

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8742 HOUSE RESOURCES

33

Alaska Geological Society

P.O. Box 101288 Anchorage, Alaska 99510

Testimony regarding HB 537

March 13, 1996

My name is Susan Karl and I am an officer of the Alaska Geological Society. The AGS membership includes professionals from oil and gas companies, mining companies, environmental contractors, consultants, native corporations, universities, and government agencies statewide, and outside of Alaska as well.

On behalf of the AGS I would like to focus on 2 main concerns:

1. Alaska is a resource state. Its economic health depends on natural resources. It also has significant natural geologic hazards such as earthquakes and volcanoes, and environmental hazards associated with human activities and the development and transportation of resources. If any state needs and deserves a strong, dynamic and independent geological survey, it is Alaska.

2. It is essential and critical that the state's leaders have solid scientific knowledge as a basis for their constantly evolving policy decisions. The state's health and welfare depend on these decisions. HB 537 makes Alaska's state geologist a political appointee with no required scientific credentials. It is unthinkable that Alaska's leaders would be making resource and environmental policy decisions without information from a scientifically qualified state geologist.

In conclusion, Alaska needs an independent, dynamic, adequately funded geological survey, and a knowledgeable, credible, and respected state geologist to contribute to informed decisions by state policy makers.





RYAN LODGE MINES, INC.

FAX TRANSMITTAL

3/13/96

TO:	<u>REPRESENTATIVES</u>	<u>NUMBER</u>
	Joe Green	465-4316
	Pete Kott	465-2819
	Scott Ogan	465-3265
	Bill Williams	465-3793
	John Davies	465-3519
	Irene Nicholia	465-2197
	Al Vezey	465-3258
	Pete Kelly	465-2278
	Jeannette James	465-2381
	Gene Therriault	465-3884
	Tom Brice	465-2294

RE.: HB 537, A BILL TO COMBINE THE DGGS WITH THE DIVISION OF MINES.

As a member of the mining community and as Chairman of the Fairbanks Branch of the Alaska Miners Association, I wish to go on record as opposing the combination of the two Divisions.

We are concerned that combining a research/technical division with a regulatory division would be fatal for the research/technical division. The minor fiscal savings now may lead to fiscal disaster in the future.

I recognize the need to do as much cost cutting in the State's spending as possible. However, I call your attention the awakening of Minerals Industry giant that is now occurring. The assistance provided to the industry by the DGGS is tremendous and to send this message to the industry would be discouraging and could cause some concern to the major mining companies now, finally, reexpressing interest in the State.

This is not the fix to the State's fiscal crisis; it is a treatment of a symptom, not the disease.

Thank you for your consideration.

FROM: R. A. Hughes

High Potential Mineral Resource Areas: Access

Division of Mining and Water Management

Alaska Department of
**NATURAL
RESOURCES**

Joint Senate/House State Affairs Committee Hearing

October 4, 1995

Overview:

Mineral resources have been an important part of Alaska's past and will continue to be an important element in a diversified economy for Alaska into the foreseeable future.

State selections made under the Alaska Statehood Act, and more recently the settlement of the Mental Health litigation, gave priority to resource development opportunities. Minerals—coal, lode and placer minerals, and oil and gas were key elements in determining which lands held the highest benefit for all Alaskans.

Historically, there were two modes of transportation in Alaska, inland rivers and streams during the summer, and overland trails during the winter. Historic access to mineral deposits are reflected in major portions of today's road system, many airfields and ports, and the Alaska Railroad. Rail was the primary means of moving copper from the Kennecott Mining District at McCarthy to Cordova, and between gold camps in the Nome area. Rail provides the present means for moving coal to Seward. The Iditarod Trail is a classic example of a historic winter access route connecting mining areas, while the Yukon, Kuskokwim, and Porcupine rivers form the backbone of river navigation throughout central Alaska.

A recent review of the mineral industry in Alaska and its potential contributions to the state's economy by the Marketing Alaska-Mining Sector Strategic Plan recommended that a comprehensive Transportation Plan include reasonable access to mineral properties using all available authorities, including RS 2477 and Title XI of ANILCA. Likewise, partnerships were encouraged as a means to help mineral development in remote areas with the partnership between the state, NANA, and COMINCO that led to the coordinated development of the Red Dog Mine and its access road and tidewater concentrate loading facility serving as a viable model.

There are approximately 51,000 state and federal mining claims and leases in Alaska:

Ownership	Number of Claims/Leases
State Land*	23,000
State Selected Land	6,000
Federal Land	22,000
	<hr/>
	51,000

* Includes approximately 1,000 new claims in the Fairbanks area.

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Illinois Creek Project -- Mine is beginning final permit process to open a mine. CIRI has acquired a mineral lease from DNR and has entered into an operating agreement with USMX to develop the mine. Illinois Creek is an oxidized gold system containing reserves of approximately 5.6 million tonnes of 2.4 g/tonne Au and 51.47 g/tonne Ag. This will be an open pit mine with heap leach pad. Illinois Creek is located approximately 50 miles southwest of Galena.

Johnson River -- WestMin Resources continues development work. An adit was constructed in 1994 to explore develop detailed information on the ore body. Epigenetic quartz-sulfide stockwork with drilled reserves of 997,542 tonnes grading 10.35 grams Au, 7.84 gm Ag, 0.76% Cu, 1.17 Pb, and 8.37% Zn. This is an underground mine located in Lake Clark Park.

Juulin Mine -- No current exploration effort is underway. However, it is expected that exploration and possibly permitting for a mine will become active in the next 5 years. No major work is expected until the Kensington Project is under construction and/or operation. Lode Au quartz-fissure veins in diorite with reserves of 1.07 million tonnes of 12 g/tonne (0.349 oz/ton) Au. This deposit is located near Berners Bay North of Juneau and is an underground mine.

Nixon Fork Mine -- Scheduled to start production this month. All permits are in place and the project is on schedule. Reclamation plan in under review by DNR. Nixon Fork is a Au skarn deposit with reserves of approximately 400,000 oz Au. Deposit is located approximately 50 miles east of McGrath near Medfra and is an underground mine.

Nolan Creek -- Work in the Wiseman area continues with several active placer operations. Silverado Mines is the largest current operation, consisting of an open cut and underground drift placer mine.

Nome Offshore -- Lease transfers pending and there may be renewal of off-shore mining operation proposals within the next few years.

Red Dog Mine -- NANA is the owner of the producing mine site. Major exploration continues and significant additional ore reserves have been found. New discoveries have increased reserves to approximately 140 million tonnes. This is an open pit mine located north of Kotzebue.

Ryan Lode Mine -- Former heap leach operations are being reclaimed. It is expected that a new mining proposal will be submitted in the near future. This is a shear zone hosted Au deposit with reserves of 822,200 oz Au. This is both open pit and underground mine, located on Ester Dome in Fairbanks.

True North Project -- Active permitting expected this winter as reserve estimates are refined. This is an intrusive hosted Au deposit located west of Fort Knox near Fairbanks. This will be an open pit mine when developed.

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

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Non-Coal Mine/Projects (Short and Medium Range)

A-J Mine -- Supplemental EIS to be prepared in response to Technical Assistance Report (TAR) by EPA concluding that the mine project evaluated by an EIS in 1992 will not be authorized by the Federal government. The mine project is being redesigned to ship concentrate to a foreign smelter and to dispose of tailings in a deep disposal site in the marine environment. Principal land owners associated with the mine are the City and Borough of Juneau, Alaska Electric Light and Power, and DNR. The actual mineral deposit is owned by CBJ and AEL&P. Echo Bay is operating under a lease from CBJ. DNR will have a major decision on the final mine plan through right-of-way for a submarine tailings pipeline, tideland leases and possibly miscellaneous land use permits, and water right adjudication for both Sheep and Gold Creeks. The A-J mine project is located within the city and Borough of Juneau and consists of Au-bearing quartz veins with a estimated reserve of 96 million tonnes of 1.7 g/tonne (0.05 oz/ton). This is an existing underground mine last worked in the mid-1940's.

Apex-El Nido Project -- Mine is in the process of permitting through the USFS. Primary issue is road location and waste water disposal. significant lode Au-W deposits occurring in crosscutting veins. this deposit is located near the city of Sitka. This would be an underground mine.

Fort Knox Mine -- Mine is under construction. This deposit is located 20 miles northeast of Fairbanks on Gilmore Dome and has a drilled reserve of 4.1 million oz of Au. This is an open pit mine. The development of the mine has provided employment for more than 500 construction workers this summer.

Golden Zone Mine -- Permitting work is being considered to identify areas for prospective initial development, including access to the mine from the Parks Highway. Major Au-Cu-Ag with estimated reserves of 230,000 oz of Au. This deposit is located near the headwaters of the West Fork of the Chulitna River on the southern boundary of Denali Park.

Greens Creek Mine -- Located on the north end of Admiralty Island, this underground mine temporarily suspended operations due to low market prices. The Mine is now in the process of reopening. The Greens Creek deposit is a sediment-hosted Pb-Zn-Cu-Ag-Au volcanogenic massive sulfide.

Kensington Mine -- Mine is in the final process of permitting. TAR will require some fine tuning of the project, but did not require major redesign of the project. Echo Bay recently announced an agreement with the various stakeholders to resolve points of concern and potential future litigation. Principal land owner in the Forest Service. The deposit consists of stockworks of quartz veins in sheared diorite. Reserve estimates are approximately 10.4 million tonnes grading 4.9 g/tonne (0.143 oz/ton) Au. This deposit is located near Berners Bay north of Juneau. This is a former underground mine.

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Jualin Mine -- No current exploration effort is underway. However, it is expected that exploration and possibly permitting for a mine will become active in the next 5 years. No major work is expected until the Kensington Project is under construction and/or operation. Lode Au quartz-fissure veins in diorite with reserves of 1.07 million tonnes of 12 g/tonne (0.349 oz/ton) Au. This deposit is located near Berners Bay North of Juneau and is an underground mine.

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Valdez Creek Mine -- Mine is in the process of closing down. The mine has been operating on Federal mining claims, but in closure actions needs to have a solid waste disposal site. DNR, ADEC, and the mine are working together to complete permitting of an acceptable solid waste site. ADEC is in the final process of authorizing the solid waste dump site.

Placer Mines/Exploration Work not associated with an Operating Mine or a Mineral Deposit with pending Development Applications (Average Annual)

Between 400 and 450 APMA's are received and processed each year. These include mining related activities from exploration camps for geochemical or other geological data collection to small placer mines and larger suction dredges. As of July 10, 1995 there were 359 applications involving a total of 2,342 acres as follows:

Location by ownership category*	Number of APMA's**	Acres***
State	178	978
State and Federal	18	202
State and Private	6	34
State and Federal and Private	3	33
Federal	111	744
Federal and Private	7	118
Private	36	233
	<hr/>	<hr/>
	359	2,342

* 54 were located in an area subject to the ACMP process.

** (as of 7/10/95) Currently there are approximately 400

*** Does not include acreage for the Fort Knox, Red Dog, and Valdez Creek mines which have approved operation and/or reclamation plans embracing more than 2,000 acres, or the on-going Usibelli coal mine at Healy which currently involves 1,065 acres under approved mining permits.

Other non-Coal Mines/Projects (Indeterminate or Long Range)

Ambler District – New exploration and claim staking is underway. Known deposits include Bornite, Arctic, Sun, and Smucker. Major mining companies continue to work the general area. Reserves in the district are probably over 200 million tonnes of Cu-Pb-Zn-Ag-Cd ore with significant grades.

Apollo Mine – Patented mineral property now owned by the state. DNR is working with adjacent land owners to assure that potential mineral deposits remain available for future development. This deposit is lode Au in quartz veins. Reserves are approximately 400,000 oz. The mine is underground and is located on Unga Island near Sand Point.

Chandalar District – Significant exploration and claim staking ongoing. Located in the east central Brooks Range, major Au producing district.

Colville District – ASRC acquisition in the Drenchwater area may be indication of future mineral development opportunities. Other deposits include Story Creek and Kivliktrot Mountain. Located in southern NPRA.

Delta Sulfide District – Exploration interest continues, located in the north central Alaska Range. Contains at least 30 known volcanogenic massive sulfide deposits and occurrences. Grades from 0.3% to 1.1% Cu, 1.7% to 5.7% Zn, 0.5% to 2.3% Pb, 24 to 69 g/tonne Ag, and 0.61 to 2.1 g/tonne Au. Estimated potential reserves of 40 million tons for all deposits.

Donlan Creek – Substantial exploration under way for lode Au, located in the Iditarod District.

Grant Mine – Subparallel Au-bearing quartz veins. Indicated reserves of 192,285 tonnes of 12 g/tonne Au. Other veins identified within the property. Located on Ester Dome in Fairbanks. Underground mine.

Kogarouk Project – No significant activity currently underway. Sn deposit hosted in quartz-tourmaline-topaz greisen. Grades average 0.5% Sn and 0.01% Ta and Nb. Located south central Seward Peninsula.

Pebble Beach Project – Exploration continuing with focus on environmental and biologic baseline data. Project permitting is expected to be several years away. In addition to resolving transportation routing, an 85 megawatt power plant needs to be developed. Deposit is Cu-Au porphyry with identified resource of 454 million tonnes grading 0.35% Cu and 0.4 g/tonne (0.012 oz/ton) Au. Located approximately 30 miles north of Iliamna. This would be an open pit mine.

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Stoneboy Creek Project – Grassroots exploration and drilling ongoing. Permitting for a mine is not expected in the next few years.

Vinasale Project – Exploration work continues. Economic factors are being evaluated by the property holders. Intrusive hosted Au deposit with a geologic resource of 14,351,000 tons with an average grade of 0.067 oz Au. Located just south of McGrath on the Kuskokwim River.

Coal Mines/Projects

During the past year the overall world market price for coal has steadily increased. This increase in market price enhances the competitiveness of Alaskan coal reserves.

Deadfall Syncline Project – Located on the coast between Point Lay and Cape Beaufort in the North Slope Borough, Deadfall Syncline (ASRC ownership with financial support from the Bureau of Mines) is a high quality coal deposit. Access and a viable market are key issues. Access is a significant issue because of the shallow coastal waters. Options include an overland link to Red Dog to use that port facility. The existing exploratory mine work may have some follow up action by DNR, which is in temporary suspension.

Diamond-Chuitna Project – Coal deposits on the west side of Cook Inlet near Granite Point. State leases are in place and exploration permits have been issued. A mining permit has been received and partially processed, but litigation to the Alaska Supreme Court about how the access road and port facility were to be authorized has delayed final permitting.

Evan Jones Coal Mine – Placer Dome is in the process of disposing of its interest to NEROX Energy Corporation. The existing mine is operating under State and Federal guidelines. Randy Hobbs is operating this project under an agreement with Placer Dome which holds a coal lease from DNR.

Jarvis Creek Project – DNR has leased 4 sections of coal in the Jarvis Creek Coal Field, but no immediate requests for a mine permit are expected. Leases are not effective until land is received from BLM. The Pipeline Corridor Withdrawal has been amended to permit the State to acquire the majority of the Jarvis Creek Coal Field. Coal from this field will be used to produce electricity at Tok as a means for a long-term reduction of the cost of electricity that is presently tied to fuel oil prices.

Usibelli Coal Mine – Located east of Healy in the Denali Borough, the mine is operating under State guidelines. Existing operations at Gold Run Pass and Poker Flats will shortly transfer to Two Bull and Francis ridge area to the north and east of Poker Flats. This application is expected within the next year. Work continues on resolving slope instability at Poker Flats. Small amendments to the existing authorizations are on-going.

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Wishbone Hill Project – Located near Palmer in the Matanuska Valley, this coal deposit is under a state lease, including Mental Health Trust Land, and approved mine permit recently were transferred from Idemitsu Alaska to CIRI control. All permits are in place and mining could start at will. There are no known plans to start production.

FINDINGS AND RECOMMENDATIONS ON THE ROLE AND STRUCTURE OF THE
ALASKA DIVISION OF GEOLOGICAL & GEOPHYSICAL SURVEYS
BY THE COMMITTEE ON PUBLIC GEOLOGY

*by the Committee on Public Geology: Chairman David Hite,
Marty Rutherford, John Eichelberger, Teresa Imm, Sue Karl, Al Clough, Chuck Hawley, and Dan Young¹*

EXECUTIVE SUMMARY

At the request of the Commissioner of the Department of Natural Resources (DNR), the Alaska Geologic Mapping Advisory Board established a committee to assess the role and function of the Division of Geological and Geophysical Surveys (DGGS) and the Director/State Geologist. Upon completion of the review the committee was to prepare a report for the Board and Commissioner. The report would provide recommendations regarding responsibilities, staffing, and type and interaction with partners and clients.

The committee met twice a month, commencing on March 10, 1995 and continuing to May 26, 1995. These meetings served to clarify issues, develop priorities, and gather input from the scientific community. External commentary was solicited from Alaskan geoscientists and a sampling of geological survey directors from other states. The committee recessed for the summer to prepare the final report. The final draft was approved by the committee on September 15, 1995.

