

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6479 SENATE RESOURCES

883

1 intending to violate this section may not be disciplined if divestment
2 occurs within a reasonable period of time following the disclosure.

3 (d) An employee who knowingly has, or who knows that a member of
4 the employee's immediate family has, an undisclosed interest in vio-
5 lation of (a) of this section is guilty of a class B misdemeanor. An
6 employee who has disclosed that the employee has an interest in viola-
7 tion of (a) of this section and who has failed to divest the interest
8 in a reasonable period of time is guilty of a class B misdemeanor.

9 (e) A disciplinary action or penalty under this section is in
10 addition to any other penalty that may be imposed by law.

11 (f) In this section

12 (1) "commissioner" means the commissioner of fish and game;

13 (2) "department" means the Department of Fish and Game;

14 (3) "financial interest" has the meaning given in AS 39.-
15 52.960;

16 (4) "fishery" means the commercial taking of a specific
17 fishery resource in a specific administrative area with any type of
18 gear or the sale or commercial processing of a specific fishery re-
19 source taken from a specific administrative area with any type of
20 gear; in this paragraph, "fishery resource" has the meaning given in
21 AS 43.75.140, and "gear" and "type of gear" have the meanings given in
22 AS 16.43.990;

23 (5) "game resource" means the conservation and development
24 of game within a game management unit; in this paragraph, "game" has
25 the meaning given in AS 16.05.940;

26 (6) "immediate family" includes a person's spouse and
27 children residing with the person.
28
29

S B

62

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

SB 62

*Joint Resources and
International Trade & Tourism*

2/3/89

CONCURRENCE

Bill/Resolution History

07:22 AM 04/29/89

Page 1

BILL: SB 62

NAME: HCS SB 62(RES)

TITLE: "An Act relating to the salmon enhancement tax; and providing for an effective date."

PRIME SPONSOR: ZHAROFF

FUNDING : \$000 GENERAL(FNOTE)

\$000 OTHER(FNOTE)

CURRENT STATUS: AWAITING CONC/RECED

STATUS DATE: 04/28/89

Selection=>

PF1	PF2	PF3	PF4	PF5	PF6	PF7	PF8	PF9	PF10	PF11	PF12
HELP		EXIT	MENU	TEXT	PRINT	BWD	FWD		FIRST	LAST	QUIT

4AU e-028 LINE 22 COL 14

SR 62 Journal & Committee Action Page 2 of 4

Current Status: AWAITING CONC/RECED

Date	Page	Action
1 12/30/88		(S) PROFILE RELEASED
2 01/09/89	25	(S) READ THE FIRST TIME - REFERRAL(S)
3 01/09/89	25	(S) RESOURCES, THEN FINANCE
4 02/03/89	N/A	(S) RES AT 1:30 PM BUTROVICH ROOM 205
5 02/06/89	328	(S) RES RPT 5DP
6 02/06/89	328	(S) ZERO FISCAL NOTE PUBLISHED
7 02/16/89	440	(S) FIN RPT 5DP
8 02/16/89	440	(S) PREVIOUS ZERO FISCAL NOTE 2/6/89
9 02/16/89	N/A	(S) FIN AT 9:30 AM FINANCE ROOM 518
10 02/16/89	N/A	(S) RUL AT 1:15 PM BUTROVICH ROOM 205
11 02/16/89	N/A	(S) MINUTE(RUL)
12 02/21/89	470	(S) RULES TO CALENDAR
13 02/21/89	471	(S) READ THE SECOND TIME
14 02/21/89	472	(S) ADVANCED TO THIRD READING UNAN CONSENT
15 02/21/89	472	(S) READ THE THIRD TIME SB 62
16 02/21/89	472	(S) PASSED Y20 N-
17 02/21/89	472	(S) EFFECTIVE DATE SAME AS PASSAGE
18 02/21/89	474	(S) TRANSMITTED TO (H)

Selection=>

PF1	PF2	PF3	PF4	PF5	PF6	PF7	PF8	PF9	PF10	PF11	PF12
HELP		EXIT	MENU	TEXT	PRINT	BWD	FWD	JRNL	FIRST	LAST	QUIT

4AU e-028 LINE 22 COL 14

SB 62 Journal & Committee Action Page 3 of 4

Current Status: AWAITING CONC/RECED

Date	Page	Action
1 02/23/89	422	(H) READ THE FIRST TIME - REFERRAL(S)
2 02/23/89	422	(H) RESOURCES, FINANCE
3 02/24/89	N/A	(S) MINUTE(RES)
4 03/06/89	N/A	(H) RES AT 3:00 PM CAPITOL ROOM 124
5 03/06/89	N/A	(H) MINUTE(RES)
6 03/13/89	N/A	(H) RES AT 3:00 PM CAPITOL ROOM 124
7 04/04/89	N/A	(H) MINUTE(RES)
8 04/04/89	N/A	(H) MINUTE(RES)
9 04/05/89	866	(H) RES RPT HCS(RES) NEW TITLE 4DP 2NR
10 04/05/89	866	(H) TITLE WAIVER FOR SB 62 PASSED - HCR 25AM
11 04/05/89	867	(H) PREVIOUS SEN ZERO FN(COMMERCE) 2/6/89
12 04/20/89	N/A	(H) FIN AT 8:30 AM FINANCE ROOM 519
13 04/21/89	1164	(H) FIN RPT HCS(RES) 5DP 3NR
14 04/21/89	1164	(H) PREVIOUS SEN ZERO FN (COMMERCE) 2/6/89
15 04/28/89		(H) RULES TO CALENDAR 4/28/89
16 04/28/89	1328	(H) READ THE SECOND TIME
17 04/28/89	1328	(H) RES HCS ADOPTED UNAN CONSENT
18 04/28/89	1329	(H) ADVANCED TO THIRD READING UNAN CONSENT

Selection=>

PF1	PF2	PF3	PF4	PF5	PF6	PF7	PF8	PF9	PF10	PF11	PF12
HELP		EXIT	MENU	TEXT	PRINT	BWD	FWD	JRNL	FIRST	LAST	QUIT

4AU e-028 LINE 22 COL 14

SB 62 Journal & Committee Action Page 4 of 4

Current Status: AWAITING CONC/RECED

Date	Page	Action
1 04/28/89	1329	(H) READ THE THIRD TIME HCS SB 62(RES)
2 04/28/89	1329	(H) PASSED Y39 N- A1
3 04/28/89	1329	(H) EFFECTIVE DATE SAME AS PASSAGE
4 04/28/89		(H) TRANSMITTED TO (S) AS AMENDED

Selection=>
 PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12
 HELP EXIT MENU TEXT PRINT BWD FWD JRNL FIRST LAST QUIT
 4AU e-c28 LINE 22 COL 14

Bill/Resolution History 07:24 AM 04/29/89 Page 1
 BILL: HCR 25
 NAME: HCR 25 AM
 TITLE: Suspending Uniform Rules 41(b), 24(c),
 and 35 of the Alaska State Legislature
 concerning Senate Bill No. 62.

PRIME SPONSOR: RESOURCES

CURRENT STATUS: LEGIS RESOLVE 11 STATUS DATE: 04/05/89

Selection=>
 PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12
 HELP EXIT MENU TEXT PRINT BWD FWD JRNL FIRST LAST QUIT
 4AU e-c28 LINE 22 COL 14

HCR 25 Journal & Committee Action Page 2 of 3
 Current Status: LEGIS RESOLVE 11

Date	Page	Action
1 03/17/89	652	(H) READ THE FIRST TIME - REFERRAL(S)
2 03/17/89	652	(H) RULES
3 03/23/89	738	(H) ZERO FISCAL NOTE (H. RES) 3/22/89
4 03/23/89	738	(H) RULES TO CALENDAR 3/23/89
5 03/23/89	746	(H) READ THE SECOND TIME
6 03/23/89	746	(H) AMENDMENT NO 1 BY DAVIDSON
7 03/23/89	746	(H) AM NO 1 ADOPTED UNAN CONSENT
8 03/23/89	747	(H) PASSED Y30 N3 X5 A2
9 03/23/89	747	(H) RIEGER NOTICE OF RECONSIDERATION
10 03/23/89	747	(H) RECONSIDERATION NOTICE WITHDRAWN
11 03/23/89	751	(H) TRANSMITTED TO (S) HCR 25AM
12 03/28/89	946	(S) READ THE FIRST TIME - REFERRAL(S)
13 03/28/89	946	(S) RULES
14 03/29/89	N/A	(S) RUL AT 1:15 PM BUTROVICH ROOM 205
15 03/29/89	N/A	(S) MINUTE(RJL)
16 03/30/89	982	(S) RULES 30F AND CALENDAR
17 03/30/89	982	(S) ZERO FISCAL NOTE PUBLISHED
18 03/30/89	985	(S) READ THE SECOND TIME

Selection=>
 PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12
 HELP EXIT MENU TEXT PRINT BWD FWD JRNL FIRST LAST QUIT
 4AU e-c28 LINE 22 COL 14

HCR 25 Journal & Committee Action Page 3 of 3
 Current Status: LEGIS RESOLVE 11

Date	Page	Action
1 03/30/89	985	(S) PASSED Y19 N- X1 HCR 25 AM
2 03/30/89	986	(S) RETURN TO (H) TRANSMIT TO GOVERNOR NEXT
3 04/03/89	852	(H) 4:05 PM 4/3/89 TRANSMITTED TO GOVERNOR
4 04/07/89	926	(H) READ BY GOVERNOR 4/5 LEGIS RESOLVE 11

Selection=>
 PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12
 HELP EXIT MENU TEXT PRINT BWD FWD JRNL FIRST LAST QUIT
 4AU e-c28 LINE 22 COL 14



SENATOR FRED F. ZHAROFF
ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99616 (907) 416-6259

DURING SESSION:

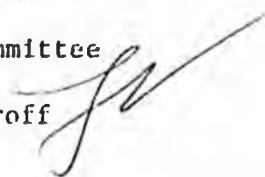
P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 485-3473 • 485-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILLIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

MEMORANDUM

TO: Senator Bettye Fahrenkamp
Chair
Senate Resources Committee

FROM: Senator Fred F. Zharoff 

DATE: January 12, 1989

RE: Senate Bill 62 - "An Act relating to a one percent salmon enhancement tax; and providing for an effective date."

I respectfully request that SB 62 be scheduled for a hearing at the Resources Committee's earliest convenience.

SB 62 establishes a one percent salmon enhancement tax. Current state statutes provide for two percent and three percent salmon enhancement taxes, which the regional aquaculture associations use to fund their operations and pay for salmon enhancement projects. SB 62 would give the associations the option of having a one percent tax.

The language in SB 62 duplicates present statutes, only adding references to the one percent tax.

SB 62 was introduced at the request of the Bristol Bay Salmon Enhancement Association. The association recently reorganized itself from the Imapik Regional Aquaculture Association, which was in a period of inactivity. The association is planning to conduct an assessment election early this year so it can start to raise the funds it needs for salmon enhancement projects. It is crucial that SB 62 be acted on as soon as possible so the association can have the benefit of revenues from the 1989 salmon season.

The association specifically needs a one percent tax to match its projected budget. The two percent and three percent taxes are considered excessive for the association's needs at this time.

Attached, as backup, is a resolution passed by the Bristol Bay Salmon Enhancement Association.



SENATOR FRED F. ZHAROFF

ALASKA STATE LEGISLATURE

P.O. BOX 405, KODIAK, ALASKA 99816 (907) 486-6259

DURING SESSION:

P.O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIPILOF ISLANDS • SHUMAGIN ISLANDS

SECTIONAL ANALYSIS

Senate Bill 62 - "An Act relating to a one percent salmon enhancement tax; and providing for an effective date."

SECTION 1

Adds a new section -- AS 43.76.012 -- to existing statutes that establishes a one percent salmon enhancement tax. This would be in addition to the already existing two percent and three percent salmon enhancement taxes. Alaska's regional aquaculture associations now have the option of implementing either two percent or three percent taxes to fund their operations. This section would give them an additional choice.

SECTION 2

Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 3

- (2) Makes grammatical changes to existing statute.
- (3) Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 4

Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 5

Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 6

Adds a reference to the one percent salmon enhancement tax (43.76.012) to existing statute.

SECTION 7

Immediate effective date.



STATE OF ALASKA
OFFICE OF THE GOVERNOR

BILL ANALYSIS

DEPARTMENT Fish and Game	DIVISION FRED	BILL NUMBER SB 62	SPONSOR Zharoff
SHORT TITLE OF BILL An Act relating to a one percent salmon enhancement tax			
DEPARTMENT POSITION The department supports this bill as a logical extension to existing legislation.			
PREPARED BY Johnny S. Holland	DATE 1/18/89	COMMISSIONER'S SIGNATURE <i>William H. Delany</i>	DATE 1/20/89

SUMMARY

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

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT

There is existing salmon enhancement tax statutes (AS 43.76.010 and AS 43.76.011) allowing for 2 and 3% salmon enhancement taxes. This proposal legislation will amend the existing statutes to include 1% salmon enhancement tax.

ANALYSIS OF BILL/PROGRAM EFFECTS

SB 62 is a logical extension of existing statutes, allowing for taxation at a lower rate than presently statutorily permitted. The lower rate may be needed if: (a) lower revenues are required by regional aquaculture associations; (b) the higher rates are not amendable to fishermen in a given area. This bill allows the regional aquaculture associations to choose from a broader range of self-imposed taxes. There should be no direct effects on the FRED program.

AMENDMENTS PROPOSED

None

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 1-26-89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER FIN

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

1/9/89

DATE TURNED INTO OFFICE _____

Mr. President:

RESOURCES

Committee considered SB 62

one percent salmon enhancement tax; efd.

and recommended:

replace with CS _____ same title

attached amendment(s) and new title

_____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

~~no~~ further referral to Chair

FISCAL NOTE(S) attached zero

fiscal impact

appropriation no FN attached

Gov. EN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

William
Frank
Rick Halford
Justin Stangor

Debbie Schrenk *do pass*
Chairman signature and recommendation

Committee backup attached

SB 62: "An Act relating to a one percent salmon enhancement tax; and providing for an effective date."


