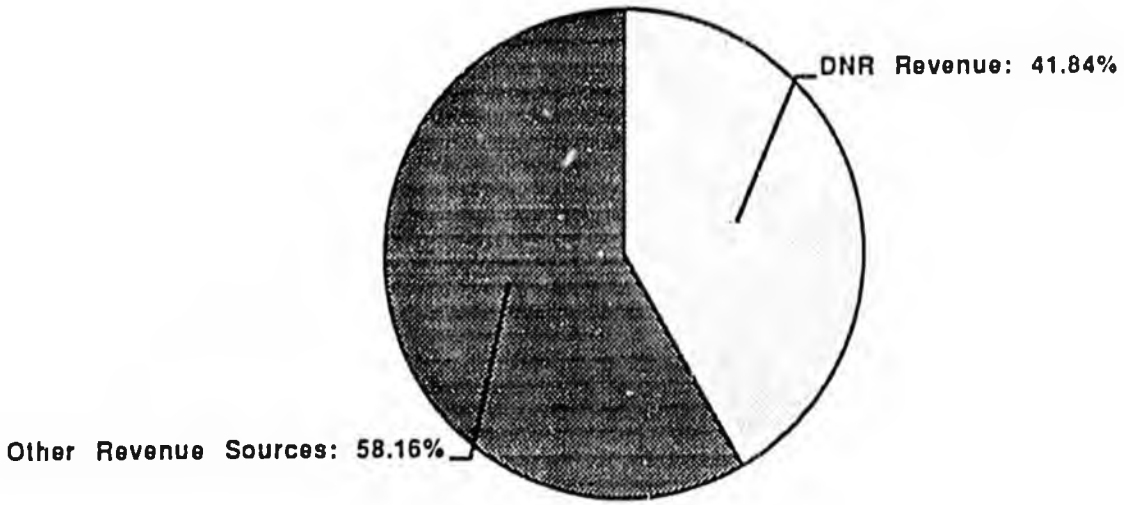
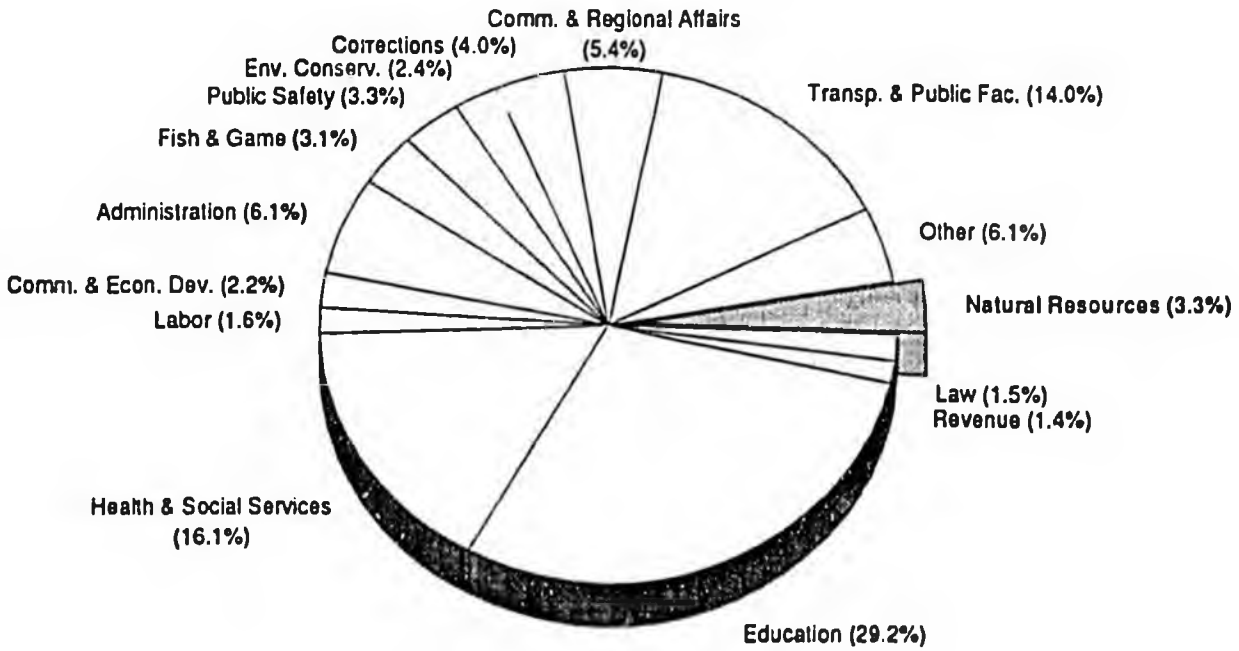
ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
7137 HOUSE RESOURCES

# State of Alaska
# FY91 Unrestricted Revenue
## DNR ($1,419,600,00) vs. Other Sources ($1,973,500,000)




# FY91 General Fund Expenditures
## ($2,731,467,000)



# FOREWORD

*Choices made through this department during the next few years will set the course of Alaska's future for the next century. There can be no greater priority than resolving federal, state and Native land ownership conflicts, ultimately providing the state with a land portfolio on which it can base its economy and earn state revenues.*

*Final selection of the state's 105.5 million acres guaranteed at statehood is less than two years away. It is not enough simply to fill the state's land portfolio by the Jan. 3, 1994 deadline. We must also review millions of acres already selected to be absolutely certain the state receives the best land available -- to build our future and conserve our heritage.*

*Our statehood land grant will give Alaskans ownership of a resource-rich conglomerate the size of California -- land carefully chosen for its oil and gas potential, mineral deposits and virgin timber; for its recreational values and its cultural and historical significance; and for its ability to provide access so generations of Alaskans to come can use the land they own.*

*Expanding that land base and getting the most from the land we have will require special attention to complex land and management issues. Alaska must:*

- *Ensure that land beneath its 3 million lakes and thousands of miles of navigable rivers and streams is not counted against the state's land entitlement.*

- *Push for resolution of RS2477 rights of way. That century-old federal grant holds the promise of opening vitally needed transportation corridors throughout the state (even through federally protected areas).*

- *Negotiate for state oversight of wetlands. Alaska, unique among states for its permafrost wetlands, has lost less than one percent of its wetlands due to settlement and development. We shouldn't be afraid to use those wetlands, but instead should recognize our golden opportunity to develop those lands wisely, for the benefit of conservation and economic growth.*

- *Make the Mental Health Trust whole again, opening state lands for development and freeing thousands of private land owners to use or sell their land as they wish.*

*As Prudhoe Bay continues to decline, other developments that increase state revenues must be brought on line. Remember that Alaska owns 3 trillion cubic feet of natural gas -- one-eighth of the known store of natural gas on the North Slope. We need to aggressively pursue customers to buy OUR natural gas and help open a new market for Alaska's resources. We must encourage further oil and gas exploration in Cook Inlet, the Chukchi Sea, the Beaufort Sea and on the North Slope.*

*We must be persistent in our efforts to open the Arctic National Wildlife Refuge to drilling. We must continue to encourage conservation-minded mining operations such as at Red Dog and Greens Creek. And we must take advantage of our natural attractions, making them more hospitable to visitors by encouraging attractions and accommodations for Alaskans and tourists.*

*Finally, it is time Alaskans seriously consider the ultimate responsibility of state government, which is to serve and protect the people of the state. Every bureaucracy, over time, needs to re-examine how it delivers its product to the people. Can it act more responsibly and more efficiently without sacrificing safety or environmental concerns?*

*This Department asked that question of itself during 1991 and we are responding. First, the new Division of Water was established to allow water issues to receive prominent notice. The Alaska Oil and Gas Conservation Commission joined the department for improved coordination in promoting, developing and regulating petroleum production. This winter, public service functions of each division will be consolidated into a single Public Information Center in Anchorage, easing public access to information and simplifying permitting processes.*

*Change will be an ongoing and evolutionary process at the Department of Natural Resources.*

*Harold C. Heinze*
*Commissioner*

# 1991 Progress Report

*The Alaska Department of Natural Resources is the primary steward of the state's land, water, minerals, oil, gas, agriculture, timber, recreational and historical resources. The scope of its duties is as monumental as the state itself. One-third of state revenues are generated through DNR activities and the future of Alaska, both in terms of development and conservation, rests on decisions made daily within this department.*

*Commissioner Harold Heinze, during his first month in office, issued a list of department priorities in his FY92 Budget Request that reflect the Department's enormous responsibilities. These are not projects that can be accomplished overnight. Several projects will take years to finalize. Others will likely remain top priorities indefinitely.*

*Three on-going issues emerged, requiring immediate and constant attention:*

- *Selection of the state's 105.5 million-acre entitlement, the land on which Alaska's future depended, will have to be concluded by the January 3, 1994 deadline.*
- *High benefit development projects will need to be moved up to keep Alaskans working, stimulate the economy and provide revenue to the state.*
- *As oil revenues decline on the North Slope and in Cook Inlet, alternative revenue sources from mineral, timber, oil, gas, water and tourism will have to be developed.*

*In addition, the commissioner.promised special emphasis would be placed on several one-time projec*

- *Settle the Mental Health Lands dispute.*
- *Write regulations implementing the Forest Practices Act and Mining Reclamation.*
- *Refurbish the highway-accessible state parks.*
- *Resolve groundwater contamination problems in populated areas.*
- *Clean up contaminated state land and water.*
- *Wage "war" on the spruce bark beetle.*
- *Create backup storage for the plant diversity facility.*

*This progress report shows how each division within the DNR worked toward these goals, either independently or in concert with other state and federal agencies .*

## 1. Finalize the selection of the state's land entitlement

After 33 years, the state is still selecting land to complete its statehood land entitlements. The entitlements, as modified over the years, will result in the state receiving 105.5 million acres, an area larger than the entire state of California. This land base provides most of the state's revenue and will determine the opportunities for future Alaskans.

During FY 92, the **Division of Land** accelerated the final two and one-half year land selection project. Approximately 20 million acres remain to be selected before midnight January 3, 1994. The division is re-evaluating another 16 million acres of existing selections and studying another 41 million acres of federal land for possible selection. In FY91, 724,994 acres were added to the state's land portfolio. The process by which land is transferred from the federal government to the state is complicated by extensive conflicts with Native corporation selections, mining claims, and numerous federal withdrawals.

Because the revenue-generating capacity of the state's final land selections is of critical importance to Alaska's future, the **Division of Geological and Geophysical Surveys** has a key role in assessing the value of subsurface mineral, coal, geothermal, and construction material resources on all candidate lands. The **Division of Water** is accelerating resolution of title navigability issues that result in more uplands being available for state selection. In its first three months of existence, the division identified 16,485 streams which are potentially navigable.

A statewide team effort contributes to the selection process. The **Division of Forestry** has reviewed land for its timber potential. The **State Pipeline Coordinator's Office** is selecting transportation corridors that will allow access to state land and resources. The **Division of Parks and Recreation** is assessing outdoor recreation potential and cultural resource values. The **Division of Management** is mapping resource and ownership information to portray selection alternatives and is building a title subsystem to load selected lands into the DNR Land Administration System (LAS). The **Division of Mining** has identified mineral districts where transportation access is needed to speed the development of known deposits. The **Division of Oil and Gas** consulted with USGS and industry geologists concerning hydrocarbon potential of Interior basins and potential of coal bed methane resources within the state.

## 2. Expedite high benefit development projects

Bringing new developments on-line requires strong state oversight without placing unreasonable and costly impediments in the path of developers. The Wishbone Hill coal mine is a good example of cooperative efforts between the state and industry. The **Division of Mining** issued a major coal mining permit to Idemitsu Alaska, Inc. to develop the Wishbone Hill deposit beginning in 1994. This mine will employ approximately 200 Mat-Su Valley residents and produce 1 million metric tons per year for up to 15 years, benefitting the local economy while paying royalties and taxes to the state.

The **Division of Oil and Gas** has expedited permitting of several new North Slope and Cook Inlet exploratory wells planned by industry for the '91-'92 exploration season and has lobbied extensively in Congress for the opening of ANWR. The division participated in the settlement of North Slope royalty litigation, bringing in $300 million to the state during the last two years and encouraging further exploration and development.

In an effort to foster the development of our tourist attractions, **Alaska State Parks** has created a plan for new recreation/tourism facility development. If funded, this initiative will provide visitor facilities in Denali State Park and on the Kenai Peninsula, new campground development in the Healy/Stampede vicinity, a recreation development plan for the Copper River Highway, a nordic ski training center at Independence Mine State Historic Park, and park development on the lower Kenai River and at Gruening State Park.

The **State Pipeline Coordinator's Office** has established a single point of contact for pipeline companies to obtain both state and federal permits, thereby streamlining the process and unifying the agencies into a team effort. **Alaska Oil and Gas Conservation Commission** oversight of the operators' reservoir management practices helps ensure the greatest recovery possible in the Prudhoe Bay, Kuparuk River, Endicott, Lisburne and Cook Inlet oil fields and has contributed to the state's continued high output of oil and gas. The new **Division of Water** assisted in resolving complicated water issues helping keep the AJ Mine, Kensington Mine, Valdez Creek Mine on line.

## 3. Keep state revenue up.

The **Division of Land** initiated efforts to develop a portfolio of strategic properties that can be made available for development. The division will:

- Emphasize development of recreation and tourism related opportunities.
- Reduce restrictions to allow the transfer of land to state residents.
- Convey municipal land entitlements to initiate local control of selected land.
- Support the development of economic activities dependent on state land and resources.
- Provide and protect access to and across state lands to reach developable resources.
- Revise the state's land disposal program to encourage settlement and development.

The **Division of Water** is implementing fees more appropriate to the cost of services and is seeking authority to sell water and establish a water user fee. The passage of such legislation will result in $2.2 million in new revenue by the end of FY94 and an expected $5 million annually by FY95.

The **Recorder's/UCC** Component increased FY91 revenues $115,000 over FY90 and projects an increase of approximately $600,000 in FY92. User fees from the **State Park** system will generate $1.27 million in new dollars in FY93. These funds are used to defer the cost of operating the 132 units of the state park system.

The **Division of Oil and Gas** plans to conduct a minimum of three oil and gas lease sales each year through 1995; is continuing royalty litigation; improved royalty oil and gas accounting procedures; began negotiations with PetroStar concerning a long term Royalty In-Kind oil contract for its proposed new refinery in Valdez; and solicited new industry participants in state oil and gas lease sales.

## 4. Mental Health Trust Land settlement

The **Division of Land** is the lead division for implementation of the Mental Health Trust Land Settlement, signed by the governor in June. A project team has been assembled and the following tasks have been identified:

- Create a comprehensive plan for implementation of the settlement.
- Work with the legal staff and the plaintiffs in an effort to resolve unanswered issues.
- Refine legal descriptions of lands to be placed in the LAS system.
- Design a computer system for land records for the Trust Authority.
- Identify all Mental Health land impacted by the Submerged Land Recalculation.

The **Division of Management** is designing and implementing a subsystem to the DNR Land Administration System (LAS) that will track hypothecated and replacement lands. In addition, the **Division of Oil and Gas** tracked revenues received from original mental health lands and estimated potential revenues to the trust from substitute lands.

## 5. Forest Practices Act and Mining Reclamation regulations

After more than a year of negotiating and drafting by state agencies, the **Division of Forestry** took draft regulations implementing the Forest Practices Act to the public. Open houses, public hearings and a day-long scientific and technical comment session were held. All written and verbal comments have been compiled and evaluated. The draft regulations are now in the process of being finalized in light of the public comments.

As a joint effort, the **Division of Mining** and the **Division of Land** (which is responsible for sand and gravel pits, quarries, and other material mines) prepared a public review draft and held hearings on regulations to implement requirements for mining reclamation on federal, state, and municipal land. After considering some 250 pages of written comments and hearing testimony, mining reclamation regulations were finalized in November 1991 and forwarded to the Lt. Governor's office for approval. This is a large step forward to ensure that mining on state and federal lands is conducted in an environmentally sound manner. In addition, the **State Pipeline Coordinator's Office** is working with pipeline companies to establish workable reclamation plans that will affect approximately 100 gravel pits within the pipeline corridor.

## 6. Refurbish the highway accessible state parks.

A plan for refurbishing road-accessible campgrounds and trailheads is included in the FY93 CIP budget request. **The Division of Parks and Outdoor Recreation** is requesting $11.2 million to rehabilitate and expand tourist facilities.

## 7. Clean up contaminated state land and water.

An inter-agency (DEC, DNR, DOTPF, ADFG) work group has been formed to address the cleanup of contaminated sites on state land. The Department has reviewed the list of sites on DNR managed lands and has submitted four sites to ADEC for inclusion into a statewide priority list. Sites located on state land will be prioritized based on the risk to public health and the probability that the contaminant might spread. In addition, DNR has taken an aggressive position on testing its underground storage tanks and removing those not considered necessary.

EPA's annual review concluded that the **Alaska Oil and Gas Conservation Commission** administered an effective Underground Injection Control program, helping to prevent groundwater contamination. A revised memorandum of agreement clarifying UIC requirements between EPA and the commission was also signed during 1991. The **Division of Water** has raised the priority of the Kenai Peninsula Groundwater Task Force. This effort is not only gathering critical data of the contamination problems of this area, but it is also developing a comprehensive understanding of the groundwater resources on the peninsula.

## 9. Wage "war" on the spruce bark beetle.

The **Division of Forestry** received $450,000 in capital funding for a Forest Health Initiative. Strategies are being developed to deal with the declining health of Alaska's aging spruce forests. Dealing with the "symptoms" of this decline, as shown by the major outbreaks of the spruce bark beetle, has begun on the Kenai Peninsula. Varying levels of spruce beetle infestation have been identified within a 40,000 acre area between Kasilof and Clam Gulch and a 55-acre sale took place in November.

## 10. Create back-up storage for the plant diversity facility.

In June 1991, the **Division of Agriculture** transferred valuable plant materials to four facilities as a way of safeguarding Alaska's ability to reproduce those plants. This will prevent loss of important germplasm (the reproductive cells of an organism) due to fire or other disaster.

# Introduction

## Overview of the Governor's FY93 Budget

Decrements totalling $2,083.600 are proposed by the governor. Again this year, decrements are proposed that will reduce unnecessary red tape but not essential services to the public. The package includes increments for a total of $7.2 million of which $3.9 million is General Fund. Of that $3.9 million, $2.3 million is revenue neutral due to program receipts. Another $1.0 million is for Fire Suppression and has been funded through supplemental requests the past two years.

Some proposed decrements in Land Management and the Recorder's Office are contingent on statutory changes being proposed in the governor's Title 38 bill.

Two organizational changes are reflected in this budget. First, the Division of Water was created by gathering up water functions from the Division of Land and Water and the Division of Geological and Geophysical Surveys. The budget for that division is shown separately as the Water Management BRU and an explanation of the transfers can be found in Appendix D. Second, the Oil and Gas Conservation Commission was transferred over from the Department of Commerce and Economic Development. The budget is shown as a component in the Management and Administration BRU.

## Revenue

During the past nine years, DNR's unrestricted revenues (to all fund accounts) have varied from a high of $1.57 billion in FY83 to a low of $658 million in FY87. In FY91, the department contributed 41.8 percent ($1.42 billion) of the total unrestricted revenues collected into all fund accounts by the state.

## Budget History

From FY83 to FY92, department operating budgets varied from a high of $66.1 million to a low of $53.2 million. Staffing levels varied from a high of 870 full-time employees in FY85 to a low of 573 full-time employees in FY88. Historic staffing and funding summaries are shown in Appendices A and B, respectively.