The report's principal findings and recommendations are:

- ♦ The existence of a strong and committed geological survey is essential to a state as dependent on natural resources and as subject to recurring geological hazards as is Alaska. The mission and functions of the survey are those prescribed in the statutes which established the Alaska Division of Geological & Geophysical Surveys and the position of Director/State Geologist. To fulfill the mission of the Survey, the basin analysis and hydrogeology functions should be reassigned to the Survey.
- ♦ To maintain the activities of the Survey at a level that fulfills the charges put forth in the statutes, the state must sustain the Survey by providing adequate core funding, for which the current level is inadequate. This funding will provide for permanent staff salaries, facilities, and critical long-term programs and services. The committee recommends that the Survey be strongly encouraged to seek out external funding and support for expanded and additional high priority programs.
- ♦ The Survey should actively pursue and develop partnerships with those working toward a common goal - federal and state agencies, the Geophysical Institute, Native corporations, etc. The Survey is also encouraged to solicit clients who will provide funding for programs that are mutually beneficial and provide a specific product.
- ♦ The committee concludes that the Survey should remain within the Department of Natural Resources, where it can most effectively interact with its primary clients and be most responsive to its partners.
- ♦ The committee recommends that the Director/State Geologist should, at the discretion of the Commissioner, be located in Anchorage, with a minimum five year term. The committee further recommends

¹ The statewide committee is composed of the Deputy Commissioner of DNR, geologists and geophysicists representing the Geophysical Institute (UAF), Arctic Slope Regional Corporation, U.S. Geological Survey, Department of Commerce, private hydrology/geohazards/environmental companies, mining industry, and petroleum industry. These individuals also participate in local governments, the Alaska Geological Society, the Alaska Miners Association, and various national organizations such as the American Institute of Professional Geologists, Geologic Society of America, and the American Geophysical Union.

that the position be filled through a national recruitment effort, with a screening panel, appointed by the Geologic Mapping Advisory Board, to identify the best qualified candidates for final selection by the Commissioner.

- ◆ The staffing level of the Survey should reflect the responsibilities put forth in the statutes. Appropriate staff additions should be reinstated in the areas of basin analysis (oil and gas related function) and hydrogeology. These staffing moves can be accomplished by filling recently and soon to be vacant positions or by transfer of full-time employees from other divisions within DNR. A core staffing level should be determined, subject to change with changing needs. The Survey should have the option to employ contract or temporary personnel, when necessary for specific programs.
- ◆ The committee recommends that, at the discretion of the Commissioner, the Survey locate a second office in Anchorage, to enhance communications and working relationships within DNR, with other state and federal agencies, and with key Anchorage-based client groups. These needs will be best served if the Director/State Geologist, basin analysis function, hydrogeologic function, and appropriate support are located in the Anchorage office.

These recommendations are intended to increase the Survey's efficiency, provide greater access to clients and the public, improve communication with state agencies and legislators, and broaden and strengthen the Survey's ability to meet its mission and serve the state of Alaska.

INTRODUCTION

Alaska's immense size and limited infrastructure have been serious impediments to the development and completion of detailed basic mapping/data acquisition programs. Currently only about seven percent (41,000 square miles) of the state have been mapped in sufficient detail (1 inch to 1 mile or 1:62,500) to allow useful resource evaluation and adequate assessment of potential geohazards. Reliance on other agencies, industry, and the federal government will not satisfy the need for unbiased, basic geological/geophysical data upon which the state and other DGGs clients can initiate activities.

Some other state agencies that work with geological data are largely regulatory in nature. These data are frequently gathered to support a specific position or objective and may not have adequate regional context. Thus, while much of the data is of good quality, it is too focused to be useful in a wider range of applications.

Federal agencies, such as the U.S. Geological Survey and Minerals Management Service, are currently being downsized with a proposed transfer of many functions to the states. Federal priorities are frequently quite different than those of the state of Alaska.

Private industry has a narrow focus when doing geological and geophysical work and does not have the resources or incentive to collect and inventory much of the data that the state would require for long-range resource and land-use planning. Also, industry, having spent their dollars, will keep any data acquired in proprietary status for as long as possible or until it no longer provides a competitive advantage. Data in the public domain will promote economic development of the state's resources.

The role of the survey and/or the proportion of its staff and budget dedicated to a particular endeavor may change significantly with time. Engineering geology, environmental geology, and hydrogeology are all areas that will grow significantly in the coming years. In addition, a greater emphasis on high-tech approaches to old problems and the emergence of new fields of expertise will cause pressure on the existing staffing profile. Growth in or emergence of these or other areas cause inevitable funding and staffing conflicts. The combination of stringent state rules on hiring and termination of employees and declining budgets make it difficult for DGGs to evolve at the pace required.

The long-term role and impact of the DGGs, on Alaska and its citizens, is profound and should be recognized. Virtually every aspect of life in Alaska is, in one way or another, influenced by natural geologic processes and/or resources. A strong state survey is one of the best long-term investments that a resource-rich state like Alaska can make.

With increased pressure on the state budget, due to a decline in revenues, the functions and needs of the DGGs have come under scrutiny on a number of fronts. As a result, funding for both staff and programs have been curtailed. In light of the critical role DGGs perform within the state, the need to address alternative sources of revenue, the changing technologic environment, and efforts to reduce or eliminate the DGGs, a committee was formed to review the role of public geology, especially DGGs, in Alaska and submit recommendations to the Commissioner of DNR. The committee was established through the auspices of the Alaska Geologic Mapping Advisory Board² at the request of the Commissioner of DNR. The findings of this committee are to be submitted to the Commissioner in October 1995. The committee was developed and constituted to provide a wide range of input from potential clients and partners.

The committee met regularly to identify and evaluate those issues related to the role of DGGs. The committee membership polled many professionals and DGGs clients within Alaska, seeking a broad base of opinion and concern regarding the current status of the DGGs and its future direction and emphasis. To further broaden the input, State Geologists and survey directors from nearly 20 states were interviewed. Most of these State Geologists were from western states with resource-based economies. Their input strongly supported views that the State Geologist should have a key role in state resource planning, an independent non-regulatory role for the survey, a fixed term of office for the director, an expanded partnering and external funding effort, and the maintenance of a strong and flexible core staff with the ability to expand by hiring contract or temporary personnel in times of increased activity.

The committee membership identified seven items of consideration critical to the present and future of DGGs in Alaska:

1. Mission and functions of DGGs

Mapping
Mineral occurrence databases
Geochemical databases
Geophysical databases
Volcanic hazards databases
Seismic hazards databases
Hydrologic databases
Basin analysis

2. Funding sources for DGGs

Core funding
Other state agencies (information for land planning or regulation)
Federal agencies (information for land use; mineral or energy resources)
Native corporations (mineral and energy resources; mapping; geochemical and geophysical databases)
Mining consortiums (mapping; mineral, geochemical, and geophysical databases)

²The Advisory Board was established to aid the Alaska Division of Geological & Geophysical Surveys in its goal of providing earth science information to the Alaskan public. A number of prominent leaders in the geological community with a variety of backgrounds and a broad spectrum of experience in Alaska have agreed to serve on the board. These members include: Chairman Gerald G. Booth (Cook Inlet Region, Inc.); Vice Chairman Dr. John Sims (Usibelli Coal Mine, Inc.); Secretary Mr. James Rooney (R & M Consultants); Dr. Harry Noyes (Doyon Ltd.); Dr. David Hite (Hite Consultants); and Dr. Keith Crowder (University of Alaska Fairbanks, Department of Geology and Geophysics).

- Energy consortiums (mapping, mineral, geochemical, and geophysical databases)
 - Communities (hydrologic databases; geologic hazards)
 - Infrastructure (geologic and geomorphic hazards)
 - Environmental consortiums (hydrogeologic and geochemical databases)
3. Partnering potential for DGGs
 - State agencies (DOG, DMWM, DEC, DOT)
 - University of Alaska, Geophysical Institute
 - Federal agencies (USGS, DOE, BLM, NPS, EPA, DOD)
 - Oil, gas, coal, geothermal companies
 - Mining companies
 - Hydrology, environmental, engineering firms
 - Native corporations
 4. Administrative location of DGGs
 - DNR
 - University system
 - Independent state commission
 5. Responsibilities and location of State Geologist
 - Acquisition of funds
 - Partnering arrangements
 - Prioritization of projects
 - Products and completion dates
 - Staffing for projects
 - Accessibility to partners and clients
 6. Staffing of DGGs
 - Core staffing and staff support
 - Critical mass problems
 - Staff flexibility
 - Evolution of staff expertise
 - Staff expansion and contraction capabilities
 7. Physical location of DGGs
 - Fairbanks, Anchorage, and/or Juneau
 - University campus, state office buildings, and/or independent
 - Isolation versus insulation

These items have been examined in light of DGGs' past, present, and anticipated future roles; results and demonstrable impact/influence on state resource and safety issues. The committee's recommendations are presented in the following sections of this report and represent virtually unanimous agreement on each element of the proposed action.

MISSION AND FUNCTIONS OF DGGs

The statutes establishing the DGGs clearly define the function and role of the DGGs and its director. By statute, the DGGs is to perform "systematic collection, recording, evaluation, and distribution of data on the quantity, location, and quality of water of the state...to the orderly domestic and industrial development of the state." Additionally, the DGGs is to collect, evaluate, archive, and distribute geologic data on earthquakes, volcanic eruptions, engineering geology, and other geologic hazards throughout the state that are of public interest and necessary to orderly, safe, and cost-effective development in the state. The

NO statutes also state "the State Geologist shall conduct geological and geophysical surveys to determine the potential of Alaskan land for production of metals, minerals, fuels, geothermal resources...and shall conduct such other surveys and investigations as will advance knowledge of the geology of Alaska."

OIL AND GAS ACTIVITIES

Background

OK Oil and gas related data acquisition and distribution is an under-valued and probably under-utilized aspect of DGGs activities. Large, well established companies like ARCO and others with long histories in the state, possess extensive proprietary geological and geophysical databases. These databases have been developed over a period of 40 to 50 years but tend to be concentrated in geographic areas that have long and successful exploration histories. These databases have served these companies well and tend to give them a distinct advantage over competitors that are relatively late arrivals on the Alaska exploration scene. Companies that may want to enter the Alaskan exploration arena are, or would be, at a distinct disadvantage if there did not exist a volume of publicly available data upon which to plan their own data acquisition and develop a general understanding of the geological and hydrocarbon framework of a specific area. Even the established companies must access the public databases to expedite exploration efforts in the frontier basins. AOGCC data

Justification

Where long-time Alaskan exploration companies do possess an extensive database, they maintain the proprietary nature of the data and do not share it with the state. Even when working with a partner who may lack comparable data, these companies share only the minimum level of interpretation and not the critical basic data sets.

The clients requiring these databases are varied and represent a surprisingly large segment of the potential beneficiaries of energy exploration activities. Clients include:

- ◆ Industry: both established industry and newcomers to Alaska
- ◆ State Agencies: DEC (regulation of resources) and DOG (development of resources)
- ◆ Native Corporations
- ◆ Public, as beneficiaries of good development strategies

Even the largest and most well-established companies still do not have comprehensive databases in the little-explored interior basins and in the peripheral areas of the North Slope and Cook Inlet. It is in the state's best long-term interest to establish readily accessible resource assessments and to encourage exploration and development.

Recommendation

If the state plans to offer large tracts of acreage (block leasing) to a group of contending companies, it must have data approximating that held by the companies vying for the acreage. Without such a database, it will be impossible for the state to realistically evaluate the economics of the bids. Similarly, when tract leasing is intended to occur in areas outside the principal producing regions of the North Slope and upper Cook Inlet, many companies may lack data and hence, without a publicly available database, find themselves unable and unwilling to effectively compete in sales with short lead times. This reduces competition and return to the state. Thus, an ongoing effort to acquire and distribute oil and gas related data to appropriate state agencies and the petroleum industry is in the best long-term financial interest of the state. To best serve a diverse client base and assure credibility, it is important that data be acquired and maintained by a non-regulatory agency without an espoused economic objective.

Currently the DGGs and Division of Oil and Gas (DOG) have overlapping functions that can reasonably be considered to involve the acquisition, evaluation, archival, and distribution of basic geological/geophysical data pertinent to oil and gas exploration. Both DGGs and DOG have vital but separate roles in the generation/acquisition and handling of geological and geophysical data pertaining to oil and gas exploration. There is a need for DOG to have and work exclusively with certain confidential information pertaining to lease sales and related operations, without giving local well-established companies or individuals an advantage. DGGs should be acquiring, evaluating, archiving, and distributing information that needs to be available to everyone in the public domain. DOG should be doing specific tracts, as those being reviewed for pending lease sales, and DGGs should be working with and analyzing data on the regional scale, well in advance of any lease sale or tract offering.

There is a basin analysis function within DOG that duplicated the charges of DGGs. Basin analysis is the fundamental stage in the exploration process. It requires a wide range of data types, the integration of which provides a regional as well as prospect-specific understanding or interpretation of the geologic risk and hydrocarbon potential.

To remove this function from an agency which has a largely regulatory role and relocate it in DGGs is appropriate for purposes of objectivity. The transfer of the function to DGGs would involve at least one full-time employee associated with basin analysis from DOG with funding. The committee recommends that the position be located in Anchorage. The current oil and gas effort in Fairbanks is recommended to be transferred to Anchorage as soon as feasible because that is where a majority of the clients reside.

Expected Results

This reallocation of effort will not only enhance the credibility of the state's oil and gas data efforts but will also increase their utilization by placing these activities in one agency and making them more readily available to the Anchorage-based industry.

HYDROGEOLOGIC ACTIVITIES

Background

Alaska statutes state that the "systematic collection, recording, evaluation and distribution of data on the quality, location and quantity of water of the state in the ground, on the surface of the ground or along the coasts, are in the public interest and necessary to the orderly domestic and industrial development of the state." The DGGs no longer has a hydrogeology group performing these vital functions.

Since Alaska derives the majority of its revenues from its resources, the lack of a hydrology group is detrimental to the economy of the State.

What major industries require fresh water? Every major industry in Alaska: oil and gas, commercial and sport fishing, timber, mining, agriculture and dairy, manufacturing and commercial. Understanding Alaska's water resources is paramount to enabling industry to thrive in our state. Industry needs fresh water and growing human populations need growing water supplies. Rural communities in Alaska do not have adequate water to support their populations. Many communities are living in third world conditions. Neither do these communities have adequate water to support industrial development that would encourage self-sustained economic development. Establishment of local economies in rural Alaska will relieve the pressure on government support. Alaska needs to increase its available water supplies to ensure economic and all other growth. The state needs to understand our water resources--water may be the most valuable resource in Alaska.

Needs of the State

Industry, the public, legislators, universities and regulatory agencies all need access to data on surface and ground water quality, stream flow measurements, meteorologic data, ground water levels, trace element distribution, well logs and geophysical logs. The State of Alaska must collect and disseminate this data, as well as maintain and expand existing databases. A brief outline of water information needs follows:

- ◆ Many of our rural communities lack the most basic of water needs (i.e., flush toilets). Hepatitis and other sanitation-related diseases are all too common in Alaska. Residents of many of these communities are frequently forced to live in poverty. Alaska needs to protect existing known water supplies and develop new sources of water for its more than 320 communities. With adequate water supplies, communities could develop industries like fish processing, creating local jobs and economic independence. Communities need technical data on ground water, surface water, and water quality plus technical assistance to develop water supplies. Public concerns about water quality and environmental impacts need to be addressed.
- ◆ The public needs to know when landfill leachate or coal mine drainage may affect their water supply and they cannot always get sufficient information from the Department of Conservation because the data often does not exist.
- ◆ The State of Alaska needs technical expertise to evaluate impacts from hazardous waste releases on state property to assist regulatory compliance actions, to evaluate enforcement actions, or to provide detailed risk analysis.
- ◆ Alaska's fisheries are dependent on water flow and water quality. Water quality data and in-stream flow measurements does not exist for much of the state. Alaska's fisheries need this data.
- ◆ The Department of Natural Resources is responsible for managing water rights. The department needs to know who has water rights, who has water wells, how the wells are being used and how proposed uses will impact existing water resources. This requires databases of wells and water quality, geology and hydrogeology. Technical studies of entire areas may be required to allocate water rights. The Department of Natural Resources needs hydrogeologists and chemists to conduct these studies and to provide technical assistance.
- ◆ Most of the water well database is inadequate and inaccessible for state and public needs. Alaska needs to update and maintain this database. Existing well logs should be scanned and distributed on CD-ROM to satisfy public needs.
- ◆ Collecting information about in-stream flow is critical to many industries. Alaska has vast numbers of streams in many diverse regions. This information is necessary for fisheries management, erosion control, hydroelectric projects and mining. Although data collection can be shared with federal agencies like the U.S. Geological Survey, Alaska needs to be responsible for this data on state lands.
- ◆ Mining, mine impacts, mineral exploration and mine regulation all depend on water quality, watershed analysis and water supply. The mining industry needs inventories, stream flow data, water quality data, ground water levels and quality, and watershed mapping.
- ◆ River erosion regularly impacts pipelines, roads, homes, railroads, residences, indeed rural communities. Maps showing potential hazards would reduce risk, allow for intervention and planning. The state needs river erosion data and prediction expertise. The state could produce the maps for less than we now pay for erosion prevention after damage occurs.
- ◆ The state needs to evaluate special flood hazards from glacier-fed lakes and rivers such as the Kenai and Beluga systems. Long-term monitoring will lead to understanding and prediction of "outbreaks" such as Lake George events or Yakutat glacier surges.

