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The Board establishes the broad policies within which management administers crop insurance programs. It determines the guidelines within which the most practical terms and conditions of insurance for agricultural commodities are established.

The manager is the executive head of the Corporation, which is headquartered in the Department of Agriculture in Washington, D.C. The headquarters office determines policy and management and is responsible for the following administrative and staff functions:

Congressional and Public Affairs - Establishes and maintains communication with Congress and the general public.

Comptroller - Administers financial management programs for the Corporation.

Personnel - Provides staff advice and assistance in personnel management and equal employment opportunity.

Management Support - Provides office support services and conducts management improvement programs for the Corporation.

Strategic Planning and Evaluation - Administers planning, evaluation and programming systems that relate FCIC activities to USDA missions, national goals and objectives.

The Operations Office for the Corporation is located in Kansas City, Missouri. It provides overall leadership and coordination for the following major support functions located there:

Field Offices - Implements marketing, policy services and claims programs and directs operations activities in the field.

Actuarial - Researches statistical data and develops coverages and rates for crop insurance policies; establishes final dates for insurance applications.

Claims - Manages contract service and loss adjustment activities.

Data Automation - Manages the data automation management program for the Corporation. The Kansas City Office uses a highly automated Government computer center that does most of the record keeping, mailing, billing, and the banking involved with receiving premiums and paying claims.

Marketing - Manages sales promotion, sale training and reinsurance activities.

A proposal is currently under consideration to provide for separate divisions for reinsurance and programs procedure and development.

FCIC maintains 18 Field Operations Office around the country. Their functions are to manage, within their regions, FCIC sales, contract services and loss adjustment programs. They implement corporate marketing policies, procedures, and provide technical guidance and assistance to the district directors and field personnel.

Under each Field Operations Office are District Directors, the number of which vary by region. Their functions are to carry out loss adjustment and quality control activities and to review and provide assistance on actuarial requests. These offices provide first-line responses to inquiries from Master Marketing agents and insureds. They perform public relations activities at the local level. District Directors have the authority to provide approval on revised and late acreage reports, and they conduct Grower Yield Certification Inspections.

Eleven Field Actuarial Offices are located across the country to collect, analyze and process actuarial data in support of the Actuarial Division in Kansas City.

X. THE EVOLUTION OF CROP INSURANCE IN THE UNITED STATES

Benjamin Franklin is the first person on record in this country to

support a crop insurance program.

In 1788, Franklin suggested "an office of insurance of farms against the damage that may occur to them from storms, blight, insects, etc. A small sum paid by a number would repair such losses and prevent much poverty and distress."

The most complete early analysis of the principles of crop insurance was written by a German economist for the Japanese government. The report was published in 1869 and called attention to the desperate economic conditions of Japanese farmers and the large number of farm foreclosures. It noted that agricultural relief funds only became available after farmers faced total financial ruin.

Not until 1899 did the first private insurance company experiment with a multiple peril crop insurance program in the United States. It failed. Various other private insurance companies tried to provide multiple peril crop insurance programs in 1917, 1920, 1921, 1931, and 1932. All failed.

In all of the early attempts at multiperil crop insurance, the most serious handicaps were the lack of a satisfactory actuarial foundation upon which to base insurance rates.

In 1921, Dr. Victor H. Valgren, Manager, Crop and Weather Division, The Automobile Insurance Company of Hartford, Connecticut, and later an Agriculture Research Economist for the United States Department of Agriculture, wrote: "Crop insurance that covers against all unavoidable hazards, and therefore, in effect guarantees a stipulated minimum yield or return, when the farmer, himself, has done everything possible to bring about a crop, is necessary before farming can be considered on par with other industries in safety and certainty of results."

Dr. Valgren continued his research and study of private crop insurance

companies to have valid information for the Secretary of Agriculture, interested Senators, Congressmen, and fellow associates. Consequently, more than 15 years of research was available when a sequence of events--the financial crash of 1929, the drought of the thirties and the Dust Bowl--brought crop insurance before the public eye.

Public attention to and demand for a Federal crop insurance program reached a climactic turning point during the tragic drought years of the 1930's.

The plight of drought-stricken farmers helped motivate Franklin D. Roosevelt to promise crop insurance as part of his platform when he campaigned for President.

The spark that energized the crop insurance movement was a speech made by Agriculture Secretary Henry A. Wallace, July 22, 1936, "Agricultural Preparedness and the Drought." Shortly after this, Secretary Wallace activated a committee to write the crop insurance legislation. Senator James P. Pope introduced the bill in Congress.

Finally, in 1938, the Federal Crop Insurance Corporation was created as an agency within the U.S. Department of Agriculture. The Corporation came into existence in response to the Federal Crop Insurance Act (approved by Congress February 1938) enacted as Title V of the Agriculture Adjustment Act of 1938.

The original Act provided for insurance on wheat only. It set up in general terms the plan of insurance, providing the Corporation authority to insure crops against unavoidable loss.

The Act named certain causes of loss to be included, but it also provided that the Board of Directors could name other unavoidable causes. Thus, it authorized multiple peril crop insurance.

The original Act allowed for the operational organization to be set up as a Corporation so that it might have flexibility and operate somewhat as a private company.

FCIC's first crop year of operation was 1939. County work was handled largely by county crop insurance supervisors who were responsible to the Agricultural Adjustment Administration (AAA) county committees for sales and some servicing. The county crop insurance supervisors were responsible to the Corporation for loss adjustment and handling of funds.

At the end of the first year, AAA (later to become the Agricultural Stabilization and Conservation Service) suggested that it take over the total county operation or be disassociated from crop insurance. The result was that AAA was given full responsibility for field operations, including loss adjustment.

Eventually, the local administration of the crop insurance program gradually evolved to a mix of commission agents under contract, FCIC county offices, and reimbursable agreements with ASCS.

In 1942, cotton insurance was added to the FCIC program. Losses exceeded premiums on both wheat and cotton in each of the first five years (1939-1943).

Drought caused heavy wheat losses in the southern half of the plains States in 1939 and 1940. Widespread winterkill took a heavy toll on the wheat crop in 1941.

Because of these large losses, Congress suspended the crop insurance program in the summer of 1943. There was no insurance on 1944 crops nor on the 1945 winter wheat crop planted in the fall of 1944. The 1944 Appropriation Act for the Department of Agriculture restricted use of crop insurance funds to liquidation of existing contracts. President Roosevelt expressed disagreement with the decision of Congress to liquidate crop

insurance work. When he signed the appropriation legislation for the Department, he said he hoped funds would be appropriated for crop insurance when Congress returned from recess. In his judgment, insufficient time had elapsed to demonstrate the practicability of crop insurance.

On April 16, 1944, organization within the Office of Production was announced. It had three branches: Crop Production, Food Management, and Conservation Programs. The FCIC was part of Office of Production.

On December 23, 1944, Public Law 551 (78th Congress), was passed amending the Federal Crop Insurance Act making available funds for crop year 1945. On January 1, 1945, the FCIC was reinstated as an independent agency within the War Food Administration (WFA) as stated in Administrator's Memorandum 27, Rev. 1, December 13, 1944. The administration of the FCIC was then transferred to the AAA. The purpose of the transfer was to permit the Secretary of Agriculture to continue the consolidation already effected in the Production and Marketing Administration (PMA). Under the authority of Executive Order 9577, June 29, 1945, the Secretary of Agriculture placed the administration of the Federal Crop Insurance Corporation in the PMA by Memorandum 1118, August 18, 1945.

On October 3, 1945, the Federal Crop Insurance Corporation was set up as a bureau within the PMA. The Federal Crop Insurance Corporation was transferred out of the PMA and was reestablished as a separate organization in the Department effective July 1, 1947.

When the program was reinstated in 1945, the Corporation took over the responsibility of adjusting losses and State Directors employed by the Corporation were given supervision over such phases of the program as field actuarial work, the acceptance of applications, and, later, the issuance of policies. The legislation was passed in time to insure spring-planted crops

for 1945--spring wheat, cotton, and flax. In addition, small experiments were started on corn and tobacco.

Because of the new legislation and changes in the insurance operation, the financial experience of the Corporation improved greatly on wheat and the experience on flax, tobacco, and corn was quite satisfactory.

However, large losses occurred on cotton insurance in 1945 and 1946, primarily as a result of droughts in the Southwest. By the end of 1946, over three-fourths of the original capital of \$100 million had been lost. However, premiums exceeded indemnities by about \$8.5 million in 1947, recovering part of these losses, but not before the Congress had reviewed the operations in light of the 1945 and 1946 experience and had decided to reduce the program to an experimental basis.

Legislation authorized insurance in only a limited number of counties--200 wheat counties, 56 cotton counties, and a smaller number of counties for the other crops. Provision was made that insurance should not exceed generally the investment in the crop in the area. While the number of counties and crop programs was restricted, the Congress indicated that this experimental period should be used to develop insurance for other types of crops. In 1948, small experiments were started on insurance for dry beans and on multiple crop insurance.

This limited and experimental approach went into effect beginning with the 1948 crop year with only 375 county programs, compared to 2,400 in 1947. Consequently, a new period in the history of the Corporation was begun at that time and present published reports do not carry records before 1948.

When the legislation was amended in 1947 the Corporation was authorized in 20 counties to reinsure private companies with respect to similar insurance. While there had been some consideration of this by a few companies

and some discussions of reinsurance, there had been no operation under this provision.

It wasn't until the Federal Crop Insurance Act of 1980 that most limitations were rolled back, and the Corporation was allowed to aim for maximum expansion. In addition, private insurance companies were given a vitally important role in delivery of the expanded program.

The Act of 1980 heralded an exciting new era in crop insurance.

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What You Should Know About Crop Insurance

**Lesson Plan
For**

High School

Young Farmer

**Adult Farmer
Classes**



Prepared by:
Federal Crop Insurance Corporation
U.S. Department of Agriculture

November 1983

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LESSON PLAN

"What You Should Know About Crop Insurance" has been designed for High School Vocational Agriculture classes and Young Farmer and Adult Farmer classes.

This lesson plan is a broad outline of material which may be used in teaching about Crop Insurance. More detailed information is available in booklets and pamphlets provided by the Federal Crop Insurance Corporation (FCIC). Instructors may wish to delete or supplement part of the outline depending upon the teaching situation.

INTENDED USE: HIGH SCHOOL VOCATIONAL AGRICULTURE CLASSES

The lesson plan is intended for use in advanced classes in Vocational Agriculture. It is assumed that students have received no prior instruction in the area of Crop Insurance. The unit can be used for teaching about Crop Insurance as a part of a larger unit on farm insurance or farm management, or it can be used to teach about Crop Insurance as a separate and distinct topic.

INTENDED USE: YOUNG FARMER AND ADULT FARMER CLASSES

The lesson plan is also designed for use in Young Farmer and Adult Farmer classes. It is assumed that some of the class members may not be familiar with Crop Insurance. Others in the class may be Crop Insurance policyholders. Those carrying Crop Insurance may have detailed questions regarding their particular insurance situation. These people should be referred to their local authorized Crop Insurance representative. Instructors are urged to obtain the assistance of the local FCIC district director in presenting the material in this unit. County Agricultural Stabilization and Conservation Service (ASCS) offices maintain a list of local authorized agents who offer Crop Insurance.

TEACHING OBJECTIVES

1. To acquaint the students with the Federal Crop Insurance Corporation.
2. To develop an understanding of the purpose of Federal Crop Insurance.
3. To understand the association of Federal Crop Insurance policies and Multiple Peril Crop Insurance (MPCI) policies.
4. To determine the amount a farmer has invested in a growing crop.
5. To determine how Crop Insurance protects a farmer's crop investment against loss.
6. To determine how premium rates and coverages are established.
7. To develop an understanding of some Crop Insurance contract features.
8. To help the individual decide on the advisability of taking out Crop Insurance.

INTRODUCTION AND MOTIVATION - INTEREST APPROACH

Instructors can select from among the following ideas those they feel will best fit the teaching situation:

HIGH SCHOOL AND ADULT CLASSES

1. Have class members list as many local unavoidable hazards as they can that a crop might be subjected to during a growing season. (Crop loss pictures may be used as visual aids to illustrate hazards class members mention.)
2. Have class members estimate the cost of producing a crop in their home area to show the size of the investment required in crop production (Class Problem - Page 5).
3. Ask class members the following questions:
 - a. How many have had a crop loss on their own farm?
 - b. What would happen to you if your own farm experienced a crop failure?
 - c. What effect would such an event have on your family's short-term and long term financial security?
 - d. What effect would a total crop loss on a county-wide basis have on our local community?

ADULT CLASSES

1. Have class members carrying Crop Insurance explain to the class why they are insured.
2. Have class members who have suffered a loss and received an indemnity check describe their experience to the class.
3. Have class members share with the class what has happened to them in the past when they suffered a crop loss without insurance coverage.
4. Have class members give reasons why they carry general lines of insurance other than Crop Insurance.

HIGH SCHOOL CLASSES

Suggested lead questions:

1. What would a crop failure on your parents' farm mean to your further education? How else might it affect you?
2. How many of your parents are carrying Crop Insurance? Can you tell the class anything about your parents' policy?
3. Can any of you recall specific difficulties experienced by your families in the past as a result of crop failures compounded by lack of Crop Insurance coverage?

