

ALASKA LEGISLATURE COMMITTEE FILES 1993-1994 8672

8245 SENATE COMMUNITY & REGIONAL AFFAIRS

**HB**

**253**

DATE: 4/23/93

FINANCE

DATE TURNED INTO OFFICE: 4-29-93

CRA Committee considered HOUSE BILL NO. 253

"An Act amending the basis for determining refunds to local governments under the program of shared fisheries taxes; and providing for an effective date."

and recommends:

replace with SCS HB 253 (CRA)  
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

*Submitted SCS #8*

*fiscal note forthcoming*

individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal
Dept of Revenue	4/29/93		✓
(Forthcoming)			

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal
<del>Dept of Revenue</del>	<del>4/29/93</del>	<del>21,000</del>	<del>✓</del>

Appropriation No Fiscal Note

DO PASS:

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

OTHER RECOMMENDATIONS:

*W. Adams - No Rec*  
*Robert A. Roman NR*  
*Paul V. Zbyszko No Rec*  
\_\_\_\_\_  
\_\_\_\_\_

Ross E. Cook *No Rec*

Chair, Signature and Recommendation

# FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

BILL NO. SCSHB 253 (CRA)

Revision Date: 4/29/93	Dept. Affected: Revenue
Title: Fisheries Business Taxes	BRU: Shared Taxes
	Component: Fish Tax
Sponsor: House Finance	
Requestor: Senate CRA	COMPONENT SERIAL NO. 107/113

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES	30.0	30.0	30.0	30.0	30.0	30.0
TRAVEL	15.0	15.0	15.0	15.0	15.0	15.0
CONTRACTUAL	1,115.0	1,115.0	1,115.0	1,115.0	1,115.0	1,115.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	(1,000.0)	(1,000.0)	(1,000.0)	(1,000.0)	(1,000.0)	(1,000.0)
<b>TOTAL OPERATING</b>	<b>160.0</b>	<b>160.0</b>	<b>160.0</b>	<b>160.0</b>	<b>160.0</b>	<b>160.0</b>

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

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

**FUNDING:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	160.0	160.0	160.0	160.0	160.0	160.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>160.0</b>	<b>160.0</b>	<b>160.0</b>	<b>160.0</b>	<b>160.0</b>	<b>160.0</b>

**POSITIONS:**

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

Estimate of current year (FY93) impact: \$ 0

**ANALYSIS:** (Attach a separate page if necessary)

(See Attached)

Prepared by:	Larry E. Meyers, Director <i>[Signature]</i>	Phone: 465-2320
Division:	Income and Excise Audit Division	Date: April 29, 1993
Approved by Commissioner:	Darrel J. Rexwinkel <i>[Signature]</i>	Date: April 29, 1993
Agency:	Department of Revenue	

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**  
For further distribution information call the Governor's Legislative Office

## Analysis

This bill decreases the percentage amount used as the basis for sharing fisheries business taxes to municipalities under AS 43.75 for purposes of defraying the costs to the state of enforcement and administration of the shared tax program. Under this bill, 95% of revenues collected would be subject to sharing rather than the entire amount. Since the state shares 50% of fisheries business tax revenue, municipalities would receive 47.5% (50% x 95%) of fisheries business taxes collected within the municipality rather than current 50%. Municipalities would effectively receive 2.5% less revenues.

FY 92 fisheries business taxes are estimated to be \$40 million. Assuming that fisheries business tax revenues maintain the same level through FY 99, the state will withhold an estimated \$1 million (\$40 million x 2.5%) each fiscal year to cover the costs of administering the fisheries business tax program. The estimated total amount shared to municipalities per year would be \$19 million rather than \$20 million.

Section 5 of this bill provides for allowing municipalities to act as the Department of Revenue's agent, at the discretion of the commissioner, for collecting fisheries business license fees and taxes. This section also provides that the commissioner may pay for the collection services of the municipal officials.

The department shared fisheries business taxes to 61 municipalities last year. Assuming that those municipalities which received over \$25,000 in shared taxes last year would be willing and capable of collecting fees and taxes, the department would enter in agreements with 37 municipalities to act as collection agents for the department. Assuming further that the department would pay each municipality an average of \$30,000 per year for their collection services, this would allow each municipality to hire a part-time collection agent. The total annual cost to the state for having municipalities collect taxes would be \$1,110,000 (37 x \$30,000). This would be in addition to the shared tax amount.

The Department of Revenue will be required to train municipal officials regarding the procedures for collecting fisheries license fees and taxes and coordinating accounting and communications between the state and municipalities. Also, the department will incur additional personal services costs to account for the fisheries business taxes and review returns. The additional personal services costs is estimated to be \$30,000 to fund a Accounting Technician II at a range 14A located in Juneau.

Additional travel funds will be required to audit the increased number of returns and municipal records. The department estimates that 10 field trips at \$1,500 per trip will be required. Total travel costs will be \$15,000.

In order to maintain uniformity, the state will maintain application and return forms and bear the costs of publication, distribution and final audit of the returns. The state will be required to increase the number of applications and returns printed because the department will be required to provide a stock of forms to each municipality. Additionally, processors will be required to file more forms because they will be filing with individual municipalities rather than filing one return which consolidates their processing activity as currently provided. The department estimates that its costs for printing and distributing fisheries business tax forms will increase by \$5,000.

**Summary of Additional Costs**

Personal Services		
Accounting Technician II	\$30.0	\$30.0
Travel		
10 Field Trips @ \$1,500/Trip	15.0	15.0
Contractual		
Payments to Municipalities	1,110.0	
Forms	<u>5.0</u>	
Total Contractual		1,115.0
<b>Total Additional Costs</b>		<b><u>\$1,160.0</u></b>

# FISCAL NOTE

No. 1 CORRECTED (BRU #)

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

Bill Version: HB 253

(H) Publish Date: 4/21/93

Revision Date: <u>4/20/93</u>	Dept. Affected: <u>Revenue</u>
Title: <u>Fisheries Business Taxes</u>	BRU: <u>Shared Taxes</u>
	Component: <u>Fish Tax</u>
Sponsor: <u>House Finance</u>	
Requestor: <u>House Rules</u>	COMPONENT SERIAL NO. <u>107</u>

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY94	FY95	FY96	FY97	FY98	FY99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	(1,000.0)	(1,000.0)	(1,000.0)	(1,000.0)	(1,000.0)	(1,000.0)
<b>TOTAL OPERATING</b>	<b>(1,000.0)</b>	<b>(1,000.0)</b>	<b>(1,000.0)</b>	<b>(1,000.0)</b>	<b>(1,000.0)</b>	<b>(1,000.0)</b>

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

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

**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(1,000.0)	(1,000.0)	(1,000.0)	(1,000.0)	(1,000.0)	(1,000.0)
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>(1,000.0)</b>	<b>(1,000.0)</b>	<b>(1,000.0)</b>	<b>(1,000.0)</b>	<b>(1,000.0)</b>	<b>(1,000.0)</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \$ 0

ANALYSIS: (Attach a separate page if necessary)

(See Attached)

Prepared by:	Larry E. Meyers, Director <i>[Signature]</i>	Phone: <u>465-2320</u>
Division:	Income and Excise Audit Division	Date: <u>April 20, 1993</u>
Approved by Commissioner:	Darrel J. Rexwinkel <i>[Signature]</i>	Date: <u>April 20, 1993</u>
Agency:	Department of Revenue <i>[Signature]</i>	

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE  
For further distribution information call the Governor's Legislative Office

COMMITTEE COPY

### Analysis

This bill decreases the percentage amount used as the basis for sharing fisheries business taxes to municipalities under AS 43.75 for purposes of defraying the costs to the state of enforcement and administration of the shared tax program. Under this bill, 95% of revenues collected would be subject to sharing rather than the entire amount. Since the state shares 50% of fisheries business tax revenues, municipalities would receive 47.5% ( $50\% \times 95\%$ ) of fisheries business taxes collected within the municipality rather than current 50%. Municipalities would effectively receive 2.5% less revenues.

FY 92 fisheries business taxes are estimated to be \$40 million. Assuming that fisheries business tax revenues maintain the same level through FY 99, the state will withhold an estimated \$1 million ( $\$40 \text{ million} \times 2.5\%$ ) each fiscal year to cover the costs of administering the fisheries business tax program. The estimated total amount shared to municipalities per year would be \$19 million rather than \$20 million.

## **HB 253**

### **Proposed Amendment - Communities Collect Tax**

Following are some concerns of the Department of Revenue with the concept of communities collecting fisheries business taxes for the state and subsequently remitting 50% to the state.

#### *Loss of Revenues*

The state may ultimately lose revenues from processors who neglect to file and pay taxes with local communities. Our experience from working with communities is that they have encountered problems with processors complying with local fish tax laws. The department currently works with communities on a regular basis to share processor information so that communities can follow up with processors to collect revenues not previously paid. Since local communities are limited in their enforcement powers, there may be a tendency for higher delinquency rates which in turn decreases revenues to both the state and local communities.

#### *Additional Burden on Fisheries Businesses*

Fisheries businesses will be required to file additional returns. Currently each processor files one return with the department regardless of the number of locations in which processing or custom processing took place. Floating processors frequently process at several different locations during the year and many processors contract with others to custom process fish which will take place in another location. If a floating processor processes in ten communities, the processor will have to file ten returns instead of one as they currently do with the department.

Additionally, processors will have to file two returns for each location when processing took place in a community located within a borough (one return to the community and one to the borough). Statutes currently require that we share 25% of taxes to municipalities and 25% to boroughs attributable to processing which took place in a community also within a borough. For example, taxes generated from processing in the City of Kenai are shared 25% to the city and 25% to the Kenai Peninsula Borough.

#### *Returns Still be Required by the Department*

Fisheries business will still be required to file returns with the department for those cases in which they process in the unorganized borough. The state will still be required to collect fisheries taxes for processing which took place in the unorganized borough outside of a recognized community.

All processors will still be required to file returns with the department to report and pay their Alaska Seafood Marketing Institute (ASMI) assessments which is currently part of the department's fisheries business tax return.

#### *Administrative Costs Higher*

The overall cost to administer the fisheries business tax return program would increase statewide because each individual community would need to increase resources to collect and account for taxes, audit tax returns and pay the state its 50% share of revenues.

HB 253

Proposed Amendment - Communities Collect Tax

*Administrative Costs Higher (Continued)*

The state would save by utilizing the economies of scale in the Department of Revenue and the current centralized tax program. The department already has a program in place as well as audit and technical staff on board to effectively administer the fisheries business tax program.

The Department of Revenue would still be required to account and share taxes attributable to the unorganized borough and follow up with communities with sharing problems.

*Enforcement Powers Diminished*

Local enforcement powers are less powerful than those granted to the department through statutes. Additionally, communities would not have access to taxpayer information relating to other tax types currently administered by the department which would have bearing on the taxpayers ability to pay their taxes.

*Confusion Amongst Taxpayers*

Taxpayers will become confused when filing state and local returns to communities because of different tax structures and requirements of local fish tax laws.

Processors may not only have to file more returns but may have to file different returns specified by the respective community. Returns will not be uniform and communities may have different payment requirements.

Taxpayers will be required to be knowledgeable in the nuances of revenue sharing. For example, for those boroughs incorporated after June 16, 1987 there is a five year phase-in program for sharing fish tax revenues. For processing which took place in a community in the newly formed borough, the borough share starts at 5% (community receives 45%) the first year and increase 5% per year until it reaches 25%. For example, a processor processes fisheries resources in Chignik (located in the Lake and Peninsula Borough). Since the Lake and Peninsula Borough was formed in 1989 they are in year 4 of the phase-in and will receive 20% of revenues collected (Chignik will receive 30%). Under this program, processors would have to report and remit 60% of revenues to Chignik and 40% to the Lake and Peninsula Borough so that the phase-in formula remains intact.

For these reasons, the Department of Revenue opposes the proposed amendment.

A M E N D M E N T

OFFERED IN THE SENATE

TO: HB 253

Page 1, line 1, after "Act":

Insert "relating to the administration of fisheries business licenses and the fisheries business tax, and"

Page 1, line 4, after "purpose of":

Insert "secs. 2 - 4 of"

Page 3, following line 9:

Insert a new bill section to read:

\*\* Sec. 5. AS 43.75 is amended by adding a new section to article 4 to read:

Sec. 43.75.280. MUNICIPALITY AS TAX COLLECTION AGENT. (a) If a municipality indicates a willingness to act as the department's agent for purpose of collection of the license fee and tax imposed by this chapter and the commissioner believes the municipality is capable of making and accounting for those collections, the commissioner shall appoint one or more employees of that municipality to assist in the collection of revenue owed under the license fee and tax levied by this chapter.

(b) The commissioner may pay for the services of the municipal officials appointed to serve as collection agents under (a) of this section by

(1) entering into contingent fee agreements the commissioner considers reasonable; or

(2) the payment of amounts out of the proper appropriation for the department the commissioner considers reasonable."

Page 3, line 10:

Delete "\* Sec. 5."

Insert "\* Sec. 6."

HOUSE BILL NO. 253

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced: 3/26/93

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act amending the basis for determining refunds to local governments under  
2 the program of shared fisheries taxes; and providing for an effective date."

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

4 \* Section 1. PURPOSE. The purpose of this Act is to withhold from distribution to  
5 municipalities under the program of shared fisheries taxes a sum not to exceed five percent  
6 of the revenue obtained from the fisheries business tax imposed by AS 43.75 to defray the  
7 costs to the state of enforcement of that tax and administration of the shared tax program.

8 \* Sec. 2. AS 43.75.130(d) is amended to read:

9 (d) Notwithstanding the provisions of (a)(2) and (a)(3)(B) of this section, the  
10 commissioner shall pay

11 (1) to each city that is located in a borough incorporated after June 16,  
12 1987 the following percentages of the tax revenue collected in the city from taxes  
13 levied under this chapter:

14 (A) 45 percent of the tax revenue [TAXES] collected during

1 the calendar year in which the borough is incorporated;

2 (B) 40 percent of the tax revenue [TAXES] collected during  
3 the first calendar year after the calendar year in which the borough is  
4 incorporated;

5 (C) 35 percent of the tax revenue [TAXES] collected during  
6 the second calendar year after the calendar year in which the borough is  
7 incorporated; and

8 (D) 30 percent of the tax revenue [TAXES] collected during  
9 the third calendar year after the calendar year in which the borough is  
10 incorporated; and,

11 (2) to each borough that is incorporated after June 16, 1987, the  
12 following percentages of the tax revenue collected in the cities located within the  
13 borough from taxes levied under this chapter:

14 (A) 5 percent of the tax revenue [TAXES] collected during the  
15 calendar year in which the borough is incorporated;

16 (B) 10 percent of the tax revenue [TAXES] collected during  
17 the first calendar year after the calendar year in which the borough is  
18 incorporated;

19 (C) 15 percent of the tax revenue [TAXES] collected during  
20 the second calendar year after the calendar year in which the borough is  
21 incorporated; and

22 (D) 20 percent of the tax revenue [TAXES] collected during  
23 the third calendar year after the calendar year in which the borough is  
24 incorporated.

25 \* Sec. 3. AS 43.75.130(f) is amended to read:

26 (f) In this section, "tax revenue collected"

27 (A) means 95 percent of the revenue received from the tax  
28 that is levied and collected by the state under this chapter;

29 (B) includes the amount credited against taxes under  
30 AS 43.75.018.