- ◆ Decision makers when evaluating hydroelectric projects, ADOT/PF when protecting roads from erosion, the Alaska Railroad when designing for erosion, Fish and Game when managing resources, and the public when exploring for water all need basin flow analyses, watershed mapping, and the technical assistance.
- ◆ The interaction of meteorologic impacts with stream flow is unknown in most of the state yet it is very important for resource management and development.

Client Funding Requirements/Budget Impacts

Many state agencies use ground water information and require expertise and thus represent potential funding sources. The DNR is responsible for allocating water rights and managing many of the state's water resources. Division of Mining and Water Management now has some of the hydrologists that formerly worked for DGGs. Other state entities that may be able to help fund hydrology studies include the Alaska Department of Fish and Game, Department of Community and Regional Affairs, and Alaska Industrial Development and Export Authority. The public is another source of revenues, from purchases of publications and maps. A strong potential also exists for DGGs to partner with the petroleum and mining industries.

Recommendations

In order to attract sufficient industry to help develop Alaska's vast resources the state needs to invest in cataloging its own water resources. Continued lack of development will likely result in additional decline of revenues into the next century. Alaska is more than 20 years behind other states in mapping its water resources. We must catch up.

The committee recommends that a hydrogeologic unit be reinstated within the DGGs.

STATE SEISMOLOGIST

Background

DGGs is charged by state statute with the responsibility of identifying, monitoring, and mitigating earthquake hazards. For more than a decade, the scientific focal point of this effort has been the Office of the State Seismologist, now at the University of Alaska Fairbanks Geophysical Institute (UAFGI) rather than DGGs. The State Seismologist and his or her deputy(s) operate the state seismic network and communicate information on earthquake likelihood, occurrence, magnitude, location, and effects from the net and related studies to appropriate state officials and agencies. The office, which was established by statute in 1984, has an interesting history that highlights some of the challenges to assigning a physical and administrative home to mission-oriented geoscience.

The state seismic network was first established in the 1960s with the U.S. Air Force funding and operated from the UAFGI. The primary motivation of the sponsor was monitoring of Soviet nuclear tests. Network operations remain at UAFGI today, and the net has grown to about 150 remote, self-contained stations dispersed around the state but concentrated in more populous regions. Funding was shifted from the military and, later, the Atomic Energy Commission and its successors, to the U.S. Geological Survey and State of Alaska. Support from the USGS is through the National Earthquake Hazard Reduction Program (NEHRP). The USGS contributes \$250 K/year and also assigns its own staff to the laboratory. State support is through base funding for UAFGI and totals about \$650 K/year. The university does not apply an overhead charge to the state funds, but 50 percent overhead is charged on federal expenditures. The overall strength of the Seismology Laboratory effort is greatly augmented by \$550 K/year from the Volcano Hazards Program of the USGS for volcano seismology.

It seems appropriate for the state with the largest earthquakes and the greatest challenges in monitoring them. Of necessity, the State Seismologist has, from inception of the position, been physically co-located with net operations at UAFGI. However, the first incumbent was employed by DGGGS as a consequence of DGGGS's natural hazard responsibility. This caused some strain, as the State Seismologist was not available for informal discussions among DGGGS staff and, for his part, felt that the strongly geologically oriented DGGGS placed a low priority on seismic work. One of the disadvantages of partnering with other organizations is that the DGGGS participant may be seen as "doing his/her own thing" by DGGGS, particularly if the work is done off-site, however beneficial the work may be.

In 1986, there were substantial layoffs from state government due to a precipitous decline in oil revenue. Because positions within DGGGS do not distinguish among types of geoscientists, the State Seismologist would have been "bumped" by more senior non-seismologists, eliminating seismology with DGGGS even though both state and federal support for the seismic network continued. To accommodate this situation, funding was transferred to UAFGI and the State Seismologist was employed there in a non-tenure track, research faculty position. This change was formalized by modification of the relevant statute in 1987. The current State Seismologist is a Research Professor at UAFGI, and has an office in the UAFGI's Seismology Laboratory. This is logical from the standpoint of network operations, but has diminished DGGGS' role in earthquake issues. A staff member of DGGGS did serve on the UAFGI search committee when the current State Seismologist was sought and hired.

Justification

Alaska has experienced the second and third largest earthquakes on Earth this century, and will continue to be subject to violent and damaging seismic events. Although the Good Friday 1964 quake of south-central Alaska is famous, the fact that the Fairbanks region has had three magnitude 7 earthquakes in the past half century is less well known. Earthquakes affect all aspects of human activity in Alaska, and even relatively small events could have severe consequences in winter. Unique conditions in Alaska, such as extreme cold in winter and ice and glacial silt in soils, make the presence of local expertise especially important. Damaging consequences can be mitigated by planning growth and construction in a way that takes seismic risks into account. Monitoring of earthquakes, though not yet predictive in capability, permits rapid focusing of relief efforts. As a hazard that affects all of society, knowledge of the occurrence and mitigation of seismic hazards is clearly within the purview of DGGGS.

Clients

The most important clients of the State Seismologist are the Office of the Governor and the Alaska Division of Emergency Services, who must be informed immediately of the occurrence, severity, and geographic extent of an earthquake disaster. In a crisis, delivery of medical services, shelter, food, and water, and maintenance of energy supplies are immediate concerns. In normal times, information on the location of active faults and unstable soils in earthquake-prone areas is very important to both public and private sector planners. The State Seismologist must coordinate his/her efforts with those of other networks operated under the national monitoring program, NEHRP, of the USGS. Finally, the network represents an extremely important research tool. Data from it must be readily available to the university community and to the scientific community outside the state. The data contain information on crustal and mantle structure and large-scale (tectonic) crustal plate motion that is of global significance.

Recommendations

The committee finds that the State Seismologist serves an important role that needs continued support from the state. The issue of the physical and administrative location of the Office resembles in some ways the issue of the location of DGGGS as a whole. It should be noted, however, that history here and common practice in other states favors location of seismic net operations at the University. Other universities that

operate state- and federally-funded seismic nets include University of California at Berkeley, California Institute of Technology, University of Nevada at Reno, and the University of Washington. This reflects the importance of a state net as a research, as well as a monitoring tool and is probably a prerequisite for federal support. Given this and the fact that staff who maintain the net work for UAFGI, it seems logical that the State Seismologist position continue to be at UAFGI. Nevertheless, DGGGS can still serve as a repository for seismic risk information and in an advisory capacity during earthquake crises. In addition, it should continue its efforts in engineering and geotechnical aspects of mitigating the problem. Ties between the State Seismologist and DGGGS should be strengthened, at least by MOU spelling out areas of responsibility and mechanisms for cooperation, and perhaps, if administrative constraints permit, a joint appointment. However, a joint appointment between DGGGS and UAFGI for the State Seismologist could be made only under conditions that do not permit a repetition of the "bumping" that occurred in 1986.

Expected Results

Although the office of the State Seismologist will remain at the UAFGI, the relationship between DGGGS and the State Seismologist will be formalized in order to coordinate delivery of information on earthquake hazards and to respond collaboratively in an earthquake disaster.

PARTNERS, CLIENTS, AND FUNDING

Background

The issues of partners, clients, and funding are closely interwoven. The terms used in this report are as follows: A partner shares staff, funds, facilities, and logistics to attain a common goal and are other agencies or like-minded organizations, (i.e., U.S. Geological Survey, University of Alaska's Geophysical Institute, etc). A client is one who expects a product (usually specific). In the current fiscal climate, a client can be expected to pay for services and/or supply logistical support. Clients include other agencies, Native corporations, private industry, boroughs, public, and legislators. It is possible for an entity to be both a client and a partner.

Support may be in the form of money, shared office space, filing, and library systems, computer/telecommunications systems, helicopter and other forms of logistical support, and shared staff. These arrangements, some of which are currently more-or-less informally in place, can result in financial and personnel savings for both the long and short term.

Geological surveys in other states have found that they can significantly augment their direct state funding by pursuing pertinent timely programs with other state departments or divisions, federal agencies, local governments, and all facets of the private sector. These surveys are seeing increased success in raising funds through their clients and/or partners, for projects that address specific needs, save the state money, and supply needed baseline data that can be utilized in future programs. Presently nearly ten percent of the Washington state survey's total budget is derived from a single contract with Spokane County, for a water resources study. More than 90 percent of the Texas Bureau of Economic Geology's budget is derived from sources other than direct support. Other examples of the successful search for external funding include:

- ◆ Colorado--75 percent of total funding is from external sources
- ◆ Kansas--70 percent outside sources
- ◆ Nevada--50 percent of the funding is from external sources
- ◆ Idaho--outside funding constitutes 30-40 percent of the total expenditures
- ◆ Arizona--about 25 percent of total expenditures are non-state funds

Generally, these funds are used for operating expenses and to hire contract experts. The state core funding should cover salaries of permanent staff and facilities. This is something we can develop. The

committee recognizes that this does not happen overnight, for example, Kansas took 50 years to get 70 percent outside funding. To achieve this one must have continuity in planning and leadership, and persistent effort.

Justification

The development of strong and interactive client and partner relationship constitutes the foundation upon which the DGGs can increase its funding base and react in a timely manner to emerging problem areas or issues. In fact, such a cooperative network, with its attendant financial support, should allow the survey to become more proactive and more effectively anticipate the needs of both the public and private sectors.

Recommendations

Based on the examples which demonstrate the success other states have had in securing external funding, with sufficient planning and an entrepreneurial approach the DGGs should be able to raise, from external sources, a significant addition to its state derived expenditures.

One of the possible keys to successful long-term funding opportunities could be through a broad-based, cooperative approach involving several state departments working in concert to secure federal funds. Even with possible decreases in the level of direct federal aid to the states, there appears to be support for some type of block grant to help pay for programs previously financed by the federal government. Some of these grants could be designed for or directed toward long-term integrated projects which take a program from "the cradle to the grave."

The committee's recommendation is to aggressively pursue all viable sources of external funding and use those funds to support operating expenses and the use of contract expertise. The state core funding should be increased to pay salaries of permanent staff and facilities.

Expected Results

Programs that involve two or more state agencies or departments would be long term in nature, and proceed from acquisition of the basic geological and geophysical data, through the determination of the economic viability of the program, to the development and distribution of the final report or product. The program and its funding, which could be proportionately distributed to the various departments, could move from one department to another sequentially or simultaneously. Examples might be programs that (1) demonstrate the existence, quality, economic viability, development and distribution of coalbed methane as a cheaper fuel for an isolated interior village; (2) study of the existence of geohazards, their potential impact, design or monitoring programs, and development and evaluation of regulations concerning activities within the area of interest; or (3) baseline data for the Department of Environmental Conservation.

The committee strongly supports the idea of partnering and shared funding. An example of a highly successful partnering effort, the Alaska Volcano Observatory (AVO), has been included as an appendix to this report.

ADMINISTRATIVE LOCATION OF DGGs

Background

The DGGs was conceived and established to serve the State of Alaska. As discussed earlier in this report, its mission is to collect, evaluate, archive, and distribute geologic data and interpretive information on the state's energy and mineral resources, earthquake and volcanic hazards, and water quantity and quality. This information has historically served other state agencies, land managers, industry, the engineering community, and the general public.

Justification

DGGS is housed in the Department of Natural Resources because energy, minerals, and water are resources fundamental to the state's health and wealth. Geologic hazards profoundly affect the development and maintenance of the state's energy and mineral resources, communities and infrastructure, and the welfare of its people. Its location within DNR most directly connects DGGS with agencies and people who need the information DGGS can provide.

Recommendation

The committee has investigated various alternatives to the administrative location of DGGS within DNR by interviewing other state geological surveys in the United States that have various administrative relationships with their legislative, industrial, engineering, public, and academic communities. The committee considered these examples with special circumstances of Alaska's fundamentally resource-based economy. The viable alternatives are (1) remaining in DNR; (2) restructuring as an independent commission directly responsible to the governor and cabinet; and (3) becoming an adjunct to the university system.

As an independent commission answering to the governor, designation of priorities for the project work assigned to DGGS could swing radically from one administration to the next. Politics could have a very negative influence on the progress of projects, due to radical shifts in administrative policy or the whims of governors. In the long term, a stable environment allows greater efficiency and a faster response time to the great variety of political, economic, and public demands on DGGS for geologic expertise, analysis, and information. In view of a long term, stable environment, the committee concluded that an independent geologic commission would not be adequately insulated from political variations.

Within the university system, DGGS could perhaps retain a smaller core of scientists and still maintain scientific "critical mass" needed to accomplish multidisciplinary projects by drawing more heavily on the university geologic faculty and students. Other potential advantages include shared lab facilities and administrative costs, and enhanced scientific credentials and respect. This is a solution employed by several (15) other state geological surveys. The committee sees two main drawbacks to this solution.

First, within the university system, DGGS could very easily be too isolated from its clients and from a daily dialogue with partner agencies that would keep prioritization of its efforts on a steady course, relevant to the needs of its main clients. The university has not historically been a client of DGGS. Second, the exciting academic research environment of the university, and likely involvement with teaching and student advisory request and opportunities, although stimulating, would compete with the practical geologic project work that define the mission of DGGS. The threat of "academic isolation" is too real, and has traditionally been one of the main complaints about DGGS and other state and federal scientific agencies, even when they are not associated with universities. At present, located less than a mile from the university campus, the DGGS already enjoys the benefits of stimulating geologic interaction, student labor, and shared laboratory facilities.

It is the view of the committee that DGGS already has the best of both worlds: physical proximity to the university and administrative proximity to state government. Remaining within DNR would also protect DGGS from university politics. The university is addressing its own budgetary cutbacks and conserving energies for its teaching mission. Sharing people and resources that are already stretched too thin could strain relations within and between DGGS and the university. In the interest of long-term stability, independence from the university system would best serve DGGS and ultimately its clients.

Expected Results

DGGS should remain as a division within DNR. The Commissioner and state Advisory Board would continue to negotiate priorities and timeframes for projects undertaken by DGGS. The Commissioner, other agency leaders, and the State Geologist should coordinate DGGS project work with that of other agencies within DNR, and any other clients that require the expertise of DGGS.

N?

STATE GEOLOGIST

Background

The State Geologist has a critical role in the scientific affairs of Alaska. The position carries the responsibility of knowledge of natural resources, geologic hazards, and current technologies available to the geoscience community. The position requires an individual that has strong leadership capabilities and the vision to guide the DGGS in its role as a responsible, proactive resource agency in the future.

One of the primary roles of the State Geologist is to secure adequate budgets for DGGS to preserve existing programs. As a result of recent budgetary degradation the DGGS is only able to provide low-level maintenance of high profile programs. However, opportunities do exist to obtain funding from non-traditional public and private sources.

Justification

Alaska is a significant repository of petroleum and mineral reserves, and coal and water resources and the state economy is strongly resource-based. The vast size and resource potential of the state combined with the extreme potential for geologic hazards dictates the need for a strong state geological survey. Due to the conditions presented the survey must be a very multi-faceted agency, likewise the individual filling the State Geologist position must have a very diverse background and be conversant in all aspects of the geology of Alaska.

Recommendations

The committee recommends that the position of State Geologist be filled without delay with a nationally recognized earth scientist noted for exceptional public vision and real knowledge of private resource industries. It is highly recommended the individual selected for the State Geologist has understanding of both state-level and federal political processes.

Because of the nature of the professionals within an agency such as DGGS, the State Geologist must have strong leadership qualities. The State Geologist must have the ability to be a strong manager and consensus builder for programs which may be unpopular from a strict scientific perspective. The individual selected for the State Geologist will be required to move the DGGS from traditional survey programs, such as regional mapping, toward projects that reflect new and changing public needs. The State Geologist should have the experience to predict shifts in resource industry requirements and public attitudes and awareness towards hazards and development and be one step ahead.

The new State Geologist must address new areas of funding potential such as partnering and cooperative agreements with both public agencies and private industry. Working with private industry and public agencies will be a primary function of the position.

Through the Geologic Mapping Advisory Board, the State Geologist should prioritize projects and staff them accordingly to assure quality products completed in a timely manner.

Candidates for State Geologist should be identified by a panel of scientists and citizens named by the Geologic Mapping Advisory Board. The constituent panel should forward their nominations to the Commissioner for final selection.

We recommend that the basic term be staggered across election year boundaries to provide continuity to DGGs. The position must also have sufficient tenure to be attractive to high quality individuals. Therefore, the committee proposes a five-year renewable term for the position.

Expected Results

The selection of a well-recognized, multidisciplinary earth scientist as State Geologist will provide DGGs with strong leadership to carry the agency forward into the next century. Results of this selection should conclude with the identification and appointment of an individual with capabilities to effectively address

- ◆ local legislature during budgetary hearings;
- ◆ other state agencies for cost-sharing programs;
- ◆ federal agencies for cost-sharing and cooperative agreement programs;
- ◆ and private industry for cooperative agreements.

STAFFING

Background

DGGs mission requires maintaining expertise in a variety of geologic disciplines to meet the state's needs with respect to identification and development of resources, monitoring, mitigation of hazards, land use, and regulation.

