

ALASKA LEGISLATURE COMMITTEE FILES 1985-1988 80/2

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James O. Smith
Signature of Camera Operator

11/24/89
Date

SJR

308

Testimony to
Senate Resources Committee
May 5, 1986

by

Senator Joe P. Josephson

SJR 38: Federal Tax on Imported Oil

We are all familiar with the effect that OPEC has had on oil prices since 1973 and the fact that its control as a cartel has fallen apart over the past year.

There are two reasons why the OPEC cartel is now in disarray.

1. Conservation and substitution of oil by other fossil fuels and renewable sources of energy.

Arlon Tussing recently stated in the September 1985 issue of ARTA Energy Insights, "The problems of OPEC in 1982 stemmed largely from the price-induced surge in energy conservation and the severe recession. In years to come, however, the availability and price of energy supplies other than OPEC oil will cap oil-price movements. At the margin (where prices are in fact determined) coal, gas, and oil can easily substitute for one another."

2. Greater availability of non-OPEC oil.

Dr. Tussing says, "The most striking supply developments of the last five years are the small but

persistent yearly increases in non-OPEC sources. And because of declining demand, the world's reserve-to-production ratio increased 21% from 1978 to 1984."

The disarray of OPEC has caused oil prices to plummet. Instead of being overpriced, oil is now underpriced. This creates a new set of problems.

1. There is considerably less incentive to continue energy conservation measures, substitute other sources of energy for oil, or develop new oil reserves.
2. The rapid reversal in oil prices is causing severe economic problems in oil-producing states such as Alaska.

If we allow these conditions to continue, oil consumption will increase and we will offer OPEC another opportunity to force high oil prices on the world. However, it is doubtful that any price increase would be as steep as what we experienced in 1973 and 1979.

William Fisher of the University of Texas recently stated to the U.S. House of Representatives Subcommittee on Fossil and Synthetic Fuels that: "If the U.S. is to maintain the ability to produce at least two-thirds of its supply of oil and liquids, it must maintain a price sufficient for reserve replacement in the U.S. The best mechanism for such essential support is a variable import fee on imported oil and oil products."

There are five options that have been considered for taxing oil. These include:

1. Oil import tax
2. Excise tax on all crude oil
3. Motor fuels tax
4. Sales tax on energy consumption
5. Combination of oil import tariff and motor fuels tax

An April 1986 report by the Congressional Budget Office entitled The Budgetary and Economic Effects of Oil Taxes, compares each option. This report states:

"An oil import tariff would be superior to other energy taxes on this score. By raising the price of oil imports, an oil import tariff would encourage all activities that could substitute for oil imports; domestic oil production, production of substitutes for oil, conservation of oil, and substitution of other fuels for oil. It would therefore lead to the greatest possible reduction in oil imports (for a given level of tax) and provide the most assistance to domestic producers. An excise tax on foreign and domestic oil would lead to the same reduction in total oil consumption, but would burden rather than encourage domestic oil production, leading to a smaller reduction in oil imports and, therefore, putting less downward pressure on the price charged by foreign producers. A motor fuels tax would lead to a smaller reduction in oil consumption because

it would be directed at only one form of oil use and would therefore preclude many oil conservation possibilities. It would also provide no incentives for expanded domestic production. Finally, an ad valorem tax on the consumption of all fuels would lead to energy conservation, but discourage the production of domestic oil as well as all U.S. energy supply sources. These last two taxes, therefore, would do less to reduce world oil prices, encourage a reduction in oil imports, and assist the domestic oil industry."

There are always objections to a tax and the oil import tariff concept is no exception. The objections commonly voiced are:

1. The tariff will have a negative effect on the GNP.

The CBO report just cited states that: "In the short term, higher taxes of any sort could lower GNP since they reduce household income. But to the extent that taxes also reduce the federal deficit, they may tend to reduce interest rates and the international value of the dollar, which would tend to raise GNP. In view of these various offsetting influences, and the fact that the net effect of any of the taxes on nominal GNP is likely to be rather small, CBO has followed the convention that nominal GNP (not adjusted for inflation) remains approximately constant in response to a tax."

2. U.S. products will be less competitive in world markets. Again, the CBO report says: "In fact, other industrialized countries already have higher levels of oil taxes than the United States. Most of these taxes are gasoline taxes; motor fuels taxes are four to ten times higher in these countries. Taxes on other fuels also exist: Japan, for example, has an \$18.00 per barrel tax on distillate fuel while the United States has none. Higher energy taxes in these countries reflect their far greater use of sales and consumption taxes as revenue sources. Industry sources note that many of these countries appear prepared to raise their oil taxes again now that world oil prices have fallen."

3. The oil import tariff will proportionally tax the poor more than the rich. Although the CBO report states that "measured as a percent of total expenditures, the tax burden would not vary widely for families with different incomes", steps can be taken to assure that an oil import tariff does not hurt the poor. A portion of the revenues from an oil import tariff can be dedicated to programs which provide the poor with relief from energy costs, such as the weatherization program. Also, revenue can be earmarked for programs, such as revenue sharing which aid financially distressed units of local government.

In fact, non-oil producing states may favor an oil import tariff if a portion of the revenues were dedicated to revenue sharing.

The most prominent oil import tariff bill being considered by Congress is S. 1997 introduced by Senator Wallop. This bill sets a benchmark price of \$22.00 per barrel for imported oil. The tariff would apply to any oil that is priced below this benchmark. For instance if imported oil sold at \$14 a barrel, the tax would be \$8 a barrel.

An oil import tariff would:

1. Reduce the federal deficit by billions of dollars a year. A \$5 a barrel fee would generate about \$10 billion in additional revenue.
2. Increase revenue in oil producing states. An oil import tariff would be a windfall to the State of Alaska that would last as long as oil prices are depressed. If the benchmark price were \$22 a barrel, and assuming a price of \$12.50 a barrel that Standard recently posted for ANS sold on the Gulf Coast, revenues to the state could be increased by \$1.4 billion.

In conclusion, it should be said that the concept of an oil import tariff is not endorsed by the Reagan Administration and of only modest interest in Congress. One problem in establishing any level of oil tax at this

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time is that the price of oil and oil products has slipped below any logical benchmark price. Now a tax would increase prices rather than keep prices from falling farther.

Nevertheless, the State of Alaska should take a position on this issue. I believe that an oil import tariff will not only help Alaska, but also our nation, particularly if some of the revenues from the tariff are dedicated to programs which compensate those who would experience significant economic distress.

Introduced: 2/12/86
Referred: Resources
and Finance

Dr. Jontin
File in all
legislated products
Dr. Jontin

1 IN THE SENATE

BY JOSEPHSON

2 SENATE JOINT RESOLUTION NO. 38

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Relating to a federal tax on imported
6 oil.

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

8 WHEREAS rapidly fluctuating oil prices create an unstable environment
9 in Alaska and the United States for business planning and investment and
10 threaten the stability of the domestic petroleum exploration and
11 development industry, the stability of which is vital to the national
12 security; and

13 WHEREAS the continuation of energy conservation measures and further
14 development of alternative energy technologies will be jeopardized by sharp
15 declines in oil prices; and

16 WHEREAS the federal government needs additional revenue to reduce the
17 federal deficit and the threat of another period of high inflation; and

18 WHEREAS Americans face the prospect of significant budget reductions
19 in federal programs that are vital to the health, education, and welfare of
20 many Americans, but the imposition of an oil import tax would moderate the
21 severity of these reductions; and

22 WHEREAS a precipitous decline in oil prices results in major
23 reductions in revenue to oil-producing states, subjecting them to undue
24 hardships in providing the governmental services and infrastructure support
25 needed to continue the production of domestic oil at the same time that
26 these states are being given expanded responsibility as a result of
27 diminishing federal participation through revenue-sharing and similar
28 programs;

29 BE IT RESOLVED that the Alaska State Legislature encourages the United

1 States Congress to impose a federal tax on imported oil, the revenue to be
2 used to reduce the federal deficit.

3 COPIES of this resolution shall be sent to the Honorable Ronald
4 Reagan, President of the United States; the Honorable George Bush, Vice-
5 President of the United States and President of the U.S. Senate; the Honor-
6 able Thomas P. O'Neill, Jr., Speaker of the U.S. House of Representatives;
7 the Honorable Robert Dole, Majority Leader of the U.S. Senate; and to the
8 Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and
9 the Honorable Don Young, U.S. Representative, members of the Alaska delega-
10 tion in Congress.



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James O. Smith
Signature of Camera Operator

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Date

SJR

47



Alaska State Legislature

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 21, 1986
For More Information Contact:
Rodger Painter 465-4925

F O R I M M E D I A T E R E L E A S E

Legislation has been introduced in the House and Senate expressing the state's disappointment with the terms of the recent agreement with Japan regarding the high seas interceptions of Alaska salmon.

Three key lawmakers today released a joint statement criticizing the agreement as not adequately responding to Alaska's concerns over the interception issue. The three legislators--Rep. Peter Goll, chairman of the House Special Committee on Fisheries, Sen. Arliss Sturgulewski, chairman of the Senate Resources Committee and Rep. John Binkley, a member of the U.S. negotiating team--also called upon their colleagues to act quickly upon the resolutions.

The identical resolutions (HJR 68 originating in the House Special Committee on Fisheries and SJR 47 by the Senate Resources Committee) also ask the federal government to provide funding for the posting of a Coast Guard cutter to patrol the new high seas abstention line, place observers on Japanese vessels and perform critical research.

