

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672  
7685 SENATE RESOURCES

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SENATE COMMITTEE REPORT

*JK*

DATE: 4/15/92

FURTHER: Finance

DATE TURNED INTO OFFICE: May 6, 1992

Resources Committee considered CS FOR HOUSE BILL NO. 446 (RESOURCES)

"An Act relating to the wildlife conservation tag and to entry onto state game and wildlife sanctuaries, state game refuges, state range areas, and fish and game critical habitat areas; and providing for an effective date."

*repts it has floor*

and recommends:

- replace with \_\_\_\_\_ CS \_\_\_\_\_
- or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

- do pass
- do not pass
- no recommendation
- individual recommendations

*P H R*

NEW FISCAL NOTES: Dept/Date

zero fiscal notes \_\_\_\_\_

fiscal notes \_\_\_\_\_

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes \_\_\_\_\_

fiscal notes ADF+6 2/25/92

DO PASS:

OTHER RECOMMENDATIONS:

*(3) Grant - Memorial*  
*(3) Jan 21*

*(3) Do Not Pass*

*(1) [Signature]*  
Chair: Signature and Recommendation



# ALASKA OUTDOOR COUNCIL, INC.

P O Box 34097  
Juneau, AK 99803  
463-3830

March 13, 1992

The Honorable Fran Ulmer  
Alaska State Legislature  
State Capitol  
Juneau, AK 99811

Dear Representative Ulmer:

I am pleased to inform you that the Alaska Outdoor Council voted to support HB446, the wildlife conservation tag bill which you introduced.

Members recommended amendments that would enable a different fee structure for resident, non-resident, and commercial users, consistent with the concept of different fees charged for other uses of wildlife and fish. They also noted that commercial users such as writers and photographers use viewing areas principally for profit, as well as for their personal enjoyment.

Members also recommended requiring guides for non-residents using areas to ensure compliance with regulations, and where necessary, to ensure the well-being of visitors.

We have not prepared specific amendments following these recommendations. I would be pleased to work with your staff on such amendments.

We appreciate your interest and efforts on this bill. If passed it will be a significant contribution to the State's conservation efforts.

Sincerely,

Richard H. Bishop  
Legislative Affairs

# Alaska State Legislature

## HOUSE OF REPRESENTATIVES



REPRESENTATIVE FRAN ULMER

MEMORANDUM

April 21, 1992

TO: Senator Lloyd Jones, Chair  
Senate Resources Committee

FROM: Rep. Fran Ulmer

RE: CSHB 446 (Resources) - "wildlife conservation tags"

I am requesting a hearing on HB 446 at your earliest convenience. HB 446 is designed to provide an alternate source of funds for the wildlife conservation efforts in the state. The bill, which passed the House by unanimous vote, will allow the sale of wildlife conservation tags to visitors to the state's game refuges, sanctuaries and other areas.

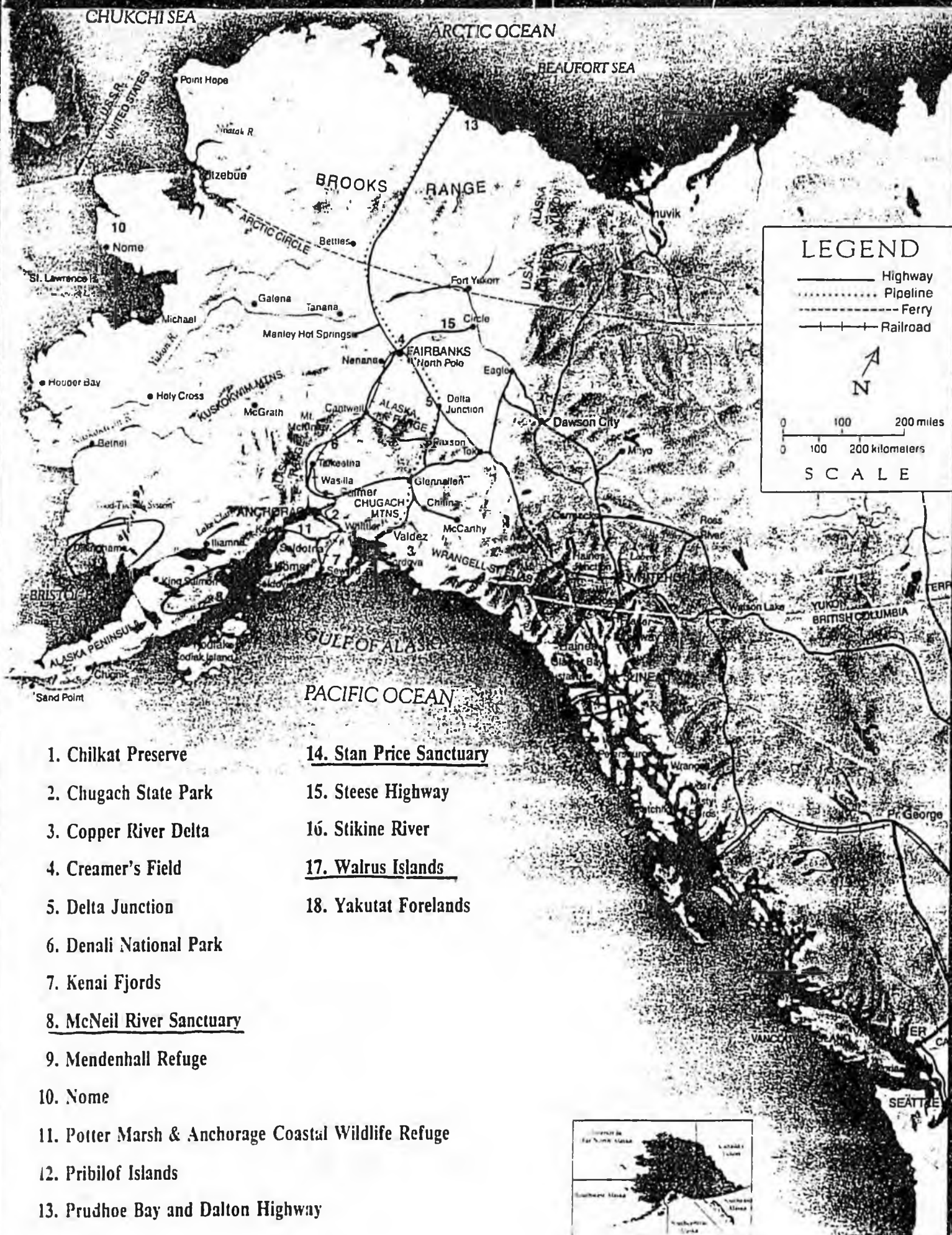
In addition, HB 446 would:

- \* allow the production of a patch, decal or other emblem to be sold with each tag, so visitors can show they're supporting wildlife conservation in Alaska.
- \* require that the money from the sale of the conservation tags be earmarked for wildlife conservation purposes.
- \* require the tags for entry to the Stan Price Sanctuary, the MacNeil River Sanctuary, and the Walrus Island Sanctuary.
- \* allow the Commissioner of Fish and Game to add other areas to the tag program, including state refuges, ranges and critical habitat areas.

Currently, over 80% of ADF&G's wildlife conservation budget comes from hunters in the form of licenses and excise taxes on firearms and ammunition. An alternative source of funds will help answer a growing concern that not enough is being done to preserve wildlife and give non-consumptive users an increased responsibility in providing for the future management of our wildlife.

Groups and individuals representing a wide spectrum of environmental, conservation and hunting interests have expressed support for the concept of fees for non-consumptive uses.

Thank you for your prompt attention to this matter



**LEGEND**

- Highway
- ..... Pipeline
- - - - - Ferry
- + + + + Railroad

N

0 100 200 miles  
0 100 200 kilometers

**SCALE**

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>1. Chilkat Preserve</li> <li>2. Chugach State Park</li> <li>3. Copper River Delta</li> <li>4. Creamer's Field</li> <li>5. Delta Junction</li> <li>6. Denali National Park</li> <li>7. Kenai Fjords</li> <li>8. <u>McNeil River Sanctuary</u></li> <li>9. Mendenhall Refuge</li> <li>10. Nome</li> <li>11. Potter Marsh &amp; Anchorage Coastal Wildlife Refuge</li> <li>12. Pribilof Islands</li> <li>13. Prudhoe Bay and Dalton Highway</li> </ul> | <ul style="list-style-type: none"> <li>14. <u>Stan Price Sanctuary</u></li> <li>15. Steese Highway</li> <li>16. Stikine River</li> <li>17. <u>Walrus Islands</u></li> <li>18. Yakutat Forelands</li> </ul> |
|--|--|

**Walrus Islands State Game  
Sanctuary (Round Island)** ★

**Location and Access**

These islands are approximately 70 miles southwest of Dillingham in southwestern Alaska and have virtually no amenities. An access permit is required to visit Round Island, and the numbers of campers and day visitors are limited. Most visitors arrive by charter boat from Togiak when conditions permit. Seasonal sanctuary staff ferry visitors from the boat or plane to the rocky shore via a small inflatable raft.

**Viewing Opportunities and Seasons**

Round Island, one of the islands in this remote state sanctuary, is home to a unique concentration of male walrus each summer. As many as 14,000 male walrus rest here between periodic feeding forays for clams and other shellfish. Up to 1,000 Steller sea lions haul out here, and hundreds of thousands of seabirds (mostly murre, kittiwake, cormorant, auklet, puffin, and gull) nest here. A small resident population of "tolerant" red foxes often allows good photographic opportunities as well. From late May through August is the best time to visit.

**Habitat**

The island habitats include marine waters, rocky shorelines, and moist alpine tundra.

**Advice and Cautions**

Travel to Round Island is expensive and can be dangerous. Visitors should be in very good physical condition and have appropriate clothing and gear for wet and extremely windy weather.

**Above, top: Watching walrus, Round Island.**

**Above: Red foxes are commonly seen on Round Island.**



Nancy Tankersley

**Pribilof Islands, Alaska Maritime National Wildlife Refuge**

**Location and Access**

These are remote oceanic islands off southwest Alaska, accessible by commercial air service from Anchorage during the summer. Portions of the islands are included in the 3.5 million acre Alaska Maritime National Wildlife Refuge, and other portions are occupied by year-round residents. Guided land tours and hotels are available.

**Viewing Opportunities and Seasons**

The Pribilof Islands have some of the largest seabird colonies in the northern hemisphere. Common nesting seabirds include fulmars, cormorants, murre, kittiwake, auklet, and puffin, which are best seen from late May to early August. Sightings of rarer Asiatic birds mostly occur during migration in spring (mid-May to early June) and fall (early August to mid-September). The world's largest rookery for northern fur seals is on St. Paul Island, and harbor seals and Steller sea lions are also commonly seen during the summer.



John Hyde

**Habitat**

These islands have extensive rocky cliffs where the seabirds nest, and also have areas of coastal wetlands and tundra. Tundra wildflowers can be spectacular from mid-June through July.

**Advice and Cautions**

Bring appropriate clothes and equipment for foggy, windy, and rainy weather. Fog frequently closes the airport, so leave some flexibility in your travel schedule. A bird checklist is available.

## Southcentral/Southeast



### McNeil River State Game Sanctuary

#### Location and Access

This remote sanctuary is located approximately 100 miles southwest of Homer. Most visitors arrive by float-plane from Homer, with arrivals and departures coinciding with high tides. A permit is required to visit the falls during June, July, and August; the deadline for applications to enter the permit lottery is April 1. All visitors are accompanied to the falls by sanctuary staff.

#### Viewing Opportunities and Seasons

McNeil River State Game Sanctuary has Alaska's largest concentration of brown bears, gathering during the summer to feed on spawning chum salmon at the McNeil River falls. July is the peak month when up to 65 bears have been seen at one time. Red foxes, bald eagles, gulls, murre, and cormorants are commonly seen during the summer as well.

#### Habitat

This area is mostly open country, featuring creeks and rivers, shrub thickets, coastal wetlands, rocky shorelines and cliffs, and marine waters.

#### Advice and Cautions

Sanctuary staff are committed to providing a safe environment for bears and people and sanctuary regulations are strictly enforced. Weapons are allowed but not necessary. No bears or people have been injured since the permit system was initiated in 1973. All visitors must be self-sufficient as facilities are limited to a primitive campground with a cook cabin and an outhouse. Visits to the falls require a three mile hike, round trip. High quality warm clothing, rain-gear, and hip waders are essential, as the weather is frequently cool, wet, or windy. A good camera with a telephoto lens and lots of film are strongly recommended.

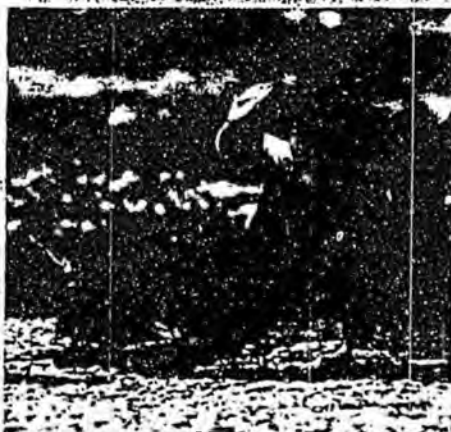


John Hyde

### Chilkat Bald Eagle Preserve /Haines Highway

#### Location and Access

The preserve, a unit of the state park system, is accessible from Mileposts 19-26, north of Haines. The only facilities available within the preserve are portable toilets, garbage containers, and highway turnouts. Visitors stay in nearby Haines, which is accessible by ferry from the south, by regularly-scheduled air taxi flights from Juneau, or by highway from the north. During fall and winter, commercial tours provide transportation and guides for view-



John Hyde

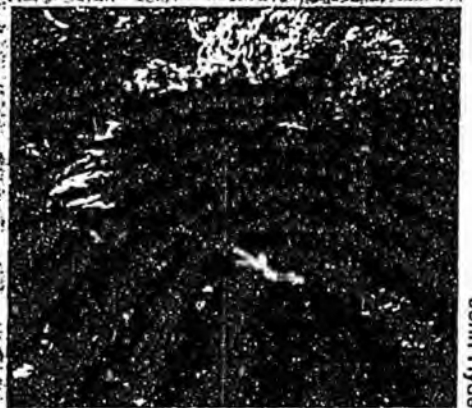
ing and photography expeditions to view the eagle concentrations, while "do-it-yourselfers" who arrive without a vehicle can combine a hotel/motel stay with car rental. During summer, natural history-oriented tours of the Chilkat Valley are provided by commercial tour operators based in Haines.

#### Viewing Opportunities and Season

The winter gathering of bald eagles on their "council grounds" to feed on salmon in the Chilkat River is the largest gathering of eagles in the world. Numbers of eagles begin building up in late September and peak as high as 3,500 in November. High numbers usually remain into January, unless cold weather freezes over the open channels sooner.

#### Habitat

A 48,000-acre preserve surrounds the unique stretch of the Chilkat River where upwellings of warm water below

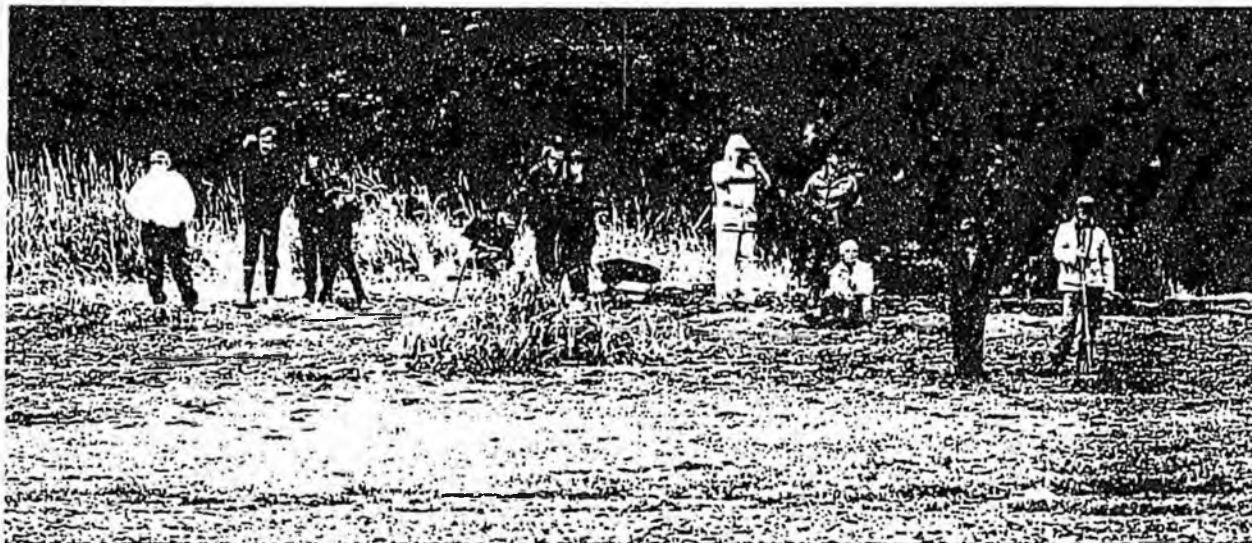


John Hyde

the massive Tsirku River alluvial fan persist late into winter. The late fall run of chum salmon attracts the large numbers of eagles because it is their sole abundant food source during late fall and early winter.

#### Advice and Cautions

Park only at turnouts along the Haines Highway. To reduce disturbance to the eagles, view and photograph them from a distance, using binoculars and telephoto lenses. Remember that the birds cannot afford unnecessary expenditures of energy during this stressful period.



John Hyde

## Stan Price State Wildlife Sanctuary/Pack Creek

### Location and Access

The refuge is located 28 miles south of Juneau on Admiralty Island. Access is by charter boat or air taxi from Juneau. Guided tours are available from commercial tour operators. Some visitors arrive by kayak, available for rental in Juneau, but the required open water crossing between Juneau and Admiralty Island can be difficult in bad weather. Primitive camping is allowed in designated areas.

### Viewing Opportunities and Seasons

Located on Pack Creek, the Stan Price State Wildlife Sanctuary is becoming increasingly popular for its opportunities to view and photograph brown bears in July and August. A small portion of the famed Admiralty Island "Fortress of the Bears," the Pack Creek area has been closed to bear hunting for many years and is jointly managed by the U.S. Forest Service and the Alaska Department of Fish and Game. The bears tolerate a certain amount of human presence and visitors can view and photograph bears fishing for salmon and interacting. Sows and sow-cub groups are the primary users. The salmon runs attract bald eagles and gulls as well.

### Habitat

Pack Creek is typical of many streams on the large islands of the Alexander Archipelago. It passes through the coastal spruce-hemlock forest and supports runs of pink and chum salmon which attract bears and other predators. A broad estuary and tidal flat at the stream's mouth is used frequently as a travel route and resting area by bears.

