

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6035 HOUSE RESOURCES

439

5.2 Simplifying Assumptions

A number of assumptions have been used to simplify our analysis: (1) that the distribution of the shared fish tax revenue remains constant between the state and affected local jurisdictions (boroughs and cities); (2) that the portion allocated to communities (and boroughs) is distributed in a manner consistent with the projected harvest levels for that jurisdiction; (3) that the most recent ADF&G harvest projections for 1989 are accurate; and (4) that the price paid per pound of fish landed is calculated on the basis of rates established in the preceding uninterrupted fishing year (i.e., 1988). Since these assumptions will have a significant impact on the outcome of the analysis, the rationale for each is described in some detail below.

First, we have assumed that the affected jurisdictions would have received their accustomed percentage of the raw fish tax revenue collected by the state. Alaska cities are entitled to no less than one half of the fish tax collected from onshore processors. The exception to this rule is that cities that are also part of boroughs are entitled to 25% of the tax collected, with the remaining 25% going to the borough. This is not likely to change as a result of the spill.

The second assumption, that the portion of fish tax allocated to affected communities (and boroughs) is distributed in a manner consistent with projected fish harvests for their fishery area, is somewhat more problematic. First, some communities, or local processors, may have been better prepared than others for the events of 1989. Second, fish runs could have been better or worse than anticipated in particular fishing areas. Third, off-shore processors or fish buyers could have targeted certain specific fisheries. Some processors were anticipating boom conditions in certain fisheries, while others may not have planned or been able to respond in a timely manner to changing conditions. There is, invariably, a great deal of uncertainty to every fishing season. Thus, the actual fish taxes generated could be expected to show considerable inter-annual and inter-community variation.

The third assumption is that the ADF&G revised estimates for actual salmon harvests for 1989 are accurate. We are also assuming that there is no significant change in the relative role of salmon to the value of the combined fisheries of the region.

The fourth assumption is that all fish prices remain unchanged from 1988. This is the most problematic assumption because, at any particular point in the season, a multitude of conflicting variables simultaneously affect price -- for example, the kind of gear employed (e.g., seine vs. gill net), the location of the harvest, the developmental stage of the fish, etc. In addition, a unique set of market conditions affect the price of each fish product (e.g., the five varieties of salmon, five or six sources of herring, halibut, crab, shrimp, etc.) These include, for example, the level of stocks on hand, the availability of competing stocks from other regions or nations, total anticipated harvest levels, actual harvests to date, product transportation (tenders, lighterage, etc.) costs, as well as numerous others. These are in addition to processor and fish buyer strategies to convince fishermen that they should accept

lower prices. In addition, fisherman/processor negotiation strategies have evolved that use as a basis the price of canned product, or the wholesale prices of fish, and involve post-season percentage bonuses based on these differences. Such strategies make it all the more difficult to establish the ultimate price actually received for the fish until well after the season.

5.3 Bases for Estimation

It is not our intention in this Interim Report on the fiscal impact assessment templates to conduct a complex and detailed analysis of fish tax impacts by species, by fishery, by gear, and by community. There are, however, three relatively straight-forward bases for estimating what fish prices would have been for 1989. These include: (1) the actual price received for the fisheries that were ultimately opened during 1989; (2) the price received during the preceding normal fishing year (i.e., 1988); and (3) the pre-season anticipated price.

We begin with a brief discussion of the actual price paid during the 1989 season, focussing on pink salmon as the key species in terms of inter-seasonal variability. The fishermen who ultimately participated in the much delayed, on-again, off-again, 1989 terminal pink salmon season received approximately \$.35 per pound for their catch. The unpredictable and problematic conditions of this terminal fishery, the direct influence of the oil spill on fishing openings, the induced effects of the cleanup contracting process, and the presence of competing economic opportunity in the form of contract cleanup support for vessel owners may have served to limit lost fishery claims and the vigor with which fishermen pursued more equitable fish prices. In addition to the direct physical oil contamination of fisheries, the perception of possible contamination, fear of potential contamination, and market manipulations by wholesale middlemen effectively served to diminish the price per pound paid for virtually all species harvested in the affected region during 1989. It should therefore not be seen as surprising that the ultimate fish prices negotiated with fishermen for 1989 were less than half the prices established in 1988 (e.g., \$3.28 vs. \$1.25 for Chinook, \$3.07 vs. \$1.60 for Sockeye, \$2.01 vs. \$.60 for Coho, \$.84 vs. \$.35 for Pink, and \$1.08 vs. \$.40 for Chum).

Given all of the above factors, the rates ultimately negotiated in 1989 must be discarded as irrelevant to the estimation of what an appropriate price for pink salmon should have been in 1989. It might be possible, though again problematic, to use the price paid for Prince William Sound Aquaculture Corporation (FWSAC) hatchery pink salmon (i.e., about \$.61 per pound compared with \$.35 for the wild fishery), as the lowest appropriate base rate. Since there was no way that these reared fish could have been physically affected by the spill, the assumption might be that their price was unaffected. This would not necessarily be true, however, since fish buyers would have employed many tactics to insure that the perception of association between these fish and potentially tainted fish was applied to lowering the negotiated price for the fish. Thus, \$.61 per pound for pink salmon must be viewed as the absolute minimum price that could be considered applicable for computing lost fish tax.

A second basis for estimating the price per pound for pink salmon would be the pre-spill projected settlement price for the 1989 harvest. While acknowledging that the 1988 season saw prices as high as \$1.12 per pound, fishermen contacted in preparation of this report agree that the actual pre-season estimate of "settlement" prices ranged between \$.62-\$.65. There is, of course, a close correspondence between the PWSAC price (\$.61/lb.) discussed above and the lower end of anticipated settlement price (\$.62/lb.).

The third potential basis for computing the 1989 fish prices assumes no change in price per pound from the previous year (1988). Under this assumption, the total projected harvest of pink salmon (46 million fish), could be multiplied by historical average weight (3.6 lbs.), times an average of \$.84 per pound, to derive total pink salmon harvest values. This computation would yield over 3.4 times the total ex-vessel value of the 1989 pink salmon harvest over the 1988 harvest, and would have generated a major increase in fish tax for the affected communities. This must be tempered, however by the fact that most fishermen and processors agree that pink salmon prices in excess of \$1.00 per pound, as occurred during the later phases of the 1988 season, could not have been expected for 1989. As one fisherman put it, "I doubt that any processor would have paid a dollar a pound for pinks regardless of whether the *Exxon Valdez* oil spill had occurred or not." It must also be acknowledged that extraordinarily high harvest levels in combination with limited processing capacity, have a generally negative effect on markets, and, ultimately, on ex-vessel price. On the other hand, a number of important factors support the idea of a relatively high price per pound for pink salmon in 1989, including the high price placed on existing reserves and canned product, the early absence of competing international sources, and unusually strong domestic and overseas demand. With minor exceptions, the same could be said for all of the salmon species. While recognizing all the weaknesses, we believe the 1988 fish prices are the most accurate indicators of the actual value of the 1989 fisheries.

The problem of computing the loss sustained by each individual community is even more complex. First, the anticipated harvest of any particular species cannot be converted directly to fish tax. This is because only fish processed within a particular jurisdiction are subject to payment of such a tax. Floating processors and fish buyers, which pay no fish tax to the state, purchase a significant portion of each year's harvest. Second, the allocation between processors and, thus, between jurisdictions is highly variable from year to year. Third, the number of processors may vary at any particular point in the season, or particular fishery, from 10 to more than 50. Fourth, while fish processors are required to submit to the state a standardized report, with their annual fish tax payment, that documents the pounds landed, the species, and the total amount paid to fishermen, the state of Alaska Department of Revenue only records the total amount of taxes paid. The remaining entries identifying individual species and quantities, which could have been used to compute the relative role of each particular species in determining fish tax payments, have not been entered into the department's data base. We could, of course, compute total harvests of all species, compute relative prices, and so on, but we would still be left with the problem of allocating the catch to particular processing areas and even individual processors in order to come up with the relative role of individual species in affecting total fish tax.

An even more complex, but quantitatively more precise, approach would involve computing the returns from each of previous year's fisheries, by fishery area, by level of effort, by kind of fish (salmon, herring, sac roe, etc.), by price for fish ultimately negotiated between fishermen and processors, developing a trend analysis for each element, entering in anticipated harvests and prices for 1989, and computing changes likely to result in the distribution of fish taxes among affected communities (processor locations) as a consequence of changes in relative prices of various harvested species. This would be a complicated process that would result in little more than a larger range (high and low) of potential impacts.

An alternative approach is to take the rate of annual increase by community and compute a trend line to estimate, on the basis of historical change, the corresponding fish tax for 1989. This approach, however, yields total production and price levels that exceed even the most optimistic projections for 1989. We do not believe that assumptions of this nature provide the most direct and defensible basis for computing community and borough fish tax entitlements.

5.4 Analysis

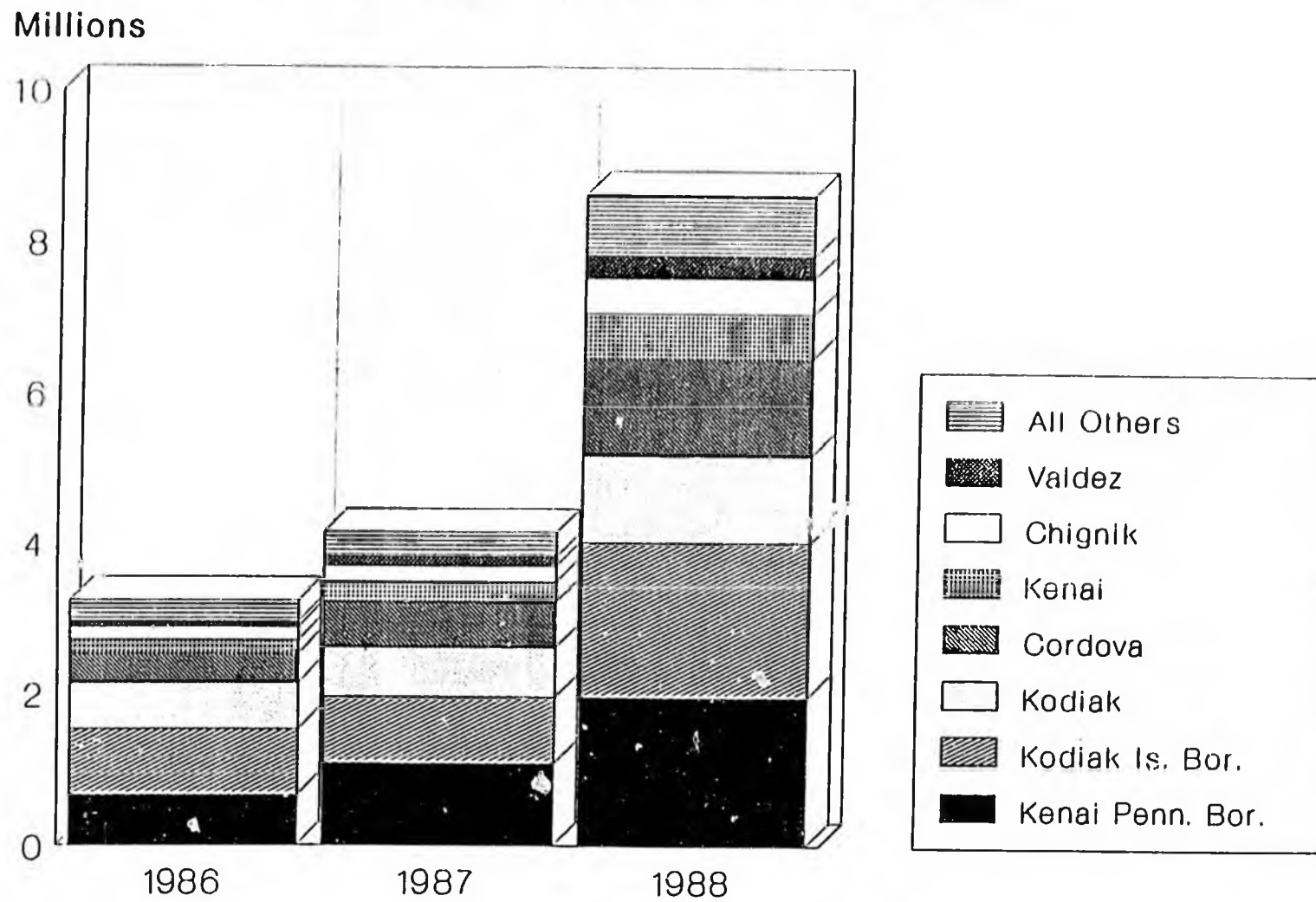
The steps required to carry out an analysis of lost fish tax are: (1) determine the total fish tax distributed to communities as a result of the 1988 fishing season; (2) examine projected fish run and harvest levels for 1989; (3) compute total value of fish that would have been landed in 1989; (4) establish the traditional distribution by community or borough of the 2% portion allocated to local governments; (5) compute the amount of fish tax due each local jurisdiction; and (6) subtract each community's fish tax entitlement (derived from the actual 1989 season) from the amount to which it would have been entitled in the absence of the oil spill. All of these steps have been completed, with the exception of step 6, which must await the state's raw fish tax disbursements.

First, on the basis of information provided by the Alaska Department of Revenue, the aggregate fish tax distributed to all affected communities (i.e., the 13 communities and 2 boroughs entitled to fish tax revenues) was \$3,242,572 for the 1986 season, \$4,158,836 for the 1987 season, and \$8,640,153 for the 1988 season. The estimated 1989 aggregate fish tax that would have accrued to affected communities under no-spill conditions is \$9,218,674.

The following figure (Exhibit 1) provides a graphic presentation of the actual proportion of total fish tax distribution received by each jurisdiction during the period 1986-1988.

Exhibit 1: Local Government Fish Tax Earnings (1986-1988)

Page 5-6



In order to estimate the loss of fish tax for 1989, it is first necessary to compute the actual fish tax paid in 1988, and its relationship to our indicator species (i.e., salmon). The following table (Exhibit 2), then, is based on CFEC data for each of the five species of salmon in 1988 and demonstrates both the distribution of salmon among the various fisheries, as well as the ex-vessel value for each species and fishery.

The retrospective projection of harvest levels for 1989 is potentially complex. We have elected to reduce this complexity by simply accepting the most up-to-date ADF&G projections for the number of fish that would have been harvested in all fisheries in 1989. The following table (Exhibit 3) presents the relevant information for the five directly affected salmon fisheries: Cordova Area, Upper Cook Inlet, Lower Cook Inlet, Kodiak Area, and Chignik Area. As noted earlier, we have adopted as the basis for our analysis the price per pound for each species established in the prior year (i.e., 1988).

This table is essentially a duplicate of the preceding table, only based on the most current estimates of probable 1989 harvest levels. In order to compute the total ex-vessel value of each species, we have multiplied average price per pound times the CFEC estimate of average fish weight for each species, times the 1988 per pound value for each species.

The 1988 distribution formed the basis for computing the relationship between total salmon harvest values in 1988 and total projected salmon harvests by fishery area in 1989. This ratio, in turn, was applied the total projected value of the 1989 season to derive the relative distribution between jurisdictions. This relationship is depicted in the following figure (Exhibit 4).

The final graphic (Exhibit 5) converts the above projected harvest and value information into the format of Exhibit 1 in order to portray the relative changes in distributions that would likely have resulted had the 1989 fishing season proceeded unaffected by the *Exxon Valdez* oil spill.

**EXHIBIT 2:
VALUE OF 1988 SALMON HARVESTS*
(1000s of fish)**

Species	Chinook	Sockeye	Coho	Pink	Chum	Total Value (by \$1000)
Cordova Area	32	768	478	11736	1841	77,562
Upper Cook Inlet	29	6805	559	470	707	154,340
Lower Cook Inlet	2	319	8	921	322	12,437
Kodiak Area	22	2700	303	14600	1400	117,282
Chignik	7	796	370	3000	267	33,785
Totals	92	11388	1718	30727	4537	
Average Weight	14.9	6.5	8	3.6	8.8	
Total Weight (X 1000 lbs)	1371	74022	13744	110617	39926	
Price per lb. 1988 (\$)	\$3.28	\$3.07	\$2.01	\$0.84	\$1.08	
Total Value (X \$1000)	\$4,496	\$227,248	\$27,625	\$92,918	\$43,120	\$395,407

* Based on CFEC records of actual prices paid per pound.

Note: Price varies by gear employed. For example, CFEC reports seine caught sockeye at \$2.62/lb. and \$3.07/lb. for drift gill net.

We have utilized only the rates for fish harvested by drift gill net.

**EXHIBIT 3:
VALUE OF PROJECTED 1989 SALMON HARVESTS*
(1000s of fish)**

Fishery	Species	Chinook	Sockeye	Coho	Pink	Chum	Total Value (by \$1000)
Cordova Area		42	1314	440	46000	1149	185,373
Upper Cook Inlet		30	2500	400	100	800	65,691
Lower Cook Inlet		1	425	10	900	130	12,648
Kodiak Area		4.8	2628	141	22548	836	131,074
Chignik		3	1150	100	448	120	27,198
Totals		80.8	8017	1091	69996	3035	
Average Weight		14.9	6.5	8	3.6	8.8	
Total Weight (X 1000 lbs)		1204	52111	8728	251986	26708	
Price per lb. 1988 (\$)		\$3.28	\$3.07	\$2.01	\$0.84	\$1.08	
Total Value (X \$1000)		\$3,949	\$159,979	\$17,543	\$211,668	\$28,845	\$421,984

* Using 1988 price per pound and latest available ADF&G projections for 1989.