# FY93 Governor's Approved Increments/Decrements

## Governor's Approved Decrements

| Division | Program | Funding | Page |
|---|---|---|---|
| Commissioner's Office | Coastal Mgmt. Coordination | 33.3 (I-A) | 15 |
| | Miscellaneous Wetlands Reduction | 250.0 (GF) | 15 |
| | Miscellaneous Reduction | 132.5 (GF) | 15 |
| Division of Management | Reduce Support to DHSS | 15.0 (I-A) | 21 |
| | Transfer of Recording Duties | 187.2 (GF/PR) | 21 |
| Division of Land | Reduction in Land Disposal | 679.2 (GF, GF/PR) | 25 |
| Division of Forestry | Fire Suppression | 195.9 (GF, Fed) | 29 |
| | Forestry Coastal Zone Mgmt. | 19.1 (I-A) | 29 |
| | Reduction in Base Funding | 192.6 (GF) | 29 |
| Division of Oil and Gas | Support for Geologic Field Work | 28.8 (GF) | 33 |
| Division of Mining | Mining Reclamation | 40.0 (GF) | 35 |
| | Mineral Property Mgmt. | 30.6 (GF) | 35 |
| Division of Parks and Outdoor Recreation | Park Maintenance and Operations | 101.0 (GF/PR) | 41 |
| | Alaska Historical Commission | 38.9 (GF/PR) | 41 |
| | Miscellaneous Reduction | 35.0 (GF) | 41 |
| Division of Agriculture | Alaska Grown Prod. Promotion | 78.1 (GF) | 43 |
| | Equipment and Travel | 26.4 (GF) | 43 |

## Governor's Approved Increments

| Division | Program | Funding | Page |
|---|---|---|---|
| Commissioner's Office | Wetlands | 450.0 (GF, GF/PR) | 16 |
| State Pipeline Coordinator's Office | Monitoring of TAPS | 500.0 (GF/PR) | 17 |
| | Material Sales Inventory | 150.0 (GF/PR) | 17 |
| | New Common Carrier Pipeline | 320.5 (GF/PR) | 17 |
| | Pipeline Rental Increase | 312.0 (GF/PR) | 17 |
| Oil and Gas Conserv.Comm. | Petroleum Inspection Program | 273.5 (GF) | 19 |

| Division | Program | Funding Request | Page |
|---|---|---|---|
| **Division of Management** | DNR Public Information Center | 450.0 (I-A) | 22 |
| | DOA Data Processing Chargeback | 225.0 (GF) | 22 |
| | Drafting Techs to Full Time | 40.0 (CIP) | 22 |
| | Mental Health Lands Services | 500.0 (I-A) | 22 |
| **Division of Land** | Mental Health Personal Services | 875.7 (I-A) | 25 |
| **Division of Forestry** | Fire Support | 1,000.0 (GF) | 30 |
| | Fed. Co-op Forestry Program | 452.0 (Fed) | 30 |
| | Keep Green Initiative | 100.0 (GF, Fed) | 30 |
| **Division of Oil and Gas** | North Slope Royalty Litigation | 50.0 (GF) | 33 |
| | Prog. Receipts from Permitting | 50.0 (GF/PR) | 33 |
| **Division of Mining** | Mineral Property Management | 256.0 (GF/PR) | 35 |
| **Division of Water** | Water Management | 337.0 (GF/PR) | 39 |
| **Division of Parks and Outdoor Recreation** | Increase Prog. Receipts Collection | 392.2 (GF/PR) | 41 |
| **Division of Agriculture** | Agriculture Revolving Loan Fund | 918.0 (ARLF) | 43 |

# Department of Natural Resources
# FY93 CIP Proposals

*CIP proposals representing DNR priorities have been submitted to the governor. At the time of printing, the governor's CIP decisions were not available. Because there are previously identified statewide priorities some level of funding is presumed for the following CIP projects.*

### 1. Land Selection

Alaska's statehood land entitlement is approximately 105 million acres. At present, the state has obtained 87 million acres and has until January 3, 1994, to complete its selections. This requires an exhaustive examination of oil and gas potential, hard rock minerals, geothermal resources, hydroelectric site potential, coal, forestry resources, agricultural areas, recreational potential, anthropological sites and critical habitat areas. To ensure submerged lands are not counted against the state's entitlement, title navigability to all lands underlying 30,000 rivers and streams and over 3 million lakes must be resolved.

### 2. Mental Health Lands

This project implements the Alaska Mental Health Lands Trust settlement, transferring approximately 1 million acres of land to an independent state authority. It is essential for resolving all issues related to mental health trust lands. Without resolution of these issues, third-party properties will remain encumbered, development of these properties cannot occur and the funding of mental health activities will continue to come from the state general fund.

# Division Overviews

# Commissioner's Office

Commissioner: Harold C. Heinze (465-2400)
Assistant Commissioner: Cheryll Boren (762-2483)

2.91% of DNR budget

## Mission

*The commissioner of the Department of Natural Resources oversees and facilitates the wise use, development and conservation of state-owned land, oil, gas, timber, minerals, energy, water, agriculture and recreational resources. As a prudent steward of public land, the commissioner strives to maximize current and future public benefits from the state's renewable and non-renewable resources.*

| *Commissioner's Office* | General Fund | Other Funds | FTE |
|---|---|---|---|
| FY92 Authorized | 2,176.9 | 70.0 | 11 |
| FY93 Governor's Budget | 385.9 | 44.0 | 8 |

| *Grants* | General Fund | Other Funds | FTE |
|---|---|---|---|
| FY92 Authorized | 15.0 | 0 | 0 |
| FY93 Governor's Budget | 15.0 | 0 | 0 |

| *Mental Health* | General Fund | Other Funds | FTE |
|---|---|---|---|
| FY92 Authorized | 0 | 0 | 0 |
| FY93 Governor's Budget | 1,453.3 | 0 | 0 |

| *Commissions* | General Fund | Other Funds | FTE |
|---|---|---|---|
| FY92 Authorized | 150.7 | 0 | 2 |
| FY93 Governor's Budget | 156.5 | 0 | 2 |

## Governor's Approved Decrements

Funding Reduction

**Coastal Management Coordination** — **33.3** (I-A)
This position is no longer needed as the work is being accomplished by other DNR staff.

**Miscellaneous Reduction - Wetlands** — **250.0** (GF)
A budget amendment will spread this reduction out to DNR programs. Incremental wetlands funding will be shown in the front sections of the budget bill.

**Miscellaneous Reduction** — **132.5** (I-A)
This reduction was made to keep DNR within the approved target. A budget amendment will spread the reduction out to DNR programs.

## Governor's Approved Increments

| | Funding Request |
|---|---|
| **Wetlands**<br>The state has the opportunity to assume permitting authority over wetlands currently under federal jurisdiction. DEC and DNR are coordinating the state's initiative and together are requesting the increment to cover first year costs. The General Fund request will be offset by decrements in the same amount. This funding request will be found in the front sections of the budget bill as a total of $1,500.0. DNR would receive 450.0 of that and the remainder would go to ADEC. | **450.0**<br>250.0 (GF)<br>200.0 (GF/PR) |

## FY 93 Project Descriptions

| Project | Benefit | Funding |
|---|---|---|
| **Commissioner's Office Operations**<br>The executive office of the department provides policy advice to the governor and cabinet, and resource information to the Legislature, business, industry and the public | Provides responsible management of Alaska's resources. | **429.9**<br>385.9 (GF)<br>44.0 (I-A) |
| **Kawerak Reindeer Grant**<br>This project provides funds to the Kawerak Native Association for the inoculation of reindeer. | Helps stabilize the economy of the Kawerak Natives by keeping reindeer free of disease. | **15.0** (GF) |
| **Mental Health Land Transfer**<br>This project completes land work to transfer state land to the Mental Health Trust based on settlement legislation approved by the court. | Helps establish Mental Health Trust and satisfies court agreement. | **1,453.3**<br>General Fund/ Mental Health |
| **Citizens Advisory Commission on Federal Areas in Alaska (CACFA)**<br>Administratively attached to the Commissioner's Office, this independent commission oversees federal land management issues. | Minimizes conflicts between federal statutes and regulations and helps maintain traditional uses of Alaska's federal land. | **156.5** (GF) |

# State Pipeline Coordinator's Office

State Pipeline Coordinator: Jerry Brossia (278-8594)
Deputy Coordinator for Resources: R.L. "O.D." Odsather
Deputy Coordinator for Engineering: Gregory Swank

3.80% of DNR budget

## Mission

*The state pipeline coordinator reports to the commissioner. The office is a joint federal-state agency that coordinates oversight, monitoring, permit, and disposal activities affecting common carrier pipelines. The office provides permit coordination and engineering services to ensure that pipelines are designed, constructed and operated to meet environmental and safety standards.*

| | General Fund | Other Funds | FTE |
|---|---|---|---|
| FY92 Authorized | 1,142.6 | 223.4 | 14 |
| FY93 Governor's Budget | 2,464.9 | 223.4 | 14 |

## Governor's Approved Increments

Funding Request

**Monitoring of Trans-Alaska Pipeline System** — **500.0** (GF/PR)
This project is needed to monitor TAPS, including review of oil spill contingencies and correction of corrosion problems. Periodic review of field conditions, design, and construction is required to protect the environment, human safety, and the state's financial interests. Increased funding will be used to implement recommendations by the U.S. General Accounting Office.

**Material Sales Inventory** — **150.0** (GF/PR)
Funds will be used for the administrative costs of selling material and monitoring gravel mining plans for common carrier pipelines. Gravel is sold for construction, maintenance, and operations of pipelines, access roads, work pads, pump stations, etc.

**Pipeline Rental Increase** — **312.0** (GF/PR)
Increased funding is requested through increased pipeline right-of-way rentals to support ADNR, ADF&G, ADOT/PF and the Department of Law for monitoring the operations and maintenance of the common carrier pipelines. This project promotes the effective and efficient development, use, maintenance and operation of pipelines. As the state acquires new land and pipelines are built across it new revenue can be expected. In FY93 the state can expect to receive $500.0 from pipeline rentals.

## Governor's Approved Increments

Funding Request

**New Common Carrier Pipeline** — 320.5 (GF/PR)

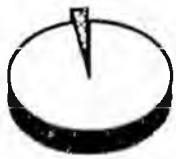
Two major firms are interested in construction of a medium diameter 16"-24" common carrier pipeline from Fairbanks to Kenai. The proposed alignment will cross state land and environmentally sensitive areas such as tidal flats and state and federal park lands. The state is authorized to receive funds from pipeline companies who request the state to process and administer common carrier pipeline rights-of-way. A new common carrier pipeline will create new jobs during construction and maintenance phases of pipeline operations.

## FY93 Project Descriptions

| Project | Benefit | Funding |
|---|---|---|
| **Pipeline Coordinator's Office** | | 2,688.3 |
| This project promotes the effective and efficient development, use and control of pipeline transportation systems. | Ensures safe operation of pipelines, monitors construction costs and tariff increases. | 2,464.9 (GF/PR)<br>165.0 (Fed)<br>58.4 (I-A) |

# Alaska Oil and Gas Conservation Commission

Chairman: David W. Johnston (279-1433)



2.65% of DNR budget

## Mission

*The Oil and Gas Conservation Commission oversees oil and gas drilling, development and production, reservoir depletion and metering operations on all lands subject to the state's police powers. The commission acts to prohibit the physical waste of crude oil and natural gas, to protect the correlative rights of mineral interest owners, and to obtain the maximum ultimate recovery of oil and gas that is prudently possible.*

| | General Fund | Other Funds | FTE |
|---|---|---|---|
| FY92 Authorized | 1,440.7 | 100.0 | 20 |
| FY93 Governor's Budget | 1,773.8 | 100.0 | 22 |

## Governor's Approved Increments

Funding Request

**Petroleum Inspection Program** — **273.5** (GF)

This increment adds two inspectors and restores travel funds to provide extra support necessary for a quality inspection program and send a strong message that Alaska is committed to environmentally sound oil and gas production. Oil field activities have increased substantially during the late 1980's. New reservoirs are being developed and more exploratory wells are being drilled. These activities are expected to continue increasing in the 90's; additional inspection capabilities are required to maintain responsible state oversight.

## FY 93 Project Descriptions

| Project | Benefit | Funding |
|---|---|---|
| **Alaska Oil and Gas Conservation Commission** | | **1,873.8** |
| Prevents waste, protects correlative rights, and maximizes ultimate recovery of oil and gas deposits. Implements the Underground Injection Control (UIC) Program for oil and gas wells in Alaska. | Provides sound management of the state's oil and gas resources. | 1773.8 (GF)<br>100.0 (Fed) |

# Division of Management

Director: Sharon Barton (465-2406)
Assistant Director: Meg Hayes (762-2291)

13.20% of DNR budget

## Mission

*The Division of Management provides the Department of Natural Resources with fiscal, personnel, automation, and public land record system support. The Recorder's/UCC Section is responsible for the preservation, maintenance, and availability of historic and current real estate records and security interests for the public.*

| | General Fund | Other Funds | FTE |
|---|---|---|---|
| FY92 Authorized | 6,600.3 | 910.6 | 144.4 |
| FY93 Governor's Budget | 7,396.4 | 1,931.7 | 150.8 |

## Governor's Approved Decrements

Funding Reduction

**Transfer of recording to local governments** **187.2** (GF/PR)
This decrement would allow the transfer of recording responsibilities to local governments on a volunteer basis. Revenue would be split according to responsibility, beginning a new partnership between the state Recorder's Office and local governments. Recording functions handled locally will allow the public to go to one location to transact business regarding real estate.

**Reduce Data Processing Support to DHSS** **15.0** (I-A)
The Department of Health and Social Services Epidemiology component acquired a minicomputer reducing its need for data processing assistance.

## Governor's Approved Increments

Funding Request

**DNR Public Information Center** — **450.0** (I-A)
This new project consolidates the department's public service functions into a single unit. The center is the sole Anchorage location for all of DNR's interaction with walk-in customers and for responding to telephone inquiries. It expands the public's access to information. Funding is transferred from several BRUs. No new funding is requested.

**DOA Data Processing Chargeback** — **225.0** (GF)
During FY92, the DOA established a new chargeback policy and rate structure. This increment will fund the department's mainframe usage to the level anticipated in FY93.

**Increase Drafting Technicians to Full Time** — **40.0** (CIP)
This increment adds 9.6 months of staff time to convert three Direct Charge CIP part time positions to permanent full time as reflected in FY92 CIP project plans.

**Mental Health Trust Lands Automated Services** — **500.0** (I-A)
This increment will support department work on the settlement of the Mental Health Trust litigation by providing mapping and information tracking system support, which will continue through December 1994.

## FY93 Project Description

| Project | Benefit | Funding |
|---|---|---|
| **Administrative Support**<br>Director's office provides policy direction. Administrative Support Unit oversees procurement activities and provides facilities support in Anchorage and Juneau. | Centralized support functions provide the most cost-effective services to DNR managers. | **709.5**<br>651.5 (GF)<br>58.0 (I-A) |
| **Financial Services**<br>Provides centralized financial management including department budget preparation and revenue and expenditure accounting. | Ensures that DNR financial activities comply with state law and policy. | **1,521.1**<br>1,208.2 (GF)<br>312.9 (I-A) |

| Project | Benefit | Funding |
|---|---|---|
| **Personnel/Payroll**<br>Establishes DNR personnel policies and procedures. Provides centralized recruitment, classifications, labor relations, and payroll support to managers. | Ensures that all DNR personnel actions comply with state law, bargaining unit contracts and state and department policies and procedures. | 594.2<br>457.5 (GF)<br>136.7 (I-A) |
| **DNR Public Information Center**<br>Serves as the central location for customer service and public access to DNR's programs in Anchorage. | Consolidation of these services enables the department to expand hours of operation and offer a higher quality service. | 450.0 (I-A) |
| **Fairbanks Building Maintenance**<br>Pays for building maintenance, electricity, heat, water and sewer at the DNR office complex in Fairbanks. | Maintains access for DNR services in Fairbanks. | 104.9 (GF) |
| **Data Processing Services**<br>Provides analysis, design, programming, maintenance and enhancements on DNR's Land Administration mainframe computer applications. Automates tracking of state lands and resources, contracts, and associated revenues. | Provides accurate and timely resource information to decision makers and accounts for all state revenues from the sale or use of state resources, including oil and gas royalties. | 636.8<br>431.8 (GF)<br>205.0 (I-A) |
| **Status Graphics**<br>Creates, maintains and distributes the graphic records (more than 18,300 status plat maps) that depict ownership and use of the state's land and resource holdings. | Current and accurate maps facilitate resource management decisions by the public and the state and help prevent costly lawsuits. | 991.5<br>856.5 (GF)<br>135.0 (I-A) |
| **DNR Computer Information Center**<br>Provides technical support in the use of computer systems. Supports more than 500 microcomputer workstations, including needs assessments, acquisition, and operation. Maintains DNR's statewide data communications network. | Maximizes specialized knowledge and substantial technical investment necessary to use DNR's business and resource information processing systems. | 346.8 (GF) |

*NOTE: A full explanation of transfers required to fund and staff the new Public Information Center can be found in Appendix D.*

| Project | Benefit | Funding |
|---|---|---|
| **Geographic Information Systems**<br>Provides the state with the ability to geographically portray complex natural resource data in relation to management activity and historical land use. | Provides options for appraisal scenarios and multi-use development plans for DNR-managed lands. | 482.9<br>298.1 (GF)<br>10.0 (GF/PR)<br>174.8 (I-A) |
| **DNR Automated Support**<br>Consists of contractual monies for maintenance and lease costs of mapping and analytical modeling minicomputers, microcomputers and peripherals, and for reprographic and microfilming equipment. | DNR computer systems and reprographic equipment provide accurate and timely information to decision makers and the public. | 302.1 (GF) |
| **State Land Status Automation**<br>Funds automation of the state status plat maps, tracking surface and subsurface ownership of all lands owned and managed by the state. | Increases readability and accuracy, and decreases records retention liability for an inventory of 30,000 maps. | 459.3 (CIP) |
| **Recorder's Office/UCC**<br>Receives and records all documents related to real property in 14 locations statewide. Receives, files and provides searches of financial documents for the public record. | Provides an orderly record of all real property transactions. Program receipts exceed costs. | 2,010.5 (GF/PR) |
| **DOA DP Chargeback**<br>During FY92, the DOA established a new chargeback policy and rate structure. This project funds the department's mainframe usage to the level anticipated in FY93. | | 708.5 (GF) |

# Division of Land

Director: Ron Swanson (762-2692)
Deputy Director: Dick LeFebvre (762-2692)

**16.30% of DNR budget**

## Mission:

*The Division of Land serves as stewards of state land, upholding Alaska's constitutional mandate to "...encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest." The division makes a balanced combination of land available for both public and private purposes.*

| | General Fund | Other Funds | FTE |
|---|---|---|---|
| FY92 Authorized | 10,831.1 | 986.9 | 201.5 |
| FY93 Governor's Budget | 9,740.7 | 1,769.0 | 184.5 |

## Governor's Approved Decrements

| | Funding Reduction |
|---|---|
| **Reduction in Land Disposal Program**<br>This decrement will eliminate eight full-time positions and reduce five others by slowing down the disposal program in areas with no immediate demand. | 679.2<br><br>538.2 (GF)<br>141.0 (GF/PR) |

## Governor's Approved Increments

| | Funding Request |
|---|---|
| **Mental Health Personal Services**<br>This increment funds 10 positions assigned to the Mental Health Project Team. | 875.7 (I-A) |