CROP INSURANCE

GENERAL STATEMENT

Farmers today are required to use sound management more than ever before. Capital investments are mounting--production costs have been increasing for a number of years. Yet the best planning can be disrupted by good old Mother Nature. Farm crops are subjected to many natural hazards--hazards a farmer cannot control. Each year many acres are totally destroyed or badly damaged because of drought, excessive moisture, disease, insects, or for some other unavoidable reason. Quite often, the loss of a crop or series of crops places the farmer in financial difficulty that may force him to stop farming and seek off-farm employment. This is certainly a worrisome situation for a farmer. When a crop is lost, so also are many of the things its profit was to have bought a farmer--a new car, tractor, additional land, a new stove or refrigerator, or a vacation, etc. Through a self-help plan provided by the Federal Crop Insurance Corporation, farmers may eliminate some of the worry by spreading risk over a period of years; therefore, keeping themselves in business.

INTRODUCTORY DESCRIPTION

What is Crop Insurance?

1. Crop Insurance is offered by private authorized insurance agents in your local community, representing either the Federal Crop Insurance Corporation (FCI), an agency of the United States Department of Agriculture) or private insurance companies reinsured by FCIC.
2. Agents will sell Federal Crop Insurance policies or Multiple Peril Crop Insurance policies. Either policy contains the same terms, rates and coverages.
3. Crop Insurance generally covers unavoidable loss of production due to drought, excessive moisture, insects, disease, hurricane, tornado, volcanic eruption, or any loss due to natural hazards beyond the farmer's control.
4. Some specialty crop policies for such crops as citrus, peaches, apples, and almonds may have coverage available only for a specific named peril or perils. Policies may also contain exclusions to some natural hazards such as drought for rice. Each policy will name the perils covered and the perils excluded.
5. Crop Insurance does not cover loss due to neglect, poor farming practices, impoundment of water, or theft.
6. Crop Insurance is voluntary. The Federal Government does not give this protection to farmers. It is designed as a self-help program in which a number of farmers pay small insurance premiums that will repay insured farmers in the event of an unavoidable crop loss. Therefore, Crop Insurance is a sound business program.

LEGISLATIVE BASIS - HISTORY

1. Heavy expenditures by the Federal Government for emergency disaster assistance during the 1930's provided stimulus for authorization.
2. The original act, known as the Crop Insurance Act, was passed by Congress in 1938. This act provided for wheat insurance only.
3. Considerable capital was lost because of widespread crop losses during early years of insuring crops. Thus, the program was reduced in scope and put on an experimental basis in 1948. Gradual expansion occurred between 1948 and 1980.
4. The Federal Crop Insurance Act of 1980 allowed the Corporation to undertake a massive expansion program which has led to thirty-four (34) different crops being insured in 3,003 counties in 49 states in 1983. (Insured crops are listed on page 16.)
5. Congressional legislation limits the maximum amount of insurance protection to 75 percent of the recorded or appraised average yield.
6. Over 325,000 contracts are now in force on more than \$4,500,000,000 worth of liability.
7. Expansion to new crops and new counties depends upon:
 - a. Interest expressed by producers and others in the county for insurance on a particular crop.
 - b. The economic importance of the crop in terms of acreage and number of producers.
 - c. Whether sufficient and reliable actuarial data are available to evaluate risk and establish fair coverages and premium rates.

WHY DOES A FARMER NEED CROP INSURANCE

1. Farmer's crops are subject to many natural hazards. (Have class review hazards they listed. Use chart on page 17 to review percent of indemnities paid by causes of loss.)
2. Loss of crops results in financial difficulty for the farmer.
3. Farmers have major investments in their growing crops.

Class Problem: Approximately how much does a farmer have invested in a growing crop?

Crop Production Cost Inputs	(Crop)	(Crop)
PRE-HARVEST COSTS:		
Machine & Equipment Ownership, Leasing or Custom Hiring*		
Repair, Fuel, etc.		
Seed		
Fertilizer		
Chemicals (Herbicides, Pesticides, etc.)		
Crop Insurance		
Taxes		
Labor (hired or family)		
Total Pre-Harvest Costs:		
HARVEST COSTS:		
Machine & Equipment Ownership, Leasing or Custom Hiring*		
Repair, Fuel, etc.		
Labor (hired or family)		
Total Harvest Costs:		
Total Production Costs, Except Land		
Land Costs (Investment Interest or Lease)		
TOTAL EXPENSES		

*May include depreciation and interest on investment.

NOTE: Instructors may wish to request copies of normal crop production costs for the area from their local county Extension agent for classroom example purposes. Also, a computer software program called ARCIE (All-Risk Crop Insurance Evaluation) is available to evaluate insurance risk on an individual basis. Your local county Extension agent or FCIC district director can provide more information.

4. A dollar of investment which is lost in the production of a crop because of natural hazards beyond the control of the farmer is a dollar lost forever unless it can be regained in the future.
 - a. If the average farmer expects to make a dollar of profit for each four dollars invested in crop production, the return must be five dollars.
 - b. If you were to lose this year's crop with no opportunity to recover it within the year, four additional average years will be needed, or a total of five years, to get back to where you started.
 - c. If the sixth year also brings the average return, you would then have one dollar above costs to spread over six years, or an average return of slightly more than 4%.
 - d. Reduced to figures, this looks like the following:

<u>Year</u>	<u>Investment</u>	<u>Return</u>
1st	\$ 4	\$ 0
2nd	4	5
3rd	4	-
4th	4	5
5th	4	5
End of 5th	\$20	\$20
6th	4	5
End of 6th	\$24	\$25

- e. Money for crop investments are derived from past profits or borrowed money. If a crop investment is lost, the farmer would have to pay interest on borrowed money or lose interest income on capital controlled within the farm business, in addition to having no net income during the period it takes to regain the lost investment.
5. Crop Insurance can improve credit. Farmers can offer it as additional collateral and use it to pay off loans if crops fail.
6. Crop Insurance could allow farmers who do not need to borrow money to protect their accumulated savings.
7. Crop Insurance stabilizes income in a community in the event of severe crop losses. Crop Insurance is important to the banker, the machinery dealer restaurateurs, life insurance salesman, car dealers--every businessman on Main Street who depends on the farmer's dollar to stay in business.
8. Crop Insurance reduces the need for disaster relief measures.

HOW DOES CROP INSURANCE WORK FOR THE FARMER

1. Crop Insurance guarantees a specified amount of good quality production and pays an indemnity (loss payment) when actual production falls below the guarantee.
2. Once a guaranteed yield is established, a policyholder makes a price election per unit of measure (bushel, pound, hundredweight, etc.). That is, the price which the policyholder is to be paid for each unit of measure that their damaged or destroyed crop falls below the guarantee.
3. Assume that the bushel guarantee for wheat acreage on a farm is 1,000 bushels. The farmer had a choice in price election of \$2.50 per bushel, \$3.50 per bushel, or \$4.00 per bushel. Assume the \$4.00 price election was chosen.
4. If the insured crop is a total loss, the indemnity would be 1,000 bushels multiplied by \$4.00, or a total indemnity of \$4,000.00.
5. Suppose the entire acreage is harvested and the farmer receives only 600 bushels of wheat. This is 400 bushels less than the guarantee. So the loss would be 400 bushels.

ILLUSTRATION:

1,000 bu. - production guarantee based on the average yield established for the farm
- 600 bu. - actual production harvested
400 bu. - amount below guarantee
X \$4.00 - producer's price election or the amount the farmer selected to be paid for each bushel short of the guarantee
\$1,600.00 - amount the farmer will be paid for loss on the unit

If the farmer had chosen the \$3.50 price election in the above illustration, the indemnity payment for loss on the unit would be:

\$3.50 price election X 400 bu. = \$1,400.00 loss payment

And if the farmer had chosen the \$2.50 price election in the above illustration, the indemnity payment for loss on the unit would be:

\$2.50 price election X 400 bushels = \$1,000.00 loss payment

NOTE: Price elections, and guarantees differ with various insured crops and areas.

6. The Corporation is rapidly moving toward a Individual Yield Coverage (IYC) program for all crops which will allow yield guarantees to be based on actual production history rather than area average. Thus, the importance of accurate record keeping of production data will serve a vital role in the future of Crop Insurance.

WHAT DOES CROP INSURANCE COST THE FARMER

How premium rates are determined:

1. Cost depends largely on the farmer. The price election chosen by the farmer (amount the farmer is to be paid for each unit of measure the actual production falls below the guarantee) is used to determine the premium, as well as the loss indemnity payment.
2. County premium rates are based on estimated losses over a representative period of years.
3. Counties are divided into rate areas generally shown by an actuarial map. (See example actuarial map on page 18.)
 - a. Crop Insurance experience of previous years plays an important part.
 - b. Consideration is given to risks of production.
 - c. Some land may be classified as uninsurable due to high risk (cross-hatched).
 - d. All land in any given areas has the same coverage and rate.
 - e. Final approved coverages and rates are set up on county actuarial tables.
(See example actuarial table on pages 19 - 22.)

NOTE: Instructor may request the FCIC district director to supply the local county actuarial documents for use as handout materials.

4. Premium rates vary from area to area so that the premium the farmer pays will be no greater than the risk of crop loss in the area.
5. Farmers can change their premium costs by adjusting the amount of protection. The farmer must choose a level of coverage of either 75 percent, 65 percent, or 50 percent of the average yield established for the farm unit.
6. A farmer's premium cost is adjusted downward if there are no losses, thus, establishing a good experience record. Conversely, a farmer's premium cost is adjusted upward if frequent or large losses have established a bad experience record.
7. Premiums charged are adequate only to meet losses and establish a reasonable reserve against unforeseen losses.
8. Congress provides appropriated funds for payment of Federal Crop Insurance Corporation operating expenses. Therefore, the farmers' premium rates do not include a charge to cover operating costs of the Corporation.

WHO MAY OBTAIN CROP INSURANCE

1. Any person who has a share in an insurable crop. (See example application on page 23.)
2. Landlords and tenants insure their interest in the crop separately. An application may be filed jointly by two or more persons, such as co-operators or co-owners, to cover their joint interests.
3. Minors (individuals under age 18) may secure Crop Insurance through a court-appointed guardian or by having a parent or other competent party co-sign the application.

WHEN MUST APPLICATION BE MADE TO SECURE CROP INSURANCE COVERAGE

1. Sales closing dates are established each year after which time new applications for insurance coverage will not be accepted.
2. Sales closing dates are necessary to place the insurance in force before crop potential can be determined.
3. Without sales closing dates, farmers would carry Crop Insurance only in the years that collecting a loss payment would appear likely.
4. The Federal Crop Insurance Corporation may close sales early if conditions develop that create an unusual risk to the Corporation.

DOES CROP INSURANCE HAVE TO BE RENEWED EACH YEAR

1. The Crop Insurance policy is automatically renewed each year unless either the farmer or the Corporation provides written notification to the other party before the renewal date to discontinue the protection. This is referred to as a continuous contract.
2. The farmer has continuous Crop Insurance protection, but is committed for only one year at a time.

WHAT REPORT DOES THE FARMER HAVE TO MAKE

1. Farmers carrying Crop Insurance have to file an acreage report generally within thirty days after completion of planting. The location, number of acres, and share in the crop must be reported. Crop Insurance agents work closely with the insured to assist in the preparation of a form for the purpose of reporting acreage following planting. (See example acreage report on page 24.)
2. A farmer's premium and coverage are based on the number of acres planted and the farmer's share in the crop.

Class Problem:

Adult Classes - Have each member fill out an acreage report for their own farm.
Vo-Ag Classes - Have students fill out an acreage report using a sample farm situation.

WHAT IS DONE IN THE EVENT OF A CROP LOSS

1. Farmers are expected to report a loss to their local authorized Crop Insurance agent 15 days prior to the beginning of harvest if a claim will be submitted. This provision allows loss adjustment to be performed while the needed evidence and information supporting the claim are available and can be verified.
2. A Crop Insurance adjuster will then visit the farm to determine the extent of crop loss.
3. If an insured no longer intends to care for a damaged crop and wants to put the insured land to another use, written consent must first be obtained from the Crop Insurance adjuster prior to putting the land to another use.

4. Consent to put land to another use will be given when it is too late to replant to the same crop.
5. If farmers find at harvest time that the actual production is short of the guarantee, immediate notification must be given to their local authorized Crop Insurance agent.
6. Loss indemnity payments are made without regard to what an insured is paid under a private hail insurance policy, unless the farmer has chosen to exclude hail as an insured cause of loss. This is accomplished by a written agreement and the farmer will receive a reduction in premium on the Crop Insurance policy.
7. The amount of the indemnity payment depends upon:
 - a. The extent of crop damage.
 - b. The coverage level elected by the farmer (75%, 65%, or 50%).
 - c. The price election chosen by the farmer.

QUALITY AS WELL AS QUANTITY IS INSURED

1. Local value for poor quality production is compared with the local price for the quality guaranteed.
2. Damaged production is converted to its equivalent in good quality production using a price relationship basis.

Example: If an insured produced 800 bushels of poor quality product worth \$2.00 a bushel and the local market price for good quality product of a specified grade was \$4.00 per bushel, a production amount of only 400 bushels would be counted.