"I am very disappointed in the agreement," Goll said. "The State Department failed to push hard enough on several critical issues of concern to Alaskans. The agreement fails to provide adequate enforcement provisions, does not reduce the level of Japanese salmon fishing in our 200-mile zone, takes eight years to phase out the Bering Sea fishery, leaves the issue of abandoned nets on the high seas unaddressed and only moves the the land-based fleet back one degree."

Binkley, who participated in the negotiating sessions as a U.S. representative, was particularly critical of the small reduction in the interception rates provided by the agreement.

-- more --

High Seas Salmon Interceptions
March 21, 1986
Page Two

"Our scientists estimate the Japanese interception rates will be reduced by only 18 to 20 percent by the agreement," Binkley said. "This means the Japanese will still be catching nearly \$20 million worth of our salmon each year. The loss of these salmon will continue to cause severe impacts on the economy of Western Alaska where average annual incomes fall below poverty guidelines."

Sturgulewski stressed that the agreement will be meaningless unless Congress acts to provide funding for implementation.

"The agreement calls for a multi-year research program by both the United States and Japan to provide better scientific information on the interception problem," Sturgulewski said. "Negotiations on the closure line for the land-based fleet will be reopened in 1991 if the research indicates the interception rates are still too high. We also need funding to place observers on the research and Japanese enforcement vessels."

The resolutions also ask the U.S. Coast Guard to post a cutter on the closure line for the land-based fleet to patrol during the entire high seas fishery. The Department of Fish and Game and fishermen's organizations contend the land-based fleet has chronically violated the closure line, and that regular patrols by the Coast Guard would significantly reduce interceptions.

-- end --



UNITED FISHERMEN OF ALASKA

Jack Cadigan
Executive Director
907-586-2820
1-800-478-FISH

POLICY OF UFA RE: SALMON INTERCEPTION ON THE HIGH SEAS

THE UFA TOTALLY SUPPORTS HJR 68 AND SJR 47, AND HERE'S WHY!

The recent developments towards final agreement between the Japanese and United States over the dispute of High-seas salmon interception is both "good news" and "bad news". The "good news" is that there has been an agreement reached. The "bad news" is that it only achieves in very small part what the UFA believed to be both necessary and achievable.

Salmon is a highly valuable, highly renewable, resource. The tentative agreement between the U.S. and Japan concerning the matter of high seas fisheries is one which accomplishes little and accomplishes it too slowly. It is from that level of disappointment that any basis for optimism or rays of encouragement must be sought. It is from being realistic that the position of UFA is one whereby although we cannot endorse the agreement or sing its praises, we realize that the miniscule gains made overall are nonetheless gains. That is why UFA does not endorse or support any efforts being made by environmental or other groups who may seek to pressure the U.S. or Canada into refusal to sign the tentative agreement. One slice of bread off the loaf is better than no bread at all.

What does the agreement include which provides any encouragement to UFA? The agreement moves the land based fisheries one degree (a little less than 60 miles) further west. Specifically, no salmon fishing by the land-based fleet will take place east of 174 degrees East longitude. This will help - maybe not much - but it will help. More importantly, the agreement includes provision for U.S. Coast Guard enforcement of that line. This is an important feature which United Fishermen of Alaska consider critical. We now seek to insure that in a climate of shrinking dollars in Washington D.C. we don't find that feature moot by virtue of the Coast Guard not getting the fuel money it needs to do the job. That may seem a remote possibility only to those unaware of how ridiculously restricted the service is in that regard. The Japanese have agreed to assign six of their own enforcement vessels in the area, and to permit a U.S. observer aboard. We think there should be a U.S. observer on each Japanese enforcement vessel, and that observer should be a Coast Guard officer, not a summer employment collegian. However, since the agreement requires the fishing vessels to report by radio if they are within 50 miles of the line, and assuming there will be a high endurance U.S. Coast Guard cutter on scene, plus U. S. air surveillance, as provided for in the agreement, we do not foresee difficulties in the enforcement aspects.

Another very critical part of the agreement is the increase in tagging and biological samplings by Japanese Research ships in critical fishing areas, as well as the presence of U.S. scientists aboard to insure concurrence between the two countries of the scientific data achieved. This feature, as well as the onboard observer aspects, must be fully funded by the federal government for the next three to five years to provide the needed basis for renegotiations called for in 1990 under the terms of the agreement.

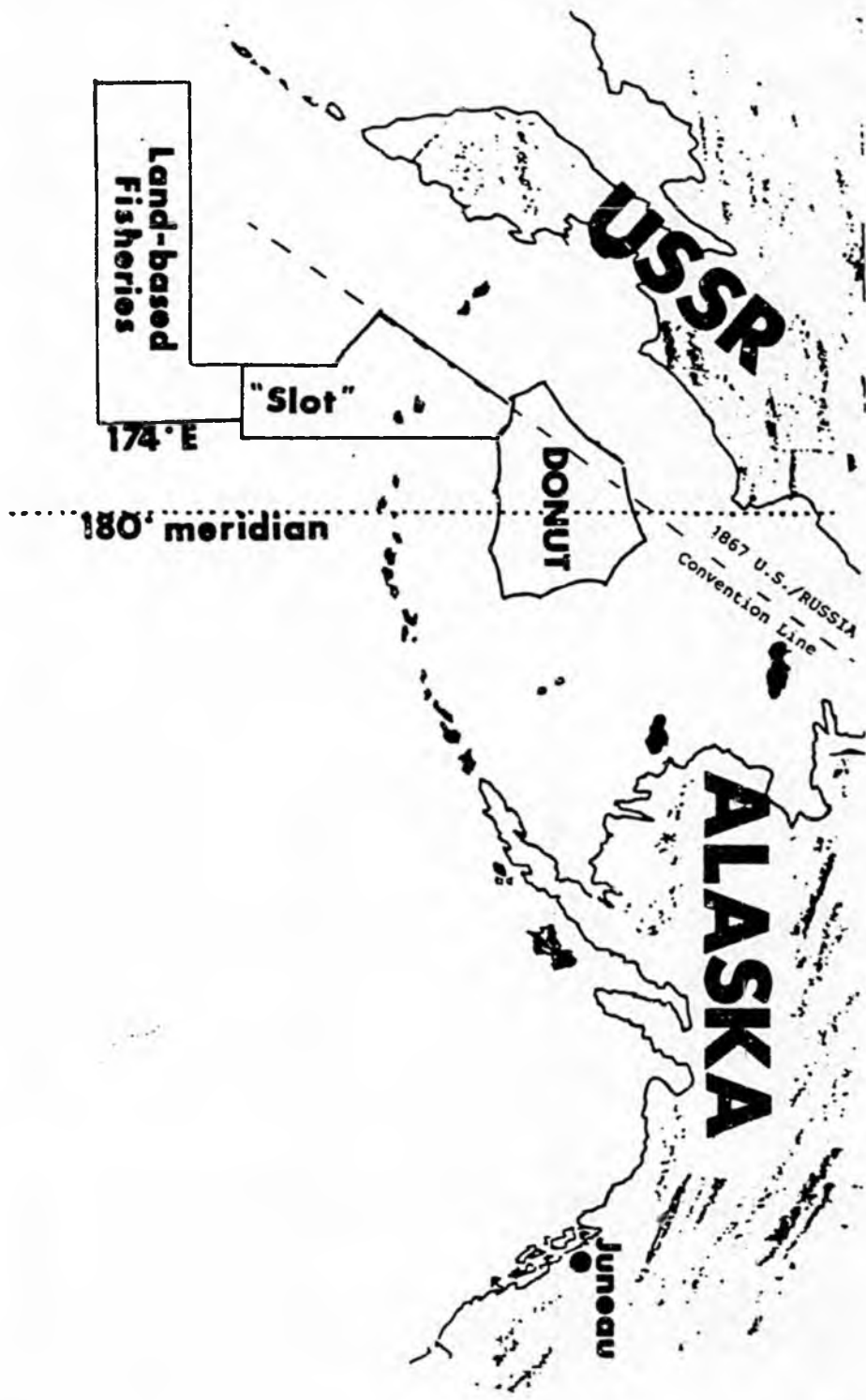
Thus the most critical parts of the agreement are those that provide the data base needed by this country for meaningful negotiations to take place in five years. Without good solid enforcement by the Coast Guard, without the presence of U.S. scientists and observers, we will be right where we were in the talks preceding this agreement - unable even to agree on the data base!

There are other features of the agreement which are both complex and accomplish less than expected by UFA. Specifically, there is an area commonly called "the donut" which is in the central Bering Sea and encircled by U.S. and Soviet 200 mile limits. This fairly circular region is split by the 180th meridian (International Date Line, and essentially lies within the 1867 U.S.-Russia Convention Line. The current agreement would incrementally phase out all Japanese High Seas salmon fishing on this side of 180th meridian by 1988, and all fishing in the entire "donut" by 1994. UFA certainly had hoped for a speedier timetable than that, but again, at least it is a phase out!

The area of really no movement at all is in the "Slot" which runs near Attu (which is 173 degrees East longitude), at the end of the Aleutian Chain. This is also the area of primary concern to environmentalists. In this area fishing will continue, essentially unabated, indefinitely.

