

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

5471 SB 407 - SB 411

1042

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Chelatna Public Use Area

Agency Affected: Natural Resources
BRU: Land and Water Management

Sponsor: Sen. Kertulla and Szymanski
Requestor: Senate Comm. & Regional Affairs

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND		0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL		0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

The required management plan will be completed on a time available basis in consideration with other planning projects.

Prepared by: Janet Burleson
Division: Land and Water Management

Phone: 465-3400
Date: 3/22/88

Approved by Commissioner: [Signature]
Agency: Natural Resources

Date: _____

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

LAND USE DESIGNATIONS

Designations in CAPITAL LETTERS are primary designations, those in lower case letters are secondary designations; areas shown with stars * are proposed for legislative or administrative designation. Statements in *italics* indicate whether areas are open or closed to mineral location and coal leasing; all areas are available for oil and gas leasing.

MGT. UNIT 1 – YENTNA RIVER LAND SALES

- 1a SETTLEMENT (past remote parcel offering); forestry, public recreation, wildlife habitat; *Closed*
- 1b SETTLEMENT; forestry, public recreation, wildlife habitat; *Closed Prior to Disposal*

MGT. UNIT 2 – FAIRVIEW MOUNTAINS

- 2 MINERALS, WILDLIFE HABITAT, public recreation; *Open*

MGT. UNIT 3 – CHELATNA LAKE/LAKE CREEK

- *3 PUBLIC REC., WATER RESOURCES, WILDLIFE HAB.; forestry; *Closed*

MGT. UNIT 4 – WETLANDS

- 4 WATER RESOURCES, WILDLIFE HAB.; remote cabins; *Open Except Along Selected Streams*

MGT. UNIT 5 – YENLO HILLS

- 5a WILDLIFE HABITAT, public recreation; *Open Except Along Selected Streams*
- 5b PUBLIC REC., SETTLEMENT, WILDLIFE HABITAT; forestry; *Open Except Along Selected Streams & Settlement Area Closed Prior to Disposal*



MGT. UNIT 6 – KAHILTNA RIVER

- 6a WATER RESOURCES, WILDLIFE HABITAT, forestry; *Open*
- 6b SETTLEMENT; forestry, wildlife hab.; *Closed Prior to Disposal*
- *6c WATER RESOURCES, WILDLIFE HAB.; forestry, public rec.; *Open*

MGT. UNIT 7 – PETERS HILLS

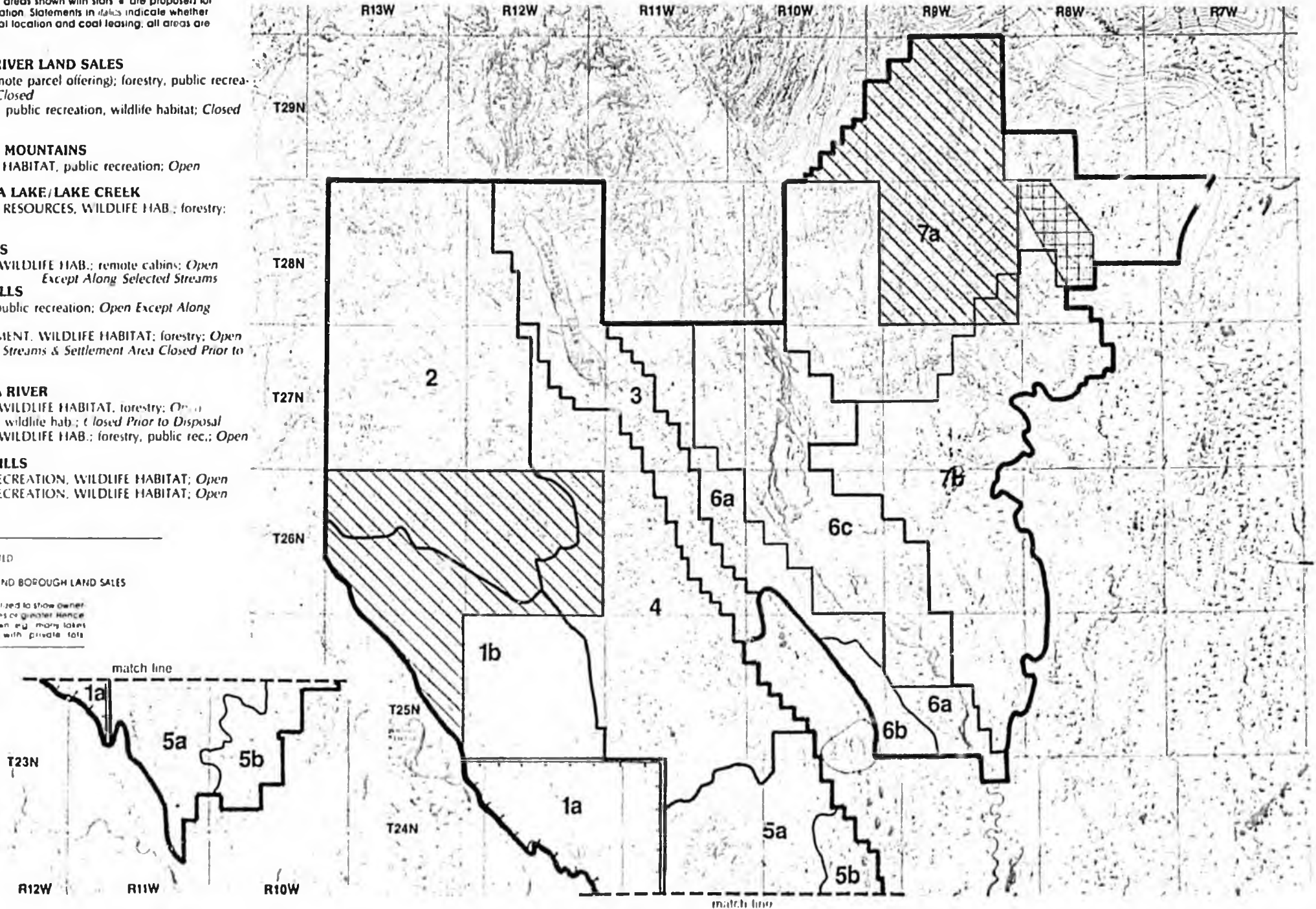
- 7a MINERALS, PUBLIC RECREATION, WILDLIFE HABITAT; *Open*
- *7b FORESTRY, PUBLIC RECREATION, WILDLIFE HABITAT; *Open*

LAND STATUS

-  FEDERAL
-  STATE SELECTED
-  STATE
-  PAST STATE AND BOROUGH LAND SALES

NOTE: This information has been generalized to show ownership in blocks of approximately 320 acres or greater. Hence many smaller private lots are not shown (e.g. many lakes which appear public are ringed with private lots).

SUNFLOWER BASIN



Map Scale 1:250,000
 U.S.G.S. Quads:
 Talkeetna

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STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

February 22, 1988

SUBJECT: Sectional analysis of proposed
CSSB 410 (Resources)
(version 5-1821 L)

TO: Senator Dick Eliason

FROM: Theresa L. Bannister ^{TS}
Legislative Counsel

You have requested a sectional analysis of the above described bill.

As a preliminary matter, note that a sectional analysis or summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1. Sec. 16.10.480(a) authorizes the Department of Fish and Game under certain circumstances to contract with another person for the person to operate a state-owned hatchery or for the person to operate the hatchery cooperatively with the state.

Sec. 16.10.480(b) requires the department, when selecting a contractor to operate a state-owned hatchery, to give a preference to the regional association organized under AS 16.10.380 that is located in the region of the hatchery. Directs the department not to contract with the preferred regional association if it determines that the association doesn't meet its criteria, and in that case, to procure the contract under AS 36.30 after considering the association's recommendations.

Sec. 16.10.480(c) requires that the operation contract provide that the hatchery will be operated in accordance with certain statutes and regulations.

Sec. 16.10.480(d) allows the department to issue to the contractor during the contract an adult salmon harvest permit that will be sufficient to allow the contractor to recover all or part of its hatchery operating costs.

Sec. 16.10.480(e) prohibits a contract for the operation of state-owned hatchery from affecting the state's ownership of the hatchery. Declares that the contract does not affect the state's responsibility to manage the resource.

Section 2 allows the commissioner of the department to issue a permit subject to certain restrictions for the operation of a hatchery under sec. 16.10.480.

Section 3 allows the commissioner to waive the submission of an application for a permit to operate a hatchery under AS 16.10.480.

Section 4 clarifies that the subsection does not apply to a permit to operate a hatchery under AS 16.10.480.

Section 5 clarifies that an applicant for a permit to operate a state-owned hatchery under AS 16.10.480 does not have to provide certain information about the hatchery at the hearing for the permit.

Section 6 exempts the operator of a state-owned hatchery under sec. 16.10.480 from the sale requirements of the subsection to the extent that the operation contract provides differently than the section.

Section 7 provides the bill with an immediate effective date.

TLB:gc
WKG1:104

Cowper authorized the filing of a lawsuit against the National Park Service. At issue are regulations for the use and construction of cabins and other structures within Alaskan national park units. This lawsuit represents the first time that the State has brought suit over any aspect of the implementation of ANILCA and clearly signals a desire to protect the rights of Alaskan citizens' who own and use cabins within the national park system in Alaska.

THE ROLE OF OMBUDSMAN

Another role which the Commission fulfills is that of ombudsman for those citizens who may have a problem or complaint against a federal agency. The Commission can act as an intermediary between a citizen and a federal agency or manager and has, in many instances, been able to help resolve problems. The Commission has also helped agencies to avoid future problems by identifying inconsistencies and potential conflicts during the preparation of management plans.

Membership

The commission is composed of sixteen members, eight appointed by the Governor, four by the President of the Senate, and four by the Speaker of the House. Senators Fahrenkamp and Halford and Representatives Wallis and Goll serve on the commission.

Conclusion

Reauthorization of the Commission will continue to provide the citizens of Alaska with a strong advocate for their right to continue their customary and traditional uses of the federal lands in Alaska and with a "watchdog" agency to guard against erosion of those rights.

A fiscal note of \$150.0 for FY 90 is attached. The commission employs two fulltime employees.

THE PRIVATE NONPROFIT HATCHERY PROGRAM

Background

The 1974 Alaska State Legislature authorized the Commissioner of ADF&G to issue permits to PNP corporations for the operation of salmon hatcheries for ocean ranching. The intent of the program was to allow private ownership of salmon hatcheries that would contribute to the state's salmon fisheries. The cost of constructing and operating these hatcheries was to be derived from the sale of a portion of the returning fish.

The PNP Program is administered by ADF&G, FRED Division, in cooperation with the department's fisheries management divisions, to carry out statutory and regulatory responsibilities pertaining to public and private aquaculture in Alaska.

The PNP Program is responsible for:

- o strategic salmon production planning;
- o administration of the permitting process for PNP salmon hatcheries, scientific/educational aquaculture programs, and private shellfish farms;
- o development of annual operations management plans for all public and private salmon hatcheries;
- o administration and coordination of the statewide fish transport permit system;
- o coordination of technical assistance to PNP hatcheries; and
- o coordinating the development of and ADF&G relations with qualified regional aquaculture associations.

Regional Associations

The 1976 Alaska State Legislature authorized creation of regional aquaculture associations by the Commissioner of ADF&G. Regional associations are comprised of representatives of commercial fishermen and other user groups in the region, including sport fishermen, subsistence fishermen, and members of local communities. Seven regional associations have been formed:

1. Southern Southeast Regional Aquaculture Association (SSRAA)
2. Northern Southeast Regional Aquaculture Association (NSRAA)
3. Prince William Sound Aquaculture Corporation (PWSAC)

4. Cook Inlet Aquaculture Association (CIAA)
5. Lower Yukon/Kuskokwim Regional Aquaculture Association (LY/KRAA)*
6. Bristol Bay Regional Aquaculture Association (BBRAA)
7. Kodiak Regional Aquaculture Association (KRAA)

These associations cooperate with the department in developing and maintaining regional salmon production plans and in the implementation of various salmon rehabilitation and enhancement activities.

Strategic Planning

The 1976 law authorized the Commissioner to designate regions of the state for the purpose of enhancing salmon production. This same law also established the formation of regional planning teams (RPT) to develop regional salmon plans. Each RPT consists of six voting members, with three department personnel appointed by the Commissioner and three appointed by the board of directors of the appropriate regional aquaculture association. The duties and responsibilities of the RPTs have been mandated in a formal charter from the Commissioner. The responsibilities of the RPTs in developing regional comprehensive salmon plans, including provisions for public involvement in the planning process, are described in regulations. The Commissioner may also request the involvement of representatives of other federal and state agencies.

The status of planning by region follows:

1. Southern Southeast

The southern Southeast regional plans have been approved, and the team is in the plan-maintenance process.

2. Northern Southeast

The northern Southeast regional plans have been approved, and the team is in the plan-maintenance process.

3. Yakutat

No formal salmon planning activities have occurred in Yakutat since the approval of the regional plan. The plan has been accepted by the USFS as a basis for the development of land management plans applicable to the region.

* Indicates inactive regional association

4. Prince William Sound

The Prince William Sound regional plans have been approved. The team has proceeded into the plan maintenance and updating process.

5. Cook Inlet

The planning team efforts in Cook Inlet are presently directed toward watershed system planning, with a goal of assessing the capacity of specific systems to sustain and maintain significant, naturally occurring salmon stocks. Watershed system planning also includes an identification of opportunities for salmon enhancement techniques designed to strengthen existing runs and create new runs. Provisions for user-group access and harvest preferences are given primary consideration in this planning process.

6. Kodiak

The Kodiak regional plans have been approved and the RPT has proceeded into the plan-maintenance process.

7. Bristol Bay

The Bristol Bay RPT has completed the final draft of the comprehensive salmon plan for Bristol Bay. The plan is unique in that, unlike plans for other salmon production regions in Alaska, it does not concentrate on fisheries enhancement through such strategies as hatcheries; rather, it emphasizes maintenance and restoration of fish habitat and effective management practices.

8. Lower Yukon/Kuskokwim

No formal salmon planning activities are presently occurring in the Lower Yukon/Kuskokwim region.

PNP Hatchery Funding

Since 1977, funding necessary for the implementation of salmon rehabilitation and enhancement activities by PNP corporations has been obtained primarily through the Fisheries Enhancement Revolving Loan Fund administered by the Alaska Department of Commerce and Economic Development (DCED). The loan program has gone through several modifications by the Legislature, the most recent occurring in 1987. The maximal loan amount available for an individual project is \$10 million, with a payback period of up to 30 years at approximately a 9.5% interest rate. Payments and accrual of interest on these loans can be deferred for 6 to 10 years. Loans for projects not endorsed by the regional aquaculture association may also have these terms, except that they are limited to a maximum of \$1 million. Loans are available for the purpose of planning, construction, and operation of salmon rehab-

ilitation and enhancement projects, primarily salmon hatcheries. These loans are secured through collateral that may include returning hatchery fish and assessments of commercial fishermen.

A cooperative agreement between ADF&G and DCED addresses an interagency/review and coordination process regarding PNP hatchery permit applications, the alteration of previously issued PNP hatchery permits, loans related to PNP hatchery operations, or other rehabilitation and enhancement activities.

Table 6 presents cumulative state loans secured by corporations for capital construction and operations, cumulative enhancement funds returned to the regional aquaculture associations, and revenue generated during 1987 by corporate sales of returning hatchery fish. Through July 1987, \$54.5 million has been borrowed by PNP corporations. Another \$20.1 million has been generated through assessments. In 1987, PNP operators sold fish worth more than \$6.5 million to recover the cost of building and operating their hatcheries.

Program Implementation

The application procedures and standards for issuance of PNP salmon hatchery permits are defined by regulations issued in 1985.

These regulations require the completion of a management feasibility analysis by ADF&G prior to the submission of a PNP hatchery application. This analysis must be completed within 30 days after the applicant provides the information requested in 5 AAC 40.130 of the regulations. The application process takes approximately 135 days and is designed to comply with the coastal zone consistency review process established by the Governor's Office of Management and Budget.

The appropriate RPT reviews each application and makes a recommendation to the Commissioner on the application's compatibility with the regional comprehensive plan. The RPT uses review criteria that are defined in the PNP regulations.

PNP permit holders may request alterations of their permits and basic management plans, based on accumulated experience and changing conditions. The RPT may review and make a recommendation to the Commissioner on a permit alteration request. The team's review is conducted in accordance with performance standards identified in the PNP regulations.

Since the inception of the PNP Program, 25 salmon hatchery permits have been issued, and 33 applications have been either denied or withdrawn. Eighteen of the permitted PNP hatcheries are in operation and 15 had returns of adult salmon during 1987. Currently, there are eight preliminary or final applications for PNP hatchery permits under consideration. In addition, 31 scientific/educational permits for PNP research projects or

school district aquaculture programs were issued in 1987 by the Commissioner. These permits are administered by the PNP Program.

Regulations and application forms for shellfish farm permits are in the final stage of development.

Locations of operational PNP programs and remote release sites are illustrated in Figures 7, 8, and 9.

Hatchery Production

In 1987, PNP corporations estimated that 19.1 million adult salmon originally released as juveniles from corporate facilities were either harvested in common-property fisheries or returned to hatchery special harvest areas (Table 7). In Prince William Sound, returns to PNP hatcheries were estimated by the operators to have contributed over 12.6 million pink salmon to the commercial fishery. SSRAA estimates its hatcheries at Neets Bay and Whitman Lake contributed over 280,000 chum, coho, and chinook salmon to the common-property fisheries in Southeast.

Statewide production data since 1975 for combined species, including adult returns and harvests, are presented in Table 8. Preliminary estimates by the PNP corporations indicate that common-property harvests of the 1987 return were over 13.4 million fish. This represents a 200% increase over 1986 in common-property harvests. Cumulative data for chum salmon produced by PNP corporations since 1975 are presented in Table 9. Similar data for sockeye, pink, coho, and chinook salmon are presented in Tables 10, 11, 12, and 13, respectively.

Egg takes and fry or smolt stocking are regulated by ADF&G through fish transport permits (FTP), which are administered by the PNP Program. During 1987, fry and smolt releases increased to 461 million juvenile fish, an increase of over 80 million (or 21%) from 1986 levels (Table 14). 1987 egg takes for PNP hatcheries totaled over 868 million green eggs, up 346 million (or 66%) from 1986 levels. The largest egg take of 1987 was at Esther Lake Hatchery where over 314 million green pink, chum, coho, chinook, and sockeye salmon eggs were taken for incubation (Table 15). This was followed by the Valdez Fisheries Development Association's (VFDA) Solomon Gulch Hatchery with over 167 million pink, chum, and coho salmon eggs, and the PWSAC's Armin F. Koernig Hatchery with over 125 million pink salmon eggs. In southeast Alaska, the SSRAA took nearly 82 million eggs of all five species for its three hatcheries, and DIPAC took nearly 62 million pink, chum, and coho salmon eggs for its three facilities.