SUMMARY

1. Crop Insurance is a voluntary, self-help program which provides farmers protection on their crop investments against loss from all natural hazards.
2. Service is provided by the Federal Crop Insurance Corporation, an agency of the United States Department of Agriculture or private insurance companies reinsured by FCIC.
3. The Crop Insurance plan operates like any other insurance plan with farmers paying yearly premiums based on loss history allowing payments for loss to be paid from this premium fund.
4. Crop Insurance is available to any person who has a share in an insurable crop.
5. Crop Insurance is sold on an automatic renewal plan referred to as a continuous contract. A farmer may cancel by the date specified in the policy.
6. The farmers' obligations include filing an acreage report promptly after planting, reporting any crop loss to their local authorized Crop Insurance agent, and providing information needed in the preparation of a loss claim.

DISCUSSION QUESTIONS (Brief answers are provided for guidance of the instructor.)

1. Why did Congress authorize the USDA to provide farmers voluntary Crop Insurance?

Answer: Heavy expenditures by the Federal Government for emergency disaster assistance during the 1930's provided stimulus for authorization.

2. Who can get Crop Insurance?

Answer: Anyone with a financial interest in an insurable crop on insurable land and, of course, who follows sound farming practices.

3. Is Crop Insurance protection available on any crop?

Answer: No, Crop Insurance is available on 34 crops in just over 3,000 counties in 49 states. (These numbers will change as expansion programs continue.)

4. Can a minor secure Crop Insurance?

Answer: Yes, by having his parent or guardian co-sign the Crop Insurance contract.

5. Can the Crop Insurance policy be used to obtain credit?

Answer: Yes, if desired, the Crop Insurance policy can be pledged as loan collateral by means of filing an assignment of indemnity.

6. Does a Crop Insurance policy have to be renewed each year?

Answer: No, the protection remains in effect as long as the farmer continues to pay the premiums by the deadline established for the crop.

7. Can a Crop Insurance policy be cancelled?

Answer: Yes, after the first year the policyholder may cancel by giving written notice to the Corporation by the date specified in the crop policy.

8. Do Crop Insurance policies insure against low quality, as well as low yields?

Answer: Yes, depending on the extent of quality damage, a farmer may be entitled to an indemnity even though the actual yield is more than the minimum guaranteed.

9. What does Crop Insurance protect?

Answer: It protects the approximate investment in production expenses against unavoidable causes of loss. Indemnities have been paid for more than 100 causes of loss.

10. Why does a farmer have to submit an acreage report?

Answer: An acreage report is the basis for which a premium is charged and it establishes the amount of protection.

TRUE OR FALSE (Answers are provided for the guidance of the instructor.)

1. Crop Insurance is a voluntary government giveaway program for farmers.

Answer: False

2. Crop Insurance does not cover theft.

Answer: True

3. Crop Insurance was originally provided for coverage on wheat only.

Answer: True

4. Hail is the greatest cause of loss for which farmers have received Crop Insurance indemnity checks.

Answer: False

5. A farmer can use Crop Insurance as additional collateral when obtaining a loan.

Answer: True

6. Some land may be classified as uninsurable due to high risk involved.

Answer: True

7. Farmers can adjust the amount of protection and premium each year.

Answer: True

8. The premium includes all Federal Crop Insurance Corporation administrative expenses.

Answer: False

9. A farmer will receive premium discounts for having several years of good experience, but there is no penalty for a bad experience record.

Answer: False

10. Landlords and tenants cannot insure their interest in a crop separately.

Answer: False

11. Crop Insurance is sold on a continuous contract, automatic renewal plan.

Answer: True

12. Acreage reports are due when a farmer decides how many acres are going to be planted.

Answer: False

13. A farmer cannot cancel the Crop Insurance policy after the first year the insurance is in effect.

Answer: False

SUGGESTED TEST WHICH YOU MAY WISH TO USE

PROBLEM - Computing a Loss Payment (Indemnity)

The following facts will apply in solving this problem:

1. Bushel guarantee for wheat on a farm is 9,000 bushels.
2. Farmer has 200 acres of wheat.
3. Price elected is \$4.00 per bushel.

PART I

What would be the amount of the indemnity payment if the farmer suffered a total crop loss?

Solution:

Guarantee in bushels X price election per bushel equals indemnity payment
 $9,000 \text{ bushels} \times \$4.00 = \underline{\$36,000.00 \text{ indemnity payment}}$

PART II

If the farmer harvests only 4,000 bushels of wheat, what would be the amount of his indemnity payment without considering quality adjustment?

Solution:

Guarantee is 9,000 bushels of wheat.

Guarantee minus actual amount harvested equals loss.

$$9,000 - 4,000 = 5,000 \text{ bushels short of guarantee}$$

Price election X bushels lost equals indemnity payment.

$$\$4.00 \times 5,000 \text{ bushels} = \underline{\$20,000.00 \text{ indemnity payment}}$$

SUGGESTED SPECIAL ACTIVITIES FOR THE INSTRUCTOR

1. Use special visual aids indicated in the lesson plan.
2. Invite a local FCIC district director to serve as a resource person.
3. Use local crop loss stories and pictures to supplement class material.
4. Ask class members general discussion questions included in the lesson plan.
5. Use test questions included in the lesson plan.
6. Secure enough copies of the following pamphlets from the local FCIC district director for distribution to class members, or by writing to:

Federal Crop Insurance Corporation
Attn: Marketing Division
P.O. Box 293
Kansas City, Missouri 64141
Telephone: 816-926-7055

QUESTIONS AND ANSWERS

February 1983 - 31 questions about obtaining
Federal Crop Insurance.

FEDERAL CROP INSURANCE - CORN

April 1982 - Contains provisions specific
to the Corn Policy.

FEDERAL CROP INSURANCE - COTTON

December 1982 - Contains provisions specific
to the Cotton Policy.

FEDERAL CROP INSURANCE - RICE

December 1982 - Contains provisions specific
to the Rice Policy.

FEDERAL CROP INSURANCE - SOYBEANS

December 1982 - Contains provisions specific
to the Soybean Policy.

FEDERAL CROP INSURANCE - WHEAT

July 1982 - Contains provisions specific
to the Wheat Policy.

16 FACTS YOU SHOULD KNOW ABOUT PREVENTED
PLANTING INSURANCE

February 1983 - Details of Prevented
Planting Insurance.

Available ONLY in the following counties:

Kittson & Marshall Counties	Minnesota
Posey & Vanderburgh Counties	Indiana
Leflore & Sunflower Counties	Mississippi
Brown & Highland Counties	Ohio
Clark & Eau Claire Counties	Wisconsin

WHAT'S MISSING	Folders
	Sales Portfolio
WHAT'S MISSING	Inserts
June 1981 -	General description of Federal Crop Insurance benefits.
BORROWING MONEY	
February 1981 -	Details advantages of crop insurance to producers who borrow money.
FINANCIAL SECURITY	
June 1981 -	Details advantages of crop insurance to producers who need financial security.
INCREASE PRODUCTION	
May 1981 -	Details advantages of crop insurance to producers who want to increase production.
EXPANDING YOUR FARM	
June 1981 -	Details advantages of crop insurance to producers who want to expand their farm.
FEEDING LIVESTOCK	
November 1981 -	Details advantages of crop insurance to producers who have a livestock feeding operation.
LOAN REPAYMENTS & IMPROVED ALL-RISK CROP INSURANCE	
September 1981 -	A report to lenders discussing the effect of crop insurance on farm loan repayments.

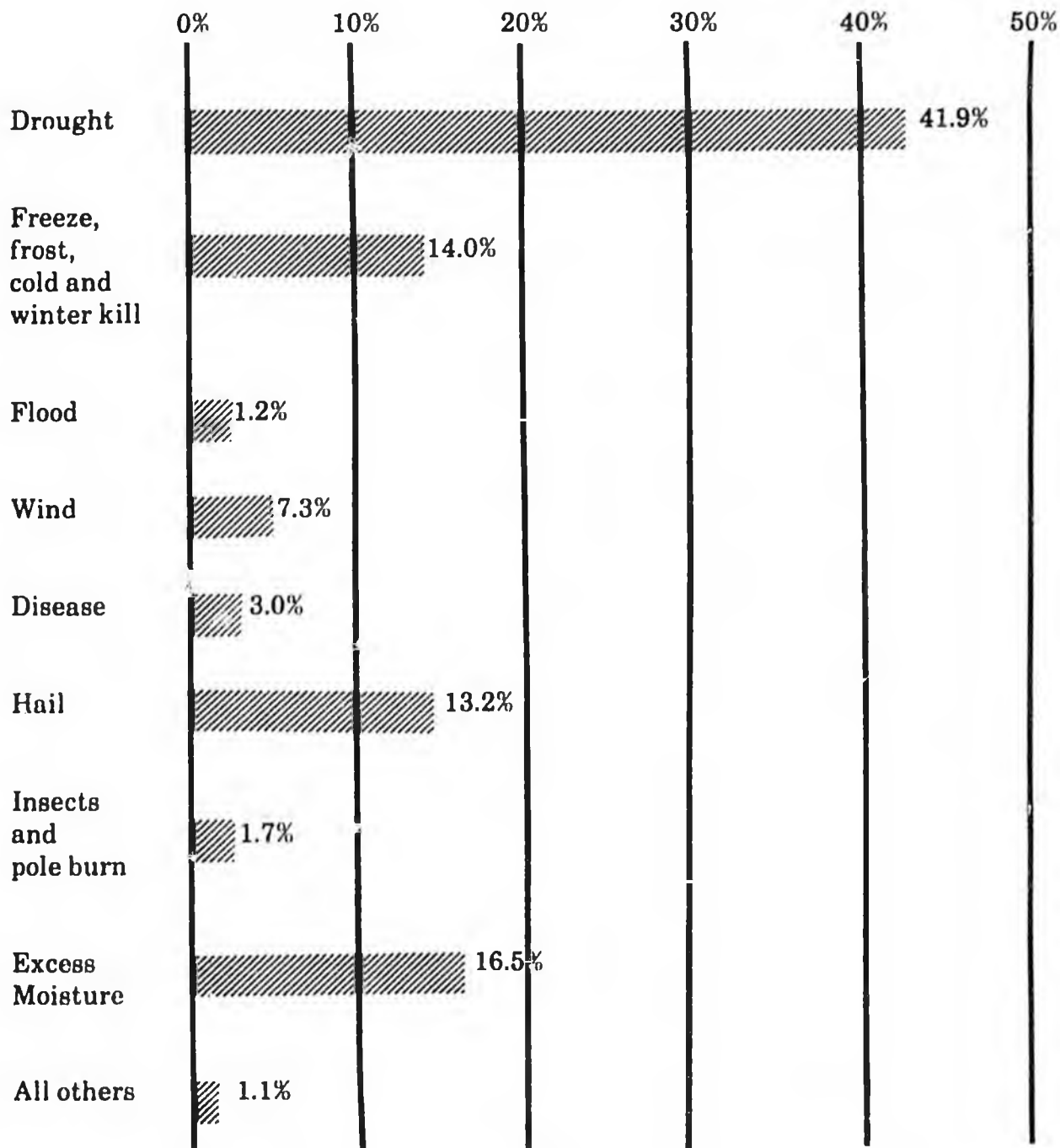
7. Arrange for a class visit to a local District Federal Crop Insurance office.
8. Information in the lesson plan or additional assistance from the local FCIC district director may be used as resource material for FFA speeches.

Crops Insured

Almonds	Peanuts
Apples	Peas
Barley	Peppers
Citrus	Popcorn
Citrus Trees	Potatoes
Corn	Raisins
Cotton	Rice
Cranberry	Rye
Dry Beans	Soybeans
Flax	Sugar Beets
Forage Production	Sugarcane
Forage Seeding	Sunflowers
Grain Sorghum	Sweet Corn
Grapes	Tobacco
Hybrid Seed	Tomatoes
Oats	Walnuts
Peaches	Wheat