31 \* Sec. 4. AS 43.75.137 is amended to read:

1  
2  
3  
4  
5  
6  
7  
8  
9  
10

Sec. 43.75.137. ADDITIONAL REFUND. To the extent that appropriations are available for the purpose, and notwithstanding the requirement of AS 37.07.080(e) that approval of the office of management and budget is required, an amount equal to 50 percent of the tax revenue [THAT IS] collected, as the phrase is defined in AS 43.75.130(f), [ UNDER THIS CHAPTER] from fisheries businesses and is not subject to division with a municipality under AS 43.75.130 shall be transmitted each fiscal year, without the approval of the office of management and budget, by the department to the Department of Community and Regional Affairs for disbursement to eligible municipalities under AS 29.60.450.

\* Sec. 5. This Act takes effect July 1, 1993.

**HB**

**259**

**SENATE COMMITTEE REPORT**

DATE: 4/13/94

FURTHER:

DATE TURNED INTO OFFICE: \_\_\_\_\_

CRA Committee considered HOUSE BILL NO. 259 (title am)

"An Act relating to general grant land entitlements for the Lake and Peninsula Borough; and providing for an effective date."

and recommends:

replace with 5 CS HB 259 (CRA)  
 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**

Department	Date	Zero	Fiscal
DORA	1/31/94	0	
DNR	2/1/94	0	

**PREVIOUS FISCAL NOTES**

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

**DO PASS:**

Loren A. Simon  
Adrian C. Taylor

**OTHER RECOMMENDATIONS:**

Be Lias No Rec

Roller EC 300 No Rec

Chair, Signature and Recommendation

# FISCAL NOTE

**STATE OF ALASKA**  
**1994 LEGISLATIVE SESSION**

**BILL NO. HB259**

Revision Date: Original Dept Affected: Natural Resources  
 Title: "An Act relating to general grant land entitlements BRU: Resource Development  
for certain boroughs and unified municipalities..." Component: Land Development  
 Sponsor: Rules by Request  
 Requestor: \_\_\_\_\_ Component Serial No. 431

**Expenditures/Revenues (Thousands of Dollars)**

OPERATING EXPENDITURES	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES			-			
EQUIPMENT					-	
LAND & STRUCTURES						-
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CAPITAL EXPENDITURES</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CHANGE IN REVENUES ( )</b>	0.0	0.0	0.0	0.0	0.0	0.0

**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY94) cost: \$ None

**POSITIONS**

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

**ANALYSIS:** (Attach a separate page if necessary)

SEE ATTACHED.

Prepared by: Ron Swanson, Director Phone: 762-2692  
 Division: Land Date: 1-Feb-94  
 Approved by Commissioner: Harry A. Noah Date: 1-Feb-94  
 Agency: Natural Resources

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**

## HB 259 Attachment

The department supports this bill in concept. We have not, however, been able to complete a land analysis. The borough's entitlement under law would be calculated as 10% of the maximum amount of vacant, unappropriated, and unreserved (VUU) state land within the boundaries between the date of incorporation and two years thereafter. Passage of Chapter 51, SLA 1991 delayed the certification until no earlier than January 1, 1994, following completion of the state's land selections. An estimate of entitlement was prepared for the Department of Community and Regional Affairs in 1988 for the proposed incorporation report and based on estimates of the classification, the entitlement would have been about 29,000 acres. There is a considerable amount of state land within the boundaries of the borough and department analysis is needed to determine whether 187,000 acres is a fulfillable entitlement.

Since the department has between January 1, 1994, and January 1, 1996, to certify entitlements for newly incorporated municipalities, this selection deadline could severely impact municipalities that are certified near the January 1996 deadline. In order to correct this inequity, we recommend, in Section 2, line 12, deleting "any time before October 1, 1996" and replacing with "within two years of the date that the certification of entitlement is final."

Δ TT Row  
Subvision, 2-11-94,  
he mis-read, and as  
it only applies to  
Sec. A10, no need  
to Δ that.

Revision Date: 1/31/94 Dept. Affected: Community & Regional Affairs  
 Title: \*An Act relating to general grant land entitlements ..... BRU: \_\_\_\_\_  
 Sponsor: Rules by Request Component: \_\_\_\_\_  
 Requestor: \_\_\_\_\_ COMPONENT SERIAL NO. \_\_\_\_\_

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

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

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

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

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

Estimate of current (FY94) Impact \$ none

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Remond Henderson Director Phone: 465-4708  
 Division: Administrative Services Date: 1/31/94  
 Approved by Commissioner: [Signature] Deputy Commissioner Date: 1/31/94  
 Agency: Community & Regional Affairs

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information call the Governor's Legislative Office





Official Business

**COMMITTEE:**

SENATE COMMUNITY & REGIONAL  
AFFAIRS

**DATE:**

4/21/94

**Subject of meeting:**

HB 259 GENERAL GRANT LAND  
ENTITLEMENTS

**SIGN-IN**

PLEASE PRINT!

NAME

ADDRESS

(MAILING) & (ZIP)

PHONE

REPRESENTING

DO YOU WANT  
TO TESTIFY?

NAME	ADDRESS (MAILING) & (ZIP)	PHONE	REPRESENTING	DO YOU WANT TO TESTIFY?
KAREN BRAND	Rep Moscow	3765		Yes or Answer questions
KAMAR COTTE	L & PEN Borough	5861292	LPB	Q & A yes
TOM GREENE	LL's Pen. Borough	284-2235	LPB	Q & A YES

777

Alaska State Legislature  
Representative Carl E. Moses

APR 13 1993

CHAIRMAN  
HOUSE RULES COMMITTEE

CHAIRMAN  
HOUSE SPECIAL COMMITTEE FISHERIES

MEMBER FINANCE SUBCOMMITTEES ON  
DEPT. OF FISH AND GAME  
DEPT. OF PUBLIC SAFETY

SESSION:  
CAPITAL BUILDING, ROOM 204  
JUNEAU, ALASKA 99901-1162  
PHONE: (907) 465-4451  
FAX: (907) 455-3445

INTERIM:  
716 W. 4TH AVE. #630  
ANCHORAGE, AK 99501-2133  
PHONE: (907) 258-8167  
FAX: (907) 258-8468

Memorandum

**Date:** April 13, 1994

**To:** Senator Randy Phillips  
Chairman, Senate Community & Regional Affairs Committee

**From:** Representative Carl E. Moses *CEM*  
Chairman, House Rules Committee

**Re:** Request for Hearing

I would like to request a committee hearing for HB 259 at your earliest convenience. HB 259 relates to general grant land entitlements for the Lake & Peninsula Borough.

HB 259 amends AS 29.65.010, the land entitlement section, to statutorily authorize 187,000 acres for the Lake and Peninsula Borough (LPB), and gives the LPB until October 1, 1996 to select those lands.

The borough assembly and planning commission are developing a comprehensive borough plan, and have identified lands of interest to them. Since there is very little land available from Vacant, Unappropriated, and Unreserved (VUU) inventories, and because other state lands would need reclassification before issuance of grant land to the LPB, pursuing entitlements through the formula in AS 29.65.030 would delay the certification process for the LPB.

HB 259 would raise the priority for processing grant land entitlements for the LPB. The DNR has reviewed briefly the land selections that the LPB has made, and commented in the House Finance Committee that the entire process of land selection and conveyance will still take place, after the amount of acreage is set, as in HB 259. The DF&G and the DCRA have also reviewed HB 259 and do not oppose the legislation.

If you have questions, please contact Karen Brand of my staff at 3765.

# Alaska State Legislature

## Representative Carl E. Moses

CHAIRMAN  
HOUSE RULES COMMITTEE

CHAIRMAN  
HOUSE SPECIAL COMMITTEE FISHERIES

MEMBER FINANCE SUBCOMMITTEES ON:  
DEPT. OF FISH AND GAME  
DEPT. OF PUBLIC SAFETY

SESSION  
CAPITAL BUILDING, ROOM 204  
JUNEAU, ALASKA 99801-1162  
PHONE: (907) 465-4451  
FAX: (907) 455-3445

INTERIM  
716 W. 4TH AVE. #630  
ANCHORAGE, AK 99501-2133  
PHONE: (907) 258-8167  
FAX: (907) 258-8468

## Sponsor Statement

### HB 259(title am)

### Representative Carl E. Moses

HB 259(title am) relates to general grant land entitlements for the Lake & Peninsula Borough.

HB 259(title am) amends AS 29.65.010, the land entitlement section, to statutorily authorize 187,000 acres for the Lake and Peninsula Borough (LPB), and gives the LPB until October 1, 1996 to select those lands.

The borough assembly and planning commission are developing a comprehensive borough plan, and have identified lands of interest to them. Alaska Statutes, Title 29, Chapter 65 currently provides a land selection process for newly formed boroughs. Since there is very little land available from Vacant, Unappropriated, and Unreserved (VUU) inventories, and because other state lands would need reclassification before issuance of grant land to the LPB, pursuing entitlements through the formula in AS 29.65.030 would delay the certification process for the LPB. In addition, the DNR has agreed that the formula is not a useful tool and it cannot be used across the board for all boroughs, as each is unique.

Because the land selection process in AS 29.65 would be very time consuming, HB 259(title am) would raise the priority for processing grant land entitlements for the LPB by simply adding their entitlement to the list of municipalities and boroughs currently in AS 29.65.010(a). Once the amount of the entitlement is established, the LPB and DNR will begin the process of land selections, and public hearings, as set out in Title 38.

HB 259(title am) does not affect other boroughs or their grant allocations.

## **Lake and Peninsula Borough Position Paper-HB 259-4.12.94**

---

### **Background**

From 1992-94 Lake and Peninsula Borough (LPB) developed a borough wide comprehensive plan. A key component of the plan was the identification of lands for selection under the state Municipal Land Entitlement Program. After extensive public review and input, LPB identified approximately 187,000 acres for its municipal entitlement.

### **Current Status of HB 259**

Hearings were conducted in three committees in the state house. The bill was approved by the state house on April 12. The bill does not designate actual land selections, but only allows for an amount of land to be conveyed to LPB. Department of Natural Resources (DNR) will have the final say over which lands will be actually conveyed. Both DNR and Fish and Game (ADF&G) have expressed concerns about certain proposed selections, particularly around Lake Iliamna, Mulchatna River, Kvichak River and certain popular fishing streams. LPB recognizes the importance of these areas to both local and non-local residents. LPB no longer seeks the larger tracts initially identified in these areas. It will seek, however, smaller tracts, in cooperation with DNR and ADF&G, in these areas. There are for example, lands on Lake Iliamna that are classified as settlement areas. LPB will seek ownership of those lands.

### **Why so much acreage?**

Municipal Land Entitlements are a one time process. These lands are to assist LPB financially in providing basic services well into the next century. The actual amount of land is misleading. The importance of land is its value per acre, not the actual amount. An acre of land in LPB is not now nor will it be in the near future worth one tenth the value of land in more urban settings. Nonetheless, this amount represents less than three (3)% of the total state lands LPB.

### **What are the possible uses of the lands?**

At this time, LPB envisions leasing some of the land for commercial recreation to produce income. Some of the lands could be sold as remote recreational parcels. Some of the land desired by LPB has been slated by the state as possible future land disposal sites. LPB has not identified all possible uses at this time. Any private or borough use of the lands must comply with LPB's stringent subdivision ordinance and development permit system. LPB residents are primarily involved in commercial fishing or commercial recreation. It is unfair and wrong to suggest that LPB residents would allow uses that are detrimental to their own long term economic survival.

**Does this set a good precedent for future public policy?**

Yes. LPB and the state of Alaska have openly discussed and, in turn, modified what types of lands could be possibly transferred. LPB, again, has meet most, if not all, of the state objections to its proposed selections. The current formula, LPB would argue, is bad public policy. It is not equitable and is bias against new boroughs.

**Will LPB still need to go through DNR's land selection process?**

Yes. The bill does not guarantee any site specific lands for LPB. It only provides for a maximum amount to be transferred under this program. LPB still must comply with DNR's public hearing and selection process. In many cases, it will require extensive efforts by LPB to have lands reclassified for borough ownership.

**What impact, if any, will this issue have on the Northern Boundary dispute?**

None. However, in the spirit of cooperation, LPB will not select any lands in that area until the courts have resolved the case.

**Will HB 259 require additional funding?**

According to DNR officials, it will not. A key function of the division of lands is to assist municipalities with this program. It will, however, cost LPB funds to survey the lands and, in turn, mean a longer time period before final conveyance.

**Will LPB have an open public process before it actually selects lands?**

Yes. In fact, LPB seeks to work directly and cooperatively with the public-both in and outside of the borough-and the state on this matter. It will seek input all users groups in the borough.



## **Lake and Peninsula Borough**

P.O. Box 495  
King Salmon, Alaska 99613

Telephone: (907) 246-3421  
Fax: (907) 246-6602



March 22, 1994

The Honorable Bill Williams, Chairman  
House Resources Committee  
House of Representatives  
State Capitol, Room 128  
Juneau, Alaska 99801-1182

**RE: HB 259**

Dear Chairman Williams:

This letter is in response to the March 4, 1994 correspondence from the Anchorage Fish and Game Advisory Committee. In short, the Lake and Peninsula Borough (LPB) strongly disagrees with a series of points made by the group. They include:

1. The lands LPB has identified through its planning process are not binding on DNR nor LPB. The Borough still needs to go through the process of selecting lands within DNR guidelines, including an extensive public hearing process. HB 259 only identifies an amount of land, not actual locations.
2. The letter is incorrect in its assertion that certain villages have successfully overturned the election that ratified the Borough boundaries. In fact, the villages are appealing the court decision because it is unfavorable to them. Even if the villages prevail in their appeal (which is very unlikely), a designated amount of acreage for the LPB would not necessarily affect lands in the disputed area.
3. The general statement that lands conveyed to local governments somehow threaten habitat and general public use is absurd. Resource management powers are still retained with lands transferred to a local government. Land conveyances to local governments often contain restrictions such as easements and rights-of-way. The LPB is at least as interested in protecting habitat and providing public access as the State.
4. The argument that land is only protected in state government is not only incorrect, but it reflects a short-sighted policy that does not promote economic development or growth.

The Honorable Bill Williams

March 22, 1994

Page Two

The LPB seeks a positive and cooperative relationship with the State on this issue, and has been pleased by the cooperative and understanding attitude exhibited by DNR and ADF&G staff. However, we consider the correspondence from the Anchorage Fish and Game Advisory Committee to be both uninformed and misleading. We appreciate the opportunity to express our concerns in this regard.

Sincerely,

A handwritten signature in cursive script, appearing to read "Glen K. Vernon", written in dark ink.

Glen K. Vernon  
Borough Manager

cc: Senator George Jacko  
Representative Carl Moses  
Lamar Cotten



Alaska Environmental Lobby, Inc.

P.O. Box 22151 Juneau, Alaska 99802

Phone: 907-463-3366

Fax: 907-463-3312

## HB 259: Land Grant to Lake and Peninsula Borough

HB 259 creates a general grant land entitlement of 187,000 acres to the Lake and Peninsula Borough which is located in Southwest Alaska, adjacent to Bristol Bay. Under current law, the Borough would be entitled to 10% of state land within the Borough which is classified as "Vacant, Unappropriated, and Unreserved." This would entitle the Borough to approximately 11,600 acres.