Justification

To accomplish the various missions of DGGs, there are several key staffing needs that must be provided for and maintained. These include:

- ◆ A variety of regional and topical expertise to identify, prioritize, propose, and execute projects through the Advisory Board and other agencies. The State Geologist will need input, support, and ideas from staff.
- ◆ The breadth and flexibility to evolve with changing scientific needs into the 21st century.
- ◆ The regional background and depth to identify the needed expertise for contracting on special projects (this includes both expertise in a discipline to recognize, for example, the need to contract an expert in magnetics or seismic interpretation for a specific data set *and* enough background in the field to know who are the experts to call).
- ◆ A sufficient number of professional scientists to cover:
 - main Alaska regions (north, central, south, southwest, and southeast);
 - main functions of DGGs (mapping, geochemistry, geophysics, mineral deposits, basin analysis, hydrology, seismic hazards, volcanic hazards, and environmental)
 - basic disciplines (igneous petrologist, metamorphic petrologist, sedimentary geologist/stratigrapher, structural geologist, surficial geologist, economic geologist, geochemist, and geophysicist).

The committee recognizes that a number of these specialties overlap.

Recommendations

The core staff size should remain relatively constant over at least the near term, roughly five years. Short-term changes in staffing can be accommodated by using temporary or contract employees, or involving

employees from other agencies in partnering arrangements. Proposed staffing levels and disciplines, based on the concept of two DGGs offices, in Fairbanks and Anchorage, are presented below.

Suggested staff allocation assigned to Anchorage would include the State Geologist, hydrologist(s), sedimentologist/stratigrapher, structural geologist/seismic geophysicist, GIS expert, and necessary administrative support staff. The remaining staff would be located in the Fairbanks office.

Over time, it would be highly desirable to reallocate personnel between the two offices on the basis of need and proximity to the principal client(s). As an example, it would be an advantage to ultimately have hydrogeologic capability in Fairbanks and mining geologists and an engineering geologist in Anchorage. Given a demonstrated need and additional sources of funding for DGGs these staffing changes could also be met by carefully managed additions to staff.

Expected Results

The location of the State Geologist and a small regional staff in Anchorage should greatly enhance the working relationships with both clients and partners. The level of financial support from both partners and clients should significantly increase, and new sources of revenue will eventually open up to the DGGs.

PHYSICAL LOCATION OF DGGs

Background

The main office of DGGs has been located in Fairbanks for most of its existence. At various times DGGs has also maintained offices in Anchorage and Juneau. Presently all DGGs employees are located in Fairbanks, except for the curator of the Geologic Materials Center in Eagle River. In the 1970s, the Fairbanks offices of DGGs were located in the O'Neill Building on the University of Alaska campus. An off-campus location was subsequently obtained at the university's request and to save costs. During the 1980s, several DGGs employees had offices in the DNR complex in Fairbanks. Currently all employees are located in office space about a half mile from campus and in Alaska Volcano Observatory office space at the Geophysical Institute.

This committee has weighed the benefits and disadvantages of the various past locations of DGGs offices and employees, and considered the effectiveness of DGGs in each situation. The most important factors relating to the effectiveness of DGGs in meeting its responsibilities to clients include communication and cooperation between DGGs, the Commissioner, and other state and federal agencies, communication and cooperation between DGGs and university faculty and students, access to university lab facilities and part-time student help, and access clients such as industry, engineers, Native corporations, and the public have to DGGs.

Justification

NO The Fairbanks location of DGGs has distinct advantages because of the Fairbanks' location of a large component of the state's mining community, access to the university, and a geographically central location. It has drawbacks with respect to interagency communication, although the State Geologist frequently travels to Anchorage and Juneau to meet with the Commissioner and other agency leaders, and also with respect to accessibility to the energy industry and the bulk of Alaska's population.

Clients

The main disadvantage of the Fairbanks location of DGGs is its inaccessibility to a range of clients. These clients are found within the energy industry, the remaining contingent of the mining industry, the

engineering community, and the hydrologic/environmental industry. These clients have significant geologic needs in southern Alaska.

One major user of geologic information is the energy industry, which is based in Anchorage. The Division of Oil and Gas, whose mission is predominantly regulatory, is located in Anchorage and for practical reasons acquires its own geological baseline information needed for energy-related regulatory decisions. DOG has competent geologists capable of meeting these needs. If this responsibility is removed from the purview of DGGGS, there are dangers in that (1) DOG information is confidential and unavailable to other clients, and (2) data collection and analysis by a regulatory agency could have the appearance of being self-serving.

Another need for geologic expertise in southern Alaska arises from some of Alaska's most salient geologic hazards, earthquakes, and volcanoes, which are concentrated in the general vicinity of Anchorage. Much of the data collected for monitoring these hazards is processed at the Geophysical Institute on the University campus in Fairbanks, and the USGS maintains an observatory headquarters in Anchorage that works closely with UAF, USGS, and DGGGS volcanologists in Fairbanks. The two parts of the Alaska Volcano Observatory coordinate a rapid response to eruptions. But emergencies aside, there is a larger need for geologists to provide information with respect to earthquake hazards that will affect structures and transportation systems in southern Alaska, for the engineering community and for public safety in general.

A growing concern in Alaska is water quantity and quality. Increasing population pressure, and long-ignored problems with disposal of hazardous materials on military bases have resulted in a dynamic hydrologic and environmental geologic industry that has a pressing need for baseline geologic and hydrologic information. In the 1980s, the water program was removed from DGGGS and transferred to the Division of Mines and Water in DNR. However, this is primarily a regulatory agency, and as with DOG, there is always the problem of credibility when a regulatory agency collects and maintains its own baseline data. In another section of this report, the committee recommends that water information functions should be returned to the mission of DGGGS. A large component of the hydrologic/environmental industry and the mining and water regulatory agency are located in Anchorage, and expertise in Fairbanks at DGGGS is not adequately accessible to Anchorage-based clients of DGGGS. In addition, the USGS Water Resources Division has its main offices in Anchorage, and coordination would be mutually beneficial.

Recommendation

The committee recognizes clear advantages to the location of DGGGS in Fairbanks near the university campus. These advantages include accessibility to DGGGS for the large Fairbanks-based mining industry, access to university facilities and scientists for DGGGS, and a location geographically centered in the state. There is also a demonstrated need for geologic expertise in DGGGS in Fairbanks to address hydrologic and environmental problems in northern Alaska, particularly now with the recent development of mineral properties in the Fairbanks and Circle mining districts.

The committee also recognizes an unfulfilled need for DGGGS to have a presence in Anchorage to deal with a larger, and growing client base in southern Alaska. A presence in Juneau for southeastern Alaska is also warranted, but is seen to be a luxury in the present fiscal climate. The committee recommends that DGGGS maintain offices in both Anchorage and Fairbanks.

There are obvious budgetary concerns with this recommendation. The Fairbanks office is perceived to be understaffed to meet its project responsibilities and can not afford to lose scientists by transfer to Anchorage. In addition, DNR can not afford a major staff increase in this time of diminishing funds. An attractive possibility is to move a few geologists from the Division of Mining and Water Management and the Division of Oil and Gas who are already located in Anchorage over to DGGGS and to replace the few recently retired geologists from Fairbanks with new hires in Anchorage. To minimize the understaffing

problem, it would be most efficient to split along disciplinary lines with energy and water focused in Anchorage.

Because the Commissioner, most other state and federal agency leaders, and the greater proportion of DGGGS clients in industry, transportation, and the public are in Anchorage, we have already recommended that the most logical and efficient residence for the State Geologist is Anchorage. It is anticipated that the State Geologist will need to meet with, generate proposals to, and respond to this large and diverse group of partners and clients on a daily basis. The State Geologist will obviously need a strong deputy in Fairbanks, and will need to visit Fairbanks on a regular basis.

The location of the DGGGS office in Fairbanks has risen as a subject of debate. There is an opportunity for DGGGS to move to a planned new wing of the Geophysical Institute on the university campus. There are clear scientific advantages to being housed with other geologists and in the same building with lab facilities. This location would also somewhat alleviate the feeling of isolation within DGGGS because they would be surrounded with university scientists. However, DGGGS has had offices on campus several times in the past, and there have been problems that ultimately resulted in moving back off campus. The present location, less than a mile from campus allows proximity to university scientists and insulation from university politics, including unpredictable fee structures developing from university budget variations. Any future space-sharing agreement with UAF should take these past problems into account. Another alternative would be to move DGGGS in the DNR complex in Fairbanks. This would be advantageous for cooperation and collaboration with other state agencies, but would probably result in less communication with the university scientists because of the physical separation. Although it is extremely important for the State Geologist to interact with other state agency leaders, that will happen in Anchorage, and the individual scientists will benefit more from proximity to university facilities and student labor. The committee suggests that the present location of the DGGGS offices in Fairbanks is a good compromise.

The optimum location of the Anchorage component of DGGGS will also be a compromise between scientific advantages and political necessities. The committee concludes that it is essential for the State Geologist to be in close contact with the Commissioner and other state agencies, which translates to finding space near the other DNR agencies in the Frontier Building. This would also maintain accessibility of the regulatory agencies to water and energy scientists. An alternative would be office space adjacent to the USGS offices on the Alaska Pacific University campus, which would facilitate collaboration with USGS hydrologists, surficial geologists working on earthquake hazards, and geologists in the Alaska Volcano Observatory. University politics are less of a threat on the APU campus because it is very small and university politics are consequently smaller scale. APU acts simply as a landlord to the USGS. There is a geology faculty of one, and although USGS scientists occasionally provide a lecture, there have been no students available for help.

Expected Results

With a presence in Anchorage DGGGS will more easily interface with other state agencies, will be more accessible to industry and the public in southern Alaska, and will have stronger collaboration with the USGS in building a hydrologic database across the state. The location of the State Geologist in Anchorage is anticipated to increase exposure and access to funding-opportunities both within and outside of state government.

APPENDIX

EXAMPLE OF PARTNERING

Background

The Alaska Volcano Observatory (AVO) is a cooperative organization that uses federal, state, and university resources to monitor Alaska's hazardous volcanoes, predict and record eruptive activity, and implement public safety measures. AVO focuses on volcanoes in the Cook Inlet region, Alaska's most populous area and one important for international air transportation, oil and gas production, commercial fishing and tourism. Eruptions of three volcanoes in this region have significantly impacted human activities in each of the past five decades. The program also monitors other Alaskan volcanic areas because of their potential for catastrophic events or as a guide to Cook Inlet volcanism. AVO is a joint program of the U.S. Geological Survey, Geophysical Institute of the University of Alaska Fairbanks, and the State of Alaska Division of Geological & Geophysical Surveys. Components of the program are:

1. Monitoring, principally with a seismic network but supplemented as needed through geodesy, slow scan TV, satellite, geochemical, hydrologic and spectroscopic observations, to detect eruptive precursors and to track and record ongoing eruptions.
2. Communication to disseminate public safety information. This component involves general education concerning volcanic hazards as well and timely warnings of impending eruptions and the areas these eruptions will impact.
3. Basic geological, geochemical, and geophysical investigations to determine the history, physical characteristics, and eruptive mechanisms of Alaska volcanic systems, as a guide to future activity.

Justification

Alaska's Aleutian volcanic arc contains more than 50 geologically young and potentially explosive volcanic centers. Together, these have erupted once or twice each year since the turn of the century. In addition, more than 20 catastrophic caldera-forming eruptions have occurred in the past 10,000 years. The most recent of these was the great eruption of 1912 near Mt. Katmai on the Alaska Peninsula in what is now Katmai National Park. Approximately 30 km³ of pumice and ash were erupted in 60 hours, filling a large glacial valley with up to 200 m of ignimbrite and dumping 30 cm (when fully compacted) of ash on Kodiak, 160 km down wind. The event was accompanied by floods, mud flows, magnitude 6 earthquakes, and the collapse of Mt. Katmai to form a 3-km-diameter, 1-km-deep caldera. This remains the largest eruption of this century on Earth, but numerous young caldera structures elsewhere in the arc show that its size is not without precedent here. With a record of unnumbered "average" eruptions and several truly world-class events in the Holocene, the Aleutian arc is clearly the most dangerous area in the nation with respect to explosive volcanism, and one of the most important such regions in the world.

Hazards associated with explosive volcanism take many forms. The most direct are the explosions themselves. Eruption clouds most often rise vertically above the vent, but they may be laterally directed as well. Ballistic ejecta pose a hazard to aircraft and buildings within a few kilometers, sometimes farther if the blast is directed. Hot, fast moving pyroclastic flows can reach out along valley floors many kilometers from the eruptive center. Usually more far-reaching are the consequences of ash falls from the eruptive plumes, which can make air and surface travel impossible and, in major eruptions, cause buildings to collapse. Perhaps of equal seriousness in Alaska is the presence of water and ice on and around active volcanoes. Eruptions cause catastrophic melting of glacial ice generating mud flows which can travel tens of kilometers. Volcanic cones, over-steepened by eruptive or intrusive activity, can undergo sector collapse. Debris flows thus generated will, if they enter the sea, cause tsunamis and attendant widespread devastation along shorelines.

Alaska is sparsely populated, and so the potential for near-field damage is low in most cases. There is however, a high potential for repeated disruption of air traffic, oil and gas production, commercial fishing, tourism, and military operations due to ash plumes and falls, and far-reaching mud flows and tsunamis. This threat is most serious in the Cook Inlet region, where Alaska's population is concentrated. Augustine is the most active of the Cook Inlet centers, with 6 explosive eruptions this century. In 1883, a volcanic debris flow shed by Augustine entered the sea, apparently triggering a tsunami that inundated the harbor of English Bay on the lower Kenai Peninsula. This type of activity remains a serious threat to coastal Kenai communities. The most recent of Augustine eruption closed businesses in Anchorage and halted transportation throughout southern Alaska in March and April of 1986. An eruption of Spurr in 1953 caused significant ash falls in Anchorage. In 1989-1990, the explosive eruptions and associated mud flows of Redoubt volcano disrupted air travel, caused nearly \$100 million of damage to aircraft, and required \$20 million of preventive measures at a neighboring oil terminal. Mount Spurr erupted again in 1992, dusting Anchorage with ash and causing the airport to be shut down for a day. These were modest eruptions by Aleutian arc standards, but Cook Inlet has reached the level of development where even a small eruption can have major consequences. Meanwhile, traffic on North Pacific air routes has grown to the point where about 10,000 passengers per day transit the Aleutian Arc. Some 70 percent of cargo between eastern Asia and the United States is landed at Anchorage, which has become the first-ranked freight airport in North America. All that is required for a lethal accident is an ash cloud to reach 30,000 to 40,000 feet above one of these volcanoes undetected.

History of Development of AVO

Volcanology in Alaska can be regarded as beginning with the great eruption of 1912. The burial of the village of Kodiak under a thick blanket of ash, all the more disturbing to the inhabitants because they did not regard themselves as being near a volcano, triggered a four-year search for the eruptive vent on the remote Alaska Peninsula. That search, funded by the National Geographic Society and led by Robert Griggs, discovered the Valley of Ten Thousand Smokes and initiated debates and inquiries that have become themes in modern volcanology. However, volcanology was not extensively practiced by Alaskans until modern-style investigations of the Aleutian Arc were begun in the 1960s and 70s by UAFGI, the branch of Alaskan Geology of the USGS, and DGGs. Motivations for all three organizations included basic research, volcano hazards, and geothermal energy. The UAFGI and USGS work had a substantial basic research component, whereas DGGs efforts emphasized a statewide survey of geothermal resources. DGGs conducted detailed studies of Redoubt, Makushin, Geyser Bight, Akutan, and Spurr magma/hydrothermal systems and undertook monitoring of the fumaroles at Cook Inlet volcanoes. Much of the DGGs effort was funded by the U.S. Department of Energy. UAFGI and USGS established limited volcano seismic networks for monitoring purposes. In 1982, the Workshop on Alaskan Seismology organized by DGGs formally called for the establishment of a research consortium to coordinate and strengthen these activities for the Cook Inlet region. Although Alaskan scientists worked toward this goal, it remained for Augustine Volcano to bring their efforts to fruition. In response to the disruption of commerce caused by the 1986 Augustine eruption and in consultation with Alaskan scientific leaders, members of the Alaskan congressional delegation asked the USGS to outline requirements for a volcano observatory, incorporating existing USGS, UAF, and DGGs facilities and expertise. As a result, the Alaska Volcano Observatory (AVO) was established in 1988 as a joint program of the USGS, UAFGI, and DGGs, under a Memorandum of Understanding signed by the Chief Geologist of the USGS, the Director of UAFGI, and the State Geologist. The \$500K/year federal contribution was an annual Congressional add-on to the USGS budget and was adequate only for minimal geophysical monitoring of the Cook Inlet volcanoes.

The original concept was to monitor Augustine, however the mission was soon broadened to include Augustine's neighbors. This was fortunate, because Redoubt Volcano burst into eruption on December 14, 1989, only two months after Redoubt's seismic network was placed on line. The precursor seismic activity, which preceded the eruption by only 24 hours, was successfully detected, with appropriate warnings issued.