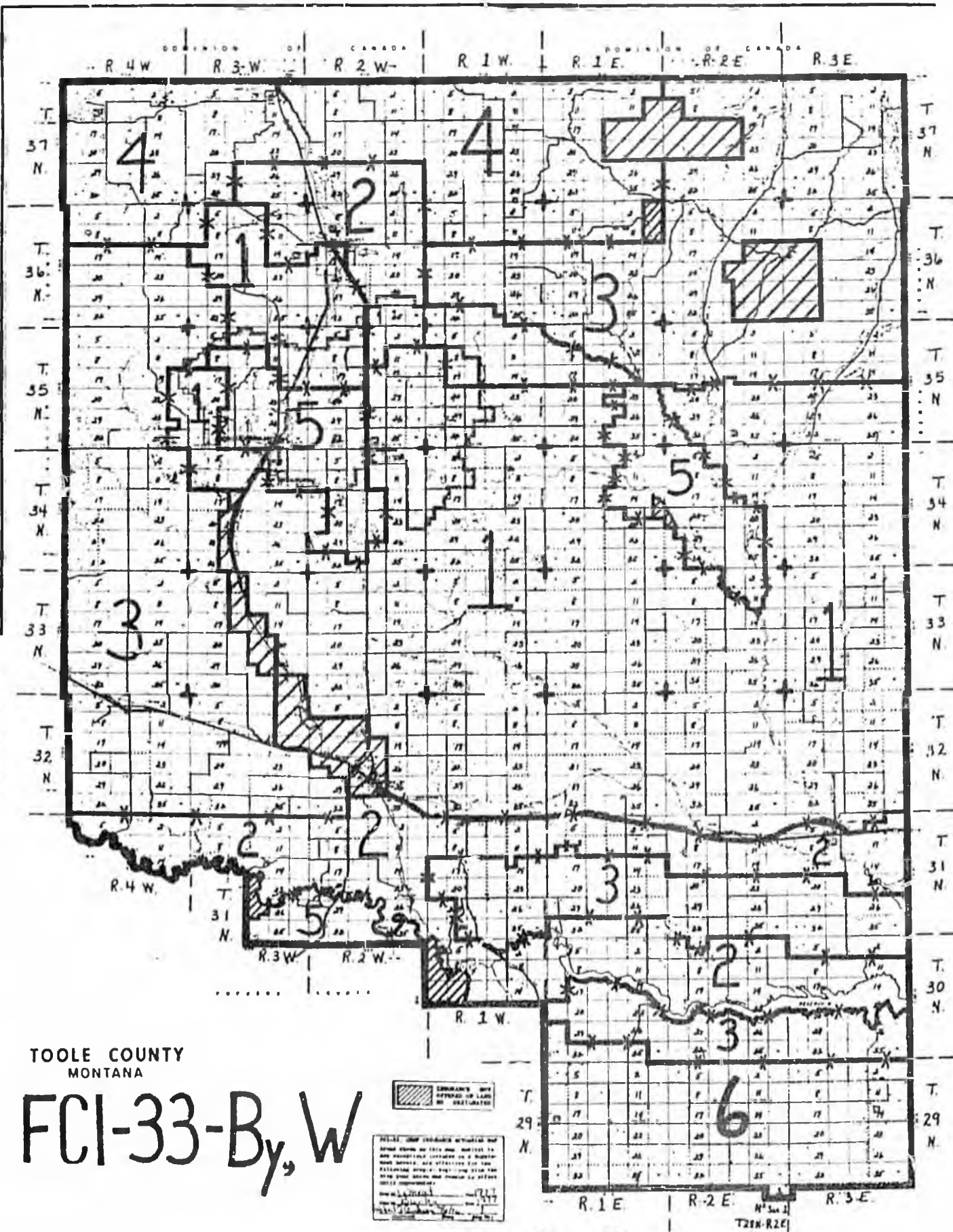
Percent of Indemnities Paid by Causes of Loss 1948 - 1983

All Crops



Example

6.3



Example

FCI-35
03/29/82

COUNTY COVERAGE AND RATE TABLE
1984 AND SUCCEEDING CROP YEARS

1

ST: Montana (30)

CD: Toole (101)

CROP: Wheat (11)

CLASSIFICATION	AREA PLAN	SUBSIDIZED		BASE PREMIUM RATE	MAX REDUCTION FOR EXCLUDING HAIL AND FIRE PROTECTION
(AREA)	(BU)	WITH HAIL AND FIRE PROTECTION (PERCENT)	WITHOUT HAIL AND FIRE PROTECTION (PERCENT)	(PERCENT)	(PERCENT)

TYPE: Winter**** (011)

PRACTICE: Summerfallow** (005)

** Areas 1, 2, 3 and 5 - Acreage on which a crop has not been planted in at least one of the last three crop years (except acreage in alfalfa the previous crop year) shall be uninsurable for the first crop following new breaking.

**** Includes insured winter wheat acreage subsequently reseeded to spring wheat.

LEVEL 1					
1	8.7	4.7	3.3	6.7	2.0
2	10.5	3.8	2.7	5.4	1.6
3	13.5	3.0	2.1	4.3	1.3
4	16.0	2.2	1.5	3.1	0.9
5	6.7	6.1	4.3	6.7	2.6
6	16.0	2.2	1.5	3.1	0.9
7	7.3	5.5	3.9	7.9	2.4
8	16.5	2.2	1.5	3.1	0.9
LEVEL 2					
1	11.5	6.4	4.5	9.1	2.7
2	14.0	5.2	3.6	7.4	2.2
3	17.5	4.1	2.9	5.9	1.6
4	21.0	3.0	2.1	4.3	1.3
5	8.7	8.3	6.2	11.9	3.0
6	21.0	3.0	2.1	4.3	1.3
7	9.5	7.6	5.5	10.8	3.0
8	24.5	3.0	2.1	4.3	1.3
LEVEL 3					
1	13.0	9.0	7.5	12.3	3.0
2	16.0	8.0	5.6	10.0	3.0
3	20.0	6.4	4.5	8.0	2.4
4	24.0	4.7	3.3	5.8	1.7
5	10.0	12.6	10.4	16.0	3.0
6	24.0	4.7	3.3	5.8	1.7
7	11.0	11.7	9.3	14.6	3.0
8	28.0	4.7	3.3	5.8	1.7

TYPE: Spring (012)

PRACTICE: Summerfallow** (005)

** Areas 1, 2, 3 and 5 - Acreage on which a crop has not been planted in at least one of the last three crop years (except acreage in alfalfa the previous crop year) shall be uninsurable for the first crop following new breaking.

LEVEL 1					
1	8.0	6.2	4.3	8.8	2.6
2	10.0	4.9	3.4	7.0	2.1
3	12.0	4.1	2.9	5.6	1.7
4	14.5	3.1	2.2	4.4	1.3
5	6.0	8.2	6.1	11.7	3.0

(CONTINUED NEXT PAGE)

Example

FCI-25 03/29/63

2

ST: Montana (30)

CO: Toole (101)

CROP: Wheat (11)

CLASSIFICATION	PRODUCTION GUARANTEE PER ACRE (BU)	SUBSIDIZED PREMIUM RATES		BASE PREMIUM RATE (PERCENT)	MAX REDUCTION FOR EXCLUDING HAIL AND FIRE PROTECTION (PERCENT)
		WITH HAIL AND FIRE PROTECTION (PERCENT)	WITHOUT HAIL AND FIRE PROTECTION (PERCENT)		
6	14.5	3.1	2.2	4.4	1.3
7	6.7	7.4	5.3	10.5	3.0
8	18.5	2.2	1.5	3.1	0.9
LEVEL 2					
1	10.5	8.4	6.3	12.0	3.0
2	13.0	6.7	4.7	9.6	2.9
3	15.5	5.5	3.9	7.9	2.4
4	19.0	4.2	2.9	6.0	1.8
5	7.8	11.2	9.1	16.0	3.0
6	19.0	4.2	2.9	6.0	1.8
7	8.7	10.1	8.0	14.4	3.0
8	24.5	3.0	2.1	4.3	1.3
LEVEL 3					
1	12.0	13.0	10.6	16.2	3.0
2	15.0	10.4	7.9	12.9	3.0
3	18.0	8.6	6.2	10.7	3.0
4	22.0	6.5	4.6	8.1	2.4
5	9.0	17.3	14.8	21.6	3.2
6	22.0	6.5	4.6	8.1	2.4
7	10.0	15.6	13.2	19.4	3.0
8	28.0	4.7	3.3	5.8	1.7

TYPE: Winter**** (011)

PRACTICE: Continuous Cropping** (004)

** Areas 1, 2, 3 and 5 - Acreage on which a crop has not been planted in at least one of the last three crop years (except acreage in alfalfa the previous crop year) shall be uninsurable for the first crop following new breaking.

**** Includes insured winter wheat acreage subsequently reseeded to spring wheat.

LEVEL 1					
1	UNINSURABLE				
2	UNINSURABLE				
3	UNINSURABLE				
4	11.0	2.7	1.9	3.8	1.1
5	UNINSURABLE				
6	11.0	2.7	1.9	3.8	1.1
7	6.3	4.6	3.2	6.6	2.0
8	18.5	2.2	1.5	3.2	1.0
9	8.0	5.2	3.6	7.4	2.2
10	9.3	4.5	3.2	6.4	1.9
LEVEL 2					
1	UNINSURABLE				
2	UNINSURABLE				
3	UNINSURABLE				

(CONTINUED NEXT PAGE)

Example

FCI-35 03/29/83

ST: Montana (30)

CO: Toole (101)

CROP: Wheat (11)

CLASSIFICATION	PRODUCTION GUARANTEE PER ACRE (BU)	SUBSIDIZED PREMIUM RATES		BASE PREMIUM RATE (PERCENT)	MAX REDUCTION FOR EXCLUDING HAIL AND FIRE PROTECTION (PERCENT)
		WITH HAIL AND FIRE PROTECTION (PERCENT)	WITHOUT HAIL AND FIRE PROTECTION (PERCENT)		
4	14.5	3.6	2.5	5.2	1.6
5	UNINSURABLE				
6	14.5	3.6	2.5	5.2	1.6
7	8.2	6.4	4.5	9.1	2.7
8	24.5	3.1	2.2	4.4	1.3
9	10.5	7.1	5.0	10.1	3.0
10	12.0	6.1	4.3	8.7	2.6
LEVEL 3					
1	UNINSURABLE				
2	UNINSURABLE				
3	UNINSURABLE				
4	16.5	5.5	3.9	6.9	2.1
5	UNINSURABLE				
6	16.5	5.5	3.9	6.9	2.1
7	9.5	9.6	7.2	12.0	3.0
8	28.0	4.7	3.3	5.8	1.7
9	12.0	10.8	8.4	13.4	3.0
10	14.0	9.2	6.8	11.5	3.0

TYPE: Spring (012)

PRACTICE: Continuous Cropping** (004)

** Areas 1, 2, 3 and 5 - Acreage on which a crop has not been planted in at least one of the last three crop years (except acreage in alfalfa the previous crop year) shall be uninsurable for the first crop following new breaking.

LEVEL 1					
1	UNINSURABLE				
2	UNINSURABLE				
3	UNINSURABLE				
4	8.3	3.9	2.7	5.5	1.7
5	UNINSURABLE				
6	8.3	3.9	2.7	5.5	1.7
7	5.3	6.0	4.2	8.6	2.6
8	18.5	2.2	1.5	3.2	1.0
9	6.0	8.4	6.3	12.0	3.0
10	7.3	6.8	4.8	9.7	2.9
LEVEL 2					
1	UNINSURABLE				
2	UNINSURABLE				
3	UNINSURABLE				
4	11.0	5.3	3.7	7.6	2.3
5	UNINSURABLE				
6	11.0	5.3	3.7	7.6	2.3

(CONTINUED NEXT PAGE)

Example

FCI-35 03/29/83

4

ST: Montana (30)

CO: Toole (101)

CROP: Wheat (11)

CLASSIFICATION (AREA)	PRODUCTION GUARANTEE PER ACRE (BU)	SUBSIDIZED PREMIUM RATES		BASE PREMIUM RATE (PERCENT)	MAX. REDUCTION FOR EXCLUDING HAIL AND FIRE PROTECTION (PERCENT)
		WITH HAIL AND FIRE PROTECTION (PERCENT)	WITHOUT HAIL AND FIRE PROTECTION (PERCENT)		
7	6.9	8.3	6.2	11.6	3.0
8	24.5	3.1	2.2	4.4	1.3
9	7.8	11.5	9.4	16.4	3.0
10	9.5	9.3	7.2	13.3	3.0
LEVEL 3					
1	UNINSURABLE				
2	UNINSURABLE				
3	UNINSURABLE				
4	12.5	8.0	5.6	10.0	3.0
5	UNINSURABLE				
6	12.5	8.0	5.6	10.0	3.0
7	8.0	12.5	10.1	15.6	3.0
8	28.0	4.7	3.3	5.8	1.7
9	9.0	17.3	14.8	21.6	3.2
10	11.0	14.1	11.7	17.6	3.0

GENERAL STATEMENTS

PRODUCTION GUARANTEE COMPUTATION:

Level Elections: Level 1 - 50% Level 2 - 65% Level 3 - 75% Imposed Level - 2

The Area Plan bushel production guarantees are shown in the table.

The Individual Yield Coverage Plan bushel production guarantee per acre shall be the percentage for the level elected by the insured multiplied by the average yield per acre as shown on the Individual Yield Certification form for the insured acreage.

EXCLUSION OF HAIL AND FIRE PROTECTION:

To exclude hail and fire protection, the substitute amount of protection must be equal or greater than that provided under the all risk policy. The base premium rate shall be reduced by the lesser of (a) the reduction as shown in the table or (b) the premium rate paid to another source.

Level 1 and 2 premium rates are subsidized 30 percent, Level 3 premium rates 19.7 percent.

APPROVED: FCIC-Actuarial Division_BG_03/29/83

UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATION
CROP INSURANCE ACREAGE REPORT

CROPS INSURED _____ ELECTION _____

COUNTY NAME _____

CROP YEAR _____ CONTRACT NUMBER _____

FEDERAL CROP INSURANCE CORPORATION

For information regarding this form or any other Crop Insurance matter, contact or write the above.

(1) DESCRIPTION OF PLOTS				(2) NAME OF CROP	(3) ACRES INSURED		(4) NAME OF OTHER PERSON(S) SHARING IN CROP (Print)	(5) DATE PLANTING COMPLETED	(6) PRACTICE	(7) TYPE VARIETY	(8) FOR OFFICE USE ONLY		
SECTION	TWP.	RANGE	FARM NUMBER		WHOLE	or PART					AREA NO.	SPECIAL PURPOSE	UNIT NO.
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
REMARKS													

I submit this report pursuant to requirements of my above-identified crop insurance policy and I certify that to the best of my knowledge and belief the information in columns 1 through 8 above is correct and includes my entire interest in the reported crops in the county and that of all threshermen, if any, insured under my contract.