**EXHIBIT 4:
PROJECTION OF 1989 FISH TAX DISTRIBUTION BY FISHERY AREA ***

<i>Community or Borough</i>	<i>1988 Salmon Harvest Value (\$1000)</i>	<i>Fishery Percent</i>	<i>1988 Fish Tax</i>	<i>% of Total</i>	<i>1989 Projected Salmon Value (\$1000)</i>	<i>Fishery Percent</i>	<i>1989 Projected Fish Tax</i>	<i>% of Total</i>
Kenai Peninsula Borough			1,975,001	22.9%			748,889	8.1%
Kenai			583,068	6.7%			223,695	2.4%
Homer			240,153	2.8%			200,170	2.2%
Seldovia			45,116	0.5%			46,100	0.5%
Total Cook Inlet	166,777	42.2%		32.9%	78,339	18.6%	1,218,854	13.2%
Kodiak Island Borough			2,044,869	23.7%			2,084,675	22.6%
Kodiak			1,167,693	13.5%			1,181,316	12.8%
Larsen Bay			194,034	2.2%			208,468	2.3%
Total Kodiak Area	117,282	29.7%		39.4%	131,074	31.1%	3,474,459	37.7%
Cordova			1,294,703	15.0%			2,841,210	30.8%
Valdez			294,382	3.4%			626,737	6.8%
Seward			270,699	3.1%			584,957	6.3%
Whittier			55,864	0.6%			125,347	1.4%
Total Cordova Area	77,562	19.6%		22.2%	185,373	43.9%	4,178,251	45.3%
Chignik								
Total Chignik Area	33,785	8.5%	472,468	5.5%	27,198	6.4%	347,110	3.8%
	\$395,406	100.0%	\$8,638,050		\$421,984	100.0%	\$9,218,674	

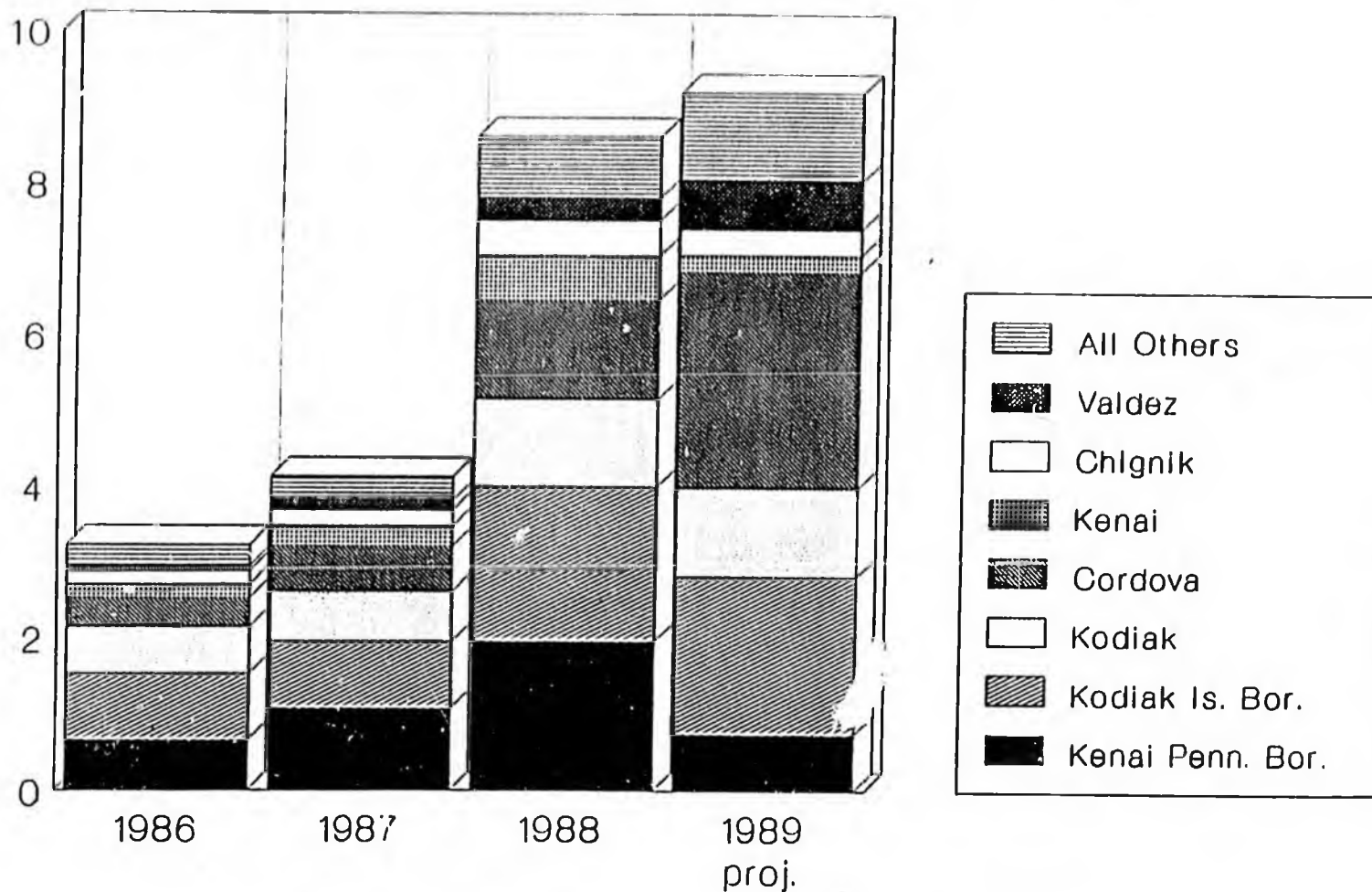
Page 5-10

* Post season summaries of all fishery areas, available in March, may require an adjustment in these distributions.

Exhibit 5: Local Government Fish Tax Earnings (1986-1988, 1989 proj.)

Millions

Page S-11



5.5 Summary

The determination of fish tax revenues lost, of course, cannot be completed until it is known just how much fish tax has actually been distributed to the affected communities for the 1989 terminal fishery. Once this figure is determined, only the simple task of subtracting actual from projected distributions remains to establish actual loss.

Finally, a note of caution should be raised. The same perceptions and beliefs that effectively depressed returns from the 1989 fishery will be used to depress the price per pound paid to fisherman during the 1990 season as well. Since many fishermen will be financially "up" from the proceeds of the previous year's cleanup contracts, this could also contribute toward a greater willingness to settle early and low. These additional losses should also be taken into consideration in computing appropriate fish tax distributions for the upcoming 1990 season and beyond.

APPENDIX A
LOCAL GOVERNMENT DEMOGRAPHIC AND TAX DATA

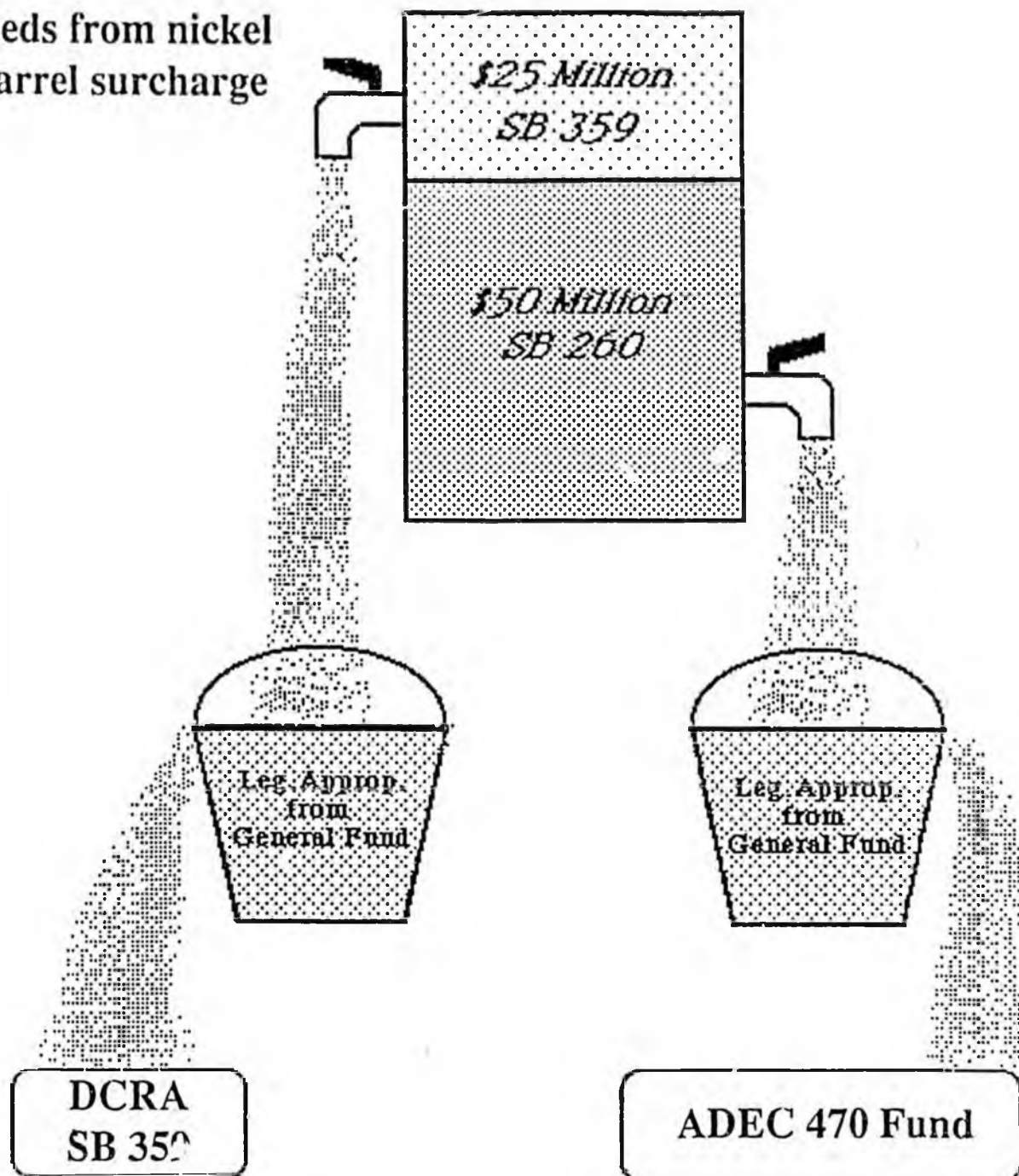
ADOL SUBAREA NUMBER	CORDOVA		KENAI		SEWARD	SOLCOTNA	KODIAK		
	761	752	BOROUGH	HOMER			BOROUGH	KODIAK	
			122	716	712	721	713	150	741
POPULATION									
1986	2,053	3,263	40,414	3,706	6,647	2,072	4,021	11,846	6,619
1987	NA	NA	39,170	NA	NA	NA	NA	13,658	NA
1988	2,048	3,313	39,949	4,338	6,543	2,463	3,733	13,669	6,651
1989	2,619	7,193	40,312	4,338	6,543	2,400	3,668	15,558	6,774
LOCAL GOV'T EMPLOYMENT									
1986	166	286	2,016	351	851	169	286	700	NA
1987	162	288	1,948	347	823	175	382	610	NA
1988	174	280	1,860	336	786	174	49	671	530
1989 (Estimate)	178	291	2,096	376	685	197	406	661	567
SALES TAX RATE									
1986	4%	-0-	2%	4%	5%	3%	5%	-0-	5%
1987	4%	-0-	2%	4%	5%	5%	5%	-0-	5%
1988	4%	-0-	2%	5%	5%	5%	5%	-0-	5%
1989	4%	-0-	2%	3%	5%	3%	3%	-0-	5%
PROPERTY TAX RATE (Mills)									
1986	3.00	13.57	4.00	12.32	7.62	7.00	9.10	3.75	5.75
1987	3.00	13.71	5.75	13.08	9.15	8.75	10.58	4.51	6.51
1988	7.90	14.16	5.75	12.65	9.15	8.75	10.50	4.50	6.50
1989	NA	NA	NA	NA	NA	NA	NA	NA	NA
ANCHORAGE CONSUMER PRICE INDEX (CPI)									
1985	105.8								
1986	107.8								
1987	108.2								
1988	108.6								
1989	111.7								

- Sources: (1) Population: ADCRA, "1990 Community/Borough Map" for 1989 figures.
ADOL, "Population Estimates for Boroughs, Census Areas and Places," 1988.
ADOL, "Population Overview" for 1986 and 1987.
- (2) Local Gov't
Employment: ADOL, Special tabulations of ES-202 Quarterly Employment
1st Q. 1986 through 2nd Q. 1989.
Estimates for 1989 based on trends in 1988 and in first six months of 1989.
- (3) Sales Taxes: ADCRA, Alaska Taxable, 1987 and 1988.
- (4) Property
Taxes: ADCRA, Alaska Taxable, 1987 and 1988.
- (5) CPI: ADOL, Special tabulations.

LIST OF REFERENCES

- Alaska Department of Community and Regional Affairs
- 1990 "Community/Borough Map 1990." Anchorage: ADCRA.
- 1989 Alaska Taxable 1988, Anchorage: ADCRA.
- 1988 Alaska Taxable 1987, Anchorage: ADCRA.
- Alaska Department of Labor
- 1990 "Consumer Price Index." Unpublished Special Tabulations 1985-1989.
- 1990 ES-202 Quarterly Employment 1st Quarter 1986 through 2nd Quarter 1989, Unpublished Special Tabulations.
- 1988 "Population Estimates for Borough, Census Areas and Places." Anchorage: ADOL.
- 1987 "Population Overview." Anchorage: ADOL.
- 1986 "Population Overview." Anchorage: ADOL.
- Alaska Department of Revenue.
- n.d. "Shared Revenue Spread Sheet." Unpublished Special Tabulations for FY 1987, FY 1988, and FY 1989. Juneau: ADOR.
- Commercial Fisheries Entries Commission.
- 1989 "Fish Harvest Summary." Unpublished Special Tabulations.
- Gieger, Harold J. and Herman Savikko (eds).
- 1989 "Preliminary Forecasts and Projections for 1989 Alaska Salmon Fisheries." Regional Information Report No. 5J89-01 Juneau: Alaska Department of Fish and Game.

Proceeds from nickel
per barrel surcharge



- * Social and economic impact assistance fund in DCRA
- * Grants to municipalities and village councils for costs of incremental and additional public services
- * Changes to Title 29 to broaden authority of municipalities and village councils to deal with oil and hazardous substance discharges
- * DCRA lead agency

CHANGES TO TITLE 46

- * 470 Fund may pay for social and economic impact assessment
- * Establishes grant program to communities for emergency first response
- * Expands powers of municipalities and village councils to deal with oil and hazardous substance discharges

- * Emergency first response cleanup, containment and abatement
- * Contingency plan
- * Reimbursement agreements with communities for emergency 1st response
- * Costs relating to response office, response depots, response corps (including administrative expenses)
- * Costs related to reimbursement actions
- * Matching funds for CERCLA
- * Need for State to seek recovery
- * No capital expenditures
- * ADEC lead agency

OIL SPILL GRANT SUMMARY

CITY/PROJECT	PROJECT COST	DEC Clean-Up	Dept. of IMIS	DCRA Project	DCRA Funded Projects	Referred Projects*	Second Round Consideration Projects
CITY OF WILMINGTON							
1. Public Safety	42,000			42,000	25,000		17,000
2. Public Health Service	38,000		38,000			38,000	
3. Police Vehicle	18,000			16,000			18,000
4. Clinic	17,000		17,000			17,000	
5. EMT Training	4,000		4,000			4,000	
6. City Shop Fees	2,000			2,000			2,000
7. Garbage Disposal	3,375			3,375			3,375
8. Lost Market Revenues	5,385			5,385			5,385
TOTAL	129,760		59,000	70,760	25,000	59,000	45,760
CITY OF FORT GRAHAM							
1. Gov't Coordination	\$103,600			\$103,600			103,600
2. Mental Health Prgrm	74,304		\$74,304			74,304	
3. VISO Trainee	16,680			16,680			16,680
4. Septic System Maint.	70,000			70,000			70,000
5. Runway Resurface	200,000			200,000			200,000
6. Recreation Fac.	100,000			100,000			100,000
TOTAL	564,584		74,304	490,280		74,304	490,280
CITY OF CORNOVA							
1. Oil Spill Office	\$284,250			\$284,250			284,250
2. Child Care Facility	16,936		\$16,936			16,936	
3. Mental Health Prgrm	45,750		45,750			45,750	
4. Eyak Bldg. Expansion	26,500			26,500			26,500
5. Heritage Celebration	10,000			10,000			10,000
TOTAL	383,436		62,686	320,750		62,686	320,750