Under these emergency conditions, AVO's level of effort was rapidly expanded from its modest base to encompass monitoring of gas, tephra, eruption-caused lightning, and floods as well as visual monitoring by slow-scan TV and satellite. Warnings were issued prior to the major eruptive events of January 2, March 23, and April 6. Of special note was the use of meteorological data to predict plume trajectories and the timely evacuation of personnel from the Drift River Oil Terminal prior to a major debris flow.

The number and severity of explosive eruptions at Redoubt required a labor-intensive response, for which several million dollars in federal funds were made available. Two AVO centers evolved. One in Anchorage was staffed by the USGS, directed most field operations, and interfaced with federal agencies and concerned commercial enterprises (aviation, oil and gas). The center in Fairbanks, located at the Seismology Laboratory of UAFGI, was staffed by UAFGI, USGS, and DGGs personnel. It focused on real-time acquisition and interpretation of seismic data, and interfaced with state agencies. Two DGGs personnel were "drafted" early in the crisis, one to provide volcanological expertise and the other to help run the then-overloaded computer system. Their time was covered through a combination of state supplemental and emergency federal funds. Following the eruption, federal funding of AVO dropped from a peak of \$6 million/year to \$3 million/year. State support of communications, volcano work within the Seismology Laboratory, and part of the time of DGGs personnel totaled about \$500K/year.

The next crisis, the Mount Spurr eruptions of 1992, was also successfully predicted by AVO. Because of fewer explosions and consequently less disruption than Redoubt, Spurr activity brought no new federal dollars, but did help AVO to become a permanent, USGS-budgeted part of the Volcano Hazards Program. The state provided \$300 k in emergency funds through the Division of Emergency Services to UAFGI to defray the cost of replacing eruption-damaged equipment, greatly increased helicopter time, and maintaining 24 hour/day operation. At this writing, the approximate funding levels of \$3 M from USGS and \$0.5 M from the state continue. Federal support may increase to accommodate monitoring of Alaska Peninsula and Aleutian Islands volcanoes. DGGs now contributes 18 person-months per year to AVO, for which it is reimbursed for 13 months by the USGS.

Discussion

AVO exemplifies the type of partnering that can enhance the effectiveness of a government program and eliminate wasteful duplication. This approach respects the historical role that the USGS, UAF, and DGGs have played in volcanological studies, and combines the perspectives, missions, and strengths of these organizations. The USGS is the federal agency with primary responsibility for warning of volcanic and hydrologic hazards in the US (Disaster Relief Act of 1974). The USGS has extensive experience in volcano monitoring and the management of observatories, and in times of crisis can draw on its substantial resources of expertise outside the state, including scientists from its Cascades of Hawaiian observatories and its center at Menlo Park, California. The DGGs has a similar mandate for hazard mitigation within the state and possesses important expertise in acquisition and management of state geologic and geophysical data. More than the other organizations, it provides the Alaskan perspective within AVO. As an educational and research institution, UAFGI brings a tradition of productive research and also provides a route for student involvement in AVO. This is cost-effective for AVO operations and represents an exceptional scientific opportunity for students. This partnership is also important from a political standpoint. It is a matter of significance to legislators in Juneau that support for DGGs and UAF augments a significant federal effort within the state, and it is of importance to Congress that the State of Alaska takes volcano hazards seriously and contributes to the monitoring effort. The appropriate proportions of state and federal support are difficult to quantify. More important is that both entities acknowledge through their support that volcano hazards in Alaska have an impact at both the local and national levels.

Although the need for partnering in the form of AVO was recognized in 1982, it did not occur until propelled by the dual forces of crisis and new money. The challenge for the future of DGGs will be to

develop partnerships without such forces, but where the only incentive is increased effectiveness in accomplishing the DGGs mission. To do this, partnering must be seen by both employees and management as a good thing. In general, partnering will require some base of state support: it leverages state support rather than replacing it. A special effort must be made to maintain contact between DGGs and DGGs employees who are stationed at partner institutions. Finally, personal initiative in obtaining outside funds should be seen as increasing job security and flexibility, rather than decreasing security by reliance on outside "soft" money.

HB

539

40
 Cheryl Sutton
 from Sharon Mc
 FAX 2267

HOUSE RESOURCES STANDING COMMITTEE
 March 14, 1996
 1:12 p.m.

HB 539 - NAME CHANGE FOR SOIL AND WATER BOARD

Number 2022

CHERYL SUTTON, Legislative Assistant, Representative Bill Williams, introduced HB 539 by reading the sponsor statement into the record:

"House Bill 539 was introduced by request of the Soil and Water Conservation Board. It simply changes the name of the Board to the Natural Resources Conservation and Development Board. This request has been made for the following reasons:

MS. SUTTON further stated, "The declaration of policy for the board is to provide for the development, use and conservation of the farm, forest and grazing land of the state. The present name does not reflect adequately that the board has a resource development as well as a conservation mission.

"MS. SUTTON continued, "This name change is in agreement with that of the major federal player in the partnership -- the Natural Resources Conservation Service. This organization changed its name from the Soil Conservation Service in the Department of Agriculture.

MS. SUTTON proceeded, "The board, as well as the local Soil and Water districts, has a close tie with the NRCS Alaska Resource Conservation and Development offices in assisting rural regions of the state in adding value to their available resources.

MS. SUTTON concluded, "The name change will not affect any of the statutory responsibilities of the board. It has a zero fiscal note."

Number 2070

JEFF HARTMAN, Executive Director, Alaska Soil and Water Conservation Board, Department of Natural Resources, stated that the third mission of the board is to advise the commissioner and make recommendations for a specific action necessary for effective and orderly development of agriculture, forests and grazing land.

MR. HARTMAN explained the board's present name does not reflect that, and (the board feels) that the name change to the Natural Resources Conservation and Development Board is appropriate. The name change will not affect the function and there is no cost.

?
What the board miss

Number 2137

REPRESENTATIVE DAVIES inferred that the title appears to change the scope of work of the board.

Number 2161

MR. HARTMAN responded that the "Natural Resources" part of the name does reflect the Natural Resources Conservation Service (NRCS), the board's federal partner, in the Department of Agriculture.

MR. HARTMAN explained that the main issue is the "development" aspect and the resources include forestry and agriculture. Two members of the present board are involved with game ranching and a health farm in the Kenai, and one member is the past president of the Reindeer Herders Association. The board is involved in many resources other than land and water, and the "Natural Resources" reflects that we work for the Department of Natural Resources and our major federal partner, the Natural Resources Conservation Service.

OK?

MR. HARTMAN said the board is not trying to assume any duties of the Oil & Gas Conservation Commission. Our emphasis is on rural development and "value added" development of the program, and specifically, the resource conservation development within the NRCS.

Number 2274

REPRESENTATIVE PETE KOTT wondered who developed the language in the boards and commissions manual as to the board's function.

MR. HARTMAN was not able to answer that question. He did say that the Alaska Soil and Water Conservation program will have its 50th anniversary next year. He said this bill does not change the Alaska Soil and Water program, nor the district, but the one aspect of the program, the five member advisory board to the commissioner, we are seeking to change, is the name change.

REPRESENTATIVE KOTT suggested looking at the language in the function because the current board name would serve the function, at least, in the boards and commissions handbook, and might be more appropriate than a new name.

MR. HARTMAN said that if the name change is approved, he will draft a new mission statement for the boards and commissions handbook.

Number 2328

MS. SUTTON explained that the purpose for this particular board is outlined in statute. She said the language is fairly clear and does seem to fit with their purpose in statute.

Number 2345

REPRESENTATIVE DAVIES said that the purpose in statute for the

present Alaska Soil and Water Conservation Board fits under the proposed new title, but that is because the proposed title is so broad. He asked Mr. Hartman if he considered something like the "Agricultural and Silvicultural Conservation and Development Board."

MR. HARTMAN replied that that was not specifically addressed by the board when they arrived at the present name.

MR. HARTMAN apprised the committee of the board's interest in developing tourist related products from natural resources. He said he was looking at a birch wood box in Aniak, which is not agricultural, but it is utilizing a natural resource with the help of the Natural Resources Conservation and Development Board to develop a market. He said the board is also working with others and trying to broaden the scope into locally available resources in the soil and water district. He talked about a project in the Willow area of making pressboard out of wood chips. He said that is not agricultural but it is using byproducts from a lumber mill and making a marketable product. Another project in Fairbanks is a dog "waste" compost project making compost and fertilizer from a dog team waste.....(end tape)

TAPE 96-32, SIDE B

Number 000

REPRESENTATIVE KOTT moved that HB 539 move from the House Resources Committee with individual recommendations and attached zero fiscal note.

Number 015

REPRESENTATIVE DAVIES objected.

Number 033

CO-CHAIRMAN WILLIAMS said he would hold the bill for a quorum and rescheduled HB 539 for Monday, March 18th.

*Check new
here's draft - Sharon 2/27*

HOUSE RESOURCES STANDING COMMITTEE
March 18, 1996
8:13 a.m.

HB 539 - NAME CHANGE FOR SOIL AND WATER BOARD

Number 101

JEFF HARTMAN, Executive Director, Alaska Soil and Water Conservation Board, Department of Natural Resources, reported that the board felt that the perception of what the board did was not clear with the present name of "Soil and Water Conservation."

MR. HARTMAN pointed out that state statute defines the board's function as development use and conservation. The board felt the name change would more accurately reflect what the board views as their function which is not only conservation but, also, the development of resources, specifically, in rural Alaska.

Number 200

REPRESENTATIVE JOHN DAVIES understood the inclusion of the word "development," but did have a problem with the further name change to "Natural Resources." He said justification for that part of the name change is not addressed and broadening the title to Natural Resources Conservation and Development Board takes in many other possible areas. With "soil and water" in the name, we knew what the board was supposed to be doing. "Natural resources" covers the whole waterfront and, possibly, includes oil and gas or fisheries.

REPRESENTATIVE DAVIES suggested changing "Natural Resources" to "Agricultural and Forestry Conservation and Development Board."

Number 289

MR. HARTMAN said the board is an advisory board to the Department of Natural Resources; the department does not cover fish and game. The board represents land owners and much of the resources are more than just soil and water such as forestry and developing tourism related products using natural resources. In Aniak, one potential development product is wild berries. It is a locally available, but underutilized, resource.

MR. HARTMAN briefed the committee about an ongoing project in Fairbanks of converting dog waste into a usable fertilizer, and a potential project of converting ground water into a usable resource for the green house industry.

MR. HARTMAN said "Natural Resources" was chosen because the Natural Resources Conservation Service, U. S. Department of Agriculture, changed its name from the Soil Conservation Service; and because

the board is a principal advisor to the commissioner of the Department of Natural Resources, we felt that "Natural Resources Conservation and Development Board" was in keeping with that.

Number 450

MR. HARTMAN agreed that the board's principle base is agricultural but the base is broader and the board wants to reflect that change of emphasis because the whole resource conservation development program in the Natural Resources Conservation Service is relatively new to Alaska and it brings a lot of capability.

Number 495

CO-CHAIRMAN GREEN noted the arrival of Representatives Scott Ogan and Irene Nicholia.

Number 518

REPRESENTATIVE ALAN AUSTERMAN moved that HB 539 move from the House Resources Committee with individual recommendations and attached zero fiscal note. Hearing no objection, HB 539 passed out of the House Resources Committee.

Alaska State Legislature



Representative William K. Williams

Committees:
House Resources
Co-Chairman
World Trade &
State Federal Relations
Transportation
Rules
Oil & Gas

During Session:
State Capitol
Juneau, AK 99801-1182
(907) 465-3424
Fax (907) 465-3793

In Ketchikan:
352 Front Street
Ketchikan, AK 99901
(907) 247-4672
Fax (907) 225-8546

SPONSOR STATEMENT

House Bill 539

An Act changing the name of the Alaska Soil and Water Conservation Board.

House Bill 539 was introduced by request of the Soil and Water Conservation Board. It simply changes the name of the Board to the Natural Resources Conservation and Development Board. This request has been made for the following reasons:

- The declaration of policy for the board is to provide for the **development, use and conservation** of the farm, forest and grazing land of the state. The present name does not reflect adequately that the board has a resource development as well as a conservation mission.
- This name change is in agreement with that of the major federal player in the partnership -- the Natural Resources Conservation Service. This organization changed its name from the Soil Conservation Service in the Department of Agriculture.
- The board, as well as the local Soil and Water districts, has a close tie with the NRCS Alaska Resource Conservation and Development offices in assisting rural regions of the state in adding value to their available resources.

The name change will not affect any of the statutory responsibilities of the board.

FISCAL NOTE

STATE OF ALASKA

BILL NO. HB539

1996 LEGISLATIVE SESSION

Revision Date: Original Dept Affected Natural Resources
 Title: An act changing the name of the Alaska BRU: Agricultural Development
Soil and Water Conservation Board. Component: Agricultural Development
 Sponsor: House Resources
 Requestor: House Resources Component Serial No. 455

(Thousands of Dollars)

Expenditures/Revenues	FY97	FY98	FY99	FY00	FY01	FY02
OPERATING EXPENDITURES						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

(Thousands of Dollars)

FUND SOURCE	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) 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)

There is no fiscal impact associated with implementation of this legislation.

Prepared by: Jeff Hartman, Executive Director, S&W Board *Jeff Hartman* Phone: 465-2495
 Division: Agriculture Date: 12-Mar-96
 Approved by Commissioner: *Mike Berman for John Brundage* Date: 12-Mar-96
 Agency: Natural Resources

HB

542

CS FOR HOUSE BILL NO. 542(FSH)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE SPECIAL COMMITTEE ON FISHERIES

**Offered:
Referred:**

Sponsor(s): HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to participation in matters before the Board of Fisheries by
2 members of the board."

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

4 * **Section 1. PURPOSE.** The purpose of this Act is to preserve and enhance the ability
5 of the Board of Fisheries to act as a lay board. To accomplish this goal, this Act requires
6 members of the board to participate in the issues that come before the board even though the
7 members have a personal or financial interest in the matter by virtue of their participation in
8 a fishery.

9 * **Sec. 2.** AS 39.52.120(c) is amended to read:

10 (c) In addition to other provisions of this section, a public officer who is a
11 member of the [BOARD OF FISHERIES OR THE] Board of Game may not act on
12 a matter before the board if the public officer has not disclosed in the manner set out
13 in AS 39.52.220 all personal or financial interests in a business or organization relating
14 to fish or game resources.

1 * Sec. 3. AS 39.52.120 is amended by adding a new subsection to read:

2 (d) Notwithstanding any other provision of this chapter, a public officer who
3 is a member of the Board of Fisheries must participate in matters before the board
4 even if the member has a personal or financial interest in the matter. Before
5 participating, the member shall disclose the interest on the record. Disclosure under
6 this subsection is not subject to AS 39.52.220. Participation in a matter before the
7 board after disclosure is not considered to be a use of state facilities to benefit personal
8 or financial interests under (b)(3) of this section. AS 39.52.240 does not apply to
9 matters related to this subsection.



REPRESENTATIVE ALAN AUSTERMAN Alaska State Legislature

P.O. Box 2368, Kodiak, Alaska 99615 (907) 486-5930 • Session: State Capitol, Juneau, Alaska 99801 465-2457

Sponsor Statement HB 542

"An Act relating to participation in matters before the Board of Fisheries by members of the board."

March 19, 1996

This legislation was introduced because of a growing frustration among fishing Alaskans. Alaskans involved in fisheries have witnessed an erosion in their Board of Fisheries process in recent years. The cause is the reinterpretation and consequent increased interference of the Executive Ethics Act by the Attorney General's Office.

HB 542 adjusts the conflict of interest laws in the Executive Ethics Act as they apply to the Board of Fisheries. It stipulates that all members will vote, after disclosure, despite their financial or personal interest. Historically, this is how the board functioned - with full participation after conflict of interest disclosure. It has only been in the last few years that a conflict has disqualified participation on a vote.

You have in your backup a memorandum from myself to Speaker Phillips which refers to a meeting a month ago that I arranged which was attended by six Board of Fisheries chairmen. Three of these chairmen came from a commercial background, three from a sportfish background. Their foremost recommendation was for a legislative fix to the conflict of interest of the Executive Ethics Act.

The chairmen unanimously emphasized a conflict of interest adjustment was necessary to minimize attorney interference in the board process and to require board members to vote. Furthermore, they asserted that members of the industry are necessary to and inherent in a successful lay board process. Today, under the current AG opinions, any financial involvement disqualifies a member from voting, thereby discouraging expertise on the board. Meanwhile, a personal interest has yet to disqualify any member from voting.

This bill will bring the Board process back to the people who know the industries and who know fish. Our Board of Fisheries is a model in resource management, longstanding in its successful track record and public involvement. HB 542 will let the Board of Fish function like it should, like it did, and how it was intended to work.

(2) people who serve as public officers retain their rights to interests of a personal or financial nature; and

(3) standards of ethical conduct for members of the executive branch need to distinguish between those minor and inconsequential conflicts that are unavoidable in a free society, and those conflicts of interests that are substantial and material.

(b) Unethical conduct is prohibited, but there is no substantial impropriety if, as to a specific matter, a public officer's

(1) personal or financial interest in the matter is insignificant, or of a type that is possessed generally by the public or a large class of persons to which the public officer belongs; or

(2) action or influence would have insignificant or conjectural effect on the matter.