Code No. _____ SIGNATURE OF FCR REPRESENTATIVE _____

Date _____

X

SIGNATURE OF INSURED _____

DATE _____

SEE REVERSE SIDE OF FORM FOR STATEMENT REQUIRED BY THE PRIVACY ACT OF 1974

Example

TERMS

- "Actuarial Table" means the forms and related material for the crop year approved by the Corporation which are available for public inspection in your service office, and which show the amounts of insurance, premium rates, insurable and uninsurable acreage, and related information regarding insurance in the county.
- "Indemnity" means compensation for damage or loss.
- "Insurable Acreage" means the land classified as insurable by the Corporation and shown as such on the county actuarial table.
- "Insured" means the party whose insurable interest is protected by the policy.
- "Insurer" means the party that agrees to indemnify another in the event of loss or damage.
- "Liability" means the amount of risk accepted by the insurer.
- "Peril" means any cause of loss insured against.
- "Premium" means the amount paid or to be paid by the policyholder for coverage or protection under an insurance contract.
- "Reinsured Company" means an insurance company who shares in gains and losses with the Federal Crop Insurance Corporation in accordance with a written agreement.
- "Share" means the interest of the insured as landlord, owner-operator, or tenant in the insured crop at the time of seeding as reported by the insured.
- "Tenant" means a person who rents land from another person for a share of the crop or proceeds therefrom.

ABBREVIATIONS

- ARCIE - All-Risk Crop Insurance Evaluation
- ASCS - Agricultural Stabilization and Conservation Service
- FCIC - Federal Crop Insurance Corporation
- IYC - Individual Yield Coverage
- MPCI - Multiple Peril Crop Insurance
- USDA - United States Department of Agriculture

NOTE REGARDING THE FOLLOWING FRAME(S) ON MICROFILM:
COMPLETE DOCUMENT IS AVAILABLE IN ORIGINAL FILES.
TITLE PAGE ONLY HAS BEEN FILMED.



**An Inside
Look at
All-Risk
Crop
Insurance**

WHAT'S MISSING?

מחפש את המילה
הנכונה

Federal
Crop
Insurance

Questions
& Answers

United States Department of Agriculture
Federal Crop Insurance Corporation

All-Risk
Insurance

Wheat



United States Department of Agriculture

**FEDDING
LIVES TOCK**

BORROWING MONEY

BORROWING MONEY

FINANCIAL SECURITY

FINANCIAL SECURITY

INCREASE PRODUCTION

INCREASE
PRODUCTION

EXPANDING YOUR FARM

EXPANDING YOUR FARM



**Loan Repayments
and
Improved All-Risk
Crop Insurance**

A Report to Lenders

S

B

3

3

7

SENATE RESOURCES COMMITTEE
LEGISLATION CHECKLIST

IDENTIFICATION:

BILL NUMBER: *SB 337*

BILL NAME: *Relating to Delta Inst. Bison Range*

SPONSOR(S): *MOSS*

DATE INTRODUCED: *1-9-84*

REFERRALS: *Resources
Finance*

RELATED BILLS PENDING: .

SB 339 - companion bill

HB 551 - Schultz

4/30/84 - Res. & Fee

INITIAL RESEARCH:

BILL SUMMARY COMPLETED:

SPONSOR CONTACTED FOR
BACKUP MATERIALS:

AGENCY RESPONSE:

SUMMARY BY LEGAL DIVISION:

DEPT. OF LAW SUMMARY:

FISCAL NOTE:

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:

STAFF MEMO TO COMMITTEE:

BACKGROUND MATERIAL DISTRIBUTED:

LIST OF WITNESSES:

DATE AND PLACE SET:

TELECONFERENCE:

PSA/PRESS RELEASE:

SUGGESTED AMENDMENTS/COMMITTEE
SUBSTITUTES DRAFTED:



Salcha - Big Delta Soil Conservation Subdistrict
Box 547 - Delta Junction, AK 99737 - Phone (907) 895-4241

January 5, 1984

DELTA BISON HERD

Resolution to Update Policy Position
(Motion by Forck, seconded by Carlson, passed unanimously at the regular monthly supervisor's meeting on 1/5/84)

The Supervisors of this District wish to reaffirm their support for the Delta Bison Herd and the Delta Bison Management Area as expressed in the Delta Land Management Planning Study. We also affirm our support of the Delta Bison Management Plan as subsequently developed by the Department of Fish and Game. This support extends to the clearing of land and planting of grain and/or forage on parts of the management area, on the Fort Greely Military Reservation, and the summer range development plans for the area west of the Delta River. We also support continuation of permit hunts as a good management tool for maintaining herd size and herd health, and to help to keep the animals from damaging or destroying private property and becoming a public nuisance.

In conjunction with these positive reactions, the Supervisors also wish to make note that herd size has increased well beyond that proposed in the Delta Study. Until such time as range is provided within the Bison Management Area to replace that which has disappeared due to natural vegetative progression and pre-emption for other uses (military, residential and commercial, agricultural), we feel the herd size should be cut back to that originally envisioned and maintained at that level unless additional range is provided.

The current proposal to construct a line or drift fence to keep the bison from foraging on newly-developed farm lands which have never before been a part of their natural range, has great merit and we support this concept. However, we consider the proposed location for this fence -- primarily along the north side of the Alaska Highway -- a drastic misconception. The "north side" fence has a gap in it through which not only the highway and traffic, but also bison, can flow; there are necessary accessways to the farms on the north side which cannot be rendered bison-proof. The bison are to be contained along the highway right-of-way area, increasing the possibilities for accidents involving highway traffic; the private lands just to the south of the highway will receive greatly increased pressure from the northern containment; the proposed Alaska Railroad extension is planned south of these properties south of the highway -- leaving the bison open to the same "iron horse" depredation currently suffered by the moose between Fairbanks and Anchorage. Gradually, the

"north side" fence will be incorporated by the various farmers there into their own perimeter fence systems. Finally, no "bison fence" will exist. The bison will move through the many gaps, on to the farm-to-market roads, on to the farm lands, on to the highway, the lands south of the highway, the railroad tracks.

And nothing delineates the north boundary of the bison range. Nothing "says"... "this is the bison's area; they feed here; you can see them here; you can hunt them here; and no damage is done to others by them or to them by others".

We feel that without such delineation -- not exclusively, but most logically, by a fence -- the bison range is subject to pre-emption for other uses. A "south side" fence will not only better protect the separate interests of the human residents and the bison, but the very bison management area itself. To all concerned, we urge a "south side" fence as the best next addition to the Bison Management Plan.

QUESTIONS AND THOUGHTS ON THE BISON HERD
AND BISON RANGE DEVELOPMENT

Senator H. Pappy Moss
February, 1984

1. How many bison are in the herd today?

According to Dave Johnson, Fish and Game Biologist at Delta Junction, there are between 300 and 325 bison now in the herd. His approximate figure is 321. By the spring, immediately prior to calving, this number will have been reduced by roadkills and hunting to approximately 300.

2. How many farms are actually impacted by the bison damage?

Before development of the Delta I & II projects, the bison roamed the Clearwater/Big Delta agricultural areas. Since the Delta I & II projects have been producing crops, most of the damage done has occurred there. In 1983, the winter bison range supported the bison herd through September, significantly reducing the amount of damage to crops. However, by September, having depleted the forage on the winter range, the bison moved across the highway to the Brehmer tract and up the Gerstle River to the Mitchell and Rutt tracts where they still caused considerable damage to the crops.

The damage to the crops is caused by the bison eating, trampling, and wallowing in the fields, and also by contamination of certified fields through the introduction of non-certified grains and weeds via the bison's droppings.

3. Is there any barrier currently in place and what exactly is a bison drift barrier?

There is currently no bison drift barrier in place. The proposed bison drift barrier is a training device more than a physical barrier. It is a type of fence that is commonly used in bison and other wildlife management. The barrier is constructed of four high tensile strength smooth steel wires, two of which are electrified.

The barrier will not contain the herd, but will deflect their movement away from the agricultural areas.

4. How important is the barrier to the effectiveness of this bill?

The main emphasis of the bill is the development of the winter range for the bison. The development of the range will largely control the bison herd by providing a diversionary planting which will be an attractive alternative to the agricultural fields. The barrier reinforces the use of the bison range by the herd by deflecting their movement back into that area.

The conflict between the bison and the farmers develops between August and October. This harvesting time for the farmer coincides with the depletion of the bison's currently available winter forage.

5. Why is an Advisory Committee necessary?

There are few issues that an entire community can come to total agreement on. The City of Delta Junction, from a diversity of areas within the community, uniformly supports the bison herd. Input from Advisory Committee members representing the Delta agricultural project; nonconsumptive wildlife users; timber, mining and other consumptive natural resource industries; and tourism would offer local advice to the Department of Fish and Game, the Department of Commerce and Economic Development, and the Alaska Agricultural Action Council. Local participation in the development of a game management plan and the construction and maintenance of the bison drift barrier would help maintain the consolidated support for the bison projects within the community. The Advisory Committee, representing all concerned factions of the community would be of considerable help to the state departments in developing policies in a mood of compromise and single purpose, rather than in conflict.

Members of the Advisory Committee would not be entitled to per diem, travel, or other compensation from the state for their duties as committee members, so there would be no fiscal impact from this portion of the bill.

6. What tourist facilities exist at this time, and what type are being proposed?

There are currently no tourist facilities at the Bison Range. There is a general tourist information center in the City of Delta Junction about 13 miles to the northwest which is operated by the Chamber of Commerce. There is no special presentation there, or at the range, where the bison project and the bison range could be explained to the public at this time.

Simple viewing platforms are being proposed. There are two well sites on the range where pools would be developed and salt would be placed to attract the bison. In nearby groves of trees, elevated

platforms with slots or holes in plywood fronts facing the watering holes would be set up. These platforms would provide viewing and photography sites where tourists could observe the bison without disturbing them. These sites would be within reasonable walking distance from the highway. These facilities will be simple and relatively easy to build and maintain.

Future development of the tourist facilities at the range would be gradual and based upon the use and demand placed upon the existing facilities. A more elaborate facility might include an information station or an interpretation center at the range and special guided tours into the range. Any funds generated by offering these tours, or through sale of publications at the information center, could be fed back into the program to further develop walking trails or interpretive exhibits at the range.

7. What type of burning is required to clear the range?

Originally, naturally caused wildfires periodically swept the range, keeping it clear of brush and deciduous growth. The absence of brush allowed the winds to sweep the range clear of snow, enabling the bison to graze throughout the winter. When the area became populated, the wildfires were strictly controlled, and much of the grazing area became covered with dense brush. This allowed the snow to accumulate in drifts, burying what grazing range had been left available to the bison in their original winter range.

The burning which will be required to clear the range will duplicate the action of the natural wildfires by removing the brush thereby increasing light and moisture available to the natural grass seed. The natural grasses will be able to grow back and become re-established as a perennial. The low brush which does follow after such prescribed burning creates a browse for moose, which also inhabit the range area.

Prescribed burning takes place under strictly controlled conditions with extreme precautions against mishap. Only when wind and moisture conditions are exactly right for that operation, would the burning be allowed. Extensive measures are taken to insure safety during this operation which involves the use of a helicopter and over 60 people to monitor the burn. The cost of providing a range by this method of burning and natural seeding is approximately \$20/acre as compared to \$100/acre for conventional clearing and seeding.

8. Why are the hunt permit fees being raised, and who administers the Bison Hunt Permits?

The Alaska Department of Fish and Game issues the Bison Hunt Permits. There were 75 permits issued last year among 10,000 applicants. The plan to raise the fee for application from five dollars to ten dollars will increase the revenue from that sale to about \$100,000 to the state. The addition \$50,000 obtained is approximately the same amount as would be required to maintain the larger bison range. The increase in permit application fees is supported by the Alaska Outdoors Council.

9. Is there currently any timber harvesting on the bison range?

Within the bison range there have already been some small scale timber sales. Some areas within the bison range have been marked for timber sales, and the sales would be administered by the Division of Forestry. Approximately \$32,000 is expected to be derived from sales of firewood and pole cutting after burns. Increased revenues would be obtained by commercial sales. This combined personal use/commercial timber harvest sale would be managed by staff from the Delta area already employed by the Division of Forestry.

10. Is the range a bison reserve to be used exclusively by the bison?

No, in addition to serving as the bison's winter range, the area would also serve moose, caribou and other wildlife indigenous to the area. The Range would provide a new habitat for sharp-tailed grouse and additional hunting opportunities for bison, moose, bear, grouse, hares, and furbearers. The area is also used for recreational purposes as well as for timber and firewood sales, with the public being encouraged to use the area for camping, fishing, hunting, trapping, hiking, viewing, photography, dog sled racing and so forth.

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

NOTES ON THE DELTA JUNCTION BISON RANGE

February, 1984

BACKGROUND

The Delta Junction Bison Range was established by the Alaska Legislature in 1979 to "provide an adequate winter range for the bison," and to "diminish the damage caused by the herds to agriculturally developed land." The 70,000 acre Range grew out of the Delta Land Use Plan, in which citizens and agencies involved in resource management recommended that the land north of the mountains and south of the Alaska Highway should be used for recreation and wildlife, especially bison, and the land north of the highway should be developed for agriculture.