This legislation will provide qualified regional aquaculture associations with the option of voting for a one percent salmon enhancement tax. Existing statute (AS 43.76.010 - 040) allows these associations to conduct elections for the purpose of establishing a tax on salmon harvested within their region. The proceeds of these taxes are collected by the Department of Revenue, deposited in the general fund and then may be appropriated to the Department of Commerce and Economic Development for the purpose of providing financing to the qualified regional association. This financing is provided through contracts with the various associations. AS 43.76.010 - 040 currently provides for establishment of either a two percent or three percent tax. Passage of this legislation would add the option of a one percent tax.

Currently there are seven qualified regional associations within the state, five of which already have salmon enhancement taxes in place. Prince William Sound Aquaculture Association, Cook Inlet Aquaculture Association, and Kodiak Regional Aquaculture Association all have established a two percent tax and Northern Southeast Regional Aquaculture Association and Southern Southeast Regional Aquaculture Association have established a three percent tax. The Bristol Bay Regional Aquaculture Association and the Lower Yukon-Kuskokwim Regional Aquaculture Association have not yet established a salmon enhancement tax in their respective regions.

During calendar year 1987, the following enhancement tax revenues were collected by the Department of Revenue:

Prince William Sound Aquaculture Association	\$1,085,077.00
Cook Inlet Aquaculture Association	2,330,652.00
Northern Southeast Regional Aquaculture Association	1,090,819.00
Southern Southeast Regional Aquaculture Association	1,232,650.00

The Department of Commerce and Economic Development is neutral on this legislation.


Larry Mercurieff, Commissioner
Department of Commerce and
Economic Development

Date: 1/21/89

FOR FLOOR PACKET
FOR CONCURRENCE

BILL NUMBER: SB 62

SPONSOR: SEN. ZHAROFF

TITLE: AN ACT RELATING TO THE SALMON ENHANCEMENT TAX, EFD.

The House rolled the Governor's bill, SB 84, (which passed from Senate Resources on 2/27/89) into the bill. SB 84 would clarify an ambiguity created through enactment last session of AS 43.76.035. Prior to the 88 legislation enactment, both regional and nonregional private, nonprofit hatcheries were exempted from the salmon enhancement tax. SB 84 would ensure that the exemption applies to all hatcheries in the state's hatchery program.

SB 62 establishes a one percent salmon enhancement tax, in addition to the already existing tax.

Sen. Zharoff concurs with the House action.

Concur - yes

SB 62, Relating to a one percent salmon enhancement tax

TO TESTIFY:

KARL OHLS, Staff to Senator Zharoff, Sponsor

GREG WINEGAR, Division of Investments, Department of Commerce and
Economic Development

(Available for questions) ROYCE WELLER, or STEVE KETTLE,
Department of Revenue

QUESTIONS:

how will this affect the existing tax that other associations
levy? Will they be likely to lower theirs?

BRISTOL BAY SALMON ENHANCEMENT ASSOCIATION
PO Box 1130
Dillingham, Alaska 99576

In our Board meeting of April 16, 1988, which took place in Dillingham, Alaska, the following resolution was approved:

Resolved that we will hold an election to approve a salmon enhancement tax. The amount of the enhancement tax is to be one percent, (1%) of the gross value of all salmon caught under commercial fishing provisions, in the Bristol Bay area. (Alaska Fish & Game Area "T") The tax shall apply to all fish caught under the State of Alaska Commercial Fishing Regulations.

This resolution is in accord with the general provisions of Section 43. Revenue and Taxation, of the Alaska Statutes and Regulations for Nonprofit Salmon Hatcheries.

The Board was aware that as of this date, the Alaska Statutes, does not allow for a one per cent (1%) assessment. There was testimony that a one percent assessment option, would be added to the existing choices of either a two or three percent assessments currently allowed under Sec. 43.76.010 and .011. This change was expected to occur before the effective date of this resolution.

The effective date of this resolution is January 1, 1989.

signed this 19 day of April 1988


Stosh Anderson, President



STATE OF ALASKA
OFFICE OF THE GOVERNOR

BILL ANALYSIS

DEPARTMENT Fish and Game	DIVISION FRED	BILL NUMBER SB 62	SPONSOR Ziaroff
SHORT TITLE OF BILL An Act relating to a one percent salmon enhancement tax			
DEPARTMENT POSITION The department supports this bill as a logical extension to existing legislation.			
PREPARED BY Johnny S. Holland	DATE 1/18/89	COMMISSIONER'S SIGNATURE <i>William A. G. [Signature]</i>	DATE 1/20/89

SUMMARY

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

FISCAL IMPACT: NONE FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT
There is existing salmon enhancement tax statutes (AS 43.76.010 and AS 43.76.011) allowing for 2 and 3% salmon enhancement taxes. This proposal legislation will amend the existing statutes to include 1% salmon enhancement tax.

ANALYSIS OF BILL/PROGRAM EFFECTS
SB 62 is a logical extension of existing statutes, allowing for taxation at a lower rate than presently statutorily permitted. The lower rate may be needed if: (a) lower revenues are required by regional aquaculture associations; (b) the higher rates are not amendable to fishermen in a given area. This bill allows the regional aquaculture associations to choose from a broader range of self-imposed taxes. There should be no direct effects on the FRED program.

AMENDMENTS PROPOSED
None

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

SB 62: "An Act relating to a one percent salmon enhancement tax; and providing for an effective date."


This legislation will provide qualified regional aquaculture associations with the option of voting for a one percent salmon enhancement tax. Existing statute (AS 43.76.010 - 040) allows these associations to conduct elections for the purpose of establishing a tax on salmon harvested within their region. The proceeds of these taxes are collected by the Department of Revenue, deposited in the general fund and then may be appropriated to the Department of Commerce and Economic Development for the purpose of providing financing to the qualified regional association. This financing is provided through contracts with the various associations. AS 43.76.010 - 040 currently provides for establishment of either a two percent or three percent tax. Passage of this legislation would add the option of a one percent tax.

Currently there are seven qualified regional associations within the state, five of which already have salmon enhancement taxes in place. Prince William Sound Aquaculture Association, Cook Inlet Aquaculture Association, and Kodiak Regional Aquaculture Association all have established a two percent tax and Northern Southeast Regional Aquaculture Association and Southern Southeast Regional Aquaculture Association have established a three percent tax. The Bristol Bay Regional Aquaculture Association and the Lower Yukon-Kuskokwim Regional Aquaculture Association have not yet established a salmon enhancement tax in their respective regions.

During calendar year 1987, the following enhancement tax revenues were collected by the Department of Revenue:

Prince William Sound Aquaculture Association	\$1,085,077.00
Cook Inlet Aquaculture Association	2,330,652.00
Northern Southeast Regional Aquaculture Association	1,090,819.00
Southern Southeast Regional Aquaculture Association	1,232,650.00

The Department of Commerce and Economic Development is neutral on this legislation.


Larry Mercurieff, Commissioner
Department of Commerce and
Economic Development

Date: 1/27/89

FISCAL NOTE

REQUEST:

Revision Date: 1/9/89
Title: An Act relating to a 1% salmon enhancement tax.
Sponsor: Zharoff
Requestor: Resources

Agency Affected: Commerce & Econ. Devel.
BRU: Investments
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

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

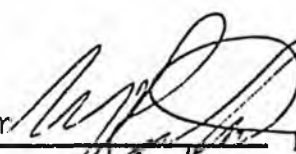
FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Martin J. Richard, Director  Phone: 465-2510
Division: Investments Date: 1/30/89
Approved by Commissioner: Larry Mercurieff, Commissioner Date: 465-2500
Agency: Commerce & Economic Development 1/30/89

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

1/9/89

Mr. President:

RESOURCES Committee considered SB 84

exemptions from the salmon enhancement tax; efd

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) attached zero fiscal impact
 appropriation no FN attached Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Doan
McGinness
Paul R. Ziegler
Curtis Sturgis

Fabrizio *Do Pass*

 Chairman signature and recommendation

Committee backup attached

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

SENATE BILL NO. 84

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the exemptions from the salmon
enhancement tax; and providing for an effective
date."

7

8

9

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

10

* Section 1. AS 43.76.035 is amended to read:

11

Sec. 43.76.035. EXEMPTION. This chapter does not apply to

12

salmon harvested under a special harvest area entry permit issued

13

under AS 16.43.400 [TO A REGIONAL ASSOCIATION ESTABLISHED UNDER

14

AS 16.10.380].

15

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

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

SENATE BILL NO. 84

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the exemptions from the salmon
7 enhancement tax; and providing for an effective
8 date."

9

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

10

* Section 1. AS 43.76.035 is amended to read:

11

Sec. 43.76.035. EXEMPTION. This chapter does not apply to
12 salmon harvested under a special harvest area entry permit issued
13 under AS 16.43.400 [TO A REGIONAL ASSOCIATION ESTABLISHED UNDER
14 AS 16.10.380].

15

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

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

SENATE BILL NO. 84

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the exemptions from the salmon
enhancement tax; and providing for an effective
date."

7

8

9

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

10

* Section 1. AS 43.76.035 is amended to read:

11

Sec. 43.76.035. EXEMPTION. This chapter does not apply to

12

salmon harvested under a special harvest area entry permit issued

13

under AS 16.43.400 [TO A REGIONAL ASSOCIATION ESTABLISHED UNDER

14

AS 16.10.380].

15

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

SB 84 "An Act relating to the exemptions from the salmon enhancement tax; and providing for an effective date."

This legislation will clarify language which was added last session with the passage of CSSB 494 (Fin). The intent of that legislation was to codify the interpretation by the Department of Revenue that the salmon enhancement tax did not apply to salmon harvested by nonprofit aquaculture associations within their special harvest areas. The language, however, only referred to regional associations which could be interpreted to exclude nonregional associations. Research indicates that this was done inadvertently and, prior to this time, no enhancement taxes have been charged to either regional or nonregional associations. Requiring nonregional associations to pay this tax could adversely affect these organizations' ability to repay state fisheries enhancement loans.

The Department of Commerce and Economic Development supports this bill because it will clarify that nonregional aquaculture associations as well as regional associations are exempt from the salmon enhancement tax on salmon harvested within their special harvest areas. This will allow the program to continue as it has in the past and prevent the possibility of inequities between regional and nonregional aquaculture associations.

[Signature]
Larry Merculiéff, Commissioner
Department of Commerce and
Economic Development

Date: *4/27/89*

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

SENATE BILL NO. 84

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the exemptions from the salmon
7 enhancement tax; and providing for an effective
8 date."

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

10 * Section 1. AS 43.76.035 is amended to read:

11 Sec. 43.76.035. EXEMPTION. This chapter does not apply to
12 salmon harvested under a special harvest area entry permit issued
13 under AS 16.43.400 [TO A REGIONAL ASSOCIATION ESTABLISHED UNDER
14 AS 16.10.380].

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

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 9, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Kelly:

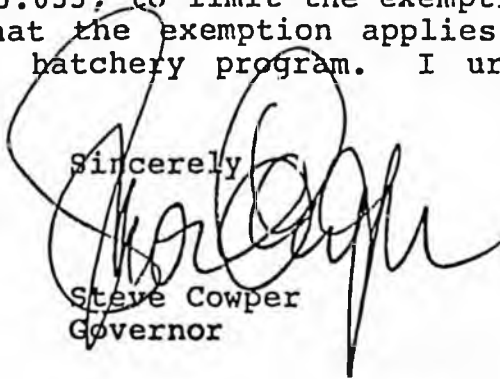
Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the exemptions from the salmon enhancement tax imposed by AS 43.76. This bill is designed to clarify an ambiguity created through the enactment last session of AS 43.76.035.

Before the 1988 legislation was enacted, the practice of the Department of Revenue, in interpreting AS 43.76, was to exempt from the salmon enhancement tax salmon harvested under all special harvest area permits issued to hatcheries under AS 16.43.400. This practice exempted both regional and nonregional private, nonprofit hatcheries, on the basis that the tax is intended, for the most part, to benefit the state's hatchery program.

Last year's AS 43.76.035, however, codified the exemption only for regional aquaculture associations. Thus, by implication, that statute could be interpreted to repeal the exemption for those private, nonprofit hatcheries that are not run by regional aquaculture associations, thereby imposing a new tax burden of two or three percent on those hatcheries. The Department of Commerce and Economic Development has indicated that this added tax burden, if imposed, might affect the ability of these hatcheries to meet future loan payments.

We firmly believe that it was not the intent of the legislature, in passing AS 43.76.035, to limit the exemption, and this bill will clarify that the exemption applies to all hatcheries in the state's hatchery program. I urge your support of this measure.

Sincerely,


Steve Cowper
Governor

FISCAL NOTE

REQUEST:

Revision Date: October 25, 1988
Title: Salmon Enhancement Tax: Hatchery Exemption.
Sponsor: Rules Committee
Requestor: Governor

Agency Affected: Revenue
BRU: Income and Excise Audit
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERSONAL SERVICES		-0-	-0-	-0-	-0-	-0-
TRAVEL		-0-	-0-	-0-	-0-	-0-
CONTRACTUAL		-0-	-0-	-0-	-0-	-0-
SUPPLIES		-0-	-0-	-0-	-0-	-0-
EQUIPMENT		-0-	-0-	-0-	-0-	-0-
LANDS & STRUCTURES		-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS		-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS		-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-
CAPITAL		-0-	-0-	-0-	-0-	-0-
REVENUE		-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS: See attached analysis.