(c) The attorney general, designated supervisors, hearing officers, and the personnel board must be guided by this section when issuing opinions and reaching decisions. (§ 1 ch 87 SLA 1986)

NOTES TO DECISIONS

Significance of personal or financial interest. — Substantial evidence supported the hearing officer's findings that Department of Corrections' official had neither a personal nor a financial interest in the awarding of a contract concerning

the housing of minimum security prisoners to a bidder for whom she had served as vice-president of operations. *Kila, Inc. v. State*, 875 P.2d 1102 (Alaska 1994). Cited in *Gates v. City of Tenakee Springs*, 822 P.2d 455 (Alaska 1991).

Sec. 39.52.120. Misuse of official position. (a) A public officer may not use, or attempt to use, an official position for personal gain, and may not intentionally secure or grant unwarranted benefits or treatment for any person.

(b) A public officer may not

(1) seek other employment or contracts through the use or attempted use of official position;

(2) accept, receive, or solicit compensation for the performance of official duties or responsibilities from a person other than the state;

(3) use state time, property, equipment, or other facilities to benefit personal or financial interests;

(4) take or withhold official action in order to affect a matter in which the public officer has a personal or financial interest; or

(5) attempt to benefit a personal or financial interest through coercion of a subordinate.

(c) In addition to other provisions of this section, a public officer who is a member of the Board of Fisheries or the Board of Game may not act on a matter before the board if the public officer has not disclosed in the manner set out in AS 39.52.220 all personal or financial interests in a business or organization relating to fish or game resources. (§ 1 ch 87 SLA 1986; am § 5 ch 121 SLA 1992)

Sec. 39.52.210. Declaration of potential violations by public employees. (a) A public employee who is involved in a matter that may result in a violation of AS 39.52.110 — 39.52.190 shall

(1) refrain from taking any official action relating to the matter until a determination is made under this section; and

(2) immediately disclose the matter in writing to the designated supervisor.

(b) A public employee's designated supervisor shall make a written determination whether an employee's involvement violates AS 39.52.110 — 39.52.190. If the supervisor determines that a violation could exist or will occur, the supervisor shall,

(1) reassign duties to cure the employee's potential violation, if feasible; or

(2) direct the divestiture or removal by the employee of the personal or financial interests that give rise to the potential violation.

(c) A designated supervisor may request guidance from the attorney general, in accordance with AS 39.52.240, when determining whether a public employee is involved in a matter that may result in a violation of AS 39.52.110 — 39.52.190. (§ 1 ch 87 SLA 1986)

Sec. 39.52.220. Declaration of potential violations by members of boards or commissions. (a) A member of a board or commission who is involved in a matter that may result in a violation of AS 39.52.110 — 39.52.190 shall disclose the matter on the public record and in writing to the designated supervisor. The supervisor shall determine whether the member's involvement violates AS 39.52.110 — 39.52.190. If a member of the board or commission objects to the ruling of the supervisor, or if the supervisor discloses an involvement requiring a determination, the members present at a meeting, excluding the involved member, shall vote on the matter. If the supervisor or a majority of the members voting determine that a violation will exist if the member continues to participate, the member shall refrain from voting, deliberating, or participating in the matter.

(b) The designated supervisor or the board or commission may request guidance from the attorney general, in accordance with AS 39.52.240, when determining whether a member of a board or commission is involved in a matter that may result in a violation of AS 39.52.110 — 39.52.190. (§ 1 ch 87 SLA 1986)

Sec. 39.52.230. Reporting of potential violations. A person may report to a public officer's designated supervisor, under oath and in writing, a potential violation of AS 39.52.110 — 39.52.190 by the public officer. The supervisor shall provide a copy of the report to the officer who is the subject of the report, and shall review the report to determine whether a violation may exist. The supervisor shall act in accordance with AS 39.52.210 or 39.52.220 if the supervisor deter-

mines that the matter may result in a violation of AS 39.52.110 — 39.52.190. (§ 1 ch 87 SLA 1986)

Sec. 39.52.240. Advisory opinions. (a) Upon the written request of a designated supervisor or a board or commission, the attorney general shall issue opinions interpreting this chapter. The requester must supply any additional information requested by the attorney general in order to issue the opinion. Within 60 days after receiving a complete request, the attorney general shall issue an advisory opinion on the question.

(b) The attorney general may offer oral advice if delay would cause substantial inconvenience or detriment to the requesting party.

(c) The designated supervisor or a board or commission shall make a written determination based on the advice of the attorney general. If the advice of the attorney general provides more than one way for a public officer to avoid or correct a problem found under AS 39.52.110 — 39.52.190, the designated supervisor or the board or commission shall, after consultation with the officer, determine the alternative that is most appropriate and advise the officer of any action required of the officer to avoid or correct the problem.

(d) A public officer is not liable under this chapter for any action carried out in accordance with a determination made under AS 39.52.210 — 39.52.240 if the officer fully disclosed all relevant facts reasonably necessary to the determination.

(e) The attorney general may reconsider, revoke, or modify an advisory opinion at any time, including upon a showing that material facts were omitted or misstated in the request for the opinion.

(f) A person may rely on an advisory opinion that is currently in effect.

(g) A request for advice made under (a) of this section is confidential.

(h) The attorney general shall publish in the Alaska Administrative Journal, with sufficient deletions to prevent disclosure of the persons whose identities are confidential under (g) of this section, the advisory opinions issued under this section that the attorney general determines to be of major import because of their general applicability to executive branch officers. (§ 1 ch 87 SLA 1986)

NOTES TO DECISIONS

Opinion not required. — In the absence of any personal or financial interest in the contested contract, and given the fact that state official did not participate in or influence the contract award process,

official was not required to contact the Attorney General regarding the alleged conflict of interest. *Kila, Inc. v. State*, 875 P.2d 1102 (Alaska 1994).



REPRESENTATIVE ALAN AUSTERMAN Alaska State Legislature

P.O. Box 2368, Kodiak, Alaska 99615 (907) 486-5930 • Session: State Capitol, Juneau, Alaska 99801 465-2487

MEMORANDUM

DATE: February 28, 1996

TO: Representative Gail Phillips, Speaker
House of Representatives

FROM: Representative Alan Austerman, Chairman
House Special Committee on Fisheries

RE: Board of Fisheries Chairmen's Meeting

Our Board of Fish chairman's meeting met in Anchorage on February 15th and 16th and was a great success. Thank you for the opportunity to assemble five prior Board of Fisheries chairmen and the current chairman for this meeting. The meeting was designed as an informal roundtable discussion. The only request on my part was to look at the outline of concerns I supplied for the meeting.

As I know you are aware, these are turbulent times for our fisheries and the board process which governs it. I know you share my thoughts that we need to identify and address some of the current trends regarding commercial fisheries.

The chairmen voiced concern about the current level of politics prevalent in Board of Fisheries appointments and in the legislative confirmation process in general. While some of it is inherent in the process, the level of questionably intended appointments and political motives abound at unprecedented levels.

The chairmen were unanimous that the Board of Fisheries remain a lay board. They felt it would be a great loss to the state if this process gave way to a professional board as other states have done. The resistance to the professional board primarily rests with the loss of varied experience to the board, public accessibility to the board and the longstanding successful track record of our Board of Fisheries.

It was also unanimous that a professional board be seriously considered only if the political interference continued and the conflict of interest could not be adjusted to be "workable" to foster the present lay board process. There was suggestion that establishment of a professional board would require careful implementation of specific guidelines for appointment and procedures which, the group felt, they could devise if the lay board changes could not be attained.

Specifically, in order to assist the lay board, the chairmen suggested (1) modification of the conflict of interest law, (2) adoption of a better appointment time frame, as in CSHB 141, and (3) provide Board staff support.

Conflict of Interest

The topic of conflict of interest took center stage at the meeting. The chairmen said that the application of the executive branch's conflict of interest laws and the recent interpretation of these laws, did the board a great disservice and rendered it nearly ineffective. There was concern that this law removes industry participants from participating in the process (which, they felt, is the biggest benefit of having a lay board). There was consensus that lawyers are clogging the system in order to promote their own political agendas. It was pointed out that, in the past, as long as the individual board members admit their conflict on the record and could justify their vote, the board functioned well. At the outset of the meeting the chairmen recommended possible application of the Legislative Ethics Act to the Board.

Change Board Appointment and Term Dates

Of all the legislation introduced on these subjects, the group preferred HB 141, a bill I sponsored which sets the appointment date closer to the confirmation date thereby minimizing the opportunity for new members to vote at board meetings held prior to legislative confirmation hearings. The bill also sets the beginning date of terms to July 1, so that new members are not thrown into a board meeting several days after appointment. That legislation is awaiting scheduling on the Senate Floor. Passage of HB 141 would be a major step in remedying some of the problems associated with the Board of Fish appointment process.

The chairmen stressed that individuals with high levels of integrity need to be appointed to the Board. There was some discussion suggesting a point system be established by statute. This point system would assist the Governor's adherence to certain criteria when deciding between given candidates. If appointments were not made in accordance to this criteria, justification would need to be established on record.

Staff Support

There was consensus that the Board is in dire need of some staff, separate from the Department of Fish and Game staff. It was suggested that a legal position is needed to assist with mediating issues, before they reach the board, and to help with preparation of findings, the legal justification of individual votes. There was also substantial support for the board to access biological and economic information, independent of the department, for obvious reasons. Positions specifically designated to the Board, or funding with RSA capabilities, would lighten the excessive demands on the lay board at a fraction of the cost of a professional board.

Two chairmen felt if the two major problem areas in fisheries, False Pass and Cook Inlet were addressed and resolved, the politics of the process would lessen and the board could better function. They recommended that this group make specific recommendations on these two areas to the board to most effectively get the Board on track.

Update on Conflict of Interest

Since the meeting in Anchorage I have had staff contact Mary McDowell in the Governor's Office and various attorneys in the AG's office. While Mary McDowell has indicated a willingness to work with us on an adjustment of conflict of interest laws for the Board of Fisheries, Neil Slotnick has indicated a reluctance to amend the conflict of interest solely for this board and not all boards at one time. Another attorney, Steven Daugherty (no relation to Amy), supports amending the financial conflict to any interest above 20 percent. That means a commercial fisherman could vote on issues regarding a fishery which composed 20 percent or less of his income. Steve White of the Attorney General's Office suggested that a loosening of the conflict of interest laws undermines public confidence in the Board.

Steven Daugherty also reviewed the Legislative Ethics Act to see if this could apply to the Board of Fisheries. This is not a quick fix because much of AS 24.60 does not or could not apply to the Board of Fish. I am still evaluating which sections should and could apply.

The chairmen's general request was that the Board members be able to vote despite financial ties and an adjustment was needed to relax the financial conflict of interest to more equalize it with the personal conflict of interest criteria.

Speaker Phillips - February 28, 1996
Page Four

My staff is pursuing this topic as a priority item. It is my plan to have legislation drafted in the very near future to address the conflict of interest. I feel that these past and present chairmen are a very valuable information resource that we should continue to draw them together and listen to their input.

Board of Fish Chairmen's Meeting
February 15-16, 1996

Chairmen present:

Bud Hodson

Tom Elias

Ron Jolin

Nick Szabo

Larry Engles

Mike Martin

Staff present: Amy Daugherty, Sue McNeil

Tape started twenty minutes after the beginning of the meeting.

Larry started the meeting saying that conflict of interest needs to be addressed. It is difficult to function as a board when members cannot vote on specific issues. Lawyers take over. He mentioned that Coffey has a conflict of interest with FISH.

Nick said the federal process should be looked at as a model to protect the public process, especially for the substantiation of the Board's findings. The Board should be set up like the NPFMC, state what your interest is but still vote. Then provide basis for the decision. A findings person would help.

Ron agreed there should be an exemption from conflict of interest because the process is hamstrung and void.

Bud defined the lay board as people who are in a fish business; professional board are people who are paid but don't otherwise participate in the fisheries. Professional decision makers. The board faces legal battles after decisions.

Larry suggested a larger board but, said that with more people there would be less consensus. Clarification or change between plurality needed or a vote of 4 required for decisions. Like 3-2 chum cap.

Nick wondered if decisions by the board were based on facts. If the decisions are based on facts,¹ then voting must be based on those facts. Instead the members vote for or against their political agenda, a misuse of the office.

Bud said that two issues would come up over and over again, Cook Inlet and False Pass. Take these two issues out and then the problems go away. He points to Larry and said that Coffey isn't in guiding and has no permit.

Tom Elias thinks that the board needs to be insulated from the governor, he insinuated that board members are thrown to the wolves and that keeps the best members off the board.

Mike said that lawyers have infiltrated the board process. Members are appointed based on their inclination to vote on 1 or 2 issues, Cook Inlet and False Pass. So fix False Pass and Cook Inlet. Instead of a professional Board give the board a better bag of tools to decrease the politics. Increase the integrity of the board members and keep the diversity of backgrounds. As far as public perception, fair play is being hurt, members should state facts why they vote, as they do for tactics, for lawsuits down the line.

Ron said that the Attorney General's office is over-involved in the board process to defend the board against lawsuits which are driving the system.

Nick said that a professional board, like the limited entry commission, would be a mouthpiece of the governor. He suggested a semi-professional board - fairly compensated like the legislators - with the staff that works just with the legislator. The board is not like a member of the cabinet and must avoid bias by the administration.

He believed the board needs a competent attorney, and economist. Sport fish would resist conflict of interest. The public process must be protected - give and take, fair process. We need to overcome the perception that board members are mini-legislators that champion an area's cause. The process needs to be protected from the legislature.

Tom said that the governor should have criteria for board members like judges so that the board is impartial.

Nick suggested a point system for board appointments such as a set number of points for: years as a resident, sport fish license holder, guiding, lodge owner, commercial fishing, processing, tendering, research, managing, industry representation and species importance. Add all the points together so that the public can see why a person is

appointed and the governor and subsequent legislators could give a written decision why one person is nominated over another despite the first person having higher points. There would have to be a good reason for the point discrepancy.

Amy asked about the long versus short range support that the legislature can give to the Board of Fish process.

Larry said this way the board will only get worse, when appointees are measured by the legislature and geographical pressure. Appointments should be made by the end of the legislative session.

Amy asked about moving the appointment date later, closer to the end of the session.

Nick said that confirmation in January is the worse time, May or June would be better.

Bud wants to see the appointees confirmed before they serve on the Board.

Larry said that there is consensus with those present at the meeting that the appointment time should be moved to later in the session. The way it is, is not good for the process.

Ron agreed that as things work now its not fair to the process nor for the people involved.

Mike said that within the legislative confirmation process the criteria for confirmation is based on how a candidate thinks on two issues, False Pass and Cook Inlet. Better if the legislature kicks them off because they haven't studied up on the issues. The process is reactionary. More planning needs to take place.

Amy asked what tools did he suggest.

Nick jumped in to say staff to support the board.

Ron said that the board is between the dept and the public.

Bud said that 10 days could be saved by taking staff reports in before the board meeting. A biologist on staff would help, because

ADF&G fills their own agenda with biology, starting to maneuver months in advance.

Tom suggested limiting staff reports to 15 minutes.
Ron suggested adding regional staff.

Mike wants to see the end of political pressuring.

Bud wants to see forms conducive to the process. He thinks economists should set criteria for local areas; and standardize data sets.

Tom says that biologists will withhold information because the commissioner doesn't want it publicized.

Nick says politicians will try to manipulate the process, they aren't going away. He echoes the need for staff that works just for the Board.

Larry said that board meetings are bad for decision making. He suggests work groups and professional mediators outside of the Board of Fish process, like the Yukon association, Kuskokwim, and Cook inlet and Kodiak.

Bud thinks there should be a mediator on staff. He warns though that the Board could shunt responsibility off to the mediator.

Tom thinks that the board requires more funds from the legislature which underfunds the Board of Fish.

Bud mentioned Judge Holland's decision, Kneitzi decision.

Tom thinks that there needs to be time to educate the new Board members.

Ron thinks that some of these ideas would be rough to do with a lay board.

Amy asks about 2 boards.

Tom says yes.

Nick says no.

Larry argues that no time is really saved, no money is saved.

Bud says yes.

Ron says that the board gives more via fisheries, into the general fund than it takes out of the fund. Since the shell fishery is small they could meet in the fall.

Larry suggests holding a separate hearing. Allocating time for crab only. Don't allow other issues to get tacked on.

Nick suggests a confirmation hearing criteria, to measure the board member's credentials through committee protocol.

Larry thinks that the findings need to be the facts that the decisions are based on, with dissenting votes justified.

Nick thinks the findings are like the minutes of the meetings, they are just facts. Different standards would be for voting on an issue, than on the findings.

Bud thinks that the minority can write up their own findings. They have their own interpretations of the facts. There should not be a findings person on staff because of the bulk of information. Perhaps if there was enough staff to handle the information.

Larry thinks that the process needs help by changing the conflict of interest, otherwise the board should go professional. This is part of the political process. Standards are nice but legislation is needed for just a few things.

Ron believes that petitions can't be allowed for agenda changes many times a year. Instead it is important for the fishermen to work with the decisions for three years, until the board meets again.

Nick thinks that the Mediation Task Force's study group, needs to be promoted to hash out problems. Coordinate the process, so that people are not excluded. This may help to bolster the public's confidence.

Amy reminded them that the mediators don't always know the fishery.