THE PROBLEM

Shortly after their arrival in the Delta area in 1928, a pattern of annual bison movements began to emerge. During summer, the animals spent their time on the gravel bars along the Delta River, and in fall they gradually moved to the Delta area to take advantage of the open forests. Later in the winter, they slowly moved back toward Delta River. This basic movement pattern continues today.

When small farms were developed in the Delta area in the early 1950's, the grain fields in the farming area became, and will continue to be until some alternative has been provided, a major part of the bison's winter range. The development of the Bison Range will provide diversion feed areas, and as they are increased in size, they will become able to support the bison throughout the winter periods.

THE SOLUTION

The effectiveness of providing an alternate range to the agriculture fields has been shown. As land on the Range has been cleared and planted, bison use of the range has increased and agricultural damage has been reduced. Implementation of Senate Bills 337 and 338 would provide fall bison range to reduce or eliminate crop depredations; increase bison winter range; and also provide a variety of habitats for game and nongame species. Recreational opportunities including hunting, trapping, viewing, and photography would be enhanced. Timber resources would be harvested, offsetting the costs of development over time and boosting the local economy.

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

NOTES ON THE DELTA JUNCTION BISON RANGE

February, 1984

"DON'T FENCE ME IN"

While there is almost unanimous agreement that the development of the Delta Junction Bison Range is a good idea, the issue of whether, and where, to put up a bison barrier is the subject of much debate.

Opposition to placing the barrier along the northern boundary of the bison range is strongly felt by area sportsmen, who view that placement as the first step to fencing in the now free-roaming bison. It is important to consider several factors regarding placement of the bison barrier, including the fact that the barrier's main function is as a training device, rather than a physical barrier. It is designed to deflect the movement of the bison back into the Bison Range, not to contain them.

Placement of the bison barrier along the northern edge of the Delta Junction Bison Range is proposed for the following reasons:

1. Improved Alaska Highway safety for highway travelers and reduced roadkills of bison.
2. Reduction of bison trespass onto private property of residents living on the south side of the Highway.
3. The proposed Alaska Railroad extension is planned south of the highway, and the barrier should be south of the planned extension for the safety of the bison herd as well as the rail operations.



CHAIRMAN
SENATE TRANSPORTATION
COMMITTEE
SENATE SPECIAL AGRICULTURE
COMMITTEE

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

Alaska State Legislature



State Senate

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

JUNEAU OFFICE
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4921

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

SENATE BILL 337/338

February 17, 1984

- Senate Bill 337: "An Act relating to the Delta Junction bison range; and providing for an effective date."
- Senate Bill 338: "An Act making special appropriations for development of the Delta Junction bison range and construction of a bison herd drift barrier; and providing for an effective date."

Ever since agriculture was introduced into the Delta area there has been a conflict between the bison and the farmers. Senate Bills 337 and 338 are introduced to offer a lasting solution to the problems created by bison getting hungry at the same time that the farmers' crops are ripening in the fields.

These two bills would provide for the development of an alternative feeding area to the agricultural developments for the bison's fall and winter range. In addition to providing for forage for bison, SR 337 and 338 would provide for the construction of a bison drift barrier to aid in keeping the bison herd from drifting into the agricultural fields. These bills also provide for timber sales on the range, expansion of tourist facilities, and the creation of a Bison Range Advisory Committee.

(b) the board shall require the person or governmental agency to obtain the written approval of the commissioner as to the sufficiency of the plans or specifications before construction is commenced. (§ 2 ch 140 1972; am § 28 ch 206 SLA 1975)

Sec. 16.20.270. Additional critical habitat areas. The commissioner shall submit a list of additional critical habitat areas to the legislature annually. (§ 2 ch 140 SLA 1972)

Article 6. State Range Areas.

Section

300. Delta Junction Bison Range Area

310. Game management plan

320. Activities on range area

Cross reference. — For legislative purpose, see sec. 1, ch. 39, SLA 1979 in the Temporary and Special Acts. 1979, as amended by sec. 1, ch. 73, SLA 1980, provides that the provisions of AS 16.20.300 — 16.20.320 "terminate" on August 1, 1989.

Editor's notes. — Section 3, ch. 39, SLA August 1, 1989.

Sec. 16.20.300. Delta Junction Bison Range Area. The following described areas, excluding valid existing rights, are established as the Delta Junction Bison Range Area:

(1) Township 11 South, Range 12 East, Fairbanks Meridian

Section 28: S 1/2 SW 1/4, SW 1/4 SE 1/4 and that portion of the NW 1/4 SW 1/4 east of the west bank of Granite Creek excluding A.S.L.S. 78-93, Tract A, Unit 1

Sections 29, 32: those lands east of the west bank of Granite Creek

Section 33: all, excluding A.S.L.S. 78-93, Tract A, Unit 1

Section 34: S 1/2 NW 1/4, excluding A.S.L.S. 78-93, Tract A, Unit 1, S 1/2

Section 35: S 1/2, S 1/2 NW 1/4, that portion of the NE 1/4 lying south of the Alaska Highway excluding a corridor extending 1320 feet from the centerline of the highway

Section 36: that portion lying south of the Alaska Highway excluding a corridor extending 1320 feet from the centerline of the highway

(2) Township 12 South, Range 11 East, Fairbanks Meridian

Sections 13, 24-26, 35, 36: all

Sections 1, 11, 12, 14, 22, 23, 27, 34: those lands east of the west bank of Granite Creek

(3) Township 12 South, Range 12 East, Fairbanks Meridian

Sections 1-4, 7-25, 30, 36: all

Sections 5, 6: those lands east of the west bank of Granite Creek

(4) Township 12 South, Range 13 East, Fairbanks Meridian
Sections 5, 6, 9: that portion lying south of the Alaska Highway
excluding a corridor extending 1320 feet from the centerline of the
highway

Section 7: all

Section 8: all, excluding a corridor extending 1320 feet from the
centerline of the Alaska Highway

Section 10: that portion of the SW 1/4 lying south of the Alaska
Highway excluding a corridor extending 1320 feet from the centerline
of the highway

Section 14: S 1/2 S 1/2 SW 1/4

Section 15: S 1/2, NW 1/4, excluding a corridor extending 1320 feet
from the centerline of the Alaska Highway

Sections 16-22: all

Section 23: S 1/2, NW 1/4, S 1/2 NE 1/4, S 1/2 N 1/2 NE 1/4

Section 24: SW 1/4, S 1/2 NW 1/4, excluding a corridor extending
1320 feet from the centerline of the Alaska Highway, S 1/2 S 1/2 SE 1/4

Sections 25-36: all

(5) Township 12 South, Range 14 East, Fairbanks Meridian

Sections 19, 28-30, 33-35: that portion lying south of the Alaska
Highway excluding a corridor extending 1320 feet from the centerline
of the highway

Sections 31, 32: all

(6) Township 13 South, Range 13 East, Fairbanks Meridian

Sections 1-5, 9-15, 23-25, 36: all

(7) Township 13 South, Range 14 East, Fairbanks Meridian

Section 1: that portion lying south of the Alaska Highway excluding
a corridor extending 1320 feet from the centerline of the highway

Sections 2-36: all

(8) Township 13 South, Range 15 East, Fairbanks Meridian

Sections 5, 6, 8-10, 15: that portion lying south of the Alaska
Highway excluding a corridor extending 1320 feet from the centerline
of the highway

Sections 7, 16-20, 30: all

Sections 21, 22, 28, 29, 31, 32: that portion lying west of the east bank
of the Little Gerstle River

(9) Township 14 South, Range 14 East, Fairbanks Meridian

Section 1: that portion lying west of the east bank of the Little
Gerstle River

Sections 2-6: all

(10) Township 14 South, Range 13 East, Fairbanks Meridian

Section 1: all

(11) Township 14 South, Range 15 East, Fairbanks Meridian

Section 6: that portion lying west of the east bank of the Little
Gerstle River. (§ 2 ch 39 SLA 1979)

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Highway
line of the

Sec. 16.20.310. Game management plan. (a) The commissioner of fish and game shall develop and may amend a game management plan for bison in the area described in AS 16.20.300. After holding public hearings in accordance with AS 44.62.310 and 44.62.312, the commissioner shall implement the game management plan.

t from the

(b) The game management plan shall include, but is not limited to

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centerline

(1) planting grains for bison and planting other wildlife forage;

1320 feet

(2) altering existing plant cover to create additional range and year-round habitat for bison and other animal species in the area;

1/4
extending
1/2 SE 1/4

(3) tilling to produce forage.

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centerline

(c) The commissioner of fish and game shall develop and amend the game management plan to coordinate, as closely as possible, the game management plan with the activities of the Agricultural Development Authority, Department of Natural Resources, relating to the Big Delta agricultural development project. (§ 2 ch 39 SLA 1979)

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Sec. 16.20.320. Activities on range area. Nothing in AS 16.20.300 — 16.20.320 shall be construed as prohibiting activities on land described in AS 16.20.300 which are otherwise permitted in accordance with the laws and regulations of this state, including, but not limited to, hunting, trapping, engaging in recreational activities, using the land for access to adjacent areas and a 300-foot Alaska Railroad right-of-way. (§ 2 ch 39 SLA 1979)

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Chapter 25. Stocking of Public Lands.

Section

10. Program adopted

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Sec. 16.25.010. Program adopted. There is adopted a program of stocking land in the state with valuable game and fur-bearing animals which do not at present occur on the land. The department is responsible for establishing priorities on the species of animals to be stocked and the area of the stocking. Priorities shall be based on the habitat requirements of the species, the population of native game animals present, and other factors that will effect the successful establishment of the species. (§ 39-7-1 ACLA 1949; am § 1 ch 97 SLA 1970)

east bank

Secs. 16.25.020 — 16.25.060. Projects enumerated; duties of department; stock and offspring property of state; unlawful taking; penalty. [Repealed, § 2 ch 97 SLA 1970.]

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Chapter 30. Destruction of Big Game Animals and Wild Fowl.

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Section

10. Wanton waste of big game animals and wild fowl

12. Possession of horns or antlers

Section

15. Surrender of salvaged portions, license forfeiture

17. Defenses

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QUESTIONS AND THOUGHTS ON THE BISON HERD
AND BISON RANGE DEVELOPMENT

Senator H. Pappy Moss
February, 1984

1. How many bison are in the herd today?

According to Dave Johnson, Fish and Game Biologist at Delta Junction, there are between 300 and 325 bison now in the herd. His approximate figure is 321. By the spring, immediately prior to calving, this number will have been reduced by roadkills and hunting to approximately 300.

4/100

2. How many farms are actually impacted by the bison damage?

Before development of the Delta I & II projects, the bison roamed the Clearwater/Big Delta agricultural areas. Since the Delta I & II projects have been producing crops, most of the damage done has occurred there. In 1983, the winter bison range supported the bison herd through September, significantly reducing the amount of damage to crops. However, by September, having depleted the forage on the winter range, the bison moved across the highway to the Brehmer tract and up the Gerstle River to the Mitchell and Rutt tracts where they still caused considerable damage to the crops.

The damage to the crops is caused by the bison eating, trampling, and wallowing in the fields, and also by contamination of certified fields through the introduction of non-certified grains and weeds via the bison's droppings.

3. Is there any barrier currently in place and what exactly is a bison drift barrier?

There is currently no bison drift barrier in place. The proposed bison drift barrier is a training device more than a physical barrier. It is a type of fence that is commonly used in bison and other wildlife management. The barrier is constructed of four high tensile strength smooth steel wires, two of which are electrified.

The barrier will not contain the herd, but will deflect their movement away from the agricultural areas.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 337
Title: Delta bison range

Sponsor: Moss
Requestor: _____
Date of Request: 1-9-84

FISCAL DETAIL

Agency Affected: Natural Resources
Program Category Affected: Forestry
Presuppression/Northcentral small timber
BRU, Program or Subprogram(s) Affected: sales
Forest Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

SB 338 appropriates \$60,000 from the general fund to DNR for administration of the timber sale and fire suppression on the Delta bison range.

ANALYSIS: Attach a separate page for analysis

Prepared By: Sharon L. Barton Phone: 465-2400
Division: Commissioner's Office Date: 2-13-84
Approved by Commissioner: William D. Arnold, Deputy Date: 2-13-84
Agency: Dept. of Natural Resources

Distribution (by Agency preparing fiscal note):

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

12/1/83

Offered: 2/28/84
Referred: Finance

Original sponsor: Moss

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2

CS FOR SENATE BILL NO. 337 (Resources)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the Delta Junction bison range;

7

and providing for an effective date."

8

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

9

* Section 1. LEGISLATIVE FINDINGS. The legislature finds that

10

(1) the Delta Junction bison herd is a highly valued state

11

wildlife resource;

12

(2) drawing permits issued for the hunting of Delta Junction

13

bison constitute a valuable source of state revenue;

14

(3) the Delta Junction bison herd has established the Delta

15

agricultural project as a fall and winter range;

16

(4) the feeding, wallowing, and traveling by the Delta Junction

17

bison herd within the Delta agricultural project has resulted in damage to

18

crops, monetary loss to local farmers, legal conflicts, and physical harm

19

to the herd;

20

(5) the bison range concept is a proven means of keeping bison

21

in an area as long as adequate forage is available on the range;

22

(6) the current state of development of the Delta Junction bison

23

range area is inadequate to sustain bison for more than a few weeks;

24

(7) the expansion of available forage on the Delta Junction

25

bison range area is required to provide a winter range for the Delta Junc-

26

tion bison herd and to effectively keep the herd from grazing within the

27

Delta agricultural project; and

28

(8) a bison drift barrier must be constructed along the northern

29

boundary of the Delta Junction Bison Range to prevent the Delta Junction

1 bison herd from drifting onto the project and causing further harm to
2 crops.