JAN 31 '90 11:08 CORNOVA CITY HALL

OIL SPILL GRANT SUMMARY - ROUND #1 - APPLICATION DEADLINE SEPTEMBER 15, 1989

COMMUNITY/PROJECT	PROJECT COST	DEC Clean-Up	Dept. of HHS	DCRA Project	DCPA Funded Projects	Referred Projects*	Second Round Consideration Projects
<u>CITY OF KODIAK</u>							
1. Spill Admin Costs	52,055			52,055			52,055
2. Oiled Mayors Travel	30,000			30,000	30,000		
3. Oiled Mayors Admin.	25,000			25,000	25,000		
4. Socio/Econ. Study	600,000			600,000	600,000		
TOTAL.	<u>707,055</u>			<u>707,055</u>	<u>655,000</u>		<u>52,055</u>
<u>KODIAK ISLAND BOROUGH</u>							
1. Mental Health	260,000		260,000			260,000	
2. Drug/Alcohol Program	45,942		45,942			45,942	
3. Batters Program	38,648		38,648			38,648	
4. Village Alcohol Program	75,266		75,266			75,266	
5. Admin. Support	13,257	\$13,257				13,257	
6. Admin./Communication	155,150			\$155,150			155,150
7. Oil Cleanup Program	4,433,289	4,433,289				4,433,289	
8. Bounty Bag Program	1,231,000	1,231,000				1,231,000	
9. Geo-Textile Program	310,280	310,280				310,280	
10. Re-appraisal Impact	25,000			25,000			25,000
TOTAL.	<u>6,587,832</u>	<u>5,987,826</u>	<u>419,856</u>	<u>180,150</u>		<u>6,407,682</u>	<u>180,150</u>
<u>CITY OF TUGHI BAY</u>							
1. Mini-Hydro project	141,517			141,517			141,517
TOTAL.	<u>141,517</u>			<u>141,517</u>			<u>141,517</u>
<u>CITY OF OZIERKE</u>							
1. Subsistence Foods	61,400			61,400	61,400		
TOTAL.	<u>61,400</u>			<u>61,400</u>	<u>61,400</u>		

JAN 31 1990 11:04 CORDOVA CIT. HALL

OIL SPILL GRANT SUMMARY

Page Two

COMMUNITY/PROJECT	PROJECT COST	DEC Clean-Up	Dept. of HHS	DCRA Project	DCRA Funded Projects	Referred Projects*	Second Round Consideration Projects
CITY OF VALDEZ							
1. Land Fill	500,000			500,000			500,000
2. Impact Film	35,840			35,840			35,848
3. Police Staffing	45,336			45,336			45,336
4. Counselor Staff	90,000		90,000			90,000	
5. Animal Incinerator	12,773			12,773			12,773
6. Tourism Marketing	79,000			79,000			79,000
7. Police Computer	23,311			23,311			23,311
8. Press Program	35,000			35,000			35,000
9. Socio-Econ. Study	245,000			245,000			
10. Civic Center Staff	10,014			10,014			10,014
11. Airport Carpeting	34,375			34,375			34,375
TOTAL	1,110,657		90,000	1,020,657		90,000	1,020,657
CITY OF SEWARD							
1. Police Impact	134,387			134,387			134,387
2. Mental Health Staff	105,421		105,421			105,421	
3. New Tele. System	7,085		7,085			7,085	
4. Vessel Motor Replmt.	13,000			13,000			13,000
5. Media Marketing	100,000			100,000			100,000
6. Native Hlth. Prgrm.	170,500		170,500			170,500	
TOTAL	530,393		291,006	247,387		291,006	247,387
COMMUNITY OF CHIENEGA							
1. Shoreline Cleanup	21,600	21,600				21,600	
2. Solid Waste Site	230,000			230,000			230,000
3. School Addition	750,000			750,000			750,000
TOTAL	1,001,600	21,600		980,000		21,600	980,000
CITY OF KENAI							
1. Dock Revenue Loss	41,760			41,760			41,760
TOTAL	41,760			41,760			41,760

OIL SPILL GRANT SUMMARY

Page Four

COMMUNITY/PROJECT	PROJECT COST	DEC Clean-Up	Dept. of HHS	DCRA Project	DCRA Funded Projects	Referred Projects*	Second Round Consideration Projects
COMMUNITY OF TATLER:							
1. VPSO HOUSING	53,625			53,625	53,625		
2. CHILD ACTIVITY CTR	82,240		82,240			82,240	
TOTAL	<u>135,865</u>		<u>82,240</u>	<u>53,625</u>	<u>53,625</u>	<u>82,240</u>	
CITY OF SELDovia							
1. Oil Spill Coord Prgm	89,811			89,811			89,811
2. Reimbursements	78,945			78,945			78,945
3. Counseling Prgm	24,621			24,621			24,621
TOTAL	<u>193,377</u>			<u>193,377</u>			<u>193,377</u>
GRANT-TOTALS:	<u>11,597,236</u>	<u>6,009,426</u>	<u>1,079,092</u>	<u>4,508,718</u>	<u>795,025</u>	<u>7,088,518</u>	<u>3,713,693</u>
PROJECTS NOT ELIGIBLE FOR CURRENT FUNDING CYCLE DUE TO LATE SUBMISSION							
CITY OF HOMER							
1. Main Dock Repair	50,000			50,000			50,000
2. User Fee Credits	136,600			136,600			136,600
3. Homer Public Safety	41,000			41,000			41,000
4. Alcohol/Drug Abuse	24,200		24,200			24,200	
5. Comm. Mental Health	53,720		53,720			53,720	
6. Staff Augmentation	16,000			16,000			16,000
7. Port Harbor Impact	30,300			30,300			30,300
8. Revenue Replacement	281,600			281,600			281,600
TOTAL	<u>633,420</u>		<u>77,920</u>	<u>555,500</u>		<u>77,920</u>	<u>555,500</u>
GRANT-TOTAL OF ALL PROJECTS SUBMITTED UNDER THE OIL SPILL ASSISTANCE GRANT PROGRAM	<u>12,230,656</u>	<u>6,009,426</u>	<u>1,157,012</u>	<u>5,064,218</u>	<u>795,025</u>	<u>7,166,438</u>	<u>4,269,193</u>

* The column, "Referred Projects", refers to potential funding through DEC and HHS.

HB

578

HOUSE COMMITTEE REPORT

(9)

Date Referred: March 12, 1990

FURTHER REFERRALS:

Date of Committee Action: 2/21/90

FINANCE

The RESOURCES Committee considered:

HB 578

HOUSE BILL NO. 578

ADVISORY COUNCIL, TRANSP. OIL/HAZARD SUBS.

"An Act creating a citizens' oversight council on oil and other hazardous substances and regional advisory committees."

be replaced with CS HB 578 (RES) the same title
 a new title

have attached amendment(s)

- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):

- fiscal impact
- zero fiscal note
- zero with analysis

APPROVES PREVIOUS:

- fiscal note(s) published: _____
- zero fiscal notes(s) published: _____

SIGNING DO PASS:

Cliff Davidson

Sam M...

Mike ...

George ...

SIGNING OTHER THAN DO PASS:
(Do Not Pass, No Recommendation, Amend)

Bill Hudson - No recomm.
W. Furnace - Needs amendment -

Cliff Davidson
Chairman's signature

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act creating a citizen's oversight council on oil & other hazardous..."
Sponsor: H. Resources
Requestor: H. Resources

Affected Agency: Legislative Affairs Agency
BRU: Legislative Council
Components: Council & Subcommittees

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY91	FY92	FY93	FY94	FY95	FY96
Personal Services	117.8	117.8	117.8	117.8	117.8	117.8
Travel	18.9	18.9	18.9	18.9	18.9	18.9
Contractual	300.0	300.0	300.0	300.0	300.0	300.0
Supplies	0	0	0	0	0	0
Equipment	0	0	0	0	0	0
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	436.7	436.7	436.7	436.7	436.7	436.7

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

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

FUNDING: (THOUSANDS OF DOLLARS)

General Fund						
Federal Fund						
Other	436.7	436.7	436.7	436.7	436.7	436.7
TOTAL						

POSITIONS:

Full-Time	2	2	2	2	2	2
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

CSHB 578(Res) establishes a Citizen's Oversight Council on Oil and Other Hazardous Substances. Funding will be from the Oil & Hazardous Release Response Fund. The following is requested to adequately support the Council:

Prepared By: Pamela Stoops, Director
Division: Administrative Services

Pamela Stoops

Phone: 465-3850
Date: 3/20/90

Approved By: Warren Endicott, Executive Director
Agency: Legislative Affairs Agency

Warren Endicott

Date: 3/20/90

DISTRIBUTION (BY PREPARER)
LEGISLATIVE FINANCE
LEGISLATIVE SPONSOR

REQUESTOR
OFFICE OF MANAGEMENT & BUDGET
AGENCY (IES)

CONTINUATION OF FISCAL NOTE: CSHB 578

PERSONAL SERVICES

Staff is requested as follows to assist the Citizens Oversight Council on Oil and Other Hazardous Substances

Executive Director - Range 24 A		
\$4,687 x 12 months =	\$56,244	
\$56,244 x 36% benefits =	\$20,247	
	<u>\$76,491</u>	76.5
Secretary - Range 12A		
\$2,531 x 12 months =	\$30,372	
\$30,372 x 36% benefits =	\$10,933	
	<u>\$41,305</u>	41.3
		<u>117.8</u>

TRAVEL

It is anticipated there will be 6 meetings of the Council.

6 meetings x 5 members at 3 days each		
airfare - 5 meetings x 5 members = 30 airfares		
30 airfares x \$390 =	\$11,700	
per diem - 6 meetings x 5 members = 30		
30 x 3 days per diem = 90		
90 x \$80 =	\$7,200	
	<u>\$18,900</u>	18.9

CONTRACTUAL

Professional services for contracts to investigate compliance with environmental laws and regulations relating to production, transport and storage of oil and other hazardous substances.	\$300,000	300.0
--	-----------	-------

(3) promote and develop programs for the protection and control of the environment of the state;

(4) take actions that are necessary and proper to further the policy declared in AS 46.03.010;

(5) adopt regulations for

(A) the prevention and control of public health nuisances;

(B) the regulation of sanitation and sanitary practices in the interest of public health;

(C) standards of cleanliness and sanitation in connection with the construction, operation, and maintenance of a camp, cannery, food handling establishment, food manufacturing plant, mattress manufacturing establishment, industrial plant, school, barbershop, hairdressing or cosmetology establishment, soft drink establishment, beer and wine dispensaries, and for other similar establishments in which lack of sanitation may create a condition which causes disease;

(D) the regulation of quality and purity of commercially compressed air sold for human respiration. (§ 2 ch 120 SLA 1971; am E.O. No. 51, § 40 (1981))

NOTES TO DECISIONS

Approval of subdivision plans. — subdivision. *State v. Anderson*, 749 P.2d 1343 (Alaska 1988).
Department of environmental conservation can validly require its approval of potential subdivision plans as a prerequisite to the recording and sale of any lots in the
Cited in *Nooy v. Department of Envtl. Conservation*, 737 P.2d 796 (Alaska 1987).

Article 2. Environmental Advisory Board.

Section	Section
30. Environmental advisory board	50. Functions of board
40. Expenses and per diem of board members	

Sec. 44.46.030. Environmental advisory board. (a) There is created within the Department of Environmental Conservation an environmental advisory board, consisting of the commissioner of environmental conservation who shall serve as chairman and eight members appointed by the governor.

(b) No member of the board other than the chairman may be an officer or employee of a state department or agency.

(c) Of the members of the board first appointed by the governor, three shall be appointed for a term of one year; three for a term of two years; and two for a term of three years. The initial terms begin on July 1, 1971. Thereafter, all appointments shall be made for terms of three years beginning on July 1 of the year in which the appointment is made. Members of the board serve at the pleasure of the governor. In the case of a vacancy other than one arising by expiration of term,

an appointment to fill the vacancy shall be made for the remainder of the unexpired term. (§ 2 ch 120 SLA 1971)

Sec. 44.46.040. Expenses and per diem of board members. Each member of the board is entitled to travel expenses and per diem allowed by law for each day going to and from and for each day in actual attendance at board meetings and other meetings or conferences authorized by the commissioner. (§ 2 ch 120 SLA 1971)

Cross references. — For per diem and travel expenses, see AS 39.20.180.

Sec. 44.46.050. Functions of board. (a) The board shall
(1) advise the commissioner of environmental conservation in the review and appraisal of programs and activities of state departments and agencies in light of the policy set out in AS 46.03.010;
(2) serve as a forum for the exchange of views, concerns, ideas, information and recommendations relating to the quality of the environment; and
(3) recommend to the commissioner the persons who by virtue of outstanding achievement in the field of environmental conservation merit a certificate of achievement from the commissioner of environmental conservation.

(b) The board shall exercise and perform such other functions as may be requested by the commissioner. (§ 2 ch 120 SLA 1971)

Secs. 44.46.070 — 44.46.110. Alaska Council on Science and Technology. (Repealed, E.O. No. 48, § 6 (1981). For current law, see AS 37.17 and AS 44.19.255.)

Chapter 47. Department of Community and Regional Affairs.

Article

1. Organization and Administration (§§ 44.47.010 — 44.47.055)
2. Planning Assistance (§§ 44.47.080 — 44.47.100)
3. Rural Development (§§ 44.47.130 — 44.47.155)
4. Community Legal Assistance Grants (§§ 44.47.200 — 44.47.230)
5. Day Care Assistance (§§ 44.47.250 — 44.47.310)
6. Housing Assistance (§§ 44.47.370 — 44.47.560)
7. Local Boundary Commission (§§ 44.47.565 — 44.47.583)
8. Senior Citizens Housing Development Fund (§§ 44.47.610 — 44.47.620)
9. Low Cost and Low Income Multiple Family Housing Development Fund (§§ 44.47.630 — 44.47.635)
10. Borough Feasibility Studies (§§ 44.47.700 — 44.47.730)
11. Business Incentive Training Program (§§ 44.47.750 — 44.47.772)
12. General Provisions (§§ 44.47.980 — 44.47.998)

METRO

FRIDAY

SECTION B March 9, 1990

Lawmakers want spill watchdog committee

House Democrats say citizens' group should oversee government agencies, oil industry

By DAVID POSTMAN
Daily News reporter

JUNEAU — A group of House Democrats wants to create a powerful citizens' commission with broad authority to oversee oil industry and government efforts to prevent and clean up oil spills.

In its efforts to make sure state laws covering spills are

being followed, the five-member citizens' council would be given the power to subpoena witnesses, take testimony under oath and force government agencies and oil companies to produce records.

The council could also file lawsuits to make sure state spill laws are being followed. The five members of

the council would be appointed by the governor and be given the authority to hire an executive director and other staff.

"This fills the gap of apathy that sets in when you have 10 or 12 years with no problems and in the meantime budgets and contingency plans are being cut, cut, cut, and then everybody is

caught with their pants down when there is a disaster," said Rep. Curt Menard, D-Wasilla, co-chairman of the House Resources Committee.

The Citizens' Oversight Council on Oil and Gas and other Hazardous Substances was a top priority of the Alaska Oil Spill Commission, a panel appointed by

Gov. Steve Cowper to investigate the wreck of the Exxon Valdez. The commission said that no single state agency had authority over transportation of oil and other hazardous substances, including by pipeline and tanker.

"Regulatory authority over such transportation is spread among several agen-

cies that do not always coordinate information or resources," according to the spill commission's report.

Cowper, though, did not include the recommendation in his package of spill bills introduced last month. Instead, the administration is considering establishing a

Please see Page B-3, SPILL

SPILL: House bill would form citizen's group

Continued from Page B-1

state environmental advisory board and increasing public participation in planning for spill prevention and cleanup, according to its written response to the spill commission report.

Cowper spokesman David Ramseur said he could not find out Thursday why the administration did not follow the commission's recommendation.

At a hearing Thursday,

spill commission member John Sund encouraged the House Resources Committee to push for citizen councils.

"Bureaucrats come and go, legislators come and go, the companies are usually there for the long haul," he said. "I think the informed citizenry is a very critical component of the state (oil) transportation system."

Sund also said the committee should look at other spill commission recommendations not followed by

Cowper. "I'd rather see some action in the House side on these bills than see an \$800,000 report become a nice bookshelf item."

"I call this our vigilance bill," said Rep. Cliff Davidson, D-Kodiak, co-chairman of the House Resources Committee.

"This is not meant to be petro-punitive," said Davidson, who stressed the council would look at government's role as well as that of the oil industry. "We need to watch the watchers, regulate the

regulators and maybe then we have a chance to overcome malaise."

Sen. Drue Pearce, R-Anchorage, chairwoman of the Senate Special Committee on Oil and Gas, said she wants to talk to the spill commission members before deciding whether the citizen's group is a good idea. Pearce's committee and the House Resources Committee are holding hearings on Cowper's package of spill bills.

department's small staff was overwhelmed by technical licensing and permitting activities, leaving no opportunity for the agency to perform its role as overall environmental policy watchdog. Though the state retained certain powers over water quality, the overall effect of preemption through the federal courts was to reduce or eliminate the state presence in the oversight of oil industry affairs and demoralize state personnel engaged in such activity.

In the absence of the state presence, the already weak federal regulatory presence declined further. In 1990 Congress is likely to adopt legislation that would eliminate any presumption of federal preemption in actions taken by the state with respect to safety and response. Thus the way is open for the state to reassert its historic role in resource protection.

A citizens' advisory council should be established in the office of the governor and given responsibility for overseeing the safe transportation of oil, gas and other hazardous substances.

No state agency has as its primary mission oversight of environmentally safe transportation of Alaska's resources. Regulatory authority over such transportation is spread among several agencies that do not always coordinate information or resources. The only overall view of the system is exercised by the governor, but he has no single designated officer or council to provide information or maintain consistent oversight.