The Japanese salmon fleets are large and efficient. There are four "High Seas" companies, each owning a mothership and servicing 40 to 50 gillnetters or a total of 172 catcherboats. The land-based fleet numbers over 200 medium and nearly 700 small driftnetters. There is also a fleet of 125 driftnetters and 171 longliners which fish salmon in the Sea of Japan. The total crew of these fisheries totals over 17,000 persons. UFA concern centers upon the impact these Japanese Salmon fisheries have on North American salmon, not Asian salmon. The crux of the dispute has been over the numbers of returning Alaskan salmon caught by these fisheries, and how the treaties can be re-defined to reduce that number reasonably close to zero. Since data supported by the U.S. did not even remotely resemble the data provided by the Japanese, there was scant foundation to even begin talks. The area in which we take heart focuses on the enforcement, research, and on-board observer aspects of the agreement. Even though we also consider the on-board observer arrangement weaker than it should be, we believe that if the U.S. fully uses its ability under the agreement to police the effort and achieve the necessary data for renegotiation in five years, we will have the potential capability at that time to accomplish our most reasonable goals. As the strongest voice of the fishing industry in Alaska, we now can only say: "This agreement is better than nothing...but not by much!"

UFA considers it important that Alaskan legislators fully understand what this issue is about, and why it is **IMPERATIVE** that a united position be established. We must all try to insure that the federal government provide the required law enforcement and scientific support needed, or else the agreement is useless!



U.S./Japanese Bilateral Salmon Talks
Alaska Department of Fish and Game
March 13, 1986

An agreement was concluded between the U.S. State Department and Japanese negotiators in Tokyo on March 8 after nine months of bilateral talks.

The U.S. objective has been to eliminate significant interception of North American salmon and steelhead by these fisheries. The U.S. had proposed elimination of their fishery in the central Bering Sea, reduction of their effort in our fisheries conservation zone (FCZ) and substantial movement to the west of their landbased fishery. The State Department was not able to accomplish all of these objectives in this current round of negotiations. The agreement falls well short of our original objective to eliminate all significant interceptions.

The agreement does not:

1. Reduce interceptions in the U.S. FCZ.
2. Move the landbased fishery ten degrees farther west, which current data indicates would be required to eliminate significant interceptions.
3. Get them out of the Bering Sea immediately.

The agreement only moves us part way to our objective and should not be viewed as an acceptable end point to the interception issue, although it is an improvement over the present situation and gives us some directions to pursue in further reducing the interceptions.

The agreement does:

1. Phase-out their fishery in the central Bering Sea over an eight year period of time. This has long been a U.S. goal since the chinook salmon caught in this area are nearly all from western Alaska and since this area is outside our zone, we have had serious doubts that we can adequately tell what they are catching in this area. . Actually, they will have to end their fishery in the eastern part of this area after only two more years and there are provisions to prevent transfer of their effort to other areas as these fisheries close.
2. Limit their fishery in our FCZ. Currently, there is no effort limit in this area. The agreement will keep them from increasing their fishery from current levels. The agreement also specifies an improved monitoring program in this area to better verify the Japanese catch data.

3. Move their landbased fishery one degree of longitude (45 miles) farther west. We had wanted more movement in this fishery, but the Japanese maintained that this movement, plus enforcement would eliminate most interceptions. We know the fleet has chronically violated the current eastern closure line and we do not know how much of the current interceptions are due to these violations as opposed to fishing in legal areas. The agreement for the first time has provisions for specific agreed enforcement and catch monitoring measures with annual review of their adequacy and change if needed.

4. The agreement provides for a three to five year research and monitoring program to determine if these regulations really do the job. By the 1991 season, the closure line in the landbased fishery will be renegotiated if necessary.

Involved parties must see that pressure is maintained to keep moving toward elimination of interceptions. The federal government must provide the funding for research, observers and enforcement. The state is writing to Secretary of State Shultz and our Congressional delegation to request this support.

The state will continue to press for elimination of interceptions. We are dealing with a problem that has existed for more than 30 years. Significant reductions in interceptions occurred in 1978 when the International North Pacific Fisheries Convention was renegotiated to move the Japanese fisheries farther west. Now eight years later, this agreement is another step in this process and provides for further negotiations within the next five years. The state will make every effort to keep the process going.

US/Japan Salmon



MFD - 1 mother'ship fishing day

Current Limit
31 MFD
Actual Use
2 - 19 MFD
Average
12 MFD

Central Bering Sea

EoF 180

1986	12 MFD	
1987	8 MFD	180-175
1988	0 MFD	

Wof 190

1986	18 MFD
87	18
88	18
89	12
90	12
91	12
92	8
93	8
94	0

Current Limit
21 MFD
Actual Use
12-23 MFD
Average 16 MFD

Landbased

Landbased

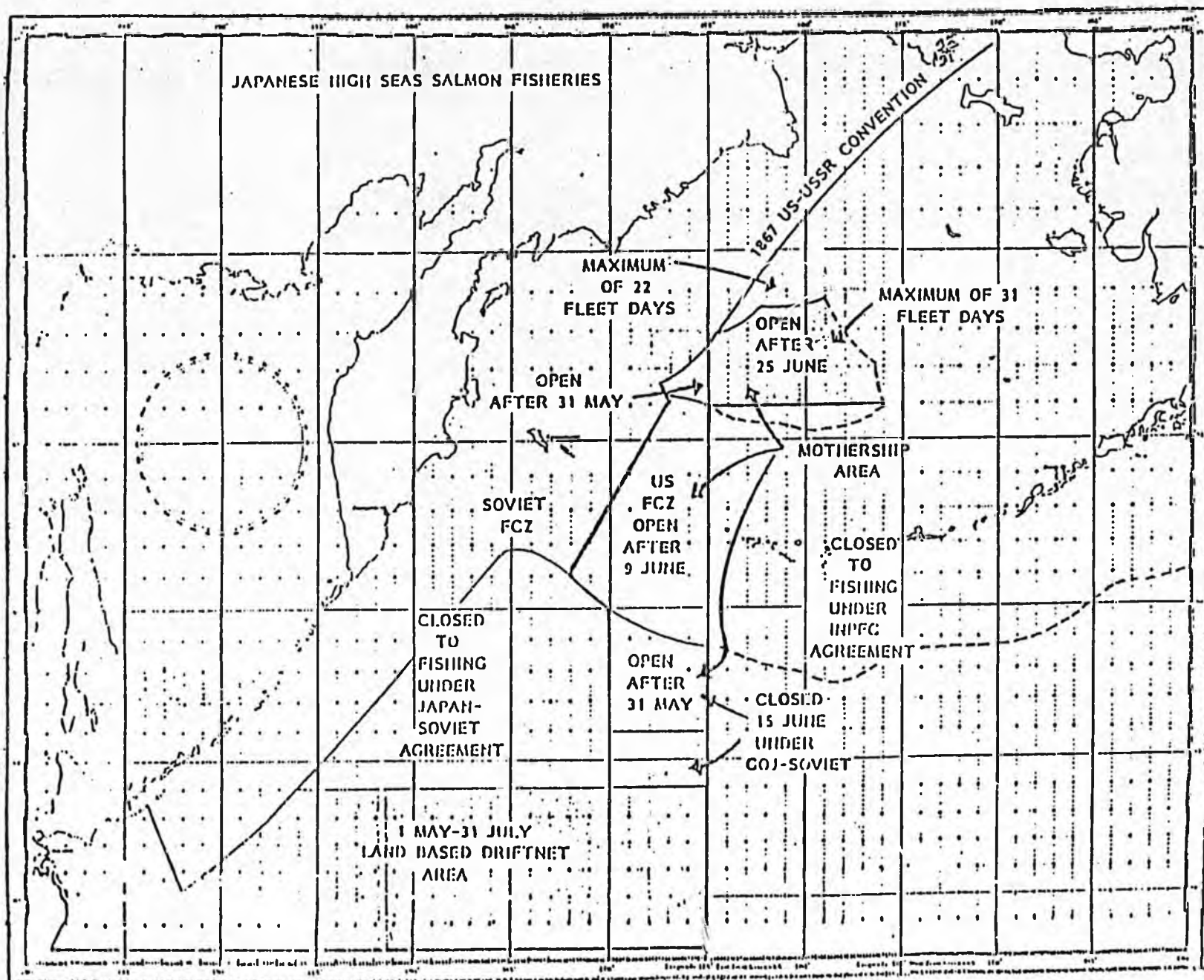
1986 move eastern boundary
from 175 E. to 174 E.

Research, enforcement, monitoring
provisions.

US FCZ

1986-93	140 MFD	equivalent to no increase in effort
June 10 - July 31		
1994 -	141 MFD	at least 10% increase in effort
June 10 - July 26		