# FY 93 Project Descriptions

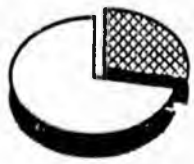
*NOTE: The Division of Land re-organized its projects during FY92. A full explanation of the re-organization can be found in Appendix C.*

| Project | Benefit | Funding |
|---|---|---|
| **Land Acquisition**<br>This project includes selecting and securing Alaska's full entitlement under the Statehood Act, exchanging land with other owners to assemble strategic blocks of state-owned property, and ensuring that the chain of title is clear of encumbrances. | Provides the foundation for Alaska's unique position as an owner-state. Alaska's vast portfolio of real estate and resources not only funds almost all of state government but it produces annual dividends to Alaskans. | 1,057.7 (GF) |
| **Protect/Defend Ownership Rights**<br>Defends the state's real estate holdings against title encumbrances and other adverse claims. It surveys state land and coastal boundaries to protect against boundary and acreage disputes, especially in contests with the federal government over offshore mineral lease revenues or ownership of submerged lands. | Audits the federal government land conveyances to the state to ensure that the state secures its full entitlement in each grant category and to correct erroneous land transfers from the federal government. | 724.5<br>694.5 (GF)<br>30.0 (GF/PR) |
| **Identify Resource Assets and Allocate**<br>Analyzes what is known about the state inventory of resources and compares possible combinations of uses, yielding the array that produces the greatest benefits. The project results in site-specific guidelines for putting the land to use by resource developers, land purchasers, and the general public. | Meets constitutional mandate by organizing knowledge of state landholdings, resources and revenue opportunities, and identifying complex access problems owing to remoteness and mixed land ownership. | 1,432.1<br>1,362.1 (GF)<br>20.0 (GF/PR)<br>50.0 (Fed) |
| **Economic Development, Settlement of Land**<br>Appraises the fair market value of state land and surface resources, funds special assessments to install improvements such as roads and water lines, and auctions sand and gravel. It issues and administers leases, offers state land for Alaskans to purchase, and fulfills land grants. | Serves the state as a real estate development and property management enterprise. | 4,121.7<br>2,404.0 (GF)<br>1,697.7 (GF/PR)<br>20.0 (I-A) |

| Project | Benefit | Funding |
|---|---|---|
| **Maintain/Protect Assets**<br>Provides field personnel to halt unauthorized uses such as theft of state-owned gravel, assures consistency with the Alaska Coastal Management Program, supports non-commercial uses of state land, defends state land against contamination by toxic substances, and ensures reclamation of former gravel pits. | Provides for management of land to be maintained in public ownership. Through proper design of permit conditions, it ensures that short-term resource development activities will not cause long-term impacts. | **855.8**<br>645.9 (GF)<br>209.9 (I-A) |
| **Provide/Protect Access**<br>Asserts and defends the public claim to rights-of-way, secures public easements, and provides for easements before the state conveys land. | Ensures that Alaskans have legal access to state-owned land and water for resource development, travel, hunting, fishing, and other uses. | **234.4** (GF) |
| **Ensure Stewardship of Land/Resource Assets**<br>Provides the policy and guidance to the asset management program throughout the state. | Answers questions about state programs and ensures public and private sector participation in program development. | **2,000.7**<br>1,594.4 (GF)<br>406.3 (I-A) |
| **Survey Direct Charge CIP**<br>Surveys and plats parcel boundaries for various state land disposals. | Costly land ownership conflicts are avoided. | **207.1** (CIP) |
| **Mental Health Lands Services**<br>Implements the Mental Health Trust Lands settlement, works with plaintiffs, refines legal descriptions of lands, administers automated systems to track land records and identify submerged lands within Mental Health lands. | Settles a longstanding lawsuit and assists the new independent state authority managing the lands for the benefit of mental health programs in the state. | **875.7** (I-A) |

# Division of Forestry

Director: Malcolm R. "Bob" Dick (762-2501)
Deputy Director Management: George Hollett (762-2503)
Deputy Director Operations: Dean Brown (762-2508)



28.88% of DNR budget

## Mission

*The Division of Forestry manages forest land and protects the forest's natural values while supporting Alaska's economy through development of forest products. The Fire Suppression program pays for Alaska's wildlands fire expenses.*

| *Forest Management* | General Fund | Other Funds | FTE |
|---|---|---|---|
| FY92 Authorized | 9,560.5 | 739.1 | 127.5 |
| FY93 Governor's Budget | 9,732.8 | 1,238.7 | 126.5 |

| *Fire Suppression* | General Fund | Other Funds | FTE |
|---|---|---|---|
| FY92 Authorized | 3,069.4 | 5,350.0 | 3.8* |
| FY93 Governor's Budget | 4,069.4 | 5,350.0 | 3.8* |

** Approximately 750 non-permanent firefighters are hired seasonally.*

## Governor's Approved Decrements

| | Funding Reduction |
|---|---|
| **Forestry Coastal Zone Management**<br>Budgeted inter-agency receipts were not received in FY92 and are not expected in future years. | 19.1 (I-A) |
| **Reduction in Continuation Level Base Funding**<br>Reduced funds will lower timber sales, cut one administrative position by two work months, eliminate three positions in fire management. | 192.6 (GF) |

## Governor's Approved Increments

| | Funding Request |
|---|---|
| **Fire Suppression/Fire Support**<br>Contract costs for dedicated suppression aircraft, maintenance of the division's fleet aircraft, fire suppression and support services provided from federal cooperators have risen dramatically since 1986. Fixed costs for contract aircraft have increased to the point where no funds are available to take action on fires without access to disaster relief or supplemental funds. | 1,000.0 (GF) |
| **Federal Cooperative Forestry Programs**<br>This increment will authorize receipt of new federal funds for Forest Stewardship (assisting private forest landowners) and America the Beautiful Programs (fostering volunteer tree planting and teaching tree care.) | 452.0 (Fed) |
| **Keep Green Initiative**<br>Most of the fires the division responds to are human-caused. A statewide prevention effort run by a private organization should result in a drop of fire starts and therefore save state funds. Most western states have "Keep Green" programs co-sponsored by agencies, industries and citizens, to help control human-caused fires. | 100.0<br>50.0 (Fed)<br>50.0 (GFM) |

## FY93 Project Descriptions

| Project | Benefit | Funding |
|---|---|---|
| **Fire Management**<br>Maintains a state of readiness to detect, attack and control wildfires while they are small. Provides management and coordination of the preparedness program to protect state, private and municipal lands from wildfire. | Protects $15 billion of state resources and improvements. A cost savings of about $2.5 million annually results from coordination with federal agencies. | 5,222.3<br>5,106.1 (GF)<br>16.2 (I-A)<br>50.0 (Fed)<br>50.0 (GFM) |
| **Resource Management**<br>Wise stewardship maintains healthy, pest-resistant, aesthetically pleasing and productive forests. Enforces the Forest Practices Act. | Provides timber resources required by the forest products industry and revenue to the state, stimulating the economy and providing jobs. | 3,021.8 (GF) |

| Project | Benefit | Funding |
|---|---|---|
| **Forest Administration**<br>Provides policy direction and administrative support for operating projects. | Manages division programs for optimal return on investment in the state's forestry program. | 1,554.9 (GF) |
| **Federal Cooperative Forestry Programs**<br>Handles federal funding for Rural Community Fire Protection and Cooperative Forestry Assistance. | Assists private landowners in forest stewardship and local communities with tree planting through use of federal matching funds. | 1,172.5 (Fed) |
| **Fire Suppression**<br>Pays for the actual cost of fire suppression. | Provides protection for more than $15 billion in improvements and resources. | 9,419.4<br>5,350.0 (Fed)<br>4,069.4 (GF) |

# Division of Oil and Gas

Director: James E. Eason (762-2547)
Deputy Director: Ken Boyd (762-2548)

**5.92% of DNR budget**

## Mission

*The primary responsibilities of the Division of Oil and Gas are to (1) make state lands available for oil and gas exploration and development and evaluate the resource potential of these areas; (2) ensure that surface operations on oil and gas leases are conducted in an environmentally and economically sound manner; (3) ensure that all revenues due from oil and gas production are received in full; (4) advocate petroleum resource development throughout the state; and (5) provide technical and policy support to the Commissioner and Governor's Office.*

| | General Fund | Other Funds | FTE |
|---|---|---|---|
| FY92 Authorized | 3,887.7 | 78.0 | 53 |
| FY93 Governor's Budget | 4,106.1 | 78.0 | 53 |

## Governor's Approved Decrements

Funding Reduction

**Reduce Support For Geologic Field Work** — **28.8** (GF)
This decrement reduces helicopter charters/fuel purchases in support of field work and is needed to meet the division's targeted FY93 budget reduction.

## Governor's Approved Increments

Funding Request

**Alaska North Slope Royalty Litigation** — **50.0** (GF)
This increment is needed to enable the state to gather data on a systematic basis to support its claim of the royalty oil value under the Alaska North Slope (ANS) royalty litigation settlements. The state needs the ability to contract with outside experts to support its case concerning the value of the oil. Royalty litigation settlements resulted in more than $300 million to the state over the last two years.

**Program Receipts Generated by Permitting/Processing** — **50.0** (GF/PR)
This increment will provide funds to the division provided authority is obtained to allow the division to receive program receipts. It would shift some of the costs of administering oil and gas leases to those who benefit from those services.

# FY93 Project Descriptions

| Project | Benefit | Funding |
|---|---|---|
| **Federal Receipts/Energy Research**<br>Performs federal-state government cooperative studies related to the petroleum resources of Alaska | Enhances the state's ability to perform petroleum resource studies. | 78.0 (Fed) |
| **Petroleum Administration**<br>Provides policy direction and administrative support for the division. | Results in policy decisions that maximize the return on investment in the state's petroleum-related programs. | 502.0 (GF) |
| **Leasing/Evaluation**<br>Develops and implements the state's five-year oil and gas leasing program. Establishes leasing terms and bidding methods designed to maximize petroleum-related revenues. | Provides direct economic returns, jobs and capital investment in Alaska and encourages competition and timely development. | 1,651.0 (GF) |
| **Lease Administration/Royalty Accounting**<br>Issues new oil and gas leases, administers complex lease and unit contract requirements, offers royalty in-kind sales and accounts for revenues due the state from bonuses, rentals and royalties. | Assures environmentally responsible development, protection of the state's economic interests and full receipt of bonuses, rentals and royalties due the state. | 1,953.1<br>1,903.1 (GF)<br>50.0 (GF/PR) |

# Division of Mining

Acting Director: Sam Dunaway (762-2163)

3.70% of DNR budget

## Mission

*The Division of Mining manages the placer, hardrock and coal resources of Alaska in a manner that stimulates increased investment, encourages mineral production, and provides proper environmental controls. The division provides current mineral location information to the mining industry and government agencies, participates in land use decisions which affect mining, assists preparation of good operation and reclamation plans, conducts field inspections to assure compliance with state and federal requirements, and implements the surface coal and reclamation regulations.*

| | General Fund | Other Funds | FTE |
|---|---|---|---|
| FY92 Authorized | 1,148.1 | 1,233.5 | 24 |
| FY93 Governor's Budget | 1,364.9 | 1,243.8 | 25.5 |

## Governor's Approved Decrements

Funding Reduction

**Mining Reclamation** — 40.0 (GF)

General fund request is reduced to meet funding targets.

**Mineral Property Management** — 30.6 (GF)

General fund request is reduced to meet funding targets.

## Governor's Approved Increments

Funding Request

**Mineral Property Management Section** — 256.0 (GF/PR)

This section administrates, maintains and adjudicates all mineral property records on state lands. It maintains records on mining claims, leasehold locations, prospecting sites, upland mining leases, coal leases and offshore prospecting permits and leases. Recent legislation requires the division to oversee added rent and royalty requirements as well as new reclamation regulations without added funding. This increment requests program receipts be used to administer the new regulations.

# FY 93 Project Descriptions

| Project | Benefit | Funding |
|---|---|---|
| **Mining Administration**<br>Provides policy direction and administrative support. | Ensures a maximum return from state mineral resources | 253.1 (GF) |
| **Mineral Property Management**<br>Maintains, administers and adjudicates mineral property locations such as mining claims, leasehold locations and prospecting sites. The division issues mining leases and permits, collects rents and royalties and conducts coal and offshore mineral disposals. | Returns jobs and capital investments to the state. Provides the state with approximately $2.2 million annually in rents and royalties. | 256.0 (GF/PR) |
| **Coal Regulatory Program**<br>Processes permit applications and conducts compliance inspections. | Supports the state's coal mining industry. | 174.5 (GFM) |
| **Coal Federal Receipts**<br>Authorize receipt of federal matching funds for the Coal Surface Mining Regulatory Program. | Supports the state's coal mining industry. | 523.1 (Fed) |
| **Abandoned Coal Mines**<br>Provides for the reclamation of state, local and private lands that have hazards caused by past mining activities. | Eliminates hazards due to mining. | 720.7 (Fed) |
| **Surface Coal Mining Program Income Credit**<br>Creates a program receipts account for deposit of income from Surface Coal Mining Program. | Maximizes federal matching funds for the Surface Coal Mining Program. | 41.1 (GF/PR) |
| **Mineral Industry Management and Technical Assistance**<br>Coordinate the annual placer mining application process. Provide expert technical assistance to the mining industry by conducting site visits and helping mining operators meet complex environmental and reclamation regulation requirements. | Ensures practical and timely issuance of permits and environmentally sound mining operations that comply with environmental and reclamation regulations. | 640.2 (GF) |

# Division of Geological and Geophysical Surveys

Director and State Geologist: Thomas E. Smith (474-7147)
Associate Director: Milton A. Wiltse (474-7147)

4.22% of DNR budget

## Mission

*The Division of Geological and Geophysical Surveys locates, assesses and inventories the mineral and energy resources of Alaska's lands; monitors and reports on the quality, quantity and availability of ground and surface waters; identifies, locates and evaluates geologic hazards that threaten the health and safety of Alaska's residents and industry; and facilitates the timely transfer of these data to state and federal agencies as well as the private sector.*

| | General Fund | Other Funds | FTE |
|---|---|---|---|
| FY92 Authorized | 3,543.7 | 725.9 | 52 |
| FY93 Governor's Budget | 2,618.5 | 360.7 | 42 |

## FY 93 Project Descriptions

| Project | Benefit | Funding |
|---|---|---|
| **Statewide Mineral Resource Appraisal**<br>Evaluates mineral resource potential of land available for state selection as well as providing an inventory of geologic resources on state lands. Prepares annual Alaska's Mineral Industry report. | Enhances revenue-generating capability of state lands by providing geologic resource inventory and predicting mineral asset values. Provides current information on mineral industry. | 742.5 (GF) |
| **Energy Resource Appraisal**<br>Conducts statewide geologic studies to support inventories of petroleum, coal and other energy resources in Alaska, with emphasis on Alaska's North Slope. | Provides the state and private sector with the geologic information for estimates of Alaska's energy resources. | 461.3 (GF) |
| **Geologic Materials Center**<br>Curate, store and make available to the public a priceless collection of cores, samples and geologic information from oil and gas wells and hardrock mineral deposits in Alaska. | Benefits the public and private sector, exploration and development projects and assessment of the state's energy and mineral assets. | 85.7 (GF) |

| Project | Benefit | Funding |
|---|---|---|
| **Earthquakes, Volcanoes and Engineering**<br>Generates and distributes information about geologic conditions that affect public safety, and development of harbors, urban facilities, and transportation corridors. | Significantly reduces financial risks and human casualties. | 295.2 (GF) |
| **Construction Materials Resources**<br>Provides reliable information on construction materials resources for use in state land selection, to support statewide construction, and to facilitate effective land management. | Provides direct economic benefit to the state from lease revenues and indirectly supports local economies. | 140.6 (GF) |
| **Resource Information**<br>Publishes technical maps and reports on Alaska's geologic resources. Supports division and inter-agency reports for mineral assessments in state land selection areas. | Provides a public database for Alaska's geologic resources that directly supports state resource management and geologic resource development. | 320.5 (GF) |
| **Administrative Services**<br>This project provides administrative services to the Geological Management BRU including project management, financial services, personnel services and clerical services. | Provides support necessary to produce mineral, energy and construction materials resource inventories, produce geologic hazard information and publish technical data. | 511.1 (GF) |
| **Federal Receipts**<br>This project provides authorization to receive and expend funds from federal agencies. | Provides cost-effective public services and promotes cooperative agreements. | 258.9 (Fed) |
| **Inter-Agency Receipts**<br>This project provides authorization to receive and expend funds from other state agencies. | Provides cost-effective public services and promotes cooperative agreements. | 101.8 (I-A) |
| **Program Receipts**<br>This project provides authorization to receive and expend funds from other state agencies. | Provides cost-effective public services and promotes cooperative agreements. | 61.6 (GF/PR) |

# Division of Water

Director: Ric Davidge (762-2575)

**3.76% of DNR budget**

## Mission

*The Division of Water was created in 1991 to manage, plan, promote and authorize the responsible use and economic potential of Alaska's water resources; to resolve state title to the submerged lands under all navigable water bodies; to collect and provide information needed on the quantity and quality of Alaska's vast surface, ground and coastal waters; to protect lives and property at risk by dams; and to educate Alaskans about the responsible use of their water resources.*

| | General Fund | Other Funds | FTE |
|---|---|---|---|
| FY92 Authorized | 0 | 0 | 0 |
| FY93 Governor's Budget | 2,115.9 | 540.9 | 28 |

*NOTE: A full explanation of the transfers required to fund and staff the new Division of Water can be found in Appendix D.*

## Governor's Approved Increments

Funding Request

**Water Management** **337.0** (GF/PR)

Increasing program receipts encourages cost effectiveness and establishes a dollar relationship to services provided. These funds, generated through water rights applications fees, temporary water use fees, dam safety application fees and the USGS-Hydro Survey Co-op cost recovery program, are essential to the continued operation of the Division of Water at the current level. Failure to authorize this increase in program receipts will require personnel layoffs in water rights adjudication and hydrologic surveys. Backlogs in permit applications would likely increase and site inspection of high hazard dams will be limited.

## FY93 Project Descriptions

| Project | Benefit | Funding |
|---|---|---|
| **Director's Office** | | **154.6** (GF) |
| Provides overall management and administrative support. | Focuses division objectives and methods of obtaining them. | |

| Project | Benefit | Funding |
|---|---|---|
| **Dam Safety**<br>Reviews and inspects dams and responds to emergencies in the event of a disaster. Construction of new dams will begin in FY93. | Protects lives and property from possible dam failures. | **235.6**<br>56.4 (GF)<br>64.2 (GF/PR)<br>115.0 (Fed) |
| **Hydrologic Survey**<br>Collects and disseminates information on Alaska's surface and ground waters. Hundreds of streams and millions of lakes have yet to be added to data base. Includes a cooperative program with US Soil Conservation Service to improve snow fall data in arctic regions. | Provides information vital to public health and economic development. The arctic snow survey may revolutionize human understanding of arctic environments thus allowing more oil and gas exploration and development. | **1,536.8**<br>550.4 (GF)<br>602.5 (GF/PR)<br>196.8 (Fed)<br>179.1 (I-A) |
| **Water Rights**<br>Adjudicates water rights applications associated with the use of water for domestic, commercial and industrial needs. Enforces compliance on water users in Alaska now taking large quantities of water without authorization. Participates in land and water resource plans. | Authorizes the use of water while protecting the public interest. Provides increased revenues and increased collection of water data related to site-specific hydrology and the availability, use and distribution of water. | **547.2**<br>452.9 (GF)<br>44.3 (GF/PR)<br>50.0 (Fed) |
| **Water Management Policies and Procedures**<br>Develops and promulgates Alaska's first comprehensive water management policy. Develops, publishes and holds public hearings on Alaska's first statewide water management strategy organized by hydrological unit. | Gives guidance to and provides context for water management decisions. An organized strategy allows public input into water management decisions. | **89.1** (GF) |
| **Title Navigability**<br>Establishes and protects the state's title to submerged lands and access to millions of acres of uplands. The emphasis is to identify and claim title to all remaining, but currently unclaimed, navigable water bodies before the state land selection process is concluded. | Increases the total upland acres the state can select. It also protects access for recreation and commerce. | **93.5** (GF) |

# Division of Parks and Outdoor Recreation

Director: Neil C. Johannsen (762-2600)
Deputy Director: Pete Panarese (762-2603)

10.31% of DNR budget

## Mission

*The Division of Parks and Outdoor Recreation plans, develops and manages state parks, recreation areas and historic sites for the benefit of Alaskans and visiting tourists; and locates, inventories and conserves historic and cultural sites.*

| | General Fund | Other Funds | FTE |
|---|---|---|---|
| FY92 Authorized | 5,498.7 | 1,431.0 | 99 |
| FY93 Governor's Budget | 5,791.7 | 1,485.8 | 99 |

## Governor's Approved Decrements

Funding Reduction

**Park Maintenance and Operations Project** — **101.0** (GF/PR)
Reduce park maintenance and operations project funding by reducing seasonal staff months to parallel peak visitation, delay start of private janitorial maintenance and refuse collection contracts.