AEL opposes HB 259 as written:

- \* A grant of 187,000 acres is more than 16 times the amount of land the borough is entitled to under current state law. This would set a dangerous precedent, which may encourage excessive requests from newly incorporated areas in the future.
- \* The areas identified for selection by the Lake and Peninsula Borough consist only of land identified in the 1984 Bristol Bay Area Plan for State Lands as important wildlife habitat and public recreation land. Included are salmon spawning areas that supply Bristol Bay, site of the world's most productive sockeye salmon fishery and world class sport fishing areas along the Mulchatna River, Tularik Creek and Lake Illiamna.
- \* This bill would convert public lands currently managed with the protection of commercial, sport and subsistence activities as a priority to municipal lands much of which would likely be subdivided and sold or leased to private entities for development.
- \* Resulting changes in land use patterns would have adverse impacts on fish and wildlife habitat and the commercial, subsistence and recreational activities they support, as well as reducing public access to world class hunting and fishing opportunities.

W. Dunne  
3/23/94

OVER

HB 259 would grant 187,000 acres to the Lake and Peninsula Borough. Under current law the Borough is entitled to approximately 11,600 acres. A comparison of entitlements to other municipalities under AS 29.65.010 follows:

<u>Municipality</u>	<u>Entitlement (acres)</u>	<u>Population</u>	<u>Acres/Resident</u>
Muncplty. of Anchorage	44,893	240,258	.2
	(Due to little available land, Anchorage received money as well)		
City & Bor. of Juneau	19,584	29,251	.7
City & Bor. of Sitka	10,500	8,815	1.2
Bristol Bay Borough	2,898	1,415	2.0
Fairbanks N. S. Borough	112,000	79,730	1.4
Haines Borough	2,800	2,117	1.3
Kenai Pen. Borough	155,780	42,242	3.7
Ketchikan Gtwy. Bor.	11,593	14,110	.8
Kodiak Island Borough	56,500	15,535	3.6
Mat-Su Borough	355,210	41,797	8.5
North Slope Borough	89,850	8,578	10.5
Lake & Peninsula Borough	@ 187,000	1,722	108.6
	@ 11,600	1,722	6.7

Lake and Peninsula Borough's request for 187,000 acres would give them more than 10 times the per capita entitlement of the next highest grantee (North Slope Borough) and more than 27 times the average per capita entitlement for all other boroughs, excluding the urban municipalities of Anchorage, Juneau and Fairbanks. Since one main reason for transfer of state land to boroughs is to provide them with revenue opportunities for municipal services, we feel that a per capita comparison is a fair method of evaluating entitlements.

A grant of 11,600 acres, as allowed under existing law, would be a per capita entitlement of 6.7 acres, still above average, but within the existing range of land grants to other Boroughs.

Please note that the population counts used in this chart are current and that the number of residents in each borough may have been different at the time the entitlement was made. Nevertheless, the chart does give a meaningful indication of the amount of land conveyed per capita.

market-driven system. Under President Clinton's Health Security Act, the funding for IHS/Native health programs will be based largely on the same formula as other health care plans, and the IHS/Native providers will have to rely on the same sources of third party revenue as other providers, just as we do now. A voucher system would not be as effective. It would not pay for the important preventive and community health services now offered through the IHS/Native providers. What it would do is destroy the only integrated health care delivery system in the country and create a new insurance model, an accounting nightmare.

As to cost effectiveness, clearly it is in the best interest to keep the Native health care delivery system separate from that imposed by a single-payer plan. In Alaska, IHS spends \$216 million annually at a cost of about \$2,400 per beneficiary — half of the cost per person for other Alaskans. Is the state prepared to pay the difference if we all belong to a single-payer, universal access system? In almost all Native villages, primary health care is provided by community health aides. Although they do an excellent job, the state does not recognize them as legitimate (licensed) health providers. Will the state be able to recruit licensed providers to live in remote communities? Will the public support the astronomical cost involved? And will Native people be better or worse off if the IHS/Native health care system is dismantled?

These are the important questions to ask — and we believe the answers point to the need to protect and strengthen the Native health care delivery system. If we can do this and simultaneously move ahead with tribal self-governance to assume more control of Native health programs in Alaska, we will continue to see dramatic improvements in the health status of our people.

— Anne M. Walker, executive director  
Alaska Native Health Board

used in specific conditions; would eventually become a general-use runway.

This is exactly what happened. With the increase in commercial use of the airport, the use of the runway for south takeoffs has become routine. The 1980 guidelines for north/south

front the airport, the noise of small planes, we should not have to tolerate the ear-splitting roar of jet engines, rattling dishes and pictures falling off walls when a 747 cargo jet takes off to the south because there is a three-knot tail wind at 4 a.m. The noise complaint phone number at the airport is 266-2525. If you are bothered by unreasonable airport noise, please let them know.

It takes more than neighbors complaining among themselves to make a difference.

— Sally Burkholde

### Borough entitlement fair

Thank you for your detailed report on the Lake and Peninsula Borough's attempts to gain title to 187,000 acres of some of the most important fish and wildlife habitat in Alaska. However, David Hulen's thorough coverage of the issue did overlook one critical comparison in the debate over the fairness of the Lake and Peninsula's request.

Under existing state law, Lake and Peninsula would be entitled to approximately 11,600 acres, which is 10 percent of the "vacant, unreserved and unappropriated" state land within the borough's boundaries.

Borough officials claim that this amount is unfairly small. However, a per capita comparison of land grants to other boroughs shows that 11,600 acres, or 6.7 acres/resident, would be above average but within the range of other grants.

Land grants to municipalities under AS 29.65.010 show a per capita range from .2 acres for Anchorage to 10.5 acres for the North Slope Borough. The average per capita entitlement for eight boroughs (excluding urban areas of Anchorage, Fairbanks and Juneau) is 5 acres.

Lake and Peninsula Borough's request for 187,000 acres would translate into a grant of 104.5 acres for each of the borough's 1,789 residents, or more than 20 times the average for the other nonurban boroughs.

Since the main reason for transfer of state lands to municipalities is to provide them with revenue opportunities for services to their residents, we feel that a per capita comparison is a fair method of determining entitlements. Upon closer examination, Lake and Peninsula's legal entitlement of 11,600 acres appears fair and reasonable.

— Russell Heath, executive director  
Alaska Environmental Lobby  
Juneau

ADN  
pg B8  
April 6, 1994



### Let us know your views

The Daily News welcomes your opinions on matters of public interest and offers a variety of formats.

- **Letters:** Letters to the editor should be 250 words or less. No more than one letter a month per writer, please. Letters limited to theological doctrine will run on the religion pages.

- **Compass Pieces:** These are longer opinion columns on specific topics of public interest. They should be no more than 700 words.

- **Counterpoints:** Reactions to articles and editorials in the Daily News.

Include a daytime phone number for verification. (Your phone number and address will not be published.) We do not run unsigned or anonymous letters, open letters addressed to third parties or copies of letters sent to other papers.

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

**DEPARTMENT OF FISH AND GAME**

333 RASPBERRY ROAD  
ANCHORAGE, ALASKA 99518-1599  
PHONE (907) 344-0541

BOARDS SUPPORT SECTION

Anchorage Advisory  
Committee  
Box 454  
Girdwood, AK 99587

March 4, 1994

Members of the Alaska State Senate  
Members of the Alaska State House of Representatives  
State Capitol  
Juneau, Alaska

- Re: (1) Our Opposition to SB 217 (Expansion of University Land Entitlement),  
(2) Our Opposition to HB 259 (Expansion of Lake and Peninsula Borough Land Entitlement)  
(3) Mental Health Lands

Dear Senators and Representatives:

The Anchorage Fish and Game Advisory Committee, like other such committees in the state, is a publicly elected entity established by the Alaska Legislature. It provides advice to the Board of Fisheries and the Board of Game and other agencies on matters concerning fish and wildlife and the uses of them. Pursuant to regulations of the Department of Fish and Game, the committee is broadly representative. It is composed of recreational and commercial fishers, hunters, guides, lodge owners and others in the tourism industry, trappers, conservationists, non-consumptive users, and a variety of members who have worked for various state and federal resource agencies and natural resource law enforcement agencies. We represent the fish and wildlife interests of approximately half the state's population.

SB 217 and HB 259 are both land selection bills. Like the proposed Mental Health Settlement, they would result in

disposal of vast tracts of state land. The Anchorage Fish and Game Advisory Committee is strongly opposed to both SB 217 and HB 259 for the reasons set forth below.

A. Summary of SB 217 and HB 259, and Relation to Mental Health Settlement

SB 217 and HB 259, as well as the recently proposed Mental Health Lands Settlement (that will be submitted to the Legislature), hold the prospect of severely altering state land ownership in Southwest Alaska. The resources and the uses of resources in that region -- particularly in the drainages of the Kvichak River, Iliamna Lake, the Nushagak River and the Mulchatna River -- are very likely to be severely affected if land ownership changes because of these bills and the mental health settlement proposal.

We are addressing this letter jointly to members of both the House and the Senate because bills in both houses are involved.

SB 217 would allow the University to select an additional one million acres anywhere in the state. The bill provides that those lands would cease to be public lands and would be managed for income production. Sale by the University, charges for recreational and subsistence use, additional leasing for commercial development which only threatens existing businesses and invites further conflicts, as discussed below, all will result from this income production obligation.

HB 259 would raise the Lake and Peninsula Borough's land selection entitlement from approximately 29,000 acres, established pursuant to AS 29.65.030, to 187,000 acres. Arguably, the Borough is entitled to far less than 29,000 acres because the northwestern boundary of the Borough is the subject of current litigation.<sup>1</sup> The matter is now on appeal to the Alaska Supreme Court.

Nevertheless, the Borough has tentatively identified more than 100,000 acres that it would like to obtain. The lands include all the remaining state land around Lake Iliamna, Lower Talarik Creek, Copper River, Dream Creek, and most of the remaining state lands along the Mulchatna River and the Kvichak River. In short, the remaining state lands in the most productive salmon habitat in the world would cease to be state-owned.

The recent Mental Health settlement proposal would convey out 17,000 acres in the Iliamna area to the Mental Health Lands

---

<sup>1</sup> Villages that use the Nushagak/Mulchatna drainages sued to overturn the election that ratified the boundary. exclude from the Borough, those lands in the Mulchatna they assert are within their traditional area.

# **CORRECTION**

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

disposal of vast tracts of state land. The Anchorage Fish and Game Advisory Committee is strongly opposed to both SB 217 and HB 259 for the reasons set forth below.

A. Summary of SB 217 and HB 259, and Relation to Mental Health Settlement

SB 217 and HB 259, as well as the recently proposed Mental Health Lands Settlement (that will be submitted to the Legislature), hold the prospect of severely altering state land ownership in Southwest Alaska. The resources and the uses of resources in that region -- particularly in the drainages of the Kvichak River, Iliamna Lake, the Nushagak River and the Mulchatna River -- are very likely to be severely affected if land ownership changes because of these bills and the mental health settlement proposal.

We are addressing this letter jointly to members of both the House and the Senate because bills in both houses are involved.

SB 217 would allow the University to select an additional one million acres anywhere in the state. The bill provides that those lands would cease to be public lands and would be managed for income production. Sale by the University, charges for recreational and subsistence use, additional leasing for commercial development which only threatens existing businesses and invites further conflicts, as discussed below, all will result from this income production obligation.

HB 259 would raise the Lake and Peninsula Borough's land selection entitlement from approximately 29,000 acres, established pursuant to AS 29.65.030, to 187,000 acres. Arguably, the Borough is entitled to far less than 29,000 acres because the northwestern boundary of the Borough is the subject of current litigation.<sup>1</sup> The matter is now on appeal to the Alaska Supreme Court.

Nevertheless, the Borough has tentatively identified more than 100,000 acres that it would like to obtain. The lands include all the remaining state land around Lake Iliamna, Lower Talarik Creek, Copper River, Dream Creek, and most of the remaining state lands along the Mulchatna River and the Kvichak River. In short, the remaining state lands in the most productive salmon habitat in the world would cease to be state-owned.

The recent Mental Health settlement proposal would convey about 17,000 acres in the Iliamna area to the Mental Health Lands

---

<sup>1</sup> Villages that use the Nushagak/Mulchatna drainages sued successfully to overturn the election that ratified the boundary. They seek to exclude from the Borough, those lands in the Mulchatna drainage that they assert are within their traditional area.

Trust Corporation. Those lands would have to be managed for income production to the Trust. Again, sale by the Mental Health Trust, charges for use, and other dispositions are likely to result from this income production obligation.

B. Our Position

The Anchorage Fish and Game Advisory Committee opposes in the strongest possible terms SB 217 and HB 259. Both bills would result in further fragmenting ownership of the most important fish and wildlife habitat in Alaska -- the Bristol Bay drainages. Those drainages are the most productive in the world of commercial salmon, bar none. They produce on the order of 30 million sockeye salmon harvested each year with an escapement on the order of 10 million fish. By comparison, the Kenai River produces on the order of 5 million sockeye harvested with an escapement of 400,000 to 700,000. The lands are vitally important for subsistence. They provide world class recreation and support a valuable recreation industry. They contain the third largest caribou herd in Alaska -- the Mulchatna herd that is important for local subsistence and recreational hunting. The lands support the highest brown bear densities in Alaska -- in fact higher than Kodiak and Admiralty Island. They support the greatest rainbow trout fisheries in the world. They are widely recognized as essential to the recreation industry, as fragile due to small population size and late age of reproductivity, and are substantially managed as catch-and-release fisheries.

Presently the major land owners are the State, Native Corporations and the Federal Government. Further fragmentation of ownership -- by adding the University and Mental Health Lands Trust Corporation, and by increasing the Borough entitlement -- only invites problems, such as:

- (a) subdivision and sales of land title, as the pool of potential land sellers expands from the state and Native Corporations to include the University, the Mental Health Trust Corporation and the Borough;
- (b) increased allocation disputes between commercial fishing, subsistence and recreational interests, as more nonresidents come into the area as new property owners, permittees and users; and
- (c) increased regulatory costs for many agencies, such as DEC, ADF&G, DNR, the Boards of Fisheries and Game, as well as various federal agencies.

These problems already exist throughout the Cook Inlet region. They arise in the context of fisheries allocation disputes, game allocation disputes, and regulatory expenses involving fish habitat protection in the context of private

ownership of waterfront and riparian zone land. These problems should absolutely never be created in the Bristol Bay drainages.

The Committee strongly supports protecting existing uses (commercial fishing, subsistence and recreational businesses and use) and strongly oppose both bills as threats to those uses.

The purported purpose of SB 217 is supposedly to support the University. However, not one of the proponents of SB 217 advocates that the income would be substantial. For example, timber lands currently owned by the University contribute about two percent to the cost of the University and when amortized over a timber rotation, they contribute on the order of two-hundredths of one percent of those costs. In short, the bill simply uses (in our opinion abuses) the University as a vehicle for privatizing state land.

With respect to HB 259, we see no justification for the Legislature abrogating the statutory entitlement of the Borough, increasing it by six times, thereby threatening existing uses (subsistence, recreational and commercial), inexorably creating conflicts over allocation, and threatening habitat.

The history of land selection statutes is that they are poor public policy, do not accomplish their goals, and are costly and counter productive. Land available for selection is high-graded. Whatever is best becomes private. That land tends to be river-frontage, riparian zones, floodplain, and other riverain land important for fish, wildlife, subsistence, hunting, fishing and recreation and recreation business. Whatever is worst is left to the public who owned the land in the first place.