Increased effort





UNITED FISHERMEN OF ALASKA

MAR 21 1986

Jack Cadigan
Executive Director
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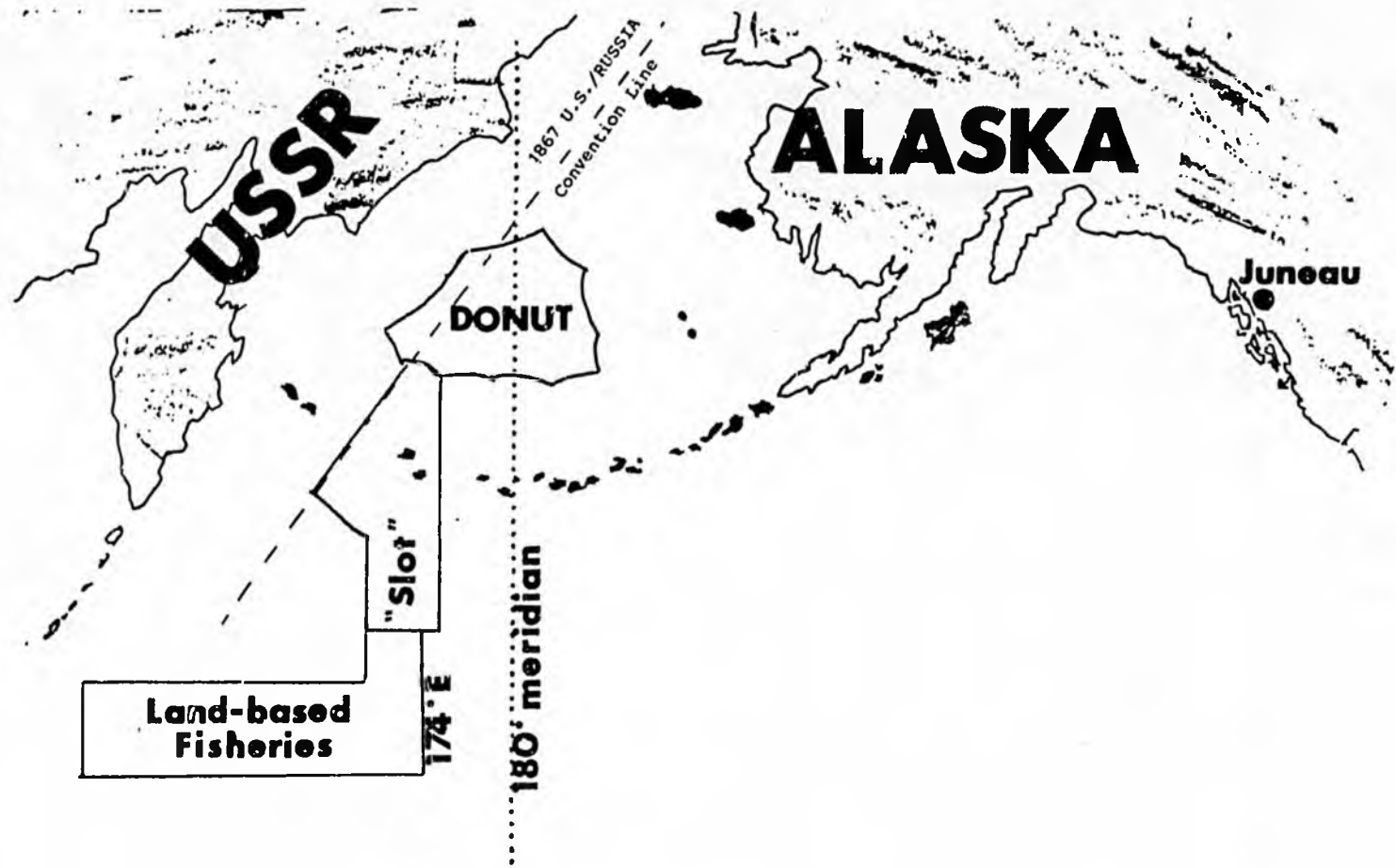
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UFA considers it important that Alaskan legislators fully understand what this issue is about, and why it is **IMPERATIVE** that a united position be established. We must all try to insure that the federal government provide the required law enforcement and scientific support needed, or else the agreement is useless!



BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

SJR 47
APR 10 1986

April 8, 1986

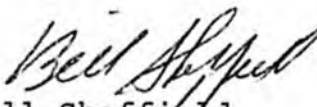
The Honorable Arliss Sturgulewski
Alaska State Senate
P. O. Box V
Juneau, AK 99811

Dear Arliss,

Enclosed you will find the response I've received from the State Department regarding the recent agreement with the Japanese on interceptions of Alaska salmon on the high seas.

I will continue to make adequate funding of the research, monitoring, and enforcement elements of this agreement a high priority. I look forward to your support in this effort.

Sincerely,


Bill Sheffield
Governor

Enclosure

RECEIVED

MAR 27 1986

DEPARTMENT OF STATE
WASHINGTON

GOVERNOR'S OFFICE

March 21, 1986

Dear Governor Sheffield:

Thank you for your letter of March 14, 1986, regarding the U.S.-Japan salmon interception agreement.

The U.S.-Japan agreement will restrict Japan's salmon fisheries from those areas with the greatest abundance of North American salmon through a series of time, area, and effort constraints. In addition, the agreement provides for increased enforcement which should also help reduce interceptions. Finally, the agreement calls for a three to five year research program on salmon origins in the landbased area. Should the results of this research indicate that significant quantities of North American salmon are still intercepted by the Japanese landbased fishery, further westward movement of that fishery will be negotiated.

I feel that this agreement represents the best arrangement we could achieve for the protection of North American salmon on the high-seas at this time. Furthermore, with the conclusion of this agreement, the mutually beneficial U.S.-Japanese fisheries relationship, which is of such importance to the Alaskan fishing industry, can proceed without restraints.

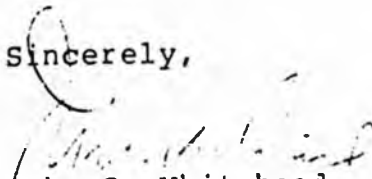
I agree that enforcement and research activities are vital for the successful implementation of the U.S.-Japan salmon agreement. I understand that the Coast Guard is anticipating an increase in its aerial and surface monitoring of the landbased fishery and I fully support this effort. Also, as you suggest, it is important that adequate funding be provided for research on salmon interceptions.

The Honorable
Bill Sheffield,
The Governor of Alaska,
Juneau, Alaska.

-2-

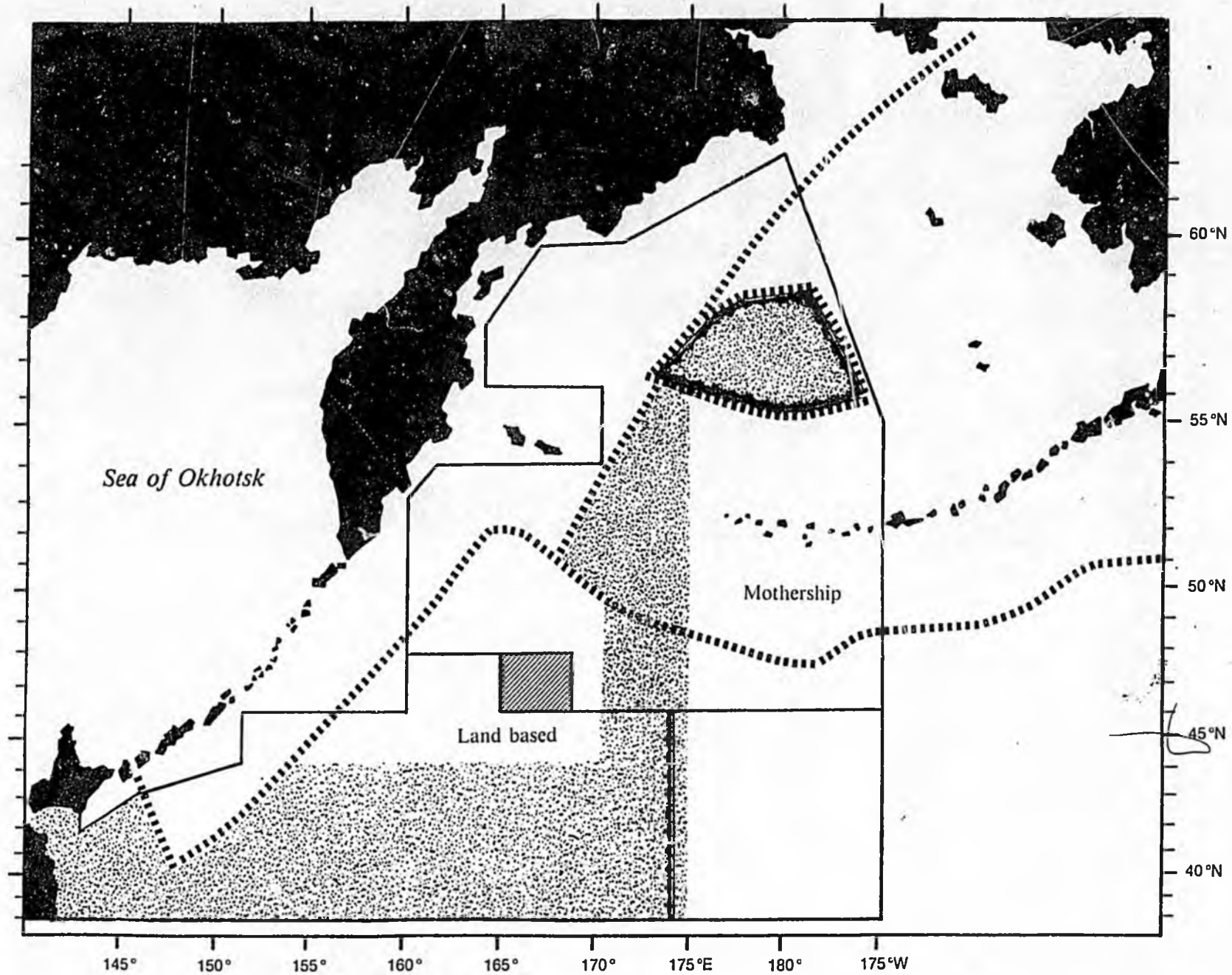
I can assure you that the Department will strongly support the implementation of this agreement. We look forward to continuing to work closely with Alaskan interests on this and other fisheries issues.