**Alaska Historical Commission** — **38.9** (GF/PR)
Funding will be reduced for this commission, which provides a forum for citizen input into the development of state history policy and promotes understanding of Alaska's history.

**Miscellaneous Reduction** — **35.0** (GF)
This miscellaneous reduction will be spread to a specific line item in a budget amendment.

## Governor's Approved Increments

Funding Request

**Increase Collection and Use of Program Receipts** — **392.2** (GF/PR)
Authorization is requested to increase collection and use of program receipts to improve maintenance and operation of park facilities. Specifically, the funds will be used to increase maintenance service due to higher visitation and to provide new or upgraded facilities increasing access to fishing.

# FY 93 Project Descriptions

| Project | Benefit | Funding |
|---|---|---|
| **Historic Resource Management**<br>Management, planning, enhancement, and interpretation of Alaska's heritage resources is accomplished through the Alaska Historical Commission. | Encourages citizen input into state history policy; promotes Alaska's history; and locates, inventories, protects Alaska's heritage resources. | **491.5**<br>225.1 (GFM)<br>5.2 (GF)<br>36.1 (GF/PR)<br>225.1 (I-A) |
| **Archaeological Surveys**<br>Conducts historical and archaeological surveys. | Provides protection of heritage sites and preservation of artifacts. | **342.0**<br>21.1 (Fed)<br>33.1 (GFM)<br>287.8 (I-A) |
| **Parks Administration**<br>Provides policy direction and administrative support for the division. | Sets direction and provides support to state park operations. | **407.5** (GF) |
| **Challenge Alaska Grant**<br>Provides a pass-through grant to Challenge Alaska for the promotion of handicap recreation access programs in Alaska. | Promotes outdoor recreation opportunities for handicapped Alaskans. | **35.0** (GF) |
| **Federal Grants Administration**<br>Administers the Land and Water Conservation Fund and the Historic Preservation Grant Program. | Provides matching funds to Alaskan communities and individuals for outdoor recreation projects and historic site planning. | **194.5** (CIP) |
| **CIP Direct Costs**<br>Designs and manages facility improvement at state parks. | Generates significant tourism revenue through well-designed and well-maintained parks. | **726.9** (CIP) |
| **Park Operation and Maintenance**<br>Provides staff for 132 park units statewide, and day-to-day janitorial maintenance for state park facilities, primarily through private-sector contracts. Program provides work for young people over the age of 18. | Protects public health, provides private-sector jobs and protects the state's $60 million investment in park facilities. | **5,080.1**<br>30.4 (CIP)<br>3,766.4 (GF)<br>1,283.3 (GF/PR) |

# Division of Agriculture

Director: Vacant
Deputy Director: John Cramer (745-7200)

4.32% of DNR budget

## Mission

*The Division of Agriculture strives to create opportunities for local producers and marketers of food, fiber, landscaping, and revegetation materials. State support of the agricultural industry helps provide the stability necessary for growth and innovation.*

| | General Fund | Other Funds | FTE |
|---|---|---|---|
| FY92 Authorized | 1,594.8 | 615.1 | 30.3 |
| FY93 Governor's Budget | 1,488.5 | 1,562.3 | 26.7 |

## Governor's Approved Decrements

Funding Reduction

**Alaska Grown Products Promotion** — 78.1 (GF)
Reduce personnel to part-time during harvest time when services are required, deleting travel to trade shows, fairs and farm markets and cutting contractual services for materials and advertising.

**Equipment and Travel** — 26.4 (GF)
Reduces equipment and travel from the Plant Materials Center budget request, reducing its ability to repair or replace damaged equipment and buildings.

## Governor's Approved Increments

Funding Request

**Agricultural Revolving Loan Fund** — 918.0 (ARLF)
Lack of funding in the FY92 budget reduced operating funds by $500.0. A Dept. of Law opinion stated that funds should not be expended from the corpus of the ARLF without legislative approval. Legal costs have increased to handle litigation and liquidate recovered property. AS03.10.040(b) states that money in the fund may be appropriated by the legislature for costs of administering this program.

# FY 93 Project Descriptions

| Project | Benefit | Funding |
|---|---|---|
| **Director's Office**<br>Provides policy direction and administrative support for the division. | Maximizes return on investment in the state's agricultural program. | 212.0 (GF) |
| **Food/Farm Product Inspection**<br>Provides state and federally mandated regulatory services to Alaskan producers, marketers, and consumers of agricultural products. | Prevents loss of agricultural product sales due to poor quality, fraud and misrepresentation. | 107.0<br>6.0 (Fed)<br>101.0 (GF) |
| **Agricultural Land Conservation**<br>Conserves soil and water resources to optimize the long-term economic value of agricultural lands. | Protects the state's interest in land resource values. | 162.2 (GF) |
| **Alaska Grown Promotion**<br>Expands demand for competitively priced Alaskan farm products through promotional activities. | Encourages the in-state agricultural industry and import substitution. | 215.5<br>15.0 (Fed)<br>200.5 (GF) |
| **Revegetation/Seed Production**<br>Provides cost-effective testing, production, and distribution of north-latitude revegetation materials needed by resource industries to meet environmental requirements. | Facilitates mine reclamation and supports in-state seed industry. | 420.3<br>55.4 (Fed)<br>327.3 (GF)<br>37.6 (GF/PR) |
| **Vegetation and Landscape Crop Improvements**<br>Provides cost-effective testing, production and distribution of berry, vegetable and landscape plants. | Stimulates growth of in-state horticulture and produce industry. | 315.4<br>289.1 (GF)<br>26.3 (GF/PR) |
| **Agriculture Revolving Loan Fund**<br>Administers the ARLF, a low-interest program for agricultural development. Also administers Alaska Agricultural Advisory Council loans. | Provides major source of in-state agricultural industry financing. | 1,461.9 (ARLF) |

| Project | Benefit | Funding |
|---|---|---|
| **Agricultural Management Inter-Agency Receipts**<br>Provides compensation to the division for services provided to other agencies, such as revegetation, horticulture and erosion control. | Provides technical assistance to other agencies. | 24.0 (I-A) |
| **State Fairs**<br>Supports operations and maintenance of regional fairs. | Stimulates economy and provides arena for products. | 132.5 (GF) |

# Appendices

# APPENDIX A

## Alaska Department of Natural Resources
## Historical Staffing Summary
## FY-88-FY93*

| BRU | FY88 Authorized | | | FY89 Authorized | | | FY90 Authorized | | | FY91 Authorized | | | FY92 Authorized | | | FY93 Governor's | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | PFT | PPT | Total | PFT | PPT | Total | PFT | PPT | Total | PFT | PPT | Total | PFT | PPT | Total | PFT | PPT | Total |
| Commissioner | 11 | 0 | 11 | 11 | 0 | 11 | 11 | 0 | 11 | 11 | 0 | 11 | 11 | 0 | 11 | 8 | 0 | 8 |
| Commissions | 2 | 0 | 2 | 0 | 0 | 0 | 2 | 0 | 2 | 2 | 0 | 2 | 2 | 0 | 2 | 2 | 0 | 2 |
| Pipeline Office | | | | | | | | | | 5 | 0 | 5 | 14 | 0 | 14 | 14 | 0 | 14 |
| AOGCC | | | | | | | | | | | | | 20 | 0 | 20 | 22 | 0 | 22 |
| Management | 143 | 7 | 150 | 143 | 7 | 150 | 143 | 7 | 150 | 143 | 6 | 149 | 139 | 10 | 149 | 146 | 6 | 152 |
| Land and Water | 196 | 61 | 213 | 201 | 16 | 217 | 201 | 15 | 216 | 189 | 24 | 213 | 195 | 13 | 208 | | | |
| Land | | | | | | | | | | | | | | | | 177 | 15 | 192 |
| Water | | | | | | | | | | | | | | | | 28 | 0 | 28 |
| Forest Mgmt | 71 | 135 | 206 | 80 | 129 | 209 | 80 | 131 | 211 | 80 | 131 | 211 | 88 | 127 | 215 | 88 | 125 | 213 |
| Fire Suppression | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 2 | 3 | 5 | 2 | 3 | 5 |
| Petroleum Mgmt | 47 | 0 | 47 | 47 | 0 | 47 | 47 | 0 | 47 | 55 | 0 | 55 | 53 | 0 | 53 | 53 | 0 | 53 |
| Mining Mgmt | 20 | 6 | 26 | 22 | 4 | 26 | 23 | 4 | 27 | 24 | 2 | 26 | 23 | 2 | 25 | 25 | 1 | 26 |
| Geological Mgmt | 12 | 56 | 68 | 11 | 56 | 67 | 12 | 55 | 67 | 12 | 55 | 67 | 49 | 6 | 55 | 35 | 4 | 39 |
| Parks Mgmt | 41 | 101 | 142 | 44 | 100 | 144 | 46 | 93 | 139 | 46 | 91 | 137 | 42 | 93 | 135 | 41 | 94 | 135 |
| Agricultural Mgmt | 29 | 14 | 43 | 31 | 10 | 41 | 32 | 9 | 41 | 29 | 9 | 38 | 23 | 13 | 36 | 21 | 11 | 32 |
| | | | | | | | | | | | | | | | | | | |
| TOTALS | 573 | 335 | 908 | 592 | 320 | 912 | 597 | 314 | 911 | 597 | 318 | 915 | 661 | 267 | 928 | 662 | 259 | 921 |

- **It should be noted that the FY93 position count includes:**
  - 22 positions transferred in from the Department of Commerce and Economic Development with the Oil and Gas Conservation Commission;
  - 8 new positions with the State Pipeline Coordinator's Office totally funded from program receipts;
  - 8 new project positions established in FY92 and 10 additional proposed for FY93 to implement the Mental Health Settlement (to be deleted upon completion of that work).

APPENDIX B

# Alaska Department of Natural Resources
# Historical Budget Summary
# FY89-FY93*

| | FY89 Authorized | | | FY90 Authorized | | | FY91 Authorized | | | FY92 Authorized | | | FY93 Governor's | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BRU | GF | Other | Total | GF | Other | Total | GF | Other | Total | GF | Other | Total | GF | Other | Total |
| Commissioner | 949.7 | 60.0 | 1,009.7 | 929.2 | 66.6 | 995.8 | 929.2 | 66.6 | 995.8 | 2,191.9 | 70.0 | 2,261.9 | 400.9 | 44.0 | 444.9 |
| Mental Health | | | | | | | | | | | | | 1,453.3 | 0 | 1,453.3 |
| Commissions | | | | 159.2 | | 159.2 | 159.2 | | 159.2 | 150.7 | | 150.7 | 156.5 | | 156.5 |
| Pipeline Office | | | | | | | 905.7 | 55.0 | 1,040.7 | 1,142.6 | 223.4 | 1,366.0 | 2,464.9 | 223.4 | 2,688.3 |
| AOGCC | | | | | | | | | | 1,440.7 | 100.0 | 1,540.7 | 1,773.8 | 100.0 | 1,873.8 |
| Management | 6,726.7 | 491.8 | 7,218.5 | 6,567.6 | 566.2 | 7,133.8 | 6,598.8 | 685.1 | 7,283.9 | 6,600.3 | 910.6 | 7,510.9 | 7,386.4 | 1,931.7 | 9,318.1 |
| Land and Water | 11147.3 | 1002.6 | 12149.9 | 10879.0 | 688.2 | 11567.3 | 10958.1 | 838.2 | 11796.3 | 10831.8 | 986.9 | 11818.7 | | | |
| Land | | | | | | | | | | | | | 9740.7 | 1769.0 | 11509.7 |
| Water | | | | | | | | | | | | | 2115.9 | 540.9 | 2656.8 |
| Forest Mgmt | 8173.3 | 516.7 | 8690.0 | 8310.1 | 524.5 | 8834.6 | 8248.1 | 520.0 | 8768.1 | 9560.5 | 739.1 | 10299.6 | 9732.8 | 1238.7 | 10971.5 |
| Fire Suppression | 7108.3 | 150.0 | 7258.3 | 3539.4 | 150.0 | 3689.4 | 3539.4 | 2750.0 | 6289.4 | 3069.4 | 5350.0 | 8419.4 | 4069.4 | 5350.0 | 9419.4 |
| Petroleum Mgmt | 3090.3 | 168.0 | 3256.3 | 3163.8 | 105.6 | 3269.4 | 3865.7 | 78.0 | 3943.7 | 3887.7 | 78.0 | 3965.7 | 4106.1 | 78.0 | 4184.1 |
| Mining Mgmt | 1225.7 | 1404.8 | 2630.3 | 1351.7 | 1210.8 | 2562.5 | 1452.6 | 1210.8 | 2663.4 | 1148.1 | 1233.5 | 2381.6 | 1364.9 | 1243.8 | 2608.7 |
| Geological Mgmt | 3276.6 | 1005.6 | 4282.2 | 3637.9 | 1475.0 | 5112.9 | 3512.9 | 1015.0 | 4527.9 | 3543.7 | 725.9 | 4269.6 | 2618.5 | 360.7 | 2979.2 |
| Parks Mgmt | 5171.8 | 1455.6 | 6627.4 | 5348.9 | 1685.8 | 7034.7 | 5239.5 | 1373.7 | 6613.2 | 5498.7 | 1431.0 | 6929.7 | 5791.7 | 1485.8 | 7277.5 |
| Agricultural Mgmt | 1033.6 | 1752.8 | 2786.4 | 1364.5 | 1595.0 | 2959.5 | 1364.5 | 1462.9 | 2827.4 | 1594.8 | 615.1 | 2209.9 | 1488.5 | 1562.3 | 3050.8 |
| | | | | | | | | | | | | | | | |
| TOTALS | 47,903.3 | 8,005.7 | 55,909.0 | 45,251.4 | 8,067.7 | 53,319.1 | 46,853.7 | 10,055.3 | 56,909.0 | 50,660.9 | 12,463.5 | 63,124.4 | 54,664.3 | 15,928.3 | 70,592.6 |

*** It should be noted that the $3.9 million FY93 General Fund Increase includes:**

- $1,000.0 for Fire Suppression that has been covered by supplemental requests for the past two years due to underfunding of the program.
- $2,320.5 that is revenue neutral due to program receipt increments.

# APPENDIX C

## Division of Lands
## 1991 Project Budget Re-organization

| New FY93 Project Title<br>*FY92 projects* | FY92 Authorized | Gov's FY93 Budget |
|---|---|---|
| **Acquire Land** | | 1,057.7 |
| *State Land Selections* | 228.3 | |
| *State Land Exchange* | 199.1 | |
| *Title Administration* | 832.0 | |
| **Protect/Defend Ownership** | | 724.5 |
| *Title Defense* | 305.8 | |
| *Coastal Marine Boundary* | 210.7 | |
| *Survey Operations* | 168.5 | |
| **Identify Resource Assets & Allocate** | | 1,432.1 |
| *RAS/Regional Development* | 1,259.9 | |
| *Plans Implementation/Classification* | 479.6 | |
| **Economic Development/Settlement of State Land** | | 4,121.7 |
| *Contract Maintenance* | 664.7 | |
| *Leases* | 700.1 | |
| *Material Sales* | 514.1 | |
| *Construction Realty Services* | 422.0 | |
| *Shore Fishery Leases* | 185.3 | |
| *Contract Administration* | 540.9 | |
| *Municipal Entitlements* | 47.6 | |
| *Land Disposal Sales* | 988.9 | |
| *Aquatic Farming* | 77.3 | |
| **Maintain/Protect Assets** | | 855.8 |
| *Permits* | 685.9 | |
| *Mining Reclamation* | 83.3 | |
| **Provide/Protect Access** | | 234.4 |
| *Navigability/Public Access** | 284.1 | |
| **Ensure Stewardship of Land and Resource Assets** | | 2,000.7 |
| *District Operations* | 809.4 | |
| *Land and Water Administration** | 554.5 | |
| *Interdivisional Assistance* | 106.1 | |
| *Miscellaneous Agency Receipts* | 328.3 | |
| *Chitna* | 30.0 | |
| **Other** | | 875.7 |
| *Dam Safety** | 235.6 | |
| *Water Rights Adjudication** | 678.8 | |
| **Survey Direct Charge/CIP** | 197.9 | 207.1 |
| **TOTAL** | 11,818.7 | 11,509.7 |

** All or part of these projects were transferred to other divisions.*

# APPENDIX D

# Transfers

## Division of Management

**NOTE: The consolidation of public service functions into one Public Information Center required the following position transfers. Funded by inter-agency receipts.**

| Transfers from: | Explanation |
|---|---|
| Land and Water Mgmt | Provided positions for one Natural Resources Manager and one PCN Natural Resources Technician. |
| Geological Mgmt | Provided PCN for one Natural Resource Technician and one Clerk IV. |
| Commissioner's Office | Provided Public Information Officer |
| Agriculture Mgmt. | Provided one PCN for Natural Resources Officer I. |

## Division of Water

**NOTE: The Division of Water was established in June 1991. This table shows how the division was staffed and funded from within the department.**

| Transfers from: | Explanation | Funding |
|---|---|---|
| Commissioner's Office | Provided position to establish division director. | |
| Agriculture Management | Provided position to support inter-agency requests on submerged lands in Hydrological Survey project. | |
| Geological Management | Provided 11.4 positions to support Hydrological Survey project. | 694.4 |
| | Provided associated administrative funding for Hydrological Survey project and director's office. | 11.0 |
| | Provided associated federal, inter-agency and program receipts and 2.6 positions. | 676.4 |
| Land and Water Mgmt. | Provided one position and funding for Dam Safety project. | 235.6 |
| | Provided nine PFT positions and funding for Water Rights project. | 636.3 |
| | Provided two PFT positions and funding for Navigability project. | 93.5 |

# APPENDIX E

## Alaska Department of Natural Resources
## Statutorily Required Reports Prepared for the Legislature

*The Department of Natural Resources prepares the following reports for the legislature, as required by statute. Copies of the reports are available from Gary Kostenko, DNR Budget Analyst (465-2406).*

**Commissioner's Office**

Report: ***Publications of the DNR***
Due Date: Updated as needed
Description: Lists all publications produced by the DNR and explains how they can be obtained

**Division of Land**

Report: ***Land Disposal Bank Report*** (AS38.04.020(d))
Due Date: January 1
Description: Reports the status of land in the land disposal bank under specific categories identified by statute.

Report: ***Classification Report*** (AS 38.05.300(b))
Due Date: February 1
Description: Describes and shows the location of all classifications of state land made under AS 38.05.300(a) during the preceding year.

Report: ***Management Agreements*** (AS 38.05.027(b))
Due Date: Within 30 days of the beginning of each regular legislative session
Description: Summarizes cooperative resource management and development agreements entered into by the Department of Natural Resources.