Significant progress was made in initiating hatchery-originated sockeye salmon production from PNP hatcheries. Releases of juvenile sockeye salmon totaled 750,000 in 1987. Sockeye salmon egg takes totaled 1.3 million eggs, an increase of 270,000 over 1986 levels. Significant increases in pink, chum, and coho

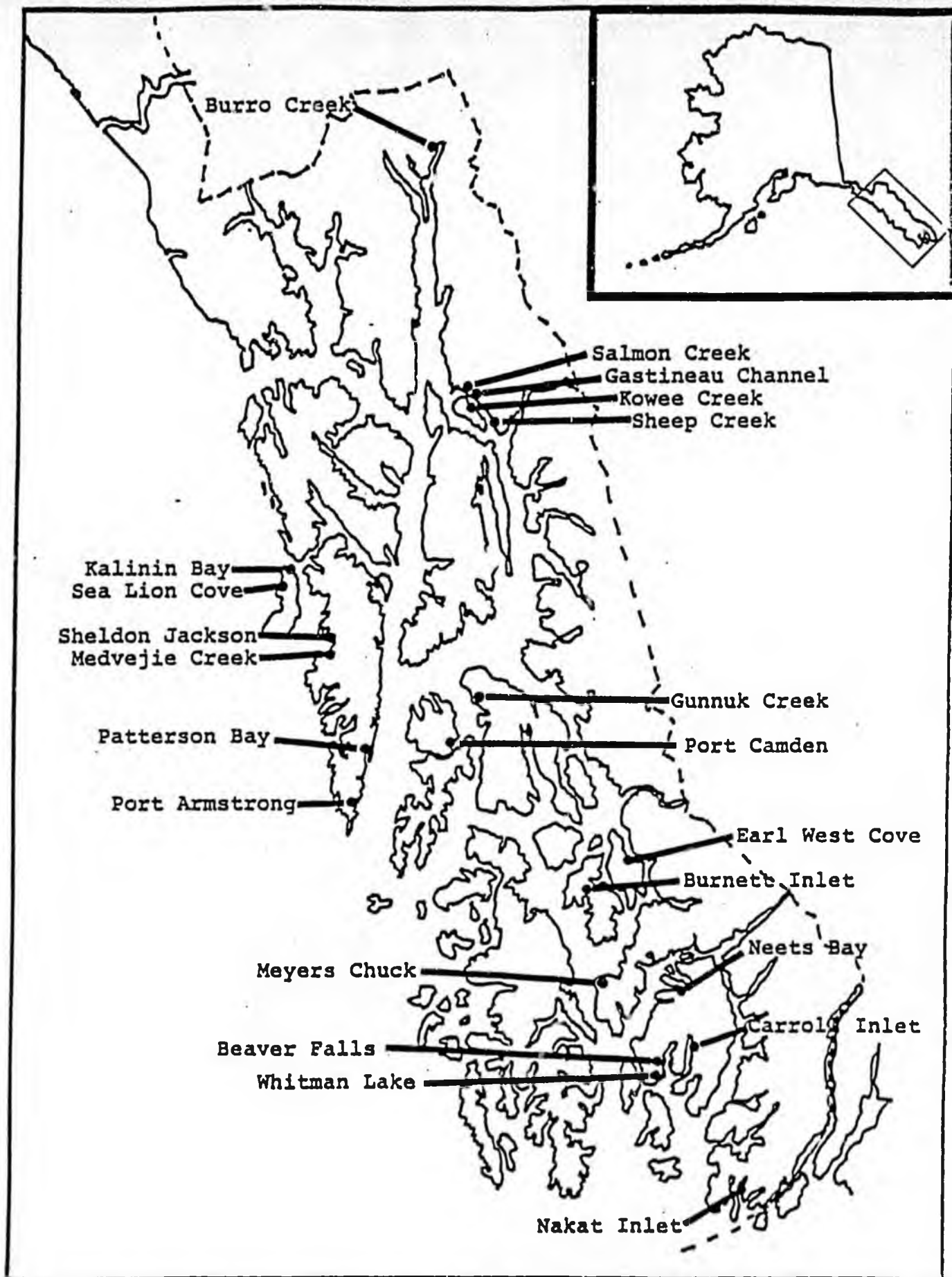


Figure 7. Locations of operational PNP hatcheries and remote release sites in southeast Alaska.

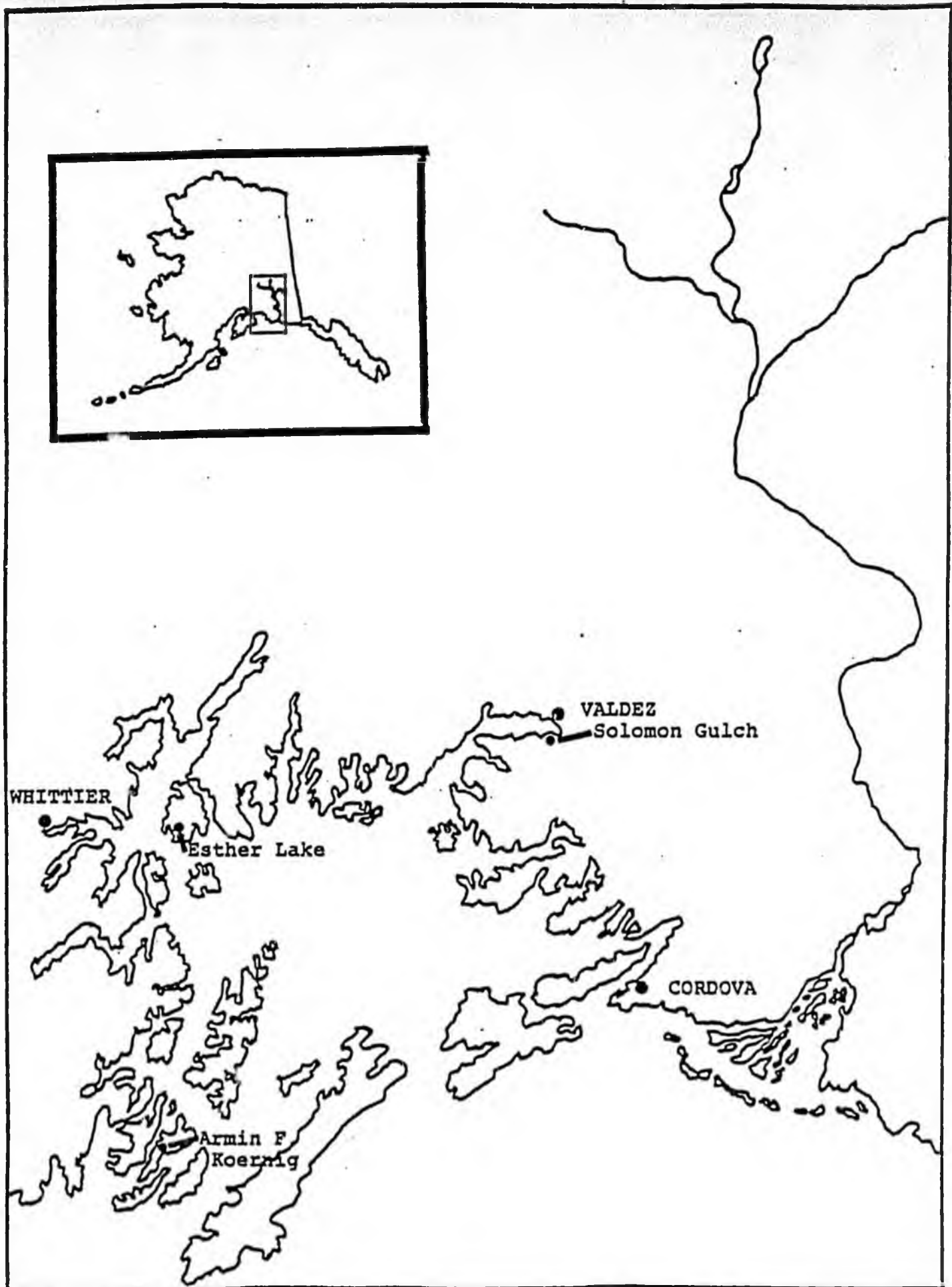


Figure 8. Locations of operational PNP hatcheries and remote release sites in Prince William Sound.

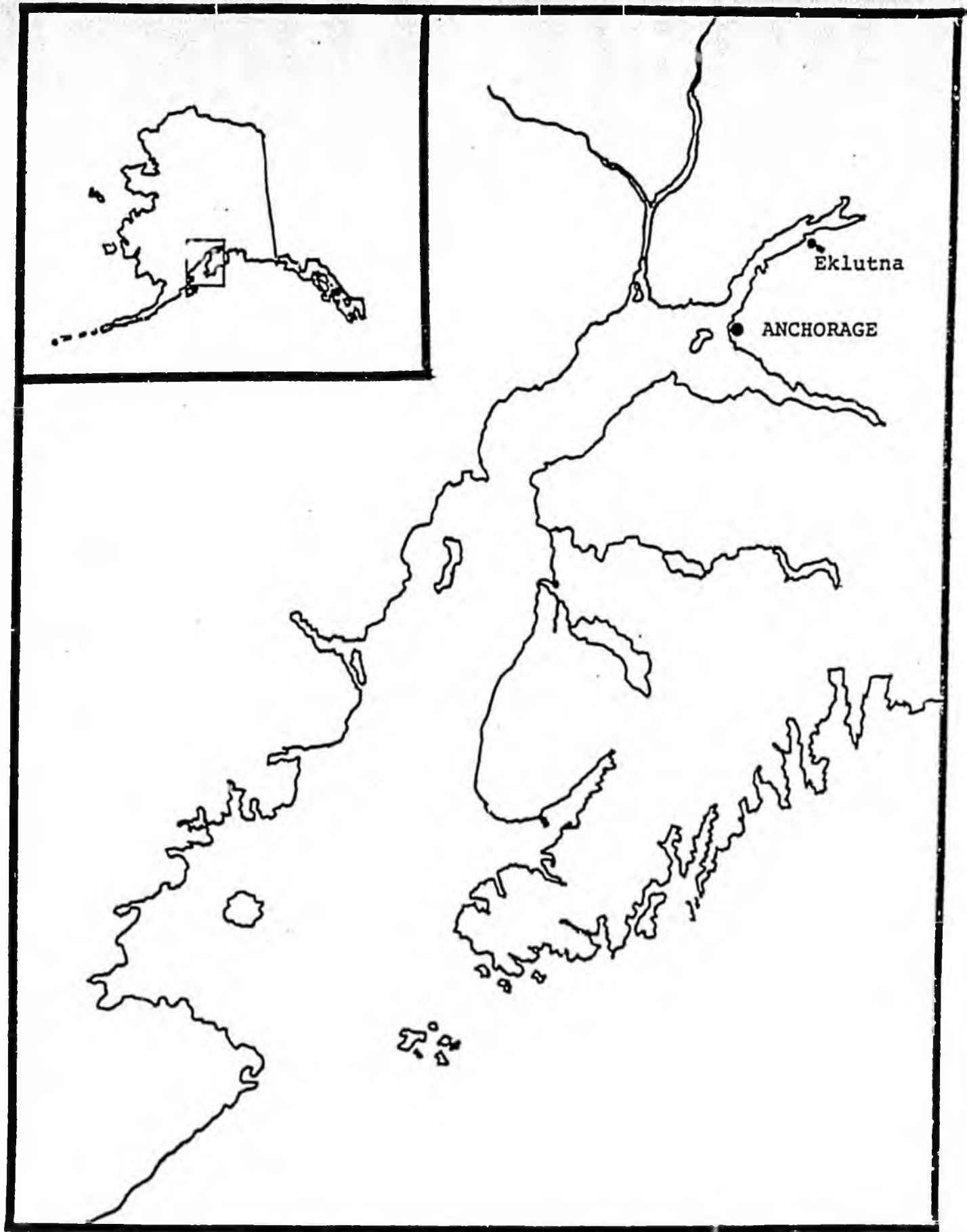


Figure 9. Location of operational PNP hatcheries in Cook Inlet.

salmon production also were made in 1987. Pink salmon egg takes increased by 293 million or 90% over 1986 levels as the Esther Lake, Solomon Gulch, and DIPAC facilities came up to capacity. Chum salmon egg takes increased by 53 million, or 29%, over 1986 levels; coho salmon egg takes increased by nearly 1.0 million, or 11%, over 1986 levels. Chinook salmon egg takes decreased for the first time in five years due to poor egg-take conditions in southeast Alaska.

Many PNP hatcheries are currently in the process of broodstock development and, consequently, have not reached their permitted capacities. Permitted capacities for PNP hatcheries now total over 1.26 billion eggs, an increase of over 129 million from 1986 levels (Table 16). Potential returns from statewide PNP hatchery-originated production at the 1.3 billion-egg level should exceed 20 million adults, assuming FRED standard assumptions of hatchery and marine survival. Exceptional marine survival, similar to that experienced during recent years, could boost adult production considerably over these estimates. Under the existing permits, approximately 52% of hatchery capacity is scheduled for pink salmon, 43% for chum salmon, and 5% for sockeye, coho, and chinook salmon.

For the 1988 season, projected returns to PNP facilities in southeast Alaska are expected to include approximately 43,000 chinook salmon, 240,000 coho salmon, 1,446,000 chum salmon, and 663,000 pink salmon, assuming standard survival conditions. Returns to PNP facilities in Prince William Sound are projected at 13,500,000 pink salmon, 343,000 chum salmon, and 14,500 coho salmon for 1988.

Significant hatchery special harvests are expected at the Armin F. Koernig, Esther Lake, Solomon Gulch, Sheldon Jackson College, Sheep Creek, Neets Bay, Port Armstrong, Burnett Inlet, and Medvejie Creek Hatcheries. Common-property terminal harvests by commercial gear groups are expected at the Neets Bay and Whitman Lake (Nakat Inlet, Carroll Inlet, and Earl West Cove) Hatcheries.

Annual Management Plans

The PNP regulations require that ADF&G prepare, in conjunction with PNF permit holders, an annual management plan (AMP) to guide hatchery operations for the succeeding calendar year.

AMPs will be developed for each state and PNP hatchery facility prior to the 1988 operating season. The AMPs will be reviewed by both the department and the RPTs before final approval by the Commissioner. The AMPs outline expected operational activities at each facility, including wild and hatchery egg takes, proposed fish and egg transports and releases, anticipated adult returns, anticipated impacts on the management of mixed-stock fisheries, and terminal-harvest management strategies. Also included are anticipated facility broodstock requirements and, in the case of PNP facilities, hatchery cost-recovery plans that identify legal

gear types for hatchery harvest and the number of fish required in order to meet capital and operating expenses.

**EXECUTIVE SUMMARY OF
1988 REPORT TO THE ALASKA STATE LEGISLATURE
ON THE FUNDING OF THE FISHERY ENHANCEMENT PROGRAM**

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FRED DIVISION

FRED 1988 Report To The Alaska State Legislature On The Funding Of The Fishery Enhancement Program

Brian J. Allee, Ph.D. Director

By the end of the 1987 Alaska legislative session, lawmakers and fishermen became aware that the budget allocation for the Fisheries Rehabilitation, Enhancement and Development (FRED) Division would reduce funding for the public hatchery program (Figure 1), and result in the shut down of several facilities. To avoid the considerable economic dislocation that would result from such a major reduction in the ocean-ranching program, emergency-funding mechanisms were explored through a cooperative effort between the Legislature, FRED Division, and the regional aquaculture associations. The Legislature de-

veloped intent language in the FY 88 ADF&G budget to encourage this cooperative effort and explore a broad range of innovative funding techniques for the fishery enhancement program.

BACKGROUND

Since the early 1900s, the dependence of salmon on favorable environmental conditions has led to dramatic fluctuations in fishing har-

vests that have produced an economically unstable fishing industry. The bust portion of this "boom-and-bust" cycle that brought total salmon harvests to less than 30 million fish could be repeated in the future (Figure 2).

In 1987, Alaskan hatcheries took over 1.3 billion Pacific salmon eggs and over 10 million trout eggs. This makes Alaska's salmon

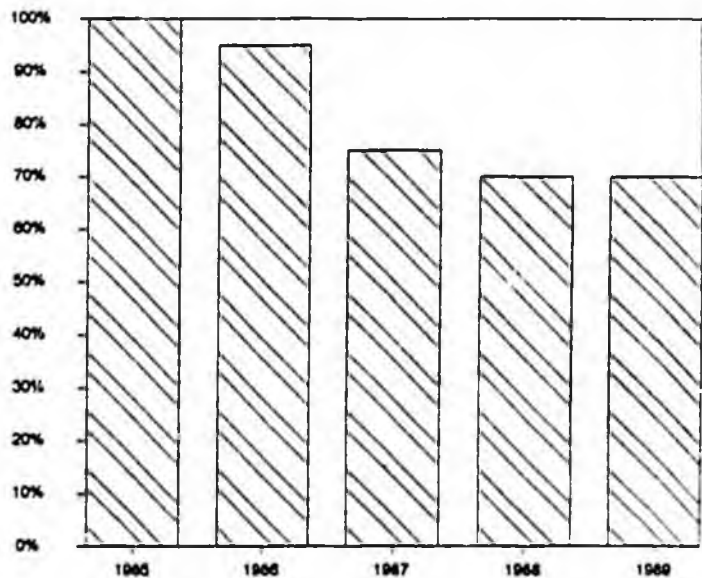


Figure 1. Decrease in General Fund to FRED Division. Percent of FY 1985 Budget. Adjusted for Inflation.

ocean-ranching program the largest in North America, approximately one-half the size of Japan's program, and approaching the size of the Russian program. The sockeye salmon enhancement program in Alaska is the largest and most technologically advanced; over 100 million eggs were taken in FY 1988.

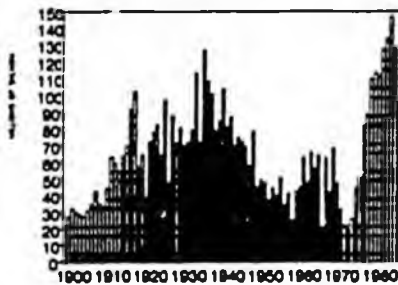


Figure 2. Alaska commercial salmon harvest from 1900 to 1987.