### Advice and Cautions

Brown bears can be extremely dangerous and unpredictable. Visitors must obtain a permit from the U.S. Forest Service in Juneau or the Regional Division of Wildlife Conservation office in Douglas. Permits are free and currently not limited to a specific number each day. An orientation to the area and rules to increase (but not guarantee) your safety in the area are provided upon arrival.



John Hyde

Top: Viewers look for brown bears at Stan Price State Wildlife Sanctuary. Left: In her younger days, this female was a nuisance to Pack Creek visitors. With better management systems now in place, she has gotten over her bad habit of looking to people for food.

Alaska's wildlands provide a rich variety of recreational and educational experiences found nowhere else in the world. This issue of *Alaska's Wildlife* focuses on wildlife watching opportunities in Alaska and their relationship to economics and conservation.

According to the National Survey of Fishing, Hunting, and Wildlife-Associated Recreation, more than 167 million Americans (about 75 percent) participated in hunting, fishing or wildlife watching during 1985. The survey also identified wildlife watching (including viewing, photography, and feeding) as the fastest growing segment of wildlife recreation, with 135 million participants age 16 years old or older accounting for \$14 billion in annual expenditures. The same survey estimated that 288,000 Alaskans participated in wildlife watching in 1985. Clearly, wildlife watching has become a significant and growing recreational pursuit in Alaska and across the nation.

Wildlife managers throughout the United States are being challenged by diverse and increasing demands for wildlife recreation while, concurrently, wildlife habitat is shrinking and becoming fragmented. Revenues to support management and conservation programs are also declining. In recognition of this dilemma and the burgeoning public interest in wildlife, state and federal wildlife agencies are embracing the national "Watchable Wildlife" initiative. The central focus of this initiative, which is endorsed by national conservation groups (including Defenders of Wildlife, Earth Walton League, National Audubon Society, and National Wildlife Federation), federal land management agencies, and the International Association of Fish and Wildlife Agencies, is to promote and expand wildlife recreation and education. This, in turn, is expected to broaden public support and funding for the conservation of all wildlife species and their habitats.

Like our counterparts in Colorado, Montana, Oregon, and Wyoming, the Division of Wildlife Conservation recognizes the opportunity the "Watchable

Wildlife" initiative represents for enhancing wildlife recreation and conservation in Alaska. This should not be interpreted as abandoning our traditional hunting constituency, nor decreasing our efforts to provide for sustained yield of game resources. Rather, we are acknowledging an expanding public interest in wildlife conservation and management and we will begin broadening our programs to reflect that change. All wildlife users (including hunters, wildlife watchers, and tour operators) must recognize that the conservation of wildlife habitat is the common ground they share in their pursuit of wildlife opportunities throughout this remarkable state.

We have the opportunity in Alaska for developing a wildlife recreation and conservation program that could stand as a model for the world. There are few areas on earth that capture people's enthusiasm for experiencing wildlife and wildlands more than Alaska. Tourism has become a billion dollar industry in Alaska and our spectacular wildlife resources are one of the state's primary attractions. A brief glance at Alaska travel brochures lends credence to this point. Where else can you walk on an ocean beach and watch mountain goats, brown bears, bald eagles, and humpback whales; or hike a tundra ridge and observe caribou, Dall sheep, snowy owls, muskoxen, wolves, and hundreds of thousands of migratory birds? In east Africa where wildlife viewing and photography have become a major industry, they say, "If wildlife pays, wildlife stays."

This issue of *Alaska's Wildlife* highlights some of the world's premiere viewing areas, explains how and when to find several of the most sought-after species, and how we manage for wildlife viewing. You will also learn more about the importance of wildlife to the tourism industry and its potential economic significance to the state.

Although Alaska has outstanding potential for wildlife watching, we are at an early stage in our development of these new programs. One of our new projects, in cooperation with other resource agen-



John V. Schoen

cies, will be a revision of the department's *Guide to Wildlife Viewing in Alaska* as part of a new national series. A key to successfully broadening the division's wildlife program will be finding new alternative funding sources. Currently, over 80 percent of our division budget comes from hunters through the sale of hunting licenses and excise taxes on firearms and ammunition.

Successful conservation of Alaska's unique wildlife heritage will require broad-based public support and interagency cooperation. We believe that expanding wildlife recreational and educational opportunities in Alaska will increase the public's enjoyment of their wildlife resources, promote long-term conservation, and benefit the Alaskan economy. We welcome your ideas and comments as we begin our new and exciting journey toward expanding wildlife management on the last frontier.

John Schoen in the senior staff biologist for Conservation and Education, Division of Wildlife Conservation, ADF&G, Fairbanks.

# W I L D L I F E W A

## A Growing Nation

Americans' love affair with the great outdoors traditionally has been expressed through sport fish and game activities. But more recently, the relationship has been marked by a growing national interest in wildlife viewing and appreciation. Wildlife viewers are becoming increasingly vocal on the need for more attention to all wildlife, including the 90 percent of all species that are neither hunted nor fished.

The 1980 U.S. Fish and Wildlife Service Survey of Fishing, Hunting, and Wildlife Associated Recreation showed that some 93 million Americans, age 16 years and older, participated in some form of wildlife viewing, feeding, or photography as a primary or secondary recreational activity. By 1985, the number had increased to nearly 135 million—a 43 percent increase. The 1986 report by the President's Commission on Americans Outdoors identified wildlife-associated recreation as one of the nation's most popular outdoor activities.

### Effects on Federal Agencies

Several federal agencies have responded to this trend by integrating wildlife viewing into all resource planning efforts and developing new recreation and conservation programs. The U.S. Forest Service's (USFS) "Eyes on Wildlife" program has resulted in enhancements like viewing platforms and blinds and interpretative information for viewers. The Forest Service has also entered into an agreement with Defenders of Wildlife to coordinate the publication of a state-by-state series of wildlife viewing guide books.

The U.S. Fish and Wildlife Service (USFWS) has joined the charge by playing a prominent role in seeking funding for the federal Fish and Wildlife Conservation Act (1980). The Act (also known as the Nongame Act) was intended to provide funding

to state fish and wildlife agencies to develop and implement comprehensive wildlife conservation plans to benefit species overlooked by traditional game management programs.

The Bureau of Land Management (BLM) has also embraced this trend with enthusiasm, developing a strategic plan to implement more recreation and conservation programs to benefit viewers. BLM also deserves much of the credit for coordinating a partnership of 14 national agencies and conservation groups in a Memorandum of Understanding (MOU) to support wildlife viewing nationwide. Implementation of this national MOU offers exciting opportunities for cooperation among a variety of groups, including the military, federal natural resource agencies, the International Association of Fish and Wildlife Agencies, Defenders of Wildlife, Izaak Walton League, and other conservation groups to develop recreation, education, and conservation programs to benefit viewers.

One product of this partnership has resulted in the Federal Highway Administration adopting a binocular symbol as the official roadside logo for wildlife viewing areas. This logo will aid travelers in finding designated viewing sites along the nation's highways and roads.

### Effects on State Agencies

In response to public concern, many state wildlife agencies began expanded efforts towards nongame species in the late 1970s and early 1980s. Funding for many of these programs was based on or enhanced by voluntary income tax donations. Although \$11-15 million has been generated by 34 states annually, most nongame programs have been underfunded and understaffed, constituting less than 3 percent of statewide wildlife management budgets. The voluntary nature of the



John Hyde

# Recreation

by Sara Vickerman and Wendy Hudson

donations and growing competition from other income tax check-offs have rendered them an unreliable source of revenue. In any case, estimates are that at least 30 times the annual amount is needed nationally to conduct viable nongame and watchable wildlife programs.

At the same time, hunting has shown a steady decline nationally. In California, for example, the Department of Fish and Game posted a budget deficit of nearly \$10 million in 1990 and anticipates a deficit of \$12.6 million in 1991. "With their budgets still tied to license sales," writes Tom Arrandale in *High Country News*, "most state agencies lack the funds they need to protect nongame species and counter habitat destruction." In the face of declining hunting-related and nongame checkoff revenues, state wildlife managers are beginning to court additional political and financial support from wildlife viewers, most of whom do not fish nor hunt.

Wyoming was one of the first states to recognize that visitors were spending phenomenal sums annually to visit the state to enjoy its wildlife. The Wyoming Game and Fish Department, in coordination with their state tourism agency, developed a trademarked name, "Wyoming's Wildlife - Worth the Watching," and a professional public relations campaign to increase wildlife viewing tourism. Oregon, Montana, Utah, and Idaho also are developing viewing programs, and have published statewide viewing guide books as part of the national series with Defenders of Wildlife. Along with the guide books, these states have formally designated viewing sites, installed signs with the binocular logo, and developed interpretive materials for viewers.

In many of these states, it is hoped that by obtaining the political and financial support of hunters and wildlife viewers, and by enlisting the aid of the tourism industry, state conservation efforts can be expanded.

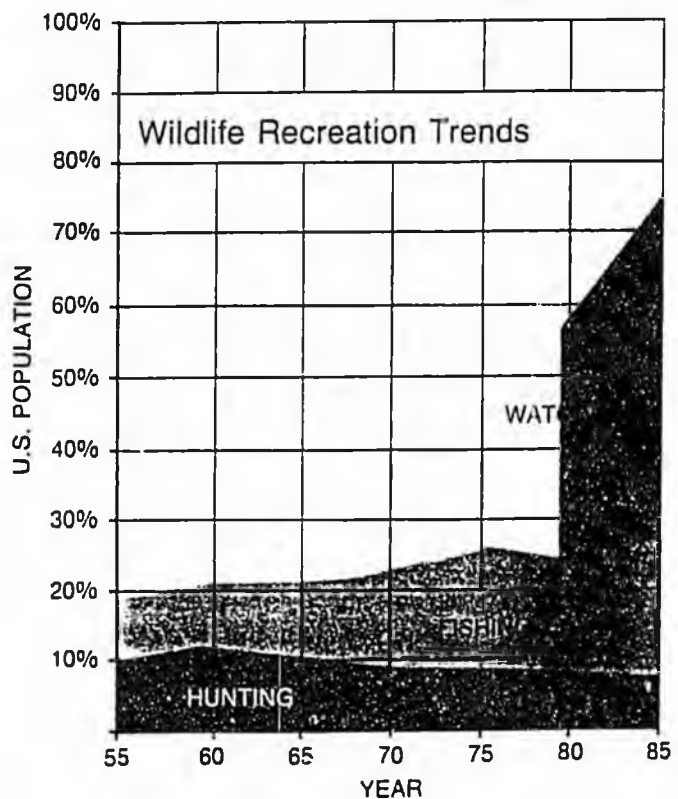
## The Winning Formula

The ultimate success of these efforts, however, depends on our collective ability to maintain, and in some cases restore, habitat to support a natural diversity of wildlife. Recently, the U.S. Fish and Wildlife Service released its Strategic Planning Document that has as its centerpiece the conservation of biological diversity. The President's Commission on Americans Outdoors recommended the protection and enhancement of recreation opportunities on federal lands and waters, including long-term emphasis on conservation of natural resources. The commission also encouraged educators to integrate environmental issues into basic education, and urged federal resource agencies to help children experience the nation's diverse ecosystems.

For natural resource agencies, achieving broad conservation goals means making fundamental changes in policies, structure, funding, and constituencies. It means breaking out of the mold, taking risks, communicating with unfamiliar people, and accommodating the ecological requirements of some little known and unappreciated creatures and the vegetation upon which they depend.

Alaska has a tremendous opportunity--perhaps the last in North America--to design and implement a world-class wildlife recreation and conservation program, and to prevent the endangered species crises we have seen with alarming frequency in many other states. Defenders of Wildlife applauds the Alaska Department of Fish and Game for its interest in and dedication to the conservation of wildlife diversity, and for sharing its magnificent lands and inhabitants with those of us who are lucky enough to visit once or twice in a lifetime.

*Sara Vickerman is Regional Program Director and Wendy Hudson is Communications Coordinator for the Defenders of Wildlife in Portland, Oregon.*



# How Much Is Wildlife Watching Worth?

by Daniel W. McCollum

**W**ildlife is a valuable resource. Most Alaskans already know that, but do they know just how valuable it is? According to a U.S. Fish and Wildlife Service survey, almost \$56 billion were spent on wildlife-associated recreation in the U.S. in 1985. Over \$14 billion of that was spent by wildlife watchers. Similar data show that \$44 million of economic activity in Montana was generated by wildlife watching trips. In an example I will come back to later, the State of Wyoming recognized that wildlife-related recreational activities in their state had an annual combined net economic value of \$102.3 million to residents and nonresident visitors, and that nonresident wildlife users accounted for a \$230.6 million annual impact on the Wyoming economy. That same kind of economic information can contribute to wildlife management and economic development in Alaska.

The concept of economic value is one we deal with every day. We go into the grocery store and compare prices. Is the national brand of peanut butter really worth 60 cents more than the store brand? Do we like walnuts in our chocolate chip cookies enough to pay \$4.00 for a pound of walnuts? Some of us do and some of us don't. The thought process that we go through in making those and other decisions, however, is exactly what economists try to capture when they attempt to measure economic value.

We are most familiar with placing values on goods and services that are sold in markets—peanut butter, walnuts, hockey tickets. But, are goods and services that are not sold in markets really any different? Don't we know our preferences for hunting and fishing, or wildlife watching, or wilderness camping as well as we know our preferences for walnuts or peanut butter? Most people do, but they are not used to thinking about market goods and nonmarket goods in the same terms.

Policy makers and resource managers are faced with a similar problem. Suppose a forest can be managed for timber or wildlife habitat, but not both. It is easy for a manager to determine the value of the land for timber production. Timber and other mineral resources are traded in organized markets. The benefits

of managing the forest for wildlife habitat are not so clear or so easily determined. They would include, but not be limited to, those gained by people hunting and watching the wildlife. That difficulty in obtaining information may result in alternative land uses (like wildlife habitat) being slighted when it comes to allocating resources. When that happens, managers are not making fully informed decisions and society's resources are not being allocated efficiently.

Economic value is distinct from economic impact. Economic impact measures market transactions related to a particular resource or activity and tracks those expenditures as they move through the economy. Economic value provides information on how much value individuals or groups place on certain resources or services. Gross economic value includes the market transactions tracked by an economic impact analysis. Net economic value (above and beyond all costs or market transactions) is what is typically used in policy analyses.

Over the last forty years economists have developed methods by which net values for nonmarket goods and services can be estimated. One approach, of which the 'travel cost' method is the most common example, is to use related goods and services, which do move through markets, to infer information about the demand for and value of nonmarket goods. "Travel cost" (essentially the cost of travelling to and from a recreation site) is used as a proxy for the price of a good called "recreational visits." Numbers of visits serve as proxies for quantity demanded or consumed. To illustrate, suppose the site considered is Denali National Park. It might cost \$50 for a trip to Denali if you live in Anchorage. It might cost \$150 if you live in Juneau. It might cost \$1500 for that trip if you live in Wichita, Kansas. One can observe how many trips are made to Denali from each of those places. Putting those pieces of information together allows estimation of a demand curve that can be used to estimate how much value visitors receive from a trip to Denali.

*(Continued on page 40.)*

## How Much is it Worth?

(Continued from page 4.)

The second approach, "contingent valuation," uses interviews and surveys to elicit information on how much benefit or value people receive from nonmarket goods or services directly. During the interview the subject is given a detailed description of the nonmarket good. He or she is then asked: "What is the most you would be willing to pay to acquire that good?" For example, a trip to Denali National Park might be described to a group of people. They would then be asked what they would be willing to pay for that trip. Their responses would be taken as direct revelations of how much they value a trip to Denali. While these descriptions of both methods are highly simplified, they should give a basic feel for how the methods work.

There have been many valuation studies done involving wildlife-related recreation. Almost all of them, however, have focused on consumptive uses of wildlife—primarily hunting and fishing. Very little work has been done on nonconsumptive uses of wildlife, like wildlife watching. Traditionally, wildlife management agencies have been funded largely from sources related to hunting and fishing—license fees, etc.; and those users have been active in their interaction with the agencies. Consequently, the values and preferences of consumptive users have been of interest to agencies and policy analysts. Along with that, consumptive users are a relatively easy population to identify and their high level of devotion to their sport typically makes them a cooperative group to study.

That pattern has been changing. The numbers of consumptive users appear to be decreasing over time, implying a shrinking of the funding base for wildlife management agencies. At the same time, wildlife watching was one of the fastest growing outdoor recreation activities of the 1980s, and that trend is expected to continue.

Nonconsumptive users of wildlife present some analytical complications, however. They are less readily identifiable and, therefore, more difficult to sample. Practically no valuation studies have been done on nonconsumptive wildlife use in Alaska (and only a few on hunting and fishing). If we move down to the lower 48 states, we can say a little more about the value of nonconsumptive wildlife activities, though still not much. A few scattered studies have been done on the economic value of wildlife watching: two on general wildlife watching (one in western national forests and one in Arizona), and one each on deer watching in California, bighorn sheep watching in Arizona, and whooping crane watching in Texas. The work being initiated by the Alaska Department of Fish and Game will be a major contribution to the state of the art in nonconsumptive wildlife valuation.

Economic information is beginning to be used by several states to develop and manage wildlife resources. One such state is Wyoming. Data from the 1985 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation (NSFHWAR)

show that, in 1985, Wyoming had 2,094,000 activity days of hunting and 3,946,000 activity days of nonconsumptive wildlife recreation, mainly watching or photographing wildlife, of which 510,000 and 2,029,000 respectively were by nonresidents of the state. Combining those data with estimates of net economic value for hunting (about \$30 per activity day) and wildlife watching (about \$10 per activity day) from studies specifically in the Rocky Mountain region shows that the well-being of residents and nonresidents were enhanced by \$66.7 million and \$35.6 million, respectively, by participating in wildlife-related activities. To add some perspective to those numbers, the value of the timber harvest in Wyoming in 1986 was around \$2.3 million.

Trip-related expenditures (excluding equipment purchases) actually made in Wyoming in 1985 averaged \$60.11 per day by nonresident hunters and \$41.72 per day by nonresident wildlife watchers and photographers. That implies a direct economic impact of \$115.3 million—wildlife-related activities brought \$115.3 million into the Wyoming economy in 1985. Multipliers for recreational activities in the contiguous U.S. typically average around 2—every recreation dollar that comes into the state generates a second dollar of economic activity within the state. That implies the total nonresident economic impact of wildlife-related activities in Wyoming was around \$230.6 million in 1985. Such impacts, fueled by nonresident expenditures, are a source of economic growth. The NSFHWAR data are only on "primary purpose" trips, i.e., they do not include people for whom wildlife was a secondary activity on their trip, so the economic impact is a conservative estimate.