Report: ***Land Exchange Proposals*** (AS 38.50.140)
Due Date: Within 10 days of the convening of a regular legislative session
Description: Provides the legislature with the opportunity to approve proposed land exchanges.

**Division of Forestry**

Report: ***Fire Suppression Fund*** (AS 41.15.240)
Due Date: 10th day of each regular legislative session
Description: Reports operations of the Fire Suppression Fund. Fund no longer exists and request has been made to repeal the report requirement.

Report: ***Reforestation Fund*** (As 41.17.320)
Due Date: 10th day of each regular legislative session
Description: Reports on the uses of funds in the State Land Reforestation Fund, the proposed uses for the next fiscal year, and fund balances.

**Division of Oil and Gas**

Report: ***Five-Year Oil and Gas Leasing Program*** (AS 38.05.180(b))
Due Date: Within 15 days after the new legislature convenes.
Description: Projects a five-year leasing schedule; includes the locations of tracts.

Report: ***Determination to Take Royalty in Money*** (AS 38.05.182(b))
Due Date: No set due date
Description: Provides the legislature with an opportunity to revoke a determination to take royalty in money.

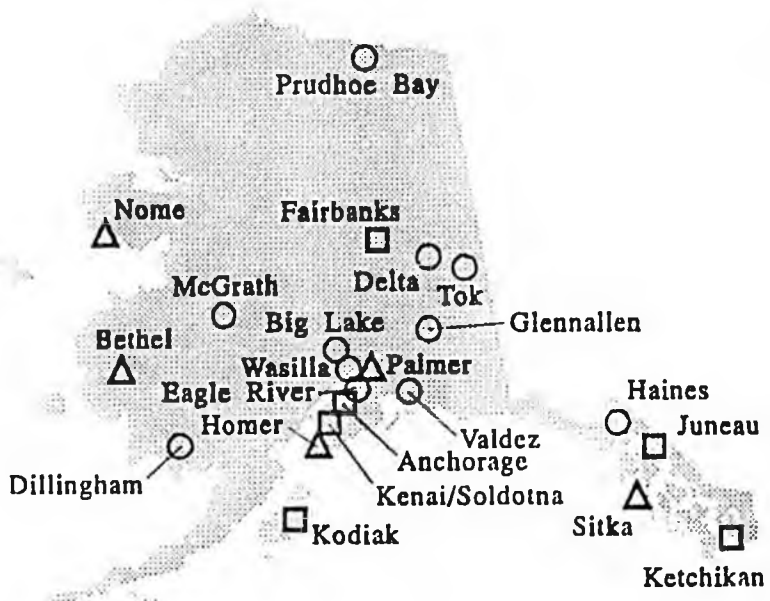
**Division of Agriculture**

Report: ***Plant Materials Center Annual Report*** (AS 032.060)
Due Date: Each January
Description: Reports on operations of the center with statement of receipts and disbursements.

△ Recorder's Office

○ Field Office

□ Recorder's Office and Field Office




# Location of DNR Offices


THE SEAL OF THE STATE
OF ALASKA

Overview

Pacific

Salmon

Comm.

2-28-92

# BRIEFING ON CURRENT STATUS OF PACIFIC SALMON COMMISSION NEGOTIATIONS WITH SPECIAL EMPHASIS ON CHINOOK SALMON

Prepared for
The Alaska Senate and House
Resources Committees

By the
Commissioner's Office
Alaska Department of Fish and Game

February 28, 1992

# BRIEF

Legislators, the Governor's Office, and the Commissioner's Office of the Alaska Department of Fish and Game have received numerous letters from Southeast Alaska troll fishermen regarding recent disruptions of their traditional summer troll chinook season. Many of these letters have raised questions regarding, among other things, the Pacific Salmon Treaty and how Treaty ceilings on Southeast Alaska chinook catches have affected conduct of the troll fishery.

In response to these inquires, the Alaska Senate and House Resources Committees requested that the Department of Fish and Game brief interested legislators on the Pacific Salmon Treaty negotiations. The primary focus of the briefings relate to Treaty provisions regarding chinook salmon and how these impact the Southeast Alaska troll chinook fisheries. This document includes much of the basic information presented during the briefings.

TABLE OF CONTENTS

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## BRIEF REVIEW OF PRE-TREATY PERIOD

The Pacific Salmon Treaty was signed by the United States and Canada in March 1985. Informal discussions between the two countries regarding salmon problems of mutual concern date back to the 1950s. Formal negotiations initiated during the 1970s culminated in the 1985 Treaty.

When the treaty was signed, fishermen and managers from both sides were concerned about the potential of unknown, and possibly adverse, impacts of such a treaty. These concerns stemmed in part from the fact that it was a "framework" treaty with general principles and objectives which were to be implemented by the Pacific Salmon Commission. It was generally acknowledged, however, that certain major salmon management problems of mutual concern could not be dealt with effectively without a U.S./Canada salmon treaty in place. In the longer term, it was generally believed that treaty benefits would outweigh the costs.

Chinook salmon conservation problems were among the key issues that eventually led both countries to accept the need for a treaty. During the late 1970s and the early 1980s, such problems were widespread from central Oregon through Southeast Alaska. Although Alaska had unilaterally initiated a 15-year rebuilding program for depressed Southeast Alaska chinook stocks in 1981, there was no coordinated program by the United States and Canada on a coastwide basis. It was clear that a coastwide management program would be necessary to effectively conserve north-migrating chinook stocks originating in the Pacific Northwest and Canada.

While not all reasons for the decline in natural chinook stocks were known, several factors were clearly contributing to the problem. Poor natural survivals, and in the case of some Columbia River chinook stocks, abnormally high mortalities associated with inriver migrations by dams, were significant factors. In addition, Canada had substantially expanded its troll fisheries off the West Coast of Vancouver Island during the late 1970s and early 1980s to increase interceptions of chinook and coho salmon bound for the Pacific Northwest. The purpose was to offset U.S. catches of Canadian Fraser River sockeye and pink salmon by Washington fishermen in Puget Sound (even though these fisheries occurred under an existing U.S./Canada Fraser River treaty), and to put pressure on the United States to enter into a coastwide salmon treaty. Ironically, Canada's expanded fisheries were also a major cause of overfishing of Canadian chinook and coho stocks. Aggregate harvest rates by all coastwide fisheries,

combined with poor survivals, were clearly depressing natural spawning chinook salmon stocks below optimum production levels.

The coastwide chinook conservation problem became widely acknowledged in the early 1980s. Expanding problems in several U.S. and Canadian fisheries, operating on other species of intermingling salmon, led to intensified negotiations.

In 1982 a draft treaty was presented by the Canadian and U.S. negotiators to the two governments for consideration. This draft treaty was not ratified by the U.S. Senate, however, due to opposition by Alaska and several Pacific Northwest fishery groups. A revised treaty, supported by Alaska, was subsequently ratified by the United States in 1985. (For a more detailed description of this process, refer to Appendix B: United States-Canada Salmon Treaty Negotiations: The Alaskan Perspective, by Senator Ted Stevens.)

Alaska's support for ratification of the Pacific Salmon Treaty in 1985 was based on an assessment that the overall benefits to Southeast Alaska fishermen and the region's salmon conservation programs would far outweigh disadvantages of treaty participation. In general, benefits anticipated included improved stock conservation and management of intermingling Alaskan, Canadian and, in the case of chinook, southern U.S. stocks through cooperative treaty agreements and programs. Treaty fishery agreements were also expected to limit several Canadian fisheries, in the Dixon Entrance boundary area and the transboundary rivers, which had increased in the late 1970s and early 1980s. Although some Southeast Alaska fisheries harvesting Canadian stocks would also have to be limited, overall an improved stability for the fisheries was expected. Finally, expanded development of Southeast Alaska enhancement programs was also expected as a result of federal funds provided to help mitigate Treaty impacts on Southeast Alaska fisheries.

A current overall assessment of Treaty benefits, particularily in the longer term, would probably result in conclusions similar to those in 1985. There have been instances since the Treaty was signed, however, where substantial disruptions of Southeast Alaska fisheries have occurred. In terms of total fishery impacts, disruptions to the Southeast Alaska summer troll chinook fishery have probably been the greatest, although significant disruptions have also occurred in several Southeast Alaska gillnet and seine fisheries managed under Treaty limits.

## TREATY PROVISIONS FOR CHINOOK SALMON

The Pacific Salmon Treaty is composed of a series of articles which establish the basic treaty principles, specify the

organization of the Pacific Salmon Commission (implementing body for the Treaty), and describe the operating procedures for the Commission. Attached to the articles are several annexes, including Annex IV which contains specific fisheries agreements. Appendix C of this document contains the May 1991 Commission Letter of Transmittal and Chapter 3 of Annex IV which describe current Treaty provisions applying to chinook salmon. (Copies of the full Treaty and current fishery agreements are provided under separate cover.)

**Chinook Rebuilding Program**

The primary provision of the Treaty's chinook "annex" is an agreement to rebuild depressed natural chinook stocks by 1998. This represents a 15-year, or approximately 3-cycle rebuilding program. Three-cyle rebuilding was an important Alaska position during the Treaty negotiations. Rebuilding in one or two cycles, as favored by Washington, Oregon, and the Pacific Northwest Indian Tribes, would have required much more drastic harvest reductions. The severe impacts of a shorter rebuilding period on Southeast Alaska fishermen were simply not acceptable to Alaska.

To rebuild depressed chinook stocks, the United States and Canada agreed to establish chinook catch ceilings for four major mixed-stock fisheries which are dependent, to a large degree, on non-local stocks. These include: Southeast Alaska (all gear), North/Central B.C. (all gear), West Coast Vancouver Is. troll, and Georgia Strait recreational and troll. (Major PSC chinook fishing areas are shown in Figure 1.)

A "pass-through" requirement was established for the remaining non-ceilinged fisheries. Pass-through provisions were intended to ensure that savings of depressed natural stocks resulting from the ceilings would be allowed to pass through the non-ceilinged fisheries and reach the spawning grounds. Subject to the pass-through constraint, these fisheries would, however, be allowed the management flexibility to harvest surplus returns of hatchery stocks and healthy natural stocks returning to local areas. Pass-through fisheries include Washington/Oregon fisheries, and southern B.C. fisheries not included under ceilings.

Ceilings established in the 1985 Treaty were as follows: Southeast Alaska all gear - 263,000; North/Central B.C. all gear - 263,000; West Coast Vancouver Island troll fishery - 360,000; and Georgia Strait recreational and troll fisheries - 275,000. With few exceptions, these Treaty ceilings have remained in effect since 1985 (Table 1).

Similar, but not identical, Treaty provisions have been established for Southeast Alaska and North/Central B.C. fisheries. Fisheries in these two areas had similar historical

patterns of chinook catches and generally harvest a similar mix of far-north migrating chinook stocks.

In 1987, the Commission established a 7.5 percent management range for the ceilinged fisheries to account for management imprecision. Cumulative deviations from the ceilings are to be limited to 7.5 percent; if they exceed that level the managing agency must take action the following year to return the cumulative deviation to somewhere within the management range. Negative deviations are not allowed to accumulate below the lower end of the management range, as it is presumed this would be occurring due to reduced abundance rather than management imprecision. For Southeast Alaska, the management range is equivalent to approximately +/- 20 thousand fish.

Following successful completion of the natural chinook rebuilding program, the Treaty states that the two countries "are to share the benefits of the coastwide rebuilding and enhancement." The Treaty does not specify exactly how this sharing is to occur, but states that it is to be consistent with treaty principles and internal domestic sharing arrangements.

## Hatchery Addon

Another important Treaty provision for Alaska is the hatchery "addon" provision. This allows a region with ceilinged fisheries to harvest increases, above pre-treaty levels, in local hatchery chinook salmon in addition to its treaty-established "base" catch ceiling. Southeast Alaska has received hatchery addons since 1985, and, to date, is the only region to receive addons. In 1991 this provided an additional 66,000 chinook salmon for Southeast Alaska fisheries.

## Terminal Area Exclusions

Since 1989, the Commission has allowed North/Central B.C. fisheries to exclude chinook catches in selected terminal areas from its base catch ceiling. The intent is to allow a region with ceilinged fisheries to harvest surplus natural or hatchery chinook in terminal areas and exclude these catches from its base catch ceiling. In 1991, North/Central B.C. received a terminal exclusion of approximately 6,100 chinook. This is the only region that has received a terminal exclusion to date. (Note: In Southeast Alaska, hatchery chinook harvested in terminal areas are included in the hatchery addon, and thus are excluded from ceiling catches.)

## Other Treaty Chinook Provisions

The chinook annex also includes several general provisions. Fisheries regimes in areas of concern to the Commission are to be "structured so as not to affect unduly or to concentrate disproportionately on stocks in need of conservation." Additionally, the two countries have agreed to "minimize the effects" of incidental fishing mortalities. Although specific Treaty language does not exist, these provisions provide general guidance regarding conduct of fisheries.

## OVERVIEW OF TREATY FISHERIES AND CHINOOK STOCKS

The purpose of this section is to provide a general overview of trends in chinook abundance in the various PSC areas, catch trends in major PSC fishing areas, and general status of natural chinook stocks contributing to the fisheries.

The Commission's Chinook Technical Committee (CTC) annually compiles information on U.S. and Canadian chinook salmon catches and escapements based on information provided by the various management agencies. A preliminary 1991 catch and escapement report has been provided under separate cover. The report includes several years of catch and escapement data for comparative purposes. The CTC's annual report includes, in addition to basic catch and escapement data, a detailed analysis of rebuilding progress, stock status, and fishery impacts.

Trends in chinook catches have varied substantially between PSC fisheries since treaty implementation in 1985. A major factor contributing to these differences has been the underlying abundance of chinook available to the different fisheries. The Chinook Technical Committee has developed abundance indices for the PSC ceilinged fisheries using a coastwide chinook model which incorporates extensive information available on fisheries and stocks.

Modeled abundance indices express chinook abundance as a ratio of estimated annual abundance to the average 1979-82 "base period" abundance. For example, an abundance index of 2.0 indicates an abundance equal to 2.0 times the average 1979-82 abundance. Annual abundance indices for the four PSC ceilinged fisheries, for 1979-91, are shown graphically in Figure 2, and described in the following sections.

Abundance indices are intended to reflect only relative changes in abundance of chinook stocks contributing to a fishery. They do not reflect changes in "availability" of chinook stocks to a particular fishery which result from, for example, changes in migratory patterns due to changes in oceanographic conditions.

## Southeast Alaska and North/Central B.C. Fisheries

As indicated above, catch ceilings established for Southeast Alaska and N/C B.C. fisheries have been the same since 1985, with one exception (Table 1). In 1986, differential adjustments were made to ceilings in response to 1985 ceiling overages and incidental mortalities, and ceilings were set at 254 and 256 thousand respectively for Southeast Alaska and N/C B.C. Ceilings for both fisheries were 263 thousand in 1985, 1987-89 and 1992. Ceilings were increased to 302 thousand in 1990 and 273 thousand in 1991 for both fisheries.

Fisheries in these two areas operate on similar mixes of chinook stocks. Primary stocks contributing to these fisheries are the "far-north" migrating stocks from Oregon, the Columbia River, Washington outside coastal areas, the Fraser River, and the West Coast Vancouver Island. Local N/C B.C. and Southeast Alaska and transboundary river stocks also contribute. Although the stock mix in these two fisheries can vary considerably between years, depending on the relative strength of contributing stocks, overall roughly half are of U.S. origin and half Canadian origin.

The far-north migrating chinook stocks, as a group, have exhibited the greatest improvements since the Treaty was initiated. Most major stocks in this group are natural stocks which have been generally meeting or exceeding escapement goals, or hatchery stocks such as Canada's Robertson Creek Hatchery on Vancouver Island. Some smaller natural stocks in this group, however, have not been meeting rebuilding schedules, and others are only considered to be on--but not ahead--of schedule.

While the general mix of chinook stocks contributing to Southeast Alaska and North/Central B.C. fisheries is similar, there are some differences. This is reflected in the abundance indices for these two fisheries. As seen in Figure 2, relative abundance of stocks contributing to Southeast Alaska fisheries has increased more, relative to the 1979-82 base period, than for N/C B.C. fisheries.

In Southeast Alaska, aggregate chinook abundance began increasing in 1984, peaking in 1988 at nearly two times the 1979-82 average. Abundance has declined somewhat since 1988 but has remained above 1.5 times the base period average. The preseason projection for 1991 was 1.58 times the base period abundance. However, inseason information on troll fishery catch rates suggested higher abundance, or increased availability, or some combination of the two factors. Analysis of 1991 post-season data currently being conducted will hopefully help resolve this apparent discrepancy.

In N/C B.C., aggregate chinook abundance increased in 1984 to about 1.5 times the 1979-82 abundance, but then declined in 1983 and subsequent years to remain at roughly a quarter to a third

above the base period abundance. In particular, the modeled abundance indices for N/C B.C. do not exhibit the substantial increases in abundance reflected in the Southeast Alaska indices during 1988-90.

In spite of differences in the magnitude of increases, chinook abundance in both areas has remained above the 1979-82 base period levels. Base catches, excluding hatchery addons and terminal exclusions, have approximated PSC ceilings (Figs. 3 and 4). Fishery restrictions have been required in both areas to limit chinook catches to ceiling levels.

Troll fisheries harvest the majority of chinook in both N/C B.C. and Southeast Alaska. Of the chinook which count against Treaty ceilings, incidental catches by net fisheries targeting on other species account for approximately 20 thousand chinook (a Board of Fisheries target level) in Southeast Alaska, and 40 to 50 thousand in N/C B.C. Since 1985, recreational fisheries in each area have harvested roughly 20 to 40 thousand chinook (excluding hatchery addons in Southeast Alaska.)

Troll fisheries in both areas are managed inseason to ensure that Treaty all-gear catch ceilings are not exceeded. However, the impact on these fisheries has been quite different.

In N/C B.C., the total allowable troll harvest of chinook salmon is taken during a general summer troll season. This normally extends through July and August. Several factors contribute to the longer N/C B.C. summer troll season, compared to the short summer seasons experienced in Southeast Alaska. These include:

- no winter, or June hatchery-targeted troll fisheries,
- lower chinook abundance and/or availability,
- closure of high chinook abundance areas to slow chinook catch rates,
- transfer of troll effort from chinook to other species such as pink salmon and Fraser sockeye.

**Southeast Alaska troll fishery.** In Southeast Alaska the troll fishery accounts for the majority of the chinook harvest. In 1991, for example, it harvested approximately 72 percent (264,000) of the total region chinook catch (365,000), and about 77 percent of the Treaty ceiling chinook (Tables 2-3, and Fig. 5). The troll chinook harvest is taken during three fisheries: a winter troll season from October 1 through April 14; a June fishery targeting on Alaska hatchery chinook; and a general summer troll season beginning July 1.

The winter and June fisheries are limited to inside waters, and the June fishery is currently limited to two 2- to 4-day periods plus weekly openings in several small, near-terminal and terminal hatchery areas. The Board of Fisheries has established a limit of 40 thousand chinook, excluding Alaska hatchery chinook, for the June fishery. The winter troll fishery currently has no harvest limit although inclement winter weather provides some natural limit.

The summer troll fishery is limited to the balance of ceiling chinook remaining after recreational, net, winter troll and June troll chinook are taken into account. In 1991, for example, the summer troll harvest was 149 thousand ceiling chinook out of a total all-gear harvest of 299 thousand (Fig. 5).

In 1991, the Southeast Alaska general summer troll chinook season started July 1 and lasted only 7.5 days. This was the shortest season on record. The duration of summer troll chinook seasons has declined since the Treaty was implemented in 1985 (Fig. 6). In 1988 and 1989, the previous shortest seasons, chinook fishing was limited to 12 and 13 days respectively. By comparison, summer seasons ranged from 45 to 65 days during 1982-84, the three years prior to the Treaty.