3 * Sec. 2. AS 16.05.346 is repealed and reenacted to read:

4 Sec. 16.05.346. PERMIT APPLICATIONS. (a) If the Board of Game
5 establishes an open season for musk oxen and has not reduced or elimi-
6 nated the \$500 resident tag fee under AS 16.05.340(a)(16), the depart-
7 ment shall conduct a drawing for permits to take the musk oxen. If
8 the Board of Game establishes an open season for musk oxen for which
9 the Board of Game has reduced or eliminated the resident tag fee, the
10 department shall issue permits to take the musk oxen in the order in
11 which applications are received by the department. A person is not
12 eligible for more than one musk oxen permit a year. The department
13 may not charge a fee for an application for a musk oxen permit for an
14 open season in which the Board of Game has reduced or eliminated the
15 resident tag fee under AS 16.05.340(a)(16). In all other cases the
16 application fee for a musk oxen permit is \$10.

17 (b) The application fee for a drawing permit issued by the
18 department for the hunting of bison in the Delta Junction bison range
19 area is \$10.

20 (c) Except as provided in (a) and (b) of this section, the
21 permit application fee for all species for which a limited drawing is
22 conducted is \$5.

23 * Sec. 3. AS 16.05.346 is repealed and reenacted to read:

24 Sec. 16.05.346. PERMIT APPLICATIONS. (a) If the Board of Game
25 establishes an open season for musk oxen and has not reduced or elimi-
26 nated the \$500 resident tag fee under AS 16.05.340(a)(16), the depart-
27 ment shall conduct a drawing for permits to take the musk oxen. If
28 the Board of Game establishes an open season for musk oxen for which
29 the Board of Game has reduced or eliminated the resident tag fee, the

1 department shall issue permits to take the musk oxen in the order in
2 which applications are received by the department. A person is not
3 eligible for more than one musk oxen permit a year. The department
4 may not charge a fee for an application for a musk oxen permit for an
5 open season in which the Board of Game has reduced or eliminated the
6 resident tag fee under AS 16.05.340(a)(16). In all other cases the
7 application fee for a musk oxen permit is \$10.

8 (b) Except as provided in (a) of this section, the permit
9 application fee for all species for which a limited drawing is
10 conducted is \$5.

11 * Sec. 4. AS 16.20 is amended by adding new sections to read:

12 Sec. 16.20.311. BISON RANGE ADVISORY COMMITTEE. (a) The
13 governor shall appoint a seven-member Delta Junction Bison Range
14 Advisory Committee. The governor shall appoint members to represent
15 the following interests:

16 (1) two members representing the Delta agricultural proj-
17 ect;

18 (2) two members representing Delta Junction sport hunters
19 and the state fish and game advisory committee;

20 (3) one member representing nonconsumptive wildlife users;

21 (4) one member representing timber, mining and other con-
22 sumptive natural resource industries; and

23 (5) one member representing the tourism industry.

24 (b) The committee shall consult with and offer its advice to the
25 Department of Fish and Game, the Department of Commerce and Economic
26 Development, and the Alaska Agricultural Action Council, on matters
27 relating to the game management plan required under AS 16.20.310 and
28 the construction and maintenance of a bison drift barrier along the
29 northern boundary of the Delta Junction Bison Range.

1 (c) A member of the advisory committee is not entitled to per
2 diem, travel, or other compensation from the state for the performance
3 of acts as a committee member.

4 Sec. 16.20.312. BISON RANGE TIMBER SALES. The Department of
5 Natural Resources, division of forestry, shall provide for the sale of
6 timber in the Delta Junction bison range area in a manner that does
7 not delay implementation of the game management plan required under
8 AS 16.20.310.

9 * Sec. 5. AS 16.20.300, 16.20.310, 16.20.311, 16.20.312, and 16.20.320
10 are repealed.

11 * Sec. 6. Section 3, ch. 39, SLA 1979 and sec. 1, ch. 73, SLA 1980 are
12 repealed. same as current statute termination date 1989

13 * Sec. 7. Sections 1, 2, 4, and 6 of this Act take effect July 1, 1984.

14 * Sec. 8. Sections 3 and 5 of this Act take effect August 1, 1995.

*sunsets
1995*

SB 337 DELTA JUNCTION BISON RANGE

MOSS IS SPONSOR - HE WILL CARRY ON FLOOR.

INCREASES HUNTING PERMIT FEE FOR BISON FROM \$5 TO \$10.

ESTABLISHES A BISON RANGE ADVISORY COMMITTEE TO ADVISE ON THE BISON RANGE MANAGEMENT PLAN REQUIRED UNDER CURRENT STATUTE.

CALLS FOR CONSTRUCTION OF A BISON DRIFT BARRIER TO PREVENT BISON HERD FROM DRIFTING ONTO THE AG. PROJECT.

RESOURCES C.S.

DRIFT BARRIER WILL BE ON NORTHERN BOUNDARY OF RANGE (NEAR SIDE OF THE ROAD) RATHER THAN SOUTHERN BOUNDARY (WHICH WOULD HAVE BEEN ACROSS THE HIGHWAY FROM THE RANGE).

EFFECTIVE DATES ARE WILD.

SECTION 5 REPEALS ALL THE SECTIONS WE'RE CREATING IN THE BILL, PLUS CURRENT STATUTE, WHICH EFFECTIVELY SUNSETS THE BISON RANGE IN 1995.

SECTION 6 REPEALS THE SESSION LAWS THAT SUNSETTED THE RANGE IN 1989.

SECTION 7 IS THE EFFECTIVE DATE FOR ENACTMENT OF THIS BILL (1984).

SECTION 8 MAKES THE SUNSET PROVISION EFFECTIVE 1995 AND RESTORES THE HUNTING PERMIT TO \$5.



Alaska State Legislature
House of Representatives

*Schunke
for MOSS*

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

MESSAGE TO THE SENATE

May 25, 1984

MR. PRESIDENT:

The House has passed CSSB 337(Res) (Delta Junction bison range; effective date) with the following amendment:

HCS CSSB 337(Res) (same title)

and it is transmitted for consideration.

Concur 16-0
yes

House version drops out LEGISLATIVE FINDINGS section and establishment of ADVISORY COMMITTEE.

Both these provisions are contained in HCR 51, which has passed both the House & Senate & gone to the Governor

(This is part of the deal Schultz & Moss finally worked out...)

Irene Cassin
Chief Clerk of the House

Has been transmitted to Governor.

Offered: 2/28/84
Referred: Rules

(passed Senate 15-0)

Original sponsor: Shultz and Liska

1 IN THE HOUSE BY THE RESOURCES COMMITTEE
2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 51 (Resources) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 Relating to the appointment of a Delta
6 Junction bison range advisory committee.

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

8 WHEREAS the Delta Junction bison herd is a highly valued state wild-
9 life resource; and

10 WHEREAS drawing permits issued for the hunting of Delta Junction bison
11 constitute a valuable source of state revenue; and

12 WHEREAS the Delta Junction bison herd has established the Delta agri-
13 cultural project as a fall and winter range; and

14 WHEREAS the feeding, wallowing, and traveling by the Delta Junction
15 bison herd within the Delta agricultural project has resulted in damage to
16 crops, monetary loss to local farmers, legal conflicts, and physical harm
17 to the herd; and

18 WHEREAS the bison range concept is a proven means of keeping bison in
19 an area as long as adequate forage is available on the range; and

20 WHEREAS the current state of development of the Delta Junction bison
21 range area is inadequate to sustain bison for more than a few weeks; and

22 WHEREAS the expansion of available forage on the Delta Junction bison
23 range area is required to provide a winter range for the Delta Junction
24 bison herd and to effectively keep the herd from grazing within the Delta
25 agricultural project;

26 BE IT RESOLVED by the Alaska State Legislature that the governor is
27 requested to appoint a nine-member Delta Junction Bison Range Advisory
28 Committee with members representing the following interests:

29 (1) two members representing the Delta agricultural project;

1 (2) two members representing Delta Junction sport hunters and
2 the state fish and game advisory committee;

3 (3) one member representing nonconsumptive wildlife users;

4 (4) one member representing timber, mining and other consumptive
5 natural resource industries;

6 (5) one member representing the tourism industry; and

7 (6) two members appointed statewide identified as potential
8 users of the bison herd; and be it

9 FURTHER RESOLVED that the governor is requested to provide that the
10 committee shall consult with and offer its advice to the Department of Fish
11 and Game, the Department of Commerce and Economic Development, and the
12 Alaska Agricultural Action Council, on matters relating to the game manage-
13 ment plan required under AS 16.20.310; and to provide that a member of the
14 advisory committee is not entitled to per diem, travel, or other compensa-
15 tion from the state for the performance of acts as a committee member.

Essentially increases hunting permit fee for bison from \$5 to \$10 but only until 1989

Offered: 5/15/84
Referred: Rules

Original sponsor: Moss

HCR 51 (→ Governor) contains provisions missing from this bill

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 337 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Delta Junction bison range;
7 and providing for an effective date."

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

9 * Section 1. AS 16.05.346 is repealed and reenacted to read:

10 Sec. 16.05.346. PERMIT APPLICATIONS. (a) If the Board of Game
11 establishes an open season for musk oxen and has not reduced or elimi-
12 nated the \$500 resident tag fee under AS 16.05.340(a)(16), the depart-
13 ment shall conduct a drawing for permits to take the musk oxen. If
14 the Board of Game establishes an open season for musk oxen for which
15 the Board of Game has reduced or eliminated the resident tag fee, the
16 department shall issue permits to take the musk oxen in the order in
17 which applications are received by the department. A person is not
18 eligible for more than one musk oxen permit a year. The department
19 may not charge a fee for an application for a musk oxen permit for an
20 open season in which the Board of Game has reduced or eliminated the
21 resident tag fee under AS 16.05.340(a)(16). In all other cases the
22 application fee for a musk oxen permit is \$10.

23 (b) The application fee for a drawing permit issued by the
24 department for the hunting of bison in the Delta Junction bison range
25 area is \$10.

26 (c) Except as provided in (a) and (b) of this section, the
27 permit application fee for all species for which a limited drawing is
28 conducted is \$5.

29 * Sec. 2. AS 16.05.346 is repealed and reenacted to read:

Senate;
"Legislative
Findings"

1 Sec. 16.05.346. PERMIT APPLICATIONS. (a) If the Board of Game
2 declares an open season for musk oxen and has not reduced or
3 eliminated the \$500 resident tag fee under AS 16.05.340(a)(16), the
4 department shall conduct a drawing for permits to take the musk oxen.
5 If the Board of Game declares an open season for musk oxen for which
6 the Board of Game has reduced or eliminated the resident tag fee, the
7 department shall issue permits to take the musk oxen in the order in
8 which applications are received by the department. A person is not
9 eligible for more than one musk oxen permit a year. The department
10 may not charge a fee for an application for a musk oxen permit for an
11 open season in which the Board of Game has reduced or eliminated the
12 resident tag fee under AS 16.05.340(a)(16). In all other cases the
13 application fee for a musk oxen permit is \$10.

14 (b) Except as provided in (a) of this section, the permit
15 application fee for all species for which a limited drawing is
16 conducted is \$5.

Senate Advisory Committee
* Sec. 3. AS 16.20 is amended by adding a new section to read:

18 Sec. 16.20.315. BISON RANGE TIMBER SALES. The Department of
19 Natural Resources, division of forestry, shall provide for the sale of
20 timber in the Delta Junction bison range area in a manner that does
21 not delay implementation of the game management plan required under
22 AS 16.20.310.

23 * Sec. 4. AS 16.20.315 is repealed. *timber sale provision repealed 1989*

24 * Sec. 5. Sections 1 and 3 of this act take effect July 1, 1984.

25 * Sec. 6. Sections 2 and 4 of this Act take effect August 1, 1989.

so increased permit fee is only until 1989; so is timber sale provision

range would still sunset in 1989 (senate version repealed this)

Offered: 2/28/84
Referred: Finance

Original sponsor: Moss

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 CS FOR SENATE BILL NO. 337 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to the Delta Junction bison range;
7 and providing for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. LEGISLATIVE FINDINGS. The legislature finds that
10 (1) the Delta Junction bison herd is a highly valued state
11 wildlife resource;
12 (2) drawing permits issued for the hunting of Delta Junction
13 bison constitute a valuable source of state revenue;
14 (3) the Delta Junction bison herd has established the Delta
15 agricultural project as a fall and winter range;
16 (4) the feeding, wallowing, and traveling by the Delta Junction
17 bison herd within the Delta agricultural project has resulted in damage to
18 crops, monetary loss to local farmers, legal conflicts, and physical harm
19 to the herd;
20 (5) the bison range concept is a proven means of keeping bison
21 in an area as long as adequate forage is available on the range;
22 (6) the current state of development of the Delta Junction bison
23 range area is inadequate to sustain bison for more than a few weeks;
24 (7) the expansion of available forage on the Delta Junction
25 bison range area is required to provide a winter range for the Delta Junc-
26 tion bison herd and to effectively keep the herd from grazing within the
27 Delta agricultural project; and
28 (8) a bison drift barrier must be constructed along the northern
29 boundary of the Delta Junction Bison Range to prevent the Delta Junction

*dropped
in House
version*

1 bison herd from drifting onto the project and causing further harm to
2 crops.