Of that \$230.6 million of total nonresident economic impact, \$169.3 million (73 percent) was generated by wildlife watching. That kind of information, combined with the net economic value estimates for both residents and nonresidents, led Wyoming state officials to recognize nonconsumptive wildlife use as "one of the more feasible areas to target for expansion of Wyoming's recreation-tourism industry," according to a Wyoming Game and Fish Department report. One result was "Wyoming's Wildlife—Worth the Watching," a program to develop easily accessible opportunities for wildlife watching that will induce people driving through Wyoming to stop, view the wildlife, and spend more time (and money) in Wyoming.

All indications are that the wildlife resource in Alaska is a valuable one. Numbers can be put on that value to confirm what Alaskans already know, and to point out areas and ways that wildlife resources might be enhanced and developed to increase the well-being of Alaskans and promote economic growth.

*Dr. Daniel W. McCollum is an economist with the U.S. Forest Service at the Rocky Mountain Forest and Range Experiment Station in Fort Collins, Colorado.*

## WILDLIFE WATCHING IN ALASKA—WHAT'S IT WORTH?

by SuzAnne Miller

The image of Alaska as a wildlife haven has significant economic value which will only grow as wildlife continues to decline elsewhere. It is in Alaska's best interest to maintain and cultivate the resources upon which that image is based.

ADF&G's Division of Wildlife Conservation has initiated a research program to determine the economic value of Alaska's wildlife resources. It will allow the state to focus on wildlife as an economic resource which can be evaluated like other resources.

Research in the economic program is focusing on two areas: impact and value. A project has been started to estimate the impacts (the amount of money actually spent) of wildlife-dependent business activities on both the state and regional economies. This involves developing computer models which follow the flow of money generated by such businesses. This study will provide information on how much money comes in, where it comes from, who receives it, how much of it flows back out of the economies, and what jobs are created. This information will allow the state to examine the economic effects of different resource management decisions, to identify new business opportunities and to limit the flow of money outside the state. Alaska residents, nonresident visitors to Alaska, and Alaskan businesses will be surveyed to gather data on their respective expenditures.

Economic value data (how much a person values an experience, not how much they actually spend for it) will be collected through a series of site specific projects. For example, the Division of Wildlife Conservation cooperated with Yale University on an economic survey of wildlife watchers visiting the McNeil River State Game Sanctuary last summer. Results will be available later this year. Similarly, the division is cooperating with the University of Alaska Fairbanks to study the economic value of the Delta bison herd. Questions regarding economic value will be included on the surveys conducted for the impact study.

The difference between what a person actually spends for an experience (economic impact) and how much they would be willing to spend (economic value) is called consumer

surplus. Knowing the consumer surplus for specific wildlife dependent activities (watching, hunting, etc.) will enable the state to consider ways of capturing some of that surplus in the form of state revenues.

The trick is to devise methods of payment (hunting licenses, for example) and appropriate amounts which will not turn users away, but will bring their actual expenditures closer to their total values. The only way to achieve this is through knowledge of both their expenditures and their values.

With the help of the U.S. Fish and Wildlife Service's Federal Aid Program and with the U.S. Forest Service's Rocky Mountain Forest and Range Experiment Station, the Division gathered some of the nation's leading economists to develop a technically sound study plan. The results will be presented in a book entitled *Valuing Wildlife Resources in Alaska* to be published by Westview Press later this year. The book will establish the foundation for the division to proceed in applying economic principles to wildlife management issues.

Since wildlife and wilderness recreational opportunities are rural, they can be used to promote economic development and stability in remote areas where unemployment is high. Many wildlife-related business opportunities do not require large capital outlays, allowing entry by small operators.

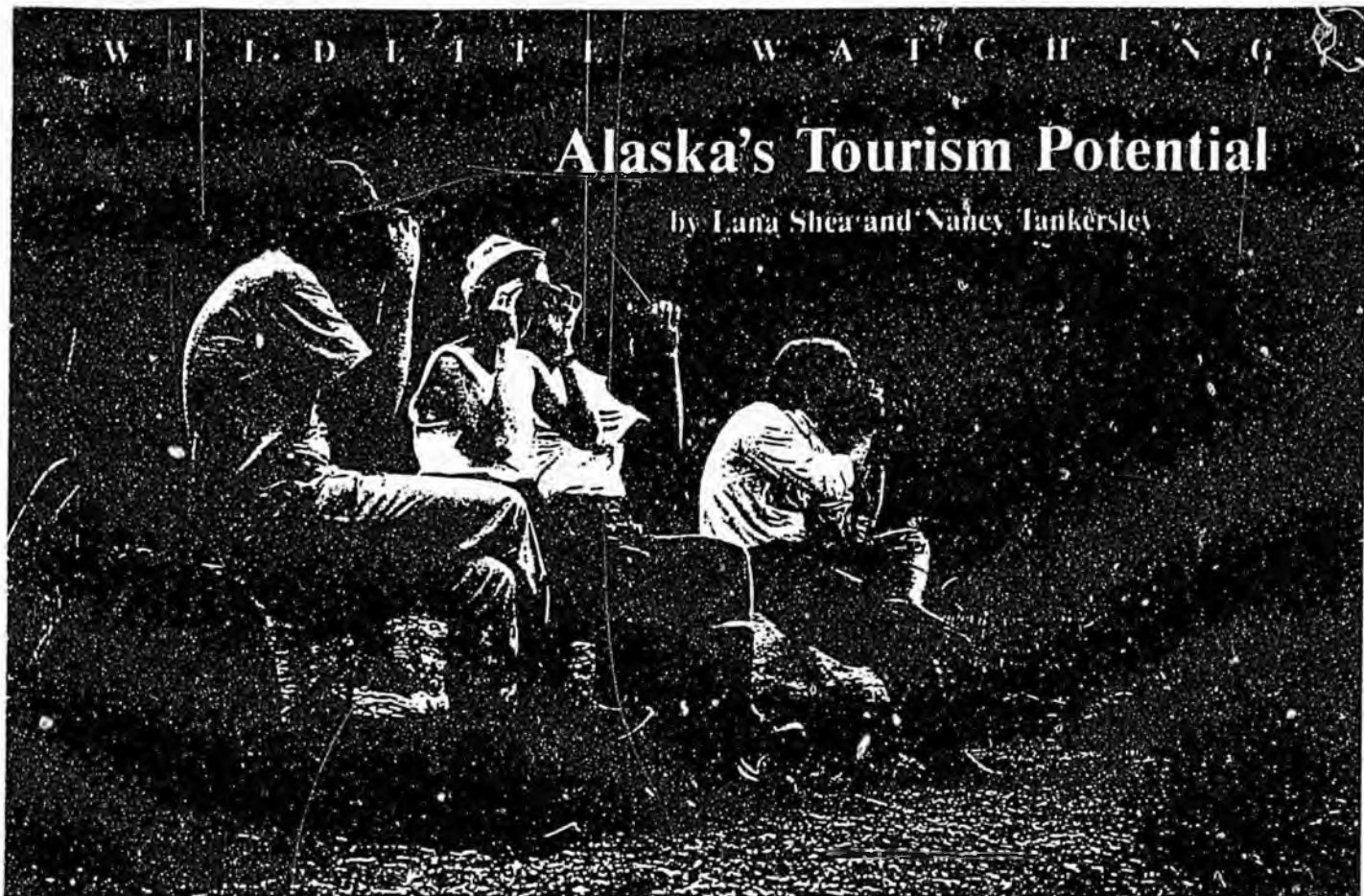
By studying potential visitor's preferences, the state can stimulate appropriate tourism to capture more money from visitors. Thus the state can identify new revenue sources from visitors without burdening Alaska residents.

Too often wildlife has been seen as an obstacle to economic development, rather than as an opportunity. Knowledge of the value of Alaska's wildlife will enable decision-makers to better select among resource management and development alternatives.

*SuzAnne Miller is a biometrician with the Division of Wildlife Conservation, ADF&G, Anchorage.*

## Alaska's Tourism Potential

by Lana Shear and Nancy Tankersley



John Hyde

Alaska has an abundance of wildlife that visitors hope to see including species that are uncommon or endangered elsewhere, such as the brown bear, wolf, caribou, moose, bald eagle, trumpeter swan, peregrine falcon, and common loon. Large concentrations of seabirds, waterfowl, shorebirds, whales, and sea lions provide unparalleled viewing spectacles. Western Alaska hosts many Asiatic birds that are found nowhere else in North America.

These wildlife resources are big visitor attractions. Images of wildlife and wildlife recreation have been used successfully by state tourism agencies to lure visitors to Alaska. Passengers in cruise ships along the Inside Passage have indicated that wilderness and wildlife were their principal interests. Bird watchers from around the world flock to western and southwestern Alaska to view Asiatic and Alaska birds. Opportunities for wildlife viewing are even being used to lure convention business.

In Alaska, visitor surveys in 1985 and 1989 showed that interest in wildlife viewing was growing. Wildlife viewing was the activity with the highest level of participation in every region (from 27 percent to 67 percent of visitors in 1989), with bird-watching second. In fact, more visitors participated in wildlife and bird watching than in sport fishing, hunting, hiking, flightseeing or city tours.

The number of visitors to Alaska in the summer of 1990 was approximately 585,000, with summer tourism growing at an

average of about 4 percent per year. U.S. Fish and Wildlife Service surveys indicate that wildlife viewing tourism more than doubled from 1980 to 1985. All indications are that participation is growing in North America, as well as overseas. This indicates that the potential markets for wildlife viewing tourism in Alaska are large.

Other states and Canadian provinces have recognized the value of wildlife-related tourism and are taking steps to capture more of this growing market. Alaska was identified as a prime competitor of British Columbia (B.C.) in capturing this market because of the similarity of wildlands, wildlife, and viewing opportunities. Although B.C. is more accessible to many U.S. states, Alaska was acknowledged as a more obvious destination. The B.C. report states, "If any region of North America captures imaginations, Alaska is it."

Although Alaska tourism is currently a billion dollar industry, relatively little attention has been paid to the potential worth of wildlife resources to Alaska's economy.

Limited information from southeast Alaska indicates that in 1989 there were more than 180,000 visitors who participated in wildlife viewing, and businesses that marketed wildlife viewing as an important component of their services had 146,000 clients. These clients spent \$43 million on charter boat, kayak, canoe, raft, hiking, and flightseeing trips and remote lodges. Another indication of the importance of wildlife viewing to

*(Continued on page 41.)*

## Alaska's Tourism Potential

(Continued from page 6.)

the southeast tourism industry is that almost half of the non-retail businesses actively market wildlife viewing, while a quarter of them believe they are dependent on wildlife viewers.

Other states and Canada already have decided to invest in promoting wildlife watching as a way to diversify their economies with a renewable resource. Wyoming's Department of Game and Fish has teamed up with the state Travel Commission to promote wildlife viewing, designate viewing sites, and develop interpretative displays. Wyoming expects to increase the economic value of wildlife viewing from \$680 million in 1986 to \$1 billion in 1991, with an investment of \$3.5 million.

British Columbia initiated a 5-year program to increase regional economic growth by dispersing visitors into the remote areas of the province and expanding the operating seasons of hotels, restaurants, and guide/outfitters. Through the development of 51 viewing sites and more aggressive marketing, B.C. expects to increase the outdoor adventure tourism sector by \$200 million over the next five years.

Alaska has a good start in providing outstanding wildlife viewing opportunities for residents and visitors. Highlights include Denali National Park, Glacier Bay National Park, McNeil River State Game Sanctuary, and Chilkat River Bald Eagle Preserve. State game refuges near Juneau, Fairbanks, and Anchorage are popular sites as well.

In a 1979 study, cruiseship passengers in southeast were disappointed in the wildlife viewing opportunities. However, expanded backcountry travel services in the 1980s greatly improved visitor satisfaction on cruises and elsewhere. In 1989, visitors to Alaska rated their satisfaction with wildlife and bird watching as good or very good.

More of these types of areas and related services and products must be developed and promoted if Alaska is to capture its share of the growing wildlife viewing market. Demand exceeds supply in many of the existing viewing areas. Less than 10 percent of applicants for McNeil River obtain a permit to visit. Denali National Park has closed most of its road system to private vehicles to reduce crowding, and the campgrounds usually are filled to capacity throughout the summer. Even in remote settings, crowding has been documented as a problem for tour operators.

Tourism opportunities can be promoted in undeveloped areas as well as designated sites. Examples of wildlife viewing services, products and facilities that would benefit state, regional and local economies are:

1. More guided wildlife viewing trips out of towns served by state ferries, cruise ships, regular air carriers, roads, or the railroad. Local economies could be boosted by direct income to tour operators, as well as additional lodging, meals and related services. Trips should be offered in a variety of lengths and styles to accommodate various visitor preferences.

2. More wildlife viewing services in remote areas. This is an opportunity for some hunting guides and outfitters during their off-season. A tourism marketing study in Alberta in 1990 noted that the markets for wildlife viewing and hunting overlap considerably, since 90 percent of hunters are also viewers and many have families that are interested in viewing as well. The study said that guides and outfitters have good potential for providing more viewing opportunities, but may need some assistance with upgrading and marketing these services. This may be pertinent to Alaska as well.

3. Development and distribution of wildlife viewing guidebooks for local areas which may encourage visitors to spend more time (or a night) in the town. These guides could encourage an independent traveler to go on a self-guided tour along the road or trail systems or from a rented kayak, raft, canoe, sailboat or motorboat.

4. Marketing wildlife viewing opportunities in the spring, fall and winter to promote off-season travel. For example, use winter wildlife viewing opportunities in ski promotions.

5. Increased information about wildlife viewing opportunities with displays and brochures on the state ferries, railroad, airports, and other public buildings.

6. Construction of highway pullouts, trails, boardwalks and other facilities with interpretative information and good vantage points for wildlife viewing.

If Alaska is interested in sustaining growth of wildlife viewing tourism, cooperation among landowners, managers, and the private sector is critical. Protection and management of wildlife and the environment are the cornerstones of sustainability. Conflicting land uses also must be considered when developing viewing sites. Management of people is also important, such as adherence of tour operators and viewers to ethical and safe viewing practices.

In order to develop more sustainable and high quality wildlife viewing opportunities, and to increase visitor satisfaction, some recommendations from Canadian studies are pertinent, including increased research, marketing, and development of new services and facilities.

The growth of wildlife viewing tourism has exciting implications for Alaska. Wildlife is a resource that Alaskans can promote and develop into educational and unforgettable experiences for the growing legions of wildlife viewers. We look forward to partnerships between the public and private sectors to promote growth of Alaska's economy and wildlife conservation.

*Lana Shea is a biologist with ADF&G's Division of Habitat in Juneau.*

*Nancy Tankersley is a biologist with ADF&G's Division of Wildlife Conservation in Anchorage.*

FISCAL NOTE

No. 1  
 Bill Version: CSHB 446 (RES)  
 (H) Publish Date: 2-28-92

STATE OF ALASKA  
 1992 LEGISLATIVE SESSION

Revision Date: 2/25/92  
 Title: An Act relating to the wildlife conservation tag and sanctuary entry  
 Sponsor: Representative Ulmer  
 Requestor: House Resources

Department Affected: Fish and Game  
 BRU: Wildlife Conservation  
 Component: Wildlife Conservation  
 COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	4.5	3.5	3.5	3.5	3.5	3.5
TRAVEL						
CONTRACTUAL	5.9	5.9	5.6	5.9	6.2	6.4
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	10.4	9.4	8.1	9.4	9.7	9.9

CAPITAL						
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REVENUE FUND SOURCE: 1004	37.0	45.0	50.0	55.0	60.0	65.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	10.4	9.4	8.1	9.4	9.7	9.9
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	10.4	9.4	8.1	9.4	9.7	9.9

POSITIONS:

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

Estimate of current year impact: No FY92 impact.

ANALYSIS: (Attach a separate page if necessary.)

See attached page.

Prepared By: Diana Ground Phone: 465-4190  
 Division: Division of Wildlife Conservation Date: 2/25/92  
 Approved by Commissioner: *Steve Amurville*  
 Agency: Department of Fish and Game Date: 2/25/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. OSC., & Impacted Agency(ies)

FISCAL ANALYSIS of CSHB 446(res)

The bill analysis is based on the following assumptions:

1. the fee for the wildlife conservation tag is \$10.00.
2. voluntary sales will start at 500/annum; double in the second year; and increase by 20 percent annually through FY98.
3. sales of tags to visitors at Round Island (Walrus Islands State Game Sanctuary) will remain constant at 200/annum; at Pack Creek at 1000/annum; and applicants for McNeil Sanctuary viewing permits will increase from 2000 to 3500/annum through FY98.
4. half of all tags sold will be by license vendors with the other half sold by state agency offices.

No new positions will be required for this program. In the first year (FY93) approximately 2 man-months of an existing Wildlife Biologist position will be needed to establish the program; thereafter 1.5 man-months will be needed to continue the program. In addition, .5 man-months of a Data Processing Clerk I position will be necessary to handle application requests, fill orders from vendors, etc. Other operating costs will be for printing of the tags, distribution to vendors, promotional materials.

Revenue to fund this program would consist of program receipts.

HB

448

**DEPARTMENT OF REVENUE**

STATE OFFICE BUILDING  
P O BOX SA  
JUNEAU, ALASKA 99811-0400

March 5, 1991

The Honorable Mike Navarre  
Co-Chairman, House Finance Committee  
Alaska State Legislature  
Capital Room 515  
P.O. Box V  
Juneau, Alaska 99811

The Honorable Gail Phillips  
House Finance Committee  
Alaska State Legislature  
Court Room 605  
P.O. Box V  
Juneau, Alaska 99811

Re: Fisheries Taxes

Dear Representative Navarre and Representative Phillips:

The Division of Income and Excise Audit was requested last session to audit fisheries businesses in the Cook Inlet region and to report our findings to the House Finance Committee. We have now concluded those audits and are forwarding the findings to the Committee. The audit findings are reflected in Appendix A. A number of the adjustments resulting from the audits have been protested and are pending before the Department.

The delivery fee or tendering fee issue is the most disputed audit finding. Delivery or tendering fees are customary in the industry and are paid by processors to fishermen or third parties for moving the product from the fishing vessel or beachsite to the facilities of the processor. The position of some processors is that these fees are a transportation cost rather than a part of the value of the fisheries resources. The processors argue the value of the resource is based on the ex vessel price for purposes of computing the fisheries taxes. A Department hearing officer, in one administrative decision in 1984, indirectly ruled that value is based on the ex vessel price. The Division takes the position, however, that all amounts paid to fishermen to acquire fish are includable in value, and that position is reflected in the audits.

During the course of several recent audits we discovered the tendering fee issue is not confined to the Cook Inlet area. Furthermore the tendering fee issue itself has broader implications than might be apparent at first glance.