Nick reminded her that other issues were well resolved by the mediation process.

Mike thinks that there should be long term plans, sport fish in Cook Inlet has not been addressed. Allocation in the past has been between commercial interests. Sport fishermen have been excluded. The areas have not been seen as having unique needs.

Amy mentioned the Kott buy back as a means of reallocation. Kott's bill includes sport fish contributions. She mentions limited entry, to amend the constitution through HJR 51.

Nick said that few people that he has talked to think a 2nd board is good.

Tom thinks that it's a good idea because crab is contentious. Shellfish split off would give more expertise, and industry people. It would save time.

Larry argues that the time saved would be filled with other issues. Cost for the Board is \$6,000 a day while the board meets. Increase the number in the board to 9 to include crab.

Bud agrees with a second board including bottomfish.

Nick thinks the governor wants more state management of bottomfish, yet neither of the appointments know what a bottomfish is. Money spent on another board would be better spent elsewhere. The governor has not done his job in appointing members. Give criteria to the governor in the appointments. 2 boards would be more cumbersome. Better to resolve the politics. Once seats are allocated on the board to upper, lower Yukon and other geographical locations, the seats are taken before crab is even addressed.

Ron thinks that shellfish are in such bad shape that there aren't enough to make decisions on. Better to spend money elsewhere.

Tom doesn't care if they have to cut DOT, a fair share for F&G, sportfish and game divisions is needed, totally funded by sportmen's dollars. They aren't spending any general fund money.

Bud thinks 4-5 person crab fish board wouldn't increase costs.

Larry thinks that the time would still be filled.

Mike thinks the state should manage for biology and not for economics.

Larry thinks though that if someone is going to cough up more money, it should go to some of the other issues addressed and not to a 2nd board. Time would not be saved.

Ron reminds us that there aren't any shellfish, so the time could be in the spring or fall when the board is otherwise is not meeting.

Nick thinks that the board needs to be built up as it is and not diluted into 2 boards.

Mike thinks the shellfish should have a separate meeting, only.

Others agree.

Tom thinks that if the legislature doesn't change the ethics or appointment dates, there is no reason to meet. He thinks that this meeting holds knowledgeable, viable, people which spans the board for 25 years. Ground rules need to be met first, before meeting again. Talk with others.

No regional boards.

Nick thinks the governor needs criteria in board appointments. Political agendas should be cast aside for Board appointments. Strings should be attached, expertise needs to be all inclusive throughout the state.

Tom thinks staff reports are a waste of time. If we can have these demands (suggestions) met then we can contribute as a viable group of past chairmen. He wants a lay board.

Bud thinks it shouldn't be against the law to vote on the board and also participate in the fisheries. We don't want mid-winter appointments but if there are, the legislature should confirm them then.

Nick interjects that they can agree with the dates in HB 141. Allocation is based on economics, so our need for an economist and as

long as the board is involved in litigation, a person knowledgeable in law is needed.

They stipulate that for a lay board staff: mediator, attorney, biologist, economist ; substance of CSHB 141C as it is now.

Amy describes a professional board. It would be similar to the CFEC, 3 people in a closed room.

Others question what is a professional board, what is the definition of professional board. Like a judge?

Ron thinks this board process could end up like Washington State. (He didn't go into detail)

Mike thinks that Cook Inlet and False Pass drives the board and the politics behind it. A 2nd group away from the board is needed to make decisions. There has been no plan for the growing sport fisheries in Cook Inlet.

Ron reminds the group that the fish are at an all time high. The sport and charter fishery has changed salt to fresh water. What to do when there is a hot bed issue. CI and FP aren't the only hot bed issues that come up. He suggests someone come up with a workable plan to present to the governor with issues like these, in the future.

Tom thinks that this chairmaen's meeting first needs to be made a viable group which would happen when the legislature agrees tot he ethics changes that would need to be made. Otherwise they are wasting their time.

Nick questions the purpose of this group. He thinks they should remain generic not solving specific problems like FP and CI. That is the job of the Board. In 1975 Hammond was in office, FP was a problem then but it was Briatol Bay reds. Then there were much fewer fish (10%). They didn't need a super board to do that. This group has value once a year to be a buffer between board and leg.

Tom sees this group as providing expertise to get tools from the leg. to give to the board, not to solve FP and CI. Brainstorming for the Board of Fish.

Larry asks about the advisory committees.

Tom asks what is the make up of the advisory committee. If a committee is made up of 95% of one gear type there is no validity. To avoid bias there should be designated seats, like the Kodiak committee.

Larry says that joint boards do have mandated seats, but there is still controversy.

Bud says that designated seats are unique to each advisory committee. Like Dillingham has designated seats for villages not gear types.

Anch and Kodiak have designated seats for user groups.

Nick thinks that there are local issues hashed over, and the board will decide something else so why have an advisory committee. His board often went (voted) with the committee to promote the committee process and instill public confidence in the process. Kodiak was a good one, still is. Others were biased, set up and manipulative. PWS was another good one. Good ones were rare.

Bud thinks that it is the integrity of the people who are appointed as to how well the process works.

Generally agreed that there should be an orientation for new board members.

Tom thinks that public perception of the process is the number one issue. He has even had people removed from the meeting. Gave an example with Clem Tillion.

Ron thinks that 80% of what the board does is grassroots stuff. Hot bed issues that keep coming up try to undermine the process. The process needs to be protected. What is our task after this group?

Larry thinks that the advisory groups fall apart over political boundaries.

Nick advises that advisory committees stay regional and focused. The advisory committee process should be reanalyzed.

Bud said that it is language from ANILCA, and advisory committees were set up by the feds. Regional councils and advisory committees.

That is why the feds gave \$1.2 million. Things can be changed now because the funding is off.

Bud thinks this is the wrong time to be putting something forth as a group because the political implications with the governor's board appointments. Two months ago, or from now, would be a better time.

Tom says that when the conflict of interest changes then this group can work on criteria from here. Types of questions to be asked by the legislature or protocol for the governor to follow.

Mike thinks that tools are needed for the board to deal with CI and FP.

Bud thinks there needs to be long term planning like the rainbow trout management plan is one of the best. Visionary products, to see where are we going to be sport fishing, fish farming, Canada, Russia, Wash, Ore sport fishing? The solution can include processors, and the group here. How to get on top of the sport fishing growth before it becomes another bad Kenai River situation.

Bud said that in his board, participation was laxer than it is now. Members revealed their interests in an issue but still voted.

Larry says how can people participate when there is thousands of dollars in benefit.

Bud states and others agree that now lawyers are dictating the board decisions by interpretation of the ethics laws. Board decisions are dictated by the AG office.

Nick said that with White and Coffey there might not be a financial conflict but there is public perception that their conflict is just as great as those who own several permits and make money in fishing. Apparently White has no conflict of interest but...

Nick suggests amending Title 16 to recognize that the Board operates on a different standard. Some of the ethics laws are good (like not allowing closed meetings with 4 or more board members present) but others are not, actually interfering with the lay board process.

Governors are afraid to appoint people who are involved in the fishery because of the conflict of interest scare. But those are who you want on the board for diversity of experience.

Bud reiterates that a lay board is one who is made up of those who participate in the industry. After all everyone on the board has a bias, they cannot be taken away. Everyone has their own ideas. But openmindedness is important.

Nick said that there needs to be a broad representation on the board, more so than what has been on the board in the last few years with justification for the governors decisions on appointments.

Larry comments that apparently this governor wants to correct CI. He wants to ensure state management of fisheries, and may be willing to compromise other values. He senses FP has a lot to do with subsistence.

The question arises about restocking sockeye lakes. Stocking lakes is definitely long term projects, but first the state has to decide about CI to make longterm decisions on stocking, trophy, commercial decrease. Stocking doesn't take away the allocation questions. 103 systems in CI but access is reduced.

Bud says fish to the ocean becomes part of a common fishery. Can create more problems. Takes long term planning to harvest the resource. Management problems. CIAA is in charge of this.

Ron said aquaculture associations are supporting sportfish because of the increased interest in the sport.

Larry states that stocking is not a panacea, it has probably caused as any problems as it has solved.

We have to be careful because Spiridon Lake is in the middle of a National Refuge. Fish and Wildlife could dictate how fisheries would be allocated.

Amy reports that Steve White says it is possible to draft and amend the ethics act to exempt the BoF from conflicts of interest, and George is open to it. SW has to get a call from the administration. Mary McDowell said they backed off addressing this because they wanted to keep the public confidence, only financial interests are now only

disqualified. It would come across that we were undermining the board process as far as public confidence. Otherwise a policy call. They are open to suggestions on this.

Bud says they are suggesting just a small adjustment in the ethics statute.

Nick said, I'm looking for a fairly specific exemption, balancing it with staff support. We need to get more specific. The way the board interprets this law is probably right, it is the law that needs to be changed. For voting and participating in the meetings, we need a blanket exemption except some financial disclosures. The board should be more like the legislature and similar to the council.

Amy explains how it works in the legislature, with disclosure. Speaking with George Utermohle on speaker phone, legislature has its own ethics act.

Larry asks for language that will free the board from being hamstrung by the interpretation of the ethics law and return the board to the way it used to be as a lay board.

Bud tells George that because of the different interpretations of the ethics act by the AG's office it has become apparent that there is a trend to exclude board members who participate in fisheries, if it continues we will end up with a BoF where no one participates in fisheries, which is not the intent nor the desire of the public. The ethics law needs to be changed. We don't want to be totally exempt from the ethics law but we also want to function as a lay board.

George Utermohle said the solution comes in changes in statute. It is in the power of the legislature to develop standards similar to those applicable to the legislature.

Nick: in meetings, the board would use the legislature ethics act instead of the executive.

Ron said that this group needs to be in Juneau. It would be more efficient. Legislators and aides would be available.

Bud suggests to send a memo to the AG's office.

Mike said that this is what Alan should be doing contacting governor's office and legislature's legal.

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



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disqualified. It would come across that we were undermining the board process as far as public confidence. Otherwise a policy call. They are open to suggestions on this.

Bud says they are suggesting just a small adjustment in the ethics statute.

Nick said, I'm looking for a fairly specific exemption, balancing it with staff support. We need to get more specific. The way the board interprets this law is probably right, it is the law that needs to be changed. For voting and participating in the meetings, we need a blanket exemption except some financial disclosures. The board should be more like the legislature and similar to the council.

Amy explains how it works in the legislature, with disclosure. Speaking with George Utermohle on speaker phone, legislature has its own ethics act.

Larry asks for language that will free the board from being hamstrung by the interpretation of the ethics law and return the board to the way it used to be as a lay board.

Bud tells George that because of the different interpretations of the ethics act by the AG's office it has become apparent that there is a trend to exclude board members who participate in fisheries, if it continues we will end up with a BoF where no one participates in fisheries, which is not the intent nor the desire of the public. The ethics law needs to be changed. We don't want to be totally exempt from the ethics law but we also want to function as a lay board.

George Utermohle said the solution comes in changes in statute. It is in the power of the legislature to develop standards similar to those applicable to the legislature.

Nick: in meetings, the board would use the legislature ethics act instead of the executive.

Ron said that this group needs to be in Juneau. It would be more efficient. Legislators and aides would be available.

Bud suggests to send a memo to the AG's office.

Mike said that this is what Alan should be doing contacting governor's office and legislature's legal.

Bud says that this is a starting point for Amy to go from here. The ball is in the legislatures park before this group can do any more. Nick wants to see broader representation, qualifications for board members, narrowing the governor's discretion, ranked somehow. Long range planning is good, around which to make the regulations, but it does have its limitations.

Larry explains the rainbow trout plan, to get a long term plan, extended to Copper River and other parts of the state. Hatchery production is out of control, we need to look to the future.

Nick reminds the others that there is a limit to where this group can go.

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. HB 542

Title: HB 542
BOARD OF FISH ETHICS
Sponsor: C+RA COMMITTEE
Requestor: HOUSE SPEC COMM ON FISH.

Dept. Affected _____
BRU: _____
Components: _____
Serial # _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	0	0	0	0	0	0

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

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

FUNDING: (THOUSANDS OF DOLLARS)

General Fund						
Federal Fund						
Other						
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

see attached analysis

Prepared by:



ALAN AUSTEILMAN, CHAIR
HOUSE SPECIAL COMMITTEE
ON FISHERIES

Date: 3/20/96

Phone: 465-4230

Phone:

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. 1
CSHB 542

Title: CSHB 542 (FSH)
Board of Fish Ethics

Sponsor: C&RA Committee

Requestor: House Spec Committee on Fish

Dept. Affected _____
DRU: _____

Components: _____
Serial # _____

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (THOUSANDS OF DOLLARS)

General Fund						
Federal Fund						
Other						
TOTAL	0	0	0	0	0	0


POSITIONS :

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

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

see attached analysis

Prepared by:


Alan Austerman, Chairman
House Special Committee
on Fisheries

Date: March 20, 1996

Phone: 465-4230

Phone:

Another proposal considered and rejected by the committee was to split the present board into two boards--one to deal with salmon and herring or anadromous and freshwater finfish, the other to deal with marine fish and shellfish. The committee agrees with concerns that salmon interests have tended to dominate the board process, sometimes to the neglect of other fisheries. It feels, however, that to split the board would complicate management of resources and would not be in the best interests of the state or the resources.

The committee consensus is that the board should be structured to provide a comprehensive assessment of fisheries and fishery resources as a whole, and that fragmentation of this responsibility would increase the difficulty of designing and implementing a cohesive statewide and resource-wide fisheries policy. The feeling is that better staff support to the board will permit appropriate attention to non-salmon concerns as well as reduce time and effort demands on the board.

✓ (Other major concerns voiced in regard to conduct of the board relate to conflict of interest, special-interest bias, and influence on board members by special-interest advocates.

While it is recognized by the committee that conflict of interest and special-interest bias can be and has at times been a problem with board members, the unanimous view of the committee, and the majority view received from the public, supports appointment to the board of persons with hands-on knowledge of and experience with fisheries resources and sport, commercial, subsistence and personal use fisheries. The feeling of the committee is that even with a full-time board divested of financial interest in the industry, persons of sufficient knowledge and experience to qualify for appointment will bring with them, by definition, certain views commensurate with their experience and background.

Conflict of interest and special interest bias is not necessarily limited to commercial or financial interests, but also extends to sport fishing, subsistence and personal use. Any broad interpretation of conflict of interest or special interest would, therefore, tend to severely limit the number of qualified and knowledgeable persons available for appointment to the board. This does not mean, however, that both the governor and the legislature should not use reasonable care in avoiding the appointment of persons perceived as advocates of special interest groups.

Divestiture of fisheries interests by persons appointed to the board was carefully considered and ultimately rejected by the majority of the committee. Part

of the problem lies in the definition of financial interest and to what lengths this definition should be taken. In many cases financial involvement in the fisheries industry involves heavy investment of capital for gear and equipment, with demanding payment schedules which cannot easily be divested. To require such divestiture would, again, seriously limit the number of qualified persons available for appointment.

In addition, the majority view of the committee is that it is possible to conceal financial interests, and that to require divestiture would not prove meaningful.

But while the majority of the committee did not feel it necessary to require divestiture of financial interest for appointment to the board, it did unanimously reaffirm the necessity for full and clear disclosure by appointees of any and all financial investments in fisheries or fishery related businesses as well as membership in organizations.

The committee also considered a proposal which would require board members to abstain from discussing or voting on issues in which the member has any economic interest, including subsistence or personal use. It was decided that such a requirement would seriously hinder the board's ability to function, and that, while laudable in principle, absention should be at the discretion of the board itself. Currently, the board chairperson has the authority to decide whether or not a member has a conflict of interest which might influence their position and which should preclude his or her discussion or vote on a given issue. The committee recommends that the chair diligently exercise this authority.

The committee does recommend that board members be compensated by an appropriate salary while on board business. The primary concern is that recent time demands on the board make it financially difficult for persons to accept appointment, and that this difficulty may compromise appointment of the most qualified persons to the board. Salaries for board members should be comparable to those received by members of the North Pacific Fishery Management Council for their service.

4.5 Ex parte Communication:

In regard to inappropriate or undue influence on a board member by special interest representation, committee has drafted formal recommendations which expressly forbid ex parte communication with and lobbying of board members during board meetings. The purpose of this recommendation is not to forbid or curtail discussion of issues, but rather to ensure that such discussion takes place on the public record.

Attn:
Amy

HOUSE FISHERIES COMMITTEE 3/20/96 @ 5:00 PM
HOUSE RESOURCES COMMITTEE 3/22/96 @ 8:00 AM

MY NAME IS NICK SZABO, I WAS A MEMBER OF THE BOARD OF FISHERIES FROM 1975-1982 AND I'VE BEEN INVOLVED WITH ALASKA'S FISHING INDUSTRY FOR THE LAST THIRTY YEARS. I SUPPORT HR 542. I RECENTLY ATTENDED A MEETING OF THE PRESENT AND PAST FISHERIES BOARD CHAIRMEN CALLED BY REP. AUSTERMAN. THOSE ATTENDING SPANNED A 20 YEAR PERIOD OF BOARD SERVICE AND ALL WERE IN FULL AGREEMENT THAT THIS CHANGE WAS MOST NEEDED.