3 * Sec. 2. AS 16.05.346 is repealed and reenacted to read:

4 Sec. 16.05.346. PERMIT APPLICATIONS. (a) If the Board of Game
5 establishes an open season for musk oxen and has not reduced or elimi-
6 nated the \$500 resident tag fee under AS 16.05.340(a)(16), the depart-
7 ment shall conduct a drawing for permits to take the musk oxen. If
8 the Board of Game establishes an open season for musk oxen for which
9 the Board of Game has reduced or eliminated the resident tag fee, the
10 department shall issue permits to take the musk oxen in the order in
11 which applications are received by the department. A person is not
12 eligible for more than one musk oxen permit a year. The department
13 may not charge a fee for an application for a musk oxen permit for an
14 open season in which the Board of Game has reduced or eliminated the
15 resident tag fee under AS 16.05.340(a)(16). In all other cases the
16 application fee for a musk oxen permit is \$10.

17 (b) The application fee for a drawing permit issued by the
18 department for the hunting of bison in the Delta Junction bison range
19 area is \$10

20 (c) Except as provided in (a) and (b) of this section, the
21 permit application fee for all species for which a limited drawing is
22 conducted is \$5.

23 * Sec. 3. AS 16.05.346 is repealed and reenacted to read:

24 Sec. 16.05.346. PERMIT APPLICATIONS. (a) If the Board of Game
25 establishes an open season for musk oxen and has not reduced or elimi-
26 nated the \$500 resident tag fee under AS 16.05.340(a)(16), the depart-
27 ment shall conduct a drawing for permits to take the musk oxen. If
28 the Board of Game establishes an open season for musk oxen for which
29 the Board of Game has reduced or eliminated the resident tag fee, the

*dropped
in House
version*

1 department shall issue permits to take the musk oxen in the order in
2 which applications are received by the department. A person is not
3 eligible for more than one musk oxen permit a year. The department
4 may not charge a fee for an application for a musk oxen permit for an
5 open season in which the Board of Game has reduced or eliminated the
6 resident tag fee under AS 16.05.340(a)(16). In all other cases the
7 application fee for a musk oxen permit is \$10.

8 (b) Except as provided in (a) of this section, the permit
9 application fee for all species for which a limited drawing is
10 conducted is \$5.

11 * Sec. 4. AS 16.20 is amended by adding new sections to read:

12 Sec. 16.20.311. BISON RANGE ADVISORY COMMITTEE. (a) The
13 governor shall appoint a seven-member Delta Junction Bison Range
14 Advisory Committee. The governor shall appoint members to represent
15 the following interests:

16 (1) two members representing the Delta agricultural proj-
17 ect;

18 (2) two members representing Delta Junction sport hunters
19 and the state fish and game advisory committee;

20 (3) one member representing nonconsumptive wildlife users;

21 (4) one member representing timber, mining and other con-
22 sumptive natural resource industries; and

23 (5) one member representing the tourism industry.

24 (b) The committee shall consult with and offer its advice to the
25 Department of Fish and Game, the Department of Commerce and Economic
26 Development, and the Alaska Agricultural Action Council, on matters
27 relating to the game management plan required under AS 16.20.310 and
28 the construction and maintenance of a bison drift barrier along the
29 northern boundary of the Delta Junction Bison Range.

1 (c) A member of the advisory committee is not entitled to per
2 diem, travel, or other compensation from the state for the performance
3 of acts as a committee member.

4 Sec. 16.20.312. BISON RANGE TIMBER SALES. The Department of
5 Natural Resources, division of forestry, shall provide for the sale of
6 timber in the Delta Junction bison range area in a manner that does
7 not delay implementation of the game management plan required under
8 AS 16.20.310.

9 * Sec. 5. AS 16.20.300, 16.20.310, 16.20.311, 16.20.312, and 16.20.320
10 are repealed. (would sunset in 1995)

11 * Sec. 6. Section 3, ch. 39, SLA 1979 and sec. 1, ch. 73, SLA 1980 are
12 repealed. (repeals 1989 sunset)

13 * Sec. 7. Sections 1, 2, 4, and 6 of this Act take effect July 1, 1984.

14 * Sec. 8. Sections 3 and 5 of this Act take effect August 1, 1995.



Salcha - Big Delta Soil Conservation Subdistrict
Box 547 - Delta Junction, AK 99737 - Phone (907) 895-4241

February 3, 1984

Bettye M. Fahrenkamp, Chairperson
Senate Resources Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator Fahrenkamp:

We would like to express our support for SB-337 and SB-338, dealing with the accelerated development of the Delta Bison Range. We have always supported the concept of the Bison Range, and were among the earliest supporters of it, during the Delta Land Management Planning Study, in the late 1970's.

We do however, have some reservations concerning the placement of the drift fence. We would prefer it totally south of the Alaska Highway, and one continuous piece with only gates and no cattle guards. We do feel that the present proposal is the next best choice.

Please read the attached policy statement entitled "Delta Bison Herd," dated Jan. 5, 1984. It more clearly explains our position concerning bison.

To sum up, the rapid development of the Bison Range is needed urgently, to forestall a serious conflict between farmers, bison, and pro-bison people.

Sincerely,

Richard S. Roberts
Chairman

Encl: Policy Statement: Delta Bison Herd

cc: Senator H. Pappy Moss
Delta Bison Management Ad Hoc Committee

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
BOB MULCAHY
ARLISS STURGULEWSKI



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

Senate

Committee on Resources

MINUTES

February 22, 1984
3:08 pm

Beltz Room
Room 211, Capitol

MEMBERS PRESENT

Senator Fahrenkamp, Chairman
Senator Ziegler, Vice Chair
Senator Vic Fischer
Senator Mulcahy
Senator Sturgulewski

CALENDAR

SB 335, An Act amending the Alaska Grain Reserve Program; and providing for an effective date.

SB 337, An Act relating to the Delta Junction bison range; and providing for an effective date.

SB 338, An Act making special appropriations for the development of the Delta Junction bison range and construction of a bison herd drift barrier; and providing for an effective date.

SB 371, An Act relating to mining; and providing for an effective date.

SB 378, An Act relating to agricultural and industrial fairs.

SB 335

Dean Brown, Deputy Director, Division of Agriculture, Department of Natural Resources, testified in support of the bill and discussed DNR's proposed amendments that would convert the Alaska grain reserve loan fund to a revolving fund.

Senator Mulcahy moved to amend SB 335 to include DNR's amendments. There was no objection.

SB 337

SB 338

Dave Johnson, Area Game Biologist, Alaska Department of Fish and Game, testified in support of the bill that would continue a program of providing forage for bison, expand tourist facilities, create a Bison Range Advisory Committee, and construct a drift barrier to help resolve conflicts between farmers and bison.

Senator Bettye Fahrenkamp discussed a proposed amendment by Senator Pappy Moss that would change the location of the drift barrier.

Senator Sturgulewski moved to include Senator Moss's amendment in SB 337. There was no objection.

Senator Bettye Fahrenkamp recommended that the committee staff prepare an amendment clarifying the increased fee for bison hunting permits.

SB 378

Dean Brown, Deputy Director, Division of Agriculture, Department of Natural Resources, testified in support of the bill stating it would give the Department needed guidelines for defining agricultural and industrial fairs.

Senator Mulcahy moved to adopt SB 378 and move it from committee with individual recommendations. There was no objection.

SB 371

Pedro Denton, Director, Division of Mining, Department of Natural Resources, testified in support of the Committee Substitute and recommended an amendment that would establish the rental fee for the first two years of an offshore prospecting permit at \$6/acre.

Senator Ziegler moved adoption of the amendment. There was no objection.

Senator Mulcahy moved the bill from committee with individual recommendations. There was no objection.

The meeting was adjourned at 3:32 pm.

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
BOB MULCAHY
ARLISS STURGULEWSKI



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

Senate

Committee on Resources

MINUTES

February 27, 1984
3:05 pm

Beltz Room
Room 211, Capitol

MEMBERS PRESENT

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

CALENDAR

SB 335, An Act amending the Alaska Grain Reserve Program; and providing for an effective date.

SB 337, An Act relating to the Delta Junction bison range; and providing for an effective date.

SB 338, An Act making special appropriations for the development of the Delta Junction bison range and construction of a bison herd drift barrier; and providing for an effective date.

SB 375, An Act relating to land disposal and management; and providing for an effective date.

SB 337

Senator Bettye Fahrenkamp explained that the Committee Substitute addressed the location of the drift barrier and clarified that the bison permit fee had been increased to \$10.00.

Senator Mulcahy moved SB 337 from Committee with individual recommendations. There was no objection.

SB 335

Senator Fahrenkamp explained that a Committee Substitute replacing "non-graded" with "non-standardized" had been prepared to clarify that inferior quality grain will not be accepted.

Senator Sturgulewski moved to adopt the Committee Substitute and move it from committee with individual recommendations. There was no objection.

SB 338

Senator Ziegler moved the bill from committee with individual recommendations. There was no objection.

SB 375

Senator Eliason discussed his proposed amendment (#1) that would allow the state to quitclaim title to lands back to the federal government to settle certain land claims.

Ned Farquhar, Special Assistant to the Commissioner, Department of Natural Resources, suggested additional language that would allow the Commissioner to quitclaim lands classified as agricultural.

Senator Eliason moved amendment #1. There was no objection.

Senator Fahrenkamp discussed amendment #2, which would allow eligible veterans a 25% discount on the purchase price of state land.

Farquhar, and Meg Hayes, Southcentral District, Division of Land and Water Management, Department of Natural Resources, answered questions on the current veterans' preference program and the impact of the proposed amendment.

Senator Eliason moved to adopt the amendment. There was no objection.

Senator Fahrenkamp discussed amendment #3, which would postpone land disposals until area plans have been approved.

Farquhar, and Hayes, testified that the Department supports the concept of planning prior to disposals. However, a statutory moratorium on disposals could seriously disrupt the program.

Senator Fahrenkamp discussed amendment #4, which would repeal the demand assesment statute, AS 38.04.020(f).

Farquhar, testified that the Department uses its area planning program to identify available lands and relies on the market as an indicator of demand. He recommended this section be dropped because of its high administrative and fiscal costs.

Senator Sturgulewski moved to repeal AS 38.04.020(f) and amend to read " The request of the commissioner under (e) of this section shall include an analysis and determination that there is a market demand for the land proposed for disposal. There was no objection.

Senator Fahrenkamp discussed amendment #5, which would require consideration of the useful life of a project in determining the term of a lease.

Farquhar supported the amendment.

Richard Harris and Bob Loescher, Sealaska Corporation, supported the amendment.

Senator Sturgulewski moved the amendment. There was no objection.

Senator Ziegler moved amendment #6, which would change the term and value of a negotiated lease. There was no objection.

Farquhar testified in support of amendment #7, which would amend the surface leasing procedure to allow survey costs to be credited to the lessee.

Senator Eliason moved the amendment. There was no objection.

Senator Eliason moved amendment #8, which would authorize the Commissioner to require prequalification of bidders for surface leases. There was no objection.

Farquhar supported amendment #9, which would amend leasing procedures for tidelands leases.

Senator Mulcahy moved the amenda nt. There was no objection.

Senator Ziegler moved amendment #10, which would allow the Department to convey remnants of land to an adjoining landowner. There was no objection.

Jay Nelson, Executive Director, Alaska Environmental Lobby, testified in support of amendment #11, which would create citizens advisory boards to offer advice to DNR prior to formal public hearings on land disposals.

Farquhar testified that there are ample opportunities for public involvement in the land offering process.

Senator Sturgulewski moved amendment #12, which would allow for joint disposals. There was no objection.

Farquhar testified in support of amendment #13, which would clarify the appeal process for contract violations.

Senator Sturgulewski moved amendment #13. There was no objection.

The meeting adjourned at 4:18 pm.

Alaska State Legislature

COMMITTEES

Co-Chairman -- House Resources
Committee
Chairman -- REAA Budget Oversight
Committee
Member -- House State Affairs
DOT -- Finance Sub Committee



House of Representatives

While in Session:


Pouch V
State Capitol
Juneau, Alaska 99811
Phone (907) 465-4951
465-4940

Home - P.O. Box 355
Delta Junction, Alaska 99737

Dick Shultz

MEMORANDUM

TC: Senator Bettye Fahrenkamp, Chair
Senate Resources Committee

FROM: Representative Dick Shultz, Co-Chair 
House Resources Committee

DATE: April 16, 1984

RE: Bills in Committee

Bettye--

HCR 51 and HB 552 are presently in your committee. This is to request that you waive both pieces of legislation from your committee since you have already heard both SB 337 and SB 338, which are companion bills. Then Pappy and I can work on them in Finance.

Attached is my memo from March 30th requesting the same. Consideration of this request would be most appreciated.

Thank you.

APR 17 1984