Prepared By: Steven E. Kettel
Division: Income and Excise Audit

Phone: (907) 465-2320
Date: October 25, 1988

Approved by Commissioner: Hugh Malone
Agency: Department of Revenue

Date: October 25, 1988

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

Prepared by: Steven E. Kettel
Director, Income & Excise Audit
October 25, 1988

Analysis:

The proposed legislation exempts all private nonprofit hatcheries from salmon enhancement tax liability. The bill is necessary to correct an ambiguity that was created through the enactment last year of AS 43.76.035. Prior to enactment of Section 035, the Department practice was to exempt all salmon harvested under all special harvest permits issued under AS 16.43.400. This exempted both regional and nonregional private, nonprofit hatcheries. Section .035 however, codified the exemption only for regional aquaculture associations, and could be construed to repeal the exemption for private nonprofit hatcheries. This legislation expands the exemption to cover private nonprofit hatcheries.

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Exemption of hatcheries
from salmon enhancement tax
 Sponsor: Rules Committee
 Requestor: Governor

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Dr. Brian Allee, Director Phone: 465-4160
 Division: FRED Date: 10/19/88

Approved by Commissioner: *Orin Galloway* Date: 10/19/88
 Agency: Department of Fish and Game

Distribution (by preparer): *BA* 10/19/88
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

FISCAL NOTE

REQUEST:

Revision Date: 1/9/89
Title: An Act relating to a 1% salmon enhancement tax.
Sponsor: Zharoff
Requestor: Resources

Agency Affected: Commerce & Econ. Devel.
BRU: Investments
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

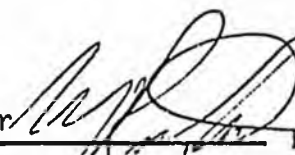
FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Martin J. Richard, Director  Phone: 465-2510
Division: Investments Date: 1/30/89
Approved by Commissioner: Larry Mercurieff, Commissioner Date: 465-2500
Agency: Commerce & Economic Development 1/30/89

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

BRISTOL BAY SALMON ENHANCEMENT ASSOCIATION
PO Box 1130
Dillingham, Alaska 99576

In our Board meeting of April 16, 1988, which took place in Dillingham, Alaska, the following resolution was approved:

Resolved that we will hold an election to approve a salmon enhancement tax. The amount of the enhancement tax is to be one percent, (1%) of the gross value of all salmon caught under commercial fishing provisions, in the Bristol Bay area. (Alaska Fish & Game Area "T") The tax shall apply to all fish caught under the State of Alaska Commercial Fishing Regulations.

This resolution is in accord with the general provisions of Section 43. Revenue and Taxation, of the Alaska Statutes and Regulations for Nonprofit Salmon Hatcheries.

The Board was aware that as of this date, the Alaska Statutes, does not allow for a one per cent (1%) assessment. There was testimony that a one percent assessment option, would be added to the existing choices of either a two or three percent assessments currently allowed under Sec. 43.76.010 and .011. This change was expected to occur before the effective date of this resolution.

The effective date of this resolution is January 1, 1989.

signed this 19 day of April 1988


Stosh Anderson, President

S B

64

Senator John B. (Jack) Coghill

Alaska State Legislature

Box V
Juneau, Alaska 99811
(907) 465-4797

Box 55028
North Pole, Alaska 99705
(907) 488-0862



MEMORANDUM

To: Senator Bettye Fahrenkamp
Senate Resource Committee Chair

From: Senator Jack Coghill

Re: SB 64; Amending the mining loan fund law.

Date: February 2, 1989

Intent: To provide the Department of Commerce and Economic Development (DCED) greater flexibility in addressing the high delinquency and default situation existing in the mining loan program.

Background: During the 15th Legislature this bill failed to pass both houses because it was held hostage by the House Resource Committee and did not move to House Finance until that committee had adjourned for the session.

Attachments:

1. DCED zero fiscal note and support position paper.
2. Existing Mining Loan Fund Statutes.
3. DCED Statistics on Loan Programs (12/31/88)

Rational: I've reintroduced this legislation in order to give some relief to those miners, especially the small "mom and pop" operators, who acquired mining loans before 1985. The ability, of those pre-1985 borrowers, to repay their loans was impacted by the state water quality permit certification process, which changed the rules governing their operations. Since that time additional permit processes have come into play which further raise the costs of mining, the Corp of Engineers wetlands permit process is a case in point. I need not remind you of the many lawsuits against federal and state agencies, which have also affected the miner's economic situation. This bill doesn't get the borrowers off the "hook", but it may save many of them from being fatally wounded by it.

Recommendation: I recommend you calendar this bill for public hearing by your committee as soon as possible, and consider discharging the bill from committee with "do pass" recommendations.

Senator John B. (Jack) Coghill

Alaska State Legislature

Box V
Juneau, Alaska 99811
(907) 465-4797

Box 55028
North Pole, Alaska 99705
(907) 488-0862



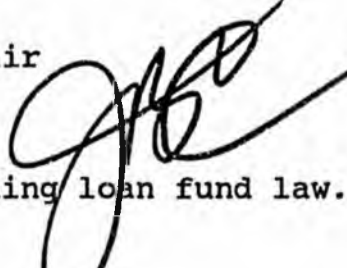
MEMORANDUM

To: Senator Bettye Fahrenkamp
Senate Resource Committee, Chair

From: Senator Jack Coghill

Re: SB 64; An Act amending the mining loan fund law.

Date: February 24, 1989



Attached you will find a letter from the AMA regarding SB 64.

Although the language AMA speaks to is adapted from the commercial fishing loan statutes, I have no objection to your committee addressing AMA's concern.

I would remind you that the majority of the outstanding mining loans were acquired during a period of less government interference and a higher gold price. This resulted in modifications to mine operations and may contribute to the perception that the mine is now marginal or poor management decisions were made.

I have no objection to AMA's recommendation that line 20 be deleted.

Please move this legislation through your committee as soon as possible.



ALASKA MINERS ASSOCIATION, INC.

501 W. Northern Lights Blvd., Suite 203, Anchorage, AK 99503 (907) 276-0347

Feb. 15, 1989

Honorable Jack Coghill
P.O. Box V
Juneau, AK 99811

Dear Senator Coghill;

The Alaska Miners Association supports SB 64 "an Act amending the mining loan fund law". We would like to see one change in the bill. Line 20 - The clause states "(1) the borrower has experienced poor mining season".

This provision could be abused and this would reflect on the industry to the detriment of the total loan program. There could be many reasons for a poor mining season ranging from natural causes - uncontrollable on the part of the operator - to poor management or just low producing ground. The latter two should not be sufficient reasons for an extension.

There are certainly some extenuating circumstances that would justify the extension on a loan and the State should have the flexibility to authorize extensions. We would recommend striking line 20.

If you need any further information or if we can be of assistance please give me a call.

Sincerely,

Curtis McVee
Executive Director
Alaska Miners Association

Senator John B. (Jack) Coghill

Alaska State Legislature

Box V
Juneau, Alaska 99811
(907) 465-4797

Box 55028
North Pole, Alaska 99705
(907) 488-0862



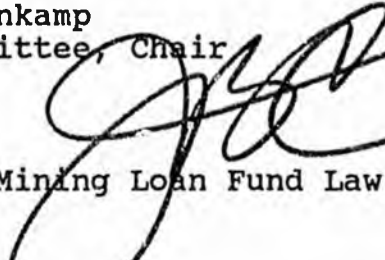
MEMORANDUM

To: Senator Bettye Fahrenkamp
Senate Resource Committee, Chair

From: Senator Jack Coghill

Re: SB 64; Amending the Mining Loan Fund Law

Date: March 13, 1989



This is my third request that this legislation be heard in your committee.

We supplied you with the departments position paper and fiscal note on February 2 and followed up again on February 24.

You will note from the attached Department of Commerce and Economic Development statistics, that even though the number of outstanding mining loans has decreased, the rate of delinquency has increased to 41 percent.

Using current estimates of the number of mining operators out there (211 in 1988), and if you assume that the 39 outstanding loans are operating mines, then we are talking about relieve for 18 percent of the industry.

We're not considering forgiveness in this legislation. We are considering allowing the payments to be stretched out over time periods beyond 15 years.

It would be most considerate of you to contemplate moving this bill as soon as possible. It would be niece to have some good news for a percentage of the miners during their placer mining conference in Fairbanks, March 29 through April 1.

STATISTICS ON DCED LOAN PROGRAMS
(Thousands of Dollars)

January 31, 1989

	Veterans	Small Business	Commercial Fish	Tourism	Bulk Fuel	Child Care	Hist Dist	Mining	Alternative Energy	Resid. Energy	Fish Enhance	Power Dev.	Water Resource	Total
COMMITMENTS														
Total No. Loans Committed FY 89	-0-	-0-	103 ³	-0-	20	-0-	-0-	-0-	-0-	-0-	11	-0-	-0-	134
Total Dollar Amount Committed FY 89	-0-	-0-	8,308.1 ³	-0-	732.8	-0-	-0-	-0-	-0-	-0-	8,449.3	-0-	-0-	15,488.2
APPROPRIATIONS														
FY 86	-0-	-0-	3,710.0	-0-	-0-	-0-	-0-	-0-	845.0	-0-	812.0	-0-	-0-	5,367.0
FY 87	-0-	-0-	-0-	-0-	64.0	-0-	400.0	-0-	-0-	-0-	-0-	-0-	-0-	464.0
FY 88	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,200.0	-0-	-0-	2,200.0
FY 89	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	8,000.0	-0-	-0-	8,000.0

LOANS OUTSTANDING

Owned by Fund														
Number of Loans Outstanding	25	14	1,476	1	48	36	6	39	1,237	963	133	1	1	3,980
Principal Amount Outstanding	1,320.6	2,417.2	80,965.9	980.0	991.1	1,255.1	855.7	11,450.7	8,500.8	1,867.4	51,721.7	183,746.7	802.8	328,975.7
Average Loan Amount Outstanding	52.8	172.7	41.3	980.0	20.7	34.9	159.9	293.6	6.9	1.9	388.9	183,746.7	802.8	82.2
Serviced for AIDEA														
Number of Loans Outstanding	1,401	162	197	7	N/A	1	3	N/A	N/A	N/A	11	N/A	N/A	1,782
Principal Amount Outstanding	58,146.6	12,483.0	5,735.0	763.3		3.6	65.9				5,763.8			82,981.2
Average Loan Amount Outstanding	41.5	77.1	29.1	109.0		3.6	22.0				524.0			46.6
Summary														
Total No. of Loans Outstanding	1,426	176	1,673	8	48	37	9	39	1,237	963	144	1	1	5,762
Total Principal Amount Outstanding	59,467.2	14,900.2	66,700.9	1,743.3	991.1	1,258.7	1,021.6	11,450.7	8,500.8	1,867.4	57,485.5	183,746.7	802.8	409,936.9

DELINQUENCY RATES AND DEFAULT STATISTICS

Statistics Based on Balances Outstanding														
% Delinquent ¹	3.7%	16.9%	2.8%	5.5%	5.0%	0.02%	-0-	32.5%	3.7%	7.0%	-0-	-0-	-0-	2.6%
% In Default ²	4.9%	22.7%	1.7%	4.0%	8.3%	18.3%	-0-	43.8%	5.8%	6.9%	-0-	-0-	-0-	3.3%
Statistics Based on Number of Loans														
% Delinquent ¹	3.1%	17.6%	3.2%	12.5%	6.3%	2.7%	-0-	41.0%	3.8%	6.0%	-0-	-0-	-0-	4.4%
% In Default ²	3.9%	17.1%	1.4%	12.5%	14.5%	10.8%	-0-	33.3%	5.0%	4.4%	-0-	-0-	-0-	4.2%

¹ Delinquent is defined as 60 days or more past due, not in litigation.

² Default is defined as in litigation.

³ Prequalifications NOT included

Prepared by: Division of Investments, Accounting Branch

2/14/88

Loans

STATISTICS ON DCED LOAN PROGRAMS
(Thousands of Dollars)

December 31, 1988

	Veterans	Small Business	Commercial Fish	Tourism	Bulk Fuel	Child Care	Hist Dist	Mining	Alternative Energy	Resid. Energy	Fish Enhance	Power Dev.	Water Resource	Total
COMMITMENTS														
Total No. Loans														
Committed FY 89	-0-	-0-	85 ³	-0-	18	-0-	-0-	-0-	-0-	-0-	10	-0-	-0-	113
Total Dollar Amount														
Committed FY 89	-0-	-0-	6,724.4 ³	-0-	632.8	-0-	-0-	-0-	-0-	-0-	5,650.0	-0-	-0-	13,007.2
APPROPRIATIONS														
FY 86	-0-	-0-	3,710.0	-0-	-0-	-0-	-0-	-0-	845.0	-0-	812.0	-0-	-0-	5,367.0
FY 87	-0-	-0-	-0-	-0-	84.0	-0-	400.0	-0-	-0-	-0-	-0-	-0-	-0-	464.0
FY 88	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,200.0	-0-	-0-	2,200.0
FY 89	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	8,000.0	-0-	-0-	8,000.0
LOANS OUTSTANDING														
Owned by Fund														
Number of Loans														
Outstanding	25	14	1,471	1	49	36	6	41	1,249	973	129	1	1	3,996
Principal Amount														
Outstanding	1,325.2	2,414.6	59,997.4	981.6	1,089.4	1,262.5	956.7	11,481.5	8,568.9	1,914.9	50,451.8	186,104.1	802.8	327,351.4
Average Loan Amount														
Outstanding	53.0	172.5	40.8	981.6	22.2	35.1	159.5	280.0	6.9	2.0	391.1	186,104.1	802.8	81.9
Serviced for AIDEA														
Number of Loans														
Outstanding	1,411	163	199	7	N/A	1	3	N/A	N/A	N/A	11	N/A	N/A	1,795
Principal Amount :														
Outstanding	58,412.4	12,585.7	5,796.6	764.5		3.7	66.2				5,896.6			83,525.7
Average Loan Amount														
Outstanding	41.4	77.2	29.1	109.2		3.7	22.1				536.1			46.5
Summary														
Total No. of Loans														
Outstanding	1,436	177	1,670	8	49	37	9	41	1,249	973	140	1	1	5,791
Total Principal														
Amount Outstanding	59,737.6	15,000.3	65,794.0	1,746.1	1,089.4	1,266.2	1,022.9	11,481.5	8,568.9	1,914.9	50,348.4	186,104.1	802.8	410,877.1
DELINQUENCY RATES AND DEFAULT STATISTICS														
Statistics Based on Balances Outstanding														
% Delinquent ¹	4.0%	14.9%	3.5%	5.4%	10.8%	0.02%	-0-	31.3%	3.4%	9.8%	-0-	-0-	-0-	2.7%
% in Default ²	5.0%	22.5%	1.9%	3.9%	8.9%	16.2%	-0-	43.6%	5.8%	4.5%	-0-	-0-	-0-	3.3%
Statistics Based on Number of Loans														
% Delinquent ¹	3.5%	15.2%	3.9%	12.5%	10.4%	2.7%	-0-	36.8%	3.8%	7.9%	-0-	-0-	-0-	4.8%
% in Default ²	4.1%	17.0%	1.7%	12.5%	14.5%	10.8%	-0-	31.7%	4.9%	3.1%	-0-	-0-	-0-	4.2%