The fishery enhancement program in Alaska has been a tremendous biological success. In some years the number of harvested salmon resulting from Alaskan fishery enhancement has exceeded both the natural and enhanced catch produced by the State of Washington, which is the nation's second-largest salmon producer after Alaska. The combined state and PNP catch estimates equal approximately 26 million salmon in 1987 (Figure 3). This production represents roughly 20% of the total Alaska salmon harvests. Partially obscured by these numbers is the fact that

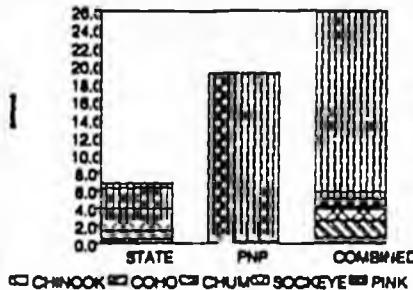


Figure 3. Alaska hatchery salmon returns in FY 1988.

the FRED facilities have focused on production of fewer, high valued species and the PNP facilities have focused on producing larger numbers of lower valued species.

In FY 89 more than 600 million salmon, steelhead, and trout eggs will be taken at state-owned hatcheries. The number of salmon eggs taken by species are shown in Figure 4. This production level will result in approximately 11 million harvested adults in the commercial fishery (Figure 5). Substantial harvests will occur in the recreational fishery also.

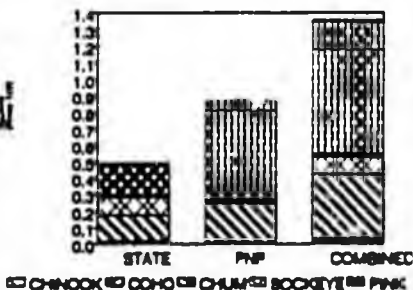


Figure 4. Alaska hatchery salmon egg takes for FY 1989.

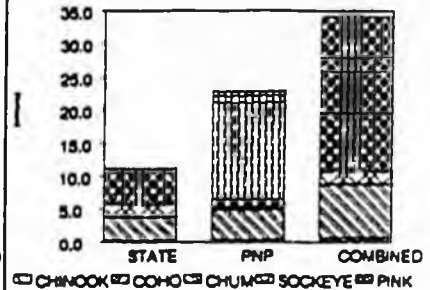


Figure 5. Projected commercial harvests from salmon egg takes in FY 1989.

The PNP salmon catch estimates for returning adults from fiscal year 1989 egg takes equal approximately 23 million. Total projected revenues to fishermen re-emphasize the trend toward higher valued species in the FRED hatchery program (Figure 6).

Currently, Alaska's ocean-ranching program is in a funding crisis. Budget cuts account for a 25% reduction in FRED Division's portion of the general fund since FY 85; in inflation-adjusted terms, FRED funding has been reduced by over 30% since FY 85.

The irony of this crisis is that with the exception of the enhancement program, few other general and capital operating budget expenditures, available to Alaska are able to improve the level of economic activity in the state, by expanding the output of the economy. In this

Gross Revenues For Alaskan Hatcheries from 1988 Egg Takes

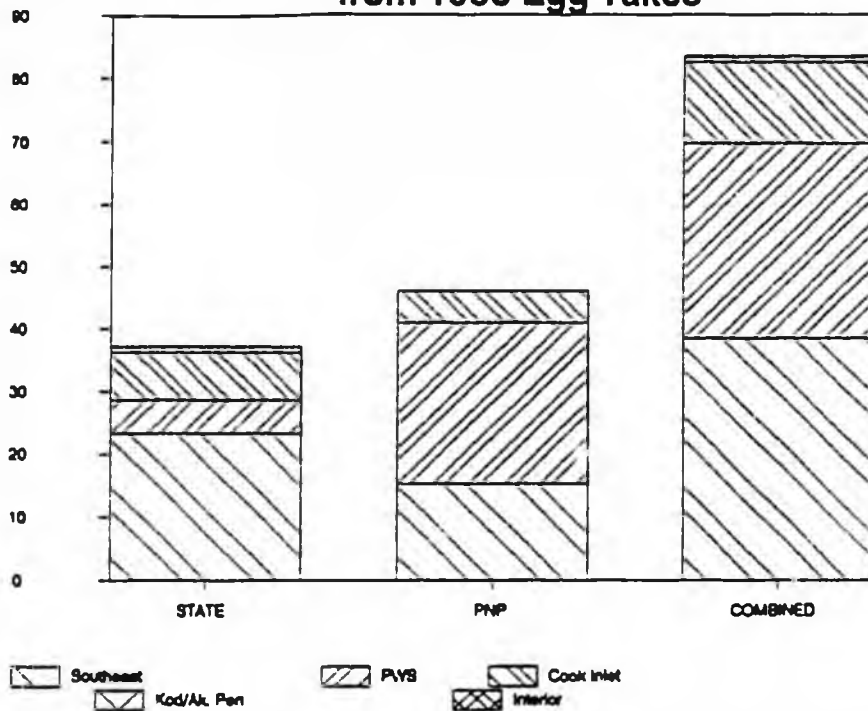


Figure 6. Projected commercial fishery revenue for hatcheries from eggs taken in FY 1989 in millions of dollars.

regard, salmon enhancement is very attractive because it offers impressive net benefits and impacts in the salmon industry and throughout the regional economies of Alaska.

In the commercial fishery, the net benefits, or profits from these projects, first accrue to the fishermen who own limited entry permits; however, the impacts of the program ripple through the general state economy. The net benefits of the commercial fishery portion of the statewide program are approximately \$90 million. This

results in an overall benefit-cost ratio of 1.4:1. This means that \$1.40 in fish values will be generated for each \$1.00 expended. Alaskans in almost all regions of the state realize increases in personal income in not only the fishing sector, but also the fish processing sector, government sector, and through service, wholesale and retail trade sectors. The impacts in terms of personal income to resident Alaskans are greater than the dollar-for-dollar impacts of typical state expenditures from the general fund, capital projects, and the permanent

fund disbursements. The FY 89 budget proposed by FRED Division would generate approximately \$35 million in resident income to Alaskans as well as 1,040 jobs. The analysis of the PNP enhancement program impacts resulting from brood year 1988 are preliminary at this time; however, preliminary estimates project approximately \$40 million in resident income and 1,100 Alaskan jobs. This economic impact analysis has been generated by a model designed by The Institute of Social and Economic Research (ISER) at the University of Alaska in Anchorage.

CONCLUSIONS

There was a clear consensus among fishermen and in the work group at large that the FRED Division should receive full funding for hatcheries from the general fund as a first priority. Most work group members acknowledged that this was the most secure way of continuing the economic net benefits of enhancement projects.

A key issue in the funding discussions was whether primary users should pay a greater share of fishery enhancement costs than now.

Fishermen groups were unanimously opposed to tax and license fees that might increase their contribution to the state treasury for fishery enhancement. The regional association representatives and fishing leaders have pointed out that existing tax revenues from the fishing industry are already large and approximately offset general fund expenditures for fishery management and enhancement. Fishermen also assert that they are large contributors to the general fund, and there should not be additional fees imposed on them. The fishing leaders explain that any additional costs of fishing may impose

financial hardships on a fleet already burdened with many costs.

The second view presented to the work group states that the salmon fishery is a common property fishery that belongs in part to all Alaskans. As with the royalty oil taxes, the residents of Alaska have a right to collect rents to the state treasury that are equal to or in excess of the amount required to manage and enhance the fishery or to find other methods of sharing costs of enhancement among the primary beneficiaries.

These are difficult issues for Alaska to sort out. It is not the intent of the FRED Division or this report to suggest which view is appropriate. The Legislature has to determine the social and economic goals it wishes to achieve with fishery enhancement. Many of the state-owned facilities were created to produce broadly distributed benefits. As such, it is difficult to find a voluntary method to shift the funding burden to a specific interest group without changing the goals and or the beneficiaries of the hatchery production. Also, the availability of funding for statewide enhancement as well as the net benefits from the state fishery enhance-

ment program could be dramatically effected by legislative action on user financing. If the legislature should choose to go forward with professional service contracts or other funding mechanisms the timing for the approach will be critical. This is because a phased reduction of the General Fund would have to be accompanied by appropriate legislation to avoid a major discontinuity of the economic benefits of hatchery production.

In the absence of full funding for the projects, the division's short term and incremental approach to future funding is the FY 89 proposed budget strategy of contracting operation of selected state hatcheries to the private non-profit sector.

The concept of contractual agreements in the FY 89 budget represents a significant shift toward a greater user participation in hatchery funding and hatchery decision making. They allow for greater user participation in financing in return for considerable additions in future harvests, net benefits to fishermen, and personal income and employment in Alaska's economy. These benefits derive from reprogramming funds that would otherwise

be spent to operate conventional, commercial fish production hatcheries. None of the parties involved in the many user group meetings opposed the use of contracting out hatcheries to the regional aquaculture associations as a short-term solution.

Since the contracts for state hatchery operation are innovative, legal or administrative obstacles may delay or stop the process. The fishing industry and the entire state economy would suffer both short- and long-term losses if the targeted hatcheries were shut down or other FRED programs were put in "mothball" status. Perhaps the Legislature could suggest other solutions to avoid these losses, such as an exemption from the new

procurement code or an amendment to the PNP statutes.

Fulfilling the requirements of the FY88 (SLA 87) legislative intent has been a highly interactive and revealing process for all participants. On one hand, the interacting with varied interests in the work group as well as developing the analytical information, has allowed us to examine funding methods open to government. On the other hand, it has shown us that implementation of effective and innovative funding methods must be incremental in nature and will require patience and cooperation of government, user groups, and the Legislature. In the final analysis, it may be possible in FY 89 and, perhaps, FY 90 to promote increased user par-

ticipation in funding fishery enhancement. Other measures have been taken to reduce FRED Division's dependence on the general fund and generate program receipts. However, in the short term, there remain no other legal and politically acceptable quick fixes that would result in larger scale reductions in FRED's operating budget without significant reductions in enhanced salmon production and considerable dislocation in the general economy.

The FRED Division believes this report should not be the end point for the funding investigation process. The division intends to continue the work group effort in designing longer term solutions.

**EXECUTIVE SUMMARY OF
FRED DIVISION ANNUAL REPORT FOR 1987**

E X E C U T I V E
S U M M A R Y

FRED DIVISION

FRED DIVISION ANNUAL REPORT FOR 1987

The Fisheries Rehabilitation, Enhancement, and Development Division (FRED) of the Alaska Department of Fish and Game came into being through legislation enacted in 1971. Its purpose is to sustain and enhance Alaskan fisheries through the development and application of technologies in supplemental production and natural stock rehabilitation. It is the major component of the state's salmon enhancement program. FRED provides many services to the state's fisheries programs through its operation of 19 hatcheries and four laboratories, its complement of technical specialists and its administration of the regional aquaculture associations. FRED is closely associated

with the Private Non-Profit (PNP) program in Alaska through its regulatory functions, its technical assistance, and its many cooperative ventures with various groups comprising the program.

Salmon production programs of both state and PNP operations are growing and contributing significantly to the fisheries and the economy of the state (Table 1). In 1987, the salmon enhance-

ment program in Alaska (see map) produced almost 26 million adults, continuing a sweeping upward trend in production (Figure 1). FRED projects produced 6.8 million salmon plus over a half million trout, char, and grayling. Of the salmon produced, approximately 78% were harvested in common property fisheries statewide. All of the non-salmon production was harvested the in sport fishery. Of the salmon pro-

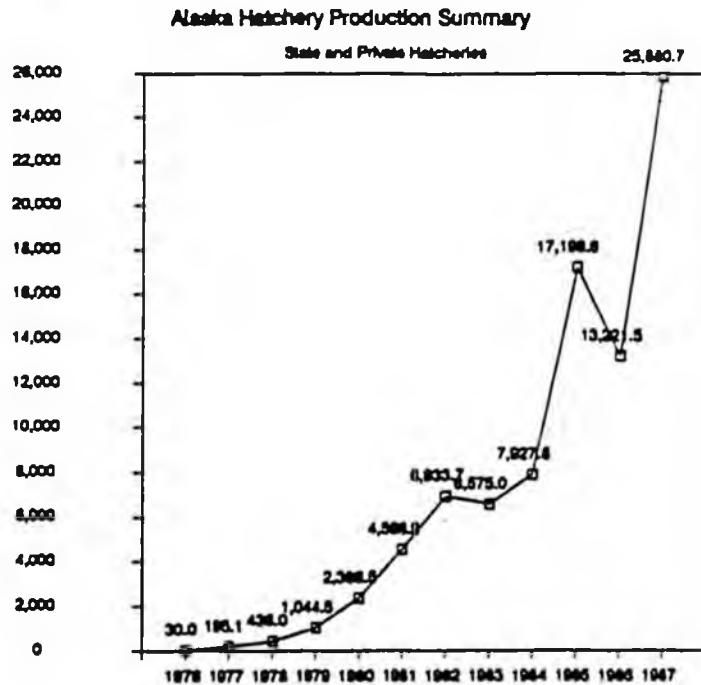


Figure 1. Alaska hatchery production in thousands of adult salmon.

volved in the recently legislated shellfish mariculture program with major feasibility studies in the Kodiak and Sitka area. Shellfish permitting and regulation activities are a part of the FRED PNP Program.

The FRED Limnology Laboratory processed over 30,000 individual water and zooplankton samples and contributed greatly to a lake fertilization program in which state, federal, and private agencies cooperated.

FRED biological staff continued evaluations of Alaska Dry Pellet (ADP), a diet designed for Alaskan salmon culture and made in Alaska. Latest results are generally excellent.

In 1987, fish hatcheries and other enhancement activities of FRED and the PNP hatchery system have been the subject of economic studies designed to ensure maximal social and economic benefits from the state's investment.

A study conducted in 1984 for the Governor's Mini-cabinet on Fisheries predicts that the statewide enhancement program will generate benefits in excess of costs in the amount of \$90 million to the Alaskan economy for just the

commercial fishery portion of the program.

A recent study utilizing an economic impact model developed by the Institute of Social and Economic Research at the University of Alaska in Anchorage suggests that the economic impact on resident income for the public and PNP program for the FY89 budget will be \$75 million in resident personal income and over 2,000 resident jobs. These impacts result from fishing industry expenditures, government expenditures, and related spending in the rest of the economy. The studies have attempted to quantify the economic impacts of the salmon ranching program to the economy, but economic impacts of the recreational fishery are not available at this time. This will step will be completed in early 1988. Thus, current estimates of personal income and employment for Fisheries Enhancement in Alaska are underestimated at this time.

1987 was a year of change and budget reduction for FRED. Under a new director, the division underwent a reorganization to bring about clarity of purpose and greater operating efficiency. Several FRED hatcheries were operated with help and

cooperation from regional aquaculture associations and fishermen groups. Serious attempts at generating new and innovative funding strategies, based upon legislative intent, met with varying levels of success. FRED led an effort to analyze the statewide enhancement program with the specific goal of defining potential short and long term funding strategies for state facilities. A short term operating plan was designed for the FY89 budget which involves contracting the operation of four FRED hatcheries to private non-profit operators. In all its activities, FRED is committed to reaching the full potential of fisheries enhancement which will support the economic and social integrity of Alaskan communities.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

E X E C U T I V E
S U M M A R Y

FRED DIVISION

FRED DIVISION ANNUAL REPORT FOR 1987

The Fisheries Rehabilitation, Enhancement, and Development Division (FRED) of the Alaska Department of Fish and Game came into being through legislation enacted in 1971. Its purpose is to sustain and enhance Alaskan fisheries through the development and application of technologies in supplemental production and natural stock rehabilitation. It is the major component of the state's salmon enhancement program. FRED provides many services to the state's fisheries programs through its operation of 19 hatcheries and four laboratories, its complement of technical specialists and its administration of the regional aquaculture associations. FRED is closely associated

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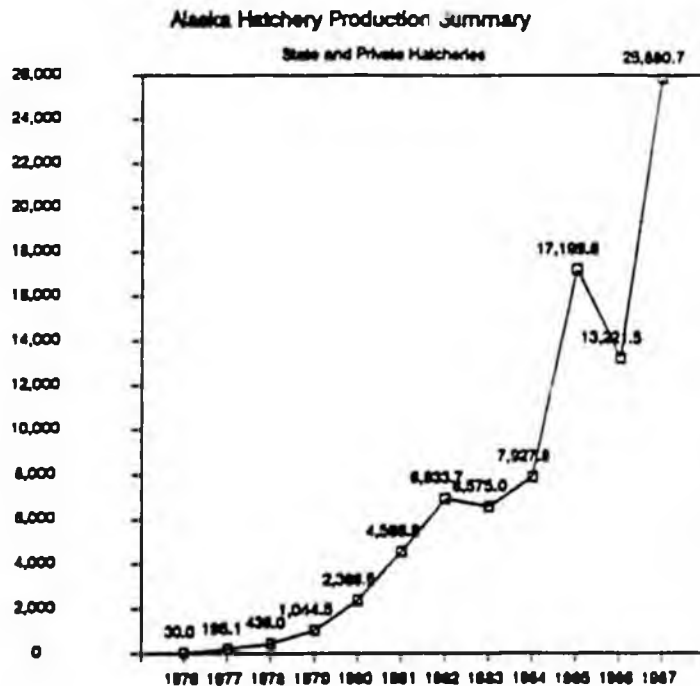


Figure 1. Alaska hatchery production in thousands of adult salmon.

duced at FRED Hatcheries in 1987, approximately 61% were pink salmon, with diminishing percentages of sockeye, chum, coho, and chinook salmon in that order. Individual PNP operators reported that their hatchery programs produced 19 million salmon. Of those salmon produced, approximately 22% were harvested in special harvests and 70% in common property harvests. PNP operators report that 94% of their production was pink salmon with diminishing percentages of chum, coho, and chinook salmon in that order. Releases and egg takes were also up in the Alaskan enhancement programs in 1987. Approximately 1.3 billion salmon eggs were taken by Alaskan hatcheries with an additional 10 million non-salmon eggs taken by FRED facilities. Almost 840 million salmon juveniles were released from state and PNP facilities in 1987 and 10 million non-salmon juveniles were released from Fred facilities.