The state should establish a citizens' advisory council, supported by a full-time executive director and small staff, to provide focus to state oversight. Members should be chosen from among the general public, selected for their concern for environmental safety. The council should have power to subpoena information and witnesses, to inspect facilities, to conduct investigations, and to collect information and statistics on safety.

The council's duties should be to:

- Advise the governor and legislature on the environmental safety of the transportation of Alaska oil, gas and other substances posing environmental risks;
- Advise on potential initiatives in state and federal regulations and at the governor's request, represent the state's interests in the development of multistate compacts and national and international policy;

Recommendation 12 Oversight council

"What we have is a system driven by the fact the pipeline is pumping 2 million barrels of oil into the sound, and they have to get it out of here. They choose not to restrict it, turn it off, or anything else. The decision to sail or not to sail is not a dispassionate decision based on weather or traffic."

*Rep. George Miller, California
House Committee on Interior and
Insular Affairs hearing, May 1989*

"What tends to happen is DEC will get dragged into a septic tank argument and it will drain away as many resources as fighting, for instance, the Alyeska ballast water treatment plant. There's a real problem with priorities within DEC."

*Sue Libinson, Executive Director
Alaska Center for the Environment
Alaska Oil Spill Commission
hearing, 9/21/89*

Recommendation 13
Enhanced regulatory strength

The state should expand and exercise its regulatory authority over environmental safety. Measures voluntarily adopted by industry should be backed up by state regulation. Federal technical standards and safety requirements should not preclude more stringent state standards.

The State of Alaska currently does not exercise its full power under the U.S. Constitution to regulate environmental safety. Recent congressional enactments and judicial decisions make it clear that Congress does not intend that states should hesitate to protect local environments with greater stringency than the minimums established under federal law. The state should have the power, for example, to prohibit vessels from entering or departing Alaska ports and waters under unsafe circumstances.

Regulatory effectiveness also should be improved through assessment of administrative and civil penalties to encourage prevention, no preven-

- Identify unmet needs and recommend priorities, strategies and obstacles to achieving them;
- Encourage coordination of spill prevention and response programs currently spread among several agencies that cumulatively deserve high priority;
- Make budget and resource allocation recommendations;
- Evaluate programs and recommend elimination of marginal activities;
- Recommend changes based on new technologies and scientific impacts;
- Designate advisory panels, if deemed necessary, including appropriate representation, ex-officio, of appropriate departments of the state and municipalities, regional oil spill authorities, representatives of fishing and environmental groups, and shippers, owners and residential groups on the pipeline route; and
- Issue an annual report and safety assessment. Reports to the governor should include regular statistical and special reports on accidents and near-misses, the status of major risks, the performance of state and federal agencies, and long-term options for improving safety.

March 20, 1990

Senate Conferees
Senate Bill 686
U.S. Senate
Washington, D.C. 20510

Dear Senate Conferee,

The Alaska State Legislature is currently working on legislation to create a Citizen's Oversight Council on Oil and Hazardous Substances. In testimony before the House Resources Committee there has been some discussion that this legislation may duplicate provisions in Title 8 of HR 1465/S 686. We do not believe this to be the case. In fact, we believe that federal and state legislation will complement each other to provide the highest degree of citizen oversight possible.

House Bill 578 was introduced in the Alaska State Legislature at the request of the Alaska Oil Spill Commission. After eight months work, the Commission identified citizen oversight as an essential component of any oil spill prevention program. Our legislation creates a five member state council primarily to oversee and monitor state and federal regulatory agencies. As currently written, the Citizen's Oversight Council will be an arm of the Alaska State Legislature.

The role of the Council will be to ensure vigilance on the part of government. As a statewide entity, it will also have a role in coordinating among any regional citizen councils created by state federal or local governments.

Both the federal and the state government have a compelling interest in ensuring that a disaster such as the Exxon Valdez never again occurs. We encourage you to continue with your efforts to create strong regional citizen's groups in Cook Inlet and Prince William Sound.

Thank you for your efforts.

Sincerely,

Representative Cliff Davidson
Co-Chair

Representative Curt Menard
Co-Chair

AMENDMENT

Page 2, Line 1-2 Delete "Governor, with the approval of"

Page 2, Line 2 Delete "Governor"
Insert "Alaska Legislative Council"

Page 2, Line 21 Delete "Governor"
Insert "Alaska Legislative Council"

PROPOSED AMENDMENT BY SHARP

Amendment for CSHB 578:

Page 1, lines 28 and 29, and Page 2, line 1, after the word "members" delete: "APPOINTED BY THE ALASKA LEGISLATIVE COUNCIL, WHICH SHALL NOTIFY MEMBERS OF THE PUBLIC THROUGHOUT THE STATE THAT IT IS SEEKING NOMINATIONS FOR MEMBERSHIP."

Page 1, line 28, after the word "members" insert:

"The Governor shall select council members from the following sources:

1. One member from 3 candidates, one each nominated by:
 - a. Cordova Fisherman's Union
 - b. United Fisherman's Union
 - c. United Fisherman's Marketing Association
2. One member from 3 candidates nominated by the Alaska Outdoor Council.
3. One member from 3 candidates nominated by the Alaska State Chamber of Commerce. AK AND ORGM
4. One member from 3 candidates nominated from the Alaska Municipal League.
5. One member from 3 candidates nominated by the majority of the 13 regional native corporations."

Page 2, line 19, after the word "The" delete: "ALASKA LEGISLATIVE COUNCIL" and insert: "Governor".

Page 2, line 22 and 23, delete "ALASKA LEGISLATIVE COUNCIL", and insert "Governor".

Page 2, lines 24 - 27, delete: "FUNDS APPROPRIATED FOR THE COUNCIL ARE TO BE DISBURSED AND ACCOUNTED FOR UNDER PROCEDURES REQUIRED BY THE LEGISLATIVE AFFAIRS AGENCY. THE COUNCIL CHAIR SHALL APPROVE ALL EXPENDITURE DOCUMENTS."

HB

582

FISCAL NOTE

REQUEST:

Revision Date: 3-13-90
 Title: An act relating to the hunting of bears
 Sponsor: _____
 Requestor: _____

Agency Affected: Fish and Game
 BRU: Wildlife Conservation
 Components: Wildlife Conservation

EXPENDITURES/REVENUES: (thousands of Dollars)

OPERATING	FY91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

No effects in FY 90

Prepared by: Bruce Dinneford Phone: 465-4190
 Division: Wildlife Conservation Date: 3-30-90

Approved by Commissioner: *[Signature]* Date: 4/5/90
 Agency: _____

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 Wildlife Conservation	BILL NUMBER HB 582	SPONSOR Resources
SHORT TITLE OF BILL An act relating to the hunting of bears			
DEPARTMENT POSITION Do not pass. We support continuation of legal black bear baiting.			
PREPARED BY Bruce Dinneford	DATE 4-04-90	COMMISSIONER'S SIGNATURE <i>A. Hammond</i>	DATE 4/5/90

SUMMARY

OTHER AGENCIES AFFECTED BY BILL Department of Public Safety	CONSTITUENT GROUP(S) AFFECTED BY BILL Hunters
ORGANIZATIONAL SUPPORT FOR BILL	ORGANIZATIONAL OPPOSITION TO BILL

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

HB 582 would prohibit the use of bait in the hunting of black bear. Before 1975, black bear baiting was legal. From 1975 to 1982 it was illegal because bears could not be intentionally fed. Since 1982, the Board of Game (BOG) has authorized this practice for black bears. Since 1982 the BOG has progressively closed densely populated or heavily used recreation areas, prohibited the practice in areas predominated by brown

(Cont. on pg 2)

ANALYSIS OF BILL/PROGRAM EFFECTS

1989 was the first year since 1983 in which registration of bait stations with the department was required. In 1989, 199 black bear were taken over bait and at least 1,457 total black bears were killed in Alaska (this does not account for bears from some units that are not required to be reported to the department if the meat is salvaged). Therefore, harvest by baiting accounted for 13.7 % of the total statewide harvest.

<u>baited bears</u>		<u>1989 total</u>	
#	(%)	#	(%)
199	(14)	1457	(100)

A total of 656 individual hunters registered bait stations, 260 for one station, 396 for two (a total of 1,052 stations). Hunters are limited to no more than two active stations. (Cont. on pg 2)

AMENDMENTS PROPOSED

None

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

BACKGROUND/LEGISLATIVE INTENT CONT.

bears, and placed substantial restrictions on hunters using bait. The bear baiting season currently lasts for 60 days in the spring, but recent BOG action extended the baiting period in some interior locations by 15 days, closed Denali State Park, and shortened the baiting period by 15 days in the Mat-Su Valley.

ANALYSIS OF BILL/PROGRAM EFFECTS CONT.

No brown/grizzly bear kills or human injury have been proven attributable to bait stations in Alaska, or to our knowledge, elsewhere in North America. Some people have alleged that brown bears are taken illegally at black bear stations. However, of more than 600 brown bears killed in Alaska during the spring of 1989, only two people with bait stations also killed brown bears; one hunter baited in GMU 20D and killed a brown bear in 6D, the other baited in GMU 7 and killed a brown bear in 13B. In both instances the bait stations were several hundred miles distant from where the brown bears were taken. A third person baited black bear and his wife killed a brown bear in 20D, but the brown bear was killed on April 4th, prior to the April 15 opening of the baiting period.

Opponents of baiting have also argued that the practice increases the number of problem bears. An excellent indicator of this potential increase is defense of life or property (DLP) kills. The following figures are for GMUs 7, 14, 15, and 20, where over 80 % of the statewide baiting occurs:

	<u>1975-81 average</u>	<u>1982-89 average</u>
brown bear DLP	7.1/year	7.2/year
black bear DLP	14.1/year	8.3/year

During 1975-81, black bear baiting was not legal. This practice was legal in 1982-89. Thus, the argument that baiting increases the number of "problem bears" is not supported by an increase in DLP kills.

There is substantive public demand to use this method of hunting for black bears especially in portions of southcentral and interior Alaska. There is no biological justification for elimination of this form of black bear hunting. In large areas of heavy tree cover, few bears would be taken without this provision. We believe that bear baiting should be handled by the BOG. Current baiting regulations address a wide range of biological and social concerns. The BOG considers this a "methods and means" issue that they have the authority to regulate.

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE DAVIDSON

NAME: PATRICK HOPPER
TITLE:
ADDRESS: 2240 CARIBOU LOOP RD
CITY: WASILLA ZIP: 99687
PHONE: 376-7896
BILL NO: HB 502
SUBJECT: PROHIBITING BEAR BAITING
MESSAGE: I AM TOTALLY AGAINST THIS BILL. THERE ARE MANY PEOPLE UPSET ABOUT THE
INTRODUCTION OF SUCH LEGISLATION. DO NOT PASS THIS BILL.

POMID: 14161707
DATE: 03/30/90
TIME: 16:17:07
LIONAME: MAT-SU LIO

COPIES: REPRESENTATIVES SENATORS

MENARD	SZYMANSKI
JACKO	KERTTULA
FOSTER	
NAVARRE	
FURNACE	
SHARP	
HUDSON	
DAVIS, M.	
LARSON	

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE DAVIDSON

NAME: TOM HOCKING
TITLE:
ADDRESS: PO BOX 1131
CITY: PALMER ZIP: 99645
PHONE: 745-2885
BILL NO: HB 502
SUBJECT: PROHIBITING BEAR BAITING
MESSAGE: I OPPOSE HB502. I FEEL THAT THE MATTER WAS HANDLED SUFFICIENTLY BY
THE BOARD OF GAME IN THIER PUBLIC HEARINGS. IF CERTAIN PEOPLE WANT LEGISLATION
THEY SHOULD GO THROUGH THE BOARD OF GAME FOR FISH AND GAME MATTERS.

POMID: 14110016
DATE: 03/30/90
TIME: 11:00:16
LIONAME: MAT-SU LIO

COPIES: REPRESENTATIVES

MENARD
JACKO
FOSTER
NAVARRE
FURNACE
SHARP
HUDSON
DAVIS, M.

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE DAVIDSON

NAME: JIM MCINTOSH
TITLE:
ADDRESS: P O BOX 3394
CITY: PALMER
PHONE: 745-2400
BILL NO: HD 582
SUBJECT: PROHIBITING BEAR BAITING

ZIP: 99645

MESSAGE: I AM COMPLETELY OPPOSED TO THIS BILL. THE REASON IS WE HAD THE FISH AND GAME HEARINGS ONE WEEK PRIOR TO INTRODUCTION OF THIS BILL AND AT THE TIME THE TESTIMONY BEFORE THE BOARD ON HOW THEY FELT ON THE BEAR BAITING ISSUE. I FEEL THE F & G BOARD IS THE PROPER PLACE TO ADDRESS THESE TYPE OF ISSUES AND NOT THE STATE LEGISLATURE.

POHID: 14121747
DATE: 03/30/90
TIME: 12:17:47
LIONAME: MAT-SU LIO

COPIES: REPRESENTATIVES

MEHARD
JACKO
FOSTER
NAVARRE
FURNACE
SHARP
HUDSON
DAVIS, M.

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE DAVIDSON

NAME: DON POOLE
TITLE:
ADDRESS: BOX 2200
CITY: SOLDOTHA, ALASKA
PHONE: 262-7542
BILL NO: HD 582
SUBJECT: PROHIBITING BEAR BAITING

ZIP: 99669

MESSAGE: I WOULD LIKE TO ASK YOU TO WITHDRAW THIS BILL. RECENTLY IT WAS DECIDED BY THE BOARD OF GAME TO CONTINUE BEAR BAITING. THERE IS NO BIOLOGICAL REASON TO DISCONTINUE BAITING AND THERE IS NO PUBLIC SAFETY PROBLEM. WHEN THIS BILL IS WITHDRAWN WILL YOU PLEASE NOTIFY ME?

POHID: 13122330
DATE: 03/30/90
TIME: 12:23:30
LIONAME: SOLDOTHA LIO

COPIES: REPRESENTATIVES

MEHARD
JACKO
FOSTER
NAVARRE
FURNACE
SHARP
HUDSON
DAVIS, M.

PUBLIC OPINION MESSAGE

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE DAVIDSON

DEAR: REPRESENTATIVE DAVIDSON

NAME: JERRY FLETCHER
 TITLE:
 ADDRESS: PO BOX 2947
 CITY: PALMER
 PHONE: 376-3730
 BILL NO: HD 502
 SUBJECT: PROHIBITING BEAR BAITING
 MESSAGE: DO NOT PASS THIS BILL. I AM NOT IN FAVOR OF THIS BILL, AND I HOPE IT DIES IMMEDIATELY.

NAME: DEBBIE OSBORN
 TITLE:
 ADDRESS: 830 HILLTOP
 CITY: PALMER, ALASKA
 PHONE: 745-7295
 BILL NO: HD 502
 SUBJECT: PROHIBITING BEAR BAITING
 MESSAGE: DO NOT FEED THE BEAR'S. I AM AGAINST THE BILL.

ZIP: 99645

ZIP: 99645

POMID: 14141238
 DATE: 03/30/90
 TIME: 16:18:51
 LIONAME: MAT-SU LIO

POMID: 14141238
 DATE: 03/30/90
 TIME: 14:12:38
 LIONAME: MAT-SU LIO

COPIES: REPRESENTATIVES SENATORS

MENARD	SZYMAŃSKI
JACKO	KERTTULA
FOSTER	
NAVARRE	
FURNACE	
SHARP	
HUDSON	
DAVIS, M.	
LARSON	

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	DINKLEY
COLLINS	COTTEN	COGHILL
DAVIS, C.	DAVIS, M.	DUNCAN
DOHLEY	ELLIS	ELIASON
FINKELSTEIN	FOSTER	FAHRENKAMP
FURNACE	GOLL	FAIKS
GRUENBERG	GRUSSENDORF	FISCHER
HANLEY	HOFFMAN	FRANK
HUDSON	JACKO	HALFORD
KOPONEN	KUBINA	JONES
LARSON	LEMAN	KELLY
MACLEAN	MARTIN	KERTTULA
MENARD	MILLER	PEARCE
NAVARRE	PETTYJOHN	POURCNOT
PHILLIPS	RIEGER	RODEY
SHARP	SHULTZ	STURGULEWSKI
SHACKHAMMER	TAYLOR	SZYMAŃSKI
ULMER	WALLIS	UEHLING
ZANACKI		ZHAROFF

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE DAVIDSON

NAME: MARVIN GODLE
TITLE:
ADDRESS: 1500 WEST LAKE LUCILLE
CITY: WASILLA ZIP: 99687
PHONE: 376-8608
BILL NO: HB 582
SUBJECT: PROHIBITING BEAR BAITING
MESSAGE: THIS BILL IS A PIECE OF GARBAGE, HAS NO PLACE IN THE STATE. THIS IS
SOMETHING FOR THE GAME BIOLOGISTS TO BE TAKING CARE OF.

POHID: 14124753
DATE: 04/02/90
TIME: 12:47:53
LIONAME: MAT-SU LIO

COPIES: REPRESENTATIVES SENATORS

LARSON	KERTTULA
MENARD	SZYMANSKI
JACKO	FAHRENKAMP
FOSTER	ELIASON
NAVARRE	FRANK
FURNACE	HALFORD
SHARP	STURGULEWSKI
HUDSON	ZHAROFF
DAVIS, M.	