¹ Delinquent is defined as 60 days or more past due, not in litigation.
² Default is defined as in litigation.
³ Prequalifications NOT included

Table 3. Reported refined gold production, number of operators, and industry employment in Alaska by region and mining district, 1987-88.^a

Region and mining district	1987			1988		
	Number of operators	Production (oz)	Number of employees	Number of operators	Production (oz)	Number of employees
Northern Chandalar Shungnak Koyukuk-Nolan	8	7,256	40	8	6,500	32
Western Nome Kougarok Port Clarence Fairhaven Ruby Solomon Koyuk Council	46	101,244	414	48	98,500	425
Eastern Interior Circle Livengood-Tolovana Fairbanks Fortymile Manley-Eureka Richardson Bonnifield Rampart	81	50,690	380	89	76,550	415
Southcentral Cache Creek Chistochina Valdez Creek Kenai Peninsula Nelchina	29	46,460	251	30	68,300	315
Southwestern Innoko-Tolstoi Iditarod-George River Moore Creek Nyac Crooked Creek Lake Clark-Mulchatna	36	20,650	129	33	14,800	108
Southeastern and Alaska Peninsula	5	3,400	35	3	850	10
TOTAL	205	229,700	1,249	211	265,500	1,305

^a1988 production estimated from 208 mechanized placer mines and three lode mines statewide. Small 'recreational-assessment' projects that recover bullion from panning, pick-and-shovel prospecting, long-tom sluicing, and suction dredging are not included.

FISCAL NOTE

REQUEST:

Revision Date: 1/9/89
 Title: An Act amending the mining loan fund law
 Sponsor: Coghill and Frank
 Requestor: Resources

Agency Affected: Commerce & Econ. Dev.
 BRU: Investments

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	0	0	0	0	0	0
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						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Martin J. Richard, Director Phone: 465-2510
 Division: Investments Date: 12/11/89

Approved by Commissioner: Larry Merculieff Date: 12/12/89
 Agency: Department of Commerce & Economic Development

Distribution (by preparer):

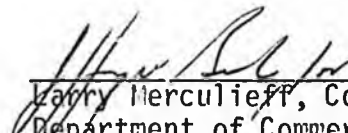
- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

SB 64: "An Act amending the mining loan fund law."

This legislation authorizes the Department of Commerce and Economic Development to grant an extension or modification of a mining loan provided it can be shown that the borrower has experienced poor mining seasons or that regulations of the state or federal government have changed and thereby prevented the borrower from fulfilling the terms of the loan. The bill provides that these extensions may exceed a term of 15 years; however, interest continues to accrue and there is no reduction or forgiveness of interest during the extension.

This essentially allows the department the ability to extend a loan beyond the current statutory limit of 15 years.

The Department of Commerce and Economic Development supports this bill because of the added flexibility it provides in dealing with delinquent borrowers.


Larry Mercurieff, Commissioner
Department of Commerce and
Economic Development

4/22/89
Date

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

RECEIVED
OCT 02 1989
BOARDS

September 29, 1989

Mr. Donald See
Chairman
Southeast Regional Fish
and Game Council
Department of Fish and Game
Division of Boards
P.O. Box 3-2000
Juneau, AK 99802

Dear Mr. See:

Thanks for your letter of August 21 in which you express concerns regarding adequate funding for the Division of Boards within the Department of Fish and Game. You were especially concerned about the restriction of meetings of the regional council to one per year, and with the level of federal funding provided for regional council activities.

The regulatory process for fish and wildlife management issues does involve an extraordinary level of public participation, involving input from the advisory committees, regional councils, and general public. I'm very supportive of this public process, and feel that the quality of the resulting regulations as promulgated by the Board of Fisheries and Board of Game are greatly enhanced.

The Division of Boards has recently undergone a reorganization in order to increase the function and role of the regional regulatory program assistants located throughout the state. That reorganization will result in review of the budget for the Division of Boards to ascertain the funding level which will adequately allow for the services of the Division of Boards to be rendered. I'm aware that the level of funding for travel and meetings of the advisory committees and the regional councils is of concern, and this will be closely reviewed. Ultimately, of course, it will be the responsibility of the Legislature to approve the funding level for the Division of Boards.

As you know, ANILCA Title VIII specifies that the State and the federal government will share the cost of the subsistence resource councils. Although the federal

Mr. Donald See

- 2 -

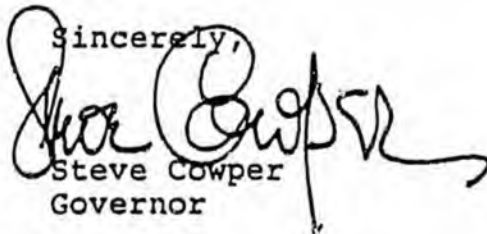
September 29, 1989

government is supposed to reimburse the State for half our expenditures for this program, it has been increasingly difficult to get this money into the federal budget. My Washington, D.C., office has been working with the Appropriations Committee to make sure amounts for the reimbursement are included in the Interior Department's appropriation. This year, that amount is for only \$750,000, despite the fact that our actual expenditure was more than \$3 million. At present we are working with the House and Senate conferees to emphasize to them the importance of this program and the fact that it is in fulfillment of a federal mandate.

I want to commend the Southeast Regional Fish and Game Council for the work that it has done in the past in ensuring that the fish and wildlife regulation process has benefited the residents of Southeast Alaska and the fish and wildlife resources. This level of citizen participation can be found in few other states, and I feel that it is particularly pertinent in Alaska.

Again, thanks for bringing these concerns to my attention.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", with a long, sweeping flourish extending to the right.

Steve Cowper
Governor

ROBERT C. BYRD, WEST VIRGINIA, CHAIRMAN

WEL K. WOULFE, HAWAII
IST F. HOLLINGS, SOUTH CAROLINA
KENNETT JOHNSTON, LOUISIANA
JENNETH N. BURDICK, NORTH DAKOTA
PATRICK J. LEAHY, VERMONT
JIM SASSER, TENNESSEE
DENNIS D'CONCINI, ARIZONA
DALE BUMPER, ARKANSAS
FRANK R. LAUTNER, NEW JERSEY
TOM HARKIN, IOWA
BARBARA A. MIKULSKI, MARYLAND
HARRY REID, NEVADA
BROCK ADAMS, WASHINGTON
WYCHE FOWLER, JR., GEORGIA
J. ROBERT KERREY, NEBRASKA

MARIE O. MATTHEW, OREGON
TED STEVENS, ALASKA
JAMES A. MCCLELLINE, IDAHO
JAKE GAFF, UTAH
THAD COCHRAN, MISSISSIPPI
ROBERT W. EASTEN, JR., WISCONSIN
ALFONSO M. D'AMATO, NEW YORK
WARREN RUSSMAN, NEW HAMPSHIRE
ARLEN SPECTER, PENNSYLVANIA
PETE V. DOMERIO, NEW MEXICO
CHARLES E. GRASSLEY, IOWA
DON NICKLES, OKLAHOMA
PHIL GRAMM, TEXAS

JAMES M. ENGLISH, STAFF DIRECTOR
J. KEITH KENNEDY, MINORITY STAFF DIRECTOR

United States Senate
COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-8025

RECEIVED
OCT 23 1989
BOARDS

October 13, 1989

Donald See, Chairman
Ann Lowe, Secretary
Southeast Regional Fish & Game Council
c/o Alaska Department of Fish and Game
P.O. Box 3-2000
Juneau, Alaska 99802

Dear Donald and Ann:

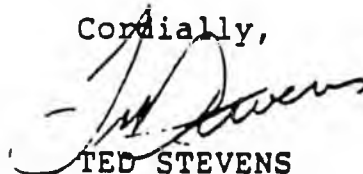
Thanks for contacting me to express your concern about funding for Alaska's Regional Fish and Game Councils, which were formed under ANILCA.

At my request, \$750,000 was added to the FY90 Interior budget to reimburse the cost of running these state councils. I had originally requested \$1.55 million, but the money was not included in the Interior Appropriations bill. I had to offer an amendment in Committee to include this funding, and then had to take money out of another Alaska program for this purpose. It was just not possible to provide the full authorized funding level of \$1.55 million, given the severe budget constraints under which we are operating.

Thanks again for writing.

With best wishes,

Cordially,


TED STEVENS

Senator Johne Binkley

Senate Finance Committee

P.O. Box V • Juneau, Alaska 99811 • (907) 465-4985

November 6, 1989

Finance Committee
Co-Chairman

Donald See, Chairman
Southeast Regional Fish & Game Council
c/o Division of Boards
P.O. Box 3-2000
Juneau, AK 99802

RECEIVED
NOV 08 1989
BOARDS

Dear Mr. See:

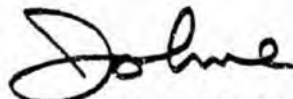
Thank you for writing me about the funding problems of the Division of Boards within the Department of Fish and Game. I had my staff check into the matter for me. It was certainly not the Legislature's intent to underfund the regional councils and advisory committees. I believe strongly in this system, and urged the department to beef up this system so that rural Alaskans would be full participants in the management of our fish and game resources. In fact, we increased the Division of Board's budget from \$1,118,900 in Fiscal Year 1989 to \$1,330,600 in Fiscal Year 1990.

I am told that the funding problem was the result of three actions: the filling of all the regional coordinator positions, many of which had been vacant for a long time; the re-activation of a number of advisory committees, which required extra travel monies; and a decrease in the amount of money we get reimbursed from the federal government (the ANILCA funding).

I believe that if the advisory committees and councils do fully participate in the decision-making process, the work-load of the Boards of Fisheries and Game should be reduced. Many of the issues brought before the boards can, and should, be solved at a more local or regional level.

I'm not sure what, if anything, can be done about this problem this year. However, we'll be working with the department to do what we can.

Sincerely,



Senator Johne Binkley
Yukon-Kuskokwim and
Interior Rivers

mem

cc: Commissioner Collinsworth

REPRESENTATIVE
PETER GOLL



P O BOX 4
JUNEAU ALASKA 99811
(907) 485 4925

STATE OF ALASKA
HOUSE OF REPRESENTATIVES

December 8, 1989

RECEIVED
DEC 11 1989
BOARDS

Mr. Donald See, Chairman
Southeast Regional Fish and Game
Council
c/o ADF&G
Division of Boards
P.O. Box 3-2000
Juneau, AK 99802

Dear Mr. See:

Thank you very much for sending us a copy of your November 3rd letter, with attachments, to Secretary of the Interior Lujan.

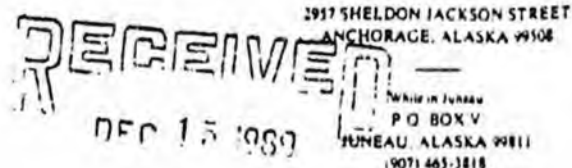
Representative Goll is out of the state right now; however, I will make sure he receives this information immediately upon his return.

Sincerely,

A handwritten signature in cursive script that reads "Hayden Kaden".

Hayden Kaden
Legislative assistant

Alaska State Legislature



SENATOR
ARLISS STURGULEWSKI
Senate President Pro Tempore
Chairman, Senate Rules Committee

December 13, 1989

Senate

Gary Slaven
Chairman
Board of Fisheries
Box 3-2000
Juneau, AK 99802

Henry Springer
Chairman
Board of Game
Box 3-2000
Juneau, AK 99802

Dear Gary and Henry:

Thank you for bringing forth this important issue of adequate funding for regional fish and game councils and advisory committees throughout the state. There must be more attention focused on the lack of funding and I appreciate your efforts at generating an increased awareness. The serious aspect of this lack of funding, as you point out, is the concern that it might lead to violations of specific ANILCA provisions.

I would certainly advise contacting Senator Bettye Fahrenkamp, Chairman of the Senate Resources Committee, with this information and suggest making a presentation to the committee early in the upcoming session. That might also provide an opportunity to make the information available to the House Resources Committee as well as both finance subcommittees on the Department of Fish and Game budget.

I have taken the liberty of sending copies of this material to the Senate and House Resources and Finance committees.