There are currently some unanswered questions regarding the factors which contributed to the extemely short 1991 summer troll chinook season. Preseason projections of modeled abundance indicated the lowest abundance since 1987 (Fig. 2); however, troll catch rates were the highest since the treaty was implemented (Fig. 7).

The number of chinook available to the summer troll fishery varies from year to year depending on catches in other fisheries. Although the 1991 catch (154,000) was the smallest of the treaty years, it was only about 10 thousand less than in 1988 (165,000) and 1989 (168,000) when 12- and 13-day seasons occurred. At the 1991 catch rate of about 20 thousand per day, an additional 10 thousand chinook would only have added another half day to the 7.5 day season. Yet, modeled abundance for both 1988 and 1989 (the two highest treaty years) was substantially above the 1991 preseason projected abundance.

Although daily catch rates provide a general indication of abundance, the season "average" can be effected to some extent by the length of the season. Catch rates generally begin at high levels and decline as chinook are harvested, thereby reducing the number available for harvest, and general fleet efficiencies decrease. A preliminary analysis adjusting for season length between the three years 1989-91 indicates that the 1991 catch rate was still roughly 50 percent higher than either 1989 or 1990. Abundance indices, however, indicated that 1991 abundance was expected to be less than either 1989 or 1990.

It is entirely possible, of course, that a substantial error exists in the preseason abundance projection. As noted above, a large number of stocks from the Pacific Northwest, Canada, and Southeast Alaska contribute to both the Southeast Alaska and N/C B.C. fisheries. Although extensive information exists for predicting abundance of some stocks preseason, little information is available for others. A cursory review of coastwide catch and escapement data does not suggest an unexpected increase in 1991 abundance across a wide range of stocks. Thus, it appears more likely that abundance of one or two major stocks, or stock groups, may have been substantially greater in 1991 than anticipated.

Preseason projections for 1991 indicated that U.S. stocks would contribute about 45 percent to the total 1991 Southeast Alaska troll catch, and Canadian stocks about 55 percent (Fig. 8). Although a large number of individual stocks make up these contributions, the majority of the harvest is normally due to several major stocks or stock groups. During 1985-88, for example, on average approximately 50 percent of the Southeast Alaska troll harvest came from three major stocks: Columbia upriver brights, the WCVI Robertson Creek hatchery stocks (including the adjoining Somass natural stock), and the Oregon coastal north-migrating stocks (Fig. 9). Adding two more stock groups, N/C B.C. and early Fraser River stocks, would raise the contributions to 75 percent. Significant changes in the abundance of any of these major stocks could significantly affect abundance in Southeast Alaska fisheries.

Complete coastwide information on catches, escapement and coded-wire tag recoveries associated with these stocks is required to assess possible abundance changes in 1991. Similar information is necessary to develop estimates of contributions to various fisheries. Although this information, and the necessary analysis, is not available, some preliminary conjectures can be made.

A substantial amount of information exists for the Columbia upriver bright chinook. Depressed during the early 1980s, this stock recovered and increased greatly during the first several years of the Treaty. Inriver returns increased from less than 100 thousand during 1980-83 to over 400 thousand in 1987 before declining back to approximately 100 thousand in 1991. The preseason projection for 1992 is about 70 thousand. This information does not suggest that a large increase in abundance of brights occurred in 1991.

The Robertson Creek stock complex (hatchery plus Somass naturals) was a large contributor to Southeast Alaska fisheries in the late 1970s and early 1980s. Following precipitous declines in the mid to late 1980s, production recovered. Estimated contributions to

the Southeast Alaska summer troll fishery increased from about 11 thousand in 1989 to nearly 50 thousand in both 1990 and 1991. Declines in this stock during the late 1980s were offset, to some extent, by increases in the Columbia River brights; the opposite now appears to be occurring.

Some inseason information suggested that the Robertson Creek stocks (hatchery plus Somass natural) could have contributed as much as half of the 1991 Southeast Alaska summer troll chinook catch. Preliminary postseasor analysis indicates, however, that these stocks probably contributed about 30 percent (47,000) to the summer troll fishery. This percent is very similar to contribution estimates associated with the preseason modeled abundance index.

Unfortunately, very limited information is currently available on the remaining major stocks which could have contributed to the apparent high abundance in the 1991 Southeast Alaska troll fishery. One can look at escapements of north-migrating Oregon coastal, early Fraser, and N/C B.C. stocks as a general indication of returning run size. However, 1991 escapements were generally lower than in 1990, suggesting no unusual abundance in 1991. Escapements to several larger N/C B.C. chinook stocks, such as the Skeena and Nass, did increase substantially during the early years of the Treaty, and larger returns would have been expected in 1991. This can not be confirmed, however, due to a lack of coded-wire tagging of these natural stocks.

One additional factor--availability--could have contributed to the high chinook catch rates experienced during the 1991 Southeast Alaska summer troll fishery. Oceanographic conditions during the 1991 season may have modified chinook migratory patterns, thereby making fish more available to the troll fleet by concentrating them in certain fishing areas. El Nino weather patterns are known to have begun sometime during the summer of 1991, and have continued into the 1991/92 winter. These major weather changes, which occur periodically, significantly affect oceanographic conditions and have been known to change salmon migratory patterns in some cases.

It is possible, of course, that some combination of the above factors, rather than a single one, contributed to the high catch rates in the 1991 Southeast Alaska summer troll fishery. Analysis of complete coastwide information on chinook stocks may eventually provide more insight into the underlying causes. However, it is very likely that some questions will remain even after the final analysis.

## West Coast Vancouver Island Troll Fishery

Treaty catch ceilings have been set at 360 thousand chinook for the West Coast Vancouver Island (WCVI) troll fishery since 1985. Net fisheries in this area were not included in the ceiling as they are limited to Barkley Sound where they target primarily on surplus chinook returning to Robertson Creek hatchery. In 1985, when the treaty was signed, recreational fisheries also occurred primarily in this same area and targeted on hatchery stocks; they were also excluded from the ceiling. In recent years, however, recreational fisheries have expanded to outside areas of Vancouver Island, and the United States has expressed concern about potential impacts on chinook originating in Pacific Northwest rivers.

Major stocks contributing to the WCVI troll fishery include lower Columbia River hatchery "tule" stocks, and late Fraser/Harrison fall stocks. These are north migrating--as opposed to far-north migrating--stocks which contribute little to the two northern ceilinged fisheries. The far-north migrating Columbia upriver brights are also a major contributor in some years. Medium contributors include other far-north migrating stocks from the Pacific Northwest and southern B.C., plus some Puget Sound stocks. Overall, U.S. origin chinook stocks generally contribute roughly 60 to 80 percent of the WCVI troll chinook harvest.

During the past several years, aggregate abundance of major hatchery and natural chinook stocks contributing to the WCVI troll fishery has declined significantly. This appears to be due primarily to reduced survival rates of major stocks. As shown in Figure 2, WCVI abundance indices for 1989-91 have declined to only slightly more than half the 1979-82 base level.

As a result, WCVI troll catches during the past three years have fallen significantly short of the 360 thousand Treaty ceiling. Catches have been 204, 296, and 196 thousand for 1989, 1990, and 1991 respectively (Fig. 11). The 1989 shortfall was partly due to ceiling overages in 1987-88, and coho management constraints associated with a PSC coho ceiling for the fishery. However, the ceiling shortfalls have been primarily due to reduced aggregate abundance and conservation actions implemented for Canada's Fraser/Harrison chinook stocks.

Although official Treaty ceilings have remained at 360 thousand for the WCVI troll fishery, Canada has unilaterally implemented management measures to limit harvest rates on Fraser/Harrison chinook stocks. These stocks are important contributors not only to the WCVI troll fishery, but to Canada's Georgia Strait and Fraser River fisheries as well. Management actions taken in the WCVI troll fishery to protect the Fraser/Harrison stocks, which tend to be widely intermingled with other chinook stocks off Vancouver Island, have contributed to the ceiling shortfalls.

These ceiling shortfalls have raised other concerns within Canada. The WCVI troll fishery is considered by Canada to be an "equity" fishery in which Canadian catches of Pacific Northwest chinook and coho help balance southern U.S. catches of Fraser sockeye and pink salmon. To the extent that ceiling shortfalls reflect reduced Canadian catches of U.S. chinook, Canada believes that the equity balance is offset in the favor of the United States.

## Georgia Strait Recreational and Troll Fisheries

The Treaty established a catch ceiling of 275 thousand chinook salmon for Canadian recreational and troll fisheries in Georgia Strait. These fisheries are generally located on the inside of Vancouver Island. Recreational fisheries currently account for roughly 80 percent of the ceiling catch while the troll fishery harvests about 20 percent.

Major stock groups contributing to the Georgia Strait fisheries include upper and lower Georgia Strait natural and hatchery stocks, Fraser/Harrison fall stocks, and Puget Sound natural and hatchery stocks. Although Canadian stocks contribute the majority of the harvest to these fisheries, U.S. stocks contribute roughly a quarter to a third of the harvest.

This group as a whole has shown the least response to Treaty conservation measures. In fact, aggregate abundance, as measured by modeled chinook abundance indices, has continued the decline which began prior to 1985 (Fig. 2). At present, abundance is estimated to be roughly a quarter to a third of the 1979-82 base period abundance. Natural chinook stocks contributing to these fisheries are generally among the most depressed stocks monitored by the Commission.

Chinook catches by Georgia Strait recreational and troll fisheries have reached the 275 thousand ceiling level only once since the Treaty was implemented; that was in 1985, the first year of the Treaty (Fig. 12). Since 1987, catches have ranged around 150 thousand, or a little more than half the official ceiling. Ceiling shortfalls have been the result of low overall chinook abundance and conservation measures implemented by Canada. The current outlook for improvement in stocks contributing to these fisheries remains poor.

## Washington and Oregon Fisheries

Washington and Oregon chinook fisheries are not limited by Treaty catch ceilings but fall under the Treaty's pass-through provisions. These fisheries must be managed so that "the bulk of depressed stocks preserved by the conservation program...

principally accrue to the spawning escapement." In other words, the various fisheries must be structured so as to allow the majority of depressed natural stocks saved by the ceilinged fisheries to pass through to the spawning grounds. Within that constraint, fisheries may be conducted to harvest surplus returns of healthy natural and hatchery stocks. This is normally achieved through selected time/area regulations.

Fisheries in this area which harvest chinook of interest to the Pacific Salmon Commission include Puget Sound fisheries, ocean recreational and troll fisheries off Washington and northern Oregon, inside fisheries along the Washington and northern Oregon coasts, and Columbia River fisheries. In addition to general conservation and harvest sharing objectives, many of these fisheries must be managed to take into account court-mandated harvest sharing between tribal and non-tribal fishermen.

The vast majority of chinook harvested in these fisheries originate from Pacific Northwest systems. (Small numbers or Canadian origin chinook are harvested in northern Washington and Puget Sound fisheries.) Local stocks originating in these areas are often categorized into several general groups: Puget Sound (north and south), Washington coastal, Columbia River (lower and upper river), and Oregon coastal. Each group contains individual spring, summer and fall run stocks, and a mix of natural and hatchery stocks. The major far-north migrating stocks are the Oregon coastal and Columbia upriver bright fall stocks. Smaller far-north migrating stocks include several Columbia River natural and hatchery stocks and some Washington coastal stocks.

Rebuilding status of natural chinook originating in Washington and Oregon is currently mixed. Far-north migrating stocks such as Washington coastal, Columbia upriver brights and Oregon coastal stocks remain healthy and are generally achieving or exceeding escapement goals in spite of declining production in the last several years. Columbia upriver spring and summer stocks remain depressed and have shown limited improvements since the Treaty was implemented. Puget Sounds stocks have shown mixed responses but are generally considered to be lagging expected rebuilding progress.

Abundance of chinook returning to Washington and Oregon has varied substantially since the Treaty was implemented in 1985. Although there is currently no modeled abundance index for these fisheries, similar to those for the ceilinged fisheries, changes in abundance is generally reflected in the annual catches. The vast majority of catches in the fisheries described above are of local north and far-north migrating chinook. (Chinook stocks originating in southern Oregon and California, for the most part, migrate southward and are harvested in fisheries of southern Oregon and California.)

Combined chinook catches for all Washington and northern Oregon fisheries initially increased from pre-treaty levels of between 600 and 700 thousand during the first half of the 1980s to approximately 1.2 million in 1988 (Fig. 13). Following the peak in 1988, catches declined in each subsequent year with the preliminary 1991 catch being reported at 657 thousand chinook salmon. This is similar to catches during the years immediately preceeding the Treaty. Initial preseason projections for 1992 returns are mixed; however, it would appear that 1992 catches will be similar to those of 1991.

As shown in Figure 13, the substantial increases in chinook catches by Washington/Oregon fisheries was due primarily to increases in Columbia River fisheries. Catches in all fisheries, except the Columbia River, have remained in a relatively narrow range of roughly 500 to 600 thousand since 1985. Columbia River catches, on the other hand, increased from 128 thousand in 1984 to nearly 600 thousand in 1988, then decreased to 190 thousand in 1991.

Two major stock groups contributed to the surge in Columbia River catches during 1987-89. Lower river "tule" chinook are produced primarily in serveral lower river hatcheries. The majority of these stocks migrate only as far north as Vancouver Island where they are significant contributors to the WCVI troll fishery. Only small contributions are made to N/C B.C. fisheries, and virtually none to Southeast Alaska fisheries.

The second major stock contributing to the increase in Columbia River fisheries during 1987-89 was the Columbia upriver "bright" stock. This is the largest naturally spawning chinook stock in the Columbia River. In recent years, this stock has also been augmented by hatchery production. Columbia River brights are far-north migrating chinook, and generally are among the major contributors to N/C B.C. and Southeast Alaska fisheries. They are also important contributors to the WCVI fisheries. The brights increased from very depressed levels during the early 1980s to become one of the major coastwide producers during the first several years of the Treaty (Fig. 10).

Both the Columbia lower river tule stocks and the upriver brights are currently experiencing reduced production. This is reflected in the recent declines of overall chinook catches in Columbia River fisheries (Fig. 13). Declines to date have not prevented achievement of escapement goals for Columbia brights; goals have been achieved or exceeded each year since 1983 (Fig. 10).

## CURRENT OUTLOOK FOR TREATY NEGOTIATIONS

What is the current outlook for treaty negotiations and can they realistically be expected to provide substantial increases for Southeast Alaska chinook catch ceilings in the near term?

Treaty chinook catch ceilings have already been established for the 1992 season. Negotiations will begin in the fall of 1992 to develop ceilings for 1993. Status of the Treaty's chinook rebuilding program and catch trends in coastwide chinook fisheries at that time will be the key factors determining what, if any, adjustments will be made to the 1993 ceilings.

The Commission is currently considering alternative management approaches to the fixed ceiling approach. There is general agreement within the Commission that a management approach which allows ceilings to fluctuate in response to changes in chinook abundance would probably be preferable to the current approach. However, there are a number of different methods for implementing such an approach, and there is currently no agreement on which is the best method. A Chinook Workgroup has been established to investigate several different approaches and provide some options to the Commission for consideration this fall. The goal is to implement such a system for the 1993 season.

At this point it is not possible to predict the outcome of efforts to develop an alternative, abundance based approach to determine ceiling levels for 1993. If this task is not completed in time for the 1992/93 negotiations, the 1993 ceilings will have to be negotiated in a manner similar to previous years. Past negotiations have taken into account the general status of natural chinook stocks contributing to the various fisheries and projections for future abundance. Harvest sharing between the various fisheries is also taken into account by the Commission.

Regardless of the approach used by the Commission to determine chinook catch ceilings during the 1992/93 negotiations, based on the current information, it is unlikely that significant increases will be made in chinook ceilings for any fisheries in 1993. While N/C B.C. and Southeast Alaska fisheries would remain the most likely candidates for ceiling increases, given the current status of major stocks contributing to these fisheries, any ceiling adjustments would have to take into account information available after the 1992 season. At this point, it is not possible to predict what that information will indicate.

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# TABLES AND FIGURES

**TABLE 1**
**CHINOOK SALMON GUIDELINE HARVEST RANGES FOR SOUTHEAST ALASKA FISHERIES, 1980-84, AND PACIFIC SALMON TREATY CEILINGS FOR SOUTHEAST ALASKA AND CANADIAN FISHERIES 1985 TO PRESENT**

**I. GUIDELINE HARVEST RANGES (THOUSANDS), 1980-84**

| YEAR | S.E. ALASKA COMMERCIAL FISHERIES ONLY |
|---|---|
| 1980 | 286-320 |
| 1981 | 243-286 |
| 1982 | 243-286 |
| 1983 | 243-272 |
| 1984 | 243-272 |

Note: Guideline harvest ranges established by Alaska Board of Fisheries and North Pacific Fisheries Management Council; ranges included allowances for Alaska hatchery chinook.

**II. PACIFIC SALMON TREATY CEILINGS (THOUSANDS), 1985 TO PRESENT**

[Note: S.E. Alaska ceilings do not include hatchery addon; N/C B.C. ceilings do not include terminal exclusions.

| YEAR | | | S.E. AK ALL-GEAR | N/C BC ALL-GEAR | W. COAST VANC. IS. TROLL | GEO. STR. SPORT & TROLL |
|---|---|---|---|---|---|---|
| 1985 | (N-2) | 1/ | 263 | 263 | 360 | 275 |
| 1986 | | 2/ | 254 | 256 | 360 | 275 |
| 1987 | (N-2) | 3/ | 263 | 263 | 360 | 275 |
| 1988 | | | 263 | 263 | 360 | 275 |
| 1989 | (N-1) | | 263 | 263 | 360 | 275 |
| 1990 | (N-1) | | 302 | 302 | 360 | 275 |
| 1991 | (N-2) | | 273 | 273 | 360 | 275 |
| 1992 | | | 263 | 263 | 360 | 275 |

Notes: 1/ (N-x) designates year ceilings were negotiated and duration of the annexes.
2/ Ceilings for 1986 were adjusted to take into account overages and incidental mortalities in 1985; these adjustments were not made on a fish-per-fish basis.
3/ The Commission established cumulative 7 1/2% management ranges for ceilings beginning in 1987.