Returns to FRED facilities in 1988 are projected to be over 7 million fish. This is about one million less than the projections for 1987, but about the same number that actually returned in 1987. The lower projection is largely due to: changing emphasis

from pink and chum salmon to coho, sockeye, and chinook salmon; effects of decreasing funding; and severe climatic conditions that have potentially affected certain pink and coho salmon runs.

Significant progress is being made in many areas of the Alaskan salmon enhancement program. Of the 26 million fish produced, approximately 18.8 million were harvested in the common property fisheries in 1987. This represents approximately 20% of the total statewide harvest in a year in which harvests of many natural stocks were down. The primary objective of enhancement production is to lessen the effect of lows in natural production. The 1987 harvest was the lowest in 8 years. Without production it would have been approximately 75 million fish instead of the 94 million that were harvested. Significant progress is also seen in chinook salmon production. The hatchery add-on to the quota of chinook salmon allowed by the U.S./ Canada Pacific Salmon Treaty was 16,000 fish -approximately 6% of the quota.

In other areas of progress, FRED is continuing its world technology leadership posi-

tion by developing sockeye salmon hatchery techniques for rearing sockeye salmon to the smolt stage in fresh water. This has never been done before. The number of sockeye salmon eggs taken, (100 million) the increasing hatchery technology, and the lake stocking and enrichment activities undertaken by FRED put it at the forefront of sockeye salmon production in the world. The coded-wire-tag (CWT) lab operated by FRED is a model of efficiency in CWT retrieval and data processing. It has hosted visitors from many areas of the Pacific northwest who are interested in emulating the successes attained by this lab in decoding tags, information storage, and dissemination of timely, accurate reports of CWT information. The FRED pathology section opened a second laboratory to better serve the salmon enhancement program, as well as other Alaskan fishery and mariculture operations.

The new lab is in Juneau and will primarily serve the southeast Alaska area. During 1987, the FRED fish pathology staff set in place a statewide infectious hematopoietic necrosis virus (IHNV) control, monitoring, and evaluation program. FRED personnel are actively in-

volved in the recently legislated shellfish mariculture program with major feasibility studies in the Kodiak and Sitka area. Shellfish permitting and regulation activities are a part of the FRED PNP Program.

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ALASKAN HATCHERIES

STATE AND PRIVATE

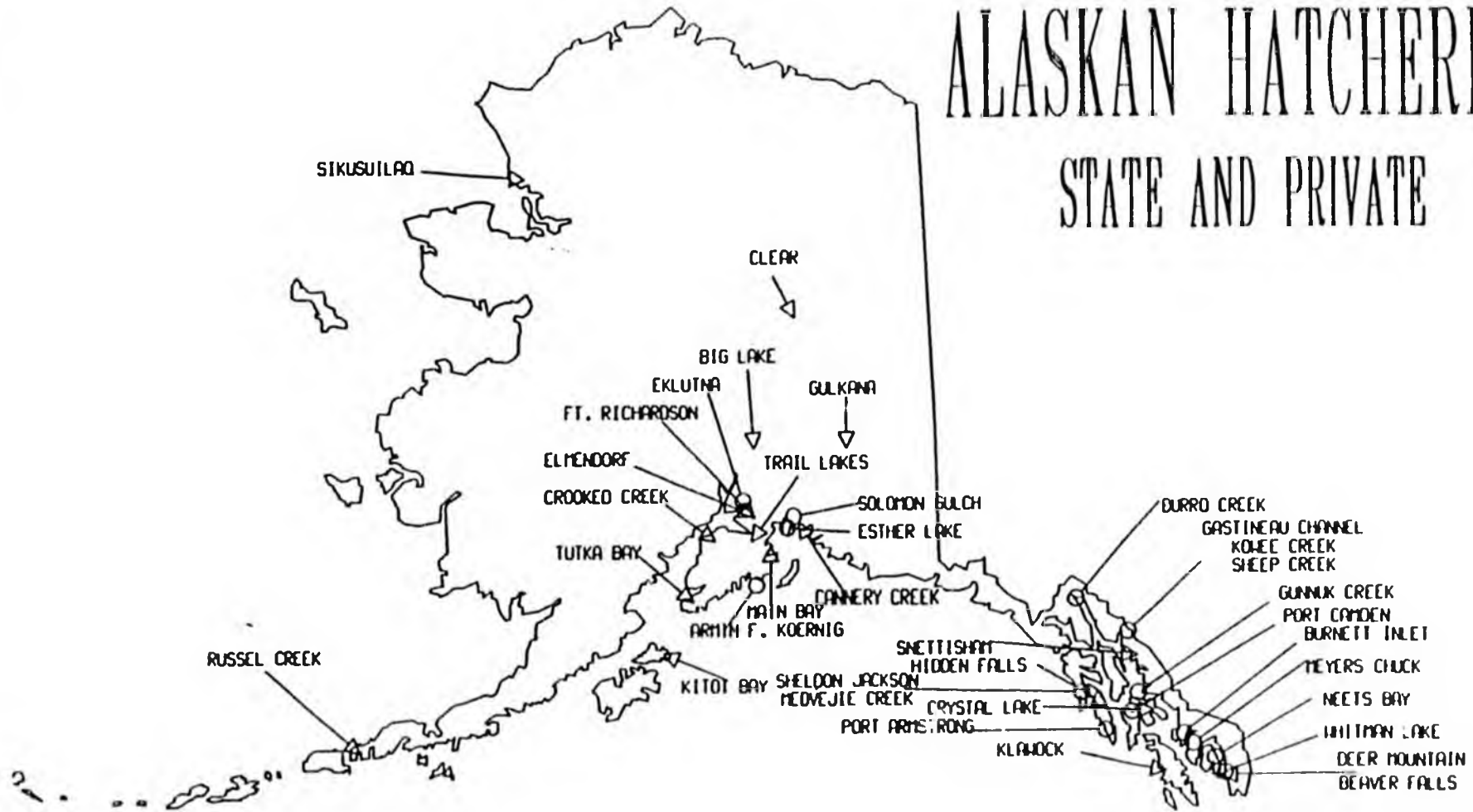
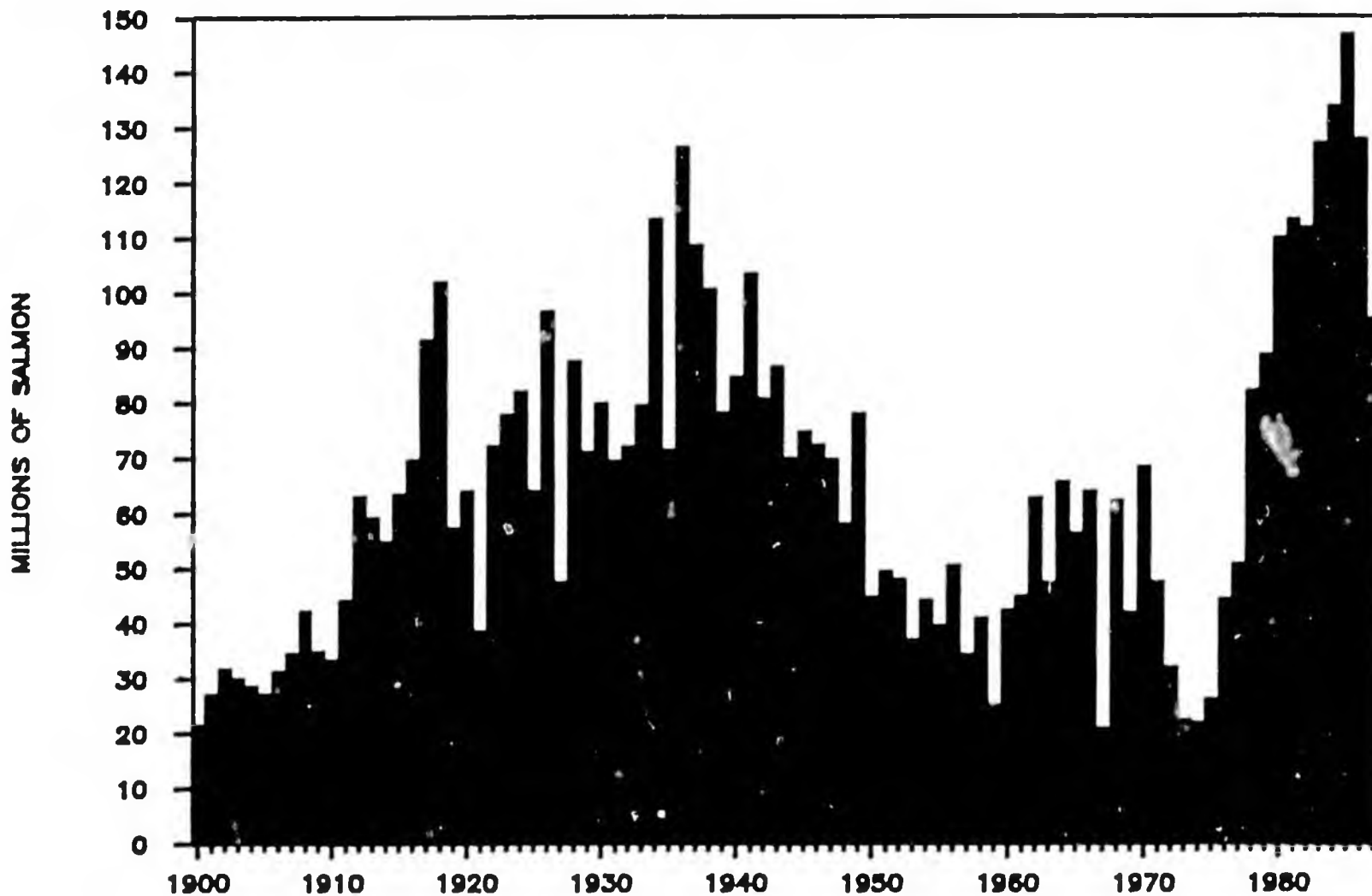


Table 1
ALASKA PRODUCTION SUMMARY 1982-87
STATE AND PNP FACILITIES

	STATE CHINOOK	COHO	CHUM	PINK	SOCKEYE	TOTAL
1982	7,935	47,896	97,366	1,389,029	51,070	1,593,296
1983	13,420	22,340	152,800	1,864,800	226,000	2,279,360
1984	17,950	58,550	777,980	1,941,000	368,300	3,163,780
1985	20,434	130,956	863,859	7,312,900	765,000	9,093,149
1986	22,467	321,856	1,179,615	2,630,220	1,163,850	5,318,008
1987	69,624	393,707	974,946	4,037,212	1,308,290	6,783,779
PNP						
1982	3,500	61,709	22,459	5,259,208	0	5,346,876
1983	872	71,781	126,783	4,086,552	0	4,285,988
1984	3,656	121,112	1,001,449	3,637,927	0	4,764,144
1985	8,181	168,427	525,088	7,404,789	0	8,106,485
1986	11,156	344,749	779,637	6,767,984	0	7,903,526
1987	8,643	169,149	955,294	17,963,785	0	19,096,871
COMBINED						
1982	11,435	109,605	119,825	6,648,237	51,070	6,940,172
1983	14,292	94,121	279,583	5,951,352	226,000	6,565,348
1984	21,606	179,662	1,779,429	5,578,927	368,300	7,927,924
1985	28,615	299,383	1,388,947	14,717,689	765,000	17,199,634
1986	33,623	666,605	1,959,252	9,398,204	1,163,850	13,221,534
1987	78,267	562,856	1,930,240	22,000,997	1,308,290	25,880,650