Kindest regards,

Arliss

Arliss Sturgulewski
Alaska State Senator

cc: Board of Fish members
Board of Game members
Regional Councils
Senator Bettye Fahrenkamp
Senator John Binkley
Senator Rick Uehling
Representative Curt Menard
Representative Cliff Davidson
Representative Lyman Hoffman
Representative Ron Larson



Alaska State Legislature

cc: JB
LJ
NG
BL
RRPAS

REPRESENTATIVE DICK SHULTZ

PO Box 1
Juneau, Alaska 99811
(907) 465-4941
Home PO Box 487
Tok, Alaska 99781

Member
Finance Committee
December 20, 1989

RECEIVED
1989 DEC 20
JOINT
BOARDS

Mr. Gary Slaven
Joint Boards
P.O. Box 3-2000
Juneau, Alaska 99802

Dear Mr. Slaven;

I have communicated with the Commissioners office about a letter from the Joint Boards to Advisory Committee Chairman. The letter gives the impression that individuals selected by Committees to represent them at Board meetings will not be recognized if the state does not provide funding for their travel.

Traditionally, our committees have selected an individual and usually that individual has paid his or her own way to the board meetings and has presented testimony on behalf of their committee members. By doing this the state has saved money for other members to travel from more remote distances. Now it seems these citizens are to be penalized if they pay their own way. Of course the other possibility is the boards are attempting to limit testimony, or even more disturbing, deliberately using our constituents as a blackmail tool in securing legislative funds for advisory committee travel money.

I, for one, do not respond well to negative incentives, and I do not believe our advisory committee system should be used in any type of political charade. Committee members are discouraged enough as it is with the National Park Service and the anti- hunting groups past influence on the boards.

If need be, I can get a legal opinion as to why the Board can not refuse to acknowledge the testimony of an individual elected and sent to represent a committee. I would rather not waste state time and money doing so. What I would rather see is a letter to all committee chairman from the Boards clarifying that elected committee representatives would be recognized as such when they present testimony to the boards. I appreciate your cooperation in this matter.

Sincerely,
Dick Shultz
Dick Shultz

5364
f
MAR 17 1989

ANSON LEVAKE RENSHAW, JR.
(Mining Engineer - UAF, 1858)
Anchorage, Alaska 99523-0407
Phone (907) 563-7424

March 14, 1989

SENATOR BETTYE FAHRENKAMP
Pouch V
Juneau, Ak 99811

re: SB No. 64 and related matters.

As introduced, SB No.64 is certainly a step in the right direction, but it must be made effective retroactive to late 1984 or early 1985 to be of much use. That is the beginning of other agency actions which rendered mining either impossible or imprudent; but which the Department of Commerce & Economic Development, then proclaiming itself the "primary advocacy agency in state government for mining industry", deemed irrelevant and immaterial to the plight of its Mining Loan Fund customers.

As a victim of the administration of the Mining Loan Fund, I can attest to the real reasons for the utter failure of the program. While the existing Statute is simple, straight forward, and wholly understandable to those of us in the mineral industry, it contains a fatal flaw. It does not specify credentials for administering officials or for the members of the various loan committee(s). The unfortunate consequence of this omission has been an unbelievable paucity of knowledge as to established mining industry practices, of industry economics, or of special industry financing needs. This was particularly true within the Division of Investments, but included also the Division of Accounting and Collections, and the "shell game" operation of loan committees whether at Fund, Division, or Department level. Irrespective of AS 27.90.060, the personnel involved simply did not speak the language. The results were as follows:

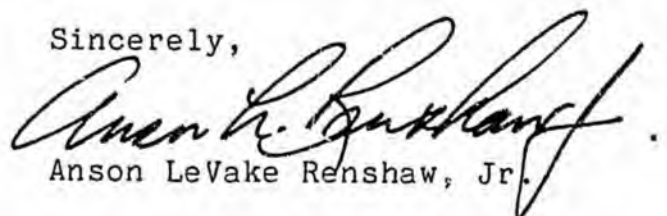
1. Regardless of whether applicants believed they had applied for, and been issued, "advanced exploration" or "development" loans as per AS 27.09.010, .030(a) and .060, only "Mining Loans" (3 AAC 87) were issued.
2. Some applicants were preferentially accepted under AS 27.90.020 and .030 which probably should not have been, while others with credible projects were rejected.
3. Because AS 27.09.030(e) is permissive ("may") the engagement of experts was consistantly refused; nor were permissions granted to applicant/borrowers for the engagement of experts to provide independent reviews.
4. AS 27.09.030(b) ["shall"] was not adequately performed because qualified experts were not engaged. A double standard was allowed within and without the Department in that personnel borrowed from an adjacent office to perform cursory reviews, were not in compliance with the very occupational licensing laws the Department otherwise administered, and required of industry.
5. AS 27.09.030(c) and (d) ["shall"] were not performed at all. No definition is given as to what "economic feasi-

- bility" may be, or how to go about making a determination. The requirement was simply ignored.
6. AS 27.09.030(f) was not complied with. Whole files of highly confidential applicant project information, and agency generated documents, were lost, trashed, or stolen from Division of Investment files and then the loss CONCEALED from the applicants/borrowers, other Department officials, and from the loan committee(s) even during appeal and reconsideration deliberations.
 7. AS 27.09.040(d) and .045 were administered without regard to .060.
 8. Loan committee(s) deliberations, including appeals, were conducted in a nearly complete vacuum. Applicants were not allowed to represent themselves, or be represented before them. Applicant prepared information was not submitted to them. Rather, loan examiners and servicing officers prepared all committee submittals. These officials also were apparently not present during committee deliberations. All committee paperwork was kept confidential and unavailable even to the borrower. Expert opinions [AS 27.09.030(e)] were not required.
 9. Beyond the oracle-like "Senior Loan Committee" (same situation, and membership) no further forum for administrative appeal existed within the the Department.

Not all applicant/borrowers may have experienced, or indeed even been fully aware, of the above conditions - and therein lies a further problem. Not all borrowers were treated equally. At his request, and in the presence of a witness; I met secretly with a former Commissioner. In addition to explaining some of the above problems then known to me, I warned him of rumored illegalities involving the Fund, and of irregularities known to me and others. No investigation was apparently made, nor were actions then taken to rectify the situation. Projects submitted in good faith continued to be destroyed and the borrowers then subjected to overwhelming prosecution. Large outside law firms, engaged sole source and off budget in the name of the State, are the only real beneficiaries of the Fund which the Legislature had intended to help establish a rural employment base.

An immediate moratorium should be placed on all activities involving the Mining Loan Fund, including ongoing prosecution and interest accrual, and until an entirely independent and competent board of inquiry may investigate and recommend comprehensive revisions to the statute, to the partially implemented regulations, to policies of administration and the conduct of loan committees, and to proper administrative hearings procedures for grievance and appeal. Most importantly, the wrongs perpetrated against the various applicant/borrowers must be addressed.

Sincerely,



Anson LeVake Renshaw, Jr.

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

DIVISION OF BOARDS

August 8, 1989

STEVE COWPER, GOVERNOR

P.O. BOX 3-2000
JUNEAU, ALASKA 99802-2000
PHONE: (907) 485-4110

Dear Local Advisory Committee Members and Alternates:

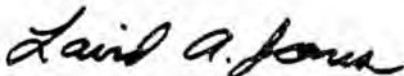
I am writing to personally inform you all of the financial dilemma the Division of Boards of Fisheries and Game is in for State Fiscal Year 1990 (June 30, 1989 through July 1, 1990). My intent is to advise you of the situation so you can plan your advisory committee and regional council activities for this coming board cycle

To be uniform and fair to all the advisory committees and regional councils statewide the following number of meetings and attendance at board meeting will be funded at this time. You should plan for two advisory committee meetings and one regional council meeting. Each region will be allowed to send one representative to each scheduled board meeting (both the Board of Fisheries and the Board of Game) and two representatives to the joint board meetings.

I appreciate that this places extreme hardship on the committees and councils and is quite different from past participation and arrangements. However, in projecting the board meeting costs, working with the Regional Coordinators to project the costs of the committee and council travel, per diem and meeting rooms costs, we found the above minimum needs could not even be fully met with the funding provided.

This division will be working with the commissioner and the board members, then the governor, and finally the state legislature to request additional funding to meet the above meeting schedule and provide for board attendance to the committees and councils. It is unclear if we will receive this additional funding, thus we cannot allocate funding for any additional meetings at this time. Any ideas you have to help reduce the costs of the meetings, other cost saving ideas, or concerns regarding the above plan would be appreciated. I will keep you informed on the progress of the additional funding request. If you have any questions, suggestions or ideas, please feel free to contact myself or your Regional Coordinator.

Sincerely,



Laird A. Jones
Director

cc: Commissioner Don Collinworth
Board of Fisheries Members
Board of Game Members

Regional Coordinators
Division Directors



REGIONAL FISH & GAME COUNCILS

c/o ADP&G, DIVISION OF BOARDS, P.O. BOX 1-2000, JUNEAU, ALASKA 99802 PHONE: (907) 465-4110

October 27, 1989

The Honorable Morris K. Udall
Chairman
Committee on Interior and Insular Affairs
United States Congress
1324 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Udall:

The Regional Council representatives met in Anchorage at the Joint Board of Fisheries and Game meeting October 22-26, 1989. The six Regional Fish and Game Councils (see appendix I) are made up of 79 local Fish and Game Advisory Committees throughout the state. The Division of Boards which provides administrative support to the Boards of Fisheries and Game and to the regional councils/advisory committees, presented a disturbing budget which would make the public advisory system completely ineffectual. The proposed budget would allow for only one regional council meeting per region this year and the attendance of the one regional council member to represent their region at upcoming board meetings (see appendix II).

The key to our ability to function properly is funding! At this meeting, the six Regional Councils recommended an acceptable minimum standard for meetings and funding of the public advisory system established by the State statutes and ANILCA. The six regional council representatives agreed that the minimum we should meet for conducting business and still have some degree of efficiency would be twice a year for each regional council. We agreed that each local fish and game advisory committee must meet at least 3 times a year. One representative from each fish and game advisory committee should attend the Board meetings for at least five days.

3 advisory committee meetings/year 2 regional council meetings/year 1 advisory committee representative to attend 5-days at Board meetings	Minimum Standards (Cost: \$1.2 mil)
---	--

Without this minimum amount of participation, the regional council/advisory committee structure will not be able to function. Furthermore, without adequate funding it will violate ANILCA Sec. 805 (d).

The Honorable Morris K. Udall

The State of Alaska has been charged with implementing the subsistence resources management as mandated by ANILCA. The public advisory system has the responsibility to protect subsistence uses in Alaska through recommendations to the regulatory body of the Boards of Fisheries and Game. This cannot be done without appropriating full funding needed for travel and per diem for the members of the public advisory system to attend the Board meetings, attend advisory committee meetings, and regional council meetings.

If this regulatory process is improperly funded or does not receive sufficient funds, it delays the implementation of the subsistence law, and reduces the public advisory system to the Board's deliberations. The domino effect will be the Board's decisions would be made without proper public information propelling the state into the courts repeatedly. Thus, it causes the whole process to be taken out of the public domain and into the courts where there is no public input or public control. These court cases will be and are becoming more and more costly to the State of Alaska and eventually to the federal government. If the State of Alaska and the federal government give full funding now, it will allow the public advisory system to work effectively in a shorter span of time which will save a lot of money over the long term for both bureaucracies.

The advisory committee/regional council system needs a supplement of \$1.2 million now to meet our responsibilities for this year which includes the present supplemental request from the Division of Boards. When you meet this fiscal responsibility, you should also plan to appropriate full funding until the subsistence regulatory process has been established. Give us (the regional councils, advisory committees, the Board of Fisheries and Game, and the Alaska Department's Subsistence Division) the full funding now to do at least an adequate job.

The advisory committee/regional council participation has not been given the priority status it needs for funding by the State of Alaska, or by the federal government in the budgetary process. All agencies involved in appropriating fiscal notes need to re-evaluate their priorities and decide if this is a valuable process or not. If it is, fund it.

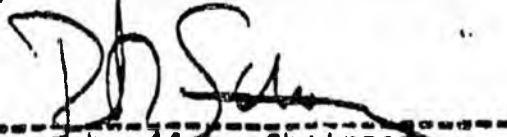
We appreciate the support that has been given to our request for full staffing to provide administrative support to the public advisory process. This, however, is only half of the solution to our problem. The other is the ability to come together for the common purpose of helping implement subsistence uses and priorities.

The Honorable Morris K. Udall

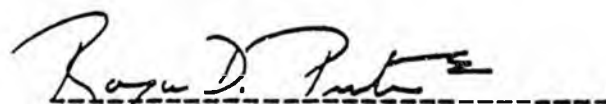
We thank you in advance for your assistance as we are sure you will understand the priority needs of this process.

Sincerely,

Regional Councils of Alaska



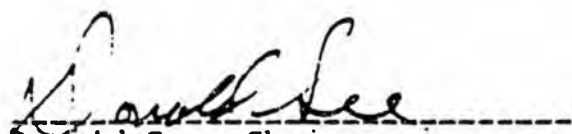
Pete Schaeffer, Chairman
Arctic Regional Council



Royce Purinton, Chairman
Interior Regional Council



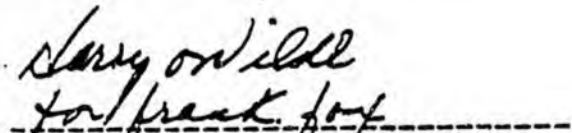
Bill Ellis, Chairman
Southcentral Regional Council



Donald See, Chairman
Southeast Regional Council



Robert Heyano, Chairman
Southwest Regional Council



Frank Fox, Chairman
Western Regional Council



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

CRITERIA FOR PROJECT APPROVAL

Introduction

These Criteria control the annual reimbursement from the Secretary of the Interior to the State of Alaska under subsection 805(e) of the Alaska National Interest Lands Conservation Act (ANILCA). 16 U.S.C. § 3115(e). In accordance with the requirements of title VIII of ANILCA, 16 U.S.C. §§ 3111-3126, reimbursement will cover reasonable costs relating to the establishment and operation of regional councils and the operation of fish and game advisory committees. Final determinations on reimbursable costs will be made by the Secretary of the Interior.