Far too frequently, therefore, the government simply ends up buying back what little it can afford. For example, much of our land acquisition budget in Alaska comes from federal taxes on recreational equipment and marine fuels (Dingle-Johnson and Wallop-Breaux accounts) that are partially matched with state monies from the Fish and Game Fund (derived from license sales). Almost without exception that land acquisition budget goes to buy parcels on riverfronts that should never have gone out of public ownership in the first place but went out under federal homestead laws during the territorial days. Those statutes essentially operated as land selection statutes. The fact that the public has to spend state and federal monies to buy back lands demonstrates the fallibility of land selection statutes. Similarly, current expenditures of Exxon Valdez monies for land acquisition is simply a testimonial of how land selection statutes lead to problems that should have been avoided if legislation had been drafted differently in the first place. In short, to the best of our knowledge, Alaska is the only state in the Union still enacting land selection statutes. That they are poor public policy has been historically demonstrated.

Furthermore, given that the State has spent nearly twenty years and untold litigation costs trying to resolve the Mental Health Lands controversy, one can only conclude that these similar dispositions of state land will only create the similar conflicts when public land ceases to be public. We urge you to learn from history, rather than repeat it. Keep Alaska's public lands public.

Sincerely yours,

*for Larry Holmes*  
Laurence (Larry) Holmes  
Chairman  
Anchorage Fish and Game  
Advisory Committee

cc: All Alaska State Senators and Representatives  
Harry Noah, Commissioner, DNR  
Carl Rosier, Commissioner, ADF&G  
Iliamna Fish and Game Advisory Committee  
Nushagak Advisory Committee  
Dillingham Advisory Committee

BRISTOL BAY NATIVE ASSOCIATION  
MAIN OFFICE

P.O. BOX 310 · DILLINGHAM, ALASKA 99576  
(907) 842-5257

FAX NUMBER (907) 842-5932

TOLL FREE PHONE: (800) 478-5257  
ALASKA ONLY

TELEFAX COVER SHEET

DATE: 4/14/94

TO: Senator Randy Phillips

FROM: Hazel Schreder for Jerry Hoefele

NUMBER OF PAGES 02 (INCLUDING COVER SHEET)

SENDER'S INITIAL hs

COMMENTS: \_\_\_\_\_

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

HARD COPY WILL FOLLOW IN MAIL OF \_\_\_\_\_

\_\_\_\_\_ HARD COPY WILL NOT FOLLOW

IF YOU DO NOT RECEIVE ALL PAGES, PLEASE CALL BACK AS SOON AS POSSIBLE

REALTY/NATURAL RESOURCES  
842-2743

SOCIAL SERVICES  
842-1139

HEAD START  
842-4059

## BRISTOL BAY NATIVE ASSOCIATION

P.O. BOX 310  
DILLINGHAM, ALASKA 99576  
PHONE (907) 842-5257

April 14, 1994

Senator George Jacko  
Eighteenth Alaska Legislature

VIA TELEFAX

Dear Senator Jacko;

We are writing out of concern for ~~H.B. 259~~ Our concern is the lack of knowledge, information and input on the bill and its potential impacts by local residents, the majority of whom are members of our Association.

Please schedule public hearings on this bill, both in Juneau and in the District so that local citizens, landowners (we are particularly concerned about potential impact on Native allotment owners), village corporations, and other interested parties can inform themselves and comment on the proposed legislation.

There are many questions about this bill; the borough, to our knowledge, has held no public hearings on the issue. What effect will this bill have on the value of neighboring property? What impact will this legislation have on the lawsuit over borough boundaries currently in the State Supreme Court? What are the specific benefits to local residents claimed by backers of the bill and to what public purpose will these lands be put?

George, if this bill cannot be delayed, we ask that you work to kill the bill for this year. Once the proposal meets the test of public scrutiny, it can stand on its own merits next year.

Sincerely,

*Donald Nielsen*  
Donald Nielsen, President

*Terry Hogfferle*  
Terry Hogfferle, CEO

copy by fax  
✓ Senator Rick Halford  
✓ Senator Randy Phillips  
✓ Senator Robin Taylor  
✓ Senator Loren Lemau  
Senator Al Adams  
Senator Fred Zharoff

**Lamar Cotten**

P.O. Box 103733  
Anchorage, AK 99510  
(907)258-7153 (fax & phone)

---

Senator Randy Phillips  
Pouch V  
Juneau, Alaska 99801


Date: 4.15.94

Subj: ~~HB~~ 259-Municipal Entitlements for Lake and Peninsula Borough

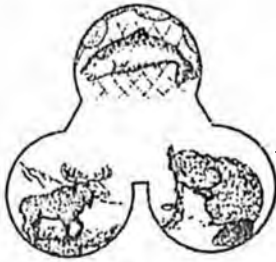
Dear Senator Phillips,

In response to your inquiry about the total amount of state land within the Lake and Peninsula Borough, I have found the following information. There is about 6.56 million acres of state land (patent, tentatively approved, selected). The borough request of 187,000 acres represents about 2.85% of the state lands.

Sincerely,



Lamar Cotten



# CHOGGIUNG LIMITED

VILLAGE CORPORATION

P.O. BOX 330

MAIN STREET

DILLINGHAM, ALASKA

99576

PHONE (907) 842-5218

FAX (907) 842-5462

April 13, 1994

Senator Randy Phillips  
Alaska State Legislature  
State Capitol (MS 3100)  
Juneau, Alaska 99801-1182

Dear Senator Phillips:

We are writing to ask for your assistance with HB 259. Choggiung Limited is the Native village corporation for Dillingham, Ekuok and Portage Creek. These communities are located on the lower Nushagak River in southwest Alaska. Our corporation as well as other corporations and communities located on the Nushagak River (Ekwok, New Stuyahok and Aleknagik) are currently involved in a lawsuit against the Lake and Peninsula Borough. The suit was filed shortly after Lake and Penn's incorporation and is a direct result of our protest against the northwest boundary of that borough. The suit is currently in the Supreme Court.

Our concern is that the language included in HB 259 will provide the Lake and Peninsula Borough with a great deal of selectable acreage that they plan to select in the area being disputed by our lawsuit. We recognize and commend the Borough for looking at an alternative tax base and other economic activities. We are searching for the same opportunities in our area, including a close examination of borough formation (conference to be held in Dillingham on May 21). We are, however, concerned that HB 259 and the eventual selection of the lands within the Nushagak/Mulchatna drainage will cement the boundary that is in dispute.

We understand that the Lake and Penn Borough and several state agencies testified at House Committee hearings. Our communities have not had the opportunity to testify to their concerns as yet. We would therefore like to take this opportunity to ask for your assistance in delaying action on HB 259 and to provide us with an opportunity to provide testimony.

If we can provide additional information please do not hesitate to contact us. We thank you for your effort.

Sincerely,

Alice Ruby  
Land Manager

/ar

TO: Senator Randy Phillips, Chair, Sen. Comm. Community & Regional Affairs

CC: Senators Taylor, Leman, Adams, Zharoff (w/o attachment)

FROM: Jeff Parker, Board, Alaska Sport Fishing Association  
V. Pres., AK State Council, Trout Unlimited

RE: H.B. 259 (petition against)

DATE: April 19, 1994

---

Attached is the petition of 430 signatures against H.B. 259 that were gathered with a bit more than a day's effort at the ASA and TU booths at the outdoor show.

When I was manning the booth, I encouraged about 50 people to sign. I had only one who declined to do so.

I have worked the sport fishing side of conservation issues for years in sport fishing community, and I what struck me about circulating this petition was how easily people would sign it once the explanation of H.B. 259 was presented.

When urban and rural interests are telling you hold H.B. 259 till next year, I hope you will concur. The region faces competing claims of the Lake and Pen. Borough, the University, the mental health settlement, allotments trading out of Wood-Tikchik, and any prospective Nushagak borough, as well as conservation claims. It is a legitimate request that the final land pattern emerging from all these claims should be known beforehand, rather than be arrived at piecemeal whereby the first claimants that can persuade DNR to reclassify land get first chance on any particular acre.



**Katmailand**  
**Inc.**

April 20, 1994

FAX TO: Senate Community and regional affairs Committee  
*R. F. Petersen - Chairman*

FROM: Raymond F. Petersen  
Katmailand Inc.

This FAX is to voice my opposition to HB 259. Also, I am opposed to this bill being greased through the legislature without a fair public hearing on the issue.

The bill, as I understand it, gives the Lake and Peninsula Borough some 187,000 acres of land when they are only entitled to 11,600.

The land in question includes prime recreational land that is and should remain the property of all Alaskans. This will no doubt create conflicts over land use.

The borough is currently attempting to assess a permit fee (tax) on all lodge operators that operate within the borough. Lodge operators, including Katmailand Inc., are opposing the tax in court. State statutes do not provide for such a tax and the borough has admitted that it is neither a sales or property tax as allowed by state law. They provide no services what so ever to those being subjected to the tax. This is an example of what you can expect them to impose upon all users if the are given this land.

Please delay further action on this bill until it can be properly debated in a public forum. These recreational lands are far to important to all Alaskans to be handed over like this. The borough can't be trusted to provide continued free public access to this land. Why would they want the land if they do not intend to restrict its use.

Sincerely,

Raymond F. Petersen

*Located in Katmai National Park*



April 20, 1994

Dennis H. Randa, President  
Alaska Council of Trout Unlimited  
Fax: 262-5920

Senator Randy Phillips, Chairman  
Community & Regional Affairs Committee  
Fax 465-4979

RE: SB 259

Dear Chairman Phillips:

Trout Unlimited is opposed to this bill as it is written. The transfer of large strips of land into private ownership along major anadromous waterways is of concern for all Alaskans. There are conservation concerns as well as public access to common property resources at issue here.

We are concerned with the fast-track approach which this bill seems to be on. We suggest that more time to take a closer look at this bill would be appropriate. Thank you for your consideration of our position.

Sincerely yours in conservation.

A handwritten signature in cursive script that reads "Dennis H. Randa".



## Alaska Sportfishing Association

3605 Arctic Blvd., Suite 800 • Anchorage, Alaska 99503

Alaska State Senate  
Committee on Community and Regional Affairs  
State Capitol  
Juneau, AK

April 20, 1994

Via Fax

**Re: HB259**

Gentlemen,

The Alaska Sportfishing Association appreciates the opportunity to comment on HB259, the Lake and Peninsula Land Entitlement.

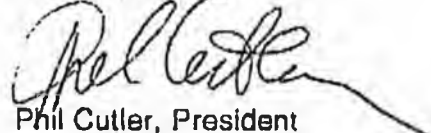
We think that this bill is poor legislation. The land specified in this bill supports a multitude of uses; subsistence, the spawning grounds for Bristol Bay salmon, habitat for the Mulchatna caribou herd and the densest brown bear population in our state, and a world class sport fishery are but a few.

We are concerned that the Borough, in order to maximize their return on Borough property, will allow changes to the current utilization of the land. We are concerned that any changes may well degrade the current use of the land for local residents, for the recreational users, and be detrimental to fish and wildlife habitat.

We are also concerned that this bill is being reviewed in isolation and not being considered a part of several land disposal and use change plans in the area. When one considers that the mental health lands settlement, the University of Alaska land entitlement bill, the potential Nushagak Borough, as well as the prospective land trades in the area for Native allotments in the Wood-Tikchik State Park all impact the Iliamna region, we should want to step back and look at the whole picture.

An important step is to not let this bill become law.

Thank You,



Phil Cutler, President

# STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

## DEPARTMENT OF FISH AND GAME

333 RASPBERRY ROAD  
ANCHORAGE, ALASKA 99518-1599  
PHONE (907) 344-0341

BOARDS SUPPORT SECTION

Anchorage Advisory  
Committee  
Box 454  
Girdwood, AK 99587

March 4, 1994

Members of the Alaska State Senate  
Members of the Alaska State House of Representatives  
State Capitol  
Juneau, Alaska

- Re: (1) Our Opposition to SB 217 (Expansion of University Land Entitlement),  
 (2) Our Opposition to HB 259 (Expansion of Lake and Peninsula Borough Land Entitlement)  
 (3) Mental Health Lands

Dear Senators and Representatives:

The Anchorage Fish and Game Advisory Committee, like other such committees in the state, is a publicly elected entity established by the Alaska Legislature. It provides advice to the Board of Fisheries and the Board of Game and other agencies on matters concerning fish and wildlife and the uses of them. Pursuant to regulations of the Department of Fish and Game, the committee is broadly representative. It is composed of recreational and commercial fishers, hunters, guides, lodge owners and others in the tourism industry, trappers, conservationists, and consumers, users, and various state and federal resource agencies and natural resource law enforcement agencies. We represent the fish and wildlife interests of approximately half the state's population.

SB 217 and HB 259 are both land selection bills. Like the proposed Mental Health Settlement, they would result in

---

<sup>1</sup> Villages that use the Nushagak/Mulchatna drainages sued successfully to overturn the election that ratified the boundary. They seek to exclude from the Borough, those lands in the Mulchatna drainage that they assert are within their traditional area.

Furthermore, given that the State has spent nearly twenty years and untold litigation costs trying to resolve the Mental Health Lands controversy, one can only conclude that these similar dispositions of state land will only create the similar conflicts when public land ceases to be public. We urge you to learn from history, rather than repeat it. Keep Alaska's public lands public.

Sincerely yours,

*for Larry Holmes*  
Laurence (Larry) Holmes  
Chairman  
Anchorage Fish and Game  
Advisory Committee

cc: All Alaska State Senators and Representatives  
Harry Noah, Commissioner, DNR  
Carl Rosier, Commissioner, ADF&G  
Iliamna Fish and Game Advisory Committee  
Nushagak Advisory Committee  
Dillingham Advisory Committee



6266 Riverside Drive • Redding, CA 96001 • Telephone: (916) 241-6204 • Fax (916) 244-4618

April 20, 1994

FAX To: Sen. Randy Phillips  
FAX From : John Holman Owner  
No See Um Lodge

Sir:

I am writing in regard to HB 259 and my very deep concern should it be passed. I am totally against the Lake and Peninsula Borough receiving 187,000 acres of state land with the passage of this bill for three reasons.

- 1) With more activity on this fragile land, I feel that there will be severe habitat destruction of both fish and game.
- 2) The borough has stated that it intends to lease out this land to commercial lodges and others who will be competing in the already overcrowded fishing business. I find that the streams are already overcrowded in the area. Passage of this bill will likely create another area of problems like the Kenai. You will be destroying the finest wild Rainbow trout fishery in the world.
- 3) There will be severe conflict over land use. They are not entitled to 187,000 acres of land and have no need for this amount. It should not be in strips along the rivers. We are already experiencing land use problems with the Feds of the National Park Service, the Native corporations as well as the Natives individuals. Now we will have another money hungry government agency wanting to control the use of state fish and game resources.

Please do not pass HB 259. Do not turn over state land and resources of this value to the Lake and Peninsula Borough.

Sincerely,

A handwritten signature in black ink that reads "John W. Holman". The signature is written in a cursive style with a long, sweeping underline.