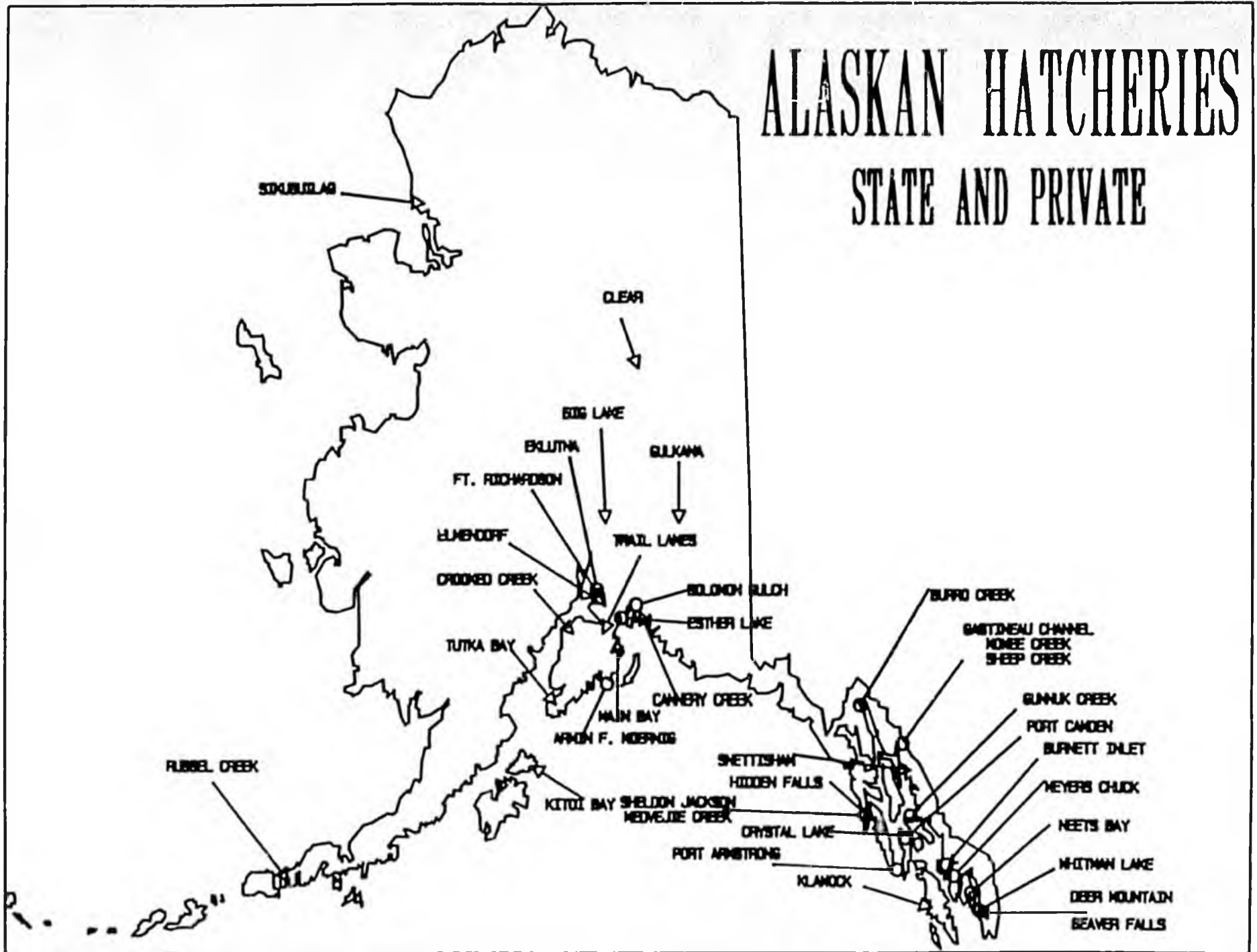
PRODUCTION FIGURES

ALASKA COMMERCIAL SALMON HARVEST



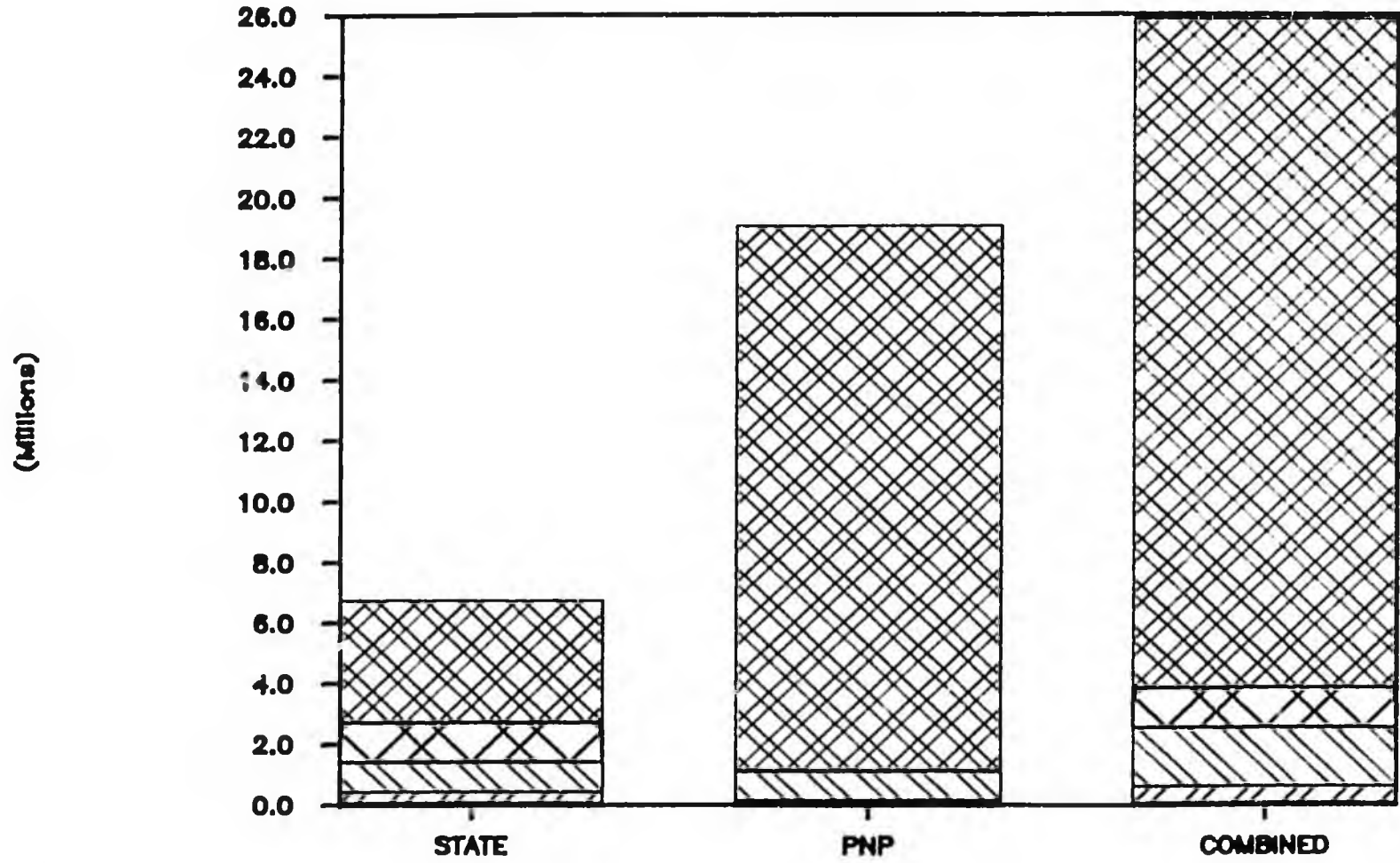
ALASKAN HATCHERIES

STATE AND PRIVATE



ALASKAN HATCHERY RETURNS 1987

SALMON



CHINOOK

COHO

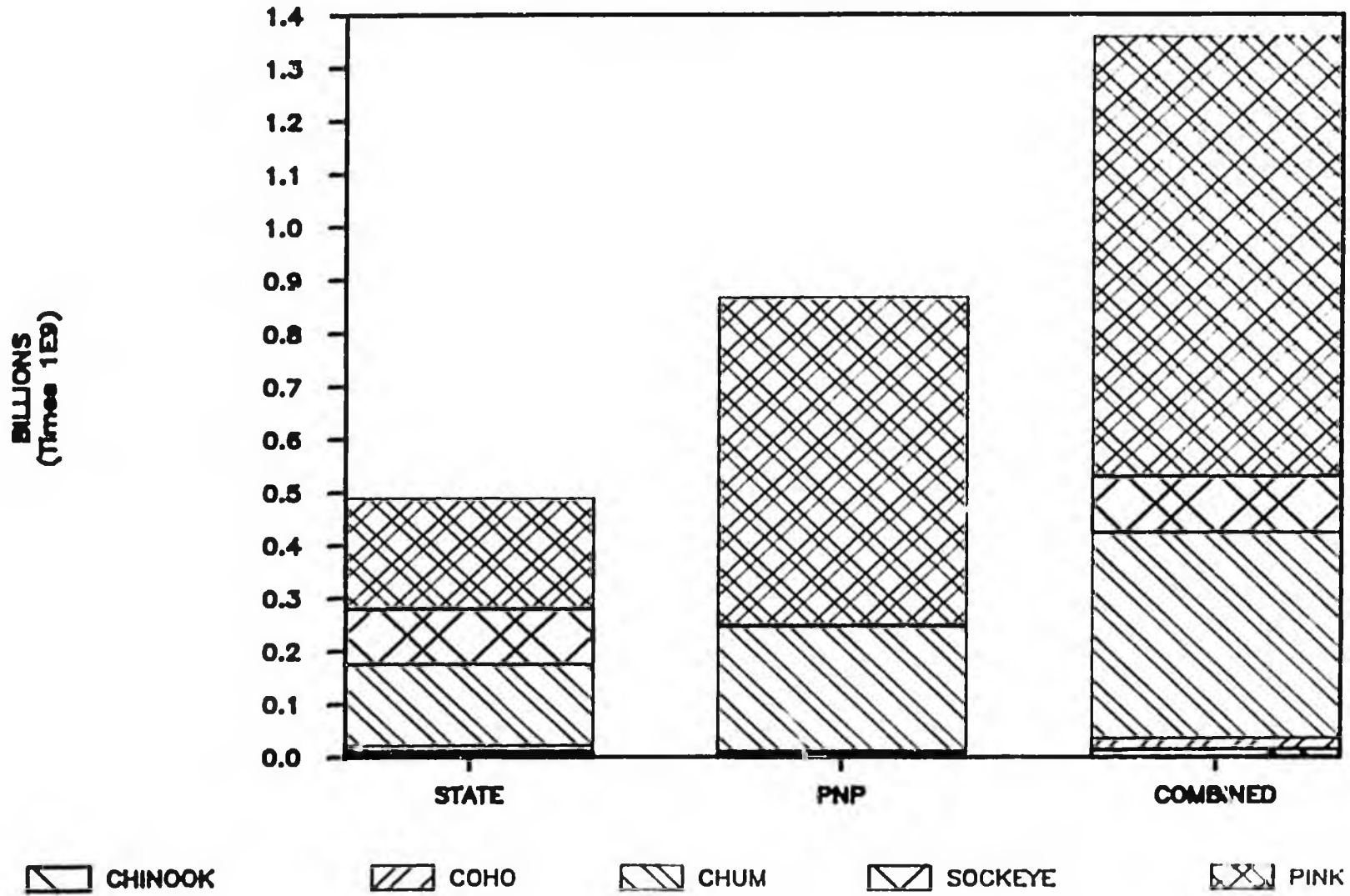
CHUM

SOCKEYE

PINK

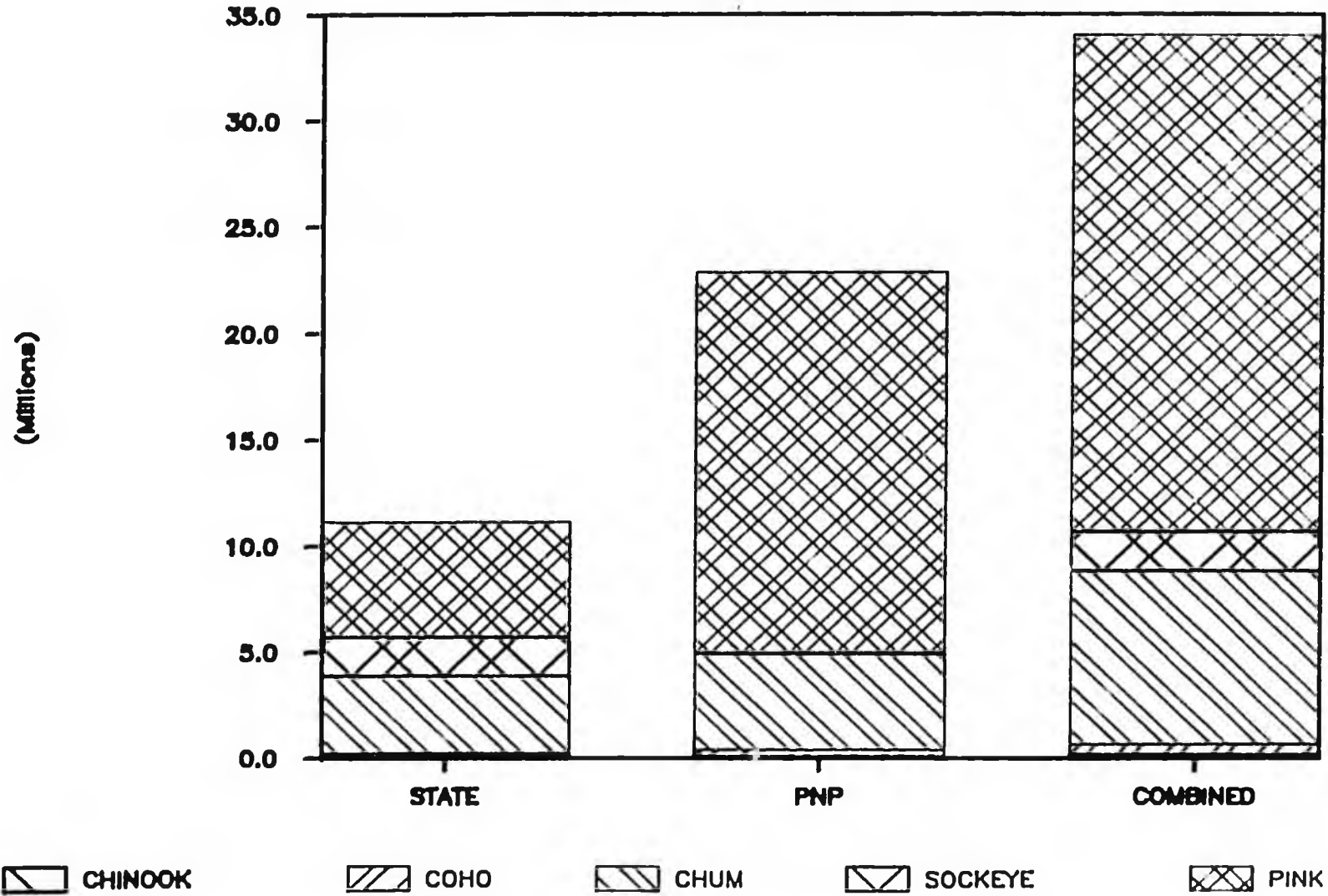
ALASKAN HATCHERY EGGTAKES 1987

SALMON



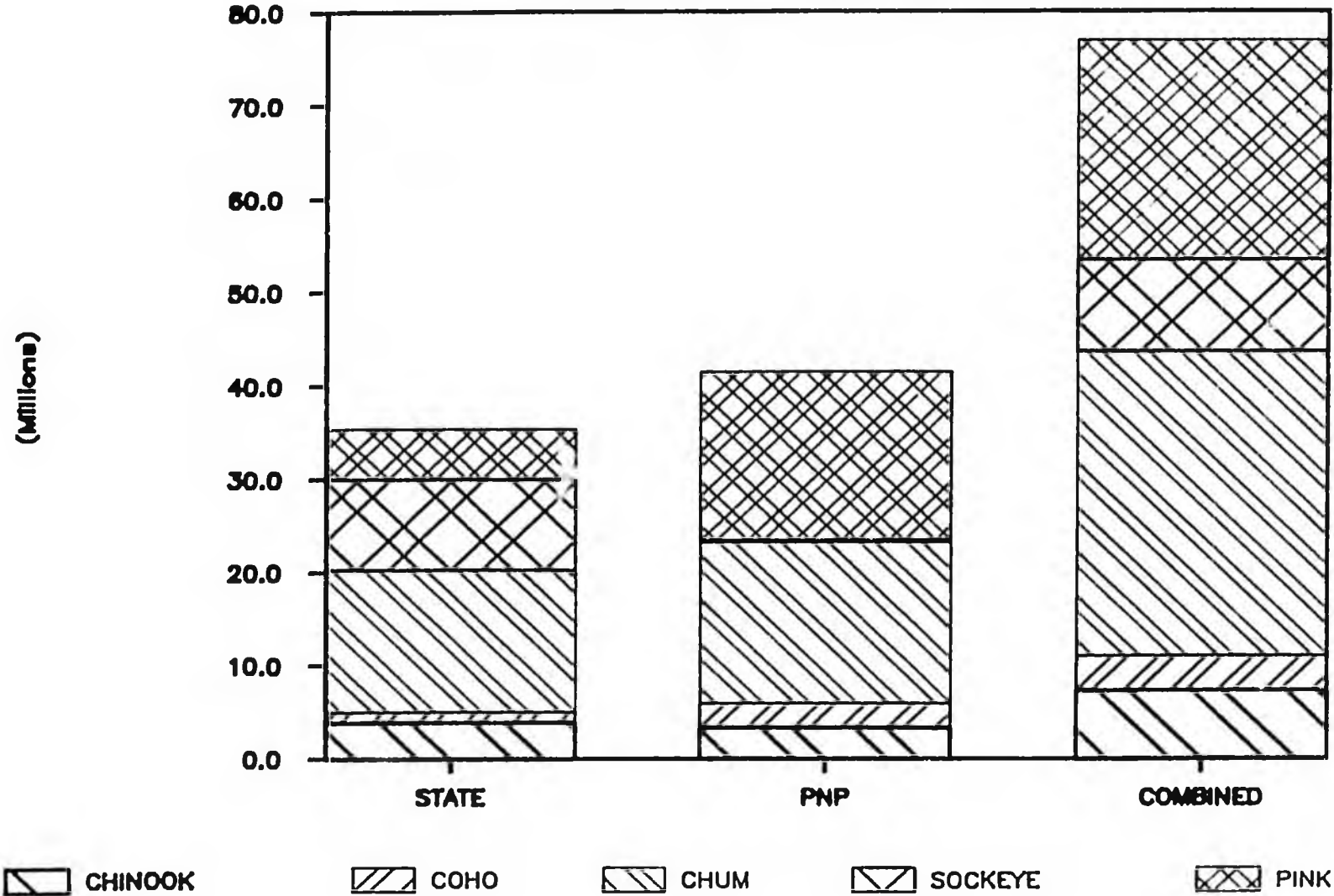
ALASKA STATE AND PNP HATCHERY PROGRAMS

PROJECTED HARVEST FROM FY89 PRODUCTION

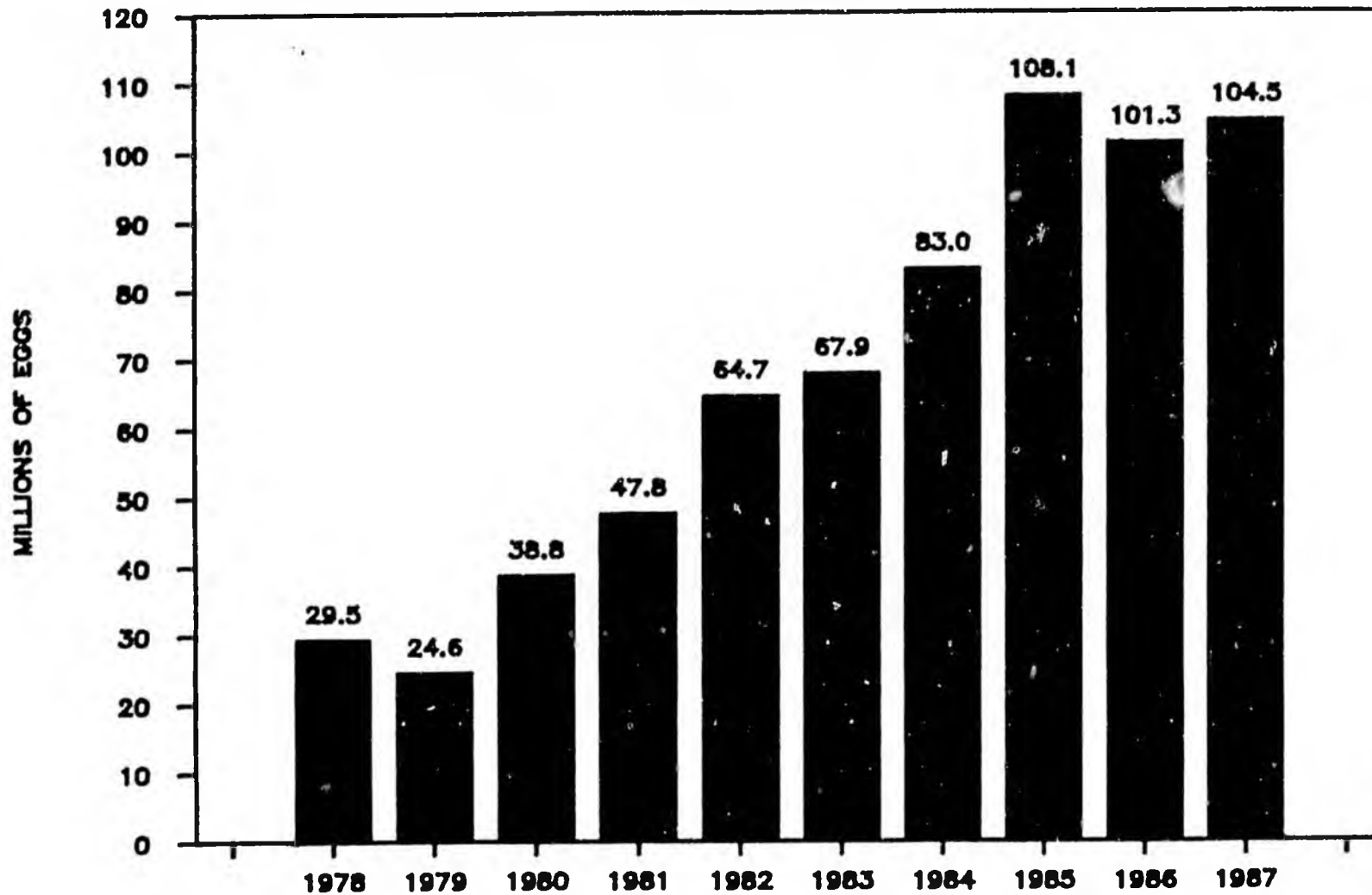


ALASKA STATE AND PNP HATCHERY PROGRAMS

PROJECTED REVENUE FROM FY89 PRODUCTION



SOCKEYE EGGS COLLECTED IN ALASKA FOR STATE FACILITIES





ECONOMIC VIABILITY OF THE STATEWIDE ENHANCEMENT PROGRAM

BENEFIT/COST ANALYSIS

**GOVERNORS MINI-CABINET ON FISHERIES PROJECTS LONG TERM BENEFITS
OF THE STATEWIDE FISHERY ENHANCEMENT PROGRAM OF :**

\$90 MILLION DOLLARS

BENEFIT / COST RATIO OF 1.4 : 1

**NET BENEFITS OVER THE 25 YEAR ECONOMIC LIFE
OF THE STUDY**

**THE NET BENEFITS DO NOT INCLUDE THE CONSIDERABLE VALUE OF
THE RECREATIONAL FISHERY**



ECONOMIC VIABILITY OF THE STATEWIDE ENHANCEMENT PROGRAM

ECONOMIC IMPACTS OF THE FISHERY ENHANCEMENT PROGRAM

**THE STATEWIDE ENHANCEMENT PROGRAM EXPANDS RESIDENT EMPLOYMENT
AND PERSONAL INCOME TO ALASKANS IN 5 REGIONS OF THE STATE**

THE IMPACTS GENERATED BY THE STATE AND PNP HATCHERIES ARE :