[FEB. 22, 1992; FILE: CEILINGS.92; DISK: MCS92-1]

Table 2 Chinook salmon harvest in Southeast Alaska by year, by gear, 1965 to 1991

| | Net Gear | Troll Gear | Sport | Total |
|---|---|---|---|---|
| 1965 | 28,207 | 308,902 | 13,000 | 350,109 |
| 1966 | 25,959 | 282,083 | 13,000 | 321,042 |
| 1967 | 26,260 | 274,678 | 13,000 | 313,938 |
| 1968 | 27,056 | 304,455 | 14,000 | 345,511 |
| 1969 | 23,844 | 290,168 | 14,000 | 328,012 |
| 5 Yr Avg | 26,265 | 292,057 | 13,400 | 331,722 |
| 1970 | 17,713 | 304,599 | 14,000 | 336,312 |
| 1971 | 22,558 | 311,439 | 15,000 | 348,997 |
| 1972 | 44,544 | 242,282 | 15,000 | 301,826 |
| 1973 | 35,980 | 307,806 | 16,000 | 359,786 |
| 1974 | 24,469 | 322,099 | 17,000 | 363,568 |
| 5 Yr Avg | 29,053 | 297,645 | 15,400 | 342,098 |
| 1975 | 13,365 | 287,342 | 17,000 | 317,707 |
| 1976 | 10,523 | 231,239 | 17,000 | 258,762 |
| 1977 | 13,443 | 271,735 | 17,449 | 302,627 |
| 1978 | 25,492 | 375,919 | 16,639 | 418,050 |
| 1979 | 28,455 | 339,151 | 16,581 | 384,187 |
| 5 Yr Avg | 18,256 | 301,077 | 16,934 | 336,267 |
| 1980 | 20,114 | 299,872 | 20,213 | 340,199 |
| 1981 | 18,951 | 248,791 | 21,300 | 289,042 |
| 1982 | 48,999 | 242,315 | 25,756 | 317,070 |
| 1983 | 19,655 | 269,790 | 22,321 | 311,766 |
| 1984 | 32,396 | 235,629 | 22,050 | 290,077 |
| 5 Yr Avg | 28,023 | 259,279 | 22,328 | 309,631 |
| 1985 | 35,469 | 216,066 | 24,858 | 276,413 |
| 1986 | 22,302 | 237,557 | 22,551 | 282,410 |
| 1987 | 15,539 | 242,025 | 24,324 | 281,888 |
| 1988 | 21,450 | 231,281 | 26,160 | 278,891 |
| 1989 | 24,276 | 235,731 | 31,071 | 291,078 |
| 5 Yr Avg | 23,807 | 232,536 | 25,793 | 282,136 |
| 1990 | 27,696 | 287,931 | 51,200 | 366,827 |
| 1991 | 32,737 | 283,756 | 68,400 | 384,893 |

Table 3 Chinook salmon harvest in Southeast Alaska minus fish produced by Alaskan hatcheries, by year, by gear, 1965 to 1991

| | Troll Total Minus Hatchery | Net Total Minus Hatchery | Sport Total Minus Hatchery | All Total Minus Hatchery |
|---|---|---|---|---|
| 1965 | 308,902 | 28,207 | 13,000 | 350,109 |
| 1966 | 282,083 | 25,959 | 13,000 | 321,042 |
| 1967 | 274,678 | 26,260 | 13,000 | 313,938 |
| 1968 | 304,455 | 26,934 | 14,000 | 345,389 |
| 1969 | 290,168 | 23,844 | 14,000 | 328,012 |
| 5 Yr Avg | 292,057 | 26,241 | 13,400 | 331,698 |
| 1970 | 304,599 | 17,713 | 14,000 | 336,312 |
| 1971 | 311,439 | 22,558 | 15,000 | 348,997 |
| 1972 | 242,282 | 44,395 | 15,000 | 301,677 |
| 1973 | 307,806 | 35,955 | 16,000 | 359,761 |
| 1974 | 322,099 | 24,454 | 17,000 | 363,553 |
| 5 Yr Avg | 297,645 | 29,015 | 15,400 | 342,060 |
| 1975 | 287,342 | 13,362 | 17,000 | 317,704 |
| 1976 | 231,239 | 10,478 | 17,000 | 258,717 |
| 1977 | 271,735 | 13,369 | 17,449 | 302,553 |
| 1978 | 375,433 | 25,295 | 16,639 | 417,367 |
| 1979 | 338,319 | 28,116 | 16,581 | 383,016 |
| 5 Yr Avg | 300,814 | 18,124 | 16,934 | 335,871 |
| 1980 | 299,872 | 19,934 | 20,213 | 340,019 |
| 1981 | 248,791 | 18,650 | 21,300 | 288,741 |
| 1982 | 242,315 | 47,859 | 25,756 | 315,930 |
| 1983 | 269,790 | 19,461 | 21,449 | 310,700 |
| 1984 | 235,629 | 32,162 | 20,146 | 287,937 |
| 5 Yr Avg | 259,279 | 27,613 | 21,773 | 308,665 |
| 1985 | 207,986 | 32,315 | 21,486 | 261,787 |
| 1986 | 227,657 | 19,348 | 17,541 | 264,546 |
| 1987 | 225,425 | 12,707 | 19,216 | 257,348 |
| 1988 | 211,508 | 15,622 | 20,615 | 247,745 |
| 1989 | 216,805 | 14,675 | 24,720 | 256,200 |
| 5 Yr Avg | 217,876 | 18,933 | 20,716 | 257,525 |
| 1990 | 257,052 | 14,354 | 34,588 | 305,994 |
| 1991 | 224,569 | 17,415 | 41,700 | 283,684 |

Table 4 Southeast Alaska Troll Fishery
Chinook Salmon Catches by Season, 1965-1991

(updated 10/23/91)

| YEAR | Winter Troll | Terminal Troll | Exp Troll | Hatch Access | Summer Troll | Total Troll |
|---|---|---|---|---|---|---|
| | | | TROLL FISHERY | | | |
| 1965 | 15,000 | 0 | 0 | 0 | 293,902 | 308,902 |
| 1966 | 15,721 | 0 | 0 | 0 | 266,362 | 282,083 |
| 1967 | 16,813 | 0 | 0 | 0 | 257,865 | 274,678 |
| 1968 | 15,498 | 0 | 0 | 0 | 288,957 | 304,455 |
| 1969 | 8,298 | 0 | 0 | 0 | 281,870 | 290,168 |
| 1970 | 8,294 | 0 | 0 | 0 | 296,305 | 304,599 |
| 1971 | 4,560 | 0 | 0 | 0 | 306,879 | 311,439 |
| 1972 | 6,587 | 0 | 0 | 0 | 235,695 | 242,282 |
| 1973 | 8,630 | 0 | 0 | 0 | 299,176 | 307,806 |
| 1974 | 9,029 | 0 | 0 | 0 | 313,070 | 322,099 |
| 1975 | 9,794 | 0 | 0 | 0 | 277,548 | 287,342 |
| 1976 | 11,083 | 0 | 0 | 0 | 220,156 | 231,239 |
| 1977 | 8,761 | 0 | 0 | 0 | 262,974 | 271,735 |
| 1978 | 8,387 | 0 | 0 | 0 | 367,046 | 375,433 |
| 1979 | 5,123 | 0 | 0 | 0 | 333,196 | 338,319 |
| 1980 | 8,059 | 0 | 0 | 0 | 291,813 | 299,872 |
| 1981 | 9,607 | 0 | 0 | 0 | 239,184 | 248,791 |
| 1982 | 12,618 | 0 | 0 | 0 | 229,697 | 242,315 |
| 1983 | 31,128 | 0 | 0 | 0 | 238,662 | 269,790 |
| 1984 | 32,838 | 0 | 0 | 0 | 202,791 | 235,629 |
| 1985 | 22,463 | 0 | 0 | 0 | 193,623 | 216,086 |
| 1986 | 22,871 | 0 | 0 | 0 | 214,686 | 237,557 |
| 1987 | 28,625 | 0 | 4,400 | 0 | 209,000 | 242,025 |
| 1988 | 60,450 | 0 | 6,032 | 0 | 164,742 | 231,224 |
| 1989 | 34,296 | 1,088 | 2,291 | 30,355 | 167,577 | 235,609 |
| 1990 | 33,126 | 16 | 7,200 | 34,805 | 211,945 | 287,092 |
| 1991 | 42,447 | 6,003 | 13,915 | 46,418 | 154,020 | 262,803 |

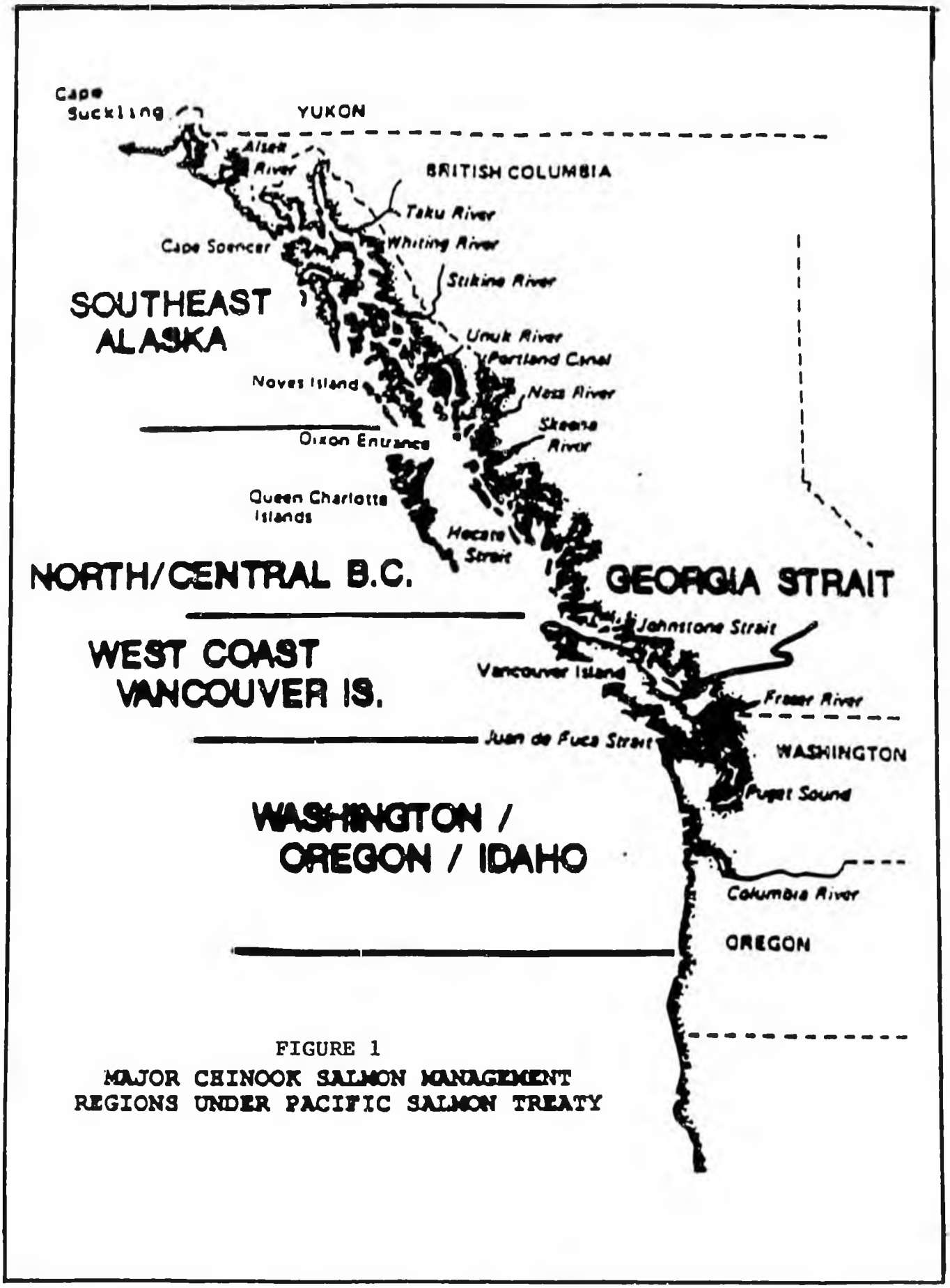
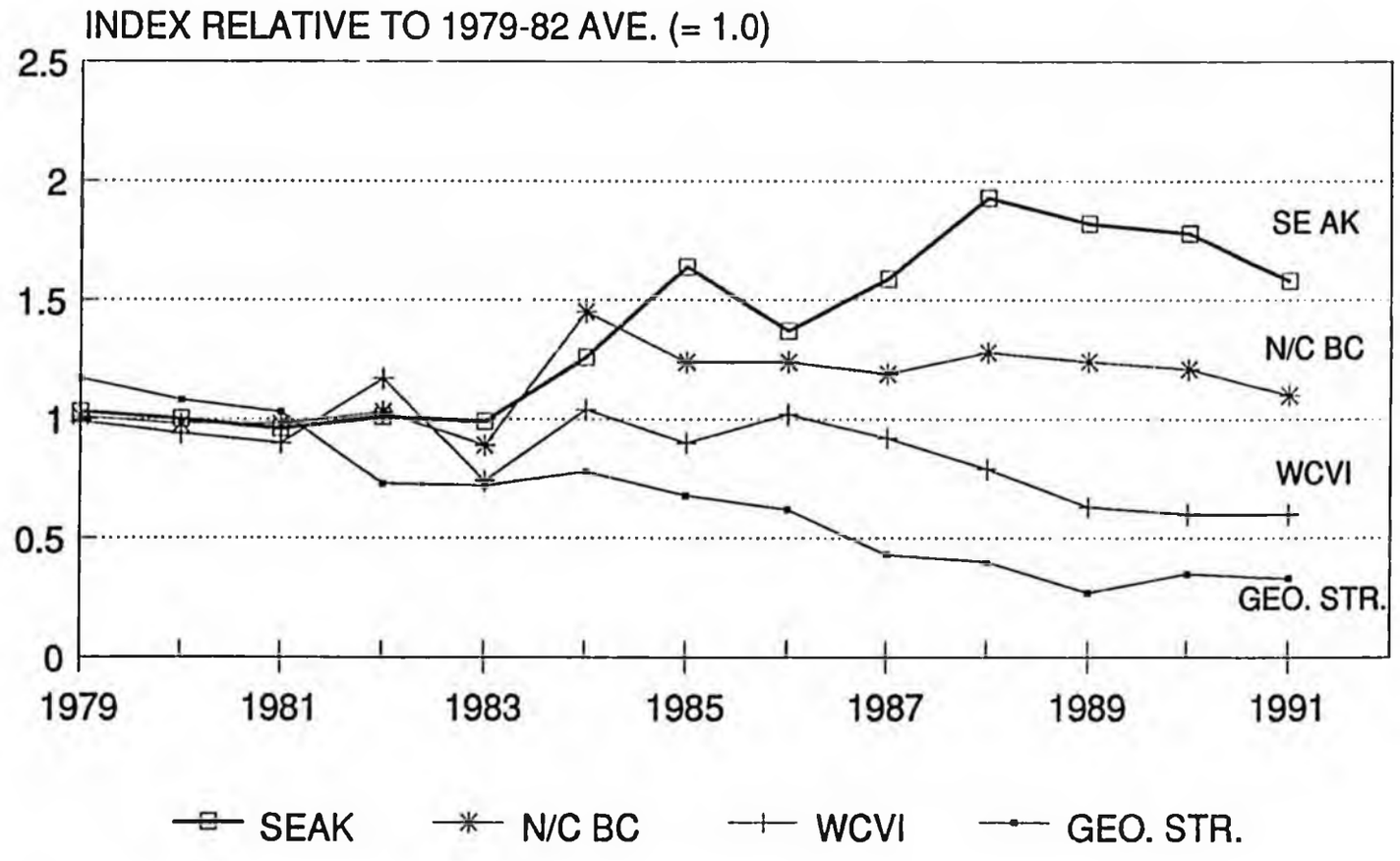



FIGURE 1

MAJOR CHINOOK SALMON MANAGEMENT REGIONS UNDER PACIFIC SALMON TREATY

# FIG. 2. MODELED CHINOOK ABUNDANCE INDICES FOR PSC CEILINGED FISHERIES

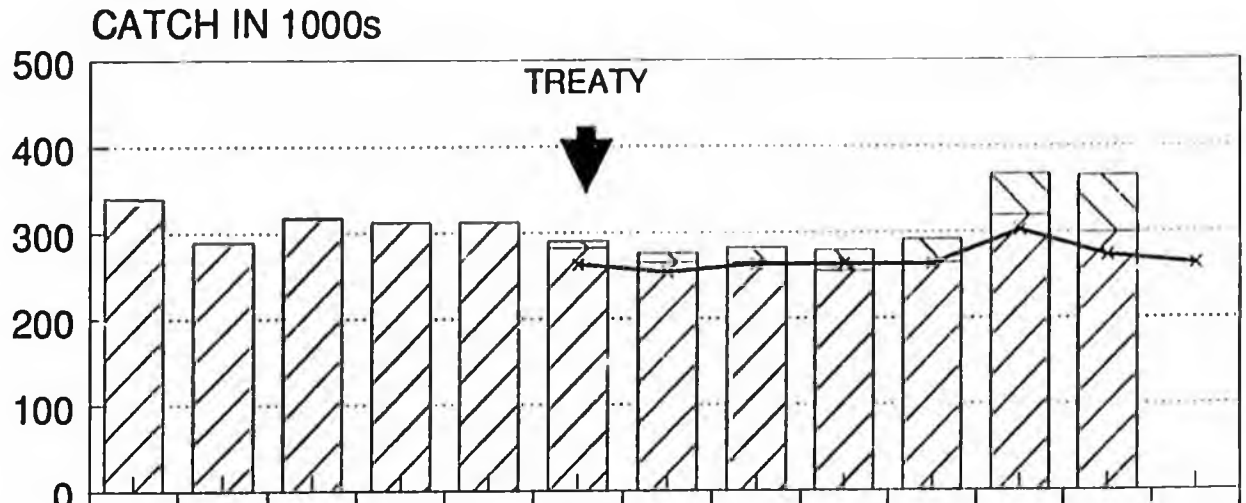
(PRESEASON 1991 PROJECTIONS SHOWN)




SOURCE: CTC/AWG 3/5/91

[FILE:INDEX2.CHT; DISK:MCS92-1]

# FIG. 3. S.E. ALASKA ALL-GEAR CHINOOK CATCHES, 1980-91

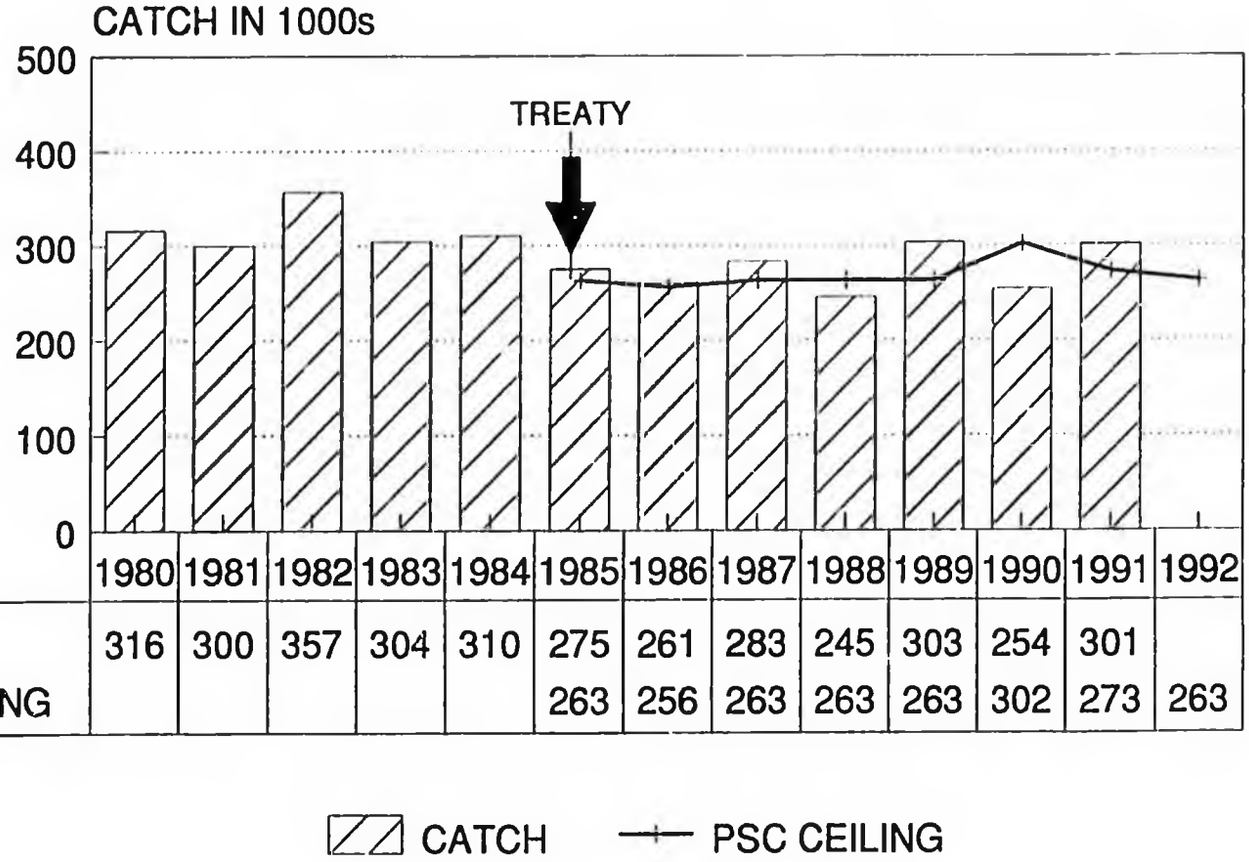



| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| BASE CEILING | | | | | | 263 | 254 | 263 | 263 | 263 | 302 | 273 | 263 |
| HAT. ADDON | | | | | | 8 | 11 | 17 | 24 | 27 | 48 | 66 | |
| BASE CATCH | 340 | 289 | 317 | 312 | 312 | 282 | 265 | 265 | 255 | 264 | 319 | 299 | |
| TOTAL CATCH | 340 | 289 | 317 | 312 | 312 | 290 | 276 | 282 | 279 | 291 | 367 | 365 | |