The Honorable Mike Navarre  
The Honorable Gail : lllps  
House Finance Committee  
March 5, 1991  
Page Two

Taxpayers are utilizing a "net back" approach to valuing fisheries resources. Typically, a processor will start with the sales price of the processed resource and back out various imputed costs in addition to tendering/delivery fees, such as spotting fees, finding fees, purchase management fees, unloading fees, and other costs. These costs, in addition to a processing fee are subtracted from the sales price of finished product to arrive at a value of the resource.

We find these arrangements to be common among cooperatives, where the fishermen own the processing facility. We also found this arrangement in other cases where, apparently due to scarcity of resource, the processor shares the processing profits with a consortium of fishermen to guarantee an adequate supply of resource for processing.

Taxpayers have argued that such net backs and adjustments are proper to arrive at an "ex vessel price" which they believe is the proper tax base for fisheries business tax.

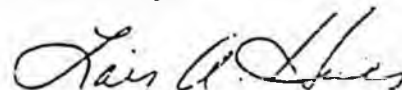
We believe the proper interpretation of the statute requires that all values and costs incurred prior to processing should be included in the taxable value. Since the fisheries business tax under AS 43.75 is placed on the processing activity, it seems logical that taxable value should include all costs incurred prior to processing. Stated another way, all costs incurred by the processor to procure resources for processing at the processor's facilities should be included in value.

This approach would also require that processors who own and operate tenders include the costs of operating the tenders in the taxable value.

Given the industry's view that the fisheries business tax is on ex vessel value, a clarifying amendment to AS 43.75 could be helpful to more clearly set out the all inclusive nature of the fisheries business tax base. The department intends to proceed to notice regulations in the near future that will reflect this interpretation.

The bonus or retro payment adjustment is based on additional payments for the resources to fishermen after the season. It appears these payments are clearly intended to be a part of the taxable value of the resources.

Sincerely,



Lois A. Hicks  
Acting Director  
Income and Excise Audit Division

LAH:CM

91-18

RESULTS OF AUDIT  
COOK INLET FISHERIES BUSINESSES

ADJUSTMENTS

*Deliver fees*

<u>Total Adjustments</u>	<u>3,253,307</u>	<u>1,260,930</u>	<u>554,875</u>	<u>65,729</u>
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TAX EFFECT					<u>TOTAL TAX</u>
<i>ASSESSMENT</i>					
Fisheries Tax	97,599	37,828	16,646	1,972	154,045
Salmon Enhancement Tax	65,066	25,219	11,098	1,315	102,698
AK Seafood Marketing	<u>9,760</u>	<u>3,783</u>	<u>1,665</u>	<u>197</u>	<u>15,405</u>
Total Tax Assessed	<u>172,425</u>	<u>66,830</u>	<u>29,409</u>	<u>3,484</u>	<u>272,148</u>

MORE THAN ONE YEARS - '87 '88 '89

FISCAL NOTE

No. 1

Bill Version: CSHB 448 (RES)

(H) Publish Date: 3-13-92

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

Revision Date: March 5, 1992  
Title: Amending the definition of 'value'  
.... fisheries taxes  
Sponsor: G. Phillips  
Requestor: HS RESOURCES

Department Affected: Department of Revenue  
BRU: Revenue Operations  
Component: Income and Excise Audit

COMPONENT SERIAL NO. | 1 | 1 | 3 |

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LANDS & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	10.0	550.0	550.0	550.0	550.0	550.0
FUND SOURCE						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: \_\_\_\_\_

ANALYSIS:

This bill clarifies the definition of taxable value for fisheries business tax, salmon enhancement taxes and seafood marketing assessment. This bill will not take effect until January 1, 1993. Revenues in FY93 will not be substantial because most 1993 returns are not due until FY94.

Prepared By: Paul E. Dick *PE* LEM 3-5-92 Phone: \_\_\_\_\_  
Division: Income and Excise Audit Date: March 5, 1992

Approved by Commissioner: Darrel J. Rexwinkel *DJR* Date: March 5, 1992  
Agency: Department of Revenue

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

# Prince William Sound Aquaculture Corporation



P.O. Box 1110 Cordova, Alaska 99574-1110 Phone (907) 424-7511 FAX (907) 424-7514  
821 N St. #101B Anchorage, Alaska 99501-3155 Phone (907) 274-6066 FAX (907) 274-1959

February 14, 1992

Alaska State Legislature  
P.O. Box V  
Juneau, Alaska 99811

Members of the Legislature:

Prince William Sound Aquaculture Corporation (PWSAC) is pleased to support House Bill No. 448, which amends the definition of "value" in AS 43.75.290(11), for purposes of administration of fisheries taxes, and provides for an effective date.

Representative Gail Phillips has introduced HB448 to facilitate the collection of fisheries taxes in a fair and timely manner. With fisheries practices changing rapidly in all parts of the state, the language of the statute needs to be brought up to date to ensure that the original legislative intent will continue to be carried out.

We encourage your active support of Representative Phillips' House Bill No. 448.

Best regards,

A handwritten signature in black ink, appearing to read "John McMullen".

John McMullen  
President



FEB 10 1992

COOK INLET  
AQUACULTURE ASSOCIATION

HC 2, BOX 849  
SOLDOTNA, AK 99569-9707  
(907) 283-5761

February 5, 1992

Rep. Gail Phillips  
House of Representatives  
P.O. Box V  
Juneau, Alaska 99811

Dear Rep. Phillips and other members of the Alaska Legislature:

I have reviewed "An Act amending the definition of 'value' for purposes of administration of fisheries taxes" and support passage. The bill addresses a growing problem with revenue implications for Regional Aquaculture Associations and several levels of government.

Department of Revenue interprets the existing definition of "value" to mean any type of compensation a buyer gives to a fisherman as part of a fish sale transaction. As you know, the problem under existing law is that some processors and certain fishermen dispute this interpretation and seek to avoid proper taxation.

People seeking to avoid raw fish and salmon enhancement taxes argue that "value" is only what is paid fishermen for the fish; "bonus" amounts paid for icing, using RSW systems, delivery, prompt delivery, exclusivity (selling all fish to a single buyer), loyalty (selling to the same processor over several years) and others, do not count as "value" for tax purposes.

People seeking to avoid tax simply establish a low price for the fish and dream up a series of "bonuses" which can comprise as much as 50% of the amount paid to fishermen. This bill, by expanding the list of examples of things which are to be included as "value" makes clear that the original Department of Revenue interpretation is correct.

I am greatly interested in the progress of this bill and am available to answer questions or provide additional information.

Sincerely,

Thomas E. Mears,  
Executive Director

cc: Senator Fischer  
Representative Navarre

STATE COMMITTEE REPORT

DATE: 4/10/92

FURTHER: Finance

*(Handwritten circle around 'Finance' with a dollar sign symbol)*

DATE TURNED INTO OFFICE: 5-1-92

Resources Committee considered CS FOR HOUSE BILL NO. 448 (RESOURCES)

"An Act amending the definition of 'value' for purposes of administration of fisheries taxes; and providing for an effective date."

*of rpts it back as plus*

and recommends:

- replace with \_\_\_\_\_ CS \_\_\_\_\_ ( )
- or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_ ( )
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

- do pass
- do not pass
- no recommendation
- individual recommendations

*PFM*

NEW FISCAL NOTES: Dept/Date

zero fiscal notes \_\_\_\_\_

fiscal notes \_\_\_\_\_

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes \_\_\_\_\_

fiscal notes *(H) Rev* \_\_\_\_\_

DO PASS:

*(Signature)*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS:

*See vote no rec*  
*(Signature) No Rec -*  
*(Signature) NO REC*

*(Signature)*  
Chair Signature and Recommendation



# Alaska State Legislature

HOUSE OF REPRESENTATIVES

REPRESENTATIVE GAIL PHILLIPS

STATE CAPITOL  
JUNEAU, ALASKA  
99801-1182

Official Business

PHONE: (907) 465-2689

FAX: (907) 465-3472

## COMMITTEE SUBSTITUTE FOR HOUSE BILL 448 (RES)

### Sponsor Statement

The Resource Committee Substitute for House Bill 448 is titled "An Act amending the definition of 'value' for purposes of administration of fisheries taxes, and providing for an effective date." I introduced the original version of this bill to clarify the amounts to be covered by fisheries taxes because, in the past, processors and fishermen have disputed the definition of value in an attempt to avoid paying the full amount of taxes due.

One argument used by those attempting to avoid paying the full tax due is that "bonuses" are not part of the actual amount paid fishermen for the fish. This interpretation leaves an opening for processors to pay lower prices for the fish, and make up for this lower amount to the fishermen by giving bonuses for services such as delivery or handling. HB 448 makes the point about whether bonuses are covered completely indisputable.

In addition, this bill sets out more specifically those services provided by the fishermen that are to be taxed. Previous language in the statute used the term "such as" and left the services to be covered up to differing interpretations. The change proposed by my original bill as well as the Resource Committee Substitute tightens up this language, again to leave no doubt as to which services are to be covered by fisheries taxes.

If passed, CS HB 448 will go into effect on January 1, 1993.

In addition, I would like to mention that CS HB 448 is supported by several levels of government and by several aquaculture associations as well. We will be hearing from a few of these associations by teleconference today.

HB

490

SENATE COMMITTEE REPO.

DATE: 4/21/92

FURTHER: Judiciary

DATE TURNED INTO OFFICE: May 6, 1992

Resources Committee considered

CS FOR HOUSE BILL NO. 490 (RESOURCES)

"An Act prohibiting the sale or purchase of parts of bears and prohibiting the possession of more than one bear gall bladder."

and recommends:

- replace with S CS CS HB 490 (RES)
- or  adopt previous CS ( )
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

**NEW FISCAL NOTES:** Dept/Date

zero fiscal notes \_\_\_\_\_

fiscal notes \_\_\_\_\_

appropriation--no fiscal note

**PREVIOUS FISCAL NOTES:** Dept/Date

zero fiscal notes AD File 4/16/92

Dept of Law 4/16/92

fiscal notes \_\_\_\_\_

**DO PASS:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**OTHER RECOMMENDATIONS:**

\_\_\_\_\_

\_\_\_\_\_ No Rec

\_\_\_\_\_

[Signature]  
Chair, Signature and Recommendation

Heinrich Springer  
Box 232114  
Anchorage, Ak. 99523

30/April/92

To  
Senate Resources Committee  
Alaska State Legislature  
Juneau, Ak.

Subject: CS HB 490 (Resources)

"An Act prohibiting the sale or purchase of parts of bears and prohibiting the possession of more than one bear gall bladder."

It is my understanding that the referenced bill has been referred to this committee for further consideration. Please enter my following remarks in the record and please consider them for amendment/change of some of the provisions of this bill.

I support the concept and aim of this bill; I agree that any commercial exploitation of our game resources has to be stopped.

Section 1 (e) is ok

Section 1 (f): I have some problems with the provisions: it seems unreasonable to me not to allow usage of any part of a bear that has been legally taken in accordance with the State's game regulations. I personally use the meat and various parts besides the skin and skull which is required by State law.

I think it should be changed to allow possession of bladders or other parts from bears which have been legally taken in accordance with the bag limit as established by the ADFG. Reference should be the bag limits established and not a fixed number, because they get changed from year to year for various geographic areas in the State.

If tighter control is desirable, bladders could be sealed by ADFG, just as bear skulls and hides have to be sealed now. It would not be an additional burden to the State if it is done at the same time.

I have discussed this with the primary sponsor, Representative Ben Grussendorf, and I don't think there is any philosophical disagreement. I appreciate your favorable action.

Sincerely,

*Heinrich Springer*

CC Ben Grussendorf

Post-It™ brand fax transmittal memo 7671		# of pages
To	Senator L. Jones	From Henry Springer
Co.	Senate Resources	Co.
Dept.		Phone # 346-2121
Fax #	465-3922	Fax #

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

FISCAL NOTE

No. 2

Version: CSHB 490 (RES)

(H) Publish Date: 4-10-92

Revision Date: 4/1/92 Department Affected: Fish and Game

Title: Prohibiting sale of bear parts and BRU: Wildlife Conservation

possession of more than one bear gall bladder Component: Wildlife Conservation

Sponsor: Representative Grussendorf

Requestor: House Resources  
Expenditures/Revenues: (Thousands of Dollars)

COMPONENT SERIAL NO. 

	4	7	3
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OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars) \*

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

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

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Geron Bruce G.B. Phone: 465-4100

Division: Commissioner's Office Date: 4/4/92

Approved by Commissioner: [Signature]

Agency: Department of Fish and Game Date: 4/6/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, CMB/DBR, Gov. Legis. OSC., & Impacted Agency(ies).

## CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 490 (ITT)

The Special Committee on International Trade and Tourism substitute for HB 490 amends AS 16.05.920 by adding a new section that would prohibit the sale or purchase of parts of bears. A person who violates this prohibition would be guilty of a class C felony. Although the current version of the bill abandons the concept of prohibiting the import or export of animal parts contained in the original bill, which we felt might have constitutional problems, we recommend that the committee substitute be further revised to clarify and strengthen some of the bill's provisions in accordance with state criminal law standards. Department of Law attorneys are already working with committee staff to draft the needed revisions. We do not believe that this bill will have a fiscal impact for our department, because it seeks to clarify the state's existing authority to exercise authority over the sale of game parts.

**COMMITTEE COPY**

FISCAL NOTE

No. 3

Bill Version: CSHB 490 (RES)

(H) Publish Date: 4-10-92

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
Title: "An Act prohibiting the sale or purchase of parts of bears."  
Sponsor: Representative Grussendorf  
Requestor: International Trade and Tourism

Department Affected: Department of Law  
BRU: Prosecution, Legal Services  
Component: Prosecution - All Legal Services - Operations  
COMPONENT SERIAL 

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Expenditures/Revenues: (Thousands of Dollars)

85 through 91, and 93

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

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

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

Please see the attached analysis.

Prepared by: Richard I. Peques, Director Phone: 465-3672  
 Division: Administrative Services Date: March 16, 1992  
 Approved by Commissioner: Charles E. Cole, Attorney General  
 Agency: Department of Law Date: March 16, 1992

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

## CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSHB 490 (ITT)

The Special Committee on International Trade and Tourism substitute for HB 490 amends AS 16.05.920 by adding a new section that would prohibit the sale or purchase of parts of bears. A person who violates this prohibition would be guilty of a class C felony. Although the current version of the bill abandons the concept of prohibiting the import or export of animal parts contained in the original bill, which we felt might have constitutional problems, we recommend that the committee substitute be further revised to clarify and strengthen some of the bill's provisions in accordance with state criminal law standards. Department of Law attorneys are already working with committee staff to draft the needed revisions. We do not believe that this bill will have a fiscal impact for our department, because it seeks to clarify the state's existing authority to exercise authority over the sale of game parts.

**COMMITTEE COPY**

REPRESENTATIVE  
BEN GRUSSENDORF  
1221 HALIBUT POINT ROAD  
SITKA, ALASKA 99838  
(907) 747-8468

RULES COMMITTEE  
LEGISLATIVE COUNCIL

DISTRICT 3  
ELFIN COVE  
PELICAN  
PORT ALEXANDER  
SITKA  
TENAKEE

# Alaska State Legislature



WHILE IN JUNEAU  
P.O. Box V  
JUNEAU, ALASKA 99811  
(907) 485-3824  
(907) 485-3720

House of Representatives  
SPEAKER OF THE HOUSE

## MEMORANDUM

To: Sen. Lloyd Jones  
Chairman  
Senate Resources Committee

From: Rep. Ben Grussendorf

Date: April 22, 1992

Re: House Bill 490 (Resources)  
"An Act prohibiting the sale or purchase of parts of bears and prohibiting the possession of more than one bear gallbladder."

This is to request a Senate Resources Committee hearing of the above referenced bill, of which I am the prime sponsor. I introduced the bill in response to a growing problem: the illegal traffic in bear parts -- particularly bear paws and gallbladders. The traffic in these parts is big business: in some parts of Asia and the Far East, a good quality bear gallbladder can sell for as much as \$4600 per ounce, bear paw soup for \$100 or more per bowl. I have attached to this memo some recent articles that illustrate the lucrative nature of this activity and the problems it is causing.

Although it has been illegal to sell, purchase or barter bear parts in Alaska since 1985, the prohibition has been by Board of Game regulation, the violation of which is only a misdemeanor. Because the profit potential for this type of activity is so high, I believe that offenders are willing to take the risk of a misdemeanor charge as a "cost of doing business." House Bill 490 (Resources) makes it a class C felony to traffic in bear parts; the penalty is up to five years in jail and a fine of up to \$100,000. The bill also makes it a class A misdemeanor to knowingly possess more than one bear gallbladder.

The Resources Committee version of the bill was drafted after discussions with the Departments of Law, Public Safety, and Fish & Game, all of which support the legislation.

Thank you for your consideration of this request.

**BILL NO:** CSHB 490(RES)

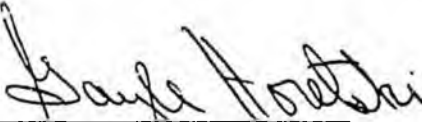
**DATE:** April 15, 1992

**TITLE:** An Act prohibiting the sale or purchase of parts of bears and prohibiting the possession of more than one bear gallbladder.

**CONTACT:** Gayle A. Horetski  
Deputy Commissioner  
465-4322

CSHB 490(RES) would make it a Class C felony offense for a person to knowingly sell, purchase, offer to sell, or possess for sale the meat, hide, claws, or other parts of a black or brown bear. While it is against the law to sell bear parts in Alaska now (see 5 AAC 92.200(b)(2)), it is only a misdemeanor offense. The bill would also make it a Class A misdemeanor crime to knowingly possess more than one bear gallbladder.

Some Asian cultures prize bear gallbladders for their reputed medicinal or aphrodisiac properties, and bear gallbladders can be sold for hundreds of dollars each. Because of its geographical location and ties with the Pacific Rim, Alaska could become a crossroad for traffic in wild animal parts. This bill would help to safeguard Alaska's bear population from illegal hunting fueled by the demand for bear parts in foreign countries. The Department of Public Safety supports CSHB 490(RES).

  
for Richard D. Burton  
Commissioner

4

## DEPARTMENT OF FISH AND GAME

## POSITION PAPER

Bill Number: CSHB 490

Sponsor: Representative Grussendorf

Bill Title: "An act prohibiting the sale or purchase of parts of bears and prohibiting the possession of more than one bear gall bladder."

Department Position: The department supports this legislation.

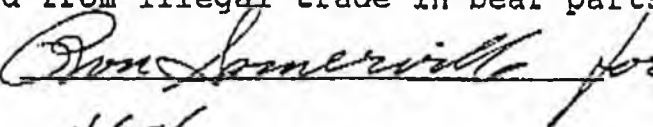
Legislative Intent: The purpose of this bill is twofold: to increase the penalties for the unlawful sale of bear parts, and to specifically prohibit the purchase or sale of bear parts by statute.