STATE HATCHERIES : PERSONAL INCOME : \$35 MILLION

RESIDENT EMPLOYMENT : 1030 JOBS

FISH HARVESTED : 11 MILLION SALMON

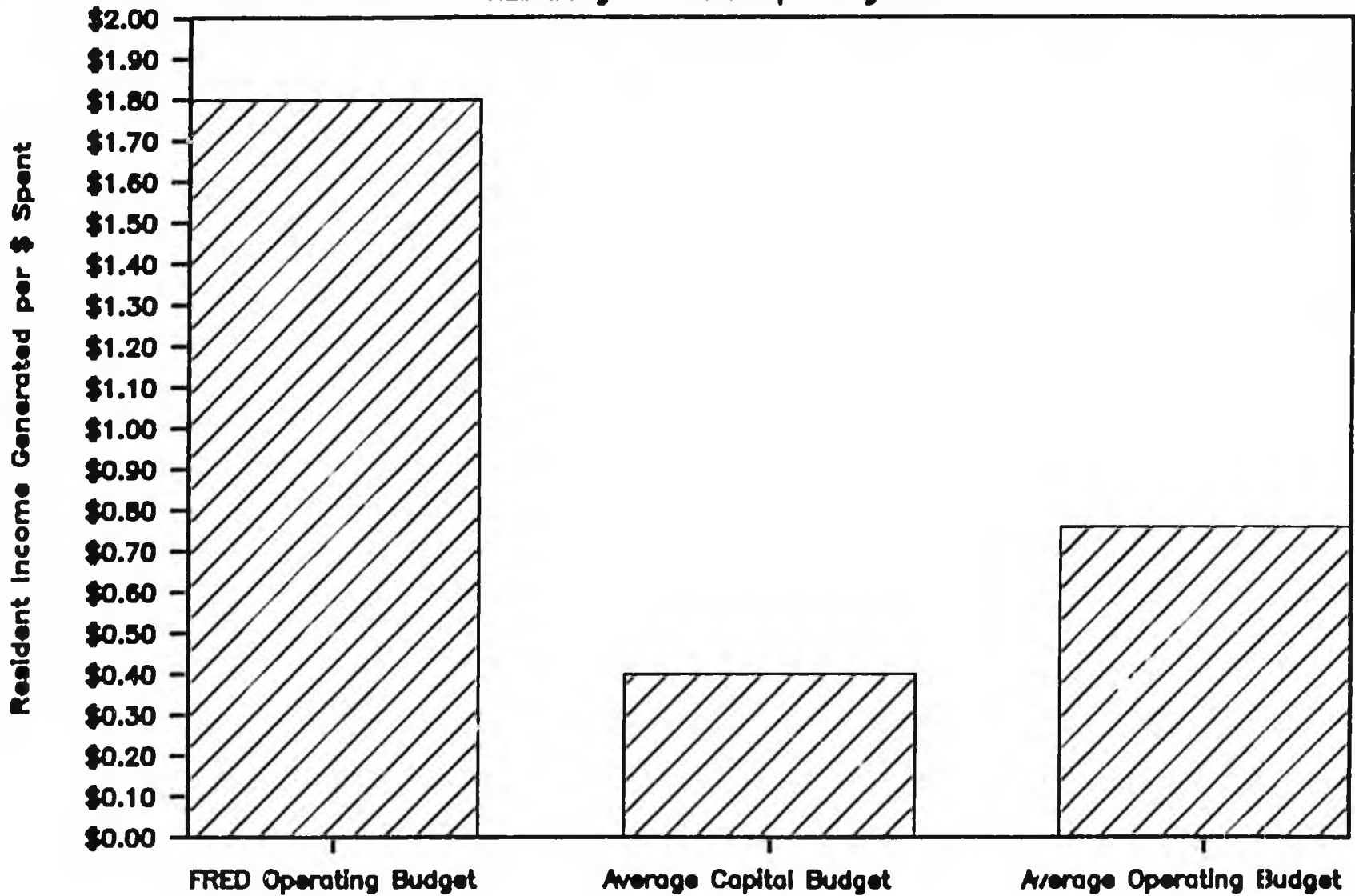
PNP HATCHERIES : PERSONAL INCOME : \$40 MILLION

RESIDENT EMPLOYMENT : 1100 JOBS

FISH HARVESTED : 23.8 MILLION SALMON

Impacts upon Alaskan Resident Income

FRED Budget vs State Operating and CIP



**LETTER FROM OMBUDSMAN
REGARDING SOLE SOURCE AUTHORITY TO NEGOTIATE**



December 23, 1987

Don Collinsworth, Commissioner
Department of Fish and Game
Post Office Box 3-2000
Juneau, Alaska 99811-1100

State of Alaska

Reply to:

3201 C Street, Suite 403
Anchorage, Alaska 99503
(907) 563-3673

P.O. Box W0
Juneau, Alaska 99811
(907) 465-4970

RE: Ombudsman Complaint J37-0811 (Closed)

Dear Commissioner Collinsworth:

The Office of the Ombudsman recently received a complaint from Dale Young against the Department of Fish and Game alleging that the department is proceeding, contrary to law, to negotiate a contract for transferring the operation of the Hidden Falls Fish Hatchery to the Northern Southeast Regional Aquaculture Association (NSRAA).

Our office has reviewed the copies of the approved Authority to Negotiate (ATN) and the Request for Alternative Procurement Method (RAPM). Your RAPM indicates two reasons for the exemption: (1) The contracting agency demonstrates that there is a single source of expertise or knowledge required, and (2) the service is provided by a political subdivision, state agency or the federal government.

Frankly, I have concerns regarding both reasons expressed in the RAPM. To begin with, it is doubtful that the Northern Southeast Regional Aquaculture Association is the only organization with the expertise and knowledge to operate the Hidden Falls Hatchery. I believe there is sufficient evidence to the contrary.

Your second reason for exemption from solicitation is that the service would be provided by a political subdivision of the State of Alaska. Section 16.10.360 of Alaska Statutes allows the formation of regional aquaculture associations, and paragraph C of that section goes on to say that a qualified regional association is established as a service area in the unincorporated borough for the purpose of providing salmon enhancement services. I am wondering if your office has sought legal advice regarding this section as the Hidden Falls Fish Hatchery is within the City and Borough of Sitka, and the NSRAA may not be empowered to operate there. Also the municipality might be interested in operating the facility directly. There is some interesting language on this subject in State, N.S.E. Regional Aquaculture Ass'n v. Alex (Alaska, 646 P.2d 203).

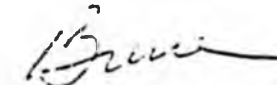
December 23, 1987

Circumventing the procedures for soliciting a professional services contract by requesting an exemption from Alaska Statutes not only leaves your department open to just criticism but also possible successful legal action.

Since this is a sole source contract there is no formal appeal procedure but I understand the complainant may contact you directly for a review, and because of this, it is considered closed in our files. I would suggest that if you have not already done so, your department take a long pause before proceeding with negotiations on this contract.

If this matter is not resolved after your review, the Office of the Ombudsman may consider investigating the significant issues raised by the complainant. If you have any question, please do not hesitate to contact me.

Sincerely,



Bruce Aronson
Acting Ombudsman

BCA:JRT:pjc

cc: Dale Young

✓Bev Reaume, Dir. Administration
Brian Allee, Dir. FRED program

FISCAL NOTE

REQUEST:

Revision Date: 2/22/88
Title: An Act relating to the operation of state hatcheries
Sponsor: Eliason
Requestor: Eliason

Agency Affected: Fish and Game
BRU: FRED
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE						
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FUNDING: (Thousands of Dollars)

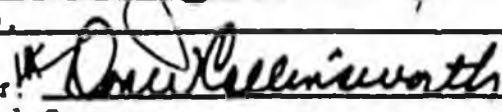
GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: 
Division: F.R.E.D. Phone: 465-4160
Date: 2/22/88

Approved by Commissioner:  Date: 2/22/88
Agency: Fish and Game

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)



STATE OF ALASKA
OFFICE OF THE GOVERNOR

BILL ANALYSIS

DEPARTMENT Fish and Game	DIVISION FRED	BILL NUMBER CS for SB 410/HB 454	SPONSOR Eliason, Jones, Kerttula/ Grussendorf
SHORT TITLE OF BILL			
DEPARTMENT POSITION The department supports this bill.			
PREPARED BY Brian J. Allee	DATE 2/22/88	COMMISSIONER'S SIGNATURE <i>Donnell Williams</i>	DATE 2-22-88

SUMMARY

OTHER AGENCIES AFFECTED BY BILL Department of Commerce and Economic Development	CONSTITUENT GROUP(S) AFFECTED BY BILL Regional aquaculture associations, commercial fishermen, sport fishermen
ORGANIZATIONAL SUPPORT FOR BILL Regional aquaculture associations, sport fishermen, commercial fishermen	ORGANIZATIONAL OPPOSITION TO BILL

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT The 1987 Legislature placed intent language in the FY 88 FRED Division budget that directed the division to develop innovative programs for hatchery operation through cooperation with the regional aquaculture associations (RAA). Contracting operations of state-owned hatcheries to RAAs was recommended by a government/public work group formed to address the intent. Building on the private nonprofit laws that have proved effective, this amendment allows FRED to cooperate with the RAAs in developing innovative

Continued on page 2.

ANALYSIS OF BILL/PROGRAM EFFECTS The committee substitute for Senate Bill 410 has incorporated all the amendments proposed by the Department of Fish and Game and has had the thorough review of the Attorney General's Office.

AMENDMENTS PROPOSED

None.

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

(Background/Legislative Intent con't.)

programs. Further, the amendment provides certain assurances to the state, which must maintain jurisdiction over the facilities, to the general public, which bonded themselves for original capital costs to construct the facilities, and to the fishery user groups who depend on the hatchery-produced fish to supplement the natural stocks in off-years. These assurances arise from the proven technical and managerial expertise of the RAAs, along with their financial capability and socially and legally acceptable practice of special harvests of hatchery returns to pay hatchery operational costs. This approach allows for continued hatchery production while reducing the impact on the general fund.



**STATE OF ALASKA
OFFICE OF THE GOVERNOR
BILL ANALYSIS**

DEPARTMENT Fish and Game	DIVISION FRED	BILL NUMBER SB 410/HB 454	SPONSOR Eliason, Jones, Kerttula, Grussendorf
SHORT TITLE OF BILL			
DEPARTMENT POSITION The department supports this bill as is.			
PREPARED BY Brian J. Allee	DATE 2/22/88	COMMISSIONER'S SIGNATURE <i>[Signature]</i>	DATE 2-22-88

SUMMARY

OTHER AGENCIES AFFECTED BY BILL Department of Commerce and Economic Development	CONSTITUENT GROUPS AFFECTED BY BILL Regional aquaculture associations, commercial fishermen, sport fishermen
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Continued on page 2.

ANALYSIS OF BILL/PROGRAM EFFECTS This bill amends existing statutes to extend a preference right to operate under contract existing state hatcheries in the same manner that qualified RAAs have for the development of undeveloped hatchery locations. This preference right for qualified RAAs to operate existing state hatcheries will allow sole source contracting for the operation of state hatcheries if the state is unable to continue due to insufficient operating funds. These contracts will stipulate that the state remain in control of the total program through a permit, a public hearing, and completion of an annual operational plan, all of which are subject to the approval of the Commissioner of the Department of Fish and Game. Additionally, the RAAs, in order to recover the cost of hatchery operations, will be able to sell salmon returning to the facility which are surplus to the common property fishery.

AMENDMENTS PROPOSED

Amend to allow the Commissioner to waive the submission of an application for a permit to operate a hatchery due to the fact that the application process is designed for new hatcheries only, and is unnecessarily time-consuming in this situation.

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

(Background/Legislative Intent con't.)

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Fish and Game reconsiders sole-source hatchery contract

By KIRK McALLISTER

THE ALASKA NEWS

1/21/88
The Office of the Ombudsman sharply criticized the Alaska Department of Fish and Game for trying to award a sole-source contract to an aquaculture group that wants to manage a state-owned fish hatchery on Baranof Island.

Fish and Game wanted to transfer management of the Hidden Falls Hatchery to the Sitka-based Northern Southeast Regional Aquaculture Association as part of an effort to cut the cost of the statewide hatchery program.

But the ombudsman's concern about running afoul of the new state procurement code caused Fish and Game to reconsider the sole-source contract, said Brian Allee, director of the Division of Fisheries Rehabilitation En-

hancement and Development.

The department will now put the management of Hidden Falls out to competitive bid, along with three other hatcheries in Prince William Sound, Kodiak Island and Cook Inlet. Contracts are expected to be final by July 1.

"There's a funding crisis in ocean ranching and turning over the management of these four facilities is a response to that," Allee said. "Our thinking was that the aquaculture associations have the financial wherewithal and expertise to operate these hatcheries."

Hidden Falls, which raises mainly chum salmon for the commercial seine fishery, is widely considered one of the best hatcheries in the state's system, which includes 19 hatcheries, 23 fish ladders, two spawning channels and four laboratories. Alaska's salmon hatchery system is

the largest in North America and one of the most technologically advanced in the world.

In 1987, state hatcheries produced about 8 million salmon, while the private non-profit hatcheries contributed about 19 million fish, according to a FRED division report. But the division has suffered a 30 percent funding cut since 1985.

"The Alaska salmon ocean ranching program has generated \$75 million and 2,000 jobs so it is also an economic development program," Allee said. "It's been a biological and economic success so we're doing what we can to keep it going."

Since 1984, Hidden Falls has produced more than 500,000 chum salmon per year, worth about \$2.5 million to the commercial seine fleet, which harvests most of the

fish. Hidden Falls was built in 1978 and began operating in 1979. The \$3 million initial construction cost was funded by a statewide bond issue.

When the ombudsman reviewed Fish and Game's justifications for asking for a sole-source contract, the legislative watchdog agency didn't buy off on the department's reasoning.

"... It is doubtful that the Northern Southeast Regional Aquaculture Association is the only organization with the expertise and knowledge to operate the Hidden Falls Hatchery," wrote Acting Ombudsman Bruce Aronson in a letter to Fish and Game commissioner Don Collinsworth. "Circumventing the procedures for soliciting a professional services contract by requesting an exemp-

Please turn to Page 8

Hatchery...

Continued from Page 1

tion from Alaska Statutes not only leaves your department open to just criticism but also possible successful legal action."

In his letter to Collinsworth, Aronson suggested that the commissioner "... take a long pause before proceeding with negotiations on this contract." Aronson also said the ombudsman may consider at a later date "investigating the significant issues raised by the complainant."

The ombudsman's letter was prompted following a complaint from Dale Young, who is no stranger to the hatchery business, having served as Southeast regional hatchery manager for Fish and Game from 1978-82.

"We're not trying to stir up trouble, we just want the state to follow the rules," said Young, who along with some partners is trying to develop a hatchery-salmon farm at Baranof Warm Springs.

Jim Cochran, who has served as the hatchery manager of Hidden Falls since it first opened, said the facility has four full-time, eight seasonal and two support workers who could lose their jobs if the state transfers management of the hatchery. He said that doesn't seem fair to him since their apparent reward for making Hidden Falls the state's top hatchery is to lose their jobs.

"It may or may not be a good management decision to contract the management of the hatchery, but what concerns me more than anything is that I can't find any justification for putting 14 employees out of work," Cochran said.

Cochran and Young have discussed submitting a bid for managing Hidden Falls, which is now possible since the bids will now be open to anyone.

Meanwhile, the change of heart by Fish and Game has left some confusion with NSR/ A, which had been negotiating for months on a contract for managing Hidden Falls.

Pete Esquire, general manager of the aquaculture association, said NSR/ A would continue to pursue the Hidden Falls contract and planned to submit a bid under the new competitive process. Under their management plan, some of the 14 current hatchery employees could keep their jobs, he said.

Esquire said his group was interested in Hidden Falls because of its value to commercial fishermen, who control the board of the aquaculture association.

"An added benefit to this is that if the state doesn't have to spend general fund money managing Hidden Falls, it can increase chum and sockeye production at Snettisham (hatchery), which would help the gillnet fleet," he said.

HIDDEN FALLS
KITOI BAY
CANNERY CREEK
TRAIL LAKES



Operated by State on \$1.4 million General Funds and \$0.5 million in other funds. Level of operation not optimal.



Operated by State at optimal levels on \$2.4 million in General Funds



State not operating but reprogramming \$1.4 million in General Funds into areas of deficiency in program.

Snettisham chum salmon increase	-\$271.2
StateWide Sockeye	-\$351.4
Snettisham Sockeye CIF	
Gulkana Expansion	
Main Bay Hatchery Sockeye	-\$151.5
Russell Creek Hatchery	-\$293.7
Crooked Creek Hatchery replace	-\$194.1
Interagency funding	
Tutka Hatchery Program	-\$ 90.0

5-1821L ✓
Bannister
2/19/88

Original sponsors: Eliason, Jones
and Kerttula

1 IN THE SENATE

2 CS FOR SENATE BILL NO. 410 ()
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the operation of state hatcher-
7 ies; and providing for an effective date."

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

9 * Section 1. AS 16.10 is amended by adding a new section to article 8
10 to read:

11 Sec. 16.10.480. CONTRACTS FOR THE OPERATION OF STATE HATCHERIES.

12 (a) If the department determines that it is unable to continue op-
13 erating a state-owned hatchery or that it is in the best interest of
14 the state to provide for the operation of the hatchery by another
15 person or by another person in cooperation with the state, the depart-
16 ment may enter into a contract for the operation or cooperative opera-
17 tion of the hatchery.

18 (b) Notwithstanding AS 36.30, when selecting a contractor under
19 (a) of this section, the department shall give a preference to the
20 regional association organized under AS 16.10.380 that is located in
21 the region in which the hatchery is located. If the department deter-
22 mines that the preferred regional association does not meet the crite-
23 ria established by the department for the contract, the department may
24 not award the contract to the preferred regional association and shall
25 procure the contract under AS 36.30 after considering the recommenda-
26 tions of the preferred regional association.

27 (c) A contract entered into under this section must provide that
28 the hatchery will be operated under AS 16.10.400 - 16.10.445 and
29 16.10.460 - 16.10.470 and the regulations adopted under those

1 sections.

2 (d) The department may issue to a contractor who operates a
3 hatchery under this section a permit to harvest adult salmon during
4 the term of the contract in a quantity sufficient to allow the con-
5 tractor to recover all or part of the contractor's costs of operating
6 the hatchery.

7 (e) A contract under this section for the operation of a
8 hatchery may not affect the state's ownership of the hatchery and does
9 not affect the state's responsibility to manage the resource.

10 * Sec. 2. AS 16.10.400(a) is amended to read:

11 (a) The commissioner or a designee may issue a permit, subject
12 to the restrictions imposed by statute or regulation under AS 16.-
13 10.400 - 16.10.470, to a nonprofit corporation organized under AS
14 10.20, after the permit application has been reviewed by the regional
15 planning team, for

16 (1) the construction and operation of a salmon hatchery;

17 (2) the operation of a hatchery under AS 16.10.480.

18 * Sec. 3. AS 16.10.400(b) is amended to read:

19 (b) The application for a permit under this section shall be on
20 a form prescribed by the department and be accompanied by an applica-
21 tion fee of \$100. The commissioner may waive the submission of an
22 application for a permit to operate a hatchery under AS 16.10.480.