# STATE OF ALASKA

WALTER J. NICKEL, GOVERNOR

## DEPARTMENT OF FISH AND GAME

333 RASPBERRY ROAD  
ANCHORAGE, ALASKA 99518-1599  
PHONE (907) 344-0541

BOARDS SUPPORT SECTION

Anchorage Fish & Game  
Advisory Committee  
Box 454, Girdwood,  
Alaska 99587

VIA FAX

April 28, 1994

The Honorable Rick Halford  
Chair, Senate Rules Committee  
Room 204, Capitol  
Juneau, Alaska 99801

RE: H.B. 259

Dear Senator Halford:

In at least the last four hearings on H.B. 259, not one member of the public has testified in support of the bill. It has been opposed by Native, sport, guide, environmental, rural and urban interests. It has been opposed by Fish and Game Advisory Committees, including those of Anchorage and Iliamna, which represents seven villages most affected by the Borough's tentative selections. It has been supported only by government officials, either from the Legislature or the Borough, who seem bent on deciding this issue on philosophical opinion -- that land should be moved out of state ownership -- rather than on facts relevant to deciding whether this particular bill makes sense.

Last Sunday more than 20 delegates from the Iliamna, Nushagak, Naknek/Kvichak and Anchorage Fish and Game Advisory Committees met in Dillingham to discuss ways of countering H.B. 259, S.B. 217, and similar bills (e.g. S.B. 375) and issues -- such as Mental Health litigation -- that seem likely to alter the land ownership pattern in the Nushagak, Mulchatna, Iliamna Lake and Kvichak drainages. They voted unanimously to support in concept the establishment of a Central Bristol Bay Drainages Fish and Game Reserve.

That proposal arises out of a variety of concerns. In my view, there seemed broad consensus on the desire to protect

existing uses from an increase in user group conflicts that will inevitably occur from recreational land sales, leases and new lodge development, as the Borough has numerous times stated its intentions. Let me demonstrate that inevitability.

Of particular concern to many are moose and chinook and coho salmon. Moose, chinook and coho are sources of present and potential conflict that should not be exacerbated by the Borough's plans for increased recreational development. Moose are already harvested at sustained yield in Game Units 17B, 17C, and 9B. The Board of Game has already created separate resident and nonresident moose hunting seasons with separate harvest and antler regulations in those game units that comprise the Nushagak, Mulchatna and Iliamna Lake drainages. Those measures reflect, for all practical purposes, that the situation is near to triggering the subsistence priority. They reflect existing concern among Departmental game biologists that too much pressure arises from the combination of local and nonlocal demand. The same is true on Nushagak/Mulchatna chinook and coho stocks. With respect to them, biological concerns have resulted in restrictions on the commercial chinook harvest and closure last year of subsistence harvest of coho, according to departmental officials. The Borough's intention of selecting lands for recreational sales, leases and new lodges can only result in further conflict between user groups and further restrictions on various user groups. Such results, to the extent they are predictable, as they seem to be here, will undermine what I suspect would be state efforts and legislative desires to regain management of fisheries (which was seriously undermined by Judge Holland's recent decision requiring the federal government to manage fisheries in navigable waters to assure subsistence compliance) and to regain subsistence management of game. In short, I can think of no worse decisions than those that exacerbate user group conflicts.

Turning to trout, world class rainbow trout, as you may know, are the most sought after species by recreational anglers who visit the area. Four studies are relevant. Bristol Bay Coastal Resource Service Area Board, "Commercial Recreation Service Providers Study", 1985 and Ackley, "An Economic Evaluation of Recreational Fishing in Bristol Bay, Alaska", UAA, Juneau, 1988 show the tremendous importance of those fish to the recreation industry. Those studies, along with Jones & Stokes, "Southcentral Alaska Sport Fishing Economic Study", 1987, and Parker, "Economics and Marketing Practices of Wilderness Dependant Recreation Industry, With Implications For Public Policy", 1988, all conclude that the combination of target species and uncrowded conditions are critical to maintaining the industry. They also show that it has an economic carrying capacity that is tied to the social carrying capacity (i.e. the willingness of the users to pay a given amount in relation to crowding and the quality of experience) and the biological carrying capacity of the systems to produce world class trout. The studies indicate that when the industry overgrows, it "tips over". That is, more anglers produce less commerce as high-dollar anglers demanding world class trout, plus salmon in an uncrowded wilderness setting move out of the market and are

displaced by low-dollar anglers focused on salmon and more tolerant of greater crowding. In short, the price structure caves in the market moves from trout plus salmon in a wilderness setting to salmon in a decreased wilderness setting. Although the most recent ADF&G data (Mills, 1993, Statewide Harvest and Participation Survey) is not of a time frame to reach clear conclusions, the data from 1990 to 1992 (faxed to Sen. Com. Commun. & Reg. Aff's) indicates that the recreational fisheries in these drainages are near to or may have started to "tip over."

Sincerely yours,



Jeff Parker

Anchorage Fish and Game  
Advisory Committee,  
Legislative Subcommittee, Chair

cc: Larry Holmes  
Committee members  
Commissioner Rosier



# Alaska Environmental Lobby, Inc.

P.O. Box 22151 Juneau, Alaska 99802

Phone: 907-463-3366

Fax: 907-463-3312

## HB 259: Land Grant to Lake and Peninsula Borough

HB 259 proposes to create a general grant land entitlement of 125,000 acres to the Lake and Peninsula Borough which is located in Southwest Alaska, adjacent to Bristol Bay. Under current law, the Borough would be entitled to 10% of state land within the Borough which is classified as "Vacant, Unappropriated, and Unreserved." This would entitle the Borough to approximately 11,600 acres.

AEL opposes HB 259 as written:

- \* A grant of 125,000 acres is almost 11 times the amount of land the borough is entitled to under current state law. This would set a dangerous precedent, which may encourage excessive requests from newly incorporated areas in the future.
- \* The areas identified for selection by the Lake and Peninsula Borough consist mainly of land identified in the 1984 Bristol Bay Area Plan for State Lands as important wildlife habitat and public recreation land. Included are salmon spawning areas that supply Bristol Bay, site of the world's most productive sockeye salmon fishery and world class sport fishing areas along the Mulchatna River, Tularik Creek and Lake Illiamna.
- \* This bill would convert public lands currently managed with the protection of commercial, sport and subsistence activities as a priority to municipal lands much of which would likely be subdivided and sold or leased to private entities for development.
- \* Resulting changes in land use patterns would have adverse impact on fish and wildlife habitat and the commercial, subsistence and recreational activities they support, as well as reducing public access to world class hunting and fishing opportunities.

ALASKA CENTER FOR THE ENVIRONMENT • ALASKA CENTER FOR SCIENCE • ALASKA FRIENDS OF THE FAMILY  
 NORTHERN ALASKA ROPING SOCIETY • ALASKA ANTI-NUCLEAR SOCIETY • CLEAN AIR FOUNDATION • CITIZEN SCIENCE COUNCIL  
 DENALI CONSERVATION SOCIETY • STATE OF ALASKA • UNITED STATES OF AMERICA

OVER

LAKE AND PENINSULA BOROUGH • BRISTOL BAY AREA PLAN FOR STATE LANDS • BRISTOL BAY AREA PLAN FOR STATE LANDS

BRISTOL BAY AREA PLAN FOR STATE LANDS • BRISTOL BAY AREA PLAN FOR STATE LANDS • BRISTOL BAY AREA PLAN FOR STATE LANDS

BRISTOL BAY AREA PLAN FOR STATE LANDS • BRISTOL BAY AREA PLAN FOR STATE LANDS • BRISTOL BAY AREA PLAN FOR STATE LANDS





# **CORRECTION**

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



# Alaska Environmental Lobby, Inc.

P.O. Box 22151 Juneau, Alaska 99802

Phone: 907-463-3366

Fax: 907-463-3312

## HB 259: Land Grant to Lake and Peninsula Borough

HB 259 proposes to create a general grant land entitlement of 125,000 acres to the Lake and Peninsula Borough which is located in Southwest Alaska, adjacent to Bristol Bay. Under current law, the Borough would be entitled to 10% of state land within the Borough which is classified as "Vacant, Unappropriated, and Unreserved." This would entitle the Borough to approximately 11,600 acres.

AEL opposes HB 259 as written:

- \* A grant of 125,000 acres is almost 11 times the amount of land the borough is entitled to under current state law. This would set a dangerous precedent, which may encourage excessive requests from newly incorporated areas in the future.
- \* The areas identified for selection by the Lake and Peninsula Borough consist mainly of land identified in the 1984 Bristol Bay Area Plan for State Lands as important wildlife habitat and public recreation land. Included are salmon spawning areas that supply Bristol Bay, site of the world's most productive sockeye salmon fishery and world class sport fishing areas along the Mulchatna River, Tularik Creek and Lake Iliamna.
- \* This bill would convert public lands currently managed with the protection of commercial, sport and subsistence activities as a priority to municipal lands much of which would likely be subdivided and sold or leased to private entities for development.
- \* Resulting changes in land use patterns would have adverse impact on fish and wildlife habitat and the commercial, subsistence and recreational activities they support, as well as reducing public access to world class hunting and fishing opportunities.



A major reason for transferring state land to boroughs is to provide them with a source of revenue to support municipal services. Therefore, a comparison of the acres granted per capita is a valid method of evaluating an entitlement. A chart of the number of acres granted per capita at the time the entitlement was made under AS 29.65.010 follows:

**RATIO OF  
BOROUGH ENTITLEMENT TO POPULATION**

MUNICIPALITY/ BOROUGH	ENTITLEMENT <sup>1</sup> (acres)	POP. AT TIME OF ENTITLEMENT <sup>2</sup>	ACRES/ RESIDENT
Anchorage (Municipality) (Due to lack of available land, Anchorage's entitlement included a financial settlement as well)	44,893	183,600	0.24
Juneau (City & Borough)	19,584	18,000	1.08
Sitka (City & Borough)	10,500	7,600	1.38
Bristol Bay Borough	2,898	1,100	2.63
Fairbanks North Star Bor.	112,000	58,200	1.92
Haines Borough	2,800	1,700	1.65
Kenai Peninsula Borough	155,780	24,500	6.36
Ketchikan Gateway Bor.	11,593	11,600	1.0
Kodiak Island Borough	56,500	10,300	5.49
Mat-Su Borough	355,210	16,700	21.27
North Slope Borough	89,850	4,400	20.42
Lake & Peninsula Bor.	@ 125,000 @ 11,600	1,722	74.94 6.95

NOTE: With the exception of the Lake and Peninsula Borough, each borough listed above was incorporated prior to 1978. However, the entitlement of each was determined in 1978, regardless of its date of incorporation. The Lake and Peninsula Borough was incorporated in 1989 and its entitlement was required, under Ch 51, SLA1991, Section 2 (b), to be determined within two years and six months of the date of incorporation.

1. AS 29.65.010, 29.65.030 (Amendment to AS 29.18), July 1, 1978; Entitlements were fixed as of July 1, 1978 to 10% of vacant, unappropriated, unreserved land.

2. Population Census: The Alaska Economic and Statistical Review, 1984, State of Alaska, Department of Commerce and Economic Development, p.23; Alaska Population Overview, 1988, Alaska Department of Labor, p.41; Alaska Municipal Officials Directory, 1994, p.11.



Alaska Environmental Lobby, Inc.

P.O. Box 22151 Juneau, Alaska 99802

Phone: 907-463-3366

Fax: 907-463-3312

## HB 259: Land Grant to Lake and Peninsula Borough

HB 259 proposes to create a general grant land entitlement of 125,000 acres to the Lake and Peninsula Borough which is located in Southwest Alaska, adjacent to Bristol Bay. Under current law, the Borough would be entitled to 10% of state land within the Borough which is classified as "Vacant, Unappropriated, and Unreserved." This would entitle the Borough to approximately 11,600 acres.

AEL opposes HB 259 as written:

- \* A grant of 125,000 acres is almost 11 times the amount of land the borough is entitled to under current state law. This would set a dangerous precedent, which may encourage excessive requests from newly incorporated areas in the future.
- \* The areas identified for selection by the Lake and Peninsula Borough consist mainly of land identified in the 1984 Bristol Bay Area Plan for State Lands as important wildlife habitat and public recreation land. Included are salmon spawning areas that supply Bristol Bay, site of the world's most productive sockeye salmon fishery and world class sport fishing areas along the Mulchatna River, Tularik Creek and Lake Iliamna.
- \* This bill would convert public lands currently managed with the protection of commercial, sport and subsistence activities as a priority to municipal lands much of which would likely be subdivided and sold or leased to private entities for development.
- \* Resulting changes in land use patterns would have adverse impact on fish and wildlife habitat and the commercial, subsistence and recreational activities they support, as well as reducing public access to world class hunting and fishing opportunities.

4/27/94

OVER



HB 259 as amended 4/26/94 would grant 125,000 acres to the Lake and Peninsula Borough. Under current law the Borough is entitled to approximately 11,600 acres. A per capita comparison of entitlements to other municipalities that were granted land under AS 29.65.010 follows:

**RATIO OF  
BOROUGH ENTITLEMENT TO POPULATION**

MUNICIPALITY/ BOROUGH	ENTITLEMENT <sup>1</sup> (acres)	POP. AT TIME OF ENTITLEMENT <sup>2</sup>	ACRES/ RESIDENT
Anchorage (Municipality) (Due to lack of available land, Anchorage's entitlement included a financial settlement as well)	44,893	183,600	0.24
Juneau (City & Borough)	19,584	18,000	1.08
Sitka (City & Borough)	10,500	7,600	1.38
Bristol Bay Borough	2,898	1,100	2.63
Fairbanks North Star Bor.	112,000	58,200	1.92
Haines Borough	2,800	1,700	1.65
Kenai Peninsula Borough	155,780	24,500	6.36
Ketchikan Gateway Bor.	11,593	11,600	1.0
Kodiak Island Borough	56,500	10,300	5.49
Mat-Su Borough	355,210	16,700	21.27
North Slope Borough	89,850	4,400	20.42
Lake & Peninsula Bor.	@ 125,000	1,722	74.94
	@11,600		6.95

NOTE: With the exception of the Lake and Peninsula Borough, each borough listed above was incorporated prior to 1978. However, the entitlement of each was determined in 1978, regardless of its date of incorporation. The Lake and Peninsula Borough was incorporated in 1989 and its entitlement was required to be determined within two years and six months of the date of incorporation, under Ch 51, SLA1991, Section 2 (b).

1. AS 29.65.010, 29.65.030 (Amendment to AS 29.18), July 1, 1978; Entitlements were fixed as of July 1, 1978 to 10% of vacant, unappropriated, unreserved land.

2. Population Census: The Alaska Economic and Statistical Review, 1984, State of Alaska, Department of Commerce and Economic Development, p.23; Alaska Population Overview, 1988, Alaska Department of Labor, p.41; Alaska Municipal Officials Directory, 1994, p.11.

Alaska's



**FISHING UNLIMITED**  
**LODGES**

HB 259

Thursday, April 21, 1994  
Via Fax #907-465-4979  
2 Pages to Transmit

Mr. Randy Phillips  
Chair - Community & Regulatory Affairs Committee  
Alaska State Senate - District L  
Room 103, State Capital  
Juneau, AK 99801-1182

RE: House Bill 259 - Land Grant to Lake & Peninsula Borough

Dear Senator Phillips,

I am writing to urgently ask your help in defeating HB 259. As the manager of Fishing Unlimited Lodges, located in Port Alsworth on Lake Clark. Fishing Unlimited Lodges are the oldest owner-operated fishing lodges in Alaska. We have been in the sport fishing business since 1970. I have many concerns should this bill pass.