In the event the State subsistence management and use program approved by the Secretary on May 14, 1982, its underlying statute, or its implementing regulations are modified so as to require a finding of noncompliance with title VIII, these Criteria shall cease to be in effect, and the project agreement shall terminate. These Criteria may be amended by agreement of the State and the Department of the Interior.

Subject to the availability of appropriated funds, reimbursement shall not exceed 50 per centum of costs approved pursuant to these Criteria. 16 U.S.C. § 3115(e)(1). Total payments to the State shall not exceed \$5,000,000 in any fiscal year. 16 U.S.C. § 3115(e)(2).

Effective October 1, 1982, project agreements and reimbursement requests shall be submitted to the Regional Director, Fish and Wildlife Service, Alaska Region.

Criteria

1. Maintenance And Logistical Support

Reimbursement shall apply to expenditures covered by title VIII for the fish and game advisory system and for logistical support to that system. The regional councils and local committees form a structure through which the authorized council and committee functions can be fulfilled in accordance with the requirements of title VIII. Expenditures that allow the structure to exist are reimbursable; including, but not limited to, maintenance of membership rolls, communications among system units, and regional staff assigned as liaison to the councils and committees. Also reimbursable are the costs of providing the tools that allow the structure to operate; including, but not limited to, supplying to councils and committees copies of technical and scientific reports and qualified persons to assist

in interpreting and applying the reported data. Expenses associated with council and committee meetings are reimbursable; including, but not limited to, costs of members' travel and per diem, meeting rooms, and other meeting support services.

2. Socioeconomic Research

Information on subsistence uses and socioeconomic systems is essential if regional councils and local committees are to carry out their functions meaningfully within the structure discussed in Criterion 1, and reimbursement properly includes expenditures for social science research that supplies these data.

Reimbursement costs include the socioeconomic research program of the Division of Subsistence, Alaska Department of Fish and Game, which gathers, analyzes, and provides to the fish and game advisory system data on subsistence uses. Reimbursable costs include administrative functions and support services within the Division of Subsistence that are associated with socioeconomic research. Also reimbursable are other costs incurred in satisfying the requirements of title VIII.

3. Resource Program Adjustments

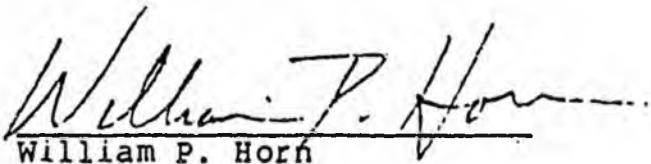
Other Divisions and Sections of the Alaska Department of Fish and Game make specific adjustments in their ongoing programs to

address subsistence management questions, to gather additional biological data on matters being addressed by the fish and game advisory system, and to provide services to the regional councils and local committees on subsistence resource issues. Reimbursement covers program adjustments made specifically to assist the regional councils and local committees in addressing subsistence management and resource questions. The connection between program adjustments and subsistence issues considered by regional councils and local committees will be documented in the reporting process.

4. Administrative Overhead

Reimbursement covers the indirect costs associated with the expenditures described in Criteria 1, 2, and 3. The indirect cost rate is established by the Indirect Cost Negotiation Agreement between the Alaska Department of Fish and Game and the U.S. Department of the Interior. The rate under these Criteria will conform to the rate set pursuant to that agreement.

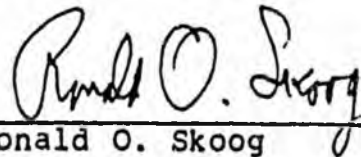
The above Criteria and the statutory requirements upon which they are based will control the annual reimbursement process. Additionally, other costs will be allowed upon the State's showing that, although not included in the Criteria, the expenditures were reasonable costs relating to the establishment or operation of regional councils or the operation of local advisory committees.



William P. Horn
Deputy Under Secretary
Department of the Interior

Date: _____

9/10/82



Ronald O. Skoog
Commissdior er
Alaska Department of
Fish and Game

13 Sep 82

IVE COWPER
GOVERNOR



RECEIVED
DEC 22 1989
BOARDS

#4

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

December 21, 1989

Regional Fish and Game Councils
Chairmen
c/o Department of Fish and Game
Division of Boards
P.O. Box 3-2000
Juneau, AK 99802-2000

Dear Regional Council Chairmen:

Thanks for your letter of October 25, which we received in late November, in which you express concerns regarding adequate funding for the Division of Boards within the Department of Fish and Game. The regulatory process for fish and wildlife management issues does involve an extraordinary level of public participation, involving input from the advisory committees, regional councils, and the general public. I am most supportive of this public process, and feel that the quality of the resulting regulations, as promulgated by the Boards of Fisheries and Game, are greatly enhanced.

The Division of Boards has recently undergone a reorganization in order to improve the functioning of the regional regulatory program assistants located throughout the state. This reorganization has resulted in the need for more funding in order for the Division of Boards to adequately do its job. I'm aware that the level of funding for travel and meetings for the advisory committees and the regional councils is of concern, and this will be closely reviewed. Ultimately, of course, it will be the responsibility of the Legislature to approve the funding level for the State.

As you know, ANILCA Title VIII specifies that the State and federal government will share the cost of the subsistence law. Although the federal government is supposed to reimburse the State for half our expenditures for this program, it has been increasingly difficult to get this money into the federal budget. My Washington, D.C., office has been working with the Appropriations Committee to make sure amounts for the reimbursement are included in the Department of Interior's appropriation. This year, that

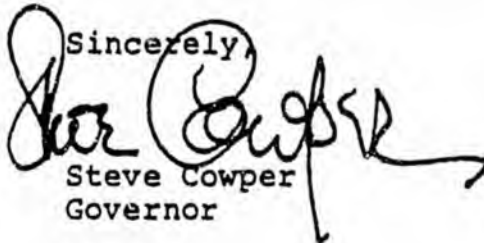
December 21, 1989

amount is for only \$750,000, despite the fact that our actual expenditure was more than \$3 million for the Division of Boards and Division of Subsistence. We will attempt next year to increase the support for this program, which is in fact a fulfillment of a federal mandate.

In this regard, I have just approved a Department request for full funding for the Division of Boards. An increment in the amount of \$350,000 will be presented to the Legislature for their consideration during the FY 91 budget deliberations. I have also approved an increment intended to make up the shortfall in federal funding. Together, we will be requesting \$475,000 in increased State funding for the division. What level of supplemental funding for FY 90, the current fiscal year, is still under consideration. Your interest in the support for the public regulatory and participation program will be of great interest to the Legislature as they consider these requests.

Again, thanks for bringing these concerns to my attention.

Sincerely,



Steve Cowper
Governor



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

January 18, 1990

RECEIVED
JAN 22 1990
BOARDS

Chairmen
Regional Fish and Game Councils
Alaska Department of Fish and Game
Division of Boards
Post Office Box 3-2000
Juneau, Alaska 99802

Gentlemen:

Secretary Lujan asked me to respond to your letter of October 27, 1989, cosigned by each of you, concerning funding problems facing the fish and game advisory system in Alaska. The Secretary and I are aware of these problems and have documented this fact in both the annual Section 806 Subsistence Monitoring Report, as required by the Alaska National Interest Lands Conservation Act (Lands Act), and the triennial Section 813 Subsistence Management and Use Report. Both reports are prepared here in the Department and submitted to the Congress for their consideration.

As you are aware, the Lands Act directs the Secretary to reimburse the State of Alaska, from funds appropriated for this purpose by Congress, up to 50 percent of the reasonable cost of operating the Regional fish and game advisory councils in meeting their subsistence responsibilities. Since the beginning of the grant program in 1982, the Department has reimbursed the State an average of about 30 percent or \$980,000 per year.

I am happy to report that \$750,000 was appropriated to the U.S. Fish and Wildlife Service in Fiscal Year 1990 for Alaska Subsistence Grants. However, pursuant to the Budget Reconciliation Act (P.L. 101-239), this funding is subject to sequestration and \$740,325 is available to the State of Alaska for subsistence grants. I recognize that the funding needs for this program may be greater than the amount currently available and I fully appreciate the importance of the regional councils and the role of the public advisory system in implementation of the subsistence law.

I am hopeful that the funding available in 1990 will go a long way toward implementation of subsistence resource management. If I can be of assistance in this matter, please let me know.

Sincerely,

Deputy Assistant Secretary for Fish
and Wildlife and Parks

WALTER B. JONES, NORTH CAROLINA, CHAIRMAN

GERRY E. STUDDS, MASSACHUSETTS	ROBERT W. DAVIS, MICHIGAN
CARROLL HUBBARD, JR., KENTUCKY	DOM YOUNG, ALASKA
LIAM J. HUGHES, NEW JERSEY	NORMAN S. LENT, NEW YORK
MUTTO, FLORIDA	NORMAN D. SHUMWAY, CALIFORNIA
TAUZIN, LOUISIANA	JACK PHELPS, TEXAS
MAS M. FOLLIETTA, PENNSYLVANIA	CLAUDINE SCHNEIDER, RHODE ISLAND
ANNIS M. HERTZEL, MICHIGAN	HERBERT H. BATEMAN, VIRGINIA
ROY DYSON, MARYLAND	JIM EASTON, NEW JERSEY
WILLIAM O. LIPINSKI, ILLINOIS	JOHN R. MILLER, WASHINGTON
ROBERT A. BORSKI, PENNSYLVANIA	HILLEN DELICH BENTLEY, MARYLAND
THOMAS R. CARPER, DELAWARE	HOWARD COBLE, NORTH CAROLINA
DOUGLAS H. BOSCO, CALIFORNIA	CURT WELDON, PENNSYLVANIA
ROBIN TALLON, SOUTH CAROLINA	PATRICIA SAIKI, HAWAII
SOLOMON P. ORTIZ, TEXAS	WALLY HENGER, CALIFORNIA
CHARLES E. BENNETT, FLORIDA	JIM BUNNING, KENTUCKY
THOMAS J. MANTON, NEW YORK	JAMES M. INHOFE, OKLAHOMA
OWEN B. PICKETT, VIRGINIA	PORTER J. GOSS, FLORIDA
JOSEPH E. BRENNAN, MAINE	
GEORGE J. HOCHBRUNCKNER, NEW YORK	
BOB CLEMENT, TENNESSEE	
STEPHEN J. SOLARZ, NEW YORK	
FRANK PALLONE, JR., NEW JERSEY	
GREG LAUGHLIN, TEXAS	
NITA M. LOWEY, NEW YORK	
JOLENE UNSOLD, WASHINGTON	

U.S. House of Representatives
Committee on
Merchant Marine and Fisheries
 Room 1334, Longworth House Office Building
 Washington, DC 20515-6230

November 28, 1989

RECEIVED
 DEC 07 1989
 BOARDS

Regional Fish and Game Councils
 c/o ADF&G
 Division of Boards
 P.O. Box 3-2000
 Juneau, AK 99802

Gentlemen:

Thank you for your recent correspondence concerning the budgetary needs for the six Regional Fish and Game Councils as established in ANILCA for the State of Alaska.

Please be aware that the Merchant Marine and Fisheries Committee, on which I serve as Ranking Minority Member, has gone on record as supporting full funding for the six Regional Councils and has made recommendations to the Appropriations Committee on this position. I am aware that the FY '90 budget did not provide a full funding amount for the six Councils although I am hopeful that other monies may become available so that full funding needs for these Regional Councils can be met. Also, as we proceed into the Second Session of the 101st Congress, the FY '91 budget for the Department of the Interior, Fish and Wildlife Service, specifically the line item for funding ANILCA Regional Councils, will soon be before us. I am a strong supporter of full funding for these Regional Councils and would hope that with the upcoming budget submission by the Administration that full funding is obtained.

Again, thank you for your recent correspondence.

Sincerely,

Bob Davis

ROBERT W. DAVIS
 Republican Vice Chairman
 Committee on Merchant Marine
 and Fisheries

RWD:tmm

DON YOUNG

CONGRESSMAN FOR ALL ALASKA

WASHINGTON OFFICE

2331 RAYBURN BUILDING
TELEPHONE 202/225-5765

COMMITTEES:

INTERIOR AND INSULAR
AFFAIRS

MERCHANT MARINE AND
FISHERIES

POST OFFICE AND
CIVIL SERVICE



Congress of the United States

House of Representatives

Washington, D.C. 20515

January 10, 1990

DISTRICT OFFICES

701 C STREET Box 3
ANCHORAGE ALASKA 99513
TELEPHONE 907 271-5978

Box 10, 101 12th AVENUE
FAIRBANKS ALASKA 99701
TELEPHONE 907 456-0210

401 FEDERAL BUILDING
PO BOX 1247
JUNEAU ALASKA 99802
TELEPHONE 907 586-7400

501 FEDERAL BUILDING
KETCHIKAN ALASKA 99902
TELEPHONE 907 225-6880

RT 1 Box 1605
KENAI ALASKA 99611

Box 177
KODIAK ALASKA 99615

Box 1860
SITKA ALASKA 99762

RECEIVED
JAN 19 1990
BOARDS

Chairmen
Regional Fish and Game Councils
c/o Alaska Department of Fish and Game
Division of Boards
P.O. Box 3-2000
Juneau, AK 99802

Dear Fellow Alaskans:

Thank you for your letter regarding additional funding for Regional Fish and Game Councils. I appreciated hearing from you.

In its final version, the Fiscal Year 1990 appropriations bill for the Department of the Interior contains funding for the Regional Councils. Although the amount appropriated was not as much as you requested, I believe it will help offset the costs that you face in conducting your operations.

If I can provide any additional assistance, please do not hesitate to let me know.