23 * Sec. 4. AS 16.10.400(e) is amended to read:

24 (e) A qualified regional association formed under AS 16.10.380,
25 if it has become a nonprofit corporation under AS 10.20, has a prefer-
26 ence right to a permit under (a)(1) of this section if its proposed
27 hatchery is provided for in the comprehensive plan for that region
28 developed under AS 16.10.375 and the fresh water source exceeds one
29 cubic foot per second minimum flow. Another [ANY OTHER] local

1 nonprofit hatchery corporation approved by a qualified regional asso-
2 ciation has an identical preference right.

3 * Sec. 5. AS 16.10.410(c) is repealed and reenacted to read:

4 (c) The hearing shall be conducted by the department. At a
5 hearing for a permit under AS 16.10.400(a)(1), the applicant shall
6 present a plan for the proposed hatchery, describing the capacity of
7 the hatchery and other relevant facts that may be of interest to the
8 department or the public. Interested members of the public shall be
9 afforded an opportunity to be heard.

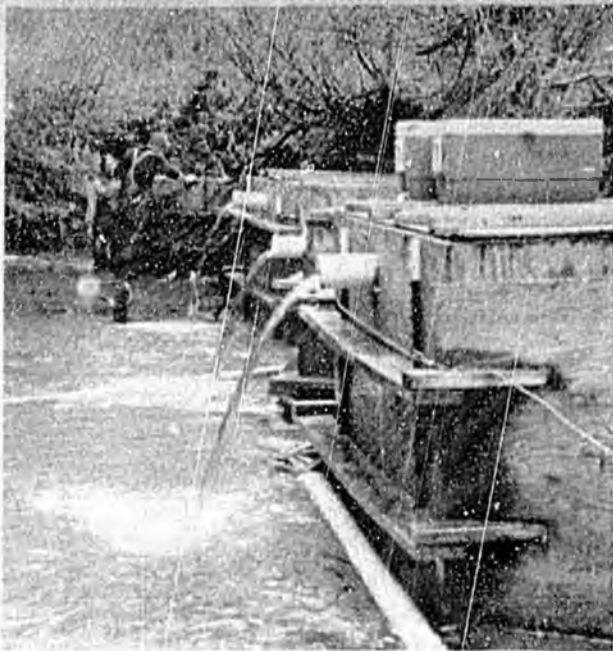
10 * Sec. 6. AS 16.10.450 is amended to read:

11 Sec. 16.10.450. SALE OF SALMON AND SALMON EGGS BY HATCHERY.

12 (a) Except as otherwise provided in a contract for the operation of a
13 hatchery under AS 16.10.480, a [A] hatchery operator who sells salmon
14 returning from the natural waters of the state, or sells salmon eggs
15 to another hatchery operating under AS 16.10.400 - 16.10.470, after
16 utilizing the funds for reasonable operating costs, including debt
17 retirement, expanding its facilities, salmon rehabilitation projects,
18 fisheries research, or [FOR] costs of operating the qualified regional
19 association for the area in which the hatchery is located, shall
20 expend the remaining funds on other fisheries activities of the qual-
21 ified regional association.

22 (b) Fish returning to hatcheries and sold for human consumption
23 shall be of comparable quality to fish harvested by commercial fisher-
24 ies in the area [,] and shall be sold at prices commensurate with the
25 current market.

26 * Sec. 7. This Act takes effect immediately under AS 01.10.070(c).
27
28
29



The five incubation boxes at 31 Mile Creek on the Klehini River have a capacity of 850,000 chum eggs. Egg to fry survival in 1986-87 was 95 percent.

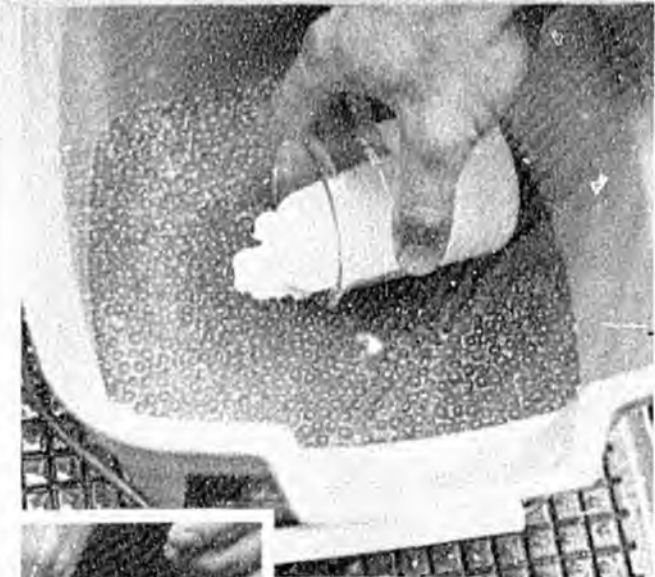


Photo by Carl Peterson



Photo by Hans Wienberg

NSRAA



**Northern
Southeast
Regional
Aquaculture
Association**

103 Monastery Street
Sitka, Alaska 99835
(907) 747-6850

NSRAA Projects

Project	Projected Returns at Capacity
Medvejie Hatchery	25,000 chinook 90,000 chum
Deep Inlet Release Site	720,000 chum
Coho Lake Rearing	50,000 coho
Takatz Bay Release Site*	720,000 chum
Haines Spawning Channel	20,000 chum
Haines Incubation Boxes	8,000 chum
Port Camden Incubation Boxes	100,000 chum
Slippery Creek Stocking*	coho unknown
St. John Creek Stocking*	coho unknown
Redoubt Lake Incubation	sockeye unknown
Earl West Cove*	12,000 chinook 16,000 coho 240,000 chum

*Cooperative Projects

theast Regional Aquaculture Association is a private non-profit cooperative established to provide returns to benefit commercial and other fishermen. It was established through an election of limited entry permit holders where the majority voted in favor of establishing the Association and taxing themselves 3 percent of their gross landings to support the organization. The only permit holders in Southeast Alaska are members of NSRAA. Revenues collected through the tax are passed from the State to NSRAA.

A mix of enhancement projects designed to aid the seine and troll fisheries of Northern Southeast Alaska (Wrangell north to Haines). These projects include the Hatcher Hatchery near Sitka, the coho lake rearing program, the Takatz remote release project, the spawning channel near Haines, and remote incubation boxes near Port Camden. In 1987, NSRAA participated in the release of 50 million fry and smolts.



The Central Incubation Facility near Sitka has a capacity for 825,000 chinook smolts; 1,000,000 coho fry for the lake rearing program and 10,000,000 chum eggs.



The coho lake rearing program stocks coho fry in barriered lakes not otherwise accessible to anadromous fish. After rearing in the lakes for a year, the smolts migrate to sea, and in another year return for fishermen to catch.

The enhancement projects undertaken by NSRAA are approved by a Board of Directors composed of commercial fishermen and other salmon user groups. User group representatives are appointed, while commercial fishermen (who compose a majority of the Board) are nominated and elected by limited entry permit holders. Funding for these projects comes from the enhancement tax, hatchery loans and from cost recovery. The State makes loan funds available to private non-profit hatcheries for hatchery construction and operation. Cost recovery involves the sale of a portion of the returning fish that enter a special harvest area near the release site. Cost recovery allows loan payback and the continuation of the project on a self-supporting basis.

All of NSRAA's activities are reviewed and approved by the Alaska Department of Fish & Game (ADF&G). As with all enhancement activities in the state, NSRAA works to find projects that are compatible with the continued health of wild stocks. Many projects are undertaken in cooperation with ADF&G, the U.S. Forest Service, and Southern Southeast Regional Aquaculture Association.

NSRAA's main office is located at 103 Monastery Street in Sitka. If you have questions about any of our activities, please contact us. Our phone number is (907) 747-6850.



Allen Edsall, a fish culturist for the Northern Southeast Regional Aquaculture Association, feeds chum fry shortly before their release last May from Deep Inlet. Photo by Bruce Bachen.



The Haines Spawning Channel, located on a small tributary of the Chilkat River, near Mile 24 of the Haines Highway, provides ideal spawning habitat for chum salmon. In 1987 the first return to the channel showed 5,000 chums spawning there, compared to 1,500 in previous years.

S B

H I I

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: SB411 Use of firearms in
state parks
Sponsor: Fanning
Requestor: Senate Resource Committee

Agency Affected: DNR - Parks
BRU: Natural Resources

Components: Park Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES		5.0	5.0	5.0	5.0	5.0
TRAVEL		1.5	1.5	1.5	1.5	1.5
CONTRACTUAL		12.0	12.0	12.0	12.0	12.0
SUPPLIES		40.0	40.0	40.0	40.0	40.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		58.5	58.5	58.5	58.5	58.5

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		58.5	58.5	58.5	58.5	58.5
FEDERAL FUNDS						
OTHER						
TOTAL		58.5	58.5	58.5	58.5	58.5

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

SB411 requires that developed park facilities be posted to inform the public of the restriction against the discharge of firearms within $\frac{1}{4}$ mile of a park facility for the purpose of public safety.

Prepared by: Jack Wiles Phone: 762-2600
Division: Parks Date: 3/3/88

Approved by Commissioner: Judith M. [Signature] Date: 3/3/88
Agency: Natural Resources

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

SB411 FISCAL NOTE

SB411 requires the posting of developed park facilities within state parks, marine parks and recreation areas. SB411 would apply to 50 of 115 park units. State parks manages over 55 campgrounds, 32 picnic areas, 60 trail-heads, 5 visitor centers and numerous other developments.

SB411 will necessitate replacing signs, installing new signs, and maintaining signs for over 200 park facilities. The cost will be significantly higher if signs must be posted around the perimeter of the $\frac{1}{4}$ mile posted area.

100 Personnel	\$	5.0
4 hrs/park unit for sign replacement installation, vandalism repair 4hrs. x 50 units x \$25/hr		
200 Travel		1.5
vehicle rental, mileage, per diem		
300 Contractural		12.0
purchase signs 200+ facilities x 4 signs/facility x \$15/sign		
400 Supplies		40.0
purchase metal telspar sign posts with sign base support and cement 800 signs x \$50/sign		

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Public Safety
 Title: "An act relating to the use of fire-arms in state parks..." BRU: Fish & Wildlife Prot.
 Sponsor: Fanning, Faiks, et al
 Requestor: Senate Resources Components: Enforcement

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
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
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REVENUE						
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FUNDING: (Thousands of Dollars)

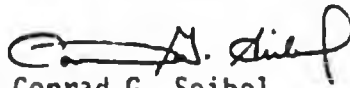
GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

No fiscal impact is anticipated.

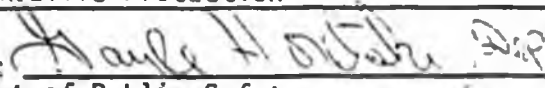


Captain Conrad G. Seibel

Prepared by: _____
 Division: Fish & Wildlife Protection

Phone: 269-5509

Date: 2/22/88

Approved by Commissioner: 
 Agency: Department of Public Safety

Date: 2-29-88

Distribution (by preparer):

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

1 IN THE SENATE

BY FANNING, FAIKS, FAHRENKAMP,
FISCHER, ABOOD, KELLY, RODEY
AND COGHILL

2

SENATE BILL NO. 411

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the use of firearms in state
7 parks, state marine parks, state wildlife preserves,
8 and state recreation areas." *refuges*

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

10 * Section 1. LEGISLATIVE FINDINGS. The legislature finds that lawful
11 hunting activities, when conducted safely, are compatible with other public
12 uses in state parks, state marine parks, state wildlife preserves, and
13 state recreation areas. The legislature further recognizes that because of
14 the wild and remote nature of many state parks and recreation areas, the
15 possession and use of a firearm may be necessary to personal safety. The
16 legislature therefore finds that a statewide policy regarding the use of
17 firearms in state parks, state marine parks, state wildlife refuges, and
18 state recreation areas is in the public interest.

19 * Sec. 2. AS 41.21.022 is repealed and reenacted to read:

20 Sec. 41.21.022. DISCHARGE OF FIREARMS. (a) The discharge of
21 firearms during lawful hunting, trapping, and fishing is permitted
22 within the boundaries of a state park, state marine park, state wild-
23 life ~~preserve~~ *refuge*, or state recreation area except that the commissioner
24 may regulate the use of a firearm or other weapon for reasons of
25 public safety within ^{1/2} ~~one~~ quarter mile of the following areas if the
26 areas are posted:

- 27 (1) a trail head;
28 (2) a boat launch;
29 (3) an improved camp site;

- 1 (4) a visitor center;
- 2 (5) a picnic area;
- 3 (6) a public use cabin;
- 4 (7) a highway wayside;
- 5 (8) a lookout on an established trail system; or
- 6 (9) a parking area.

7 (b) This section does not prohibit the use of a firearm or other
8 legally possessed weapon in defense of life anywhere within a state
9 park, state marine park, state wildlife preserve, or state recreation
10 area.

Alaska State Legislature

SENATOR KEN FANNING
PO BOX 80929
COLLEGE, ALASKA 99708




PO. BOX V—STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3880

March 1, 1988

Senate

MEMORANDUM

To: Senate Resources
Committee Members

From: Senator Ken Fanning 

Subject: SB 411 - Firearms policy in state parks

With the enactment of ANILCA and the establishment and/or expansion of Alaska's National Parks, hunters in Alaska now have approximately 32.4 million fewer acres of land on which they can hunt. On the other hand, this means that nearly 10% of all lands in Alaska have been set aside for those who may wish to avoid hunters and their activities.

Because of these huge losses, especially of prime areas for big game, it is vital that we keep our state parks open to hunting so that the overall impact to game species is spread out as much as possible, and conflicts on private lands are kept to a minimum.

However, it seems lately to have become administrative policy, at one level or another, to ease hunting out of our state parks. In Chugach State Park alone, thousands of acres of prime hunting lands have been declared off limits to firearm use through regulations adopted by the division of parks (11 AAC 20.010). In small specific portions of these areas, where there is a high visitor use during summer months, the safety to the public may dictate restrictions on the use of firearms; however, in most of the drainages now entirely closed to the use of firearms (even for personal protection from bears), there is absolutely no legitimate public safety basis for the prohibition, particularly during the fall hunting season.

Department of fish and game records verify that there is a very high density of mature Dall sheep in these areas of Chugach State Park, as well as other big game species. In fact, the carrying capacity in some of the closed areas of the sheep range are at near maximum use. With the division of parks stoppage of annual big game harvest in these areas, the department of fish and game has lost the only tool available to keep populations and sex ratios in balance.

Senate Resources Committee Members
SB 411 - Firearms in parks policy
Page 2

Perhaps no other single state park in Alaska more graphically demonstrates the need for a legislative directive regarding firearms policy than Chugach. For decads, hunting and non-consumptive activities co-existed hand in hand with no conflicts. Then what began with modest closures in areas of high use grew into an apparent disregard for Legislative policy (AS 41.21.124), as entire drainages were closed to the use of firearms. Now that this administrative trend is established, in lieu of Legislative directives closures in other state parks are almost sure to follow. With trespass incursions escalating on Native lands, state park hunting closures can only exacerbate the difficulties.

It is, indeed, time for the Legislature to reaffirm public policy in our state parks, and provide for all multiple recreational uses with a firearm safety factor based on reason and fairness.

SYNOPSIS AND ANALYSIS

OF

SB 411 - "An Act relating to the use of firearms in state parks, state marine parks, state wildlife preserves, and state recreation areas"

It is the intent of this legislation that the use of firearms will not be prohibited within the above-listed state park units, except within statutorially-prescribed areas.

Section 1 provides legislative findings that hunting activities are compatible with other uses in the park units; that due to the wild and remote nature of the park areas, use of a firearm may be necessary for personal safety; and that therefore a statewide policy allowing the use of firearms in the park units is in the public interest.

Section 2 repeals and reenacts AS 41.21.022 to say that the discharge of firearms is permitted in the park units except that the commissioner of natural resources may regulate their use within 1/4 mile of certain high traffic areas in the park units, and lists those areas.

Subsection (b) of section 2 allows the use anywhere within a park unit of a legally possessed weapon in defense of life.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400

March 2, 1988

The Honorable Jack Coghill
Chair, Senate Resources Committee
P.O. Box V
Juneau, AK 99811

Dear Senator Coghill:

Subject: SB 411 Use of firearms in state parks, state marine parks, state wildlife preserves, and state recreation areas.

Position: The department developed its regulations based on substantial public comments and feels that revising specific regulations is best achieved through the administrative process. The department would look forward to working with the Legislature with an eye to revising regulations if there were problems with current regulations either in specific areas or in general.

Background: The 1/2 mile public safety closure regulation, currently in effect, is the result of statewide public hearings held in 1984-85. Public comments ranged from seasonal closures of up to 100 yards, 1/4 mile, 1/2 mile, and 1 mile to entire closures except for bow hunting. The predominate public opinion was that the 1/2 mile closure allowed for the greatest degree of public safety while still allowing for legitimate sport hunting. For example, it is conceivable that in park units which have particularly high visitation by groups of school children, a buffer greater than 1/2 mile may be desirable.

Additionally, the department removed from the definition of developed facility the term "road." Thus, firearm discharge adjacent to roads was allowed under existing public safety statutes unless a park road was specifically closed by regulation e.g. the Seward Highway. In response to concerns from Fairbanks park users, the Chena Hot Springs road corridor, except 1/2 mile around park facilities, was opened to firearm discharge.

Recommendation: The department would like further opportunity to assess the issue of the 1/2 mile to 1/4 mile closure. Public meetings could be held this fall to

Senator Coghill

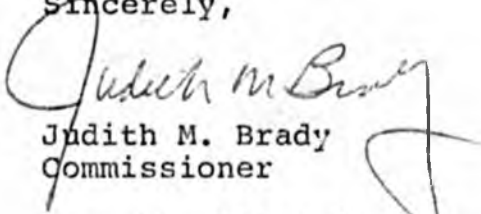
- 2 -

March 2, 1988

determine the public opinion, and new regulations could be drafted specific to park units and the conditions of those units.

The department does not feel a change, by statute, of the 1/2 mile firearm discharge regulation is appropriate statewide. Rather, this issue is appropriate for regulation because it is best determined on a unit by unit, area by area basis depending on the volume and types of traffic (hunters, school children, etc.)

Sincerely,

A handwritten signature in cursive script that reads "Judith M. Brady". The signature is written in dark ink and is positioned to the left of the typed name and title.