Effects of Legislation on Department Programs: This legislation would have no effect on the activities of the department, as the sale or purchase of bear parts is already prohibited. It would preempt the Board of Game's current statutory discretion to allow the sale or purchase of bear parts. Presently, such activity is prohibited, unless the Board of Game were to specifically authorize such activity by regulation. To date, the Board of Game has not authorized any sale of bear parts.

This bill prohibits possession of more than one gall bladder of a bear. Regulations presently allow harvest of up to seven bears in a calendar year. Some Alaskan hunters salvage gall bladders for personal use--as medicine or for use as a tonic. This bill would force hunters to "waste" legally harvested gall bladders and to leave them in the field when a bear is taken.

The increase in fines would bring the penalties in line with the potential profit to be had from illegal trade in bear parts.

Commissioner's Signature



Date

4/8/92

Ketchikan Daily News  
March 19, 1992

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## In brief

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### Poached bears reported

Fish and Wildlife Trooper Jim Pagel has been investigating the killing of five black bears that were shot and wasted at the head of Carroll Inlet. The bears were killed sometime in late September 1991. The poacher took very little from the animals, according to a press release from the Alaska State Troopers. The bears' bodies were found and reported by a hunter, Pagel said.

Pagel estimated that the bears were dead for four days when they were discovered. The bears' coats were in prime shape, Pagel said. One of them was a large, trophy size bear, he said.

The five bears were shot by a poacher using a high powered rifle, the release said. Pagel said the poacher used a small skiff or canoe to get up the river at the head of the inlet.

The Alaska Fish and Wildlife Saffeguard Program is offering a reward of up to \$1,000 for information that leads to the arrest of whoever is responsible for killing the bears.

Pagel declined to specify for the record what was taken from the bears so as not to compromise the investigation.

to the visiting Soviets.

the Fairbanks campus.

9-24-91

## Officers seize 173 bear bladders worth \$175,000

The Associated Press

Bear gall bladders valued up to \$175,000 have been seized at Anchorage International Airport by Fish and Wildlife Protection officers.

The 173 gall bladders were being shipped to Anchorage by a Canadian animal parts dealer, the state Department of Public Safety said in a release. They were seized at the airport Sunday.

The shipment was addressed to Charles Choi, 37, and Bong Kim, 45.

both of Anchorage. The department wouldn't say if the men had been arrested, but said that potential charges against the men include smuggling and violations of the Endangered Species Act.

An investigation is continuing by Fish and Wildlife Protection, the U.S. Customs Service and the U.S. Fish and Wildlife Service.

It is believed the bladders were from Canadian black bears and were to be shipped on to Asia. The public safety

department estimated that the street value of the parts in Asia could be as high as \$175,000.

Joe Campbell, a Fish and Wildlife Protection trooper, said Tuesday that the bladders and other animal parts are used in traditional Asian folk medicines to treat a variety of ailments, including heart disease, arthritis and blood disorders.

Campbell wouldn't say how Fish and Wildlife Protection learned of the shipment.

# Big bucks bait bear poachers

## Gallbladder demand greases black market

By JOE HUNT

TIMES WRITER

Poachers in the Lower 48 and black market entrepreneurs in Alaska are prospecting a potential gold mine in illegal animal parts, wildlife law enforcers said.

The unwanted gallbladder from brown and black bears, left to decay in the Alaska bush, is valuable in Asian countries for its medicinal properties.

"It's almost getting to the point where it's valued as much as cocaine," said Dave Perrington, U.S. Fish and Wildlife Service enforcement officer.

The highest quality gallbladders have been known to sell for as much as \$4,000 an ounce in Korea, roughly 13 times the going price for gold.

Gallbladders more commonly sell for \$200-\$1,000 each on the Asian market, according to wildlife protection officers specializing in the animal parts trade.

In addition, bear paw soup, served at the best restaurants in Seoul, is considered a rare cultural delicacy sold for \$100 or more a bowl.

It has been illegal to sell bear parts in Alaska since the mid-1980s. But the state's abundance of animals and wide-open, year-round hunting season creates an opportunity waiting to be exploited, they said.

"There are indications people are approaching hunters to keep the gallbladders (for sale or trade)," said Chuck Parker, special agent with the U.S. Fish and Wildlife Service.

"There's too much money to be made for people not to be dealing in this stuff. It's a big problem, but how big a problem we don't know," he said.

National Park Service rangers said they are aware of the potential in Alaska. "To our knowledge the problem in the parks is to a large degree theoretical," said ranger Steve Shackleton. "It's one of the nightmares we don't want to see occur up here."

Last month, a shipment of 173 black bear gallbladders from Canada, worth up to \$1,000 each on the Asian market, were seized at Anchorage International Airport. The package, from a dealer in

See Bears, page B5

# Bears

Continued from page B1

Quebec, was addressed to two Anchorage men. The case is under investigation and no charges have been filed.

Another Anchorage man, caught smuggling 58 grizzly and black bear gall bladders through the Yukon Territory, pleaded guilty in March 1990 to illegally exporting bear parts from Canada. Jay Ahn admitted to a Whitehorse court he planned to sell the gallbladders: to friends and Oriental grocery stores in Alaska, the prosecutor told the court. Ahn was fined \$6,000 and sentenced to one day in jail.

In both cases the gallbladders were legally obtained in Canadian provinces which allow the sale of animal parts. Violations occur when the gallbladders are transported without the proper permits, imported without notifying customs or possessed with intent to resell them in Alaska, enforcement officials say.

Demand far outweighs supply, creating a market so lucrative that an underground network has developed connecting bear hunting regions of the U.S. with the population centers of Korea.

Poachers supplying the black market were responsible for devastating the bear population of Great Smokey Mountains National Park in North Carolina before federal agents infiltrated the network and ended the raids on the park. Two-thirds of the park's 500 black bears were killed over three years, their paws and gallbladders removed.

Poaching for parts placed California black bears in such trouble that hunting was banned for several years. A crackdown resulted in tougher laws making it a felony to sell bear parts in California and one seizure of more than 70 gallbladders from a hunting guide. The black bear population there is slowly recovering.

Bill Cook helped lead the multi-agency force that cracked the black market ring responsible for killing two-thirds of the black bears in the Great Smokey Mountains National Park. The National Park Service investigator now teaches at the Federal Law Enforcement Training Center in Glynco, Ga., and has taught about the bear trade in Alaska.

"Yes. Absolutely. There's a potential for a large problem there," he said.

"I do know there are people out there — like in Glennallen — selling gallbladders and who have gallbladders drying on the side of their cabins," he said. "Oh yeah. It's happening up there."

Alaska has year-round legal hunting for black bear in many parts of the state and a high oriental population to support a market for the sale of gallbladders, he said. The bear parts do not have to be smuggled out.

The off-white gallbladder, used by the bear to create enzymes for digestion, resembles a baseball-sized balloon filled with water when fresh. Once it dries, it turns dark brown and shrinks to a teardrop shape the size of a fig. The bile inside hardens into molasses-colored crystals.

The bitter tasting gall is either cut into thin wafers to be eaten or ground into pepper-like granules to be sprinkled over food.



Times photo by DOUGLAS VAN REBETH

Chuck Parker, special agent with the U.S. Fish and Wildlife Service, displays a bear's dried gallbladder, which sells for \$4,600 an ounce in Korea — 13 times the going price for gold.

Its healing properties are widely believed in Korea and other Asian countries, said Choonga "Chuck" Kim, a leader in the Anchorage Korean community. The bear gallbladder has been an important medicine in Asia for thousands of years, he said.

The "Illustrated Natural Drugs Encyclopedia," published in Korea, says a bear gallbladder has many medicinal uses. It helps reduce fever from infectious diseases, aids digestion, soothes stomach aches, cures hepatitis, dysentery and jaundice, and should be used for people in a coma, though the book does not explain why.

Kim tasted bear gallbladder years ago when buying and selling animal parts was still legal in Alaska. He tried it out of curiosity mostly, he said. Dipping the wafers in sugar could not mask its taste. "It was awfully, awfully bitter. I could not tell what it did for me," he said.

Bear gallbladder is very rare in Korea, he said. Combine its rarity with its reputation as a powerful natural medicine and it is easy to see how it fetches top dollar. "It is valuable because they believe in it," he said.

Adult children often seek ga's

for their aging parents afflicted with a terminal illness, Kim said.

Bear gallbladders are still being used as medicine in Anchorage, Kim said. He said he does not know where they are coming from, but there are legitimate ways to get them in

Alaska. Gallbladder users can either go hunting for their own bear or they can ask hunter friends to save the organ for their use. There is no law against giving the gallbladder away.

A state law which encourages the waste of gallbladders when

there is a legitimate use for them does not make good sense to Kim. He said he would like to see the gallbladders made available as long as the bears were taken by legitimate means.

Oriental stores are no longer allowed to sell bear parts in any form. Pills and natural medicines produced in Asia containing minute amounts of animal parts are as illegal as selling the galls outright.

Jun Ro, a grocer at Seoul Oriental Food Store in Anchorage, said people occasionally ask for the medicines. It is usually requested by children wanting to buy it for their parents, he said.

Investigator Cook said his research of the Asian traditions has shown the gallbladder is prized for its powers to increase stamina. It is not an aphrodisiac as is often rumored, he said.

Western medicine has shown bear gallbladders to have some potential for dissolving gall stones in humans, he said. But Cook cautioned that it would be a mistake to mix western medicine with traditional Oriental beliefs.

"If I wanted to increase my stamina, in western medicinal thought I would take multiple vitamins," he said. "In eastern culture, I would ingest certain anatomical parts of animals that exhibited great stamina — like the black bear."

The high price of the black market trade gives the black bear the same potential for exploitation as the black rhino of

Africa, Cook said. Poachers seeking the rhino's prized horn for Oriental medicines have made it an endangered species.

Craig McClure inspects packages at Anchorage International Airport for the U.S. Fish and Wildlife Service to guard against illegal import and export of animals and their parts. He has confiscated bear gallbladders and medicines made with black rhino and sees the correlation.

"It's the same concern we have over black bears," he said. "What happens when the market gets so viable people start to shoot black bears just because they can get X number of dollars for the gallbladders."

Hunting guides in Alaska used to be solicited by Asian dealers before the sale of animal parts was banned. Joe Klutch, president of the Alaska Professional Hunters Association, said his assistant guides used to keep gallbladders as a way to make extra money during the guiding season. They could get between \$75 and \$300 for gallbladders, he said.

The remoteness of Alaska helps reduce the profitability of poaching. The most efficient way to acquire gallbladders would be through the guides, officials said.

All that has ended, Klutch said. "I haven't even heard anyone discuss it in the last two or three years. It's just nothing anybody in the industry would want to risk."

Nov. 1 Times 2-17-92

"We think this is very significant" forced to ship in signature gath- special recall election later.

would deplete fish and game pop- ulations critical to Native nutri-

concerns are represented in one of the other lawsuits.

# As bear population declines, trade in body parts expected to flourish

ASSOCIATED PRESS

PRINCE GEORGE, British Columbia — As the world's bear population declines, illegal traffic in the animals' parts will increase and become more lucrative, a provincial government official says.

"Every single bear in the world worth more dead than alive," Ivan Banci of the Environment Ministry said at the B.C. Trappers' Association's weekend con-

vention.

The Asian practice of using bear parts for medicine and gourmet food is centuries old, with some uses traced back more than 4,000 years, said Banci, acting fur-carnivore specialist with the ministry.

The five bear species in the 11 Asian countries with such traditions are all facing extinction because of overharvesting and

poaching, as well as environmental threats, she said.

"Asia is running out of bears," she said.

Bear cubs are sold in some Asian countries for \$1,600 to \$5,500. As cubs, they are pets. When they reach adulthood they are killed for their parts, Banci said.

Bear paws, a gourmet delicacy, bring almost \$600 a plate at ban-

quets in South Korea, she said. In Taiwan, a bear is killed in front of banquet guests to prove they are getting what they paid \$2,000 a plate for.

As many as 56 medicines are extracted from bears' gall, Banci said, which explains prices ranging close to \$3,000 for a bladder.

Although the chemical in bear gall has been available synthetically since 1955, she said, Japan's

medicines depend on natural products.

Those demanding the real thing are putting pressure on the world's bear population, estimated at about 1 million, Banci said.

Although the ministry knows poachers are shooting bears and removing only the high-priced parts, she said it is impossible for thinly spread conservation officers to patrol vast wilderness areas.

Prices effective March 18th thru March 31st, 1992

Europe



**BUDWEISER**  
12 pk. 12 oz. cans  
Regular, Light or Dry  
\$5.99



**MILLER**  
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High Life, Lite,  
Genuine Draft,



**COORS**  
12 pk bottles  
Regular or Light  
**\$2.25**

# Sale of black-bear gallbladders leads to murder

By BILL ORDINE

KNIGHT-RIDDER NEWSPAPERS

In a place where homicide is exceptionally common, the circumstances in the murder of Haeng Gu Lee in New York City were decidedly uncommon.

Lee was stabbed five times and his throat was slashed in his Brooklyn apartment in October. But it wasn't the manner in which Lee died that made his death unusual, but rather the suspected motive.

Police say the 39-year-old Korean businessman was probably killed for his large cache of black-bear gallbladders.

Some Asians prize bear gallbladders for their medicinal use and as a reputed aphrodisiac. As a result, the demand for bear gallbladders has recently driven the price for the organs to astronomical levels. Though the sale of edible game parts from animals taken in the wild is outlawed in Pennsylvania, the sale of animal organs is legal in New York and Lee had been a supplier in the local Korean community, as well as nationally, for years.

The several dozen bear gallbladders taken from Lee's apartment were worth \$400 to \$600 each on the domestic market, according to law enforcement estimates. Sold in a powdered form in pharmacies in Asia, they could be worth 30 times as much.

"This is obviously a unique and challenging case," said New York Detective Thomas Dades who is investigating the slaying. "We're dealing with a subject that's pretty foreign to us, but we do know that the use of bear gallbladders is surprisingly popular and there's a lot of money involved."

That some of Lee's inventory came from Pennsylvania black bears is a strong possibility. Pennsylvania has the second-largest bear population in the Northeast United States next to Maine, and the Poconos have become a favorite haunt for suppliers to New York City's Asian market.

In January, an 18-month investigation by the Pennsylvania Game Commission bore fruit as officers cited seven people, all of Asian extraction, for either illegally buying or possessing animal parts.

The commission's investigation of illegal trafficking in wildlife parts began in the fall of 1990 when potential buyers began frequenting the check stations

Some Asians prize bear gallbladders for their medicinal use and as a reputed aphrodisiac. As a result, the demand for bear gallbladders has recently driven the price for the organs to astronomical levels.

where hunters register the bears they have killed during the state's three-day hunting season.

Commission authorities chased the buyers from the check stations, but that did not deter the traffickers, who merely set up shop a mile or so down the road.

According to James Beard, an assistant director with the commission's bureau of law enforcement, the antics of the traffickers bordered on the comic.

"We have videotape of these people all wanting to have their picture taken with a dead bear, holding its head up or holding the paws. They all wanted a turn," Beard said. "They use the pictures as a selling point ... that the gallbladder they're selling comes from this particular bear."

In January, authorities filed charges against the seven people - including a man and woman from Elkins Park, Pa., - after searches of a motel-restaurant in Paradise Township, Pa., a grocery store near Stroudsburg, Pa., and two private homes yielded contraband including bear gallbladders.

The resulting citations were for summary offenses that carry fines and no jail terms. So far, two people have pleaded guilty and have been fined a total of \$20,838; four cases are pending, and a warrant has been issued for a New Jersey man who cannot be located.

Judy Mills, an investigator for the World Wildlife Fund, finds the penalties relatively meager and certainly not much of a deterrent. In her own 18-month inquiry into the illicit bear-parts market throughout Asia, Mills discovered that a bear gallbladder, freeze-dried and powdered, could be sold overseas for more than \$200 a gram. That works out to a yield of \$15,000 to \$25,000 for a single gallbladder.

"The populations of the Asian black and brown bears have been decimated," Mills said. "In Korea, the handful of bears left are a national monument,

and it is illegal to sell anything from an Asian bear. But those countries still permit the importation of North American bears. With prices like that, you can imagine the pressure that will be put on the bear population here."

The chemical produced by bear gallbladders is ursodeoxycholic acid (UDCA), and bear gallbladders have been used as a popular ingredient in Oriental medicine for 3,000 years to relieve human liver and gallbladder disorders. The Japanese have been able to synthesize UDCA, but traditionalists still crave the real thing.

To meet the demand for UDCA, the Chinese have begun to "farm" bears, keeping them penned in tight, restrictive cages and surgically inserting a tube directly into the animal's gallbladder to "milk" the valuable chemical.

So far, though, the most expedient way for Asian users to obtain bear gallbladders is to import them from North America, where three-quarters of the world's approximately one million bears still prowl.

Last week, bear experts from around the world met at a conference of the International Bear Association in Missoula, Mont. At the conference, Mills and her husband, Chris Servheen, a biologist, presented a paper detailing the findings of their investigations.

"Imagine this," Mills said. "There are about one million bears in the world, and there are one billion potential users of bear galls."

The IBA governing body went on to recommend to the Convention on International Trade and Endangered Species of Flora and Fauna (CITES), a conservation group that spawns treaties between governments, that it place the North American black bear on a list that would require origination documentation for imported bear parts. CITES meets this month in Kyoto, Japan.

Proponents of placing the North American black

bear in such a category say that it would help slow the killing of Asian bears - whose gallbladders are almost indistinguishable from those of their North American cousins - because merchants can easily pass off Asian bear gallbladders as those of North American bears. The listing, proponents say, would at least discourage poaching in this country.

Still, the recommendation is not universally embraced, even among conservationists. For instance, Pennsylvania Game Commission bear expert Gary Alt is skeptical that the special listing would help much.

Alt said he believed the listing "just adds a layer of bureaucracy and much more paperwork to the task of managing wildlife, and it may invite a lot of litigation because there is no evidence that the North American bear population has been reduced. I don't think this helps the animals or the people - unless you happen to be an attorney."

"I've asked the question, 'How many game protectors are finding bears in the forest with the gallbladders removed and their paws cut off?' (Bear paws are an Asian soup delicacy.) It's just not happening very much, and although it's an individual atrocity when it happens, statistically, it's not even measurable."

Commission law enforcement officials agree that there has been little, if any, evidence of outright poaching in the state for the purpose of supplying the Asian market with bear parts. But they are concerned that the arrests in January may have been just the opening shot of an assault on Pennsylvania's bear population.

"Poaching - taking bears out of season, killing them in their dens, setting out bait - has been our concern," said David Overcash, a wildlife conservation officer in Monroe County.

