator Eliason

Senator Paul Fischer
Senator Vic Fischer
Senator Mulcahy
Senator Sturgulewski

SB 124 - An Act amending the Alaska Agricultural Loan Act (AS 03.10); and providing for an effective date.

Senator Kerttula appeared before the Committee to state that he would have amendments at a later date and would like to come back to testify at that time.

Sharon Barton, Special Assistant to the Commissioner Department of Natural Resources testified that DNR does not support the bill as written, however, they do want to work with Senator Moss and members of the Committee. Recommended Amendments to SB 124 are as follows:

1. Page 1, lines 14 and 15 - delete "when added to the outstanding balance of other loans made under this chapter,"
2. Page 1, lines 22 and 23 - delete six, add eight
3. Page 1 - delete section 2
4. Page 2 - delete section 3
5. Page 2 - line 21 - delete six, add eight
6. Page 2, delete section 5
7. Page 3 - delete section 6
8. Page 3 - lines 24-27, restore deleted language.
9. Page 3 - delete section 8.

Other subjects discussed were the following proposed changes in the existing Agricultural Revolving Loan Fund:

1. Reduction of maximum term of chattel loan from 30 to 7 years.
2. Lowering of minimum interest rate on farm development, chattel, or irrigation loan from 8% to 6%.
3. Raising of limit on short term loans for operating purposes from \$200,000 to \$1,000,000.
4. Raising of limit on farm product processing loan from \$250,000 to \$2,500,000.