Judith M. Brady
Commissioner

cc: Committee Members
Bill Sponsors
Rod Swope
Bob Evans

GREENPEACE U.S.A.P. Box 104432
Anchorage, Alaska 99510

Tel. (907) 277-8234

**GREENPEACE TESTIMONY BEFORE THE SENATE RESOURCES COMMITTEE
TELECONFERENCE HEARING - MARCH 2, 1988 - Anchorage, Alaska**

SENATE BILL NOS. 411 - RELATING TO THE USE OF FIREARMS IN STATE PARKS, STATE MARINE PARKS, STATE WILDLIFE PRESERVES, AND STATE RECREATION AREAS; 398 - RELATING TO CERTAIN REPORTS AND RECORDS CONCERNING GAME ANIMALS, AND 397 - RELATING TO THE OBSTRUCTION OR HINDRANCE OF LAWFUL HUNTING, FISHING, OR TRAPPING.

My name is Cindy Lowry and I am the Alaska Field Representative for Greenpeace, an international environmental organization with over 600,000 supporters nationwide, including 1900 Alaskans.

As an organization dedicated to protecting the integrity of Alaska's diverse ecosystems and ensuring the future viability of all species in their natural habitats, we are opposed to the above mentioned Senate bills.

One of our biggest concerns with wildlife management in the State of Alaska is the lack of enforcement of game regulations. Senate Bill No. 411 stresses the compatibility of the use of firearms during lawful hunting activities, when conducted safely with other public uses in state parks, marine parks, wildlife preserves, and recreation areas.

The key words here are "during lawful hunting activities when conducted safely." As I mentioned before, the State's enforcement program is seriously deficient in both personnel and funding and I would like to know if the sponsors of this bill are seeking additional appropriations for enforcement.

There are serious ramifications associated with this bill in that it also includes marine parks and preserves. Would the discharging of a firearm be allowed in the Walrus Islands State Game Sanctuary, possibly causing the stampede and deaths of walrus. This bill would also conflict with federal laws which prohibit the shooting and harassing of marine mammals and would make it even more difficult to prosecute violators.

We also seriously question that the discharge of a firearm outside of the discretionary 1/4 mile buffer zone is compatible with the non-consumptive public use of any facility listed in the bill.

February 23, 1988

RE: Confidentiality of harvest reports
HB82/SB398

Dear Legislator,

Please allow me to point out a very critical issue you will be asked to consider.

This issue, Representative Dick Schultz's HB 82 and other similar bills, such as SB 398 will address the public access to vital information about the harvesting of our resources.

These kinds of legislation are perhaps the most dangerous acts in a democracy such as ours. It would also be very damaging to the principal that this State was founded on. That principal is that the resources of this state belong to all. It also undermines the public right to being involved in the process of allocating these resources through our advisory committees, and the board process which considers public testimony in it's deliberations.

I have lived in Delta Junction for many years and my family has been in Alaska since the turn of the century. I have some experience in This area. Let me tell you my story.

A few winters ago I became interested in methods of harvesting furbearers, and wolf control. This resource plays a vital economic role to many trappers in the area.

It became apparent, listening to the trappers in Delta, that there seemed to be some activities going on around here that were very questionable.

No one really seemed to be looking after these matters so I decided to try to find out about what was going on.

I found that there did seem to be some allegations about our local wildlife protection officer and some related stories about ADF&G involvement.

It appeared that our local biologist had authorized the local protection officer to conduct surveys of radio collared wolves in our area here using the Department of Public Safety aircraft.

At This same time, The local protection officer began to have some success at Harvesting wolves by the method of "land & shoot trapping". Also at this time, I began to hear Local trappers eye-witness accounts of aircraft herding and harrassing wolves.

Also other accounts of land & shoot activities by other local ADF&G employees came to my attention. It just so happened that these people were relatives of the local protection officer.

Surely you can appreciate my concern about these events. I became concerned that we might have a private wolf control program here, aided and abetted by the Department of Public Safety and the ADF&G. It became apparent that someone needed to concern themselves about what was really happening here.

One of the ways to confirm or deny these events would be by knowing whether or not there had even been any animals taken. The only sure way is by harvest reports.

Now, Mr. Schultz and others would subvert the public right to oversee the harvesting of the resources that are so vital to the Welfare of every citizen of this State.

Their contention is that the anti-trapping people would use this information to harass the Trappers.

There is no record of an Alaskan trapper being harassed by any anti-trapper faction that I am aware of.

However, I can tell you that there are some unsavory facts revealed by the wolf & wolverine harvest reports.

The harvest reports show that indeed those Employees of the Department of Public Safety and the ADF&G here did have a very high success rate. The protection officer had harvested around 25 wolves. And over a few short years that the total wolves harvested by this small group was around 62 wolves. All this while the conventional trappers in the area had success levels drastically lower. I'll let you draw your own conclusions, but you must see some very questionable activities.

These same reports showed other very surprising facts on my computer. The reports showed out of the large number of licensed trappers in Alaska, less than 20 people, all using the "land and shoot" method, had harvested more than 25% of this furbearing resource taken in the entire State. It also showed they were not usually people who lived in the areas where taken. They were taken, mostly, by Anchorage, Fairbanks and Kenai peninsula residents. People who would travel great distances (sometimes more than 500 miles away from their residence) to pursue their activities.

It was only with this vital information that I was able to introduce proposal #82 at the November '87 game board hearings calling for the end of land and shoot trapping on all furbearers. With these facts I was able to prove the many negative implications of this practice and my proposal was adopted (with some modification) and will be law this July.

I remember when I first started to address these concerns a Mr. Emmen of the ADF&G, said "All these people are able to show us is a diarrhea of emotion and a constipation of fact". I thought it would be more effective to use facts after that comment. And the effects of facts are indeed more positive.

Maybe these facts are the reasons Schultz and his kind don't want these records to be public information.

Ordinarily you would think that either department would be looking out for such seeming abuse.

However both departments seemed to have been compromised by some special interest groups who are bent on keeping wolves at a very low level and are willing to accept any form of taking wolves to achieve their ends.

I was able to curtail some of these activities and was only able to be effective by having access to these reports.

Perhaps My representative, Mr. Schultz, Would do better to call for legislation that would forbid employees of the state from being involved in commercial activities that are directly related to their line of duties and responsibilities during the course of their employment with the State.

I plea for your most careful consideration on these matters and hope you will do the only thing you can and kill this un-democratic legislation.

Sincerely,

Tom Dowling
2465 Milltan
Delta Junction, Alaska
99737

and outdoor recreation, Department of Natural Resources:

(8) "permit" means a written authorization to engage in uses or activities that are otherwise prohibited or restricted;

(9) "state park" means any land or water managed by the division. (Eff. 1/13/73, Reg. 44; am 5/11/85, Reg. 94)

Authority: AS 41.21.020
AS 41.21.040
AS 41.21.955

CHAPTER 20.
STATE PARK LAND AND WATER

Article

1. Chugach State Park (11 AAC 20.010-11 AAC 20.050)
2. Kachemak Bay State Park (11 AAC 20.100-11 AAC 20.120)
3. Kachemak Bay State Wilderness Park (11 AAC 20.200-11 AAC 20.220)
4. Wood-Tikchik State Park (11 AAC 20.300-11 AAC 20.390)
5. Denali State Park (11 AAC 20.400-11 AAC 20.430)
6. Caines Head State Recreation Area (11 AAC 20.440-11 AAC 20.450)
7. Chena River State Recreational Area (11 AAC 20.460-11 AAC 20.485)
8. Quartz Lake State Recreation Area (11 AAC 20.500-11 AAC 20.520)
9. Nancy Lake State Recreation Area (11 AAC 20.540-11 AAC 20.555)
10. Captain Cook State Recreation Area (11 AAC 20.600-11 AAC 20.620)
11. Chilkat State Park (11 AAC 20.650-11 AAC 20.665)
12. Alaska Marine Parks (11 AAC 20.750-11 AAC 20.765)
13. Shuyak Island State Park (11 AAC 20.800-11 AAC 20.810)
14. Kenai River Special Management Area (11 AAC 20.850-11 AAC 20.870)
15. Special Provisions (11 AAC 20.905-11 AAC 20.990)

ARTICLE 1.
CHUGACH STATE PARK

Section

10. Use of weapons
20. Off-highway vehicles
20. Aircraft
25. Power boats
30. Horses
35. Campfires
40. Snow vehicles
45. Recreational gold panning
50. Bicycles

* { 11 AAC 20.010. USE OF WEAPONS. (a) Except as provided by (b) of this section, the use and discharge of a weapon for the purpose of lawful hunting or trapping is allowed in

Chugach State Park, except within one-half mile of a developed facility.

practice landing is prohibited. (Eff. 5/11/85, Reg. 94)

Authority: AS 41.21.020
AS 41.21.040
AS 41.21.121

(b) The use and discharge of a firearm is prohibited within the following drainages:

(1) Eklutna River excluding the east fork of Eklutna River and Thunderbird Creek above Thunderbird Falls;

11 AAC 20.025. POWER BOATS. The use of power boats is allowed in Chugach State Park on Eklutna Lake. (Eff. 5/11/85, Reg. 94)

Authority: AS 41.21.020
AS 41.21.040
AS 41.21.121

(2) Eagle River and all tributary drainages downstream from the gorge located at the southwest corner of Section 24, T13N, R1E, S.M.;

11 AAC 20.030. HORSES. (a) The use of horses, mules, and burros is allowed in Chugach State Park, except for

(1) designated campgrounds, swim beaches, and picnic areas;

(3) all forks of Campbell Creek;

(4) Rabbit Creek;

(5) McHugh Creek; and

(2) the Eagle River Valley from Crow Pass to the Eagle River Visitor Center, except by permit from the director under 11 AAC 18.010;

(3) Meadow Creek Drainage;

(4) the Old Johnson Trail from Potter to Indian;

(5) Section 29, T12N, R2W, S.M., west of the powerline easement, except that one trail between the powerline easement and the Glen Alps parking lot will be designated for summer use of horses;

(6) Flattop Mountain Trails; and

(7) all trails in the Hillside Trail System (North Fork of Campbell Creek to and including Rabbit Creek), which may be closed seasonally to horse use to control break-up problems and use conflicts with ski trails.

(b) The use of horses, mules, and burros is subject to the following conditions:

(1) groups using 10 or more animals must obtain authorization from the director under 11 AAC 18.010 before entering the state park;

(2) tethering horses, mules, or burros within 100 feet of fresh water is prohibited;

(6) Rainbow Creek. (Eff. 1/16/74, Reg. 48; am 8/11/80, Reg. 75; am 5/11/85, Reg. 94)

Authority: AS 41.21.020 AS 41.21.040
AS 41.21.022 AS 41.21.121

11 AAC 20.015. OFF-HIGHWAY VEHICLES.

(a) The use of off-highway vehicles is allowed in Chugach State Park only on Eklutna Lake Road and logging trails in Bird Creek Valley.

(b) No person may operate an off-highway vehicle from 12:01 a.m. Thursday through 11:59 p.m. Saturday on Eklutna Lake Road. (Eff. 5/11/85, Reg. 94)

Authority: AS 41.21.020
AS 41.21.040
AS 41.21.121

11 AAC 20.020. AIRCRAFT. (a) Except as provided by (b) of this section, the use of aircraft is allowed in Chugach State Park on

(1) Bold airstrip located at the inlet of Eklutna Lake;

(2) Mirror Lake; and

(3) Eklutna Lake.

(b) The use of aircraft for the purpose of

(10) "state park land" means the state land managed by the division and designated for use as public recreation land and includes waysides, recreation areas, parks and historic sites;

(11) "state park" means any land or water managed by the division;

(12) "vehicle" means any device for carrying persons or objects over land, water, or through the air, including automobiles, snow-machines, bicycles, off-road vehicles, motorized boats, and aircraft;

(13) "firearm" includes a pistol, rifle, shotgun, revolver, mechanical, gas, or air-operated gun;

* { (14) "weapon" includes a bow and arrow, slingshot, crossbow, or firearm;

(15) "developed facility" includes a boat ramp, campground, picnic area, rest area, visitor information center, swim beach, trailhead, road, parking area, or developed ski area;

(16) "stationary gear" means gear set from or retrieved to the shore above mean low tide, or operated on the shore between mean low and high tide, including set gill nets and beach seines. (Eff. 8/1/68, Reg. 27; am 1/13/73, Reg. 44; am 5/11/85, Reg. 94; am 8/10/86, Reg. 99)

Authority: AS 41.21.020
AS 41.21.040
AS 41.21.955

MEMORANDUM

State of Alaska

TO Judith E. Marquez, Director
Division of Parks
DNK - Anchorage

DATE: November 19, 1982

FILE NO: A66-379-82

TELEPHONE NO:

FROM Wilson L. Condon
Attorney General
By: *Claire Steffens/af*
Claire Steffens
Assistant Attorney General
AGO-Anchorage

SUBJECT: Regulation of
Firearms Discharge in
State Parks

The Division of Parks has requested our advice respecting its authority to regulate the discharge of firearms in state parks.

QUESTIONS PRESENTED

To what extent may the Division of Parks regulate the discharge of firearms within areas under its jurisdiction? Subsumed in this inquiry are the additional questions of whether legislative repeal of AS 11.55.050 invalidated regulation 11 AAC 12.190 1/ which prohibits the discharge of "mechanical or air-operated guns" in all state parks; and whether the term "firearms" is included within the meaning of "mechanical or air-operated guns" in 11 AAC 12.190.

CONCLUSIONS

The State legislature has delegated to the Department of Natural Resources the authority to regulate the discharge of firearms within all areas under the jurisdiction of the division of parks to the extent necessary to accomplish the purposes for

1/ It has been brought to our attention that a staff member of the Office of the Ombudsman has suggested, in connection with certain hunting incidents in Denali State Park, that 11 AAC 12.190 is invalid as lacking statutory foundation and, in any event, as not applying to the discharge of "firearms". For the reasons set forth in this memorandum of advice, we disagree with these views.

which state parks and recreational areas have been created. AS 41.20.010 - .040.

Legislative repeal of AS 11.55.050 did not invalidate 11 AAC 12.190. The statutory foundation for 11 AAC 12.190 exists in AS 41.20.010-.020 which mandates the creation and development of a system of parks fostered, inter alia, for the general health, welfare and enjoyment of Alaskans and for the attraction of visitors to the state.

The prohibition against discharging "mechanical or air-operated guns" in 11 AAC 12.190 includes the discharge of "firearms".

ANALYSIS

A. Authority of the Division of Parks to Regulate the Discharge of Firearms in State Parks

The general provisions granting authority to the Department of Natural Resources 2/ to acquire, develop and maintain state parks and recreational areas are contained in AS 41, Chapter 20. 3/

2/ AS 41.20.040 authorizes the Department of Natural Resources to establish a separate division to perform functions related to parks and recreational facilities, thus giving rise to the division of parks.

3/ Article VIII, Section 7 of the Constitution of Alaska provides:

Special Purpose Sites. The legislature may provide for the acquisition of sites, objects, and areas of natural beauty or of historic, cultural, recreational, or scientific value. It may reserve them from the public domain and provide for their administration and preservation for the use, enjoyment, and welfare of the people.

1. Legislative Authority.

The legislatively declared purpose of the provisions of Chapter 20 is:

[t]o foster the growth and development of a system of parks and recreational facilities and opportunities in the state, for the general health, welfare, education and welfare, education, and enjoyment of its citizens and for the attraction of visitors to the state.

AS 41.20.010.

In pertinent part, AS 41.20.020 provides:

The Department of Natural Resources shall ...

(2) plan for and develop a system of state parks and recreational facilities, to be established as the Legislature authorizes and directs; ...

(4) control, develop and maintain state parks and recreational areas;

(5) provide for the acquisition, care, and control, supervision, improvement, development, extension and maintenance of public recreational lands, and make necessary arrangements, contracts or commitments for the improvement and development of lands acquired under §§10-40 of this chapter;

The broad language of these provisions supplies the division of parks with ample authority to regulate the discharge of firearms on lands and waters under its jurisdiction.^{4/} Moreover, the expressly stated purpose of establishing state parks and recreational facilities "for the general health, welfare, education, and enjoyment of its citizens and for the attraction of visitors to the state" compels this conclusion as the purpose of establishing state parks and recreational areas would be thwarted were the authority to regulate firearms discharge absent. In addition to the statutory provisions cited, there exists implied authority to do what is reasonably necessary to achieve the general purposes for which these areas are reserved.^{5/}

Except where limited by other statutes dealing with specific state parks or recreational areas, the legislative mandates of AS 41.20.020 apply to all areas within the jurisdiction of the division of parks. Where the legislature has enacted statutes concerning specific state parks or recreational areas, the further purposes and authority expressed within those statutes also may authorize the division to regulate the discharge of firearms within those parks or recreational areas.

2. Some Limitations on the Division's Authority.

It is important to note that the division of parks does not have authority directly to prohibit hunting in areas within its jurisdiction. However, the division does have the authority to prohibit all discharge of firearms or to restrict the circumstances of their discharge, whether the discharge of the

4/ Additional authority for the regulation of the discharge of firearms in state parks and recreational areas may be contained in AS 41.20.020(1), (7) and (11).

5/ See generally 3 Sands, Sutherland Statutory Construction §55.03, §§65.02-.03 (4th ed. 1973).

firearms is related to hunting or to any other activity,^{6/} provided that the prohibition or restriction is reasonably necessary to accomplish the purposes^{7/} for which the park or recreational area was created. Similarly, the division may regulate indirectly other aspects of hunting in state parks such as vehicle or airplane access.

B. Repeal of AS 11.55.050

The legislature repealed AS 11.55.050 as part of a general criminal code revision in 1980. This former statutory provision provided:

(a) Unless specifically permitted by law or ordinance, a person who flourishes, points, or discharges a firearms in a city of any class, or on a railway coach, steamboat or steamship, or in or near a park or public grounds, or at a public place, whether public in itself, or made public at the time by an assemblage of persons, is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than \$500, or by imprisonment in a jail for not more than 6 months, or by both.

(b) Notwithstanding the provisions in (a) of this section, firearms may be used in those state parks which are by statute, or by lawful regulation, open to shooting. (§65-12-5 ACLA 1949: am §1 ch 2 SLA 1972; am §1 ch 47 SLA 1972; repealed §21 ch 166 SLA 1978, effective January 1, 1980).

This provision was cited as one of three statutory authorities supporting the adoption of regulation 11 AAC 12.190.

^{6/} Accord Informal Op. Att'y. Gen. (May 25, 1980).

^{7/} The purposes for which a state park or recreational area was created may be expressly stated or necessarily implied from the expressly stated purposes. See Sutherland, supra, fn 5.