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE DAVIDSON

NAME: DUNCAN PURVIS
TITLE:
ADDRESS: 2915 RAVEN'S FLIGHT DRIVE
CITY: WASILLA ZIP: 99687
PHONE: 373-1172
BILL NO: HB 582
SUBJECT: PROHIBITING BEAR BAITING
MESSAGE: I URGE YOU NOT TO SUPPORT HB582. IF LEGISLATION LIKE THIS
NONSENSE IS ALLOWED TO PASS, THIS WILL JUST OPEN THE DOOR TO OTHER
HUNTING RESTRICTIONS IN ALASKA. THESE DECISIONS SHOULD BE MADE BY THE
BOARD OF FISH AND GAME BASED ON RECOMMENDATIONS BY AREA BIOLOGISTS.

POHID: 14080505
DATE: 04/02/90
TIME: 08:05:05
LIONAME: MAT-SU LIO

COPIES: REPRESENTATIVES SENATORS

DAVIS, M.	KERTTULA
FOSTER	SZYMANSKI
FURNACE	
HUDSON	
JACKO	
LARSON	
NAVARRE	
SHARP	

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE DAVIDSON

NAME: JOHN TOENES
TITLE:
ADDRESS: 1580 EAGLE RIVER ROAD
CITY: EAGLE RIVER
PHONE: 694-3931
BILL NO: HB 582
SUBJECT: PROHIBITING BEAR BAITING
MESSAGE: BEAR BAITING IS AN ISSUE GOVERNED BY THE BOARD OF GAME AND SHOULD NOT BE SUBJECT OF LEGISLATIVE ACTION. PLEASE CANCEL HB 582. /BN
ZIP: 99577

POMID: 03084145
DATE: 04/03/90
TIME: 08:41:45
LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES

MENARD
JACKO
FOSTER
NAVARRE
FURNACE
SHARP
HUDSON
DAVIS, M.

PUBLIC OPINION MESSAGE

DEAR: REPRESENTATIVE DAVIDSON

NAME: BARBARA FLETCHER
TITLE:
ADDRESS: P.O. BOX 2947
CITY: PALMER
PHONE: 376-3730
BILL NO: HB 582
SUBJECT: PROHIBITING BEAR BAITING
MESSAGE: I STRONGLY URGE PULLING HB582. THIS IS A PIECE OF POLITICAL GARBAGE THAT HAS NO PLACE IN POLITICS. THIS IS AN ISSUE THAT IS BEST DECIDED BY THE GAME BIOLOGIST IN THEIR AREA'S. AS LONG AS WE HAVE A STABLE POPULATION OF BEAR'S, LETS HARVEST THEM.
ZIP: 99645

POMID: 14111933
DATE: 04/03/90
TIME: 11:19:33
LIONAME: MAT-SU LIO

COPIES: REPRESENTATIVES SENATORS

MENARD
LARSON
JACKO
FOSTER
NAVARRE
FURNACE
SHARP
HUDSON
DAVIS, M.
SZYMANSKI
KERTTULA

Fairbanks Fish & Wildlife Protection Black Bear Bait station violations. 1987

<u>Case #</u>	<u>Violation</u>	<u>Area</u>
87-27742	Bait station w/i 1/4 mi of cabin	Steese Hywy
87-25076	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-27793	Bait & tree stand stolen	Elliott hywy
87-29147	Unmarked bait station	Elliott Hywy
87-31236	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-31253	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-31265	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-31055	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-31056	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-31057	Bait station w/i 1/4 of hywy	Elliott Hywy
87-31058	Bait station on trail	Elliott Hywy
87-31659	Unmarked bait station	Elliott Hywy
87-31060	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-31063	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-31065	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-31066	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-31067	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-31068	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-31070	Bait station w/i 1/4 mi of hywy	Dalton Hywy
87-31073	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-31074	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-31076	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-31077	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-31078	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-31079	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-31257	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-31260	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-31270	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-32659	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-32661	Use moose meat for bait	Rosie Creek
87-32662	Bait station w/i 1/4 mi of hywy	Spinach Creek
87-32670	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-34175	Take grizzly on bait station	Ft. Wainwright
87-34440	Unmarked Bait station	Bonanza Creek
87-34441	Unmarked bait station	Bonanza Creek
87-34512	Bait station w/i 1 mi of res	Fairbanks Creek
87-39203	Take grizzly at bait station -DLP	Steese Hywy
87-39243	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-39254	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-42126	Bait station w/i 1/4 mi of hywy	Elliott Hywy
87-43409	Game birds as bait	Bonanza Creek
87-43412	Bait station w/i 1/4 mi of hywy	Murphy Dome
87-44372	Unmarked bait station	Ft. Wainwright
87-44374	Bait station w/i 1/4 mi of hywy	Parks Hywy
87-46364	Bait station w/i 1/4 mi of hywy	Elliott Hywy

45 cases

BRN CHARGED

KILL ON BAIT

STATE OF ALASKA
DEPT. OF PUBLIC SAFETY

CASE NO. 87-39203

CHECK BOX IF PROPERTY VALUES LISTED BELOW ARE SUPPLEMENTS TO ORIGINAL REPORT

NUMB. LICENSE PLATE NO.	STATE	VEHICLE IDENTIFICATION NO.	VEH. YEAR	MAKE	MODEL	BOOD STYLE							
NUMB. OCCUP.	MALE	FEM.	EVIDENCE FOUND IN VEHICLE	YES	NO	VEHICLE STATUS	IMPOUND	STOLEN	SEIZED	SUSPECT	AIRCRAFT INFORMATION	NUMBER	REGISTRATION (M) NUMBER
MODEL	YEAR	COLOR	LANDING GEAR TYPE	AIRCRAFT STATUS	IMPOUND	STOLEN	SEIZED	SUSPECT					
NUMBER	USCG OR DOCUMENTATION NO.	NAME OF WATERCRAFT	MAKE	LENGTH									
DOC. OR	ADF&G NUMBER	HULL SHAPE	HULL MATL.	PROPUSION	WATER-CRAFT STATUS	IMPOUND	STOLEN	SEIZED	SUSPEC				
SCENE	AUTOPSY	OTHER	EXHIBITS	WAVEA RIGHTS	ALCOH. INF. RPT.	OTHER	EVIDENCE SEIZED	YES	NO				
VICTIM	EVIDENCE		DIAGRAM	IMPL. CONSENT									
PROPERTY LOSS VALUES BY TYPE AND OFFENSE (See Codes on Back)													
TYPE	OFFN #	TYPE	OFFN #	TYPE	OFFN #	TYPE	OFFN #	TYPE	OFFN #				
\$		\$		\$		\$		\$					
TYPE	OFFN #	TYPE	OFFN #	TYPE	OFFN #	TYPE	OFFN #	TYPE	OFFN #				
\$		\$		\$		\$		\$					
TYPE	OFFN #	TYPE	OFFN #	TYPE	OFFN #	TYPE	OFFN #	TYPE	OFFN #				
\$		\$		\$		\$		\$					
TYPE	OFFN #	TYPE	OFFN #	TYPE	OFFN #	TYPE	OFFN #	TYPE	OFFN #				
\$		\$		\$		\$		\$					
TOTAL PROPERTY LOSS/RECOVERY VALUES - EACH OFFENSE													
IS RECOVERED	OFFN #	LOSS	IS RECOVERED	OFFN #	LOSS	IS RECOVERED	OFFN #	LOSS	IS RECOVERED				

SYNOPSIS:

ON 6/11/87 @ 2330 Hrs Fish & Wildlife Protection in FBIS was notified by Barry L. Jennings (PI: #102) and David C. Dowler (PI: #201) that they had shot & killed a grizzly bear. This occurred in the same creek drainage near 57 mile Steese. Furthermore they were hunting black bears @ a baiting station. They immediately notified Fish & Wildlife Protection. They salvaged the bear & skin.

On 10/17/87 both complainants filled written statements and surrendered the grizzly bear to FWP.

CASE STATUS: CLOSED

ARREST	PROG. DECL. UNFOUNDED	NO O/LEADS	EXCEPTION	CASE REF.	REFERRED TO	COPIES TO
			X			
REPORT	FBI IDENT.	REVIEWED AND APPROVED BY	FBI IDENT.	DATE CLOSED		
	GZFP					

CASE #

87-39203

STATEMENT OF Barry L. Jennings 6320866

ADDRESS 1277 Goldrush Dr, FBKS, AK 99709

Barry L. Jennings

make the following voluntary signed statement

I was born on 3-4-54 at Portland, Ore. I have completed 13 years of school

On June 16, 1987 @ approx, 2230 hrs, I was bear hunting on Nome Creek Rd, off 57 mile Steese Hwy. We arrived at the location of our bear bait at about 2230. Myself and Dave Dowler got ready and then walked down to where our bear bait was at. There had been a bear in the bait recently, so we set everything back and stood there and talked for a couple of minutes. We then walked back towards the area where our stand was. As we got back to the stand, I turned and noticed movement down by the bait. I put my scope up and saw the bear had come out of the brush and had gone past the bait and was headed towards us. I hollered at Dave who was in back of me not yet at the stand. I then hollered at the bear and he kept coming so I shot and then Dave shot.

END OF STATEMENT

I have read the above and foregoing statement consisting of _____ page(s). I have been given an opportunity to make any corrections or changes that I might want to make. The changes which I have made are initialed by me in my own handwriting.

I sign this statement in the presence of Imogen Falger and _____ and the contents are true and voluntarily made.

Signature: FBKS AK Date: 17 of JUNE 1987
 Signature: Barry L. Jennings

Dr. Sidney Huntington
Box 49
Galena, Alaska 99741

November 15, 1989

TO THE SENATORS AND REPRESENTATIVES WHO WROTE TO ME ABOUT THE ISSUE OF BEAR BAITING:

I received a letter from some of you expressing concern over the black bear baiting regulation. I have the same opinion on this issue as I had on the garbage bear legislation which you passed in the last week of the 1989 legislative session. The issue is a tempest in a teapot concocted by a very small minority of citizens. It is being misrepresented to you.

(1) We have a subsistence law in this state and it is supposed to protect us from this urban interference and set of values which contrast with our lifestyle. The garbage bear bill already puts subsistence hunters in jeopardy for no good reason. It is just one more stupid law. It does nothing to protect the resource except in the areas the Board of Game had already acted on.

(2) Our black bear population in the state is higher than I have ever seen in my life and I am 74 years old. The brown/grizzly bear population is equally high statewide except in the area right around Juneau.

The words in your letter parroted the misinformation being spread by Alaska Reform. Did you talk with any other "experts" before formulating your position?

I have been working on this Board of Game for over 15 years. I have probably worked through at least 5000 proposals in my time on the Board and I think I have gotten pretty fairly good at my "job". I always try to listen to the people who are most directly affected by a regulation and I watch the resource carefully because in my early years some of my relatives starved because there wasn't enough resource for us to share. I've watched a steady increase in game resources for the people of Alaska and I am proud of my effort for the past 15 years in working with the Department of Fish and Game. I think we manage game conservatively and it shows.

Please take the politics out of biology and resource management. Can the Legislature really involve itself with the 400 game proposals and 700 fish proposals each year? The governor has appointed, and you have confirmed, good, hard working people who spend (volunteer) 60-100 days each year listening to experts, public and 80 advisory committees. These people care about making conscientious decisions. **Bear baiting is not a broad public policy decision. It is part of a bear management program for the State of Alaska, and that strategic bear management plan is working just fine!** The Board of Game put severe restrictions on the method of bear baiting in the Spring of 1988 but it would be a serious mistake to get rid of bear baiting as a legitimate method of harvest. The activity you may find offensive is probably already illegal. If you want to do some good, put more money and encouragement into the Department of Public Safety so they can enforce the good laws and regulations we have already.

Sincerely,


Sidney Huntington

cc: Gov. Steve Cowper

BEAR BAITING FACT SHEET

HB 582

TO PROHIBIT THE USE OF BAIT FOR HUNTING BEAR

WHAT IS BEAR BAITING?

Bear Baiting is the legal practice of feeding bears in order to lure them to a hunters tree stand. Almost anything, including meat and pastry scraps, household and restaurant wastes, is used. A black bear guide who baits uses an average of six tons of bait per season. In Bob McGuires hunting manual, THE BLACK BEAR, chap.5 Advanced Bear Baiting Techniques, he recommends baiting long in advance of the season to condition bears and establish regular feeding patterns. He also advises leaving a sweaty shirt at the site to accustom bears to human scent.

BOARD OF GAME ACTIONS AND LACK OF AUTHORITY

In response to public pressure and local outrage, the Board has closed several areas to baiting since 1986, including Girdwood, Hope, Anchorage, Juneau and Chugach and Denali State Parks. The rest of the road system remains open.

The Board is not statutorily authorized to respond to public safety issues and so has consistently dismissed statewide proposals (based on these concerns) to ban baiting.

QUOTES FROM THE EXPERTS

"Bears conditioned by food rewards from human sources may seek food in response to a broad stimuli such as human scent, structures and equipment even when no food source is present.

Once habituated to garbage [human food sources], brown bears cannot be successfully returned to the wild.

Bears that feed on garbage may become drawn to areas of human habitation due to association of human scent with food."

1987 joint policy statement
Solid Waste and Bears, signed
by DEC, ADPS, ADFG and FS

"It is common opinion among professionals that non-sport kills and nuisance bears are more prevalent in baited areas"

Jeff Rohlman, Idaho F & G

"Discussions with bear biologists reveal it is their opinion that there is an increase in nuisance bears in areas where baiting is allowed.

James DeVos, Arizona F & G

"A bear which has lost its fear of humans and has learned the delights of high cholesterol human leftovers will likely not be satisfied with natural foods ever again. The only way people and bears can co-exist in urban Alaska is if we care enough to keep bears from becoming accustomed to human foods and garbage."

Lew Pamplin, ADF&G Game Director

"I believe that many of the bear incidents, both black and brown bears, that have occurred in Denali State Park are directly related to bear baiting practices. The public safety hazards and liability issues that have resulted from the current authorized bear baiting methods and practices are in direct conflict with responsible resource management and public safety as mandated by AS 41.21"

Dale Bingham, Area Superintendant
of Parks, Mat-Su/Valdez-Copper
River Area, internal memo to director
1989

"If baiting is incompatible activity in one state park, then it should be in all state parks and areas accessible by roads."

Peter Panarese, Superintendent
Chugach/Southwest Area State Parks.
after testifying to B.O.G. against
baiting in 1985

"There have been no studies to prove baiting habituates bears."

Lew Pamplin, B.O.G. Meetings
1988 and 1989

"There's no question that baiting trains bears to be garbage bears. There's no difference between what's used for bait and human garbage."

Keith Specking, Master Guide and
legislative liaison to Hammond

"Bears don't necessarily link the smell of people and food. Bears may associate certain places with food more than they link people with an easy meal"

Lew Pamplin 1990 Board meeting

"This policy is in conflict with our solid waste management goals and responsibilities...The practice of baiting bears increases their association with humans and garbage."

Henry Friedman, DEC Solid Waste
Division

"It sort of makes you wonder what's goin on. Baiting certainly increases the chances of man/bear encounters. As far as keeping bears and people apart, baiting is a real step backwards."

Derek Stonorov, AK Peninsula
Brown Bear biologist

LAWS GOVERNING THE FEEDING OF BEARS

5AAC 81.218- Makes it unlawful to feed certain wild animals.
Justification- "Feeding of bears causes severe public safety problems and has been the direct cause of several attacks on humans by animals."
ADF&G staff 1979

18AAC 60.015 and 60.035(8)- Concerns the control of animal attraction to solid wastes, requires that wastes be stored in a manner that does not attract bears and other wild animals.

AS 41.21- prohibits the bringing in of refuse to a State Park and placing it on the ground.

SAAC 81.218- Amends feeding of game statute to exempt the baiting of black bears for hunting.

Board of Game 1982

DEFENSE KILLS AND MAULINGS INCREASE

Since baiting became increasingly popular between 1983 and 1984, when it was legalized, brown bear defense kills have increased by at least 52%. Brown bears are not legal to bait. Newsclip search shows unprecedented levels of bear encounters, attacks and maulings since that time.

WHO IS HURT BY BEAR BAITING?

Forest users and rural residents using trails or roadside areas in baited areas. Several maulings have occurred in baited areas.

WHO GAINS FROM BAITING BEARS?

The 650 hunters who are registered to use bait. This represents about 15% of all black bear hunters.

A COMPARISON OF LEGAL METHODS OF HUNTING BLACK BEAR IN ALL STATES AND PROVINCES WITH BROWN/GRIZZLY BEAR

	HOUNDS	BAIT	AT DUMPS	NO MEAT SALVAGE	COMMENTS
ALASKA	YES	YES	YES	YES	no closed season, no tags, 3 bear limit (except southeast)
NWT	NO	NO	NO ¹	NO	
YUKON	NO	NO	NO ¹	YES	
B.C.	YES	NO	NO	NO	
ALBERTA	NO	NO*	NO	YES	
MONTANA	NO	NO	NO ¹	YES	
IDAHO	YES	NO*	NO	YES	High defense kills and nuisance bears in baited areas
WYOMING	NO	NO*	-	-	

1. most areas closed by local ordinance, firearms restrictions or backfilled daily, open dumps are considered illegal baits
2. baiting not allowed in areas with brown/grizzly bear, elsewhere legal to bait blacks

Anchorage Daily News

Gerald E. Grilly
Publisher



Howard Weaver
Editor

Michael Casey, Editorial Page Editor

Patrick Dougherty, Managing Editor

Katherine Fanning, Editor and Publisher 1971 to 1983

Lawrence Fanning, Editor and Publisher 1967 to 1971

Founded in 1946 by Norman C. Brown

Bear-baiting

A tactic unworthy of the Alaska hunter

Let's be clear about bear-baiting's tactics.