BASE CATCH  HAT. ADDON  BASE CEILING

[FILE:SEAK225.CHT;DISK:MCS92-1]

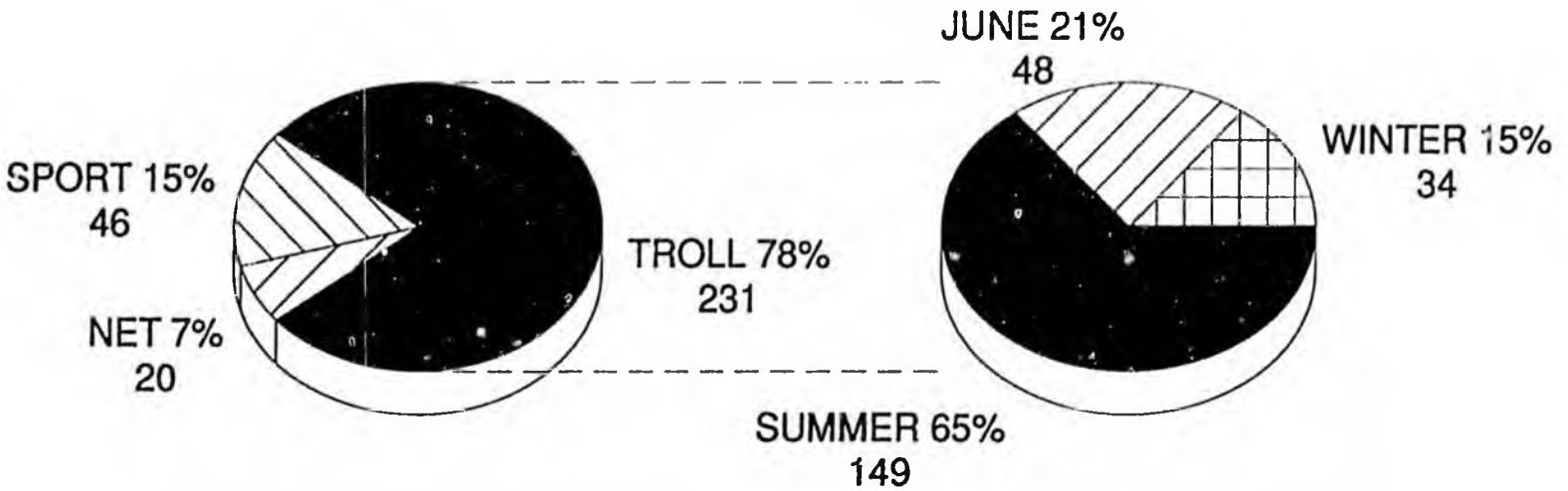
# FIG. 4. N/C B.C. ALL-GEAR CHINOOK CATCHES, 1980-91
## (INCLUDES TERMINAL EXCLUSION)




| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CATCH | 316 | 300 | 357 | 304 | 310 | 275 | 261 | 283 | 245 | 303 | 254 | 301 | |
| PSC CEILING | | | | | | 263 | 256 | 263 | 263 | 263 | 302 | 273 | 263 |

[FILE: NCBC221.CHT; DISK: MCS92-1]

# FIG. 5. PRELIM. 1991 SOUTHEAST ALASKA CHINOOK CATCHES WHICH COUNT AGAINST THE PSC "BASE" CATCH CEILING

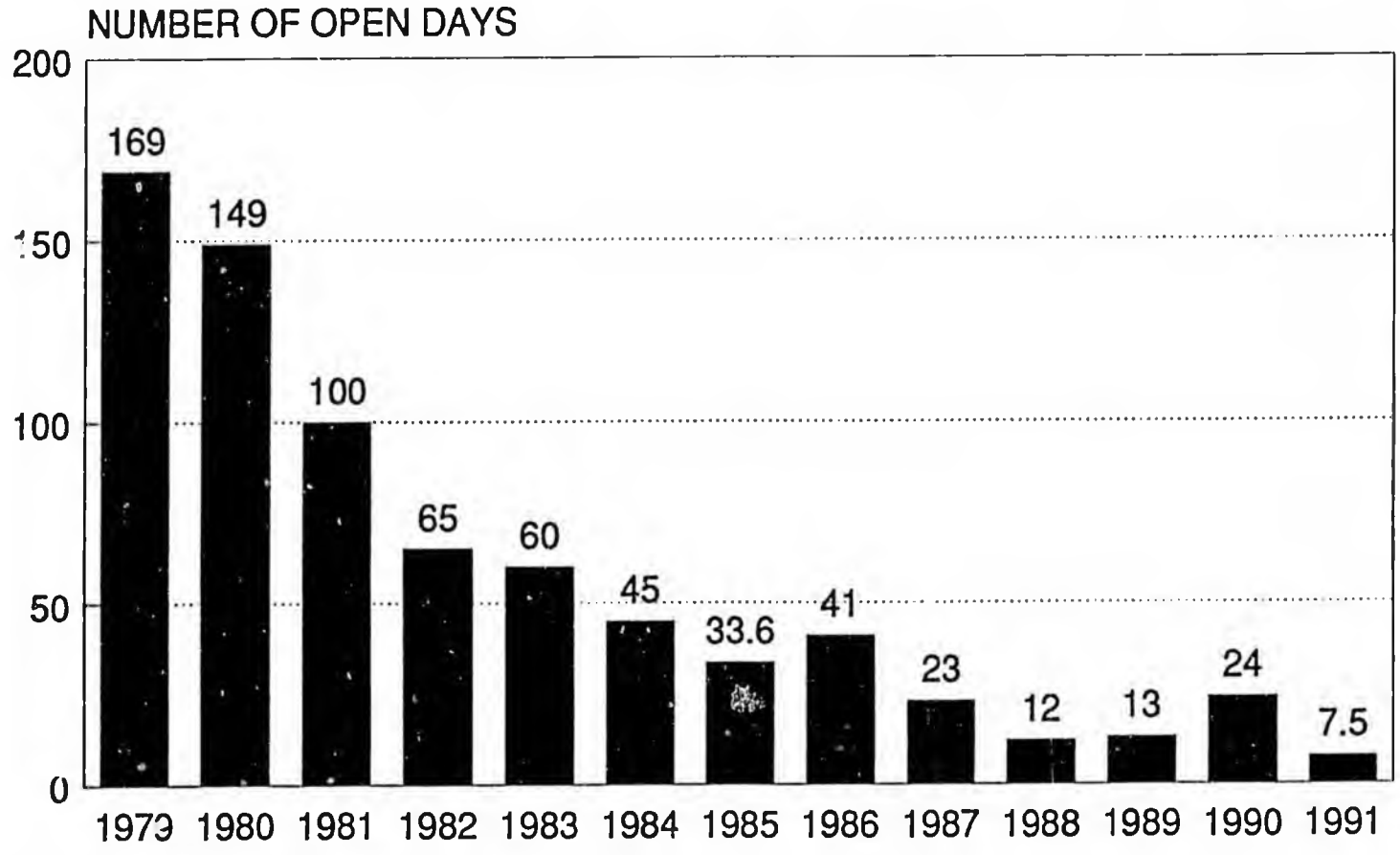



ALL-GEAR BASE
CATCH = 299,000

TROLL BASE
CATCH = 231,000

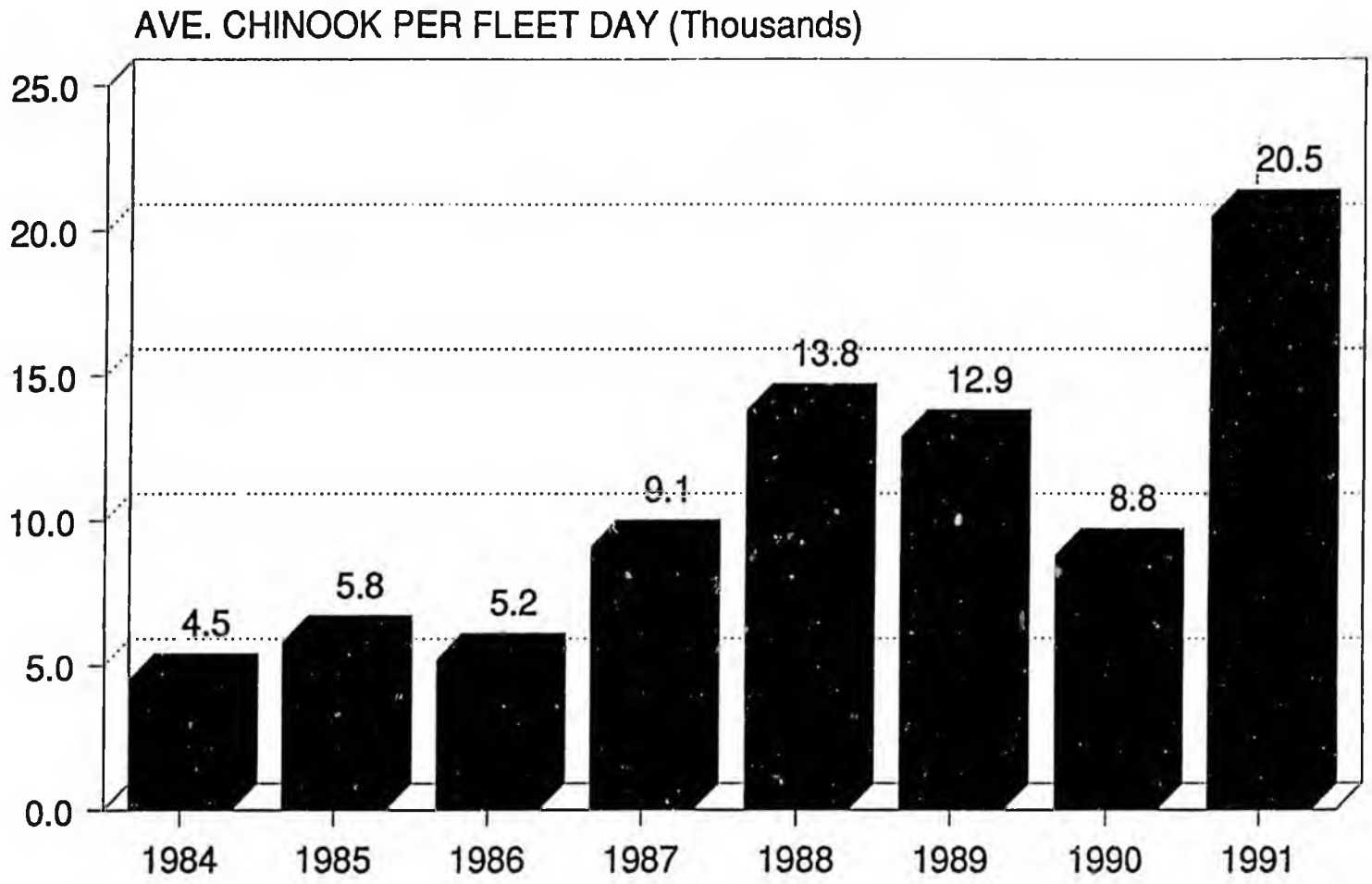
NOTE: HATCHERY ADDON FISH EXCLUDED.
[FILE:SEAK91.CHT; DISK: MCS92-1]

# FIG. 6. NUMBER OF DAYS S.E. ALASKA GENERAL SUMMER TROLL SEASON OPEN FOR CHINOOK, 1979 TO PRESENT




[FILE: DAYS1.CHT; DISK: MCS91-1]

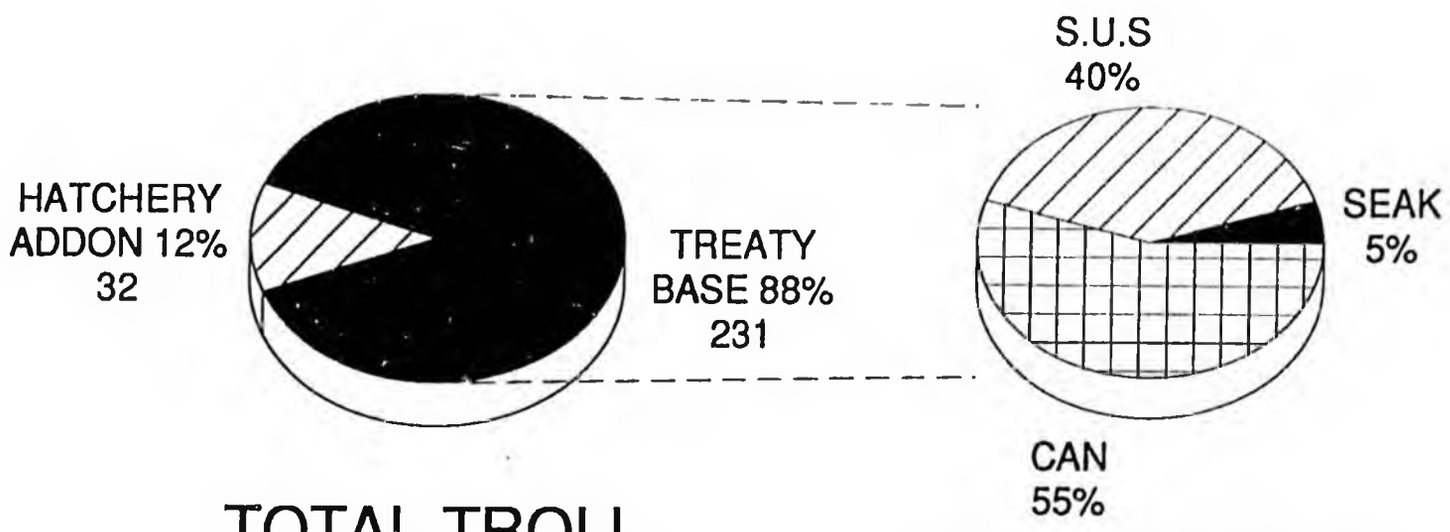
# FIGURE 7. CHINOOK SALMON CATCH RATES FOR THE S.E. ALASKA SUMMER TROLL FISHERY, 1984 TO PRESENT




[FILE: RATES2.CHT; DISK: MCS92-1]

# FIG. 8. EST. CONTRIBUTIONS TO 1991 S.E. ALASKA TROLL CHINOOK CATCH

(PRESEASON ESTS. EXCEPT AK HATCHERY)



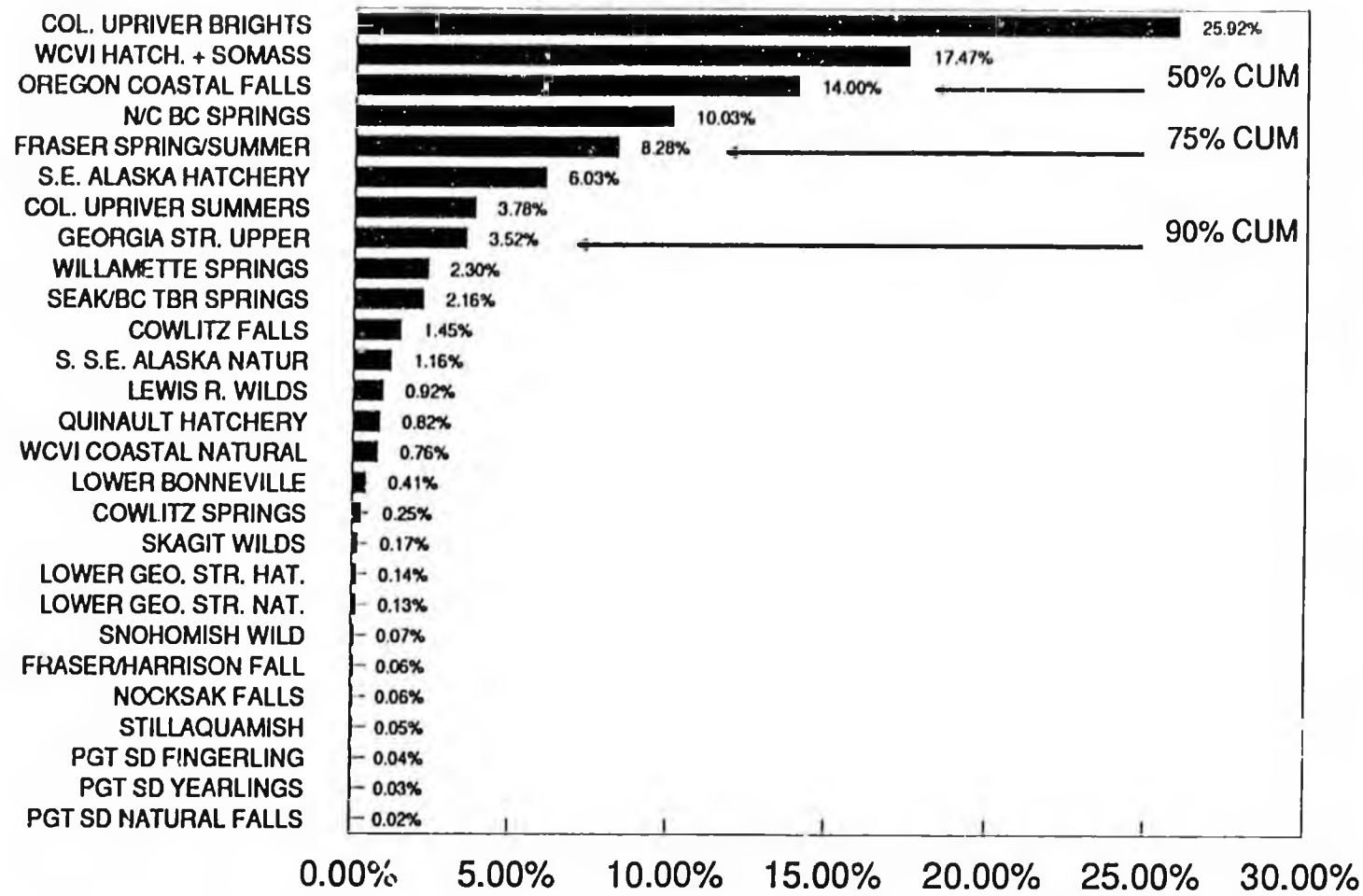

TOTAL TROLL CATCH (1000S)

TREATY BASE CATCH

SOURCE: CTC 11/9/90; 2/5/91

[FILE: SEAK91C.CHT; MCS91-1]

# FIG. 9. AVERAGE CONTRIBUTIONS OF CHINOOK SALMON STOCKS TO S.E. ALASKA TROLL FISHERY, 1985-88




[FILE:SEAKCOM1.CHT; DISK:MCS92-1; 2/92]