FISHERIES MANAGEMENT AND ALLOCATION DECISIONS ARE VERY IMPORTANT TO ALASKA'S ECONOMY. WE NEED THE FULL PARTICIPATION OF MEMBERS WHO ARE HIGHLY KNOWLEDGEABLE AND WIDELY EXPERIENCED IN A VARIETY OF DIFFERENT FISHERY USES. THE ISSUES ARE TOO COMPLEX AND TOO IMPORTANT TO RISK DECISIONS BY A BOARD THAT DOESN'T FULLY UNDERSTAND ALL THE IMPLICATIONS OF THEIR DECISIONS.

PEOPLE WITH A LOT OF KNOWLEDGE AND EXPERIENCE ARE LIKELY TO HAVE BOTH A FINANCIAL AND A PERSONAL INTEREST IN AN ISSUE. HOWEVER, THE EXECUTIVE BRANCH ETHICS ACT PROHIBITS PARTICIPATION BY A MEMBER WITH A PERSONAL OR FINANCIAL INTEREST AND THUS FRUSTRATES THE INTENT OF HAVING A BOARD COMPOSED OF MEMBERS WITH KNOWLEDGE AND EXPERIENCE. THE 7 MEMBER FISHERIES BOARD REQUIRES 4 VOTES TO PASS AN ACTION REGARDLESS OF HOW MANY MEMBERS ARE ACTUALLY PARTICIPATING. AT ONE TIME THE BOARD HAD 4 MEMBERS WHO HELD BRISTOL BAY SALMON PERMITS. UNDER THE PRESENT LEGAL OPINIONS, THAT BOARD COULDN'T FUNCTION ON ANY ACTION THAT DEALT WITH BRISTOL BAY. THERE HAVE BEEN OTHER SITUATIONS WHERE ONLY 4 OR 5 MEMBERS HAVE BEEN RULED ELIGIBLE TO PARTICIPATE. AN ACTION TO CHANGE THE STATUS QUO FAILED 3-2, YET A MOTION TO APPROVE FINDINGS IN SUPPORT OF THAT VOTE ALSO FAILED BECAUSE ONLY A PORTION OF THE MEMBERSHIP WAS ALLOWED TO VOTE. THE BOARD'S ACTION TO MAINTAIN THE STATUS QUO WAS NULLIFIED BY ITS INABILITY TO APPROVE FINDINGS.

YOU MAY HAVE MISGIVINGS ABOUT EXEMPTING THE BOARD FROM THE ETHICS ACT BECAUSE YOU FEEL IT MAY VIOLATE THE PUBLIC TRUST. THERE ARE OTHER WAYS TO PROTECT THE PUBLIC'S INTEREST WHILE STILL ALLOWING PARTICIPATION BY MEMBERS WHO ARE INVOLVED WITH THE ISSUE. THE PUBLIC WOULDN'T BE CONCERNED ABOUT BOARD MEMBER'S FINANCIAL OR PERSONAL INTERESTS IF THEY WERE CONFIDENT THAT THE BOARD MEMBER'S VOTE WAS IN THE PUBLIC INTEREST AND BASED ON THE FACTS ON THE RECORD. BY REQUIRING THE BOARD TO DOCUMENT THE REASONS FOR AN ACTION BY FINDINGS OF FACT, THE PUBLIC CAN BE ASSURED THAT BOARD MEMBERS ARE VOTING BASED ON THEIR EXPERTISE RATHER THAN THEIR CONFLICTS. THESE FINDINGS WOULD GIVE THE PUBLIC A WRITTEN BASIS FOR CONTROVERSIAL BOARD DECISIONS. POSSIBLY EACH BOARD MEMBER COULD ADDITIONALLY BE REQUIRED TO PRODUCE PERSONAL FINDINGS, EXPLAINING TO THE PUBLIC THEIR INDIVIDUAL REASONS FOR A PARTICULAR VOTE.

THESE ADDITIONAL OBLIGATIONS WOULD REQUIRE INCREASED STAFF SUPPORT, BUT IF THE BOARD IS TO REGAIN THE CONFIDENCE OF THE PUBLIC, THEN THEY ARE VERY MUCH NEEDED AND LONG OVERDUE.

HB

547

Alaska State Legislature



Representative William K. Williams

During Session:
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World Trade &
State Federal Relations
Transportation
Rules
Oil & Gas

HOUSE BILL 547

Concurrence

The sponsor concurs with the changes made in the Senate.

Changes:

1. Section 1. LEGISLATIVE FINDINGS

Deleted finding (1)

Added a new finding which became (9) in the amended bill.

2. Changed lines 22-24, page 4, by adding language which would further instruct the limited entry commission to investigate additional alternative methods for management programs for the fisheries included under the moratorium.



Official Business

Alaska State Legislature

SENATE CONCUR MESSAGE

State Capitol
Juneau, Alaska 99801-1182
(907) 465-3701

April 25, 1996

MESSAGE TO THE HOUSE

MADAM SPEAKER:

The Senate passed CS FOR HOUSE BILL NO. 547(RES) am
"An Act relating to a four-year moratorium on entry into Southeast Alaska
dive fisheries; and providing for an effective date." with the following
amendment:

Page 1, lines 5-7

Delete all of Section 1.

Page 2, following line 16:

Insert a new paragraph to read:

"(10) it is in the best interests of the state, the communities,
and the fishing industry that appropriate management options for the
various dive fisheries be identified and implemented as soon as possible in
order that the entry moratorium on any or all of the dive fisheries may be
lifted;"

Renumber the following paragraphs accordingly.

Page 4, line 21, following "(3)":

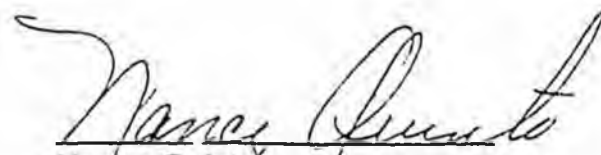
Insert "in cooperation with the Department of Fish and Game,"

Page 4, line 22:

Delete "limited entry"

Insert "a nontransferable limited entry or other management"

and so, CS FOR HOUSE BILL NO. 547(RES) AM S is returned for
consideration.


Nancy Quinto
Secretary of the Senate

LEGAL SERVICES

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130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

April 30, 1996

SUBJECT: Moratorium on entry into the Southeast Alaska sea urchin fishery (CSHB 547(kES) am))

TO: Representative Bill Williams
Attn: Cheryl Sutton

FROM: George Utermohle *GU*
Legislative Counsel

You have asked whether the state may establish a moratorium on entry into the Southeast Alaska sea urchin fishery.

The Southeast Alaska commercial sea urchin fishery is currently closed. Apparently the fishery has been closed due to management decisions of the Board of Fisheries and the Department of Fish and Game. The fishery may be reopened when the board and department consider it appropriate to do so. The fact that the commercial sea urchin fishery is currently closed, does not prevent the legislature from determining that there is a need for a moratorium if the sea urchin fishery is opened in the future. The state does not have to wait until actual experience shows that there are too many participants in a fishery or that the fishery resource is overexploited before establishing a moratorium. There is nothing in the Alaska Constitution that would preclude the imposition of a valid moratorium on entry into a fishery that has been previously closed for management reasons. As long as a moratorium on entry into the sea urchin fishery satisfies the purposes for which the Alaska Constitution (Art. VIII, sec. 15) authorizes limited entry, i.e. resource conservation and prevention of economic distress among fishermen and those dependent upon them for a livelihood, it seems evident that the state should be able to establish the moratorium.

It is my understanding that one of the reasons the commercial sea urchin fishery has not been opened is concern by the department that anticipated participation in the fishery may exceed the ability of the department to successfully manage the fishery on a sustained yield basis if the fishery is opened. If that is indeed the case, a moratorium on the fishery would have the effect of fostering greater participation in the fishery than would otherwise occur.

In my opinion, there is nothing in the Alaska Constitution or AS 16.43 that would preclude the state from establishing a moratorium on entry into the Southeast Alaska sea urchin fishery, if, as CSHB 547(RES) am states in sec. 1 of the bill, there is a need to do so in order

Representative Bill Williams

April 30, 1996

Page 2

to protect the sustained yield management of the resource and economic health of the fishery. The question of whether the state can establish a moratorium on entry into a fishery like the sea urchin fishery, is less important than the process by which the moratorium is established and the manner in which it is implemented.

If I may be of further assistance, please advise.

GU:pl:klb

96-145.plm

9-LS1802\F
Utermohle
3/26/96

CS FOR HOUSE BILL NO. 547(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RESOURCES COMMITTEE

**Offered:
Referred:**

Sponsor(s): HOUSE RESOURCES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to a four-year moratorium on entry into Southeast Alaska dive
2 fisheries; and providing for an effective date."

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

4 * **Section 1. LEGISLATIVE FINDINGS.** The legislature finds that

5 (1) limited entry is an important fishery management measure to promote
6 conservation and sustained yield management of fisheries resources of Alaska and to preserve
7 and sustain the benefits of fisheries development in Alaska;

8 (2) the Southeast Alaska dive fisheries for sea cucumber, abalone, and geoduck
9 may be approaching or exceeding the maximum sustainable harvest levels for these fishery
10 resources in the areas where the fisheries occur;

11 (3) the number of divers participating in the Southeast Alaska dive fisheries
12 was precariously high at the end of 1995;

13 (4) a moratorium on entry into the Southeast Alaska dive fisheries is necessary
14 to allow a proper review and analysis of the sea cucumber, abalone, geoduck, and sea urchin

1 fisheries before permanent damage is done to these fishery resources due to the accelerated
2 growth in participation in these fisheries;

3 (5) in recent years the Southeast Alaska dive fishery for sea urchin could not
4 be opened due to the lack of research and management tools and concern that a large number
5 of new divers would be difficult to manage and may threaten the sustained yield management
6 of the sea urchin resource;

7 (6) individuals who participated in the abalone, sea cucumber, and geoduck
8 fisheries in Southeast Alaska during 1994 and 1995, would have been likely to participate in
9 a sea urchin fishery during those years if a fishery had occurred;

10 (7) current economic dependence on a fishery is best demonstrated by recent
11 participation in, and economic reliance upon, a fishery;

12 (8) information currently available is insufficient to conclude whether entry
13 limitation under AS 16.43 would serve the purposes of AS 16.43;

14 (9) a moratorium on entry into the Southeast Alaska dive fisheries is necessary
15 to provide an opportunity to investigate alternative means of fishing effort regulation that may
16 be more appropriate for these fisheries;

17 (10) the Southeast Alaska dive fisheries have reached a level of participation
18 that may threaten the conservation of the sea cucumber, abalone, geoduck, and sea urchin
19 resources and the economic health and stability of the sea cucumber, abalone, geoduck, and
20 sea urchin fisheries; and

21 (11) the Alaska Commercial Fisheries Entry Commission has insufficient
22 information to determine whether the establishment of a maximum number of entry permits
23 for the Southeast Alaska dive fisheries under AS 16.43.240 would further the purposes of
24 AS 16.43.

25 * Sec. 2. AS 16.43 is amended by adding a new section to read:

26 Sec. 16.43.228. SOUTHEAST ALASKA DIVE FISHERIES. (a) A person
27 may not take sea cucumber in the Southeast Alaska sea cucumber fishery without an
28 interim-use permit issued by the commission. The commission may not issue an
29 interim-use permit for the Southeast Alaska sea cucumber fishery unless the applicant
30 presents proof satisfactory to the commission that during calendar year 1994 or 1995
31 the applicant commercially harvested sea cucumber in the Southeast Alaska sea

1 cucumber fishery while holding an interim-use permit for the Southeast Alaska sea
2 cucumber fishery.

3 (b) A person may not take abalone in the Southeast Alaska abalone fishery
4 without an interim-use permit issued by the commission. The commission may not
5 issue an interim-use permit for the Southeast Alaska abalone fishery unless the
6 applicant presents proof satisfactory to the commission that during calendar year 1994
7 or 1995 the applicant commercially harvested abalone in the Southeast Alaska abalone
8 fishery while holding an interim-use permit for the Southeast Alaska abalone fishery.

9 (c) A person may not take geoduck in the Southeast Alaska geoduck fishery
10 without an interim-use permit issued by the commission. The commission may not
11 issue an interim-use permit for the Southeast Alaska geoduck fishery unless the
12 applicant presents proof satisfactory to the commission that between January 1, 1994,
13 and January 31, 1996, the applicant commercially harvested geoduck in the Southeast
14 Alaska geoduck fishery while holding an interim-use permit for the Southeast Alaska
15 geoduck fishery.

16 (d) A person may not take sea urchin in the Southeast Alaska sea urchin
17 fishery without an interim-use permit issued by the commission. The commission may
18 not issue an interim-use permit for the Southeast Alaska sea urchin fishery unless the
19 applicant presents proof satisfactory to the commission that

20 (1) during calendar year 1992 or 1993, the applicant commercially
21 harvested sea urchin in the Southeast Alaska sea urchin fishery while holding the
22 appropriate interim-use permit;

23 (2) during calendar year 1994 or 1995, the applicant commercially
24 harvested sea cucumber or abalone in the Southeast Alaska sea cucumber or abalone
25 fishery while holding the appropriate interim-use permit; or

26 (3) between January 1, 1994, and January 31, 1996, the applicant
27 commercially harvested geoduck in the Southeast Alaska geoduck fishery while
28 holding an interim-use permit for the Southeast Alaska geoduck fishery.

29 (e) During the four years that a moratorium established by this section is in
30 effect, the commission shall

31 (1) issue interim-use permits for each fishery subject to (a) - (d) of this

1 section to applicants who satisfy the appropriate qualifications established under (a) -
2 (d) of this section and who establish the present ability and intent to participate
3 actively in the fishery;

4 (2) conduct investigations to determine whether a maximum number
5 of entry permits should be established under AS 16.43.240 for each fishery subject to
6 this section by

7 (A) conducting research into conditions in the fishery;

8 (B) consulting with the Department of Fish and Game and the
9 Board of Fisheries; and

10 (C) consulting with participants in the fishery; and

11 (3) conduct investigations to determine whether an alternative form of
12 limited entry program is appropriate for a fishery subject to this section.

13 (f) Notwithstanding AS 16.43.225, for the purposes of this chapter,

14 (1) an interim-use permit issued under this section shall be treated as
15 an interim-use permit issued under AS 16.43.225;

16 (2) a moratorium established under this section shall be treated as a
17 moratorium established under AS 16.43.225.

18 (g) The commission may not consider participation in a fishery, subject to a
19 moratorium on entry under this section, that occurs during the period of the
20 moratorium in determining eligibility for an entry permit that may be issued for the
21 fishery after termination of the moratorium.

22 * Sec. 3. AS 16.43.260(f) is amended to read:

23 (f) When the commission establishes the maximum number of entry permits
24 under AS 16.43.240 for a fishery that is subject to a moratorium under AS 16.43.225,
25 an applicant for an entry permit for the fishery shall be assigned to a priority
26 classification based solely upon the applicant's qualifications as of the effective date
27 of the statute or regulation establishing the moratorium.

28 * Sec. 4. AS 16.43.228(a), 16.43.228(b), 16.43.228(c), and 16.43.228(d), added by sec. 2
29 of this Act, are repealed July 1, 2000.

30 * Sec. 5. This Act takes effect July 1, 1996.

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Mail Stop 3101


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Juneau, Alaska 99801-2105

MEMORANDUM

March 20, 1996

SUBJECT: Draft bill providing for a moratorium on entry into the Southeast Alaska dive fisheries (Work Order No. 9-LS1802\A)

TO: Representative Bill Williams
ATTN: Cheryl Sutton

FROM: George Utermohle 
Legislative Counsel

This memorandum accompanies the draft bill relating to the Southeast Alaska dive fisheries that you requested. The bill may be subject to challenge as unconstitutional local or special legislation.

Article II, section 19 of the Alaska Constitution provides in part:

The legislature shall pass no local or special act if a general act can be made applicable. Whether a general act can be made applicable shall be subject to judicial determination.

The test employed by the Alaska Supreme Court under Article II, section 19 is substantially the same as that applied under equal protection analysis. Upon examining the legislative goals and the means used to advance them, the court determines whether the legislation bears a fair and substantial relationship to a legitimate state purpose. State v. Lewis, 559 P.2d 630, 643 (Alaska 1977), cert. denied, 432 US 901 (1977). To satisfy the fair and substantial relationship standard, the classification established by the legislation must be tailored to the purpose of the legislation. The classification must be neither overinclusive nor underinclusive. Isakson v. Rickey, 550 P.2d 350, 362 (Alaska 1976). If the "fair and substantial relationship" standard is met, the bill will not be invalidated because of incidental local or private advantages. Lewis, 559 P.2d at 643. In Lewis, the court agreed that an Act of statewide significance need not have an effect in all parts of the state; legislation does not become "local" merely because it operates only on a limited number of geographical areas rather than on a statewide geographical basis. The Lewis case involved the Cook Inlet land exchange and the court accepted the premise that the land exchange, while only affecting land in Southcentral Alaska, required legislation to be accomplished and was of statewide significance. The court relied heavily on the record developed by the legislature in support of the need for the land exchange and the decision to resolve serious issues surrounding Native land selections under the Alaska Native Claims Settlement Act through legislation authorizing the Cook Inlet land exchange.