The first, and most important, part of the process involves the bait. Bear-baiters have been known to set out sweet rolls, Jell-O, bacon grease, doughnuts, peanut butter and private scent recipes.

The law allows anything biodegradable, except fish or game meat. One hunter says he uses an all-terrain vehicle to pull into the woods a 55-gallon, grease-lined drum with holes in it.

The purpose at this stage, of course, is to lure the bear into the hunter's sights.

The second part is the kill. This is when the bear-baiter — often in a tree, but sometimes hidden in a blind, behind a tree, or dug in somewhere close by — pops out and drops the animal.

Bows and arrows are common instruments at this point. But any kind of handgun or rifle is allowed.

If all of this doesn't sound very sporting — if it doesn't have the flavor of, say, the sheep hunter stalking his game over rugged, mountainous terrain — then you've reached the heart of the objection to the whole scheme.



The tactic is, in fact, as unfair, lazy and unsporting as any game-killing technique in existence. It's a shameful means of killing one of the state's most revered creatures. It is unworthy of the Alaska hunter to embrace it. And it's dangerous to humans who might wander into a bear-baiting station.

Give bear-baiters their due, though. They can be a creative lot. Disgruntled at any interference with their methods, they have come up with some imaginative arguments in support of more liberal baiting regulations.

One hunter called on the Alaska Board of Game to allow bear-baiting year-round, claiming in his proposal that unless bear-baiters were given carte blanche, "we will continue to inadequately use a plentiful resource." The yearning here is apparently that merely because the bear population exists, baiters should get the chance to make a bigger dent in it.

Another who argued for a much longer bear-baiting season than currently allowed said that unless the season is lengthened, "there will be an increase in nuisance bears." Get them before they have a chance to become troublemakers, seems the case being made on this one.

A third proposal arguing for longer seasons contended that the situation must change or "other hunting privileges that I enjoy will be threatened if these people (hunting regulators) are allowed to make decisions." Let game managers have a few rules and it will only increase their appetite to make more.

In all, more than 80 proposals for making the bear-baiters' life easier were before the Board of Game at its spring meeting. The board turned most of them down, although it also rejected opponents' requests that bear-baiting be banned.

The board, regrettably, remained unconvinced of the threat bear-baiting can pose to people. Bear-baiting teaches bears to associate humans with food. They are thus more likely to approach people, be they picnickers, backpackers or other hunters, in an encounter that can be deadly for either party.

A better, and safer, board decision would have eliminated the method as a permissible means of bear hunting. Such an action would be more fitting the dignity of both hunter and bear.

Anchorage Daily News
Sept. 7, 1987

Training bad bears

It doesn't seem like a sporting practice at all: Set a batch of food out in the woods, wait for a black bear to show up, and then kill it. The technique is called bear baiting, and it is legal in Alaska, with some restrictions.

Defenders of bear baiting tend to dismiss opponents as knee-jerk, friend-of-the-furry types. But many responsible hunters also object to the practice.

The two sides can debate whether baiting is bad sportsmanship, but there's not much doubt the practice is dangerous. Bears who feed at bait stations learn to associate a human presence with food. Because baiters often let several bears go before shooting one they want, some bears remain free to roam about and indulge their newly-developed bad habit.

That has many people worried, since bait stations can be placed within a mile of campgrounds or homes. The area around Hope already has a problem with black bears, and many residents believe baiting is at least partly responsible.

Common sense suggests that state game regulators should push bait stations away from populated areas. If baiting is allowed to continue, it must be done so it doesn't endanger folks who want a safe stroll in the woods, not a confrontation with a bear.

Anchorage Daily News

Fri, Aug. 21, 87

Bear baiting is no joke

Great, another bear story! This one shows, once again, how insensitive government agencies respond to citizens' needs. It doesn't make sense for the state to side with a few lazy bums who have nothing better to do than to sit in a tree until a drug-sized bear appears at their bait station, whence it'll be shot.

Baiters claim that they let most bears get

away or only shoot them with rubber arrows. What a splendid way to entertain oneself or should I say, to teach a bear dangerous habits. Leftovers are clearly used for bait and can be found at a dump or near human dwellings as well.

Contrary to a biologist, a bear can put these two together and thus get attracted to areas too close for our comfort and theirs. Yet state biologists disagree, as they will with anything that makes common sense. After all, they've got a job to keep and what better way is there than to create never-ending controversy? A proven way, be it in Washington, D.C., or Anchorage.

They are here to manage game, a job that game itself fulfilled ideally since the last ice age, until the arrival of white man. Then things started to go better skelter, species became extinct and endangered, all with our management and ignorance. Why do we bother with a bear population problem? Keeping it food around a resource? Support folks like Lee and Rubichand and Jonkel and Haiser fully; their concern is legitimate, involves all of us and requires our proper attention. This is no joking matter, as our state biologists seem to think.

— Peter Sennhauser

345-5577

345-5984

Garbage Kills Bears



Alaska is bear country. No matter where we live in the state we're never far from bears. As Alaska's population has grown, we have moved into areas where bears have lived for thousands of years. We cannot expect bears to change. Our behavior must change if both bears and man are to live near each other.

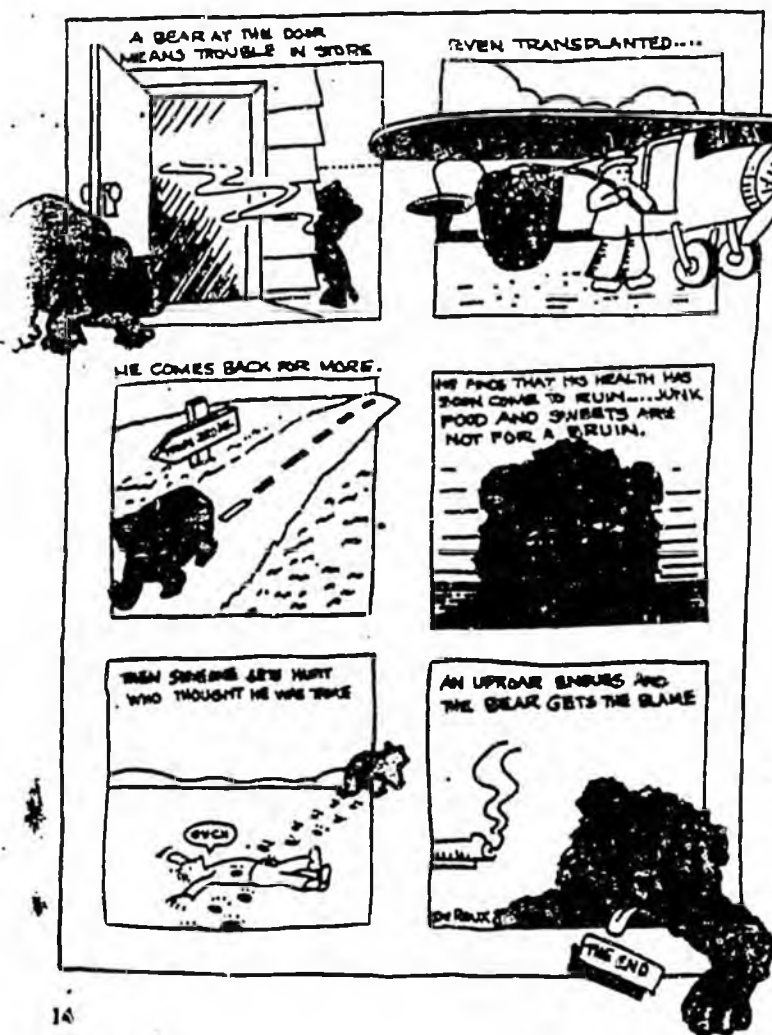
The law prohibits feeding bears in Alaska. Feeding includes both directly providing food and storing garbage in a manner which encourages bears to help themselves. Alaska's defense of life and property law permits the killing of a problem bear if "...the necessity for the (taking) is not brought about by the improper disposal of garbage or a similar attractive nuisance." Improper disposal of garbage may lead to fines and it may also lead to a bear's destruction.

Bears are intelligent creatures. It doesn't take them long to realize that an improperly maintained garbage can is an

easy source of food. The pattern of events is predictable. A bear feeds on garbage, and we enjoy the spectacle. After a few visits, the bear loses its fear of humans because the lure of the garbage is stronger than its natural aversion to man. When the bear no longer fears humans, it must be destroyed before it threatens a life. In plain language, the person who does not properly care for his or her garbage creates a situation which forces destruction of the bear.

Garbage bears are killed because it is the only honest option available. Transplanted bears often will return from great distances to their home territory, and those that don't return take their raiding habits with them to new areas.

We humans must accept responsibility for our trash. The only way people and bears can coexist in Alaska is if we care enough to keep bears from becoming accustomed to human foods and garbage.



SAVE A BEAR Garbage Care Tips

1. Store garbage inside until pick-up day.
2. Take advantage of regular trash pick-up services. Don't stockpile your garbage.
3. Store garbage in tightly sealed bags; store fish parts and meat bones in freezer until garbage pick-up day.
4. Keep storage containers air tight and odor free.
5. Properly incinerate all garbage.
6. Properly incinerate and/or pack out all garbage from campsites and picnic areas.

Intentionally or knowingly feeding a bear is against state law.

people cause bear problems

Dear Editor:

Letters published recently in several Alaskan papers and numerous callers to our offices have suggested that the Alaska Department of Fish and Game (ADF&G) should not have moved the "blue" or "glacier" bear that was causing problems in Juneau to the Anchorage Zoo. A common theme has been that ADF&G should capture "nuisance bears" like this one and move them to remote areas where they would no longer conflict with people. Although there exists some uncertainties in bear management, studies throughout the United States have clearly demonstrated that transplanting nuisance bears is usually a poor policy and, in most instances, results in unsatisfactory consequences. There are several reasons for this.

1. Bears have the ability and strong desire to return to the site where they were originally captured, even if moved hundreds of miles. In one case, a bear was moved to Montague Island in Prince William Sound, but was back to the same garbage can in Cordova within 28 days; the trip included a 6-mile swim. Studies on Alaskan brown bears have shown that completely wild bears, unaccustomed to feeding on human garbage, will still return.

2. Moving a nuisance bear from one's back yard frequently just puts the problem at somebody else's door step. ~~A bear which has~~ lost its fear of humans and has learned the delights of high-cholesterol human leftovers will likely not be satisfied with natural foods ever again. There are few places in Alaska where a transplanted bear will not eventually encounter people or human developments.

3. Agency staff and budgets are too limited to undertake annual projects such as multiple bear transplants from urban areas, especially when the problem is seldom solved — just removed from sight to another area.

In essence, people are usually the cause of the problem, but bears pay the price. The first few times a bear feeds from a dumpster, garbage can, or dog dish, people tend to enjoy the spectacle and take pictures to show their friends "what it's like living in wild Alaska." Soon, however, the fun pales and we are called with demands to resolve a problem that is frequently, by this time, beyond resolving except by killing the bear. The citation that we may issue to those who created the situation which forced destruction of a bear seems a small penalty compared to the death sentence that careless citizens have given the bear.

~~The only~~ way people and bears can co-exist in urban Alaska is if we care enough to keep bears from becoming accustomed to human foods and garbage. By working together, we can minimize greatly the potential for human/bear interactions and thereby protect the bears and the public welfare.

W. Lewis Pamplin Jr.
Director
State Division of Game

Anchorage Times
August 7



Alaska State Legislature

HOUSE OF REPRESENTATIVES



REPRESENTATIVE FRAN ULMER

MEMORANDUM

TO: Rep. Davidson and Rep. Menard, Co-chairs
House Resources Committee

FROM: Rep. Fran Ulmer

DATE: April 5, 1990

RE: HB 582-relating to Bear baiting

I would like to add my support for passage of HB 582, relating to a prohibition on bear baiting.

In the Juneau area, there have been some very disastrous results from situations where bears have fed on food in people's garbage. Property has been destroyed and many bears have lost their lives because of the carelessness of residents. Bear biologists have shown that baiting increases the chances of human encounters with bears.

I am against the deliberate baiting and intentional feeding of bears for any reason, especially in order to enhance hunting opportunities. I feel that very dangerous situations can result if we do not make this practice illegal in Alaska.

I am in total support of the House Resources bill, HB 582, which would make it against the law to practice bear baiting, and would like to offer any help i can to see that this legislation is passed this year.

District 4B — Juneau

P.O. Box V • Juneau, Alaska 99811-3100 • (907) 465-4947

H B

583

HOUSE COMMITTEE REPORT

(9)

Date Referred: March 15, 1990

FURTHER REFERRALS:

FINANCE

Date of Committee Action: 4-10-90

The RESOURCES Committee considered:

HB 583

HOUSE BILL NO. 583

MANAGEMENT OF STATE LAND IN YAKATAGA AREA

"An Act relating to the management of state land within the Yakataga area; and providing for an effective date."

RECOMMENDATIONS:

- [X] be replaced with CS HB 583 (Res) [] the same title
- [] a new title
- [] have attached amendment(s)
- [] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- [X] fiscal impact DNR, ADF+G, H. Res. [] fiscal note(s) _____
- [] zero fiscal note DOLAW [] zero fiscal note(s) _____
- [] zero with analysis _____ [] zero fn/analysis _____

SIGNING DO PASS:

[Signature] MENARD
[Signature] DAVIS
[Signature] DAVIDSON

SIGNING:

(Check approp. column)

Do Not Pass No Rec Amend

Signature	Name	Do Not Pass	No Rec	Amend
<u>[Signature]</u>	NAVARE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<u>[Signature]</u>	HUDSON	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>[Signature]</u>	SHARP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

[Signature]
Chairman's Signature

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: _____
 Title: Management of State Land
 In Yakataga Area
 BRU: _____
 Sponsor: Resources Committee
 Requestor: House Resources Committee
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	2,364.8	0	0	0	0	0
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	2,364.8					
FEDERAL FUNDS						
OTHER						
TOTAL	2,364.8	0	0	0	0	0

POSITIONS: NONE

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary) This legislative appropriation is for the downpayment on a repurchase of timber rights owned by the University of Alaska in the Cape Yakataga area. \$1,968,511 would be appropriated to the University of Alaska trust fund for repurchase of timber rights on Tract A148 at Cape Suckling. \$396,246 would be appropriated to the University of Alaska trust fund for repurchase rights on Tract 20 at Yakataga.

Prepared by: House Resources Committee Phone: 465-4944
 Division: Representative Cliff Davidson *Davidson* Date: 4/10/90

Approved by Commissioner: _____ Date: _____
 Agency: _____

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

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION : HB 583
PUBLISH DATE : _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Natural Resources
Title: Yakataga Planning Bill BRU: Land and Water
Sponsor: House Resources Components: Land and Water
Requestor: House Resources

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	95.0	95.0	95.0			
TRAVEL	15.3	13.3	17.0			
CONTRACTUAL	13.2	10.0	10.0			
SUPPLIES	10.5	1.0	17.8			
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	134.0	119.3	139.8	0.0	0.0	0.0

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

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

FUNDING: (Thousands of Dollars)


GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	2.0	2.0	2.0			
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Larry Ostrovsky Phone: 465-2400
Division: Commissioner's Office Date: 10-Apr-90
Approved by Commissioner:  Lennie Gorsuch Date: 10-Apr-90
Agency: Department of Natural Resources

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

COST FOR YAKATAGA AREA PLAN
FISCAL YEAR 91

<u>100 Personal Services</u>		
Natural Resource Manager I	(18A)	\$ 50.5
Natural Resource Manager II	(16A)	<u>44.5</u>
		\$ 95.0
<u>200 Travel</u>		
Planning team meetings (for each mtg.		8.3
3 staff Jnu-Anc or Anc-Jnu),		
5 meetings x \$550 (airfare +		
2 days per diem)		
Public meetings-issues (3-4 Communities)		7.0
Planning Area Overflight		<u>15.3</u>
<u>300 Contractual</u>		
Publish introductory brochure		2.0
Xeroxing, newsletters, ads		3.0
Inventory work, mapping		6.0
Print resource and issues reports		<u>2.2</u>
		13.2
<u>400 Supplies</u>		
Set-up and Misc. Supplies		<u>10.5</u>
		<u>10.5</u>
TOTAL:		\$134.0

FISCAL YEAR 92

<u>100 Personal Services</u>		
Natural Resource Manager I	(18A)	\$ 50.5
Natural Resource Manager II	(16A)	<u>44.5</u>
		\$ 95.0
<u>200 Travel</u>		
Planning team meetings (5)		8.3
Public meetings - alternatives		<u>5.0</u>
		13.3
<u>300 Contractual</u>		
Alternatives brochures		5.0
Xeroxing, summary of comments, etc.		<u>5.0</u>
		10.0
<u>400 Supplies</u>		
Miscellaneous Supplies		<u>1.0</u>
		<u>1.0</u>
TOTAL:		\$119.3