First are the new lodges and the developments that the Borough wishes to entice into the area. There is more than enough development in the area now. There are many more lodges than the number of fish and the environment can handle. The commercial fishing industry is already terribly impacting this area -- which is another desperate issue altogether.

More lodges would mean more anglers, which would mean more boats and planes all of which will have more of a negative impact on the fish and their food chain. These new lodges would bring about a tremendous amount of over competition. Not to mention more habitat destruction in the area.

The Ultimate Alaskan Fishing Experience

P.O. Box 190301 • Anchorage, Alaska 99519-0301

Winter Phone (907) 243-5899 • Fax (907) 243-2473

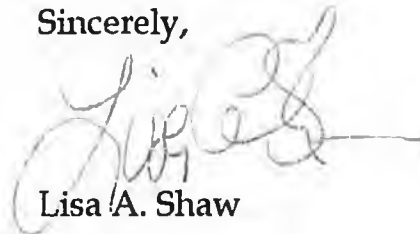
• Summer Phone (907) 781-2213 • Fax (907) 781-2244

Another concern that is already distressing and confusing and would get worse is the conflict over land use. Why is more and more of Alaska's public land being taken away from the State. Why should the Lake and Peninsula Borough be granted 16 times the amount of land that they are entitled to by law?

Please assist me and many others in helping us defeat this terribly unfair and greedy bill that, if passed, could set a frightening precedent.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lisa A. Shaw", with a horizontal line extending to the right.

Lisa A. Shaw



April 21, 1994

Senate Community and Regional Affairs

Dear Chaiman R. Phillips,

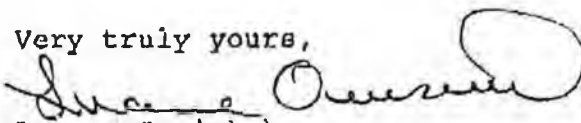
I would like to comment on the upcoming House Bill No. 259. I am a sport fish lodge owner in the Bristol Bay area. I am very concerned with this bill as a business owner and as an Alaskan.

It amazes me that the House has passes a bill approving over 16 times the amount of land that the Lake and Peninsula Borough is entitled just because the Borough asked for it. Why does this Borough need 112 acres per person to support their Borough expenses? The State is about to create a monster! If this bill passes the Senate, we will be faced with Borough control over some of the most prized and productive sport fishing area in Alaska. These areas should be controlled by the state whose first interest is to maintain equal access to all its citizens. The prized sport areas should not be put management that is based on taxation value.

Perhaps the State is eager to be rid of the expenses of maintaining schools and services in our area, but this bill sells the rights of us all to use and enjoy one of the finest areas in Alaska for the proposed ability of a Borough to raise money.

Please do not allow this to happen. Take a look at the huge amount of land and the location of the selections that are about to be conveyed and consider the good of our sport fishing industry, the individual's ability to use these areas, and the precedents sent by such a giveaway.

Very truly yours,

  
Lorane Owsichek

The Ultimate Alaskan Fishing Experience

P.O. Box 190301 • Anchorage, Alaska 99519-0301

Winter Phone (907) 243-5899 • Fax (907) 243-2473

• Summer Phone (907) 781-2213 • Fax (907) 781-2244

REGISTRATION TESTS ON CREDIT NETWORK  
DATE OF 02/19/73

REGISTRATION TESTS ON CREDIT NETWORK  
DATE OF 02/19/73

*Shirley!*  
*Here are final*  
*stats on*  
*your*  
*general*  
*Case / L110*

REGISTRATION TESTS ON CREDIT NETWORK  
DATE OF 02/19/73



PLANNING IN OFFICE

222 OF

NO

DATE

ENVELOPE

ANCHORAGE

TYPE

NO

202154-1000

PLANNING IN OFFICE

222 OF

NO

DATE

ENVELOPE

ANCHORAGE

TYPE

NO

202154-2000

UNLATER

01	04/14/94	12:32:33	ANNOUNCING	TELESCOPERS	ADD
02	04/15/94	08:54:07	OFFICE		ADD
03	04/15/94	10:53:09	HOMER LTD		ADD
04	04/15/94	10:53:10	REHABIL		ADD
05	04/18/94	09:38:21	DILLIASHAN		ADD
06	04/18/94	11:12:24	BARROW		ADD
07	04/18/94	11:02:24	BARROW		ADD

L101100-R01  
04/21/94

LEGISLATIVE TELECONFERENCE NETWORK

PAGE 01  
14:22:06

TON 40677 DATE & TIME: 04/21/94 09:00 TO 11:00 STATUS: 5 IN PROG.

\*\*\* ORDER SUMMARY \*\*\*

SPONSOR: SCPA SENATE COMMUNITY & REGIONAL AFFAIRS CHAIRS: PHILLIPS  
PURPOSE: PUB PUBLIC HEARING LEGISLATIVE  
CONTACT: SHERLY ARMSTRONG TEL# (907)465-4445  
HEARING SITE: JUNEAU CAPITOL CAP205  
TOLL FREE: 1800470-7522 DIAL-UP: LID: (360)470-7908

STANDARD FEATURES (PUB): VOLUNTARY: Y ALLOWED 30 MINUTE LIMIT  
- ADAPT WILL BE TAKEN WITH A 30 MINUTE LIMIT

CHANGES BEING MADE: BACKUP NATIONAL P. WE'LL TRY TO RECOVER FOR YOU. WE'LL TRY TO  
SITES MAY ADD.  
DIAL-UP = HUNTER  
FOR REQUESTED ON 04/21/94 AND HAS A DIAL-UP

\*\*\* AGENDA \*\*\*

1. HB 545 UNVENTED GAS HEATERS IN RESIDENTIAL BLDGS
2. HB 259 GENERAL GRANT LAND SETTLEMENT
3. SB 375 GENERAL GRANT LAND SETTLEMENTS

\*\*\* PARTICIPATING LINES \*\*\*

ANC ANCHORAGE	716 W 4TH, #200	LOCATION STAFF
BAR BARROW	COURTHOUSE #305	LOCATION STAFF
FB FAIRBANKS	119 N DIGHMAN ST	LOCATION STAFF
HR HOMER LTC	126 N FLORETT ST	LOCATION STAFF
JUN JUNEAU	CAPITOL	LOCATION STAFF
SOL KEN/SOL	34024 KALIFORNIA	LOCATION STAFF

\*\*\* VOLUNTEER & OFFICE LIST \*\*\*

222 OFF OFFICE 1	COLORADO	KEITH WATSON	303-772-1450
222 OFF OFFICE 2	LIFE SALMON	DAVE RYAN	(907)245-4121
222 OFF OFFICE 3	ANCHORAGE	MARK MCWART	(907)289-4441
222 OFF OFFICE 4	BEVERLY	SUE ORR	(907)274-4444
222 OFF OFFICE 5	?	ROBERTA HALL	(907)470-2842
222 OFF OFFICE 6	VICTORIA	JACQUELYNE	(907)599-9545
222 OFF OFFICE 7	DELL COLEMAN	DELL COLEMAN	(907)920-9999

PARTICIPANTS IN ANCHORAGE

1	MIKE	BARROW	AK FIRE CHIEF	187Y, HB 545
	BOB GILL	ANCHORAGE	FOUR	AK 99615 (907)486-8030
	GILL	ANCHORAGE	SUBP GEN PROPANE	187Y, HB 545
	1900 WHITNEY RD	ANCHORAGE		AK 99504 (907)272-7541
2	KEP	ANCHORAGE	GRAND OF P ENG	187Y, HB 545
	2522 ARCTIC BLVD, #200	ANCHORAGE		AK 99503 (907)276-0521
3	GLOFF	ANCHORAGE		187Y, HB 545
	4128 WRIGHT ST	ANCHORAGE		AK 99508 (907)254-0773
4	JEFF	ANCHORAGE	FOR ADV HUMAN RES	187Y, HB 545
	1294 HYDER	ANCHORAGE		AK 99507 (907)274-5818
5	CHRIS	ANCHORAGE	APSA	187Y, HB 545
	4537 RAJSPERRY RD	ANCHORAGE		AK 99502 (907)243-7894
6	RAYMOND	ANCHORAGE	SPORTS FLS	187Y, HB 545
	4720 SHELTON DR	ANCHORAGE		AK 99507 (907)243-5468
7	LORNAE	ANCHORAGE	SPORT LODGE HOME	187Y, HB 545
	PO BOX 190304	ANCHORAGE		AK 99518 (907)243-5899

L101100-R01  
04/21/94

LEGISLATIVE TELECONFERENCE NETWORK

PAGE 02  
14:27:06

TON 40677 DATE & TIME: 04/21/94 09:00 TO 11:00 STATUS: 5 IN PROG.

PARTICIPANTS IN ANCHORAGE

1	DAVE	ANCHORAGE	LESTAR	OROV, HB 545
	PO BOX 190304	ANCHORAGE		AK 99518 (907)243-5899
2	BOB	ANCHORAGE	LESTAR NAT GAS	OROV, HB 545
	3000 SHELTON DR	ANCHORAGE		AK 99507 (907)243-5468

PARTICIPANTS IN BARROW

1	KEITH	BARROW	NORTH SLOPE	BARO 187Y, SB 375
	PO BOX 69	BARROW		AK 99723 (907)852-0320

PARTICIPANTS IN FAIRBANKS

FBX

NO.	NAME	ADDRESS	CITY	STATE	ZIP
1	ADRIE	FO BOX 328	FLORINGHAM	VA	22427
2	MADINE WINTERS	FO BOX 11267	FAIRBANKS	AK	99701
3	AGRIE	CLARKS EDDIE	LEFLY	AK	99524
4	LENNY	LENNY	LENNY	AK	99524
5	LENNY	LENNY	LENNY	AK	99524
6	LENNY	LENNY	LENNY	AK	99524
7	LENNY	LENNY	LENNY	AK	99524
8	LENNY	LENNY	LENNY	AK	99524
9	LENNY	LENNY	LENNY	AK	99524
10	LENNY	LENNY	LENNY	AK	99524
11	LENNY	LENNY	LENNY	AK	99524
12	LENNY	LENNY	LENNY	AK	99524
13	LENNY	LENNY	LENNY	AK	99524
14	LENNY	LENNY	LENNY	AK	99524
15	LENNY	LENNY	LENNY	AK	99524
16	LENNY	LENNY	LENNY	AK	99524
17	LENNY	LENNY	LENNY	AK	99524
18	LENNY	LENNY	LENNY	AK	99524
19	LENNY	LENNY	LENNY	AK	99524
20	LENNY	LENNY	LENNY	AK	99524
21	LENNY	LENNY	LENNY	AK	99524
22	LENNY	LENNY	LENNY	AK	99524
23	LENNY	LENNY	LENNY	AK	99524
24	LENNY	LENNY	LENNY	AK	99524
25	LENNY	LENNY	LENNY	AK	99524
26	LENNY	LENNY	LENNY	AK	99524
27	LENNY	LENNY	LENNY	AK	99524
28	LENNY	LENNY	LENNY	AK	99524
29	LENNY	LENNY	LENNY	AK	99524
30	LENNY	LENNY	LENNY	AK	99524
31	LENNY	LENNY	LENNY	AK	99524
32	LENNY	LENNY	LENNY	AK	99524
33	LENNY	LENNY	LENNY	AK	99524
34	LENNY	LENNY	LENNY	AK	99524
35	LENNY	LENNY	LENNY	AK	99524
36	LENNY	LENNY	LENNY	AK	99524
37	LENNY	LENNY	LENNY	AK	99524
38	LENNY	LENNY	LENNY	AK	99524
39	LENNY	LENNY	LENNY	AK	99524
40	LENNY	LENNY	LENNY	AK	99524
41	LENNY	LENNY	LENNY	AK	99524
42	LENNY	LENNY	LENNY	AK	99524
43	LENNY	LENNY	LENNY	AK	99524
44	LENNY	LENNY	LENNY	AK	99524
45	LENNY	LENNY	LENNY	AK	99524
46	LENNY	LENNY	LENNY	AK	99524
47	LENNY	LENNY	LENNY	AK	99524
48	LENNY	LENNY	LENNY	AK	99524
49	LENNY	LENNY	LENNY	AK	99524
50	LENNY	LENNY	LENNY	AK	99524

PARTICIPANTS IN 1988-89

NO.	NAME	ADDRESS	CITY	STATE	ZIP
1	ADRIE	FO BOX 328	FLORINGHAM	VA	22427
2	MADINE WINTERS	FO BOX 11267	FAIRBANKS	AK	99701
3	AGRIE	CLARKS EDDIE	LEFLY	AK	99524
4	LENNY	LENNY	LENNY	AK	99524
5	LENNY	LENNY	LENNY	AK	99524
6	LENNY	LENNY	LENNY	AK	99524
7	LENNY	LENNY	LENNY	AK	99524
8	LENNY	LENNY	LENNY	AK	99524
9	LENNY	LENNY	LENNY	AK	99524
10	LENNY	LENNY	LENNY	AK	99524
11	LENNY	LENNY	LENNY	AK	99524
12	LENNY	LENNY	LENNY	AK	99524
13	LENNY	LENNY	LENNY	AK	99524
14	LENNY	LENNY	LENNY	AK	99524
15	LENNY	LENNY	LENNY	AK	99524
16	LENNY	LENNY	LENNY	AK	99524
17	LENNY	LENNY	LENNY	AK	99524
18	LENNY	LENNY	LENNY	AK	99524
19	LENNY	LENNY	LENNY	AK	99524
20	LENNY	LENNY	LENNY	AK	99524
21	LENNY	LENNY	LENNY	AK	99524
22	LENNY	LENNY	LENNY	AK	99524
23	LENNY	LENNY	LENNY	AK	99524
24	LENNY	LENNY	LENNY	AK	99524
25	LENNY	LENNY	LENNY	AK	99524
26	LENNY	LENNY	LENNY	AK	99524
27	LENNY	LENNY	LENNY	AK	99524
28	LENNY	LENNY	LENNY	AK	99524
29	LENNY	LENNY	LENNY	AK	99524
30	LENNY	LENNY	LENNY	AK	99524
31	LENNY	LENNY	LENNY	AK	99524
32	LENNY	LENNY	LENNY	AK	99524
33	LENNY	LENNY	LENNY	AK	99524
34	LENNY	LENNY	LENNY	AK	99524
35	LENNY	LENNY	LENNY	AK	99524
36	LENNY	LENNY	LENNY	AK	99524
37	LENNY	LENNY	LENNY	AK	99524
38	LENNY	LENNY	LENNY	AK	99524
39	LENNY	LENNY	LENNY	AK	99524
40	LENNY	LENNY	LENNY	AK	99524
41	LENNY	LENNY	LENNY	AK	99524
42	LENNY	LENNY	LENNY	AK	99524
43	LENNY	LENNY	LENNY	AK	99524
44	LENNY	LENNY	LENNY	AK	99524
45	LENNY	LENNY	LENNY	AK	99524
46	LENNY	LENNY	LENNY	AK	99524
47	LENNY	LENNY	LENNY	AK	99524
48	LENNY	LENNY	LENNY	AK	99524
49	LENNY	LENNY	LENNY	AK	99524
50	LENNY	LENNY	LENNY	AK	99524



LTN1100-R01  
04/19/94

LEGISLATIVE TELECONFERENCE NETWORK

PAGE 01  
10:56:09

TCN: 40664 DATE & TIME: 04/19/94 09:00 TO 11:00 STATUS:5 IN PROG.