Sincerely,

DON YOUNG
Congressman for all Alaska

DY:rmm

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

DIVISION OF BOARDS

STEVE COWPER, GOVERNOR

P.O. BOX 3-2000
JUNEAU, ALASKA 99802-2000
PHONE: (907) 485-4110

November 7, 1989

TO WHOM IT MAY CONCERN:

The Joint Board of Fisheries and Game has serious concerns about the level of funding available to the Department of Fish and Game, Division of Boards. This concern is based on our State and Federal ANILCA mandate, as well as the practical aspects of doing board business. We list below the specific violations we see with the spirit and intent of ANILCA Sec. 805(D):

ANILCA Sec. 801(5) "rural residences...to have a meaningful role in the management of fish and wildlife and of subsistence uses..."

ANILCA Sec. 805(a)(C) "the encouragement of local and regional participation...in the decision making process..."

ANILCA Sec. (d) "...establishing a system of local advisory committees and regional advisory councils...shall provide that the State rule making authority...the advice and recommendations..."

In addition to those legal mandates, the practical aspect of advisory committee and regional council participation in the board process is apparent. We cannot and should not engage in the allocation process without informed and widespread public comment from affected resource users. The funding of this activity is an important public policy decision.

Please read the attached letter carefully. The Joint Board of Fisheries and Game is in full support with the spirit and detail of the Regional Councils' letter.

Thank you for your attention to this concern.

Sincerely,

for Gary Slaven
for/ Gary Slaven
Chair

Board of Fisheries

Henry Springer

Henry Springer
Chair

Board of Game



REGIONAL FISH & GAME COUNCILS

c/o ADF&G, DIVISION OF BOARDS, P.O. BOX 3-2000, JUNEAU, ALASKA 99802 PHONE: (907) 465-4110

October 27, 1989

The Honorable Morris K. Udall
Chairman
Committee on Interior and Insular Affairs
United States Congress
1324 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Udall:

The Regional Council representatives met in Anchorage at the Joint Board of Fisheries and Game meeting October 22-26, 1989. The six Regional Fish and Game Councils (see appendix I) are made up of 79 local Fish and Game Advisory Committees throughout the state. The Division of Boards which provides administrative support to the Boards of Fisheries and Game and to the regional councils/advisory committees, presented a disturbing budget which would make the public advisory system completely ineffectual. The proposed budget would allow for only one regional council meeting per region this year and the attendance of the one regional council member to represent their region at upcoming board meetings (see appendix II).

The key to our ability to function properly is funding! At this meeting, the six Regional Councils recommended an acceptable minimum standard for meetings and funding of the public advisory system established by the State statutes and ANILCA. The six regional council representatives agreed that the minimum we should meet for conducting business and still have some degree of efficiency would be twice a year for each regional council. We agreed that each local fish and game advisory committee must meet at least 3 times a year. One representative from each fish and game advisory committee should attend the Board meetings for at least five days.

3 advisory committee meetings/year	Minimum
2 regional council meetings/year	Standards
1 advisory committee representative to	(Cost:
attend 5-days at Board meetings	\$1.2 mil)

Without this minimum amount of participation, the regional council/advisory committee structure will not be able to function. Furthermore, without adequate funding it will violate ANILCA Sec. 805 (d).

The Honorable Morris K. Udall

The State of Alaska has been charged with implementing the subsistence resources management as mandated by ANILCA. The public advisory system has the responsibility to protect subsistence uses in Alaska through recommendations to the regulatory body of the Boards of Fisheries and Game. This cannot be done without appropriating full funding needed for travel and per diem for the members of the public advisory system to attend the Board meetings, attend advisory committee meetings, and regional council meetings.

If this regulatory process is improperly funded or does not receive sufficient funds, it delays the implementation of the subsistence law, and reduces the public advisory system to the Board's deliberations. The domino effect will be the Board's decisions would be made without proper public information propelling the state into the courts repeatedly. Thus, it causes the whole process to be taken out of the public domain and into the courts where there is no public input or public control. These court cases will be and are becoming more and more costly to the State of Alaska and eventually to the federal government. If the State of Alaska and the federal government give full funding now, it will allow the public advisory system to work effectively in a shorter span of time which will save a lot of money over the long term for both bureaucracies.

The advisory committee/regional council system needs a supplement of \$1.2 million now to meet our responsibilities for this year which includes the present supplemental request from the Division of Boards. When you meet this fiscal responsibility, you should also plan to appropriate full funding until the subsistence regulatory process has been established. Give us (the regional councils, advisory committees, the Board of Fisheries and Game, and the Alaska Department's Subsistence Division) the full funding now to do at least an adequate job.

The advisory committee/regional council participation has not been given the priority status it needs for funding by the State of Alaska, or by the federal government in the budgetary process. All agencies involved in appropriating fiscal notes need to re-evaluate their priorities and decide if this is a valuable process or not. If it is, fund it.

We appreciate the support that has been given to our request for full staffing to provide administrative support to the public advisory process. This, however, is only half of the solution to our problem. The other is the ability to come together for the common purpose of helping implement subsistence uses and priorities.

The Honorable Morris K. Udall

We thank you in advance for your assistance as we are sure you will understand the priority needs of this process.

Sincerely,

Regional Councils of Alaska

Pete Schaeffer

Pete Schaeffer, Chairman
Arctic Regional Council

Royce Purinton

Royce Purinton, Chairman
Interior Regional Council

Bill Ellis

Bill Ellis, Chairman
Southcentral Regional Council

Donald See

Donald See, Chairman
Southeast Regional Council

Robert Heyano

Robert Heyano, Chairman
Southwest Regional Council

Frank Fox

Frank Fox, Chairman
Western Regional Council

APPENDIX I

FISH AND GAME REGIONAL COUNCILS



Appendix II

FY 90 BUDGET PROJECTIONS
LINE 71000 - 74000

Description	Personal 71000	Travel 72000	Services 73000	Supplies 74000	Total
Personal Services	732.8				
SUB TOTAL					732.8
Board/Subcommittee/Hearing		380.0			
AC and RC		185.7			
Administrative		93.1			
SUB TOTAL					658.8
Board Meeting Contractual			81.0		
Other Meeting Costs			36.7		
Other Contractual Costs			194.3		
SUB TOTAL					312.0
Headquarters				6.5	
F ons				4.5	
SUB TOTAL					<u>11.0</u>
TOTAL					<u>1714.6</u>
Minimum Budget Requirements	1714.6				
Authorized FY90 Budget					<u>-1330.6</u>
Deficit					384.0
Deficit	384.0				
Requested Supplemental					<u>-320.0</u>
Difference					64.0

FY90 BUDGET PROJECTIONS
LINE 71000-74000

Description	Personnel 71000	Travel 72000	Services 73000	Supplies 74000	Total
Additional supplemental (5-day attendance of AC members from each AC)		706.7			
Additional supplemental (10-day attendance of AC members from each AC)		962.9			
Additional supplemental (3 AC meetings per year)		48.0	2.8		
Additional supplemental (2 RC meetings per year)		54.0			
SUB TOTAL (5-day attendance, 3 AC, 2 RC)		808.7	2.8		811.5
1 TOTAL (10-day attendance, 3 AC, 2 RC)		1064.9	2.8		1067.7

**FY90 BUDGET PROJECTIONS
LINE 72000-TRAVEL**

Travel and per diem for 1 advisory committee member to attend all scheduled board meetings (not including joint board meetings). Column figures are travel only, travel and 5-day attendance (with 2 travel days) per diem, and travel and 10-day attendance (with 2 travel days) per diem.

Southeast Region

	<u>Travel</u>	<u>5 days</u>	<u>10 days</u>
Angoon	4.4	9.1	12.3
Craig	6.1	10.7	13.9
Edna Bay	6.3	10.3	14.2
Elfin Cove	4.6	9.2	12.5
Gastineau Channel	3.4	8.0	11.2
Hydeburg	5.9	10.4	13.7
Hyder	6.5	11.1	14.4
Icy Straits	3.9	8.5	11.8
Kake	5.7	10.3	13.6
Ketchikan	4.9	9.9	12.8
Klavock	6.0	10.6	13.8
Klukwan	4.6	9.2	12.4
Pelican	4.3	8.9	12.2
Petersburg	4.6	9.2	12.5
Port Alexander	3.4	8.0	11.2
Sitka	4.4	9.0	12.3
Vaner Straits	6.7	11.3	14.5
Wakae	3.9	8.5	11.8
Upper Lynn Canal	4.6	9.2	12.4
Wrangell	4.8	9.4	12.7
Yakutat	<u>4.7</u>	<u>9.3</u>	<u>12.6</u>
SUB TOTAL	103.7	199.7	268.8

Southcentral Region

	<u>Travel</u>	<u>5 days</u>	<u>10 days</u>
Anchorage	.5	1.7	2.6
Central Peninsula	1.3	5.9	9.2
Copper Basin	1.4	6.0	9.3
Copper River/PWS	1.7	6.3	9.5
Cooper Landing	1.0	5.5	8.8
Denali	1.6	6.2	9.5
English Bay/Port Graham	1.9	6.5	9.8
Homer	1.4	6.0	9.3
Konai/Soldotna	1.2	5.8	9.1
Matanuska	.7	5.2	8.5
Mt. Yenlo	.7	5.3	8.6
Paxson	1.4	6.0	9.3
Seldovia	1.8	6.4	9.7
Seward	1.1	5.7	9.0
Tok Cutoff/Nabesna Road	2.1	6.7	9.9
Tyonek	.9	5.5	8.7
Valdez	1.9	6.4	9.7
Wittier	<u>1.0</u>	<u>5.6</u>	<u>8.9</u>
SUBTOTAL	23.6	102.7	159.4

FY90 BUDGET PROJECTIONS
LINE 72000-TRAVEL

travel and per diem for 1 advisory committee member to attend all scheduled board meetings (not including joint board meetings). Column figures are travel only, travel and 5-day attendance (with 2 travel days) per diem, and travel and 10-day attendance (with 2 travel days) per diem.

Southwest Region

	<u>Travel</u>	<u>5 days</u>	<u>10 days</u>
Chignik	13.3	17.8	21.1
False Pass	12.5	17.0	20.3
Iliamna	9.7	14.2	17.5
King Cove	12.5	17.0	20.3
Kodiak	2.0	5.9	8.8
Lover Bristol Bay	5.4	10.0	13.3
Maknek/Kvichak	3.9	8.5	11.8
Nelson Lagoon	14.1	18.6	21.9
Nushagak	2.9	7.4	10.7
Sand Point	5.8	10.4	13.7
Togiak	5.7	10.3	13.6
Unalaska/Dutch Harbor	<u>10.9</u>	<u>15.4</u>	<u>18.7</u>
SUB TOTAL	98.7	152.5	191.7

Western Region

	<u>Travel</u>	<u>5 days</u>	<u>10 days</u>
Central Bering Sea	6.6	11.2	14.5
Central Kuskokwim	5.6	10.2	13.5
Lower Kuskokwim	3.1	7.7	11.0
Lower Yukon	<u>8.0</u>	<u>12.6</u>	<u>15.8</u>
SUB TOTAL	23.3	41.7	54.8

Arctic Region

	<u>Travel</u>	<u>5 days</u>	<u>10 days</u>
Eastern Arctic	11.5	16.1	19.4
Kotzebue Sound	3.8	8.4	11.7
Lower Kobuk	4.5	9.1	12.4
Noatak/Kivalina	4.6	9.2	12.5
Northern Norton Sound	8.5	13.1	16.3
Northern Seward Peninsula	4.6	9.2	12.5
Southern Norton Sound	7.2	11.8	15.1
St. Lawrence Island	8.5	13.1	16.3
Upper Kobuk	5.2	9.7	13.1
Western Arctic	<u>7.4</u>	<u>12.0</u>	<u>15.2</u>
SUB TOTAL	65.8	111.7	144.5

FY90 BUDGET PROJECTIONS
LINE 72000-TRAVEL

Travel and per diem for 1 advisory committee member to attend all scheduled board meetings (not including joint board meetings). Column figures are travel only, travel and 5-day attendance (with 2 travel days) per diem, and travel and 10-day attendance (with 2 travel days) per diem.

Interior Region

	<u>Travel</u>	<u>5 days</u>	<u>10 days</u>
Delta	2.3	6.3	10.1
Eagle	2.6	7.2	10.5
Fairbanks	1.9	5.8	8.7
Gash	3.2	7.7	11.1
Koyukuk River	3.3	7.9	11.1
Lake Minchumina	3.1	7.7	11.0
McGrath	1.6	6.1	9.4
Middle Nenana River	1.1	5.7	9.0
Middle Yukon	3.0	7.6	10.9
Minto/Nenana	2.6	7.2	10.4
Ruby	3.3	7.9	11.1
T-R-M	2.6	7.2	10.4
Upper Tanana/Fortymile	1.8	6.3	9.6
Yukon Flats	<u>2.6</u>	<u>7.2</u>	<u>10.4</u>
 SUB TOTAL	 35.0	 98.4	 143.7
	 <u>Travel</u>	 <u>5 days</u>	 <u>10 days</u>
<u>TOTALS</u>	<u>350.1</u>	<u>706.7</u>	<u>962.9</u>

Additional needed request (5 days per diem) 706.7
Additional needed request (10 days per diem) 962.9

**FY90 BUDGET PROJECTIONS
LINE 72000-TRAVEL**

Travel and per diem for advisory committee members to attend three advisory committee meetings per year. No staff costs included.