Proposed Yakataga Area Plan
DNR Budget Summary

<u>FY 91</u>	<u>FY 92</u>	<u>FY 93</u>	
	(figures are in thousands)		
Personal Services	95.0	95.0	95.0
Public Meetings (travel, brochures, xeroxing, etc.)	9.0	12.0	17.0
Resource Assessment Research (travel, mapping, printing)	10.2		
Printing Final Plan			10.0
Supplies, xeroxing, misc mapping, travel to planning team meet- ings, etc.	19.8	12.3	17.8
	-----	-----	-----
TOTAL	\$134.0	\$119.3	\$139.8

DF&G Budget Summary

	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>
Personal Services	73.3	73.3	73.3
4 months Cartographer II (\$15.8)			
12 months Habitat Biologist II (47.1)			
2 months Habitat Biologist III (10.5)			
Travel and per diem	12.8	12.8	12.8
(includes planning/work team meetings and travel to Seward, Cordova, and Yakutat)			
Contractual	5.9	5.9	5.9
(includes air charter costs to conduct annual goat and moose surveys)			
Supplies	1.0	1.0	1.0
	-----	-----	-----
TOTAL	\$93.0	\$93.0	\$93.0

FISCAL NOTE

REQUEST:

Revision Date: 3/15/90
 Title: Management of state land within the Yakataga area Agency Affected: Fish and Game
 BRU: Habitat
 Sponsor: Resources Committee
 Requestor: Governor Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	73.3	73.3	73.3			
TRAVEL	12.8	12.8	12.8			
CONTRACTUAL	5.9	5.9	5.9			
SUPPLIES	1.0	1.0	1.0			
EQUIPMENT	0	0	0			
LAND & STRUCTURES	0	0	0			
GRANTS, CLAIMS	0	0	0			
MISCELLANEOUS	0	0	0			
TOTAL OPERATING	93.0	93.0	93.0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

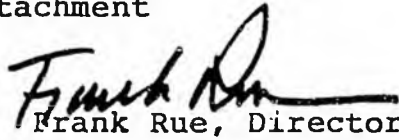
GENERAL FUND	93.0	93.0	93.0			
FEDERAL FUNDS						
OTHER						
TOTAL	93.0	93.0	93.0	0	0	0

POSITIONS:

FULL-TIME	1	1	1	0	0	0
PART-TIME	2	2	2	0	0	0
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

see attachment


Frank Rue, Director

Prepared by: _____
 Division: Habitat

Phone: 465-4105
 Date: _____

Approved by Commissioner: 
 Agency: Fish and Game

Date: 3/28/90

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

Continuation Page for HB 583 Fiscal Note Analysis

The personal services covers:

4 months of Cartographer II
12 months of Habitat Biologist II
2 months of Habitat Biologist III

Travel includes cost of planning team meetings in Anchorage and public meetings in Seward, Cordova, and Yakutat.

Contractual services includes air charter costs to conduct annual aerial moose and goat surveys in the Yakataga-Cape Suckling area.

BY THE RESOURCES COMMITTEE
IN THE HOUSE

HOUSE BILL NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
SIXTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making special appropriations to the Department of Revenue, the Department of Natural Resources and the Department of Fish and Game for settlement of litigation concerning conveyance of limited timber cutting rights to the University of Alaska; and providing for an effective date."

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

* Section 1. The sum of \$1,968,511 is appropriated from the general fund to the Department of Revenue for deposit in the University of Alaska Trust Fund as partial payment for acquisition of the university's timber cutting rights at Cape Suckling (tract A148).

* Section 2. The sum of \$134,000 is appropriated from the general fund to the Department of Natural Resources and the sum of \$93,000 is appropriated from the general fund to the Department of Fish and Game for fiscal year 1991 costs for preparation and adoption of an area plan for state lands in the Icy Bay to Cape Suckling area.

* Section 3. The sum of \$_____ is appropriated from the general fund to the Department of Natural Resources for costs of reappraisal of the University of Alaska's limited timber cutting rights at Cape Suckling.

* Section 4. The sum of \$_____ is appropriated from the general fund to the Department of Natural Resources for costs of surveying state lands at Reed Island and Upper George Inlet.

* Section 5. The unexpended balance of appropriations made in this Act lapse into the general fund on December 31, 1992.

* Section 6. This Act takes effect on the day following approval by the Alaska Superior Court in consolidated Case No. 1JU-88-271 Civil of a legal settlement between the City of Yakutat, the Southeast Alaska Conservation Council (SEACC) et al, the Department of Natural Resources, and the University of Alaska Board of Regents which provides for sale of the university's Cape Suckling limited timber cutting rights to the State of Alaska, and which settles other legal issues concerning the university's timber cutting rights at Cape Yakataga and White River.

Letter of Intent for

"An Act making special appropriations to the Department of Revenue, the Department of Natural Resources and the Department of Fish and Game for settlement of litigation concerning conveyance of limited timber cutting rights to the University of Alaska; and providing for an effective date."

It is the intent of the legislature that the settlement of SEACC et al v. Gorsuch (Consolidated Case No. 1JU-88-271) provide for repurchase of the University of Alaska's limited timber cutting rights at Cape Suckling (tract A148), for time for completion of an area plan for the Icy Bay to Cape Suckling area prior to any timber harvest at Cape Yakataga (tract 20), and for the otherwise unhindered exercise of limited timber cutting rights at Cape Yakataga and White River (tract 52) consistent with the terms and conditions of Appendix I to ADL 223456 as modified by the finding and decision on remand.

The legislature intends to compensate the university for the Cape Suckling limited timber cutting rights based on a new appraisal which establishes the value of the affected timber as of the effective date of this Act from the following sources:

- 1) An appropriation of \$1,968,511 to the University of Alaska Trust Fund in the Department of Revenue;
- 2) If the appraisal exceeds \$1,968,511, transfer of all or a portion of Reed Island (tract 57, valued at \$1,762,500) and/or Upper George Inlet (tract 78, valued at \$206,000);
- 3) If the appraisal exceeds \$3,937,091, the legislature intends to appropriate additional amounts from the general fund, transfer state mortgage contracts, and/or transfer other state assets to the university until the full appraisal price is reached.

It is the intent of the legislature that an area plan for state lands in the Icy Bay to Cape Suckling area be completed under AS 38.05.065 and DNR regulations on or before December 31, 1992. DNR shall coordinate preparation and review of the area plan with ADF&G on fish & wildlife habitat protection issues, and consider management options for protection and enhancement of fish and wildlife habitat and populations, sport and subsistence hunting and fishing, recreation, tourism and scientific values, settlement, timber harvest, mining, material extraction, and other uses the department considers appropriate. DNR shall establish a temporary Citizens' Advisory Commission to assist in preparation and review of the area plan. If the area plan precludes exercise of all or a part of the university's limited timber cutting rights at Cape Yakataga, the legislature intends to compensate the university in cash at the then-current market value as determined by appraisal.

It is the intent of the legislature that the university and DNR develop a plan for harvest of White River trees in accordance with the Forest Practices Act as revised during the 1990 legislative session and in accordance with provisions of the 1988 settlement and the 1989 final finding by the commissioner.

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: "An act relating to the management
 of state land within the Yakataga area..."
 Sponsor: House Resources
 Requestor: House Resources

Agency Affected: Department of Law
 BRU: Legal Services
 Components: Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	40.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	40.0	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	40.0	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Please see the attached analysis.

Prepared by: Richard I. Pegues, Director Phone: 465-3672
 Division: Administrative Services Date: April 12, 1990
 Approved by Commissioner: Richard I. Pegues / FORI
 Approved by Commissioner: Douglas B. Baily, Attorney General Date: April 12, 1990
 Agency: Department of Law

Distribution (by preparer):

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 583 (Res)

This is a special act that directs the commissioner of natural resources to undertake and complete an area plan for the Yakataga area, the state land and water located between Icy Bay and Cape Suckling, under AS 38.04.065 and the regulations of the Department of Natural Resources. The proposed Act would help resolve a continuing controversy involving timber harvesting, fish and wildlife habitat, sport and subsistence hunting and fishing, recreation, tourism, and land ownership and land conveyances.

Section 2(b) of the Act provides that within 30 days from the effective date of the Act, the attorney general shall select a qualified timber appraiser to appraise the value of the timber within the parcels of the University of Alaska described as Tract A148 at Cape Suckling and Tract 20 at Yakataga. The appraiser would have until January 1, 1991 to complete the appraisal. The purpose of the appraisal is to provide a neutral, third-party basis by which the state would repurchase Tracts A148 and 20 from the university.

Based on the cost of related appraisal work for the two tracts that the university is also currently conducting, it appears that the cost for a well-qualified, independent appraiser will be about \$40,000. The Department of Law therefore requests a fiscal impact appropriation in this amount, if the provision requiring the attorney general to select an appraiser for Tract A148 at Cape Suckling and Tract 20 at Yakataga is adopted.

6-2351E ✓
Bradley
3/22/90

Original sponsor(s): Resources Committee

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 583 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the management of state land
7 within the Yakataga area; and providing for an effec-
8 tive date."

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

10 * Section 1. AREA PLAN AND REPORT TO THE LEGISLATURE. (a) The commis-
11 sioner of natural resources shall undertake and complete an area plan for
12 the Yakataga area, the state land and water located between Icy Bay and
13 Cape Suckling, under AS 38.04.065 and the regulations of the Department of
14 Natural Resources.

15 (b) The commissioner of natural resources shall coordinate the prepa-
16 ration and review of the area plan with the commissioner of fish and game
17 and obtain the concurrence of the commissioner of fish and game on any fish
18 and wildlife habitat protection issues.

19 (c) The commissioner of natural resources shall consider management
20 options for the protection and enhancement of the fish and wildlife habi-
21 tat, sport and subsistence hunting and fishing, recreation, tourism, and
22 scientific values in the areas west and north of Cape Yakataga, including
23 the Yakataga River valley.

24 (d) The commissioner of natural resources shall consider the full
25 range of management options on each tract of timber land of the University
26 of Alaska (ADL 223456) under litigation, including and excluding timber
27 harvest.

28 (e) The commissioner of natural resources shall consider the exper-
29 tise of other agencies of the state and the recommendations of the Yakataga

1 Citizens' Advisory Commission established under (f) of this section.

2 (f) The commissioner of natural resources shall convene a nine-member
3 Yakataga Citizens' Advisory Commission to assist in the preparation and
4 review of the area plan. The commissioner shall seek the suggestions and
5 advice from the members of the temporary commission at each stage of the
6 development and review of the area plan. Members of the Yakataga Citizens'
7 Advisory Commission shall be appointed by the governor and shall represent
8 a broad range of interests, including those of affected local communities,
9 the timber industry, the fishing industry, the sport and subsistence fish-
10 ing and hunting community, local landowners, environmental organizations,
11 and other interests that are directly affected by resource use in the
12 Yakataga area. The Yakataga Citizens' Advisory Commission shall select its
13 presiding officer and hold meetings as necessary to provide advice and
14 recommendations to the commissioner. Members of the Yakataga Citizens'
15 Advisory Commission serve without compensation and without the payment of
16 travel or per diem by the state.

17 (g) Representatives of the City of Seward, City of Cordova, and the
18 City of Yakutat shall participate as members of the area planning team.

19 (h) The area plan shall be completed by December 31, 1992, and shall
20 be delivered to the chairs of the Resource Committees of the legislature.
21 The commissioner may include with the area plan recommendations for legis-
22 lation defining a part of the area as a state park, state forest, state
23 game refuge, state critical habitat area, or other special designation.

24 (i) Except as provided in this subsection, the commissioner of natu-
25 ral resources may not conduct timber or timber-related construction activ-
26 ity, including road construction, timber sales, and commercial timber
27 harvests in the Yakataga area, the area between Icy Bay and Cape Suckling,
28 until completion of the area plan required by this section. The commis-
29 sioner may permit the harvest of timber necessary to satisfy a court order

1 issued in Sullivan v. State, if otherwise authorized by law. The commis-
2 sioner may maintain existing timber harvest facilities.

3 * Sec. 2. TIMBER TRACTS OF THE UNIVERSITY OF ALASKA. (a) The commis-
4 sioner of natural resources shall engage in every reasonable effort to
5 achieve a settlement of litigation involving the City of Yakutat v. the
6 Department of Natural Resources (Civil No. 1JU-88-27i) that accommodates
7 the rights of the University of Alaska to compensation for university trust
8 land conveyed to the Municipality of Anchorage. The commissioner shall,
9 for the purposes of settlement of the litigation, consider the timber in
10 the tracts transferred as ADL 223456 as the property of the university.
11 Nothing in this subsection affects the claims or rights of a party to the
12 litigation.

13 (b) Within 30 days from the effective date of this Act, the commis-
14 sioner of natural resources and the president of the University of Alaska
15 shall select three qualified timber appraisers to appraise the value of the
16 timber contained within the three parcels of the university described as
17 Cape Suckling (tract A148), Yakataga (tract 20), and White River (tract
18 152). The appraisers shall complete the appraisals within 90 days of the
19 effective date of this Act. The value for the parcels shall be the average
20 of the total of the three appraisals.

21 (c) The commissioner of natural resources shall consider trades of
22 state land or interests in state land managed by the Department of Natural
23 Resources or appropriated funds for state land managed by the University of
24 Alaska in settlement negotiations with the president of the University of
25 Alaska. The commissioner may accept in trade the rights to one or more
26 university timber tracts except that the commissioner may accept the tract
27 only in the following priority: (1) Cape Suckling (tract A148), (2)
28 Yakataga (tract 20), and (3) White River (tract 152). The commissioner may
29 not accept a tract in offer of settlement after logging has begun on that

1 tract.

2 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

6-2351J
Bradley
4/10/90

Original sponsor(s): Resources Committee

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 583 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the management of state land
7 within the Yakataga area; and providing for an effec-
8 tive date."

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

10 * Section 1. AREA PLAN AND REPORT TO THE LEGISLATURE. (a) The commis-
11 sioner of natural resources shall undertake and complete an area plan for
12 the Yakataga area, the state land and water located between Icy Bay and
13 Cape Suckling, under AS 38.04.065 and the regulations of the Department of
14 Natural Resources.

15 (b) The commissioner of natural resources shall coordinate the prepa-
16 ration and review of the area plan with the commissioner of fish and game
17 and obtain the concurrence of the commissioner of fish and game on any fish
18 and wildlife habitat protection issues.

19 (c) In developing management options for the areas west and north of
20 Cape Yakataga, including the Yakataga River valley, the commissioner of
21 natural resources shall ensure that each management option fully protects
22 and enhances the fish and wildlife habitat, sport and subsistence hunting
23 and fishing, recreation, tourism, and scientific values.

24 (d) The commissioner of natural resources shall consider the full
25 range of management options on each tract of timber land of the University
26 of Alaska (ADL 223456) under litigation, including and excluding timber
27 harvest.

28 (e) The commissioner of natural resources shall consider the exper-
29 tise of other agencies of the state and the recommendations of the Yakataga

1 Citizens Advisory Commission established under (f) of this section.

2 (f) The commissioner of natural resources shall convene a nine-member
3 Yakataga Citizens' Advisory Commission to assist in the preparation and
4 review of the area plan. The commissioner shall seek the suggestions and
5 advice from the members of the temporary commission at each stage of the
6 development and review of the area plan. Members of the Yakataga Citizens'
7 Advisory Commission shall be appointed by the governor and shall represent
8 a broad range of interests, including those of affected local communities,
9 the timber industry, the fishing industry, the sport and subsistence fish-
10 ing and hunting community, local landowners, environmental organizations,
11 and other interests that are directly affected by resource use in the
12 Yakataga area. The Yakataga Citizens' Advisory Commission shall select its
13 presiding officer and hold meetings as necessary to provide advice and
14 recommendations to the commissioner. Members of the Yakataga Citizens'
15 Advisory Commission serve without compensation and without the payment of
16 travel or per diem by the state.

17 (g) Representatives of the City of Seward, City of Cordova, and the
18 City of Yakutat shall participate as members of the area planning team.

19 (h) The area plan shall be completed by December 31, 1992, and shall
20 be delivered to the chairs of the Resource Committees of the legislature.
21 The commissioner may include with the area plan recommendations for legis-
22 lation defining a part of the area as a state park, state forest, state
23 game refuge, state critical habitat area, or other special designation.

24 (i) Except as provided in this subsection, the commissioner of natu-
25 ral resources may not conduct timber or timber-related construction activ-
26 ity, including road construction, timber sales, and commercial timber
27 harvests in the Yakataga area, the area between Icy Bay and Cape Suckling,
28 until completion of the area plan required by this section. The commis-
29 sioner may permit the harvest of timber necessary to satisfy a court order

1 issued in Sullivan v. State, if otherwise authorized by law. The commis-
2 sioner may maintain existing timber harvest facilities.

3 * Sec. 2. TIMBER TRACTS OF THE UNIVERSITY OF ALASKA. (a) The commis-
4 sioner of natural resources shall engage in every reasonable effort to
5 achieve a settlement of litigation involving the City of Yakutat v. the
6 Department of Natural Resources (Civil No. 1JU-88-271) that accommodates
7 the rights of the University of Alaska to compensation for university trust
8 land conveyed to the Municipality of Anchorage. The commissioner shall,
9 for the purposes of settlement of the litigation, consider the timber in
10 the tracts transferred as ADL 223456 as the property of the university.
11 Nothing in this subsection affects the claims or rights of a party to the
12 litigation.