Sincerely,

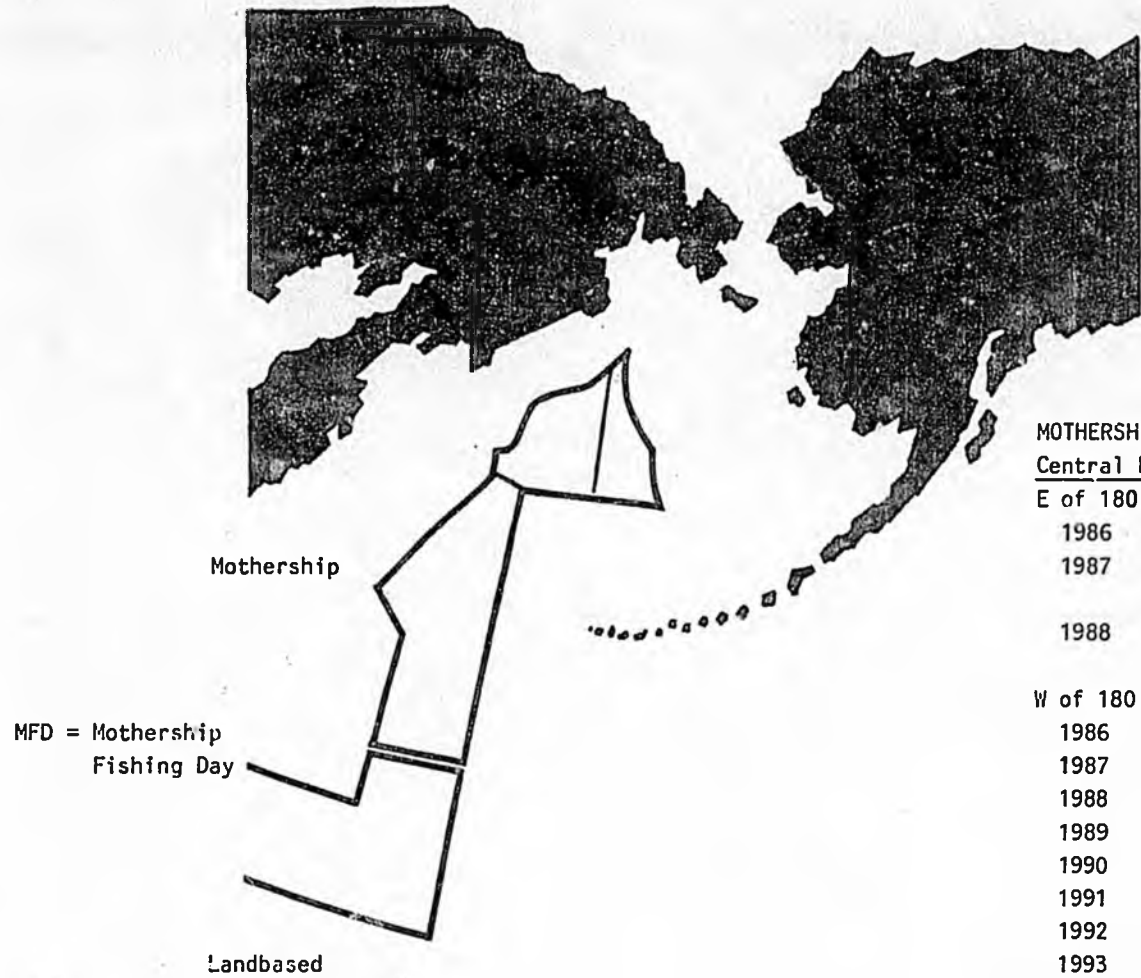

John C. Whitehead
Acting Secretary

Japanese High Seas Salmon Fisheries

- Area removed from Japanese fisheries by 1986 agreement
- 200 mile zone
- 1959-1976 Japanese high seas salmon fisheries
- 1978-85 Japanese high seas salmon fisheries



U.S./JAPAN SALMON INTERCEPTION AGREEMENT
1986



MFD = Mothership
Fishing Day

Landbased

LANDBASED

1986--move eastern boundary
from 175°E to 174°E

Research, enforcement,
monitoring provisions

MOTHERSHIP
Central Bering Sea
E of 180

1986	12 MFD		} Current limit 31 MFD Actual use 2-19 MFD Recent average 12 MFD
1987	8 MFD	178 W-180	
	0 MFD	175 W-178W	
1988	0 MFD		

W of 180

1986	18 MFD	} Current limit 21 MFD Actual effort 12-23 MFD Recent average 16 MFD
1987	18 MFD	
1988	18 MFD	
1989	12 MFD	
1990	12 MFD	
1991	12 MFD	
1992	8 MFD	
1993	8 MFD	
1994	0 MFD	

U.S. EEZ

1986-93
140 MFD
June 10-July 31

Currently no effort
limit

1994-
144 MFD
June 10-July 26

Introduced: 3/20/86
Referred: Resources

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 SENATE JOINT RESOLUTION NO. 47

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Requesting additional action by the
6 United States to reduce high seas inter-
7 ception of Alaska-bound salmon.

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

9 WHEREAS salmon is one of Alaska's most important natural resources;
10 and

11 WHEREAS Alaskans are heavily dependent upon the harvest of salmon as a
12 source of employment, tax revenue, food, and recreation; and

13 WHEREAS high seas interceptions by the Japanese mothership and land-
14 based gillnet fleets deprive Alaskans of an estimated \$25,000,000 worth of
15 salmon per year; and

16 WHEREAS a recently completed agreement calls for only a very gradual
17 phase out of the Japanese mothership fishery in international waters of the
18 Bering Sea; and

19 WHEREAS the agreement allows the mothership fleet to fish for 140
20 fleet days within the U.S. 200-mile exclusive economic zone in the Bering
21 Sea during which the Alaska Department of Fish and Game believes signifi-
22 cant numbers of Alaska salmon will be intercepted; and

23 WHEREAS the agreement would move the land-based fleet only one degree
24 to the west of the present abstention line, a movement state fisheries
25 scientists believe would not significantly reduce interceptions of Alaska
26 salmon; and

27 WHEREAS only one U.S. observer would be placed on Japanese enforcement
28 vessels patrolling the abstention line for the land-based fleet, and no
29 U.S. observers will be allowed on the Japanese fishing vessels; and

1 WHEREAS the issue of cleanup and responsibility for miles of abandoned
2 pelagic drift nets from the Japanese fishing vessels was not addressed by
3 the agreement; and

4 WHEREAS the social and economic impacts upon Alaskans of the Japanese
5 high seas interceptions are distressing, particularly in Western Alaska
6 where average annual incomes are well below federal poverty guidelines; and

7 WHEREAS the Japanese continue to enjoy the privilege of fishing within
8 our 200-mile exclusive economic zone and purchasing raw fisheries resources
9 directly from American fishermen;

10 BE IT RESOLVED that the Alaska State Legislature expresses its extreme
11 disappointment in the terms of the agreement as accomplishing too little
12 too slowly; and be it

13 FURTHER RESOLVED that the Alaska Congressional delegation urge the
14 State Department to aggressively pursue continued efforts to obtain from
15 Japan further reductions in the interception rates of Alaska salmon by the
16 high seas fleets; and be it

17 FURTHER RESOLVED that the Alaska State Legislature respectfully re-
18 quests the U.S. Coast Guard to station one cutter to patrol the abstention
19 line for the Japanese land-based fleet during the entire fishing season;
20 and be it

21 FURTHER RESOLVED that the Alaska State Legislature respectfully re-
22 quests the Congress to provide funding for the three-to-five year research
23 and monitoring program, including on-board observers, in support of the
24 renegotiations called for in 1990 under the terms of the agreement.

25 COPIES of this resolution shall be sent to the Honorable Ronald
26 Reagan, President of the United States; the Honorable George Schultz,
27 Secretary of State; the Honorable Robert Dole, U.S. Senate Majority Leader;
28 the Honorable Thomas P. O'Neill, Jr., Speaker of the U.S. House of Rep-
29 resentatives; to the Honorable Ted Stevens and the Honorable Frank

1 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
2 members of the Alaska delegation in Congress; to Admiral James S. Gracey,
3 Commandant, U.S. Coast Guard; to Mr. William Gordon, assistant administra-
4 tor for fisheries, National Marine Fisheries Service; to Mr. Jim Campbell,
5 chairman, North Pacific Fishery Management Council; and to Mr. Clem
6 Tillion, chairman, International North Pacific Fisheries Council.

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : SJR 47/HJR 68
 Title : High Seas Interception
of Salmon

Sponsor Senate Resources/Rules by request
 Requestor : Senate Resources
 Date of Request : March 24, 1986

FISCAL DETAIL

Agency Affected : Fish and Game
 BRU : _____

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

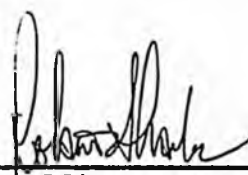
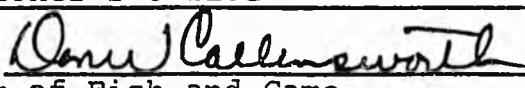
FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Roland Shanks 
 Division : Commissioner's Office Phone : 465-4100
 Date : March 26, 1986
 Approved by Commissioner : Doreen Callenworth 
 Agency : Department of Fish and Game Date : 3-26-86

Distribution (by Agency preparing fiscal note) :

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

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
BETTYE FAHRENKAMP, Vice Chairman
JACK COGHILL
DICK ELIASON
VIC FISCHER
RICK HALFORD
FRED ZHAROFF



POUCH V
JUNEAU, ALASKA. 99811
(907) 465-4907

Senate Committee on Resources

M E M O R A N D U M

March 24, 1986

TO: All Members
Senate Resources Committee

FROM: Staff, Senate Resources Committee

RE: SJR 47 Requesting additional action by the
United States to reduce high seas
interception of Alaska-bound salmon

SJR 47 expresses disappointment with the terms of the recent agreement with Japan regarding the high seas interception of Alaska salmon. The resolution further urges the State Department to continue to pursue reductions in the interception of Alaska-bound salmon by high seas fleets. In addition, the Coast Guard is requested to station one cutter to patrol the abstention line, and Congress is urged to provide the funding for research and monitoring in order to gather adequate data for future negotiations.