\*\*\*\* ORDER SUMMARY \*\*\*\*

SPONSOR: SCRA SENATE COMMUNITY & REGIONAL AFFAIRS CHAIRS: PHILLIPS  
PURPOSE: PUB PUBLIC HEARING LEGISLATIVE  
CONTACT: SHIRLY ARMSTRONG TEL#: (907)465-4949  
CHAIRING SITE: JUNEAU CAPITOL CAP205  
TOLL FREE: (700)222-1000 DIAL-UP: LIO:(000)476-9908

SPONSOR REMARKS(PUB): TESTIMONY: I INVITATION ONLY 5 MINUTE LIMIT  
TESTIMONY WILL BE TAKEN BY INVITATION.

SPONSOR REMARKS(LIO): BACKUP MATERIAL-N MEETING IN PROGRESS-N MAX. SITES:10  
SITES MAY ADD IF INTEREST.  
TCN REQUESTED ON 04/19/94 AND HAS 6 UPDATES

\*\*\*\* AGENDA \*\*\*\*

- 1 HB 543 UNVENTED GAS HEATERS IN RESIDENTIAL BLDGS
- 2 HB 259 GENERAL GRANT LAND ENTITLEMENT
- 3 SB 375 GENERAL GRANT LAND ENTITLEMENTS

\*\*\*\* PARTICIPATING LIOS \*\*\*\*

ANC ANCHORAGE	716 W 4TH, #200	LOCATION STAFF
BAR BARRON	COURTHOUSE #305	LOCATION STAFF
DLG DILLINGHAM	KANGITQUTAQ BLDG	LOCATION STAFF
FBX FAIRBANKS	119 W COLUMBIAN ST	LOCATION STAFF
HOM HOMER LTC	126 W PIONEER #4	LOCATION STAFF
* JRU JUNEAU	CAPITOL CAP205	LOCATION STAFF
SOL KEN/SOL	34024 KALIFONSKY	LOCATION STAFF

\*\*\*\* VOLUNTEER & OFFNET SITES \*\*\*\*

222 OF1 OFFNET 1	ANCHORAGE	PAT NOBLE	(907)344-0700
222 OF2 OFFNET 2	COLORADO	BETTY RITTLER	(303)772-2430
222 OF3 OFFNET 3	EAGLE RIVER	FRANK SHAPIRO	(907)688-6919

PARTICIPANTS IN ANCHORAGE

1	JEFF	PARKER	ANCHORAGE	TELE. HB 259
				AL (907)000-0000

PARTICIPANTS IN BARRON

1	MR. KEITH	QUENTAVILL	BARRON	NORTH SLOPE
	PO BOX 39			BOBBE WARD SB 375
				AL 99776 (907)852-3611

PARTICIPANTS IN DILLINGHAM

1	MS. ALICE	BOBY	DILLINGHAM	BRISTOL BAY
	BOX 330			CRSA 089V HB 259
				AK 99576 (907)842-5211
2	MR. TERRY	BOLETTI	DILLINGHAM	TELE. HB 259
	BOX 310			AK 99576 (907)842-5257
				TELE. HB 259
3	MR. JERRY	LEIBF	DILLINGHAM	AL 99576 (907)842-5211
	BOX 646			
4	MRS. SUSAN	FLENSBURG	BRISTOL BAY	CRSA 089V HB 259

	BOX 349		DILLINGHAM	AK 99576 (907)842-2688
5 MR.	HARVEY	SAMUELSEN		OBSV. HB 259
	BOX 18		DILLINGHAM	AK 99576 (907)842-5625

PARTICIPANTS IN:HOMER LTC HOM

LT01100-R01 LEGISLATIVE TELECONFERENCE NETWORK PAGE 02  
 04/19/94 10:56:09  
 FCN: 40664 DATE & TIME: 04/19/94 09:00 TO 11:00 STATUS:5 IN PROG.

PARTICIPANTS IN:HOMER LTC HOM

1 MS.	ANGELA J.	GERKEN	ILLIASKA LODGE	TSFY, HB 259
			AK	(907)000 0000
2 MR.	YED	GERKEN	ILLIASKA LODGE	TSFY, HB 259
			AK	(907)000 0000
3 MS.	MARY	GERKEN	ILLIASKA LODGE	OBSV. HB 259
			AK	(907)000 0000

PARTICIPANTS IN:KEN/SOL SOL

1 MR.	KEITH	HARSH	CLF	TSFY, HB 259
	HC01 BOX 1430		KEMAI	AK 99611 (907)776 0357
2 MR.	DENNIS	RANDA	TROUT UNLIMITED	TSFY, HB 259
			AK	(907)000 0000

\*\*\* UPDATES \*\*\*

01	04/14/94	15:52:20	ANNOUNCING TELECONFERENCE
02	04/15/94	08:59:01	OFFNET 3 ADDED ON
03	04/15/94	10:56:09	HOMER LTC ADDED ON
03	04/15/94	10:58:10	KEN/SOL ADDED ON
04	04/16/94	09:40:31	DILLINGHAM ADDED ON
05	04/18/94	11:12:26	BARROW ADDED ON
06	04/18/94	15:02:24	FAIRBANKS ADDED ON

ILL VERSION: HB 259(TITLE AM)  
PONSOR(S): RULES BY REQUEST

CURRENT STATUS: (S) CRA

STATUS DATE: 04/13/94

HEARING:(S) CRA APR 19 09:00 AM

TITLE: "AN ACT RELATING TO GENERAL GRANT LAND ENTITLEMENTS FOR CERTAIN BOROUGHS AND UNIFIED MUNICIPALITIES; AND PROVIDING FOR AN EFFECTIVE DATE."

3/26/93	796	(H)	READ THE FIRST TIME - REFERRAL(S)
3/26/93	796	(H)	CRA, RESOURCES FINANCE
2/09/94	2307	(H)	CRA RPT 2DP JR
2/09/94	2308	(H)	DP: BUNDE, TOOHEY,
2/09/94	2308	(H)	NR: SANDERS, DAVIES, WILLIS, WILLIAMS
2/09/94	2308	(H)	NR: OLBERG
2/09/94	2308	(H)	-2 ZERO FISCAL NOTES (DCRA, DNR) 2/9/94
3/23/94	2926	(H)	RES RPT 5DP 4NR
3/23/94	2926	(H)	DP: HUDSON, CARNEY, JAMES, BUNDE, WILLIAMS
3/23/94	2926	(H)	NR: GREEN, DAVIES, MULDER, FINKELSTEIN
3/23/94	2926	(H)	-2 PREVIOUS ZERO FNS (DNR, DCRA) 2/9/94
4/07/94	3175	(H)	FIN RPT 3DP 3NR 1AM
4/07/94	3176	(H)	DP: MACLEAN, LARSON, FOSTER
4/07/94	3176	(H)	NR: HANLEY, THERRIAULT, PARNELL
4/07/94	3176	(H)	AM: BROWN
4/07/94	3176	(H)	-2 PREVIOUS ZERO FNS (DNR, DCRA) 2/9/94
4/08/94	3199	(H)	RULES TO CALENDAR 4/8/94
4/08/94	3199	(H)	READ THE SECOND TIME
4/08/94	3200	(H)	AM NO 1 BY FINKELSTEIN
4/08/94	3200	(H)	AM NO 1 FAILED Y14 N20 E2 A4
4/08/94	3200	(H)	AM NO 2 BY BRICE, SITTON
4/08/94	3201	(H)	AM NO 2 WITHDRAWN
4/08/94	3201	(H)	NEW AM NO 2 BY BRICE
4/08/94	3202	(H)	AM TO NEW AM NO 2 BY BRICE/WITHDRAWN
4/08/94	3202	(H)	NEW AM NO 2 WITHDRAWN
4/08/94	3202	(H)	AM NO 2 BY BRICE, SITTON
4/08/94	3203	(H)	AM TO AM NO 2 BY FINKELSTEIN
4/08/94	3203	(H)	AM TO AM NO 2 ADOPTED UNAN CONSENT
4/08/94	3203	(H)	MOTION TO TABLE AM NO 2 AS AMENDED
4/08/94	3203	(H)	MOVE TO TABLE PSD Y27 N11 E2
4/08/94	3204	(H)	AM NO 3 BY BROWN
4/08/94	3204	(H)	MOTION TO TABLE AM NO 3
4/08/94	3204	(H)	MOVE TO TABLE AM 3 PSD Y26 N12 E2
4/08/94	3205	(H)	AM NO 4 NOT OFFERED
4/08/94	3205	(H)	AM NO 5 BY GRUSSENDORF/WITHDRAWN
4/08/94	3205	(H)	AM NO 6 RULED OUT OF ORDER
4/08/94	3205	(H)	AMS NO 7-10 NOT OFFERED
4/08/94	3205	(H)	OBJECTION TO ADVANCEMENT MOTION
4/08/94	3205	(H)	ADVANCED TO THIRD READING 4/11 CALENDAR
4/11/94	3357	(H)	READ THE THIRD TIME HB 259
4/11/94	3357	(H)	TITLE AMENDMENT BY MOSES
4/11/94	3358	(H)	TITLE AMENDMENT ADOPTED Y23 N15 A2
4/11/94	3358	(H)	PASSED Y25 N13 A2
4/11/94	3359	(H)	EFFECTIVE DATE FAILED Y26 N12 A2
4/11/94	3359	(H)	ULMER NOTICE OF RECONSIDERATION
4/12/94	3392	(H)	RECON TAKEN UP - IN THIRD READING
4/12/94	3392	(H)	MOTION: RET TO 2ND TO RESCIND PREVIOUS
4/12/94	3392	(H)	ACTION IN FAILING TO ADOPT AM NO 1
4/12/94	3392	(H)	RETURN TO 2ND FAILED Y14 N23 E1 A2
4/12/94	3393	(H)	PASSED ON RECONSIDERATION Y25 N12 E1 A2
4/12/94	3393	(H)	EFFECTIVE DATE PASSED Y31 N6 E1 A2
4/12/94	3394	(H)	TRANSMITTED TO (S)
4/13/94	3622	(S)	READ THE FIRST TIME - REFERRAL(S)
4/13/94	3622	(S)	COMMUNITY AND REGIONAL AFFAIRS



# CHOGGIUNG LIMITED

VILLAGE CORPORATION

P.O. BOX 330

MAIN STREET

DILLINGHAM, ALASKA

99576

PHONE (907) 842-5218

FAX (907) 842-5462

April 20, 1994

Post-It™ brand fax transmittal memo 7671 # of pages 2

To	CHA Committee	From	Blair King
Co.		Co.	
Dept.		Phone #	
Fax #	465-4997	Fax #	

Senator Randy Phillips, Chair  
 Senate Community & Regional Affairs  
 Alaska State Legislature  
 State Capitol (MS 3100)  
 Juneau, Alaska 99801-1182

Re: HB 259

Dear Senator Phillips and Committee Members:

I would like to take this opportunity, on behalf of Choggiung Limited and the City of Dillingham to urge you to hold HB 259 over to the next session. We have several important reasons for asking for your assistance.

As of this date, we have not had an opportunity to discuss the bill or the Lake and Penn draft Comp Plan (which proposes selections in the Mulchatna area) in depth with officials of the Lake and Peninsula Borough. As was stated at the last hearing, Lake and Pen is following a long-term plan for the economic benefit of their borough. Though the Mulchatna River is a part of the Lake and Penn Borough, it is a part of the drainage that supports our subsistence and commercial fish and wildlife habitat. Because we are located outside of the borough boundaries we have not been a part of the planning process and have not had an opportunity to gauge the impact that we might feel.

We are aware also that this bill is not the only legislation being proposed that will allow selection of lands in the Nushagak/Mulchatna area. We are concerned that this bill, along with SB 217 and the Mental Health Settlement will serve to fragment land ownership and especially the management of lands that are critical to the resources of this area. The fragmentation of land ownership and management of those important resources will be a great detriment. We would be very interested in seeing more effort toward a comprehensive planning process that will provide some guidance for these potential land selections before HB 259 is passed.

As I described in my testimony before the Senate CRA Committee on Tuesday. Our communities are involved in a lawsuit with the Lake and Peninsula Borough. The specific area in dispute is the northwest area of the borough. Many of the concerns expressed about this legislation are the same as those expressed during the borough's formation, those being lack of notice, lack of information and the effects of fragmented ownership and management in an area that directly supports our livelihood. As a result of the fear of losing influence over those areas that support us, we are taking a hard look at borough formation on the Nushagak drainage. We have scheduled a borough conference on May 21.

Finally, the Bristol Bay CRSA Board was very involved in the Bristol Bay Area Plan and the Nushagak/Mulchatna Recreation Management Plan. Both efforts were to provide specific direction as to how state lands would be managed and made available for public use. Choggiung Limited and the City of Dillingham worked very hard with the CRSA to get the land use protections provided by these plans.

We would urge you to provide us with the time in this case to look at the impacts that this bill might have to our area.

Thank you.

Sincerely,



Alice Ruby  
Land Manager

/ar

Denise  
Frank Rue  
13-1552-1-40

**MEMORAN** **State of Alaska**  
**DEPARTMENT OF FISH AND GAME**

**TO:** Ron Swanson  
Director  
Division of Land  
Department of Natural Resources

**DATE:** March 18, 1994

**FILE NO:**

**TELEPHONE NO.:** 465-4105

**FROM:** Frank Rue  
Director  
Habitat and Restoration Division  
Department of Fish and Game

**SUBJECT:** Lake and Peninsula  
Borough Lands  
Selection

I understand that during your March 2, 1994, meeting with representatives from the Lake and Peninsula Borough (L&PB) and my Region II staff, it was agreed that the department would cartographically depict our response and recommendations to those proposed land selections made to date by the L&PB under their proposed amendment to the Title 29 municipal entitlements program in HB 259. Attached please find copies of the 27 maps that were provided for our review.

These maps show more specifically the information provided by the Trasky to Rue memo of February 18, 1994 (copy attached). A set of these maps was given to the borough's consultant, Lamar Cotten, on March 11, 1994, for use at the March 14, 1994, planning and zoning commission meeting.

Several areas of concern regarding fish and wildlife habitat and public use of fish and wildlife have been identified during the Department's review of the proposed land selections. The areas of major concern include: (1) the selection of long, narrow strips of land along major waterways which could restrict public use and encourage development in sensitive, productive fish and wildlife habitats and which appear to be contrary to the intent of the 4 to 1 selection rule of AS 29.65.070(c) and the classification of the lands during the Bristol Bay area planning process; (2) continued public access from boats and floatplane accessible waters to nearby public lands that are isolated and would be made discontinuous by the borough selections; (3) the additional 80,000 acres of land HB 259 would give the L&PB that were not identified on the maps provided by the borough which were supposed to identify the proposed 187,000 acre borough entitlement; and (4) the process to be followed to transfer lands that are currently classified as wildlife habitat (a classification not falling within the definition of vacant, unappropriated, or unreserved lands which are eligible for borough selection).