"Locals hear about how much money is involved, and you don't know how that will make a difference. If the prices I've seen are right, you could kill 10 bears, hop a plane (to Asia) and make a quick quarter-of-a-million dollars."

Said Beard, "Considering the demand out there for the gallbladders, people are going to (use) every means possible to get bear."

Including, apparently, the murder of Haeng Gu Lee.

any legal issues involving other former clients he had in years he was in private practice leaving Arco, because that was unethical.

kind of contact with Arco, and he be cut out of the loop," he ethical prohibitions do not permit to set a time frame, and say, he no longer a client."

leaving Arco, Bonner went private practice, first for a firm doing in insurance defense. Then, own, he did "a little bit of oil, probate, estates ... what I describe as a general practice."

Malone, former revenue commissioner under Gov. Steve Cowper, is unusual for the job Bonner to be filled by someone without significant tax experience, but he sees an obvious conflict arising from Bonner's Arco past.

er was one of several Arco attorneys" from 1983 to 1987. can't do any work on tax or

royalty issues for Arco, according to Bonner and company officials. He specialized in environmental and labor matters.

Nor was Bonner involved in Arco's high-profile politicking through much of the 1980s that helped elect legislators — mostly Republicans — who voted down higher taxes.

"I did not give political advice," said Bonner, who described himself as an active Democrat.

At Arco, meanwhile, the former assistant attorney general, Worcester, won't be working on any tax or royalty issues because that also would violate lawyerly ethics, said Susan Andrews, an Arco spokeswoman.

"Worcester applied for an opening, and he also is now a senior attorney," Andrews said.

"He is working on a variety of matters. No tax. No royalty," Andrews said. "In fact, none of the issues that he was working on when he was working for the state."

By MARILEE ENGE  
Daily News reporter

Capt. Tom Walker, a 23-year veteran of the Anchorage Police Department, was offered and accepted a police chief job in the city of Seward on Wednesday.

Walker, who graduated from APD's academy and rose through the ranks to become a sergeant and a detective, said that becoming a small town police chief was his career-long goal. If his hiring is approved by the Seward City Council on Monday night, Walker would start work after the first of the year.

The 49-year-old officer was selected from 17 applicants and beat out David Brossow, a 17-year member of the Seward force, who came open in September when longtime Chief Ben Cardino resigned. He had earlier been considered for his department's mishandling of a suspect case.

Assistant City Manager Mike Yanez said Walker was selected for the length and breadth of his experience. Walker moved from patrolman to dispatch sergeant, robbery and assault detective, homicide sergeant and patrol lieutenant. He was assigned to develop APD's first special operations and tactics unit, which the department called Intervention and Response Team.

After five years as head of CIRT, Walker was promoted to captain of detectives, which he said was "the best job in the Anchorage Police Department." He supervised investigations into Anchorage's most violent and high-profile crimes and frequently commented on them for the media.

But he said he never aspired to a higher position. "I had my sights on the Seward job about 10 years ago. I keeps a pleasure boat there, his wife grew up there, two brothers live there."

"I'm looking for a slower pace, different challenges," he said. "Not that I plan to retire, but to office with my feet on my desk."

Yanez said Walker will most certainly supervise eight patrol officers, five dispatchers, five jail officers, a motorist clerk and an animal control officer. Criminal justice, consists of "small town stuff" such as traffic, driving, domestic violence, theft, vandalism, and fights.

"Very rarely do we have a real felony," Yanez said. "I can't remember a homicide since I've been here."

12/6/91  
**Illegal bear hunting on rise, group says**

The Associated Press

WASHINGTON — Illegal bear hunting to serve a flourishing Asian market is on the increase and diminishing the worldwide bear population, a wildlife group said Thursday.

Because of increased use of bear for food and medicine in 11 Asian countries, the animals "have far more value dead than alive," said a study prepared by TRAFFIC USA, the wildlife trade monitoring program of World Wildlife Fund.

"Ultimately, the bear's maximum economic worth is realized when it is reduced to its parts — gall bladder, paws, hide, claws and meat. ... The sum of saleable parts can make a dead bear worth \$9,000 in Japan," it said.

The group said its study is the first-ever on trade in bears and bear parts also noted that six of the eight bear species in the world are suffering a population decline.

"The Asian appetite for

bears and bear parts has placed most Asian populations in severe jeopardy," said Kurt Johnson, a bear expert with TRAFFIC USA. "Now we have evidence that bear populations in other regions of the world are being hunted to satisfy that demand."

The group said lax enforcement of hunting regulations in the United States combined with smuggling makes it easy to export illegally.

Bear gallbladders are used in traditional Chinese medicine to treat high fever, convulsions, hemorrhoids, hepatitis, cirrhosis, diabetes and other diseases.

Gourmets find the bear appealing, too; WWF reported that bear paws are considered a delicacy in Taiwan.

The group said bear carcasses are now being found in the forests of the United States, Soviet Union and Canada with only their gallbladders missing.

The study recommends strengthening international and domestic laws restricting bear hunting as a means of protecting the U.S. bear population.

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"If the party could save the lives of one or two people..."

**Missing hunter found on**

The Associated Press

JUNEAU — The Coast Guard rescued a lost hunter on Bold Island in southeast Alaska late Wednesday.

Scott Sullivan, 30, of Ketchikan was reported overdue Wednesday afternoon by his brother. The Coast Guard dispatched a 41-foot rescue boat to the island, four miles south of Ketchikan.

A crewman on the fishing

boat Sabrina, spotted Sullivan on the island and the Coast Guard to take him back to Ketchikan. The Coast Guard agency said in a news release Thursday.

Sullivan sustained cuts and bruises, including a laceration in the leg and serious injuries to his head, the Coast Guard said.



# ALASKA OUTDOOR COUNCIL, INC.

P O Box 34097  
Juneau, AK 99803  
463-3830

May 5, 1992

RECEIVED  
MAY 05 1992

Representative Ben Grussendorf, Speaker  
House of Representatives  
Alaska State Legislature  
Juneau, AK 99801-1182

Dear Representative Grussendorf:

The Alaska Outdoor Council supports CSHB490 (Resources) with the proposed amendment delegating the responsibility for regulation of gall bladders to the Board of Game.

We appreciate your continuing interest in sound conservation (wise use) and protection of fish and wildlife, and in the proper functioning of the Boards of Fish and Game process.

Sincerely,

Richard H. Bishop  
Legislative Affairs

H B

5 0 8

S. JATE COMMITTEE REPORT

DATE: 3/25/92

FURTHER: Finance

DATE TURNED INTO OFFICE: May 6, 1992

Resources Committee considered CS FOR HOUSE BILL NO. 508 (FINANCE)

"An Act relating to the establishment of the Business Park Wetlands Special Management Area; and providing for an effective date."

and recommends:

[ ] replace with \_\_\_\_\_ CS \_\_\_\_\_ ( )

or [ ] adopt previous \_\_\_\_\_ CS \_\_\_\_\_ ( )

[ ] attaches amendment(s)

[ ] same title  
[ ] new title  
[ ] technical title change (HB only)

[ ] adopts \_\_\_\_\_ Letter of Intent

[ ] further referral to the \_\_\_\_\_

[ ] do pass

[ ] do not pass

[ ] no recommendation

[X] individual recommendations

NEW FISCAL NOTES: Dept/Date

[ ] zero fiscal notes \_\_\_\_\_

[ ] fiscal notes \_\_\_\_\_

[ ] appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

[X] zero fiscal notes ADF+6 2/25/92

DNR 2/26/92

[ ] fiscal notes \_\_\_\_\_

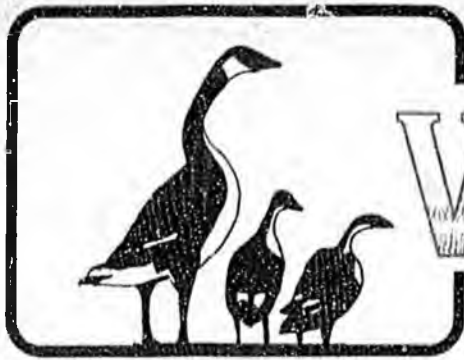
DO PASS:

*[Handwritten signatures]*

OTHER RECOMMENDATIONS:

*Find to support Do Not Pass*

*[Handwritten signature]* (A. K. S.) Do Not Pass  
Chair, Signature and Recommendation



# Business Park Wetlands Coalition

The Business Park Wetlands is a 28-acre open space area in Anchorage's highly-developed south midtown. Though located in close proximity to several major thoroughfares, it provides a quiet and surprisingly remote oasis for eating lunch, viewing the abundant waterbird population, or just watching the change of seasons. On many a nice day, area residents or workers can be found walking, jogging, or sitting along the wetlands' perimeter. Greater Anchorage area residents also use the area, especially for viewing wildlife.

## THE BUSINESS PARK WETLANDS: AN IMPORTANT NEIGHBORHOOD RESOURCE

### What is unusual about the Business Park Wetlands?

It is extremely high in wildlife activity for its relatively small size. In late spring 1989, upwards of 20 pairs of Canada Geese nested in the Business Park Wetlands. The large number of nests is three to four times higher per unit area than other comparable Anchorage Wetlands. In early spring, it is common to see more than 100 ducks and geese at a time on the meltwater ponds. The area is also home to one of four significant Mew Gull colonies remaining in the Anchorage Bowl, as well as many Mallards, Northern Shovelers, American Wigeons, Plovers, Dowitchers, and other birds. Over thirty avian species have been observed in the wetlands during the summer months. Although it is not a developed or even designated park area, the Business Park Wetlands provides an important and well-used open space for neighborhood residents and those working in the adjacent business and industrial areas. Greater Anchorage area residents bring their families to observe the geese and young goslings. On every summer day, many people walk or drive to the west end of West 48th Avenue to eat lunch. Others jog or fitness walk past the wetlands, using the convenient one-mile loop of adjacent public roads. This makes for an interesting outing, as it may involve dodging the harassment of concerned mother gulls and other protective birds.



Photo: Elise Huggins

## Anchorage Residents and Area Workers Protect the Business Park Wetlands

intrusive uses and users  
out of the wetlands.

Nearly fifty stray cats and  
dogs were live-trapped over a

three-year period and sent to the shelter  
where they could find caring owners.  
"Stray" humans whose actions seem out of  
character with the more recreational and  
educational atmosphere that surrounds the  
wetlands are quickly asked to go elsewhere  
by the nearby business workers and resi-  
dents. Because of this overwhelming and  
active concern for the Business Park Wet-  
lands, a petition drive was mounted six  
years ago to purchase the area for a park.



Photo: Marideth Sandler

The Business Park Wetlands is owned by four separate private owners. It is largely zoned for high-density residential use and, because the Municipality of Anchorage classified it as developable wetlands in 1982, it can be filled and destroyed with no public input and little regulatory agency review. Despite the threat to its continued existence, the Business Park Wetlands has been adopted by the public. For years, adjacent residents and businesses have kept

Although the drive stopped short of success at that time, the effort has been revived. In 1988, businesses, area residents, environmental and neighborhood groups, and governmental agencies joined together as the BUSINESS PARK WETLANDS COALITION. The Coalition is supported by nearly 1000 Anchorage residents, as evidenced by the success of a recent petition drive. When, in early spring 1989, one of the property owners began filling a portion of the wetlands, the immediate vocal support for this publicly cherished resource resulted in a short-term halt of fill activity.

The goal of the Business Park Wetlands Coalition is to purchase this important area of shrinking open space so that it is retained, enhanced, and managed for recreational, educational, and environmental purposes. The value of this effort is two-fold: the Business Park Wetlands already serves as an important open space and recreational neighborhood improvement for residents and workers alike. Creative design could easily multiply its present benefits. Because of its currently high productivity as a wetlands habitat, the Business Park Wetlands also holds exciting potential for increased wildlife use, if enhanced and managed properly.



Photo: Cami Dalton

The Coalition has made strong progress toward meeting

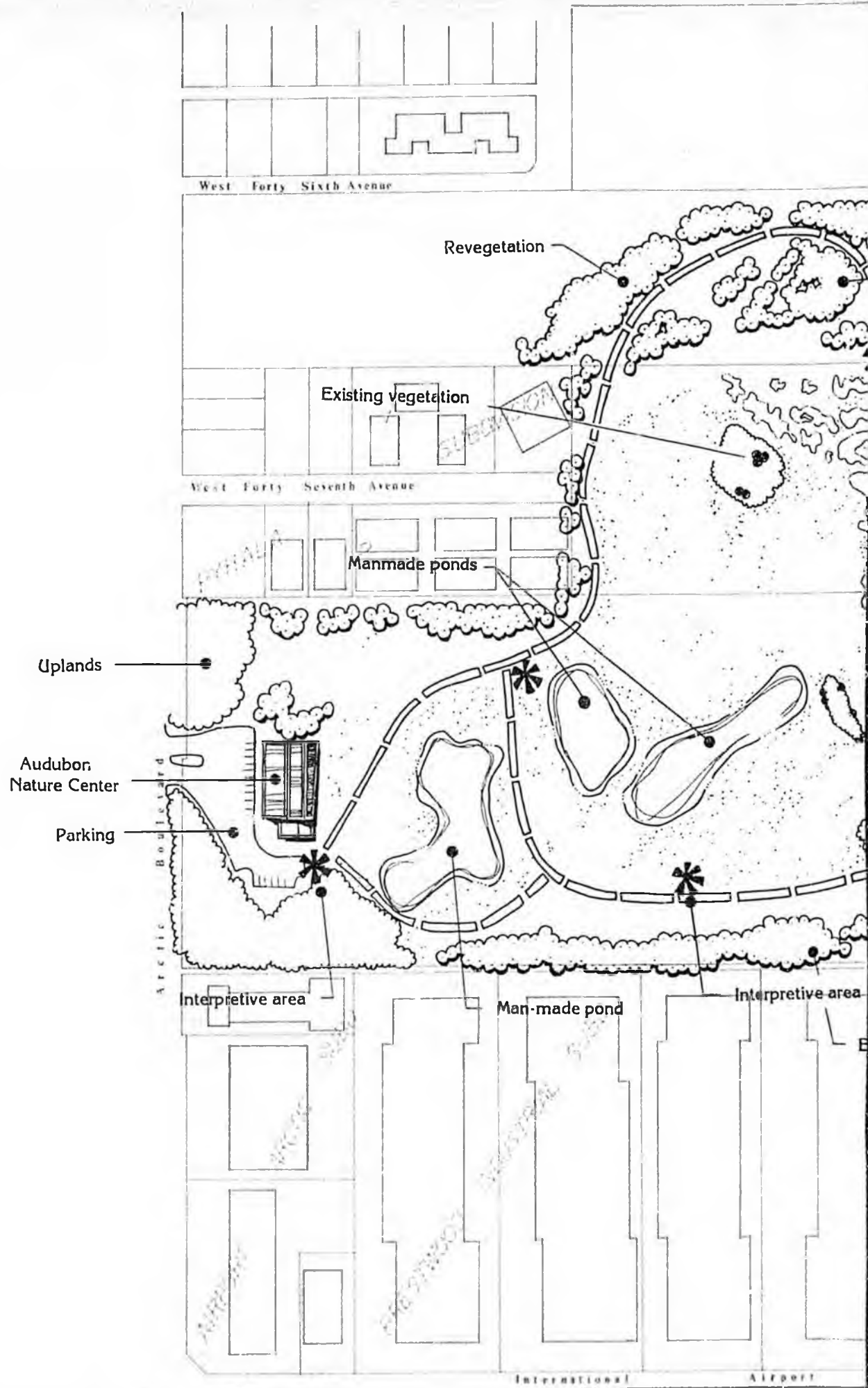
its goal. The wildlife and other wetlands resources of the area have been, and are continuing to be, documented and photographed. The actions of neighboring residents and businesses to manage these resources, both in the past and at present, are also being recorded. Discussions with area property owners have been underway for several months to ascertain purchase and trade options. Two of these options are in active negotiation with the respective parties. One involves a land trade for a significant portion of the wetlands and the second would result in acquisition of an immediately adjacent area. Together, these transactions will result in preservation of nearly half of the Business Park Wetlands. Fundraising for the project has begun, with a substantial amount already raised from private contributions. The Coalition has an overall fundraising strategy and has developed a concept plan for the area. This includes enhancement of the area to create more open ponds for waterbird rearing and to filter the drainage water entering the wet-

## The Future Looks Bright for the Business Park Wetlands

lands from adjacent uses. Other improvements

would facilitate use of the Business Park Wetlands for continued wildlife viewing, as well as jogging and fitness walking.

New and exciting activities could also find a home in the Business Park Wetlands. The uplands portion of the open space area lends itself well as the site for an Audubon-sponsored Urban Nature Center, that would house displays on wetlands habitat and wildlife. Because of the unique oasis feeling of this easily accessible setting, the nature center could be widely used by school and college classes (in addition to other youth and adult groups) to learn about natural wetlands habitat still remaining within Anchorage's urban scene. The planned trail and boardwalk loops are designed with areas for wildlife viewing, fitness stations, outdoor educational displays, and benches. Location of a Nature Center on-site would provide a rare opportunity to combine and bring into focus the Business Park Wetlands' environmental, recreational, educational, and open space potentials.