Zero fiscal note.

SIMILAR TO HJR 68

Enclosures:

Joint press release by Senator Sturgulewski
and Representatives Goll and Binkley
UFA press release supporting HJR 47
Fact sheet by Dept. of Fish and Game

*Reopened 1991
1988 was 180°
1994 out of Dept*

Offered: 3/26/86
Referred: Rules

FK

Original sponsor: Rules by request

1 IN THE HOUSE BY THE RESOURCES COMMITTEE
2 CS FOR HOUSE JOINT RESOLUTION NO. 68 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Requesting additional action by the
6 United States to reduce high seas inter-
7 ception of Alaska-bound salmon.

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

9 WHEREAS salmon is one of Alaska's most important natural resources;
10 and

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14 based gillnet fleets deprive Alaskans of an estimated \$25,000,000 worth of
15 salmon per year; and

16 WHEREAS a recently completed agreement calls for only a very gradual
17 phase out of the Japanese mothership fishery in international waters of the
18 Bering Sea; and

19 WHEREAS the agreement allows the mothership fleet to fish for 140
20 fleet days within the U.S. 200-mile exclusive economic zone in the Bering
21 Sea during which the Alaska Department of Fish and Game believes signifi-
22 cant numbers of Alaska salmon will be intercepted; and

23 WHEREAS the agreement would move the land-based fleet only one degree
24 to the west of the present abstention line, a movement state fisheries
25 scientists believe would not significantly reduce interceptions of Alaska
26 salmon; and

27 WHEREAS only one U.S. observer would be placed on Japanese enforcement
28 vessels patroling the abstention line for the land-based fleet, and no
29 U.S. observers will be allowed on the Japanese fishing vessels; and

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2 pelagic drift nets from the Japanese fishing vessels was not addressed by
3 the agreement; and

4 WHEREAS the social and economic impacts upon Alaskans of the Japanese
5 high seas interceptions are distressing, particularly in some Western
6 Alaska communities where average annual incomes are well below federal
7 poverty guidelines; and

8 WHEREAS the Japanese continue to enjoy the privilege of fishing within
9 our 200-mile exclusive economic zone and purchasing raw fisheries resources
10 directly from American fishermen;

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12 disappointment in the terms of the agreement as accomplishing too little
13 too slowly; and be it

14 FURTHER RESOLVED that the Alaska Congressional delegation urge the
15 State Department to aggressively pursue continued efforts to obtain from
16 Japan further reductions in the interception rates of Alaska salmon by the
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18 FURTHER RESOLVED that the Alaska State Legislature respectfully re-
19 quests the U.S. Coast Guard to station one cutter to patrol the absten-
20 tion line for the Japanese land-based fleet during the entire fishing season;
21 and be it

22 FURTHER RESOLVED that the Alaska State Legislature respectfully re-
23 quests the Congress to provide funding for the three-to-five year research
24 and monitoring program, including on-board observers, in support of the
25 renegotiations called for in 1990 under the terms of the agreement.

26 COPIES of this resolution shall be sent to the Honorable Ronald
27 Reagan, President of the United States; the Honorable George Schultz,
28 Secretary of State; the Honorable Robert Dole, U.S. Senate Majority Leader;
29 the Honorable Thomas P. O'Neill, Jr., Speaker of the U.S. House of

1 Representatives; to the Honorable Ted Stevens and the Honorable Frank
2 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
3 members of the Alaska delegation in Congress; to Admiral James S. Gracey,
4 Commandant, U.S. Coast Guard; to Mr. William Gordon, assistant administra-
5 tor for fisheries, National Marine Fisheries Service; and to Mr. Jim
6 Campbell, chairman, North Pacific Fishery Management Council.



RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

11/24/89
Date

SJR

48

Alaska State Legislature

ARLISS STURJULEWSKI, Chairman
BETTYE FAHRENKAMP, Vice Chairman
JACK COFFILL
DICK ELIASON
VIC FISCHER
RICK HALFORD
FRED ZHAROFF



P. O. BOX V
JUNEAU, ALASKA 99811
(907) 485-4907

Senate Committee on Resources

M E M O R A N D U M

April 8, 1986

TO: All Members
Senate Resources Committee

FROM: Staff *H* Senate Resources Committee

RE: *S*AJR 48 Relating to the continued operation of
the Institute of Northern Forestry at
Fairbanks and the Forestry Survey Group
in Anchorage

SJR 48 requests the U.S. Congress to appropriate funds and direct the U.S. Forest Service to reverse its decision to close the Institute of Northern Forestry at Fairbanks and to restore the capacity of the Anchorage Forestry Survey Group.

As part of the federal government budget cuts, the U.S. Forest Service Institute of Northern Forestry at Fairbanks is proposed to be closed. The budget for this operation is \$735,000. In addition, a \$150,000 reduction is proposed for the Forest Inventory Research group at Anchorage.

There is a zero fiscal note.

Enclosures:

U.S. Forest Service fact sheet on Fairbanks
U.S. Forest Service fact sheet on Anchorage
Memo from DNR
Institute of Northern Forestry work plan

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No.: SJR 48
 Title: Continued operation of the
 Institute of Northern Forestry
 Sponsor: Senate Resources
 Requestor: Senate Resources
 Date of Request: April 7, 1986

FISCAL DETAIL

Agency Affected: _____
 BRU: _____
 Components: _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
CAPITAL	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
REVENUE	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by: Senate Resources Committee Phone: 465-3818
 Division: _____ Date: April 7, 1986
 Approved by ^{Chairman} ~~Commissioner~~: _____ Date: April 8, 1986
 Agency: Senate Resources Committee

Distribution (by Agency preparing fiscal note):

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

February 5, 1986

Pacific Northwest Forest Experiment Station Comments on
Proposed Closure of Institute of Northern Forestry, Fairbanks

As part of the fiscal 1987 budget submitted to Congress February 5, the Chief of the Forest Service has proposed closure of the Institute of Northern Forestry at Fairbanks. As the Institute of Northern Forestry, the Forest Service has carried on research at Fairbanks, since the mid-1950's, and the current facility was constructed in 1962-1963. Current programs include research on management strategies for interior Alaska forests, effects of fire and methods of control, classification of Alaska vegetation, dealing with forest insects, managing forest habitat for wildlife, and managing for quality water from forests. The laboratory has seventeen employees, in a 13,000 square foot facility, located on the University of Alaska campus.

The closure is proposed as part of a continuing effort to reduce the costs of government. The sharp downturn in the 1987 budget, coupled with the impact of inflation on budgets of the last few years, necessitates significant management actions.

Past research has focused on providing a basic understanding of the characteristics and ecology of Interior Alaska forests. With current need to reduce expenditures, it is inappropriate to embark on the next generation of studies, which should emphasize development of the land and its resources. All research on managing forests and fire will be eliminated, and wildlife habitat research will be reduced, for an annual cost reduction of \$735,000. Those programs that remain will be moved to Anchorage, to avoid the fixed costs of maintaining a facility in Fairbanks. To the greatest extent possible, employees will be reassigned to funded jobs at Anchorage or at other locations.

FACT SHEET

Reagan Administration Proposed Budget Reductions and Resulting Change in Forest Service Research Programs in Alaska in Fiscal Year 1987 (Begins October 1, 1986)

1. Reduce funding at Fairbanks Forestry Sciences Laboratory (Institute of Northern Forestry) by \$735,000.
2. This would close the Laboratory and terminate the services of 10 permanent employees.
3. All research on silviculture, ecology of Interior Alaska forests, vegetation classification, genetics, and fire effects and control, is scheduled to be terminated. Wildlife habitat research would be reduced but not closed out.
4. The remaining research and employees at Fairbanks in soil, water, forest insects, and wildlife habitat will be consolidated with the Forestry Inventory Research at the Anchorage Forestry Sciences Laboratory.
5. Reason given for closing the INF laboratory is that research to date has focused largely on basic forest and related ecology. Now there is need to shift to a new generation of studies, mostly applied, emphasizing development and utilization of forest resources. Funding is inadequate to do this.
6. Funding for the Forest Inventory Research at Anchorage will be reduced by \$150,000. This will substantially slow, but not stop multiresource inventory in Alaska. Major river drainages, now scheduled for inventory that would be postponed for several years include the Kuskokwim-Bristol Bay, Copper River, Kenai Peninsula, South Central Alaska, Upper and Lower Yukon River Basins, and the Kobuk River Basin, all areas of high public interest.

Anchorage

SUMMARY OF BUDGET CUT IMPACTS ON PNW 4103, FY87

February, 1986

THE SITUATION

Given the President's budget for FY 1987, the Forest Inventory and Analysis Unit in Anchorage can expect to take a \$148,000 (Washington Office appropriation level, \$130,000 PNW Station level) cut in its budget. Over the past 5 years, Anchorage FSL (FIA) has received an operating budget between \$160,000 and \$270,000 after removing salaries and Portland/WO overhead. In FY 1985, PNW 4103 received operating funds totaling \$269,000. This was reduced in FY 1986 to \$226,000, and is targeted to be cut to \$96,000 in FY 1987.

No new permanent positions have been added to FIA staff since June, 1984. One position (a Research Biologist) which vacated, has not been refilled, in order to compensate for normal salary increments (In-step increases, etc.). Numerous other cost savings measures have been implemented to reduce overhead costs, such as space reduction, computer reconfiguration, etc.

The basic "housekeeping" budget need for PNW 4103 (FIA) is about \$40,000. With \$56,000 left, there will be no funds to continue field work. The \$56,000 will barely keep data analysis running on data that have been collected during FY85 and FY86.