AS 29.65.40

**MEMORANDUM****STATE OF ALASKA****DEPARTMENT OF FISH & GAME**

**TO:** Frank Rue  
Director  
Habitat and Restoration Division **FILE NO.:**  
Department of Fish and Game

**DATE:** February 18, 1994

**TELEPHONE NO.:** 342

**SUBJECT:** Lake and Peninsula  
Borough Entitlements

**FROM:** Lance L. Trasky  
Regional Supervisor  
Region II  
Habitat and Restoration Division  
Department of Fish and Game

Department staff from the Commercial Fisheries Management and Development, Sport Fish, Wildlife Conservation, and Habitat and Restoration divisions reviewed House Bill 259 (HB 259) and a series of maps depicting state land that the Lake and Peninsula Borough (LPB) would like to acquire. According to Mr. Dennis Daigger, Alaska Department of Natural Resources (DNR), Division of Land, the LPB would be entitled to select around 30,000 acres of vacant and unappropriated land under the current formula for new borough selections. In HB 259, the LPB has proposed an amendment to Title 29, which would allow them to select 187,000 acres of state land. HB 259 is attached for your review. The maps that the LPB provided depict about 107,730 acres of state land the borough would like to select. We are unable to account for the remaining 80,000 acres of land the borough wants as no maps are available.

Department staff determined that much of the land that the borough would like to select was identified as very high public interest land to be retained in public ownership in the Bristol Bay Land Use Plan and Nushagak-Mulchatna Rivers Recreation Management Plan. Most of the borough's proposed selections are relatively narrow strips of land surrounding waterbodies that are important for fishing or that would control public access to state lands for hunting, etc. Most of the parcels identified are also classified as wildlife habitat which is not available for borough selection under current regulation. Some of the tracts the borough identified incorporate guide camps, moose and caribou hunting areas, and mineralized areas.

Apparently DNR is considering negotiating with the LPB to allow the borough to select a larger proportion of land than they would be allowed in lieu of HB 259. Several fundamental questions have to be answered before the department comments on HB 259 or the state considers negotiating with the borough. First, what is the precedent for the state administratively giving a borough more land than it is entitled to under current

Frank Rue

-2-

February 18, 1994

law? If this is legal, is it prudent to establish a precedent which may encourage other municipalities to renegotiate their entitlements? It is likely that all the boroughs would like more state land, especially income-producing land. Second, if this is consistent with state statutes, how much additional land should the borough receive and what formula is used to calculate that limit? Is the legislature going to support the LPB's claim to 187,000 acres, since this is likely to induce other boroughs who have larger populations, but received much smaller land allocations, to try and obtain a larger entitlement of land that would otherwise provide income to the state?

Department staff reviewed the LPB maps, provided to us by DNR. We are concerned that most of the borough selections are very long narrow corridors along shorelines of important waterbodies such as the Mulchatna River, Lower Talarik Creek, Dream Creek, Copper River, Lake Iliamna, and the Kvichak River as priorities for selection. This not only violates DNR's principle of no more than 4 to 1 length to width ratio for selections, but these selections virtually eliminate all state ownership of some of the most important fish and wildlife habitat, subsistence and public use areas in the state. Depending on how the borough proposes to manage these areas, transfer of the land from state ownership could also restrict or complicate the only access to millions of acres of state land inland from these extensive linear corridors. All staff felt strongly that it was not in the general public interest to transfer most of these particular tracts of land out of state ownership. Ignoring the question of whether or not the borough can or should increase its allocations of state land, the division representatives felt that approximately one half of the tracts that the borough had identified could be transferred to the borough without severely impacting public use access to state lands or severely jeopardizing fish and wildlife habitat. In several instances, staff recommended changes in the borough's selection pattern (i.e., only selected one half of Nikabuna Lake) to be consistent with the Bristol Bay Area Plan and the Nushagak-Mulchatna Rivers Recreation Management Plan, and the general public interest. The reviewers also suggested that if the borough were allowed to select some of the remaining state land in high public interest areas, that they be required to select large blocks of inland acreage instead of just high-value waterfront. Robin Willis has prepared a table with the department's recommendations on the tracts identified by the LPB (Attachment 1). This table is keyed to the maps provided by the borough. \*

Frank Rus

-3-

February 18, 1994

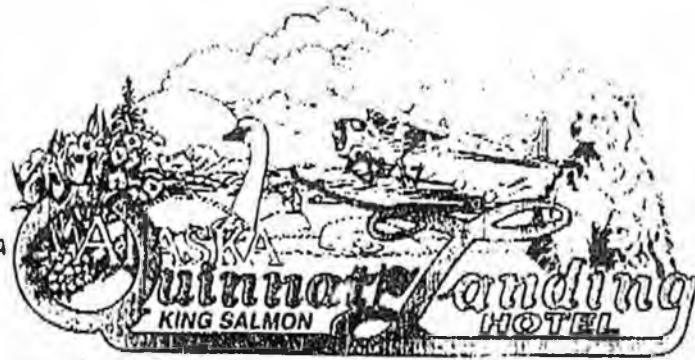
Region II staff are prepared to discuss our recommendations with DNR. However, we believe it is essential to resolve what lands the borough is entitled to before anything else is done.

## Attachments (2)

cc: Robin Willis  
John Westlund  
Kelly Hepler  
Jeff Reghart  
Wayne Dolezal  
Kim Sundberg  
Don McKay  
Ken Pitcher  
Ken Florey  
Kevin Delaney  
James Fall

d

April 21, 1994



R. Phillips  
Community and Regional Affairs

FAX# - 465-4979

Dear Sirs:

I am writing to have my opposition to HB 259, loudly heard. The Lake and Pen Borough is requesting to have 187,000 acres of land deeded to them instead of the 11,000 acres to which it is entitled. My opposition would not be so strong except for the fact that the land they have chosen happens to be prime recreational land. Land which myself (as a private citizen), my business and all my neighbors enjoy using, land which would be closed to us and accessible only through Lake and Pen Borough. Very possibly only becoming a larger tax burden to all Alaskan residents, to help Lake and Pen Borough fund their development plans.

The Lake and Pen Borough has not proven itself an asset to those business' which operate within its boundaries. A Lodge/Guide tax was imposed on anyone offering those services several years ago. Although not everyone has, I have, to date, paid my tax. I am beginning to wonder if I should have stuck with the "rebels" and not paid my tax. In the entire time I have participated in their taxation, I have never seen one dime spent by the borough for the development of visitor industry/services in our area. Taking this into consideration, I oppose giving them further opportunity to tax us (both as individuals and business') needlessly.

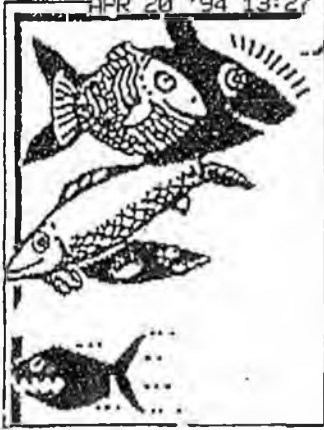
In my opinion a huge dis-service is being done to the Alaskan public by giving away it's property, most of it considered "prime" with out proper public comment. Alaskan's costs to access their own lands have done nothing but rise for the last several years. I feel that someone should take the time to fully review this bill and really consider the implications to the residents of this state, after all, it is their property you are giving away and much more of it then Borough's are allowed.

I appreciate your time in reviewing my comments. I hope that you and the senate will keep in mind the interests of the Alaskan resident on HB259.

Respectively,

A handwritten signature in dark ink, appearing to read 'Nanci A. Morris'.

Nanci A. Morris, Manager  
Quinmat Landing Hotel.



# ALASKA SPORTFISHING ASSOCIATION



## FAX COVER SHEET

TO:

Name:

*Shirley Armstrong*

Company/ Group

*Senate Community + Regional Affairs*

Location:

Fax #

FROM:

PHIL CUTLER-- PRESIDENT, ALASKA SPORTFISHING ASSOCIATION

NOTES:

*AAA comment on HB 259*

*Thank You*

*Phil*

PAGES TO FOLLOW

1

(Does Not Include Cover Sheet)

RETURN FAX 564-4637

CONFIRM 564-5828

# STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

## DEPARTMENT OF FISH AND GAME

### DIVISION OF SPORT FISH

Fax Phone No. (907) 522-1413  
Contact No.: (907) 267-2221

### RAPIFAX TRANSMITTAL SHEET

TO: Shirley Armstrong DATE: 4/21/94  
Sen CRA NO. PAGES: 7  
(including this page)

FROM: Jeff Parker ANC F&G AC.  
ASA Board  
TU, UP AK Council.

MESSAGE:

Here's the 3-4-94 letter for Anch. F&G  
Adv. Comm. Also cover letter memo of  
yesterday from me for ASA Ak Sportfishing  
Assoc and Trout Unlimited.  
You should have the ASA newsletter.

TO: ✓ Senator Randy Phillips  
Senator Robin L. Taylor  
Senator Loren Leman  
Senator Al Adams  
Senator Fred F. Zharoff

CC: Mr. Lamar Cotton thru this committee

FROM: Jeff Parker, Anchorage Fish and Game Advisory Committee  
Board, Alaska Sport Fishing Association  
V. Pres., AK State Council, Trout Unlimited

RE: H.B. 259

DATE: April 19, 1994

---

The attached study will help to focus the committee on the implications of H.B. 259. One of those implications is that H.B. 259 is more likely to be counter productive economically and to Borough interests than it is to produce any significant economic benefit. I can and do support that conclusion with the statistics in the attached study, and I seriously doubt that the proponents of H.B. 259 can offer any parallel support for their assumption that substantial recreational leasing will be good for the economy or the Borough.

One conclusion of the study is that the wilderness dependent sport fishing industry in the Bristol Bay drainages has an economic carrying capacity. The economic carrying capacity relates to target species and level of crowding, and thus there are really economic, social and biological carrying capacities that are all interrelated. When the industry overgrows, it actually "tips over" and produces less commerce off more users. That is because recreational consumers at the high-dollar end are those who seek an experience of world class trout plus salmon in a wilderness setting. As the industry overgrows, those consumers are displaced as the recreational economy shifts to a low-end economy focused on salmon in a more crowded setting.

#### Summary of Main Points

I wrote the paper in 1988 in the context of recreation river legislation for the Susitna Valley. However, the study is relevant here because it compares the recreational fishing industry in the Nushagak/Mulchatna area, the West side of the Susitna and the Kenai Peninsula. It does so in order to deduce what implications, for public versus private ownership of land (the issue before you in H.B. 259), can be derived from statistics on job production, commerce, price structure, competition, marketing practices within the industry, and the nature of the market.

I'll focus on the key points that lead to the conclusion that H.B. 259 is counterproductive to local, regional and state economic interests and is contrary to the Borough's assumption that economic benefits and improvement of a tax base will result from expanding the recreational industry.

First, the study hypothesizes, and then sustains, that there are two types of recreation industry -- one that might be characterized as an access-service dependent industry, and one that might be characterized as wilderness dependent. For example, businesses such as guides, motel and restaurants catering to Kenai River sport fishers are access-service dependent in that the business customer depends on and is buying inexpensive access and services. In contrast, fishing lodges, air taxis, and guides in the Bristol Bay drainages are wilderness dependant in that the business customer depends on and is buying a very different experience that is wilderness dependent and involves expensive services. Other examples of access-service dependant and wilderness dependant recreation industry are listed on pages 8 - 9.

Second, commerce and job production in the Nushagak/Mulchatna recreation industry compare favorably with the Kenai Peninsula and surpass the west side of the Susitna. In the post-scheduled-air-service job sectors of guiding, meals, lodging and transportation, it takes 31.5 visitors to create a job in the Nushagak/Mulchatna industry. On the Kenai Peninsula it takes 1000 visitors to create the same job. Yet job production is comparable. (See pages 12-13.)

Furthermore, commerce is comparable, too. On the Kenai River, 330,000 visitors spent \$43 million in those sectors. On the Nushagak, 14,000 visitors spent \$25 million in the same sectors. (See pages 11-12). However, what is most interesting is that 69 percent of the Nushagak recreationists are not residents of Alaska. They spend, leave and don't demand government services. On the Kenai, 82 percent of the visitors are Alaska residents. They demand government services. Thus, the \$43 million has to be offset by the costs of government much more than the \$25 million.

Third, please look at the graph on page 20. As the text says, the datum points on the graph can be connected by a line that is basically an economic carrying capacity curve. Notice how the west side of the Susitna produces far less commerce off of more use than the Nushagak. The data suggests that the recreational fishing economy on the west side of the Susitna has tipped over, as it has progressively moved out of the high-end, nonresident market for trout plus salmon in a wilderness setting and moved into a low-end economy of salmon in a more congested setting. If you care about jobs and commerce you should note that 9000 nonresidents spend \$3000 to \$4000 per week to fish in the Nushagak for a trout/salmon/wilderness experience, yet only 8000 nonresidents go to the west side of the Susitna (average \$300/trip). The

difference is crowding. On the Nushagak, residents plus nonresidents are 14,000 visitors. On the West Susitna, resident plus nonresidents are 66,000.

Fourth, never doubt that "wilderness" and "solitude" are highly marketed in the wilderness dependent remote fishing lodge industry that is so efficient at producing jobs and commerce. Please compare the data on page 15 and page 28. It analyzes the verbal content of advertizing. You may be startled at how much the high-end, wilderness dependant businesses market their wilderness and remote locale and how the low end, access-service dependant industry on the Kenai can't do so.

Fifth, never doubt that trout are more important than salmon in the remote fishing lodge industry in Bristol Bay. The data on pages 25-26 reflects the species depicted in the advertising art work. The art work is overwhelmingly of rainbow trout. Compare that to the species depicted in the advertising art work of the Kenai sport fishing businesses (see page 28) that are so inefficient at producing jobs and commerce. There, the advertising art work is king salmon. In fact, there are very few fishing lodges in Alaska outside the biological range of rainbow trout (southeast to Kuskokwim, and predominantly on the west Susitna and Bristol Bay drainages), although there is much guiding on salmon. In the Nushagak study, more time is spent chasing king salmon, but the most sought after target that brings the business is world class trout (see page 26) in the economic study.

There's the rub. Even catch and release regulations (as is the sport fishing regulation in much of southwest Alaska) do not prevent mortality. On released trout caught on artificials, the mortality is about 3 percent. In other words, an average trout is good for about 30 catches before its dead on the actuarial tables. I guided the Bristol Bay drainages from 1984 to 1989 for one of the more prominent lodges. About 30 percent of the business came from word-of-mouth advertising; about 30 percent was repeater and the rest came from media advertising, booking agents and trade shows. As a general matter, the few 30-inch trout (a 12 year old survivor on the actuarial tables) that are available play an incredibly important role in the business. We used to calculate that a 30-inch rainbow is worth about \$200,000 alive in the water in terms of its economic "drawing" power. That is why 24 out of 25 lodges in the Nushagak study were catch-and-release on trout 5 years ahead of the law. (See page 26.) The point is that when you overgrow the level of use, even in a catch-and-release setting, those old trout that drive the engine cease to be available, and the industry tips over as it moves past its biological, economic and social carrying capacity in the trout/salmon/wilderness market. It moves toward being a access-service dependent and focused on salmon in a more crowded setting. It starts to look like the less productive west side of the Susitna, where the industry is tipped over, produces less commerce off more people, attracts fewer nonresidents despite

THE ECONOMICS AND MARKETING PRACTICES OF  
WILDERNESS DEPENDENT RECREATION INDUSTRIES IN ALASKA,  
WITH IMPLICATIONS FOR PUBLIC POLICY

By Jeff Parker

With Support of the Following:  
Max Lowe, Sec.-Treas., Alaska Hotel and Motel Association  
Alaska Professional Sportfishing Association  
Alaska Sportfishing Association

All Rights of Ownership Reserved