West Forty Sixth Avenue

Revegetation

Existing vegetation

West Forty Seventh Avenue

Manmade ponds

Uplands

Audubon Nature Center

Parking

Arctic Boulevard

Interpretive area

Man-made pond

Interpretive area

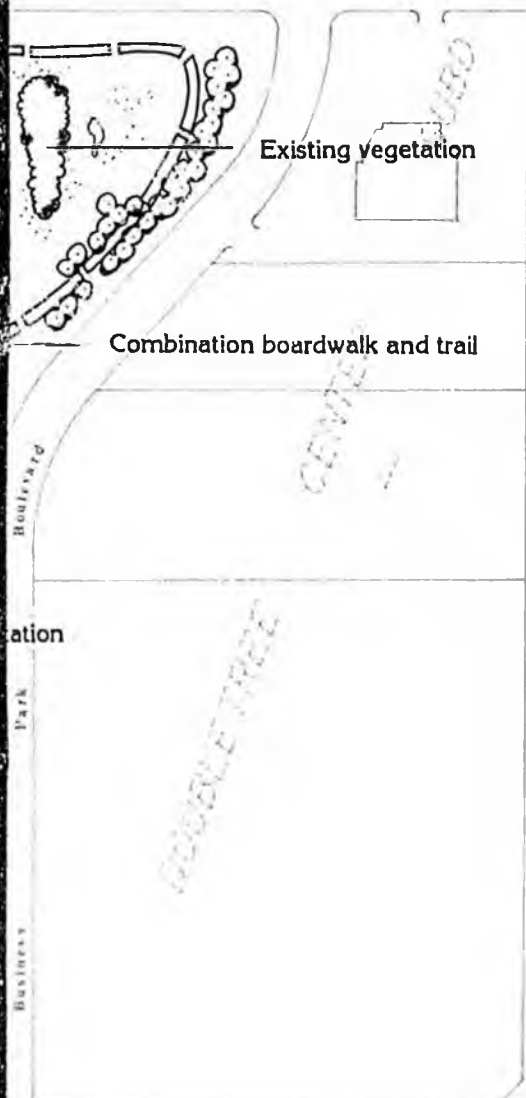
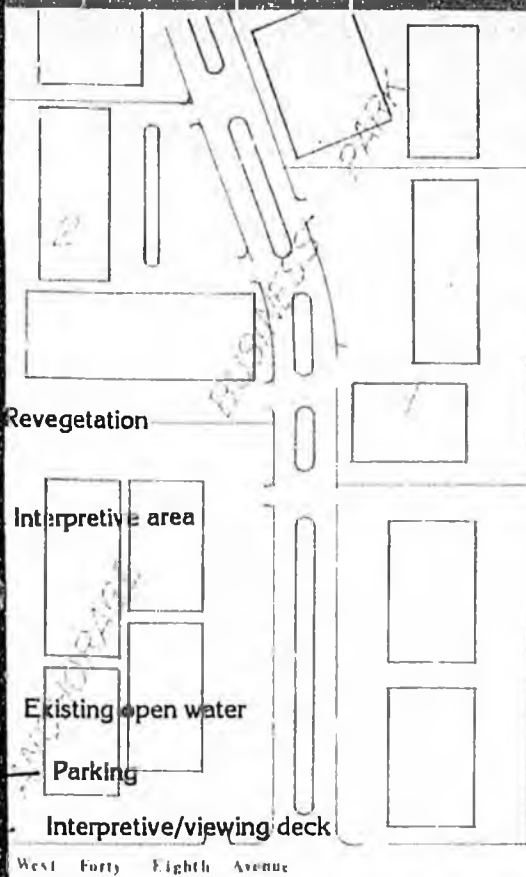
International

Airport



Business Park  
Wetlands  
Coalition

# Conceptual Plan



## potential activities

- *Jogging, Running, Walking*  
1/4 mile & 3/4 mile loop trail
- *Interpretive Areas (\* )*
- *Audubon Nature Center*
- *Wildlife Viewing*
- *Relaxing/Lunch Stop*
- *Habitat Enhancement*



Plan designed by Earthscape

## Business Park Wetlands A Threatened Natural Area

This isolated, partially disturbed bog is a remnant piece of what was, until the late-1970s, a vast section of interwoven ponds and wetlands habitats known as patterned ground that stretched from near Potter Drive north to the old Fish Creek basin near West 36th Avenue. The original wetlands area contained numerous large ponds and a highly diverse and productive mix of habitats. This area was arguably the most extensive and complex patterned ground bog in the Anchorage Bowl.



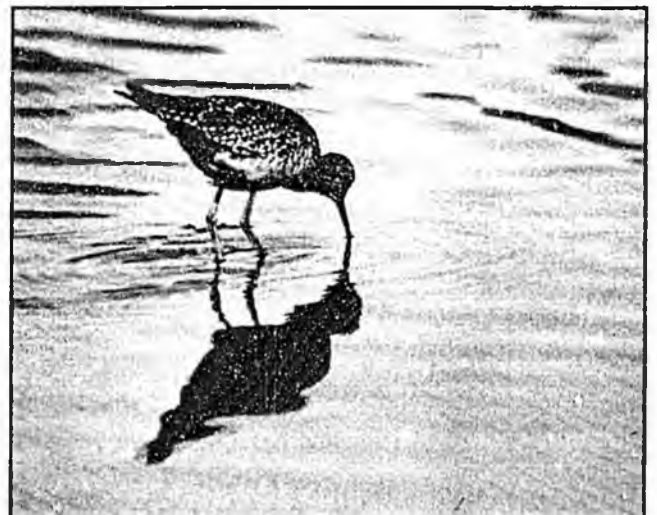
The area supports three wetlands plant communities and numerous ponds that contain open water all summer. A small section of mixed birch and cottonwood forest



stands at the area's southwest corner. Most of the wetlands plant communities contain ericaceous species like sweetgale, dwarf birch, leatherleaf, and Labrador tea. Sedges, grasses, rushes, and various mosses are common understory species here. Several wetlands dependent plants survive in the Business Park Wetlands, many of which have become rare or threatened in the Anchorage area from continued wetlands filling.



Of major concern and influence to this site is the local hydrology, which has been altered by adjacent development. Groundwater input to this system is necessary to maintain the wetlands' habitats and open water in critical dry periods. Any additional change or loss of the area's groundwater will further degrade the wetlands' functions and viability.



Photos provided by John Hyde and Dan Rosenberg, ADF&G

**SUPPORTERS OF  
THE BUSINESS PARK WETLANDS  
include:**

**Anchorage Audubon Society  
Alaska Center for the Environment  
Spenard Community Council  
Anchorage Waterways Council  
Nature Conservancy  
American Society of Landscape Architects - Anchorage Chapter  
Alaska Department of Fish and Game  
Municipality Of Anchorage  
- Urban Design Commission  
- Parks and Recreation Commission  
- Department of Economic Development and Planning  
TRF Management  
Ott Engineering, Inc.  
The Virginia Computer Company  
Jim Thiele, Certified Financial Planner  
Ashburn and Mason  
Earthscape  
TimeFrame  
AT Publishing  
Moore Business Forms**

**Project Aerial Photos contributed by Aero Map, U.S.**

Nearly one thousand people agree with the many actively-involved businesses, organizations, agencies, and neighborhood residents that the Business Park Wetlands must be preserved now. Join us in our efforts! Use the enclosed envelope to help us acquire as many square feet of wetlands as you wish. Or, you're invited to "purchase" a goose nest to insure that this year's newborn Canada Geese will have a home to which they can return next spring. All contributions are tax deductible to the fullest extent of the law because of the Coalition's affiliation with the Anchorage Audubon Society, a local non-profit organization. If you'd also like to become more involved, there's space for you to let us know that too. Thank you for your support!

For more information, contact:

**Marideth Sandler (562-2514-days or 346-2535-evenings)  
or Robert Senner (258-4054-days or 345-5891-evenings.)**

## BIRDS YOU ARE LIKELY TO SEE IN THE BUSINESS PARK WETLANDS

Canada Goose\*  
Mallard\*  
Green-winged Teal  
American Wigeon\*  
Northern Pintail  
Northern Shoveler\*  
Greater Scaup  
Semipalmated Plover  
Killdeer  
Lesser Golden-Plover  
Greater Yellowlegs  
Lesser Yellowlegs\*  
Spotted Sandpiper  
Short-billed Dowitcher\*  
Common Snipe  
Least Sandpiper\*

Ring-billed Gull  
Mew Gull\*  
Herring Gull\*  
Glaucous-winged Gull  
Bald Eagle  
Tree Swallow  
Violet-green Swallow  
Common Raven  
Ruby-crowned Kinglet  
American Robin\*  
Yellow-rumped Warbler  
Savannah Sparrow\*  
White-crowned Sparrow\*  
Lincoln's Sparrow  
Pine Siskin  
Common Redpoll

\* Known or probable breeder.

List provided by the Anchorage Audubon Society



**Business Park**  
**Wetlands**  
**Coalition**

4446 Business Park Boulevard Anchorage, Alaska 99503

Non-Profit Org.  
U.S. Postage

**PAID**

Anchorage, Alaska  
Permit No. 157

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STATE COMMITTEE REPORT

DATE: 5/1/92

FURTHER:

DATE TURNED INTO OFFICE: May 6, 1992

Resources Committee considered CS FOR HOUSE BILL NO. 557 (RESOURCES)

"An Act exempting production facilities and terminal facilities that are used solely for production, compression, transportation, or storage of natural gas from regulation for purposes of preparation of discharge prevention and contingency plans and compliance with financial responsibility requirements, and defining 'natural gas.'"

and recommends:

- replace with \_\_\_\_\_ CS \_\_\_\_\_ ( )
- or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_ ( )
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes \_\_\_\_\_

fiscal notes \_\_\_\_\_

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes \_\_\_\_\_

fiscal notes \_\_\_\_\_

DO PASS:

*Jim Galt*  
*[Signature]*

OTHER RECOMMENDATIONS:

*Committee - No AA*  
*[Signature] No Rec*

*[Signature]*  
Chair: Signature and Recommendation



# Alaska State Legislature

## HOUSE OF REPRESENTATIVES

### REPRESENTATIVE GAIL PHILLIPS

Official Business  
PHONE: (907) 465-2689  
FAX: (907) 465-3472

STATE CAPITOL  
JUNEAU, ALASKA  
99801-1182

TO: Members of the Senate Resources Committee

FROM: Representative Gail Phillips *Gail Phillips*

DATE: May 4, 1992

RE: AS 46.04 -- CS HB 557 (Resources)

I am pleased today to present this House Oil and Gas Committee bill which clarifies our statutory and regulatory controls on oil and natural gas.

Prior to this proposal, the protective measures in Title 46 also encompassed natural gas, liquified natural gas, and related gases. This is simply inappropriate for the intended purpose of Title 46, which is to ensure the prevention or cleanup of spills of oil and "other hazardous substances".

Most of us are aware of the basic chemical differences between oil and gas; and, having closely observed the effects of the two most recent oil spills in our state, we are all too aware of the nature of oil for purposes of clean up.

Had these spills been spills of gas in equivalent volumes, our state, our people, and our natural resources would not have undergone the catastrophe we experienced in 1989. This is because gas dissipates into the atmosphere, leaving no residue, no sheen, no by-product to harm the environment.

I feel we have an obligation to impose statutory controls that recognize these differences and present an even-handed approach to environmental protection.

That is not to say that we are proposing to ignore regulatory controls on all gas operations. This legislation would lift the financial accountability and contingency plan requirements only for gas production and terminal facilities, which already undergo stringent separate reviews by DOT,

OSHA, and EPA. But it leaves in place those requirements for exploration facilities, where either oil or gas may be discovered, or in any facility where both oil and gas are produced.

I urge you to support the passage of this legislation, and I would invite Members of the House to visit the facilities on the Kenai Peninsula such as the Phillips Petroleum LNG plant at Nikiski to get a first-hand look at a natural gas production facility.

Thank you for your consideration of this bill.

# DIVISION OF LEGAL SERVICES

## LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3667 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

240 Main Street, Suite 500  
Juneau, Alaska 99801-2101

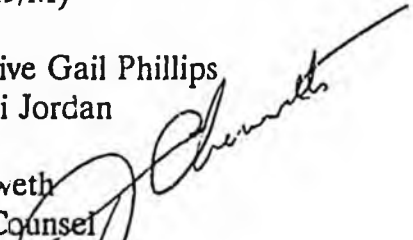
### MEMORANDUM

February 21, 1992

**SUBJECT:** Treatment, for purposes of regulation and conservation, of natural gas and liquefied natural gas and of facilities related to their production -- sectional analysis of draft bill (Work Order No. 7-LS1919/M)

**TO:** Representative Gail Phillips  
ATTN: Judi Jordan

**FROM:** Jack Chenoweth  
Legislative Counsel



AS 46.04 generally addresses the subject of pollution attributable to oil and hazardous substances. In that chapter, under current law, liquefied natural gas--natural gas that is converted to liquid form by pressure and cooling--and the related gaseous hydrocarbons of "butane" and "propane"<sup>1/</sup> have been included within the definition of "oil" under AS 46.04.900:

(9) "oil" means oil of any kind and in any form, whether crude, refined, or a petroleum by-product, including but not limited to petroleum, fuel oil, gasoline, lubricating oils, oily sludge, oil refuse, oil mixed with other wastes, crude oils, liquefied natural gas, propane, butane, or other liquid hydrocarbons regardless of specific gravity;

Hence, these substances have been subject to regulation in the same manner as oil. Because of their inclusion in the definition of the term "oil," facilities for the production of natural gas are generally subject to the same requirements as are applicable to those producing crude oil.

---

<sup>1/</sup> The terms "butane" and "propane" appear in the definition of "oil," AS 46.04.900(9), and nowhere else in that chapter. Standard reference works identify these two substances as hydrocarbons associated with oil that, under normal conditions of temperature and pressure, appear in gaseous form but are readily converted to and handled in liquid state. In that sense, then, they are not unlike liquefied natural gas and are treated like it in this measure.

This measure changes the status of natural gas and liquefied natural gas by deleting them from the definition of "oil" in order to alter in part the regulatory treatment applicable under AS 46.04 of natural gas production facilities.

\*

The deletion of the reference to "liquefied natural gas," "propane," and "butane" from the definition of "oil" in AS 46.04.900 is made by bill section 3. Since the remaining portion of the definition includes some potentially ambiguous references under which natural gas might continue to be regulated, as a drafting matter I opted to set out in the definition of the term "oil" a new subparagraph, subparagraph (B), to make sure that natural gas and liquefied natural gas would be wholly excluded from the regulation.

\*

The remaining bill sections, with one exception, consider the status of facilities.

Under AS 46.04.050, certain key sections of AS 46.04 are explicitly made inapplicable to certain facilities. Under current law, small oil terminal facilities only are exempt from the provisions of AS 46.04.030 (requirement of preparation of oil discharge prevention contingency plans), AS 46.04.040 (demonstration of proof of financial responsibility for operation of oil terminal facilities, exploration and production facilities, pipelines, and tank vessels), and AS 46.04.060 (state's right to inspect these facilities at reasonable times and without facility owner's prior consent).<sup>2/</sup> The addition of a new paragraph made in bill section 1 adds natural gas production facilities to the exemptions and provides a definition for that term.<sup>3/</sup>

---

<sup>2/</sup> The exemption provided for small oil terminal facilities is expressed in terms of barrels of crude or refined product. There is no equivalent threshold for hydrocarbon products extracted as natural gas and converted to liquid form. It is not clear to me that defining the exemption in this manner (that is, in terms of "barrels," extends the exemption to a small facility that transfers, processes, or stores natural gas product in liquid form.

<sup>3/</sup> Inclusion of natural gas production facilities within the inspection exemption of AS 46.04.060 does not necessarily mean that inspections of these facilities by personnel of the Department of Environmental Conservation will cease. Under AS 46.03.020(6):

Sec. 46.03.020. POWERS OF THE DEPARTMENT. The department may

...  
(6) at reasonable times enter and inspect with the consent of the owner or occupier any property or premises to investigate either actual or suspected sources of pollution or contamination or to ascertain

(continued...)

These changes in the definition of the term "production facility" as it relates to gas have significant legal consequences involving natural gas production facilities. First, natural gas production facilities are exempted from the spill prevention and contingency requirements imposed by AS 46.04.030(b) and 46.04.030(k)(2). Second, natural gas production facilities are exempted from the proof of financial responsibility provisions of AS 46.04.040(b), currently set at \$20,000,000. Finally, natural gas production facilities are exempted from inspection under AS 46.04.060.

AS 46.04 differentiates between various kinds of facilities. In bill section 2, in order to make sure that the exemption provided by bill section 1 is not applicable to natural gas exploration facilities, the definition of the term "exploration facility" is amended to incorporate an explicit reference to natural gas.

Bill section 4 amends the definition of the term "production facility," to facilities that are used for "crude oil and associated liquid hydrocarbons," hereby omitting from the definition of production facility those that treat with hydrocarbons in gaseous form.

Bill section 5 supplies a definition for the term "natural gas."

JBC:plm:gc  
92-120.plm

---

3/ (...continued)

compliance or noncompliance with a regulation that may be adopted under AS 46.03.020 - 46.03.040; information relating to secret processes or methods of manufacture discovered during investigation is confidential;

There are also "inspection" references in AS 46.04.020(c)(3) and 46.08.040(a)(2)(C), though these are arguably of no substantive significance in the context of this measure and may be ignored.

At best the treatment given the subject of inspection exemption by this version of the bill creates an ambiguity. To assure a total exemption from inspection, additional language should be added on page 1, line 8, after "facility;" to say:

"a natural gas facility is also exempt from inspection under AS 46.03.020;"

## LIQUEFIED NATURAL GAS

Liquefied natural gas ("LNG") is manufactured from natural gas at the Kenai LNG Plant, which is jointly owned by Phillips Alaska Natural Gas Company and Marathon Oil Company.

The LNG manufacturing process begins with additional purification over that required for pipeline transport and sale of natural gas in its gaseous state. That is, the natural gas, which is predominately methane, undergoes the removal of contaminants such as carbon dioxide and water. The natural gas is then liquefied by a refrigeration process that lowers its temperature to -240 deg. F (-151 deg. C). The pressure of the LNG is then reduced to slightly over atmospheric pressure, which further cools it to -259 deg. F (-161 deg. C) and allows the removal of inert nitrogen gas. The LNG is now at 1/600th of its original volume and at low pressure, which makes long-distance shipping feasible. The LNG is stored at the receiving terminal as a liquid and is vaporized as needed for use as a high-quality fuel.

Liquefied natural gas is half as dense as water, is colorless, odorless, nontoxic, and sulfur-free. If exposed to ambient conditions, LNG quickly warms and evaporates, leaving no sheen or residue.

"Liquefied natural gas" is defined as "oil" with regards to "oil pollution control" in AS 46.04.900 (9). Oil discharge prevention and contingency plans are intended to portray that an applicant "has access to sufficient resources to protect environmentally sensitive areas and to contain, clean up, and mitigate oil discharges from the facility or vessel within the shortest possible time". It is difficult to envisage the utility of including LNG in the definition of oil under the context of oil pollution control.



H B

5 7 4

SENATE COMMITTEE REPORT

DATE: 4/21/92

FURTHER: Resources Finance

DATE TURNED INTO OFFICE: 5/10/92

L&C considered CS FOR HB 574 (FINANCE) am

Relating to the finances of state government, charges & fees of state services.

CS coming  
Kshuler  
5/10/92  
\$ FNs coming

and recommends:

[ ] replace with S CS CS HB 574 (LHC)

or [ ] adopt previous CS

[ ] attaches amendment(s)

[ ] same title  
[x] new title  
[ ] technical title change (HB only)

[ ] adopts Letter of Intent

[ ] further referral to the

[ ] do pass

[ ] do not pass

[ ] no recommendation

[x] individual recommendations

NEW FISCAL NOTES: Dept/Date

[ ] zero fiscal notes

[ ] fiscal notes

[ ] appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

[ ] zero fiscal notes

[ ] fiscal notes

DO PASS:

OTHER RECOMMENDATIONS:

Chair will do no pass  
Should not pass

True clearance - do not pass new fees  
Chair: Signature and Recommendation or taxes this year.