IMPACTS

Work to continue--The work to be continued for FY 1987 will involve only data analysis associated with the legislatively mandated 1990 RPA Timber Assesment, as well as data analysis of field data previously collected in the Tanana River Basin and southeast Alaska in FY 1983-85.

Work to be discontinued--With the budget cut, it will be necessary to discontinue collection of field data on the Chugach National Forest and Copper River Basin; classification of Landsat scenes for the Copper River and Kuskokwim River Basins; and collection of aerial photography resource materials for these same areas. Additionally, because of the Research Biologist position vacancy, there will be decreased emphasis on wildlife habitat research and associated efforts.

The consequence of these efforts being discontinued will result in difficulty meeting national legislative mandates to respond to the Resources Planning Act's requirement for nationwide timber and vegetation assessment information on a periodic (10 year) basis, especially looking ahead to the period between 1990 and 2000.

There is an added consequence in that Federal budget cuts promise to close out the SCS's River Basin Mapping and Inventory and Monitoring programs. Additionally, the State of Alaska is cutting back in its timber and vegetation inventory efforts in both the Division of Geological and Geophysical Services and in the Division of Forestry. These agencies, along with FIA, are the only Natural Resource agencies currently collecting vegetation inventory and mapping information on a state-wide basis. With no vegetation inventory data input, management decisions will suffer for all Alaska agencies, state and federal.

The current research objectives and areas of research for PNW 4103 (Anchorage FSL) are as follows:

RESEARCH OBJECTIVES

The research objectives of the Alaska Forest Inventory and Analysis (FIA) unit at Anchorage, as stated in the Research Work Unit Description, are to:

- 1). Evaluate the renewable resource inventory needs for the State of Alaska and summarize these in terms of data elements to be measured;
- 2). Inventory the renewable resources for Alaska in accordance with the Forest and Rangeland Renewable Resources Research Act of 1978, and;
- 3). Analyze and report the results of these inventories in an integrated context.

CURRENT AREAS OF RESEARCH

Research has previously proceeded on a regular basis, providing timber inventory and other vegetation inventory information on a sub-region by sub-region basis (often on a river basin basis). Several areas are currently going through a resource analysis stage, including:

- Porcupine River Unit
- Upper Yukon River Unit
- Susitna River Basin Unit
- Chugach National Forest Unit
- Tanana River Basin Multi-resource Inventory Unit
- Southeast Alaska Multi-resource Inventory Unit

Research is also proceeding in the analysis stage involving some very important subject areas relating to Natural Resource Management decisions. These include:

- Estimating changes in areas and volumes of timber on lands transitioning from federal ownership to Native and State ownership due to various selection legislation. This work is partially completed for the Tanana River Basin, for southeast Alaska, and for the Chugach National Forest.
- Preparation of Landsat vegetation classification maps for the Tanana River Basin and the Southeast Alaska Units.
- Development of vegetation profiles for use in evaluating wildlife habitat for the Tanana River Basin and Southeast Alaska Units.
- Developing biomass estimates for all vegetation in the Tanana River Basin and the Southeast Alaska Units.
- Developing new sampling and data collection techniques for use in multi-resource inventories.

The planned Federal and Alaska State budget cuts will mean discontinuation of these kinds of multi-resource/vegetation inventory analyses for the uninventoried River Basin Units of Alaska, which include the Yukon, Kuskokwim, Copper River, Bristol Bay, and Kobuk basins.

MEMORANDUM

State of Alaska

DEPARTMENT OF NATURAL RESOURCES

COMMISSIONER'S OFFICE

TO: John Katz
Special Council

DATE: February 25, 1986

FILE NO:

TELEPHONE NO: 465-2491

FROM: Esther C. Wunnicke
Commissioner

SUBJECT: Federal Budget
Cut Impacts

John Sturgeon has brought to my attention that the President's budget for 1987 calls for some cuts to the U.S. Forest Service and the Bureau of Land Management that if not restored could have grave negative impacts to Alaska. I am requesting your assistance in bringing to the attention of our Congressional Delegation some of the following proposed cuts and their impact specifically on Alaska. I have listed them in descending priority order.

Research

When you look at proposed station cuts in other states and the tremendous forest research void, we feel that the complete closure of the Institute of Northern Forestry (INF) at Fairbanks is not justified. Other states have the research base on which they can continue to develop, but Alaska is still in the growing stage and is lacking even the most basic research. The research program helps fund work in the key areas of forest genetics, insects and disease, watersheds, wildlife habitat and fire ecology and behavior, all of which are important to Alaska as we try to strengthen our overall economy as our revenues from oil decline. The State of Alaska has over 60% of its lands in a "let-burn" protection category. The impact on the environment, wildlife habitat is not completely understood. We were depending on the INF to find the answers.

The recently established 2 million acre Tanana Valley State Forest is at a point in its development that Forest research information unique to our interior northern latitudes is vital. In addition, forest lands now being considered for management by Doyon and other Interior native regional corporations, have in the past and will in the future, rely on INF research information concerning timber harvest, regeneration, wildlife habitat, and other resource concerns. Good sound decisions can only be made when one has the necessary information. Without the proper facts any resource development effort will be plagued with controversy because of unknowns.

The Forest Inventory and Analysis Unit in Anchorage will be cut \$150,000, which will call for the discontinuation of collecting field data on the Chugach National Forest and

Copper River Basin. This, along with the Federal budget cuts that will close out the SCS's River Basin Mapping and Inventory and Monitoring programs, will mean that no new vegetation inventory data will be available. No new data means that management decisions will suffer for all Alaska agencies, State and Federal, at a time when we need to make the right decisions. The planned Federal budget cuts will mean the discontinuance of these kinds of multi-resource/vegetation inventory analyses for the uninventoried River Basin Units of Alaska, which include the Yukon, Kuskokwim, Copper River, Bristol Bay, and Kobuk Basins. I understand the House has scheduled a hearing on this proposal for February 27 in Washington, D.C.

Fire Management

Reductions in the BLM fire program in Alaska will be felt by our protection organization as we are dependent on them for support. Our two organizations are extremely dependent on each other to meet the protection job for just the priority resource base. There is a direct savings in operating costs of over \$3 million to the State and nearly \$4 million to the BLM by the existing coop-agreement for protection. The use of in State forces are a critical component for both Federal and State agencies and any reduction in either organization will simply equate to over twice the cost for actual suppression.

Recent studies show that Alaska is now at the minimum level for organization requirements for fire suppression. Additional reductions will not only cost more dollars in suppression, but lives and property will be lost.

State and Private Forestry

Loss of the ability of the U.S. Forest Service to provide forest management and utilization funding will impact the State technical assistance to Alaska's forest industry. New developing industries need help which may not be forthcoming.

State and Private Forestry grants are also cut, which will effect our fire suppression program. The State's fire protection responsibilities have now increased to 134 million acres. Although State appropriations cover most of the cost of program, Federal funding is a necessary component of our State's fire protection activities.

The rapid increase of insect and disease in our forests affects both the commercial productivity and scenic beauty. Elimination of the Pest Scout Program will no doubt put a heavy burden on the State to get into a program where we have no funding or expertise.

We would appreciate any direction you can provide to our Delegation so they may become aware of what these reductions will do to our State as we strive to build up the revenue base.

Fairbanks

Institute of Northern Forestry
Pacific Northwest Research Station
USDA Forest Service

Multidisciplinary Research Work Unit 1651

- a. Title: Ecology and management of taiga ecosystems in interior Alaska
- b. Mission: Develop an understanding of the ecology of forest ecosystems in interior Alaska for use in land-use planning and management.
- c. Six Problem Areas with integrated research studies between problem areas.

Problem 1. Development of a vegetation classification system which is correlated with soil and site characteristics. A standard hierarchical classification system that includes all major plant groups is essential for use by all agencies statewide.

Problem 2. Obtain understanding of the behavior and effects of fire in taiga communities in order to provide information for the development of fire management plans in interior Alaska. Majority of fires in interior are lightning caused. Eighty percent of the taiga has burned once in the last 200 years. Plant succession is strongly influenced by wildfires. Costs of fire suppression in Alaska are very costly; therefore, the capability to accurately forecast behavior of fires in various fuel types would result in substantial savings. Effects of wildfire on vegetation growth and succession and soil are being studied. Research is underway on the use of controlled burns in site preparation for regeneration and wildlife habitat management.

Problem 3. There is a need for methods for the regeneration of white spruce and harvesting impacts on the white spruce ecosystem. Methods for regenerating white spruce in upland forests have been developed with soil scarification required; however, regeneration methods and white spruce growth information is lacking for floodplain or river bottom forest. An interdisciplinary study is underway on an island in the Tanana River in order to determine forest management alternatives for white spruce on floodplain sites.

Problem 4. The relation of host and site characteristics to damage by the spruce beetle and major tree defoliators is needed. Spruce beetle outbreaks have infested 240,000 areas of white spruce annually during the last 10 years. The lack of forest management in the Chugach NIF has lead to extensive stands of slow-growing over mature white spruce. Research is underway to develop silvicultural methods for the management of white spruce in south-central Alaska. Host resistance in relation to site is one of the

Problem 4—continued.

alternatives that is under study." The role of carbon/nutrient levels in stands of aspen and birch have been found to affect the phytotoxins (defensive chemicals) which either kill feeding insect larva or inhibit feeding.

Problem 5. The effects of timber harvest and placer mining on stream sedimentation and water quality in relation to land management planning is being researched. Stream quality and site productivity in relation to landscape stability and sedimentation production are emphasized in present studies. Both areas of watershed management research include concern with the natural undisturbed state and with consequences of resource management and landscape alteration.