Southeast Region

Angoon	0.0
Craig	0.0
Edna Bay	0.0
Elfin Cove	0.0
Gastineau Channel	0.0
Hydaburg	0.0
Hyder	0.0
Icy Straits	1.5
Kake	0.0
Ketchikan	0.0
Klavock	0.0
Klukvan	0.0
Pelican	0.0
Petersburg	0.0
Port Alexander	0.0
Sitka	0.0
Sumner Straits	0.0
Tenakee	0.0
Upper Lynn Canal	1.7
Angall	0.0
Kutat	<u>0.0</u>

SUB TOTAL

3.2

Southcentral Region

Anchorage	0.0
Central Peninsula	0.0
Copper Basin	0.0
Copper River/PWS	0.0
Cooper Landing	0.0
Denali	0.5
English Bay/Port Graham	0.3
Homer	0.0
Kenai/Soldotna	0.0
Matanuska	0.0
Mt. Yenlo	2.4
Paxson	0.0
Seldovia	0.0
Sevard	0.3
Tok Cutoff/Nabesna Road	0.0
Tyonek	0.0
Valdez	0.0
Whittier	<u>0.0</u>

UBTOTAL

3.5

FY90 BUDGET PROJECTIONS
LINE 72000-TRAVEL

Travel and per diem for advisory committee members to attend three advisory committee meetings per year. No staff costs included.

Southwest Region

Chignik	6.0
False Pass	0.0
Iliamna	2.7
King Cove	0.0
Kodiak	2.2
Naknek/Kvichak	0.6
Nelson Lagoon	2.1
Lower Bristol Bay	3.3
Nushagak	3.2
Sand Point	0.0
Togiak	0.7
Unalaska/Dutch Harbor	<u>0.0</u>

SUB TOTAL 20.8

Western Region

Central Bering Sea	14.4
Central Kuskokwim	12.0
Lower Kuskokwim	8.6
Lower Yukon	<u>16.5</u>

SUB TOTAL 51.5

Arctic Region

Eastern Arctic	14.2
Kotzebue Sound	0.0
Lower Kobuk	2.2
Noatak/Kivalina	1.5
Northern Norton Sound	6.8
Northern Seward Peninsula	2.7
Southern Norton Sound	5.7
St. Lawrence Island	0.0
Upper Kobuk	2.2
Western Arctic	3.8
Regulatory Review	<u>2.5</u>

SUB TOTAL 41.6

**FY90 BUDGET PROJECTIONS
LINE 72000-TRAVEL**

Travel and per diem for advisory committee members to attend three advisory committee meetings per year. No staff costs included.

Interior Region

Delta	0.0	
Eagle	0.0	
Fairbanks	0.0	
Gash	2.9	
Koyukuk River	5.3	
Lake Minchumina	0.0	
McGrath	3.0	
Middle Nenana River	1.2	
Middle Yukon	1.6	
Minto/Nenana	2.7	
Ruby	0.0	
T-R-M	4.6	
Upper Tanana/Fortymile	0.8	
Yukon Flats	<u>0.3</u>	
SUB TOTAL		30.6
TOTAL ALL REGIONS		<u>151.2</u>

3 AC meetings per year	151.2
2 AC meetings per year	<u>-103.2</u>
Additional needed request	48.0

FY90 BUDGET PROJECTIONS
LINE 72000-TRAVEL

Travel and per diem for regional council members to attend two regional council meetings per year.

Southeast Region	23.3
Southcentral Region	17.4
Southwest Region	27.7
Western Region	4.7
Arctic Region	15.5
Interior Region	<u>16.8</u>
TOTAL	<u>105.4</u>

2 RC meetings per year	105.4
1 RC meeting per year	<u>- 51.4</u>
Additional needed request	54.0



SOUTHEAST REGIONAL FISH & GAME COUNCIL

c/o ADF&G, DIVISION OF BOARDS, P.O. Box 3-2000, JUNEAU, ALASKA 99802 PHONE: (907) 465-4110

TO: The File

DATE: November 8, 1989

ADVISORY COMMITTEES

Angoon
Craig
Edna Bay
Elfin Cove
Gastineau Channel
Hydaburg
Hyder
Icy Straits
Kake
Ketchikan
Klawock
Klukwan
Pelican
Petersburg
Port Alexander
Sitka
Sumner Straits
Tenakee
Upper Lynn Canal
Wrangell
Yakutat

FROM: *Janice L. Hotch*
Janice L. Hotch,
Southeast RRPA

RE: Distribution List

The Regional Councils' letter along with the Joint Board letter was mailed to the following distribution list:

1. The Secretary of Interior, Manual Lujan
2. Ron Thuma, Sub Spec, USF&WS
3. The Honorable Steve Cowper, Governor
4. Alaska Congressional Delegation
5. Southeast Alaska State Legislators
Cheri Davis
Jim Duncan
Richard Eliason
Peter Goll
Ben Grussendorf
Bill Hudson
Lloyd Jones
Robin Taylor
Fran Ulmer
6. Honorable J. Bennett Johnston, La.
Chairman
Committee on Energy and Natural Resources
United States Senate
SD-364 Dirksen Senate Office Building
Washington, D.C. 20510
7. James A. McClure, Id.
Ranking Member
Committee on Energy and Natural Resources
8. Honorable Quentin N. Burdick, N.D.
Chairman
Committee on Environment and Public Works
United States Senate
SD-458 Dirksen Senate Office Building
Washington, D.C. 20510
9. Honorable John H. Chafee, R.I.
Ranking Member
Committee on Environment and Public Works

10. Honorable Daniel K. Inouye, Hawaii
Chairman
Select Committee on Indian Affairs
United States Senate
SH-838 Hart Senate Office Building
Washington, D.C. 20510
11. Honorable Dennis DeConcini, Ariz
Majority Member
Select Committee on Indian Affairs
12. Honorable Thomas A. Daschle, S.D.
Majority Member
Select Committee on Indian Affairs
13. Honorable Kent Conrad, N.D.
Majority Member
Select Committee on Indian Affairs
14. Honorable John McCain, Arizona
Vice Chairman
Minority Member
Select Committee on Indian Affairs
SH-838 Hart Senate Office Building
Washington, D.C. 20510
15. Honorable Thad Cochran, Miss.
Minority Member
Select Committee on Indian Affairs
16. Honorable Morris K. Udall, Arizona
Chairman
Committee on Interior and Insular Affairs
United States Congress
1324 Longworth House Office Building
Washington, D.C. 20515
17. Honorable George Miller
Majority Member
Committee on Interior and Insular Affairs
United States Congress
18. Honorable Walter B. Jones, N.C.,
Chairman
Committee on Merchant Marine and Fisheries
United States Congress
1334 Longworth House Office Building
Washington, D.C. 20515
19. Honorable Robert W. Davis, Michigan
Ranking Minority Member
Committee on Merchant Marine and Fisheries

(1/90)

SEALASKA CORPORATION POSITION PAPER
on the
STATE LOCAL ADVISORY/REGIONAL COUNCIL SYSTEM AND ANILCA

Sealaska Corporation has a strong commitment to the well-being of its shareholders - a majority of who reside in rural Alaska. The subsistence lifestyle is vital to that well-being. Because there are questions about the effectiveness of state's implementation of ANILCA and the regional council system, Sealaska authorized research on the regional council system in Southeast Alaska. The key conclusions and results of that research are summarized here and represent Sealaska's position:

- o ANILCA requires that subsistence must be given the priority over all other consumptive uses of the forest. This would result in the "least adverse impact possible on rural residents who depend upon subsistence uses. Sealaska believes that this is not occurring either in the state's management of the fish and wildlife resources or the federal government's management of the land and resources.
- o ANILCA requires that the local advisory committees and regional councils provide subsistence recommendations to the state rulemaking authority and requires that they be permitted to participate in the decisions of all federal agencies having authority over public lands when agency decisions could significantly affect subsistence. This has not occurred. Presently the USFS is preparing to make major decisions regarding subsistence in the Tongass without the participation of the regional councils.
- o While the councils have not been effective, with proper guidance and budgetary support, Sealaska believes that they have the potential to ensure that the resources are properly managed in accordance with the priority subsistence provisions and consistent with their important mandate under ANILCA.
- o Section 805(d) requires the Board to adopt the advice and recommendations of the Regional Council unless Council recommendations are not supported by substantial evidence, violate recognized principles of fish and wildlife conservation or would be detrimental to the satisfaction of rural subsistence needs. At the Board's Juneau hearing in February 1989, the Board of Fisheries refused to accept SERC recommendations because they were not transmitted to the Board ten (10) days prior to the Board's meeting. In cases where the Council has met the 10 day rule the Board, with few exceptions, has ruled contrary to the advice of the Council without setting out the factual basis and reasons for its decision.
- o ANILCA establishes an extremely specific and discreet area of concern and responsibility for the local advisory committees/regional councils. The State has defined the area of concern in much broader terms which creates conflicts within the system because of confusing mandates and membership representation. Subsistence competes with other interests and uses on the same agenda *and as a result is compromised.*

Boards, additional staff has been hired. It is ADF&G's hope that they will improve council effectiveness.

- o As a result of the improved process proposed in their FY 1990 Application for Federal Assistance, ADF&G contends that the "public, through the committees, will be intimately involved". Sealaska feels that two advisory committee meetings and two regional council meetings a year is hardly conducive to intimate public involvement, nor is it adequate to carry out the responsibilities and authorities listed in ANILCA.

As a matter of information, the Alaska Department of Law Alaska Native Law Section 1989 Subsistence Update, gives an interpretation of Title VIII which is supportive of Sealaska's official position. In that document they state:

"Title VIII is important for four major reasons. First is that it establishes an absolute priority for subsistence users over all other competing consumptive purposes. Second is that it guarantees subsistence users access to fish and game on federal land which would otherwise be closed to hunting and fishing. Third is that it requires federal land managers to incorporate subsistence uses in their land use decision process. Fourth is that it establishes an administrative structure which would potentially serve to increase the representation of Alaska Native interests in fish and game management."

CORRECTION

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

(1/90)

SEALASKA CORPORATION POSITION PAPER
on the
STATE LOCAL ADVISORY/REGIONAL COUNCIL SYSTEM AND ANILCA

Sealaska Corporation has a strong commitment to the well-being of its shareholders - a majority of who reside in rural Alaska. The subsistence lifestyle is vital to that well-being. Because there are questions about the effectiveness of state's implementation of ANILCA and the regional council system, Sealaska authorized research on the regional council system in Southeast Alaska. The key conclusions and results of that research are summarized here and represent Sealaska's position:

- o ANILCA requires that subsistence must be given the priority over all other consumptive uses of the forest. This would result in the "least adverse impact possible on rural residents who depend upon subsistence uses. Sealaska believes that this is not occurring either in the state's management of the fish and wildlife resources or the federal government's management of the land and resources.
- o ANILCA requires that the local advisory committees and regional councils provide subsistence recommendations to the state rulemaking authority and requires that they be permitted to participate in the decisions of all federal agencies having authority over public lands when agency decisions could significantly affect subsistence. This has not occurred. Presently the USFS is preparing to make major decisions regarding subsistence in the Tongass without the participation of the regional councils.
- o While the councils have not been effective, with proper guidance and budgetary support, Sealaska believes that they have the potential to ensure that the resources are properly managed in accordance with the priority subsistence provisions and consistent with their important mandate under ANILCA.
- o Section 805(d) requires the Board to adopt the advice and recommendations of the Regional Council unless Council recommendations are not supported by substantial evidence, violate recognized principles of fish and wildlife conservation or would be detrimental to the satisfaction of rural subsistence needs. At the Board's Juneau hearing in February 1989, the Board of Fisheries refused to accept SERC recommendations because they were not transmitted to the Board ten (10) days prior to the Board's meeting. In cases where the Council has met the 10 day rule the Board, with few exceptions, has ruled contrary to the advice of the Council without setting out the factual basis and reasons for its decision.
- o ANILCA establishes an extremely specific and discreet area of concern and responsibility for the local advisory committees/regional councils. The State has defined the area of concern in much broader terms which creates conflicts within the system because of confusing mandates and membership representation. Subsistence competes with other interests and uses on the same agenda *and as a result is compromised.*

- o Sealaska's analysis indicates that many of the active members of the regional council understand the importance of subsistence in the Native community, however, they continue to be stymied by lack of guidance and support from the administrative agency, both from a policy and budget perspective.
- o Section 810 of ANILCA requires federal agencies to give notice to local committees and regional councils, and to hold hearings in the affected area, prior to such decision making. This has not occurred.
 - ANILCA states that federal agencies "shall evaluate" the effect a land management or disposal decision may have upon subsistence uses and needs. This language is mandatory. When the potential effect on subsistence is significant, ANILCA requires the agency to provide a forum for the regional council, the local advisory committees, and local citizens to provide information and to air their views. The agency must listen to and consider the information provided and its findings must be supported by the facts before it. The agency must weigh alternatives and sound management principles. The amount of the affected lands must be the minimal amount necessary to meet the purposes of the disposition. Finally, the agency must find that "reasonable" steps will be taken to limit any potential adverse impacts upon subsistence uses and resources.
- o Where a federal agency finds that proposed land use action poses no significant possibility of a significant restriction upon subsistence uses and as a consequence does not give notice or hold local hearings under section 810, affected parties may challenge the finding in federal court. *It is possible that the regional councils and the advisory committees would have standing to sue in such a case;* however, we are not aware of any case where a regional council has challenged an agency action in court.
- o Section 805 authorizes each regional council to prepare and submit to the Secretary an annual report identifying subsistence needs and making recommendations for subsistence management on federal lands. Regional council involvement is superficial and sporadic. The 806 report doesn't examine why this situation exists.
- o The 806 reports directly references the lack of coordination between state and federal land/resource agencies and functions, but makes no reference to the role that the regional councils should play in facilitating and channeling information to federal agencies.
- o From the time the State began request reimbursement from the U.S. Department of the Interior, it has received less than 50 percent and considerably less than the \$5,000,000 upper limit established under ANILCA. USFWS attributes this to tight federal budgets and the relative importance of the subsistence grant in relation to other high priorities in the Interior.
- o All of the regional councils have expressed concern that the Federal grant program which helps finance the state subsistence program is inadequately funded and should be significantly increased. Sealaska agrees.
- o The councils historically have not had enough time, nor the resources nor the necessary understanding of what its mission and responsibilities are to effectively carry out its subsistence responsibilities. Administrative support for the regional council system is limited. However, since the reorganization of the Division of