FISCAL NOTE

No. 3

Bill Version: CSHB 574 (FIN)

(H) Publish Date: 4/14/92

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Department Affected: NATURAL RESOURCES

Title: Act Relating to Financial BRU: Park & Recreation Management

Administrator of State Government ... Component: Park Management

Sponsor: \_\_\_\_\_

Requestor: \_\_\_\_\_

COMPONENT SERIAL NO. 

0	4	5	2
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	38.2	19.0	15.0	15.0		
TRAVEL						
CONTRACTUAL	27.0	15.0	12.0	12.0		
SUPPLIES	10.8	6.0	5.0	5.0		
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	76.0	40.0	32.0	32.0	0	0

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

REVENUE	150.0	200.0	300.0	400.0	400.0	400.0
FUND SOURCE:	GF/PRGM 1005	GF/PRGM 1005	GF/PRGM 1005	GF/PRGM 1005	GF/PRGM 1005	GF/PRGM 1005

FUNDING: (Thousands of Dollars)

GENERAL FUND	76.0	40.0	32.0	32.0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	76.0	40.0	32.0	32.0	0	0

POSITIONS:

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

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

SEE ATTACHED PAGE

Prepared By: David Steppens Phone: 762-2653

Division: Park & Outdoor Recreation Date: April 6, 1992

Approved by Commissioner: \_\_\_\_\_ Date: 4/7/92

Agency: \_\_\_\_\_

COMMITTEE COPY

FISCAL ANALYSIS  
HB 574

The state park fee program to be funded by this fiscal note consists of the design, construction, and installation of fee collection stations at approximately 44 locations in the state park system. Each fee station is estimated to cost \$4,000, including labor, supplies, and contractual expenses.

The fee stations would be installed in phases, over a four year period. Eighteen stations would be installed in FY93, and ten stations installed in FY94. Eight stations would be installed in both FY95 and FY96. First year costs include design and production of fee collection envelopes and annual pass decals, as well as design and production of standard drawings and plans for the fee stations. These one-time costs are estimated at \$4,000.

No new positions would be required by this legislation. Additional administrative and management costs would be absorbed by existing staff.

The estimate of revenue to be produced by this bill is based on visitation records for selected park units, as well as financial records for the existing camping fee program. In the fourth year of implementation, this new fee program is expected to generate annual revenues of approximately \$400,000. Potential revenues to the state from this program exceed the state's costs in each year of the four year implementation period. In subsequent years, these user fees would help offset increased park maintenance and operating costs as well as possible general fund budget reductions. The net financial effect of this program would be positive, with fee revenues significantly greater than operating costs.

FISCAL NOTE

No. 2

Bill Version: CSHB 574(FIN)

(H) Publish Date: 4/14/92

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

Revision Date: 4/8/92

Department Affected: Public Safety

Title: "An act relating to financial administration of state government."

BRU: Motor Vehicles

Sponsor: House Finance

Component: Field Services

Requestor: House Finance

COMPONENT SERIAL NO. 

5	0	2
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EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	140.8	281.6				
TRAVEL						
CONTRACTUAL	47.8					
SUPPLIES						
EQUIPMENT	64.0					
LAND & STRUCTURES						
GRANTS. CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	252.6	281.6	0	0	0	0

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

REVENUE						
FUND SOURCE: GF	13,208.0	26,415.1	27,207.6	31,000.0	34,930.0	35,977.9

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER Prog. Rec. FUND SOURCE: 1005	252.6	281.6	0	0	0	0
<b>TOTAL</b>						

POSITIONS:

FULL-TIME	8	8	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)  
See attached.

Prepared By: Charles R. Hosack Phone: 269-5559  
 Division: Motor Vehicles Date: 4/8/92  
 Approved by Commissioner: Richard L. Burton  
 Agency: Department of Public Safety Date: 4/8/92

COMMITTEE COPY

#### REVENUE

This bill is intended to generate increased revenues by increasing most fees collected by the Division of Motor Vehicles. This includes vehicle registration fees, driver license fees, ID card fees, and vehicle title and lien fees. The total additional revenue generated is estimated to be \$26,415,095; the detail for this is shown on the attached sheet. This revenue will be deposited into the general fund, however a portion of the fees will be used as program receipts to fund the expenses incurred as a result of this bill. AS 28.10.421(g) allows 3% of registration fees to be used for administration of the registration program; 3% of the increased registration revenue is \$565,897. AS 28.15.271(d) allows all of driver license fee to be used for program administration; the increased driver license revenue is \$2,438,729.

The total of \$3,004,626 that is available for use is greater than what is needed to fund the costs associated with this bill, and the remainder will be placed in the general fund. This analysis is based on the assumption that the Governor's original budget request for the Division of Motor Vehicles will be approved. This request reflects the additional needs beyond that budget level. The additional revenue in this bill is collected in individual transactions at public service offices around the state. There will be a multitude of problems and complaints if the public is charged significantly higher fees yet must wait longer in line to pay these fees because the agency collecting the fees is not adequately funded.

#### EXPENDITURE

The increased fees in this bill will affect virtually every person in the state over the age of 14 and every business that owns a vehicle. Any increase in fees will increase the workload at the public offices because the customers will complain about the higher costs. It takes employee time to listen and respond to the complaints and this increases the time needed to complete each transaction. These fee increases are relatively large, and they involve fees that have remained unchanged for many years, so the reaction is expected to be significant. Based on the Division's experience, the time needed to handle the complaints will increase the Division's workload by 5-8% and therefore the public office staffing will be increased by 8% for the first two years of the increased fees to maintain service levels. These employees will be placed at offices where the impact will be the greatest. It is hoped that, once the public becomes familiar with the increases, the public reaction will level off and the need for the additional positions will decrease.

DETAIL

PERSONNEL

	FY93
8 Motor Vehicle Rep I/II (range 8/9)	\$140.8

CONTRACTUAL

Programming (150 hrs @ \$75)	\$ 11.3
Terminal network costs (\$1500 ea.)	\$ 12.0
Printing - SOP manuals	\$ 10.0

EQUIPMENT

8 Workstations with terminal and printer	\$ 64.0
--	---------

TOTAL	<u>\$252.6</u>
-------	----------------

CONFIDENTIAL

Position Title <b>Motor Vehicle Representative I/II</b>			Number of Positions <b>8</b>	Range/Step <b>3/9</b>	Bargaining Unit <b>GGU</b>
Time Status <b>PFT</b>	Staff Months <b>6 each</b>		Location <b>Statewide</b>	Election District <b>Statewide</b>	
Type of Expenditure			Justification		
			These positions will perform all duties associated with registration, title, and driver license work. Any increases in fees increase the workload in the public service offices of the Division, since it is well known that the public does not like or gladly accept fee increases. DMV employees will receive the public complaints which take time and result in increased costs. The time it takes to hear the complaints decrease services to the public service counter.		
		Amount			
<b>1</b>	<b>2</b>	<b>3</b>			
Salary*	<b>91.2</b>				
Benefits*	<b>49.6</b>				
Premium Pay (Included in Above)					
Other					
<b>Total Personal Services</b>		<b>140.8</b>			
Travel					
Contractual		<b>47.8</b>			
Commodities					
Equipment		<b>64.0</b>			
Other					
<b>Total Cost</b>		<b>252.6</b>			
Funding Source For Total Cost					
Federal Receipts	<b>1002</b>				
G.F. Match	<b>1003</b>				
General Fund	<b>1004</b>				
Program Receipts/GF	<b>1005</b>	<b>252.6</b>			
I-A Receipts	<b>1007</b>				
CIP Receipts	<b>1061</b>				
Other					
* Personal Services Salary and Benefits Costs are from PACS calculations.					

**REQUEST FOR  
NEW POSITION**

AGENCY Department of Public Safety

BRU Motor Vehicles

COMPONENT Field Services

FY 93

Page **4** of **4**

Revised Date

## REVENUE PROJECTION WORKSHEET

FOR PROJECTION PURPOSES ONLY. ACTUAL NUMBERS WILL VARY.  
ACCURACY VARIATION <5% USING 1991 COUNTS

Post-It™ brand fax transmittal memo 7671		# of pages >		
To	Nita Hensley		From	Chuck Harsack
Co.		Co.		
Dept.		Phone #		
Fax #		Fax #		

TYPE	COUNT	FEE	CURRENT	NEW FEE	CHANGE	NEW REV	CHANGE
PASSENGER	270658	\$35	\$7,578,424	\$70	\$35	\$15,156,848	\$7,578,424
MOTORHOME < 10K LBS	10000	\$35	\$280,000	\$100	\$65	\$800,000	\$520,000
MOTORHOME > 10K LBS	5000	\$35	\$140,000	\$200	\$165	\$800,000	\$660,000
EXEMPT PASSENGER	965	\$5	\$3,860	\$70	\$65	\$54,040	\$50,180
FREE PASSENGER	3499	\$0	\$0	\$0	\$0	\$0	\$0
SENIOR CITIZEN	14121	\$0	\$0	\$75	\$75	\$847,260	\$847,260
PICKUP/VAN	135075	\$40	\$4,322,400	\$75	\$35	\$8,104,500	\$3,782,100
EXEMPT PICKUP/VAN	1061	\$5	\$4,244	\$75	\$70	\$63,660	\$59,416
FREE PICKUP/VAN	181	\$0	\$0	\$0	\$0	\$0	\$0
MOTORCYCLE	11185	\$20	\$178,960	\$50	\$30	\$447,400	\$268,440
TRAILER	58611	\$5	\$234,444	\$25	\$20	\$1,172,220	\$937,776
EXEMPT TRAILER	294	\$5	\$1,176	\$25	\$20	\$5,880	\$4,704
LOCAL GOVT	3093	\$5	\$12,372	\$5	\$0	\$12,372	\$0
STATE GOVT	685	\$0	\$0	\$0	\$0	\$0	\$0
COMM 0-5000	12749	\$51	\$520,159	\$100	\$49	\$1,019,920	\$499,761
COMM 5-12000	18112	\$86	\$1,246,106	\$200	\$114	\$2,897,920	\$1,651,814
COMM 12-18000	9676	\$156	\$1,207,565	\$300	\$144	\$2,322,240	\$1,114,675
COMM 18000+	5139	\$221	\$908,575	\$400	\$179	\$1,644,480	\$735,905
DEALER 1ST SET	140	\$45	\$5,040	\$100	\$55	\$11,200	\$6,160
DEALER 2CD SET	822	\$25	\$16,440	\$100	\$75	\$65,760	\$49,320
FARM	405	\$35	\$11,340	\$75	\$40	\$24,300	\$12,960
OCC USE	1757	\$15	\$21,084	\$75	\$60	\$105,420	\$84,336
SNOWMACHINE/ORV	4231	\$2.5	\$8,462	5	\$2.5	\$16,924	\$8,462
REGISTRATION TOTALS	563228		\$16,692,189			\$35,555,420	\$18,863,231
TITLE		\$5	\$1,238,507	X	5	\$6,192,535	\$4,954,028
DRIVER LICENSE		\$10	\$1,625,819	X	2.5	\$4,064,548	\$2,438,729
ID CARD		\$5	\$159,107	X	2	\$318,214	\$159,107
HVRT			\$279,611			\$279,611	\$0
HISC			\$2,782,894			\$2,782,894	\$0
MAIL IN REBATE	190000	0	0		\$15	(\$2,850,000)	(\$2,850,000)
GRAND TOTAL			\$22,778,127			\$49,193,222	\$26,415,095

FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

Revision Date: 4/9/92

Department Affected: Fish and Game

Title: An act relating to the finances of  
state government

BRU: Sport Fish/Wildlife Conservation

Component: Sport Fish/Wildlife Conservation

Sponsor: House Finance

Requestor: House Finance

COMPONENT SERIAL NO. 

	4	6	4
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Expenditures/Revenues: (Thousands of Dollars)

4 7 3

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	16.4	16.4	16.4	16.4	16.4	16.4
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	60.0	50.0	50.0	50.0	50.0	50.0
SUPPLIES	3.0	3.0	3.0	3.0	3.0	3.0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	79.4	69.4	69.4	69.4	69.4	69.4

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE: 1024	3,211.1	3,252.8	3,247.8	3,307.9	3,387.9	3,476.7
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE: 1024	79.4	66.4	66.4	66.4	66.4	66.4
TOTAL	79.4	66.4	66.4	66.4	66.4	66.4

POSITIONS:

FULL-TIME						
PART-TIME	1	1	1	1	1	1
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)  
See Attached page

Prepared By: Geron Bruce GB

Phone: 465-4100

Division: Commissioner's Office

Date: 4/9/92

Approved by Commissioner: John Summitt for

Agency: Department of Fish and Game

Date: 4/9/92

\*\*\*\*\*  
F A X T R A N S M I T T A L M E M O

for, CSH/DBR, Gov. Legis. OSC., & Impacted Agency (ies).

TO: Candice Collins  
DEPT: House Finance FAX #: 465-2278  
FROM: Geron Bruce PHONE: 465-4100  
CC: \_\_\_\_\_ FAX #: 465-2332

NO. OF PAGES

2

COMMITTEE COPY

ANALYSIS (Continued from page 1)

Assumptions: Contractual funding will be for printing and postal costs for the king salmon stamp. Personal services funding will provide a permanent part-time employee for distribution and monitoring of the new king salmon stamp in the licensing section of the department.

Computations: Potential revenues generated by this act are estimated based on current trends in sport fishing, hunting and trapping license sales. A 1.8 percent increase annually for sport fishing license sales, and no increase in hunting or trapping license sales.

ALASKA STATE LEGISLATURE  
HOUSE BILL NO. 574

HISTORY IN THE HOUSE

1992

Read first time and referred to:  
FIN

4/1

4/14

<u>FIN</u>	RPT	CS( <u>FN</u> )	New Title
<u>4</u>	DP	<u>0</u> DNP	<u>5</u> NR <u>1</u> AM
<u>3</u>	FN	OFN	Previous FN

	RPT	CS( )	New Title
	DP	DNP	NR AM
	FN	OFN	Previous FN

	RPT	CS( )	New Title
	DP	DNP	NR AM
	FN	OFN	Previous FN

4/14 Read second time  
CS( fn ) Adopted

4/14 Amended  
am 7

4/14 Advanced

4/14 Read third time  
4/14 am 8 title

Return to second for specific amendment

4/14 Failed

<del>Failed</del>	EFD Same ___ or
Yeas 15	Yeas
Nays 25	Nays
Excused <u>0</u>	Excused
Absent <u>0</u>	Absent

Intent adopted

4/14 Reconsideration by Navarre

4/15 Reconsideration not taken up

4/15 PASSED ON RECON. clauses

	EFD Same ___ or
Yeas 22	Yeas 39
Nays 17	Nays <u>0</u>
Excused 1	Excused 1
Absent <u>0</u>	Absent <u>0</u>

Intent adopted

4/15 Reported correctly engrossed  
Signed by Speaker, to the Senate

Kurtis Gray  
Chief Clerk of the House

HISTORY IN THE SENATE

1992

Read first time and referred to:  
LSC, RES, Fin

4/21

5/10

<u>LSC</u>	RPT( <u>✓</u> )	CS	DP	NR	<u>3</u> DNP	AM
<u>✓</u>	New Title	Same Title				Previous FN
<u>4</u>	FN	OFN				To <u>Resound</u>

	RPT( )	CS	DP	NR	DNP	AM
	New Title	Same Title				Previous FN
	FN	OFN				To

	RPT( )	CS	DP	NR	DNP	AM
	New Title	Same Title				Previous FN
	FN	OFN				To

	RPT( )	CS	DP	NR	DNP	AM
	New Title	Same Title				Previous FN
	FN	OFN				To

Rules Calendar( ) CS AM Other

New Title Same Title Previous FN

FN OFN

Read second time

CS Adopted ( ) New Title

Amended Advanced

Read third time

Letter of Intent adopted

Return to second for specific amendment

PASSED	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reconsideration

Reconsideration not taken up

PASSED	EFD Same ___ or
Yeas	Yeas
Nays	Nays
Excused	Excused
Absent	Absent

Reported correctly engrossed  
Signed by President, to the House

Secretary of the Senate

HOUSE-SENATE HISTORY Continued

19

Received from the Senate \_\_\_\_\_

Concur in Senate amendment  
 Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_  
 \_\_\_\_\_ Efd same or Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

Failed to concur Senate amendment, ask Senate recede  
 Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

Senate failed to \ receded from amendment  
 Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

CC appointed by House \_\_\_\_\_ Chair

CC appointed by Senate \_\_\_\_\_ Chair

(H) Granted Limited Powers of Free Conference

(S) Granted Limited Powers of Free Conference

19

(H) Adopted CC Rpt \_\_\_\_\_  
 Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_  
 \_\_\_\_\_ Efd same or Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

(S) Adopted CC Rpt \_\_\_\_\_  
 Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_  
 \_\_\_\_\_ Efd same or Y \_\_\_ N \_\_\_ E \_\_\_ A \_\_\_

To enrolling  
 Reported enrolled and sent to Governor

\_\_\_\_\_ By Governor

Legislative Resolve Number \_\_\_\_\_

Filed with Lieutenant Governor

HJR

39

DATE: 4/26/91

FURTHER:

DATE TURNED INTO OFFICE: 1-30-92

Resources Committee considered HOUSE JOINT RESOLUTION NO. 39  
Relating to a bowhead whale allocation for the City of Diomedea.

and recommended:

replace with S CS HJR 39 (RES)  same title  
 or adopt \_\_\_\_\_ CS \_\_\_\_\_  new title  
 attached amendment(s)  technical  
 \_\_\_\_\_ letter of intent adopted title change (HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S):

fiscal note(s) \_\_\_\_\_ Dept/Date: \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

appropriation-no fiscal note

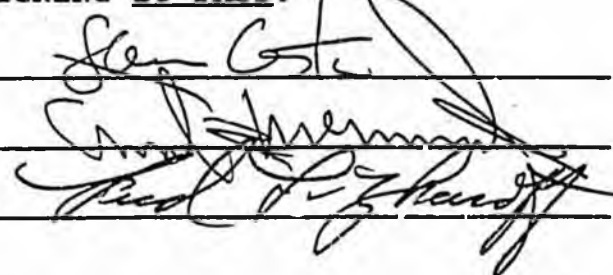
APPROVES PREVIOUS:

fiscal note(s) \_\_\_\_\_ Dept/Date: \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

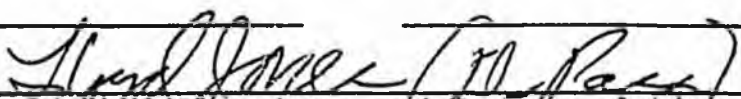
Governor's bill w/fiscal note

SIGNING DO PASS:



OTHER RECOMMENDATIONS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

  
Chair: Signature and Recommendation