13 (b) Within 30 days from the effective date of this Act, the attorney
14 general shall select a qualified timber appraiser to appraise the value of
15 the timber within the parcels of the university described as Tract A148 at
16 Cape Suckling and Tract 20 at Yakataga. The appraiser shall complete the
17 appraisal before January 1, 1991.

18 (c) Regardless of the disposition of City of Yakutat v. the Depart-
19 ment of Natural Resources (Civil No. 1JU-88-271), the legislature intends
20 that the state repurchase from the University of Alaska its interest in
21 Tract A148 at Cape Suckling. The legislature intends to compensate the
22 University of Alaska for Tract A148 based on a new appraisal under (b) of
23 this section that establishes the value of the interest of the university
24 on the effective date of this Act. The compensation will be derived from
25 so much as is necessary of the following appropriations in the following
26 order of priority:

27 (1) an appropriation of \$1,968,511 to the University of Alaska
28 trust fund in the Department of Revenue;

29 (2) if the appraisal under (b) of this section for Tract A148

1 exceeds \$1,968,511, the commissioner of natural resources shall transfer so
2 much of Reed Island (Tract 57, valued at \$1,762,500) or Upper George Inlet
3 (Tract 78, valued at \$206,000) as will compensate the university; and

4 (3) if the appraisal under (b) of this section for Tract A148
5 exceeds amounts available under (1) and (2) of this subsection, the legis-
6 lature intends to appropriate an additional amount from the general fund of
7 the state, to transfer state mortgage contracts, or to transfer other state
8 assets to the university until the university receives the amount required
9 under the appraisal under (b) of this section for Tract A148.

10 (d) Regardless of the disposition of City of Yakutat v. the Depart-
11 ment of Natural Resources (Civil No. 1JU-88-271), the legislature intends
12 that the state repurchase from the University of Alaska its interest in
13 Tract 20 at Yakataga. The legislature intends to compensate the University
14 of Alaska for Tract 20 based on a new appraisal under (b) of this section
15 that establishes the value of the interest of the university on the effec-
16 tive date of this Act. The compensation will be derived from

17 (1) an appropriation of \$396,246 to the University of Alaska
18 trust fund in the Department of Revenue; and

19 (2) if the appraisal under (b) of this section for Tract 20
20 exceeds the amount available under (1) of this subsection, the legislature
21 intends to appropriate an additional amount from the general fund of the
22 state, to transfer state mortgage contracts, or to transfer other state
23 assets to the university until the university receives the amount required
24 under the appraisal under (b) of this section for Tract 20.

25 (e) Subsection (c) of this section is repealed on the date that
26 logging begins on Tract A148 at Cape Suckling. Subsection (d) of this
27 section is repealed on the date that logging begins on Tract 20 at
28 Yakataga. The commissioner of natural resources shall immediately notify
29 the lieutenant governor and the revisor of statutes of the date that

1 logging begins on Tract A148 and the date that logging begins on Tract 20.

2 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29



Alaska State Legislature

HOUSE RESOURCES COMMITTEE

P.O. Box V
State Capitol
Juneau, Alaska 99811
(907) 465-3715

MEMORANDUM

TO: HOUSE RESOURCES COMMITTEE MEMBERS
FROM: HOUSE RESOURCES COMMITTEE STAFF
DATE: MARCH 22, 1990
RE: SECTIONAL ANALYSIS OF CS HB 583 (RES)

Section 1. Area Plan and Report to the Legislature.

Subsection a. This subsection requires that the Commissioner of Natural Resources complete an area (regional) plan for the area between Icy Bay and Cape Suckling. The plan will be undertaken and completed under the provisions of AS 38.04.065.

Subsection b. This subsection requires that the Commissioner of Natural Resources coordinate planning and review with the Department of Fish and Game and obtain concurrence on any fish and wildlife habitat protection issues.

Subsection c. The purpose of this subsection is to ensure that management options will be considered for the region west and north of Cape Yakataga which protect and enhance fish and wildlife habitat, sport and subsistence hunting and fishing, recreation, and tourism and scientific values. This requirement does not exclude the consideration of a full range of management options for this area. This particular area of concern is currently being proposed for refuge status in HB 346.

Subsection d. This subsection instructs the Commissioner to consider a full range of management option on each of the three tracts of timber land owned (one-time timber rights) by the University of Alaska and currently under litigation.

Subsection e. The purpose of this subsection is to require that the Commissioner consider the expertise of other agencies and the recommendations of the Yakataga Citizens' Advisory Commission during the planning process.

Subsection f. This subsection creates a temporary Yakataga Citizens' Advisory Commission to assist in the preparation and review of the area plan. The commission shall represent a broad diversity of interests including local communities, timber industry, commercial fishing industry, sport and subsistence hunting and fishing interests, landowners, environmental community and other interests who are directly impacted by resource use in the Yakataga area.

Sectional Analysis - CSHB 583 (Resources)

Subsection g. This subsection instructs the Commissioner of Natural Resources to include representatives from the cities of Seward, Cordova and Yakutat on the area planning team.

Subsection h. This subsection requires that the plan be completed by December 31, 1992 (3 years) and delivered to the resources committees. The plan may include recommendations for areas of special designation such as a state game refuge, state forest or critical habitat area.

Subsection i. This subsection precludes all state timber sale and harvesting activities between Icy Bay and Cape Suckling until completion of the plan. However, this temporary moratorium does not apply to the satisfaction of the State's commitments to Chugach Alaska Corp. for 16-20 mbf in the Yakataga area.

Section 2. Timber Tracts of the University of Alaska

Subsection a. This subsection instructs the Commissioner to engage in every reasonable attempt to settle litigation currently pending in the Alaska Superior Court involving the City of Yakutat v. Department of Natural Resources. At issue in the case is the University of Alaska's ownership to one time timber harvesting rights on three parcels of state land in the Yakataga area. Nothing in this subsection is intended to affect the claims or rights of any party to the litigation.

Subsection b. The purpose of this subsection is to obtain a current appraisal of the University of Alaska parcels within 90 days of the effective date of this Act. The Commissioner and the President of the University shall select three qualified timber appraisers and shall value the parcels based on the average of the total of the three appraisals.

Subsection c. This subsection instructs the Commissioner to consider trades of state land or interests in land managed by the Department or appropriated funds to negotiate a settlement with the president of the University of Alaska. The Commissioner may accept in trade the rights to one or more university timber tracts, however, the Commissioner must accept the tracts in a specific order or priority. (1) Cape Suckling, (2) Yakataga and (3) White River. The Commissioner may not accept a tract as a part of the settlement after logging has begun on that tract.

Section 3. Effective Date

This act takes effect immediately.

YAKATAGA FOREST MISMANAGEMENT

For two decades the Alaska Department of Natural Resources (DNR) has mismanaged the Yakataga Forest, Alaska's largest and richest coastal forest. Earlier timber sales cut a swath 30 miles west from Icy Cape (one single clearcut is 13 miles long!). DNR now proposes to extend logging all the way to Cape Suckling -- 70 miles further -- and quadruple the rate of logging, over the objections of angry local residents in Cordova and Yakutat. This single-use management harms the fish and wildlife of the Yakataga Forest.

I. ABUSE OF PLANNING PROCESS -- DNR WILL NOT LISTEN TO THE PUBLIC

Over 20 years, DNR has held four timber sales without meaningful public hearings. For example, in 1969, as far as can be determined, there was no public hearing whatsoever for the 208 million board foot ICY CAPE I timber sale.

Again, in 1983, there was no public hearing in either Cordova or Yakutat before the 49 million board foot ICY CAPE II timber sale. After reading press accounts of the award of the sale, alerted Yakutat residents objected. DNR then held a public "meeting" to explain that they were too late.

In 1987, there was no public hearing in either Cordova or Yakutat before DNR conveyed 443 million board feet of "timber harvest rights" in the Yakataga Forest to the UNIVERSITY of Alaska (calling it a trade instead of a timber sale). Objecting Cordova residents also got an after-the-fact meeting where they were told they were too late.

This year, 1990, DNR finally held public hearings for a 20 million board foot ICY CAPE II EXTENSION, but told the public there were no options except to sell the timber, due to previous legal commitments.

II. RESOURCE MISMANAGEMENT - SEVERE IMPACTS TO FISH & WILDLIFE

According to the Alaska Department of Fish and Game (ADF&G), logging is seriously harming fish and wildlife. Mountain goat populations above the existing clearcuts have plummeted 75% since logging began.

ADF&G and DNR negotiated fish and wildlife buffer strips in the ICY CAPE II sale. With and without DNR's permission, loggers later cut the buffers.

With and without DNR approval, loggers also drove bulldozers through and dropped trees into salmon streams. After ADF&G cited the loggers, DNR itself obtained permits and defended the loggers from further enforcement actions even while the loggers continued to violate the law.

DNR allowed loggers to cut outside of sale boundaries after the ICY CAPE II sale ended. Loggers cut one mile of beach fringe timber that would have been off limits within sale area.

III. FISCAL MISMANAGEMENT -- WASTING THE STATE'S ASSETS

DNR allowed loggers to cut timber on ICY CAPE II sale from 1983 to 1985 without paying for the trees. Loggers ran up a bill of over \$600,000 -- two-thirds of which remains unpaid to this day.

DNR settled litigation over ICY CAPE II sale by lowering the price of spruce 94% and promising to give loggers more timber to cut.

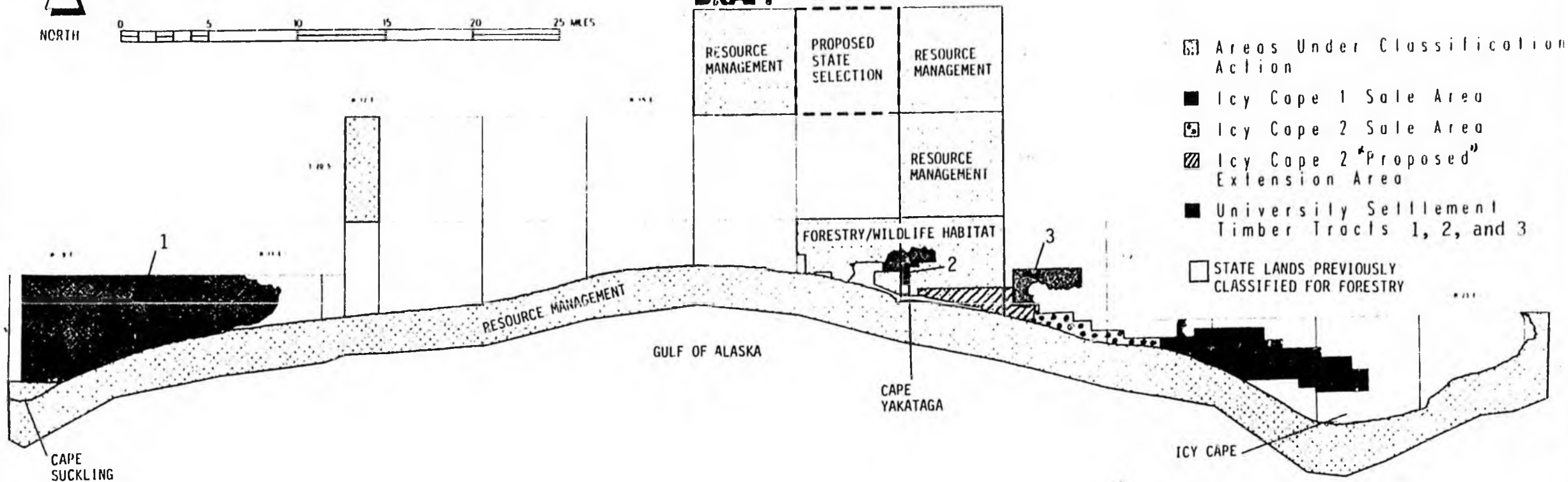
DNR let loggers build substandard roads and bridges on state land, violating court agreement, and later spent funds from agency budget to rebuild the roads and bridges for the loggers.

Yakataga Area Timber Sale Boundaries and Classification Areas

DRAFT



NORTH



JUNEAU 1/15/88

Yakutat opposes state's timber transfer plan

THE ASSOCIATED PRESS

ANCHORAGE — The City of Yakutat is challenging the state's plan to transfer timber rights on nearly 90,000 acres to the University of Alaska as part of court settlement.

Yakutat asked this week for administrative review of the Department of Natural Resources' plan involving 443 million board feet of timber worth an estimated \$3 million.

The timber rights are part of a \$24.7 million settlement between the department and the university in a dispute over lands held in trust for mental health programs.

The university sued to regain the value of trust land transferred to the

Municipality of Anchorage. In the settlement reached in December, the state agreed to transfer about 20,000 acres to the university.

Yakutat claims the state gave inadequate notice of the proposed settlement. It also says the DNR lacks the authority to transfer or exchange timber rights.

Mayor Larry Powell said the city opposes the transfer because it fears timber harvesting on the nearby land could damage fish and wildlife habitat important to Yakutat residents.

"I've been telling them that there are a lot of problems in Icy Bay," referring to a another area where the state has held timber sales. "There

need to be radical changes in the harvest techniques, procedures and the sale layouts in terms of protection so that fish and wildlife habitat are not destroyed."

The disputed area is located between Cordova and Yakutat, along the forested lowlands between the Gulf of Alaska and the Wrangell-St. Elias Mountains.

"The rivers from Icy Bay to Cape Suckling contribute to the fish processing facilities in Yakutat and the economy of commercial fishermen who are predominantly from Yakutat," Powell said.

"I believe there is so much con-

troversy that the university is getting 'a pig in a poke' that the Department of Natural Resources has transferred a lot of controversial values to the university as opposed to some land and values that are pretty solid," he said.

"We feel that DNR has no business making a commitment on those lands at this time, or if they do, then there should be provisions in the transfer that makes a commitment that there will be no allowable logging, harvest or layout until all surveying and cataloging by Fish and Game and the Department of Environmental Conservation is complete," Powell said.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.
JUNEAU, ALASKA 99801-1798
PHONE: (907) 485-2400

February 16, 1990

The Honorable Curt Menard
Alaska State Representative
P.O. Box V
Juneau, AK 99811

Dear Representative Menard:

Thank you for the opportunity you provided us recently to present an overview of the activities in the Icy Cape area. I understand from staff that it was a frank exchange of views that went well beyond the allotted time. We have been involved in many hours of discussion on these issues, both before and after the hearing-- especially now as we work through the public comment on the proposed expansion of the Icy Cape II timber sale and the site specific plan. I'd like to offer some observations on the issues, and let you know of our management plans for this area.

First, we recognize that both the University of Alaska and Chugach Alaska have claims to timber resources in the area due to prior commitments made through litigation settlements.

The University settlement was required because of legislative changes to the Municipal Entitlement Act made in 1978. The settlement required years of work, and a portion of it, timber cutting rights in the Yakataga area, is currently the subject of litigation. It is not possible to revisit the settlement at this time. In addition, we must recognize that any plan or classification of these timber areas must be consistent with the University settlement and conveyance, and cannot adversely affect the University's rights.

Likewise, Chugach Alaska asserts a claim against the state for 16-20 million board feet of timber in the Yakataga area as a result of its purchase of the rights of the Sullivan contract. A part of those contract rights is a previous commitment made by the Sheffield administration as a settlement of litigation. That settlement creates an ongoing legal obligation for the state. We may decide, through the public process we are now in the midst of, that we cannot meet that obligation in this location.

We have looked throughout the entire state for alternative timber sources; however, none are acceptable. The state's available timber is either tied up in the proposed Seldovia land exchange, too far away, or otherwise uneconomical for Chugach to access.

Without available forest land, I am without many options. My staff has worked closely with staff from the Department of Fish and Game to resolve outstanding problems in this area over the past few weeks; we continue to respond to public comment. In the end, approval of the timber sale expansion may be the only option--as long as it is designed with appropriate protection for mountain goat habitat and other non-timber resources.

However, I am aware that there has been a great deal of controversy in this region. I recognize the need for comprehensive planning--an effort which has not been done to date because of the priority given to other areas with more pressing resource conflicts.

To ensure that an area-wide plan occurs before the department commits to additional timber harvest in this area, I am amending the site-specific plan to change most of the existing Forest Land classifications in the Yakataga area to Resource Management, and will specify that these lands will remain closed to further timber harvest (except for the existing University and Chugach commitments) until further planning is accomplished. This way, neither I nor future administrations can change that policy without first conducting a public planning process.

I do not know when such a plan can be scheduled. Our planning staff is currently fully committed to other projects, such as the Susitna Forest Plan, and the Susitna Recreational Rivers Plan. Therefore, our ability to do a plan for this area in the near term is subject to legislative appropriation.

I believe this approach will solve the problem of long-term decision making in the area while allowing the state to meet its legal obligations. We will satisfy the need for a comprehensive look at the area and give people the assurance that there will be no additional timber harvest pending the outcome of that planning effort. It also makes the best of the problematic short-term decisions facing us--although those decisions will not satisfy all people.

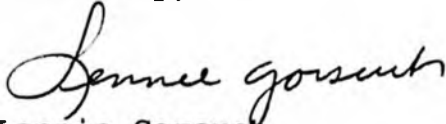
Representative Menard

-3-

February 16, 1990

I would be happy to discuss this in further detail with you and will be in touch with your office to set up an appointment.

Sincerely,



Lennie Gorsuch
Commissioner

cc: Rod Swope, Deputy Commissioner
Gary Gustafson, Director
Division of Land and Water Management
Bob Loeffler, Division of Land and Water Management