Problem 6. Moose habitat and forage relationships is needed to develop habitat management guidelines for mountainous areas of Alaska. A study is underway in Denali National Park utilizing the behavior of radiocollared moose. Forage use by plant species and intake on a daily and seasonal basis will aid in the description of habitat preference by moose.

Research Work Unit 3102

- a. Title: Improving utilization of woody biomass for fiber and energy.
- b. Mission: To provide land managers with more effective tools for determining economically acceptable strategies for harvesting, utilizing, and distributing forest biomass.
- c. Three Problem Areas with Problems 1, 2 and part of Problem 3 located in Portland, Oregon.

Problem 3. Develop information for making economic and technical evaluations of converting woody biomass to energy. Biomass from clearing land for farming has not been utilized and presents a disposal problem. Utilization of biomass for energy would make land clearing for farming or forest type conversion more economical. Access to existing softwood sawtimber is needed. Markets for products potentially available from hardwood timber are also needed. Studies on lumber recovery, long term storage of wood chips, and burning wood chip with coal for electricity generation are underway.

Research Program Statistics for INF

A. Staff	<u>Payroll</u>
11 Scientists	
3 Technical support	
5 Non-technical support	
<u>19 Total</u>	<u>\$792,000</u>
5 Temporary summer employment	35,000
3 Extramural funded Cooperative Research Agreements (UAF)	25,000
<u>Total payroll allotment</u>	<u>\$852,000</u>
 B. Total FY-86 Budget	 \$1,170,000
C. Total FY-87 Budget	<u>435,000</u>
 FY-87 Reduction	 \$-73 ⁵⁰ ,000

~~n EV107 Research~~

→ 1. Eliminate:

a. Timber Management Research

Development of guidelines for managing interior forests following a multiple use concept and sustained yield basis. Guidelines for (1) natural and artificial regeneration, (2) silvicultural and timber harvesting methods, (3) productivity of fiber and forage, and (4) development of a standard Alaskan Vegetation Classification System to be used by all Natural Resource-related agencies.

b. Forest Fire Research

Development of guidelines for determining the effects of control/no-control fire suppression strategies.

Development of guidelines for using prescribed fire for wildlife habitat restoration, site preparation for natural and artificial regeneration, vegetation management, and conversion of non-productive forests to fiber and forage producing stands.

2. Research Programs Proposed for Move to Anchorage

a. Wildlife Habitat Research

Development of initial management guidelines for moose habitats in mountainous areas of interior Alaska. This includes management practices that create, protect, or enhance the mix of habitats for moose.

b. Watershed Management Research

Development of guidelines to prevent stream sedimentation and impacts on water quality from timber harvest, wildfire and prescribed fire, and general site disturbance.

c. Forest Insect Research

Development of forest management guidelines for reducing tree susceptibility to bark beetles and hardwood defoliators.

Development of non-insecticidal methods for protecting high-value trees in campgrounds, recreational and urban areas.

1. History of lab

- 1958 Research on tree physiology started
- 1962 Fire research and plant ecology (succession)
- 1962 New lab built
- 1966-1970 Research expanded to include impact of forest insects, timber management, watershed management
- 1974-1980 Wildlife management, forest genetics

2. a. Staffing - 11 professional scientists

- 3 professional support
- 5 research support services

b. Scientists include:

Silviculture, forest genetics, forest ecology, forest entomology, fire science, forest hydrology and water quality, soil science, and wildlife ecology

3. Clientele

a. Users of research results

- Alaska Department of Natural Resources (Division of Forestry and Division of Lands)
- Alaska Department of Environmental Conservation
- Alaska Department of Fish and Game
- U.S. Fish and Wildlife Service
- Soil Conservation Service
- Forest Service
- Alaska Native Corporations
- University of Alaska

4. Cooperators

-All above agencies

5. Multidisciplinary Research Work Unit

a. Title: Ecology and management of taiga ecosystems in interior Alaska

b. Mission: Develop an understanding of the ecology of forest ecosystems in interior Alaska for use in land-use planning and management.

c. Six Problem Areas with integrated research studies between problem areas.

Problem 1. Development of a vegetation classification system which is correlated with soil and site characteristics. A standard hierarchical classification system that includes all major plant groups is essential for use by all agencies statewide.

Problem 2. Obtain an understanding of the behavior and effects of fire in taiga communities in order to provide information for the development of fire management plans in interior Alaska. Majority of fires in interior are lightning caused. Eighty percent of the taiga has burned once in the last 200 years. Plant succession is strongly influenced by wildfires. Costs of fire suppression in Alaska are very costly; therefore, the capability to accurately forecast behavior of fires in various fuel types would result in substantial savings. Effects of wildfire on vegetation growth and succession and soil are being studied. Research is underway on the use of controlled burns in site preparation for regeneration and wildlife habitat management.

Problem 3. There is a need for methods for the regeneration of white spruce and harvesting impacts on the white spruce ecosystem. Methods for regenerating white spruce in upland forests have been developed with soil scarification required; however, regeneration methods and white spruce growth information is lacking for floodplain or river bottom forests. An interdisciplinary study is underway on an island in the Tanana River in order to determine forest management alternatives for white spruce on floodplain sites.

Problem 4. The relation of host and site characteristics to damage by the spruce beetle and major tree defoliators is needed. Spruce beetle outbreaks have infested 240,000 areas of white spruce annually during the last 10 years. The lack of forest management in the Chugach NF has led to extensive stands of slow-growing over mature white spruce. Research is underway to develop silvicultural methods for the management of white spruce in south central Alaska. Host resistance in relation to site is one of the alternatives that is under study. The role of carbon/nutrient levels in stands of aspen and birch have been found to affect the phytotoxins (defensive chemicals) which either kill feeding insect larva or inhibit feeding.

Problem 5. The effects of timber harvest and placer mining on stream sedimentation and water quality in relation to land management planning is being researched. Stream quality and site productivity in relation to landscape stability and sedimentation production are emphasized in present studies. Both areas of watershed management research include concern with the natural undisturbed state and with consequences of resource management and landscape alteration. A research watershed (Caribou-Poker Creek) is located 30 miles north of Fairbanks.

Problem 6. Moose habitat and forage relationships is needed to develop habitat management guidelines for mountainous areas of Alaska. A study is underway in Denali National Park utilizing the behavior of radiocollared moose. Forage use by plant species and intake on a daily and seasonal basis will aid in the description of habitat preference by moose.



RECORDS CERTIFICATION

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James O. Smith
Signature of Camera Operator

11/24/89
Date

SJR

49

Alaska State Legislature

ARLISS STURGULEWSKI, Chairman
BETTYE FAHRENKAMP, Vice Chairman
JACK COGHILL
DICK ELIASON
VIC FISCHER
RICK HALFORD
FRED ZHAROFF



P. O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4907

Senate Committee on Resources

M E M O R A N D U M

April 30, 1986

TO: All Members
Senate Resources Committee

FROM: Staff, Senate Resources Committee

RE: SJR 49 Constitutional amendment creating
Alaska Research Development Endowment

SJR 49 is a companion to SB 485 and would provide for an amendment to the Alaska Constitution to create the Alaska Research Development Endowment. This endowment is a dedicated fund composed of one-third of North Slope gas royalties to be used to support research in Alaska.

James ✓
5/2/86

Original sponsor: Health, Education and
Social Services Committee

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 CS FOR SENATE JOINT RESOLUTION NO. 49 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Proposing amendments to the Constitution
6 of the State of Alaska creating the
7 Alaska research development endowment.

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

9 * Section 1. Article IX, sec. 7, Constitution of the State of Alaska,
10 is amended to read:

11 SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or
12 license shall not be dedicated to any special purpose, except as
13 provided in Section 15 and Section 17 of this article or when required
14 by the federal government for state participation in federal programs.
15 This provision shall not prohibit the continuance of any dedication
16 for special purposes existing upon the date of ratification of this
17 section by the people of Alaska.

18 * Sec. 2. Article IX, Constitution of the State of Alaska, is amended
19 by adding a new section to read:

20 SECTION 17. ALASKA RESEARCH DEVELOPMENT ENDOWMENT. At least 20
21 percent of all royalties and royalty sale proceeds received by the
22 state from natural gas from the area north of the Alaska Range shall
23 be deposited in the Alaska research development endowment; however,
24 the total deposits from royalties and royalty sale proceeds may not
25 exceed \$1,000,000,000. These deposits shall be considered fund
26 principal and shall be invested as provided by law. Income from
27 investment of the endowment shall be available for appropriation as
28 provided by law. Appropriations may not be made from the Alaska
29 research development endowment except for research grants and the

1 costs of administration as provided by law.

2 * Sec. 3. The amendments proposed by this resolution shall be placed
3 before the voters of the state at the next general election in conformity
4 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-
5 tion laws of the state.
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James ✓
5/2/86

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Introduced: 4/21/86
Referred: Resources and
Finance

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*we need
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have
file.*

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

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2 SENATE JOINT RESOLUTION NO. 49

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4 FOURTEENTH LEGISLATURE - SECOND SESSION

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17 section by the people of Alaska.

18 * Sec. 2. Article IX, Constitution of the State of Alaska, is amended
19 by adding a new section to read:

20 SECTION 17. ALASKA RESEARCH DEVELOPMENT ENDOWMENT. At least
21 one-third of all royalties and royalty sale proceeds from North Slope
22 natural gas received by the state shall be deposited in the Alaska
23 research development endowment. All income from investment of the
24 endowment shall be deposited in the Alaska research development endow-
25 ment. Appropriations may not be made from the Alaska research devel-
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